



**OFFICE OF THE
AUDITOR GENERAL**

FINANCIAL AUDIT REPORT ON THE CONSOLIDATED GOVERNMENT ACCOUNTS OF THE KINGDOM OF ESWATINI

**FOR THE FINANCIAL YEAR ENDED
31ST MARCH 2023**



Supreme Audit Institution



KINGDOM OF ESWATINI

**REPORT OF THE AUDITOR GENERAL
ON THE
CONSOLIDATED GOVERNMENT ACCOUNTS
OF
THE KINGDOM OF ESWATINI**

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

ACKNOWLEDGEMENTS

I take this opportunity to express my utmost appreciation to all staff for their continued dedication to the work of the Office of the Auditor General, their hard work and cooperation that has led to the compilation of this report.

My Office continues to add value to the lives of the citizens of this country by monitoring and evaluating the use of the national budget and giving reasonable assurance to stakeholders that the funds appropriated by Parliament have been used for the intended purposes.

Aside from the importance of compliance with laws, rules and regulations, undertaking a financial audit itself provides valuable insight, and determines whether the Government of Eswatini is providing a true and fair view of its financial performance and position, which is what every Government wants to achieve. Hence, this report is aimed at providing reasonable assurance on whether the Consolidated Financial Statements of the Government of Eswatini presents fairly the financial performance and position of Government as at 31st March 2023.



KINGDOM OF ESWATINI

Office of the Auditor General
P.O. Box 98
Mbabane
H100
Kingdom of Eswatini

23rd February 2024

Honourable Neal Rijkenberg
Minister for Finance
P.O. Box 443
Mbabane
H100
Eswatini

Your Honourable Minister,

In accordance with Section 207 (5) of the Constitution of Eswatini and Section 15(3) of the Audit Act No. 4 of 2005, I have pleasure and honour to submit my report on the Audit of the Consolidated Government Financial Statements (Annual Accounts) for the financial year ended 31st March 2023, for tabling in Parliament.

Yours faithfully,

T. S. Matsebula
Auditor-General

TABLE OF CONTENTS

STATEMENT OF RESPONSIBILITY AND APPROVAL	1
AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS	3
CONSOLIDATED GOVERNMENT ACCOUNTS.....	9
HEAD 02: PARLIAMENT	33
HEAD 03: PRIVATE AND CABINET OFFICES	40
HEAD 04: TOURISM AND ENVIRONMENTAL AFFAIRS	43
HEAD 05: ROYAL ESWATINI POLICE SERVICE.....	53
HEAD 06: DEPUTY PRIME MINISTER'S OFFICE.....	73
HEAD 07: FOREIGN AFFAIRS AND INTERNATIONAL COOPERATIONS.....	83
HEAD 08: NATIONAL DEFENCE AND SECURITY	102
HEAD 09: TINKHUNDLA ADMINISTRATION AND DEVELOPMENT	112
HEAD 10: NATURAL RESOURCES AND ENERGY	118
HEAD 15: GEOLOGICAL SURVEY AND MINES.....	135
HEAD 20: MINISRTY OF AGRICULTURE	143
HEAD 23: MINISRTY OF ECONOMIC PLANNING AND DEVELOPMENT	176
HEAD 24: HOUSING AND URBAN DEVELOPMENT	195
HEAD 26: FIRE AND EMERGENCY SERVICES.....	207
HEAD 29: COMMERCE INDUSTRY AND TRADE.....	214
HEAD 30: EDUCATION AND TRAINING	233
HEAD 34: MINISTRY OF FINANCE	264
HEAD 35: TREASURY DEPARTMENT AND GOVERNMENT STORES.....	299
HEAD 38: INTERNAL AUDIT	337
HEAD 40: LABOUR AND SOCIAL SECURITY	341
HEAD 41: PUBLIC SERVICE	367
HEAD 43: INFORMATION, COMMUNICATION AND TECHNOLOGY	368
HEAD 44: ELECTIONS AND BOUNDARIES COMMISSION.....	385
HEAD 45: HEALTH.....	390
HEAD 46: JUSTICE AND CONSTITUTIONAL AFFAIRS	480
HEAD 47: ANTI-CORRUPTION COMMISSION.....	495
HEAD 48: JUDICIARY	503
HEAD 49: CORRECTIONAL SERVICES	532
HEAD 50: HOME AFFAIRS	559
HEAD 53: PUBLIC WORKS AND TRANSPORT	577
HEAD 56: SPORTS CULTURE AND YOUTH AFFAIRS	610

STATEMENT OF RESPONSIBILITY AND APPROVAL

The Principal Secretary of the Ministry for Finance and the Accountant General are required in terms of the Public Finance Management Act, 2017, to maintain adequate accounting records and are responsible for the content and integrity of the Consolidated Government Accounts for the financial year ended 31st March 2023 and related financial information included in pages 9 to 26 of this report. It is their responsibility to ensure that the annual Financial Statements fairly present the state of affairs of the Government of Eswatini as at the end of the financial year and the results of the Government operations and cash flows for the period then ended, in conformity with laws and the International Public Sector Accounting Standards (IPSASs). The Auditor General is the external auditor engaged to express an independent opinion on the annual Financial Statements.

Management of the Ministry of Finance and the Treasury Department acknowledge that they are ultimately responsible for the preparation of the Consolidated Government Financial Statements (Annual Accounts) including a consolidated budget report, and integrating all accounts of Government, all Public Entities, Local Government and Government Business Enterprises, presented in accordance with International Accounting standards; and for the preparation of reports to show the position with regard to the matters set out in the annexes to the annual budget described in the fifth schedule of the Public Finance Management Act, 2017. However, due to the ongoing public finance management reforms, the preparation of the Consolidated Financial Statements, in accordance with International Accounting Standards, will be carried out at a date to be determined by the Minister responsible for Finance, in agreement with section 87 (1) (c) of the Public Finance Management Act, 2017. For the financial year ended 31st March 2023, the Consolidated Financial Statements are prepared in accordance with Generally Accepted Accounting Principles in the Government of the Kingdom of Eswatini.

To enable the Ministry of Finance and the Treasury Department to meet these responsibilities, the Government of Eswatini sets Policies, Standards, Laws, Regulations, Instructions, General Orders and Circulars for internal control, aimed at reducing the risk of error or loss in a cost-effective manner. These guiding documents include the proper delegation of responsibilities to Controlling Officers and Accounting Officers within a clearly defined framework, effective accounting procedures, and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Government Ministries, Departments and Agencies, and all employees are required to maintain the highest ethical standards in

Government of Eswatini is on identifying, assessing, managing and monitoring all known forms of risks across the Government. While operating risks cannot be eliminated, the Government of Eswatini endeavours to minimise them by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by Controlling Officers, the Ministry of Finance and the Treasury Department are of the view that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Consolidated Annual Accounts. However, any system of internal control may provide only reasonable but not absolute assurance against material misstatement or loss.

The Treasury Department and the Ministry of Finance have reviewed the Government's Cash Flow Forecast for the year ending 31st March 2024, and in the light of this review and the current financial position, they are satisfied that the Government of Eswatini has adequate resources to continue in operational existence for the foreseeable future.

The external audit office of the Auditor General is responsible for independently auditing and reporting on the Government's Consolidated Annual Accounts in accordance with Sections 15 and 16 of the Audit Act, 2005 and section 87 of the Public Finance Management Act, 2017, as amended. The Auditor General was given unrestricted access to financial records and related data. Management of the Ministry of Finance and the Treasury Department believe that all representations made to the independent auditors during their audit are valid and appropriate. The Audit Report of the Auditor General is presented on pages 3 to 8.

Approval of Annual Financial Statements Against this background, on behalf of the Government of Eswatini, the Principal Secretary of the Ministry of Finance and the Accountant General accept the responsibility for the Consolidated Annual Financial Statements (Accounts) set out on pages 9 to 26, and were approved on 22nd February 2024 and were signed by:

.....
Principal Secretary
Ministry of Finance

.....
Accountant General
Treasury Department

Kingdom of Eswatini



Office of the Auditor General

P.O. Box 98
Mbabane H100
Eswatini
Opposite Main Treasury
Department
2nd & 3rd Floor



Tel: +268 2404 2033/56
Fax: +268 2404 2839

Serving Public Interest

CERTIFICATE

AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

I have audited the Consolidated Financial Statements of the Government of the Kingdom of Eswatini for the year ended 31st March 2023. These Financial Statements comprise the Consolidated Statement of Assets and Liabilities; Statement of Surplus and Deficit; Statement of Receipts and Payments; Statement of Public Debt; Statement of Contingent Liabilities; Statement of Write-Offs, Loss of Cash, Stamps, Stores and Abandoned Claims, and Losses Due to Accidents on Vehicles; and Special Fund Accounts and Trading Accounts, for the year then ended, and a Summary of Significant Accounting Policies and other Explanatory Information, as depicted from pages 9 to 26.

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 results of operations of the Government of the Kingdom of Eswatini as at 31st March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles and standards for financial reporting.

Basis for Qualified Opinion

Assets were materially misstated in the annual Financial Statements for the year ended 31st March 2023 as shown below.

1. Misstatement of Bank Balances

Bank balances were misstated by **E647,084,230.07** due to non-reconciliation of the Cash Books with Bank Statements and undisclosed bank balances, as at 31st March 2023. Thus, depicting an incorrect cash position of the Government of the Kingdom of Eswatini at year end.

(a) Misstatement of Bank Balances due to non-reconciliation

Bank balances were misstated by **E157,766,751.47** due to non-reconciliation of the Government Cash Books with Bank Statements. Some bank balances were overstated by **E108,742,219.22**, while other balances were understated by **E49,024,532.25**.

(b) Undisclosed Bank Balances

Bank balances amounting to **E489,317,478.60** were not disclosed in the Detailed Statement of Assets; hence resulting to an understatement of bank balances (assets).

Emphasis of Matter

Without qualifying the accounts, I drew attention to the presentation and disclosures in the Financial Statements which reflect an unstandardised and unacceptable financial reporting framework. The statements are still prepared according to the Financial Management and Audit Act, 1967 which was repealed by the Public Finance Management, 2017. The current financial reporting practice does not conform to any internationally recognised financial reporting framework and does not present the Government Accounts (Financial Statements) fairly in some accounting areas. My opinion is not modified in respect of this matter. In my previous audit report, I emphasized that Consolidated Annual Accounts of the Government of the Kingdom of Eswatini should have been prepared in accordance with International Public Sector Accounting Standards as required in Section 10(1)(c) of the Public Finance Management Act, 2017.

I reported that Bank Accounts amounting to **3,521,572,423.16** were not submitted for audit review, yet the bank balances were disclosed in the Detailed Statement of Assets. As a result, I could not confirm completeness and accuracy of the closing balances reported in the Detailed Statement of Assets against bank statements.

I observed that there were uncaptured appropriated budgets amounting to **E154,356,413.00** in the Government Accounting System, which were subsequently not disclosed in the Detailed Statement of Recurrent Expenditure – Appendix 7. These budgets were part of the Appropriation Acts of the Parliament.

I also observed that there were unappropriated budgets amounting to

E79,494,962.00 captured in the Government Accounting System and disclosed in the Detailed Statement of Recurrent Expenditure – Appendix 7, which were not appropriated by Parliament. This gives a wrong impression on the budgets appropriated by Parliament.

Both unauthorised expenditures and unappropriated budgets are not only unlawful but also provide room for misappropriation of public funds and result in serious repercussions in the entire fiscal budget (position); hence, they should be discouraged.

Further, I drew the attention of the Accountant-General and Principal Secretary of the Ministry of Finance, that it is now a norm for Ministries, Departments and Agencies to spend beyond the appropriated budget by Parliament and/or on activities that have no budget provision, and to incur expenditure without seeking approval from the relevant authorities.

Both unauthorised expenditures and unappropriated budgets are not only unlawful but also provide room for misappropriation of public funds and result in serious repercussions in the entire fiscal budget (position); hence, they should be discouraged.

I further observed that the abolished Head 36 was used to collect revenue and **E7,774,990.00** was collected using this abolished Head in the financial year ended 31st March 2023, narrated as cash in transit.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the Financial Statements of the current period. These matters were addressed in the contents of my audit of the Financial Statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Other Matters

There were issues of deficiencies in budgetary controls, non-compliance with laws and regulations, and lack of adherence to budgetary requirements and spending authorities. There were also issues of irregular spending of unreleased funds, irregular spending beyond released funds, under utilisation and non utilisation of released funds.

Receipts amounting to **E67,812,870.00 (USD4,163,210)** and total payments amounting to **E54,138,256.00 (USD3,206,960)** for Health System Strengthening

for Human Capital Development Project P168564 were not captured in the Government Accounting System.

Also, receipts amounting to **E21,521,935.00 (USD1,213,546.00)** and payments amounting to **E36,720,355.00 (USD2,160,920.00)** for COVID-19 Emergency Response Preparedness Project P173883 were not captured in the Government Accounting System.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management of the Ministry of Finance and Treasury Department is responsible for the preparation and fair presentation of the Consolidated Government Financial Statements (Annual Accounts), which were prepared in accordance with Generally Accepted Accounting Principles, and for such internal controls as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the ability of Government of the Kingdom of Eswatini to continue to achieve sustainability in providing essential services to the public, and disclosing, as applicable, matters related to the sustainability. Those charged with governance are responsible for overseeing the government's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards for Supreme Audit Institutions, I exercise professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the government's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Government's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause Government to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
- Provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

In addition to the requirement to express an opinion on the Consolidated Government Accounts, I am also required by Section 87 sub-section 7 of the Public Finance Management Act, 2017 to complete a compliance and value for money audit of all borrowed funds as specified in Regulations. My audit report on all borrowed funds is included in this report.



T. S. Matsebula
Auditor General - Kingdom of Eswatini

2. CONSOLIDATED GOVERNMENT ACCOUNTS

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2023 - APPENDIX 1

	(E)
ASSETS	
Bank Accounts	785,410,120.24
Cash Accounts	201,794,472.26
Employee Advances	425,474,299.93
Ministry & Departmental Advances	127,947,111.30
Other Advances	13,398.75
Sundry Investment	2,860,090,249.46
Other Investments	178,486,030.71
Other Investments	481,472,350.36
Treasury Bills/Bonds	129,635,639.08
Sundry Deposits	3,132.00
Special Funds	1,378,632,642.44
Accrued Liabilities	2,134,013.49
Treasury Bills(Bond Investment Account)	1,051,817,266.09
Special Funds continued	3,070.03
Trading Accounts	219,495,269.56
TOTAL	7,842,409,065.70
LIABILITIES	
Government Stock	1,355,146,439.67
Consolidated Fund	-13,861,135,929.90
Capital Funds Specified	178,962,070.96
Capital Fund-Other	42,147,471.63
Capital Funds Specified - continued	8,502,739,733.81
Accounts Payable	2,094,939,854.51
Sundry Deposits	977,655,649.66
Special Fund	2,037,201,431.39
Accrued Liabilities and Deductions	498,613,331.77
Reserves	1,002,053,222.81
Treasury Bills	726,941,556.80
Special Fund Cont.	494,140,675.35
Trading accounts-Sundry	415,049,503.01
Bank Accounts	2,566,371,264.13
Cash Account	512,100,158.31
Employee Advance	88,036,615.41
Ministry Departmental Advance	500.00
Sundry Investments	211,290,977.73
Other Investments	154,538.65
TOTAL	7,842,409,065.70

CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

Public Debt as at 31st March 2023 amounted to E 32,570,570,777.55

Contingent Liabilities as at 31st March 2023 amounted to E5,699,138,230.38

Balance as per Bank Statement (Eswatini College of Technology- ECOT) - E13,502.72.

THE STATEMENT DOES NOT REFLECT THE FOLLOWING INVESTMENTS HELD BY THE ESWATINI GOVERNMENT

1. 160 Shares of one Lilangeni in AON Swaziland Insurance Brokers LTD.
2. 5 506 234 Shares of fifty cents each in Ned Bank.
3. 3 651 187 Shares of one Lilangeni each in Standard Bank.
4. 6 262 511 Shares of one Lilangeni each in Royal Swd. Sugar Corporation.
5. 2 401 Shares of one Lilangeni each in S.E.D.C.O.
6. 600 000 Shares of one Lilangeni each in Swazi Can.
7. 615 000 Shares of one Lilangeni each in S.R.I.C.
8. 7 580 000 class "A" Shares of one Lilangeni each in S.I.D.C.
845 000 class "B" Shares of one Lilangeni each in S.I.D.C.
9. 54 861 000 Shares of one Lilangeni each in Swazi Bank.
10. 220 Shares of \$1000 each in International Finance Corporation.
11. 18 Shares of \$10 000 each in A.D.B.
12. 132 Subscription shares of \$1 000 each in the International Bank For Reconstruction and Development.
13. 750 Shares of one Lilangeni each in R.S.N.A.C.
14. 320 Subscription shares of \$1000 each in International Development Association.
15. 1 250 000 shares of one cent each in Maloma Colliery Limited
16. 300 shares of one lilangeni each in MSNP
17. 1000 Shares of one Lilangeni each in Eswatini Development Finance Corporation
18. 7449 shares of E 100 each in African Reinsurance Corporation

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES.

1. Equity for Trust Funds is E438,472,710.39 and is included in the Sundry Investments under Assets.
2. Total pure consolidated fund amounting to E13,861,135,929.90 does not reflect a true position hence it is still under reconciliation.
3. Total Payables for the year amount to E2,567,464,518.68.

SURPLUS AND DEFICIT AS AT 31ST MARCH 2023

APPENDIX 5

CAPITAL FUND

	(E)		(E)
Balance b/d 01/04/22	241,964,111.31	Capital expenditure	4,148,250,723.49
Receipts Appendix 10	1,473,429,696.29	Balance as at 31/03/23	241,964,111.31
Pure local funds	2,674,821,027.20		
	4,390,214,834.80		4,390,214,834.80

CONSOLIDATED FUND

Revenue	20,026,691,789.78	Balance as at 01/04/22	13,803,558,293.51
		Recurrent expenditure	18,854,945,686.48
		- Appendix 7	
Balance c/f	13,861,135,929.90	Local fund capital	2,674,821,027.20
31/03/2023		contribution	
	35,333,325,007.19		35,333,325,007.19

**STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST
MARCH 2023 - APPENDIX 10**

Balance In Hand As At 31st March 2022	Emalangen (E)	Balance Overdrawn As At 31st March 2022	Emalangen (E)
Sikhuphe/Swd International Project	0.50		
Purchase of Furniture For School Science Lab	3,217,466.34		
Installation of Solar Power Light System	17,707,509.72		
Purchase of Furniture For Technical Subjects	3,877,537.92		
Purchase Of Learning Material Special Education	1,196,426.50		
Rural Electrification 111 (Taiwan)	127,286,280.00		
Purchase of Furniture for Primary Schools	1,424,284.65		
Purchase of Computers for Schools	4,890,420.25		
Water supply to schools	427,627.57		
SRA document management systems	13,856,532.84		
Distance & Continuing Education Programme	839,888.85		
Procurement of Water Tanks for Schools	1,585,156.36		
Procurement of Ambulances	1,332,696.88		
Mobile Commerce Solution	500,000.00		
Micro projects small scale	25.00		
Computerisation of trading licences management system	820,197.58		
Cataloguing of ROC of SWD Co-operation	260,430.82		
Procurement of Scuba Diving Equipment	108,469.22		
Correctional Services	5,096,500.00		
Swazi TV- Purchases of Cameras	259,712.89		
Construction of VIP Toilets in Rural Schools	384,488.70		
Setting up RSP's Computer Lab Library	4,625,981.16		
Rehabilitation of Gcina Barracks	2,058,171.00		
Purchase of Royal Guard Military Band	1,230,660.00		
Ministry of Foreign Affairs Reception & Guest Room	3,402,909.99		
Donation (Transportation of Beds and Mosquito Nets)	1,434,645.00		
Purchase of It Equipment & Accessories (Rote Corp)	4,621,948.74		
Indoor Music Instruments	614,725.80		
Digital Orthophoto Mapping for SWD Surveyor General	2,543,233.60		
Procurement of Steel Bunk Beds	138,903.00		
Rehabilitation of the SWD National Handicraft Centre-Commerce	2,922,740.94		
Procurement of Furniture & Training Equipment-Public Service	3,780,219.66		
Automated Case Management System for SWASA Commerce	688,436.00		
Procurement of Office Equipment & Internet to Upgrade Parliament	685,938.99		
Rehabilitation of Codec	919,881.54		

CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

Balance In Hand As At 31st March 2022	Emalangen (E)	Balance Overdrawn As At 31st March 2022	Emalangen (E)
Procurement of two (2) RIV's for Fire & Emergency	281,493.53		
Procurement of Four (4) Ambulances for Fire & Emergency	278,448.49		
Procurement of Desktops Computers & Laptops for Government	2,341,092.81		
Construction of Computer Labs in Rural Schools	3,077,881.44		
Rural Electrification	32,530,707.60		
Diplomatic Directory Printing	1,839,195.71		
Installation of Solar Power Light System	9,989,155.08		
Construction of Rural Solar Street Lighting	5,817,240.00		
Procurement of Computers and printers for Rural Schools	991,611.27		
Support for Umhlanga Accident Victims	1,316,512.80		
Construction of Retirement Home for Elderly persons	152,841.50		
Computerisation of Tinkhundla Centres	4,530,337.07		
Rehabilitation of CODEC phase 2	47,561.18		
Procurement of Equip for Production of Diplomatic	3,457,873.00		
JA -Junior Archivers SWD Capacity	377,732.96		
Procurement of equip & constr. Of fish hatchery	1,117,749.87		
Procurement of Uniforms for Royal close protection	720,044.83		
Procurement of Ceremonial Uniform – RSP	289,841.26		
Procurement of office Equipment for Government of SWD	1,150,322.96		
Biotechnology	15,271,128.15		
Renovation and Expansion of Mpisi Pig breeding station	2,809,759.83		
Automation of six immigration service centre	1,475,969.77		
Procurement of Equipment for the Military Police	89,948.21		
Procurement of ambulances and mortuary vehicles	454,235.57		
Procurement of solid waste mgt plant	425,340.31		
Water and Sanitation Project-Nkhungwini, Mhlaleni & Ntfontjeni	9,714,040.45		
Installation of Solar Power Light System	1,512,437.33		
Lighting & borehole pump malkerns research	1,478,772.66		
Rollout solar powered water pumping system	6,217,315.02		
Manzini Autism Rehabilitation & Respite Centre	1,039,343.98		
Siteki Civic Center Completion	120,626.87		
Construction of Mankayane main market	20,068.99		
Upgrading and expansion of Government network	535,878.15		
Co-operation in Energy & mining Resources Exploit	5,006,031.62		

CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

Balance In Hand As At 31st March 2022	Emalangeneni (E)	Balance Overdrawn As At 31st March 2022	Emalangeneni (E)
Health Services Dev Cs/swz/h012	20.00		
Small Holder Dairy Production Project	3,940,871.42		
Procurement of Hydraulic Lift Project no P2667214.27	2,667,214.27		
	337,826,693.97		0.00

CAPITAL FUND			
Receipts During The Year	Emalangeneni (E)	Payments During The Year	Emalangeneni (E)
Local Funds	2,674,821,027.20	Local Funds	2,674,821,027.20
		LUSIP 2 Downstream Development World Bank	179,527,562.59
		IFAD Loan SLMP	8,369,492.32
		Smallholder Marklet led Project	27,852,898.01
LUSIP 2 Downstream Development World Bank	179,527,562.59	Smallholder Marklet led Project	2,472,411.12
IFAD Loan SLMP	8,369,492.32	Water harvestin g small and medium dams	72,113,700.22
Smallholder Marklet led Project	27,852,898.01	Procument of tractor drawn farm implement	9,482,422.65
Smallholder Marklet led Project	2,472,411.12	Procurement of desktop computers and accessories	6,750,000.00
Procument of tractor drawn farm implement	9,482,422.65	Rural Electrification	1,185,000.00
Procurement of desktop computers and accessories	6,750,000.00	Shiselweni Electrification	88,254,357.00
Water harvestin g small and medium dams	72,113,700.22	Feasibility study combine cycle power	12,329,670.00
Rural Electrification	1,185,000.00	Micro project Insfracture Dev	40,855,190.92
Shiselweni Electrification	88,254,357.00	Procurement of office equipment	5,133,457.00
Feasibility study combine cycle power	12,329,670.00	Financial inclusion	10,640,609.84
Micro project Insfracture Dev	40,855,190.92	Procurement of hardware and software equipment	4,044,900.00
Procurement of office equipment	5,133,457.00	Rehabilitation of MEPD CONFERENCE Room	2,955,000.00
Financial inclusion	10,640,609.84	Support to TAIWAN Country Programmes	4,440,000.00
Procurement of hardware and software equipment	4,044,900.00	Electronic document archiving system development	3,688,068.00
Rehabilitation of MEPD CONFERENCE Room	2,955,000.00	Health sector System Strengthening	63,298,467.43
Support to TAIWAN Country Programmes	4,440,000.00	Nhlangano sphambanweni water	54,277,243.01
Electronic document archiving system development	3,688,068.00	Manzini _ Mphandze MR3	16,320,193.74
Health sector System Strengthening	63,298,467.43	Manzini Golf course interchange	148,806,637.64
Nhlangano sphambanweni water	54,277,243.01	Expansion of Matsapha inland	3,134,978.27

**CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF
ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

CAPITAL FUND			
Receipts During The Year	Emalangeneni (E)	Payments During The Year	Emalangeneni (E)
Manzini _ Mphandze MR3	16,320,193.74	Manzini Region water and Sanitation	3,805,468.99
Manzini Golf course interchange	148,806,637.64	Ezulwini water supply	73,646,173.92
Expansion of Matsapha inland	3,134,978.27	Construction of Ngwenya mine interpretation centre	2,195,580.00
Manzini Region water and Sanitation	3,805,468.99	Nhlangano / Sicunusa Road	524,376,702.03
Ezulwini water supply	73,646,173.92		
Construction of Ngwenya mine interpretation centre	2,195,580.00	Enhancing Junior achievers	1,621,479.16
Nhlangano / Sicunusa Road	524,376,702.03	Replacement of fire fighting equipment	14,765,523.03
		Support towards spread of covid 19	75,841,268.21
Enhancing Junior achievers	1,621,479.16	Construction of Agriculture research	8,286,072.45
Replacement of fire fighting equipment	14,765,523.03	Enhancing national forest monitoring	282,104.74
Support towards spread of covid 19	75,841,268.21	Construction of Mpakeni DAM	2,677,064.00
Construction of Agriculture research	8,286,072.45		
Enhancing national forest monitoring	282,104.74		
Construction of Mpakeni DAM	2,677,064.00		
	4,148,250,723.49		4,148,250,723.49
Estimated Direct Receipts	-	Estimated Direct Payments	-
<u>Balance Overdrawn As At 31st March 2023</u>		<u>Balance In Hand As At 31st March 2023</u>	
		Sikhuphe/Swd International Project	0.50
		Purchase of Furniture For School Science Lab	3,217,466.34
		Installation of Solar Power Light System	17,707,509.72
		Purchase of Furniture For Technical Subjects	3,877,537.92
		Purchase Of Learning Material Special Education	1,196,426.50
		Rural Electrification 111 (Taiwan)	127,286,280.00
		Purchase of Furniture for Primary Schools	1,424,284.65
		Purchase of Computers for Schools	4,890,420.25
		Water supply to schools	427,627.57
		SRA document management systems	13,856,532.84
		Distance & Continuing Education Programme	839,888.85
		Procurement of Water Tanks for Schools	1,585,156.36
		Procurement of Ambulances	1,332,696.88
		Mobile Commerce Solution	500,000.00
		Micro projects small scale	25.00
		Computerisation of trading licences mangt syst	820,197.58

CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

CAPITAL FUND			
Receipts During The Year	Emalangeni (E)	Payments During The Year	Emalangeni (E)
		Cataloguing of ROC of SWD Co-operation	260,430.82
		Procurement of Scuba Diving Equipment	108,469.22
		Correctional Services	5,096,500.00
		Swazi TV- Purchases of Cameras	259,712.89
		Construction of VIP Toilets in Rural Schools	384,488.70
		Setting up RSP's Computer Lab Library	4,625,981.16
		Rehabilitation of Gcina Barracks	2,058,171.00
		Purchase of Royal Guard Military Band	1,230,660.00
		Ministry of Foreign Affairs Reception & Guest Room	3,402,909.99
		Donation (Transportation of Beds and Mosquito Nets)	1,434,645.00
		Purchase of It Equipment & Accessories (Rote Corp)	4,621,948.74
		Indoor Music Instruments	614,725.80
		Digital Orthophoto Mapping for SWD Surveyor General	2,543,233.60
		Procurement of Steel Bunk Beds	138,903.00
		Rehabilitation of the SWD National Handicraft Centre-Commerce	2,922,740.94
		Procurement of Furniture & Training Equipment-Public Service	3,780,219.66
		Automated Case Management System for SWASA Commerce	688,436.00
		Procurement of Office Equipment & Internet to Upgrade Parliament	685,938.99
		Rehabilitation of Codec	919,881.54
		Procurement of two (2) RIV's for Fire & Emergency	281,493.53
		Procurement of Four (4) Ambulances for Fire & Emergency	278,448.49
		Procurement of Desktops Computers & Laptops for Government	2,341,092.81
		Construction of Computer Labs in Rural Schools	3,077,881.44
		Rural Electrification	32,530,707.60
		Diplomatic Directory Printing	1,839,195.71
		Installation of Solar Power Light System	9,989,155.08
		Construction of Rural Solar Street Lighting	5,817,240.00
		Procurement of Computers and printers for Rural School	991,611.27
		Support for Umhlanga Accident Victims	1,316,512.80
		Construction of Retirement Home for Elderly persons	152,841.50

CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

CAPITAL FUND			
Receipts During The Year	Emalangeni (E)	Payments During The Year	Emalangeni (E)
		Computerisation of Tinkhundla Centres	4,530,337.07
		Rehabilitation of CODEC phase 2	47,561.18
		Procurement of Equip for Production of Diplomatic	3,457,873.00
		JA -Junior Archivers SWD Capacity	377,732.96
		Procurement of equip & constr. Of fish hatchery	1,117,749.87
		Procurement of Uniforms for Royal close protection	720,044.83
		Procurement of Ceremonial Uniform - RSP	289,841.26
		Procurement of office Equipment for Gov of SWD	1,150,322.96
		Biotechnology	15,271,128.15
		Renovation and Expansion of Mpisi Pig breeding station	2,809,759.83
		Automation of six immigration service centre	1,475,969.77
		Procurement of Equipment for the Military Police	89,948.21
		Procurement of ambulances and mortuary vehicles	454,235.57
		Procurement of solid waste mgt plant	425,340.31
		Water and Sanitation Project-Nkhungwini, Mhlaleni & Ntfonjeni	9,714,040.45
		Installation of Solar Power Light System	1,512,437.33
		Lighting & borehole pump malkerns research	1,478,772.66
		Rollout solar powered water pumping system	6,217,315.02
		Manzini Autism Rehabilitation & Respite Centre	1,039,343.98
		Siteki Civic Center Completion	120,626.87
		Construction of Mankayane main market	20,068.99
		Upgrading and expansion of Govt network	535,878.15
		Co-operation in Energy & mining Resources Exploit	5,006,031.62
		Health Services Dev Cs/swz/h012	20.00
		Small Holder Dairy Production Project	3,940,871.42
		Procurement of Hydraulic Lift Project no P2667214.27	2,667,214.27
			337,826,693.97
	4,486,077,417.46		4,486,077,417.46
Rehabilitation of Mbabane Government hospital	21,403,530.55		

**CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF
ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

STATEMENT OF PUBLIC DEBT FOR THE YEAR ENDED 31ST MARCH 2023

APPENDIX 11

EXTERNAL DEBT AS AT 31 MARCH 2023

Financier	Loan Name	Loan No.	Currency	Hedging Status	Opening Balance as at 01/04/2022 (FX)	Principal payment (FX)	Interest Payment (FX)	Total Disbursement (FX)	Closing Balance as at 31/03/2023 (FX)	Spot rate (31/03/2023)	Closing Balance as at 31/03/2023 (E)	Particulars of payments
ABU DHABI	Manzini-Mbadlane	1207	AED	Unhedged	24,758,242.85	2,824,000.00	679,207.28	0.00	21,934,242.85	4.8440	106,249,472.37	Capital and interest repayable in 26 consecutive semi-annual instalments commencing 2015-2031
ADB	Ezulwini Water Supply and Sanitation	2000130011982	USD	Unhedged	16,611,754.79	1,317,834.07	211,299.87	2,452,355.88	17,746,276.60	17.8357	316,517,265.55	Capital and interest repayable in 30 constant and semi-annual instalments commencing 2014-2034
ADB	Manzini-Mbadlane	2000130011930	USD	Unhedged	35,674,813.91	2,776,592.23	456,294.00	929,937.75	33,828,159.43	17.8357	603,348,903.15	Commencing 2014-2034
ADB	Manzini-Mbadlane Interchange	2000200003302	USD	Unhedged	12,157,590.56	0.00	304,803.67	9,206,223.89	21,363,814.45	17.8357	381,038,585.39	Capital repayable in 34 equal and consecutive semi-annual instalments from 2027-2044
ADB	Mafutseni-Mliba Road CHF	2100150000921	CHF	Hedged	209,389.50	13,959.30	1,564.26	0.00	195,430.20	19.5283	3,816,419.57	Repayment of principal is 1% from 11th to 20th year inclusive and 3% thereafter. Interest is 0.75% of outstanding loan commencing from 1987-2037.
ADB	Mafutseni-Mliba Road EUR	2100150000921	EUR	Hedged	514,068.35	34,271.22	3,840.03	0.00	479,797.13	19.4569	9,335,364.78	Commencing 1987-2037
ADB	Mafutseni-Mliba Road DKK	2100150000921	DKK	Hedged	1,039,902.28	69,326.82	7,771.49	0.00	970,575.46	2.5898	2,513,596.33	Commencing 1987-2037
ADB	Mafutseni-Mliba Road JPY	2100150000921	JPY	Hedged	7,578,276.00	505,220.00	56,671.00	0.00	7,073,056.00	0.1340	947,789.50	Commencing 1987-2037
ADB	Mafutseni-Mliba Road NOK	2100150000921	NOK	Hedged	1,273,266.00	84,884.40	9,515.25	0.00	1,188,381.60	1.6991	2,019,179.18	Commencing 1987-2037
ADB	Mafutseni-Mliba Road SEK	2100150000921	SEK	Hedged	575,769.60	38,384.64	4,302.49	0.00	537,384.96	1.7142	921,185.30	Commencing 1987-2037
ADB	Mafutseni-Mliba Road USD	2100150000921	USD	Hedged	595,790.16	39,719.34	4,450.87	0.00	556,070.82	17.8357	9,917,912.32	Commencing 1987-2037
ADB	Education 1 CHF	2100150000924	CHF	Hedged	1,238,917.42	55,063.00	9,270.95	0.00	1,183,854.42	19.5283	23,118,664.27	Commencing 1994-2044
ADB	Education 1 EUR	2100150000924	EUR	Hedged	3,702,422.74	164,552.10	27,705.62	0.00	3,537,870.64	19.4569	68,835,995.26	Commencing 1994-2044
ADB	Education 1 JPY	2100150000924	JPY	Hedged	287,423,285.00	12,774,368.00	2,148,719.00	0.00	274,648,917.00	0.1340	36,802,954.88	Commencing 1994-2044
ADB	Education 1 USD	2100150000924	USD	Hedged	825,474.59	36,687.40	6,167.31	0.00	788,787.19	17.8357	14,068,571.68	Commencing 1994-2044
ADB	Education 1 GBP	2100150000924	GBP	Hedged	206,289.99	9,168.44	1,541.24	0.00	197,121.55	22.1175	4,359,835.88	Commencing 1994-2044
ADB	Road Rehabilitation Study JPY	2100150000926	JPY	Hedged	297,393,459.00	16,993,912.00	2,221,197.00	0.00	280,399,547.00	0.1340	37,573,539.30	Commencing 1989-2039
ADB	Road Rehabilitation Study USD	2100150000926	USD	Hedged	731,932.03	41,824.70	5,462.41	0.00	690,107.33	17.8357	12,308,547.31	Commencing 1989-2039

**CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF
ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

Financier	Loan Name	Loan No.	Currency	Hedging Status	Opening Balance as at 01/04/2022 (FX)	Principal payment (FX)	Interest Payment (FX)	Total Disbursement (FX)	Closing Balance as at 31/03/2023 (FX)	Spot rate (31/03/2023)	Closing Balance as at 31/03/2023 (E)	Particulars of payments
ADB	Road Network Studies	210015000 0928	USD	Hedged	780,174.78	50,333.84	0.00	0.00	729,840.94	17.8357	13,017,224.05	Commencing 1987-2037
ADB	Mbabane-Mhlambanyatsi Road JPY	210015000 0925	JPY	Hedged	1,767,804.00	107,139.84	13,200.00	0.00	1,660,664.16	0.1340	222,529.00	Commencing 1988-2038
ADB	Mbabane-Mhlambanyatsi Road USD	210015000 0925	USD	Hedged	3,237,385.67	196,205.18	24,153.41	0.00	3,041,180.49	17.8357	54,241,582.87	Commencing 1988-2038
ADB	Transport Sector Project CHF	210015000 0927	CHF	Hedged	59,122.66	2,815.38	441.61	0.00	56,307.28	19.5283	1,099,585.46	Commencing 1993-2043
ADB	Transport Sector Project EUR	210015000 0927	EUR	Hedged	2,569,946.11	122,378.36	19,195.40	0.00	2,447,567.75	19.4569	47,622,080.95	Commencing 1993-2043
ADB	Transport Sector Project JPY	210015000 0927	JPY	Hedged	132,879,358.00	6,327,588.30	993,150.00	0.00	126,551,769.70	0.1340	16,957,937.14	Commencing 1993-2043
ADB	Transport Sector Project USD	210015000 0927	USD	Hedged	3,903,634.27	185,887.36	29,156.94	0.00	3,717,746.91	17.8357	66,308,618.56	Commencing 1993-2043
ADB	Mkhondvo-Mahamba Road 922	210015000 0922	USD	Hedged	2,003,103.03	160,248.26	14,952.48	0.00	1,842,854.77	17.8357	32,868,604.82	Commencing 1984-2034
ADB	Mkhondvo-Mahamba Road 923	210015000 0923	USD	Hedged	1,730,486.01	247,212.28	12,884.67	0.00	1,483,273.73	17.8357	26,455,225.27	Commencing 1984-2034
ADB	NTF KOMATI Downstream Development Project	220016000 0131	USD	Unhedged	2,748,271.51	422,810.98	108,309.11	0.00	2,325,460.53	17.8357	41,476,216.37	Commencing 2008-2023
ADB	Mbabane Bypass Road	200013000 0118	ZAR	Unhedged	45,207,609.28	22,603,804.62	4,316,299.92	0.00	22,603,804.66	1.0000	22,603,804.66	Commencing 2008-2024
ADB	KOMATI Downstream Development Project	200013000 0083	ZAR	Unhedged	12,535,093.20	8,356,728.76	919,888.68	0.00	4,178,364.44	1.0000	4,178,364.44	Commencing 1978-2019
ADB	Lower Usuthu Smallholder Irrigation Project	200013000 0330	ZAR	Unhedged	13,236,688.17	6,618,344.06	948,324.21		6,618,344.11	1.0000	6,618,344.11	Capital and interest repayable in 30 consecutive semi-annual instalments commencing 2009-2024
ADB	Lower Usuthu Smallholder Irrigation Project II	200020000 0002	ZAR	Unhedged	697,137,608.51	37,683,113.96	37,772,858.03	0.00	659,454,494.55	1.0000	659,454,494.55	Commences 2021 up to 2040 in semi-annual instalments
ADB	Manzini Region Water Supply Sanitation	200200003 354	ZAR	Unhedged	10,741,758.66	0.00	2,395,946.60	0.00	10,741,758.66	1.0000	10,741,758.66	Commencing 2023-2044 in semi-annual instalment
ADB	Support for economic recovery & inclusive growth phase 1	200020000 5163	USD	Unhedged	0.00	0.00	338,243.24	36,000,000.00	36,000,000.00	17.8357	642,085,200.00	Commencing 2023 ending November 2041
BADEA	Lower Usuthu Smallholder Irrigation Project	0338	USD	Unhedged	6,418,000.00	586,000.00		0.00	5,832,000.00	17.8357	104,017,802.40	Capital and interest repayable in 40 semi-annual instalments commencing 2003-2031

**CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF
ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

Financier	Loan Name	Loan No.	Currency	Hedging Status	Opening Balance as at 01/04/2022 (FX)	Principal payment (FX)	Interest Payment (FX)	Total Disbursement (FX)	Closing Balance as at 31/03/2023 (FX)	Spot rate (31/03/2023)	Closing Balance as at 31/03/2023 (E)	Particulars of payments
BADEA	Lower Usuthu Smallholder Irrigation Project 11	0853	USD	Unhedged	1,578,670.97	0.00	61,304.55	2,972,357.90	4,551,028.87	17.8357	81,170,785.62	Principal repayable in 40 semi-annual instalments commencing 2027-2046
BADEA	Skhuphe Access Road	0564	USD	Unhedged	4,030,258.62	350,000.00	98,494.34	0.00	3,680,258.62	17.8357	65,639,988.67	Capital and interest repayable in 36 consecutive and semi-annual payments commencing 2006-2032
BADEA	Manzini-Mbadlane	0716	USD	Unhedged	6,095,256.26	475,000.00	149,044.21	0.00	5,620,256.26	17.8357	100,241,204.58	Capital and interest repayable in 36 consecutive semi-annual instalments commencing 2015-2038
BADEA	Sicunusa-Nhlangano	0542	USD	Unhedged	3,986,574.74	414,000.00	96,834.56	0.00	3,572,574.74	17.8357	63,719,371.29	Commencing 2009-2034
CPD ITALY	Rehabilitation of East-West Line	02/001/00	EUR	Hedged	8,654,208.60	524,497.36	34,092.33	0.00	8,129,711.24	19.4569	158,178,978.63	Commencing 2002-2040
CPD ITALY	Rehabilitation of East-West Line	99/011/00	EUR	hedged	757,493.88	0.00	1,893.76	0.00	757,493.88	19.4569	14,738,482.67	Commencing 2002-2040
DBSA	Lower Usuthu Smallholder Irrigation Project	13606/101/102	ZAR	Unhedged	31,069,191.36	6,088,464.76	4,050,935.36	0.00	24,980,726.60	1.0000	24,980,726.60	Capital and interest repayable in 32 consecutive semi-annual instalments commencing 2003-2017
EIB	Human Resource Development	80294	EUR	Hedged	1,330,485.88	163,533.98	6,448.01	0.00	1,166,951.90	19.4569	22,705,266.42	Capital and interest repayable in 60 semi-annual instalments commencing 1978-2018
EIB	Lower Usuthu Smallholder Irrigation Project	21990	EUR	Unhedged	1,528,966.13	1,528,966.13	35,430.81	0.00	0.00	19.4569	0.00	Capital and interest repayable in 30 semi-annual instalments commencing 2003-2022
EIB	Lower Usuthu Smallholder Irrigation Project II	86834	EUR	Unhedged	27,145,232.77	0.00	555,538.85	4,583,880.66	31,729,113.43	19.4569	617,350,187.10	Commencing 2023-2043
EIB	Vocational Training	80206	EUR	Hedged	376,110.24	93,193.15	2,646.55	0.00	282,917.09	19.4569	5,504,689.53	Capital and interest repayable in 60 semi-annual instalments commencing 1986-2026
EXIM BOI	LOC USD20 Million	HOLCGUSD D 00000356	USD	Unhedged	3,999,501.53	2,666,452.00	62,535.99	0.00	1,333,049.53	17.8357	23,775,871.50	Capital and interest repayable in 20 consecutive and semi-annual payments ending in 2023
EXIM BOC	International Convention Centre	602040800 1	USD	Unhedged	65,573,750.00	3,451,250.00	1,710,865.67	0.00	62,122,500.00	17.8357	1,107,998,273.25	Capital and interest repayable in 40 consecutive and equal semi-annual instalments commencing 2021-2041
EXIM BOC	International Convention Centre Supplementary	602040800 3	USD	Unhedged	30,263,471.79	0.00	807,319.80	0.00	30,263,471.79	17.8357	539,770,203.80	Commencing 2025-2045
EXIM BOC	Five Star Hotel	602040800 2	USD	Unhedged	90,000,000.00	0.00	3,610,233.76	0.00	90,000,000.00	17.8357	1,605,213,000.00	Capital and interest repayable in 40 consecutive and equal semi-annual instalments commencing 2022-2042
HAMBROS	Maguga Dam HAMBROS	HAMBROS	ZAR	Unhedged	150,000,000.00	0.00	20,250,000.00	0.00	150,000,000.00	1.0000	150,000,000.00	Pay interest semi-annually until 2027
IBRD	Economic Recovery	91740	USD	Unhedged	40,000,000.00	0.00	1,206,888.89	0.00	40,000,000.00	17.8357	713,428,000.00	Commencing 2025-2050
IBRD	Economic Recovery 2	93760	USD	Unhedged	0.00	0.00	2,279,972.59	75,000,000.00	75,000,000.00	17.8357	1,337,677,500.00	Commencing 2022-05-19 to 2030-02-15

**CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF
ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

Financier	Loan Name	Loan No.	Currency	Hedging Status	Opening Balance as at 01/04/2022 (FX)	Principal payment FX)	Interest Payment (FX)	Total Disbursement (FX)	Closing Balance as at 31/03/2023 (FX)	Spot rate (31/03/2023)	Closing Balance as at 31/03/2023 (E)	Particulars of payments
IBRD	Eswatini Covid-19	90980	USD	Unhedged	6,000,000.00	0.00	212,213.07	0.00	6,000,000.00	17.8357	107,014,200.00	Commencing 2025-2050
IBRD	Additional Financing for COVID-19 Emerg	92310	USD	Unhedged	1,999,727.00	0.00	64,437.82	0.00	1,999,727.00	17.8357	35,666,530.85	Principal repayable in 10 equal semi-annual instalments commencing 2026-2031
IBRD	Eswatini Health System Strengthening	91260	USD	Unhedged	2,851,227.14	0.00	199,790.86	3,872,792.04	6,724,019.18	17.8357	119,927,588.89	Commencing 2025-2050
IBRD	Health HIV/AIDS and TB	80190	USD	Unhedged	12,409,133.46	1,376,649.58	234,364.94	0.00	11,032,483.88	17.8357	196,772,072.74	Capital and interest repayable in 30 semi-annual and consecutive payments commencing 2011-2030
IBRD	Local Government	80030	USD	Unhedged	16,639,711.74	1,845,988.50	314,265.66	0.00	14,793,723.24	17.8357	263,856,409.59	Capital and interest repayable in 30 semi-annual and consecutive payments commencing 2011-2030
IBRD	Network Reinforcement and Access	89810	EUR	Unhedged	9,642,026.13	0.00	193,510.38	3,040,845.83	12,682,871.96	19.4569	246,769,371.44	Commencing 2025-2050
IBRD	Water Supply and Sanitation Access	90120	USD	Unhedged	4,022,120.00	0.00	304,168.41	6,789,059.41	10,811,179.41	17.8357	192,824,952.60	Commencing 2025-2050
ICDF	Lower Usuthu Smallholder Irrigation Project	SWZ-02-1801	USD	Unhedged	1,176,464.00	294,116.00	39,088.83	0.00	882,348.00	17.8357	15,737,294.22	Capital and interest repayable in 34 consecutive semi-annual instalments commencing 2003-2026
IFAD	Smallholder Market-led Project	200000112600	EUR	Unhedged	5,310,711.10	570,000.00	74,458.68	733,409.03	5,474,120.13	19.4569	106,509,407.96	Capital and interest repayable in 36 constant and semi-annual payments commencing 2016-2036
IFAD	Rural Finance	L-I 764-SZ	SDR	Unhedged	1,538,900.62	219,844.00	14,972.21	0.00	1,319,056.62	24.0096	31,670,021.82	Capital and interest repayable in 30 equal and semi-annual payments commencing 2010-2028
IFAD	IFAD-FINCLUDE	200000247100	USD	Unhedged	3,217,613.17	0.00	107,587.32	1,092,880.63	4,310,493.80	17.8357	76,880,674.27	Capital and interest repayable in 30 equal and semi-annual payments commencing 2022-2037
IMF	Rapid Financing Instrument For Budget Support	IMF	SDR	Unhedged	78,500,000.00	0.00	1,935,213.00	0.00	78,500,000.00	24.0096	1,884,753,600.00	Commencing 2023-2025
JICA	Northern Main Roads MR5 & MR6 SW-P1	SW-P1	JPY	Hedged	2,092,016,000.00	201,724,000.00	37,441,589.00	0.00	1,890,292,000.00	0.1340	253,299,128.00	Capital and interest repayable in 30 consecutive semi-annual instalments commencing 2001-2031
KFW	Rehabilitation of Hlathikhulu Hospital	198865917	EUR	Hedged	973,499.85	77,716.36	7,373.11	0.00	895,783.49	19.4569	17,429,169.79	Principal payment constant until loan matures commencing 1994-2034
KFW	Matsapha Industrial Estate	198965212	EUR	Hedged	1,706,691.35	208,607.10	16,951.92	0.00	1,498,084.25	19.4569	29,148,075.44	Principal payment constant until loan matures commencing 1998-2027
KUWAIT	Mbadlane-Skhuphe	787	KD	Unhedged	1,706,000.00	216,000.00	49,542.00	0.00	1,490,000.00	58.0006	86,420,894.00	Capital and interest repayable in 34 semi-annual payments commencing 2009-2029
KUWAIT	Manzini-Mbadlane	907	KD	Unhedged	3,500,000.00	250,000.00	85,920.14	0.00	3,250,000.00	58.0006	188,501,950.00	Capital and interest repayable in 32 semi-annual equal payments commencing 2015-2035
OFID	Lower Usuthu Smallholder	1455P	USD	Unhedged	7,180,620.86	683,860.00	301,415.19	0.00	6,496,760.86	17.8357	115,874,277.67	30 semi-annual consecutive constant principal payment. Interest

**CONSOLIDATED GOVERNMENT FINANCIAL STATEMENTS (ANNUAL ACCOUNTS) OF THE KINGDOM OF
ESWATINI FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

Financier	Loan Name	Loan No.	Currency	Hedging Status	Opening Balance as at 01/04/2022 (FX)	Principal payment (FX)	Interest Payment (FX)	Total Disbursement (FX)	Closing Balance as at 31/03/2023 (FX)	Spot rate (31/03/2023)	Closing Balance as at 31/03/2023 (E)	Particulars of payments
	Water Supply Project											is 4.3% of outstanding loan annually commencing 2012-2032
OFID	Sicunusa-Nhlangano 1268P	1268P	USD	Unhedged	4,899,110.90	699,870.00	212,586.45	0.00	4,199,240.90	17.8357	74,896,400.92	Capital and interest repayable in 30 constant and equal semi-annual payments commencing 2009-2028
OFID	Sicunusa-Nhlangano 1269PB	1269PB	USD	Unhedged	6,599,179.78	1,319,834.00	111,052.06	0.00	5,279,345.78	17.8357	94,160,827.53	Capital and interest repayable in 28 constant and equal semi-annual payments commencing 2009-2028
OFID	Manzini-Mbadlane	1631P	USD	Unhedged	10,003,750.80	800,300.00	367,679.52	0.00	9,203,450.80	17.8357	164,149,987.43	Capital and interest repayable in 30 semi-annual equal instalments commencing 2015-2034
WB	IDA Education	0518-0 SW	USD	Unhedged	372,359.01	148,990.00	1,117.03	0.00	223,369.01	17.8357	3,983,942.65	Overall maturity is 40 years commencing 1974-2024
ADB	EMERGENCY FOOD PRODUCTION PROGRAMME	2,000,300,000,054.00	USD	Unhedged	0	0.00	100,000.00	40,000,000.00	40,000,000.00	17.8357	713,428,000.00	Principals repaid in 40 semi-annual instalments commencing November 2027-2047 may
KUWAIT	Lower Usuthu Smallholder Irrigation Project 11	974	KD	Unhedged	0.00	0.00	0.00	328,702.16	328,702.16	58.0006	19,064,922.50	Principal repayable in 40 semi-annual instalments commencing 1 may 2028-2036
ADB	Mkhondvo Ngwavuma Water augmentation project phase 1	2,000,200,005,202.00	ZAR	Unhedged	0.00	0.00	7,335,041.10	0.00	0.00	1.0000	0.00	
Total External Debt											15,054,495,385.30	

End Period Rates:

GBP/E		22.1175
US\$/E		17.8357
AUD/E		11.8948
EURO/E		19.45685
E/AED		4.844
ZAR/E		1.0000
DKK/E		2.5898
E/BF BF LOAN NOW DENOMINATED IN EUR		19.45685
E/SDR		24.0096
E/JPY		7.4617
KWD/E		58.0006
NOK/E		1.6991
SEK/E		1.7142
CHF/E		19.52825

**PUBLIC DOMESTIC DEBT BY INSTRUMENT AND HOLDER AS AT 31ST MARCH
2023**

Item	FINANCIER TYPE				
	CENTRAL BANK	COMMERCIAL BANKS	NON-BANK FINANCIAL INSTITUTIONS	INDIVIDUALS & OTHER SOURCES	TOTAL
Government Bonds					
Normal Bond	1,293,723,000.00	1,650,316,000.00	3,509,044,200.00	583,997,000.00	7,037,080,200.00
Suppliers' Bond	-	700,000,000.00	2,381,400,000.00	20,000,000.00	3,101,400,000.00
Infrastructure Bond	390,000.00	110,340,000.00	715,421,000.00	6,711,000.00	832,862,000.00
Sub-Total	1,294,113,000.00	2,460,656,000.00	6,605,865,200.00	610,708,000.00	10,971,342,200.00
Treasury Bills					
91 Days	-	-	273,910,000.00	43,480,000.00	317,390,000.00
182 Days	230,000.00	618,710,000.00	253,500,000.00	22,020,000.00	894,460,000.00
273 Days	-	849,180,000.00	242,010,000.00	10,860,000.00	1,102,050,000.00
364 Days	-	519,700,000.00	356,980,000.00	47,090,000.00	923,770,000.00
Sub-Total	230,000.00	1,987,590,000.00	1,126,400,000.00	123,450,000.00	3,237,670,000.00
Promissory Notes	-	-	38,522,000.00		38,522,000.00
CBS Advance	1,400,000,000.00	-	-	-	1,400,000,000.00
Domestic Loans			1,868,541,192.25		1,868,541,192.25
Grand Total	2,694,343,000.00	4,448,246,000.00	9,639,328,392.25	734,158,000.00	17,516,075,392.25
Total Domestic Debt					17,516,075,392.25

NOTES:

(i) Under-listed below is the Bond Tenure Breakdown under the Normal Bond Programme.

	(E)
10 Year Bond	2,669,499,000.00
7 Year Bond	1,733,385,200.00
5 Year Bond	1,056,537,000.00
3 Year Bond	1,142,659,000.00
1.5 Year Bond	200,000,000.00
1 Year Bond	235,000,000.00
Total Bond	7,037,080,200.00

(ii) Domestic Loans that were previously misclassified as External Debt

Financier	Loan Name	Loan No.	Currency	Hedging Status	Opening Balance as at 01/04/2022 (FX)	Principal payment FX)	Interest Payment (FX)	Total Disbursement (FX)	Closing Balance as at 31/03/2023 (FX)	Spot rate (31/03/2023)	Closing Balance as at 31/03/2023 (E)	Particulars of Payments
PROBASE	Probase Eswatini	546	USD	Unhedged	76,666,669.00	6,666,666.00	0.00	0.00	70,000,003.00	17.8357	1,248,499,053.51	Capital and Interest repayable after 15 years in semi-annual instalments. Commencing in 2018-2033
WBHO/AG Thomas JV	Lukhula Big Bend Road	31556	SZL	Unhedged	223,219,352.42	127,553,915.68	17,761,662.32	0.00	95,665,436.74	1.0000	95,665,436.74	Capital and Interest repayable in quarterly instalments for 60 months. Commencing 2018-2023
Inyatsi Construction	Sicunusa Nhlango Road loan no;20220216-1	20220216-1	SZL	Unhedged	58,264,078.00	0.00	19,826,503.00	466,112,624.00	524,376,702.00	1.0000	524,376,702.00	Commencing 2022 February 16 to January 07 year 2037
											0.00	
											1,868,541,192.25	
TOTAL PUBLIC DEBT											32,570,570,777.55	

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023 -
APPENDIX 16**

	(E)	(E)
Non-negotiable non-interest bearing notes issued in favour of the International Development Association		255,270.32
Swaziland Development and Savings Bank deposits Guaranteed in terms of Law no.4 sec 32 of 1973	1,836,013,582.83	
Less: liquid funds of the Bank	764,459,904.48	1,107,553,678.35
International Bank of Reconstruction and Development promissory note		1,461,121.96
International Monetary Fund		1,242,388,231.17
IMF loan promissory note		1,956,478,936.07
Common Fund for Commodities: Promissory Note 1		1,255,432.72
Promissory Note 2		5,021,701.46
FINCORP guaranteed African Development Bank		164,573,581.06
EEC guaranteed with World bank		246,768,737.29
SRA guaranteed with PSPF		438,801,679.18
Swaziland National Housing Board Government Guaranteed loans with SNPF		86,390,000.31
Swaziland National Housing Board Government Guaranteed loans with PSPF		448,189,860.40
Total Contingent Liabilities		5,699,138,230.28

**STATEMENT OF WRITE OFFS OF, LOSS OF CASH, STAMPS, STORES AND
ABANDONED CLAIMS AND LOSSES DUE TO ACCIDENTS ON VEHICLES FOR
THE YEAR ENDED 31ST MARCH 2023 - APPENDIX 18**

PARTICULARS	MINISTRY/DEPARTMENT	HEAD	AUTHORITY	AMOUNT (E)
Cash	Finance/Treasury	35	FINI/17A/35	12,132.00
Computers	Tourism and Environmental Affairs	04	FINI/17A/04	39,543.28
Embezzled Revenue	Finance/Treasury	35	FINI/17A/35	70,870.90
Car Loan Balance	Natural Resources & Energy	10	FINI/17A/10	532.00
Accident Damaged Vehicles	His Majesty's Correctional Services	49	FINI/17A/49	642,173.78
Irrecoverable Exchequer Loans	Finance	34	FINI/17A/34	476,027.21
Mismanagement of school funds	Education	30	FINI/17A/30	65,401.80
Unusable donated vaccine	Health	45	FINI/17A/45	3,740,412.11
Total				5,047,093.08

INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

RECEIPTS		EXPENDITURE	
Drugs	159,404,479.98	Payments	
Cash Sales	169,451.95	Opening Stock	177,627,810.39
		Purchases	163,259,137.87
		Total Stock	340,886,948.26
		Less Closing Stock	(181,313,016.33)
	159,573,931.93		159,573,931.93
<u>BALANCE SHEET AS AT 31 MARCH 2023</u>			
ACCUMULATED FUND		INVESTMENTS	
Stock Available	181,313,016.33	Closing Stock	181,313,016.33
			-
	181,313,016.33		181,313,016.33

Note:

1. The opening stock includes an obsolete stock from 2019 of E6,741,219.61, stock from 2020 of E3,628,712.57, stock from 2021 of E2,983,425.83 and Stock from 2022 of E4,938,343.95.

2. The closing stock includes an obsolete stock of E4,938,343.95.

There is a difference of E 5,848,589.89 between CMS physical count and government system balance, which is yet to be verified.

PUBLIC DEBT – Financial Year 2023

The Public Debt has increased by 23% in the financial year ended 31st March 2023 when compared to the previous financial year. The figures show that total Public Debt stood at E32,6 billion as at 31st March 2023 compared to E26.5 billion as at 31st March 2022. Worth noting is that the increase is attributed mainly to External Public Debt as opposed to Domestic Public Debt.

The current year's Domestic Debt recorded E17.5 billion whilst External Debt totaled E15.05 billion. The increase in Domestic Debt is 4.8% from E16.7 billion in the previous financial year ended 31st March 2022. On the other hand, External Public Debt took a massive increase of 53% from E9.8 billion in the previous year to E15.05 billion in the current year. This is a sharp increase considering that in the previous year the movement was a decrease of 5.5% from the preceding financial year.

The information on Public Debt for the past three years (2021 to 2023) is clearly illustrated in the following table:

Public Debt over a period of three years

Category	As at 31st March 2021 (E)	Increase /decrease	As at 31st March 2022 (E)	Increase/ decrease	As at 31st March 2023 (E)
Public Domestic Debt	15,696,523,073.12	6.3%	16,678,240,452.85	4.8%	17,516,075,392.25
Public External Debt	10,408,905,741.24	(5.5)%	9,841,577,766.80	53%	15,054,495,385.30
Total Public Debt	26,105,428,814.36	3.8%	26,519,818,219.65	23%	32,570,570,777.55

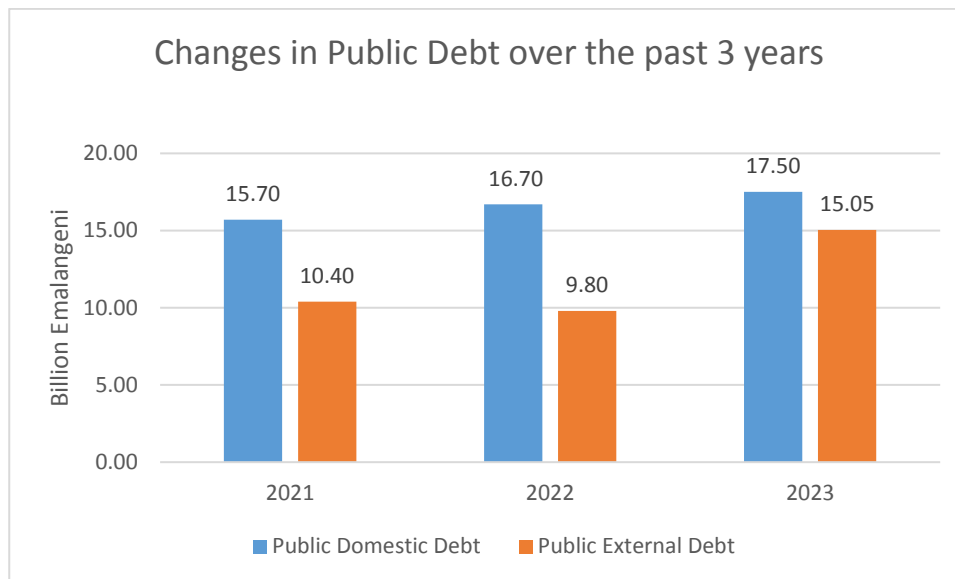
Whilst the increase in External Public Debt is quite alarming, it is not only accredited to the issuance of new loans by the Government. The increase is also attributed to the volatile movements of exchange rates on foreign currencies and continuous drawdowns. On the other hand, the increase in Domestic Debt is due to the outstanding treasury stock and treasury bonds as well as disbursements made during the year.

According to reports by the Ministry of Finance and the Central Bank, total Gross Domestic Products (GDP) of the country stood at E84,847 billion as at 31st March 2023. This means that as a percent of GDP, total Public Debt stood at 38.4% as at 31st March 2023. In the previous year the country reported a ratio of 37.2% of Public Debt to GDP. External Public Debt contributed 17.8% whilst Domestic Debt contributed 20.6% to this ratio.

Worth noting is that the 38.4% of GDP shows a slight increase of 1.2% from the previous year's 37.2%. Though the 38.4% is above the 35% threshold recommended by Breton Woods Institutions (IMF and the World Bank Group), it is within the Southern African

Development Community (SADC) threshold which is above 50%. Thus the country is still rated better when compared with some countries in the SADC region.

Graphically, the presentation of the movement of public debt indicating continued growth in the past three fiscal years is shown below:



New Loans in 2023

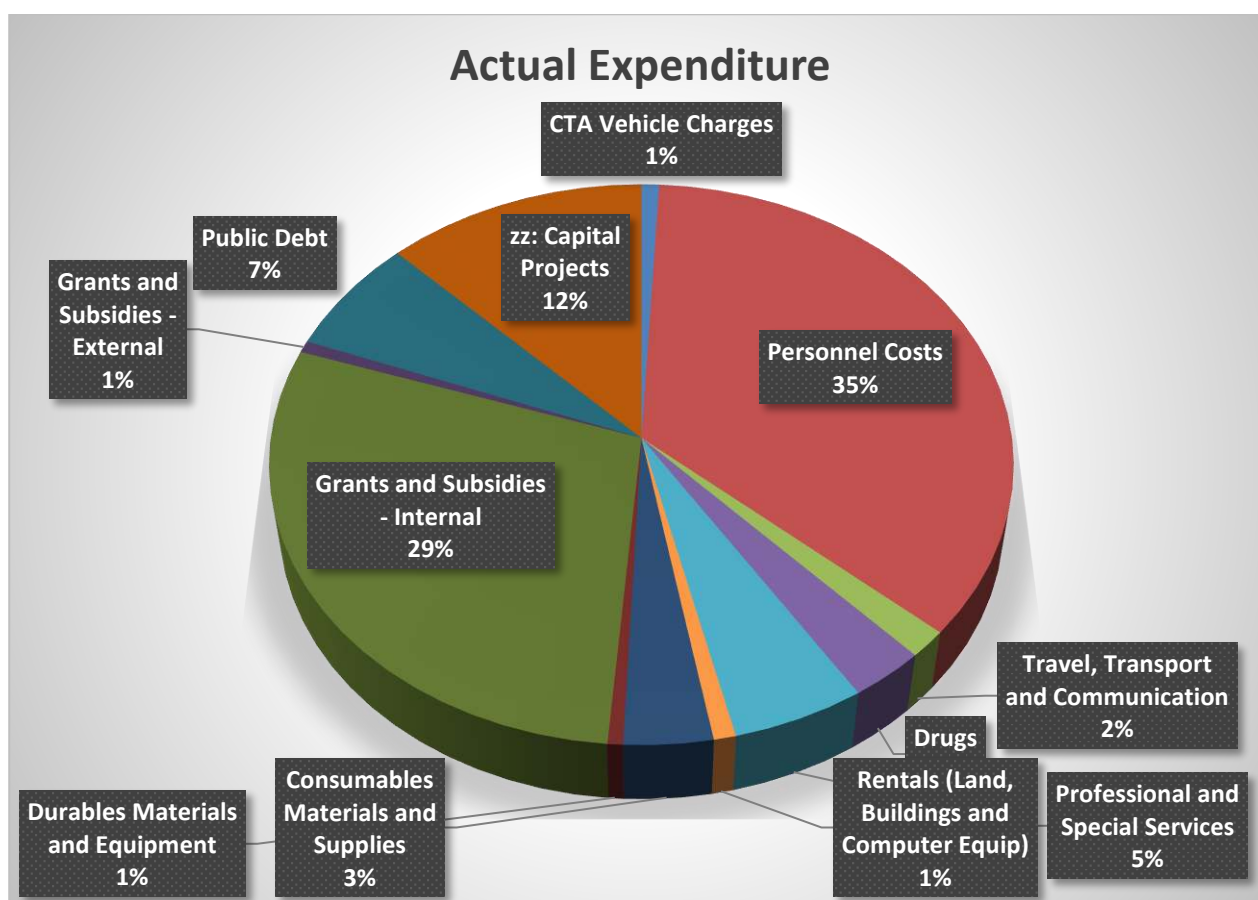
The country made and signed the following agreements of five new loans during the year as follows: Loan between the Kingdom of Eswatini and -

Programme Loan name	Loan Provider	Amount	Agreement date
Support for Economic Recovery and Inclusive Growth Phase 1	The African Development Bank	US\$36 million	5 April 2022
Eswatini Economic Recovery Development Policy Loan II	International Bank for Reconstruction & Development	US\$75 million	16 May 2022
Mkhondvo Ngwavuma Water Augmentation Project (Phase 1)	The African Development Bank	ZAR2,684 billion	29 August 2022
Emergency Food Production Program	The African Development Bank	US\$40 million	20 October 2022
Strengthening Early Childhood Development and Basic Education Systems	International Bank for Reconstruction & Development	US\$27.350 million	30 March 2023

RECURRENT AND CAPITAL EXPENDITURE

The Government Accounting System depicts that the spending of the Government stood at **E21,529,766,713.68** in the financial year ended 31st March 2023. Recurrent Expenditure was **E18,854,945,686.48** while the Capital Expenditure was **E2,674,821,027.20**. The expenditure per component are illustrated in the table and pie chart below.

Expenditure Per Component	Actual Expenditure (E)
00: CTA Vehicle Charges	180,591,937.62
01: Personnel Costs	7,652,086,233.83
02: Travel, Transport & Communication	337,788,808.90
03: Medical Drugs	648,788,856.75
04: Professional & Special Services	1,146,228,805.26
05: Rental (Land, Buildings & Computer Equipment only)	189,527,393.79
06: Consumable Materials & Supplies	763,669,370.57
07: Durable Material & Equipment	131,815,984.70
10: Grants & Sudsudies – Internal	6,209,202,335.07
11: Grants & Sudsudies – External	146,035,974.90
12: Public Debt	1,449,209,985.09
Total Recurrent Expenditure	18,854,945,686.48
ZZ: Capital Projects	2,674,821,027.20
Total Expenditure	21,529,766,713.68



RECURRENT REVENUE PERFORMANCE

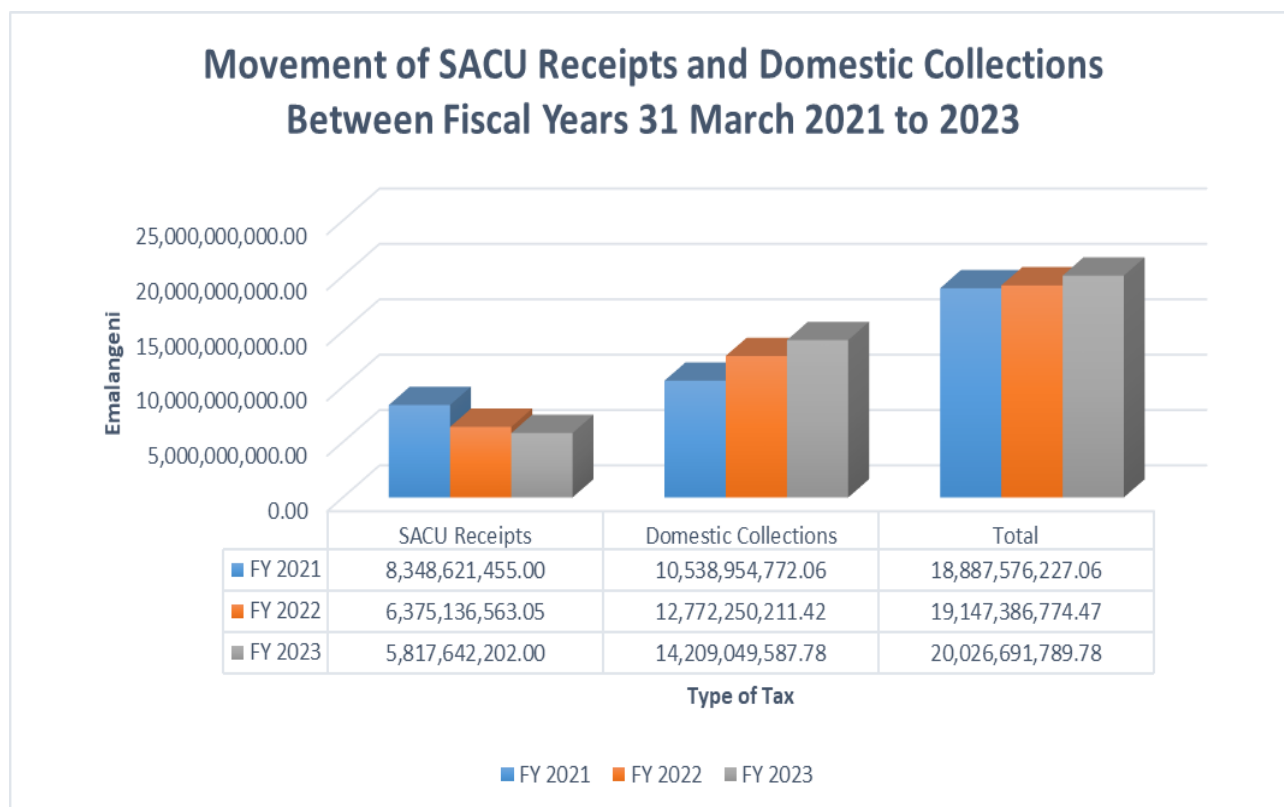
Revenue Collection for the year ended 31st March 2023

Total actual revenue collections for the fiscal year ended 31st March 2023 amounted to E20,026,691,789.78 compared to a projection of E18,638,114,640.00. On a comparative basis total revenue receipts collections increased by 4.59 % (879,305,015.31) when compared with previous year's performance.

SACU receipts decreased by 8.47% against the fiscal year 2021/2022 amounting to 5,817,642,202.00 in the fiscal year 2022/2023, while domestic collections improved by 11.25 against the outturn for 2021/2022 reaching 14,209,049,587.78 in the fiscal year 2022/2023. The table below is a summary of the revenue performance over a three-year period.

	SACU Receipts	Domestic Collections	Total
FY 2021	8,348,621,455.00	10,538,954,772.06	18,887,576,227.06
FY 2022	6,375,136,563.05	12,772,250,211.42	19,147,386,774.47
FY 2023	5,817,642,202.00	14,209,049,587.78	20,026,691,789.78
Two year Comparatives	557,494,361.05	(1,436,799,376.36)	(879,305,015.31)
% Change	8.47	-11.25	-4.59

The graph below illustrates the movement of SACU Receipts and Domestic Revenue Collections between the three fiscal periods, ending 31st March 2021 to 31st March 2023.

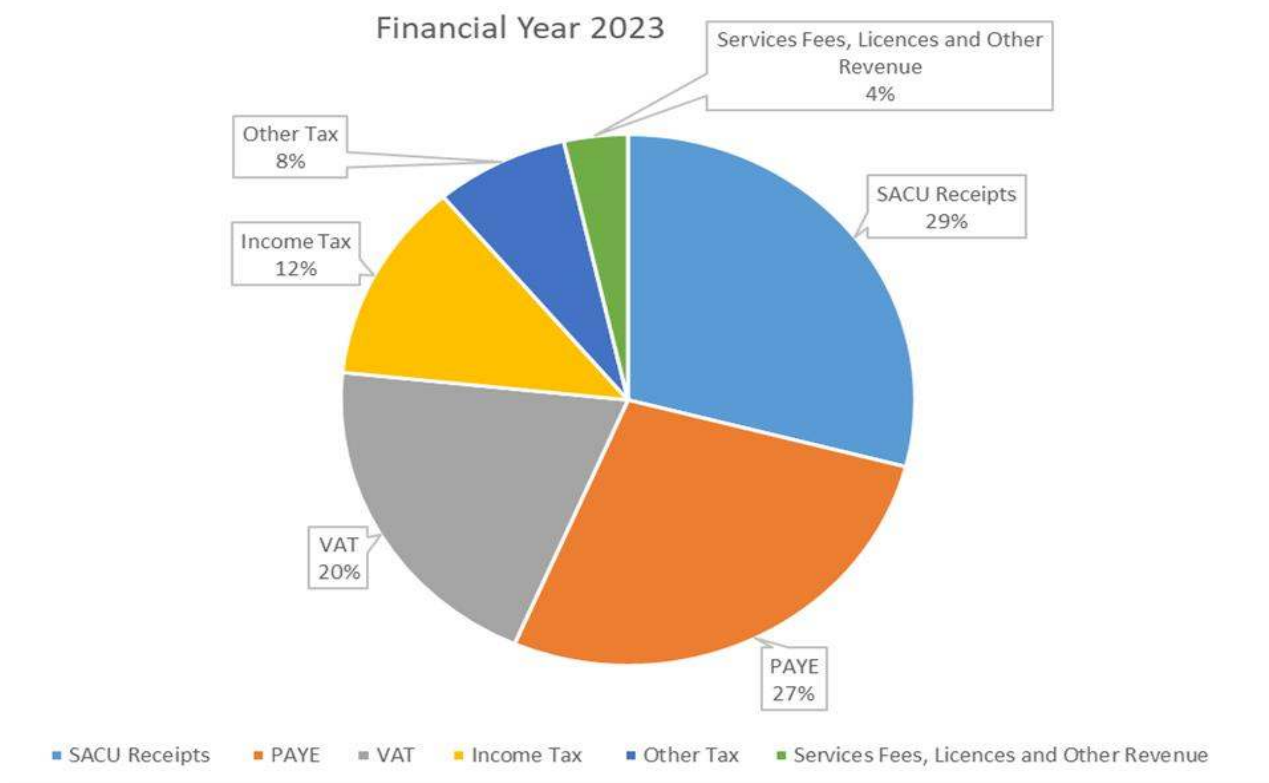


The Contribution of the main components of revenue is presented in the table below.

Revenue Components	Financial Year 2021	Financial Year 2022	Financial Year 2023	Increase/Decrease	Contribution Per Component
	E	E	E	E	
SACU Receipts	8,348,621,455.00	6,375,136,563.05	5,817,642,202.00	- 557,494,361.05	0.29
PAYE	3,455,292,652.00	4,980,528,665.83	5,492,470,200.60	511,941,534.77	0.27
VAT	2,996,315,619.00	3,104,636,277.00	4,040,650,996.00	936,014,719.00	0.20
Income Tax	2,134,892,554.51	2,487,331,966.02	2,447,104,564.71	- 40,227,401.31	0.12
Other Taxes, Levies and Duties	1,436,756,870.66	1,513,189,042.71	1,508,649,826.73	- 4,539,215.98	0.08
Services Fees, Licences and Other Revenue	515,697,075.89	686,564,259.86	720,173,999.74	33,609,739.88	0.04
Total	18,887,576,227.06	19,147,386,774.47	20,026,691,789.78	879,305,015.31	1.00

SACU receipts were the highest contributor to the total revenue with 29%, slightly above the PAYE which had a margin of 27%. The VAT yielded 20% while income tax contributed 12%. On a three-year comparative basis SACU receipts stands on a declining trend while domestic revenue indicates an overall upward trend as presented in the following pie-chart.

Revenue Component Contribution

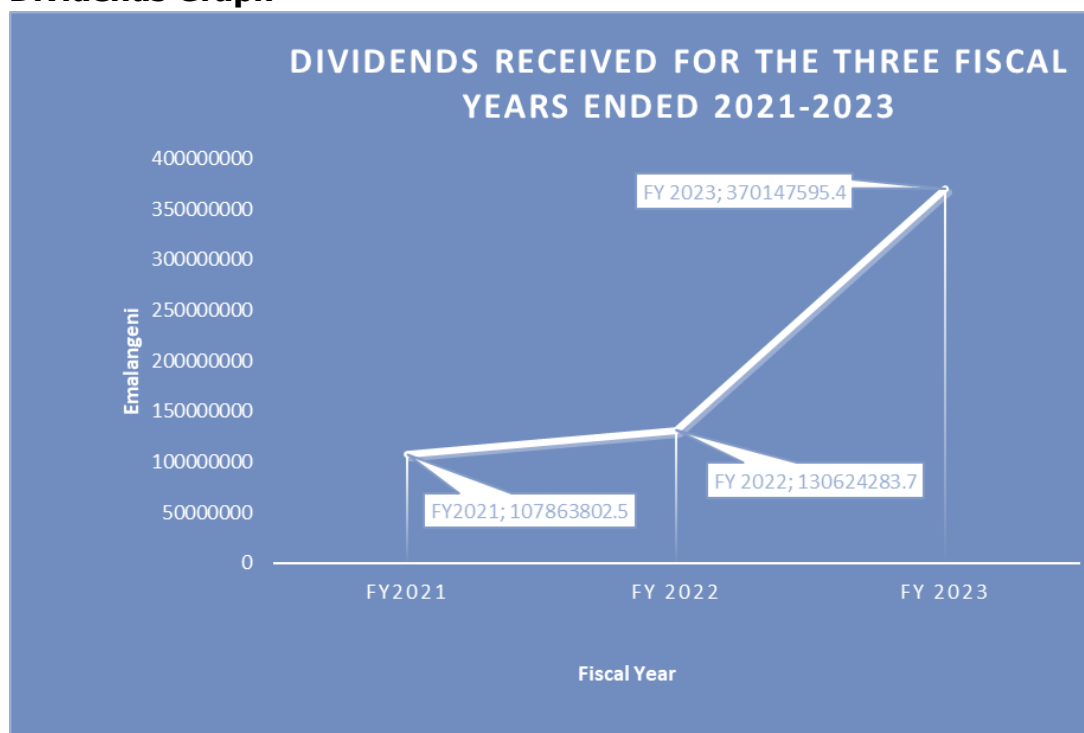


Government Equity Investment

In the Financial year ended 31st Marchs 2023, Government received dividends amounting to **E370,147,595.44** which include dividends received from category A investments amounting to **E190,050,665.56** and dividends received from category B investments amounting to **E180,096,929.88**. In contrast to the previous year there was an increase of 239,523,311.70 (183.37%) from **E130,624,283.74** to **370,147,595.44**.

The graph below represents the trend of dividends received by Government from its Public Enterprises, over a period three (3) years, starting from the fiscal period 1st April 2020 to 31st March 2023.

Dividends Graph



The giant increase in the dividends receipt was due to a declaration made by Eswatini Central Bank amounting to **E173,236,360.93**. Although a consistency trend of declaring dividends is noted by the few companies declaring dividends, I have noted that out of the Thirty-seven (37) government companies (Parastatals) expected to declare and remit dividends, but only 5 companies were paying dividends while the 32 were not. The companies paying dividends are **Eswatini Electricity Company (EEC), Eswatini Bank/ Swazi Bank, Eswatini Railway, FINCORP and Central Bank**.

HEAD 02: PARLIAMENT

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced P42/Vol.V/01 dated 19th October 2023. The Controlling Officer responded through a memorandum referenced PARL/3/J/V dated 6th November 2023. However, the following audit findings remained unresolved and reportable.

1. Negative Outstanding Commitments

I reported that there were negative outstanding commitments amounting to **E89,820.75** on Travel, Transport, Communication Costs (02), and Professional and Special Services (04), in the financial year ended 31 March 2023, as illustrated in the table below.

Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD80	Variance AA220	Outstanding Commitments
		E	E	E	E	E	E
1102	02	613,998.00	368,998.00	353 945.34	93,188.41	15,052.66	-78,135.75
1101	04	7,440,509.00	9,031,103.00	8,976,395.64	66,392.36	54,707.36	-11,685.00
Total							-89,820.75

The Controlling Officer was reminded that, Section 35 of the Public Finance Management Act (2017) requires that:

(a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and

(b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I am concerned there is a risk that the reported recurrent expenditure could be misstated, thereby distorting the reported financial performance of the Ministry and misleading to users of the financial statements.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, and to keep close control on all commitments and make enquiries if a commitment does not become actual expenditure within a period of 90 days, should be cancelled and the

necessary expenditure account reconciliations undertaken, as per the Financial and Accounting Instruction 0410.

In response the Controlling Officer concurred with my observations and stated that the negative commitments are not realistic and distorts the accounts; as such, the Parliament have since requested for de-commitment from the office of the Accountant-General through a memorandum referenced PAR/3/J/V dated 28th September 2023. He further appreciated the recommendation by the Auditor-General of reconciling the accounts on monthly basis to ensure accurate financial reports.

The response of the Controlling Officer was noted; however, it is not satisfactory because the negative commitments were not resolved by the Parliament.

2. Unappropriated Over-Expenditure on Recurrent Vote

I reported that there were unappropriated over-expenditures on Recurrent Vote amounting to **E157,053.64** incurred by the responsibility centres 1101 and 1102 in the financial year ended 31st March 2023. The composition of the unappropriated excess expenditure was E2,684.52 (34%) on Professional and Special Services under the responsibility centre 1102, E2,000.00 (32%) on Rentals under the responsibility centre 1101- Clerk to Parliament, and 152,369.12 (18.8%) on Consumable Materials under the responsibility centre 1101- Clerk to Parliament, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-Expenditure	
04 Professional Services	E	E	E	E	%
1102:Not in the Establishment Register	429,999.00	7,899.00	10,583.52	2,684.52	34
05 Rentals					
1101: Clerk to Parliament	0.00	6,255.00	8,255.00	2,000.00	32
06 Consumables					
1101: Clerk to Parliament	162,066.00	811,803.00	964,172.12	152,369.12	18.8
Unappropriated Over-Expenditure on Recurrent Vote				157,053.64	

Section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority,

that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

I warned the Controlling Officer that over-expenditure beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling Officer concurred with my observations on over-expenditure incurred on Recurrent Vote and noted the serious effect on the fiscal budget. However, he submitted that after balancing the accounts with savings from other line items, the above accounts were later distorted by the late processing of an imprest batch submitted for payment at Treasury Department. The Treasury Department was over-loaded with such work as it was the end of a financial year whereby all Ministries and Departments submitted their imprest batches at once for processing by 31st March 2023.

He further stated that the above over-expenditures could not be balanced up due to non-existence of accounts with further savings in other line items. Over expenditures are balanced up from accounts with savings within a departmental budget.

The response of the Controlling Officer was noted; however, there is no justification for over-expenditure (excess expenditure) since it is in contravention with Section 34 of the Public Finance Management Act (2017).

3. Under-Expenditure on CTA Vehicle Charges

I reported that there was a significant under-expenditure on CTA Vehicle Charges amounting E125,507.79 (19.5%) under the responsibility centre 1101 – Clerk to Parliament, in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under Expenditure	
00 – CTA Charges	E	E	E	E	%
1101: Clerk to Parliament	505,029.50	645,328.00	519,820.21	125,507.79	19.5

Under-expenditures of 10% or more in a year may not be conducive to the development of the country. I am concerned that planned programmes might have not been

accomplished, leading to lesser service delivery thereby limiting improvements in the Parliament's business and lives of citizens. This reflects inadequate budget planning, execution and performance.

I advised the Controlling Officer to ensure that released funds are utilised for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for the under-expenditures and explain if the budget's intended purposes were met, despite the under-expenditures.

In response, the Controlling Officer concurred with my observations and stated that the commitment of this amount was as a result of a 'system error' as double commitment incurred. This commitment was later detected and de-committed, thus the "savings" under this line item. The corrective action going forward is to use all relevant accounting functions to check the correctness of accounting records for accurate reports.

The Controlling Officer's response was acknowledged; however, evidence supporting the Controlling Officer's response was not provided and the Government Accounting system still rejects the underexpenditure.

4. Unretired and Unrecovered Tour Advances

I reported that tour advances amounting to **E561,646.52** were not retired by and/or recovered from the officials involved as at 31st March 2023. The unretired tour advances remained unrecovered assets and there is no evidence that the related external travel expenditure was not recorded in the books of accounts. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)
1101: Clerk to Parliament	51006: Tour Advances- Employees	514,060.14
1102: Public Accounts Committee	51006: Tour Advances- Employees	47,586.38
Total Unretired Tour Advances		561,646.52

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero.

I warned the Controlling Officer that the unretired tour advances remained unrecovered monies due to Government, and the external travel expenditure was understated in the financial year it relates; thus distorting the financial position and reported financial performance.

I advised the Controlling Officer to ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and recover unretired tour advances from the officials and politicians involved. I further advised that external travel expenditure should be recorded in the books of accounts in the financial year it relates and reconciled with the Tour Advance Suspense Account at the end of each month.

*In response, the Controlling Officer concurred with my observations and stated that the Tour Advance Suspense Account is on continuous reconciliation, some tour advances issued have been recovered from salaries of implicated former Honorable Members of Parliament. The outstanding balance had slightly been reduced by the already retired tours, amounting to **E53,031.75** leaving a balance of **E508,614.77**. The table below shows tours of last financial year retired in the financial year ending 2024, as funds that were recovered from the implicated former Members of Parliament.*

<i>Tour Reference Number</i>	<i>Employee Number</i>	<i>Amount (E)</i>
<i>139341</i>	<i>3193969</i>	<i>3,701.74</i>
<i>82683</i>	<i>4186454</i>	<i>20,535.62</i>
<i>109384</i>	<i>3226746</i>	<i>14,160.02</i>
<i>108750</i>	<i>4178316</i>	<i>500.00</i>
<i>82683</i>	<i>4186454</i>	<i>3,458.67</i>
<i>124892</i>	<i>2231644</i>	<i>10,675.70</i>
<i>Total</i>		<i>53,031.75</i>

The response of the Controlling Officer was noted but not satisfactory because the accounting system shows the same amount of unrecovered tour advances and fictitious tour advance liability that appear to have been retired against non-posted tour advance, as at 31st March 2023. The recoveries were done after I had raised the audit finding and only 9.4% of them were recovered from the total outstanding tour advances in the financial year ending 2024. Significant amount of the tour advances remains unrecovered. Further, the expenditure of these tour advances was not recorded in the books of accounts (accounting system) and the fictitious tour advance liability was not addressed.

5. Funds Received Mispotsed to Tinkhundla Advance Account

I noted that there was mis-posting of funds worth **E500.00** received from a former Politician bearing employment number 9072150, receipt number 10756626 dated 1st November 2022. The funds were erroneously posted to the Tinkhundla Advance Account -51106 instead of the correct account, under the responsibility centre 1101 – Clerk to Parliament, in the financial year ended 31st March 2023. The mis-posting has resulted to the creation of a fictitious liability.

Financial and Accounting Instruction 0203 requires that, "the Controlling Officer should see to it that all books of account are correctly posted and kept-up-to-date". Further, section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) guides that, "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year".

I am concerned that the mis-posted funds received have not been recognized as income or revenue received by the Government and resulted to the creation of a fictitious liability. This overstated the liabilities at year-end and understated revenue (income) for the year.

The Controlling Officer is advised to correctly post the receipt of funds received and rectify (clear) the fictitious liability due to this mis-posting.

The Controlling Officer did not provide a response to this audit finding; hence, the audit finding remains unresolved.

6. Unremitted deductions of National Provident Fund and Taxes

I noted that there were unremitted deductions from salaries of non-pensionable employees in respect of the National Provident Fund amounting to **E74,175.22** under the responsibility centre 1101, and there were also unremitted taxes amounting to **E146,097.60** under the responsibility centre 1101 and 1102, as at 31st March 2023. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unremitted Deductions (E)
1101: Clerk to Parliament	62315: National Provident Fund Deduction	74,175.22
Unremitted Deductions of National Provident Fund		74,175.22
1101: Clerk to Parliament	62315: SRA- Taxation	3,818.10
1102: Not in the Establishment Register	62315: SRA- Taxation	142,279.50
Unremitted Deductions of Taxes		146,097.60
Total Unremitted Deductions		220,272.82

I reminded the Controlling Officer that, Financial and Accounting Instruction 0817 requires that "a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited". Also, Financial and Accounting Instruction number 0202 (vii) states that "the Controlling Officer is responsible for ensuring that each month his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer".

I warned the Controlling Officer that non-remittance of deductions of contributions for Provident Fund may deprive deprived non-pensionable workers from receiving their rightful benefits through Eswatini National Provident Fund, and non-remittance of deductions of taxes deprive Government from receiving revenue.

I advised the Controlling Officer that the deductions of taxes and contributions for Provident Fund and taxes should be promptly remitted to the Eswatini Revenue Service and Eswatini National Provident Fund, respectively.

In response, the Controlling Officer concurred with my observations and stated that the funds were not paid to Eswatini National Provident Fund since the transaction of transferring such funds is being handled by the Treasury Department. The latest update in this regards is that such funds were transferred to the account of the Treasury Department as per directive and for further payment to Eswatini Provident Fund by the responsible department.

The Controlling Officer further stated that the unremitted tax deductions from sitting allowances amounting to E3,818.10 relates to the financial year ended 31st March 2022 and were paid to the Eswatini Revenue Service during the first quarter of the financial year 2022/2023. The unremitted tax deductions from sitting allowances amounting to E142,279.50 for the financial year ended 31st March 2023, which were omitted from taxes paid to Eswatini Revenue Service had been processed for payment by the Accountant-General in November 2023.

The Controlling Officer's response was noted but not satisfactory because there is no evidence that the unremitted deductions of taxes and contributions for Provident Fund were paid to Eswatini Revenue Service and Eswatini National Provident Fund, respectively. The cited payment voucher 050101, batch 040 in month 05 was in respect of unremitted tax deductions amounting to E3,818.10 occurred in the financial year ended 31st March 2023. The same amount of tax deductions had occurred in the financial year ended 31st March 2022, but also remained unremitted to the Eswatini Revenue Service. In total, the unremitted tax deductions amounted to E146,097.60, as at 31st March 2023.

HEAD 03: PRIVATE AND CABINET OFFICES

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced P44/Vol.III/32 dated 28th September 2023. The Controlling Officer responded through a memorandum referenced CPM/2/1/2, dated 11th September 2023. However, the following audit findings remain unresolved and reportable.

7. Unappropriated Expenditure on Personnel Costs

I reported that there was significant excess (unappropriated) expenditure on Personnel Costs amounting to **E2,213,250.83**, incurred under the Principal Secretary's office (E1,343,476.25), Public Policy Coordinating Unit (E633,826.66) and Smart Partnership Secretariat (E235,947.92), as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-Expenditure	
				E	%
02 Personnel Costs	E	E	E	E	
1101: Principal Secretary's Office	11,414,814.00	11,341,808.00	12,685,284.25	1,343,476.25	11.9
1102: Public Policy Coordinating Unit	3,194,831.60	3,194,828.00	3,828,654.66	633,826.66	19.8
1103: Smart partnership Secretariat	0.00	0.00	235,947.92	235,947.92	100
Unappropriated Over-Expenditure on Personnel Costs				2,213,250.83	

Section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

I warned the Controlling Officer that any excess or any amount expended beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget. Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public moneys. Any unauthorised expenditure may lead to disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling Officer concurred with my observations on excess (unappropriated) expenditure incurred on Personnel Costs. He stated that the over-expenditure on salaries is beyond the Office's control since personnel costs are allocated by the Ministry of Public Service. The Private and Cabinet Officers had requested for a budget of E18,465,258 but they were allocated E17,307,495 before allocation of 3% and 1% once off. A supplementary budget of E3,440,000.00 was requested for the implementation of Circular number 1 and number 2 of 2022 but they were allocated less than the requested amount. The Responsibility Centre 1101 – Principal Secretary's office includes the budget for His Excellency the Right Honourable Prime Minister and his support staff, and alignment of posts correctly under centre 1001 was scheduled to be done by the Ministry of Public Service in the month of March 2024.

The response of the Controlling Officer was noted; however, there is no acceptable justification for the over-expenditure (excess expenditure) since it is in contravention of Section 34 of the Public Finance Management Act (2017) and sidestepping the budgetary and authority controls exerted by both the Ministry of Finance and the Ministry of Public Service. Thus, the above justification should have been made to these two controlling entities to convince them of the inevitable nature of the expenditure and to ask them to release the appropriate budget and issue the necessary authority instead of sidestepping their control mechanisms.

8. Non-posting of Tour Advances in the Suspense Account and Cash Book

I reported that under the Prime Minister's Office, tour advances amounting to **E317,096.62** were not posted in the Tour Advance Suspense Account - 51006 and the Cash Book. These tour advances were charged in the Government General Account and cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of accounts. Consequently, fictitious liabilities were created when retiring tour advances, as illustrated in the table below:

Responsibility Centre	Account Item	Unposted Tour Advances (E)
1001: Prime Minister's Office	51006: Tour Advances- Employees	317,096.62
Fictitious Liabilities Due to Non-postings of Tour Advances		317,096.62

I am concerned that the Controlling Officer did not promptly bring into account these tour advances by ensuring that they are posted in the Tour Advance Suspense Account and the Cash Book on time. If this had been done, the tour advances would have been reconciled or repaid on time and errors would have been noted on time and corrected.

According to Financial and Accounting Instruction number 0203 (ii) and 0203 (X), it is the duty of accounting officers deployed at the Private and Cabinet Offices to promptly bring to account all public moneys and to see that all books of account are correctly posted and kept up to date.

I am concerned that the non-posting of tour advances in the Tour Advance Suspense Account and Cash Book created fictitious liabilities. Also, the external travel expenditure was understated in the financial year it relates; thus distorting reported the financial position and financial performance.

I advised the Controlling Officer to ensure that all tour advances are retired and repaid immediately upon completion of the tour, and that unretired tour advances should be recovered from employees involved. I further advised the Controlling Officer to record the external travel expenditure in the books of accounts of the financial year to which it relates and reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer concurred with my observations and stated that the Tour Advance Suspense Account issued in March 2023 were retired on time but the Treasury department had not yet posted the debits for these tours hence the credit balance.

The response by the Controlling Officer was noted but not satisfactory because the Treasury Department deployed accounting officers in the Private and Cabinet Office who should have noticed this anomaly and worked with the Treasury Department to rectify the error. Thus, the tour advances remain unposted (unrecorded in the books of accounts) and the retired tour advances against non-posted tour advances continue to reflect fictitious liabilities in the accounts of the Private and Cabinet Offices. Therefore, the Controlling Officer should take full accountability and responsibility to rectify the anomaly.

HEAD 04: TOURISM AND ENVIRONMENTAL AFFAIRS

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced T2 Vol.III/33 dated 17th August 2023. The Controlling Officer responded through a memorandum referenced MTEA 11/09 dated 11th September 2023, however the following audit findings were not satisfactory addressed.

9. Outstanding Commitments

I reported that there were outstanding commitments amounting to **E125,462.58** on CTA Vehicle Charges, Travel, Transport and Communication Costs, Professional and Special Services, and Consumable Materials which were not cancelled. I also noted that there was a negative outstanding commitment amounting to **E78,274.00** on Professional and Special Services in the financial year ended 31st March 2023, as illustrated in the table below.

Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD80	Variance AA220	Outstanding Commitments
		E	E	E	E	E	E
1501	02	68,647.00	88,694.00	83,348.88	857.62	5,345.12	4,487.50
1601	02	304,670.00	339,272.00	329,336.28	1,888.84	9,935.72	8,046.88
1601	04	478,185.00	364,274.00	347,011.72	-1,137.72	17,262.28	18,400.00
1101	06	554,751.00	377,214.00	370,481.18	-70,166.18	6,732.82	76,899.00
1601	06	915,866.00	812,074.00	804,324.95	-3,880.15	7,749.05	11,629.20
Total Outstanding Commitments							125,462.58
1101	04	934,361.00	875,359.00	829,361.18	124,271.82	45,997.82	- 78,274.00
Negative Outstanding Commitment							-78,274.00

Section 35 of the Public Finance Management Act requires that:

- (a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and
- (b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I am concerned there is a risk that the reported recurrent expenditure could be misstated, thereby distorting the reported financial performance of the Ministry and misleading to users of the financial statements.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, keep close control on all commitments and make enquiries if a commitment does not

become actual expenditure within a period of 90 days, as per Financial and Accounting Instruction 0410.

In response, the Controlling Officer acknowledged the outstanding commitments and claimed that the outstanding commitments were decommitted through a memo they sent to the Accountant-General, which did not cover the queried outstanding commitments.

The response is unsatisfactory, since the Government Accounting System still reflects outstanding commitments.

10. Under-Expenditure and Non-utilisation of Appropriated and Released Budget on Recurrent Vote

I reported that there was an under-expenditure on Consumable Materials amounting to **E29,810.34 (10.7%)** under the Forestry Department and 100% non-utilisation of appropriated and released budget on Recurrent Vote amounting to **E628,829.00**, on various control items under the responsibility centre 1301, in the financial year ended 31st March 2023. This is a recurring matter, since the non-utilisation of budget allocation amounting to **E228,939.00** to the same responsibility centre was reported in the previous financial year as well.

I further noted that, though the responsibility centre 1301 falls under the budget activity of the Environmental Affairs, it does not appear in the Establishment Register.

The under-expenditure and non-utilisation of released budget is depicted in the two tables below.

Under-expenditure on Consumable Materials

Responsibility Centre	Appropriated Budget (E)	Released Budget (E)	Actual Expenditure (E)	Under-Expenditure (E)	%
1501: Forestry Department	235,807.00	278,275.00	248,464.66	29,810.34	10.71

Non-utilisation of Released budget

Responsibility Centre	Item	Released Budget (E)	Actual Expenditure (E)	Under-Expenditure (E)
1301: Not in the Establishment Register	00:CTA Vehicle Charges	121,071.00	0.00	121,071.00
1301: Not in the Establishment Register	01: Personnel Costs	327,712.00	0.00	327,712.00
1301: Not in the Establishment Register	02:Travel, Transport and Communication	46,220.00	0.00	46,220.00
1301: Not in the Establishment Register	04: Professional and Special Services	90,380.00	0.00	90,380.00
1301:: Not in the Establishment Register	06: Consumable Materials	14,280.00	0.00	14,280.00
1301: Not in the Establishment Register	07: Durable Materials	29,166.00	0.00	29,166.00
Non-utilisation of Appropriated and Released Budget				628,829.00

I am concerned that planned programmes were not accomplished, leading to limited service delivery and thereby delaying improvements in the tourism and environmental sector and limit the attraction of tourists. This reflects inadequate budget planning, execution and performance.

Under-expenditure indicate that public funds were tied up in the Treasury Control Items and deprived funding to other essential public programmes during the fiscal year. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country. Hence, under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government.

I advised the Controlling Officer that the Ministry should ensure that released funds are utilised and should not seek budget release when not ready to implement any activity or programme. I further advised the Controlling Officer to explain the reasons for the under-expenditure and non-utilisation of appropriated budget, and if the funds intended purposes were met and achieved, despite the non-utilisation of budget.

In response, the Controlling Officer stated that the under-expenditure on Professional and Special Services under the Forestry Department was caused by the fact that the department wanted to prioritise their procurement, only to find that some items under item 06 could not be procured as the deadline for government orders was early and thus they failed to complete the procurement processes.

With regards to the non-utilisation, the Controlling Officer stated that the Environmental Department was abolished when the statute re-establishing Eswatini Environmental Authority as a parastatal; however, it became apparent that there was a need to have a coordination office and personnel on environmental policy matters. Hence, the Chief Coordinator's office was then re-established albeit under PS' office (Responsibility Centre 1101). The abolished responsibility centre was later resuscitated /activated. Before the centre could be re-activated in the Establishment Register, the post of Chief Environmental Coordinator became vacant following the secondment of the then incumbent. The post was vacant for a period of about three (3) years and was filled at the beginning of the financial year ending 31st March 2024 and the budget allocation is now being utilized. A follow up request has been written to the Ministry of Public Service to reactivate the responsibility centre in the Establishment Register.

The Controlling Officer's response was noted; however, it was not satisfactory because there was no justification for the non-execution and non-

implementation of planned programmes of the Forestry Department and causes of delayed initiation of procurement processes. Further, the Controlling Officer did not explain why the budget was requested when there were no activities for the abolished responsibility centre. She also did not state how the mandate of the Ministry was affected by the non-existence of the abolished and the value it will bring to Government.

I am concerned about the value and benefits of the Coordination office between the Ministry and its Public Enterprise. Therefore, I advise the Controlling Officer to evaluate and review the consideration of moving the environmental policy matters to the Eswatini Environmental Authority, to avoid duplication of policy implementation which results to wasteful and fruitless expenditure.

11. Unretired Tour Advances and Fictitious Liability Due to Non-postings of Tour Advances

I reported that tour advances amounting to **E43,520.55** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that tour advances amounting to **E9,624.00** were not posted in the Suspense Account and Cash Book after charging the Government General Account for those tours (the tour advances were cashed out at the banks), under the Ministry. As such, the tour advances (external travel) expenditure was not recorded in the books of accounts and fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)	Unposted Tour Advance (E)
1001: Minister's Office	51006: Tour Advances- Employees	39,559.20	
1501: Forestry Department	51006: Tour Advances- Employees	3,961.35	
1101: Principal Secretary's Office	51006: Tour Advances- Employees		9,624.00
Unretired Tour Advances and Fictitious Liability		43,520.55	9,624.00

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero.

I warned the Controlling Officer that the unretired tour advances remained unrecovered monies due to Government and that external travel expenditures were understated in the financial year it relates. On the other hand, the retirement of tour advances against unposted tour creates fictitious liabilities in the financial statements; which distorts the reported financial position and financial performance.

I advised the Controlling Officer to ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Ministry to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer reported that:

- i) Concerning the **E43,520.56** their records indicated that all tours were retired, except those tours that occurred in the month ending 31 March which were retired.*
- ii) Concerning the **E9,624.00**, their accounts could not identify tours made without budget provisions as it reflects from the print out that all transactions were made before months 12. The Ministry was still investigating the said tour with the Treasury Department.*

The Controlling Officer's response was acknowledged; however, I was not furnished with evidence that the tour advances were retired, and there was no confirmation that the related external travel expenditure was not recorded in the books of accounts. Further, there was no evidence reflecting ongoing investigations on the tours made without budget provisions and that the recurring matter being resolved.

12. Non-Adjustment of Unutilised Budget Provisions and Variation

I reported that the Ministry did not prepare adjustments for unutilised budget provisions and variation of foreign exchange gains or losses on Accounts Payable Tourism Communication and Environment amounting to **E1,138,404.15** for foreign payments. The non-adjustments resulted to overstated expenditure on Grants and Subsidies – External item in the fiscal years where transactions occurred and fictitious liabilities that were not cleared by the Ministry, since the financial year 2009, under the responsibility centre 1101, 1401, 1601, 2101 and 3601. The unutilised budget provisions and foreign exchange gains were not transferred to miscellaneous/sundry income to avoid misappropriation of public funds.

It was further noted that the Ministry did not prepare adjustment for foreign currency exchange gain amounting to **E3,354.99** after passing the foreign payments at the bank

on the Accounts Payable Tourism under the responsibility centre 3601 since the financial year ended 31st March 2009. The breakdown of unutilised budget provision and fictitious liabilities are depicted in the table below.

Responsibility Centre	Account Item	Fictitious Liabilities due to Unadjusted Unutilised Budgets (E)
1101: Principal Secretary's Office	61010: Accounts Payable Tourism Communication and Environment	400,027.70 (119,876.60) 280,151.10
1401: Tourism, Gaming & Wildlife	61010: Accounts Payable Tourism Communication and Environment	571,705.51
1601: Department of Meteorology	61010: Accounts Payable Tourism Communication and Environment	166,346.76
2101: Not in the Establishment Register	61010: Accounts Payable Tourism Communication and Environment	10,297.19
		1,135,049.16
3601: Not in the Establishment Register	61010: Accounts Payable Tourism Communication and Environment	3,354.99
Non-adjustment of currency gain on Accounts Payable Tourism since financial year 2009		3,354.99
Unadjusted unutilised budgets and variations exchange Gains/Losses on Accounts Payable		1,138,404.15

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) states that "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item. Further, Section 11, paragraph 5.5 further states that balances on this account may exist because of differences in the timing of entries to the computer system. Investigations and corrections should be carried out in consultation with the Treasury Common Services Section. Moreover, Paragraph 5.6 requires that "year end balances on this item should normally equal zero".

I warned the Controlling Officer that there is a risk of incurring expenditure against the unutilized budget, that is, use of elapsed budget, which would be regarded as unappropriated expenditure. The non-adjustment of unutilized budget in the Foreign Payments Suspense Account results in the creation of fictitious liabilities, which in turn overstates the recurrent expenditure (Grants and Subsidies Item in this case) and liabilities, thus distorting the financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the unutilised funds to the miscellaneous/sundry income account and reconcile Foreign Payments Suspense Account to ensure that the balance is equal to zero at the end of the financial year, by debiting the Accounts Payable and crediting the Miscellaneous Sundry Income Account.

The Controlling Officer did not provide a response on this audit finding.

13. Unclaimed Sundry Departmental Deposit

I reported that there was an unclaimed sundry department deposit worth **E300.00** from the Eswatini Youth Council, which was receipted on the 4th October 2021 through General Receipt number 10149553, under the responsibility centre 1501. This deposit was not allocated to the rightful beneficiary.

Financial and Accounting Instruction 1307 stipulates that “amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees”. Paragraph 8.8 explains that balances for this account should normally be in credit or zero.

I warned the Controlling Officer that this implies that the rightful beneficiary was deprived of receiving the money and the unallocated or unclaimed sundry deposit was a fictitious liability.

I advised that the Ministry should investigate and disburse the deposit to the rightful beneficiary.

In response, the Controlling Officer concurred with my observation and stated that the matter was in the process of being resolved.

The Controlling Officer’s response is not satisfactory, because the sundry deposit has not yet been allocated (remitted) to the rightful beneficiary, and I was not provided with the investigation report about the background and the rightful beneficiary of this deposit.

14. Unremitted Deductions of SG Civil Servants and Teachers Pension and Taxes

I noted that there were unremitted deductions of SG Civil Servants and Teachers Pension amounting to **E12,705.60**, and unremitted deductions of taxes amounting to **E34,032.68**, as of 31st March 2023, The details of unremitted deductions of pension and taxes are illustrated in the table below.

Responsibility Centre	Account Item	Unremitted (E)
1001: Minister’s Office	62241: SG Civil Servants & Teachers Pension	12,705.60
Unremitted Pension for Employee 654383		12,705.60
1601: Department of Meteorology	62315: SRA- Taxation	9,277.71

Unremitted Deductions of Taxes	9,277.71

I further communicated that the deduction of SG Civil Servants and Teachers Pension worth **E12,705.60** for former Minister bearing employment number 6543583, was processed by the Ministry in the financial year 2016 through payment voucher 040024, batch 10, and month 5; however, it was not remitted to the respective Pension Fund.

This was in contravention of the Financial and Accounting Instruction number 0817 which requires that "a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited". Also, Financial and Accounting Instruction number 0202 (vii) states that "the Controlling Officer is responsible for ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer".

The non-remittance of deductions of taxes deprive Government of receiving revenue, and non-remittance of deduction of contributions for Pension Fund has deprive the beneficiary of receiving the rightful benefits through Pension Fund.

I advised the Controlling officer to promptly remit the outstanding taxes to Eswatini Revenue Service and pension contributions to the Pension Fund, respectively.

In response, the Controlling Officer acknowledged the unremitted contributions for Pension Fund and taxes relating to the former Minister and stated that advice was sought from the Accountant General and they were told that the matter must be put to hold until further advice.

The response from the Controlling Officer was noted, however it is not satisfactory because the pension contributions were not remitted to the respective fund or to the former Minister. Further the deducted taxes amounting to E9,277.71 were also remitted to Eswatini Revenue Service. I commend the Controlling Officer for remitting the deducted tax under Tourism Gaming and Wild Life Department, amounting to E24,754,97 in the financial year ending 31st March 2024.

15. Outstanding PAYE Tax Debt As At 31st March 2023

I notified the Controlling Officer that records from Eswatini Revenue Service revealed that there was Pay As You Earn (PAYE) tax debt worth **E567.06** relating to tax periods dating back from August 2012, which was still outstanding and not disclosed in the financial statement for the year ended 31st March 2023.

This was in contravention of the Income Tax Order of 1975, as amended, which states that public entities are required by law to remit taxes in accordance with the tax law.

Hence, I advised the Ministry to settle the PAYE tax debt with the Eswatini Revenue Service and provide proof of settlement.

The Controlling Officer did not provide a response on this audit finding.

16. Non-recovery of Surcharges Relating to Loss of Nine Laptops (Computers)

I reported to the Controlling Officer that, an audit of the Statement of Write-offs of Loss of Cash, Stamps, Stores and Abandoned Claims and Losses Due to Accidents on Vehicles for the financial year ended 31st March 2023 revealed that, there were no recoveries of surcharges amounting to **E26,364.00** for the loss of nine (9) laptops valued at **E65,907.28**, as instructed by the Losses Committee.

Through a memorandum from the Principal Secretary for the Ministry of Finance, referenced FINI/17A/04 dated 20th April 2022, the Ministry was instructed by the Losses Committee to recover surcharges from the four accounting officers that were partially held liable for the loss, however the balance of **E39,543.28** was authorised for write-off. The officers were surcharged 10% of the loss value, which was **E6,591.00** per person. The Losses Committee ruled that there was gross negligence in their duties, which resulted in the loss of the nine (9) computers valued at **E65,907.28** that went missing at the Store Room of the Ministry on about 19th January 2012. The officers were Senior Accountant bearing employment numbers 7090655, two Assistant Accountants bearing employment numbers 7385937 and 3463671, Accounts Officer bearing employment number 3534658.

I notified the Controlling Officer that it was now over a period of 21 months (May 2022 to January 2024) since the resolution of surcharges was communicated to the Ministry, but no recoveries had been made from the involved accounting officers.

This was in contravention of Financial and Accounting Instruction 0204(ii) which states that if at any time there is a loss of public money because of negligence or fault of any officer, they will be liable to be surcharged with the amount and any sums due to them by the government may be withheld in satisfaction of such surcharges.

I warned the Controlling Officer that the delayed implementation of the resolution of the Losses Committee has deprive Government to recover the public funds from the accounting officers. Moreover, I noted that two implicated accounting officers are no

longer on the Government payroll; hence, there is a risk of financial loss and incurring costs in pursuant the recovery of these debts.

I advised the Controlling Officer to recover the public funds without further delays.

The Controlling Officer did not provide the response on this audit finding.

HEAD 05: ROYAL ESWATINI POLICE SERVICE

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced P12Vol.VII/23, dated 21 December 2023. The Controlling Officer responded through Memoranda referenced NATCOM/11/1/VI/25 dated 3 January 2024 and NATCOM/11/1/VI/26,27 and 28 all dated 30th January 2024. However, the following audit findings remained unresolved and reportable.

17. Outstanding Commitments

I reported that the Police Service had outstanding commitments amounting to **E7,146,175.03** on Travel, Transport and Communication (02), in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD 80	Variance AA220	Commitments
		E	E	E	E	E	E
1101: Headquarters	02	13,319,445.00	29,902,738.00	25,651,043.51	889,581.38	4,251,694.49	5,141,275.87
2201: General Policing	02	960,251.00	3,716,488.00	3,016,754.79	1,025,457.85	699,733.21	1,725,191.06
2401: State Security	02	1,244,768.00	2,139,113.00	1,936,809.68	77,404.78	202,303.32	279,708.10
Total Outstanding Commitments							7,146,175.03

I further referred the Controlling Officer to the previous year's closing balance of outstanding commitments amounting to **E6,641,618.09**.

Section 35 of the Public Finance Management Act which requires that:

- (a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and
- (b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

There is a risk that the reported recurrent expenditure could be misstated, which in turn distorts the financial performance of the Police Service, thus misleading to users of the financial statements.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, and to keep close control on all commitments and make enquiries if a commitment does not become actual expenditure within a period of 90 days, should be cancelled and the

necessary expenditure account reconciliations undertaken, as per the Financial and Accounting Instruction 0410.

In response, the Controlling Officer concurred with my observation and stated that they take serious note of the observation and the recommendation made in terms of cancelling all the commitments that do not become actual expenditure and further reconcile their accounts.

He further submitted that the outstanding commitments for Travel, Transport and Communication was as a result of the fact that the owing officers were given tour advances for certain days which were not fully utilised. Some left a day or two days later whilst others returned earlier than what was stipulated on the approved minutes. He stated that they tried to retire the monies but the entire system failed to apply them. She said they also tried accounting through salary deductions but they were advised it would result in disputes. She further said they will continue to engage Treasury and Computer Department on the glitch and addressing the matter.

On the debits with claims the Controlling Officer stated that officers were issued tour advances for a specific period but due to extension of duty they had to stay longer. He explained that due to budget constraints they were unable to pay the claims on time. The Controlling Officer stated that reallocation of resources will be sought to process the claims thus retire the outstanding debts.

The response from the Controlling Officer was noted; however, it is not satisfactory since the outstanding commitments relating to travel, transport and communication have not been addressed and are reportable.

18. Exorbitant Expenditure of Water and Electricity Bills

I noted the Police Service incurred exorbitant expenditure in respect of water and electricity amounting to **E107,174,051.16** under the responsibility centre 1101-Headquarters, in the financial year ended 31st March 2023. The water expenditure amounted to **E66,267,377.72** and electricity expenditure amounted to **E40,906,673.44**.

I further noted that, the Accounting System shows that a total appropriated budget of E88,755,738.00 for both electricity and water and a total released budget of E106,955,738.00, which indicates a difference of **E18,200,000.00** that was either from budget reallocations or uncaptured supplementary budget in the fiscal year audited.

The expenditure trend over a period of three fiscal years, shows that there was exorbitant increase in water bills (costs) of **E42,573,154.54 (179.7%)**, from E23,694,223.18 in 2021 to E66,267,377.72 in 2023; and significant increase in electricity costs of **E9,564,141.86 (30.5%)**, from E31,342,531.58 in 2021 to E40,906,673.44 in 2023. However, the expenditure of both utilities shows an exorbitant increase of **E55,543,204.19 (108%)** from E51,630,846.97 in the fiscal year 2022 to E107,174,051.16 in the fiscal 2023. The analysis of the water and electricity expenditure from the financial years ended 31st March 2021 to 2023, is depicted in the table below.

Utilities	FY 2021 (E)	FY 2022 (E)	FY 2023 (E)	Exorbitant Increase
Water Bills – 04602	23,694,223.18	18,942,877.39	66,267,377.72	42,573,154.54 (179.7%)
Electricity Bills – 04601	31,342,531.58	32,687,969.58	40,906,673.44	9,564,141.86 (30.5%)
Total Actual Expenditure	55,036,754.76	51,630,846.97	107,174,051.16	52,137,296.40 (49%)

The expenditures for water and electricity utilities are viewed as exorbitant because there are abnormally high, particularly the water utility, when compared with the police service establishment. This may indicate occurrence of fruitless and wasteful expenditure, that are not sustainable and are a drain to government.

I advise the Controlling Officer to account for the expenditure incurred and provide the reasons for such exorbitant utilities, and reduce the exorbitant expenditure due to the extremely high utility bills for water and electricity, and implement mitigation measures to eliminate the fruitless and wasteful expenditure. The Police Service should control and monitor the usage and enhance the accountability of the usage of the utilities by the officers.

I further advise the Police Service to provide explanation with supporting documents on the difference between the appropriated budget and released budget, as it indicates budget reallocations or uncaptured supplementary budget in the fiscal year audited.

The Controlling Officer further submitted that on Professional and Special Services they incurred high utility bills with Water Services, due to worn out leaking pipes and that a request for rehabilitation of their pipes in all institutional formations, for the year 2024/2025 was raised to help reduce expenditure to be incurred on this service in future.

The Controlling Officer concurred with my audit finding; however, it worrying that these unnecessary costs will continue escalating and draining public funds with no value adding to the police service.

19. Unappropriated Excess Expenditure on Recurrent Vote

I observed that there were significant unappropriated excess expenditures amounting to **E62,337,528.04** incurred by the Police Service in the financial year ended 31st March 2023. This comprise an unappropriated excess expenditure on CTA Vehicle Charges worth **E6,557,492.65** under the Traffic Section; unappropriated excess expenditure on Personnel Costs amounting to **E55,774,628.20** under various responsibility centres; unappropriated excess expenditure on Travel, Transport and Communication amounting to **E4,379.90**; and unappropriated excess expenditure on Professional and Special Services amounting to **E1,027.29** under the Hhohho General Police. The table below illustrates the unappropriated over-expenditures incurred.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Unappropriated Excess Expenditure	
	E	E	E	E	%
00 CTA Vehicle Charges					
2302: Traffic Section	34,086,218.00	19,006,218.00	25,563,710.65	6,557,492.65	34.5
Over-Expenditure on CTA Vehicle Charges				6,557,492.65	
01 Personnel Costs					
1202: Training	74,908,414.20	74,908,742.00	87,227,989.36	12,319,247.36	16.5
1203: Band	332,357.60	332,356.00	905,145.61	572,789.61	172.3
2202: Manzini General Police	73,021,571.70	73,021,568.00	82,726,048.09	9,704,480.09	13.3
2203: Lubombo General Police	40,971,132.60	39,971,128.00	44,566,464.01	4,595,336.01	11.5
2204: Shiselweni General Police	36,490,423.80	36,490,420.00	40,404,317.14	3,913,897.14	10.7
2302: Traffic Section	27,676,875.70	27,676,872.00	31,268,547.32	3,591,675.32	13.0
2305: Criminal Record Section	2,866,135.90	2,866,132.00	3,617,595.46	751,463.46	26.2
2306: Firearms Bureau	163,404.50	163,661.00	387,479.36	223,818.36	136.8
2307: Communication Section	5,607,379.40	5,607,376.00	6,490,572.35	883,196.35	15.75
2309: Special Investigation	24,197,793.80	24,197,792.00	30,213,136.44	6,015,344.44	24.9
2310: Support Services Crime Prevention	15,373,861.80	15,373,860.00	19,933,217.77	4,559,357.77	29.7
2402: His Majesty's Escort	13,783,766.00	13,783,764.00	15,250,893.61	1,467,129.61	10.6
2405: Protection of Diplomats	4,427,825.40	4,427,824.00	6,944,969.00	2,517,145.00	56.9
2501: Immigration Control	24,879,338.40	24,879,335.00	29,539,082.68	4,659,747.68	18.7
Over-Expenditure Personnel Costs				55,774,628.20	
02 Travel, Transport and Communications					
2202: Manzini General Police	33,310.00	8.00	4,387.90	4,379.90	54749
Over-Expenditure on Travel, Transport and Communications				4,379.90	
04 Professional and Special Services					
2201: Hhohho General Police	0.00	1,630.00	2,657.29	1,027.29	63.0
Over-Expenditure on Professional and Special Services				1,027.29	
Total Over-Expenditure on Recurrent Vote				62,337,528.04	

Section 34(7) of the Public Finance Management Act (2017) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of

the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

Any unauthorised expenditure may lead to a negative effect on the fiscal budget and warrant disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer seek authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorisation.

In response, the Controlling Officer concurred with my audit observations and stated that the Police Service adheres to all the guidelines given to enhance internal controls. The Controlling Officer further submitted that through budgetary limitations on some items, the Police Service had been obliged to request for reallocations of funds, which were approved by the appropriate Government functionary.

The Controlling Officer also acknowledged the overspending on CTA Vehicle Charges, but there was no justification.

The Controlling Officer also acknowledged the overspending on Personnel Costs which was justified to be as a result of the implementation of the Cost of Living Adjustment for the 2022/2023 fiscal year where an increment of 3% was approved. Additionally, government approved the same amount of Cost of Living Adjustment for the bargaining unit, officers who fall under the category of staff and non-unionized public servants, plus a once-off payment of 1% of annual basic salary.

Regarding over-expenditure on Travel, Transport and Communication, the Controlling Officer stated that, insufficient budget allocation under the Treasury Control Item was a major contributing factor as this travel must be undertaken.

The Controlling Officer further submitted that on Professional and Special Services they incurred high utility bills with Water Services, due to worn out leaking pipes and that a request for rehabilitation of their pipes in all institutional formations, for the year 2024/2025 was raised to help reduce expenditure to be incurred on this service in future.

The Controlling Officer's response was noted; however, the over- expenditure was not authorised. The query remains unresolved and reportable.

20. Significant Under-Expenditure on Recurrent Vote

I reported that there were significant under-expenditures on Recurrent Vote (CTA Vehicle Charges, Personnel Costs, and Travel, Transport and Communication Costs) amounting to **E5,785,893.96** incurred by the Police Service's different responsibility centres. This comprise of under-expenditure on CTA Vehicle Charges worth **E39,696.00** under responsibility centre 1203 – Band, under-expenditure on Personnel Costs amounting to **E794,613.26** under the Photography and Printing and Dog Section, and under-expenditure on Travel, Transport and Communication Costs amounting to **E4,951,584.70** under various responsibility centres. The details are illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-expenditure	
	E	E	E	E	%
CTA Vehicle Charges					
1203: Band	39,698.00	39,696.00	0.00	39,696.00	100
01 Personnel Costs					
S:Photography and Printing	1,237,192.70	1,237,188.00	769,303.43	467,884.57	37.8
2303:Dog Section	652,465.20	708,462.00	381,733.31	326,728.69	46.1
Under-Expenditure on Personnel Costs				794,613.26	
02 Travel, Transport & Communications					
1101: Headquarters	13,319,445.00	29,902,738.00	25,651,043.51	4,251,694.49	14.2
2201: General Policing	960,251.00	3,716,488.00	3,016,754.79	699,733.21	18.8
2501: Immigration Control	9,521.00	7.00	-	7.00	100
1201: Training College	23,810.00	8.00	-	8.00	100
1202: Training Police Mobile Unit	5,741.00	9.00	-	9.00	100
1203: Band	500.00	9.00	-	9.00	100
2301: Criminal and Investigation	23,810.00	8.00	-	8.00	100
2302: Traffic and Transport Sections	7,175.00	12.00	-	12.00	100
2303: Dog Section	1,910.00	6.00	-	6.00	100
2304: Photography and Printing	1,000.00	18.00	-	18.00	100
2305:Criminal Records Office	1,000.00	18.00	-	18.00	100
2306: Fire arms Bureau	1,000.00	18.00	-	18.00	100
2307: Communication Section	1,910.00	6.00	-	6.00	100
2309: Special Investigation Branch	14,284.00	12.00	-	12.00	100
2402: His Majesty's Escort	5,668.00	13.00	-	13.00	100
2403: Prime Minister's Escort	5,668.00	13.00	-	13.00	100
Under-Expenditure on Travel, Transport and Communications				4,951,584.70	
Under-Expenditure on Recurrent Vote				5,785,893.96	

I am concerned that planned programmes were not accomplished. This results to limited service delivery which compromises the assurance of security to the citizens. This reflects inadequate budget planning which might include over allocation of budget and allocation of budget to non-active responsibility centres, and/or unmonitored execution and performance.

I informed the Controlling Officer that, under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government.

I advised the Controlling Officer to ensure that released funds are utilised and does not seek budget release when not ready to implement any activity or programme. I further advised the Controlling Officer to provide the reasons for the under-expenditure and explain if its intended purposes were met and achieved, despite the under-expenditure.

In response, the Controlling Officer acknowledged the finding and regretted the non-utilization of appropriate budget and under-expenditure on recurrent vote. She also regretted the oversight on funds that were released and not utilized. She expanded that monies which were released but not allocated inactive responsibility centres, to adjust the budget, they erroneously left the amounts which now appear as released but not utilized and again she promised to ensure that it does not happen again in the future.

The response of the Controlling Officer was noted; however, it is not satisfactory because there is no evidence that the allocation of budgets to inactive responsibility centre has been resolved by the Police Service.

Tour Advance Recorded (Captured) As Car Advances

I reported that tour advances amounting to E36,887.58 were captured as Car Advances in the Accounting System since financial year ended 31st March 2014 under the Administration, as illustrated in the table below.

Fiscal Year	Voucher Number	Description	Employee Number	Amount (E)
31 March 2014	050217	Car Advance	6539030	11,376.80
31 March 2015	100145	Car Advance	6635349	2,876.59
31 March 2018	060478	Car Advance	7126105	3,615.44
31 March 2020	070007	Car Advance	3306910	11,795.25
31 March 2022	050726	Car Advance	3269886	7,223.50
Tour Advances Captured As Car Advances				36,887.58

Payments (Expenditure) Misclassified As Surcharges

I further noted that there were foreign payments amounting to **E250,411.17** that were captured as sucharges due to punching errors; surcharges item – 51005 were punched instead of the foreign payment item 61005, narrated 'foreign or telegraphic

transfer of funds', since financial year ended 31st March 2006. These posting errors resulted to recurrent expenditure classified as surcharges (assets), which accumulated to **E134,479.00** under the Administration (Responsibility Centre 1101) and E115,932.17 under the Support Services, as illustrated in the table below.

Centre	Account Item	Car Advances and Surcharges (E)
1101: Headquarters	51005: Surcharges	134,479.00
2301: Support Services	51005: Surcharges	115,932.17

Financial and Accounting Instruction 1204 which stipulates that "when a personal advance is made to a public officer it will be debited to his personal account. The Controlling Officer must ensure that no salaries subsequently paid unless arrangements have been made for the commencement of repayments". Salary advances are required to be recovered within three months from source as a deduction of salary. Further, Financial and Accounting Instruction 0909 states that the "cash is advanced by the Treasury and the Controlling Officers must maintain a record of all cash advances obtained, the officer responsible, and how and when the advance was cleared".

I highlighted that the outstanding tour advances were erroneously captured as car advances; on the other note, the expenditure was understated and the assets were overstated by the misclassification of foreign payments as surcharges. Thus, distorting the financial performance and financial position, in turn misleading users of the financial statements.

I advised the Controlling Officer to investigate and rectify the mis-postings of tour advances as car advances and mis-postings of foreign payments (recurrent expenditure) as surcharges, and recover the outstanding tour advances.

In response, the Controlling Officer submitted that according to their records, the tours were captured correctly. They investigated and found that they were debited on the suspense account 054/1101/51006. They were all debited on the suspense account as follows.

Ref	Fiscal Year	Employee Number	Dates Travelled
82292	2014	6539030	22/05/2013-26/05/2013
93121	2015	6635349	11/01/2015-15/01/2015
116038	2018	7126105	23/10/2017-26/10/2017
128304	2020	3306910	12/10/2019-15/10/2019
132815	2022	3269886	07/12/2021-09/12-2012

The Controlling Officer further stated that with regard to the Foreign and Telegraphic Transfer of funds amounting to E250,411.17, that were captured with a wrong item number they were actually in respect of allowances to officers on foreign mission.

The response of the Controlling Officer was noted; however, it is not satisfactory because the posting errors were not rectified, and the car advances and the surcharges accounts have not been corrected. Moreover, the outstanding tour advances were not recovered.

21. Unretired Tour Advances and Unposted Tour Advances in the Suspense Account and Cash Book

I reported that tour advances amounting to **E54,479,031.84** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that tour advances amounting to **E50,308.14** were not posted in the Tour Advance Suspense Account – 51005 and Cash Book. These tour advances were charged in the Government General Account and were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of accounts. Consequently, fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Responsibility Centres	Account Item	Unretired Tour Advances (E)	Not Posted Tour Advances (E)
1101: Headquarters	51006: Tour Advances- Employees	54,287,035.73	
1102: Not in the Establishment Register	51006: Tour Advances- Employees	120,982.33	
1201: Training college	51006: Tour Advances- Employees	70,013.78	
2101: General Policing Hhohho	51006: Tour Advances- Employees	1,000.00	
2201: Hhohho General Police	51006: Tour Advances- Employees	-	26,158.37
2301: Support Services	51006: Tour Advances- Employees	-	9,995.00
2302: Traffic Support	51006: Tour Advances- Employees	-	631.05
2401: State Security	51006: Tour Advances- Employees	-	12,840.02
2501: Immigration control	51006: Tour Advances- Employees	-	683.70
Unretired Tour Advances and Non-postings of Tour Advances translated to fictitious liabilities		54,479,031.84	50,308.14

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that “where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Police Service should seek full recovery of that Advance from the officer’s future salary entitlements”. Moreover, Section 11, paragraph 4.19 states that “the year-end balances on the Tour Advance item should normally equal zero.

There is a risk that the unretired tour advances remained unrecovered monies due to Government and the external travel expenditures were understated in the financial year it relates. On the other hand, the retirement of tour advances against unposted tour creates fictitious liabilities in the financial statements; thus distorts the financial position and financial performance.

I advised the Controlling Officer that, the Police Service should ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Controlling Officer that the Police Service to record the external travel expenditure books of accounts in the financial year it relates and to reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer acknowledged and appreciated my observation. She submitted that the cause of the anomaly was that travelling officers did not submit passports, not returned or lost debits or the officers had other previously unretired allowances which needed to be cleared first. She further stated that she engaged officers in charge for each department to ensure that officers under their command repay the owed balances and submit passports in the cases where such are lacking. Also, she informed me that she is collaborating with the Treasury Department to correct the bank charges that appear as tour advances charged with no budget provisions as well as concluding reconciliation by 30 June 2024 and deductions for outstanding monies owed by officers.

The Controlling Officer submitted that the Police Service anticipates to complete reconciliation in 30 June 2024, however, less complex issues shall be addressed as soon as possible as they were committed to resolve the queries. She said there will be deductions for outstanding monies owed by officers and search at Treasury Department for duplicate debits for misplaced ones.

She stated that they have engaged Treasury Department and they were advised that they should compile all such tours advances and offset those using Journal Vouchers as it is the only feasible remedy. She said they were negotiating with Treasury Department to use the statement from Central Bank as a basis for retiring these tours. The Controlling Officer promised to seek more advice on unretired tours dating back in 1997, including tours of deceased persons.

The Controlling Officer's response was acknowledged and appreciated, however there were no supporting documents attached and until the mentioned deductions to recover the outstanding tour advances occur, this matter remains unrectified.

22. Outstanding Police Advances

I also noted that there were outstanding Police Advances amounting to **£87,898,213.60**, under the Administration - responsibility centre 1101 as at 31st March 2023. This departmental advance relates to the payments of court orders/arbitrations

which dates back to financial year ended 31st March 1993 done by the Treasury Department on behalf of the Police Service. The Police Service was expected to clear the advance from its recurrent vote budget to reconcile the below-the-line accounts to zero.

I reported that the outstanding advance has been classified as an asset, whereas this is an inter-party receivables transaction between the Police Service and Treasury Department. This is not an asset, as there is no resource controlled by Government as a result of past events and from which future economic benefits are expected to flow to the Government. As such this may be regarded as fictitious asset, and the balance is illustrated in the table below.

Centre	Account Item	Outstanding Advances
1101: Headquarters	51105: Police Advance	87,898,213.60

I further noted that there were no recoveries relating to these advances from the officials who caused these huge losses to Government, and the losses were not yet reported to the Losses Committee at the Ministry of Finance.

Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual stipulates that "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year".

I advised the Controlling Officer to make means to recover public funds due to Government, adding that the court transactions as supported by documentation of the court cases should be reconciled and allocated to the correct item of account to ensure that this Suspense Account remains with a nil balance at the end of the financial year.

At the time of compiling this report, the Controlling Officer had not responded to this audit finding.

23. Non-adjustment of Unutilised Budgets and Variations and Posting Errors on Accounts Payable Police

I reported that the Police Service did not prepare adjustments for unutilised budget and variations of foreign exchange gains or losses on Accounts Payable for the foreign payments. This resulted to overstated expenditure on Grants and Subsidies – External item in the fiscal years where transactions occurred and fictitious liabilities that were not cleared by the Police Service, since then. The unutilised budget provisions and foreign exchange gains or losses were not transferred to miscellaneous/sundry income to avoid misappropriation of public funds. I further reported that there were no adjustments for

postings errors in the Accounts Payable Police account; hence, fictitious assets and liabilities were created in the accounts of the Police Service, and were not cleared since then.

(i) Budget Provision for Accounts Payable Police Erroneously Posted As Accounts Payable Regional Development Youth Affairs

I informed the Controlling Officer that, a budget provision amounting to **E1,659,155.41** for Accounts Payable Police was erroneously posted through Journal Voucher number 132775 (batch 718, month 13) as Accounts Payable Regional Development Youth Affairs in the financial year ended 31st March 2021. The mis-posting resulted to a fictitious liability balance, which remained not cleared by the Police Service, as at 31st March 2023.

(ii) Accounts Payable Police Expenditure Erroneously Posted As Accounts Payable Foreign Affairs

I further informed the Controlling Officer that accounts payable police expenditure amounting to **E1,442,857.50** was erroneously posted through Journal Voucher number 1319191 (batch 693, month 13) as accounts payable foreign affairs – 61007 in the financial year ended 31st March 2018, under the responsibility centre. This mis-posting has resulted to a fictitious asset balance, which remained not cleared by the Police Service, as at 31st March 2023. The table below illustrates the posting errors.

Responsibility Centres	Account Items	Fictitious Assets (E)	Fictitious Liabilities (E)
2201: General Policing	61009: Accounts payable Regional Development Youth Affairs		1,659,155.41
1101: Headquarters	61007: Accounts Payable Foreign Affairs	1,442,857.50	

(iii) Non-adjustment of Unutilised Budget and Variations of Foreign Currency Exchange Gains on Accounts Payable Police

I noted that there was no adjustment of unutilised budget on Accounts Payable Police amounting to **E3,905,783.10** since the financial year 1997 that translated to fictitious liability balance, under the responsibility centre 2301-Support Services. I also noted that there were no adjustments of unutilised budget provisions on Accounts Payable Police amounting to **E91,981.29** in respect of living allowance for officials under the responsibility centre 1202- Police Mobile Unit and **E138,891.99** under the responsibility centre 1101-Headquarters, in the fiscal year 2023.

I further noted that there were no adjustments of unutilised budget provisions and variations of foreign currency exchange gains amounting **E31,554.42** on Accounts

Payable Police and recurrent expenditure item – Grants and Subsidies – External, in the fiscal year ended 31st March 2003. The foreign currency exchange gains under the responsibility centre 1201-Training College was **E24,965.36** and under the responsibility centre 2302-Traffic and Transport Sections was **E6,589.06**.

I notified the Controlling Officer that the non-adjustment resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item - in the fiscal years in which the transactions occurred, and further resulted to the creation of fictitious liabilities.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid incurring expenditure against the elapsed budget, which would be regarded as unappropriated expenditure.

The table below illustrates the unutilised budget provisions.

Responsibility Centres	Account Items	Financial Year of Transaction	Fictitious Liabilities due to Unutilised Budgets (E)
1101: Headquarters	61005: Accounts Payable Police	31 st March 2023	138,891.99
1202: Training	61005: Accounts Payable Police	31 st March 2023	91,981.29
1201: Administration	61005: Accounts Payable Police	31 st March 2003	24,965.36
2302: Traffic and Support	61005: Accounts Payable Police	31 st March 2003	6,589.06
2301: Support Services	61005: Accounts Payable Police	31 st March 1997	3,905,783.10
Non-adjustment of Unutilised Budget and Variations of Foreign Exchange Gains and Losses			4,168,210.80

(iv) Foreign Payments Without Budget Provisions and Non-adjustment of Variations of Foreign Currency Exchange Losses

I further observed that foreign payments amounting to **E4,355,849.65** were made without provision of budget from the recurrent vote, grants and subsidies - external item, since financial years ended 31st March 2022 to 31st March 2023, under the responsibility centre 2201-Hhohho General Police. The Police Service did not adjust variations of foreign currency exchange losses on Accounts Payable.

I also reported to the Controlling Officer that foreign payments amounting to **E97,098.00** were incurred without provision of budget from the recurrent vote, grants and subsidies - external item, in the financial year ended 31st March 2023 under the responsibility centre 2204-Shiselweni General Police.

The unappropriated expenditures (payments without budgets) and non-adjustment of currency variations amounting to **E4,452,947.65** were incurred and fictitious assets were created in the financial years ended 31st March 2022 to 31st March 2023. The recurrent expenditure and variations were not included in the financial statements. The fictitious assets originate from prior financial years.

The Controlling Officer ought to have recorded the payments in the recurrent expenditure account in the fiscal years where the transactions occurred and reconciled the accounts payable to clear the fictitious asset. The Foreign Payments without Budget Provisions and non-adjustment of variations of foreign currency exchange losses are presented in the table below.

Responsibility Centres	Account Items	Fictitious Assets (E)
2201: Hhohho General Police	61005: Accounts Payable Police	4,355,849.65
2204: Shiselweni General Police	61005: Accounts Payable Police	97,098.00
Unappropriated Expenditures and Non-adjustment of Currency Variation		4,452,947.50

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual states that "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. Further, Paragraph 5.6 requires that "year-end balances on this item should normally equal zero".

The recurrent expenditure was misstated while liabilities and assets were overstated; thus, distorted the financial performance and financial position of Government.

I advised the Controlling Officer that payments should be recorded in the recurrent expenditure account for the fiscal years in which the transactions occurred and then reconcile the accounts payable to clear the fictitious asset accordingly as this anomaly originated from prior financial years.

The Controlling Officer acknowledged my observations and stated that the adjustment in respect of accounts payable, which is in respect of the Regional Development Fund, was done in the year 2020/2021. He stated that the voucher was reversed by Treasury Department on 27th April 2022.

The Controlling Officer further explained that on the issue of accounts payable amounting to E1,442,857.50, the Police Service discussed with the Accountant-General on how best it can be cleared. They were advised to clear it using budget savings. The Controlling Officer have no savings and hope to clear the balance using savings in 2023/2024.

The Controlling Officer did state the reason for the reversal by the Treasury Department and did not provide evidence of the adjustment made. Further, I concurred with the Accountant General that the unappropriated expenditure amounting to E1,442,857.50, should be cleared using budget savings. Moreover, there were no responses on the non-adjustment of unutilised budget and variations of foreign currency exchange gains on Account Payable Police amounting to E4,168,210.80. Furthermore, there were no responses on

foreign payments without budget and non-adjustment of variations of foreign currency exchange losses on Accounts Payable amounting to E4,452,947.50, which should be cleared using budget savings.

24. Fictitious Assets due to Unappropriated Expenditure on Outstanding Accounts Accrued – Recurrent and Outstanding Accounts All Ministries

I reported to the Controlling Officer that there were expenditures (payments) amounting to **E8,186,479.58** incurred without budget provision on Outstanding Accounts Accrued – Capital in the fiscal year 2011, under the Responsibility Centre 2201 – Hhohho General Police. The balance was reduced to **E1,341,328.50** in the fiscal year 2021 through the provision of budgets and the balance has remained the same until the financial year ended 31st March 2023.

I further noted that payments (expenditure) amounting to **E8,010,579.18** were incurred without budget provisions on Outstanding Accounts All Ministries in the financial years ended 31st March 2007 and 2008 under the Responsibility 1101 – Headquarters. This comprise of payment (expenditure) amounting to **E8,010,331.30** to Union Supplies (Pty) Ltd for invoice number 6014, purchase order 494538, the cheque 916093 was issued on the 12 July 2006, processed through voucher 040244, and payment amounting **E247.88** to Swazi Telecom was incurred in the financial year 2008, processed through payment voucher 010227, batch 083, month 02.

I notified the Controlling Officer that the unappropriated expenditures incurred by the Police Service, results to fictitious Assets, which were not cleared through budget savings or reallocation to the same recurrent expenditure item or supplementary budget, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Unappropriated Expenditure (E)
2201: Hhohho General Police Services	61075: O/S Accounts Accrued- Capital	1,341,328.50
1101: Hhohho Headquarters	61080: Outstanding Accounts all Ministries	8,010,579.18
Fictitious Assets Balance Due to Unappropriated Expenditure		9,351,907.68

Section 34(1) of the Public Finance Management Act (2017), states "excess expenditure" means unauthorised expenditure. Further, section 34(7) requires that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

Unappropriated expenditures were incurred without the authority or warrant from Parliament. These were excess expenditures or amounts expended beyond the released budget, as appropriated by Parliament. Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public moneys.

I advised the Controlling Officer that that Police Service Should fully adhere to the provisions of the Public Finance Management Act (2017) and to seek necessary authority before incurring excess expenditure and also put in place control measures that will prevent recurrence of the anomaly. I further advised the Police Service to provide a budget to clear the fictitious assets balances on Outstanding Accounts Accrued – Recurrent and Outstanding Accounts All Ministries, reconcile the Accounts and ensure that the balance is zero.

In response, the Controlling Officer concurred with my observations and stated that they appreciate the gravity of risks as a result of the non-reconciliations of books of account. She explained that, unfortunately they have no savings in the current budget and will address the reconciliations using 2023/2024 savings, if available. The Controlling Officer committed to diligently correct the identified queries in future.

The response of the Controlling Officer was noted; however, it is not satisfactory because the fictitious assets due to unappropriated expenditures were not cleared, since financial years 2008 and 2011, respectively.

25. Unclaimed and Overpayments of Sundry Departmental Deposits

I noted that there were unclaimed sundry departmental deposits by the rightful beneficiaries amounting to **E338,556.00** under various responsibility centres, and were now due to be claimed by the Government or transferred to the Consolidated Fund as Revenue Miscellaneous Sundries. These include unclaimed sundry departmental deposit received amounting to **E8,000.00** from case number SDV 61/12 and receipt number 05366575 dated 23rd December 2013.

I further revealed that there were overpayments of sundry departmental deposits worth **E338,954.00** as at 31st March 2023, under the responsibility 1101- Headquarters and responsibility centre 2207 (not in the Establishment Register). I notified the Controlling Officer that these are recurring balances with no movement, and they were included in the previous year audit report. The table below illustrates a breakdown of the overdrawn and unclaimed sundry departmental deposits.

Responsibility Centre	Account Item	Overpayments of Deposits	Unclaimed Deposits

1101: Headquarters	61101: Sundry Departmental Deposits	338,454.00	
2207:	61101: Sundry Departmental Deposits	500.00	
1202: Training Police Mobile Unit	61101: Sundry Departmental Deposits		8,000.00
2201: General Policing	61101: Sundry Departmental Deposits		290.00
2202: Manzini General Police	61101: Sundry Departmental Deposits		325,607.70
2203: Lubombo General Police	61101: Sundry Departmental Deposits		4,556.30
2204: Shiselweni General Police	61101: Sundry Departmental Deposits		85.00
2501: Immigration Control	61101: Sundry Departmental Deposits		17.00
Unclaimed and Overpayments of Sundry Departmental Deposits		338,954.00	338,556.00

26. Unrecovered Overpayments of Deposits and Posting Error When Clearing Companies' One Month Wages Deposits

I noted that there were unrecovered overpayments of companies' one month wages deposits that were not recovered from the officers involved but the effort to clear the overpayments resulted to a posting error. A posting (punching) error occurred when clearing the deposits amounting to **E1,623,063.28** relating to Companies' One Month Wages, where the transaction was posted to wrong responsibility centre 2301 instead of 2201, through voucher 131739, batch 729, month 13, in the financial year 2022.

I further noted that there was unclaimed deposit amounting to E50.00 in respect of 'Companies' One Month Wages' under the responsibility centre 2204- Shiselweni General Police. The breakdown of the posting error and unclaimed deposit is depicted in the table below.

Centre	Account Item	Deposits	Posting Error & Unclaimed Deposit
2201:Hhohho General Police	61105: Companies' one Month Wages Deposits	1,623,063.28	-
2301:Support Services	61105: Companies' one Month Wages Deposits	-	1,623,063.28
2204: Shiselweni General Police	61105: Companies' one Month Wages Deposit	-	50.00

Financial and Accounting Instruction 1307 which stipulates that "amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees". Further, Financial and Accounting Instruction 1308 states that "where an amount in a deposit account has remained unclaimed for a period of five years, it shall be transferred to Revenue Miscellaneous Sundries". Furthermore, Section 11.8, paragraph 8.7 of the Financial Management and Accounting Procedures Manual emphasizes that "any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher". If the subsequent claim is proved, such entry may be reversed and the deposit refunded". Paragraph 8.8 explains that balances for this account should normally be in credit or zero.

Failure to recover overpayments of sundry deposits by the Controlling Officer from the persons who received them or officers who processed them, might result to loss of public funds. Further, unclaimed sundry deposits over a period of five years are regarded as revenue collections due to Government, which should have been transferred to the Consolidated Fund (Revenue Miscellaneous Sundries). Also, there is a risk that the deposits remain unclaimed or claimed by wrong persons.

I advised the Controlling Officer to recover the overpayments of sundry deposits, and the sundry deposits within a five-year period should be investigated and disposed to the rightful payees, while those in excess of five years should be transferred to the Consolidated Fund, in the Revenue Miscellaneous Sundries account, and reconcile the accounts accordingly.

In response the Controlling Officer stated that they conducted reconciliations in 2021/2022 and it was discovered that they erroneously used an incorrect account number 354211070101 (consolidated fund) instead of 351210721990 (sundry fees) and Treasury Department reversed Journal Voucher. The Controlling Officer explained they are working together with Treasury Department to correct the accounts; a new Journal Voucher has been sent to Treasury Department to correct the accounts.

The response of the Controlling Officer was noted; however, it is not satisfactory because the overpayments of companies' one month wages deposits amounting to E1,623,063.28 were not investigated and recovered from the involved officers and adjustment have not been made for the posting error. Further, the Controlling Officer did not provide the responses on the overpayments of sundry departmental deposits amounting to E338,954.00 and unclaimed sundry departmental deposits amounting to E338,556.00.

27. Deposits Erroneously Posted As Deductions of Contract Gratuities

I noted that, deposits amounting to **E2,327.30** were erroneously posted as deductions of contract gratuities instead of revenue. These comprise deposits amounting to **E1,603.00** posted under the Hhohho General Policing in the financial year ended 31st March 2005 and deposits amounting to **E724.30** under the Manzini General Policing since the financial year ended 31st March 1999.

These deposits were not recognised as revenue and the mis-postings resulted to fictitious liabilities and the balances have remained the same up to 31st March 2023, as illustrated in the table below.

Centre	Account Item	Fictitious Liabilities (E)
2201: Hhohho General Policing	62201: Contract Gratuities	1,603.00

2202: Manzini General Policing	62201: Contract Gratuities	724.30
Deposits Erroneously Posted As Deductions of Contract Gratuities		2,327.30

28. Deposits of the Disabled Soldiers Fund Erroneously Posted to the Police Service Instead of the Treasury Department

I further noted that, deposits of the Disabled Soldiers Fund amounting to **E115.00** were erroneously posted to the Police Service under the responsibility centre 1101-Headquarters instead of the Treasury Department since the financial year 2009. The mis-postings of these deposits resulted in the creation of fictitious liabilities, which remained uncleared as at 31st March 2023, as depicted in the table below.

Centre	Account Item	Fictitious Liabilities
1101: Headquarters	62110:Disabled Soldiers Fund	115.00

Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual stipulates that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I notified the Controlling Officer that the deposits that were posted as deductions of contract gratuities were not recognised as revenue and fictitious liabilities were created while the revenue was understated. Further, the Controlling Officer was informed that the deposits posted under the Police Service instead of the Treasury Department were also not recognised as revenue and fictitious liabilities were created while the revenue was also understated.

I advised the Controlling Officer to investigate errors and correct the accounts accordingly, by debiting the Contract Gratuities Account and crediting the Miscellaneous/Sundry Income Account.

At the time of compiling this report, the Controlling Officer had not responded to the audit finding.

29. Unremitted Deductions of National Provident Fund and Taxes

I noted that there were unremitted deductions of the National Provident Fund amounting to **E5,410.00** and unremitted taxes (PAYE taxes and tax on companies) amounting to **E179,201.05** under the Responsibility Centre 1101 to Eswatini Revenue Service, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Unremitted Deductions (E)
1101: Headquarters	62240: National Provident Fund Deduction	5,410.00

Unremitted Deductions of National Provident Fund		5,410.00
1101: Headquarters	62315: SRA- Taxation	132,132.00
1101: Headquarters	62379: Tax on companies	47,069.05
Unremitted Taxes		179,201.05
Total Unremitted Deductions		184,611.05

Controlling Offices are required by the Income Tax Orders (as amended) of 1975 and Eswatini National Provident Fund Order of 1974 to remit deductions and contributions accordingly.

Non-remittance of tax deductions deprive Government of receiving revenue and non-remittance of contributions for Provident Fund also deprived non-pensionable workers of receiving their rightful benefits through Eswatini National Provident Fund.

I then advised the Controlling Officer that the Police Service should remit the outstanding deductions of contributions to the Eswatini National Provident Fund and remit the deducted taxes to the Eswatini Revenue Service, and in both cases, provide proof of settlement.

At the time of compiling this report, the Controlling Officer had not responded to this audit finding.

30. Outstanding Value Added Tax Debt As At 31st March 2023

I reported to the Controlling Officer that records from Eswatini Revenue Service revealed that the Royal Eswatini Police Service had a Value Added Tax (VAT) debt worth **E7,253,044.16** relating to tax periods dating back to July 2016 and remain unpaid to date. Moreover, the debt was not disclosed in the financial statements for the year ended 31st March 2023.

I cautioned the Controlling Officer that public entities are required by the Income Tax Order of 1975 as amended to remit taxes accordingly. I reminded the Controlling Officer that Government was deprived of receiving revenue in the form of taxes and that this was in contravention of tax laws and regulations of the country by the Police Service.

I then advised the Controlling Officer to settle the VAT debt with the Eswatini Revenue Service and provide proof of settlement.

At the time of compiling this report, the Controlling Officer had not responded to this audit finding.

HEAD 06: DEPUTY PRIME MINISTER'S OFFICE

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023, was conducted. I communicated my findings to the Controlling Officer through a report referenced D21/Vol.III/56, dated 4th January 2024. The Controlling Officer responded through a memorandum referenced DPMH/D/110, dated 10th January 2024. However, the following audit findings remain unresolved and reportable.

31. Unappropriated Excess Expenditure on Travel, Transport and Communication Costs

I reported that there were significant unappropriated excess expenditures on Travel, Transport and Communication Costs amounting to **E88,175.94** incurred under the Deputy Prime Minister's Office, Department of Social Welfare and National Disaster Management Agency in the financial year ended 31st March 2023. The details were depicted in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-Expenditure	
Travel, Transport and Communication Costs	E	E	E	E	%
1001: DPM's Office	246,783.00	468,957.00	521,179.68	52,222.68	11.1
1201: Department of Social Welfare	116,408.00	40,818.00	59,044.32	18,226.32	44.7
1401: National Disaster Management Agency	168,649.00	107,846.00	125,572.94	17,726.94	16.4
Over-Expenditure on Travel, Transport and Communication Costs				88,175.94	

Section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with PartVIII of the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

Any unauthorised expenditure may lead to a negative effect on the fiscal budget may warrant disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to seek sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorisation.

In response, the Controlling Officer concurred with my observations and stated that the over-expenditure was caused by the retirement of tour advances in the financial year 2022/2023 under source 335 in the month 13. He provided the batches numbers and amounts of the retired tour advances against the over-expenditure, as illustrated in the table below.

Responsibility Centre	Released Budget	Actual Expenditure	Over-Expenditure		<i>Retirement of tour Advances in the financial year 2022/23 – under Source 335 – Month 13</i>
	E	E	E		%
<i>1001: DPM's Office</i>	<i>468,957.00</i>	<i>521,179.68</i>	<i>52,222.68</i>	<i>11.1</i>	<i>Batch No. 196 – E38,678.30</i>
<i>1201: Department of Social Welfare</i>	<i>40,818.00</i>	<i>59,044.32</i>	<i>18,226.32</i>	<i>44.7</i>	<i>Batch No. 186 – E18,521.38</i>
<i>1401: National Disaster Management Agency</i>	<i>107,846.00</i>	<i>125,572.94</i>	<i>17,726.94</i>	<i>16.4</i>	<i>Batch No. 193 – E17,985.79</i>

The response of the Controlling Officer was noted; however, there is no acceptable justification for the over-expenditure (excess expenditure) since it is in contravention of Section 34 of the Public Finance Management Act (2017) and sidestepping the budgetary and authority controls exerted by the Ministry of Finance.

32. Missing Cash for Elderly Grants

I reported to the Controlling Officer that there was missing cash amounting **E67,671,963.88** under the Department of Social Welfare, since the financial year 2010. The cash was received by the officials as cash imprest to be distributed as elderly grants in the respective constituencies, and were not retired against the wage advance.

In the fiscal year 2010, from the disbursements of elderly grants, cash amounting to **E26,941,081.70** went missing, and the missing cash had then accumulated over the financial years to **E67,671,963.88**, with no recoveries from the officers who received the cash.

33. Irregularly Cancelled Unrecovered Cash Wages Advances Using Recurrent Expenditure Budget

I further reported that a budget was moved from Uniform Recurrent Expenditure Item 06601 to the Wages Advance Suspense Account number 50204, in order to clear a missing cash of **E9,200.00** relating to wages advance, under the responsibility centre 1204- Lubombo Regional Administrator.

Another budget was moved from Printing Services Recurrent Expenditure Item 04401 to the Wages Advance Suspense Account number 50204, in order to clear a missing cash worth **E4,500.00** relating to wages advance, under the responsibility centre 1301- Children Department.

Furthermore, I communicated to the Controlling Officer him that an unrecovered cash amounting to **E13,700.00** was fraudulently cancelled on the Wages Advance and the recurrent expenditures against the cash were retired and posted under the Deputy Prime Minister's Office under the Responsibility Centres 1204 and 1301 instead of the Treasury Department, where the initial cash advances were issued. Hence, this has created fictitious a liability due to mis-postings and irregular cancellation of the wages advances. In both instances, these were not only diversion of funds but they were fraudulent acts, that were not investigated by the DPM's Office and reported to the Police.

The details of the outstanding wages advances and fictitious liabilities due to mis-postings of irregular recurrent expenditure against the cash, as at 31st March 2023 are depicted in the table below.

Responsibility Centre	Account Item	Unretired Standing Cash Advances (E)	Fictitious Liability Due Mis-postings (E)
1201: Department of Social Welfare	50204: Wages Advance	67,671,963.88	
1204: Lubombo Regional Administrator	50204: Wages Advance		9,200.00
1301: Children Department	50204: Wages Advance		4,500.00
Add: Wages Advances Irregular Cancelled Using the Recurrent Budget		13,700.00	
Outstanding Wages Advances and Fictitious Liability Due to Mis-postings		67,671,963.88	13,700.00
Total Outstanding Wages Advances		67,685,663.88	

This is a recurring audit finding that was included in the financial audit report for the year ended 31st March 2022. In response, the Controlling Officer stated that these outstanding cash advances were retired and submitted to the Accountant-General's office; however, the Accountant-General's office could not retire the advances because of a audit finding.

Also, Section 11, paragraph 3.12 of the Financial Management and Accounting Procedures Manual (1993) stipulates that "Standing Cash Advances – accounting entries and procedures are similar to those for petty cash advances". Paragraph 3.11 requires that "the Treasury "Year-End Closing Procedures" circular calls for all petty cash imprest and standing advances accounts to be retired on or prior to 31 March. The year-end balance on this item should therefore equal nil".

There is a risk of not recovering the Standing Cash Advances from the affected officers, and Government was deprived of receiving the cash, which could have been used to improve economic development and the lives of citizens. Error of mis-postings relate to lack of control reviews prior to the process of financial transactions by the Accountants.

I advised the Controlling Officer to ensure investigation and recovery of the public funds in respect of the Cash Wages Advances (standing cash advances and imprest cash) from the officers involved. I also advised the Controlling Officer to clear the liabilities by debiting the Cash Wages Account (with E9,200.00 under the Responsibility Centre 1204 and E4,500.00 under the responsibility centre 1301) and credit the Miscellaneous/Sundry Income under the Treasury Department; to re-instate the outstanding cash, clear the fictitious liabilities and adjust the irregular overstated recurrent expenditure.

I advised the Controlling Officer to pass necessary adjustments in order to correct the anomaly.

The Controlling Officer responded by stating that the office revisited the payment process of the Elderly grants as from 2009 to 2023 and noted that the process of retiring the advanced cash imprest was not concluded in terms of posting the retirement Journal Vouchers (JVs), which resulted in the accumulation of funds in the suspense account 064/1201/50204. The Controlling Officer further stated that they had requested assistance from the Accountant-General.

The response of the Controlling Officer was noted; however, at the date of this report, no progress had been reported on the recoveries from the officers who received the public funds. The cash (public funds) remains unaccounted-for. Moreover, there is no action taken against the officers who fraudulently cancelled the outstanding cash wage advances. Hence, I conclude that there is a risk that the cash was misappropriated by the officials who received it; as such, an investigation should been instituted by the Controlling Officer on this matter.

34. Unretired Tour Advances and Not posted Tour Advances in the Suspense Account and Cash Book

I informed the Controlling Officer that tour advances amounting to **E303,397.01** were not retired by and/or recovered from the officials concerned. The unretired tour advances have remained unrecovered assets and there was no confirmation that the related external travel expenditure was not recorded in the books of accounts.

I further noted that tour advances amounting to **E43,258.02** were not posted in the Tour Advance Suspense Account - 51006 and the Cash Book. These tour advances were charged in the Government General Account and were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of accounts. Consequently, fictitious liabilities were created when retiring the tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)	Not posted Tour Advances (E)
		226,669.99 (38,678.30) 187,991.69	
1001: Deputy Prime Minister's Office	51006: Tour Advances- Employees		
1101: Departmental Administration	51006: Tour Advances- Employees	21,865.24	
1102: Not in the Establishment Register	51006: Tour Advances- Employees	1,088.52	
1201: Department of Social Welfare	51006: Tour Advances- Employees	74,685.11	
1401: National Disaster Management Agency	51006: Tour Advances- Employees	16,066.34	
1203: Disability Unit	51006: Tour Advances- Employees	1,700.11	24,718.68
1501: Department of Gender and Family Issues	51006: Tour Advances- Employees		18,539.27
Total Unretired Tour Advances and Fictitious Liabilities Due to Non-postings of Tour Advances		303,397.01	43,257.95

I am concerned that the Controlling Officer did not post the tour advances in the Tour Advance Suspense Account and the Cash Book on time. If this had been done, the tour advances would have been reconciled or repaid on time and errors would have been noted on time and corrected.

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero".

I informed the Controlling Officer that the non-postings of tour advances in the Tour Advance Suspense Account and Cash Book created fictitious liabilities, and the external travel expenditure was understated in the financial year to which it relates; thus distorting the financial position and financial performance, respectively.

I advised the Controlling Officer to ensure that all tour advances are retired and repaid immediately upon completion of the tour, and unretired tour advances should be recovered from employees involved. External travel expenditure should be recorded in the books of accounts of the financial year to which it relates and reconcile the Tour Advance Account at the end of each month.

The Controlling Officer stated, he embarked on a reconciliation exercise and made an undertaking to keep my office updated on a regular basis. He further stated that Journal Vouchers (JVs) had been submitted to the Accountant General as part of the reconciliation exercise.

The response of the Controlling Officer was noted; however, at the time of compiling this report, the audit finding had not been resolved. Therefore, it remains reportable. All the funds on the schedule have not been recovered. The only action taken is the reduction of the advance to the DPM's office having been reduced to E187,991.69. Additionally, the non-posted tour advances were adjusted to E18,539.27 as reflected in the Government system. However, the DPM's Office did not provide the supporting documents of the retired tour advances and had not posted tour advances at the time of writing this report.

35. Non-adjustment of Unutilised Accrued Budget on Outstanding Accounts Accrued – Recurrent Resulted to Fictitious Liabilities

I drew the attention of the Controlling Officer that under the responsibility centre 1101 there was non-adjustment of unutilised budget on the Outstanding Accounts Accrued - Recurrent amounting to **E3,673,402.52** in the financial year 2021. An expenditure amounting to **E1,683,992.75** was incurred, resulting to an unutilized accrued budget balance of **E1,989,409.77**, in the fiscal year 2022, which was not transferred to miscellaneous income from the Outstanding Accounts Accrued (Recurrent), to ensure that the balance is zero by the end of June each year.

I also notified the Controlling Officer that an amount of **E32,996.20** was moved from the General Reserve Balance Forward – 70101 to the Outstanding Accounts Accrued – Recurrent under the responsibility centre 1001, in the financial year 2022, through Adjustment Journal Voucher 131077, Batch 284, Month 13. This is an abnormal transaction, since budget ought to have been accrued from recurrent budget for specific outstanding invoices at the year-end, which should have been paid by 30th June, after the end of the fiscal year where the budget was accrued.

I further reported to the Controlling Officer that, a budget worth **E19,999.02** was moved (accrued) from Durable Materials Recurrent Item - 07101 to the Outstanding Accounts Accrued- Recurrent in the financial year 2021, under the responsibility centre 1301, through Journal Voucher 131824, Batch 427, Month 13. However, there was no payment made (expenditure incurred) in the financial year 2022. This indicates that the accrual was done without outstanding invoices.

In addition to the above, I alerted him that the incurred expenditure was more than the accrued budget by **E156.20**, under the responsibility centre 1401, in the financial year 2021, which was not cleared using the budget savings from the recurrent vote.

The unutilised accrued budgets have created fictitious liabilities and excess expenditure translated to a fictitious asset balance, as at 31st March 2023, as depicted in the table below.

Responsibility Centre	Account Item	Fictitious Assets (E)	Fictitious Liabilities (E)
1001: DPM's Office	61070: O/S Accounts Accrued- Recurrent		32,996.20
1101: Departmental Administration	61070: O/S Accounts Accrued- Recurrent		1,989,409.77
1301: Children Department	61070: O/S Accounts Accrued- Recurrent		19,999.02
1401: National Disaster Management Agency	61070: O/S Accounts Accrued- Recurrent	156.20	
Fictitious Liabilities and Assets		156.20	2,042,404.99

Paragraph 6.7 of the Financial Management and Accounting Procedures Manual states that "a running list of all payments processed through each "accruals" account should be carefully maintained and reconciled against the computerized Management Statement details. The balance on these accounts (balance carried forward from previous year plus current year's expenditure) should be zero by the end of June each year. Any credit balances remaining at the end of month 3 should be transferred to miscellaneous income item. Debit balances should be transferred to the relevant recurrent or capital expenditure items.

I warned the Controlling Officer that the non-adjustment of unutilised accrued budgets translates to fictitious liabilities under the Deputy Prime Minister's Office, and creates room for processing irregular payments from the Consolidated Fund against the unutilized accrued budgets. This resulted to excess expenditure that remains uncleared through the use of budget savings from or reallocation to the same item of recurrent expenditure.

I advised the Controlling Officer to transfer the unutilised budgets on Outstanding Accounts Accrued- Recurrent to the miscellaneous income and ensure that the balance is zero by the end of June each year. I further warned the Controlling Officer to cease incurring expenditure against the prior year's unutilised budgets and such expenditure is unappropriated and it is tantamount to misappropriation of public funds.

In response, the Controlling Officer acknowledged the audit finding. He further stated that he conducted a reconciliation of the funds that had been erroneously moved. This was effected through Journal Vouchers. He then asked me to draw my attention to E1,932,743.47 accrued in Financial year 2020/21, and explained that this issue was still pending with Eswatini Posts & Telecommunications Corporation, and his office anticipated to close the matter soonest, and attached copies of the commitment.

The response of the Controlling Officer was noted; however, the Government Accounting System indicated that the funds had not been reconciled as per my recommendation and the undertaking made by the Controlling Officer. The Controlling Officer did not provide evidence that the PABX system was installed by the Eswatini Posts and Telecommunications Corporation. However, I noted that the Purchase Order expired on the 25th March 2021, since it was issued on the 24th December 2020 with an expiring conditions of 90 days. It suggests that the service was not rendered by the Corporation, after issuing an Invoice number IN517166 dated 24th February 2021 amounting to E1,932,743.47, as a request for advance payment, which did not go through. Hence, the payment was not processed against the budget.

Once again, I advised the Controlling Officer to adhere to my recommendations and reconcile the account balance to zero, to clear the fictitious liabilities, accordingly.

36. Unremitted Deductions of Pension and National Provident Fund

I notified the Controlling Officer that, pension deductions worth **E16,438.66** for the former DPM, bearing employment number 7050826 were not remitted to the Pension Fund. It was also noted that there were unremitted deductions of National Provident Fund amounting to **E6,247.90** under the Departmental Administration, as illustrated in the table below.

Responsibility Centre	Account Item	Unremitted Deductions (E)
1001: DPM's Office	62241: S.G. Civil Servants and Teachers Pension	16,438.66
1101: Departmental Administration	62240: National Provident Fund Deductions	6,247.90
Total Unremitted Deductions of Pension and National Provident Fund		22,686.56

The Provident Fund Order of 1974 requires that employers to remit contributions to the relevant authorities timeously.

I warned the Controlling Officer that, non-remittance of deductions of contributions for Pension Fund and Provident Fund deprived non-pensionable officials of receiving their rightful benefits.

I advised the the Controlling Officer to remit the outstanding deductions of Pension Fund and Provident Fund, and to ensure such monies are remitted promptly to the Parliamentarians Pension Fund and Eswatini National Provident Fund.

The Controlling Officer acknowledged the audit finding and stated that the office was working on the matter. The Controlling Officer further stated that the Treasury Department with the remittance Pension and Provident Funds were assisting it.

The response of the Controlling Officer was noted, however, there were no update if the deductions were finally remitted to the Parliamentarians Pension Fund and Eswatini National Provident Fund.

37. Outstanding Pay-As-You-Earn (PAYE) Tax Debt as at 31st March 2023

I reported to the Controlling Officer that, records from Eswatini Revenue Service revealed that the Deputy Prime Minister's Office had Pay-As-You-Earn (PAYE) Tax debt worth **E29,475.38** as at 31st March 2023, relating to tax periods dating back from November 2018. The PAYE taxes were not remitted to Eswatini Revenue Service by the DPM's Office, and the PAYE tax debt was not disclosed in the Financial Statements and not recorded (captured) in the Government Accounting System.

All public entities are required by the Income Tax Order of 1975 as amended to remit taxes in accordance with the tax law. Further, Section 11(2)(a) of the Public Finance Management Act (2017) stipulates that, Controlling Officers are responsible for putting in place effective and efficient internal controls arrangements and systems for the management of assets, liabilities, and other risks.

I warned the Controlling Officer that the Government was deprived of receiving revenue in the form of employees' taxes by the Deputy Prime Minister's Office. This is in contravention of tax laws and regulations of the country by the Office.

I advised the Controlling Officer to settle the PAYE tax debt with the Eswatini Revenue Service and provide proof of settlement.

In response, the Controlling Officer stated that according to their records the PAYE account had been cleared by the office and provided payment vouchers which were not related to the PAYE Tax debt.

The Controlling Officer's response was noted; however, it is not satisfactory because the documentation provided was addressing the audit finding. There was no evidence that action was taken to correct the anomaly.

HEAD 07: FOREIGN AFFAIRS AND INTERNATIONAL COOPERATIONS

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced F14 Vol XIII/23 dated 29th December 2023. The Controlling Officer has responded through a memorandum referenced MFAIC 9/2 dated 18th January 2024. However, the following audit findings remain reportable.

38. Outstanding Commitments

I reported that there were outstanding commitments amounting to **E15,744,190.58** on Personnel Costs (01), Travel, Transport and Communication Costs (02), Professional and Special Services (04), Rentals (05), Consumable Materials (06), and Durable Materials (07), which were not cancelled and remained outstanding, as illustrated in the table below.

Centre	Item	Appropriated Budget E	Released Budget E	Actual Expenditure E	Variance BD80 E	Variance AA220 E	Outstanding Commitments E
1209	02	410,475.00	410,471.00	58,934,627.23	-62,556,055.98	-58,524,156.23	4,031,899.75
1219	01	0.00	3,312,577.00	7,861,798.64	-7,786,384.11	-4,549,221.64	3,237,162.47
1205	04	952,874.00	952,864.00	986,249.63	-2,463,634.35	-33,385.63	2,430,248.72
1209	01	8,838,686.50	8,838,684.00	2,922,144.19	3,998,121.02	5,916,539.81	1,918,418.79
1209	04	477,848.00	477,844.00	415,264.64	-634,089.18	62,579.36	696,668.54
1207	04	711,047.00	3,039,699.00	176,880.92	1,837,768.74	2,862,818.08	1,025,049.34
1209	06	283,354.00	1,141,438.00	120,146.86	728,983.21	1,021,291.14	284,012.97
1207	06	283,354.00	1,141,438.00	120,146.86	728,983.21	1,021,291.14	292,307.93
1205	02	308,957.00	308,949.00	575,480.27	-800,868.65	266,531.27	534,337.38
1219	02	0.00	319,019.00	57,653,987.31	-57,606,935.25	-57,334,968.31	271,966.94
1219	04	0.00	828,507.00	2,748,518.70	2,389,093.74	1,920,011.7	469,082.04
1209	05	9,994,221.00	10,994,221.00	1,031,273.72	9,788,114.33	9,962,947.28	174,832.95
1219	06	70,000.00	359,233.00	583,485.80	-362,058.81	-224,252.80	137,806.01
1214	07	21,165.00	391,850.00	189,130.34	160,234.79	202,719.66	39,215.80
1217	04	392,699.00	392,694.00	1,265,785.38	-914,463.65	-873,091.38	41,372.27
1217	01	6,441,606.50	6,441,604.00	5,198,458.81	1,219,775.91	1,243,145.19	23,369.28
1201	05	2,157,084.00	630,279.00	136,465.53	396,561.79	493,809.47	97,247.68
1217	04	970,156.00	838,339.00	1,552,129.29	752,982.01	713,790.29	39,191.72
Total Outstanding Commitments							15,744,190.58

In the previous year's audit, the Ministry had outstanding commitments amounting to **E21,908,350.86**, which were not cancelled.

Section 35 which requires that:

- (a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and
- (b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

The risk that the reported recurrent expenditure for the year could be misstated and mislead the users, and also, goods and services may not be delivered.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, and to keep close control on all commitments and make enquiries if a commitment does not become actual expenditure within a period of 90 days, should be cancelled and the necessary expenditure account reconciliations undertaken, as per the Financial and Accounting Instruction 0410.

In response, the Controlling Officer concurred with the observation but stated that a request to de-commit these outstanding commitments was forwarded to the office of the Accountant-General and the Ministry would work with the Royal Science and Technology Park (RSTP) to look into a way on how best the system can be upgraded to rectify this malfunction in the new financial year 2024/2025.

The response of the Controlling Officer was noted; however, it is not satisfactory because there were certain commitments that were still outstanding, have not been cleared.

39. Unappropriated Excess Expenditure on Recurrent Vote

I observed that there were significant unappropriated over-expenditures on Recurrent Vote amounting to **E157,272,175.23** incurred by the Ministry in the financial year ended 31st March 2023. This comprised of over-expenditures on Personnel Costs amounting to **E4,549,221.64** under the Morocco Embassy, over-expenditure on Travel, Transport and Communications amounting to **E147,083,357.20**, over-expenditure on Professional and Special Services amounting to **E2,737,823.65**, over-expenditure on Consumable Materials amounting to **E596,543.47**, and over-expenditure on Durable Materials worth

E2,305,229.27 under various responsibility centres. The table below illustrates the breakdown of the unappropriated over-expenditures incurred.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-Expenditure	
01 Personnel Costs	E	E	E	E	%
1219: Morocco Embassy	0.00	3,312,577.00	7,861,798.64	4,549,221.64	137.3
Over-Expenditure on Personnel Costs				4,549,221.64	
02 Travel, Transport and Communications					
1204: London High Commission	272,241.00	387,983.00	646,307.84	258,324.84	66.6
1205: Brussels Embassy	308,957.00	308,949.00	575,480.27	266,531.27	86.3
1209: Abu Dhabi Embassy	410,475.00	410,471.00	58,934,627.23	58,524,156.23	14257.8
1212: Taipei Embassy	339,040.00	339,035.00	711,973.27	372,938.27	110.0
1216: Ethiopia Embassy	309,258.00	1,108,781.00	2,170,175.60	1,061,394.60	95.7
1217: Kuwait Embassy	392,699.00	392,694.00	1,265,785.38	873,091.38	222.3
1219: Morocco Embassy	0.00	319,019.00	57,653,987.31	57,334,968.31	17972.3
1501: Not in the establishment Register	34,480,000.00	18,876,598.00	47,268,550.30	28,391,952.30	150.4
Over-Expenditure on Travel, Transport and Communication Costs				147,083,357.20	
04 Professional and Special Services					
1206: Maputo High Commission	467,217.00	467,207.00	571,228.66	104,021.66	22.3
1217: Kuwait Embassy	970,156.00	838,339.00	1,552,129.29	713,790.29	85.1
1219: Morocco Embassy	0.00	828,507.00	2,748,518.70	1,920,011.70	231.7
Over-Expenditure on Professional and Special Services				2,737,823.65	
06 Consumable Materials					
1205: Brussels Embassy	84,009.00	84,003.00	225,227.66	141,224.66	168.1
1206: Maputo High Commission	66,439.00	66,432.00	139,012.19	72,580.19	109.3
1208: Johannesburg Consulate Office	57,526.00	57,521.00	93,435.10	35,914.10	62.4
1209: Abu Dhabi Embassy	114,341.00	114,339.00	236,910.72	122,571.72	107.2
1219: Morocco Embassy	70,000.00	359,233.00	583,485.80	224,252.80	62.4
Over-Expenditure Consumable Materials				596,543.47	
07 Durable Materials					
1209: Abu Dhabi Embassy	0.00	1,214,359.00	1,553,206.94	338,847.94	27.9
1219: Morocco Embassy	0.00	46,272.00	2,012,653.33	1,966,381.33	4,249.6
Over-Expenditure on Durable Materials				2,305,229.27	
Total Over-Expenditure on Recurrent Vote				157,272,175.23	

This is in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Section 107(3)(j)

under of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

I warned the Controlling Officer that any excess or any amount expended beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget. Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public moneys. Any unauthorised expenditure may lead to a negative effect on the fiscal budget and may warrant disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Ministry ought to have sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorisation.

In response, the Controlling Officer acknowledged the over-expenditure under the cited control items in Missions Abroad and stated that the current budget allocations have become grossly insufficient for the Missions to fulfil their mandate. He further explained that fluctuations in foreign exchange rates have also adversely affected the budget transferred to Missions. The Controlling Officer highlighted that he encourages Missions to adhere to the budgetary provisions and continues to ensure that they utilise the limited resources to avoid similar situations recurring in the future. The Controlling Officer mentioned that the Ministry continues to engage with the Ministry of Finance on the possibilities of reviewing the budget allocation for Missions Abroad taking into consideration the length of time since there were reviews.

The response from the Controlling Officer was noted; however, the audit finding remains as there is no authority for the over-expenditure incurred.

40. Under-Expenditure on Recurrent Vote

I noted that there were significant under-expenditures on Recurrent Vote amounting to **E187,137,492.87** under various Responsibility Centres of the Ministry in the fiscal year ended 31st March 2023. This comprise of under-expenditures on Personnel Costs amounting to **E47,020,905.98**; Travel, Transport and Communication Costs amounting

to **E84,999,451.65**; Professional and Special Services amounting to **E12,401,125.19**; Rental Costs amounting to **E36,375,189.35**; Consumable Materials amounting to **E2,944,462.33**; and Durable Materials worth **E3,396,358.37**. The details are illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under-Expenditure	
01 Personnel Costs	E	E	E	E	%
1201: Washington DC Embassy	10,428,600.20	7,741,084.00	2,677,299.83	5,063,784.17	65.4
1202: New York Mission	9,606,706.70	8,060,186.00	4,322,089.31	3,738,096.69	46.4
1204: London High Commission	5,056,725.70	5,056,720.00	3,709,095.02	1,347,624.98	26.7
1205: Brussels Embassy	11,428,977.70	12,212,137.00	6,153,879.94	6,058,257.06	49.6
1206: Maputo High commission	3,083,161.50	3,612,636.00	2,580,361.09	1,032,274.91	28.6
1207: Pretoria High Commission	3,683,521.10	3,683,516.00	1,712,240.33	1,971,275.67	53.5
1208: Johannesburg Consulate Office	3,011,233.50	3,011,228.00	1,957,905.59	1,053,322.41	35.0
1209: Abu Dhabi Embassy	8,838,686.50	8,838,684.00	2,922,144.19	5,916,539.81	66.9
1212: Taipei Embassy	7,087,206.80	7,087,204.00	3,486,156.79	3,601,047.21	50.8
1214: Malaysian Embassy	7,255,130.30	7,255,128.00	2,723,427.87	4,531,700.13	62.5
1215: Geneva Embassy	12,428,235.10	12,428,232.00	5,262,877.03	7,165,354.97	57.7
1216: Ethiopia Embassy	6,709,614.30	6,709,612.00	4,937,648.02	1,771,963.98	26.4
1217: Kuwait Embassy	6,441,606.50	6,441,604.00	5,198,458.81	1,243,145.19	19.3
1218: Qatar Embassy	5,523,033.40	6,020,265.00	3,493,746.20	2,526,518.80	42.0
Under-Expenditure on Personnel Costs				47,020,905.98	
02: Travel, Transport & Communication Costs					
1102: Principal Secretary's Office	5,377,414.00	5,821,012.00	4,798,599.87	1,022,412.13	17.6
1105: Protocol Section	15,833.00	9,607.00	3,967.89	5,639.11	58.7
1201: Washington DC Embassy	632,034.00	4,934,927.00	333,912.43	4,601,014.57	93.2
1202: New York Mission	205,791.00	205,785.00	-11,873,500.03	12,079,285.03	587
1206: Maputo High commission	223,193.00	11,650,128.00	9,764,542.75	1,885,585.25	16.2
1207: Pretoria High Commission	322,747.00	7,272,938.00	119,025.21	7,153,912.79	98.4
1208: Johannesburg Consulate	315,204.00	315,198.00	167,994.50	147,203.50	46.7
1214: Malaysian Embassy	795,979.00	7,085,450.00	-44,766,302.93	51,851,752.93	732
1218: Qatar Embassy	521,348.00	7,707,218.00	1,454,571.66	6,252,646.34	81.1
Under-Expenditure on Travel, Transport & Communications Costs				84,999,451.65	
04: Professional and Special Services					
1201: Washington DC Embassy	2,201,658.00	3,836,979.00	1,465,620.46	2,371,358.54	61.8
1202: New York Mission	1,387,734.00	5,431,779.00	2,770,332.01	2,661,446.99	49.0
1207: Pretoria High Commission	711,047.00	3,039,699.00	176,880.92	2,862,818.08	94.2
1208: Johannesburg Consulate Office	1,259,040.00	1,259,031.00	840,742.75	418,288.25	33.2
1209: Abu Dhabi Embassy	477,848.00	477,844.00	415,264.64	62,579.36	13.0
1212: Taipei Embassy	1,213,250.00	1,213,243.00	725,030.92	488,212.08	40.2
1214: Malaysian Embassy	973,046.00	1,562,618.00	363,825.12	1,198,792.88	76.7
1215: Geneva Embassy	1,197,544.00	1,197,535.00	431,074.29	766,460.71	64.0

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under-Expenditure	
1216: Ethiopia Embassy	1,675,911.00	1,675,896.00	654,959.82	1,020,936.18	60.9
1218: Qatar Embassy	988,647.00	988,640.00	438,407.88	550,232.12	55.7
Under-Expenditure on Professional and Special Services				12,401,125.19	
05 Rental Costs					
1102: Principal Secretary's Office	19,543,172.00			0.00	#DIV/0!
1201: Washington DC Embassy	2,157,084.00	630,275.00	136,465.53	493,809.47	78.4
1202: New York Mission	2,765,042.00	2,765,040.00	1,017,572.61	1,747,467.39	63.2
1204: London High Commission	1,366,637.00	4,328,919.00	3,280,534.96	1,048,384.04	24.2
1205: Brussels Embassy	939,926.00	939,924.00	388,988.05	550,935.95	58.6
1207: Pretoria High Commission	836,392.00	418,194.00	105,100.00	313,094.00	74.9
1208: Johannesburg Consulate Office	1,673,673.00	1,873,673.00	928,048.02	945,624.98	50.5
1209: Abu Dhabi Embassy	9,994,221.00	10,994,221.00	1,031,273.72	9,962,947.28	90.6
1212: Taipei Embassy	3,362,000.00	4,862,000.00	1,704,318.56	3,157,681.44	65.0
1214: Malaysian Embassy	8,677,450.00	4,330,853.00	1,275,984.96	3,054,868.04	70.5
1215: Geneva Embassy	4,800,010.00	5,668,668.00	2,330,399.91	3,338,268.09	58.9
1216: Ethiopia Embassy	7,393,121.00	7,393,121.00	4,809,280.16	2,583,840.84	35.0
1217: Kuwait Embassy	7,779,255.00	7,779,252.00	2,673,772.57	5,105,479.43	65.6
1218: Qatar Embassy	6,822,050.00	6,772,048.00	3,012,504.60	3,759,543.40	55.5
1219: Not in the Establishment Register	0.00	313,245.00	0.00	313,245.00	100
Under-Expenditure on Rentals				36,375,189.35	
06: Consumable Materials					
1105: Protocol Section	7,051.00	0.00	0.00	0.00	#DIV/0!
1201: Washington DC Embassy	131,989.00	514,686.00	222,346.29	292,339.71	56.8
1202: New York Mission	52,583.00	466,512.00	304,861.36	161,650.64	34.7
1207: Pretoria High Commission	283,354.00	1,141,438.00	120,146.86	1,021,291.14	89.5
1212: Taipei Embassy	383,010.00	383,000.00	122,751.99	260,248.01	68.0
1214: Malaysian Embassy	446,187.00	962,535.00	36,362.31	926,172.69	96.2
1215: Geneva Embassy	215,672.00	234,931.00	201,714.07	33,216.93	14.1
1216: Ethiopia Embassy	106,327.00	224,208.00	168,984.98	55,223.02	24.6
1217: Kuwait Embassy	251,370.00	251,362.00	213,456.76	37,905.24	15.1
1218: Qatar Embassy	396,563.00	396,557.00	240,142.05	156,414.95	39.4
Under-Expenditure on Consumable Materials				2,944,462.33	
07 Durable Materials					
1201: Washington DC Embassy	352,750.00	246,134.00	8,397.87	237,736.13	96.6
1202: New York Mission	0.00	158,284.00	118,000.82	40,283.18	25.5
1204: London High Commission	0.00	222,072.00	31,750.09	190,321.91	85.7
1205: Brussels Embassy	0.00	1,210,407.00	0.00	1,210,407.00	100
1206: Maputo High commission	542,424.00	1,303,192.00	0.00	1,303,192.00	100
1207: Pretoria High Commission	439,900.00	0.00	0.00	0.00	#DIV/0!
1208: Johannesburg Consulate Office	845,140.00	84,728.00	0.00	84,728.00	100
1214: Malaysian Embassy	21,165.00	391,850.00	189,130.34	202,719.66	51.7

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under-Expenditure	
1215: Geneva Embassy	241,502.00	90,954.00	0.00	90,954.00	100
1216: Ethiopia Embassy	202,095.00	0.00	0.00	0.00	#DIV/0!
1217: Kuwait Embassy	0.00	83,248.00	62,816.40	20,431.60	24.5
1218: Qatar Embassy	0.00	50,000.00	34,415.11	15,584.89	31.2
Under-Expenditure on Durable Materials				3,396,358.37	
Total Under-Expenditure on Recurrent Vote				187,137,492.87	

Under-expenditures of 10% or more in a year may not be conducive to the development of the country and have a negative impact on service delivery. Further, unaccomplished planned programmes and development initiatives do not positively impact the lives of citizens.

I advised the Controlling Officer to ensure that released funds are utilised for intended purposes and not to seek budget release when the Ministry is not ready to implement. I further advised the Controlling Officer to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met, despite the under-expenditures.

In response, the Controlling Officer concurred with the observation and stated that lack of intergration between the Treasury Accounting System (TAS) and TAS in Missions Abroad is the main cause of the under-expenditure. In addition, the Ministry will work with the Accountant General and the Royal Science Technology Park (RSTP) to look into a way on how best the Systems can be upgraded to rectify the malfunctioning in the financial year 2024/2025.

The response of the Controlling Officer was noted; however, I am concerned that certain planned programmes were not implemented by the Ministry. Further, the postpobement of resolving the problem will continue to limit service delivery and development, hence the finding remains unresolved.

41. Fictitious Liability Due to Unaccounted-for Cash Collections (Revenue) at Maputo High Commission

I reported that the audit finding was raised in the previous year on unremitted and unaccounted-for cash from the visa revenue collections amounting **E7,057,850.58** by the Maputo High Commission was not resolved by the Ministry. The revenue collections

relate to the financial year ended 31st March 2006. These cash collections were not recognised as Government's revenue and reported as assets in the financial statements. The unaccounted-for revenue collections are regarded as fictitious liabilities. As such, the unaccounted-for cash as at 31st March 2023 remained the same as it was in the previous year, as illustrated in the table below.

Responsibility Centre	Account Item	Unaccounted-for Cash (E)
1206: Maputo High Commission	50106: Maputo Revenue Account	7,057,850.58

Financial and Accounting Instruction 0501(i) stipulates that "it is the duty of Accounting Officers to ensure that revenue due is collected promptly and that all collections of revenue are promptly brought to account".

I noted with concern that revenue collections were not remitted to the General Account at the Central Bank of Eswatini and still not accounted-for by the Ministry. The revenue collections remain unrecognized as revenue and not banked by the Government. Consequently, Government was deprived of revenue and cash collected by the Maputo High Commission, and the liabilities of the Government are overstated by the same amount.

I advised the Controlling Officer to investigate the unremitted visa revenue collections and/or unaccounted-for cash (missing cash), and recover the public funds from the officials involved.

In response, the Controlling Officer acknowledged the observation on the matter. He stated that he has since reported the matter to the National Commissioner of Police requesting that they institute a fully-fledged investigation. He promised to update me on the outcome.

The response of the Controlling Officer was noted; however, the audit finding remains unresolved. Hence, the investigation has not commenced and the cash has not been accounted-for and the liability cleared.

42. Unrecovered Salary Advances

I reported that there were unrecovered salary advances amounting to **E217,805.95** from three officials under the New York Mission in the fiscal years 2019 to 2022, and there was an unreferenced credit (settlement) balance brought forward of **E10,410.33** from financial year 2017; hence the unrecovered salary advances amounting to

E207,395.62. The official bearing employment number 5233133 had outstanding salary advances amounting to **E107,805.95**, official bearing employment number 7141483 had unrecovered salary advances amounting to **E103,090.00**, and official bearing employment number 4775803 had outstanding salary advance amounting to **E7,503.48**. The breakdown of the unrecovered salary advances under the New York Mission is depicted in the table below.

Fiscal Year	Source	Month	Batch	Voucher	Cheque	Description	Amount (E)
31 st March 2018	335	12	678	12999999		2016/2017 Balance	(10,410.33)
Employment Number 5233133							
31 st March 2021	392	03	001	030025	15876	Salary Advance	40,629.60
31 st March 2020	392	07	001	070019	15497	Salary Advance	36,357.62
31 st March 2019	392	08	001	080012	14894	Salary Advance	28,895.16
31 st March 2020	392	12	001	120012	15725	Salary Advance	11,697.92
31 st March 2020	392	03	001	030004	15262	Salary Advance	8,125.92
31 st March 2020	392	03	001	030018		Repayment	(4,062.96)
31 st March 2020	392	05	001	050011		Repayment	(4,195.11)
31 st March 2020	392	10	001	100018		Repayment	(10,235.68)
Outstanding Salary Advance: Employment Number 5233133							107,212.47
Employment Number 7141483							
31 st March 2019	392	02	002	010027	14520	Salary Advance	40,629.60
31 st March 2022	392	05	001	050002	EFT	Salary Advance	48,162.10
31 st March 2019	392	11	001	110019	15061	Salary Advance	14,298.30
Outstanding Salary Advance: Employment Number 7141483							103,090.00
Employment Number 4775803							
31 st March 2021	392	12	001	120003	16178	Salary Advance	59,939.49
31 st March 2022	392	01	001	010021		Repayment	(17,478.58)
31 st March 2022	392	02	001	020030		Repayment	(17,478.58)
31 st March 2022	392	03	001	030033		Repayment	(17,478.85)
31 st March 2022	Outstanding Salary Advance: Employment Number 4775803						7,503.48
31 st March 2023	Outstanding Salary Advances Under the New York Mission						207,395.62

I further noted that there were unrecovered salary advances amounting to **E39,510.00** from officials bearing employment number 3788840 (E20,880.00) and 4416548 (E18,630.00) under the Taipei Embassy (Centre 1212) in the financial year ended 31st March 2008.

Employee Number	Source	Month	Batch	Voucher	Cheque	Description	Amount (E)
3788840	384	10	002	030020		Salary Advance	27,090.00
3788840	384	12	002	050020		Repayment	(6,210.00)
3788840							20,880.00
4416548	384	13	002	060011			18,630.00
Total Outstanding Salary Advances Under the Taipei Embassy							39,510.00

Financial and Accounting Instruction 1204 which stipulates that “when a personal advance is made to a public officer it will be debited to his personal account. The Controlling Officer must ensure that no salary is subsequently paid unless arrangements have been made for the commencement of repayments”. Salary advances are required to be recovered within three months from source as a deduction of salary. Further, Financial and Accounting Instruction 0909 states that the “cash is advanced by the Treasury and the Controlling Officers must maintain a record of all cash advances obtained, the officer responsible, and how and when the advance was cleared”.

I am concerned that the salary advances remain unrecovered from the officials involved and Government is deprived of receiving and using the public funds for other essential programmes.

I advised the Controlling Officer to investigate the unrecovered salary advances and recover the public funds from the officials involved, as required by the Public Finance Management Act and Financial and Accounting Instruction 0509.

In response, the Controlling Officer acknowledged my findings and promised to make a follow-up on the issues raised. He stated that officers cited on these issues paid back the amounts advanced to them. The Controlling Officer further provided documents reflecting the payments for the salary advances and the recoveries made from the foreign service allowances for the officers stationed in New York.

The response of the Controlling Officer was noted; However, the matter remains reportable because there are no adjustments made to reflect the recoveries in the accounting system for the Missions concerned. Also, there is no evidence provided for the recoveries of advances for the Taipei Embassy.

43. Unremitted Deductions, and Unrecovered and Settlement of Unrecorded Salary Advances

I noted that there was unremitted officer’s personal account advance deduction amounting to **E11,634.90** in the financial year ended 31st March 2019 by the Ministry. There were no remittances to the Treasury Department which is a department responsible for all employees’ advances. This resulted to a fictitious liability balance that remained uncleared as at 31st March 2023.

It was further noted there was unrecovered salary advance worth **E666.66** from officer in the fiscal year ended 31st March 2011 and there was also unrecorded employee salary advance amounting to **E2,000.00** yet the officer paid the advance in the financial year ended 31st March 2012, under the Johannesburg Consulate Office. Hence, the salary advance account depicts a fictitious liability balance of **E1,333.34**.

The breakdown of the fictitious liabilities is depicted in the table below.

Responsibility Centre	Account Item	Unremitted Deductions, Unrecovered and Settlement of Unrecorded Salary Advances (E)
1001: Minister's Office	51002: Officer's Personal Account	11,634.90
1208:Johannesburg Consulate Office	51003: Salary Advance	1,333.34
Total Fictitious Liabilities		12,968.24

This contravenes Financial and Accounting Instruction number 0909 which states that the "cash is advanced by the Treasury and the Controlling Officers must maintain a record of all cash advances obtained, the officer responsible, and how and when the advance was cleared".

I reported that fictitious liabilities amounting to **E13,634.90** (E11,634.90 plus E2,000.00) were created by the unremitted deduction of employees' advance and settlement of unrecorded salary advance. The salary advance remains unrecovered from the officer involved and Government is deprived of receiving and using these public funds for other essential programmes.

I advised the Controlling Officer to investigate unremitted deduction, unrecovered and settlement of unrecorded salary advances, and recover the public funds from the implicated officers, and clear the fictitious liabilities.

In response, the Controlling Officer acknowledged my audit observation and stated that he provided documents rectifying the error.

The response of the Controlling Officer was noted; however, there was no attached documents submitted as responses. Further, there were no adjustments made in the accounting system, hence the audit finding remains unresolved.

44. Unretired Tour Advances and Fictitious Liabilities Due to Non-postings of Tour Advances in the Suspense Account and Cash Book

I reported that tour advances amounting to **E24,116,234.74** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was recorded in the books of accounts.

I further noted that there were non-postings of tour advances amounting to **E2,582,519.56** in the Suspense Account and Cash Book after charging the Government General Account for those tours under the Ministry. The tour advances were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of account and fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)	Unposted Tour Advances (E)
1001: Minister's Office	51006: Tour Advances- Employees	341,383.52	
1102: Principal Secretary's Office	51006: Tour Advances- Employees	1,867,786.55	
1103: Common Services	51006: Tour Advances- Employees	77,801.38	
1104: Political Section	51006: Tour Advances- Employees	829,249.36	
1105: Protocol Section	51006: Tour Advances- Employees	86,864.61	
1201: Washington DC Embassy	51006: Tour Advances- Employees	305,294.81	
1202: New York Mission	51006: Tour Advances- Employees	126,366.00	
1203: Not in the Establishment Register	51006: Tour Advances- Employees	12,356.40	
1205: Brussels Embassy	51006: Tour Advances- Employees	621,501.80	
1206: Maputo High Commission	51006: Tour Advances- Employees	340,895.84	
1209: Abu Dhabi Embassy	51006: Tour Advances- Employees	1,259,106.06	
1210: Not in the Establishment Register	51006: Tour Advances- Employees	11,575.99	
1212: Taipei Embassy	51006: Tour Advances- Employees	73,222.74	
1214: Malaysian Embassy	51006: Tour Advances- Employees	581,649.05	
1216: Ethiopia Embassy	51006: Tour Advances- Employees	139,976.23	
1301: Not in the Establishment Register	51006: Tour Advances- Employees	3,609.34	
1401: Not in the Establishment Register	51006: Tour Advances- Employees	72,843.89	
1501: Not in the Establishment Register	51006: Tour Advances- Employees	17,364,751.17	
1204: London High Commission	51006: Tour Advances- Employees		858,132.77
1207: Pretoria High Commission	51006: Tour Advances- Employees		1,222,667.91
1208: Johannesburg Consulate Office	51006: Tour Advances- Employees		15,525.89
1215: Geneva Embassy	51006: Tour Advances- Employees		178,245.98
1217: Kuwait Embassy	51006: Tour Advances- Employees		246,605.02
1218: Qatar Embassy	51006: Tour Advances- Employees		61,314.21
1302: Not in the Establishment Register	51006: Tour Advances- Employees		27.78
Total Unretired Tour Advances and Fictitious Liabilities Due to Non-postings of Tour Advances		24,116,234.74	2,582,519.97

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph

4.19 states that “the year-end balances on the Tour Advances item should normally equal zero”.

The unretired tour advances remained unrecovered monies due to Government and the external travel expenditures were understated in the financial year to which they relate. On the other hand, the retirement of tour advances against unposted tour advance creates fictitious liabilities in the financial statements; thus distorts the financial position and financial performance.

I advised the Controlling Officer that, to ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Ministry to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer acknowledged my observation on unretired tour advances. He stated that the Ministry is working on reconciling the tour advance account and will ensure that all delegates submit their documents for retiring tours.

The response of the Controlling Officer was noted; however, the outstanding tour advances were not retired or recovered from the officers involved, and the unposted tour advances were not addressed by the Ministry. The audit finding remains unresolved and reportable.

45. Non-adjustment of Unutilised Budget and Variations of Foreign Currency Exchange Gains on Accounts Payable

I noted that there were no adjustments of unutilised budget and variations of foreign currency exchange gains on Accounts Payable amounting to **E149,816,256.24** under various responsibility centres. The Ministry did not prepare adjustments for the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid misappropriation of public funds. The non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities.

The breakdown of the unutilised budget provisions is depicted in the following table below:

Responsibility Centre	Account Item	Year of Transaction Occurrence	Fictitious Liabilities (E)
1501: Not in the Establishment Register	61007: Accounts Payable	Financial Year 2012	84,404,905.03
1104: Political Section	61007: Accounts Payable	Financial Year 2009	40,697,339.29
1202: New York Mission	61007: Accounts Payable	Financial Year 2010	16,826,660.79
1205: Brussels Embassy	61007: Accounts Payable	Financial Year 2015	2,567,117.53
1301: Not in the Establishment Register	61007: Accounts Payable	Financial Year 2023	2,065,485.69
1218: Qatar Embassy	61007: Accounts Payable	Financial Year 2017	1,605,915.58
1212: Taipei Embassy	61007: Accounts Payable	Financial Year 2005	1,100,000.00
1216: Ethiopia Embassy	61007: Accounts Payable	Financial Year 2017	247,488.72
1201: Washington DC Embassy	61007: Accounts Payable	Financial Year 2017	229,905.73
1206: Maputo High Commission	61007: Accounts Payable	Financial Year 2016	71,437.88
Total Accounts Payable			149,816,256.24

There is a risk of incurring expenditure against the unutilised budget, which may be regarded as unappropriated expenditure; there is a risk of using the elapsed budget. Both, the recurrent expenditure and liabilities were overstated, thus distorting the financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid incurring expenditure against the elapsed budget, which would be regarded as unappropriated expenditure.

46. Unappropriated Expenditure: Foreign Payments Without Budget and Non-adjustment of Variations of Foreign Currency Exchange Losses

I further noted that the Ministry incurred foreign payments without providing the budget and did not adjust variations of foreign currency exchange losses on Accounts Payable. Thus, unappropriated expenditures (payments without budgets) and non-adjustment of currency variations amounting to **E33,753,994.18** were incurred and fictitious assets were created, under various responsibility centres. The recurrent expenditure and variations were not included in the financial statements (Statement of Recurrent Expenditure – Appendix 7). The fictitious assets originate from prior financial years. Below is a breakdown of the payments without budget provision and non-adjustment of currency variations.

Responsibility Centre	Account Item	Year of Transaction Occurrence	Fictitious Assets (E)
1102: Principal Secretary's Office	61007: Accounts Payable	Financial Year 2010	18,283,967.00
1204: London High Commission	61007: Accounts Payable	Financial Year 2008	13,880,788.62
1401: Not in the Establishment Register	61007: Accounts Payable	Financial Year 2014	631,140.67
1217: Kuwait Embassy	61007: Accounts Payable	Financial Year 2009	488,904.00
1106: Not in the Establishment Register	61007: Accounts Payable	Financial Year 2019	175,738.38
1203: Not in the Establishment Register	61007: Accounts Payable	Financial Year 2009	165,894.35
1214: Malaysian Embassy	61007: Accounts Payable	Financial Year 2009	118,684.58
1209: Abu Dhabi Embassy	61007: Accounts Payable	Financial Year 2019	8,876.58
Total Accounts Payable			33,753,994.23

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) that states that "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item". Further, Section 11, paragraph 5.5 states that balances on this account may exist because of differences in the timing of entries to the computer system. Investigations and corrections should be carried out in consultation with the Treasury Common Services Section. Moreover, Paragraph 5.6 requires that "year end balances on this item should normally equal zero".

I notified the Controlling Officer that Ministry incurred unappropriated expenditure on the Accounts Payable which were not reported in the Statement of Expenditure, and resulted in fictitious assets. There is a risk that assets are overstated and that financial statements might be distorted.

I advised the Controlling Officer that the Ministry should clear the unappropriated expenditure and fictitious assets and reconcile Foreign Payments Suspense Account to nil balance at the end of the financial year.

In response, the Controlling Officer concurred with my findings and stated that the Ministry shall rectify the error and clear the account.

The response of the Controlling Officer was noted; however, the audit finding remains as no action has been taken by the Ministry.

47. Unremitted Deductions of National Provident Fund and Unremitted Deduction of Swazi Bank Personal Loan

I reported that there were unremitted deductions for the contributions to the National Provident Fund amounting to **E19,604.31** as at 31st March 2023 under the responsibility centres 1102 and 1206. I further noted that, a deduction of Swazi Bank Personnel Loan worth **E4,060.79** from the former Minister bearing employment number 4176699 was not remitted to the Bank and the transaction occurred in the financial year ended 31st March 2014, under the Minister's Office. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unremitted Deductions (E)
1102: Principal Secretary's Office	62240: National Provident Fund Deductions	19,459.31
1206: Maputo High commission	62240: National Provident Fund Deductions	145.00
Unremitted Deductions of National Provident Fund		19,604.31
1001: Minister's Office	62288: Swazi Bank Personal Loans	4,060.79

In accordance with the national provident order of 1974, employers should remit contributions to the rightful authorities timeously.

I notified the Controlling Officer that non-remittance of deductions of contributions for Provident Fund deprived workers of receiving their rightful benefits.

I advised the Controlling Officer that the Ministry should remit the outstanding deductions to the Eswatini National Provident Fund and pay the unremitted monies to the former Minister. I further, advised that the Ministry should promptly remit deductions to their respective institutions' beneficiaries.

In response, the Controlling Officer concurred with my observation and stated that the Ministry will work with the Treasury Department to reconcile the account.

The Controlling Officer's response and committing to resolve the finding was noted. However, without the adjustments the audit findings remain unresolved.

48. Deposit Erroneously Posted to Ministry of Foreign Affairs & International Cooperation Instead of Ministry of Commerce, Industry and Trade

I noted that a deposit received from Apollo Printers amounting to **E7,472.00** was erroneously posted to the Ministry of Foreign Affairs and International Cooperation

instead of the Ministry of Commerce, Industry and Trade in the financial year 2012, under the responsibility centre 1301, through batch 064, receipt number 00070009, month 12, source 775. The deposit was not recognised as revenue instead the posting error resulted to a fictitious liability (credit) amount in the Swaziland International Trade Fair Trading Account – 70225, which remained not transferred to the revenue account and the Trading Account under the Ministry of Commerce, Industry and Trade.

Section 11.8, paragraph 8.7 of the Financial Management and Accounting Procedures Manual emphasizes that “any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher. If the subsequent claim is proved, such entry may be reversed and the deposit refunded”. Paragraph 8.8 explains that balances for this account should normally be in credit or zero.

As a consequence, the revenue was understated and a fictitious liability was created by the mis-posting of deposit under the Ministry of Foreign Affairs instead of the Ministry of Commerce, Industry and Trade, where the International Trade Fair Trading Account (Programme) was operated.

I advised the Controlling Officer to investigate the mis-posting of this deposit, clear the fictitious liability, and reconcile the accounts accordingly.

The Controlling Officer concurred with my observation and stated that the Ministry will work with the Accountant General's office to reconcile the account.

The Controlling Officer's response was noted. However, the audit finding remains unresolved.

49. Undisclosed Embassy Bank Accounts – Morocco Embassy

I reported that, the Morocco Embassy's bank account number 8100044210000056040 with the balance of 543,520.50 Dirham equivalent to **E945,725.67** at spot rate was not disclosed in the Detailed Statement of Assets as at 31st March 2023.

I notified the Controlling Officer that, the undisclosed and unreconciled bank balance of the Embassy accounts, resulted to misstatements of assets, which distorted the financial position of the Government.

This was in contravention of the Public Finance Management Act (2017), section 53(3) stipulates that “the Minister shall, on behalf of the Government, receive all grants made to Government by a foreign government or any other entity or person and shall ensure that the grants are banked into the Government account”.

I advised the Controlling Officer that the bank balance of the Embassy should be disclosed in the Detailed Statement of Assets.

In response, the Controlling Officer concurred with my findings and stated that monies that are donated by the host country are not to be brought to Government purse. He elaborated that the donations are to help establish the Embassy and stir economic growth and development within the Kingdom of Morocco. He promised to work with the Ministry of Economic Planning and Development, the Aid Coordination and Management Section (ACMS) on how these funds are declared and reflected as special accounts.

The response of the Controlling Officer was noted; however, I disagree with the Controlling Officer that monies donated by the host country are not to be brought to the Government purse. All monies donated to the country are public funds and should be declared as such and reported accordingly and brought to the Government purse for appropriation by Parliament. Such funds should not be used by any Embassy or the Ministry before appropriation by the Parliament. Further, proper records of accounts should be kept and any special account should have a specific financial instrument and regulations approved by the Accountant General and financial statements should be submitted for audit for transparency and accountability purposes.

50. Debit Revenue Entries

I notified the Controlling Officer that there were debit entries amounting to **E102,412.60** in respect of visa fees and travel document fees against revenue in the fiscal year ended 31st March 2023. I noted that revenue item codes were used to capture these expenditure entries, hence portraying a weakness of controls within the Government Accounting System (Entire). The debit revenue entries are depicted in the table below.

Item	Item Description	Amount (E)
21705	Visa Fees	95,200.00
21705	Visa Fees	6,152.60
21706	Travel Document fees	1,060.00
Total		102,412.60

I advised the Controlling Officer that accounting standards and principles teach that revenue transactions should normally have credit entries and debit entries in the revenue account are not permissible. The requirement is that the accounts is debited only if the account is being reduced as a results of a posting error.

I observed that the debit entries of revenue transactions have caused misstatement of revenue amounting to **E204,825.20**; the revenue for the year was understated by twice the total amount of these debit entries in the Detailed Statement of Revenue for the year ended 31st March 2023.

I advised the Controlling Officer to rectify these posting errors and correctly the revenue amount collected under the Embassy, and the revenue figure in the Detailed Statement of Revenue for the year ended 31st March 2023.

In response the Controlling Officer concurred with my observation and stated that the Ministry will rectify these posting errors and correct the revenue amount collection under the Embassies.

The response of the Controlling Officer was noted; however, the audit finding remains unresolved as there is no evidence provided to correct the finding.

HEAD 08: NATIONAL DEFENCE AND SECURITY

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced D14 Vol.V/64 dated 19 December 2023. The Controlling Officer responded through a memorandum referenced MNDS 19 and dated 29 January 2024 and MNDS 19, dated 9th February 2024. However, the following audit findings remain unresolved and reportable.

51. Outstanding Commitments

I reported that the Ministry had outstanding commitments amounting to **E42,623,303.31** on CTA Vehicle Charges (00), Travel, Transport and Communication (02), Professional and Special Services (04), Consumable Materials (06), and Durable Materials (07) under various responsibility centres in the financial year ended 31st March 2023. The breakdown of the outstanding commitments is depicted in the table below.

Centre	Item	Budget	Budget Released	Actual Expenditure	Variance BD80	Variance AA220	Commitments
		E	E	E	E	E	E
1101	00	978,467.00	5,733,639.00	5,566,388.67	-221,699.67	167,250.33	388,950.00
1201	00	31,914,383.00	22,317,203.00	33,345,209.67	-11,081,506.67	-11,028,006.67	53,500.00
1201	02	3,430,104.00	22,270,862.00	18,393,232.50	-11,582,857.35	3,877,629.50	15,460,486.85
1001	02	13,321,381.00	17,317,729.00	16,828,665.11	-9,347,713.08	489,063.89	9,836,776.97
1101	02	682,686.00	216,954.00	239,488.32	-31,150.32	-22,534.32	8,616.00
1201	04	21,029,519.00	38,386,402.00	38,026,063.39	-23,926.28	360,338.61	384,264.89
1101	04	30,418,927.00	32,606,463.00	32,665,829.13	-82,163.59	-59,366.13	22,797.46
1204	04	5,462,230.00	5,354,387.00	5,317,956.19	24,951.27	36,430.81	11,479.54
1201	06	155,035,224.00	192,399,191.00	176,086,470.36	252,283.49	16,312,720.64	16,060,437.15
1204	06	0.00	95,844.00	0.00	-0.45	95,844.00	95,844.45
1201	07	0.00	7,631,751.00	7,316,521.25	15,079.75	315,229.75	300,150.00
1101	00	978,467.00	5,733,639.00	5,566,388.67	-221,699.67	167,250.33	388,950.00
Total							42,623,303.31

Section 35 of the Public Finance Management Act requires that:

- (a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and
- (b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I am concerned there is a risk that the reported recurrent expenditure could be misstated, thereby distorting the reported financial performance of the Ministry, and misleading to users of the financial statements.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, and to keep close control on all commitments and make enquiries if a commitment does not become actual expenditure within a period of 90 days, should be cancelled and the necessary expenditure account reconciliations undertaken, as per the Financial and Accounting Instruction 0410.

In response, the Controlling Officer acknowledged my audit observation and stated that the outstanding commitments on items 02 - 022 and 024 were caused by insufficient budget allocation. He further stated that the Ministry was still conducting its investigation on items 04 and items 07. Concerning item 061, the Controlling Officer specified that there was a major issue with food suppliers who could not deliver the ordered quantity (beef) on scheduled time and the Ministry had to seek other suppliers for this item which resulted in the government orders not being processed for payment as the quoted unit price was different from the approved price.

The response of the Controlling Officer was noted; however, the outstanding commitments are not yet resolved and this anomaly could have been avoided by adhering to the Public Finance Management Act (2017).

52. Unappropriated Over-Expenditure on Recurrent Vote

I also reported that there were significant unappropriated over-expenditures on recurrent vote amounting to **E124,734,061.52**, in the financial year ended 31st March 2023. This comprised of an over-expenditure on CTA Vehicle Charges amounting to **E11,079,045.68**, and an over-expenditure on Personnel Costs amounting to **E113,655,015.84** under various responsibility centres. The details of the over-expenditure on recurrent vote are depicted in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over Expenditure	
00 CTA Vehicle Charges	E	E	E	E	%
1001: Minister's Office	0.00	2,000.00	53,039.01	51,039.01	2552.0
1201: Defence	31,914,383.00	22,317,203.00	33,345,209.67	11,028,006.67	49.4
Over-Expenditure on CTA Vehicle Charges				11,079,045.68	

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over Expenditure	
01 Personnel Costs					
1001: Minister's Office	57,632,796.00	66,295,299.00	77,118,464.71	10,823,165.71	16.3
1202:	115,770,059.80	115,968,338.00	171,641,120.44	55,672,782.44	48.0
1203:	56,933,535.50	55,609,588.00	64,411,214.30	8,801,626.30	15.8
1204:	90,972,429.90	90,972,424.00	102,955,041.47	11,982,617.47	13.2
1206:	63,752,105.80	63,752,104.00	71,412,697.07	7,660,593.07	12.0
1209:	65,287,610.00	65,287,608.00	74,641,428.04	9,353,820.04	14.3
1210:	72,831,678.10	71,331,676.00	79,204,321.66	7,872,645.66	11.0
1212:	12,164,479.90	12,164,476.00	13,652,241.15	1,487,765.15	12.2
Over-Expenditure Personnel Costs				113,655,015.84	
Total Over-Expenditure on Recurrent Vote				124,734,061.52	

Further, section 34(1) of the Public Finance Management Act (2017), states that "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act.

I warned that, the expenditure beyond the budget released as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated over expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money.

I advised the Controlling Officer to provide or seek authority to spend beyond the appropriated budget, and take corrective action to address the above anomaly, and further strengthen internal controls, in order to avoid recurrence of unappropriated expenditures in the future.

In response, the Controlling Officer concurred with my observation and cited the following reasons for the over-expenditure:

- *the inadequate and limited budget allocation for CTA Vehicle Charges, and the large number of old vehicles which are very costly to maintain;*
- *the large number of rented vehicles which was caused by an emergency situation (civil unrest) in the period under review, also paid directly from this budget item code; and*
- *over-expenditure on Personnel was caused by the recruitment exercise undertaken in the financial year of audit.*

The response of the Controlling Officer was noted; however, the over-expenditure (excess expenditure) was in contravention of Section 34 of the Public Finance Management Act (2017).

53. Unretired Tour Advances and Fictitious Liabilities Due to Non-postings of Tour Advances in the Suspense Account and Cash Book

I reported to the Controlling Officer that tour advances amounting to **E19,069,734.96** were not retired by and/or recovered from the officials involved. The unretired tours remained unrecovered assets and there is no confirmation that the related external travel expenditure was not recorded in the books of accounts.

I further noted that tour advances amounting to **E79,007.61** were not posted in the Tour Advance Suspense Account - 51006 and the Cash Book. These tour advances were charged in the Government General Account and were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of accounts. Consequently, fictitious liabilities were created when retiring tour advances.

The breakdown of the unretired tour advances, and fictitious liabilities due to non-postings of tour advances in the Suspense Account and Cash Book is illustrated in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)	Non-postings of Tour Advances (E)
1001: Minister's Office	51006: Tour Advances- Employees	8,709,722.76	
1201: Defence	51006: Tour Advances- Employees	10,360,012.20	
1101: Administration	51006: Tour Advances- Employees		15,998.82
1202:	51006: Tour Advances- Employees		60,812.29
1203:	51006: Tour Advances- Employees		2,196.50
Unretired Tour Advances and Non-postings of Tour Advances		19,069,734.96	79,007.61

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero".

I am concerned that the Controlling Officer did not promptly bring into account these tour advances by ensuring that they are posted in the Tour Advance Suspense Account and the Cash Book on time. If this had been done, the tour advances would have been reconciled or repaid on time and errors would have been noted on time and corrected. According to Financial and Accounting Instruction number 0203 (ii) and 0203 (X), it is the duty of accounting officers deployed at Defence to promptly bring to account all public moneys and to see that all books of account are correctly posted and kept up to date.

I informed the Controlling Officer that the unretired tour advances remained unrecovered monies due to Government, and unposted tour advances in the Suspense Account and Cash Book resulted in fictitious liabilities, and the external travel expenditure was understated in the financial year to which it relates; thus distorts the financial position and financial performance, respectively.

I advised the Controlling Officer to ensure that all tour advances are retired and repaid immediately upon completion of the tour, and unretired tour advances should be recovered from employees involved, and record the external travel expenditure in the books of accounts of the financial year to which it relates and reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer stated that the Ministry is having difficulties in clearing these balances due to insufficient budget allocation. The Ministry is hoping to clear these unretired tour advances in the next financial year 2024/25 using savings.

The response of the Controlling Officer was noted. However, the matter remains unresolved since the unretired tour advances have not been cleared and unposted tour advances were not resolved.

54. Unutilised Grant Deposits for Procurement of Air-tickets for Army Officials

I reported to the Controlling Officer that there was unutilised grant deposits amounting to **E368,520.62** in respect of the procurement of air-tickets for army officials under the Responsibility Centre 1101-Administration. I reported that the balance has remained unutilised since 2018, which indicates that the Ministry had no obligation of refunding the unutilised funds back to the donor, as such the funds should be transferred to

miscellaneous revenue for recognition in the Consolidated Statement of Revenue. The table below illustrate the funds.

Responsibility Centre	Account Item	Unutilised Deposits (E)
1101: Administration	60288: Procurement of Air-Tickets for Army Officials	368,520.62

Section 11 (2.20) of the Financial Management and Accounting Procedures Manual stipulates that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I am concerned that the funds may be misappropriated, and that Government revenue has not been recognised as sundry income, and that fictitious liabilities have been created; thus, distorting both financial performance and financial position of the Government.

I advised the Controlling Officer to transfer these programme funds in to sundry income account as miscellaneous revenue and clear the fictitious liabilities.

In his response, the Controlling Officer stated that the Ministry is still conducting its investigations regarding this account. However, the Ministry can report at this stage that this is a capital grant awarded to the Ministry to purchase air tickets for army officers travelling abroad for workshops and trainings. The Ministry was not aware of this fund and as a result, was not spending it and all activities recorded on this account have been posted by the office of the Accountant General who has control over this account. The Ministry is still to determine the origins and terms of use of this fund, should the terms be valid then the Ministry will be able to access this fund and spend it accordingly, if not then it will to be reversed to the original donor as it falls under capital funds.

The response of the Controlling Officer was noted. However, the matter remains reportable until it has been resolved.

55. Fictitious Assets Balance Due to Foreign Payments Without Budget: Uncleared Accounts Payable Balances

I reported that foreign payments amounting to **E1,190,119.85** were made without provision of budget from external grant recurrent item since the financial year ended 31st March 2014 to date, under the responsibility centre 1201. Payments without budget provision is regarded as unappropriated expenditure, that the Ministry should clear through provision of budget from its savings. The Ministry incurred unappropriated expenditure amounting to **E5,671,876.99** in the fiscal year 2014, **E16,130,159.45** in the fiscal year 2016, **E15,879,126.59** in the fiscal year 2017, **E9,244,704.27** in the fiscal year 2022, and **E1,190,119.85** in the fiscal year in the fiscal year 2023.

The uncleared fictitious assets balance due to the foreign payments processed without budget is depicted in the table below.

Responsibility Centre	Account Item	Fictitious Assets (E)
1201: Defence	61008: Accounts Payables Defence	1,190,119.85

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Further, Section 11, Paragraph 5.6 of the Financial Management and Accounting Procedures Manual (1993) guides that "year-end balances on this item should normally equal zero".

I advised the Controlling Officer to clear the unappropriated expenditure and fictitious assets by using budget savings or reallocation to the External Grants and subsidies items or request a supplementary budget, and reconcile Foreign Payments Suspense Account to nil balance at the end of the financial year.

In his response, the Controlling Officer stated that the Ministry acknowledged and noted the advice from the Auditor-General and will engage the necessary controls to avoid recurrence of over-expenditure in the future.

The response of the Controlling Officer was noted, however, the matter remains reportable until it is resolved.

56. Unappropriated Expenditure Resulted to Fictitious Assets on Outstanding Accounts All Ministries

I further reported that there were payments amounting to **E21,672,905.25** which were incurred without provision of budget on 'Outstanding Accounts of All Ministries' since the financial years ended 31st March 2005 to 2007, under Responsibility Centre 1201 – Defence. The Ministry had incurred unappropriated expenditure without budget amounting to **E13,771,651.18** up to the fiscal year 2005.

I noted that recurrent expenditures were not included in the financial statements (Statement of Recurrent Expenditure – Appendix 7). The Ministry ought to have recorded the payments in the recurrent expenditure account in the fiscal years where the transactions occurred and reconciled the Outstanding All Ministries Account to clear the fictitious assets through budget savings or reallocation to the same recurrent expenditure item or supplementary budget.

I pointed out that payments incurred without budget provisions are regarded as unappropriated expenditure, and have resulted to the creation of fictitious assets, which remained the same since there were no movements, even in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Fictitious Asset Due to Unappropriated Expenditure (E)
1201: Defence	61080: Outstanding Accounts All Ministries	21,672,905.25

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Further, Section 11, Paragraph 5.6 of the Financial Management and Accounting Procedures Manual (1993) guides that "year-end balances on this item should normally equal zero".

Further, Paragraph 6.7 of the Financial Management and Accounting Procedures Manual guides that the balance on these accounts should be zero by the end of June each year. Any credit balances remaining at the end of (30 June) should be transferred to miscellaneous income item. Debit balances should be transferred to the relevant recurrent or capital expenditure items.

My concern is that unappropriated expenditure translates to fictitious assets, which overstates the assets under the Ministry.

I advised the Controlling Officer to clear the fictitious assets due to unappropriated expenditure incurred using budget savings, from the Outstanding Accounts of All Ministries, and ensure that the balance is zero by the end of June each year.

I advised the Controlling Officer to clear the unappropriated expenditure and fictitious assets by using budget savings or budget supplementary on Outstanding Accounts of All Ministries, and ensure that the balance is zero by the end of June each year.

In response, the Controlling Officer stated that due to budget constraints, the Ministry has not been able to clear this account as all reporting items are usually overspent at the end of every financial year. The Ministry will only be able to clear it if and when there are budget saving at the end of the 2023/2024 financial year. However, the concern raised by the Auditor-General is noted.

The response of the Controlling Officer was noted. However, the matter remains unresolved until the account has been cleared.

57. Unremitted Deductions of National Provident Fund

I reported that there were unremitted deductions in respect of National Provident Fund worth **E198,185.60** as at 31st March 2023, under the responsibility centre 1101-Administration, as illustrated in the table below.

Responsibility Centre	Account Item	Liability Balance (E)
1101: Administration	62240: National Provident Fund Deduction	198,185.60

This was in contravention of Section 5, Paragraph 7.2 of the Financial Management and Accounting Procedures Manual which explains that employee contributions are deducted from their salaries and credited to the employee centre's suspense account 62240.

Payment should then be made, charging the suspense account with the amount of deducted employee contributions and the recurrent budgets per centre for the equivalent employers' contributions.

Also, the Financial and Accounting Instruction number 0817 requires that "a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited".

I am concerned that non-remittance of deductions of contributions for Provident Fund deprived non-pensionable workers from receiving their rightful benefits through Eswatini National Provident Fund.

I advised the Ministry that the deductions of the National Provident Fund should be promptly remitted to the Eswatini National Provident Fund.

In response, the Controlling Officer stated that the Ministry, in consultations with the office of the Accountant-General (Salaries Department) is investigating this issue, once it is resolved and corrected, the Office of the Auditor General will be informed.

The response of the Controlling Officer was noted; however, the matter remains reportable until the issue is resolved.

HEAD 09: TINKHUNDLA ADMINISTRATION AND DEVELOPMENT

An audit of Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced E29/Vol.XII/47, dated 13th November 2024. The Controlling Officer responded through a memorandum referenced TIKH1/6VOL1, dated 12th January 2024. However, the following audit findings remain unresolved and reportable.

58. Unappropriated (Excess) Expenditure on Personnel Costs

I reported that there were unappropriated excess expenditures on Personnel Costs amounting to **E16,065,231.65** incurred under the responsibility centres 1202- Manzini Regional Administrator (E7,48,536.72), 1204 - Lubombo Regional Administrator (E3,601,915.69), and 1203 – Shiselweni Regional Administrator (E5,414,779.24), in the financial year ended 31st March 2023. The breakdown of the excess (unappropriated) expenditure is depicted in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-Expenditure	
01 Personnel Costs	E	E	E	E	%
1202: Manzini Regional Administrator	27,919,239.70	28,435,015.00	35,483,551.72	7,048,536.72	24.8
1204: Lubombo Regional Administrator	18,410,582.10	18,602,332.00	22,204,247.69	3,601,915.69	19.4
1203: Shiselweni Regional Administrator	27,615,531.60	28,775,661.00	34,190,440.24	5,414,779.24	18.8
Unappropriated (Excess) Expenditure on Personnel Costs				16,065,231.65	

This was in contravention of Financial and Accounting Instruction 0202(ii) which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act.

I warned the Controlling Officer that any excess or any amount expended beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget. Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public moneys. Any unauthorised expenditure may lead to disciplinary action. Non-compliance with the laws,

rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling Officer concurred with my observations on over-expenditure incurred on Personnel Costs and stated that it was caused by the implementation of Establishment Circular number 2 of 2023 granting a 3% Cost of Living Adjustment plus 1% once off payment of the annual salary.

The response of the Controlling Officer was noted; however, there is no justification for over-expenditure (excess expenditure) since it is in contravention of Section 34 of the Public Finance Management Act (2017).

59. Non-utilisation of Released Budget Funds on Project X46670 – Rehabilitation of Development Training Centres (WID)

I noted that there was non-utilization of released budget amounting to **E4,200,000.00** on Project X46670 – Rehabilitation of Development Training Centres for Women, under the Responsibility Centre 1501 - Central Rural Development Unit, in the financial year ended 31st March 2023. The project was financed through Taiwan's Development Programme. According to the Estimates Book, E4,200,000.00 donor funds were allocated for rehabilitation at Mahamba / Zombodze, Sithobelweni and Ntfontjeni. The project was implemented by the Micro-Projects Unit on behalf of the Ministry. The breakdown of the non-utilisation of released budget on the project is depicted in the table below.

Centre	Project	Released Budget	Actual Expenditure	Unutilised Budget / Under-Expenditure	
		E	E	E	%
1501: Central Rural Development Unit	X46670: Rehabilitation of Tinkhundla Centres	4,200,000.00	0.00	4,200,000.00	100

Non-utilisation of budget indicate that public funds were tied up in the project and deprived the Government of its economic development initiatives during the fiscal year. Under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government.

I am concerned that there will be escalation of costs due to delays in the implementation of the projects, and the citizens are deprived of improved service delivery and livelihood. Further, this reflects inadequate budget planning, execution and performance.

I advised the Controlling Officer to ensure that released funds are utilised for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for the non-utilisation.

In response, the Controlling Officer concurred with my observation and stated that the Ministry had two capital projects which are X465/99/70 – Rehabilitation of Tinkhundla Centres (70 – E37,648 million and 99 – E3 million) and X466/70 Rehabilitation of Development Training Centres for Women (E4.2 million). For project X466/70 funds amounting to E4.2 million were released but not utilised because the funds allocated were not sufficient to commence the project, thus requiring the reduction of scope by the implementer. Further, the funds (E37,648 million) for Project X46570- Rehabilitation of Tinkhundla Centres were requisitioned but were never released.

The Controlling Officer's response was acknowledged; however, it is not satisfactory because the Ministry did not explain why the funds from Taiwan were not utilised as appropriated, being E4.2 million for Project X46570 – Rehabilitation of Development Training for Women and E37,648 million for Project X46670.

60. Posting Duplication of Tour Advance, Under Retirement of Tour Advance and Receipt Against Untraceable Tour Advance

I noted that there was posting duplication of Tour Advance amounting to **E43,996.93** in the Tour Advance Suspense Account in the financial year ended 31st March 2023, under the responsibility centre 1001. The first posting was done through journal voucher 070337 batch 81, month 7 and the second posting was done through journal voucher 100390 batch 85, month 10. The tour advance was received and retired by the officer bearing employment number 3464933. The posting duplication of tour advance has resulted in the creation of fictitious assets in the financial statements for year audited.

I further noted that the same officer receipted **E823.20** against an untraceable tour advance, which resulted to a fictitious liability, in the financial year ended 31st March 2023.

I am concerned that the Controlling Officer did not promptly bring into account these tour advances by ensuring that they are posted in the Tour Advance Suspense Account and the Cash Book on time, at the correct amounts of the outstanding tour advances. If this had been done, the tour advances would have been reconciled or repaid on time and errors would have been noted on time and corrected. According to Financial and Accounting Instruction number 0203 (ii) and 0203 (X), it is the duty of accounting officers deployed at the Ministry to promptly bring to account all public moneys and to see that all books of account are correctly posted and kept up to date.

I also reminded the Controlling Officer that, according to the Financial and Accounting Instruction 1209 "Tour Advances should be repaid immediately upon completion of the tour". It is at this time that errors may be noticed and corrected.

Further, Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero".

I informed the Controlling Officer that the posting, duplication and under retirement of tour advances in the Tour Advance Suspense Account and Cash Book created fictitious assets, and the external travel expenditure might have been understated or over-stated in the financial statements; thus distorting the financial position and financial performance, respectively.

I advised the Controlling Officer to investigate and rectify the mis-posting and duplication, and to recover the outstanding tour advances due to under retirement from the officers involved, and correctly adjust the external travel expenditure in the books of accounts of the financial year and reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer concurred with my observations and stated that there was a duplication in the Journal Voucher wherein payments were doubly recorded. There were some external travel trips that were undertaken at the close of the financial year and were retired during the following year. The funds amounting to E823.20 which are said to be from an untraceable retirement reconciliation is still under processing.

The response of the Controlling Officer was noted but it is no satisfactory because the tour advances remained unretired and unrecovered from the officials involved, and non-postings of tour advances in the Suspense Account and Cash Book created fictitious assets and liabilities and understated the external travel expenditure, which are still not been rectified. I further noted that other posting error relating to the duplicated tour advance was effected through journal voucher 090394, batch 100, in the financial year 2024.

61. Unremitted deductions of Tax on Companies, and Refundable Taxes and National Provident Fund

I noted that there were unremitted deductions of taxes amounting to **E56,017.50** in respect tax on companies under the responsibility centres 1101 – Ministry Administration. I further noted that there were refundable taxes amounting to **E704,129.68** under the responsibility centre 1101- Ministry Administration (E400,046.45), centre 1201- Hhohho Regional Administrator (E248,053.20), and centre 1203- Shiselweni Regional Administrator (E56,030.03). This reflect that remittances made without prior deductions from the officials (employees). Moreover, there was remittance of non-deducted contributions from salaries of non-pensionable employees amounting to **E550.00** to the Eswatini National Provident Fund, under the Community Development – responsibility centre 3101; thus, refundable contributions. The breakdown is depicted in the table below.

Centre	Account Item	Refundable Taxes and Provident Fund (E)	Unremitted Deductions (E)
1101: Ministry Administration	62315: SRA- Taxation	400,046.45	
1201: Hhohho Regional Administrator	62315: SRA- Taxation	248,053.20	
1203: Shiselweni Regional Administrator	62315: SRA- Taxation	56,030.03	
1101: Ministry Administration	62379: Tax on Companies		56,017.50
Refundable Taxes		704,129.68	
3101: Community Development	62240: National Provident Fund deduction	550.00	

I reminded the Controlling Officer that, Financial and Accounting Instruction 0817 requires that “a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited”. Also, Financial and Accounting Instruction number 0202 (vii) states that “the Controlling Officer is responsible for ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer”.

I warned the Controlling Officer that there is a risk of remitting more funds than the funds deducted from salaries (pay) of the tax payers and non-pensionable workers. Hence, the public funds might have been unduly paid, which is tantamount to misappropriation or misuse of public funds. Further, the unremitted tax on companies deprive Government from receiving revenue.

I advised the Controlling Officer that the Ministry should recover the refunds due to Government (excess amount remitted) from the Eswatini Revenue Service and Eswatini National Provident Fund, respectively, and remit the exact amount deducted from the salaries and allowances as PAYE tax and Provident Fund deductions. Moreover, the Controlling Officer was advised that the Ministry should remit the unremitted tax on companies.

In response, the Controlling Officer concurred with my observations and stated that the reconciliation was still on going for the refunds amounting to E704,129.68 plus the over remitted contributions to the Eswatini National Provident Fund worth E550.00. The Controlling Officer further stated the Ministry had since remitted tax deductions amounting to E873,057.09 including the tax on companies amounting to E56,017.50 under the Ministry Administration.

The Controlling Officer response is not satisfactory with regards to the refunds due to Government because public funds were unduly paid to Eswatini Revenue Service and Eswatini National Provident Fund, respectively. The assertion that the tax deductions relating tax on companies amounting to E56,017.50 were remitted is not correct (true) because the Government Accounting System shows that these tax deductions were not remitted and were still outstanding.

HEAD 10: NATURAL RESOURCES AND ENERGY

An audit of the Consolidated Government Accounts for the financial year ended 31st March 2023 was conducted, I communicated my audit findings to the Controlling Officer, Ministry of Natural Resources, through a correspondence referenced N19/ Vol X/15 dated 8th December 2023. The Controlling Officer responded through memoranda referenced NRF/3/1/2 and NRF/E/75, dated 24th January 2024 and 2nd January 2024, respectively. However, the following audit findings were not satisfactorily addressed and therefore remain reportable.

62. Unappropriated Over-Expenditure on Personnel Costs

The Ministry of Natural Resource and Energy incurred excess expenditure amounting to **E671,397.94** on budget appropriations that were released for Personnel Costs in the financial year ended 31st March 2023. Details of the composition of the unappropriated excess expenditure are shown in the table below:

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Over Expenditure	
	E	E	E	E	%
3405: Hydrology and Planning	1,531,398.30	1,555,850.00	1,721,114.45	165,264.45	10.6
3406: Lubovane Dam	1,225,400.50	1,215,396.00	1,721,529.49	506,133.49	41.6
Over Unappropriated Expenditure on Recurrent Vote				671,397.94	

The Ministry therefore violated Section 34(7) of the Public Finance Management Act of 2017 which states that any excess or any amount expended but not appropriated should be treated as a loss of public money. Section 107(3)(j) of the act also states that “a public office and public officer, or another person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person willfully or negligently incurs unauthorized expenditures or makes unauthorized commitments.

The continued incurring of excess expenditure unlawfully by the Ministry is a major concern because it has serious effect on the fiscal budget, may lead to disciplinary action, and further increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling Officer concurred with my observation and stated that the over expenditure was as a result of acting allowance paid to a critical position. She further stated that there was the need for the Department to engage officers to work extra hours thus resulting in over time payment on the Mnjoli Dam.

The response by the Controlling Officer and explanation provided was noted; however, it is not satisfactory because it does not address the matter raised. The Ministry should have sought a supplementary budget to cover the unforeseen extra costs. It therefore appears the Ministry willfully incurred the unauthorized expenditure which amounts to financial misconduct.

63. Non-adjustment of Distorting Credit Balances

Actual recurrent expenditure for the year ended 31st March 2023 was reduced and concealed by credit entries resulting from budgets transferred from other Ministries into the Ministry of Natural Resources and Energy's recurrent expenditure. After utilizing portions of the amounts received, the Ministry failed to reconcile and return any remaining balances, thus creating distorting credit balances amounting **E141,964.99** under various recurrent expenditure items.

The composition of the distorting credit balance which also represent unutilized budget appropriations are illustrated in the table below.

Responsibility Centre	Item	Description	Amount (E)
1102: Principal Secretary's Office	01109	Salary Allowance	91,257.38
1102: Principal Secretary's Office	01105	Overtime	23,368.44
4601: Energy Office	01105	Overtime	12,888.76
3404: Water Control	01105	Overtime	8,157.40
4601: Energy Office	02401	Telephone Charges	6,293.01
Total Unlawful Credit Entries Against Recurrent Expenditure			141,964.99

According to Financial and Accounting Instruction number 0510 "credits to recurrent expenditure items are not allowed except in the case of overpayment within the financial year, or certain inter-departmental transactions requiring an alteration to the debit or adjustments rectifying errors in the accounts for the year".

I am concerned that the credit balances inappropriately reduced the recurrent expenditure thus causing misstatements in the Statement of Recurrent Expenditure.

I advised the Controlling Officer to reconcile the affected expenditure items and make necessary adjustments.

In response, the Controlling Officer stated that the under expenditure under personnel costs were as a result of vacant positions while an under expenditure on overtime budget was caused by the late authority to pay overtime from the Ministry of Home Affairs that resulted to the discovery that some of the officers were now deceased. The authority was issued on 08th September 2021 for drivers and officers who worked during the National Events in 2012. Furthermore, the Human Resource Department was working on establishing their relatives who can be paid the outstanding overtime payments thus the reconciliation can be completed.

The response by the Controlling Officer and explanation was noted; however, it does not address my concern. At the time of compiling this report the Controlling Office had not effected the necessary adjustments needed to clear the distorting credit balances.

64. Unappropriated Over-Expenditure on Capital Projects W46555 (Eswatini Water Supply Project) and W37867 (Eswatini Water Supply and Sanitation Project - Hosea, Zambodze, Shiselweni I)

The Ministry of Natural Resources and Energy incurred significant unappropriated over-expenditure amounting to **E108,120,416.93** on the capital projects cited on the heading above, during the fiscal year ended 31st March 2023. The composition of the over expenditure is illustrated in the table below.

Centre	Project Description	Released Budget	Actual Expenditure	Over-Expenditure	
		E	E	E	%
1102: Principal Secretary's Office	W46555: Eswatini Water Supply	10,000,000.00	73,646,173.92	63,646,173.92	636.5
	W37867: Eswatini Water Supply and Sanitation Project (Hosea, Zambodze, Shiselweni I – Tinkhundla)	9,803,000.00	54,277,243.01	44,474,243.01	453.7
Total Over-Expenditure on Capital Expenditure Vote				108,120,416.93	

The Ministry therefore violated Section 34(7) of the Public Finance Management Act of 2017 which states that any excess or any amount expended but not appropriated should be treated as a loss of public money. Section 107(3)(j) of the act also states that "a public office and public officer, or another person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or

other lawful authority, that person willfully or negligently incurs unauthorized expenditures or makes unauthorized commitments.

The continued incurring of excess expenditure unlawfully by the Ministry is a major concern because it has serious effect on the fiscal budget, may lead to disciplinary action, and further increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling Officer provided the following explanations:

***Eswatini Water Supply and Sanitation Access Project (EWSSAP: W378/99/67):
The Ministry humbly brings to your attention that the Code number for the
Eswatini Water Supply and Sanitation Project (EWSSAP) is W378/99/67 NOT
W46555.***

***The Controlling Officer explained that the total budget requested in the
financial year 2022/23, was based on the balance of funds that had not been
utilized in the previous financial year 2021/22, as indicated below:***

<i>Estimated budget for 2021/22</i>	<i>SZL 420,000,000.00</i>
<i>Actual expenditure for 2021/22</i>	<i>SZL 7,500,000.00</i>
<i>Unused balance 2021/22</i>	<i>SZL 412,500,000.00</i>
<i>Budget requested for 2022/23</i>	<i>SZL 19,803,000.00</i>

This then resulted in over-expenditure as the budget requested assumed that unused funds from the financial year 2021/22 would be available. She further explained that the E412,500,000.00 in the previous year had been caused by:

- (a) Cancellation of a tender amounting to SZL386 million due to the tender amount exceeding available budget for sub-component 1.1*
- (b) Advice by the Financier to re-design to reduce the scope be carried out in order to reduce the required budget to complete the project*
- (c) Cancellation of the Sanitation and drought resilience consultancy tenders due to procurement complaints from Consultants.*

The response by the Controlling Officer and explanation provided was noted. However, the Controlling Officer has not provided any authority transferring the utilised prior year budget provision to the 2022/2033 financial year or Authority to incur excess expenditure. It therefore appears the Ministry willfully incurred the excess expenditure.

65. Under-Expenditure on Projects W37755, W37099, F02799, F03270, and X46199

The Ministry also incurred significant under-expenditures amounting **E185,432,717.67** on capital projects W37755, W37099, F02799, F03270, and X46199 in the financial year ended 31st March 2023. This composition of the under expenditure and description of the affected projects is illustrated in the table below.

Centre	Project Description	Released Budget	Actual Expenditure	Under-Expenditure	
		E	E	E	%
1102: Principal Secretary's Office	W37755:Manzini Region Water and Sanitation	170,000,000.00	3,805,468.99	166,194,531.01	97.8
	W37099:Feasibility Study-Mkhondvo & Nondvo Dams	2,500,000.00		2,500,000.00	100
4601: Energy Office	F02799:Cooperation in Energy and Mineral Resources Exploitation	23,070,000.00	19,080,405.62	3,989,594.38	17.3
	F03270:Feasibility Study for Combined Cycle Power Plant	12,329,670.00		12,329,670.00	100
3601:Rural Water Supply	X46199:Replacement of Water Testing Equipment and Rehabilitation of DWA Laboratory	2,092,235.00	1,673,312.72	418,922.28	20.0
Total Under-Expenditure on Capital Expenditure Vote				185,432,717.67	

Under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the Government. This indicates that public funds were tied up in the Treasury Control Items and deprived funding to other essential public programmes during the fiscal year. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country.

I am therefore concerned that planned programmes may have not been accomplished, leading to limited service delivery and thereby delaying improvements in the Natural Resources and Energy sector. This may ultimately have a negative impact in the lives of citizens.

I advised the Controlling Officer to always ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met and achieved, despite the under-expenditures.

*In response, the Controlling Officer explained that **the under-expenditure in this financial year was caused by:***

- a) A requirement to cancel a tender amounting to SZL1.1 billion due to the tender amount exceeding the available budget for the Water Supply System***
- b) A re-design and re-scoping that was then carried out to ensure that the scope and budget were in comport.***
- c) The 2022/23 financial year expenditure only being released towards the payment of consultancy services for the project.***

Regarding Project F02799, Cooperation in Energy and Mineral Resources Exploitation, the Controlling Officer explained that the remaining budget was not enough to purchase the required equipment hence it could not be utilized.

Regarding Project X46199, Replacement of Water Testing Equipment and Rehabilitation of DWA Laboratory, the under expenditure was caused by late approval of authority to commit Government funds.

Regarding Project F03270, Feasibility Study for Combined Cycle Power Plant, she explained that the under expenditure was actually not an under expenditure but documentation to clear the under expenditure was submitted to the Treasury Department late since her Ministry had challenges in obtaining the invoices from the funder.

The Controlling Officer's response and explanation is acknowledged. However, it appears the reasons forwarded could have been mitigated through proper planning and efficient project implementation. The response further affirms my concerns that because of the delayed implementation, planned Programmes have not been accomplished thereby delaying improvements in the Natural Resources and Energy sector and leading to limited service delivery. This may ultimately have a negative impact on the lives of citizens.

66. Fictitious Assets and Liabilities Created Through Inappropriate Posting

The Ministry's attempt to correct a prior year error resulted to the creation of a non-existent outstanding salary advance (fictitious asset) of **E4,165.62** as there was no corresponding credit entry. Similarly, a fictitious liability was created when a Government employees' salary advance repayment amounting to **E1,667.01** was erroneously receipted under her Ministry instead of the Treasury Department. Details of the fictitious balances are shown in the table below:

Responsibility Centre	Account Item	Fictitious Asset due to mis-posting (E)	Fictitious Liability due to mis-posting (E)
1001: Minister's Office	51003: Salary Advance	4,165.62	
2603: Land Valuation	51003: Salary Advance		1,667.01

According to Financial and Accounting Instruction 0909 "cash is advanced by the Treasury and Controlling Officers must maintain a record of all cash advances obtained, the officer responsible, and how and when the advance was cleared".

I am concerned that the Ministry's failure to detect and correct the error has resulted in the reporting of inaccurate financial information.

The Controlling Officer was expected to regularly reconcile his accounts in order to timeously detect and correct errors.

In response, the Controlling Officer stated that the mis-posting of a tour advance 51006 had since been corrected whereby 51003 was wrongly captured and the salary advance receipted under the Ministry of Natural Resources and Energy had also been corrected.

The Controlling Officer's response was noted; however, the finding remains reportable since at the time of compiling this report, the fictitious balance had not been cleared.

67. Unretired Tour Advances

Tour advances amounting to **E1,547,939.21** which were issued under the Ministry of Natural Resources and Energy were not retired by and/or recovered from the Officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts. The breakdown of the unretired tour advances is illustrated in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)

1001: Minister's Office	51006: Tour Advances- Employees	772,750.77
1102: Principal Secretary's Office	51006: Tour Advances- Employees	256,489.38
2602: Deeds Registration	51006: Tour Advances- Employees	2,936.00
3401: Director's Office	51006: Tour Advances- Employees	95,343.94
3403: Chief Water Engineer	51006: Tour Advances- Employees	76,591.67
3405: Hydrology and Planning	51006: Tour Advances- Employees	17,359.10
3407: Laboratory Section	51006: Tour Advances- Employees	24,589.96
3408: Mnjoli Dam	51006: Tour Advances- Employees	5,439.68
3601: Rural Water Supply	51006: Tour Advances- Employees	124,770.63
4501: Surveyor General	51006: Tour Advances- Employees	55,095.84
4601: Energy Office	51006: Tour Advances- Employees	116,572.24
Unretired Tour Advances		1,547,939.21

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual guides that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero.

I am concerned that the unretired tour advances remained unrecovered monies due to Government, and the external travel expenditure may have been understated in the financial year it relates; thus distorting the financial position and financial performance of the Government.

I advised the Controlling Officer to ensure that; tour advances are retired immediately upon completion of the tour; unretired tour advances are recovered from the implicated employees; necessary action is taken against officers who fail to recover tour advances; and that the Tour Advance Account is reconciled at the end of each month.

In response, the Controlling Officer stated that the Ministry had on numerous occasions attempted to find the source documents for the unretired tour advances since some of them date back to 2000 but to no avail. She further stated that a request to cancel the unretired tour advances had been sent to the Office of the Accountant General and copied to the Losses Committee.

The response from the Controlling Officer was noted and the effort to address the finding is appreciated; however, the matter remains reportable since the matter has not been resolved.

68. Fictitious Liability Balances - Accounts Payable Natural Resources

Fictitious liability balances amounting **E510,605.16** in respect of Accounts Payable Natural Resources were reported in the Detailed Statement of Assets and Liabilities as at 31st March 2023. This was a result of non-recognition and recording of payments and/or currency exchange gains or losses after passing foreign payments at the bank(s). The Ministry did not prepare adjustments for the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget. Details of the composition of such balances are shown in the table below:

Responsibility Centre	Account Item	Fictitious Liabilities (E)
3401: Director's Office	61010: Accounts Payable Natural Resources	216,431.08
3601: Rural Water Supply	61010: Accounts Payable Natural Resources	117,932.28
4601: Energy Office	61010: Accounts Payable Natural Resources	176,241.80
Total Accounts Payable Natural Resources		510,605.16

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) which states that "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense Account by the amount of the currency variation". Moreover, Paragraph 5.6 requires that "year-end balances on this item should normally equal zero".

I am concerned that expenditure can be incurred against the unutilized budget, which will be regarded as unappropriated expenditure. The recurrent expenditure was misstated while liabilities and assets were overstated, thus distorting the financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the unutilised funds to the miscellaneous/sundry income account and reconcile Foreign Payments Suspense Account to ensure that the balance is equal to zero at the end of the financial year.

In response, the Controlling Officer submitted that the Ministry has investigated the uncleared accounts payable liability and the Foreign Payments Suspense Account reconciled.

The Controlling Officer's response was noted; however, it does not resolve the reported anomaly, because the Ministry did not implement my recommendations and fictitious liabilities remains uncleared in the bookd of

accounts. Also, there is a risk of incurring unappropriated expenditure against the elapsed budget.

69. Unclaimed Sundry Departmental Deposits

A Sundry Departmental Deposit amounting to **E752.50**, which was receipted in the financial year ended 31st March 2003, under the Land Control had remained unclaimed by the rightful beneficiary for 20 years as at 31st March 2023. However, the Ministry had failed to dispose the amount or transfer it to the Consolidated Fund as guided by Financial Accounting and Instructions and Financial Management and Accounting Procedures Manual.

Financial and Accounting Instruction 1307 stipulates that “amounts accepted as deposits must not be left un-actioned but vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees”. Furthermore, Section 11.8, paragraph 8.7 of the Financial Management and Accounting Procedures Manual emphasizes that “any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher. If the subsequent claim is proved, such entry may be reversed and the deposit refunded”. Paragraph 8.8 explains that balances for this account should normally be in credit or zero.

I am concerned by the continued retention of the deposit because it may eventually be deposited to an unentitled beneficiary.

I advised the Controlling Officer that Sundry Deposits should be investigated and disposed to the rightful payees within a five-year period while those in excess of five years should be transferred to the Consolidated Fund.

The Controlling Officer in his response submitted that the Ministry is in the process of investigating the owner the deposited amount of E752.50 so as to carry out the other processes of transferring same to the consolidated fund. It is assumed that this was an application fee for land control and sub-divisions which was only E10.00 in the year 2003.

It worries me that the Controlling Officer is still investigating the matter despite the lengthy period since the deposit was made. Moreover, I raised the same matter in my previous audit but did not receive any feedback.

70. Non-remittance of Provident Fund and Tax Deductions and Non-recovery of Provident Fund and Tax Refunds

The Ministry had not remitted salary deductions amounting to **E13,874.17** in respect of National Provident Fund Contributions and Tax deductions amounting to **E50,835.70** as at 31st March 2023. This was in violation of the Eswatini National Provident Fund Order of 1974 and Income Tax Order of 1975.

Further to that, Provident Fund refunds amounting to **E1,550.00** to 31 pensionable officers under the Common Services and Accounting Section that were processed in February 2001 remained unrecovered as at 31st March 2023. The Ministry failed to facilitate the recovery of the unduly remitted monies due to non-performance of the account's reconciliation.

Similarly, refundable taxes amounting to **E91,346.50** remained unrecovered as at 31st March 2023. The refundable taxes resulted from the Ministry's over-remittance of taxes in excess of deductions. Details are shown in the tables below:

Responsibility Centre	Account Item	Refundable (E)	Unremitted Deductions (E)
1001: Minister's Office	62240: National Provident Fund Deduction		1,840.00
1102: Principal Secretary's Office	62240: National Provident Fund Deduction		12,034.17
3404: Common Services and Accounting Section	62240: National Provident Fund Deduction	1,550.00	
Unremitted Deductions of National Provident Fund		1,550.00	13,874.17
1001: Minister's Office	62315: SRA- Taxation		24,860.70
2101: Not in the Establishment Register	62315: SRA- Taxation		40.00
2601: Land Control	62315: SRA- Taxation	91,346.50	
2602: Deeds Registration	62315: SRA- Taxation		2,092.50
3402: Water Affairs	62315: SRA- Taxation		14,104.50
3601: Rural Water Supply	62315: SRA- Taxation		5,280.00
4601: Energy Office	62315: SRA- Taxation		4,458.00
Unremitted Taxes Deductions and Tax refundable		91,346.50	50,835.70

Over-Remitted Taxes

Description	Amount (E)
Deductions from previous financial year	539,761.68
Deductions for the current financial year 2023	97,185.00
Amount Remitted during the year	(728,293.18)
Overpayment of deducted taxes	91,346.50

Section 14(2) of the Swaziland National Provident Fund Order No. 23 of 1974 states that, a contributing employer shall, for every contribution period after the date when he became a contributing employer, pay into the Fund the statutory contribution in respect of each eligible employee employed by him during such period. Subsection 3 further

clarifies that every contribution due under this section should be paid to the Fund within twenty-one days after the end of the month in which the last day of the relevant contribution period falls, and shall be credited to the account of the person in respect of whom it is paid

Further, paragraph 2(1) under the second schedule of the Income Tax Order of 1975 requires employers to pay amounts deducted or withheld from employee's salaries to the Commissioner within seven days after the end of the month during which the amount was deducted or withheld, or in the case of a person who ceases to be an employer, within seven days after the day after which he ceases to be an employer, or in either case within such further period as the Commissioner may approve. (Amended A.6/1994.)

I am concerned by the continued non-remittance of tax deductions because this deprives Government from receiving its revenue. Also, non-remittance of employee contributions to the National Provident Fund may have adverse effects on the benefits of non-pensionable workers and further subject the Government to unnecessary debts and penalties.

I advised the Controlling Officer to promptly remit Provident Fund and tax deductions to the Eswatini National Provident Fund and Eswatini Revenue Services, and, in consultation with the Accountant General, reconcile the accounts accordingly and recover all refundable amounts from these institutions.

In response, the Controlling Officer concurred with my observation and mentioned that a reconciliation to this effect has been done and Treasury will clear the account.

The Controlling Officer's response was noted; however, the matter remains unresolved since at the time of compiling this report, the balances on the SRA Taxation and Provident Fund Deduction suspense accounts had not been cleared. Also, the Controlling Officer did not state what measures had been taken to recover the refundable amounts.

71. Outstanding Value Added Tax (VAT) Debt as at 31st March 2023

Records from Eswatini Revenue Services revealed that the Ministry of Natural Resources and Energy had a Value Added Tax (VAT) debt amounting **E1,816,348.06** relating to tax periods dating back from June 2012, which were still outstanding and not disclosed in the Government's Consolidated Financial Statements for the year ended 31st March 2023.

I am concerned that the Government was deprived of its revenue by the Ministry's failure to settle its VAT Debt which was in contravention of the Country's tax laws and regulations.

I advised the Controlling Officer to settle the VAT debt and provide proof of settlement.

In response, the Controlling Officer stated that his Ministry had requested a budget allocation for this outstanding VAT amount to be paid in 2024/2025 financial year.

The Controlling Officer's response was noted; however, the matter remains unresolved and will be followed up in the next audit cycle.

72. Unremitted Oil Levies

I reported to the Controlling Officer that Swazi Oil and Eswatini Fuelex Change (Pty)Ltd did not remit oil levies amounting to **E141,330.50** and **E96,325.50** during Financial years 2022/23 and 2021/22, respectively, thus violating Section 69 of the Petroleum Act of 2020. Below is an analysis of the unremitted levies:

Month	Volume (litres)	Rate	Amount (E)
2022/2023 Financial Year			
May 2022	118,516	50 cents	59,258.00
September 2022	164,145	50 cents	82,072.50
			141,330.50
2021/2022 Financial Year			
August 2021	37132	50 cents	18,566.00
September 2021	71773	50 cents	35,886.50
October 2021	83746	50 cents	41,873.00
Total			96,325.50

According to Section 69 (a) and (b) of the Petroleum Act of 2020, every wholesaler shall: (a) upon the sale or import of any petroleum product which is liable to a levy, record the amount sold or imported and the levy payable there upon; and (b) not later than the fourteenth (14) day after the end of each month remit the record as referred in paragraph (a) above with the total amount of the levy payable on the petroleum product sold during the preceding months.

I raised my concern that the objectives of the Fund may not be met due to lack of funds thereby adversely affecting the lives of Emaswati and that the Government was deprived of revenue. I also warned the Controlling Officer that the outstanding levies may end up being irrecoverable or costly to recover and thereby subjecting the Government to financial losses.

I advised the Controlling Officer to ensure that all petroleum wholesalers who are liable to the oil levy should comply with the Petroleum Act and further promptly recover outstanding levies.

In response, the Controlling Officer concurred with my observation and stated that these levies were not remitted to the Strategic Oil Reserve Fund on time. However, the Ministry would like to notify the Office of the Auditor General that all the levies and interest outstanding from Fuelex company have been paid through cumulative slate balance reconciliation. She further stated that a letter to Eswatini Fuelex informing the company of the Ministry's action regarding the reconciliation as well as a letter from the company agreeing to the deduction of an amount E651,970.00 from their slate balance to settle the debt was received.

The Controlling Officer's response was noted and the effort to implement my recommendation is appreciated. However, I am concerned about the timelines and the use of the cumulative slates to settle outstanding levies. I reported about unremitted levies for the month of May and September 2022 and looking at the response it means Mitra energy acknowledged the debt through a Tax invoice, dated 13th December 2023, more than a year later. I was also not privy to the breakdown of the costs to see how the unremitted levies for May and September were treated. I take the use of slates as a last resort to pay the outstanding levies. It should also be noted that the issue of late remittance was deliberated by the Public Accounts Committee (PAC) in its 2017 report and it was recommended that 'the Controlling Officer should improve the controls to monitor the late payments'. This issue has been recurring over the years thus the controls might not be effective.

73. Non-payment of Interest on Late Remittance of Oil Levies

I further reported that some oil companies did not pay interest amounting to **E820,291.19**, in respect of late remittance of oil levies, as at 31st March 2022. Also as per the letters written by the Ministry to the oil companies, the under listed oil companies did not pay interest amounting to **E1,016,796.00** for late remittance of oil levies, as at 31st March 2023.

The table below depicts the unpaid interest on unremitted levies during financial year 2021/22.

Remittance Deadline	Late Remittance Date	Number of Months Defaulted	Unremitted Levy (E)	Interest Prime Rate(%)	Interest Accrued	Interest Paid	Outstanding Interest
Tholo Energy Eswatini							
14/04/2021	17/09/2021	6	108,999.50	7.25	47,414.76	31,609.86	15,804.90
14/05/2021	17/09/2021	5	500,867.00	7.25	181,564.30	108,938.68	72,625.62
14/06/2021	17/09/2021	4	572,062.00	7.25	165,898.00	82,948.99	82,949.01
14/07/2021	17/09/2021	3	232,656.00	7.25	50,602.68	16,867.56	33,735.12
					445,479.74	240,365.09	205,114.65
PUMA Swaziland							
14/02/2022	15/02/2022	1	2,581,800.00	7.5	193,635.00	0.00	193,635.00
14/04/2022	20/04/2022	1	2,714,937.00	7.5	203,620.20	0.00	203,620.20
					590,890.20	0.00	590,890.20
Swazi Oil							
14/08/2021	Not remitted by 31/03/2022	8	41,873.00	7.25	27,322.11	0.00	24,286.36
Total Outstanding Interest							820,291.19

The table below depicts the unpaid interest on unremitted levies during 2022/23:

Remittance Deadline	Late Date	Remittance	Remitted Levy (E)	Interest Prime Rate (%)	Outstanding Interest (E)
Miltra Energy Eswatini					
14/02/2023	16/02/2023		19,832.00	10.25	2,032.78
14/06/2022	Not remitted		59,258.00	8	37,925.12
14/04/2022	06/05/2022		119,015.00	7.25	8,628.62
14/10/2022	Not remitted		82,072.50	9.5	31,187.52
Total					79,774.00
PUMA Swaziland					
14/04/2022	20/04/2022		2,714,937.00	7.5	203,620.20
14/07/2022	15/07/2022		2,664,465.50	8.5	226,479.57
14/09/2022	15/09/2022		2,467,908.50	9.5	243,451.31
14/10/2022	17/10/2022		2,757,385.50	9.5	261,951.62
14/11/2022	15/11/2022		2,840,185.0	9.5	724.91
14/12/2022	15/12/2022		3,054,775.50	10.25	795.08
Total					937,022.00
Total Outstanding Interest					1,016,796.00

Section 70 (1) of the Petroleum Act of 2020, states that a company shall be liable to pay interest on the amount of any payment or part not made on the due date, calculated at the rate of the prevailing prime rate by the Central Bank of Eswatini and any such amount together with the interest shall be treated as a debt to the fund.

I raised my concern that the objectives of the Fund may not be met due to lack of funds as the fund was deprived of revenue and that the outstanding interest may end up being irrecoverable or costly to recover and thereby subjecting the Government to financial losses.

I advised the Controlling Officer to ensure that all interest accrued on unremitted oil levies is promptly charged and collected in compliance with the Petroleum Act.

In response, the Controlling Officer mentioned that the levies and interest due from the said oil companies have been fully paid. However, the amount of E1,016,796.00 calculated by the Auditor General as outstanding is not the correct amount. The reason the Ministry says so is because the amount was reduced following the recalculation based on the advice of the central bank that the prime lending rate cannot be used as a percentage to calculate a monthly interest as it is an annual rate. This advice came in letter dated 10th May 2023. Following this advice, the interest outstanding from both companies was then recalculated and pro-rated accordingly. Both oil companies settled those payments.

The Controlling Officer's response was noted, however, it is not satisfactory because usage of the prevailing prime rate is clearly stated in law, i.e., the Petroleum Act and hence the Ministry should be guided by the law. I therefore do not agree with the Controlling Officer's rationale which implies that the advice from the Central Bank should take precedence over the law.

74. Failure to Enforce Penalty on Defaulting Companies

I reported to the Controlling Officer that the Ministry did not charge penalties in addition to the interest charges in respect of Oil Companies which failed to timely remit fuel oil levies during 2022 and 2023 financial years.

Section 70(2) of the Petroleum Act of 2020 provides that if Oil companies fail to remit oil levies timeously, a prescribed penalty shall be charged in addition to the interest. Section 143 of the Act further provides that where there is no specific penalty provided in the Act, any person who contravenes the provisions of the Act commits an offence, and shall on conviction be liable: -

- a) to a fine not exceeding twenty million Emalangeni (E20,000,000);
- b) to imprisonment for a term not exceeding twenty-five (25) years;
- c) to both fine and imprisonment;
- d) in the case of a continuing offence, to a further fine of one million Emalangeni (E1,000,000) for every day during which the offence continues; or
- e) in the case of a second or subsequent offence, to a further fine not exceeding twenty million Emalangeni (E20,000,000).

I warned the Controlling Officer that deterrence of non or late remittance of oil levies may not be accomplished, and a culture of lack of respect for the rule of law may be encouraged.

I advised the Controlling Officer to duly enforce compliance with the Petroleum act as provided for.

In response, the Controlling Officer concurred with my observation, and mentioned that the Ministry is in the process of developing the strategic oil reserve fund regulations to operationalise and give full effect to the petroleum Act 2020, in particular to prescribe the penalty in respect of section 70 thereof. The Ministry has noted the observation of the Auditor General regarding the failure to enforce section 143 of the Act. In this regard the ministry wishes to state that this being a fairly new act, matters of enforcement are still an issue that the Ministry is grappling with. The Ministry agrees that failure on our part to enforce this penalty provision is not in the interest of the country in as far as deterrence is concerned. The Ministry is very grateful to the Auditor General for this observation and undertakes to enforce the said provision by reporting all cases of non-compliance of oil companies to the relevant authorities.

The Controlling Officer's response and explanation was noted; however, the matter unresolved and will be follow-up up in the next audit cycle. It should be noted once law is passed, it immediately becomes enforceable.

HEAD 15: GEOLOGICAL SURVEY AND MINES

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my audit findings to the Controlling Officer, Ministry of Natural Resources and Energy, through a report referenced G6 Vol III/14 dated 8th December 2023. The Controlling Officer responded through a memorandum referenced GSD:3/1/3/2 dated 14th February 2024; however, the following audit findings were unresolved, thus reportable.

75. Outstanding Commitments

I noted that there were outstanding commitments on Travel, Transport and Communication Costs (02) amounting to **E28,882.23** under the Mining Engineer's Office and Director's Office, that were not cleared, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD 80	Variance AA220	Commitments
		E	E	E	E	E	E
1301:Mining Engineer's Office	02	58,412.00	475,716.00	25,077.19	449,112.38	450,638.81	1,526.43
1101:Director's Office	02	547,785.00	779,183.00	584,002.09	167,825.11	195,180.91	27,355.80
Total Outstanding Commitments							28,882.23

Section 35 of the Public Finance Management Act (2017), requires that:

(a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and

(b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year and

I am concerned there is a risk that the reported recurrent expenditure could be misstated, thereby distorting the reported financial performance of the Ministry and misleading to users of the financial statements.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, keep close control on all commitments and make enquiries if a commitment does not

become actual expenditure within a period of 90 days, as per Financial and Accounting Instruction 0410.

In response, the Controlling Officer concurred with my observation and stated that the Ministry has requested the Treasury Department to cancel the commitments.

Without the supporting evidence that the commitments have been cancelled the matter remains reportable.

76. Unappropriated Excess Expenditure on Recurrent Vote

I reported that there was significant unappropriated excess expenditure on Personnel Costs amounting to **E5,185,887.03** incurred by the Department in the financial year ended 31st March 2023. This comprise of over-expenditure on Personnel Costs of **E96,256.34 (17.7%)** incurred by the Drilling Superintendents's Office (responsibility centre 1202) and **E5,089,630.69 (374.6%)** incurred under the Mining Engineer's Office (responsibility centre 1301). The details of the over-expenditure are depicted in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Unappropriated Over-Expenditure	
01: Personnel Costs	E	E	E	E	%
1202:Drilling Superintendents' Office	544,303.70	544,303.00	640,556.34	96,256.34	17.7
1301: Mining Engineer's Office	1,163,170.01	1,358,818.00	6,448,448.69	5,089,630.69	374.6
Unappropriated Over-Expenditure on Personnel Costs			7,089,005.03	5,185,887.03	

Section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public moneys. Any unauthorised expenditure may lead to

disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Department ought to have sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling officer stated that there was an under budget under centre 1202 which resulted in the over expenditure. Also stated was that the over expenditure under centre 1301 was for salaries for the Minerals Management Board which was not budgeted for.

The response of the Controlling officer was noted, however, the matter remains reportable as the Ministry spent without authority.

77. Significant Under-Expenditure on Recurrent Vote

I reported that the Department incurred significant under-expenditure on Recurrent Vote amounting to **E2,497,100.45** in various Responsibility Centres in the financial year ended 31st March 2023. The under-expenditure on CTA Vehicle Charges amounted to **E1,753,437.78 (83.4%)**, on Personnel Costs **E126,725.18 (18%)**; on Travel, Transport and Communication **E616,937.49**. Details are illustrated in the table below:

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under-Expenditure	
00: CTA Vehicle Charges	E	E	E	E	%
1101: Director's Office	2,634,109.00	2,337,708.00	584,270.22	1,753,437.78	83.4
01: Personnel Costs					
1203: Laboratory Services	648,213.80	649,517.00	522,791.82	126,725.18	18.0
02: Travel, Transport and Communications					
1301: Mining Engineer's Office	58,412.00	475,716.00	25,077.19	449,112.38	69.4
1101: Director's Office	547,785.00	779,183.00	584,002.09	167,825.11	21.5
Under-Expenditure on Travel, Transport and Communications				616,937.49	
Under-Expenditure on Recurrent Vote				2,497,780.34	

78. Non-utilisation of Appropriated and Released Budget

I further notified the Controlling Officer that appropriated budget amounting to **E1,242,241.50** was not utilised, including released budgets amounting to **E564,583.00**

that was not utilised at all by the Department's various responsibility centers, in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Unutilised Budget	
		E	E	E	E	%
1201: Assistant Director's Office	00	279,659.00	279,656.00	0.00	279,656.00	100
1202: Drilling Superintendent's Office	00	232,881.00	135,304.00	0.00	135,304.00	100
1205: Hydrogeological Office	00	40,399.50	40,397.00	0.00	40,397.00	100
1301: Mining Engineer's Office	00	98,312.00	98,311.00	0.00	98,311.00	100
1204: Senior Draughtsman's Office	02	3,186.00	1,360.00	0.00	1,360.00	100
1205: Hydrogeologist's Office	02	22,558.00	224.00	0.00	224.00	100
1206: Coal Administration	04	2,116.00	639.00	0.00	639.00	100
1204: Senior Draughtsman's Office	05	118.00	116.00	0.00	116.00	100
1204: Senior Draughtsman's Office	06	7,246.00	1,004.00	0.00	1,004.00	100
1201: Assistant Director's Office	06	20,642.00	603.00	0.00	603.00	100
1202: Drilling Superintendent's Office	06	382,467.00	672.00	0.00	672.00	100
1203: Laboratory Services	06	18,155.00	5,997.00	0.00	5,997.00	100
1206: Coal Administration	06	4,707.00	300.00	0.00	300.00	100
1202: Drilling Superintendent's Office	02	27,573.00	0.00	0.00		100
1201: Assistant Director's Office	03	2,801.00	0.00	0.00		100
1202: Drilling Superintendent's Office	04	32,941.00	0.00	0.00		100
1203: Laboratory Services	04	10,633.00	0.00	0.00		100
1204: Senior Draughtsman's Office	04	9,447.00	0.00	0.00		100
1205: Hydrogeologist's Office	04	10,332.00	0.00	0.00		100
1205: Hydrogeologist's Office	06	6,068.00	0.00	0.00		100
1101: Director's Office	11	30,000.00	0.00	0.00		100
Unreleased Appropriated and Unutilised Released Budget		1,242,241.50	564,583.00	0.00	564,583.00	

I informed the Controlling Officer that under expenditures of 10% or more in a year are not conducive to the development of the country. This indicates that planned programmes were not accomplished (achieved) by the department and limited services were provided to the citizens who really need it. This reflects inadequate budget planning which might include over allocation of budget and allocation of budget to non-active responsibility centres, and/or unmonitored execution and performance.

I advised the Controlling Officer that the department should ensure that released funds are utilized in providing services to the citizens and not to seek budget release when not ready to implement any activity or programme. Also, the Department should explain the

reasons for the under-expenditure (non-utilisation of budget released), and explain if its intended purposes were met and achieved, despite these under-expenditures.

In response, the Controlling Officer stated that the under expenditure was due to:

- 00: 1101 and 01: 1203 – CTA was not repairing vehicles
- 02: 1301 and 02: 1101 – unretired tour advances
- 02: 1206 – reassigning the Geological Technician office base duties.

For the non-utilization the Controlling officer stated that the requested funds could not be utilized or reallocated to be relocated to 1101 and be added to other items so that the amount is considerable and can be used. Further, stated was that the were no released funds for 1202:02 and 04, 1201:03, 1203:04, 1204:04, 1205:04 and 06, and 1101:11

The response of the Controlling officer was noted, however, the matter remains reportable because even in the centres where budget was released as appropriated was not utilized.

79. Unretired Tour Advances

I reported that tour advances issued to employees amounting to **E1,225,296.21** under the Department were not retired by and/or recovered from the officers involved, as at 31st March 2023. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts. The breakdown of the unretired tour advances is illustrated in the table below.

Responsible Centre	Item Description	Unretired/Unrecovered Tour Advances (E)
1001: Minister's Office	51006- Tour Advances -Employees	58,866.30
1101:Director's Office	51006- Tour Advances -Employees	619,712.49
1201:Assistant Director's Office	51006- Tour Advances -Employees	43,399.51
1301:Mining Engineer's Office	51006- Tour Advances -Employees	503,317.91
Total Unretired Tour Advances		1,225,296.21

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual guides that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Department should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero.

I warned the Controlling Officer that the unretired tour advances remain as unrecovered monies due to Government, and the external travel expenditure item was understated; thus, distorts both the financial performance and financial position of the Government.

I advised the Controlling Officer that all the tour advances should be retired and recovered immediately upon the completion of the tour, and unretired tour advances should be recovered from the officers involved, promptly.

In response, the Controlling Officer state that the department together with the headquarters are working with the treasury department to settle the unretired tours. Further stated was that these was due to unavailability of funds in the centre to able retirement of tours.

The response of the Controlling Officer is not satisfactory because tour advances are still outstanding and no recoveries made by the Department.

80. Unclaimed Sundry Departmental Deposits

I noted that there were unclaimed sundry departmental deposits amounting to **E9,561,418.16** under the Director's Office, that were now due to be claimed by the Government or transferred to the Consolidated Fund as Revenue Miscellaneous Sundries. These are fees charged for the geology services which ought to be treated as revenue at the completion of service delivery. These are recurring balances with no movement, they were included in the previous audit report for the financial year ended 31st March 2022. The breakdown of the unclaimed deposits is illustrated in the table below.

Responsibility Centre	Account Item	Unclaimed Sundry Deposits (E)
1101: Director's Office	61101: Sundry Departmental Deposits	9,529,388.16
1301: Mining Engineer's Office	61101: Sundry Departmental Deposits	32,030.00
Total Unclaimed Sundry Departmental Deposits		9,561,418.16

Financial and Accounting Instruction 1307 stipulates that "amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees". Further, Section 11.8, paragraph 8.7 of the Financial Management and Accounting Procedures Manual emphasizes that "any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher. If the subsequent claim is proved,

such entry may be reversed and the deposit refunded”. Paragraph 8.8 explains that balances for this account should normally be in credit or zero.

These sundry deposits (collections) were in respect of fees paid for the service rendered which is revenue to Government and deposits (prepayments) for the service to be rendered by the Department which ought to be held in this account until the service is completely rendered. I also gathered that there were long outstanding backlogs for services and few clients were receiving the blowholes services in a year. Further, there is a risk that the deposits remain unprocessed to revenue or claimed by wrong persons.

I advised the Controlling Officer that the sundry deposits for the services completely rendered should be classified as revenue and funds relating to previous financial years should be transferred to the Revenue Miscellaneous Sundries, and the deposits for services not yet rendered should be held in this account and the Department should be encouraged to provide the services to the citizens.

In response, the Controlling Officer stated that the deposits date back as 2003, the deposits were for borehole drilling services under the Water Affairs Department. The department is trying to reimburse those clients who have not receive the service, and once that is finalized the balance will be nil. The other deposit was for mining royalties that were wrongly captured.

The response of the Controlling officer is not satisfactory because there is no supporting evidence like proof of payments and request of reimbursement from the clients.

81. Unremitted Deductions of National Provident Fund

I also notified the Controlling Officer that there were unremitted deductions (contributions) for National Provident Fund amounting to **E8,990.06** under the Director’s Officer and Mining Engineer’s Office, as at 31st March 2023, as outlined in the table below.

Responsibility Centre	Account Item	Liability Balances (E)
1101: Director’s Office	62240: National Provident Fund	6,920.06
1301: Mining Engineer’s Office	62240: National Provident Fund	2,070.00
Total of Unremitted Provident Fund Deduction		8,990.06

Section 5, Paragraph 7.1 of the Financial Management and Accounting Procedures Manual states that all non-pensionable staff are obliged to contribute to the Provident Fund. Employers are also obliged to contribute equivalent amounts was violated.

I reminded the Controlling Officer that the non-remittance of deductions of contributions for Provident Fund deprived non-pensionable workers from receiving their rightful benefits through Eswatini National Provident Fund.

I advised the Controlling Officer that they should investigate and remit the outstanding deductions for National Provident Fund, and provide a proof of settlement.

In response, the Controlling officer stated that the unremitted deductions date back to 2003 and they could not be acknowledged by the two entities and the department has prepared a journal voucher to correct the error.

Without the supporting evidence which is the journal voucher to show the transaction the matter remains reportable.

HEAD 20: MINISRTY OF AGRICULTURE

An audit of the Consolidated Government Accounts for the Financial Year Ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through correspondences referenced A15 Vol.XIV/23, dated 8th January 2024 and A15 Vol.XIV/25, dated 30 January 2024. The Controlling Officer responded through memoranda referenced AG95 Vol.III, dated 24th January 2024 and AG95, dated 7th February 2024. However, the following audit matters were not satisfactorily addressed and therefore remained reportable.

82. Unappropriated Over-Expenditure on Recurrent Budget Vote

The Ministry of Agriculture incurred significant unappropriated over-expenditure totaling to **E1,911,682.57** as at 31st March 2023. The unappropriated expenditures against the released budget were incurred under various expenditure items as illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Over Expenditure	
00 – CTA Vehicle Charges	E	E	E	E	%
2103 : Range& Bush Control	387,646.50	137,644.00	329,024.64	191,380.64	139.04
2161:Lubombo Veterinary Field Services	263,858.50	92,356.00	183,387.16	91,031.16	98.57
2163:Manzini Vet Field Services	104,843.00	104,840.00	191,490.10	86,650.10	82.65
2211:Hhohho Regional Extension Services	781,146.50	355,145.00	642,283.06	287,138.06	80.85
2111:Bhalakane Fattening Ranch	145,181.00	87,015.00	137,127.67	50,112.67	57.59
2201:Director of Agriculture's Office	1,319,316.50	353,689.00	531,109.64	177,420.64	50.16
2108:Hhohho Livestock Extension		3,209.00	4,690.00	1,481.00	46.15
Over Expenditure CTA Charges				885,214.27	
01 – Personnel Costs					
2107: Manzini Livestock extension	168,648.60	160,648.00	209,084.86	48,436.86	30.15
2216: Chinese Agricultural Mission	237,208.00	258,129.00	301,883.10	43,754.10	16.95
2222: Nhlango Farmers Training Centre	1,249,125.40	1,466,268.00	1,666,722.11	200,454.11	13.67
2212: Lubombo Regional Extension Services	5,845,368.60	5,910,742.00	6,624,394.24	713,652.24	12.07
Over Expenditure on Personnel Costs				1,006,297.31	
02 – Travel, Transport and Communication					
2103:Range & Bush Control	36,433.00	11,968.00	16,634.97	4,666.97	38.99
2301:Fisheries Section	28,063.00	11,052.00	14,812.96	3,760.96	34.03
2281: Rural Youth Development Programme	3,222.00	2,609.00	3,154.49	545.49	20.91
2211: Hhohho Regional Extension Services	7,304.00	6,045.00	6,667.57	622.57	10.30
Over Expenditure Travel, Transport and Communication				9,595.99	
04- Professional & Special Services					
2203: Soil Testing Unit	16,550.00	4,000.00	5,500.00	1,500.00	37.50
06 – Consumables Materials					
2202:Information	20,226.00	11,996.00	21,071.00	9,075.00	75.65
Total Over Expenditure on Recurrent				1,911,682.57	

The Ministry therefore violated Section 34(7) of the Public Finance Management Act of 2017 which states that any excess or any amount expended but not appropriated should be treated as a loss of public money. Section 107(3)(j) of the act also states that “a public office and public officer, or another person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorized expenditures or makes unauthorized commitments.

The continued incurring of excess expenditure unlawfully by the Ministry is a major concern because it has serious effects on the fiscal budget, may lead to disciplinary action, and further increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling Officer acknowledged my observation and stated that the over expenditures were due to the insufficient budget allocated by the Ministry of Finance. He further stated that the Ministry of Finance reports that the resource envelope does not allow them to increase our yearly budgets request. In order to rectify the over-expenditures, reallocations from savings are processed during the course of the financial year.

The response by the Controlling Officer was noted; however, there is no justification for unlawfully incurring over-expenditure (excess expenditure). The Ministry should have sought supplementary budget and/or made reallocations within the available budget in compliance with Public Finance Management Act. It therefore appears that the Ministry wilfully incurred the unauthorised excess expenditure which amounts to financial misconduct.

83. Under-Expenditure on Recurrent Budget vote

The Ministry of Agriculture also incurred under-expenditure amounting to **E3,163,095.14** on the Recurrent Vote under various responsibility centres as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under-expenditure	
00 – CTA Vehicle Charges	E	E	E	E	%
1101:Principal Secretary's Office	9,706,807.00	5,515,262.00	4,959,044.92	556,217.08	10.09

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under-expenditure	
2212:Lubombo Regional Extension Services	909,428.50	139,427.00	118,566.83	20,860.17	14.96
2602:Agricultural Land use Planning	331,841.50	61,839.00	52,578.00	9,261.00	14.98
2214: Shiselweni Regional Extension Services	1,099,967.50	229,964.00	188,029.00	41,935.00	18.24
2110:Gege Dairy	2,379,645.00	1,463,644.00	1,141,006.46	322,637.54	22.04
2162:Shiselweni Veterinary Field Services	36,217.50	6,216.00	4,025.00	2,191.00	35.25
2232: Livestock and Crop Promotion	53,442.50	3,441.00	2,037.00	1,404.00	40.80
Under Expenditure CTA Charges				954,505.79	
01 – Personnel Costs					
2101:Veterinary Headquarters	7,278,442.30	4,780,441.00	4,242,509.30	537,931.70	11.25
2201: Director of Agriculture's Office	4,638,541.20	3,733,941.00	3,259,696.18	474,244.82	12.70
2104:Pig Breeding Centre	620,615.50	627,227.00	532,504.35	94,722.65	15.10
Under Expenditure Personnel Costs				1,106,899.17	
02 – Travel, Transport and Communication					
2232: Livestock and Crop Promotion	12,217.00	34,621.00	28,810.09	5,810.91	16.78
2214: Shiselweni Regional Extension Services	16,690.00	7,513.00	6,012.08	1,500.92	19.98
2704:Malkerns Research Station	38,406.00	101,743.00	80,329.40	21,413.60	21.05
2171:Veterinary Diagnostic Laboratory	8,363.00	1,095.00	838.50	256.50	23.42
1102:Personnel Section	11,737.00	57,260.00	43,644.74	13,615.26	23.78
2213:Manzini Regional Extension Services	13,622.00	16,293.00	9,803.94	6,489.06	39.83
2163:Manzini Veterinary Field Services	22,574.00	52,683.00	24,876.50	27,806.50	52.78
2222:Nhlangano Farmer Training Centre	3,105.00	2,622.00	940.78	1,681.22	64.12
Under Expenditure Travel, Transport & Communication				78,573.97	
04 – Professional and Special Services					
2704:Malkerns Research Station	49,852.00	27,521.00	24,446.67	3,074.33	11.17
2213:Manzini Regional Extension Services	28,557.00	16,021.00	13,780.25	2,240.75	13.99
1001:Minister's Office	218,165.00	246,666.00	170,692.80	75,973.20	30.80
2301:Fisheries Section	3,399.00	2,064.00	148.51	1,915.49	92.80
1106:World Food Programme	13,136.00	135.00	-133.06	268.06	198.56
Under Expenditure Professional Services				83,471.83	
06 – Consumable Materials					
2301:Fisheries Section	114,429.00	151,981.00	134,745.73	17,235.27	11.34
2191:Veterinary and Stock Farming Training Centre	135,013.00	78,687.00	68,923.63	9,763.37	12.41
2705:Nhlangano Experimental Station	32,547.00	23,142.00	18,133.00	5,009.00	21.64
1101:Principal Secretary's Office	946,094.00	1,422,417.00	1,059,764.09	362,652.91	25.50
2103:Range and Bush Control	270,694.00	154,477.00	105,560.25	48,916.75	31.67
2110: Gege Dairy	235,667.00	257,867.00	166,262.65	91,604.35	35.52
2164:Hhohho Veterinary Field Services	198,326.00	198,620.00	125,049.64	73,570.36	37.04
Under Expenditure Consumables				645,217.97	
Total Under Expenditure on Recurrent Vote				3,163,095.14	

84. Non-utilisation of Released Budget Appropriation

There was further 100% non-utilisation of released budgets amounting to **E18,475.00** in certain responsibility centres of the Ministry, in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Unutilised Budget	
		E	E	E	E	%
2231:Tobacco Extension Section	02	2,586.00	828.00	0.00	828.00	100
2706:Lowveld Experimental Station	02	15,834.00	90.00	0.00	90.00	100
2232:Livestock &Crop Promotion	04	6,316.00	828.00	0.00	828.00	100
2223:Lowveld Farmer Training Centre	06	21,323.00	2,229.00	0.00	2,229.00	100
2101:Veterinary Headquarters	07		14,500.00	0.00	14,500.00	100
Total Unutilised Budget					18,475.00	

Under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government. This indicates that public funds were tied up in the Treasury Control Items and deprived funding to other essential public programmes during the fiscal year. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country.

I am therefore concerned that planned programmes may have not been accomplished, leading to limited service delivery and thereby delaying improvements in the agricultural sector. This reflects inadequate budget planning, execution and performance.

I advised the Controlling Officer that the Ministry should ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met and achieved, despite the under-expenditures.

In response, the Controlling Officer provided the following explanations:

Under expenditure on CTA Vehicle Charges was caused by failure by the Ministry of Public Works and Transport to process all the Journal Vouchers on time, thus resulting to the Ministry's under-expenditure on this item code.

Under-expenditure on Personnel Costs was due to the fact that a number of posts were vacant due to the hiring freeze introduced by the Ministry of Public Service in 2018. The hiring freeze has since been uplifted.

Under-expenditure on Travel, Transport and Communication was a result of the officers who do not submit their monthly travelling claims on time during the financial year.

Under expenditure on Professional Services and Consumable Material was due to the fact that, before purchase orders can be committed into the system, an authority to commit funds must be obtained from the Ministry of Finance coupled with the fact that the release of funds was done quarterly which delays the process of obtaining the authority to commit funds.

With regard to the Non-utilisation of the appropriated funds, this was caused by the allocated budget which was so meagre such that when it was released quarterly, it was not prudent to issue purchase orders or to incur expenditure on these item codes. He further stated that during budget formulation the Ministry of Finance was always requested to realign the budget to item codes where they are mostly needed.

The response by the Controlling Officer was noted; however, it does not address the issue at hand. The Matter therefore remains reportable because budget allocations that were duly appropriated by Parliament and released by the Ministry of Finance were not utilized for the intended purposes.

85. Non-Adjustment of Credit Balances Appearing Under Recurrent Expenditure

The Ministry was also alerted that there were unlawful credit entries which resulted from transfers of budgets from other budget votes to the recurrent expenditure vote of the Ministry. The Ministry however failed to reconcile the amounts received after utilization, thus creating distorting credit balances amounting to **E70,030.20** under various recurrent expenditure items, in the financial year ended 31st March 2023, as illustrated in the table below:

Responsibility Centre	Item	Description	Amount (E)
3101: Home Economics Section	01105	Overtime	14,806.83
2223: Lowveld Farmer Training Centre	01105	Overtime	14,287.44
2601: Land Development Section	01105	Overtime	10,662.49
2214: Shiselweni Regional Extension Services	01105	Overtime	8,495.12
1106: World Food Programme	01105	Overtime	7,643.50
1102: Personnel Section	01105	Overtime	3,027.69
2211: Hhohho Regional Extension Services	01105	Overtime	2,975.85
2704: Malkerns Research Station	01105	Overtime	2,056.65

Responsibility Centre	Item	Description	Amount (E)
2706:Lowveld Experimental Station	01105	Overtime	941.39
1106: World Food Programme	04401	Printing Services	133.06
1102: Personnel Section	06901	Arms and Ammunition	5,000.00
Total Credit Entries			70,030.02

This was in contravention of Financial and Accounting Instruction 0510 which stipulates that "credits to recurrent expenditure items are not allowed except in the case of overpayment within the financial year, or certain inter-departmental transactions requiring an alteration to the debit or adjustments rectifying errors in the accounts for the year".

The credit balances inappropriately reduced the recurrent expenditure thus causing misstatements of expenditure in the Statement of Recurrent Expenditure for the fiscal year audited.

I advised the Controlling Officer to reconcile the affected expenditure items and make necessary adjustments.

In response, the Controlling Officer noted my observation and stated that credit balances indeed came from various reasons; some amounts were caused by unreconciled statements, specifically on this financial audit report, some officers had passed on due to the delay of payment of these overtime claims, therefore, it takes time to find members of their families, some do not have files with Master thus these credit balance remained unreconciled.

On another note, he stated that the Ministry had to return some claims since they did not appear on the authority for payment, whereas they appear on the adjustment voucher sent to us by the Ministry of Home Affairs.

The response of the Controlling Officer was noted; however, it does not address the audit finding and the overtime claims are still not yet paid and the necessary adjustments were not effected.

86. Ten (10) Laptops Missing

I reported that there ten (10) missing laptops worth **E320,800.00** that were purchased and delivered in March 2023 and the Ministry's stores and IT Personnel were unable to provide information about their location.

The table below depicts the Idle and Missing Laptops.

Missing Laptops – Descriptions	Quantity	Amount (E)
i7-10510u8GBID with numeric keypad intel wifi	7	225,400.00
i5-1135,4GB mobile intel core	2	63,600.00
i5 -1135 4GB	1	31,800.00
Total		320,800.00

According to section 80(1) of the Public Finance Management Act (2017), Controlling Officers should manage assets to ensure that Government achieves value for money when acquiring, using and disposing them.

I am concerned that the missing laptops may have been misappropriated or stolen and by the loss of value on money spent due to possible deterioration, misappropriation (misuse of public assets).

I advised the Ministry to ensure that purchase is always informed by need such that value is derived from money expended and to also locate the missing laptops, provide evidence of their existence, and record them in books of account.

In response, the Controlling Officer stated that the Store keeper has reported that out of the 11 laptops which were found to be unpacked during my verification, 8 laptops had been distributed to the officers with 3 still remaining. He further stated that a comprehensive report from the Store keeper and Network Engineer which is inclusive of the 10 laptops which were discovered to be missing was being compiled and would be submitted to my office as soon as possible.

The Controlling Officer's response which concurs with my audit finding is acknowledged. However, it does not address my concerns. The Controlling Officer has not explained why the laptops had been lying unutilized for over nine months. Furthermore, at the time of compiling this report, the Controlling Officer had not submitted the comprehensive report to me.

87. Missing (Unverified) Desktops and Printers

I was unable to verify 4 desktops and 6 printers which were purchased by the Ministry at a total cost of **E256,000.00**, in the financial year ended 31st March 2023, as they were not available for verification during my physical verification exercise and their location was unknown to the Stores Personnel. These were part of a total consignment of 30 desktops and 18 printers which were purchased by the Ministry at a total cost of E1,224,500.00. As such, I was unable to confirm their existence. The missing assets are shown in the table below.

Item Descriptions	Quantity	Amount
Desktop Intel core i5-10500 8GB DDR4 2666 512 GB	4	106,000.00
4 in 1 all print copy- scan	1	25,000.00
4 in 1 all print copy	5	125,000.00
Total		256,000.00

Section 80(3) of Public Finance Management Act (2017) requires Controlling Officers expected to ensure that their Ministries have adequate systems and processes in place to plan for assets, procure assets, account for assets, maintain assets, store assets and dispose assets. Including maintaining an asset register that is current and available for inspection at any time by the Auditor General.

I am concerned that under the circumstances, I cannot rule out that the payment may have been in respect of undelivered desktops and printers. This would imply that the intended purpose for which the assets were purchased had not been achieved hence negatively affecting service delivery. Moreover, it is possible that the assets may have misappropriated or stolen.

I advised the Controlling Officer to locate and avail the missing desktops and printers for verification and further maintain and keep an up to date asset register (stores ledger).

In his response, the Controlling Officer stated that he had requested the Network Engineer with the assistance of the Store keeper to compile a report on the unverified equipment and the report would be submitted to my office as soon as possible.

The response of the Controlling Officer was noted; however, it does not address the audit findings. At the time of compiling this report, the Controlling Officer had not submitted the report to me.

88. Irregular Advance Payment for Undelivered Uniforms

I also raised my concern that the Ministry irregularly paid OCNAC General Suppliers a total amount of **E415,032.08** in advance of delivery without authority, in the financial year ended 31st March 2023. The supplier which had been engaged to supply uniforms to the Malkerns Research Unit invoiced the Ministry the total amount of E415,032.08, through Invoice Number 2097 dated 16 February 2023 which was duly paid in April 2023, but delivered the Uniforms on 26 May, 30 May and 3 July 2023 which was 2 to 3 months later.

Further noted was that the delivery note was signed by the Stores personnel on 17th March 2023 which was a misrepresentation of facts as it gave the impression that the uniforms had been delivered. The table below depicts the uniform was paid for in advance of delivery:

Item Description	Quantity	Amount (E)
Dust Coat Polycotton two sided pockets 1 left breast	116	36,192.00
Blue PVC Rain suits with hood attached jackets	128	33,024.00
Security 5pce Suits Navy Blue	12	10,080.00
Leimatre Steel Toe Caps Black Shoes	128	115,368.96
Slauch Hat	12	2,894.40
Army Green Coat	12	11,314.32
Balaclava Hats	12	1,425.60
Rechargeable Torch	12	7,056.00
Chrome Leather Gloves	116	10,300.80
Disposable Gloves	200	12,938.00
Half Mask Respirator plus filter	100	23,040.00
Protective goggles	200	12,198.00
Johnson Acid Resistant work Trouser	116	63,800.00
Johnson Acid Resistant work Jacket	116	75,400.00
Total		415,032.08

According to section 52(3) of the Public Finance Management (PFM) Act, Principal Secretaries are required to put in place procedures consistent with the PFM Act, the Procurement Act, 2011, (Act No. 7 of 2011) or any other law for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier.

Section 107(3)(r) of the PFM Act further warns that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently makes any statement or declaration, or gives any information or certificate, required by or pursuant to this Act, Regulations or Instructions, knowing it to be false or misleading.

I am concerned that this payment was not only unlawful but could have also resulted in non-delivery of goods or delivery of goods of inferior quality. It is also possible that the supplier utilized Government funds to acquire the uniforms supplied to Government. Moreover, the misrepresentation of facts was fraudulent and an act of dishonesty.

I advised the Controlling Officer to investigate the irregularity and take necessary action against responsible officials and further ensure that invoicing and payment occurs after delivery of goods and services unless authority for advance payment is granted or stipulated in a contract.

In response the Controlling Officer requested to be afforded time to investigate the irregularity and also engage the suppliers on the undelivered uniforms. A report will be forwarded to my office after the investigation.

The Controlling Officer's response was noted; however, at the time of compiling this report, the investigative report had not been forwarded to my Office. This response therefore does not address my finding and concerns.

89. Undelivered Uniforms

The irregular advance payment for undelivered uniforms resulted in uniforms amounting to **E109,165.33** in the financial year ended 31st March 2023 eventually not being delivered by the supplier (OCNAC Investment) as per my concern. Information gathered from the Malkerns Research Officials was that despite the advance payment, the supplier made partial deliveries on 26/05/2023, 30/05/2023 and 03/07/2023. The table below depicts the undelivered uniforms that had been ordered through Order No. EG23007106 and invoiced and paid for through Invoice No. 2097 and Payment Voucher No. 120317, respectively.

Undelivered Item Description	Ordered Quantity	Delivered Quantity	Undelivered Quantity	Undelivered Amount (E)
Dust coat polycotton two sided pockets 1 left breast	116	0	116	36,192.00
Blue PVC Rainsuits with hood attached jackets	128	0	128	33,024.00
Slauch Hat	12	0	12	2,894.40
Disposable Gloves	200	0	200	12,938.00
Half Mask Respirator plus filter	100	0	100	23,040.00
Protective goggles	200	193	7	426.93
Johnson Acid Resistant work Jacket and trouser	116	115	1	650.00
Total				109,165.33

This anomaly was aided by the Stores personnel who acknowledged receipt of the uniforms by signing the delivery note on 17th March 2023 thereby misrepresenting facts as this gave the impression that the uniforms had been delivered.

According to section 52(3) of the Public Finance Management (PFM) Act, Principal Secretaries are required to put in place procedures consistent with the PFM Act, the Procurement Act, No. 7 of 2011 or any other law for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier.

Furthermore, section 110(1) of the Public Finance Management Act warns that a public office holder, public Officer, or other person with responsibility for Government resources shall be held personally responsible for any loss sustained by Government due to:

- a) acts of fraud or negligence on the part of that officer; or

b) acts of fraud or negligence on the part of any other officer, if it is found that the officer contributed to the loss by the action, negligence or omission of that officer.

I am concerned that financial losses could be incurred by the Government as a result of the non-delivery and that it appears there was collusion between the Supplier and Ministry Officials to defraud Government.

I advised the Controlling Officer to investigate the matter and take necessary action against those affected and further ensure that payment is only effected after delivery of the ordered goods.

In response, the Controlling Officer stated that he would engage the supplier on the undelivered uniforms and as of the 31st January 2024, the supplier had delivered the 128 rain suits.

The Controlling Officer's response was noted; however, it is not satisfactory. While the subsequent delivery of 128 rain suits is appreciated, the Controlling Officer has not explained the reasons for none and delayed deliveries in spite of the advance payment. The Controlling Officer has also not addressed the misrepresentation of facts by the stores personnel and possible collusion between Ministry officials and the supplier. I therefore view this matter as very serious and requiring urgent attention.

90. Poor Record Keeping

The Ministry of Agriculture did not record items received in books of account as necessary which was a violation of the Government laws and regulations.

90.1. Unrecorded Building Materials

The Ministry purchased building material amounting to **E3,163,368.34** for the Malkerns Research Unit in the financial year ended 31st March 2023; however, during my physical verification I observed that the stores person did not record the building materials in the Inward Book. Therefore, it was impossible to ascertain if the building material was delivered as per the delivery note, as illustrated in the table below.

Item Descriptions	Quantity	Amount (E)
Material Purchased from Company A		
100% ordinary Portland cement	52	9,115.60
125-150mm topsx2.4m	1080	302,700.00

1.8mx65x2.5mm-30m diamond mesh fencing	178	560,700.00
500x14.5 flat wrap razor wire	22	15,840.00
1.8m x3.6m double gate	4	11,400.00
8 gauge galvanised wire 25kg	218	225,505.74
40mm U-nails	22	2,189.00
Materials Purchased from Company B		
100% Portland Cement	71	11,360.00
19mm Crushed stones	7	168,000.00
125-150mm Topsoil 2.4m	1450	442,250.00
1.8mx50x50x2.5mm-25m diamond mesh	245	1,029,000.00
500mx14.5 flat wrap razor	36	24,480.00
1.8mx3.6m Double gate	7	19,600.00
8gauge galvanised wire 25kg	308	338,800.00
40mm U-nails	31	2,728.00
Total		3,163,368.34

90.2. Poor Maintenance of Asset Register (Stores Ledger)

The Ministry also purchased durable materials amounting to **E3,368,497.95** but did not record them in an asset register (Stores Ledger). The unrecorded items are shown in the table below:

Voucher	Invoice	Item Descriptions	Amount (E)
120364	2980	1xintel core i5-1135 4gb, 1x Samsung galaxy tab s8	46,800.00
100011	.6118	1x Kettle electronic silver mental, 1 industrial vacuum and hoover	13,295.00
120338	03104	15x 17-10510U 8GB with numerical keypad	483,000.00
120364	2932	2xintel core i5-1135,4GB mobile,1x 4in 1 print, copy, scan fax	88,600.00
120153	2098	1x 2800 executive desk, 1x production desk,6x wooden letter tray,2x Senior Chair,1x Executive high back chair,1x Executive leather high back swivel, 1x Executive four drawer	234,772.65
120230	12083	5x wheel barrow/ 1x electrical drill,1x welding machine,50x brass sprinkler, 5x brush cutter FS450	139,685.00
120338	2995	9x4in 1 print copy, scan, fax 3-10	225,000.00
120338	03133	18x i7- 10510u 8GBID with numeric keypad intel wifi, 5 x 4in 1 print copy, scan, fax 3-10	704,600.00
120364	2933	1x intel core i5-1135 4GB, 1x5-15 users, print up to 43ppm	46,800.00
120485	No Invoice	Payment Voucher not available	15,927.50
120489	097	2xAlloy wheel base trolley	14,947.70
120494	221	,1x comb binding machine ,1x cross cot shredder, 1x metal paper trimmer	19,837.50
120337	1295	2xswitches cisco SG 100D GB8 port	3,315.40
120364	03123	1x 4in 1 print, copy, scan fax 3-10	25,000.00
120431	03136	1xmanager desk double 3 drawer lockable,3xexecutive leather mid back swivel armchair, 5xoffice chairs with arm padded seat, 6x 2200Hx900x420 executive two glass wall unit, 1x four drawer filling cabinet wooden	111,248.00
120477	03166	2x executive desk 3 drawer, 1 x typist chair, 4x visitor's armchair fabric with chrome base,1x clerical chair swivel with upholstered seat, 5x drawing office chair from swivel seat &back	83,799.15
120087	14745	1x Defy DFF 436559 side Fridge	13,228.99
120474		1x STIHL Chainsaw MS382	11,722.04
120230	IBP11121	2x brush cutter FS450	34,650.00
120358	03113	8x intel core 7-10510V, 8GB	324,000.00

Voucher	Invoice	Item Descriptions	Amount (E)
120476	03168	2x executive desk 3 drawer, 1 x executive leather mid backs, 3x visitors armchair fabric with chrome base,1x clerical chair swivel with apholstired seat, 5x drawing chair from swivel seat &back	84,665.80
120338	03112	1x intel core 15-1135 4GB, 1x 10.2 inch iPad	50,300.00
120420	03091	1x intel core 15-1135 4GB	31,800.00
120341	IN100246	15x Managers desk wood veneer finish and 15 x Senior executive high back chair	554,820.00
120337	1286	100x Fly lead,1x Surface Mount Box,1Xrj45 Connectors	6,698.22
Total			3,368,497.95

91. Unappropriated Expenditure on Capital Project No. W37652

The Ministry of Agriculture incurred unappropriated expenditure amounting to **E72,113,700.22** on project number W37652- *Water Harvesting for Small and Medium Dams* during the fiscal year ended 31st March 2023. Details are illustrated in the table below:

Centre	Project	Appropriated Budget	Released Budget	Unappropriated Expenditure
		E	E	E
2601: Land Development Section	Project W37652: Water Harvesting, Small & Medium Dams	0.00	0.00	72,113,700.22
Total Unappropriated and Unauthorised Capital Expenditure				72,113,700.22

This was in contravention of Financial and Accounting Instruction 0202 (ii), which states that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Financial and Accounting 0202 (iii) which stipulates that "Controlling Officers should ensure that public money is spent only for the purpose for which they are authorized". Further, Section 107(3)(j) read with Section 34(7) of the Public Finance Management Act of 2017, also states that "a public officer and public officer, or another person with responsibility for government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person willfully or negligently incurs unauthorised expenditures or makes unauthorised commitments. Any excess or any amount expended but not appropriated and which is not allowed under this section is treated as a loss of public money".

I warned the Controlling Officer that expenditure beyond the budget released as appropriated by Parliament is not only unlawful but also has serious effect on the fiscal budget. Further, the non-compliance with the laws, rules and regulations may increase the risk of unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Ministry should ensure that no public funds are spent without appropriated budget and corrective action should be taken to address the above anomaly, and further strengthen internal controls, in order to avoid recurrence in future. Further, I advised that the Ministry of Agriculture to ensure that no public funds were spent without seeking prior authorization.

In response, the Controlling Officer stated that the Water Harvesting, Small and Medium Dams Project (WHDP) W37652 is a project funded by the European Union and it is managed by the Aid Coordination and Management Section (ACMS). This project is implemented through Contractors who implement activities to attain its outcomes and objectives. The process of paying the contractors is such that they submit an invoice to the Ministry implementing the project and the Ministry submits the invoices, after reviewing them, to the Aid Coordination and Management Section. The ACMS then reviews and submits the invoices to the European Union Delegation Office for payments. He further stated that to make sure that these funds are reflected in the Estimate Book, the Ministry, through the Planning Unit will liaise with the Ministry of Economic Planning and Development, through the ACMS which will in turn inform the Government Computer System when an expenditure was incurred.

The response of the Controlling Officer was noted; however, there is no justification of the unappropriated expenditure.

92. Unappropriated Over Expenditure on Capital Project A38163: Lower Usuthu II Extension-Downstream

I reported that the Ministry incurred unappropriated over expenditure amounting to **E37,329,606.59** on project number A38163 - *Lower Usuthu II Extension Downstream* during the fiscal year ended 31st March 2023. The details of the unauthorised over expenditure is illustrated in the table below.

Responsibility Centre	Released Budget	Actual Expenditure	Over Expenditure	
	E	E	E	%
2201: Director of Agriculture's Office	142,197,956.00	179,527,562.59	37,329,606.59	26
Total Over Expenditure on Capital Project			37,329,606.59	

The Ministry therefore violated Section 34(7) of the Public Finance Management Act of 2017 which states that any excess or any amount expended but not appropriated should be treated as a loss of public money. Section 107(3)(j) of the act also states that "a public office and public officer, or another person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or

other lawful authority, that person willfully or negligently incurs unauthorized expenditures or makes unauthorized commitments.

The continued incurring of excess expenditure unlawfully by the Ministry is a major concern because it has serious effect on the fiscal budget, may lead to disciplinary action, and further increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

In response the Controlling Officer expressed his view that all expenditures should be within the approved budget as per the book of estimates (which in this case was E360,170.00) as opposed to the released budget, hence technically there was no over expenditure. He explained that the discrepancy of E37,329,606.59 between the actual figure and the release warrant amount relates to four certificates which were made towards end of the year and were only paid after year end which was practically a cut-off issue of the certificates whose release was only lodged after year end upon payment made by the funders. He further emphasized his view that this was as an issue of release warrants as opposed to under or over budget issue since reference is always made to the book of estimates and the financing agreement.

The response by the Controlling Officer and explanation provided was noted, however he has not provided any authority substantiating his view that reference to the book of estimates and financing agreement takes precedence over authority to spend which is provided through release warrants from the Ministry of Finance. The Ministry should have sought the release of the budget before payment was made. Furthermore, cut-off is a critical assertion which should also not be taken lightly as it often results to the misstatement of reported financial information. It therefore appears that the Ministry wilfully incurred the unauthorized excess expenditure which amounts to financial misconduct.

93. Under-Expenditure on Capital Project A38011- Small Holder Market-led Production Project

I further noted that the Ministry incurred under expenditure amounting to **E6,273,161,68** on project number A38011-*Small Holder Market-led Production Project* during the fiscal year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Released Budget	Actual Expenditure	Under Expenditure	
	E	E	E	%
2201: Director of Agriculture's Office	4,642.654.00	8,369,492.32	6,273,161.68	42

Under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government. This indicates that public funds were tied up in the Treasury Control Items and deprived funding to other essential public programmes during the fiscal year. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country.

I am therefore concerned that planned programmes may have not been accomplished, leading to limited service delivery and thereby delaying improvements in the agricultural sector. This may ultimately have a negative impact in the lives of citizens.

I advised the Controlling Officer that the Ministry should ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met and achieved, despite the under-expenditures.

In response, the Controlling Officer acknowledged my observation and stated that the project was awarded a no-cost extension up to the 31st March 2024 by the funder. There were two major activities outstanding including the construction of kaPhunga and Ndushulweni earth dams for which this amount will be utilized for the construction of the two dams which were postponed to the following financial year (2023/2024, he further stated that this is an on-going activity in the current financial year up until the project closure on the 31st March 2024.

The Controlling Officer's response and explanation was noted; however, it did not satisfactorily address my concerns. It affirms my worry that there was slow implementation which has a negative effect on service delivery and consequently the lives of citizens. The Controlling Officer has also not explained why he sought the budget release knowing that his Ministry was not

ready to implement. As such, the funds which could have been utilized fruitfully elsewhere were unnecessarily locked up.

94. Idle Project Materials

During a physical verification exercise of items that were purchased using project funds, I discovered that project materials worth **E12,973,307.06** were lying idle at the premises of the Land Development Department in Matsapha and Manzini. This amount consists of materials worth **E8,010,526.96** which were supposed to be utilized for implementation of a Water & Irrigation Infrastructure Development project (Project No. A37299) and **E4,962,544.10** which was supposed to be utilized for Cordon Fencing (Project No. A40099).

When I carried out my physical inspection in December 2023, the Water and Irrigation Infrastructure Development Material which had been delivered in Matsapha in March 2023 had been lying Idle for 9 months while the Cordon Fencing Material which had been delivered in Manzini in December 2022 had been lying idle for a year.

Of major concern was that most of the material kept in Matsapha was stored under uncondusive conditions as it was stored outdoors and exposed to extreme weather conditions and vegetation overgrowth.

The following pictures shows some of the material lying idle.



The tables below depict the idle material:

Project A37299 - Water and Irrigation Infrastructure Development

Item description	Quantity	Unit Price	Total (E)
Delivered by Company A in March 2023 – Voucher No. 120357, Order No. 23108469 & Invoice No. SGA0070			
Cement Blocks 450 X 230 X 115mm	10000	21.50	215,000.00
Cement Blocks 450 X 230 X 230mm	11998	29.50	353,941.00
38x114x6.6m Un Treated Timber @ E63.00/M	255	415.80	106,029.00
50x76mmx6.6m Untreated Timber @E40.10/M	198	264.66	52,402.68
Inr Roofing Sheets 0.5mmx6.6m @ E185.00/M	100	1,221.00	122,100.00
1.8mx50x50x2.0mmx30m Roll Diamond Mesh Fencing	273	3,217.00	878,241.00
1.8x1.2m Farm Gate	5	1,590.00	7,950.00
1.8x3.6m Double Gate	5	2,850.00	14,250.00
100mm Wire Nails/Kg	141	49.99	7,048.59
115mm Door Frames	50	677.20	33,860.00
230mm Door Frames	50	948.57	47,428.50
100mm Roofing Screws/Kg	204	130.00	26,520.00
Ref 245- Welded Wire Mesh	49	2,900.00	142,100.00
Upvc Stub Flanges	4	9,844.11	39,376.44
Delivered by Company C in March 2023 – Voucher No. 120359, Order No. 23104736 & Invoice No. 3765			

Item description	Quantity	Unit Price	Total (E)
1.8mx50x50x2.0mmx30m Roll Diamond Mesh Fencing	437	2,790.00	1,219,230.00
1.8mx3.6m Double Gate	50	2,560.00	128,000.00
8 Gauge Galvanized Wire 25kg	20	990.00	19,800.00
14 Gauge Polished Bailing Wire 25kg	21	1,690.00	35,490.00
110mm Ditto Pvc Pipe-Class 9	325	710.00	230,750.00
Delivered by Company A in February 2023 – Voucher No. 110112, Order No. 23104734 & Invoice No. SGA0049			
160mm Ditto Upvc Pipes In 6m-Class 9	406	1,848.40	750,450.40
150mm Galvanized Screwed On Flanges Pipes With 8 Holes In 6m Length	100	1,240.44	124,044.00
25mm Air Released Valves(Cast Iron)	22	7,669.71	168,733.62
25mmx1m Hydrant Pipes Threaded Both Sides	322	177.68	57,212.96
160x160x25mm Saddles	22	942.37	20,732.14
M16x75mm Polished Steel Bolts	200	51.57	10,314.00
M16 Black Mild Steel Nuts	200	17.43	3,486.00
125mm Upvc Pipes	334	1,287.21	429,928.14
160x140mm Upvc Reducer	3	956.21	2,868.63
110x75mm Reducer	3	653.99	1,961.97
75mmx90 Degrees Bend	3	438.08	1,314.24
80mmx1m Stand Pipes	3	1,444.65	4,333.95
80mm Brass Gate Valves	3	1,537.49	4,612.47
50mm Hdpe Pipes Class 6 In 100m	91	3,027.53	275,505.23
40mm Hdpe Pipes-Class 6 In 100m	45	1,900.00	85,500.00
25x20mm Pip-Lets	300	205.89	61,767.00
20mm Hose Pipe In 30m	1000	884.00	884,000.00
20mmx15mm Bushes	300	27.79	8,337.00
50x50x40mm Compression Tees	55	471.08	25,909.40
160x50mm Saddles	55	1,077.21	59,246.55
50mm Ball Valves	55	1,861.93	102,406.15
50mm Male Adaptors	110	79.01	8,691.10
19mm Crushed Stones	20	1,070.00	21,400.00
Delivered by Company A in February 2023 – Voucher No. 110112, Order No. 23104537 & Invoice No. SGA0048			
Standard Pine F&L Doors (2032x813)	80	677.20	54,176.00
Hinges/Butt 100mm Steel Per Pair	104	49.00	5,096.00
Standard Barrel Bolts 100mm Each	80	84.97	6,797.60
Roofing Screws (100mm) Per Kg	100	149.69	14,969.00
Varnish-Gloss Enamel Paint Per 5 Litres	24	435.91	10,461.84
Padlocks 50mm With 2 Keys	10	243.26	2,432.60
Line Level (Builers Line)	5	275.67	1,378.35
Nylon Tape Measure 100ml	5	952.97	4,764.85
Bush Knives	5	160.81	804.05
Grass Slashers	10	133.75	1,337.50
Brick Hummers	5	360.59	1,802.95
Steel Float	5	108.26	541.30
Brick Trowel 250mm	5	141.09	705.45
Gouging Trowel/English Trowel 150mm	5	85.18	425.90
Wooden Float	5	54.37	271.85
Heavy-Duty Wheel Barrow	14	1,805.44	25,276.16
Round Nose Shovel	14	248.58	3,480.12
Spades	14	252.19	3,530.66
Pick Heads	14	280.60	3,928.40
Pick Handles	14	89.76	1,256.64
Long Noise Pliers	5	224.69	1,123.45
Spirit Level 1m	5	331.97	1,659.85
Claw Hammer	5	284.28	1,421.40
41b Hammer/4 Pound Hammer	5	508.47	2,542.35

Item description	Quantity	Unit Price	Total (E)
100% Ordinary Portland Cement 50kg	207	175.30	36,287.10
19mm Crush Stones Per Tonne	20	1,070.00	21,400.00
50x76mx6m Timber @ 40.10/M	218	240.60	52,450.80
2.4mx0.5mm Corrugated Iron @185.00/M	1084	444.00	481,296.00
3.6m.05mm Corrugated Iron @185.00/M	108	666.00	71,928.00
3.0mx0.5mm Corrugated Iron @185.00/M	56	555.00	31,080.00
4.8m0.5mm Corrugated Iron @185.00	28	888.00	24,864.00
4.2mx0.5mm Corrugated Iron @185.00	120	777.00	93,240.00
2.2mx0.5mm Corrugated Iron @185.00/M	110	407.00	44,770.00
8 Gauge Galvanized Wire In 25kg	4	1,034.43	4,137.72
14 Gauge Black Mild Steel Bailing Wire In 5kg	5	293.00	1,465.00
100mm Round Wire Nail/Kg	3	49.99	149.97
150mm Round Wire Nails/Kg	22	51.77	1,138.94
Delivered by Company A in January 2023, Voucher No. 110112, Order No. 23103616 & Invoice No. SGA0045			
Corrugated Iron Sheets 0.5mm (60x4.2m)	252	185.00	46,620.00
Corrugated Iron Sheets 0.5mm (50x2.2m)	110	185.00	20,350.00
Corrugated Iron Sheets 0.5mm (150x2.4m)	360	185.00	66,600.00
Treated Timber 50x76mm (150x6m)	900	47.21	42,489.00
100mm Wire Nails Per Kg	25	49.99	1,249.75
150mm Wire Nails Per Kg	25	51.77	1,294.25
75mm Long Per Kg Roofing Screws	30	115.00	3,450.00
Gb Hardware Hinges/Butt 100mm Steel	40	49.00	1,960.00
Barrel Bolts Brass 100mm	10	91.00	910.00
Door Frames Size 813x2023	10	1,894.00	18,940.00
Total			8,222,246.43

Project A40099- Cordon Fencing

Item description	Quantity	Unit Price	Total
Delivered by Company E in December 2022 – Voucher No. 120427, Order No. 23108468 & Invoice No. SGA0069			
Wire Barbed 12 ½ guage (610x5)	6	3,050.00	18,300.00
Delivered by Company D in December 2022 – Voucher No. 110115, Order No. 23103957 & Invoice Nol 1220			
Chain wire strainers	4	952.00	3,808.00
Wheel barrow concrete	4	1,904.00	7,616.00
Felling Axe with handle	3	890.00	2,670.00
Hand Gloves	100	95.00	9,500.00
Stihl Chain Saw	2	9,556.00	19,112.00
Bush knife	10	151.00	1,510.00
Grass slasher	10	142.00	1,420.00
Round Nose Shovels	10	301.00	3,010.00
Spade	10	231.00	2,310.00
Pick heads	10	321.00	3,210.00
Pick Handles	10	103.00	1,030.00
Crow Bar	4	401.00	1,604.00
Claw Hammer	10	301.00	3,010.00
Fencing Pliers	20	401.00	8,020.00
Delivered by Company D in December 2022 - Voucher No. 110115, Order No. 23103961, Invoice No. 1223			
Wire standard "Y"	6000	210.00	1,260,000.00
Treated Poles(125-150x2.4m)	2400	302.00	724,800.00
8 Gauge Galvanised Wire 25kg	60	1,101.00	66,060.00
Wire Nails 40mm 4-nails	300	80.00	24,000.00
Delivered by Company F between March & December 2023 – Voucher 120368, Order No. 23108467 & Invoice 1703			
Precast Concrete Cement Poles Set(40 Precast Corner,100 Precast Concrete strays,80 Precast (intermediate poles)	15	125,316.80	1,879,752.00

Item description	Quantity	Unit Price	Total
Delivered by Company A in January 2023, Voucher No. 110113, Order No. 23103959 & Invoice No. SGA0046			
32mmx1.8m digging bar	10	680.21	6,802.10
Delivered by Company A in January 2023, Voucher No. 110113, Order No. 23103962 & Invoice No. SGA0047			
Wire barbed 12 ½ gauge (610x5)	300	3,050.00	915,000.00
Total			4,962,544.10

According to Section 80(1) of the Public Finance Management Act, Controlling Officers are responsible for the management of public entity assets and should manage the assets to ensure that Government achieves value for money when acquiring, using and disposing of Government assets. Section 11(2)(f) further requires Principal Secretaries to put in place arrangements to prevent unauthorised or wasteful expenditure, or loss of public resources.

I warned the Controlling Officer about the possibility of loss of value on money spent due to deterioration, misappropriation, or theft of the idle items and also raised my concern about the slow project implementation and/or and increased risk of non-achievement of project objectives which would consequently have a negative impact on the lives of citizens.

I then advised the Controlling Officer to investigate why the materials had remained idle, count the stock and reconcile with records, inspect the condition of the items, and take necessary action against responsible personnel. I further advised the Controlling Officer to act swiftly to ensure that value is derived from items purchased and put in place controls that will ensure that purchase is informed by need and ability to implement.

In response regarding the Water and Irrigation Infrastructure Development Project (Project No. A37299) the Controlling Officer stated that Matsapha is a depot for receiving and storing construction material which is then dispatched to the construction sites gradually until the project is completed. He explained that in the past, the material was delivered directly to the construction sites, but due to security challenges, Matsapha, which has better security and the main Stores Personnel, a private security company and is mounted with security cameras which are checked to ensure that the material is not removed without authorization, was now being utilized for this cause. He further explained that construction was at a slow pace in most sites due to the persistent rainfall since the summer began and it was envisaged that the material would be used before they get spoiled. He also promised that reconciliation of records would be carried out and the report would be shared with my office and asserted that currently, more than 5,000 poles have been dispatched to the construction sites and once erected, the fence would also be dispatched to the construction sites.

Regarding the CORDON FENCING PROJECT (PROJECT A40099), he stated that the material was delivered and stored in Manzini Veterinary Stores because the storeroom in Siteki is not adequate. The material is transferred to Siteki (Sitsatsaweni) as per the need and according to the rate of consumption. The cordon fencing project is implemented by cordon guards thus leading to the slow pace of project's implementation.

The Controlling Officer's response and explanations provided are noted. However, he has not addressed my concerns on loss of value on money spent due to deterioration, specifically, in view of the unconducive storage conditions observed at the Matsapha depot. The Controlling Officer has also not shared the reconciliation report for verification hence my fears regarding possible theft and misappropriation of the idle material have not allayed. Further, the Controlling Officer did not provide any evidence supporting his assertion that cameras were regularly checked to ensure that material are not removed without authorization. Most importantly, the Controlling Officer has affirmed my concern regarding slow project implementation which will inevitably result in poor service delivery and non-achievement of project goals. This may consequently have a negative impact on the lives of citizens.

95. Missing Barbed Wire

According to records at the Manzini Veterinary Stores, 30 barbed wire (50kg) amounting to **E91,500.00** was transferred to Sitsatsaweni/ Siteki Veterinary Offices on 17/10/2023, however, records at Siteki Veterinary Services revealed that only 28 barbed wire (50kg) was received on the same date. Therefore, 2 barbed wire worth **E6,100.00** was missing and could not be accounted for by the Ministry. The Barbed Wire was for implementation of the Cordon Fencing Project. It was further concerning to note that the Ministry had not taken any action to address the matter and had not reported the loss as required by Government legislation.

Section 11(3)(g) of the Public Finance Management Act which requires Principal Secretaries to take effective and appropriate disciplinary steps including reporting losses as required under Part VII of the Act. Also, section 110(1) of the act cautions that a public office holder, public Officer, or other person with responsibility for Government resources shall be held personally responsible for any loss sustained by Government due to:

- a) acts of fraud or negligence on the part of that officer; or
- b) acts of fraud or negligence on the part of any other officer, if it is found that the officer contributed to the loss by the action, negligence or omission of that officer.

I am concerned that the missing barbed wire may have been misappropriated or stolen and hence financial losses may be incurred if the amount expended is not recovered.

I advised the Controlling Officer to investigate the matter, institute disciplinary action against those implicated and report the loss as necessary.

In response, the Controlling Officer stated that his Ministry would undertake an investigation on the circumstances of this anomaly or loss and produce a report to be submitted to my Office. An analysis of the transfer of the barbed wire and recording processes at the different stores involved, that is Manzini Veterinary stores and Siteki Veterinary stores would be made including availability of designated qualified stores personnel.

The Controlling Officer's response was noted, however, at the time of compiling this report, the investigation report had not been submitted to my Office. The matter therefore remained unresolved.

96. Unretired Tour Advances and Non-postings of Tour Advances in the Suspense Account and Cash Book

Tour advances amounting to **E77,658.78** that were issued by Ministry of Agriculture were either not retired or recovered from the officials involved. The unretired tour advances therefore remained unrecovered assets in the Statement Assets and Liabilities for the year ended 31st March 2023 and there was no confirmation that the related external travel expenditure was not recorded in the books of accounts.

Furthermore, tour advances amounting to **E176,061.71** were erroneously not posted in the Suspense Account and Cash Book yet the Government General Account had been charged for their relative tours (i.e. the tour advances were cashed out). As such, the tour advances (external travel) expenditure was not recorded in the books of accounts and fictitious liabilities were created when retiring tour advances. Details are shown in the table below.

Responsibility Centre	Unretired Tour Advances (E)	Unposted Tour Advances (E)
Tour Advance- Item 51006		
1001: Ministers' Office		34,951.02
1101: Principal Secretary's Office		125,476.51
1201: Economic Analysis	31,273.12	
2101: Veterinary Headquarters	35,749.91	
2171: Veterinary Diagnostics		6,039.59
2201: Director of Agriculture's Office	346.56	

2251: Mechanisation Section		2,158.93
2301: Not in the Establishment Register		7,435.66
2401: Not in the Establishment Register	2,158.93	
2601: Land Development Section	8,130.26	
Total	77,658.78	176,061.71

The Ministry therefore contravened Financial and Accounting Instruction 1209, which states that "Tour Advances should be repaid immediately upon the completion of the tour and section 11, paragraph 4.18, of the Financial Management and Accounting Procedures Manual which guides that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero.

I warned the Controlling Officer that while the unretired tour advances remained unrecovered monies due to Government, it is likely that external travel expenditures were understated in the financial year they relate. Also, the retirement of unposted tour advances creates fictitious liabilities in the financial statements which distort the reported financial position and performance of the Government.

I then advised the Controlling Officer to ensure that all tour advances are retired and repaid immediately upon the completion of the tour whilst unretired tour advances should be recovered from the employees involved. I further advised the Controlling Officer to record external travel expenditure in books of accounts in the financial year it relates and further reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer concurred with my observation and stated that the retirement of the tour advances is an ongoing exercise because most of the unretired tour advances relate to previous years whereby the supporting documents cannot be traced or located, thus hindering the efforts of retiring the tour advances. He further stated the Ministry is liaising with the Accountant General's office to assist on this matter.

The response from the Controlling Officer was noted. However, the matter remains unresolved as the Tour Advance Suspense Account has not been cleared.

97. Non-remittance of National Provident Fund Deductions

At the close of the financial year (31st March 2023), the Ministry of Agriculture had not remitted National Provident Fund deductions amounting to **E592,561.67**. This a violation

of the Swaziland National Provident Tax Order of 1975. The breakdown of the unremitted deductions is illustrated in the table below

Responsibility Centre	Account Item	Unremitted Deductions (E)
1104: Finance & Common Services	62240: National Provident Fund Deduction	380,821.69
2161: Lubombo Veterinary Field	62240: National Provident Fund Deduction	51,186.42
2162: Shiselweni Veterinary Field Services	62240: National Provident Fund Deduction	8,917.56
2163: Manzini Vet Field	62240: National Provident Fund Deduction	138,201.80
2164: Hhohho Vet Field Services	62240: National Provident Fund Deduction	3,311.10
2165: Piggs Peak Veterinary Field Services	62240: National Provident Fund Deduction	7,745.60
2601: Land Development Section	62240: National Provident Fund Deduction	2,377.50
Total Unremitted Deductions		592,561.67

Section 14(2) of the Swaziland National Provident Fund Tax Order No. 23 of 1974 states that, a contributing employer shall, for every contribution period after the date when he became a contributing employer, pay into the Fund the statutory contribution in respect of each eligible employee employed by him during such period. Subsection 3 further clarifies that every contribution due under this section should be paid to the Fund within twenty-one days after the end of the month in which the last day of the relevant contribution period falls, and shall be credited to the account of the person in respect of whom it is paid.

Furthermore, section 21(2) warns that if any contribution for which a contributing employer is liable is not paid within the time specified in section 14(3), a sum equal to seven and one half per centum of the amount unpaid shall be added to the contribution for each month or part of a month during which the contribution remains unpaid after the date by which payment was due, unless the Board is satisfied that the employer has not omitted to take all reasonable action to ensure payment within the time specified by this Order, and any such additional amount shall be recoverable as a civil debt due to the Board as if it were a contribution: Provided that the Board may, if it thinks fit, remit any penalty imposed by this subsection in whole or in part.

I am concerned by the failure to remit deducted employee contributions to the National Provident Fund because it may have adverse effects on the benefits of non-pensionable workers and further subject the Government to unnecessary debts and penalties.

I advised the Controlling Officer that the deductions of the National Provident Fund should be remitted to Eswatini National Provident Fund in compliance with the Swaziland National Provident Fund Order.

In response, the Controlling Officer acknowledged my finding and stated that the figure of unremitted provident fund amounting to E592,561.67 was still being processed and the schedule of provident fund amount deducted from each employee per centre in question was done.

The Controlling Officer's response was noted. However, the matter remains unresolved since at the time of compiling this report the National Provident Fund Suspense Account balances had not been cleared and evidence of remittance had not been provided.

98. Fictitious Car Advance Interest Subsidy Asset

A payment of **E27,663.68** to a former Minister bearing employment number 4210665, under responsibility centre 1001 was wrongly posted to the Ministry's suspense account (Account No. 204100162263) in the financial year ended 31st March 2014 instead of the Treasury Suspense Account thereby creating a fictitious asset in the Ministry's suspense account. This amount was supposed to be posted to the Treasury Suspense Account in order to clear the car advance subsidy provision at the Treasury Department. As such the Ministry's Car Advance Interest Subsidy – Banks account which had no provision has remained uncleared to date.

Responsibility Centre	Account Item	Unrecovered overpayment of Deductions (E)
1001: Minister's Office	62263: Car Advance Interest Subsidy – Banks	27,663.68
Overpayment of Deduction – Car Advance Interest Subsidy		27,663.68

Section 11, paragraph 2.20 of Financial Management and Accounting Procedures manual guides that greatest attention should be paid to the reconciliation of below-the-line accounts as part of the year-end procedures since any remaining balances will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year.

I am concerned that the matter remains unresolved even though I reported the same issue in my previous year's Financial Audit Report. The delay in addressing the matter continues to distort the reported financial information which may affect decision making by users of the financial statements.

The Controlling Officer was therefore expected to reconcile the account and make necessary adjustments to clear the balance.

In his response, the Controlling Officer stated that with regards to the Car Advance Interest Subsidy his Ministry through the Human Resource Office would consult the former Honourable Minister concerning the debt.

The Controlling Officer's response was noted, however, at the time of compiling this report, the balance remained uncleared.

99. Unclaimed Deposits

I reported to the Controlling Officer that deposits amounting to **E743,161.02** in respect of Farmers cattle proceeds remained unclaimed as at 31st March 2023. These deposits date back to 2008 hence it was unclear why the Ministry had not distributed them to the entitled beneficiaries. Details of the unclaimed deposits are shown in the table below:

Responsibility Centre	Account Item	Liability due to unclaimed deposits (E)
2110: Gege Dairy	61108: Nyonyane Sisa Ranch N. N.Cattle	743,161.02
Total Deposits		743,161.02

Financial and Accounting Instruction number 1307 stipulates that "amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees. Furthermore, Section 11.8, Paragraph 8.7, of the Financial Management and Accounting Procedures Manual guides that any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher and if a subsequent claim is proved, such entry may be reversed and the deposit refunded. Paragraph 8.8 goes on to explain that balances for this account should normally be in credit or zero.

I am concerned that farmers have been deprived of proceeds they are entitled to which may end up being distributed to underserving beneficiaries. Furthermore, the Ministry has not heeded to guidance provided by accounting regulations and procedures regarding the treatment of deposits.

I advised the Controlling Officer to ensure that unclaimed deposits within a five-year period are investigated and disposed to the rightful payees while those in excess of five years should be transferred to the Consolidated Fund. I further advised the Controlling Officer to reconcile the Deposits Suspense Account accordingly.

In response the Controlling Officer stated that these funds belong to the farmers and they were liaising with the Ministry of Finance to request for authority to use the funds to brand the cattle.

The Controlling Officer's response was noted, however, the matter remains reportable since the deposits are still unclaimed.

100. Audit of Trading Accounts and Special Funds Accounts

100.1. Tractor Hire Pool Trading Account - Appendix 111

The Trading Account of the Tractor Hire Pool Programme has been inactive over the past years and the cash with Government amounted to **E14,990,365.39** as at 31st March 2023. This amount consists of **E48,000.00** which was deposited to the Tractor Hire Pool Trading Account during the 2022/2023 financial year yet the Tractor Hire Pool function had already been moved to the National Maize Cooperation (NMC). It is unclear why the inactive Trading Account continues to receive deposits and why the cash balance was not moved to the Consolidated Fund when the function was moved. Details of the Tractor Hire Pool Trading Account transactions are shown in the table below.

Responsibility Centre	Account Item	Unaccounted-for Deposits (E)
2204:Mushroom Development	70220: Tractor Hire Pool	14,939,935.39
2211:Hhohho Regional Extension Services	70220: Tractor Hire Pool	730.00
2214:Shiselweni Regional Extension Services	70220: Tractor Hire Pool	1,020.00
2704:Malkerns Research	70220: Tractor Hire Pool	160.00
6205:Not in the Establishment Register	70220: Tractor Hire Pool	520.00
2212:Lubombo Regional Extension Services	70220: Tractor Hire Pool	3,000.00
2201:Director of Agriculture's Office	70220: Tractor Hire Pool	45,000.00
Cash with Government as at 31st March 2023		14,990,365.39

Retaining the Cash with Government balance under the Tractor Hire Pool Trading Account and non-revocation of its Trading Account Warrant implies that the trading account can still be utilized by Ministry. This may create opportunities for mismanagement of the trading account's funds and also result in the duplication of the Tractor Hire function.

Ideally, the Tractor Hire Pool Trading Account warrant should be suspended or revoked since the function has been moved. Furthermore, the Controlling Officer should not collect funds into the account and transfer the cash with Government to the Consolidated Fund.

In response, the Controlling Officer acknowledged my observation and stated the deposited amount of E48, 000.00 into the Trading Account was due to the fact that some farmers are not aware that the service is now provided by the National Maize

Corporation. He further stated that the Ministry is liaising with the office of the Accountant General on the deposited amount which has remained unclaimed for a period of five years to be transferred to the Revenue Miscellaneous Sundries.

The response by the Controlling Officer was noted, however, the matter remains unresolved. I am further not satisfied by the Controlling Officer's response because his Ministry was responsible for advising farmers of where the service was now provided instead of receipting the collections into the inactive Trading Account.

101. Mpisi Farm Training Centre - Appendix 30

101.1. Undelivered Building Material

Building material amounting to **E20,960.00** which was purchased by the Ministry of Agriculture from KZM Investment on behalf of the Mpisi Farm Training Centre was not delivered. The material was supposed to be used to renovate a poultry house, however, I noticed during my physical verification exercise that as a result of the incomplete delivery, it had only been partly renovated.

I also noted that while a total payment of E31,056.26 was made on 22nd November 2022, as reflected in the bank statement, for the whole purchase, the supplier only delivered material worth E10,096.26 on the 15th May 2023 which was 6 months after the payment. This was in itself irregular because it means the whole payment was made in advance of delivery. The table below depicts an analysis of both the delivered and undelivered building material.

Item Description	Ordered items	Delivered items	Undelivered items	Undelivered Amount (E)
Wrought meranti door 812x2032	4	4	0	0.00
0.6mm corrugated iron	36	6	30	4,350.00
100mm roofing screw	10	2	8	1,040.00
Cement 50kg	11	9	2	350.00
Timber 50x 76mm	36	2	34	1,605.00
Timber 76x150mm	48	8	40	4,050.00
150mm wire nails	10	3	7	362.00
HDPE pipe class 12 100m	1	0	1	1,300.00
Blue gloss enamel paint 5L	4	0	4	4,088.00
40mm padlock	3	0	3	598.00
1.8mx50x50x2mm 30m fence	1	0	1	3,217.00
Total Undelivered Materials				20,960.00

Further, the above items were not recorded in the Inward Book.

According to section 52(3) of the Public Finance Management (PFM) Act, Principal Secretaries are required to put in place procedures consistent with the PFM Act, the Procurement Act, 2011, (Act No. 7 of 2011) or any other law for verifying the receipt of

goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier.

Furthermore, section 110(1) of the Public Finance Management Act warns that a public office holder, public Officer, or other person with responsibility for Government resources shall be held personally responsible for any loss sustained by Government due to:

- a) acts of fraud or negligence on the part of that officer; or
- b) acts of fraud or negligence on the part of any other officer, if it is found that the officer contributed to the loss by the action, negligence or omission of that officer.

Section 6 of the Financial Management and Accounting Procedures Manual of 1993 further guides that, "the purchasing, receiving and custody of government stores are procedurally recorded on the Inward Book."

I am concerned that Financial losses could be incurred by the Government as a result of the non-delivery and the intended purpose for the purchase has not been achieved.

I advised the Controlling Officer to investigate the matter, take necessary action and strengthen internal controls to avoid such recurrence in the future.

In response, the Controlling Officer acknowledged my observation and he stated that the Ministry was liaising with the responsible officer and the supplier on why the payment was effected when the building materials were not yet delivered and further developments will be reported to the Auditor General in due course.

The Controlling Officer's response was noted, however, at the time of writing this report I had not received the report. Therefore, the matter remains unresolved.

101.2. Non-functional Water Pump

A Water Pump costing E22,425.00 was purchased by the Ministry from Zitha Pumps and delivered on 23rd March 2023, however, two months later, it was not functioning because its foot motor, worth **E11,040.00**, developed mechanical problems and was returned to the supplier for repairs. According the ranch manager, the foot motor was returned to the supplier in June 2023 and on the date (12th December 2023) of my visitation to Mpisi Farm which was 6 Months later, it had still not been returned by the supplier. The supplier confirmed custody of the foot motor in an email dated 5 January 2024 and stated that it

was never repaired. It is unclear as to why the motor was not replaced since my expectation was that it should have still been under warranty at the time of malfunction.

I further noted that the water pump and the foot motor were not recorded in the Inwards Book and Stores Ledger.

According to section 52(3) of the Public Finance Management (PFM) Act, Principal Secretaries are required to put in place procedures for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier. Section 80(3) then requires them to have adequate systems and processes in place to plan for assets, procure assets, account for assets, maintain assets, store assets, and dispose of assets, including maintaining an asset register that is current, accurate and available for inspection at any time by the Ministry responsible for Finance or the Auditor General. Furthermore, according to section 80(1), Controlling Officers should manage the assets to ensure that Government achieves value for money when acquiring, using and disposing of Government assets.

I raised my concern that Government was not deriving any value from the purchase of the water pump and may end up incurring unwarranted repair costs. Further, the intended purpose of acquiring the pump was not being achieved.

I advised the Controlling Officer that the Ministry should investigate the circumstances which led to the malfunction and why the problem had remained unrectified for a lengthy period and thereafter take necessary action. I also advised the Controlling Officer to ensure that books of accounts are kept and always up to date.

In his response the Controlling Officer concurred with my finding but affirmed that the foot motor had been fixed by the supplier but yet to be re-installed at Mpisi Cattle Breeding Station. He explained that the circumstances which led to malfunctioning as follows:

- (i) The pump was delivered with a foot motor in good working condition.*
- (ii) However, according to the supplier, the foot motor was damaged at the farm by overcurrent supplied to the foot motor emanating from an absence of a control box with circuit breakers to protect damage that may be caused by overcurrent or power surge. The supplier, therefore, recommended that a control box for the pump be purchased and installed before the motor can be re-installed. This is because the motor will definitely be damaged by the overcurrent in the absence of the control box.*

- (iii) Means to procure a new control box were not successful due to limited funds.
- (iv) Currently, the foot motor is in the possession of the supplier and was fixed ready to be reinstalled once the control box has been procured.
- (v) As such, the Ministry will prioritize procurement and installation of the control box once funds are available.

With regard to stores' record keeping, the Controlling Officer confirmed that the purchased pump was not recorded accordingly upon delivery at Mpisi Cattle Breeding Station due to the absence of Storeman on the day of delivery. He promised that efforts would be made to ensure that all purchased stores are recorded in the books of account (Inward Book and Stores Ledger) as required by Government laws and regulations.

The response of the Controlling Officer was noted. However, it does not address the audit finding. I am concerned that Government has not received any value from the purchase. Moreover, he has not provided any evidence supporting his explanation. Furthermore, the Controlling Officer should have ensured that conditions for utilizing the Pump were conducive before acquiring it and the time that has lapsed without fixing the problem cannot be justified.

102. Outstanding Value Added Tax (VAT) Debt as at 31st March 2023

I notified the Controlling Officer that records from Eswatini Revenue Services revealed that the Ministry of Agriculture had a Value Added Tax (VAT) debt worth **E92,604.84** relating to tax periods dating back from December 2017, which was still outstanding and not disclosed in the financial statement for the year ended 31st March 2023.

I reminded the Controlling Officer that, all public entities are required by law (Income Tax Order of 1975 as amended) to remit taxes in accordance with the tax law. Further, Section 11(2)(a) of the Public Finance Management Act (2017) requires Controlling Officers to put in place effective and efficient internal control arrangements and systems for the management of assets, liabilities, and other risks.

I am concerned that the Government was deprived from receiving revenue in the form of taxes and I pointed out that this is in contravention of the Income Tax Order of 1975, as amended, which states that public entities are required by law to remit taxes in accordance with the tax law.

Hence, I advised the Ministry to settle the VAT tax debt with the Eswatini Revenue Service and provide proof of settlement.

In response, the Controlling Officer noted my observation and stated that to facilitate settlement of the debt with the Eswatini Revenue Service, the entity was requested to submit the outstanding . invoices to the Ministry. He further stated that the Ministry is constantly pursuing the matter with the Eswatini Revenue Service.

The response of Controlling Officer was noted, however, without the proof of settlement of the debt, the audit finding remains unresolved.

HEAD 23: MINISRTY OF ECONOMIC PLANNING AND DEVELOPMENT

An audit of the Consolidated Government Financial Statements for year ended 31st March 2023, was conducted. I communicated my audit findings to the Controlling Officer, through a reports referenced S62A Vol V11/13 and S62A Vol. VII/14; dated 14th December 2023 and 12 January 2024 respectively. The Controlling Officer responded through a memorandum referenced Economic Planning and dated 25th January 2024; however, the following audit findings were unresolved, thus reportable.

103. Non-adjustment of Credit Balances Against Recurrent Expenditure

I reported to the Controlling Officer that there were credit entries, in respect of unutilised budgets for petrol under the responsibility centre 3101 and salaries under responsibility centers 2101 and 3101, amounting to **E5,532,839.76** against the actual recurrent expenditure incurred by the Ministry. The credit entries had reduced and concealed the actual expenditure incurred for the fiscal year ended 31st March 2023.

This comprised of unutilised budget worth **E819,840.00** received from Ministries and Departments for petrol, and unutilised budget transferred from the Ministry of Home Affairs which was not utilised by the Ministry for salaries worth **E4,712,999.76**, as illustrated in the table below.

Centre	Item	Description	Amount (E)
3101: Central Statistics Office	00268	Petrol	819,840.00
2101: Central Planning Office	01101	Salaries	3,890.64
3101: Central Statistics Office	01101	Salaries	4,709,109.12
Total			5,532,839.76

I reminded the Controlling Officer that Financial and Accounting Instruction 0510 “states that credits to recurrent expenditure items are not allowed except in the case of overpayment within the financial year, or certain inter-departmental transactions requiring an alteration to the debit or adjustments rectifying errors in the accounts for the year”.

I further notified that, Journal Entries were used to circumvent controls or restrictions of movement of budgets required by Section 31(4) of the Public Finance Management Act (2017) which stipulates that the total amount to be reallocated in the financial and that this misuse of Journal Adjustments is not acceptable.

I am concerned that the expenditure was reduced by the non-adjustment of credit entries against recurrent expenditure; hence, there is a risk of under-statement of the recurrent expenditure in the financial statements.

I advised the Controlling Officer to reverse the credit entries from the Recurrent Expenditure Account with correct postings of the budget and related transactions, in compliance with the Public Finance Management Act (2017), Financial and Accounting Instructions, and Financial Management and Accounting Procedures Manual.

In response, the Controlling Officer stated that:

Petrol (Fuel): The Ministry had projects under the Statistics Department, and a sum of E819,840.00 was transferred from project to the recurrent budget to cater for petrol utilized by projects. Therefore, rationing of petrol for ministries led to the under-utilization of the funds allocated for fuel.

Salaries: The Statistics Department has temporal personnel for the project who get remuneration from the recurrent budget. She further stated that an amount of E4,709,109.12 was transferred from the project to the recurrent account. To cater for their salaries. It was impossible for the project personnel to be remunerated directly paid from the project, hence the transfer was made.

The response from the Controlling Officer was noted; however, it is not satisfactory because the adjustments were not done by the Ministry for the unutilized budgets and the Controlling Officer reasons for failing to prepare the necessary adjustments to correct the financial performance of the Recurrent Vote and affected project accounts. Moreover, she did not provide reasons why it was impossible to remunerate the temporal staff directly from the project. It was also not clear if statutory procedures were followed during the payment of salaries.

104. Outstanding Commitments

I reported that were outstanding commitments amounting to **E834,747.48** on Travel, Transport and Communication Costs (02), Project G57699, Professional and Special Services (04), and CTA Vehicle Charges in the financial year ended 31st March 2023, as illustrated in the table below.

Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD80	Variance AA220	Commitments
		E	E	E	E	E	E
1101	02	832,400.00	2,065,094.00	1,627,505.29	114,114.04	437,588.71	286,844.67
1001	02	1,301,312.00	1,428,312.00	1,321,949.47	-132,052.94	106,362.53	238,415.47
3201	02	357,000.00	533,898.00	497,703.52	84,411.57	36,194.48	120,606.05
1201	02	354,434.00	416,420.00	318,534.66	25,987.47	97,885.34	71,897.87
3101	02	199,345.00	207,636.00	190,358.26	31,882.10	17,277.74	49,121.95s
1205	02	11,288.00	48,299.00	38,624.68	4,474.73	9,674.32	14,149.05
3101	G57699		9,769,000.00	9,678,863.11	1,545.67	90,136.89	88,591.22
3201	04	142,000.00	9,295.00	3,731.37	2,486.37	5,563.63	8,050.00
1001	04	58,100.00	34,227.00	31,420.04	318.87	2,806.96	2,488.09
1201	00	128,775.00	16,116.00	13,910.27	0.67	2,205.73	2,205.06
1101	00	1,607,078.00	428,533.00	10,860.21	416,172.79	417,672.79	1,500.00
Total							834,747.48

Section 35 of the Public Finance Management Act of 2017 requires that:

- (a) "the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and
- (b) All authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I am concerned there is a risk that the reported recurrent expenditure could be misstated, thereby distorting the reported financial performance of the Ministry, and misleading to users of the financial statements.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, and to keep close control on all commitments and make enquiries if a commitment does not become actual expenditure within a period of 90 days, should be cancelled and the necessary expenditure account reconciliations undertaken, as per the Financial and Accounting Instruction 0410.

In response, the Controlling Officer provided the following information in a tabular format:

Centre	Item	Amount (E)	Management Response	Auditor General's Evaluation
1101	02	323,474.67	Investigations are on going	There was a partial de-commitment of E36,630. 00. A balance of E286, 844.67 has not been de-committed. Matter remains unresolved.
1001	02	238,415.47	Investigations are on going	De-commitment not actioned. Matter remains unresolved.

3201	02	120,606.05	Investigations are on going	De-commitment not actioned. Matter remains unresolved.
1201	02	71,897.87	Investigations are on going	De-commitment not actioned. Matter remains unresolved.
3101	02	49,159.84	Investigations are on going	De-commitment not actioned. Matter remains unresolved.
1205	02	14,149.05	Investigations are on going	De-commitment not actioned. Matter remains unresolved.
3101	G57699	88,591.22	Investigations are on going	De-commitment not actioned. Matter remains unresolved.
3201	04	8,050.00		De-commitment not actioned. Matter remains unresolved.
1001	04	2,488.09		De-commitment not actioned. Matter remains unresolved
1201	00	2,205.06		No response from Controlling Officer. De-commitment not actioned. Matter remains unresolved
1101	00	1,500.00		No response from Controlling Officer. De-commitment not actioned. Matter remains unresolved.

The response of the Controlling Officer was noted; however, it is not satisfactory because most of the commitments are still outstanding, the matter remains unresolved.

105. Unappropriated Over-Expenditure on Personnel Costs

I reported that the Ministry incurred unappropriated over-expenditure on Personnel Costs amounting to **E235,757.74** (37.3%) incurred under the responsibility centre 1204-SADC Regional Integration Programme, in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-expenditure	
	E	E	E	E	%
1204: SADC Regional Integration Programme	294,908.90	632,362.00	868,119.74	235,757.74	37.3

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

I warned the Controlling Officer that over-expenditure beyond the budget released, as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated over expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Ministry ought to have sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling Officer stated that the appropriated budget was very low for the SADC personnel and that the variance was also inflated by the cost of living adjustment during the financial year 2022/23. The appropriated budget was E294,908.50 and in the current financial year the appropriated budget for SADC has been adjusted to E870,496.00.

The response from the Controlling Officer was noted. However, the audit finding remains reportable since it is in contravention of Section 34 of the Public Finance Management Act, (2017) and it by-passes the budgetary and authority controls exerted by the Ministry.

106. Significant Under-Expenditure on CTA Vehicle Charges and Travel, Transport and Communications

I reported to the Controlling Officer that there was under-expenditure on recurrent vote amounting to **E746,061.46** in the Minister's Office and Principal Secretary's Office in the fiscal year ended 31st March 2023. These comprised of under-expenditure on CTA Vehicles Charges amounting to **E422,586.79** under responsibility centres 1001 and 1101; and an amount of **E323,474.67** on Travel, Transport and Communications as illustrated in the table below:

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-Expenditure	
00 CTA Vehicle Charges	E	E	E	E	%
1001: Minister's Office	174,600.00	6,414.00	0.00	6,414.00	100
1101: Principal Secretary's Office	1,607,078.00	428,533.00	10,860.21	416,172.79	99.5
Under-Expenditure on CTA Vehicle Charges		434,947.00	10,860.21	422,586.79	
02: Travel, Transport & Communication					
1101: Principal Secretary's Office	832,400.00	2,065,094.00	1,627,505.29	323,474.67	21.2
Under-Expenditure on Recurrent Vote				746,061.45	

Under-expenditure of 10% or more in a year is a serious concern as the unutilised funds deprive other Government projects or programmes of planned development initiatives. Had the funds been accessible and/or used to finance essential programmes, they would have contributed towards the development and economic growth of the country. This is so because they may result in not accomplishing planned development initiatives, and

they may also result to lesser service delivery, thereby negatively impacting the lives of citizens.

I am concerned of slow economic growth and development arising from the opportunity cost of tying up these unutilised funds within the Ministry, instead of having them invested in other important government projects or programmes.

I advised the Controlling Officer to ensure that released funds are utilized for the intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for the non-utilisation of the released budget and explain if its intended purposes were met, despite the under-expenditures.

In response, the Controlling Officer concurred with my observations and stated that the under-expenditure on CTA Vehicle Charges was as a result of all CTA Charges were incurred under 3101, since the allocation of fuel was centralized to one centre. She further stated that the under-expenditure on Travel and Communication was due to the unclaimed remaining balance of days in March, since circular from the Accountant General's office stipulates that personnel should claim part of the amount for March, from the 1st of March to the 15th of the same and the balance to be claimed the following financial year.

The response of the Controlling Officer was noted; however, the Controlling Officer did not explain whether the intended purposes of requesting the budgets for these items was achieved despite the under expenditures.

107. Significant Under-Expenditure on Projects G42299; G60970; and G60199

I reported that there were significant under-expenditures incurred on Projects G42299, G60970, and G60199 amounting to **E16,572,558.1** under the Economic Planning Office (Centre 1201) and Statistics Department (Centre 3101) in the financial year ended 31st March 2023. These comprise of: Project G42299 amounting to **E1,998,910.95** (40%); Project G60970 amounting to **E5,644,809.08** (12.1%); and Project G60199 amounting to **E8,928,838.58** (87.5%), as illustrated in the table below.

Responsibility Centre	Project	Budget Released	Actual Expenditure	Under-Expenditure AA220	
		E	E	E	%
1201: Economic Planning Office	G42299: Implementation of Development Strategies	5,000,000.00	3,001,089.05	1,998,910.95	40

	G60970 Micro projects- Infrastructure Development VI	46,500,000.00	40,855,190.92	5,644,809.08	12.1
3101: Statistics	G60199: Eswatini Household Income and Expenditure Surveys	10,199,652.00	1,270,813.45	8,928,838.55	87.5
Total Under-Expenditure on Capital Vote				16,572,558.58	

I reminded the Controlling Officer that under-expenditures of 10% or more in a year may not be conducive to the development of the country and has a negative impact on service delivery. The non-utilisation of budget provisions indicates that there were delays in the implementation of projects, which is likely to increase the costs of completion of the entire project due to increases in prices and penalties for delays. Further, planned development initiatives might not be accomplished due to delayed service delivery that may negatively impact the lives of citizens.

I am concerned that non-utilization of released funds implies poor implementation of government programs, projects, and may mean that objectives were not achieved, thereby hampering development. It could also be a result of poor budgeting which may include a deliberate overestimation of budgeted which, in turn, makes Controlling Officers appear to have made savings at the end of the fiscal year.

I advised the Controlling Officer to ensure that released funds are utilized for the intended purposes and not to seek budget release when not ready to implement. Further, the Controlling Officer is advised to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met, despite the under-expenditures.

In response, the Controlling Officer explained that the under-expenditure on Project G42299- Implementation of Development Strategies was due to the deferral of a number of projects that had been planned for the year under review. These projects included the National Development Strategy (NDS) which encompassed a number of other activities. The activities included the National Growth Strategy and the launch of External Resource Mobilization and Management Committee.

The response of the Controlling Officer was noted. However, the Controlling Officer has not presented any documentation mandating the postponement of these critical activities. The Controlling Officer simply stated that execution of other planned activities would be in future years, without being specific about the exact date. Thus seemingly, priority was not given to the execution of the planned activities.

The under-expenditure on Project G60970- Micro-Project Infrastructure Development VI was caused by following reasons:

Asibemunye Nkwene Water Project had an extension of completion date of 11th April 2023, hence the Ministry could not have spent the total contract sum of E15,790,251.60 as the project implementation was still ongoing.

Sigombeni Water Project was revised to 1st April 2023. She further submitted that the Ministry could not exhaust the contract sum as its still work on progress on the project. 10% Retention Monies were withheld when payments were made, therefore part of the amounts were for retention.

Maphungwane Lukhetseni Water Project: The project was suspended to May 2023 by the Project Engineer because it did not receive the environmental clearance from the Eswatini Environment Authority.

Maphungwane Lukhetseni Water Project: A contract was signed in December 2022 and the project was suspended from February 2023 to May 2023 by the Project Engineer (Eswatini Water Service Corporation) because it didn't have environmental water clearance from Eswatini Environmental Authority, therefore first payment was effected in June 2023 after permission was granted. The project was designed by Eswatini Water Service Corporation (EWSC).

The response of the Controlling Officer was noted; however, the reasons for extending the completion dates was not explained.

The Controlling Officer did not provide the reasons for under-expenditure on Project G60199- Eswatini Household Income and Expenditure Surveys.

108. Unretired Tour Advances and Fictitious Liabilities Due to Unposted Tour Advances in the Suspense Account

I reported that tour advances amounting to **E11,876.89** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were non-postings of tour advances amounting to **E1,685,738.71** in the Suspense Account and Cash Book after charging the Government General Account for those tours under the Ministry. The tour advances were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded

in the books of account and fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired/ Unrecovered Tour Advances	Unposted Tour Advances
		E	E
1001: Minister's Office	51006: Tour Advances- Employees		89,139.77
1101: Principal Secretary's Office	51006: Tour Advances- Employees	324.59	
1201: Central Planning Office	51006: Tour Advances- Employees		1,448,271.34
1202: Macro Economic Unit	51006: Tour Advances- Employees	4,196.05	
1205: Poverty alleviation unit	51006: Tour Advances- Employees	920.56	
3101: Central Statistics Office	51006: Tour Advances- Employees	6,760.28	
3201: not in Establishment Register	51006: Tour Advances- Employees		148,327.60
Unrecovered (unretired) Tour Advances and Tour Advances Purported to be over retired as at 31st March 2023		11,876.89	1,685,738.71

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual guides that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 also guides that "the year-end balances on the Tour Advances item should normally equal zero".

I warned the Controlling Officer that unretired tour advances remained unrecovered monies due to Government, and due to non-postings of tour advances in the Suspense Account and Cash Book, created fictitious liabilities, and the external travel expenditure was understated in the financial year it relates; thus distorts the financial position and financial performance, respectively

I advised the Controlling Officer that, the Ministry should ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Ministry to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advance Account at the end of each month.

In response the Controlling Officer acknowledged my audit observations and stated that the Ministry was conducting a reconciliation of the tour advances in the suspense account and cashbook.

The response of the Controlling Officer was noted. However, at the time of compiling this report the tour advances had not been cleared or recovered.

109. Unappropriated Over Expenditure and Unutilised Capital Funds

I observed that unappropriated expenditure and unutilised capital funds were observed in the financial year ending 31st March 2023 as detailed in the following paragraphs.

109.1. Unappropriated Excess (Over) expenditure on Surveillance System for All Palaces (RCPU) – Capital Fund

I reported that there was unappropriated excess (over) expenditure amounting to **E2,935,888.17** for the surveillance system for all palaces. The capital fund amounted to **E18,179,725.94** under centre 1201 whilst the actual expenditure incurred under centre 1101 amounted to **E21,115,614.11**.

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), states that "excess expenditure" means unauthorised expenditure. Section 34(7) also states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act.

I warned the Controlling Officer that any excess or any amount expended beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget. Moreover, the unappropriated expenditure has resulted to fictitious assets in the financial statements.

I advised the Controlling Officer that the Ministry should clear the unappropriated expenditure and the resulting fictitious assets balance through use of budget savings on Capital Fund or re-allocation to the Capital Fund or budget supplementary.

In response, the Controlling Officer stated that the budget under this project was unappropriated because it was outside of the National budget as it caters for the King's Office. Grants were not received in a specific period; they were received any time during the year, for specific activities for the King's Office.

The response of the Controlling Officer was noted; however, it is not satisfactory because it does address the audit finding and recommendations were not implemented.

109.2. Unutilised Capital Funds on Procurement of Computer Laptops for the Eswatini Government – Capital Fund

I also reported that there was no utilisation of capital funds for the procurement of computers and laptops amounting to **E19,500.42** in the financial year ended 31st March 2023. This balance remained unutilised since the previous financial year 31st March 2022.

109.3. Unutilised Capital Funds in respect of Green Houses for Philani Maswati Charity Organisation

I further noted that there were unutilised capital funds for Greenhouses for Philani Maswati Charity Organisation amounting to **E72,873.18** under centre 1201. Funds brought forward from the financial year ended 2022 amounted to **E75,002.72** whilst actual expenditure amounted to **E2,1293.54** during the year ended 31st March 2023.

I reminded the Controlling Officer that Section 11 (2.20) of the Financial Management and Accounting Procedures Manual stipulates that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I am concerned that these funds might have not been used to construct the greenhouses.

I advised the Controlling Officer to ascertain the guidance on how to use the unutilized funds from the respective funders of the projects.

There was no response on the unutilized funds for the procurement of computer laptops for the Eswatini Government and Green Houses for Philani Maswatini Charity Organisation.

110. Non-adjustment of Unutilised Budget Provision and Variations of Foreign Currency Exchange Gains

I reported that there were fictitious liabilities due to non-adjustments of unutilized budget provisions and variations of foreign currency exchange gains on Accounts Payable amounting to **E5,862,865.75** on Accounts Payable under responsibility centre 1101. The balance originates in the financial year ended 31st March 2020 with subsequent movements. The Ministry did not prepare adjustments for the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget.

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) guides that, “apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item”. Moreover, Paragraph 5.6 requires that “year-end balances on this item should normally equal zero”.

I warned the Controlling Officer that the non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item - in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities. Further, there is a risk of incurring expenditure against the unutilized budget, which may be regarded as unappropriated expenditure and there is a risk of using an elapsed budget.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid misappropriation of public funds.

In response, the Controlling Officer stated that the Ministry was investigating the accounts payable and would reconcile accordingly.

The response of the Controlling Officer did not address the audit finding and the recommendation was not implemented.

111. Foreign Payments without Budget and Non-adjustment of Variations of Foreign Currency Exchange loss: Unappropriated Expenditure

I also reported that the Ministry incurred foreign payments without providing the budget and did not adjust variations of foreign currency exchange loss on Accounts Payable. Thus, unappropriated expenditures (payments without budgets) and non-adjustment of foreign currency variations amounting to **E1,229,574.54** were incurred and a fictitious assets balance was created in the financial year ended 31st March 2023, under the responsibility centre 1201. The recurrent expenditure and variations were not included in the financial statements (Statement of Recurrent Expenditure – Appendix 7). The fictitious asset originates from prior financial years.

The unutilised budget provision and variations of foreign currency exchange gain and foreign payments without budget provisions and variations of foreign currency exchange loss are presented in the table below:

Responsibility Centre	Account Item	Unappropriated Expenditure (E)	Unutilized budget provision (E)
1101: Principal Secretary's Office	61023 Accounts Payable		5,862,865.75
1201: Central Planning Office	61023 Accounts Payable	1,229,574.54	

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), 'excess expenditure' means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act.

Further, Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual guides that "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense Account by the amount of the currency variation". Moreover, Paragraph 5.6 requires that "year-end balances on this item should normally equal zero".

I notified the Controlling Officer that, non-reconciliation of the Foreign Payments Suspense Account results in the creation of fictitious liabilities or assets. Thus, the recurrent expenditure was misstated while liabilities and assets were overstated, thus distorting the financial performance and financial position of the Government.

I advised the Controlling Officer to clear the unappropriated expenditure and fictitious assets by using budget savings or reallocation to the Eternal Grants and subsidies items or request a supplementary budget, and reconcile Foreign Payments Suspense Account to nil balance at the end of the financial year.

In response, the Controlling Officer stated that the Ministry is investigating the accounts payable and would reconcile them accordingly.

The response of the Controlling Officer did not address the audit finding and the recommendation was not implemented.

112.9. Tender Fees Posted Erroneously Posted in the Outstanding Accounts Accrued- Capital Accounts Instead of Revenue

I reported that there were 14 receipts at E300.00 each in respect of tender fees amounting to **E4,200.00** posted in the Outstanding Accounts Accrued- Capital Account 61075 instead of revenue (sale of tender documents and applications) account 21132 in the financial year ended 31st March 2023, under the Central Statistics Office - responsibility centre 3101. The table below the fictitious liability created by this posting error.

Responsibility Centre	Account Item	Liability Balance (E)
3101: Central Statistics Office	61075: Outstanding Accounts Accrued – Capital	4,200.00

Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual guides that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I notified the Controlling Officer that this posting error has resulted to fictitious liability, and revenue was understated, while the liabilities were overstated, in the financial statements.

I advised the Controlling Officer to investigate and rectify the mis-postings of tender fees as liability in the accounts instead of revenue.

In response, the Controlling Officer stated that the Ministry was in the process of transferring the credit remaining balance to miscellaneous income item to address the anomaly.

The response of the Controlling Officer was noted; however, at the time of preparing this report, the transfer had not been done, hence the matter remains reportable.

113.10. Unclaimed Sundry Departmental Deposits

I reported that there were unclaimed sundry departmental deposits by the rightful beneficiaries amounting to **E22,493.92** over five years and were due to be claimed by

the Government or transferred to the Consolidated Fund. The details of the unclaimed sundry departmental deposits are illustrated in the table below.

Responsibility Centre	Account Item	Unclaimed Deposits (E)
1201: Central Planning Office	61101 Sundry Departmental Deposits	17,250.92
1203: Millennium Projects Unit	61101 Sundry Departmental Deposits	5,000.00
3101: Central Statistics Office	61101 Sundry Departmental Deposits	243.00
Total Unclaimed Sundry Departmental Deposits as at 31 March 2023		22,493.92

Financial and Accounting Instruction 1307 stipulates that “amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees”. Further, Financial and Accounting Instruction 1308 also guides that “where an amount in a deposit account has remained unclaimed for a period of five years, it shall be transferred to Revenue Miscellaneous Sundries”.

I am concerned that failure to remit the sundry deposits to the rightful persons might result in the loss of public funds and an aggravated poverty status of the beneficiaries. Further, the deposits may remain unclaimed or claimed by wrong persons.

I advised the Controlling Officer to investigate the beneficiaries and dispose the funds to the rightful payees, while those above five years should be transferred to the Consolidated Fund (Revenue Miscellaneous Sundries account), and reconcile the accounts accordingly.

The Controlling Officer acknowledged my observation and stated that the Ministry was in the process of transferring the funds into the Consolidated Fund.

The response of the Controlling Officer was noted. However, at the time of compiling this report, the Government Accounting System reflected that the funds had not been transferred into the Consolidated Fund yet, hence, the audit finding remains resolved.

114.11. Unremitted Deductions of National Provident Fund, S.G. Civil Servants & Teachers Pension, Car Advance Interest Subsidy – Banks and Taxes

I noted that there were unremitted deductions amounting to **E6,570,998.44** in the financial year ended 31st March 2023. There were unremitted deductions for contributions

for the Provident Fund amounting to **E279,205.98** under various responsibility centre; unremitted taxes amounting to **E6,269,978.76** under the Principal's Secretary's Office, Central Planning Office and undisclosed Responsibility Centre. I also noted that there were unremitted pension contributions amounting to **E14,612.36**, under the Millennium Projects Unit (Centre 1203).

I further reported that, a remitted deduction amounting to **E7,201.34** in respect of car advance interest subsidy-banks was erroneously posted (debited) in the SG Civil Servants and Teachers Pension Account 62241 instead of the Car Advance Interest Subsidy- banks 62263 to clear the unremitted deduction. The details are illustrated in the table below:

Responsibility Centre	Account Item	Fictitious Assets (E)	Unremitted Deductions (E)
1001: Minister's Office	62240: National Provident Fund Deduction		715.00
1201: Central Planning Office	62240: National Provident Fund Deduction		290.00
2101: Not in the Establishment Register	62240: National Provident Fund Deduction		198,509.53
3101: Central Statistics Office	62240: National Provident Fund Deduction		79,691.45
Unremitted deductions of Provident Fund			279,205.98
1203: Millennium Projects Unit	62241: S G Civil Servants & Teachers Pension	7,201.34	14,612.36
1203: Millennium Projects Unit	62263: Car Advance Interest Subsidy – Banks		7,201.34
Total SG Civil Servants & Teachers Pension and Car Advance Interest Subsidy Banks			21,813.7
1101: Principal Secretary's Office	62315: SRA – Taxation		104,585.00
<i>1104: Not in the Establishment Register</i>	62315: SRA – Taxation		266,805.00
3101: Central Planning Office	62315: SRA – Taxation		5,898,588.76
Unremitted Tax deductions			6,269,978.76
Total Unremitted Deductions			6,570,998.44

I reminded the Controlling Officer that, all public entities are required by law (Income Tax Order of 1975 as amended) to remit taxes following the tax law.

I warned the Controlling Officer that non-remittance of deductions of taxes deprived the Government of receiving revenue in the form of taxes and non-remittance of deductions of contributions for the Provident Fund deprived non-pensionable workers of receiving their rightful benefits through Eswatini National Provident Fund.

I advised the Controlling Officer that the Ministry should remit the deductions for contributions of Provident Fund and taxes, to the Eswatini National Provident Fund and Eswatini Revenue Service respectively, and provide proof of remittances.

In response, the Controlling Officer stated that the Ministry was in the process of remitting the taxes to the Eswatini Revenue Service. The Controlling Officer further stated that they were also in the process of reconciling documents for Car Advance deduction and the outstanding S.G. Civil Servants & teachers' Pension.

The response of the Controlling Officer was noted. However, at the time of compiling this report, the remittances had not been done and the reconciliations for the Car advance and Civil Servants and teachers pensions had not been done, hence the matter remains reportable.

115.12. Outstanding Tax (VAT) Debt and Pay As You Earn (PAYE) Tax Debt

Records from Eswatini Revenue Service revealed that the Ministry had VAT debt worth **E6,219,307.07.00** relating to tax periods dating back from June 2015, and PAYE tax debt worth **E1,852.73** relating to tax periods dating back from April 2013, as at 31st March 2023.

I reminded the Controlling Officer that the Income Tax Order of 1975 as amended requires entities to remit taxes to the Eswatini Revenue Service as they fall due. It also requires that entities deduct, from each employee, a tax amount and remit it to the Commissioner no later than the 7th day of the subsequent month.

I notified the Controlling Officer that Government was deprived of receiving revenue in the form of taxes and that this was in contravention of tax laws and regulations of the country by the Ministry.

I advised the Controlling Officer that the Ministry should settle the VAT debt and PAYE tax debt with the Eswatini Revenue Service and provide proof of settlement.

The Controlling Officer acknowledged my observations and made an undertaking to investigate the matter as per the findings of the Eswatini Revenue Service.

The response of the Controlling Officer was noted; however, at the time of compiling this report, the debts had not been settled.

116.13. Budget, Expenditure, Assets and Liabilities for Non-existing Responsibility Centres

I further reported that a total of **E995,777.00** was appropriated recurrent budget, a total released budget amounting to **E831,057.37** and total actual recurrent expenditure amounting to **E787,838.94** was incurred from Responsibility Centres which are undisclosed in the Establishment Register for the financial year 2022/2023. Further, the Detailed Statement of Liabilities depicted liabilities amounting to **E399,423.13** and for Responsibility Centres not disclosed in the Establishment Register for the financial year 2022/2023. These responsibility centres are not disclosed in the Establishment Register – Supporting the Estimates of Public Expenditure for the financial year 2022/2023, and therefore they are not valid responsibility centres. The table provides a list of the invalid Responsibility Centres:

Responsibility Centre	Expenditure Item	Budget (E)	Budget Released (E)	Actual Expenditure (E)
1104	02: Travel, Transport and Communications	43,505.00	44,257.00	44,038.07
1104	04: Professional and Special Services	8,101.00	1,799.00	1,707.41
1104	06: Consumable Materials	26,084.00	2,764.00	2,761.66
2101	01: Personnel Costs	0.00	59,153.00	55,263.37
3201	00: CTA Vehicle Charges	108,000.00	0.00	0.00
3201	02: Travel, Transport and Communications	357,000.00	533,898.00	497,703.52
3201	04: Professional and Special Services	142,000.00	9,295.00	3,731.37
3201	06: Consumable Materials	67,260.00	0.00	0.00
3201	04-Professional and special services	9,295.00	3,731.37	5,563.63
3401	02: Travel, Transport and Communications	80,676.00	80,676.00	80,495.87
3401	04: Professional and Special Services	105,450.00	95,484.00	100,305.41
3401	06: Consumable Materials	48,406.00	0.00	0.00
Total Budget, Released and Actual Expenditure for Undisclosed Responsibility Centres		995,777.00	831,057.37	787,838.94
Assets and Liabilities for Undisclosed Responsibility Centres				
Centre	Account Description			Liabilities (E)
1104	62315: Accounts payable			266,805.00
3201	51006: Tour advances			132,618.13
Total Liabilities for undisclosed Responsibility Centres				399,423.13

I pointed out that all Responsibility Centres should be reflected in the Establishment Register for each financial year to support the Estimates (Budget) of public expenditure for the fiscal year. Further, Responsibility Centres that do not appear in the Establishment Register should have been abolished as non-existing Responsibility Centres may not be for public service delivery.

I warned the Controlling Officer that this may result in public funds not being accounted for by the Ministry of Economic Planning and Development, therefore, creating room for misappropriation and diversion of public funds and resulting to misinformed budget projections.

I advised the Controlling Officer to confirm the existence of these Responsibility Centres that were not appearing in the Establishment Register and to explain why the above Responsibility Centres were not included in the Establishment Register, and to eliminate abolished and/or non-existing Responsibility Centres with immediate effect. Also, budget allocations should be made only to approved Responsibility Centres.

In response the Controlling Officer stated that the Ministry was working with the Ministry of Public Service to rectify the anomaly.

The response of the Controlling Officer was noted; however, since the anomaly has not been rectified, the matter remains reportable.

HEAD 24: HOUSING AND URBAN DEVELOPMENT

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my audit findings to the Controlling Officer, Ministry of Housing & Urban Development, through a report referenced H10/Vol.VII/14 and H10/Vol.VII/17, dated 11th December 2023 and 29th January 2024 respectively. The Controlling Officer responded through two Memoranda both referenced 3/1/17/2, and dated 19th December 2023 and 30th January 2024 respectively. However, the following audit findings were unresolved and therefore remain reportable.

117.Unappropriated Excess Expenditure on Personnel Costs and Travel, Transport and Communicactions – E2,880,164.41

I reported that there were unappropriated excess expenditures on Personnel Costs amounting to **E2,866,855.27** under responsibility centres 1001, 3102, 4101 and 1102, in financial year ended 31st March 2023. I further noted an unappropriated excess expenditure on Travel, Transport and Communications amounting to **E13,309.14** (163.7%) under the responsibility centre 4101 – Township Administration. The breakdown is depicted in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Unappropriated Expenditure	
01:Personnel Costs	E	E	E	E	%
1001: Minister's Office	1,492,081.90	1,506,531.00	1,813,364.53	306,833.53	20.4
3102: Housing and Building Regulation	1,031,625.80	773,715.00	1,099,718.59	326,003.59	42.1
4101:Township Administration	7,693,527.00	5,840,998.00	8,067,591.09	2,226,593.09	38.1
1102: Principal Secretary's Office	0.00	0.00	7,425.06	7,425.06	100
Unappropriated Excess Expenditure on Personnel Costs				2,866,855.27	
4101: Township Administration	2,330.00	8,130.00	21,439.14	13,309.14	163.7
Unappropriated Expenditure on Travel, Transport & Communication				13,309.14	

Section 34(1) of the Public Finance Management Act (2017), states "excess expenditure" means unauthorised expenditure. Further, section 34(7) requires that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

I warned the Controlling Officer that any excess or any amount expended beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget. Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public moneys. Any unauthorised expenditure may lead to disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Ministry should fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and should seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling Officer stated that an over-expenditure on Personnel Costs was due to additional cost of living adjustment and also compounded by the fact that ministries are not given the budget for pension which is 20% yet they expend on pension. He further stated that the unappropriated expenditure of E7,425.06 was a mis-posting by Treasury Department for the transfer of the contributions for provident fund and adjustments vouchers have been prepared and submitted to Treasury to correct the anomaly.

The response of the Controlling Officer was noted; however, there is no justification for over-expenditure (excess expenditure) since it is in contravention of Section 34 of the Public Finance Management Act (2017). Further, there is no evidence that the adjustment voucher has been submitted to Treasury Department.

118. Under-Expenditure on CTA Vehicle Charges, Personnel Costs, and Professional and Special Services – E2,627,280.22

I reported that there were significant under-expenditures on the Recurrent Vote amounting to **E2,627,280.22** incurred by the Ministry's various responsibility centres. These comprise of, under-expenditure on CTA Vehicle Charges amounting to **E44,144.00** under the Responsibility Centre 1102-, under-expenditure on Personnel Costs amounting to **E396,231.81** under the Responsibility Centre 3101- Physical Planning Office, under-expenditure on Professional and Special Services amounting to

E2,078,600.13 under the Responsibility Centres 1101, 1102, 3101, and 4101, in the financial year ended 31st March 2023. The breakdown is depicted in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-Expenditure	
00-CTA Vehicle Charges	E	E	E	E	%
1102: Not in the Establishment Register	46,720.00	46,719.00	2,575.00	44,144.00	94.49
Under Expenditure on CTA Vehicle Charges				44,144.00	
3101: Physical Planning Office	1,177,195.60	1,695,805.00	1,299,573.19	396,231.81	23.37
Under Expenditure on Personnel Costs				396,231.81	
4102: Director Urban	368,157.00	421,155.00	359,067.84	62,087.16	14.74
3101: Physical Planning Office	155,278.00	184,177.00	165,541.88	18,635.12	10.12
3102: Housing & Building Regulation	27,585.00	27,582.00	0.00	27,582.00	100.00
Under-Expenditure: Travel, Transport & Communication				108,304.28	
1101: Principal Secretary's Office	2,240,046.00	1,929,345.00	1,083,352.35	845,992.65	43.85
1102:	44,446.00	44,444.00	0.00	44,444.00	100.00
3101: Physical Planning Office	2,048,151.00	762,306.00	607,124.15	155,181.85	20.36
4101: Township Administration	652,384.00	1,237,309.00	204,327.37	1,032,981.63	83.49
Under-Expenditure on Professional and Special Services				2,078,600.13	
Significant Under-Expenditure on Recurrent Vote				2,627,280.22	

I am concerned that planned programmes were not accomplished, particularly under the responsibility centre 3101- Physical Planning Office and responsibility centre 1101- Principal Secretary's Office. This results to limited service delivery and thereby delays improvement of the housing and urban development sector and limit the housing service to the citizens. This reflects inadequate budget planning which may include a deliberate over allocation of budget, and/or unmonitored execution and performance.

Under-expenditure indicates that public funds were tied up in the Treasury Control Items and deprived funding to other essential public programmes during the fiscal year. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country. Hence, under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government.

I advised the Controlling Officer to ensure that released funds are utilised and does not seek budget release when not ready to implement any activity or programme. I further advised the Controlling Officer to provide the reasons for the under-expenditure and explain if its intended purposes were met and achieved, despite the under-expenditures.

In response, the Controlling Officer provided the following reasons for the under-expenditure:

The under-expenditure on CTA Vehicle Charges was caused by the non-functioning of most of their motor vehicles due to being unserviceable and waiting for spare parts as they were heavy machinery/ plants. The ministry has requested the Ministry of Public Works and Transport to board the unserviceable vehicles and plants in anticipation of a new fleet.

The under expenditure on Personnel Costs was caused by that the ministry had vacant posts and had requested the Ministry of Public Service for authority to fill vacant posts. He also said, 20% of the pension is paid under Head 60 and it is not transferred to the ministry's budget.

The under-expenditure on Professional and Special Services was due to the unavailability of authority to commit funds and no validations of existing contracts, some contracts were stopped after deliberations with the Ministry of Finance on how to engage contracts.

The response of the Controlling Officer was noted; however, it is not satisfactory because there was no justification for the non-execution and non-implementation of planned programmes. The causes of delayed requests for authority to commit funds, and validations of existing contracts and cancellation of some contracts after the deliberations with the Ministry of Finance on how they were engaged, calls for investigation.

119. Project X51099- Development of Buhleni Local Authority

119.1. Irregular Accrual of Funds for a Delayed Project

I reported to the Controlling Officer that funds amounting to **E6,283,245.73** were irregularly accrued in the financial year ended 31st March 2023 to pay consulting and construction fees for Project X51099- Development of Buhleni Local Authority in the financial year ended 31st March 2024. The Controlling Officer irregularly used a Foreign Payment Suspense Account number 61024 to conceal this accrual. Prior to the promulgation of the Public Finance Management Act of 2017, Controlling Officers were authorised to accrue Capital Expenditure using outstanding Accounts Accrued-Capital number 61075, however this account was prohibited in 2017.

Normally, Accrued Expenses strive to include project activities that may not have fully been incurred but will still happen. However, I am concerned that the project was delayed and the Ministry should not have reached the stage of making an accrual if the project was implemented on time. According to records, the design for the Development of Buhleni Local Authority was completed in May 2022 but Tendering for the construction of

the Authority was started in February 2023 thereby delaying the Project by 8 months. The construction works, the consultancy services and the following payments should have been made in 2023 but they were eventually made in the financial year ended 31st March 2024 as Foreign Payments.

As such the recurrent expenditure for the year ended 31st March 2023 was eventually paid in the following year ended 31st March 2024

Source	Batch	Voucher	Date	Invoice	Payee	Amount (E)
Financial Year 2024			Bank Ref.			
224	024	030051	265179	10704	Roots Civils (Pty) Ltd	2,293,608.00
224	036	030078	265714	10710	Roots Civils (Pty) Ltd	3,272,410.28
224	035	030077	265180	INV1241	ZMCK Consulting Engineering	712,226.56
Total Payments from Irregular Accrued Budget Funds						6,278,244.84

Financial and Accounting Instruction 0404, which states that every charge to expenditure will be classified strictly in accordance with the details of the approved Estimates. Expenditure charges to any item must be within the ambit of that item. The fact that certain expenditure may be considered necessary is no reason for charging it to an item which is not intended for the purpose, and any expenditure incorrectly charged shall be disallowed by the Accountant-General.

I further advised the Controlling Officer to explain the irregular accrual of the capital budget funds. I also warned the Controlling Officer that there is a risk of unlawful expenditure due to the diversion and misappropriation of public funds.

119.2. Uncontrolled Delays, Costs and Quality during Project Implementation

It is also disturbing to note that the Consultant who was responsible for the infrastructure layout designs and construction supervision at Buhleni Local Authority had already claimed and depleted an amount of **E4,791,757.86** which is **97.5%** of the total contract sum of **E4,913,101.88** whilst progress on the implementation of the project was notably low and the work done was disappointing. When I conducted a physical inspection of the project, I noted that roads were not tarred and most project activities were not yet done. **Thus the Controlling Officer should provide an account of why the Consultant was paid an amount which is not commensurate with the percentage of completion of works on the project.**

The following table shows the details of the payments to the Consultant (ZMCK Consulting Engineers) whilst the quality and progress of the works remained questionable.

Invoice Number	Invoice Date	Amount	Details for Payment
1216	09/02/2022	481,310.19	Inception Report
1222	11/03/2022	638,351.00	Inception Report and Layout Design Stages
1237	23/05/2022	1,129,661.81	Preliminary Design
1238	28/05/2022	1,129,661.81	Detailed Design
1239	20/02/2023	260,210.00	Assistance in Tendering
1240	20/02/2023	430,335.94	Construction Supervision
1241	09/08/2023	712,336.56	Construction Supervision
Total Amount Paid		4,791,757.86	
Contract Amount		4,913,101.88	
Balance remaining		121,344.02	

In terms of 'value for money' considerations, I was also disappointed to note that the Controlling Officer paid an amount of **E1,129,661.81** for a five-days consultancy service. On 23rd May 2022, the Consultant issued invoice number 1237 in respect of preliminary designs and 5 days later, the Consultant issued Invoice Number 1238 for a detailed design of the Project at a value of **E1,129,661.81**. As of 9th August 2023, the balance remaining to be paid to the Consultant was **E121,344.02**, whereas the progress on the works done was very low.

In view of the disappointing progress on the project, I am also concerned that the Constructor, Roots Civils (PTY) LTD, was already paid an amount of **E7,630,718.61** which is **90%** of the total contract sum of **E8,478,576.24**. The only project amount remaining was a retention fee of **E847,857.63** whereas progress on the works done was low and the project was not complete. The table below shows payments made to Roots Civil (Pty) Ltd.

Invoice No.	Date of Invoice	Amount
10696	10/03/2023	2,064,700.32
10704	15/05/2023	2,293,608.00
19710	12/06/2023	3,272,410.28
Project Amount		8,478,576.24
10% Retention		847,857.63

According to the Triple Constraints of Project Management, the project's costs, time, and scope all impact its success and a project manager should maintain control of the triple constraints by balancing these three constraints but in this project it was clear that the consulting project manager failed to manage time and the quality of the works.

I also raised my concern to the Controlling Officer that delayed project implementation will result to escalation of costs and penalties, which results to wasteful and fruitless expenditure.

I advised the Controlling Officer to account for the expenditure incurred against the work done, and justify the value for money. I further advised the Controlling Officer to submit a detailed project implementation status and to provide all the documents about the project including project initiation documents, resettlement compensation reports, environmental reports, and contracts, as well as payment vouchers with invoices, project activities and deliveries.

In response the Controlling Officer stated that the Ministry was advised to transfer the funds to suspense account due to the fact that when the project funds were released, no new batches were allowed. The Ministry adhered to the end of year closing procedures of Treasury Department.

He further stated that the works were on going and funds were requested by completed certificates from the Ministry of Economic Planning and they then become due for payments. The funds were released on the 21st of March 2023. He also elaborates on the quality of works where he stated that they may be misunderstanding on how tarred roads are surfaced and would rely on an expert's information to determine the progress of the project.

The response of the Controlling Officer is not satisfactory and my recommendations were not implemented by the Ministry. I was not provided with the instrument addressing the issue of the diversion of funds and detailed project implementation status, project initial documents, resettlement compensation reports, project activities and deliveries. The Controlling Officer did not account for the delay in the implementation of the project and did not account for the depletion of project funds prior to completion of the project.

120. Unrecovered (Unretired) Tour Advances

I reported that tour advances received by employees amounting E200.10 were not retired, the monies remained outstanding and due to the Government, as such asset balances were created and remained un-cleared, as at 31 March 2023, as illustrated by the table below.

Responsibility Centre	Account Item	Outstanding Tour Advance (E)
3101: Physical Planning Office	51006: Tour Advances- Employees	200.10
Unrecovered (unretired) Tour Advances as at 31st March 2023		200.10

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual guides that “where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer’s future salary entitlements”. Moreover, Section 11, paragraph 4.19 states that “the year-end balances on the Tour Advance item should normally equal zero”.

I am concerned that the unretired tour advances remained unrecovered monies due to Government, and the external travel expenditure was understated in the financial year it relates; thus distorts the financial position and financial performance, respectively.

I advised the Controlling Officer to ensure that Tour Advances are retired and repaid immediately upon completion of the tour; unretired tour advances are recovered from the implicated employees; necessary action is taken against officers who fail to recover tour advances; and that the Tour Advance Account is reconciled at the end of each month.

In response the Controlling Officer stated that the amount shown on tour advances was a result of the difference in exchange and adjustment voucher has been prepared to correct the debit balance on the suspense account.

The response from the Controlling Officer was noted; however, the audit findings remains unresolved since the tour advance was not retired or recovered from the officer involved.

121. Unremitted Deductions National Provident Fund and Mis-posting of Tax Remittance

(a) Unremitted Deductions of Contributions for Provident Fund

I reported to the Controlling Officer that there were unremitted National Provident Fund deductions amounting to **E18,101.00**, as at 31st March 2023, as shown in the table below:

Responsibility Centre	Account Item	Unremitted Deductions (E)
Unremitted Provident Fund Deductions		
1001: Minister’s Office	62240 National Provident Fund Deduction	9,757.50
1102: Not in the Establishment Register	62240 National Provident Fund Deduction	8,343.50
Total		18,101.00

(b) Mis-posting of Tax Remittance

I further reported that there was a mis-posting of tax remittance amounting to **E594.00** which were wrongly charged under the Responsibility Centre 4102 instead of 4101.

Responsibility Centre	Account Item	Assets	Liabilities
4101	62315 SRA-Taxation		594.00
4102	62315 SRA-Taxation	594.00	

Financial and Accounting Instruction 0202(vii) states that “the Controlling Officer is responsible for ensuring each month that his/her accounts are reconciled with the Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer”.

Non-remittance of deductions of contributions for Provident Fund deprived non-pensionable workers of receiving their rightful benefits through Eswatini National Provident Fund. I further warned the Controlling Officer that mis-posting of transactions distorts accounts.

I advised the Controlling Officer to remit the deductions of contributions for provident fund to the Eswatini National Provident Fund and rectify the mis-posting of tax remittance in the accounts, accordingly.

In response the Controlling Officer stated that corresponding entries were prepared to reimburse the suspense for the payment of provident fund for six (6) employees for the Ministry.

The Controlling Officer’s response was noted; however, it is not satisfactory because he did not provide evidence that the outstanding deductions of contributions were remitted to the Eswatini National Provident Fund and the issue of posting error of tax remittance has not been addressed.

122. Budget, Expenditure, and Liabilities for Undisclosed Responsibility Centres

I further reported that total appropriated recurrent budget of **E1,292,059.00**, from which **E1,213,335.00** was released and total actual expenditure amounting to **E1,104,778.83** was incurred on Responsibility Centres which are not disclosed in the

Establishment Register in the financial year 2022/2023. Further, the Detailed Statement of Assets and Liabilities depicted liabilities amounting to **E6,522,965.61** and assets amounting to **E594.00** for undisclosed Responsibility Centres in the Establishment Register for the financial year 2022/2023. Since these Responsibility Centres are not disclosed in the Establishment Register – supporting the Estimates of Public Expenditure for the financial year 2022/2023, they are not valid. The table provides a list of the invalid Responsibility Centres:

Responsibility Centre	Expenditure Item	Budget (E)	Budget Released (E)	Actual Expenditure (E)
1102:	00-CTA Vehicle Charges	46,720.00	46,720.00	2,575.00
1102:	04-Professional and Special Services	44,446.00	44,444.00	0.00
1102:	01-Personnel Costs	0.00	0.00	7,425.06
4102:	00-CTA Vehicle Charges	508,560.00	508,560.00	552,483.05
4102	02-Travel, Transport and Communication	368,157.00	421,155.00	359,067.84
4102:	04-Professional and Special Services	171,411.00	166,901.00	183,227.88
4102:	06-Consumables	152,765.00	25,556.00	
Total Budget, Released and Actual Expenditure for Undisclosed Responsibility Centres		1,292,059.00	1,213,336.00	1,104,778.83
Assets and Liabilities for Undisclosed Responsibility Centres				
Responsibility Centre	Account Description	Assets (E)		Liabilities (E)
1102:	62240 National Provident Fund Deduction			8,343.50
2101:	61024 Accounts Payable –Townships			6,514,622.11
4102:	62315 SRA Taxation 594.00		594.00	
Total Liabilities for undisclosed Responsibility Centres			594.00	6,522,965.61

I reminded the Controlling Officer that all Responsibility Centres should be reflected in the Establishment Register for each financial year to support the Estimates (Budget) of public expenditure for the fiscal year.

I warned the Controlling Officer that this may result in the public funds not being accounted for by the Ministry of Housing and Urban Development. This creates a room for misappropriation and diversion of public funds and results in misinformed budget projections.

I advised the Controlling Officer to give an explanation on why the above Responsibility Centres were not included in the Establishment Register, and to eliminate invalid and/or non-existing Responsibility Centres under the Ministry with immediate effect, and budget allocations should be made only to the approved Responsibility Centres.

In response, the Controlling Officer explained that Establishment Register is a mandate of the Ministry of Public Service and relates mostly to personnel and posts and that it is

a high level of activity and concentrates on those Centres that have the element of personnel. For instance, if the high level activity was 41 then the main centre will usually be 4101 and 4102 as the Operational Centre. Operational Centres are requested as per when the need arises with the Ministry of Finance.

The response of the Controlling Officer does not address the audit finding.

123. Audit of Statement of Outstanding Loans from Revenue and Other Sources

123.1. Long Outstanding Loans - Eswatini Housing Board

Through my report referenced A2/2022/2023/24 dated 23rd January 2024, I notified the Controlling Officer that loans with a total book value of **E13,116,703.87** issued by government to the Eswatini Housing Board were long overdue for collection. The outstanding loans were issued from government revenue and other sources in prior years and the settlement periods have long elapsed with no repayment made. Noted was that Eswatini Water Services Corporation was the only company servicing its loans with one loan being fully settled. The table below is a breakdown of the outstanding loans.

Details	Rate of Interest	Redemption Date	Amount O outstanding	Amount Outstanding FY2021	Amount Outstanding FY2022	Amount Repaid	Amount Outstanding FY2023	Term of Repayment
Housing	9%	15/06/2005	500,000.00	500,000.00	500,000.00	-	500,000.00	25 annual instalments wef 15/06/81
Housing	9%	09/10/2005	282,000.00	282,000.00	282,000.00	-	282,000.00	Repayable over 15 yrs wef 09/10/81
Housing	8%	09/05/2005	148,229.10	148,229.10	148,229.10	-	148,229.10	Repayable by 25 annual instalments wef 9/05/81
Housing	8%	01/04/2004	243,831.20	243,831.20	243,831.20	-	243,831.20	Repayable 25 annual instalments wef 9/15/81
Housing	9%	01/10/2006	600,000.00	600,000.00	600,000.00	-	600,000.00	Repayable by 25 annual instalments wef 30/09/82
Housing	9%	26/07/2006	600,000.00	600,000.00	600,000.00	-	600,000.00	Repayable by 25 yrs annual instalments wef 26/07/82
Housing	9%	05/05/2007	500,000.00	500,000.00	500,000.00	-	500,000.00	Repayable by 25 yrs annual instalments wef 05/05/83
Housing	9%	21/07/2007	595,000.00	595,000.00	595,000.00	-	595,000.00	Repayable by 25 yrs annual instalments wef 21/07/83
Housing	9%	28/04/2008	910,000.00	910,000.00	910,000.00	-	910,000.00	Repayable by 25 yrs annual instalments wef 28/04/84
Housing	9%	01/01/2005	99,483.22	99,483.22	99,483.22	-	99,483.22	Repayable by 25 yrs annual instalments wef 01/01/81
Housing	9%	30/04/2010	800,000.00	800,000.00	800,000.00	-	800,000.00	Repayable by 25 annual instalments wef 30/04/86
Housing	9%	14/09/2004	243,831.20	243,831.20	243,831.20	-	243,831.20	Repayable over 25 Years wef 14/09/80
Housing	9%	11/03/2008	160,000.00	160,000.00	160,000.00	-	160,000.00	Repayable by 25 annual instalments wef 11/03/84
Housing	9%	04/06/2002	94,600.86	94,600.86	94,600.86	-	94,600.86	Repayable by 25 annual instalments wef 04/06/78
Housing	9%	25/08/2002	94,600.86	94,600.86	94,600.86	-	94,600.86	Repayable by 25 annual instalments wef 25/08/78
Housing	0.04	15/01/2001	7,25,127.43	7,25,127.43	7,25,127.43	-	7,25,127.43	Repayable by 25 annual instalments wef 25/08/78
			5,871,576.44	5,871,576.44	5,871,576.44		13,116,703.87	Repayable by 25 annual instalments wef 25/08/78

Section 49(7) of the Public Finance Management Act, 2017 states that the Accountant-General may, on the authority of the Minister, withhold a release of funds to any bank account of any public entity, Local Government or government business enterprise where the public entity, local Government business enterprise has managed public resources in a way that exposes the government to fiscal risks, service failure or other serious performance issues. Further, Financial and Accounting Instruction 0201(iii) and (xiii)

states that "it is the duty of the Accountant-General to exercise supervision over the receipts of public revenue and so far as is possible to secure its punctual collection. And to render the annual accounts for audit to prepare financial statements and returns in order to account fully for the financial activities of the Government".

My discontent is that the funds may eventually not be recovered from the Board. I cautioned the Ministry to ensure that management of the Housing Board settles the loans and provide proof of payment.

In response, referenced HUD CONF II dated 29th January 2024, the Controlling Officer requested time allowance to make written submission on 7th February 2024, which was to allow them to do due diligence and make consultations with stakeholders such as the Ministry of Finance and the Accountant- General.

At the time of compiling the report the Controlling Officer had not responded to my query.

HEAD 26: FIRE AND EMERGENCY SERVICES

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023, was conducted. I communicated my findings to the Controlling Officer through a report referenced H10/Vol.II/15 dated 11 December 2023. The Controlling Officer responded through a memorandum referenced CPM 2/1/2 dated 18 December 2023. However, the following audit findings remain unresolved and reportable.

124. Under-Expenditure on Recurrent Expenditure

I observed that the Department incurred under-expenditures on Recurrent Vote amounting to **E27,591,037.33** for various responsibility centres. This is composed of expenditure on CTA Vehicle Charges (00) worth **E5,310,107.38**, Personnel costs (01) amounting to **E17,498,464.27**, Travel and Communication (02) amounting to **E189,506.01**, Professional and Special Services (04) amounting to **E4,434.37** and Durables (07) amounting to **E108,525.00**, under various Responsibility Centers in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under Expenditure	%
CTA Vehicle Charges	E	E	E	E	
1101: Principal Secretary's Office	4,095,200.00	8,825,716.00	3,515,608.62	5,310,107.38	60.2
Under Expenditure on CTA Vehicle Charges				5,310,107.38	
01-Personnel Costs					
1101: Principal Secretary's Office	31,002,733.60	31,002,728.00	15,011,411.47	15,991,316.53	51.6
1102: Not in the Establishment Register	4,240,214.10	4,240,212.00	3,683,712.79	556,499.21	13.1
1201: Mbabane Fire Station	6,310,075.60	6,323,861.00	5,373,212.47	950,648.53	15.0
Under Expenditure: Personnel Costs				17,498,464.27	
Travel, Transport & Communication					
1101: Principal Secretary's Office	377,515.00	710,774.00	440,784.56	189,506.01	38.0
Under-Expenditure: Travel, Transport & Communication				189,506.01	
Professional and Special Services					
1101: Principal Secretary's Office	15,266,418.00	11,619,659.00	7,174,770.26	4,444,888.74	38.3
1102: Not in the Establishment Register	211,120.00	211,120.00	171,574.37	39,545.63	18.7
Under-Expenditure: Professional and Special Services				4,484,434.37	
Durables					
1101: Principal Secretary's Office	650,000.00	650,000.00	541,475.00	108,525.00	16.7
Under Expenditure: Durables				108,525.00	
Under-Expenditure on Recurrent				27,591,037.33	

Under expenditure is a serious concern as the unutilised funds deprive other Government projects or programmes of planned development initiatives. Had the funds been accessible and/or used to finance essential programmes, they would have contributed towards the development and economic growth of the country. Under expenditures of

10% and above in a year are not conducive to the development of the country and have a negative impact on service delivery.

I am concerned that there is a risk of unaccomplished planned development initiatives; poor service delivery thereby negatively affecting the lives of citizens; and poor budget planning, execution and performance.

I advised the Controlling Officer to ensure the utilisation of released funds for intended purposes and not to seek budget release when not ready to implement activity or programme. Further, the Controlling Officer must provide reasons with supporting documents for non-utilisation of the released budget and explain if it met the intended purpose, despite these high under-expenditures.

The Controlling Officer concurred with my observations and responded as follows:

*The under-expenditure on **CTA Vehicle Charges** was caused by an unsuccessful tender for the procurement of emergency vehicles for newly established fire stations; namely, Big Bend, Siphofaneni and Mankayane. He further stated that the department is in great need of the working equipment despite being able to conjure short term solution in operationalising new fire establishments. Going forward, management mentioned that the department is committed in kick starting the procurement process timeously in an endeavour to fully utilise the allocated budget.*

*He stated that the cause of the under-expenditure of E17,498,464.27 on **Personnel Costs (01)** can be attributed in two factors:*

- a) **Unfilled vacancies**- where the department has a number of vacant posts that are a result of deaths, retirements and or newly created posts in line with newly completed fire stations.*
- b) **Overtime case** - the department has reserved some budget for an ongoing court case between the staff union and government in respect of overtime claims.*

He added that despite the challenge of personnel shortage, the department manages to deliver required services to the nation.

Travel and communication (02): *The Controlling Officer acknowledged the audit finding and stated that the department successfully enacted the Fire Act through the relevant stakeholders and it was mandated to formulate rules and regulations of the Act. As part of the mandate, the department had planned to undertake an external trip for benchmarking purposes. Unfortunately, the proposed trip was cancelled on the eleventh*

hour which resulted to the funds not being utilized. The department is still hopeful that the trip materializes in the near future to engineer operationalization of the Fire Act.

Professional and Special Services (04): *The Controlling Officer stated that the cause of the under-expenditure was an unfinished court case that has kept the department in suspense in terms of the provision of special services in case the court rules in favour of the firefighters. The department is expected to procure provision of transport services if the ruling is in favour of the firefighter's union. In essence, the department will accrue under-expenditure until the case is concluded.*

Durables (07): *The Controlling Officer stated that the under-expenditure was caused by cancellation of procurement activities due to close proximity to financial year end. This borders around the cessation of accruals in the government accounting system and as such management felt that the items won't be delivered in time to meet closing of the financial year 2022/2023.*

The Controlling Officer's response was noted and the explanations provided are appreciated. However, it does not rectify the anomalies. Therefore, the matter remains unresolved and reportable.

125. Non-adjustment of Credit Entry Against Recurrent Expenditure

I reported that there was no adjustment of credit entry against the recurrent expenditure amounting to **E1,954.02** in respect of unutilised overtime budget under the Responsibility Centre 1205, in the financial year ended 31st March 2023. The credit entry reduced the recurrent expenditure. It emanates from the budget transferred from Ministry of Home Affairs.

This is in contravention of Financial and Accounting Instruction number 0510 "states that credits to recurrent expenditure items are not allowed except in the case of overpayment within the financial year, or certain inter-departmental transactions requiring an alteration to the debit or adjustments rectifying errors in the accounts for the year".

The credit entry in this account was an incorrect accounting treatment. The effect of this incorrect accounting treatment was that the Statement of Recurrent Expenditure was misstated (understated) and the financial performance of the Department was distorted.

I therefore advised the Controlling Officer that the Department should make necessary adjustment to correctly adjust the affected expenditure item.

In response, the Controlling Officer stated that he sought clarity with my office on this audit finding. However, an appropriate response will be provided in due course after the conclusion of the consultation with my esteemed office.

I am not unaware of the consultation between my office and the Department or Controlling Officer on this simple matter. The Controlling Officer did not provide reasons for failing to implement my recommendation on this audit finding. Hence, the audit finding remains unresolved and reportable.

126. Non-utilisation of Funds for Project P30670 - Procurement of Emergency Tender Vehicle

I reported to the Controlling Officer that the Department received project funds that remained unutilized amounting to **E15,056,523.00** on Project P30670- Procurement of Emergency Tender Vehicle which were funds budgeted and released as donor funds for the procurement of emergency tender vehicle. The unutilized funds occurred under Responsibility Center 1101 within the financial year ended 31st March 2023 as illustrated by the table below:

Responsibility Centre	Project No.	Budget Appropriated	Released Budget	Actual Expenditure	Unutilized Funds	%
		E	E	E	E	
1101: Principal Secretary's Office	P30670: Procurement of Emergency Tender Vehicle	15,500,000.00	15,056,523.00	Nil	15,056,523.00	100

Non-utilisation of budget provision indicates that there were delays in the implementation of the project and there is a possibility escalation of costs due to price increase and penalties for delays. The project funds were tied up in the above-mentioned Responsibility Centre, and they were neither used for the intended purposes nor anything else in the entire fiscal year, and it is not conducive to the development of the country.

The non-utilization of released project funds implies that the budgeted project was not a necessary initiative worthy of implementation; its objectives were not achieved hence efficiency and effectiveness of service delivery was hampered. It could also be a result of poor budgeting and execution. This may include a deliberate over-estimation of budgeted expenses which, in turn, makes Controlling Officers to appear to have made savings at

the end of the fiscal year. More to that, other government programs and planned development initiatives may have been unnecessarily deprived of the locked-up finances because had the funds been accessible and/or used to finance those essential programs, they would have contributed towards achievement of Government goals, development and economic growth of the country.

I advised the Controlling Officer to ensure that released project funds are utilized and not seek budget release when not ready to implement any project activity or programme. Therefore, the Department was advised to explain the reasons for non-utilisation and if the project's intended purposes were met and achieved, despite these non-utilization of the budget.

In response, the Controlling Officer, acknowledged the non-utilisation of released project funds which were intended for the procurement of emergency tender vehicles. He stated that, management submit that, the released funds were utilised through accruals following the long process of the procurement of such a huge equipment of Emergency Tender Vehicles. The funds were utilised through use of a journal voucher. Worth noting, the projects realised some savings amounting to E290,999.90 due to the exchange difference when actual payment was finally processed.

The response of the Controlling Officer was noted; however, the department was requested to provide payment voucher with the supporting documentation.

127. Budget, Expenditure, and Liabilities for Undisclosed Responsibility Centres

I reported that total appropriated recurrent budget of **E2,028,930.00** with the released budgets amounting to **E299,629.00** were allocated to undisclosed Responsibility Centres in the Establishment Register for the financial year 2022/2023. These responsibility centres are not disclosed in the Establishment Register – Supporting the Estimates of Public Expenditure for the financial year 2022/2023, and therefore they are not valid responsibility centres. The table below provides a list of these invalid Responsibility Centres.

Responsibility Centre	Expenditure Item	Appropriated Budget (E)	Budget Released (E)	Actual Expenditure (E)
1208	02- Travel, Transport and Communication	31,250.00	22,500.00	22,800.76
1208	04- Professional and Special Services	110,000.00	93,000.00	92,010.66
1209	00- CTA Vehicle Charges	885,000.00		

1209	02- Travel, Transport and Communication	20,080.00	18,080.00	17,907.80
1209	04- Professional and Special Services	45,000.00	45,000.00	45,175.00
1210	00-CTA Vehicle Charges	820,000.00		
1210	02- Travel, Transport and Communication	32,050.00	18,499.00	
1210	04- Professional and Special Services	85,550.00	102,550.00	
Total Budget, Released and Expenditure for Undisclosed Responsibility Centres		2,028,930.00	299,629.00	
Liabilities for Undisclosed Responsibility Centres				
Responsibility Centre	Account Description	Liabilities (E)		
1102:	62240 National Provident Fund Deduction	8,168.44		
2101:	61024 Accounts Payable –Townships	2,490,700.00		
Total Liabilities for undisclosed Responsibility Centres		2,498,868.44		

I reminded the Controlling Officer that all Responsibility Centres should be reflected in the Establishment Register for each financial year to support the Estimates (Budget) of public expenditure for the fiscal year. This may result in the public funds not being accounted for by the Department. This creates room for misappropriation and diversion of public funds and results in misinformed budget projections.

I advised the Controlling Officer to give an explanation on why the above Responsibility Centres were still not included in the Establishment Register, and to eliminate invalid and/or non-existing Responsibility Centres under the Department with immediate effect, and budget allocations should be made only to approved Responsibility Centres.

In response, the Controlling Officer showed appreciation to the audit findings and said he has embarked on a consultative mission to address the anomaly and ensure that the budget is aligned to relevant responsibility centres, always. He further stated that management will share the outcome of the consultation when alignment has been achieved.

I noted the response of the Controlling Officer; however, it was not satisfactory because the audit finding was not resolved and my recommendation was not implemented in its entirety by the Department. I specifically advised the Controlling Officer to confirm and verify the existence of the Responsibility Centres. At the time of compiling this report, there was no information shared on the existence and roles of the responsibility centres in question. Therefore, this audit finding remains reportable.

128. Outstanding Value Added Tax (VAT) Debt as at 31st March 2023

I further notified the Controlling Officer that records from Eswatini Revenue Service revealed that the Department had Value Added Tax (VAT) debt worth **E1,087,407.05**

as at 31st March 2023, relating to tax periods dating back from October 2013. The Value Added Taxes were not remitted to Eswatini Revenue Service by the Department, and the VAT debt was not disclosed in the Financial Statements.

I pointed out that this is in contravention of the Income Tax Order of 1975, as amended, which states that public entities are required by law to remit taxes in accordance with the tax law.

I raised my concern that the Government was deprived of receiving revenue in the form of taxes by the Department. Hence, I advised the Controlling Officer to settle the VAT tax debt with the Eswatini Revenue Service and provide proof of settlement.

In response, the Controlling Officer acknowledged my audit observation and stated that the matter has received due diligence from management supported by engagements between the department and Eswatini Revenue Service (ERS). Therefore, the principal debt has been settled with ERS after advice to seek tax relief, which was done through a letter referenced FS98, dated 13th April 2023 and was indeed granted.

The response of the Controlling Officer was noted; however, it is not satisfactory because evidence or proof of settlement from the Eswatini Revenue Service was not provided by the Department. The Controlling Officer provide a letter of 'application for reconsideration under the Tax Debt Relief Programme' addressed to the Commissioner of Eswatini Revenue Service, requesting for the waiver on paying the principal debt without the penalties. The letter cited the reason the Department did not pay until 1st November 2022 when the debt relief program was still active was that they were waiting for the Ministry of Public Works and Transport to pay as it was the one responsible for the procurement and importing of motor vehicles for the Department. From the engagement the Department was instructed by the Ministry of Public Works and Transport to pay the outstanding tax and they will be refunded.

I was not provided with the evidence that the Department was indeed granted the waiver for penalties by the Commissioner-General of Eswatini Revenue Service and paid the tax debt, and claimed the refund from the Ministry of Public Works and Transport. Hence, the matter has not been resolved.

HEAD 29: COMMERCE INDUSTRY AND TRADE

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023, was conducted. I communicated my audit findings to the Controlling Officer, through a report referenced E31 Vol.IV/35 dated 21st December 2023. The Controlling Officer responded through a memorandum referenced MCIT/RQID/20/102 dated 8th January 2024; however, the following audit findings were unresolved, thus reportable.

129.Unappropriated Expenditure on Personnel Costs, and Travel, Transport and Communications

I reported that there was unappropriated excess expenditure on Personnel Costs amounting to **E63,125.93** under the responsibility centre 1406, for employees that are not in the Establishment Register, and unappropriated excess expenditure on Travel, Transport and Communication amounting to **E38,521.79** under the Cooperative Development, in the financial year ended 31st March 2023. The details of the unappropriated expenditure are illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Over Expenditure	
Personnel Costs	E	E	E	E	%
1406: Not in the Establishment Register	0.00	3,575.00	66,700.93	63,125.93	1765.7
Travel, Transport and Communications					
2001: Cooperative Development	308,358.00	237,356.00	275,877.79	38,521.79	16.2
Unappropriated Excess Expenditure on Personnel Costs and Travel, Transport and Communications				101,647.72	

Section 34(7) of the Public Finance Management Act states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

I warned the Controlling Officer that any excess or any amount expended beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget. Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public moneys. Any

unauthorised expenditure may lead to disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Ministry ought to have sought authority before spending beyond the appropriated budget and to also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorisation.

In response, the Controlling Officer concurred with my observation and submitted that the Ministry will strength internal controls. Each Departmental Head, had been advised to properly budget for all activities to avoid the recurrence of any over expenditure.

He stated that the over-expenditure on Personnel Cost under Responsibility Centre 1406 was incurred due to the payment of salaries for one officer after having the restructuring and re-designation of positions in the Intellectual Property Department, to Responsibility Centre 2301. He said there is only one officer who was employed as a junior clerical officer and this position was not designated, hence the over-expenditure. He assured me that the Ministry has since corrected this anomaly and it shall not be witnessed in future.

He further stated that the over-expenditure on Travel, Transport and Communications under Responsibility Centre 2001 was due to unforeseen external travel of officials. The Ministry obtained technical support from the German (DGRV) and it was then mandatory for the Ministry to send officials for meetings/workshops to explore possibilities of establishing a Cooperative Bank for Eswatini. DGRV would provide funding for the meeting/workshop and the only cost to Government was the transit allowances. He said the Ministry strongly regretted this occurrence and shall ensure that such does not happen in future.

I have noted the responses of the Controlling Officer; however, upon evaluation, I noted that there was no evidence that the anomaly which occurred as result of the restructuring and re-designation of positions had been corrected.

I further noted the response relating to the over expenditure on Travel, Transport and Communications 2001 and a follow-up of similar incidences shall be made in subsequent audits.

130. Significant Under-Expenditure Consumable Materials

I reported that there was under-expenditure on Consumable Materials **E519,667.62 (17%)** under the Department of Handicraft (Responsibility Centre 1701) in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under-Expenditure	
06: Consumable Materials	E	E	E	E	%
1701: Department of Handicraft	2,051,039.00	3,065,571.00	2,545,903.38	519,667.62	17

I am concerned that planned programmes were not accomplished. This results to limited service delivery and thereby delays improvement of the entrepreneurship and economic development sector targeting to self-employment and enhancement of livelihood of entrepreneurs. This reflects inadequate budget planning which might include over allocation of budget, and/or unmonitored execution and performance.

Under-expenditure indicates that public funds were tied up in the Treasury Control Items and deprived funding to other essential public programmes during the fiscal year. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country. Hence, under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government.

I advised the Controlling Officer that the Ministry should ensure that released funds are utilised and not to seek budget release when not ready to implement any activity or programme. I further advised the Controlling Officer to provide the reasons for the under-expenditure and explain if its intended purposes were met and achieved, despite the under-expenditure.

*In response, the Controlling Officer concurred with my audit observation and stated that the under-expenditure on **Consumable Materials**, under Responsibility Centre 1701 was caused by that purchase orders were cancelled after the funds were committed only to coincide with the cut-off date for making new purchase orders.*

The response of the Controlling Officer was noted. However, it is not satisfactory because the reasons for the cancellation of purchase orders and the justification for the non-execution and non-implementation of planned programmes was not provided by the Ministry. Although, the attached communique on the cancellation is also noted, however, there is no

justification for the delay in purchasing the consumables which resulted in the Ministry being time-barred in undertaking the purchase. Attempts to conduct the purchase were taken at the cut-off date. No detail as to what caused the delay in the procurement.

131. Non-utilisation of Funds on Project M34670- Construction of Factory Shells

I drew the attention of the Controlling Officer that there was non-utilisation of the funds (budget) released on Project M34670- Construction of Factory Shells (Hlatikulu), not in the Estimates Book for the years 1st April 2022 to 31st March 2023 amounting to **E51,184,000.00** in the fiscal year ended 31st March 2023. The details of the non-utilisation of the budget on the project is depicted in the table below.

Responsibility Centre	Project	Released Budget	Actual Expenditure	Unutilised Budget	%
		E	E	E	
1401: Industrial Development Including Industrial Estates	M34670: Construction of Factory Shells	51,184,000.00	0.00	51,184,000.00	100
Unutilised Budget				51,184,000.00	

I warned the Controlling Officer that the non-utilisation of the budget provision indicates that there were delays in the implementation of the project and there is a possibility escalation of project costs due to price increase. The public funds were tied up in the above-mentioned project, and they were neither used for the intended purposes nor anything else in the entire fiscal year. Hence, it is not conducive to the development of the country, and should not be regarded as savings.

The non-utilisation of released project funds implies that the budgeted project was not a necessary initiative worthy of implementation; its objectives were not achieved hence efficiency and effectiveness of service delivery was hampered. It could also be a result of inadequate budgeting and execution. More to that, other Government programs and planned development initiatives may have been unnecessarily deprived of the locked-up finances because had the funds been accessible and/or used to finance those essential programs, they would have contributed towards achievement of Government goals, development and economic growth of the country.

I advised the Controlling Officer to ensure that released funds are utilised and not seek budget release when not ready to implement any activity or programme. Hence, the

Ministry was advised to explain the reasons that made it to have no expenditure on this project.

In response, the Controlling Officer acknowledged my observation and submitted that:

- (i) The Ministry requested for a budget allocation for the Reconstruction Fund however when the Ministry initiated the budget request the Reconstruction Fund regulations of 2021 were not in place. When the regulations were promulgated, it transpired that they were not clear on how the disbursement of the fund would be executed in a public capital project. Hence, when the Ministry was requesting for funds, accessibility was not possible. The Government's Central Agencies attempted to rescue the situation but their attempts were futile thus, a correspondence was issued to the Ministry of Finance.*
- (ii) The Intervention requested to be undertaken by the Ministry of Finance did not materialise until the financial year 2022/23.*
- (iii) In the Financial year 2023/24 the Central Agencies provided for the budget that was supposed to be undertaken through the Reconstruction Fund under the Taiwan Donor Funding. The budget was provided under the local funds – item 099.*

The response of the Controlling Officer was noted; however, the Controlling Officer does not state the rationale behind requesting a budget for the Reconstruction Fund without the necessary regulations having been enacted.

132. Non-accountability of Projects Implemented by the Micro-Projects Unit

I reported to the Controlling Officer that funds amounting to **E243,058,000.00** were released and **E243,057,999.47** was transferred to Micro-Projects Unit as an implementing agency for the Ministry in the fiscal year audited; however, there is no accountability done, through project plans, monitoring and evaluation mechanisms, implementation reports and reporting of outputs achieved. Further, the Ministry did not account for the usage of the funds and did not report on the usage of the funds in the implementation of the project and project status.

Project funds transferred to the Micro-Projects Unit were not monitored, and the Ministry was not aware of funds surplus or shortage in any project implemented by the Micro-Projects Unit. Further, there was no reporting structure on the implementation of

projects, unutilised funds and unused materials for each project were not accounted for, and over usage of funds (over expenditure) was not reported back to the Ministry.

The breakdown of the capital funds transferred to the Micro-Project Units is depicted in the table below.

Responsibility Centre	Projects	Budget Released (E)	Actual Expenditure (E)
1401: Industrial Development Including Industrial Estates	M34699: Construction of Factory Shells	243,058,000.00	243,057,999.47
Total Funds Transferred to Micro-Projects Unit		243,058,000.00	243,057,999.47

This is in contravention of Section 86(2) the Public Finance Management Act which states that the Principal Secretary of the Ministry responsible for finance shall prepare quarterly reports on the financial and non-financial performance of the Government against the annual budget and Appropriation Act.

I warned the Controlling Officer that the capital funds remain unaccounted for by the Ministry and there is a risk that the efforts and achievements of the Government in improving the livelihood and well-being of the citizens through education would not be realised.

I advised the Controlling Officer to establish a monitoring mechanism and reporting structure with the Micro-Projects Unit and should account for the capital funds and report about the projects completed, project status and funds and materials for each project to the Cabinet and Parliament.

In response, the Controlling Officer noted my observation and stated that for Project M34699- Construction of Factory Shells, the Ministry engaged the Ministry of Economic Planning and Development, Micro-Projects Unit to implement the project on behalf of the Ministry. Throughout the implementation of the project, the Ministry has been involved in each phase and the Ministry has provided constant monitoring and evaluation through the prescribed Government reporting tools i.e. Form 5A & Form 2A, engagements in site meetings and the Monitoring Matrix for activities. He further explained that the Ministry is also represented on site whereby the issues involving the project are discussed.

Form 2A depicts the half-year report in which the Ministry reports for the capital program whilst Form 5A is the end-of-year reporting. Parliament reporting is undertaken through the Quarterly Parliament reports were also attached.

The response of the Controlling Officer was duly noted; however, it is not satisfactory because there is no accountability of funds, monitoring and evaluation mechanisms, comprehensive implementation reporting on the financial and project implementation status against plan schedules and budget allocation. I am not aware how the funds transferred to Micro-Projects Unit for the Project M34699- Construction of Factory Shells were accounted-for; how they were utilized, what were the outputs and outcomes achieved, and whether there were unutilised funds and materials or not?

I further advised the Controlling Officer to account-for the funds for this project and to constantly share the accountability report on the project implementation, and to implement my recommendations above.

133. Unretired Tour Advances and Fictitious Liabilities Due to Non-posting of Tour Advances in the Suspense Account and Cash Book

I reported that tour advances amounting to **E151,801.08** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were non-postings of tour advances amounting to **E16,846.63** in the Suspense Account and Cash Book after charging the Government General Account for those tours under the Ministry. The tour advances were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of account and fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired/ Unrecovered Tour Advances (E)	Not Posted Tour Advances (E)
1701: Department of Handicraft	51006: Tour Advances- Employees		7,572.18
1502: Not in the Establishment Register	51006: Tour Advances- Employees		1,799.91
1401: Industrial Development	51006: Tour Advances- Employees		4,648.03
1201: Not in the Establishment Register	51006: Tour Advances- Employees		2,116.54
2301: Intellectual Property	51006: Tour Advances- Employees		709.97
1001: Minister's Office	51006: Tour Advances- Employees	35,107.66	
1101: Administration	51006: Tour Advances- Employees	83,035.37	
1801: Small	51006: Tour Advances- Employees	2,065.55	
2001: Cooperative Development	51006: Tour Advances- Employees	4,035.57	

Responsibility Centre	Account Item	Unretired/ Unrecovered Tour Advances (E)	Not Posted Tour Advances (E)
1102: Principal Secretary's Office	51006: Tour Advances- Employees	1,143.05	
1501: Trade Policy Development	51006: Tour Advances- Employees	26,413.88	
Unrecovered Tour Advances and Not Posted Tour Advances		151,801.08	16,846.63

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that the year-end balances on the Tour Advance item should normally equal zero.

I warned the Controlling Officer that the unretired tour advances remained unrecovered monies due to Government and the external travel expenditures were understated in the financial year it relates. On the other hand, the retirement of tour advances against unposted tour advances creates fictitious liabilities in the financial statements; thus distorting the financial position and financial performance.

I advised the Controlling Officer that, the Ministry should ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Ministry to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer concurred with my audit observation and stated that reconciliation of the outstanding tour advances is being undertaken.

The response of the Controlling Officer was noted; however, at the time of compiling my report, there was no substantive information or reporting done by the Controlling Officer save for the acknowledgement that my observation was correct. The Controlling Officer did submit a report on the reconciliation and a plan for the implementation of the recovery process. The fictitious liabilities caused by non-postings of tour advances was not addressed. In a nutshell, the recommendations made by my office have not been implemented by the Ministry.

134. Fictitious Liabilities due to Non-adjustment of Unutilized Budget Provision and Variations of Foreign Currency Exchange Gains on Accounts Payable

I also reported that there were fictitious liabilities due to non-adjustments of unutilized budget provisions and variations of foreign currency exchange gains on Accounts Payable amounting to **E4,519,560.00** under the Industrial Development – Centre 1401 (E4,281,960.00) and Trade Policy Development – Centre 1501 (E237,600.00), as at 31st March 2023. The budgets were transferred to the Accounts Payable in the financial years ended 31st March 2022 and 2023, and the balance brought forward originates from the previous financial year, with subsequent movements.

The Ministry did not prepare adjustments for the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid misappropriation of public funds. The non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item, in the fiscal years in which the transactions occurred, and has resulted to the creation of fictitious liabilities. The breakdown of the unutilised budget provisions is depicted in the table below:

Responsibility Centre	Account Item	Year of Transaction Occurrence	Fictitious Liabilities (E)
1401: Industrial Development	61029: Accounts Payable	Financial Year 2022	4,281,960.00
1501: Trade Policy Development	61029: Accounts Payable	Financial Year 2023	237,600.00
Fictitious Liabilities due to Non-adjustment of Unutilised Budget Provision and Variations of Foreign Currency Exchange Gains on Accounts Payable			4,519,560.00

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) states that “apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item”. Further, Section 11, paragraph 5.5 further states that a balance on this account may exist because of differences in the timing of entries to the computer system. Investigations and corrections should be carried out in consultation with the Treasury Common Services Section. Moreover, Paragraph 5.6 requires that “year-end balances on this item should normally equal zero”.

I warned the Controlling Officer that there is a risk of incurring expenditure against the unutilised budget, that is, use of elapsed budget, which would be regarded as

unappropriated expenditure. The non-adjustment of unutilized budget in the Foreign Payments Suspense Account results in the creation of fictitious liabilities, which in turn overstates the recurrent expenditure (Grants and Subsidies Item in this case) and liabilities, thus distorting the financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the unutilised funds to the miscellaneous/sundry account and reconcile the Foreign Payments Suspense Account to ensure that the balance is equal to zero at the end of the financial year, by debiting the Accounts Payable and crediting the Miscellaneous Sundry Income Account.

In response, the Controlling Officer concurred with my observation and submitted that the Ministry, to the Suspense Account for payment to be undertaken by the Treasury Department, timely (11th October 2022 and 17th January 2023) initiated the process for payment of External grants. In this instance, the payment by the Treasury Department could only be completed in the following financial year 2023/2024.

The response of the Controlling Officer has been noted. However, the query remains unresolved as it still appears in the Government Accounting System. The Controlling Officer is urged to action the recommendation immediately.

135. Unclaimed/Unremitted Sundry Departmental Deposits: National Handcrafts Training Centre and The Cooperative College

I drew the attention of the Controlling Officer that there were unclaimed or unremitted Sundry Departmental Deposits (collections) amounting to **E7,394,162.00** as at 31st March 2023. This comprise of deposits in respect of tuition fees E4,783,013.67 for the Department of Handicrafts Training Centre– Responsibility Centre 1701, and deposits in respect of tuition fees and bookings and lodging amounting to **E2,620,788.33** for the Cooperative Development (The Cooperative College) – Centre 2001, which were not claimed from the Consolidated Account. These collections relate to prior years’ collections deposited into the Consolidated Fund instead of the respective Special Fund Accounts. I also noted that, a sundry deposit of **E260.00** was erroneously posted (recorded) under a non-existing Responsibility Centre 2002 instead of the Responsibility Centre 2001 – the Cooperative College. The breakdown of the unclaimed deposits is illustrated in the table below.

Responsibility Centre	Account Item	Source of Income	Unclaimed Deposits (E)
1701: Department of Handicrafts	61128: National Handicraft Training Fees	Tuition fees	4,783,013.67
2001: Co-operative Development	61146: The Cooperative College	Tuition fees, and Bookings & Lodging fees	2,620,778.33
2002: Not in the Establishment Register	61146: The Cooperative College	Posting error	260.00
Total Sundry Departmental Deposits			7,404,052.00

Financial and Accounting Instruction 1307 stipulates that “amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees”.

I warned the Controlling Officer that these sundry deposits were brought into books of accounts but were only held in the collection accounts as third party funds, hence they were classified as liabilities. The Special Fund Accounts were deprived of receiving these funds as revenue, since they were deposited into the Consolidated Fund.

I advised the Controlling Officer to claim these sundry deposits on behalf of the National Handicrafts Training Centre and the Cooperative College (CODEC), and remit these deposits to their respective Special Fund Accounts.

In response, the Controlling Officer acknowledged my observation and submitted that: The funds held on the Special Account are meant to be utilised by the colleges on student-related expenses as per the guidelines. Guidelines have been developed and the Ministry has requested appropriation of the funds during Public Budget Committee in the fiscal years 2022/23 and 2024/25.

He further said they have noted that the deposits were wrongly posted and correcting Journal Vouchers have been effected. With regards to the amount of E260.00 received, he said the responsibility centre is incorrect and the funds will be moved to the correct responsibility centre, 2001. He concluded that quarterly reconciliation has been undertaken through the submission of Journals to the Treasury Department.

The response of the Controlling Officer was noted; however, it is not satisfactory because the deposits made into the Consolidated Fund are not yet claimed or remitted to the respective Special Fund Accounts for the National Handicraft Training Centre and the Cooperative College, where they relate. Moreover, the mis-posted deposit of E260.00 has not yet been rectified in the Government Accounting System.

136. Special Fund Not Classified As A Separate Agency: National Handcrafts Training Centre and The Cooperative College

I also observed that, the Special Fund Accounts for the National Handcrafts Training Centre and the Cooperative College were both not classified as an agency and not administered in accordance with the requirements of the Public Finance Management Act (2017). I was also not provided with the instruments creating these Special Funds.

Both the entities were not separated as agencies for the Ministry; as such, they were spending directly from the Consolidated Fund instead of receiving subventions as augmentation to their revenue income to finance activities for their mandates.

137. Financial Performance of the National Handcrafts Training Centre and The Cooperative College

I further noted that, both National Handcrafts Training Centre and the Cooperative College had poor financial performance and service delivery performance reports were not periodically submitted to justify the use of public funds.

According to the financial statements for the year ended 31st March 2023, the Department of Handicrafts incurred recurrent expenditure amounting to **E7,255,716.40** and generated fees amounting to **E659,116.27** plus interest received of E19,842.86, which resulted to a significant deficit of **E6,576,757.27**. The breakdown of the expenditure against the income generated and deficit is depicted in the below.

Department of Handicrafts (Centre 1701)	Appropriated Budget	Released Budget	Actual Expenditure
Item Description			
Recurrent Expenditure	E	E	E
CTA Vehicle Charges	39,160.00	39,159.00	39,158.04
Personnel Costs	2,656,049.80	3,096,087.00	3,095,719.64
Travel, Transport & Communication Costs	192,453.00	143,200.00	139,339.65
Professional and Special Services	778,986.00	251,927.00	249,016.44
Consumable Materials	2,051,039.00	3,065,571.00	2,545,903.38
Durable Materials	830,000.00	1,241,722.00	1,186,579.25
Total Expenditure	6,547,687.80	7,837,666.00	7,255,716.40
Income Earned			678,959.13
Fees received			659,116.27
Interest received			19,842.86
Net Deficit			6,576,757.27

I further noted that, according to the financial statements for the year ended 31st March 2023, the Cooperative College of Eswatini (CODEC), responsibility centre 2001 incurred recurrent expenditure amounting to **E8,755,894.81** and generated income amounting

to **E438,737.07** from tuition, bookings & lodgings and interest earned, which resulted to a significant deficit of **E8,317,157.74**. The breakdown of the expenditure against the income generated and deficit is depicted in the table below.

Cooperative College of Eswatini (Centre 2001): Item Description	Appropriated Budget	Released Budget	Actual Expenditure
Recurrent Expenditure	E	E	E
CTA Vehicle Charges	72,077.50	5,166.00	5,080.21
Personnel Costs	6,877,606.10	6,923,304.00	6,851,285.67
Travel, Transport & Communication Costs	308,358.00	237,356.00	275,877.79
Professional and Special Services	1,094,941.00	452,745.00	441,534.23
Consumable Materials	1,062,490.00	1,185,722.00	1,182,116.91
Total Expenditure	9,415,472.60	8,804,293.00	8,755,894.81
Income Earned			438,737.07
Tuition fees			331,536.16
Bookings and Lodging			87,323.94
Interest received			19,876.97
Net Deficit			8,317,157.74

Both colleges have generated significant deficits, which indicates that there is need for new turnaround strategies to ensure that the entities generate more revenue to achieve sustainability and minimise the over reliance (great load) on Government.

I reminded the Controlling Officer that, Section 41(1 & 3) of the Public Finance Management Act (2017) stipulates that “every special fund shall be classified as an agency” and “shall be administered according to the requirements of this Act and the instrument creating the Special Fund”. Further, Section 96(1) states that an agency shall have an annual plan that shall include: (a) strategic priorities for the medium term that reflect Government’s priorities and plans; (b) a description of how the agency is responding to the changing environment; (c) services with outputs to be delivered in the coming financial year with details of- (i) the strategic priorities that the outputs will contribute to; (ii) the outputs to be provided; (iii) measurable indicators of performance where feasible; and (iv) the budget allocated to the outputs or groups of outputs. Moreover, Section 98(1) “a line Minister may have an output agreement and performance review process with an agency providing services funded from the budget the Minister is responsible for”.

I advised the Controlling Officer that the Ministry should operate the Special Fund for the National Handicraft Training Centre and the Cooperative College of Eswatini in compliance with the dictates of the Public Finance Management Act (2017), and ensure the financial performance reports including service delivery reports are prepared and submitted

monthly, quarterly and annually to the Ministry, the Accountant-General and the Auditor-General.

I further advised the Ministry to evaluate the mandate, strategic initiatives and operations of the Department of Handicrafts and the Cooperative College of Eswatini (CODEC), and implement turnaround strategies for generating more income, cost reductions, financial sustainability and development.

137.1. Proceeds From Sale of Properties Not Recognised As Revenue and Undisclosed Expenditure: Ngwenya Village Properties

I reported to the Controlling Officer that, the proceeds from sale of Ngwenya Mine Village properties were not brought into books of accounts as Government revenue, instead they were regarded as third party's funds, under the Industrial Development (Centre 1401). The proceeds were classified as a liability, posted into Account 62128- Ngwenya Village Properties. As at 31st March 2023 the reported net balance of the proceeds in respect of Ngwenya Village Properties was **E3,641,143.84** after deducting the paid out claims for terminal benefits for former employees, under the Industrial Development, as illustrated in the table below.

Responsibility Centre	Account Item	Proceeds from Sale of Properties (E)
1401:Industrial Development	62128: Ngwenya Village Properties	3,641,143.84

I noted that the, total proceeds from sale of properties, the costs of the claims for terminal benefits for former employees of the Mine, the outstanding debts and unsold properties were not disclosed in the financial statements.

I further observed that the Government Accounting System shows that, the expenditures amounting to **E623,767.00** were not disclosed (recorded) as expenditure in the financial statements but they were regarded as merely reductions from the accumulated deposits balance, since financial year ended 31st March 2011. The expenditure was concealed under the Suspense Account. Recently, payments amounting to E291,714.36 were incurred in the fiscal year 2020 and E52,039.00 in the fiscal year ended 31st March 2023, against the deposits received as proceeds from sale of properties.

Total proceeds from sale of properties amounting to **E4,299,848.19** were received, and these proceeds were reduced by the total payments made, leaving a balance of **E3,676,081.19**. However, the account depicts a balance of E3,641,143.84 as at 31st

March 2023 and the discrepancy of **E34,937.35** remains questionable. The analysis is shown in the following table.

Financial Year	Deposits (E)	Payments (E)	Adjustment	Balance (E)
31 st March 2010	0.00	0.00	(326,021.34)	(326,021.34)
31 st March 2011	1,509,960.69	72,267.64		1,111,671.81
31 st March 2012	662,538.70	121,800.00		1,602,581.06
31 st March 2013	1,151,143.00	7,446.00		2,746,278.06
31 st March 2014	565,661.30	45,00.00		3,281,831.36
31 st March 2015	136,600.00	21,500.00	326,021.34	3,722,952.70
31 st March 2016	49,000.00	12,000.00		3,759,952.70
31 st March 2017	8,100.00	0.00		3,768,052.70
31 st March 2018	0.00	0.00		3,768,052.70
31 st March 2019	0.00	0.00		3,768,052.70
31 st March 2020	0.00	291,714.36		3,476,338.34
31 st March 2021	0.00	0.00		3,476,338.34
31 st March 2022	216,844.50	0.00		3,693,182.84
31 st March 2023	0.00	52,039.00		3,641,143.84
Total	4,299,848.19	623,767.00	0.00	3,676,081.19
Discrepancy				34,937.35

I warned the Controlling Officer that, the entire proceeds were not accounted-for and remained held in the liability account- 62128 which belongs to Government. These are public funds that ought to have been classified as revenue; hence, a fictitious liability was created due to this accounting treatment. Furthermore, there is a risk that these funds can remain unclaimed or claimed by wrong persons.

I advised the Controlling Officer that the Ministry should account-for the entire programme, report on the inventory of the properties received in respect of the Ngwenya Mine Village, proceeds of sold properties, unsold properties, the remaining balance of each property, and any costs incurred relating to this programme. I also advised the Ministry to provide background information, financial records with supporting documentation, Properties Ledger Accounts with valuation reports, and the instrument governing operations, accountability and financial reporting.

I further advised that the proceeds from sale of properties should be regarded as revenue and transferred to the Consolidated Fund, in the Miscellaneous Revenue Account, and the expenditure incurred should be allocated a budget from the recurrent vote, by debiting the recurrent expenditure vote with E623,767.00 and crediting the suspense account 62128 to reinstate the proceeds that were incorrectly reduced with the expenditure incurred.

In response, the Controlling Officer concurred with my observation and mentioned that this account was established way back to allow payments from the purchase of Ngwenya Village Houses. The Ministry acknowledges that the monies have been kept in the special account for purposes of former Ngwenya Village employees' terminal benefits, with the last payment having been made in 2019/2020. The Ministry commits to verify with the relevant stakeholders whether all outstanding benefits have been paid. He promised that going forward, they will remit the funds into the Government Consolidated Fund.

The response of the Controlling Officer was noted. However, the requested information and documents have not been provided, and it was incorrect that a Special Fund Account would be opened as a non-contra liability account 62128 was opened, instead of a revenue account. Although, the Controlling Officer promised to remit these funds into the Government Consolidated Fund, he did not provide the time line for the Ministry's action, to rectify the accounting of these funds in the books of accounts.

138. Unremitted Deposits from Sale of Properties at Matsapha Industrial Area

I reported to the Controlling Officer that a total revenue collected as proceeds of the sale of plots amounting to **E45,312,156.14** from the Matsapa Industrial Estate was not remitted to the Consolidated Fund as of 31st March 2023. The funds are collected through the Matsapa Industrial Estate Trading Account – 70210.

This was in contravention of Financial and Accounting Instruction 0501 which states that "the Accounting Officers must ensure that revenue due is collected promptly and that all collections of revenue are properly brought to account". Furthermore, Financial and Accounting Instruction 0203(ii) states that "it is the duty of the Controlling Officer to promptly bring to account all public monies".

I warned the Controlling Officer that the government revenue was not brought into account or recognised as revenue by the Ministry; this results to understatement of revenue. This is a great risk of diverting this revenue and misappropriation of these public funds.

I advised the Controlling Officer that the Ministry should remit revenue collected as proceeds of the sale of plots into the Consolidated Fund in order to be recognised as revenue in the books of accounts, and to avoid diversion of the funds.

In response, the Controlling Officer noted my observation and stated that the funds kept in this account are meant for maintenance and completion of Industrial Estates development. In the proposed budget for the financial year 2023/2024 and 2024/25 the Ministry has requested a release of the funds to cater for the maintenance and completion of the Matsapha, Ngwenya and Nhlangano Industrial Estates.

The response of the Controlling Officer was noted. However, the response submitted indicates a diversion of funds which should be mandated by the Parliament. The Controlling Officer should submit the authority to divert the funds, otherwise the funds should be transferred to the Government General Account for accountability.

139. Unremitted Deductions of National Provident Fund, Unremitted and Non-Deduction of Taxes

I further reported that there were unremitted deductions amounting to **E10,866.40** in respect of the contributions for the National Provident Fund, and unremitted taxes worth **E51,364.50**. There were also over remittances of taxes amounting to **E7,425.00**, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Refundable Tax (E)	Unremitted Deductions (E)
1001: Minister's Office	62240: National Provident Fund Deduction		8,762.28
1701: Department of Handicraft	62240: National Provident Fund Deduction		949.12
1404: Not in the Establishment Register	62240: National Provident Fund Deduction		880.00
1102: Principal Secretary's Office	62240: National Provident Fund Deduction		220.00
1401: Industrial Development	62240: National Provident Fund Deduction		55.00
Total Unremitted Deductions Of National Provident Fund			10,866.40
1601: Registration of Copyrights, Patents, Designs, Trade Marks	62315: SRA- Taxation		36,036.00
2201: Trade and Industry Support Services	62315: SRA- Taxation		297.00
1101: Administration	62315: SRA- Taxation		15,031.50
2101: Department of Commerce	62315: SRA- Taxation	7,425.00	
Over remitted (Refundable Taxes) / Unremitted Deductions of Taxes		7,425.00	51,364.50

I reminded the Controlling Officer that, Financial and Accounting Instruction 0817 requires that "a deduction from a payment to be made must be shown on the payment voucher together with the account to be credited". In addition, Financial and Accounting Instruction 0202(vii) states that "the Controlling Officer is responsible for

ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer”.

I am concerned that the non-remittance of deductions of taxes deprive Government of receiving revenue and the non-remittance of deductions of contributions for the Provident Fund, deprived non-pensionable workers of receiving their rightful benefits through the Eswatini National Provident Fund.

I advised the Controlling Officer that the Ministry should remit the deductions for contributions of Provident Fund and taxes, to the Eswatini National Provident Fund and Eswatini Revenue Services respectively, and provide proof of remittances.

In response, the Controlling Officer acknowledged my observation and stated that: the process of remitting the deductions of both the National Provident Fund and the taxes to the Eswatini National Provident Fund and the Eswatini Revenue Services respectively. The Controlling Officer also attached Journal Vouchers to confirm that the process has already started.

The response of the Controlling Officer was noted. However, the accounts have not yet been cleared and not reconciled to zero balance in the Government Accounting System; hence, the matter remains reportable.

140. Budget, Expenditure, Assets and Liabilities for Non-existing Responsibility Centres

I also reported to the Controlling Officer that a recurrent budget worth **E548,047.93** was released and actual recurrent expenditure amounting to **E558,810.86** was incurred through an undisclosed Responsibility Centre in the financial year ended 31st March 2023. Further, the Detailed Statement of Liabilities depicted liabilities amounting to **E5,056.45** under Responsibility Centres that were not disclosed in the Establishment Register for the financial year 2022/2023. Since these responsibility centres were not disclosed in the Establishment Register – *Supporting the Estimates of Public Expenditure for the financial year 2022/2023*, and they were therefore not valid responsibility centres. Details are shown in the table below.

Responsibility Centre	Expenditure Item	Budget (E)	Budget Released (E)	Actual Expenditure (E)
Expenditure				
1404	01- Personnel Costs	0.00	377,837.00	396,748.99
1406	01- Personnel Costs	3,575.00	66,700.93	63,125.93
1502	02	137,892.00	94,015.00	89,440.94
1502	04	73,360.00	9,495.00	9,495.00
1502	06	11,002.00	0.00	0.00

Total Budget, and Recurrent Expenditure		225,829.00	548,047.93	558,810.86
Assets and Liabilities for Undisclosed Responsibility Centres				
Responsibility Centre	Account Description	Assets (E)	Liabilities (E)	
1201	51006: Tour Advances- Employees		2,116.54	
1502	51006: Tour Advances- Employees		1,799.91	
2002	61146: The Cooperative College		260.00	
1404	62240: National Provident Fund Deduction		880.00	
Total Liabilities for undisclosed Responsibility Centres			5,056.45	

I reminded the Controlling Officer that all Responsibility Centres should be reflected in the Establishment Register for each financial year to support the Estimates (Budget) of public expenditure for the fiscal year. Responsibility Centres that do not appear in the Establishment Register are not valid.

I asked the Controlling Officer to explain why the above Responsibility Centres were not included in the Establishment Register and also advised him to eliminate invalid and/or non-existing responsibility centres such that budget allocations are made and public funds are spent only on the approved responsibility centres.

In response, the Controlling Officer acknowledged my observation and submitted that the Ministry of Finance following a request by the Ministry, undertakes the creation of Responsibility Centers. In this case, some of the Centres were inherited from the previous Ministerial arrangement i.e. Ministry of Enterprises and Employment.

The Controlling Officer further stated that attempts to remove these Centres that are not in the Establishment Register had not been possible as they were informed by the Ministry of Finance that existing Centres may not be deleted before a period of 20 years. The 20 years is to allow for tracing of transactions as and when may be required.

The response of the Controlling Officer was noted; however, documented information to support the assertions of the Controlling Officer must be submitted. Furthermore, non-deletion of the centres does not justify the allocation of budgets and incurring of expenditure through them.

HEAD 30: EDUCATION AND TRAINING

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced E7/Vol.XIX/9 and E7/Vol.XIX/14, dated 4th January 2024 and 13th February 2024 respectively. The Controlling Officer responded through memorandum referenced EA15/5/1 dated 12th February 2024. However, the following audit findings remain unresolved and reportable.

141. Non-adjustment of Credit Balances Against Recurrent Expenditure

I reported that there were unlawful credit entries in the form of unappropriated transfers of budgets from other budget votes against the recurrent expenditure vote of the Ministry. The appropriated budgets were moved into the recurrent expenditure vote without budget warrants or instruments.

I observed that there were unutilised budgets which were unlawful credit entries worth **E427,120.73** which was reduced to **E424,975.63** after adjustments, against the actual recurrent expenditure incurred by the Ministry. This comprise of unutilised budget worth **E423,668.90** received from Ministries and Departments for overtime, and as illustrated in the table below:

Centre	Item	Description	Amount (E)
1102: Principal Secretary's Office	01105	Overtime	302,291.78
6001: Eswatini College of Technology	01105	Overtime	55,958.85
8101: School For The Deaf	01105	Overtime	23,424.05
1106: Office of the Director	01105	Overtime	11,219.31
6202: Emlaladini	01105	Overtime	8,735.96
1110: Regional Education Officer – Shiselweni	01105	Overtime	7,804.25
1107: Schools Agriculture	01105	Overtime	7,596.84
5101: Career Guidance Section	01105	Overtime	6,637.86
Unutilised Budget			423,668.90
1104: Not in Establishment Register	04401	Printing Services	664.50
1106: Office of the Director	04406	Reports	132.93
1108: R.E.O. Hhohho	04404	Display Exhibits	116.00
1106: Office of the Director	04402	Book Binding	112.80
1111: R.E.O. Manzini	04402	Book Binding	91.80
1102: Principal Secretary's Office	04402	Book Binding	86.10
1111: R.E.O. Manzini	04404	Display Exhibits	52.60
1109: Regional Education Officer – Manzini	04404	Display Exhibits	50.00
Total Credit Entries			424,975.63

This was in contravention of Financial and Accounting Instruction 0510 which stipulates that "credits to recurrent expenditure items are not allowed except in the case of

overpayment within the financial year, or certain inter-departmental transactions requiring an alteration to the debit or adjustments rectifying errors in the accounts for the year”.

I am concerned that the credit balances inappropriately reduced the recurrent expenditure thus causing misstatements of expenditure in the Statement of Recurrent Expenditure for the fiscal year audited.

I advised the Controlling Officer that the Ministry should reverse the credit entries from the Recurrent Expenditure Account with correct postings of the budget and related transactions, in compliance with the Public Finance Management Act (2017), Financial and Accounting Instructions, and Financial Management and Accounting Procedures Manual (1993).

In response, the Controlling Officer noted my audit observation and stated that the credit entries were Journal Vouchers (JVs) in respect of overtime payments for drivers from different departments of the Ministry who worked overtime during National events in the Ministry of Home Affairs and Health. The Controlling Officer further stated that the necessary adjustments in respect of book fees which were posted as printing under recurrent expenditure have been made.

The response from the Controlling Officer was noted; however, there is no explanation on why the overtime was not paid or delayed in the payment yet the budget was received. This indicates that the Ministry (MOET) received budget for overtime which they did not have claims for and the overtime was not due in the financial year ended 31st March 2023, or processing of payment of overtime against the overtime budget was delayed and the necessary adjustments were not prepared.

142. Outstanding Commitments

I reported that there were outstanding commitments amounting to **E213,979.78** on CTA Vehicle Charges (00), Travel, Transport and Communication Costs (02), Professional and Special Services (04) and Durables Materials (07) in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD80	Variance AA220	Commitments
		E	E	E	E	E	E

1106	02	179,906.00	2,686,168.00	2,465,254.15	71,652.24	220,913.85	149,261.61
2001	07		5,306,126.00	5,272,899.49	726.51	33,226.51	32,500.00
1103	02	392,651.00	410,745.00	421,788.78	-23,876.34	-11,043.78	12,832.56
1103	00	2,484,118.00	2,609,416.00	2,604,372.76	43.24	5,043.24	5,000.00
1102	02	246,085.00	548,603.00	577,667.43	-33,531.50	-29,064.43	4,467.07
1001	00	174,600.00	162,600.00	160,238.76	-1,638.76	2,361.24	4,000.00
6002	04	1,727,607.00	1,323,849.00	1,319,638.25	292.21	4,210.75	3,918.54
1102	00	3,985,726.00	4,382,052.00	4,380,052.08	-0.08	1,999.92	2,000.00
Total Outstanding Commitments							213,979.78

I cautioned that, section 35 of the Public Finance Management Act of 2017 requires that:

(a) "the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and

(b) All authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

There is a risk that the reported recurrent expenditure could be misstated, which in turn distorts the financial performance of the Ministry, thus misleading to users of the financial statements.

I advised the Controlling Officer that the Ministry should cancel all commitments that do not become actual expenditure within the stipulated time of 90 days and reconcile the accounts accordingly.

In response, the Controlling Officer noted my audit observation and stated that the matter has been addressed. A Memorandum had been sent to the Ministry of Information, Communication and Technology to De- commit outstanding commitments and another Memorandum was sent to the Treasury Department to cancel committed orders that were not paid

The response of the Controlling Officer was noted; however, the audit finding remains unresolved as the outstanding commitments have not been cancelled.

143. Unappropriated Over-Expenditure On Personnel Costs

I reported that the Ministry incurred significant unappropriated excess expenditure on Personnel Costs worth **E107,108,337.66** under recurrent vote as at 31st March 2023. This comprises of over expenditure worth **E747,371.60** under responsibility centre 1108– R.E.O Hhohho, **E51,175,927.92** under responsibility centre 1112, **E12,378,843.96** under responsibility centre 3008 – Other Manzini Government Secondary Schools, **E42,806,194.18** under responsibility centre 3014 – Lubombo Government Secondary Schools, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-expenditure	
	E	E	E	E	%
1108: R.E.O. Hhohho	3,826,466.50	3,875,466.00	4,622,837.60	747,371.60	19.3
1112: Not in Establishment Registry	31,645,565.70	31,695,314.00	82,871,241.92	51,175,927.92	161.5
3008: Other Manzini Government Secondary Schools	103,038,727.50	103,038,724.00	115,417,567.96	12,378,843.96	12.0
3014: Lubombo Government Secondary Schools	96,330,569.30	97,312,770.00	140,118,964.18	42,806,194.18	44.0
Unappropriated Over-Expenditure on Personnel Costs				107,108,337.66	

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), states that "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

The expenditure beyond the budget released as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated over expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money.

I advised the Controlling Officer to provide or seek authority to spend beyond the appropriated budget, and take corrective action to address the above anomaly, and further strengthen internal controls, in order to avoid recurrence of unappropriated expenditures in the future.

In response, the Controlling Officer noted my concern and stated that the over expenditure on personnel costs was caused by hiring of contract teachers and teachers of the newly constructed schools.

The response of the Controlling Officer was noted; however, the Ministry should have sought supplementary budget and/or made reallocations within the available budget in compliance with Public Finance Management Act.

144. Under-Expenditure on CTA Vehicle Charges and Personnel Costs

I further reported that the Ministry incurred significant under-expenditure amounting to **E59,974,028.61** on Recurrent Vote. The under-expenditure consists of CTA Vehicle Charges worth **E292,892.00** under the William Pitcher College, and on Personnel Costs worth **E59,681,136.61** under responsibility centres 2001, 6001, 6002 and 7101, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-expenditure	
00 CTA Vehicle Charges	E	E	E	E	%
7101:William Pitcher College	298,893.50	298,892.00	6,000.00	292,892.00	98
Under-expenditure on CTA Vehicle Charges				292,892.00	
2001: Chief Inspector Primary	105,384,586.70	101,560,366.00	51,860,115.01	49,700,250.99	49
6001: Eswatini College of Technology	27,118,083.10	27,118,079.00	21,924,478.92	5,193,600.08	19
6002: Matsapha Vocational Training Centre	11,505,844.50	11,258,240.00	9,258,155.16	2,000,084.84	18
7101:William Pitcher College	26,302,668.90	25,185,668.00	22,398,467.30	2,787,200.70	11
Under-expenditure on Personnel Costs				59,681,136.61	

Under-expenditures of 10% or more in a year may not be conducive to the development of the country and has a negative impact on service delivery. Further, planned development initiatives might not be accomplished due to delayed service delivery that may negatively impact the lives of citizens.

I am concerned that non-utilization of released funds implies poor implementation of government programs, projects, and may mean that objectives were not achieved, thereby hampering development. It could also be a result of poor budgeting which may include a deliberate overestimation of budget which, in turn, makes Controlling Officers appear to have made savings at the end of the fiscal year.

I advised the Controlling Officer to ensure that released funds are utilized for the intended purposes and not to seek budget release when not ready to implement. Further, the

Controlling Officer is advised to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met, despite the under-expenditures.

In response the Controlling Officer noted my concern and stated that the under expenditure was caused by non-replacement of officers as a result of circular number 3 of 2018 which freeze employment of officers in Government Ministries and further stated that with regard on CTA Vehicle Charges the Ministry is still investigating the source of under expenditure from the respective department, however, efforts are being made that such occurrence may not be repeated.

The response of the Controlling Officer was noted; however, there is no explanation why the Ministry sought the budget release knowing that they were not ready to implement. As such, the funds which could have been utilized fruitfully elsewhere were unnecessarily locked up to the Ministry's budget.

145. Fictitious Liabilities Due to Mis-postings of Officer's Personal Account Advance, Salary Advances and Study Loan Advance

I reported that, tour advance retirement amounting 63,482.81 was erroneously posted to the Officer's Personal Account – 51002 instead of the Tour Advances Account – 51006. The transaction was processed through batch number 317, voucher number 130930 on the 28th May 2008 under month 13, and narrated 'tour advance.' This mis-posting error created fictitious liabilities and unretired tour advance in the books of accounts.

I further reported that the settlements (receipts) of salary advances amounting to **E28,000.03** under Responsibility Centres 1111, 3003 and 3008, and Study Loan advance worth **E811.67** under responsibility centre 3004 were posted under the Ministry instead of the Treasury Department that is responsible for salary advances. These posting errors created fictitious liabilities and fictitious assets as outstanding advances under the Treasury Department, in the books of accounts. The breakdown is depicted in the table below.

Responsibility Centre	Source	Batch #	Receipt Number	Date	Employee	Amount (E)
1111: REO Lubombo	165	027	10890824	27.01.2023	2851792	3,333.33
3003: Other Hhohho Government Schools	172	012	08892771	12.07.2019	9695012	2,666.67
3008:Manzini Government Secondary Schools	162	005	05059474	05.06.2013	39996000	2,000.00

3008: Manzini Government Secondary Schools	172	016	10073117	16.08.2021	101810997	3,333.34
3008: Manzini Government Secondary Schools	172	012	10297626	12.01.2022	101810997	3,333.34
3008: Manzini Government Secondary Schools	172	016	10360062	16.02.2022	101810997	6,666.67
3008: Manzini Government Secondary Schools	171	020	09740007	20.01.2021	101810997	3,333.34
3008: Manzini Government Secondary Schools	171	023	09851100	23.03.2021	101810997	3,333.34
Total salary advance						28,000.03
Study Loan Advance						
3004:Hhohho Aided Secondary Schools	172	027	04348685	27.02.2012	3694738	811.67

This was in contravention of Financial and Accounting Instruction 1204 which stipulates that “when a personal advance is made to a public officer it will be debited to his personal account. The Controlling Officer must ensure that no salary is subsequently paid unless arrangements have been made for the commencement of repayments”. Salary advances are required to be recovered within three months from source as a deduction of salary. Further, Financial and Accounting Instruction 0909 states that the “cash is advanced by the Treasury and the Controlling Officers must maintain a record of all cash advances obtained, the officer responsible, and how and when the advance was cleared”.

I cautioned that, the posting errors created fictitious liabilities under the Ministry that distorts the financial statements and the Ministry should investigate and rectify these errors and correct these accounts, accordingly; by debiting the advances accounts under the Ministry and crediting the outstanding advances under the Treasury Department.

In response, the Controlling Officer acknowledged my observations regarding this matter and stated that a JV has been prepared to make an adjustment of E63,482.81 tour advances Account- 51006 which was erroneously captured as (51003) in the employees advance account.

On another note adjustment for receipts of salary advances that were deposited under the Ministry (head 30) instead of the Treasury department-head 35 have been prepared. The balances will gradually decrease as reconciliation continues.

The response from the Controlling Officer was noted, however, the audit finding remains unresolved since the adjustments to the accounts have not been made and are not yet cleared in the Government Accounting System.

146. Unretired Tour Advances and Fictitious Liabilities Due to Non-postings of Tour Advances in the Suspense Account

I reported that tour advances amounting to **E760,193.64** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was recorded in the books of accounts.

I further noted that there were fictitious liabilities amounting to **E7,917.59** that were created due to non-postings of tour advances in the Suspense Account and Cash Book after charging the Government General Account for those tours, under the Ministry. The tour advances were cashed out at the banks and the non-postings of tour advances indicate that the tour advance (external travel) expenditure was not recorded in the books of accounts and fictitious liabilities were created when retiring the tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Item Description	Unretired Tour Advances (E)	Fictitious Liabilities Due to Unposted Tour Advances (E)
1001- Minister's Office	51006- Tour Advances -Employees		35,739.93
1102- Principal Secretary's Office	51006- Tour Advances -Employees		56,244.68
1103- Finance and Common Services	51006- Tour Advances -Employees		436,061.19
1106- Office of the Director	51006- Tour Advances -Employees		86,048.59
1112- Teaching Service Commission	51006- Tour Advances -Employees		45,392.99
2001- Chief Inspector Primary	51006- Tour Advances -Employees		23,799.96
4101- Not in the establishment Register	51006- Tour Advances -Employees		36,136.83
4104- Not in the Establishment Register	51006- Tour Advances -Employees		1,207.84
5101- Career Guidance Section	51006- Tour Advances -Employees		10,894.95
6002- Matsapha Vocational Training Centre	51006- Tour Advances -Employees		7,177.50
7101- William Pitcher College	51006- Tour Advances -Employees		21,489.18
1114- EMIS	51006- Tour Advances -Employees	0.01	
1105- Not in the Establishment Register	51006- Tour Advances -Employees	4,185.64	
7103- Ngwane Training College	51006- Tour Advances -Employees	3,731.88	
9101- Nursery Schools	51006- Tour Advances -Employees	0.06	
Total Unretired Tour Advances and Fictitious Liabilities		7,917.59	760,193.64

Financial and Accounting Instruction number 1209 which states that "the Tour Advances should be repaid immediately upon the completion of the tour". Further, Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's

future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero.

I cautioned that the unretired tour advances remained unrecovered monies due to Government, and due to non-postings of tour advances in the Suspense Account and Cash Book, fictitious liabilities were created, and the external travel expenditure was understated in the financial year to which it relates; thus it distorted the financial position and financial performance, respectively.

I advised the Controlling Officer to ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Ministry to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advances Account at the end of each month.

In response, the Controlling Officer noted my audit observation and stated that reconciliation of tour advances is ongoing and it is a process. He stated that the ministry will investigate all unretired tour advances and seek full recovery of the advance from the affected officer's salary entitlement, outstanding balances will decrease gradually as reconciliation continues. Going forward the Ministry will ensure that all the tour advances are retired and repaid immediately upon completion of the tour.

The response of the Controlling Officer was noted; however, the audit findings remains unresolved as the outstanding tour advances were not retired or recovered from the officers involved, and the unposted tour advances were not addressed by the Ministry.

147. Government Funds Held in Third Parties Capital Fund Accounts: Account 60130 Project E34370 - Water Supply to Schools VI and Account 60251 Donor Funds – Project and Trust Fund

I reported that fictitious liabilities were created due to the fact that the Government funds amounting to **E427,929.37** transferred to the Third Parties Capital Fund Accounts (Account 60130 Project E34370 – Water Supply to Schools VI and Account 60251 Donor Funds – Trust Fund) were treated as if the funds belong to the third parties. These funds were deviated from Primary Education Grant and were transferred to the Project Account 60130 E34370 - Water Supply to Schools VI, to pay for SACMEQ Membership fees through Journal Adjustment Voucher 050068, Source Code 355, Batch 18, month 5, posted on 8th

September 2021. At as 31st March 2023, the funds were not utilised and a fictitious liability balance was created at the pretense that the funds belong to the third party.

I further reported that funds amounting to **E301.80** from Mbabane Central High were receipted under the Donor Funds – Project & Trust Fund through receipt number 06858624 (E100.60) and 06858623 (E201.20), dated 30 May 2016. The funds were transferred to the third party account being the Donor Funds – Project & Trust Fund. This has created a fictitious liability, since the funds received were not recognised as revenue and presented as third party funds. The details are depicted in the table below.

Responsibility Centre	Item	Fictitious Liabilities (E)
1102- Principal Secretary's Office	60130- Water Supply to Schools VI	427,627.57
1102- Principal Secretary's Office	60251:Donor funds – Project & Trust Fund	301.80
Fictitious Liabilities Due to Government Funds Held at Third Party Account		427,929.37

Section 11 Subsection 2.20 of the Financial Management and Accounting Procedures Manual stipulates that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year-end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year. Statements detailing all balances should be forwarded to Treasury to support the entries in the Statement of Assets and Liabilities and to enable the Auditor-General to verify such balances”.

I advised the Controlling Officer that the Ministry should account for the deviation public funds, and remit both funds to Account 60130 and Account 60251 to Revenue Miscellaneous item sundry fees, to clear the fictitious liabilities.

In response, the Controlling Officer concurred with my observation and highlighted that they are still in consultation with the school with the view of making the necessary adjustment on the funds amounting to E301.80 from Mbabane Central High receipted under the Donor Funds – Project & Trust Fund. He further stated that there was an oversight on the Ministry's side, when preparing JV for SACMEQ membership fees whereby 60130 was credited instead of crediting the accounts payable which is 61030.

With regard to the use of Government and donor funds, the Controlling Officer further stated that the affected department has been reminded to submit the documents and he further assured me that the Ministry will investigate and reconcile the Accounts to nil

balances accordingly, and account for public funds or uncleared balances and recover all outstanding monies.

The response of the Controlling Officer was noted. However, the audit finding remains unresolved as item 60251- Donor Funds Project & Trust Fund has not been corrected with the necessary adjustments.

148. Non-adjustment of Unutilised Budget Provision on Accounts Payable

I reported that the Ministry did not prepare adjustment for unutilised budget provision amounting to **E185,209.00** on Accounts Payable in respect of foreign payments under the responsibility centre 1103- Finance and Common Services, in the financial year ended 31st March 2023. The unutilized budgets created fictitious liabilities in the books of accounts. The Ministry ought to have transferred the unutilized budget to the miscellaneous/sundry income to avoid the use of elapsed budget.

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) states that, "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item". Moreover, Paragraph 5.6 requires that "year-end balances on this item should normally equal zero".

The non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item - in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities. Further, there is a risk of incurring expenditure against the unutilized budget, which may be regarded as unappropriated expenditure and there is a risk of using an elapsed budget.

I advised the Controlling Officer that the Ministry should transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget and misappropriation of public funds.

In response, the Controlling Officer noted my audit observation and stated that explanation gathered was that the transaction was in respect of payment of annual membership contributions to the Association for Development of Education in Africa (ADEA) for the year 2023. A JV was prepared to convert the foreign currency to Emalangenzi was posted in the financial year ended March, 2023, however, funds were

finally transferred in the current year. Going forward we will investigate un - cleared accounts payable liability balance and reconcile Foreign Payments Suspense Account to ensure that the balance is equal to zero at the end of the financial year.

Responsibility Centre	Account Item	Year of Transaction Occurrence	Fictitious Assets (E)	
1103: Finance and Common Services	61030: Accounts Payable	Financial Year 2023	185,209.00	Reconciliation of the Foreign Payments Suspense Account will continue to ensure that the balance is equal to zero at the end of the financial year.

The response of the Controlling Officer was noted. However, the audit finding remains unresolved until the necessary adjustments have been done.

149. Non-adjustment of Unutilised Budget on Outstanding Accounts Accrued– Capital: Project E45699- Construction of Inclusive Secondary Schools

I reported that the Ministry did not prepare adjustment for unutilised budget provision amounting to **E1,942,465.00** on Outstanding Accounts Accrued – Capital (61075) in respect of Project E45699-82 Construction of Inclusive Secondary Schools, under the Schools for The Deaf, under the responsibility centre 8101- Schools for The Deaf, in the financial year ended 31st March 2023. The unutilized budgets created fictitious liabilities in the books of accounts. The Ministry ought to have transferred the unutilized budget to the miscellaneous/sundry income to avoid the use of elapsed budget.

I also reported that, an accrual from item 07103 E46599 to item 61075 without budget was processed through Journal Adjustment Voucher number 020184, batch 055, source 335. This accrual was reversed through Journal Adjustment Voucher number 020525, batch 123, source 335, after discovering that the accrual had been processed in the previous financial year 2022 through batch 196, month 13, voucher number 130756. This resulted to an unlawful credit entry in the project number E45699 under budget function BD080. The narration was payment instead of accrual.

I further noted that, the payment for purchase order 22006301, Invoice number IN016680 to Editmicrosystem was processed through batch 209, voucher number 120935, Electronic Funds Transfer number 179764, month 4. However, I also noted that this payment was reversed from the General Bank Account through batch 775, EFT number 179764, posted 27 September 2022. The breakdown of confusing transactions is depicted in the table below.

Source	Batch	Voucher	Date of Collection	Purchase Order	Descriptions	Deposits (E)
335	055	020184	13.07.2022		PAYMENT FOR BRAIL	-1,942,465.00
335	132	020525	25.07.2022		PAYMENT FOR BRAIL	1,942,465.00
230	209	120935	15.07.2022	2200630	EDITMICROSYSTEMS	1,942,465.00
775	002	120935	26.09.2022	2200630	REVERSAL OF TRANSACTION	-1,942,465.00
335	678	10999999	04.05.2023		2021/2022 BALANCE	-1,942,465.00
Fictitious Liability in Respect of Outstanding Accounts Accrued–Capital: Project E45699- Construction of Inclusive Secondary Schools						-1,942,465.00

The non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item and created fictitious liabilities. Further, there is a risk of incurring expenditure against the unutilized elapsed budget, which may be regarded as unappropriated expenditure.

I advised the Controlling Officer that the Ministry should transfer the unutilised budget or reversed payment to the Revenue Miscellaneous- item sundry income.

In response, the Controlling Officer noted my audit observations and stated that, a Memorandum was sent to the Ministry of ICT requesting clearance of funds in the system.

The response of the Controlling Officer was noted. However, it did not address the audit finding and did not provide supporting documents relating to the transaction.

150. Unappropriated Expenditure on Outstanding Accounts All Ministries

I reported that the ministry incurred unappropriated expenditure amounting to **E9,947,563.77** on Outstanding Accounts All Ministries (61080) under the responsibility centre 1105, in the financial year ended 31st March 2005. The recurrent expenditure was not included in the financial statements and the unappropriated expenditure created fictitious assets, which were not cleared through the use of budget savings or budget supplementary by the ministry since then and were included in the assets as at 31st March 2023.

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but

not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

I advised the Controlling Officer that the Ministry should clear the unappropriated expenditure and fictitious assets by using budget savings or reallocation to the same items or request a supplementary budget, and reconcile the Suspense Account to nil balance at the end of the financial year.

In response the Controlling Officer duly acknowledged my concern and recommendation on this matter. The Ministry stated that it would like to report that reconciliation of the Accounts is on-going and it is a process, the balances will gradually decrease as we continue.

The response of the Controlling Officer was noted. However, the transaction is still not corrected; hence the audit finding remains unresolved and reportable.

151. Overdrawn Balance Due to Unappropriated Expenditure and Unremitted Sundry Departmental Deposits

I noted that the Ministry incurred unappropriated expenditure amounting to **E4,004,144.86** under the responsibility centre 1106- Office of the Director, in the financial year ended 31st March 2019, and it was reduced to an overdrawn balance of **E896,906.85** by the deposits made under this centre. The unappropriated expenditure was not included in the Statement of Expenditure for that year and created fictitious assets in the books of accounts.

On the other note, the sundry deposits and dividends received from Macmillan were used to reduce the unappropriated expenditure; that was a diversion of deposits and dividends received. The beneficiaries of the deposits were deprived from receiving the their duly deserving monies and Government was also deprived revenue in the form of dividends and royalties from Macmillan amounting to **E1,931,287.26**. The breakdown is depicted in the table below.

Financial Year	Opening Balance	Deposits	Dividends	Royalties	Reconciliation Adjustment	Payments	Closing Balance
2019	1,690,807.46	57,718.50	669,119.91	-	-	4,004,144.86	- 1,586,498.99
2020	- 1,586,498.99	58,711.00	507,914.27	-	-	558,808.71	- 1,578,682.43
2021	- 1,578,682.43	760.00	154,356.47	-	-	208,030.00	- 1,631,595.96
2022	- 1,631,595.96	49,752.50	-	406,204.39	39,200.00	-	- 1,136,439.07
2023	- 1,136,439.07	45,840.00	193,692.22	-	-	-	- 896,906.85
		212,782.00	1,525,082.87	406,204.39	39,200.00	4,770,983.57	- 896,906.85

I also noted that there was an overdrawn balance of **E113.20** under the responsibility centre 7104- Teacher Education Programme.

I observed that, budget amounting to **E899,670.42** was diverted from Primary Education Grants to the sundry departmental deposits account 61101 under unknown responsibility centre- 1105, in the financial year ended 31st March 2023. This created fictitious liability deposits and overstated the recurrent expenditure. This might be a mis-posting in the responsibility centre 1105 instead of 1106.

With regard to the remaining responsibility centres, I noted that unclaimed sundry departmental deposits were in respect of the revenue collections paid by self-sponsored students or other revenue for respective institutions and colleges charged under the Ministry. The Ministry failed to remit such collections to their respective institutions as expected and to keep a nil balance in the suspense collection account. The breakdown of the overdrawn balances and unremitted (unclaimed) deposits is illustrated in the table below:

Responsibility Centre	Item	Overdrawn balance due to Unappropriated Expenditure(E)	Unclaimed Deposits) (E)
1106-Office of the Director	61101: Sundry Departmental Deposits	896,906.85	
1105- Not in the Establishment Register	61101: Sundry Departmental Deposits		899,670.42
7104: Teacher Education Programme	61101: Sundry Departmental Deposits	113.20	
6202: Emlaladini	61101: Sundry Departmental Deposits		973,247.75
7103: Ngwane Training College	61101: Sundry Departmental Deposits		333,016.90
6002: Mastapha Vocational Training Centre	61101: Sundry Departmental Deposits		150,171.43
5002: Not in the Establishment Register	61101: Sundry Departmental Deposits		99,450.00
5004: Not in the Establishment Register	61101: Sundry Departmental Deposits		67,850.00
2001- Chief Inspector Primary	61101: Sundry Departmental Deposits		38,408.05
5001- Not in the Establishment Register	61101: Sundry Departmental Deposits		28,080.00
1102- Principal secretary's Office	61101: Sundry Departmental Deposits		16,831.19
3006- Mjinga Secondary School	61101: Sundry Departmental Deposits		11,986.13
6102- Not in Establishment Register	61101: Sundry Departmental Deposits		9,158.00
8105- Not in the Establishment Register	61101: Sundry Departmental Deposits		9,073.25
5101: Career Guidance Section	61101: Sundry Departmental Deposits		8,600.00
4103- Not in the Establishment Register	61101: Sundry Departmental Deposits		7,400.00
5003- Not in the Establishment Register	61101: Sundry Departmental Deposits		5,500.00
2002- Hhohho Aided Primary School's	61101: Sundry Departmental Deposits		3,636.37
6201- Not in the Establishment Register	61101: Sundry Departmental Deposits		3,250.74
3003- Other Hhohho Government Schools	61101: Sundry Departmental Deposits		3,189.88
4101- Not in the Establishment Register	61101: Sundry Departmental Deposits		2,803.01
8101- School for the deaf	61101: Sundry Departmental Deposits		2,715.47
1110- REO – Shiselweni	61101: Sundry Departmental Deposits		2,147.55

Responsibility Centre	Item	Overdrawn balance due to Unappropriated Expenditure(E)	Unclaimed Deposits) (E)
1001- Minister's Office	61101: Sundry Departmental Deposits		1,407.28
3012- Shiselweni Aided Secondary School's	61101: Sundry Departmental Deposits		1,000.00
6203- Not in the Establishment Register	61101: Sundry Departmental Deposits		587.29
1111- REO – Lubombo	61101: Sundry Departmental Deposits		549.00
1104- Not in the Establishment Register	61101: Sundry Departmental Deposits		440.00
3004- Hhohho Aided Secondary School's	61101: Sundry Departmental Deposits		313.60
6003- Mpaka Vocational Training Centre	61101: Sundry Departmental Deposits		215.32
6103- Not in the Establishment Register	61101: Sundry Departmental Deposits		200.00
6004- Aided Vocational Centre	61101: Sundry Departmental Deposits		150.00
8103- Ekwetsembeni special School	61101: Sundry Departmental Deposits		100.00
3010- Not in the Establishment Register	61101: Sundry Departmental Deposits		56.92
7105- Not in the Establishment Register	61101: Sundry Departmental Deposits		50.00
3007- St Christopher's High School	61101: Sundry Departmental Deposits		41.83
3005- Matsapha High School	61101: Sundry Departmental Deposits		29.17
1109: REO Manzini	61101: Sundry Departmental Deposits		0.10
Unclaimed Sundry Departmental Deposits		897,020.05	2,681,326.65

152. Unclaimed Deposits in Respect of Companies' One Month Wages Deposit, E.D.E. Customs Training Fund, and Civil Registration Training Project

I further reported that deposits or collections amounting to **E1,660.00** from certain schools were not recognised or transferred to Revenue Miscellaneous Sundries, instead the deposits were posted in the collections (deposits) accounts. These deposits created fictitious liabilities as opposed to being regarded as revenue. The details of the deposits or collections that ought to have been recognised as revenue, are as follows:

Centre	Account Item	Date of Collection	Receipt Number	Descriptions	Deposits (E)
1105:	61105: Companies' One Month Wages Deposit	23.09.2009	02819462	Nhlangano Central High School	640.00
1106: Office of the Director	61106: E.D.E. Customs Training Fund	FY 2012	4476544	Khuphuka High School	300.00
		FY 2013	5029521	ST Christopher High School	180.00
		FY 2017	6310772	Mbekelweni High	150.00
		FY 2017	6310772	Mbekelweni High	<u>150.00</u>
					780.00
1105:	61107: Civil Registration Training Project	24.09.2010	03428316	Lusoti High School	240.00
Unclaimed Deposits due to be Revenue Miscellaneous Sundries					1,660.00

Financial and Accounting Instruction 1307 stipulates that "amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees". Further, Financial and Accounting

Instruction 1308 states that “where an amount in a deposit account has remained unclaimed for a period of five years, it shall be transferred to Revenue Miscellaneous Sundries”.

Public funds received from schools were irregularly used before being appropriated and recognised as revenue and were not credited to the Consolidated Fund, as revenue miscellaneous- item sundry fees. Further, failure to remit the sundry deposits to the rightful persons might result in the loss of public funds and an aggravated poverty status of the beneficiaries.

I warned Controlling Officer that unclaimed sundry deposits over a period of five years are regarded as revenue collections due to Government that should have been transferred to the Consolidated Fund (Revenue Miscellaneous Sundries).

I advised the Controlling Officer to investigate the beneficiaries and dispose the funds to the rightful payees, while those above five years should be transferred to the Consolidated Fund (Revenue Miscellaneous Sundries account), and reconcile the accounts accordingly.

In response, Controlling Officer noted my observations and recommendation. He stated that the Accounts department was working hand in hand with the Treasury Department to address the issues raised above. The ministry is trying to trace back the records since balances are dating back to 2003.

The response of the Controlling Officer was noted. However, at the time of compiling this report, the Government Accounting System reflected that the funds had not been transferred into the Consolidated Fund.

153. Unremitted Deductions of National Provident Fund, Taxes and Motor Vehicle Scheme, and Refundable Non-Deducted Contributions Remitted

I noted that there were unremitted deductions amounting to **E80,761.10** and refundable non-deducted contributions remitted amounting to **E386.04** of the National Provident Fund, unremitted deductions of Civil Service Motor Vehicle Scheme - Standard Bank worth **E5,947.21**, and unremitted taxes worth **E2,622.01**, as at 31st March 2023, as illustrated in the table below.

Centre	Item Description	Refundable Remitted Deductions (E)	Unremitted Deductions (E)
2008- Lubombo Aided Primary Schools	62240-National Provident Fund deduction		19,252.00
1102- Principal Secretary's Office	62240-National Provident Fund Deduction		18,266.95
1001- Minister's Office	62240-National Provident Fund Deduction		7,410.64
2004- Manzini Aided Primary Schools	62240-National Provident Fund deduction		4,900.00
2002- Hhohho Aided Primary Schools	62240-National Provident Fund deduction		2,875.00
3008- Manzini Government Secondary School	62240-National Provident Fund deduction		2,840.00
3015- Chief Inspector Secondary	62240-National Provident Fund deduction		2,590.00
3012- Shiselweni Aided Secondary School	62240-National Provident Fund deduction		2,495.00
2006- Shiselweni Aided Primary school	62240-National Provident Fund deduction		2,260.05
3002- Mhlatane High School	62240-National Provident Fund deduction		2,175.00
5101- Career Guidance Section	62240-National Provident Fund deduction		2,110.00
3014- Lubombo Government Secondary Schools	62240-National Provident Fund deduction		2,085.00
2001- Chief Inspector Primary	62240-National Provident Fund deduction		1,100.00
6001: ECOT	62240-National Provident Fund deduction		1,077.57
1103-Finance and Common Services	62240- National Provident Fund Deduction		1,063.33
1112- Not in Establishment Register	62240-National Provident Fund deduction		950.00
2005- Shiselweni Government Primary Schools	62240-National Provident Fund deduction		950.00
3009- Manzini Aided Secondary School's	62240-National Provident Fund deduction		770.00
3004- Hhohho Aided School's	62240-National Provident Fund deduction		755.00
3011- Other Shiselweni Government Secondary Schools	62240-National Provident Fund deduction		610.63
2007- Lubombo Government Primary Schools	62240-National Provident Fund deduction		575.00
3001- St Marks High School	62240-National Provident Fund deduction		480.13
3003- Other Hhohho Government Schools	62240-National Provident Fund deduction		305.00
3010- Not in establishment Register	62240-National Provident Fund deduction		290.00
4104- Not in Establishment Register	62240-National Provident Fund deduction		275.00
3007- St Christopher's High School	62240-National Provident Fund deduction		230.00
4001- Not in the Establishment Register	62240-National Provident Fund deduction		191.36
1107- School's Agriculture	62240-National Provident Fund Deduction		175.00
8101- School for the Deaf	62240-National Provident Fund deduction		155.00
6004- Aided Vocational Centre	62240-National Provident Fund deduction		150.00
1110 - R.E.O. Shiselweni	62240-National Provident Fund deduction		145.00
2003- Manzini Government Primary School's	62240-National Provident Fund deduction		135.00
4101- Not in the Establishment Register	62240-National Provident Fund deduction		130.00
8103- Ekwetsembeni Special School	62240-National Provident Fund deduction		130.00
9101- Nursery Schools	62240-National Provident Fund deduction		124.48
1108- R.E.O. Hhohho	62240-National Provident Fund Deduction		110.00
7104- Teacher Education Programme	62240-National Provident Fund deduction		105.00
6203- Not in the Establishment Register	62240-National Provident Fund deduction		100.00
1106- Office of the Director	62240-National Provident Fund Deduction		75.00
7103- Ngwane Training College	62240-National Provident Fund deduction		75.00
1109- R.E.O. Manzini	62240-National Provident Fund deduction		55.00
8107- Not in the Establishment Register	62240-National Provident Fund deduction		50.00
6101- Not in the Establishment Register	62240-National Provident Fund deduction		49.48
6202- Emlaladini	62240-National Provident Fund deduction		34.48

Centre	Item Description	Refundable Remitted Deductions (E)	Unremitted Deductions (E)
4103- Not in Establishment Register	62240-National Provident Fund deduction		30.00
3006- Mjinga Secondary School	62240-National Provident Fund deduction		25.00
6003- Mpaka vocational Training Centre	62240-National Provident Fund deduction		25.00
7101- William Pitcher College	62240-National Provident Fund deduction	25.00	
6002: Matsapha Vocational Training Centre	62240-National Provident Fund deduction	25.52	
3013- Mpaka High School	62240-National Provident Fund deduction	30.00	
1111- R.E.O. Lubombo	62240-National Provident Fund deduction	35.00	
4102- Not in the Establishment Register	62240-National Provident Fund deduction	50.52	
3005- Matsapha High School	62240-National Provident Fund deduction	100.00	
8104- Audit Literacy Programme	62240-National Provident Fund deduction	120.00	
Non-deducted and Unremitted Deductions of National Provident Fund		386.04	80,761.10
1001: Minister's office	62268 – Civil Service M.V. Scheme Standard bank		5,947.21
1102: Principal Secretary's Office	62315: SRA Taxation		2,028.00
3001: St Marks High School	62315: SRA Taxation		594.00
2001: Chief Inspector Primary	62379: Tax on companies		0.01
Total Unremitted Taxes Deductions			2,622.01

Section 14(2) of the Swaziland National Provident Fund Order No. 23 of 1974 states that, a contributing employer shall, for every contribution period after the date when he became a contributing employer, pay into the Fund the statutory contribution in respect of each eligible employee employed by him during such period. Subsection 3 further clarifies that every contribution due under this section should be paid to the Fund within twenty-one days after the end of the month in which the last day of the relevant contribution period falls, and shall be credited to the account of the person in respect of whom it is paid. Also, public entities are required by law (Income Tax Order of 1975 as amended) to remit taxes in accordance with the tax law.

The non-remittance of deductions of taxes deprived Government of receiving revenue and non-remittance of deductions of contributions for Provident Fund also deprived non-pensionable workers of receiving their rightful benefits through Eswatini National Provident Fund.

I advised the Controlling Officer that the Ministry should remit the deductions for contributions of Provident Fund, taxes and motor vehicle scheme to the Eswatini National Provident Fund, Eswatini Revenue Service and Standard Bank, respectively, and provide proof of remittances.

In response, the Controlling Officer concurred with my audit observations and assured that the Ministry would like to confirm that they are working with Treasury department

by transferring all funds deducted from officers' salaries in respect of SNPF contributions to the Treasury department with the view that the deductions due to Provident fund are finally remitted. The Ministry would like to mention that this is a process and the balances will be cleared gradually as the process continues.

The response of the Controlling Officer was noted; however, the audit finding remains unresolved until the necessary adjustments have been done.

154. Outstanding Pay as You Earn (PAYE) Tax Debt and Value Added Tax (VAT) Debt as at 31st March 2023

I reported that, records from Eswatini Revenue Service revealed that the Ministry of Education and Training had PAYE tax debt worth **E2,717,438.41** relating to tax periods dating back from March 2017 and VAT debt worth **E1,676,717.96** relating to tax periods dating back from November 2015, as at 31st March 2023. These taxes debts were not disclosed in the financial statements, ended 31 March 2023.

All public entities are required by law (Income Tax Order of 1975 as amended) to remit taxes in accordance with the tax law. Further, according to Section 11(2)(a) of the Public Finance Management Act, Controlling Officers are responsible for putting in place effective and efficient internal controls arrangements and systems for the management of assets, liabilities, and other risks.

Government was deprived of receiving revenue in the form of taxes and that this was in contravention of tax laws and regulations of the country by the Ministry.

I advised the Controlling Officer that the Ministry should settle the VAT debt and PAYE tax debt with the Eswatini Revenue Service and provide proof of settlement.

In response, the Controlling Officer acknowledged my audit observations, and stated that the ministry was in consultation with Eswatini Revenue Service with the view that the above matter is brought to finality.

The response of the Controlling Officer was noted. However, without the settlement of the debts the audit finding remains insolved and reportable.

155. Collected Monies Not Recognised as Revenue and not transferred in the Government Consolidated Fund from Primary and Secondary Book Fund

I reported that the collected monies **E6,565,980.67** in respect of Primary and Secondary Book Fund were not recognised as revenue and not transferred to the Consolidated Fund Account in the financial years its relates. The accumulated collections in the Primary and Secondary Book Fund Trading Account, as at 31st March 2023, is depicted in the table below.

Responsibility Centre	Item Description	Amount (E)
2001: Chief Inspector Primary	70224- Primary and Secondary Book Fund	1,396,062.67
2002: Hhohho Aided Primary Schools	70224- Primary and Secondary Book Fund	2,591,176.84
2003: Manzini Government Primary Schools	70224- Primary and Secondary Book Fund	2,578,741.16
Collected Monies Not Recognised as Revenue and Not Transferred in the Government Consolidated Fund from the Primary & Secondary Book Fund Trading A/C		6,565,980.67

The Book Fund collections were not recognised as revenue and the funds collected were not transferred to the Government Consolidated Fund. As such, fictitious liabilities were created in the books of accounts. This continues to create misstatements of revenue and liabilities, which in turn distorts the financial position of the Government.

I advised the Controlling Officer that the Ministry should transfer the revenue collections through Book Fund to the Consolidated Fund, to recognise revenue, debiting the Book Fund and crediting the Revenue Miscellaneous Account- item sundry fees. At the end of the year all collections should be transferred to the Consolidated Fund and recognized as revenue. This is a collections account that should remain with a nil balance at the end of the financial year.

In response, the Controlling Officer concurred with my audit observation and stated that the Primary and Secondary Book Fund was initially created for allowing private and individual schools to purchase books from all REO's. The money was to be deposited into the suspense account in order for the Ministry to repurchase books from Macmillan. The Ministry has since been advised to open a Special Account with the Central Bank. The Ministry has written a Cabinet Paper requesting authority to open the account.

The response of the Controlling Officer was noted; however, the audit finding remains unresolved as the account has been inactive for a while.

156. Budget, Expenditure, Assets and Liabilities for Non-existing Responsibility Centres

I reported that a budget of **E34,760,609.70** was appropriated and the released budget amounting to **E33,975,855.00**, and the actual recurrent expenditure amounting to **E34,760,609.70** was incurred under non-existing Responsibility Centres in the Establishment Register for the financial year 2021/2022. Further, the Detailed Statement of Assets and Liabilities depicted assets worth **E9,951,799.93** and liabilities amounting to **E1,136,458.55** under the non-existing Responsibility Centres in the Establishment Register – Supporting the Estimates of Public Expenditure for the financial year 2021/2022.

The table below provides a list of the non-existing Responsibility Centres.

Responsibility Centre	Expenditure Item	Budget (E)	Budget Released (E)	Actual Expenditure (E)
Recurrent Expenditure				
1104	04401: Printing Services			-664.50
1105	04401: Printing Services			-353.90
1112	Personnel Costs	31,645,565.70	31,695,314.00	82,871,241.92
1105	Travel, Transport & Communications	18,762.00	3,055.00	3,000.92
1112	Travel, Transport & Communications	81,699.00	44,661.00	43,593.74
5004	Travel, Transport & Communications	98,850.00	89,997.00	89,827.09
1104	Professional and Special Services	233,997.00	241,331.00	240,088.04
1105	Professional and Special Services	1,570,868.00	217,858.00	207,610.85
1112	Professional and Special Services	557,104.00	495,013.00	494,951.79
5004	Professional and Special Services	309,500.00	203,998.00	203,831.50
1105	Consumable Material Supplies	8,295.00	3,344.00	3,344.00
1112	Consumable Material Supplies	3,969.00	3,968.00	3,968.00
5004	Consumable Material Supplies	232,000.00	327,497.00	327,058.32
1105	Durable Materials	0.00	649,819.00	649,818.70
Recurrent Budget and Expenditure for Undisclosed Responsibility Centres		34,760,609.70	33,975,855.00	34,760,609.70
Assets and Liabilities for Undisclosed Responsibility Centres				
Responsibility Centre	Account Description	Assets		Liabilities (E)
4101	51006- Tour Advances –Employees			36,136.83
4104	51006- Tour Advances –Employees			1,207.84
1105	51006- Tour Advances –Employees	4,185.64		
1105	61080 Outstanding Accounts All Ministries	9,947,563.77		
1104	61101: Sundry Departmental Deposits			440.00
1105	61101: Sundry Departmental Deposits			899,670.42
4101	61101: Sundry Departmental Deposits			2,803.01
4103	61101: Sundry Departmental Deposits			7,400.00
5001	61101: Sundry Departmental Deposits			28,080.00
5002	61101: Sundry Departmental Deposits			99,450.00
5003	61101: Sundry Departmental Deposits			5,500.00
5004	61101: Sundry Departmental Deposits			67,850.00
6102	61101: Sundry Departmental Deposits			9,158.00
6103	61101: Sundry Departmental Deposits			200.00
6201	61101: Sundry Departmental Deposits			3,250.74

Responsibility Centre	Expenditure Item	Budget (E)	Budget Released (E)	Actual Expenditure (E)
6203	61101: Sundry Departmental Deposits			587.29
7105	61101: Sundry Departmental Deposits			50.00
8105	61101: Sundry Departmental Deposits			9,073.25
1105	61105: Companies' One Month Wages Deposit			640.00
1105	61107: Civil Registration Training Project			240.00
1112	62240-National Provident Fund deduction			950.00
3010	62240-National Provident Fund deduction			290.00
4104	62240-National Provident Fund deduction			275.00
4001	62240-National Provident Fund deduction			191.36
4101	62240-National Provident Fund deduction			130.00
6203	62240-National Provident Fund deduction			100.00
8107	62240-National Provident Fund deduction			50.00
6101	62240-National Provident Fund deduction			49.48
4103	62240-National Provident Fund deduction			30.00
4102	62240-National Provident Fund deduction		50.52	
Total Assets and Liabilities for undisclosed Responsibility Centres			9,951,799.93	1,136,458.55

All Responsibility Centres should be reflected in the Establishment Register for each financial year to support the Estimates (Budget) of public expenditure for the fiscal year. Further, Responsibility Centres that do not appear in the Establishment Register should have been abolished as non-existing Responsibility Centres may not be for public service delivery.

This may result in public funds not being accounted for by the Ministry of Economic Planning and Development, therefore, creating room for misappropriation and diversion of public funds and resulting to misinformed budget projections.

I advised the Controlling Officer to confirm the existence of these Responsibility Centres that were not appearing in the Establishment Register and to explain why the above Responsibility Centres were not included in the Establishment Register, and to eliminate abolished and/or non-existing Responsibility Centres with immediate effect. Also, budget allocations should be made only to approved Responsibility Centres.

In response, the Ministry concurred with my observation on this matter and would like to confirm the existence of almost all the responsibility centres though not appearing in the Establishment Registers efforts are also being made to include them in the establishment register.

The response of the Controlling Officer was noted; however, the audit finding remains unresolved since the responsibility centres have not been confirmed and included in the Establishment Register by the Ministry.

157. Non-accountability of Projects Implemented by the Micro-Projects Unit

I noted that funds amounting to **E83,635,681.20** were transferred to Micro-Projects Unit as an implementing agency for the Ministry; however, there is no accountability done, through project plans, monitoring and evaluation mechanisms, implementation reports and reporting of outputs achieved. The Ministry did not account for the usage of the funds and did not report the usage of the funds in the implementation of their projects and projects status, in their Performance Reports to Parliament.

Projects funds transferred to Micro-Projects Unit were not monitored, and the Ministry was not aware of funds surplus or shortage in any project implemented by the Micro-Projects Unit. Further, there was no reporting structure on the implementation of projects, and unutilised funds and unused materials for each project were not accounted for, and over usage of funds (over expenditure) were not reported back to the Ministry.

The breakdown of the capital funds transferred to the Micro-Project Units is depicted in the table below.

Centre	Projects	Budget Released	Actual Expenditure
		E	E
1102:	E34399: Water Supply to Schools VII	1,700,000.00	1,700,000.00
	E46099: Schools Infrastructure Enhancement Project	18,075,000.00	18,075,000.00
	E39799: Emergency Response and Rehabilitation of Storms Damaged Government Schools and Public Institutions Phase I	29,376,000.00	29,376,000.00
2001: Primary Education	E46199: Purchase of Equipment, Tools & Furniture for Schools Throughout the Country	7,800,000.00	7,743,359.79
3001:	E44999: Rehabilitation of Sebenta Institute	5,000,000.00	4,999,585.10
3003:	E45099: Extension of Eswatini Skills Centre at Piggs Peak	3,000,000.00	3,000,000.00
	E46570: Purchase of Computers and Accessories	6,750,000.00	6,750,000.00
6001:	E46299: Tertiary Infrastructure and Equipment Enhancement Project	12,000,000.00	11,991,736.31
Total Funds Transferred to Micro-Projects Unit			83,635,681.20

There might be a risk that the efforts and achievements of Government in improving the livelihood and well-being of the citizens through education may not be achieved. The capital funds remain unaccounted for by the Ministry.

I advised the Controlling Officer that the Ministry should establish a monitoring mechanism and reporting structure with the Micro-Projects Unit, and should account-for the capital funds and report about the projects completed, project status and funds and materials for each project to Cabinet and Parliament.

In his response, the Controlling Officer acknowledged my audit observation about the non-accountability of Projects implemented by the Micro Projects Unit. He elaborated to state that:

- 1. The E83,635,681.20 mentioned was not all transferred to Micro-projects Unit as alluded. Actually, this is the MoET capital projects total expenditure for 2022-2023. Of the total amount, only E65,151,000.00 was transferred to Micro-projects Unit for the implementation of the MoETs capital projects whilst the remainder (E18,484,681.20) was used by the MoET to procure furniture, tools, and equipment for schools.*
- 2. Regarding plans for capital projects, the MoET does formulate capital projects implementation plans annually. The process involves receiving infrastructure requests from schools, prioritization of those requests align them to the available budget for that particular year, compilation and approval of a list for projects to be implemented and the submission of the approved list to Micro-projects Unit.*
- 3. Auditor-General also raised a concern about the lack of monitoring of capital projects by the MoET. The Ministry, through the Planning Unit, despite the existing transport challenges, does site inspection to monitor the implementation of the Ministry's capital projects. The MoET has a good working relationship with Micro-projects Unit such that when there are transport challenges, the MoET officers sometimes go with the project managers when they go for site inspections and meetings to check progress. On another note, the MoET does receive quarterly and annual performance reports to get physical and financial progress per project.*

The response of the Controlling Officer was noted. However, the Controlling Officer has not submitted supporting documents to confirm the amount transferred to Micro-Projects. There are also no project plans, monitoring and evaluation reports as well as progress reports to confirm the monitoring of the projects, as well as supporting documentation for the E18.484 million which was allegedly used to procure furniture and equipment for schools.

158. Physical Verification of Durable Items

A physical verification exercise was conducted and I communicated the findings through a report referenced E7/Vol.XIX/14 dated 13th February 2024. At the time of compiling this report, the Controlling Officer did not respond to the audit findings, thus violated the

Financial and Accounting Instructions section 0315(ii) which states that “it is the duty of all Accounting Officers to reply promptly to any queries addressed to them by the Auditor General, giving fully the particulars or information desired”. Moreover, the Controlling Officer may be liable for institutional sanctions as per section 109(1)(j) of the Public Finance Management of Act of 2017. Hence, the audit findings remained unresolved.

158.1. Procurement of Laptops not requisitioned

I reported to the Controlling Officer that the Ministry procured 390 laptops that cost Government a total amount of **E12,538,000.00** during the year ended 31st March 2023, which were not supported by requisitions. The absence of the requisitions from the intended users gave an impression that the procurement was not properly planned. Details of the Procurement are shown in the table below:

Order No.	Voucher No.	Item description	QTY	Unit price (E)	Total (E)
EG23005050	120216	HP Intel core i5-1135 4GB laptop plus carry bag	50	31,800.00	1,590,000.00
EG23005740	1211230	HP Intel core i7-10510U 8GB laptop plus carry bag	340	32,200.00	10,948,000.00
Total			390		12,538,000.00

Information gathered during the audit revealed that the recipients of the gadgets did not know what to do with them and how to distribute them hence they remained in their custody and unutilized, while some were stolen.

I drew the attention of the Controlling Officer to section 33(1) of the Public Procurement Regulations of 2020, which states that “every procurement requirement should be documented by a procurement requisition.” Subsection 3 of this section further states that “the requisition should be approved by the Controlling Officer or an Officer so designated by the Controlling Officer, prior to the initiation of procurement proceedings” while subsection 4(a) emphasizes that “approval of requisitions should include confirmation of the need of the items and authority to proceed with the procurement.” Subsection 5 then explains that approved requisitions should be submitted to the appropriate procuring entity to initiate procurement proceedings.

The purchase may not have been informed by need, in excess of requirements, and/or not of the appropriate quality/specification. I am also concerned about fruitless and wasteful expenditure that may have been incurred through the purchase of unnecessary laptops. The purchased laptops may remain unutilised or stolen thereby depriving the Government of value on the money spent.

I advised the Controlling Officer to ensure that all procurement is properly planned for in compliance with Government procurement laws, regulations and procedures. All procurement should be initiated through a duly approved requisition subject to confirmation of the need.

158.2. Missing and Idle Computer Laptops

I further reported that during the physical verification of durable material in the custody of the Ministry conducted in December 2023, it was noted that out of 586 computer laptops that were supplied to various responsibility centres of the Ministry between December 2021 and September 2023, only 247 (less than half of them) were issued to users, while 88 were missing, and 251 remained idle. As such, the Government had not derived full value on the money spent in the acquisition of the laptops. The details of the laptops are depicted in the table below.

Responsibility Centre	Date Received	Quantity of Laptops Received	Quantity of Issued Laptops	No. of Missing Laptops	No. of Idle Laptops
Ministry (HQs)	10/02/2023	50	0	6	44
Hhohho REO	14/12/2021	50	18	0	32
	13/09/2023	84	18	0	66
Manzini REO	14/12/2021	50	18	32	0
	13/09/2023	84	0	6	78
Lubombo REO	12/2021	50	10	38	2
	21/09/2023	84	84	0	0
Shiselweni REO	12/2021	50	25	3	22
	21/09/2023	84	74	3	7
Totals		586	247	88	251

The physical verification further revealed that 44 laptops had been lying idle at the Ministry Headquarters for 10 months while 56 laptops had been idle at the Hhohho REO (32), Lubombo REO (2) and Shiselweni REO (22) for 2 full years.

Further enquiry from the Regional Education Offices revealed that there was no instruction from the Ministry on how the gadgets should be distributed hence most of them remained idle and vulnerable to theft.

Regarding the missing 88 computer laptops, the 6 laptops missing from the Ministry Headquarters and 38 laptops missing from the Lubombo REO were reported as stolen to

the Royal Eswatini Police Services. However, the Manzini and Shiselweni Regional Education Officers did not provide any information regarding the missing 38 and 6 laptops from their custody as they had not reported the losses to the Police. Details of the reported cases and implicated officials are shown in the table below:

Implicated Officer & Duty Station	Designation	Case Details
Employment No. 300242717 – Ministry Headquarters	Handyman	6 HP laptops were taken by the officer from the Ministry Headquarters storeroom; The National Commissioner of Police (NATCOM) was notified of the incident. The Officer appeared before the Mbabane Magistrate Court on August 25, 2023. The High Court of Eswatini granted him bail on September 1, 2023, with a value of E50,000.00. The Officer received a hearing invitation for October 10, 2023 by the Civil Service Commission. The Officer is still paid in full, throughout his suspension, he must report to the Ministry of Education every Monday at 8:00 a.m.
Employment No. 101945800 - Lubombo (Siteki) REO	Typist I	38 HP laptops were taken by the Officer with her colleague from the Regional Office' storeroom; NATCOM was notified of the incident. She appeared before the Mbabane Magistrate Court on August 24, 2022. The Court granted her bail with a value of E50,000.00. The Officer was summoned for a hearing in December 15, 2022, by the Civil Service Commission. The Officer is still receiving her salary in full, throughout her suspension. She was given an instruction to report to her Supervisor every Friday.
Employment No. 800160003 – Lubombo (Siteki) REO	Assistant Records Officer	38 HP laptops were taken by the officer with his colleague from the Regional Office storeroom; NATCOM was notified of the incident. He appeared before the Mbabane Magistrate court on August 24, 2022. The Court granted him bail with a value of E50,000.00. The Officer was summoned for a hearing in December 15, 2022, by the Civil Service Commission. Officer is still receiving his full salary, although he is on suspension. The Officer received an instruction to report to his Supervisor every Friday.

Section 80(1) of the Public Finance Management Act (PFMA), states that "Controlling Officers should manage assets to ensure that Government achieves value for money when acquiring, using and disposing them. Section 108 then provides that a public office holder, public officer, or other person with responsibility for Government resources, commits a criminal offence if without lawful authority under the Act or under other lawful authority that person willfully or negligently-

- (a) takes unlawful possession of public funds or assets including electronic data;
- (b) misappropriates public funds or assets.

Also, according to section 110(1), a public office holder, public Officer, or other person with responsibility for Government resources shall be held personally responsible for any loss sustained by Government due to:

- c) acts of fraud or negligence on the part of that officer; or

- d) acts of fraud or negligence on the part of any other officer, if it is found that the officer contributed to the loss by the action, negligence or omission of that officer”.

Attention is further drawn to section 108(5) of the PFMA, where it is stated that a public officer or public office holder commits an offence if that officer becomes aware of or suspects, the commission of an offence under the Act and fails to report the offence to at least two of any of the following-

- (a) Principal Secretary of the Ministry responsible for Finance;
- (b) the Auditor-General;
- (c) the relevant service commission or the Civil Service Commission or;
- (d) the Director of Public Prosecutions.

My concern is that the missing laptops may have been misappropriated or stolen. There may be loss of value for money spent due to possible deterioration, misappropriation, loss of warranty, or theft of the idle laptops. The Intended purpose for acquisition of the computer laptops is not being achieved.

I advised that the Ministry should investigate why the laptops have remained idle for long periods, appropriately report losses in compliance with Government legislation and regulations, make follow-ups on reported cases such that they are promptly concluded and take the necessary disciplinary action against the implicated officials.

158.3. Irregular Replacement of Computer Laptops – Shiselweni REO

I further noted that the Shiselweni Regional Education Office replaced four computer laptops without assessing if the old ones needed replacement. Moreover, the Officers to whom the replaced laptops were issued to did not return the old laptops and thereby violated standard Government procedure. The implicated Officers are listed in the table below:

Laptop Recipient Employee Number	Designation
4609096	Regional Education Officer
6355810	Inspector- Religious Education
7217427	Inspector- Design and Technology
9264872	Inspector- Geography

Information gathered from the Regional Education Office was that the Officers were involved in an accident which resulted in their laptops being damaged thus necessitating their replacement. However, evidence supporting such assertion in the form of Accident,

Police and/or Loss Reports were not presented for verification. In the absence of such reports, it appears as though the Officers are irregularly in custody of two laptops each.

I pointed out that section 80(1) of the Public Finance Management Act, stipulates that Controlling Officers should manage assets to ensure that Government achieves value for money when acquiring, using and disposing them. Section 108 then provides that a public office holder, public officer, or other person with responsibility for Government resources, commits a criminal offence if without lawful authority under the Act or under other lawful authority that person wilfully or negligently-

- (a) takes unlawful possession of public funds or assets including electronic data; and
- (b) misappropriates public funds or assets.

Further, section 11(3)(g) of the Public Finance Management Act requires Principal Secretaries to take effective and appropriate disciplinary steps including reporting losses as required under Part VII of the Act.

I am concerned about the possibility that the replaced laptops may have been misappropriated. I am also concerned that asset losses were not reported as required.

I advised that the Controlling Officer should ensure that a technical assessment is conducted before a replacement of laptops is done, and that they comply with Government regulations when disposing of unserviceable assets. The Ministry should report losses to the relevant authority in compliance with Government legislation.

The Ministry should investigate the matter and take necessary action subject to the outcome.

158.4. Delivery of Furniture not as per Purchase Order

I also noted that KZM Logistics delivered furniture that less than what was specified in the Purchase Order to Ngwane Teacher Training Centre on the 19th January 2023. The Ministry was invoiced with the full amount yet the quality delivered did not match the purchase order.

Item description on order (EG23102898)	Quantity	Unit price E	Delivered item/s (SGED0041)	Undelivered item/s
Twenty-five to thirty (25-30) seater boardroom table 80mm thickness desktop, solid.	2	61,501.10	1, fifteen seater boardroom table	2 x 25-30 seater boardroom tables.

Mangers desk double pedestal with heavy hardwood finishing top size 1800 x 850mm 6 drawer lockable.	35	13,404.35	Mangers desk double pedestal with heavy hardwood finishing top size 1800x850 mm 3 drawer lockable.	35 x 3 drawer pedestal
2400x700x100 executive reception desk solid wood 80mm desktop with free standing credenza	1	23,576.68	2400x700x100 executive reception desk solid wood 80mm desktop.	1 x Free standing credenza

I reminded the Controlling Officer about section 52(3) of the Public Finance Management (PFM) Act, which states that "Principal Secretaries are required to put in place procedures consistent with the PFM Act, the Procurement Act, 2011 (Act No.7 of 2011) or any other law for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier."

I warned the Controlling Officer about payment for items that do not meet specification wherein the government has not derived the value for money which may lead to financial losses.

I advised the Controlling Officer to always ensure that correct specifications as per the order is delivered, are delivered before payment is made. Furthermore, the Controlling Officer should investigate the matter and take appropriate action as necessary.

At the time of compiling this report, the Controlling Officer had not responded to my observation.

HEAD 34: MINISTRY OF FINANCE

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023. I communicated my findings to the Controlling Officer through a report referenced F13/Vol. VIII/06 and A2/2022/2023/28 dated 5th January 2024 and 31st January 2024, respectively. The Controlling Officer responded through a memorandum referenced FIN/007 Vol. 4, dated 29 January 2024 and unreferenced correspondence dated 16th February 2024. However, the following audit findings remained unresolved and reportable.

159. Outstanding Commitments - Ministry of Finance

I reported that the Ministry had outstanding commitments amounting to **E894,504.13** on CTA Vehicle Charges (00), Travel, Transport and Communication (02), Consumables (06), which were not cancelled, and included in the Statement of Recurrent Expenditure for year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD80	Variance AA220	Commitments
		E	E	E	E	E	E
1201: Principal Secretary's Office	00	156,749.50	156,747.00	72,554.31	66,192.69	84,192.69	18,000.00
1001: Minister's Office	00	174,600.00	174,600.00	77,011.42	93,588.58	97,588.58	4,000.00
1201: Principal Secretary's Office	02	3,963,229.00	6,347,527.00	5,618,736.13	13,641.31	728,790.87	663,399.56
1001: Minister's Office	02	1,042,444.00	992,736.00	1,136,723.25	389,683.80	143,987.25	203,703.55
1201: Principal Secretary's Office	06	645,882.00	1,068,882.00	927,413.42	136,067.56	141,468.58	5,401.02
Total Outstanding Commitments							894,504.13

160. Outstanding Commitments – Statutory Expenditure

I also reported that the Statutory Expenditure Budget Vote had outstanding commitments amounting to **E136,313.75** on Salaries and Allowances (01), which were not cancelled, and included in the Statement of Recurrent Expenditure for year ended 31st March 2023, illustrated in the table below:

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD80	Variance AA220	Commitments
		E	E	E	E	E	E
1001: Salaries and Allowances	01	52,003,066.30	52,003,066	78,483,194.94	26,616,442.69	26,480,128.94	136,313.75
Total Outstanding Commitments							136,313.75

This was in contravention of Financial and Accounting Instruction 0410 which states that "it is necessary to keep a close control on all commitments, and enquiries should be made if a commitment does not become actual expenditure within a reasonable time".

Moreover, all outstanding debts should be reported to the Treasury Department at the end of each financial year in order to have them reported in the Financial Statements.

I am concerned that there is a risk of misstatement of recurrent expenditure, which in turn distorts the financial performance of the Government.

I advised the Controlling Officer that the Ministry should cancel all commitments that do not become actual expenditure within the stipulated time of 90 days and reconcile the accounts accordingly.

In response, the Controlling Officer stated that the identified commitments were retired through Journal Vouchers in the financial year ended 31st March 2024.

The response of the Controlling Officer was noted however; it is not satisfactory because it does not address the observation and recommendations I made on outstanding commitments. Also, the Controlling Officer did not respond to queries of outstanding commitments for the Statutory. Furthermore, the Controlling Officer did not provide appropriate and sufficient supporting evidence for the adjustments purportedly made to address the outstanding commitments, including claim vouchers and the relevant trips attachments.

161. Non-Adjustment of Credit Entries against Recurrent Expenditure – Statutory Expenditure

I reported that there were unlawful credit entries against recurrent expenditure worth **E15,717,758.35** in respect of Personnel and Emoluments charged under Responsibility Centre 1101 during the financial year ended 31st March 2023. The credit entry came in the form of unappropriated transfers of budgets from other budget votes against the recurrent expenditure vote of the Ministry. The appropriated budgets were moved into the recurrent expenditure vote without budget warrants or instruments. The details are depicted in the table below:

Responsibility centre	Item Description	Amount (E)
1101: Royal Emoluments and Civil List	Personnel and Emoluments	15,717,758.35
Unlawful Credit entries against Recurrent Expenditure		15,717,758.35

Financial and Accounting Instruction number 0510 which “states that credits to recurrent expenditure items are not allowed except in the case of overpayment within the financial year, or certain inter-departmental transactions requiring an alteration to the debit or adjustments rectifying errors in the accounts for the year”. In addition, Section 31(4) of the Public Finance Management Act (2017) stipulates that “the total amount to be reallocated in a financial year shall not exceed five (5) per cent of the amount for the activity from which funding is removed.”

I pointed out to the Controlling Officer that the restrictions of movement of budget required by Section 31(4) of the Public Finance Management Act (2017) were circumvented by the unauthorised use of Journal Adjustments. The purpose of the Journal Adjustments was misused by the Ministry.

I warned the Controlling Officer that this act is not only unauthorised and unacceptable in accounting but it also distorts the entire expenditure. The credit entries against recurrent expenditure reduce and conceal the actual expenditure incurred in that particular item where the budget is allocated.

I advised the Controlling Officer that the Ministry should correct the mis-posting of Personnel and Emoluments transactions accordingly, and should not post (record) credit entries to the expenditure accounts, since this is against the accounting principles. I also requested an explanation for the purpose and asked the Controlling Officer to provide supporting documentation for the Personnel and Emoluments.

The Controlling Officer did not respond to my observation; thus the matter remains unresolved and reportable

162. Mis-posting of Public Debts Expenditure Transactions

I reported that expenditure transactions of public debts amounting to **E57,797.76** were incorrectly coded under suspense account type (014–2101–12429) instead of recurrent account type (012–2101–12429) in the financial years ended 31st March 2022 and 2023. These expenditures (transactions) were posted to a non-existing account instead of recurrent expenditure account; as such they were not recognized as an expenditure and they were omitted in the financial statements for the year ended 31st March 2023. The breakdown of the mis-posted transactions of departmental allowances to a non-existing account is depicted in the table below.

Responsibility Centre	Account Item	Mis-posted Amounts (E)
2101:Public Debt Principal	12429: IBRD- Eswatini Health Systems Strengthening	53,173.86
2201: Public Debt Interest	12529: IBRD- Eswatini Health Systems Strengthening	4,623.90
Total Mis-postings of Public Debts Transactions		57,797.76

Section 11 paragraph 1.3 of the Financial Management and Accounting Procedures Manual guides that Below the Line (BTL) Accounts include all those accounts where the last digit of the 3 number Head code is a “4”. The 5-digit item code falls into the range 50001 to 99999. Some BTL account numbers are general to all line ministries, others may be specific to an individual line Ministry, whilst many fall directly under the control of Treasury.

I am concerned that Departmental Allowances expenditure was understated and eventually the transactions are not reflected anywhere in the Government Financial Statements.

I advised the Controlling Officer that the mis-posting of the transactions should be corrected.

In response, the Controlling Officer acknowledged my finding and stated that a corrective action will be done and the mis-posting will be reversed.

The Controlling Officer’s response was noted; however, the audit finding was not resolved, and at the time of concluding this report, the mis-postings had still not been corrected in the Government Accounting System.

163. Understated Expenditure for Principal and Interest Payments for Public Debt

I notified the Controlling Officer that, the actual expenditure revealed by the Government Accounting System for Principal and Interest payments towards Public Debt repayments was overstated when compared with the actual expenditure for the same in the financial year ended 31st March 2023. The actual expenditure stated in the Government Accounting System was **E711,572,615.13** for repayments of Public Debt – Principal yet the actual expenditure for Public Debt – Principal was **E649,343,720.51** resulting to a misstatement of **E62,228,894.62**.

The actual expenditure for Public Debt Interest per the Government Accounting system was **E688,617,196.00** whilst the actual expenditure for Public Debt Interest per the

Statement was **E615,917,295.64** resulting to a misstatement of **E72,699,900.36**. The table below illustrates the misstatements.

Item	Amount per Government Accounting System (E)	Amount per Public Debt Statement (E)	Misstatements (E)
Public Debt Principal	711,572,615.13	649,343,720.51	62,228,894.62
Public Debt Interest	688,617,196.00	615,917,295.64	72,699,900.36
Total Misstatement of Recurrent Expenditure			134,928,794.98

Financial and Accounting Instruction 0202(vii) which states that Controlling Officers are responsible for ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from their Chief Accounting Officer.

I am concerned that users of the financial statements will be misled if the financial statements do not complement the information in the Treasury Accounting System.

I advised the Controlling Officer that the Ministry should investigate and correct the misposting of the transactions.

In response the Controlling Officer acknowledged my finding and stated that external debt payments are mostly paid in hard currencies. Which means that exchange rates should be applied to get Emalangenzi equivalents. The Controlling Officer further mentioned that a reconciliation process will be done.

The Controlling Officer's response was noted. However, the Financial Statements are prepared in local currencies and should not have differences. Hence, the irregularity remains unresolved and reportable.

164. Unappropriated Over-Expenditure on Recurrent Vote - Head 34 - Finance

I reported that in the financial year ended 31st March 2023 the Ministry incurred an unappropriated over-expenditure on Travel, Transport and Communication amounting to **E143,987.25** (14.5%) under the Minister's Office, as illustrated in the table below.

Responsibility Centre	Item	Budget Appropriated	Released Budget	Actual Expenditure	Over-expenditure	
		E	E	E	E	%
1001: Minister's Office	02	1,042,444.00	992,736.00	1,136,723.25	143,987.25	14.5
Unappropriated Over-Expenditure					143,987.25	

165. Unappropriated Over-Expenditure on Statutory Salaries and Allowances

I also noted that in the fiscal year ended 31st March 2023, the Statutory incurred an unappropriated over-expenditure on Statutory Salaries and Allowances amounting to **E26,480,128.94 (50.9%)** under the Responsibility Centre 1001, as illustrated in the table below.

Responsibility Centre	Item	Budget Appropriated	Released Budget	Actual Expenditure	Over-expenditure	
		E	E	E	E	%
1001: Statutory Salaries and Allowances	02	52,003,066.30	52,003,066.00	78,483,194.94	26,480,128.94	50.9
Unappropriated Over-Expenditure on Salaries and Allowances					26,480,128.94	

166. Unappropriated Expenditure on Professional Services – Statutory Expenditure

I further reported that there was unappropriated expenditure on Professional and Special Services (04) amounting to **E458,363.94** under the Statutory in the financial year ended 31st March 2023. The expenditure was incurred while there was no appropriated budget for this item. The details are illustrated in the table below.

Responsibility Centre	Expenditure Item	Budget Appropriated	Released Budget	Actual Expenditure	Unappropriated Expenditure
		E	E	E	E
1101: Royal Emoluments & Civil list	04: Professional and Services	0.00	0.00	458,363.94	458,363.94
Unappropriated Expenditure on Professional and Special Services					458,363.94

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act.

I warned the Controlling Officer that over-expenditure beyond the budget released, as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated over expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money. Any unauthorized expenditure may lead to disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Ministry ought to have sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorization.

In the response, the Controlling Officer concurred with my observation of an over expenditure and stated that the Ministry will re-allocate funds from savings to offer the over-expenditures.

The Controlling Officer's response was noted; however, there is no justification for unappropriated and unauthorised expenditure and the period under review has already lapsed for considering re-allocations. Thus, the matter remains reportable.

167. Significant Under-Expenditure on Recurrent Vote - Finance

I reported that there were significant under-expenditures on Recurrent Vote amounting to **E14,892,355.24** incurred by the Ministry 's various responsibility centres for the year ended 31st March 2023. I also reported that **E282,245.00** was released but not utilized at all by the Ministry 's various responsibility centres, during the financial year ended 31st March 2023. The details are illustrated in the table below.

Responsibility Centre	Item	Budget Appropriated	Released Budget	Actual Expenditure	Under-expenditure	
CTA Vehicle Charges		E	E	E	E	%
1401: Supply Chain Management	00	58,398.00	28,397.00	3,067.98	25,329.02	89.2
1001: Minister's Office	00	174,600.00	130,854.00	77,011.42	49,842.58	38.1
1201: Ministry Administration	00	156,749.50	150,747.00	72,554.31	60,192.69	46.0
Under-expenditure on CTA Vehicle Charges					135,364.29	
Personnel Costs						
1601: Fiscal and Monetary Affairs	01	5,280,871.10	5,280,866.00	4,733,850.97	547,015.03	10.4
Under-expenditure on Personnel Costs					547,015.03	
1801: Financial Policy and Planning	02	16,722.00	6,721.00	500.00	6,221.00	92.6
1601: Fiscal and Monetary Affairs	02	20,750.00	20,748.00	7,072.00	13,676.00	65.9
1301: Public Enterprises Monitoring Affairs	02	46,482.00	20,876.00	13,770.56	7,105.44	34.0
1201: Ministry Administration	02	3,963,229.00	6,347,527.00	5,618,736.13	728,790.87	11.5
1401: Supply Chain Management	02	69,388.00	40,387.00	35,820.00	4,567.00	11.3
Under-expenditure on Travel, Transport and Communications					760,360.31	
1301: Public Enterprises Monitoring Unit	04	2,041,589.00	1,381,001.00	23,800.00	1,357,201.00	98.3
1501: Budget Department	04	1,250,350.00	440,347.00	83,710.23	356,636.77	81.0
1601: Fiscal and Monitoring Affairs	04	1,174,200.00	101,448.00	47,880.00	53,568.00	52.8
1801: Financial Policy and Planning	04	2,429,249.00	660,911.00	498,993.30	161,917.70	24.5
1701: Public Debt Management	04	621,587.00	227,545.00	184,444.95	43,100.05	18.9
1401: Supply Chain Management	04	720,457.00	1,071,606.00	945,186.18	126,419.82	11.8

Under-expenditure on Professional And Special Services					2,098,843.34	
1201: Ministry Administration	05	600,000.00	600,000.00	408,783.42	191,216.58	31.9
Under-expenditure on Rentals					191,216.58	
1201: Ministry Administration	06	645,882.00	1,068,882.00	927,413.42	141,468.58	13.2
Under-expenditure on Consumables					141,468.58	
1401: Supply Chain Management	07	21,771,580.00	11,560,088.00	685,615.00	10,874,473.00	94.1
1601: Fiscal and Monetary Affairs	07	68,890.00	188,890.00	128,800.00	60,090.00	31.8
1801: Financial Policy and Planning	07	16,600.00	229,683.00	176,875.00	52,808.00	17.3
1201: Ministry Administration	07	90,939.00	177,939.00	147,222.89	3,018,087.11	17.3
Under-expenditure on Durables					11,018,087.11	
1501: Budget Department	02	20,750.00	48.00	0.00	48.00	100
1701: Public Debt Management	02	6,225.00	6,224.00	0.00	6,224.00	100
Non-utilisation of Released Budget on Travel Transport and Communication Budget					6,272.00	
1001: Minister's Office	06	1,908.00	1,906.00	0.00	1,906.00	100
1501: Minister's	06	16,600.00	1,559.00	0.00	1,599.00	100
1801: Financial Policy and Planning	06	3,735.00	3,733.00	0.00	3,733.00	100
1301: Public Enterprises Monitoring Unit	06	7,470.00	469.00	0.00	469.00	100
Non-utilisation of appropriated and released budget on consumables					7,707.00	
1301: Public Enterprises Monitoring Unit	07	24,900.00	94,525.00	0.00	94,525.00	100
1501: Budget Department	07	70,550.00	41,153.00	0.00	41,153.00	100
1701: Public Debt Management	07	21,580.00	132,588.00	0.00	132,588.00	100
Non-utilisation of appropriated and released budget on durables						
Non-utilisation of Appropriated and Released Budget					268,266.00	
Total Under Expenditure					15,174,600.24	

Under-expenditure of 10% or more in a year is a serious concern as the unutilised funds deprive other Government projects or programmes of planned development initiatives. The non-utilisation of released funds implies delayed (poor) implementation of Government programs, which results to limited service delivery and therefore hampering development, thereby negatively impacting the lives of citizens. It could also be a result of poor budgeting which may include a deliberate overestimation of budget which, in turn, makes Controlling Officers appear to have made savings at the end of the fiscal year.

Had the funds been accessible and/or used to finance essential programmes, they would have contributed towards the development and economic growth of the country. I am concerned of slow economic growth and development arising from the opportunity cost of tying up these unutilised funds within the Ministry, instead of having them invested in other important Government projects or programmes.

I advised the Controlling Officer that the Ministry should ensure that released funds are utilised for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met and achieved, despite the under-expenditures.

In response, the Controlling Officer concurred with my observations of under-expenditures on the recurrent vote and provided the following explanations:

- i) On Travel, Transport and Communication, the under-expenditure of E4,567.00 was due to travel allowances for the Eswatini Government Tender Board meetings which were reduced on the designated days (Wednesday) in a week as the Board had taken a break during December. Additionally, the under-expenditure under the item was due to other Board members having to attend other equally important meetings thus the claims were less.*
- ii) On Professional and Special Services, the under-expenditure of E126,419.82 is due to Eswatini Government Tender Board sitting allowance which were not always fully attended by members who had other equally important meetings during the sittings.*
- iii) On Durables, the under expenditure of E10,874,473 was due to the fact that the Ministry anticipated to buy an off the shelf Procurement system. However, this decision was then overtaken by a benchmark, which the Ministry undertook with the Rwanda Government in November 2021. Following this process, the Rwanda team came to the country to present their system and finally carry out an assessment exercise in February 2022. Finally, the assessment Report by Rwanda, which was received by the Ministry in March 2022, led to a decision by the Government to engage Rwanda on the system development of the Procurement System. Therefore, the delay in the implementation of the system led to the under utilised funds.*

The Controlling Officer further stated that some payments were charged in centre 1201 which resulted in the rightful centres' budgets not being utilized, and mentioned that going forward measures will be taken to address the mis-postings.

The Controlling Officer's response was noted; however, I am concerned that planned activities were not implemented by the Ministry.

168. Unappropriated Over-expenditure on Projects G62261

I reported that in the financial year ended 31st March 2023 the Ministry incurred unappropriated excess (over) expenditure amounting to **E1,857,601.84** on Project G62261 – Financial Inclusion Cluster Development (FINCLUDE), under the Fiscal and Monetary Affairs (responsibility centre 1601, as illustrated in the table below.

Responsibility Centre	Project	Released Budget	Actual Expenditure	Unappropriated Expenditure	
		E	E	E	%
1601: Fiscal and Monetary Affairs	G62261: Financial Inclusion Cluster Development	8,783,008.00	10,640,609.84	1,857,601.84	21.2

Section 107(3)(j) read with Section 34(7) of the Public Finance Management Act of 2017, also states that “a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments. Any excess or any amount expended but not appropriated and which is not allowed under this section is treated as a loss of public moneys. I further warned that according to Section 34(5), unauthorised expenditure may lead to disciplinary actions.

I warned the Controlling Officer that the budget released as appropriated by Parliament was not only unlawful but also has serious effects on the fiscal budget and that non-compliance with laws and regulations may increase the risk of unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Ministry should ensure that no public funds are spent without seeking prior authorisation and/or authority to spend beyond the released and authorised budget, and that corrective action should be taken to address the above anomaly.

In the response, the Controlling Officer concurred with my observation and stated that the Ministry received a request (attached) for the release and transfer of funds amounting to E8,783,008.00 and E9,544 787.00 from the Centre for Financial Inclusion on the 3rd October 2022 and 31st March 2023. Following the receipt, they concluded that the funds had been released since all processes had been completed. She further promised that the Ministry will address this anomaly and ensure that going forward funds are released for capital projects timeously and no public funds are spent without prior authorization.

The Controlling Officer’s response was noted; however, the audit finding remains unresolved because the Ministry did not seek authority for the excess expenditure.

169. Unretired Tour Advances - Head 34: Finance

I reported that tour advances under the Ministry amounting to **E964,509.06** were not retired by/or recovered from the officials involved. The unretired tours had remained unrecovered assets and there is no confirmation that the related external travel expenditure was not recorded in the books of accounts. The breakdown of the unretired tour advances is illustrated in the table below.

Responsible Centre	Account	Unretired Tour Advances (E)
1001: Minister's Office	51006: Tour Advances-Employees	173,511.33
1201: Principal Secretary's Office	51006: Tour Advances- Employees	754,402.36
1301: Public Enterprises Monitoring Unit	51006: Tour Advances-Employees	36,595.37
Total Unretired Tour Advances		964,509.06

170. Fictitious Liabilities Due to Non-postings of Tour Advances in the Suspense Account- Head 01

I reported that there were non-postings of tour advances amounting to **E27,352.26** in the Suspense Account and Cash Book after charging the Government General Account for those tours under the Ministry. The tour advances were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of account and fictitious liabilities were created when retiring tour advances.

Responsible Centre	Account	Not posted Tour Advances (E)
1001: Salaries and Allowances	51006: Tour Advances	27,352.26
Unposted Tour Advances		27,352.26

I am concerned that the Controlling Officer did not promptly bring into account these tour advances by ensuring that they are posted in the Tour Advance Suspense Account and the Cash Book on time. If this had been done, the tour advances would have been reconciled or repaid on time and errors would have been noted on time and corrected. According to Financial and Accounting Instructions 0203(ii) and 0203(x), it is the duty of accounting officers deployed at the Ministry to promptly bring to account all public moneys and to see that all books of account are correctly posted and kept up to date. I also reminded the Controlling Officer that, according to the Financial and Accounting Instruction 1209 "Tour Advances should be repaid immediately upon completion of the tour". It is at this time that errors may be noticed and corrected.

I informed the Controlling Officer that the non-postings of tour advances in the Tour Advance Suspense Account and Cash Book created fictitious liabilities, and the external travel expenditure was understated in the financial year to which it relates; thus distorting the financial position and financial performance, respectively.

I advised the Controlling Officer that, the Ministry should record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advance Account at the end of each month, and to promptly recover outstanding tour advance from officers involved.

In response, the Controlling Officer concurred with my observation of un-cleared balances of the Tour Advances and promised that the tour advances would be retired as soon as officers return from external travel.

The Controlling Officer's response was noted; however, it is not satisfactory because the audit finding was not resolved and the Government Accounting System still reflects the fictitious liabilities.

171. Non-adjustment of Unutilised Budgets and Variations of Foreign Currency Exchange Gains-Accounts Payable- Head 34: Finance

I reported that there were no adjustments of unutilised budget provisions and variations of foreign currency exchange gains on Accounts Payable amounting to **E16,995,977.69** under various responsibility centres. The Ministry should have transferred the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget.

The non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item- in the fiscal years in which the transactions occurred, and has created fictitious liabilities. The breakdown of the unutilised budget provisions is depicted in the table below.

Responsibility Centre	Account Item	Year of Transaction Occurrence	Fictitious Liabilities (E)
1201: Principal Secretary's Office	61034: Accounts Payable	31 st March 2023	15,507,176.23
1601: Fiscal & Monetary Affairs	61034: Accounts Payable	31 st March 2023	852,399.05
1801: Financial Policy & Policy & Planning	61034: Accounts Payable	31 st March 2023	636,402.41
Total Accounts Payable			16,995,977.69

172. Non-adjustment of Unutilised Budget and Variations of Foreign Currency Exchange Gains on Accounts Payable - Head 01: Statutory

I observed and reported that there was unutilised budget provision amounting to **E1,107,703.00** on Accounts Payable – Statutory (61001), since the financial year 2011 that translated to a fictitious liability balance, under the responsibility centre 1001. The unutilised budget provision was not transferred to miscellaneous/sundry income to avoid the use of elapsed budget.

Responsibility Centre	Account Item	Liabilities Balances (E)
1001: Statutory Salaries & Allowances	61001: Accounts Payable	1,107,703.00
Total Accounts Payable		1,107,703.00

173. Non-adjustment of Unutilised Budget and Variations of Foreign Currency Exchange Gains on Accounts Payable - Head 60- Central Affairs

I also reported that there were no adjustments of unutilised budget provisions and variations of foreign currency exchange gains amounting to **E1,333,728.22** on Accounts Payables in respect of foreign payments under responsibility centre 1101 since the financial year ended 31st March 2008. The Ministry ought to have transferred the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget.

Responsibility Centre	Account Item	Year of Transaction Occurrence	Fictitious Liabilities (E)
1101: Central Transfers	61002: Accounts Payable	31 st March 2008	1,326,388.57
1101: Central Transfers	61034: Accounts Payable	31 st March 2008	7,339.65
Unutilized Budget of Foreign Currency Exchange Gains-Accounts Payable			1,333,728.22

174. Non-adjustment of Unutilised Budget and Variations of Foreign Currency Exchange Gains on Accounts Payable Head 51- Swazi National Treasury

I also reported that there were no adjustments of unutilised budget provisions and variations of foreign currency exchange gains amounting to **E3,686,135.94** on Accounts Payables in respect of foreign payments under responsibility centre 1001, since the financial year ended 31st March 2006. Swazi National Treasury ought to have transferred the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget.

Responsibility Centre	Account Item	Year of Transaction Occurrence	Fictitious Liabilities (E)
1001: Swazi National Treasury	61051: Accounts Payable	31 st March 2008	3,686,135.94
Total Accounts Payable			3,686,135.94

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual states that, “apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item”. Moreover, Paragraph 5.6 requires that “year-end balances on this item should normally equal zero”.

I warned the Controlling Officer that the non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item - in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities. Further, there is a risk of incurring expenditure against the unutilized budget, which may be regarded as unappropriated expenditure and there is a risk of using an elapsed budget.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid misappropriation of public funds.

In response, the Controlling Officer concurred with my observation and promised that the balances will be cleared using 2023/24 savings.

The Controlling Officer’s response was acknowledged; however, the audit finding remains unresolved since the action will be taken in the forthcoming financial year.

175. Unclaimed Sundry Departmental Deposits - Finance

I reported that there was unclaimed sundry departmental deposit worth **E150.00**, captured as receipt number 10694838 dated 23rd September 2022, under the responsibility centre 1501. The sundry departmental deposits account 61101 under the Ministry, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Unclaimed Deposits (E)
1501: Budget Department	61101: Sundry Departmental Deposits	150.00

Financial and Accounting Instruction 1307, states that “amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees. Further, I mentioned that Financial and Accounting Instruction number 1308 states that “where an amount in a deposit

account has remained unclaimed for a period of five years, it shall be transferred to Revenue Miscellaneous Sundries”.

I am concerned that failure to remit the sundry deposits to the rightful persons might result in the loss of public funds and an aggravated poverty status of the beneficiaries. Further, the deposits may remain unclaimed or claimed by wrong persons.

I advised the Controlling Officer that sundry deposits within a five-year period should be investigated and disposed to the rightful payees, while those in excess of five years should be transferred to the Consolidated Fund and recognised as revenue in the Revenue Miscellaneous Sundries account, and reconcile the accounts accordingly.

In response, the Controlling Officer concurred with my observation and mentioned that the transaction is a mis-posted receipt from a revenue station and that it will be reversed once all documents have been retrieved from the revenue station.

The Controlling Officer’s response was noted; however, the matter remains unresolved because at the time of concluding this report, the transaction had not been reversed.

176. Unremitted Deductions in respect of National Provident Fund Deductions and Taxes

I also noted that there were unremitted deductions for the contributions of the National Provident Fund amounting to **E16,275.06**, and unremitted taxes amounting to **E224,538.72** as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Unremitted Deductions (E)
Finance		
1001: Minister’s Office	62240: National Provident Fund Deduction	2,160.00
1201: Principal Secretary’s Office	62240: National Provident Fund Deduction	14,090.06
Statutory		
1001: Personnel and Emoluments	62240: National Provident Fund Deduction	25.00
Total National Provident Fund Deduction		16,275.06
1201: Principal Secretary’s Office	62315: SRA- Taxation	47,946.00
Central Transport Administration		
9101: Abolished Centre	62315: SRA-Taxation	176,592.72
Total unremitted Taxes Deductions		224,538.72
Total Unremitted Deductions of National Provident Fund and Taxes		240,813.78

Financial and Accounting Instruction 0817 requires that “a deduction from a payment to be made must be shown on the payment voucher together with the account to be credited”. In addition, public entities are required by law (Income Tax Order of 1975 and National Provident Fund Order 1974) to remit taxes and contributions, respectively.

I warned the Controlling Officer that non-remittance of deductions of taxes deprived the Government of receiving revenue in the form of taxes and non-remittance of deductions of contributions for the Provident Fund deprived non-pensionable workers of receiving their rightful benefits through Eswatini National Provident Fund.

I advised the Controlling Officer that the Ministry should remit the deductions for contributions of Provident Fund and taxes, to the Eswatini National Provident Fund and Eswatini Revenue Service respectively, and provide proof of remittances.

In response, the Controlling Officer stated that Tender Board members that were paid their sitting allowances had their tax remittances’ batches posted in the current financial year ended 31st March 2024.

The response of the Controlling Officer was noted. However, both the taxes and the provident fund have not yet been remitted to the Eswatini Revenue Services and Eswatini National Provident Fund respectively, hence the matter remains reportable.

177. Fictitious Assets Due to Unappropriated Expenditure on Outstanding Accounts-All Ministries-Finance

I reported that there was fictitious assets balance due to unappropriated expenditure incurred on Outstanding Accounts All Ministries amounting to **E516,155.00** since financial 1999 under Head 60, responsibility centre 1101. The unappropriated expenditure accumulated to E585,587.00 in the fiscal year 2010 and reduced to the current balance by foreign exchange variation gains of E69,432.00. In the financial year ended 31st March 2018, this balance was moved from Head 60 to Head 34 under the responsibility centre 1201, and it was not clear since then. The details of the fictitious assets balance due to unappropriated expenditure as at 31st March 2023 is depicted in the table below.

Responsibility Centre	Account Item	Fictitious Assets (E)
1201: Ministry Administration	61060: Outstanding accts. all Ministries	516,155.00
Total Outstanding Accounts All Ministries		516,155.00

Section 34(7) of the Public Finance Management Act (2017) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act.

I am concerned that the unappropriated expenditure resulted to fictitious assets while the expenditure was not disclosed in the financial statements.

I advised the Controlling Officer that the Ministry should clear the unappropriated expenditure and the resulting fictitious assets balance through use of budget savings on Capital Fund or re-allocation to the Capital Fund or budget supplementary.

In response the Controlling Officer acknowledged my observation and stated that the balance is cleared.

The Controlling Officer's response was noted. However, the matter remains unresolved because at the time of concluding this report, the reported Outstanding Accounts All Ministries had still not been cleared and appeared in the Government Accounting System.

178. Abolished Heads and Centres

I also noted that there were abolished centres which were allocated budget in the financial year ended 31st March 2023. The following paragraphs outlines the queries that have resulted from allocation of budget to abolished Heads and Centres.

178.1. Abolished Heads and Centre Allocations Budget and Actual Expenditure

I notified the Controlling Officer that abolished Heads 28, 36, 39, and 91 were allocated a budget amounting to **E24,170,967.00** on CTA Vehicle Charges (item 00). Head 91 incurred an actual expenditure of **E1,484.00** on CTA Vehicle Charges under the responsibility centre 9101. Head 39 incurred an unappropriated expenditure of **E500.00** on Consumables (06) under the responsibility centre 1101 in the financial year ended 31st March 2023.

An illustration of the budget allocations to the abolished Head and Centres is shown in the table below:

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure
00 CTA Vehicle Charges		E	E	E
Head 28: 1102: Abolished centre	00	32,931.50	0.00	0.00
Head 36: 1101: Abolished Centre	00	33,204.00	0.00	0.00
Head 39: 1101: Principal Secretary's Office	00	28,997.50	0.00	0.00
Head 91: 9101: Abolished centre	00	2,316,587.00	0.00	1,484.00
Head 91: 1101: Abolished centre	00	20,933,414.00	0.00	
Head 91:1102: Abolished centre	00	242,738.00	0.00	
Head 91: 1201: Abolished centre	00	462,175.00	0.00	
Head 91: 2401: Abolished Centre	00	120,920.00	0.00	
Total CTA Vehicle Charges		24,170,967.00		
Head 39: 1101 Principals Secretary's Office	06	0.00	0.00	500.00
Total Unappropriated Expenditure				1,984.00

It is disappointing to report that the matter was raised in financial year ended 31st March 2021 and the response from the Controlling Officer was that she had written to the Accountant General to have these heads deactivated in the year 2022. She stated that the Accountant General responded that there were still vehicles and posts attached to these heads hence they needed to be removed and that the budget was generated automatically because of the existence of the posts and cars attached, however, these were not appropriated. She also explained that the Ministry has engaged the relevant ministries to facilitate the removal of the cars and posts. However, to date, a budget has been allocated to these centres.

Financial and Accounting Instruction 0101, which states that it is essential that expenditure estimates are as accurate and realistic as possible and should cover all foreseeable expenditure. The instruction further provides guidance that submission of requests for these expenditure estimates to the Ministry of Finance is the responsibility of the Controlling Officer. However, I am not aware whether the budget for the discontinued operations was part of the Controlling Officer's submission to the Ministry of Finance. Further, Financial and Accounting Instruction 0201 (vii) states that "it is the duty of the Accountant General to supervise the expenditure and other disbursements of the Government, to take care that no payment is made which is not covered by proper authority and in case of any apparent extravagance or defect in the provision for a charge owing to the exhaustion or absence of a vote, to call the attention of the Permanent Secretary for Finance in writing".

I am concerned that budget allocations to abolished budget votes may result in the incurring of unlawful and fruitless expenditure. I am also concerned that other more deserving budget lines may be unnecessarily deprived of funding thereby negatively impacting service delivery and the budgeting process.

I advised the Controlling Officer to engage the Ministries responsible to amend the system.

In response, the Controlling Officer stated that the Ministries responsible for the abolished heads will be notified.

The Controlling Officer's response was acknowledged. However, at the time of concluding this report, I was not aware of any updates, results and outcomes of the engagement with the Accountant General and other relevant stakeholders. Hence, the matter remains unresolved and reportable.

179. Assets and Liabilities for Abolished Heads and Centres

179.1. Unretired Tour Advances-Abolished Heads and Fictitious Liabilities Due to Non-postings of Tour Advances

I reported that tour advances amounting to **E1,002,566.65** for abolished ministries were not retired by/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were non-postings of tour advances amounting to **E678,416.46** in the Suspense Account and Cash Book after charging the Government General Account for those tours under the Ministry. The tour advances were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of account and fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Responsible Centre		Item Description	Unretired Tour Advances	Unposted Tour Advances (E)
Head 28:	1001: Abolished centre	51006: Unretired Tour Advances	14,914.60	
		51006: Unretired Tour Advances	9,512.55	
		51006: Unretired Tour Advance	0.02	
Head 28:	1102: Abolished centre	51006: Tour Advance – Unposted		411,190.94
	2101: Abolished centre	51006: Tour Advance – Unposted		106,607.58

	2201: Abolished centre	51006: Tour Advance – Unposted		59,504.96
	2301: Abolished centre	51006: Tour Advance – Unposted		50,517.45
Total unretired tour advances & fictitious liabilities unposted			24,427.17	627,820.95
Head 36:	1101: Abolished centre	51006: Unretired Tour Advances	2,651.35	
Head 37:	1101: Abolished centre	51006: Unretired Tour Advances	42,755.01	
	1103: Abolished centre	51006: Unretired Tour Advances	26,176.91	
	1104: Abolished centre	51006: Unretired Tour Advances	45,364.50	
Total unretired tour advances			114,296.42	
Head 42:	1101: Abolished centre	51006: Unretired Tour Advances	9,070.00	
	2101: Abolished centre	51006: Unretired Tour Advances	14,638.60	
	2104: Abolished centre	51006: Unretired Tour Advances	2,276.35	
	2102: Abolished centre	51006: Tour Advance – Unposted		2,900.05
Total unretired tour advances & fictitious liabilities			25,984.95	2,900.05
Head 54:	1101: Abolished centre	51006: Tour Advance – Unposted		11,921.67
Head 91:	1101: Abolished centre	51006: Unretired Tour Advances	832,593.56	
	2101: Abolished centre	51006: Unretired Tour Advances	2,613.20	
	1201: Abolished centre	51006: Tour Advance – Unposted		6,995.37
	9101: Abolished centre	51006: Tour Advance – Unposted		28,778.42
Tour Advances Under Head 91			835,206.76	35,773.79
Total Unretired Tour Advances and Fictitious Liabilities			1,002,566.65	678,416.46

I am concerned that the Controlling Officers did not promptly bring into account these tour advances by ensuring that they are posted in the Tour Advance Suspense Account and the Cash Book on time. If this had been done, the tour advances would have been reconciled or repaid on time and errors would have been noted on time and corrected. According to Financial and Accounting Instruction number 0203 (ii) and 0203 (X), it is the duty of accounting officers deployed at the Ministry of Finance to promptly bring to account all public moneys and to see that all books of account are correctly posted and kept up to date.

179.2. Fictitious Assets Due to Unappropriated Expenditure: Foreign Payments Without Budget Provisions and Non-adjustment of variations of Foreign Currency Exchange Losses - Head 42-Information

I reported that abolished Head 42 incurred foreign payments without providing the budget and did not adjust variations of foreign currency exchange losses on Accounts Payable since the financial year 31st March 2004. Thus, unappropriated expenditures (payments without budgets) and non-adjustment of currency variations amounting to **E47,944.25** were incurred and fictitious assets were created, under responsibility centre 2101. The expenditure and variations were not included in the financial statements

(Statement of Recurrent Expenditure – Appendix 7). The fictitious assets originate from prior financial years.

The abolished heads ought to have recorded the payments in the respective expenditure account in the year in which the transaction occurred and provide budget on the Accounts Payable to clear the fictitious assets.

Section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

I advised the Controlling Officer that the Ministry should clear the unappropriated expenditure and fictitious assets by using budget savings or reallocation to the External Grants and subsidies items or request a supplementary budget, and reconcile Foreign Payments Suspense Account to nil balance at the end of the financial year.

179.3. Non-adjustment of Unutilised Budget Provision and Variations of Foreign Currency Exchange Gains on Accounts Payable – Head 42

I also reported that there were fictitious liabilities due to non-adjustments of unutilized budget provisions and variations of foreign currency exchange gains on Accounts Payable amounting to **E50,912.72** under abolished Head 42 responsibility centre 2104, since the financial year 31st March 2003. The Ministry did not prepare adjustments for the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget.

I drew the attention of the Controlling Officer to Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) which states that, "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item". Moreover, Paragraph 5.6 requires that "year-end balances on this item should normally equal zero".

I am concerned that incurring expenditure against the unutilized budget, may be regarded as unappropriated expenditure. There is a risk of using elapsed budget. The recurrent expenditure was misstated while liabilities and assets were overstated, thus distorting the financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the unutilised funds to the miscellaneous/sundry income account and reconcile Foreign Payments Suspense Account to ensure that the balance is equal to zero at the end of the financial year. I further advised that the Ministry should clear the fictitious assets by using budget savings or reallocations to the External Grants and Subsidies item or request a supplementary budget.

In response, the Controlling Officer stated that Ministry will transfer the balances and make a correspondence to the ministries responsible for the abolished centres, for reconciliation of their suspense account.

The response of the Controlling Officer was noted. However, these audit issues have been reported in previous reports but still no action has been taken. Hence, the matter remains unresolved and reportable.

179.4. Unaccounted-for Cash in Transit – Collections Under Abolished Head 36

I reported that there was cash in transit amounting to **E7,774,990.00** which does not appear to have been banked in the financial year ended 31st March 2022. The cash collections were recorded in the 'Cash in Transit' Account 50203 but there was no evidence that the cash was banked. I further discovered that the cash was recorded in the abolished Head 36 – Income Tax Department. It could not be ascertained as to how the cash in transit came about since the head is abolished.

The cash remained unaccounted-for by the Ministry. Hence, the Ministry is requested to provide the revenue station (source) where the cash was collected and records relating to the cash in transit.

The Financial and Accounting Instruction 0501 stipulates that "it is the duty of accounting officers: to ensure that revenue due is collected promptly and that all collections of revenue are properly brought to account".

I am concerned that the reported cash might be stolen or misappropriated and the revenue not being recognised in the books of accounts.

I advised the Controlling Officer that the Ministry should account for the cash and the cash collections recorded in the 'cash in transit' account.

The Controlling Officer did not respond to this audit finding.

180. Budget Appropriation

180.1. Uncaptured Appropriated Budgets

I also brought to the attention of the Controlling Officer that there were uncaptured appropriated budgets amounting to **E154,356,413.00**, in the Government Accounting System, which were subsequently not disclosed in the Detailed Statement of Recurrent Expenditure – Appendix 7. These budgets were part of the Appropriation Acts of the Parliament. This was observed when making a comparison of the Approved Budget per the Detailed Statement of Recurrent Expenditure (Estimate Book) and the Appropriation Acts for the financial year ended 31st March 2023.

The budgets appropriated by the Parliament were not captured and disclosed in the accounting system and the details are shown in the table below:

Ministries and Departments	Appropriated Budget (Appropriated Act)	Budget Allocation Captured- Appendix 7	Estimate Book	Uncaptured Budget
	E	E	E	E
Head: 4 Tourism and Environmental Affairs	78,347,396.00	77,697,727.00	78,347,000.00	649,669.00
Head: 6 Deputy Prime Minister's Office	756,227,130.00	756,224,637.00	756,227,000.00	2,493.00
Head: 7 Foreign Affairs and International Cooperation	326,587,543.00	321,463,564.00	326,588,000.00	5,123,979.00
Head: 10 Natural Resources and Energy	86,116,601.00	86,115,813.00	86,117,000.00	788.00
Head: 15 Geological Surveys and Mines	17,358,405.00	3,293,788.00	17,358,000.00	14,064,617.00
Head: 29 Commerce, Industry and Trade	126,088,857.00	118,288,870.00	126,089,000.00	7,799,987.00
Head: 34 Finance	723,594,719.00	719,980,726.00	723,595,000.00	3,613,993.00
Head: 40 Ministry of Labour and Social Security	442,049,253.00	441,637,264.00	442,049,000.00	411,989.00
Head: 41 Public Service	203,585,306.00	203,085,315.00	203,585,000.00	499,991.00
Head: 49 Correctional Services	504,161,914.00	492,661,935.00	504,162,000.00	11,499,979.00
Head: 50 Home Affairs	97,733,713.00	97,444,768.00	97,734,000.00	288,945.00
Head: 53 Public Works and Transport	854,552,593.00	744,152,610.00	854,553,000.00	110,399,983.00
Total Uncaptured Appropriated Budget	4,216,403,430.00	4,062,047,017.00	4,216,404,000.00	154,356,413.00

Financial and Accounting Instruction, Section 104 which stipulates that "if, at the commencement of a financial year, the Minister for Finance reserves any part of the approved estimates, the reduced amount will be reflected on the Treasury Warrants. Subsequent reservation of any funds will be released by Treasury Warrant. A revised Treasury Warrant will be issued, should any funds be reserved during the financial year".

I am concerned that the omitted appropriated budget has resulted to a distorted recurrent performance of the Government.

I advised the Controlling Officer to explain why the appropriated budget (as per the Parliament Acts) was not captured in the Government Accounting System and in the Budget Estimates Book.

I also advised the Controlling Officer to investigate the discrepancies to ensure that the Detailed Statement of Recurrent Expenditure reports accurate information that is traceable to source documents.

In response, the Controlling Officer stated that the responsible department noted that when appendix 7 is downloaded, it requires line by line checking of all the ministries as differences are noted and that this is a system error which requires further investigations by the IT department.

The response of the Controlling Officer was acknowledged. However, the matter remains unresolved because at the time of concluding this report, the reported uncaptured budgets and unappropriated budgets had still not been corrected and remains reportable.

180.2. Unappropriated Budgets

I further notified the Controlling Officer that there were unappropriated budgets amounting to **E79,494,962.00** captured in the Government Accounting System and disclosed in the Detailed Statement of Recurrent Expenditure – Appendix 7, which were not appropriated by Parliament. This was noted when comparing appropriated budget as itemised in the Detailed Statement of Recurrent Expenditure with the Approved Budget (Estimate) Book and Appropriation Acts passed by Parliament.

The unappropriated budgets were allocated to two (2) Heads (35 and 45) as illustrated in the table below.

Ministries and Departments	Appropriated Budget (Appropriation Act)	Budget Allocation Captured – Appendix 7	Unappropriated Budget
	E	E	E
Head: 35 Treasury and Stores	48,988,368.00	50,908,431.00	1,920,063.00
Head: 45 Health	2,420,455,769.00	2,498,030,668.00	77,574,899.00
Total Unappropriated Budgets			79,494,962.00

Section 34(2) (a) of the Public Finance Management Act (2017), states that “the expenditure in excess of the amount appropriated under an Appropriation Act should be

included in a Statement of Expenditure in Excess which shall be laid before Parliament and referred to the Public Accounts Committee”.

I reminded the Controlling Officer that non-compliance with the laws, rules and regulations may increase the risk of unlawful, wasteful and fruitless expenditure.

I am concerned that unappropriated budgets beyond the Appropriation by Parliament is not only unlawful, but also has serious negative effect on the fiscal budget.

I advised the Controlling Officer to investigate how and why the unappropriated budget was captured in the Government Accounting System, and why other Ministries were allocated budget which was not appropriated by Parliament. The Ministry should ensure that the Detailed Statement of Recurrent Expenditure reports accurate information that is traceable to source documents.

In response the Controlling Officer concurred with my finding and then stated that when Appendix 7 is downloaded, it requires line by line checking for all the ministries as differences are noted. The response further stated that this is a system error that requires further investigations by the IT department.

The response of the Controlling Officer was acknowledged. However, the matter remains unresolved because at the time of concluding this report, the reported uncaptured budgets and unappropriated budgets had still not been corrected and appeared in the Government Accounting System.

181. Audit of Statement of Revenue

181.1. Non-monitoring of Public Enterprises Performance

I notified the Controlling Officer through a report referenced A2/2022/2023/28, dated 31st January 2024, that the Ministry was not adequately monitoring, managing and engaging line Ministries of Category A Public Enterprises (Parastatals) and their related Boards of Directors to ensure that they declare and remit appropriate amounts of dividends on their after tax profits as per the Dividend Policy. Accordingly, the companies were expected to declare and remit dividends in the range of **E47,729.95 to E93,424,518.00** of their annual after tax profits.

The Government has controlling interest in category. A public enterprise with shareholding ranging from 75 to 100% and therefore has a strong bargaining power to

influence decisions on profit distribution. Through the Public Enterprise Unit (PEU), the Ministry is expected to execute an oversight role and monitor the performance of the Public Enterprises to ensure financial sustainability and declaration of dividends on after tax profits earned and returns from reinvestment initiatives to Government. The controlling interest grants the Government the authority for active involvement and engagement, authorization and approval of board's decisions and recommendations.

The issue of dividend declaration was not included in the notes to the Financial Statement of the Parastatals which implies that the decision not to declare was not approved by the Minister for Finance but was rather the sole discretion of the Boards. Further noted was that Eswatini Electricity Company (EEC), Eswatini Savings and Development Bank, FINCORP, Eswatini Investment Development Company (EIDC), Eswatini Railway were the only Government companies remitting dividends. The table below shows a list profitable Public Enterprises which did not declare and remit dividends to the Consolidated Fund:

Commercial Corporation (Profit Making)

Company	FY 2023 (E)	FY 2022 (E)	FY 2021 (E)	FY 2020 (E)	FY 2019 (E)	Total Dividends (E)
National Maize Corporation Profits	(8,711,385.00)	(22,949,640.00)	(8,538,272.00)	11,406,782.00	2,422,471.00	
Expected Dividend (50%)	0.00	0.00	0.00	5,703,391.00	1,211,235.50	6,914,626.50
Royal Eswatini National Airways Corporation –Profits	(111,813,647.00)	8,337,363.00	8,007,262.00	9,317,701.00	11,455,859.00	
Expected Dividend (50%)	0.00	4,168,681.50	4,003,631.00	4,658,850.50	5,727,929.50	10,386,780.00
Piggs Peak Hotel Profits	1,184,893.00	900,545.00	(3,786,675.00)	(2,987,123.0)		
Expected Dividend (50%)	592,446.50	450,272.50				1,042,719.00

Profit Making and Essential

Company	FY 2023 (E)	FY 2022 (E)	FY 2021 (E)	FY 2020 (E)	FY 2019 (E)	Total Dividends (E)
Swaziland Water Services Corporation	65,817,990.00	104,104,075.00	61,867,654.00	52,863,759.00	26,761,582.00	
Expected Low dividend (5%)	3,290,899.50	5,205,203.75	3,093,382.70	2,643,187.95	1,338,079.10	15,570,753.00
Expected High dividend (30%)	19,745,397.00	31,231,222.50	18,560,296.20	15,859,127.70	8,028,474.60	93,424,518.00

Profit Making and Developmental

Company Profits and Dividends	FY 2023 (E)	FY 2022 (E)	FY 2021 (E)	FY 2020 (E)	FY 2019 (E)	Total Dividends (E)
Eswatini Cotton Board	1,188,614.00	(1,954,673.00)	(988,023.00)	1,440,716.00	200,483.00	
Expected Low dividend 5%	59,430.70	0.00	0.00	72,035.80	10,024.15	141,490.65
Expected High dividend 30%	356,584.20	0.00	0.00	432,214.80	60,144.90	848,943.90
National Housing Board	41,995,318.00	(6,332,043.00)	20,587,596.00	(33,125,870.00)	(60,515,207.00)	
Expected Low dividend 5%	2,099,765.90	0.00	1,029,379.80	0,00	0,00	3,129,145.70
Expected High dividend 30%	12,598,595.40	0.00	6,176,278.80	0,00	0,00	18,774,874.20

Social and Subvented

Company Profits and Dividends	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	Total Dividends (E)
Eswatini National Industrial Development Corporation	(834,811.00)	(3,787,287.00)	(5,618,245.00)	(7,180,391.00)	954,599.00	
Expected Low dividend 5%	0.00	0.00	0.00	0.00	47,729.95	47,729.95
Expected High dividend 15%	0.00	0.00	0.00	0.00	143,189.85	143,189.85
Eswatini Medical Christian University	F/S not submitted	36,900.00	8,500,345	77,774.00	(5,998,799.00)	
Expected Low dividend 5%		1,845.00	425,017.25	3,888.70	0.00	430,750.95
Expected High dividend 15%		5,535.00	1,275,051.75	11,666.10	0.00	1,292,252.85

Accordingly, Section 1 of the Dividend Policy articulates that the dividend policy was developed to be used as a basis for determining dividend payout by Public Enterprises. Each public enterprise is expected to determine the portion of cash earnings to be retained in the enterprise for reinvestment and funds to be paid out to the shareholders from either current or accumulated retained earnings.

Sections 53, 54 and 55 of the Dividend Policy of 2015 state that Social and subvented Public Enterprises are expected to declare a rate of 5-15%; Entirely profit making Public Enterprises should declare at least 50% of their after tax profit as dividends and; Profit making and developmental/essential are expected to declare a rate of 5-30% of their after tax profit as dividends depending on planned level of investment as supported by strategic plans and budgets.

However, I am concerned that the Government has controlling interest in the Category A Public Enterprises with shareholding ranging from 75 to 100% but does not appear to be exercising her strong bargaining power to influence decisions on profit distribution. The controlling interests grant the Government the authority for active involvement and engagement, authorisation and approval of board's decisions and recommendations.

I raised my concern to the Controlling Officer that this may cultivate a culture of reluctance to declare and remit appropriate dividends among Public Enterprises thereby depriving the Government of revenue.

According to Section 43 of the Dividend Policy of 2015, the PEU is the custodian of the Policy and as such is responsible for Monitoring implementation of dividend policy. Thus, through the Public Enterprise Unit (PEU), the Ministry is expected to execute an oversight role and monitor the performance of the Public Enterprises to ensure there is financial sustainability, ability and willingness to declare dividends on profits earned thereby making sure that Government receives returns from her investments in these companies.

Further, the Ministry should engage category A Enterprises' Line Ministries and Boards in a consultative process and negotiation towards declaring and remitting of dividends in accordance with the Dividend Policy and document such process.

Moreover, I advised the Ministry to evaluate and determine the Government controlling interest value in each public enterprise and identify portfolios that yield better returns for Government and consider disposal of investments that are no longer yielding returns but are a drain to the government.

181.2. Non-declaration of Dividends by Regulatory and Developmental Entities

I further observed that Public Enterprises operating in the regulatory and developmental category were not declaring and paying dividends or special dividends to Government even though they were operating at full strength and realizing significant profits. Total profits realized by these Public Enterprises over a five-year period amounted to **E220,474,343.00**. Even though discretion for declaring the dividends was left to the Boards, the policy emphasizes that those entities operating at full strength and realizing profits have to pay dividends or special dividend.

Of note, is that the profitability of these Enterprises has improved over the years from previous capital injections and continued subventions by Government for some. The taxpayers' funds are invested in these Public Enterprises by Government, hence a return on investment in the form of dividends are expected as a flow of funds back to the investor. The companies which ought to be paying dividends are depicted below.

Company	Profit Performance for Regulatory and Development Entities					Total Profits
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	
National Agricultural Marketing Board		8,954,713.00	480,051.00	960,031.00	803,790.00	9,434,764.00
Eswatini Energy Regulatory Authority	598,055.00	563,927.00	725,760.00	980,605.00	540,946.00	3,409,293.00
Financial Service Regulatory Authority	19,040,485.00	3,537,952.00	11,938,024.00	4,070,460.00	2,772,797.00	41,359,718.00
Eswatini Dairy Board	32,095,200.00	24,153,428.00	25,097,978.00	24,820,343.00	18,927,505.00	125,094,454.00
Eswatini National Petroleum Company	5,310,564.00	837,039.00	89,528.00	1,558,794.00	872,648.00	8,668,573.00
Eswatini Investment Promotion Authority- Main Statements	1,336,029.00	(187,622.00)	1,553,680.00	1,161,255.00	474,507.00	1,148,407.00
Eswatini Investment Promotion Authority- Rental Account	11,119,361.00	20,239,773.00	13,917,112.00	7,720,868.00	1,904,570.00	31,359,134.00
Total Profits over 5 Year Period						220,474,343.00

According to Section 14 of the Dividend Policy, while Regulatory Authorities are not expected to pay dividends in the medium term when still at infancy stage, those operating at full strength have to pay dividends or special dividend at the discretion of their Boards.

I am concerned with the unrealized gains on investments which has compromised revenue collections.

I advised the Ministry to encourage the Boards of well-established Regulatory and Development Entities to pay dividends or special dividend from their accumulated profits and /or capital reserves and make recommendations to the Minister for Finance and Line Minister for the direction of Boards to pay dividends or special dividend.

181.3. Poor Financial Performance of Category A Public Enterprises

I also notified the Controlling Officer that an analysis of the financial performance of Category A Public Enterprises over a period of five years, financial years 2019 to 2023, revealed that some of the Public Enterprises have continually been incurring significant losses as shown in the table below. The expectation is that well managed Public Enterprises should at least be able to break-even (make adequate income to cater for all operating expenses) and further be able to develop and effectively implement turn-around strategies that would improve their financial performance and financial position.

Public Enterprise	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	Total
Sincephetelo Motor Vehicle Fund	(96,829,996)	(139,578,059)	(55,022,382)	(151,957,786)	F/S could not be sourced	(443,388,223)
The Small Enterprise Development Company	(714,827)	(1,716,076)	(1,618,497)	- 1,607,975.	(1,639,654)	(7,297,029)
Eswatini National Trust Commission		(11,033,987)	(3,145,337)	(19,246,475)	(16,099,1780)	(194,417,579)
Eswatini Television Authority	(11,483,85)	(23,463,870)	(22,816,09)	(38,994,656)	(5,735,147)	(102,493,62)
Sebenta National Institute	(432,372)	(464,321)	(990,583)	(2,938,770)	(866,060)	(5,692,106)
University of Eswatini	713,937,500	(119,253,302)	(89,172,410)	(146,902,465)	(201,801,325)	(657,129,502)
Royal Science and Technology Park		(76,562,280)	(85,219,217.00)	(81,363,203)	(71,073,523)	(314,218,223)
Eswatini National Industrial Development Corporation of Eswatini –ENIDC	(834,811)	(3,787,287)	(5,618,245.00)	(7,180,391)	954,599	(16,466,135)
Eswatini Environmental Authority	(428,726)	(334,548)	(3,112,683)	(1,947,716)	(746,858)	(6,570,531)
Eswatini Post and Telecommunication Corporation	F/S not submitted	(23,463,870)	(66,591)	(87,037)	(56,110.00)	(209,738)
Total						(1,202,000,843)

According to section 4(2)(a) of the Public Enterprise and Monitoring Act of 1989 as amended, the Public Enterprise Unit should, in consultation with the Standing Committee and Governing Body, monitor and review the financial affairs and budgets of each

Category A Public Enterprise on a regular basis with the view of bringing to the attention of the Standing Committee the impending problems of such Category A Public Enterprise.

I warned the Controlling Officer that Monitoring and evaluation of the Public Enterprises is not effective. The Government may eventually be required to bailout the Public Enterprises thereby increasing public spending and plunging the Government to excessive deficits. The Public Enterprises may not be able to efficiently and effectively execute their mandates thereby negatively impacting service delivery and consequently the lives of citizens.

I advised the Controlling Officer to, through the Public Enterprise Unit, regularly monitor and evaluate the performance of the Public Enterprises and ensure that policies and strategies are put in place to improve their financial performance. Where viability of the Public Enterprises cannot be achieved, necessary decisions that are in the interest of the citizens should be taken.

In response, the Controlling Officer stated that the PEU office fully execute its function and reports to SCOPE on a quarterly basis on their performances and challenges these entities are currently facing. The Controlling Officer stated that the queried companies are facing serious financial challenges and has noted from the budgets of the subverted entities that most the cost are tied up in the wage bill as it ranges around 85% of the subventions leaving a small amount for operational costs and are also accumulating quite a lot of liabilities and tend to use bank overdraft facilities to cater for their critical and operational cost.

Further stated was that on the issues of Regulatory Authorities those that are at infancy stage are not supposed to pay dividends and special dividends is at the discretion of the Board in the case of surplus funds. As such in the current status core some of these companies are still at infancy stage and cannot pay dividends while the others are still reliant 100% reliant on Government subventions and cannot declare a dividend rather the Ministry will encourage them to ensure that they execute their mandate to the satisfaction of Emaswati and that they are not over charging levies just to accumulate funds.

Further stated was that the declaration of dividends is done through a shareholder's meeting where the shareholder is represented and also agrees on the proposed dividend payout based on the performance of the entity.

In conclusion, the Controlling Officer stated that the PEU is executing all her functions as they advise and report to SCOPE on all the matters pertaining SOEs.

The response of the Controlling Officer was noted and appreciated, however it is unsatisfactory, the assertions of the Controlling Officer are not supported with documentation to prove that the PEU execute its mandate of monitoring, managing and engaging Parastatals. There was also no correspondence ever copied to my office to support that the issue of dividend resolutions is discussed with the PEU as stated by the Controlling Officer.

The response of the Controlling Officer did not explain on how the other companies are able to faithfully declare and pay dividends despite operating in the same economy.

The response of the Controlling Officer is also not in the spirit of the Dividend Policy and Government investment objective, yet the Ministry is the Custodian of the Policy hence I am worried that the Tax- payers' funds injected by Government in these parastatals will not yield the desired returns.

181.4. Non-Declaration of Dividends to Government by a Category B Company

I noted with concern that for a seven-year period, Government did not receive any income (dividends) from its investment with Swazican Fruit Cannery. The company has been declaring zero dividends from the year 2016 to 2023. Government's investment is 5% shareholding which is equivalent to 600,348 shares.

The non-declaration of dividends is contrary to Government's investing objective of generating equity income, and might further pose a possibility of zero growth in the investment value (share value) in this company.

The current status of the performance of Swazican Fruit Cannery was not ascertained.

According to section 17 of the Dividend Policy, Category B Public Enterprises should continue to pay dividends to Government as declared by their Board of Directors from time to time. Also, section 105(2) of the Public Finance Management Act requires the Minister of Finance and line Ministers of Public Enterprises to exercise their rights as shareholders in the best interests of the Government and the citizens of the country.

I am concerned that the Company's strategic interventions (plans) may not be yielding the desired positive results, hence a possible further decrease on equity and capital structure might occur. A loss on the investment might be incurred in the event of shrinking company value (financial position).

Accordingly, I advised the Controlling Officer to evaluate if the non-payment of dividends by the Company is justified and whether the holding of equity in the company is beneficial. Subject to the outcome of the evaluation, the Government may seek the payment of dividends from the Company or consider selling the shares to recover equity.

In response, the Controlling Officer stated that, the Government of Eswatini is still working on evaluating her returns on the investment with the different companies where she has a stake. Determining if selling of those shares from the various companies is a viable option for the Government of Eswatini and a recommendation will be submitted to Cabinet once the exercise has been done and concluded.

The response of the Controlling Officer was noted; the matter remains reportable until returns/benefits are received by Government from the Investment.

181.5. Non-declaration of Dividends - Financial Services Regulatory Authority

I noted that the Financial Services Regulatory Authority which is operating in the regulatory and developmental category was not declaring and paying dividends or special dividends to Government even though it was operating at full strength and realizing profits. Total profits realized by this public enterprise over a five-year period amounted to **E41,359,718.00**. Even though discretion for declaring dividends was left to the Board, the policy emphasizes that those entities operating at full strength and realizing significant profits have to pay dividends or special dividend.

I explained to the Controlling Officer that the profits realised by the Enterprise over the years are as a result of Government capital injections. The taxpayers' funds are invested in this Public enterprise, hence a return on investment in the form of dividends are expected as a flow of funds back to the investor.

The profitability of the company over a five-year period is depicted below.

Company	Profit Performance for Regulatory and Development Entities					Total Profits
	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	
Financial Services Regulatory Authority	19,040,485.00	3,537,952.00	11,938,024.00	4,070,460.00	2,772,797.00	41,359,718.00

I drew the attention of the Controlling Officer to Section 14 of the Dividend Policy, while Regulatory Authorities are not expected to pay dividends in the medium term when still new and at infancy stage, those operating at full strength have to pay dividends or special dividend at the discretion of their boards.

I am discontent with the unrealized returns on investments which has compromised revenue collections and worsened the livelihood of citizens.

I advised the Controlling Officer to encourage the Board of the Authority to pay dividends or special dividend from their accumulated profits and /or capital reserves and make recommendations to the Minister for Finance for the direction of the Board to pay dividends or special dividend.

The Controlling Officer did not respond to the audit finding.

181.6. Poor Financial Performance - Sincephetelo Motor Vehicle Accident Fund

I also reported to the Controlling Officer that an analysis of the financial performance of the Sincephetelo Motor Vehicle Accident Fund over a period of five years (Financial Years 2019 to 2023) revealed that the public enterprise has continually been incurring significant losses as shown in the table below:

Public Enterprise	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	Total
Sincephetelo Motor Vehicle Fund	(96,829,996)	(139,578,059)	(55,022,382)	(151,957,786)	Could not be obtained	(443,388,223)
Total						(443,388,223)

The expectation is that well managed Public Enterprises should at least be able to break-even (make adequate income to cater for all operating expenses) and further be able to develop and effectively implement turn-around strategies that would improve their financial performance and financial position.

I pointed out to the Controlling Officer that, according to Section 4(2)(a) of the Public Enterprise and Monitoring Act of 1989 as amended, "the Public Enterprise Unit should, in

consultation with the Standing Committee and Governing Body, monitor and review the financial affairs and budgets of each Category A Public Enterprise on a regular basis with the view of bringing to the attention of the Standing Committee the impending problems of such Category A Public Enterprise.”

My concern is that monitoring and evaluation of the Public Enterprises may not be effective. Also, the Government may eventually be required to bailout the Public Enterprises thereby increasing public spending and plunging the Government to excessive deficits.

Further, the Public Enterprise may not be able to efficiently and effectively execute its mandate, thereby negatively impacting service delivery and consequently the lives of citizens.

I advised the Controlling Officer, that the Ministry should regularly monitor and evaluate the performance of the Public Enterprise and ensure that strategies are put in place to improve its financial performance. Where viability of the public enterprise cannot be achieved, necessary decisions that are in the interest of the citizens should be taken.

In response, the Controlling Officer, through the Chief Executive Officer, acknowledged my observation and highlighted the causes of poor financial performance which included, but not limited to the following:

- *the Fund accumulated unpaid backlog claims up to E377.1 million dating back to pre-2011;*
- *the huge public outcry about the Fund not paying claims.*
- *the Seamless Sincephetelo Strategy 20/24 to address the payment of backlog claims and transform the Fund to now shorten the period to settle the claims. This increased the claim payments from an annual average of E45 million to E110 million.*
- *due to the COVID-19 and the Global Volatile Oil Prices, the fuel imports declined significantly since 2020 and has not recovered to date.*
- *The Fund has been underproviding for the claims which resulted to 2022 and 2023 with at least E164 million claims provision as required by the actuarial evaluation.*

As a result of the above, the Fund has put mitigation strategies in place and these include the following:

- *The Fund is implementing a Cost Rationalization Strategy to innovate and automate its processes and diversify its services to spread its fixed costs*
- *The Fund has already paid 84% of the backlog of claims and expects the claims expense to now stabilize to almost normal*

- *The Ministry increased the fuel levy to a staggered position by 14c per litre in April 2022.*
- *The Fund will now request for a review of the Fuel Levy on an annual basis.*

The response of the Controlling Officer was noted. The performance of the Fund is highly unpredictable as it fluctuates significantly. The strategies mentioned in the response cannot be ascertained as those that will surely turn-around the performance of the entity. The Controlling Officer should give more convincing strategies which touch base on minimising costs/expenditure and increasing revenue.

HEAD 35: TREASURY DEPARTMENT AND GOVERNMENT STORES

An audit of the Consolidated Government Financial Statements as at 31st March 2023 was conducted. I communicated my findings to the Accountant General through reports referenced T4/Vol. IX/16, 15, 17, 18 and 19 dated 29th November 2023 and 10th October 2023 and 10th, 19th, and 22nd January 2024 respectively. The Accountant General responded through unreferenced memoranda dated 17th, 24th, 25th, 29th, 25th and 22nd January 2024. However, the following audit findings remain unresolved and reportable.

182. Unappropriated Expenditure on Personnel Costs and Professional and Special Services

I reported to the Accountant General that the Department incurred unappropriated over-expenditure of **E809,101.17** in the financial year ended 31st March 2023. These include over expenditure on Personnel Costs (Item 01) amounting to **E573,342.46 (12.5%)** and over expenditure on Professional and Special Services (Item 04) amounting to **E235,758.71 (15.4%)**, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Unappropriated Expenditure	
		(E)	(E)	(E)	(E)	%
2101: Manzini Revenue Officer	01	4,116,862.30	4,577,109.00	5,150,451.46	573,342.46	12.5
2110: Accountant General's Office	04	460,389.00	423,602.00	488,701.08	235,758.71	15.4
Total Over Expenditure					809,101.17	

Expenditure beyond the budget released, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget. This was in contravention of Section 107(3) (j), read with Section 34(7) of the Public Finance Management Act of 2017, states that, "a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person willfully or negligently incurs unauthorised expenditures or makes unauthorised commitments".

I warned the Accountant General that over-expenditure beyond the budget released, as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated over expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money. Any unauthorized expenditure

may lead to disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Accountant General that the Ministry ought to have sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorization.

*In response, the Accountant General claimed that the Unauthorised over expenditure under responsibility centre 2101 item 01 amounting to **E573,342.46** which was 2.5 % over expenditure deviation from the acceptable (+/-10%) threshold was caused by the cost of living adjustment that happened towards the end of the financial year and is not under the control of the Treasury Department. However, this was offset at activity level 21 as overall expenditure on item 01 activity level 21 was within the acceptable (+/-10) as it was at five percent (-5%).*

*The Accountant General alleged that the over expenditure amount of **E65,099.08** which was (- 5.3%) over the acceptable (+/- 10%) threshold was caused by discrepancies between the estimated exchange rates in the system for tour advances under external travel (that was lower) than the actual rates issued by the commercial bank when the tour advances (which are below the line items) were being retired. However, the overall expenditure at activity level 21 was within the (+/-10%) acceptable threshold as it was at (-7. 6%). This is the main reason at the detail level the slight over expenditure of (- 5.3%) was incurred when the tour advances were being retired as funds were available within the same activity level (21).*

The response of the Accountant General was noted. However, the Department did not provide the office of the Auditor General with the authority that allowed to spend beyond the budget provision and Parliament Appropriation. It worries me that the Accountant General views the unlawful incurring of excess expenditure amounting to E809,101.17 as "slight" yet according to the PFM Act, wilfully incurring unauthorized excess expenditure amounts to financial misconduct. There were also no corrective measures that were considered to be put in place to avoid recurrence of the anomaly.

The PFM Act states that Accountant Generals are allowed to reallocate within Activity and the Department opted not to do reallocation, hence the over

expenditure occurred. Therefore, the matter remains unresolved and reportable.

183. Unrecovered Standing Cash Advance

I notified the Accountant General that the Department had an unrecovered Standing Cash Advance amounting to **E338.01**, which was not retired as of 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item Description	Outstanding Cash Advance (E)
2115: Common Services	50201: Standing Cash Advance	338.01

Financial and Accounting Instruction number 1408 stipulates that “the Standing Advance must be balanced at least once a week using the Standing Advance cash book. The cash held must agree with the balance on hand. Any discrepancy must be investigated immediately and any shortage made good or surplus paid into revenue in accordance with Instruction. Further, Section 11, Paragraph 3.11, of the Financial Management and Accounting Procedures Manual guides that “the Treasury ‘Year-End Closing Procedures’ circular calls for all petty cash imprest and standing advances accounts to be retired on or prior to 31st March. The year-end balance on this item should therefore equal nil”.

As a consequence, the non-reconciliation of the Standing Cash Advance accounts may cause misstatements which will distort the financial information, and eventually misrepresent the Statement of Asset and Liabilities.

I advised the Accountant General to investigate and reconcile the un-cleared Standing Cash Advance and rectify the anomaly accordingly.

In response, the Accountant General stated that an immaterial balance of E338.01 remained and was being traced and reconciled.

The response by the Accountant General was noted. However, the unreconciled outstanding balance of E338.01 which the Accountant General views as immaterial may actually be significant when aggregated with similar unreconciled balances in the Detailed Statement of Assets and Liabilities. It is therefore recommended that the outstanding cash balance be recovered from the Standing Cash Advance holder. The matter remains unresolved and reportable.

184. Unretired Tour Advances and Fictitious Liabilities Due to Non-posting of Tour Advances in the Suspense Account and Cash Book

I reported that tour advances amounting to **E37,800.56** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were fictitious liabilities amounting to **E1,848,479.14** that were created due to non-posting of tour advances in the Suspense Account and Cash Book after charging the Government General Account for those tours, under the Ministry. The tour advances were cashed out at the banks and the non-posting of tour advances indicate that the tour advance (external travel) expenditure was not recorded in the books of accounts hence fictitious liabilities were created when retiring the tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Item Description	Unretired Tour Advances E	Unposted Tour Advances E
2101: Manzini Revenue office	51006: Tour Advances – Employees		15,786.08
2111: Salaries Section	51006: Tour Advances – Employees		14,530.39
2110:	51006: Tour Advances – Employees		150,636.56
2115: Common Services	51006: Tour Advances – Employees		1,663,490.11
2117: Not in establishment	51006: Tour Advances – Employees		4,000.00
2102: Mbabane Revenue office	51006: Tour Advances – Employees	33,722.75	
2107: Revenue Headquarters	51006: Tour Advances – Employees	4,077.81	
3101: Government Stores	51006: Tour Advances – Employees		36.00
Total Unretired Tour Advances and Unposted Tour Advances		37,800.56	50203

This was in contravention of Financial and Accounting Instruction 1209 which states that “Tour Advances should be repaid immediately upon the completion of the tour”. Further, Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual guides that “where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer’s future salary entitlements”. Moreover, Section 11, paragraph 4.19 states that “the year-end balances on the Tour Advances item should normally equal zero”.

I warned the Controlling Officer that unretired tour advances remained unrecovered monies due to Government, and non-posting of tour advances in the Suspense Account and Cash Book created fictitious liabilities in the books of accounts. Furthermore, the external travel expenditure was understated in the financial year it relates; thus distorting the reported financial position and financial performance.

I advised the Controlling Officer that, the Ministry should ensure that all the tour advances are retired and repaid immediately upon the return from the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Department to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advances Account at the end of each month.

In response, the Accountant General submitted that regarding unrecovered (retired) Tour advances - The debit balance of E18,581.12 under centre 2105 control item 51006 was due to a mispost on centre 2105 instead of centre 2102 and has been reversed through adjustment voucher 131201 batch 363. The debit balance of E20,640.43 has also been corrected through adjustment voucher 131200 batch 362. The other balances are still being reconciled as the process involves tracing source documents with some transactions dating back over sixteen (16) years.

The response by the Accountant General was noted. However, the Department has not furnished me, for review, with a detailed tour advance reconciliation statement setting out all the closing balances and the adjusting entries to clear them. Further, the Accountant General has alluded that some of the transactions, some worryingly dating back to 16 years ago, are still being reconciled. Therefore, the matter remains reportable.

185. Non-adjustment of Unutilised Budget Provision on Accounts Payable

I reported that the Department did not make necessary adjustments for unutilised budget provision amounting to **E41,617,845.87** on Accounts Payable in respect of foreign payments. This created fictitious liabilities in the books of accounts which were included as liabilities in the Detailed Statement of Assets and Liabilities as at 31st March 2023. The Department ought to have transferred the unutilized budget to the miscellaneous/sundry income to avoid the use of elapsed budget. The composition of the unutilized budget is illustrated in the table below.

Responsibility Centre	Item Description	Year of Transaction Occurrence	Fictitious Liabilities Due to Unutilized Budget (E)
2110: Accountant General's Office	61035: Account Payable Treasury and Stores	Financial Year 2021	559,047.77
2115: Common Services	61035: Account Payable Treasury and Stores	Financial Year 2008 to 2010	41,058,096.68
2401: Not In Establishment	61035: Account Payable Treasury and Stores	Financial Year 1997	701.42
Total Uncleared Credit balances			41,617,845.87

This was in contravention of Section 11, Paragraph 5.6, which stipulates that "year end balances on this item should normally equal zero. An exception may occur where an application for a foreign currency payment was made prior to 31 March but was only actioned by the Central Bank on or after 1 April. Further, Section 202 (vii) of the Financial and Accounting Instructions states that the Controlling Officers are responsible for; - ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his chief accounting officer."

I warned the Accountant General that non-reconciliation of the foreign payments below-the-line accounts may cause misstatements which will distort financial information, and eventually misrepresent the Statement of Assets and Liabilities.

The non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item - in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities. Further, there is a risk of incurring expenditure against the unutilized elapsed budget.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget and misappropriation of public funds. I further advised the Accountant General that Accounts Personnel should investigate the irregularities and provide the Office of the Auditor General with reconciliation statements detailing all the balances reflected in the above cited suspense accounts for review.

In response the Accountant General submitted that the accounts payable credit balance referred on suspense account 354/2115/61035, 354/2110/61035 and 354/2401/61035 was still being reconciled as the process involves tracing source documents.

The response of the Accountant General was noted; however, it did not address the audit finding, and the Department has not provided me with a

detailed accounts payable reconciliation statement setting out all the closing balances and the new year entries to clear the above cited accounts, for review. The matter therefore remains reportable.

186. Unclaimed and Unaccounted for Sundry Departmental Deposits

I reported that the Department has overdrawn Sundry Departmental Deposits (Assets) amounting to **E800.00** and unclaimed (unaccounted for) Sundry Departmental Deposits amounting to **E514,938.10** under Responsibility Centres 2105 and 2115 in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item Description	Overdrawn Claims (E)	Unclaimed Deposits (E)
2101: Manzini Revenue Office	61101: Sundry Departmental Deposits	800.00	
2105: Siteki Revenue office	61101: Sundry Departmental Deposits		514,138.10
2115: Common Services	61101: Sundry Departmental Deposits		800.00
Total Overdrawn and Unclaimed Sundry Departmental Deposits		800.00	514,938.10

Financial and Accounting Instruction number 1307 which stipulates that “amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees.” Financial and Accounting Instruction number 1308 states that “where an amount in a deposit account has remained unclaimed for a period of five years, it shall be transferred to Revenue Miscellaneous Sundries.”

Further, Section 11.8, paragraph 8.7 of the Financial Management and Accounting Procedures Manual emphasizes that “any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher. If the subsequent claim is proved, such entry may be reversed and the deposit refunded. Paragraph 8.8 goes on to explain that balances for this account should normally be in credit or zero.”

As a consequence, the unaccounted for Sundry Deposits have understated the Revenue and overstated the Assets and Liabilities at the year-end; thus, distorted both financial performance and financial position of Government. Further, there is a risk that the deposits remain unaccounted for (un-cleared) and unclaimed or may end up being claimed by unentitled persons.

I advised the Accountant General to investigate these irregularities and provide the Office of the Auditor General with statements detailing all the balances reflected in the above cited below-the-line accounts for examination.

Also the Controlling Officer is urged to record all financial transactions on the period they happen. All revenue should be reported as they occur as professed by the accrual principle, to avoid distortion in the financial statements. Thus litigation matters should not be recorded or overlap into subsequent financial year.

In response, the Accountant General submitted that the purported unclaimed and unaccounted for sundry departmental deposits of a debit balance of E800.00 and credit balance of E514,938.10 under the three centres 2101, 2105 and 2115 is still being reconciled. The amounts involve litigation matters in the form of bail deposits, which are sometimes eventually converted into fines once the matter is concluded in court. Litigation matters do often overlap into subsequent financial years depending on the complexity and backlogs if any of matters before the courts. This item also includes deposits on behalf of deceased mine workers through the Ministry of Labour and Social Security which also has its own challenges as the Masters office has to rule on such issues and there are often family disputes which sometimes go the legal route.

The response by the Accountant General was noted. However, the Department did not provide me with a detailed sundry departmental deposits reconciliation statement setting out all the closing balances and the new year entries to clear the above cited accounts, for review. Further, bail deposits and deceased mineworkers' deposits should have been transferred to the Ministry of Justice and Ministry of Labour and Social Security respectively, where they are administered. Thus the matter remains unresolved and reportable.

187. Misstatement of Bank Balances

I reported to the Accountant General that bank balances were overstated by **E157,766,751.47** due to non-reconciliation of the Government cash books with bank statements. Thus, depicting an incorrect financial position of the Government of the Kingdom of Eswatini at year end. The following table depicts the overstated balances.

Cash book	Account Name	Account number (Bank Statement)	Amounts per financial statements (E)	Bank Statement Amount (E)	Overstatement (E)

Accounts not Reconciled					
50102	Salaries Account	100016 2065 02	37,752,066.55	100,266.61	37,651,799.94
50104	Teachers Account	100016 2065 04	715,866.03	100,332.32	615,533.71
50134	Main Revenue Account	100016207058	49,024,532.25	0.00	49,024,532.25
52103	Fairview Township Fund	77019106513 / 77400286868	81,863.01	80,611.91	1,251.10
52108	S.A. Reserve Bank Investment	95152393	80,000,398.71	9,526,764.24	70,473,634.47
Total Overstated bank balances					157,766,751.47

I advised the Accountant General to ensure that monthly bank statements of each bank account are obtained from the Bank and reconciled with the relevant cash book.

In response, the Accountant General stated that the reconciliation of the Government Cash Book against balances is ongoing and most of the Accounts have been reconciled.

The response from the Accountant General was noted. However, it is not satisfactory because the reported bank balances remain unreconciled.

188. Undisclosed Bank Balances

I reported to the Accountant General that the under-listed Bank Accounts' balances amounting to **E489,317,478.60** were submitted for audit, but the bank balances were not disclosed in the Detailed Statement of Assets as at 31st March 2023. This has resulted to an understatement of bank balances in the Detailed Statement of Assets:

Cashbook Account	Account Name	Account number (Bank Statement)	Current Year Closing Balances (E)
	Capital Investment Fund (EUR)	101287 2066 04	1,645.66
	Scholarship Recovery Fund III	623410 198 43	173,157.01
	Scholarship Recovery Fund II	9110001 9756 01	259,291.65
	International Monetary Fund Special Drawing Rights Account		480,441,733.84
	Cancer Registry-PMTCT	9110003150413	139,349.59
	Messer Voluntary Deferred Pay Special Fund - Swaziland Building Society	51000329278	303,879.77
	Occupational Health Services – OHSC - Ned bank	129907337733	585,896.08
	Occupational Health Services – OHSC - Ned bank	11990225879	(429.59)
	Voluntary Deferred Pay Special Fund - Swazi Bank	R11 77019113013 / R18 77400935354	851.10
	Voluntary Deferred Pay Special Fund - Swazi Bank	R11 77019148518 / R18 77400392288	9,803.07
	Scholarship Distribution Account - First National Bank	62341020296	7,401,441.24
Total Undisclosed Bank Balances			489,317,478.60

I reminded the Accountant General that all accounts balances should be captured in the Government Accounting System and disclosed in the financial statements in order to show a true and fair view of the financial performance and financial position of the Government. Moreover, according to Section 10(1)(d) of the Public Finance Management Act (2017), the Accountant-General should be responsible for the compilation and management of the accounts of Government. Further, Section 87(1) of the Public Finance Management Act (2017), requires that 'the Accountant-General should, within three (3) months of the end of each financial year, prepare and submit Consolidated Annual Accounts to the Auditor-General.

I am concerned by the non-disclosure of accounts balances because it results to misstatement of Assets which distorts the financial position of the Government. Further, failing to disclose account balances for any Government programme and to account-for public funds, is not only unlawful, it also defeats the spirit of good financial governance, accountability and transparency in the use of public funds.

I advised the Accountant General to ensure that all bank accounts opened with commercial banks and Eswatini Central Bank are created in the Government Accounting System and given their cash book account numbers. It is the duty of the Accountant General to disclose all bank statements' closing balances in the Detailed Financial Statement of Assets.

At the time of compiling this report, the Accountant General had not responded to my finding hence the matter remained unresolved.

189. Unconfirmed Bank Balances

I also reported that the bank statements for the under-listed Bank Accounts amounting to **3,521,572,423.16** were not submitted for audit review, yet the bank balances were disclosed in the Detailed Statement of Assets as at 31st March 2023. As a result, it was difficult to confirm accuracy of the closing balances reported in the Detailed Statement of Assets against bank statements:

Cashbook Account	Account Name	Account number (Bank Statement)	Unconfirmed Bank Balances (E)
50111	Capital Fund Account	100016 2066 01	607,185,931.40
50113	Japanese Aid Fund		361,062.55
52101	Joint Consolidated Fund – Crown		30,652,735.65
52123	S.G. Civil Servants Pension Fund	100016 2065 78	760.00
52166	Capital Investment Fund	100016 2065 32	2,825,662,914.70

Cashbook Account	Account Name	Account number (Bank Statement)	Unconfirmed Bank Balances (E)
52173	N.I.D.C.S. Beral Investment		1,142,251.97
52199	Government Share Holding	100016 2065 59	56,566,766.89
Total of un-submitted Bank Statements closing balances			3,521,572,423.16

Chapter 3 (paragraph 0303 – monthly statement and reconciliation) of the Financial and Accounting Instructions states that monthly statement of each bank account will be obtained from the bank and will be reconciled with the relevant cash book. Further, according to Financial and Accounting Instruction 0202(vii), Controlling Officers are responsible for ensuring that each month his accounts are reconciled with Treasury records by obtaining a certificate to this effect from his/her Chief Accounting Officer.

I am concerned about the misstatement of bank balances in the financial statements which was caused by the non-performance of monthly bank reconciliations by the Accountants. This resulted to the reporting of an incorrect financial position of the Government which may consequently lead to inappropriate or uninformed decisions being taken by users of the financial statements.

I advised the Accountant General to ensure that monthly statements of each bank account is obtained from the Bank and reconciled with the relevant cash book. The detailed statements of Assets should be submitted to the Office of the Auditor General accompanied by the individual bank statements for examination.

In response, the Accountant General submitted some of the requested bank statements and others were not submitted.

The response by the Accountant General was noted. However, bank statements supporting bank balances amounting to E3,521,572,423.16 were not submitted, hence, the matter remains unresolved and reportable.

190. Unrecorded Employees' Advances

I also reported that employees' advances amounting to **E88,036,615.41** were not recorded in the Cash Book as required by the double entry principle, thus liabilities were created and Government Assets were understated. The recording of settlement of employees' advances against non-recorded advances in the Cash Book created fictitious liabilities. Eventually the employees' advances were disclosed in the Detailed Statement of Liabilities. Below is the analysis of the unrecorded employees' advances.

Cashbook Account	Description	Unrecorded Employees Advances (E)
51002	Officers' Personal Account	11,734,847.39
51003	Salaries Advance	47,802,770.49
51005	Surcharges	495,349.42
51013	T.F 146 Cheques issued net S.G.S. only	8,000.00
51016	Comprehensive Insurance Loans	1,232,619.96
51019	Staff Uniform	134,521.63
51026	Members of Parliament Security Loan	23,454,216.45
51030	Study Loan Recovery/Labour	3,174,290.07
Total Unrecorded Employees Advances		88,036,615.41

Financial and Accounting Instruction 1204 states that "when a personal advance is made to a public officer it will be debited in his or her person".

I am concerned by the misstatement of balances in the financial statements which was caused by the non-performance of monthly reconciliations by the Accountants. This resulted to the reporting of an incorrect financial position of the Government which could consequently lead to users of the financial statements taking inappropriate decisions.

In response, the Accountant General stated that the employee advances in question are receivables for Government and thus were never Assets nor Liabilities but ended up being classified as liabilities due to the credit balance in the system which implied the employees overpaid Government their advances. This is a reconciliation matter that is gradually being attended to. The reconciliation exercise involves verification using source documents which is protracted process as some of the transactions date back more than (15) fifteen years and involves employees that are no longer in Government or in the system (i.e. some are retired, deceased, etc.).

The response of the Accountant General was noted; however, it is not satisfactory because the employees' advances remain unrecorded/posted (not debited) into the affected employees' personnel accounts. Moreover, there is no detailed reconciliation statement of the accounts provided to the Office of the Auditor-General.

191. Capital Investment Fund – 52166 Incorrectly Classified Under the Ministry Instead of the Treasury Department

I reported that the Capital Investment Fund – 52166 was classified under the Ministry of Finance instead of the Treasury Department, that is responsible for all special funds.

I notified the Accountant-General that Special Investment Fund Accounts are reported separately in detailed financial statements.

I therefore advised the Accountant-General to correct the Capital Investment Fund and reclassify it to the Treasury Department.

There was no response received from the Accountant General, hence the matter remains unresolved and reportable.

192. Non-Reimbursement of Diverted Third Parties' Funds of Capital Investment Fund 60487

I reported that, third parties' capital funds amounting to **E671,036,232.37** which were deposited in the Capital Fund Bank Account– 50111 in respect of the Capital Investment Fund– 60487 were diverted to finance other projects and programmes in the financial year ended 31st March 2019 and have not been reimbursed. The other programmes and projects incurred total payments amounting to E2,399,129,759.77 while funds received amounted to E1,132,549,629.12, in addition to the opening balance of E595,543,898.28.

The total deposits of the third parties' funds was **E2,262,000,000.00** and the payments amounted to **E1,000,000,000.00**; thus, the Capital Investment Fund had a liability balance of **E1,262,000,000.00** since the financial years ended at 31st March 2019 to 2023, under the responsibility centre 2110. However, the bank balance of the Capital Fund Account 50111 was E590,963,767.63 as at 31st March 2019 to 2021.

During the fiscal year ended 31st March 2022, the funds in respect of Capital Investment Fund amounting to **E349,405,987.73** were deposited into the General Account- 50101, under the responsibility centre 2115 at the Treasury Department; thus, the liability balance of the Capital Investment Fund was E1,611,405,987.73. In the fiscal year ended 31st March 2023, payments amounting to E26,000,000.00 and the remaining liability balance stood at **E1,585,405,987.73**. The third parties' funds were held in the Capital Fund Account (E1,262,000,000.00) and General Account (E323,405,987.73).

I cautioned the Accountant General that third parties' funds of capital investment fund should not be diverted and any diverted funds should be reimbursed.

I warned the Accountant General that the diversion of funds is tantamount to misappropriation and that the implementation of capital projects and programs might be compromised due to inadequate funds caused by the diversion.

I advised the Accountant-General to discourage the diversion of funds by the project implementing agencies.

There was no response received from the Accountant General, hence the matter remains reportable.

193. Bank Accounts Disclosed as Liabilities, with Same Balances Over the Financial Years

I further reported that, seven bank accounts that were disclosed as liabilities reflected the same balances in the financial statements from the financial periods ranging 31st March 2016 and 31st March 2022 to the financial ended 31st March 2023. In addition, two sundry investments and two other investment bank accounts were also disclosed as liabilities with the same balances in the financial years ended 31st March 2016 to 31st March 2023, as depicted in the table below:

Bank Account Description		Since Financial Year	FY 2022 (E)	FY 2023 (E)	Variance (E)
50106	Maputo Revenue Account	31 st March 2016	144,719,077.07	144,653,261.57	-65,815.50
50118	SWD Government 7yr Bond Operating A/C	31 st March 2017	860,008,550.22	860,008,550.22	0.00
50119	SWD Government 5yr Bond	31 st March 2017	544,000,000.00	544,000,000.00	0.00
50129	10yr Bond Advance Account	31 st March 2017	500,000,000.00	500,000,000.00	0.00
50122	SWD Government 3yr Bond	31 st March 2021	467,968,526.71	467,968,526.71	0.00
50131	One Month Fixed Deposit Bank Account	31 st March 2021	676,369.87	676,369.87	0.00
50134	Main Revenue Account	31 st March 2020	62,870,588.74	62,870,588.80	0.06
Sundry Investments					
52115	CBS Unrealised Gains	31 st March 2022	194,067,510.83	194,067,510.83	0.00
52134	Government Bond (African Alliance)	31 st March 2021	19,438,607.88	19,438,607.88	0.00

I reminded the Accountant-General that all account balances should be disclosed in the financial statements as it is in Government Accounting System to show the true and fair view of the financial performance and financial position of the Government. Moreover, according to Section 10(1)(d) of the Public Finance Management Act (2017), the Accountant-General should be responsible for the compilation and management of the accounts of Government. Further, Section 87(1) of the Public Finance Management Act (2017), requires that 'the Accountant-General should within three (3) months of the end

of each financial year, prepare and submit Consolidated Annual Accounts to the Auditor-General.'

I warned the Accountant General that the year-end liabilities and assets are misstated due to misclassification and inaccurate balances, which resulted to misstatements in the financial statements; thus, distorted the financial position of the Government.

I advised the Accountant-General to correct the balances and misclassification of assets and liabilities' balances including Eswatini COVID-19 Emergency Dollar Account, and the Eswatini COVID-19 Emergency Response-USD Account. I further advised the Accountant General to explain the purposes of these accounts and provide, for audit purposes, the supporting documentation for the transactions posted into these accounts, including bank statements.

However, there was no response received from the Accountant General, thus the matter remains reportable.

194. Overdrawn Maputo Revenue Bank Account - 50106 and Non-remittance of Visa Collections

I also reported that the Maputo Revenue Bank Account - 50106 was overdrawn by transferring more funds than the available funds in the bank account since the financial year ended 31st March 2016. The account had a positive bank balance of E7,832,073.87 before it was overdrawn. Funds amounting to E145,569,200.87 were transferred to the Teacher Account (UTS Permanent) - 50104 on 27th September 2017 through voucher 132174, batch 628, month 13, leaving an overdrawn balance of **E137,737,127.00** under the responsibility centre 2115. The overdrawn balance was increased to **E144,719,077.07** by another overdrawn balance of **E7,057,850.58** incurred by the Ministry of Foreign Affairs and International Cooperation.

I further reported that the Ministry of Foreign Affairs incurred unappropriated expenditure amounting to **E7,106,530.58** under the responsibility 2016 – Maputo Embassy through payment voucher 130755 (E4,171,720.50) and payment voucher 130756 (E2,934,810.08) using the Maputo Revenue Bank Account in the fiscal year ended 31st March 2006. The overdrawn balance was then reduced to **E7,057,850.58** by the banked visa collections revenue amounting to **E48,680.00**. It was further noted that the visa collections were never remitted to the Consolidated Fund from the financial years 31st March 2007 to 2011.

According to Financial and Accounting Instruction 0203, the Accountant General should see to it that all books of account are correctly posted and kept-up-to-date. Overdrawn bank accounts ought to be made good within a period of 12 months since they are not long-term borrowings from the bank.

I warned the Accountant General that non-settlement or non-repayment of overdrawn balances tarnishes credit worthiness of the Government by the borrowers.

I advised the Accountant General to discourage the diversion of funds and ensure that the Department remits all visa collections to the Consolidated Fund.

There was no response received from the Accountant General, thus the matter remains reportable.

195. Misclassification of CBS Advance, Suppliers Bond, Infrastructure Bond Issuance, One Month Fixed Account, Strategic Oil Advance, and Resettlement Advance Account as Capital Fund Liabilities

I reported that, advances and bond savings in respect of the Central Bank Advance, Suppliers Bond, Infrastructure Bond Issuance Account, One Month Fixed Account, Strategic Oil Advance, and Resettlement Advance Account were misclassified as Capital Fund liabilities. These accounts were coded with the Capital Fund item codes, and the narrations portray that these are advances and bond savings. The balances of these advances and bond savings accounts are reflected as liabilities, which is abnormal; hence, it is concluded that there were misclassifications because these balances are interpreted as Government funds held as security and guarantee for advances and bond savings.

The breakdown of such accounts shows that there were adjustment entries posted after the submission of the financial statements for audit, as illustrated in the table below.

Code/Narrations	Amount (E)	Adjustment Amount (E)	Adjusted Amount (E)
60477- CBS Advance	4,683,800,500.65	2,135,391,095.90	2,548,409,404.75
60478- Swaziland Government Suppliers Bond	3,332,867,742.74	231,467,742.74	3,101,400,000.00
60479- Infrastructure Bond Issuance Account	691,440,846.94		691,440,846.94
60480- One Month Fixed Account	104,218,871.38		104,218,871.38
60481- Strategic Oil Advance	200,000,000.00		200,000,000.00
60482- Resettlement Advance Account	23,000,000.00		23,000,000.00

I pointed out that this was in contravention of Financial and Accounting Instruction 0203 which states that the Accountant General should see to it that all books of accounts are correctly posted and kept-up-to-date. Further, Section 11, subsection 2.20 of the

Financial Management and Accounting Procedures Manual (1993) guides that "greatest attention needs to be paid to the reconciliation of below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year".

I warned the Accountant General that the effect of this erroneous presentation due to coding and classification that is contrary to the category (group) and narrations of these accounts type, results to incorrect (wrong) interpretation of the financial position of the Government, leading to conclusions that the financial statements might be materially misstated.

I advised the Accountant General to investigate the coding and classification of advances and bond savings as Capital Fund items and provide the instruments and authorities establishing these accounts, including supporting documentation for the transactions that were posted in the Accounting System during the year audited. I further advised the Accountant General to provide explanations with supporting documents for the adjustment entries made after the submission of the Financial Statements for audit.

There was no response received from the Accountant General, thus the matter remains reportable.

196. Deducted Import Oil Levy Not Transferred to the Strategic Oil Reserve Account

I reported that there were deductions amounting to **E78,201,992.06** of import oil levy relating to the financial years 31st March 1991 to 1996 that were not transferred to the respective Account, which is now the Strategic Oil Reserve Account, neither were they recognized as revenue. The total deductions in the fiscal year 1991 were **E67,504,058.46**, and increased to **E78,201,992.06** in the fiscal year ended 31st March 1996. The deductions remained not transferred from the suspense account 354-2115-61141 to the respective account for the import oil levy, and have been disclosed as a liability in the financial statements for the year ended 31st March 2023.

I warned the Accountant General that, this contravenes Financial and Accounting Instruction 0501(i) which states that "it is the duty of Accounting Officers to ensure that revenue due is collected promptly and that all collections of revenue are promptly brought to account". Further, Section 11 subsection 2.20 of the Financial Management and

Accounting Procedures Manual (1993) guides that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

As a consequence, the deductions of import oil levy might have not been accounted-for in the correct accounts and this has resulted to the creation of a fictitious liability in the financial statements; thus, distorting the financial position of the Government. The deductions are not accounted-for as funds owned by or due to Government and as revenue in the Consolidated Fund.

I advised the Accountant General to investigate and correctly account-for the deductions of import oil levy, and clear the long-outstanding fictitious liability balance.

There was no response received from the Accountant General, thus the matter remains reportable.

197. Non-remittance of Deductions of Advances to Members of Parliament Security Loan Account

I reported to the Accountant General that the financial statements show that certain Members of the 12th Parliament were granted advances and had outstanding advances amounting to **E3,176,941.33** shown as an asset balance as at 31st March 2022. The account depicted recovery deductions amounting to **E23,454,216.45** as a liability balance as at 31st March 2023 which either were not remitted to the Consolidated Fund from the suspense account – 51026 or the advances were not recorded in the accounts and the settlement deductions did not find their respective debt accounts.

The deductions were not recorded in the correct accounts where the advances were made. As such the recovery deductions did not reduce the outstanding advances granted to the politicians.

A special advance of E100,000.00 per politician was further granted to 78 politicians towards the end of their tenure in Parliament totaling to E7,850,000.00, with an exception of one member who received E50,000.00 extra. The special advances were recovered in full from gratuity pays (e-gratia) for the 68 not re-elected members for the next tenure in Parliament and the deductions of the special advances for ten (10) the re-elected members were staggered for a period of 12 months from their salaries which exceeds the

Government stipulated salary advance repayment period of 3 months, that is E8,333.33 per politician per month. These deductions were also not remitted into Account 51026 - Members of Parliament Security Account.

Financial and Accounting Instruction 1204 guides that “when a personal advance is made to a public officer it will be debited to his personal account. The Accountant General must ensure that no salary is subsequently paid unless arrangements have been made for the commencement of repayments”. Salary advances are required to be recovered within three months from source as a deduction of salary. Further, Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) guides that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I warned the Accountant General that the non-remittance of deductions of advances to the respective account, where the advances were issued, results to unaccounted-for deductions and fictitious liabilities in the financial statements. This, distorts the reported financial position of the Government. Furthermore, recoveries should not accounted-for as funds owned by or due to Government but as revenue in the Consolidated Fund.

I advised the Accountant-General to investigate the non-remittance of the unaccounted-for deductions of advances, and rectify and clear the fictitious liability balance. Further, the Accountant-General was advised to give an explanation on why the politicians were given 12 months to repay their advances instead of the standard 3 months’ period.

There was no response received from the Accountant General. Thus the matter remains reportable.

198. Deductions of Associations and Other Entities Misclassified as Reserves Instead of Accrued Liabilities and Deductions

I further reported that deductions from associations and other entities amounting to **E87,970,937.74** were misclassified as ‘Reserves’ instead of ‘Accrued Liabilities and Deductions’ in the Detailed Statement of Liabilities as at 31st March 2023. The same balances were depicted over multiple financial periods depicted in the following table.

Reserves		Since Fiscal Year	FY 2022 (E)	FY 2023 (E)	Variance (E)
62303	P F M Swaziland Investment	31 st March 2010	3,243.00	3,243.00	0.00
62306	ITQ Consultancy Services (Pty)	31 st March 2022	71,840,257.21	71,840,257.21	0.00
62317	Tililo Funeral Scheme	31 st March 2021	3,180.00	3,180.00	0.00
62319	Supreme Audit	31 st March 2021	7,050.00	7,050.00	0.00
62320	African Alliance Bahlonishwa Investment	31 st March 2022	173,500.00	173,500.00	0.00
62367	SNAT Medical Scheme	31 st March 2022	229,261.00	229,261.00	0.00
62313	Swaziland Association of Government Secretaries	31 st March 2023	4,030.00	8,450.00	4,420.00
62315	SRA Taxation	31 st March 2023	27,029,131.63	15,632,110.03	11,397,021.60
62379	Tax on Companies	31 st March 2023	0.00	73,886.50	73,886.50
Total				87,970,937.74	

I referred the Accountant General to Financial and Accounting Instruction 0203 which states that the Accountant General should see to it that all books of account are correctly posted and kept-up-to-date. Further, Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) guides that "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year".

I warned that the effect of this erroneous presentation due to coding and classification that is contrary to the category (group) and narrations of these accounts type results to incorrect (wrong) interpretation of the financial position of the Government, and leading to conclusions that the financial statements might be materially misstated.

I therefore advised the Accountant General to investigate the coding and classification of deductions for associations and other entities as Reserves, and the non-remittance of and unaccounted-for deductions, and rectify and clear the fictitious liability balance and to promptly make remittances of the deducted amounts to the respective organisations to avoid litigation against the Government.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

199. Same Liability Balances Over the Financial Years and Exchange Adjustment I.M.F Trading Account Disclosed as Liability with same Balance Since Fiscal Year 2001

I reported that the Exchange Adjustment I.M.F. Trading Account was disclosed and reported as a liability with the same amount since the financial year ended 31st March 2001 to 2023. Also, other accounts were disclosed and reported with the same liabilities balances over the financial years in the Detailed Statement of Liabilities. The same liabilities balances over a period of 12 months or decade, suggests that the accounts are dormant and/or there might be fictitious liabilities and assets in the financial statements.

The breakdown of such accounts with same balances over a long period of time is depicted in the table below.

Capital Fund Specified		Since Fiscal Year	FY 2022 (E)	FY 2023 (E)
60108	Sikhuphe/Swd International Trade Fair	31 st March 2018	0.50	0.50
60109	Purchase Of Furniture For School Science Lab	31 st March 2018	3,217,466.34	3,217,466.34
60112	Installation Of Solar Power Light System	31 st March 2015	17,707,509.72	17,707,509.72
60115	Purchase Of Furniture For Technical Subjects	31 st March 2013	3,877,537.92	3,877,537.92
60116	Purchase Of Learning Material Special Education	31 st March 2012	1,196,426.50	1,196,426.50
60121	Rural Electrification Programme 111 (Taiwan)	31 st March 2015	127,286,280.00	127,286,280.00
60127	Purchase of Furniture Primary Schools	31 st March 2013	1,424,284.65	1,424,284.65
60129	Computer for Schools	31 st March 2013	4,890,420.25	4,890,420.25
60130	Water Supply to Schools V1	31 st March 2022	427,627.57	427,627.57
60132	SRA Document Management System	31 st March 2019	13,856,532.84	13,856,532.84
60140	Distance & continuing Education Programme	31 st March 2018	839,888.85	839,888.85
60141	Procurement of Water tanks for Schools	31 st March 2013	1,585,156.36	1,585,156.36
60160	Procurement of Ambulances	31 st March 2013	1,332,696.88	1,332,696.88
60169	Mobile Commerce solution	31 st March 2018	500,000.00	500,000.00
60173	Micro Project Small Scale	31 st March 2022	25.00	25.00
60174	Health Services Development	31 st March 2022	20.00	20.00
60184	Computerisation of Trading Licences Magement Sys	31 st March 2007	820,197.58	820,197.58
			178,962,070.96	178,962,070.96
Capital Fund Other				
60265	Training Grant For Computer Department By	31 st March 2006	500,000.00	500,000.00
60267	Unicef birth and death registration	31 st March 2013	172,500.71	172,500.71
60269	UNIFEM - Gender support programme Fund	31 st March 2011	65,638.80	65,638.80
60277	Health Equipment	31 st March 2009	18,181,050.00	18,181,050.00
60284	Dialysis Machine for Mankayane	31 st March 2018	3,952,547.50	3,952,547.50
60286	Fish Hatcher Equipment	31 st March 2018	304,631.21	304,631.21
60288	Procurement of an air Ticket for Army Officials	31 st March 2018	637,836.80	637,836.80
60291	Procurement of equipment for the Prime Minister	31 st March 2020	66,647.77	66,647.77
			23,880,852.79	23,880,852.79
Capital Fund Specified				
60401	Cataloguing of ROC of Swd Co-operation	31 st March 2014	260,430.82	260,430.82
60402	Procurement of Scuba Diving Equip	31 st March 2015	108,469.22	108,469.22

Capital Fund Specified		Since Fiscal Year	FY 2022 (E)	FY 2023 (E)
60403	Correctional Services	31 st March 2014	5,096,500.00	5,096,500.00
60404	Swazi TV Purchase of Cameras	31 st March 2014	259,712.89	259,712.89
60405	Construction of VIP toilets in Rural Schools	31 st March 2014	384,488.70	384,488.70
60406	Setting up RSPS Computer Lab Library	31 st March 2015	4,625,981.16	4,625,981.16
60407	Rehabilitation of Gcina Barracks	31 st March 2018	2,058,171.00	2,058,171.00
60409	Purchase of Royal Guard Millitary Band	31 st March 2014	1,230,660.00	1,230,660.00
60410	Ministry of Foreign Affairs Reception & Guest Room	31 st March 2014	3,402,909.99	3,402,909.99
60412	Donation (transportation of beds & mosquito nets)	31 st March 2014	1,434,645.00	1,434,645.00
60413	Purchase of IT Equip. & Accessories (Rote Corp	31 st March 2015	4,621,948.74	4,621,948.74
60414	Indoor Music Instruments	31 st March 2015	614,725.80	614,725.80
60416	Digital Orthophoto Mapping for Swd Surveyor General	31 st March 2015	2,543,233.60	2,543,233.60
60417	Procurement of Steel Bunk Beds	31 st March 2015	138,903.00	138,903.00
60418	Rehabilitation of Swd National Handicraft Centre	31 st March 2018	2,922,740.94	2,922,740.94
60419	Procurement of Furniture & training equipment	31 st March 2018	3,780,219.66	3,780,219.66
60420	Automated case management system for SWASA	31 st March 2015	688,436.00	688,436.00
60422	Procurement of Office Equip & internet to upgrade	31 st March 2015	685,938.99	685,938.99
60423	Rehabilitation of CODEC	31 st March 2018	919,881.54	919,881.54
60424	Procurement of (2) RV's for Fire & Emergency	31 st March 2015	281,493.53	281,493.53
60425	Procurement of Four (4) Ambulances for Fire & Emergency	31 st March 2015	278,448.49	278,448.49
60426	Procurement of Desktop computers & Laptops for Swd	31 st March 2015	2,341,092.81	2,341,092.81
60427	Construction of Computer Lab in Rural Schools	31 st March 2019	3,077,881.44	3,077,881.44
60429	Rural Electrification	31 st March 2020	32,530,707.60	32,530,707.60
60430	Diplomatic Directory Printing	31 st March 2016	1,839,195.71	1,839,195.71
60431	Installation of Solar Power Street Lighting	31 st March 2019	9,989,155.08	9,989,155.08
60432	Construction of Rural Solar Power Street Lighting	31 st March 2016	5,817,240.00	5,817,240.00
60433	Procurement of Computer & Printers for Rural Schools	31 st March 2018	991,611.27	991,611.27
60436	Support for Umhlanga Accident Victims	31 st March 2016	1,316,512.80	1,316,512.80
60438	Construction of Retirement Home for Elderly Person	31 st March 2016	152,841.50	152,841.50
60440	Computerisation of Tinkhundla Centres	31 st March 2020	4,530,337.07	4,530,337.07
60441	Rehabilitation of Codec phase 2	31 st March 2019	47,561.18	47,561.18
60442	Procurement of Equipment for Production of Diplomatic	31 st March 2016	3,457,873.00	3,457,873.00
60443	JA - Junior Achievers SWD Capacity	31 st March 2016	377,732.96	377,732.96
60448	Procurement of Equipment & Construction of Fish Hatch	31 st March 2019	1,117,749.87	1,117,749.87
60450	Procurement of Uniforms for Royal Close Protection	31 st March 2018	720,044.83	720,044.83
60451	Procurement of Ceremonial Uniform for RSPS Indoor	31 st March 2018	289,841.26	289,841.26
60453	Procurement of Office Equipment for the Government of Swaziland	31 st March 2016	1,150,322.96	1,150,322.96
60457	Biotechnology	31 st March 2018	15,271,128.15	15,271,128.15
60460	Renovation and Expansion of Mpisi Pig Breeding	31 st March 2018	2,809,759.83	2,809,759.83
60461	Automation of Six (6) Immigration Service Centre	31 st March 2019	1,475,969.77	1,475,969.77
60466	Procurement of Equipment for the Military Police – V	31 st March 2017	89,948.21	89,948.21
60467	Procurement of Ambulance and Motuary Vehicle For	31 st March 2018	454,235.57	454,235.57

Capital Fund Specified		Since Fiscal Year	FY 2022 (E)	FY 2023 (E)
60469	Procurement of Basic Solid Waste Management Plan	31 st March 2018	425,340.31	425,340.31
60471	Water & Sanitation Nkhungwini Mhlaleni	31 st March 2021	9,714,040.45	9,714,040.45
60472	Installation of Solar Powered Lighting System Mpisi	31 st March 2019	1,512,437.33	1,512,437.33
60473	Lighting & Borehole Pump Malkerns Research Station	31 st March 2019	1,478,772.66	1,478,772.66
60475	Manzini Autism Rehabilitation and Respite Centre	31 st March 2021	1,039,343.98	1,039,343.98
60476	Siteki Civic Centre Completion	31 st March 2019	120,626.87	120,626.87
60480	One Month Fixed Account	31 st March 2019	104,218,871.38	104,218,871.38
60481	Strategic Oil Advance	31 st March 2018	200,000,000.00	200,000,000.00
60482	Resettlement Advance Account	31 st March 2018	23,000,000.00	23,000,000.00
60483	Construction of Mankayane Main Street Market	31 st March 2019	20,068.99	20,068.99
60484	Upgrading and expansion of Govt Network Project	31 st March 2019	535,878.15	535,878.15
60485	Small Holder Dairy	31 st March 2021	3,940,871.42	3,940,871.42
60486	Procurement of Hydraulic Lift Project Number P444470	31 st March 2022	2,667,214.27	2,667,214.27
60487	Capital Investment Fund (CIF)	31 st March 2023	1,611,405,987.73	1,611,405,987.73
60488	Strategic Oil	31 st March 2021	90,000,000.00	90,000,000.00
60490	Co-operation in Energy and Mineral Resource Exploit	31 st March 2020	5,006,031.62	5,006,031.62
			2,181,272,167.10	2,181,272,167.10
Special Fund				
62109	Green Pastures Savings and Credit Account	31 st March 2023	9,603,440.12	9,603,440.12
62122	E.E.C. Food Aid Fund	31 st March 2004	36,322.52	36,322.52
62123	S.G. Civil Servants Pension Fund	31 st March 2006	777.00	777.00
62144	Swd Gov. Anti-Corruption Fund	31 st March 2014	3,000,000.00	3,000,000.00
62154	U.S. Aid Wheat Proceeds	31 st March 1995	83,120.68	83,120.68
62156	Capital Investment Facility	31 st March 2021	1,176,472,000.00	1,176,472,000.00
62168	Audit of Capital Programme	31 st March 2011	1,305,508.00	1,305,508.00
62178	Civil Servants Home Loans	31 st March 2021	4,247,488.08	4,247,488.08
62181	Gender Coordination Fund(GSF)	31 st March 2023	14,677.98	14,677.98
			1,194,763,334.38	1,194,763,334.38
Reserves				
62302	Plant and Vehicle Renewals Fund	31 st March 2023	676,417,565.45	676,417,565.45
62303	P F M Swaziland Investment	31 st March 2010	3,243.00	3,243.00
62306	ITQ Consultancy Services (Pty)	31 st March 2022	71,840,257.21	71,840,257.21
62317	Tililo Funeral Scheme	31 st March 2021	3,180.00	3,180.00
62319	Supreme Audit	31 st March 2021	7,050.00	7,050.00
62320	African Alliance Bahlonishwa Investment	31 st March 2022	173,500.00	173,500.00
62340	SWD Government IFAD grant dollar account	31 st March 2022	9,324.76	9,324.76
62345	SWD Government Lusip IFAD GEF Project Account	31 st March 2022	2,156.05	2,156.05
62346	SWD Government loan no. 57452 dollar account	31 st March 2022	21,879.56	21,879.56
62349	SWD Govt Statistical Capacity Building Dollar Account	31 st March 2022	563,922.31	563,922.31
62355	Private Sector competitiveness project dollar account	31 st March 2022	2,062,998.55	2,062,998.55
62356	Pig Industry Enhancement dollar account	31 st March 2022	340,697.57	340,697.57
62357	International Convention Center Project Account	31 st March 2022	1,129,624.78	1,129,624.78
62367	SNAT Medical Scheme	31 st March 2022	233,499.00	233,499.00
			752,808,898.24	752,808,898.24

Capital Fund Specified		Since Fiscal Year	FY 2022 (E)	FY 2023 (E)
Government Stock				
62501	Reserves – CBS	31 st March 2019	1,118,368,520.15	1,118,368,520.15
62502	Government Bond (African Alliance)	31 st March 2003	236,777,919.52	236,777,919.52
			1,355,146,439.67	1,355,146,439.67
Special Fund Continuation				
62611	Infrastructure Bond Insurance account	31 st March 2022	0.01	0.01
62650	Eswatini Water Supply and Sanitation - USD	31 st March 2022	289.60	289.60
62663	ADB US dollar account	31 st March 2022	362.14	362.14
62654	Eswatini Economic Recovery Development policy loan	31 st March 2022	124,932.72	124,932.72
62653	Lower Usuthu smallholder Irrigation 11 project EU	31 st March 2022	808,855.00	808,855.00
62649	International Convention Centre Taiwan Project-US	31 st March 2022	827,123.16	827,123.16
62647	SWD GOV Five Star Hotel Project loan - USD	31 st March 2022	3,116,121.39	3,116,121.39
62667	IFAD Smallholder market - LED Project Account	31 st March 2022	5,476,692.32	5,476,692.32
62668	Global Environment Account	31 st March 2022	7,624,371.79	7,624,371.79
62666	IFAD Smallholder Market - LED Project Account	31 st March 2022	11,325,734.43	11,325,734.43
62659	Eswatini Government USD Account	31 st March 2022	40,717,394.82	40,717,394.82
62652	Network Reinforcement and Access Project - EUR	31 st March 2022	81,929,292.92	81,929,292.92
Sundry Investments			151,951,170.30	151,951,170.30
52115	CBS Unrealised Gains	31 st March 2022	194,067,510.83	194,067,510.83
52134	Government Bond (African Alliance)	31 st March 2021	19,438,607.88	19,438,607.88
			213,506,118.71	213,506,118.71

I also reminded the Accountant General that, the Financial and Accounting Instruction 0203 states that the Accountant General should see to it that all books of account are correctly posted and kept-up-to-date. Further, Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) guides that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I warned the Accountant General that the same liabilities balances over a period of 12 months or decade, suggest that the accounts are dormant and might be fictitious liabilities and assets, indicating that the assets and liabilities might be materially misstated.

I advised the Accountant-General to investigate the same liability balances and provide the creditors ledger accounts with the supporting documents that made up these balances.

There was no response received from the Accountant General, thus the matter remains reportable.

200. Payments Not in Treasury Accounting System

I reported that there were funds amounting to **E1,170,327,878.66** which were transferred to the 'Suspense Account 61122 – Payments Not in Treasury Accounting System' from the Capital Vote and Recurrent Vote of the different Ministries and Departments during the financial year ended 31st March 2023.

I noted that at the beginning of the fiscal year, the account had a balance of **E300,627,905.30** which was part of the funds transferred to this suspense account in the financial year ended 31st March 2022.

Furthermore, during the financial year ended 31st March 2022, funds amounting to E374,762,274.29 were transferred to this suspense account from various Ministries and Departments, and a payment of E15,000,000.00 and reallocations to the Ministry of Finance amounting to E56,134,368.33 were made from this account. Reallocations ought to have been supported with reallocation warrants.

During the financial year ended 31st March 2023, payments amounting to **E67,268,736.67** were made from this suspense account with the payee not clearly narrated and it is not clear as to where these funds were transferred to.

As at 31st March 2023, the suspense account - 61122 had a closing balance of **E1,366,719,035.20**. The details of the movements from this account are depicted in the table below.

Voucher	Narration	Date	Amount (E)
	Funds transferred from different ministries and departments	Fiscal year 2022	374,762,274.29
	Payments		(15,000,000.00)
	Reallocations: JV 121962		(10,000,000.00)
	JV 121963		(46,134,368.33)
JV 32087	Reversal from the Suspense	Fiscal year 2022	(3,000,000.00)
	Closing Balance as at 31 March 2022	Fiscal year 2022	300,627,905.30
	Funds transferred from different ministries and departments	Fiscal year 2023	1,170,327,878.66
	Payments made	Fiscal year 2023	(67,268,736.67)
	Reversals		(36,968,012.75)
	Balance as at 31st March 2023		1,366,719,035.20

I further observed that the various Ministries and Departments processed payments through their batch numbers and voucher numbers to record the actual expenditure and submitted them to the Accountant General for the processing of payments. However, the Accountant General generated different batch numbers and captured them into the

Government accounting system without the Ministry signing for the acknowledgement of the debt.

I reminded the Accountant General that all suspense account balances have to be reconciled to nil balances at the end of each financial year. Further, Section 11 subsection 2.20 of the Financial Management and accounting Procedures Manual (1993) guides that “greatest attention needs to be paid to the reconciliation of the below-the line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year.

I am concerned that there may be misappropriation of public funds, misstatement of expenditure and distortion of Governments accounts.

I advised the Accountant General to explain the purpose of this account and provide the supporting documentation for the transactions posted to this account.

There was no response received from the Accountant General, hence the matter remains reportable.

201. General Reserve Balance Forward Disclosed as a Negative Liability

I reported that the General Reserves Balance Forward amounting to **E13,861,135,929.90** was disclosed as a negative liability balance in the Statement of Financial Position as at 31st March 2023, whilst the Government Accounting System shows a debit balance with a positive amount.

I cautioned the Accountant General that, in accounting, it is inappropriate to reflect a negative balance of a liability. All assets and liabilities are recognized and disclosed based on whether they meet the definition and recognition criteria of either assets or liabilities.

The accounting treatment of the General Reserve Balance Forward should comply with the dual concept of accounting which requires that for every credit entry there must be a corresponding debit entry, and the opposite order is not true. It should also be clear which funds and liabilities support the total value of assets, but currently the General Reserve Balance Forward inaccurately reduces the total value of liabilities.

The movements (entries) in the General Reserve Balance Forward Account were merely adjustments and not transactions or financial performance of the Government. This indicates that the account is used as ‘dump for contra entry adjustments’ instead of

debiting or crediting the corresponding (correct) contra entry account. As such, the balance of this account is accumulated by the incorrect contra entries, which further distorts the accounts of Government.

Moreover, I reported that during the financial year under review, the entries posted into this account were: debit entry 'reversal of duplication transaction' of **E57,549,474.24** with no corresponding entry; debit entry 'year-end closure adjustment' of **E7,687,522.56** with a corresponding entry in account 70104; debit entry 'adjustment of opening balance' of **E27,362.15** with a corresponding entry in account 70104; and debit entry 'reversal of sundry departmental deposit' of **E800.00** with no corresponding entry. The breakdown is depicted in the table below.

SRC	PR	BNO	Voucher	Date	Amount	Payee
General Reserve Balance Forward – 354211070101						
335	10	678	10999999	20230504	13,803,558,293.51	2021 / 2022 Opening balance
335	11	186	110851	20230329	800.00	Reversal of Sundry Departmental Deposit
335	13	300	131056	20230803	27,362.15	Adjustment of Opening Balance
335	13	306	131063	20230807	57,549,474.24	Reversal of Duplication
335	13	337	131151	20231208	-7,687,522.56	Year-end Closure: Error
335	13	338	131154	20231208	7,687,522.56	Reversal of Wrong
335	13	338	131154	20231208	7,687,522.56	Year-end Closure
Balance as at 31st March 2023					13,868,823,452.46	
Financial Statements					13,861,135,929.90	
Government Accounting System					13,921,073,282.76	
Misstatement					59,937,352.86	

Despite that this accounting treatment distorts the value of liabilities, the Accountant-General continued to present the General Reserve Balance Forward incorrectly. This presentation is not permissible by the Accounting Principles, Accounting Concepts and Accounting Standards. It is not acceptable to disclose (classify) the General Reserve Balance Forward as a negative liability in the Consolidated Statement of Assets and Liabilities (in the Government Accounts). Hence, I disagree with the financial presentation.

I reminded the Accountant General about Financial and Accounting Instruction 0203 which states that the Accountant General should see to it that all books of accounts are correctly posted and kept-up-to-date.

I warned the Accountant General that the effect of this erroneous presentation of the account in the Financial Statements, is that it distorts the financial position of the Government and it is contrary to the record in the Government Accounting System. The financial statements might therefore be materially misstated.

I then advised the Accountant General to provide supporting documentation for the transactions that were posted in the Accounting System during the year audited, and to clearly account-for the source of the balance in the General Reserve Balance Forward Account and correct the Financial Statements, accordingly.

In response, the Accountant-General explained that this amount represents the net worth of Government and the negative liability is a deficit that has accumulated over the years, caused by expenditure being more than the revenue collected over the years. The Government surplus and deficit is captured/entered in this account, and income received, deposits and other expenses that were incurred in prior years but not accounted, is entered in this item since Government is still on cash basis. The Accountant-General further stated that the reconciliation of this account was on-going and ought to have been done by the end of June 2022.

The response from the Account General was noted, however, it does not resolve the audit finding. Furthermore, the requested supporting documentation for the transactions that were posted in the Accounting System during the year audited were not provided moreover, the account has not been reconciled to date. Therefore, the matter remains unresolved and reportable.

202.Undisclosed Balances: Capital Balance – 70102, Suspense Balance – 70103 and General Reserve Balance Current – 70104

I also reported that balances of Capital Balance – 354211070102 of **E0.00**, Suspense Balance – 354211070103 of **E7,355,585,166.07** was not disclosed in the financial statements. The balances of these accounts as well as the General Reserve Balance Forward – 70101 were significantly changed in the financial statements as at submission date 30th June 2023 to 31st December 2023, without providing supporting documents to justify the changes.

The breakdown of balances of these accounts is depicted in the table below.

	Financial Statements (E)	Government Accounting System	Misstatements
General Reserve Balance Forward – 70101	13,861,135,929.90	13,921,073,282.76	59,937,352.86
Capital Balance – 70102	0.00	0.00	0.00
Suspense Balance – 70103	0.00	7,355,585,166.07	7,355,585,166.07
General Reserve Balance Current – 70104	0.00	0.00	0.00

I reminded the Accountant General that all account balances should be disclosed in the financial statements to show a true and fair view of the financial performance and financial position of the Government.

I cautioned the Accountant General about contravening Section 87 (1) of the Public Finance Management Act (2017), which requires that 'the Accountant-General should, within three (3) months of the end of each financial year, prepare and submit Consolidated Annual Accounts to the Auditor-General.

Further, according to Section 10 (1)(d) of the Public Finance Management Act (2017), the Accountant-General is responsible for the compilation and management of the accounts of Government. Furthermore, Section 10 (1)(b) states that the Accountant-General is for the custody and safety of public money and other resources of Government under the control of the Accountant-General and the setting of standards and monitoring standards for the custody and safety of money and other resources of Government not under the control of the Accountant-General.

I indicated to the Accountant General that non-disclosure of accounts balances resulted to misstatement of Assets; and thus, distorted the financial position of the Government. Further, failing to disclose accounts balances for any Government programme and to account-for public funds, is not only unlawful but it creates room for misappropriation of public funds and incurring of unauthorised and fruitless expenditure. It also defeats the spirit of good financial governance, accountability and transparency in the use of public funds.

I advised the Accountant-General to disclose all accounts balances including Capital Balance Account 354211070102, Suspense Balance 354211070103, and General Reserve Balance Current 354211070104, in the financial statements. I further advised the Accountant-General to explain the purposes of these accounts and provide the supporting documentation for the transactions posted into these accounts.

There was no response from the Accountant General, hence, the matter remains reportable.

203. Surplus/Deficit not disclosed in the Financial Statements

I reported to the Accountant-General that a Surplus or Deficit was not disclosed in the Financial Statements for the year ended 31st March 2023. The Financial Statements show receipts of **E20,026,691,789.78** and Payments of **E18,854,945,686.48**. The difference should have been a Surplus of **E1,171,746,103.30**.

I drew the attention of the Accountant-General to International Public Sector Accounting Standards (IPSAS 1) on Presentation of Financial Statements which specifies the minimum line items to be presented on the face of the statement of financial position, statement of financial performance, and statement of changes in net assets/equity, and includes guidance for identifying additional line items, headings, and sub-totals.

My concern is that the inaccurate financial reporting may be misleading to the user of the Government financial statements.

I advised the Accountant-General to amend the financial statements and ensure that it discloses the surplus for the financial year under review.

There was no response received from the Accountant-General, thus the matter remains reportable.

204. Audit of Statement of Outstanding Loans from Revenue and Other Sources

204.1. No Record of Outstanding Loans issued from Government Revenue and Other Sources

I reported that there was no record of outstanding loans issued from Government revenue and other sources in the Accounting System. As such, I could not confirm the completeness and accuracy of the balances of the outstanding loans. The records of the loans ought to have been maintained or kept on the dates of issuing the loans, which should clearly show principal amount, applicable interest rate, and terms of repayment of each loan.

I drew the attention of the Accountant General to Financial and Accounting Instruction 0203 which states that the Accountant General should see to it that all books of account are correctly posted and kept-up-to-date.

I am concerned that the outstanding loans might have been omitted in the financial statements and remain unknown, unrecorded and undisclosed in the Government Accounting System; as such the loans might remain unrecovered and follow-ups for repayments (recoveries) might have not been done.

I advised the Accountant-General to, in consultation with the Principal Secretary of the Ministry of Finance, ensure that there is a module for records of all loans issued, showing the dates of issuance of the loans, principal amounts, applicable interest rates, and terms of repayment of each loan.

The Accountant-General did not respond to my observation; hence the matter remains reportable.

204.2. Long Outstanding Loans: Eswatini Housing Board and Eswatini Electricity Company

I reported that loans with a total book value of **E94,331,103.43** issued by Government to the Eswatini Housing Board (**E13,116,703.87**) and Eswatini Electricity Company (**E81,214,399.56**) were long overdue for collection. The outstanding loans were issued from Government revenue and other sources in prior years and the settlement periods have long elapsed with no repayment made. Noted was that Eswatini Water Services Corporation was the only company servicing its loans with one loan being fully settled.

204.3. Non-compounding of Loan Interest

I further reported that the outstanding loan balances were not annually compounded with interest, instead the principal loan balances were reported in each financial year. This means that the loan balances were understated and as such do not report a true reflection of the loans due to Government. The table below is a breakdown of the outstanding loans.

Details	Rate of Interest	Redemption Date	Amount Outstanding	Amount Outstanding FY2021	Amount Outstanding FY2022	Amount Repaid	Amount Outstanding FY2023	Term of Repayment
Housing	9%	15/06/2005	500,000.00	500,000.00	500,000.00	-	500,000.00	25 annual instalments wef 15/06/81
Housing	9%	09/10/2005	282,000.00	282,000.00	282,000.00	-	282,000.00	Repayable over 15 yrs wef 09/10/81
Housing	8%	09/05/2005	148,229.10	148,229.10	148,229.10	-	148,229.10	Repayable by 25 annual instalments wef 9/05/81
Housing	8%	01/04/2004	243,831.20	243,831.20	243,831.20	-	243,831.20	Repayable 25 annual instalments wef 9/15/81
Housing	9%	01/10/2006	600,000.00	600,000.00	600,000.00	-	600,000.00	Repayable by 25 annual instalments wef 30/09/82

Details	Rate of Interest	Redemption Date	Amount Outstanding	Amount Outstanding FY2021	Amount Outstanding FY2022	Amount Repaid	Amount Outstanding FY2023	Term of Repayment
Housing	9%	26/07/2006	600,000.00	600,000.00	600,000.00	-	600,000.00	Repayable by 25 yrs annual instalments wef 26/07/82
Housing	9%	05/05/2007	500,000.00	500,000.00	500,000.00	-	500,000.00	Repayable by 25 yrs annual instalments wef 05/05/83
Housing	9%	21/07/2007	595,000.00	595,000.00	595,000.00	-	595,000.00	Repayable by 25 yrs annual instalments wef 21/07/83
Housing	9%	28/04/2008	910,000.00	910,000.00	910,000.00	-	910,000.00	Repayable by 25 yrs annual instalments wef 28/04/84
Housing	9%	01/01/2005	99,483.22	99,483.22	99,483.22	-	99,483.22	Repayable by 25 yrs annual instalments wef 01/01/81
Housing	9%	30/04/2010	800,000.00	800,000.00	800,000.00	-	800,000.00	Repayable by 25 annual instalments wef 30/04/86
Housing	9%	14/09/2004	243,831.20	243,831.20	243,831.20	-	243,831.20	Repayable over 25 Years wef 14/09/80
Housing	9%	11/03/2008	160,000.00	160,000.00	160,000.00	-	160,000.00	Repayable by 25 annual instalments wef 11/03/84
Housing	9%	04/06/2002	94,600.86	94,600.86	94,600.86	-	94,600.86	Repayable by 25 annual instalments wef 04/06/78
Housing	9%	25/08/2002	94,600.86	94,600.86	94,600.86	-	94,600.86	Repayable by 25 annual instalments wef 25/08/78
Housing	0.04	15/01/2001	7,25,127.43	7,25,127.43	7,25,127.43	-	7,25,127.43	Repayable by 25 annual instalments wef 25/08/78
			5,871,576.44	5,871,576.44	5,871,576.44	-	13,116,703.87	Repayable by 25 annual instalments wef 25/08/78
SEB/EEC			56,570,342.00	56,570,342.00	56,570,342.00	-	56,570,342.00	Repayable by 25 annual instalments wef 25/08/78
"			24,644,057.56	24,644,057.56	24,644,057.56	-	24,644,057.56	Repayable by 25 annual instalments wef 25/08/78
			81,214,399.56	81,214,399.56	81,214,399.56	-	81,214,399.56	Repayable by 25 annual instalments wef 25/08/78
						-	94,331,103.43	Repayable by 25 annual instalments wef 25/08/78

Section 49(7) of the Public Finance Management Act, 2017 which states that the Accountant-General may, on the authority of the Minister, withhold a release of funds to any bank account of any Public Entity, Local Government or Government Business Enterprise where the Public Entity, Local Government or Government Business Enterprise has managed public resources in a way that exposes the Government to fiscal risks, service failure or other serious performance issues.

Also, Financial and Accounting Instruction 0201(iii) states that "it is the duty of the Accountant-General to exercise supervision over the receipts of public revenue and so far as is possible to secure its punctual collection and (xiii) to render the annual accounts for audit to prepare financial statements and returns in order to account fully for the financial activities of the Government".

I am concerned that the funds may eventually not be recovered from the companies, and under collection of revenue is also likely to occur as a result of the uncompounded interest. This may worsen the Government's economic state.

I advised the Accountant General to immediately recover the loans and provide proof of recoveries.

There was no response received from the Accountant General, hence the matter remains reportable.

205. Outstanding Loan Balances and Omissions

205.1. Understatement of Eswatini National Housing Board Loan Balance

I reported to the Accountant General that an outstanding loan balance due to Government from Eswatini National Housing Board was understated by **E15,588,349.13**. The balance recognized in the Statement of Outstanding Loans Issued from Revenue and Other Sources for the year ended 31st March 2023 was **E13,116,703.87** while the Financial Statements of the Board reflected a total of **E28,705,053.00** for the same financial period, hence the understatement.

The understated loan balance of E13,116,703.87 comprise of various sub-loans issued by the Government to the Board in prior years when the entity was still operating as the Industrial Housing Corporation.

205.2. Overstatement of Eswatini Electricity Company and Eswatini Water Services Outstanding Loan Balances

I further reported to the Accountant General that outstanding loans due to Government, from Eswatini Electricity Company (EEC) and Eswatini Water Services Corporation (EWSC) were overstated by **E71,426,594.09**. The balances recorded in the Statement of Outstanding Loans from Revenue and Other Sources for the year ended 31st March 2023 was **E81,214,399.56** for EEC and **E4,706,296.53** for EWSC while the financial statements for the entities reflected **E11,240,181.00** and **E3,253,921.00** respectively, for the same period.

The balances recorded by the Treasury Department ought to be the same with those of the owing companies. Below is an analysis of the misstatement.

Owing Company	Balance as per Statement of Outstanding loans from revenue and other Sources (E)	Balance as per financial statements of company (E)	Overstatement (E)
Eswatini Electricity Company	81,214,399.56	11,240,181.00	69,974,218.56
Eswatini Water Services Corporation	4,706,296.53	3,253,921.00	1,452,375.53
Totals	85,920,696.09	14,494,102.00	71,426,594.09

The loans to EEC were advanced by Government in earlier years when the company was still operating as the Swaziland Electricity Board (SEB).

The table below is a breakdown of the overstated loans for the companies as recorded in the Statement of Outstanding Loans from Revenue and Other Sources for the financial year ended 31st March 2023.

Details	Source	Rate of Interest	Redemption Date	Amount Outstanding FY2023 (E)
S.E.B/Eswatini Electricity Company	Government Loan no. 8	Not stated	Not stated	56,570,342.00
S.E.B/ Eswatini Electricity Company	Government Loan no. 9	Not stated	Not stated	24,644,057.56
				81,214,399.56
Eswatini Water Services Corporation	IBRD/SWD	3.67%	15/01/2001	4,706,296.53
Eswatini Water Services Corporation	IBRD/SWD	3.67%	2018/01/07	-
Total				4,706,296.53

205.3. Omission of Outstanding Loans to Eswatini National Industrial Development Corporation (ENIDC) and Manzini Municipal Council

I also, reported that the Financial Statements for Eswatini National Industrial Development Corporation (ENIDC) and Manzini Municipal Council for the year ended 31st March 2023 revealed that outstanding loans amounting to **E33,551,816.00** were due to Government. However, these loans were not recorded in the Statement of Outstanding Loans from Revenue and Other Sources. This implies that the loans were not reported in the financial books of the Government.

The loan balance comprises of **E25,564,222.00** for ENIDIC and **E7,987,594.00** for the Manzini Municipal Council. Below is an extract from the notes of the financial statements of the companies as at 31st March 2023.

Owing Public Entities	Nature of Loan	Notes on Loan	Amount (E)
ENIDIC	Government Income note A and B	The loan note relates to a loan which the Corporation received from the Government. The capital balance received was E25,564,222.00 which attracts interest of 8% per annum. Loan shall abate when the Corporation has sufficient cash resources available. The Corporation is in consultation with the Government to waive this loan.	25,564,222.00
Manzini Municipal Council	Government of Eswatini World Bank Loan	The Council received funding from the Government of Eswatini amounting E7,550,154.00. The terms and condition for this funding have not been finalised by the Council and the Government. The presentation and disclosure of this funding may change subject to finalization of terms and conditions.	7,550,154.00
Manzini Municipal Council	Government of Eswatini World Bank Loan	The loan is unsecured bears interest at 2% plus the inflation rate per annum and is repayable in semi-annual instalments of E193,642.00 commencing January 2001. The final instalment was due on 15 th July 2018 but it has not been settled yet.	437,440.00
Loans owed by the Manzini Municipal Council			7,987,594.00
Total loans			33,551,816.00

Financial and Accounting Instruction 0203 which states that the Accountant General should see to it that all books of accounts are posted and kept-up-to date.

I am concerned that the misstatements will result to loss of Government funds and the consolidated financial statements are not presenting a true and fair view of Government financial performance and financial position.

I advised management to reconcile the outstanding loan balances and effect the necessary adjusting journals and submit supporting documents.

There was no response received from the Accountant General, hence the matter remains reportable.

205.4. Undocumented Conversion of Eswatini Railway Outstanding Loan to Government Permanent Shares

I reported to the Accountant General that the Financial Statements of Eswatini Railways for the year ended 31st March 2023, revealed that outstanding loans amounting to **E12,859,934.00** advanced by Government were converted to fixed permanent capital on 23rd February 1994, however there was no evidence to substantiate the agreement between Government and the Eswatini Railways.

The occurrence of significant and special transactions is normally approved and authorised by the Cabinet. This is aimed to curb Government loss of funds.

Financial and Accounting Instruction 0202 states that; "it is the duty of the Accountant General to ensure that all public monies are spent only for the purpose for which they are authorised for."

I cautioned the Accountant General that Eswatini Railways might have taken advantage of the weak internal controls with regard to the documentation and record keeping of agreements and unspecified terms and conditions of the loan they received. The loan might not be recovered from Eswatini Railways because of the unsupported claim of conversion to permanent shares.

The Accountant General was expected to investigate the matter, confirm the information reported by Eswatini Railway and disclose the accurate position in the Consolidated Financial Statements.

The Accountant General did not respond; hence the matter remains reportable.

206. Audit of Consolidated Statement of Outstanding Revenue

206.1. Written-off Outstanding Revenue Included in the Financial Statements

I reported to the Accountant General that written-off outstanding revenue amounting to **E56,661.70** under the His Majesty's Correctional Services was included in the Consolidated Statement of Outstanding Revenue for the year ended 31st March 2023. The write-off authority was granted by the Losses Committee and communicated by the Principal Secretary for the Ministry of Finance on the 11th February 2019. The write-off was due to losses by deceased officers, thus the debt was irrecoverable.

The outstanding balance of **E394,385.74** has been the same since the financial year 31st March 2016 and was not updated with the written-off outstanding revenue since financial years ended 31st March 2019 to 2023. Hence, the Consolidated Statement of Outstanding Revenue still includes the written-off revenue, instead of the updated outstanding revenue balance of **E337,724.04** under the His Majesty's Correctional Services.

I drew the attention of the Accountant General to Financial and Accounting Instruction 0203 which states that the Accountant General should see to it that all books of account are correctly posted and kept-up-to-date. Overdrawn bank accounts ought to be made good within a period of 12 months since they are not long-term borrowings from the bank.

I am concerned that the reported outstanding revenue balance (amount) may be overstated by the written-off outstanding revenue under the His Majesty's Correctional Services.

I advised the Accountant-General to correct the Consolidated Statement of Outstanding Revenue for the year ended 31st March 2023, and disclose the accurate outstanding revenue in the noted for the Detailed Statement of Revenue.

There was no response from the Accountant General, hence the matter remains reportable.

207. Audit Statement of Write-offs

207.1. Non-recovery of Surcharges – Hluthi Revenue Station

I reported to the Accountant General that there were no recoveries of loss of cash and/or surcharges from misappropriated cash amounting to E75,599.90 on different periods during the financial year 2020 at Hluthi Revenue Stations. The Losses Committee

recommended surcharges amounting to **E4,729.00** from two officers for negligence in their duties and a write-off amounting to E70,870.90, while pursuing to recover public funds from the officer who was on duty through Courts. The Principal Secretary – Ministry of Finance communicated the resolutions of the Losses Committee to the Accountant-General through a Memo referenced FIN/17A/35 dated 25th May 2022.

Officer bearing employment number 3448355 was surcharged **E4,070.00** being 10% of lost cash amounting to E40,699.60 in respect of misappropriated revenue collected in January 2020 that was never reported to authorities plus **E439.00** being 10% of E4,390.00 in respect of issued and unreconciled car license disks from September 2019 to 2020.

Officer bearing employment number 3385090 was surcharged **E220.00**, being 5% of E4,390.00 in respect of issued and unreconciled car licensed disks receipts.

The entire lost cash was attributed to officer bearing employment number 7504488. This officer tendered his resignation from the public service in July 2020. With regard to the lost cash amounting to E30,510.30 in February 2020, the allegations of theft levelled against him were refuted and the Court acquitted the officer due to lack of evidence. The Courts were yet to charge this officer for theft crime of E4,390.00 in respect of unaccounted license disks receipts.

Over a period of 20 months (June 2022 to January 2024), the recommended surcharges have not yet been recovered from the involved officers. The cash lost and unaccounted-for (unreconciled) car license disks were not recovered from the Officer or from his pension fund contributions which were withheld pending finalization of the court case.

207.2. Non-recovery of Salary Overpayment

I further reported that an Officer bearing employment number 7504488 received illegal salaries amounting to **E48,535.73** after he had left the Civil Service. According to a letter written by the then Deputy Accountant General dated 11 August 2020, the Officer “unceremoniously left the Civil Service” without being granted the resignation he had requested in his letter dated 23 July 2020. This was also confirmed in a letter dated 2 December 2020 written to the Officer by the Chairperson of the Civil Service Commission stating that the Officer had absented himself from work without authority. Thus the Officer stopped working in July 2020 but was paid his salary in full up to the 2nd of December 2020. The breakdown of the unauthorized salary received is illustrated in the following table:

Month	Salary received
August 2020	11,941.33
September 2020	11,941.33
October 2020	11,941.33
November 2020	11,941.33
Up to 2 nd December 2020	770.41
Total	48,535.73

I reminded the Accountant-General that, if at any time there is a loss of public moneys by reason of neglect or fault of any officer, they will be liable to be surcharged with the amount and any sums due to them by Government may be withheld in satisfaction of such surcharges. I cautioned the Accountant-General that public funds were stolen by the Accountant on duty and there might be system failure to provide sufficient adequate evidence to recoup the cash stolen from the officer. Further, there is limited attention given by the Accountant-General to recover the public funds from the officers.

I advised the Accountant-General to recover all the surcharges and from the officers involved as per the resolution of the Losses Committee and to immediately recover the overpaid public funds from the implicated Officer.

There was no response received from the Accountant-General, thus the matter remains reportable.

HEAD 38: INTERNAL AUDIT

An audit of the Consolidated Government Financial Statements for the year ended 31st March was conducted. I communicated my findings to the Controlling Officer through reports referenced I24 (A) Vol. II/23 and I24 (A) Vol. II/28 which were dated 28th September 2023 and 25th January 2024, respectively. The Controlling Officer has responded through memoranda referenced IAO3/2/2 dated 16th October 2023 and IAO3/2/2/058 dated 24th January 2024. However, the following audit findings remain reportable.

208. Under-expenditure on CTA Vehicle Charges and Travel, Transport and Communication Costs

I reported that the Department incurred an under-expenditure amounting **E371,121.28** on Recurrent Vote. These include under-expenditure on Vehicle Charges amounting E165,769.38 (28.48%), and under-expenditure on Travel, Transport and Communication Costs amounting E205,351.90 (37.79%) under responsibility centre 1101, in the fiscal year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-Expenditure	
CTA Vehicle Charges	E	E	E	E	%
1101: Internal Audit	582,102.00	582,101.00	416,331.62	165,769.38	28.48
Travel, Transport and Communication Costs					
1101: Internal Audit	913,438.00	543,435.00	338,083.10	205,351.90	37.79
Under-Expenditure on CTA Vehicle Charges and Travel, Transport and Communication Costs				371,121.28	

Under-expenditure indicates that public funds were tied up and deprived funding to other essential public programmes during the fiscal year. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country. Hence, under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government.

I advised the Controlling Officer that the Department should ensure that released funds are utilised and that they should not seek budget release when not ready to implement any activity or programme. I also advised the Controlling Officer to explain the reasons for the under-expenditure, and explain if its intended purposes were met and achieved, despite these under-expenditures.

The Controlling Officer responded through the following paragraphs:

28.48% Under-Expenditure on CTA Vehicle Charges: *In response, the Controlling Officer stated that in the financial year 2022/2023, the Department was operating with three motor vehicles, out of a fleet of seven, due to technical faults of the other four vehicles. In addition, she asserted that the Department was still waiting for the Ministry of Public Works and Transport (CTA) to perform maintenance on the vehicles, thus resulting to under-expenditure on CTA Charges since four vehicles were not consuming fuel as anticipated. She further explained that her office ensured that it continued with its mandate, where they engaged Ministries to forward required documents to their headquarters, for easier access by internal auditors.*

37.79% Under-Expenditure on travel, transport and communication (02): *The Controlling Officer stated that the Annual Budget Estimate for the financial year 2022/2023 had included funds for the Audit Committee for the Department. However, the process of selection and appointment of the committee was not completed during the financial year, resulting in the under expenditure.*

The Controlling Officer's response was acknowledged; however, the Ministry of Public Works and Transport still has an obligation to explain why the Central Transport Administration Department did not perform the maintenance on the vehicles, thus resulting to the under-expenditure on CTA Charges. Further, the Department should also explain why the process of selecting and appointing the Audit Committee was delayed. Hence the matter remains unresolved.

209. Unappropriated Expenditure on Personnel Costs

I reported that there was an unappropriated expenditure on Personnel Costs amounting to **E2,237,901.11** in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget (E)	Released Budget (E)	Actual Expenditure (E)	Over Expenditure (E)	10% Above
1101: Internal Audit	01	9,155,701.40	9,155,697.00	11,393,598.11	2,237,901.11	24.2
Unappropriated (Excess) Expenditure on Personnel Costs					2,237,901.11	

Section 34(7) of the Public Finance Management Act (2017) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence

of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

I warned the Controlling Officer that any amount expended beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly. I further advised the Controlling Officer the Department should seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

The Controlling Officer stated that the over-expenditure was caused by the implementation of Establishment Circular Number of 2023 - Salary Review Appeals Exercise. She explained that the reviews upgraded all scales for the Internal Auditors in the financial year 2022/2023.

The Controlling Officer's response was acknowledged; however, when there is a salary review or a cost of living adjustment, a supplementary appropriation bill is passed into law to enable personnel funds to be released and once the funds are released the personnel costs incurred is cleared out accordingly to remain with a balance of zero. A supplementary budget was not requested. Thus, inaction by the Internal Audit Department and Ministry of Finance has resulted in the over-expenditure in the personnel account. Hence, the matter remains unresolved as no budget was provided in the accounting system, for the increased salary pay of the employees of the Internal Audit Department.

210. Non-submission of Internal Audit Reports to Auditor-General

I reported that I did not have access to internal audit reports for the past three (3) financial years ended 31st March 2021, 2022 and 2023 because they were not submitted to my Office.

I advised that the Public Finance Management Act of 2017, Section 81(6), states that "the Director of the Internal Audit shall, in the performance of the duties under subsection

(4), prepare quarterly internal audit reports that are consistent with internal audit standards and submit such reports to the Audit Committee and the Minister". Section 81 (9) reads; "the Auditor-General may have access to the reports of the Director of Internal Audit."

The non-compliance restricts me from determining high risk prone areas in the public sector and/or government system. I further advised the Internal Audit Director to submit quarterly internal audit reports to my Office.

In response, the Internal Audit Director stated that her Department had not been declining access to the internal audit reports but they insisted that their reports are shared to client ministries and access to them should be requested from those ministries in line with their client-audit relationship. Despite the requirement of the law, management of the Internal Audit Department reiterated that their reports are for the client consumption, thus may only be shared by the client ministry. The management further stated that the internal audit reports that will be copied to my Office are the follow-up reports that reflect resolved and unresolved issues.

I appreciate the response of the Controlling Officer (the Director of Internal Audit), however I advise that access to any internal audit report should not be unlawfully denied to my Office, but the decision to deny my Office access to such important reports, on the basis of client-audit relationship, is against the law and good practice in the audit fraternity.

In the meantime, denying such access to my Office is irregular as it is not supported by law or professional auditing standards. Further, it leads to duplications of work because we cannot rely on their work whilst conducting our risk assessments and it deprives Government of its scarce resources and savings. Hence, the matter is unresolved and remains reportable.

HEAD 40: LABOUR AND SOCIAL SECURITY

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023, was conducted. I communicated my audit findings to the Controlling Officer, through a report referenced L32/VOL.V/10 dated 8th February 2024. The Controlling Officer responded through an unreferenced memorandum dated, 15 February 2024, however, the following audit findings were unresolved, thus reportable.

211. Unappropriated Excess Expenditure on Personnel Costs

I reported that unappropriated excess expenditures on Personnel Costs amounting to **E6,384,909.90** in the financial year ended 31st March 2023, was incurred on National Employment Statistic Unit, Measurement and Testing Unit, Scholarship Unit, Department of Labour, Minister's Office and Directorate of Industrial and Vocational Training, as illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Expenditure	Actual Expenditure	Unappropriated Expenditure	%
	E	E	E	E	
1802:National Employment Statistic	576,977.30	576,976.00	2,180,781.93	1,603,805.93	278
1801: Measurement and Testing Unit	1,460,510.10	1,460,510.00	2,511,702.07	1,051,192.07	72
1806: Scholarship Unit	1,968,398.40	1,968,396.00	2,929,122.26	960,726.26	48.8
1401: Department of Labour	6,619,417.10	6,619,414.00	9,186,747.69	2,567,333.69	38.8
1001: Minister's Office	1,402,163.90	1,402,161.00	1,686,039.43	283,878.43	20.3
1804: Directorate of Industrial and Vocational Training	1,613,460.40	1,613,460.00	1,815,283.95	201,823.95	12.5
Total	13,640,927.20	13,640,917.00	20,309,677.33	6,384,909.90	

Section 34(1) of the Public Finance Management Act (2017), states that "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

I warned that, the expenditure beyond the budget released as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money.

I advised the Controlling Officer to provide or seek authority to spend beyond the appropriated budget, and take corrective action to address the above anomaly, and further strengthen internal controls, in order to avoid recurrence of unappropriated expenditures in the future.

In response, the Controlling Officer acknowledged the audit observation of over-expenditure on Personnel Costs in the various responsibility centers and stated as follows: 1802: The over-expenditure on Personnel Costs amounting to E1,603,805.93 under the Responsibility Centre 1802 was as a result of extra clerical staff being engaged by the section during the Employment and Wages Survey. In the past the officers were paid using a cheque system, which has since been changed to EFT system. It is worth noting that this figure includes E48,653.00 which was paid as a remittance to the National Provident Fund.

Under the Responsibility Centres 1801 and 1806, the over-expenditure of E1,051,192.07 and E960,726.26 respectively is a result of extra clerical officers' payments for salaries which were budgeted for on item 041 -professional services, only to be advised by the Ministry of Finance that salaries are to be paid from item 01 - Personnel. As a result, they then paid through personnel costs thus the over-expenditure. The Ministry requested for a reallocation from item 041 to 01 and was advised that no reallocation can be made to Personnel Costs.

The over-expenditure on Personnel Costs under the Department of Labour– Responsibility Centre 1401 can be attributed to the prolonged acting appointments for seven (7) vacant Senior positions including one (1) Senior Labour officer position whose incumbent is on study leave. In addition, the Department of Labour Cadre had lodged appeals on the Salary review of 2016, which was finalized in year 2022. The outcome of the salary review appeals resulted in most of the positions within the cadre being upgraded and backdated to 1st April, 2022, hence the hike in personnel costs. The re-grading of the position within the Labour Department is as follows: Labour Inspector from B5 to C3; Senior Labour Inspector C3 to C4; Labour Officer C4 to C5; Senior Labour Officer C5 to E1; Principal Labour Officer D3 to E2; Assistant Commissioner of Labour D5 to E3.

The Department of Labour has eleven (11) vacancies whereas seven (7) of these vacancies are on managerial positions, including Principal Labour Officers (PLO) and Senior Labour Officers (SLO) in charge of Regions and Sections at the Headquarters and one (1) Senior Labour Officer on study leave.

Due to the Establishment Circular Number 3 of 2018 which froze hiring and promotions, the Department of Labour could not fill the vacancies yet they are very critical in the Labour Administration. In order to continue with operations, the Department appointed officers on acting basis in terms of Establishment Circular Number 4 of 2021. These position includes the following:

- a) Two (2) Principal Labour Officers on Grade E2 for Manzini and Mbabane*
- b) Six (6) Senior Labour Officers on Grade E1 for Industrial Relations (IR) Section, Statutory Bodies and International Affairs (SBIA) section, General Inspectorate (GI) head and three (3) Regional Heads.*

The over-expenditure under the Responsibility Centre 1001 can be attributed to the untimely demise of the former Honorable Minister in 2021 which attracted an ex-gratia payment processed in the year audited.

The over-expenditure under the Responsibility Centre 1804 was caused by two promotions from grade C5 to E1.

In light of the above anomalies, the Ministry will engage the Ministry of Public Service in order to fill the vacant posts which attract acting allowance and will also budget adequately for the extra clerical officers' salaries.

The response of the Controlling Officer was appreciated. However, there is no acceptable justification for the over-expenditure (excess expenditure) since it is in contravention of Section 34 of the Public Finance Management Act (2017) and sidestepping the budgetary and authority controls exerted by the Ministry of Finance.

212. Non-utilisation of Released Budget Funds

I reported that, funds amounting to **E310,264.00** allocated to Departments were 100% not utilised, while some were on responsibility centres which were not in the establishment register of the Ministry. The non-utilisation was on CTA Vehicle Charges amounting to **E58,397.00**; on Personnel Costs amounting to **E195,600.00**; on Travel, Transport and communication amounting to **E16,598.00**; on professional services amounting to **E16,599.00**; on consumables amounting to **E17,987.00** and on durables amounting to **E5,083.00**.

The details are depicted in the table below.

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Unutilised Budget	%
Recurrent Expenditure		E	E	E	E	
1102:Not in the Establishment Register	00	58,398.00	58,397.00	0.00	58,397.00	100
1808: Not in the Establishment Register	01	195,600.00	195,600.00	0.00	195,600.00	100
1809: Not in the Establishment Register	02	16,600.00	16,598.00	0.00	16,598.00	100
1809: Not in the Establishment Register	04	16,600.00	16,599.00	0.00	16,599.00	100
1805:Training and Localisation	06	65,399.00	17,987.00	0.00	17,987.00	100
1805:Training and Localisation	07	8,715.00	5,083.00	0.00	5,083.00	100
Total					310,264.00	

I reminded the Controlling Officer that under-expenditure indicates that the public funds were tied up in the above mentioned responsibility centres, and they were neither used for the intended purposes nor anything else in the entire fiscal year. Thus, under expenditures of 10% or more in a year are considered to be not conducive to the development of the country and should not be regarded as savings.

Under expenditure is a serious concern as the unutilised funds deprive other Government projects or programs of planned development initiatives. Had the funds been accessible and/or used to finance essential programs they would have contributed towards the development and economic growth of the country.

I am concerned that there is a risk of slow economic growth and development arising from the opportunity cost of tying up these unutilised funds instead of having them invested in other important government projects or programs.

I advised the Controlling Officer to ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. The Controlling Officer is requested to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met and achieved, despite the under-expenditures.

In response, the Controlling Officer acknowledged the Auditor General's finding of non utilisation of released funds amounting to E310,264.00.

1102: *The Controlling Officer stated that this responsibility centre does not belong to the Ministry, therefore is not responsible for any expenditure.*

1808: *The section acknowledges the outstanding amount of E195,600.00. These are Personnel charges which may be resolved by the filling in of vacant positions.*

1809: The section acknowledges the outstanding amount of E15,598.00. This results from the fact that most staff members reside within the vicinity of the farm or centre, hence they do not claim bus allowance.

1809: The under expenditure of E16,599.00 was a budget reserved for the servicing and maintenance of the section borehole. However, the borehole performed smoothly with no need for servicing or repairing hence the under expenditure.

1805: The under expenditure of E17,987.00 and E5,083.00 respectively results from the allocation being too meagre to procure the desired items. Attempts to increase the budget in the next financial year will be done.

The Controlling Officer's response was noted and the explanations provided are appreciated. However, there is no explanation on whether the intended purposes of the budgets were achieved. The matter remains unresolved and reportable.

213. Unappropriated Expenditure on Project E45799- Renovation of Nhlangano, Mbabane and Malkerns VTRS Centres

I reported to the Controlling Officer that there was unappropriated expenditure on Project E45799 amounting to **E4,000,000.00** under the responsibility 1101-, in the fiscal year ended 31st March 2023. This is depicted in the following table.

Responsibility Centre	Project	Appropriated Budget (E)	Released Budget (E)	Actual Expenditure (E)	Unappropriated Expenditure (E)
1101	E45799	00.00	00.00	4,000,000.00	4,000,000.00

Section 34(1) of the Public Finance Management Act (2017), states that "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act.

I warned that, the expenditure beyond the budget released as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money. Any unauthorised expenditure may lead to disciplinary action.

I advised the Controlling Officer that the Ministry should fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure

and should seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

In response, the Controlling Officer acknowledged the audit finding and submitted that these were funds used to rehabilitate the Nhlengano VTRS. They were released and transferred to Micro-Projects Unit in the financial year 2022/23.

The Controlling Officer's response was noted. However; it does not rectify the anomaly. Therefore, the matter remains unresolved and reportable.

214. Unretired Tour Advances and Fictitious Liabilities Due to Non-postings of Tour Advances in the Suspense Account and Cash Book

I reported that tour advances amounting to **E590,119.98** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were fictitious liabilities amounting to **E214,956.17** that were created due to non-postings of tour advances in the Suspense Account and Cash Book after charging the Government General Account for those tours (the tour advances were cashed out at the banks), under the Ministry of Labour. The non-postings of tour advances indicate that the tour advance (external travel) expenditure was not recorded in the books of accounts and fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)	Fictitious Liabilities Due to Unposted Tour Advances (E)
1001:Minister's Office	51006:Tour advances		85,168.97
1101:Principal Secretary's Office	51006:Tour advances	33,093.30	
1401:Department of Labour	51006:Tour advances	493,796.20	
1802:National Employment	51006:Tour advances	1,352.00	
1803:National Human Resource	51006:Tour advances	60,824.41	
1805:Training and localization	51006:Tour advances	1,054.07	
1806:Scholarship Unit	51006:Tour advances		73,758.14
2001:Social Security	51006:Tour advances		56,029.06
Totals		590,119.98	214,956.17

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it

in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advances item should normally equal zero".

I warned the Controlling Officer that unretired tour advances remained unrecovered monies due to Government, and due to non-postings of tour advances in the Suspense Account and Cash Book, created fictitious liabilities, and the external travel expenditure was understated in the financial year it relates; thereby distorting the financial position and financial performance, respectively.

I advised the Controlling Officer that, the Ministry should ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Ministry to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advances Account at the end of each month.

In response, the Controlling Officer acknowledged my observation of unretired tours amounting to E590,1119.98 and over retired tours advances amounting to E214,956.17.

1001: *The Ministry acknowledges that there was an over retirement of E85,168.97 on issued tour advances. This was due to the frequent trips that the Minister's office undertook. The trips were so frequent such that it would require the office of the Accountant General to assist to facilitate the next trip. As a result, double retirements would occur.*

1101: *The Ministry acknowledges the outstanding tour advances amounting to E33,093.30. This is a balance from the 2021/2022 financial year which was carried over to the financial year under review.*

1401: *The Ministry acknowledges the outstanding tour advances amounting to E493,796.20. Most of the outstanding tour advances are those that were issued by the Ministry to its social partners and private sector officers when attending overseas conferences on behalf of the country. In most cases these officers do not return to retire and it even becomes difficult because these outstanding tours are an accumulation of previous years unretired amounts. As a result, it becomes difficult to trace such people. In some instances, they are deceased, change jobs or even no longer in the country.*

However, the Ministry is doing all it can to locate such people in an effort to fully retire the outstanding tours. At the same time the accounts office is involved in reconciliations and putting effort to retire all outstanding tours. Due to the backlog of the outstanding

tours at hand, results are not forthcoming as anticipated. Nonetheless, the Ministry will endeavor to continue to retire and reconcile outstanding tours.

1802: *The Ministry acknowledges the outstanding tour advance amounting to E1,352.00. This amount includes a balance of E648.00 carried over from the 2021/2022 financial.*

1803: *The Ministry acknowledges the outstanding tour amount of E60,824.41 which is a balance carried over from the 2021/2022 financial year.*

1805: *The Ministry acknowledges the outstanding tour amounting to E1,054.07. Also this is a balance from 2021/2022 financial year.*

1806 and 2001: *The Ministry acknowledges the over retirement of tour advances amounting to E73,758.14 and E56,029.06 respectively. Frequent trips contributed to the over retirement of these tour advances.*

The Controlling Officer further stated that the Ministry is already working on retiring of these outstanding tour advances and is undertaking to reconcile the over retired tour advances. Employees will also be not issued with new tour advances unless they fully retire the outstanding ones. Further, the Ministry will work with the office of the Account General in order to avoid a situation of over retirement.

The response of the Controlling Officer was noted; however, the tour advances received by employees are not yet fully retired nor recovered, thus the matter remain reportable.

215. Unappropriated Expenditure: Foreign Payments Without Budget Provision and Unadjusted Variations of Foreign Exchange Losses

I further reported that the ministry incurred foreign payment amounting **E214,034.35** without provision of budget and did not adjust variations of foreign exchange losses amounting to **E13,942.66**, under the Responsibility Centre 2001. The recurrent expenditure and variations were not included in the financial statements. This payment and variation of foreign exchange loss without budget translates to unappropriated expenditure amounting to **E227,977.01** that results to fictitious assets, as illustrated in the table below.

Responsibility Centre: 2001	Account Item	Year of Transaction Occurrence	Fictitious Assets due to Unappropriated Expenditure (E)
	Payment: Batch 27, PV:030078	31 st March 2023	194,599.78
	Unutilised Budget b/f	31 st March 2022	(180,657.12)
	Currency Exchange loss		13,942.66
	Payment: Batch 55, PV:100251	31 st March 2023	214,034.35

61040: Accounts Payable Labour	31 st March 2023	227,977.01

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

I further drew the attention of the Controlling Officer to section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) which states that "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense Account by the amount of the currency variation". Moreover, Paragraph 5.6 requires that "year-end balances on this item should normally equal zero".

I advised the Controlling Officer that the Ministry should clear the unappropriated expenditure and fictitious assets by using budget savings or reallocation to the External Grants and subsidies items or request a supplementary budget, and reconcile Foreign Payments Suspense Account to nil balance at the end of the financial year.

In response, the Controlling Officer acknowledged my observation and explained that Responsibility Centre 2001, the Ministry pay subscriptions to ILO and ARLAC, these payments are made in foreign currency which is not equivalent to our currency.

The response of the Controlling Officer is appreciated. However; it is not satisfactory, because the Department has not provided the Office of the Auditor General with a reconciliation statement detailing all the balances reflected in the above cited suspense accounts for review.

216. Non-adjustment of Unutilised Budgets and variations of Foreign Exchange Gains on Accounts Payable

I reported to the Controlling Officer that the Ministry did not prepare adjustments for unutilised budget and variations of foreign exchange gains on Accounts Payable Labour amounting to **E1,711,227.80** under the Responsibility Centre 1806 in the financial year

ended 31st March 2023. The unutilized budgets created fictitious liabilities in the books of accounts. The Ministry ought to have transferred the unutilized budget to the miscellaneous/sundry income to avoid the use of elapsed budget.

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) states that, "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item". Moreover, Paragraph 5.6 requires that "year-end balances on this item should normally equal zero".

I warned that, the non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item and created fictitious liabilities. Further, there is a risk of incurring expenditure against the unutilized elapsed budget, which may be regarded as unappropriated expenditure.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget and misappropriation of public funds.

In response, the Controlling Officer stated that the Ministry through the Scholarship Unit, pays tuition for students who have benefited from scholarship award studying in SADC and overseas countries, and these payments are in foreign currency which needs adjustments to ensure that the correct amount is eventually paid. The Ministry is working on reconciling these accounts on a monthly basis, however due to the fact that these payments are an ongoing process the balances are always fluctuating. The accounts office will continue to carry out reconciliations in an effort to prevent this anomaly.

The response of the COntrolling Officer was noted. However, it is not satisfactory because the balances are still reflecting in the Government Accounting System

217. Misclassification of Revenue

I reported that revenue amounting to **E19,371.65** relating to tender application fees was misclassified as sundry departmental deposits 61101 (liability). The misclassification of the revenue has been occurring since 2011.

Financial and Accounting Instruction 0203 states that the Controlling Officer should see to it that all books of account are correctly posted and kept-up-to-date. Further, Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) stipulates that "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year".

I warned that, the misclassifications have understated the revenue and overstated the liabilities at the year-end; thus, distorted both financial performance and financial position of Government. Further, there is a risk that the deposits remain unaccounted-for (uncleared) and unclaimed or claimed by wrong persons.

I advised the Controlling Officer to classify all tender application fees as revenue in the financial year it relates and clear the fictitious liabilities and recognize the miscellaneous revenue; debit sundry departmental deposits and credit miscellaneous revenue.

In response, the Controlling Officer, acknowledged the misclassification of revenue amounting to E19,371.65 and appreciated the recommendation. The Controlling Officer stated that, the Ministry through the Vocational Training and Rehabilitation Services (VTRS) investigated these funds and the findings were that, E2,400.00 was money deposited by interested suppliers into the account as payment for tender 86 of 2022/2023 and the balance of E16,971.65 are deposits from previous years. The Ministry wrote to the Accountant General for a request to clear the funds. A follow up will be made on the matter with the assistance of the Treasury Administration Section.

The response of the Controlling Officer was noted; however, the matter remains reportable until corrective actions are put in place.

218. Undistributed Funds for Deceased Mines Workers

I reported that funds received in respect of deceased mineworkers (62101) amounting to **E156,054.41** in 2013 were not fully distributed to beneficiaries (dependants of the mineworkers). Of this amount, **E86,136.92** remained undistributed as at 31st March 2023.

I reminded the Controlling Officer that Financial and Accounting Instruction 1307 stipulates that an "amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the

rightful payees. Also, Financial and Accounting Instruction 1308 states that “where an amount in a deposit account has remained unclaimed for a period of five years, it shall be transferred to Revenue Miscellaneous Sundries”.

I warned the Controlling Officer that the undistributed funds have compromised the livelihood of the beneficiaries and their poverty status is likely to have worsened.

I advised the Controlling Officer to identify all beneficiaries and distribute the funds.

In response, the Controlling Officer submitted that the funds in 1401 are for deceased Mineworkers dating back from the balances of the financial year 2021/2022, which the department is supposed to investigate and locate the beneficiaries. The Department is working around the clock to finalize the investigation of these claims. The shortages of transport to conduct the investigation has hindered the progress in finalizing the investigation. The outstanding list of the deceased are tabulated as follows:

Industry Number	Location	Beneficiary Relationship
H0437967	Nsingweni (Mbabane)	Wife
C2200277	Meleti (Piggs Peak)	Daughter
C226353	Mhlangatane (Piggs Peak)	Son

The Controlling Officer’s response was noted; however, the audit finding has not been resolved. The amount for each deceased which will eventually be paid to each beneficiary was not stated.

219. Unremitted Deductions of National Provident Fund, Pension Contribution and Taxes, and Provident Fund Refund and Tax Refund

I reported that there were unremitted deductions for contributions of National Provident Fund amounting to **E111,405.58**, unremitted civil servants pension contribution amounting to **E14,612.36** and unremitted taxes amounting **E889,612.35**.

I further noted that the Ministry remitted more taxes than deducted, as such an appropriated expenditure worth **E390,876.14** has remained unrecovered, as at 31st March 2023, as illustrated in the table below:

Responsibility Centre	Account Item	Refundable Taxes	Unremitted Deductions
1001:Minister's Office	62240:National Provident Fund Deduction		13,033.75
1101:Principal Secretary	62240:National Provident Fund Deduction		74,069.47
1801:Measurement Testing Unit	62240:National Provident Fund Deduction		675.00

1802:National Employment and Statistics Unit	62240:National Provident Fund Deduction		9,015.00
1001:Minister's Office	SG Civil Servants & Teachers' Pension		14,612.36
Total National Provident Fund			111,405.58
1001:Minister's Office	62315-ERS-Taxation		70,288.50
1401:Department of Labour	62315-ERS-Taxation		147,252.83
1403:Occupational Health and Safety	62315-ERS-Taxation		34,986.00
1801:Measurement and Testing Unit	62315-ERS-Taxation		15,765.60
1802:Natonal Employment and Testing	62315-ERS-Taxation	389,226.14	
1803: National Human Resource Panning	62315-ERS-Taxation	1,650.00	
1804: Directorate of Industrial and Vocational Training	62315-ERS-Taxation		182,314.45
1805:Training and Localization	62315-ERS-Taxation		185,770.00
1806: Scholarship Unit	62315-ERS-Taxation		28,201.66
1807: VTRS Nhlanguano	62315-ERS-Taxation		17,871.61
2001: Social Security	62315-ERS-Taxation		207,161.70
Total unremitted deductions of Taxes		390,876.14	889,612.35

I cautioned the Controlling Officer on violation of Financial and Accounting Instruction number 0817 which states that "a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited". Also, Financial and Accounting Instruction number 0202(vii) states that "the Controlling Officer is responsible for ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer". Further, public entities are required by law (Income Tax Order of 1975 as amended) to remit taxes in accordance with the tax law.

I warned the Controlling Officer that non-remittance of deductions of taxes deprive Government from receiving revenue and non-remittance of deductions of contributions for Provident Fund also deprived non-pensionable workers from receiving their rightful benefits through Eswatini National Provident Fund.

I advised the Controlling Officer that the deductions of the National Provident Fund and taxes should be promptly remitted to the Eswatini National Provident Fund and Eswatini Revenue Services respectively, and to recover the refunds from the National Provident Fund and Eswatini Revenue Services, respectively. The Ministry should consult the Treasury Department to recover monies and reconcile the accounts, accordingly.

In response, the Controlling Officer concurred with my observation and stated that the National Provident Fund deductions and Eswatini Revenue Service taxes are remitted

automatically by the Treasury Department. However, due to technical malfunction in the system, the Treasury Department is unable to remit these deductions. The Ministry has engaged the Treasury Department on numerous occasion with regards to this issue and uncovered that these remittances are long overdue as far as eight years back. The Ministry of Information Communication and Technology is working tirelessly in overcoming this situation so that the deductions are remitted automatically as they are supposed to be.

At the mean time the Ministry's accounts office is constantly in contact with the treasury department on its expectation due to the system malfunction and also identifying affected employees in an effort to manually effect the deductions.

With regards to the ERS deductions, the Ministry is on the right track. All taxes due to ERS are remitted. A voucher to remit the taxes is simultaneously prepared with the voucher making the payment and are also submitted together for payment at treasury department. However, the ERS taxes still outstanding are those from previous years and payments to remit these taxes are ongoing.

The Ministry in an effort to speed up the payments went as far as requesting to work overtime in order to clear the outstanding payments to ERS. The Ministry of Public Service has recently approved the request but the Memo authorizing the overtime has not yet been released to the Ministry. Since the overtime has been approved the ministry will put its house in order by processing the payments to ERS and remit all the taxes.

The response from the Controlling Officer was noted. However, since the Ministry has not rectified all the anomalies, the matter remains reportable.

220. Outstanding PAYE Tax Debt and Value Added Tax Debt

I notified the Controlling Officer that records of Eswatini Revenue Service depict that the Ministry of Labour and Social Security had a Pay-As-You-Earn (PAYE) Tax debt worth **E112,758.87** relating to tax periods dating back to May 2014 and Value Added Tax (VAT) debt worth **E12,627.41** relating to tax periods dating back to June 2015, and had remained unpaid to date. Moreover, the debt was not disclosed in the consolidated financial statements for the year ended 31st March 2023.

All public entities are required by the Income Tax Order of 1975 as amended to remit taxes accordingly.

I warned the Controlling Officer that Government was deprived of receiving revenue in the form of taxes and that this is in contravention of tax laws and regulations of the country by the Ministry.

I advised the Controlling Officer to settle the PAYE and VAT debts with the Eswatini Revenue Service and provide proof of settlements.

In response the Controlling Officer acknowledged my observation and stated that All statutory deductions including PAYE are supposed to be remitted automatically to the Eswatini Revenue Service (ERS). Such remittances cannot be done manually due to their cumbersomeness, complications and large number of employees.

Before the ERS took over the operations of the Income Tax Department, all the deductions were remitted. However, during the transition from Income Tax to ERS the deductions were put on a suspense account. When the ERS started operations the deductions in the suspense account did not transition smoothly from the suspense account. Hence now there are these balances that appear as unremitted. As a result, the Ministry has made several request for overtime from the Ministry of Public Service (MOPS) in order to reconcile the accounts. However, all the requests were futile due to MOPS siting lack of funds by Government to pay the overtime.

Officers in the accounts section are already full in their hands with their day to day duties and it would be difficult to perform the reconciliations during normal time since they date back to 2014/2015 financial year. The Ministry will continue to engage MOPS for the approval of the overtime in order to clears these debts.

The response of the Controlling was noted. However, as the debts are still outstanding, the matter remains reportable.

221.Audit of the Workers' Voluntary Deferred Pay Special Fund, for the Financial Year ended 31st March 2023

I notified the Controlling Officer about the Workers Fund which was established through Legal Notice No.106 of 1976, in terms of the Finance and Audit Act 1967 while the regulations of the fund were established through Legal Notice number 1 of 1977. The VDP Board was also enacted. The purpose of the Fund as per the regulation, was amongst others to:

(a) Receive moneys paid by the Mine Labour Organisations (NRC) Limited (or any new name assumed by this organisation subsequent to the commencement of these regulations), or any other employer's organisation in the Republic of South Africa, being money derived from remuneration voluntarily deferred by persons recruited and engaged or re-engaged in Swaziland for employment in the mines or elsewhere, as the case may be, in the Republic of South Africa.

(b) Receive all amounts of interest earned from the investment of the Fund.

(c) Pay or provide for payment of deferred pay together with interest to or in behalf of mine workers who have completed their contracts of employment in the mines of the Republic of South Africa.

(d) To invest any money paid to it in terms of this regulation in such financial institution as the Board may deem fit.

According to an unsigned Commission of Inquiry Report dated July 2011 and interviews conducted, the Fund then ceased to operate in 1999 after the formation of TEBA offices which provided the same services as the Fund. The report further states that the remaining funds are accumulated surplus through monies remaining after the contributors (mineworkers) have been paid out their capital and interest.

222. Unaccounted Funds for the Workers' Voluntary Deferred Pay Special Fund (VDP)

I reported that accumulated funds for the Workers' Voluntary Deferred Pay Special Fund amounting to **E23,941,973.23** were not accounted-for, from the financial year 2009 to date. There were no financial statements prepared for the Fund, as such, its operating activities were not disclosed in the Government Consolidated Financial Statements and the transactions incurred were not recorded in the Government Accounting System.

The funds comprise of **E16,425,758.51** made up of the balance after pay-outs and interest earned at Building Society from 29th July 2009 to 1st December 2023; **1,637,443.75** also comprising of the balance after pay-outs and interest earned at Nedbank from 11th June 2021 to 31st March 2023. I further observed that the Department has an account at Nedbank which has earned funds amounting to **E4,339,134.23** from the 28th June 2021 to 31st March 2023; Eswatini bank has two active accounts which received funds through transfers and interest to the value of **E12,937.40** and **E1,526,699.34** from the 8th November 2019 to 31st March 2023 respectively.

The table below is an extract of the bank statements of the deposits, payments and closing bank balances.

Messir Voluntary Deferred Pay Special Fund Building Society – Call Account # 51000329278			
Period	Deposits (E)	Payments (E)	Closing balances (E)
29/07/2009- 01 Dec 2023	16,425,758.51	12,922,178.33	3,503,580.18
Occupational Health Services (OHSC) Ned bank-Call account # 12990733773			
11 June 2021 to 31 March 2023	E5,309,057.15–from Building Society E1,637,443.75- From other sources	6,360,604.82	585,896.08
Occupational Health Services (OHSC) Ned bank-Current account# 11990225879			
28 June 2021 to 31 st March 2023	4,339,134.23	4,339,563.82	429.59
Voluntary Deferred Pay Special Fund Swazi Bank Account R11- 77019113013 / R18- 77400935354			
8 November 2019 to 31 st March 2023	Transfer from A/C# 77019113013 = E12,937.40	12,086.30	851.10
TEBA Swazi Bank Account 77019113013			
30 June 2012 to 31 October 2019			12,937.40
Voluntary Deferred Pay Special Fund Swazi Bank Account R11- 77019148518 / R18- 77400392288			
8 November 2019 to 31 st March 2023	Transfer from A/C# 77019148518 = E1,526,699.34	1,516,896.27	9,803.07
Voluntary Deferred Pay Special Swazi Bank Account 77019148518			
14 July 2012 to 31 st October 2019			1,526,699.34
Total	23,941,973.23	19,842,272.39	4,099,700.84

There was no instrument submitted to the auditors which defined how the mineworker's funds were to be managed in TEBA including a financial statement showing the funds transferred to TEBA at that time along with a redefining instrument of the remaining funds in the Ministry of Labour and Social Security.

I reminded the Controlling Officer that the administration of the Workers' Voluntary Deferred Pay Special Fund Regulations, 1977, section 6(2) states that that the VDP Board shall, within three months after the end of each financial year, present the Minister with a report in such form as may be prescribed by the Minister and detailing the exercise and performance by it or its functions during such financial year, and on its future policy and programme; submit to the permanent secretary in the Deputy Prime Minister's office, the Accountant-General and the Auditor-General a copy of its accounts duly signed and such accounts shall include a balance sheet together with a statement of income and expenditure.

I am concerned that the financial performance of the Board could not be ascertained hence its decisions could not be evaluated. There may have been wasteful expenditure and fraud occurrence which could have gone unnoticed.

I advised the Controlling Officer to explain the reasons resulting in its failure to prepare the financial statements of the Fund and submit them to the Accountant-General and Auditor-General. I further advised the Controlling Officer to liaise with the Accountant-General prepare the financial statements of the Fund from the period the new Board was tasked with managing the funds to the date when the remaining funds were transferred to the Government Consolidated Account.

In response the Controlling Officer stated that, the financial statements were prepared by Deloitte and Touche in 1998. At that stage, it may not be known if they were sent to the Accountant General and the Auditor General. The funds ceased operating in 1999 and was then revived in 2021 where a new Board was appointed to look after the monies. Moreover, in the year 2023, the current Board Members made a formal request to the Auditor-General to audit the funds to ensure that all monies used during the two years was accounted-for, whereby both the audit and the financial statements would be made since the Board did not have a qualified person to do the financials. Further, the funds were limited to engage an independent Chartered Accountant to do the financials.

The response of the Controlling Officer was noted, however the audit findings remains resolved, and the justification for not preparing the financial statements to account for the public funds does not hold waters.

223. Uneconomical Spending of the Voluntary Deferred Special Pay Funds (VDP)

I reported that funds of the VDP amounting to **E12,421,496.43** were uneconomical spent by the Ministry in providing health services, a mandate which is under the Ministry of Health. The funds were spent in running clinics at Hlathikhulu and Raleigh Fitkin Memorial Hospital (RFMH) from the financial year 2021. Following escalating costs of operating the clinics and reduced balances in the bank accounts, the Ministry ceased to operate the clinics and handed them over to the Ministry of Health in the year 2023.

As at 1st December 2023 the bank balance was **E3,503,580.18**. This is from an initial balance of **E10,017,318.09** in June 2021 when the ministry started running the clinics.

This balance increased to **E16,926,440.41** after a receipt of **E6,909,122.32** from the African Alliance as deposit of **E5,000,000.00** plus interest earned.

The accuracy and completeness of payments could not be confirmed due to the non-preparation of financial statements.

These clinics were previously funded through the Global Fund until 2019. It could not be ascertained as to why the Ministry of Health did not inherit the clinics on the onset from the Global Fund. Also, the rationale of decision by the Ministry of Labour and Social Security in operating the clinics could not be established, given that it had fully distributed the mineworker's funds (capital and interest) by the time TEBA offices took over in 1999 and what remained in the funds were accumulated interest in which the ex-mineworkers had no share. The Ministry ought to have immediately transferred the funds to the Government General Account at that time.

It was concerning to learn that the Ministry was still exploring other methods of utilizing the funds through project establishing, instead of transferring the residual balance to the Government Consolidated Fund.

I warned the Controlling Officer that the Public Finance and Management Act, section 11(2) states that the Board shall put in place a system for evaluating capital projects as part of the approval process for all capital projects and measures to prevent unauthorised or wasteful expenditure, or loss of public funds.

I am concerned that the project was not economically viable and has resulted in a loss of public funds.

I advised the Ministry should immediately transfer the remaining funds in the accounts to the Government General Account and submit proof of the transfer. The Ministry is further advised to submit the feasibility study of the project as authorised and approved by the Controlling Officer, as well as a performance report from the year 2021 until the closure of the clinics; detailing the benefits over costs and the circumstances which led to the Ministry discontinuing to operate the clinics.

In response, the Controlling Officer acknowledged my observation and appreciated the recommendation and stated that, the purpose of the fund was to receive monies in the form of voluntary Deferred Pay (VDP) from the Swazi citizens employed in the Republic of South Africa and to provide payment of these amounts, plus interest, as agreed at the expiry of the working contracts. The Ex-Miners were all paid out their monies and the

balance was then deposited to Government where government made a decision not to deposit the money to the Government Consolidated Fund Account but rather use the funds to assist the Ex-Miners to generate income as they were no longer employed.

The Ministry engaged the Ministry of Health during the transition stage from Global Fund to Government, however the Ministry of Health did not cooperate with the Ministry of Labour and Social Security (MoLSS) in taking over the keys of the two (2) clinics from the Global Fund when the project came to an end in December 2020. It was on these ground that the MoLSS decided to continue with the clinics as they had the best interest at heart of the Ex-Miners and their dependents who needed the facility for regular TB check-ups. The MoLSS was involved in the process because of the occupational injuries which are under the Ministry.

The Ministry upon taking up the decision because of the occupational injuries which are under the Ministry. The Ministry upon taking the decision to take over the clinics requested authority from cabinet to use the VDP funds to run the two clinics, which was granted hence the money was used to run the two clinics. This was done with the hope that the clinics will be self-sustainable with time. Unfortunately, that was not the case and they were sent back to the Ministry of Health with the anticipation that they would continue running the facilities.

In conclusion, the Controlling Officer stated that the Ministry take note of and accept the Auditor-General's recommendation to return the remaining money to the Government Consolidated Account.

The response of the Controlling Officer was noted; however, the matter remains reportable and the funds are not yet transferred to the Consolidated Government Account.

224.Omission of Revenue in the Government Accounting System and Government Consolidated Financial Statements

I reported that revenue amounting to **E1,138,910.00**, received from the Eswatini Royal Insurance Cooperation (ESRIC) was omitted in the Government Accounting System. The proof of funds transfer to the Central Bank Government Consolidated Account through Standard Bank was dated 29th April 2022. The receipt relates to workman compensation premium administration fee which is 1% of insurance premiums paid by companies to

ESRIC. The Government receives the administration fee in recognition that all Workman Compensation Claims are processed by the Ministry of Labour and Social Security.

Financial and Accounting Instruction 0501 states that it is the duty of the Accounting Officers (Controlling Officers) to ensure that revenue due is collected promptly and that all collections of revenue are properly brought to account.

I am concerned that the Detailed Statement of Revenue and Revenue Performance of Government was understated.

I advised the Controlling Officer to obtain the proof of payment and submit same to the Office of the Auditor-General, record the receipt in the Accounting System and notify the Accountant-General about the receipt of fees and ensure that they are all disclosed in the financial statements.

In response, the Controlling Officer acknowledged my observation and appreciated the recommendation provided and stated that such funds are paid directly by the ESRIC to the Government of Eswatini consolidated account at the Central Bank of Eswatini. The Ministry does not have access to these funds except the Government through the office of the Accountant-General and the Ministry only gets proof of the payment to the Government Consolidated Fund.

The response of the Controlling Officer was noted, however, until the funds are transferred to the Government Consolidated Account, the matter remains reportable.

225. Undisclosed Balance Held in the Scholarship Distribution Bank Account

I reported that funds amounting **E7,401,441.24** held at the First National Bank were not disclosed in the Detailed Statement of Assets as at 31st March 2023. The balance consists of funds which were transferred by the Treasury Department through the Central bank for student's allowance distribution to account number 62341020296 at FNB.

As at 31st March, the funds were not yet distributed, hence should have been disclosed in the Government Consolidated Financial Statements.

This was in contravention of Financial and Accounting Instruction 0303 states that a monthly statement of each bank account will be obtained from the bank and will be

reconciled with the relevant cash book. The statement and a copy of the reconciliation will be forwarded to the Treasury each month.

I am concerned that the detailed Statement of Assets was misstated.

I advised the Controlling Officer to liaise with the Accountant-General for the disclosing of the balance in the Detailed Statement of Revenue.

In response, the Controlling Officer stated that, an amount of E7,401,441,24 was available as at the 31st March 2023 in the scholarship disbursement account number 62341020296 held at the First International bank (FNB). These funds were to be disbursed at the end of April 2023, a period whereby Government financial year prepares to kick start whilst the students' academic year is in motion. To avoid any delays in payments, the Ministry usually keeps reserves to cushion that period. These amounts are to pay for student allowances for ongoing students during that period. However, the Ministry regrets the oversight of not disclosing it in the Government Consolidated Financial Statements. The Ministry will correct this error.

The response of the Controlling Officer was noted; however, the audit finding remains unresolved and reportable until the bank balance is disclosed in the Government Consolidated Accounts.

226. Funds Directly Deposited to FNB Scholarship Distribution Account

I further notified the Controlling Officer that deposits amounting to **E188,144.72** were made to the Scholarship Allowance Distribution Account held at FNB, during the year ended 31st March 2023. This account was used to distribute scholarship allowances to students, it was therefore not normal for deposits to be made into the account. The deposits should have been made rather to the Scholarship repayment agency's account held at Standard Bank.

The direct deposits imply that the Ministry collected and utilised the funds outside the normal accounting process of government without first accounting for them. The table below depicts the direct deposit in to the distribution account.

Date	Transaction Nature	Description	Reference	Amount (E)
13 April 2022	Cash deposit	Cash Cent	1667587	3,466.44
13 June 2022	Cash deposit	Nomzamo Sibandze	None	3,100.55
08 July 2022	Realtime Credit	Letshego	000016244	3,986,47

14 July 2022	Realtime Credit	Letshego	000016266	3,986.47
14 July 2022	Int- Banking PMT	S. Dlamini	20d2313	17,484.66
19 July 2022	Realtime Credit	Letshego	000016273	3,225.45
21 July 2022	Realtime Credit	Letshego	000016304	37,650.40
02 August 2022	Realtime Credit	Letshego	000016538	2,214.63
26 August 2022	Realtime Credit	Letshego	000016881	10,465.35
26 September 2022	Cash-Deposit	Corp-Plaza	300214035	1,328.71
06 October 2022	Cash deposit	Corp-Plaza	102009688	1,400.00
01 November 2022	Realtime Credit	Letshego	000018407	2,234.13
02 November 2022	Realtime Credit	Letshego	000018445	34,507.97
26 November 2022	Realtime Credit	Letshego	000018827	6,288.70
29 November 2022	Realtime Credit	Letshego	000018916	17,309.86
05 December 2022	Realtime Credit	Letshego	000019081	2,528.88
16 January 2023	Cash Deposit	Matsapha	9157958	16,185.30
25 January 2023	FNB- OB PMT	Ntombifuthi- Mbonane		4,938.85
27 January 2023	FNB OB PMt	Nontobeko Magagula		20,000.00
27 March 2023	FNB-OB Pmt	Lizwi JH Makhanya		3,814.84
Total				188,144.72

I reminded the Controlling Officer that all deposits for scholarship repayments are to be made to the agency's account held at Standard Bank. The FNB account is solely used to distribute scholarship allowances to the students.

I am concerned that the financial performance of government was understated resulting to compromised service delivery. The funds may not be accounted for and may easily be misappropriated.

I advised the Controlling Officer to transfer the funds to the Scholarship Recovery Account at Standard Bank and establish internal control measures to avoid a similar future occurrence.

The Ministry notes and appreciates the suggestion by the audit to transfer these amounts into the Standard Bank Recovery Account. However, the Ministry will benefit from transferring the funds to the scholarship recovery account held within the same bank as opposed to the suggested. Reason being that the Ministry is avoiding inflating the consultant's collection figure which will then attract an inflated 10% commission fee.

The response of the Controlling Officer is acknowledged and appreciated. The matter will remain reportable until the funds are transferred to the FNB Recovery Account.

227. Sitting Allowances

227.1. Appointment Legal Notices Not Signed by Minister

I notified the Controlling Officer that legal notices appointing members into Boards and Committees were not signed by the Minister of Labour of Social Security, as such the authenticity of sitting allowance expenditure amounting to **E3,092,379.27** could not be ascertained. Government expenditure is normal validated by approved (authorised) instruments; therefore, the sitting allowances were not authorised. The reason for the non-signing of the legal notices could not be determined at the time of conducting the audit. Below is a sample of the unsigned legal notices.

Legal Notice	Board/Committee Name
Legal Notice No. 06 of 2020	Pre-Service Tertiary Education Study Loans Selection Board Notice, 2020
Legal Notice No. 336 of 2022 (Amendment)	Pre-Service Tertiary Education Study Loans Selection Board Notice, 2020
Legal Notice No. 284 of 2021 (Amendment)	Pre-Service Tertiary Education Study Loans Selection Board Notice, 2020
Legal Notice No. 181 of 2019	Wages Council
Legal Notice No. 204 of 2019	Ad Hoc Tripartite Working Committee on Social Dialogue Notice
Legal Notice No. 192 of 2019	Labour Advisory Board

This was a contravention of the Financial and Accounting Instruction 0406 states that “every payment must contain reference to a proper authority”.

I cautioned the Controlling Officer that the sitting allowance expenditure was not authorised; hence wasteful expenditure may have occurred.

I advised the Controlling Officer to explain why the legal notices were not signed.

The Ministry acknowledges the findings of the audit and notes that the Legal Notices are generally not signed by the Attorney-General. The Minister usually send a draft signed Legal Notice to the Attorney-General for the appointment of members of the Statutory Boards. All the draft Legal Notices appointing the highlighted Statutory Board Members were duly signed by the Minister. The Ministry annexed all the draft legal notices and issued gazettes by the Attorney-General for your reference.

The response of the Controlling Officer is acknowledged. However, the submitted legal notices are still not signed, hence, the matter remains reportable.

227.2. Exorbitant Sitting Allowances

I further reported to the Controlling Officer that sitting allowances paid to some members of the Pre-Service Tertiary Education Study Loans Selection Board were extremely high, as such their validity could not be ascertained. There were twelve (12) active members during the year ended 31st March 2023, of which 9 members claimed sitting allowances ranging from E54,000.00 to E79,200.00, however employment number 3780323 claimed **E116,100.00**, employment number 9945609 claimed **E113,400.00** and employment number 3623442 claimed **E110,700.00**. This implies that the three members had extra meetings wherein the rest of the members were not in attendance. Below is an analysis of the exorbitant claims.

BNO	EMP-NO	VOUCHER	DATE	CENTRE	ITEM	AMOUNT
015	3623442	00070022	20221006	1806	04111	20,700.00
015	3623442	00070023	20221006	1806	04111	13,500.00
008	3623442	00080003	20221101	1806	04111	18,900.00
022	3623442	00090045	20221202	1806	04111	19,800.00
033	3623442	00010029	20230109	1803	04111	19,800.00
088	3623442	00120107	20230308	1806	04111	18,000.00
Total						110,700.00
020	9945609	00070034	20221006	1806	04111	16,200.00
020	9945609	00070035	20221006	1806	04111	20,700.00
016	9945609	00080019	20221101	1806	04111	18,900.00
023	9945609	00090049	20221202	1806	04111	19,800.00
033	9945609	00010027	20230109	1803	04111	19,800.00
088	9945609	00120105	20230308	1806	04111	18,000.00
Total						113,400.00
023	3780323	00050041	20220803	1806	04111	3,600.00
073	3780323	00050098	20220822	1806	04111	9,900.00
021	3780323	00070037	20221005	1806	04111	15,300.00
021	3780323	00070038	20221005	1806	04111	10,800.00
015	3780323	00080017	20221101	1806	04111	18,900.00
023	3780323	00090047	20221202	1806	04111	19,800.00
033	3780323	00010028	20230109	1803	04111	19,800.00
088	3780323	00120106	20230308	1806	04111	18,000.00
Total						116,100.00

I directed the attention of the Controlling Officer to Legal Notice No 06 of 2020, Section 8 states that the quorum necessary for a proper sitting of the Board shall be half members including the Chairperson or Vice-Chairperson.

For that reason, I cautioned the Controlling Officer on incurrence of unauthorised expenditure.

I advised the Controlling Officer to account for the higher claim with supporting documents.

In response, the Controlling Officer acknowledged my observation and stated that the three Board Members allowances are slightly higher, reason being that they were first appointed in the previous Scholarship Selection Board through different Legal Notices. Employment no. 3780323 was appointed through Legal Notice no. 284 which came into force on the 2nd August 2021 and employment no. 3623442 and employment no. 9945609 was appointed through Legal Notice no.336 of 2002 which came into force on 1st August 2022. Therefore, during the reporting period starting 1st April 2022 to 31st March 2023 the new Board members appointed through Legal notice no. 49 of 2023 dated 2nd March 2023 had only worked for the month of March 2023. Furthermore, employment no. 3780323 and 9945609 were appointed as part of the secretariat and functions of the secretariat is to offer administrative support to the Board, thus the differences in sitting allowances.

Legal Notice no. 06 of 2020, Legal Notice no. 284 of 2021, Legal Notice 336 of 2022 and Legal Notice no. 49 of 2023 were attached to the response.

The response of the Controlling Officer was noted, however the evidence submitted is incomplete as it does not include the authorised sitting allowances;, hence the matter remains reportable. The legal notice number 6 of 2020 depicted that ten members were appointed in the financial years 2020 to 2021, and only two active members were appointed in August 2022. Surprisingly, out of three members with highest claims, two (3623442 and 9945609) were appointment in 1st August 2022, through legal notice number 336 of 2022.

HEAD 41: PUBLIC SERVICE

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced E26/Vol.II/15, dated 4th January 2024. The Controlling Officer responded through a memorandum referenced OS/60/6 dated 11/09 dated 18th January 2024. However, the following audit findings remain unresolved and reportable.

228. Under-Expenditure on Personnel Costs

I reported that there was a significant under-expenditure on Personnel Costs amounting to **E2,702,436.90 (55.9%)** incurred under the responsibility centre 2103 – Staffing requirements and Complement Control, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-Expenditure	
Personnel Costs	E	E	E	E	%
2103: Staffing Requirements and Complement Control	8,414,493.30	4,832,715.00	2,130,278.10	2,702,436.90	55.9

Under-expenditures of 10% or more in a year may not be conducive to the development of the country. I am concerned that planned programmes might have not been accomplished, leading to lesser service delivery thereby limiting improvements in the public service and lives of citizens. This reflects inadequate budget planning, execution and performance.

I advised the Controlling Officer to ensure that released funds are utilised for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for the under-expenditures and explain if the budget's intended purposes were met, despite the under-expenditures.

In response, the Controlling Officer concurred with my observation and stated that the under-expenditure was caused by posts that remained vacant due to hiring freeze effected through Establishment Circular 3 of 2018.

The Controlling Officer's response and explanation is acknowledged; however, it is not satisfactory because the Ministry made the budget request knowing about the freeze hence funds that could have been utilized fruitfully elsewhere remained locked up. It is therefore apparent that the funds' intended purpose was not met which is a major concern.

HEAD 43: INFORMATION, COMMUNICATION AND TECHNOLOGY

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my audit findings to the Controlling Officer, Ministry of Information, Communication and Technology, through a correspondence referenced I7 Vol VI/10 dated 8th December 2023, I7 Vol VI/14 dated 30th January 2024 and T18 Vol II/10 and P14 Vol IV/5 dated 30th January 2024. The Controlling Officer responded through memoranda referenced ICT/16/83 dated 17th January 2024, MD/GOV/0001-2024 dated 2nd February 2023 and unreferenced memoranda dated 5 and 13 February 2024. However, the following audit findings were not satisfactorily addressed and therefore remain reportable.

229. Unappropriated Excess (Over) Expenditure on Recurrent Vote

I reported that there were significant unappropriated excess (over) expenditures on Recurrent Vote amounting to **E5,317,804.80** incurred by the Ministry in the financial year ended 31st March 2023. This include unappropriated expenditure on Personnel costs of **E117,437.84** incurred under the responsibility centre 1407. The table below illustrates the unappropriated over-expenditures incurred.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Unappropriated Expenditure	
00 CTA Vehicle Charges	E	E	E	E	%
1401: Not in the Establishment Register	215,805.00	215,804.00	270,996.58	55,192.58	25.6
Over-Expenditure on CTA Vehicle Charges				55,192.58	
01 Personnel Costs					
1101: Principal Secretary's Office	5,086,174.10	5,500,511.00	6,103,030.67	602,519.67	11.0
1403: SBIS Deputy Director's Office I	3,066,031.90	3,577,628.00	5,054,090.04	1,476,462.04	41.3
1407: Communication Department	0.00	0.00	117,437.84	117,437.84	
1501: National Library Services	9,327,123.10	9,327,123.00	11,577,067.71	2,249,944.71	24.1
1502: Mbabane Library	1,086,158.00	1,105,907.00	1,367,725.44	261,818.44	23.7
1801: Department of Science and Technology	973,556.50	1,288,508.00	1,622,470.36	333,962.36	25.9
Over-Expenditure Personnel Costs				5,042,145.06	
02 Travel, Transport and Communication Costs					
1201: Department of Communication	215,169.00	406,618.00	501,726.05	95,108.05	23.4
1401: Not in the Establishment Register	7,469.00	155,000.00	198,055.32	43,055.32	27.8
1404: SBIS Deputy Director's Office II	46,540.00	44,824.00	102,199.05	57,375.05	128
Over-Expenditure on Travel, Transport and Communication Costs				195,538.42	
04 Professional and Special Services					
1406: Not in the Establishment Register	29,202.00	29,201.00	53,935.00	24,734.00	84.7
Over-Expenditure on Professional and Special Services				24,734.00	
Total Over-Expenditure on Recurrent Vote				5,317,804.80	

Section 34(1) of the Public Finance Management Act (2017), states that "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act.

I warned that, the expenditure beyond the budget released as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated over expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money.

I advised the Controlling Officer to provide or seek authority to spend beyond the appropriated budget, and take corrective action to address the above anomaly, and further strengthen internal controls, in order to avoid recurrence of unappropriated expenditures in the future.

In response, the Controlling Officer concurred with my findings and provided the following reasons captured in the table below.

Item	Responsibility Centre	Response
00-CTA Vehicle Charges	1401	The budget for CTA Vehicle Charges is insufficient. This is further made worse by the fact that most of the cars are very old and require frequent repairs.
01-Personnel Costs	1101,1403,1407,1501, 1502,1801	There were no additions that were effected on pay-roll during the year under review. That means that an over-expenditure can only be attributed to an insufficient budget allocation by the Ministry Of Public Service.
02-Travel, Transport and Communication	1201	The Ministry was 1.8% above the threshold due to a high demand in external travel associated with the department.
02 Travel, Transport and Communication	1401,1404 Eswatini Broadcasting Information System (EBIS)	EBIS has an obligation to cover National events outside the country. The budget allocation for the Department is not enough to cover the internal needs of the station and National duties.
04 Professional Services	1406	EBIS struggles with the budget for Professional Services due to the high costs of electricity as the station has a large number of transmission sites that require a lot of electricity.

The responses from the Controlling Officer are noted; however, the response does not resolve the audit finding. Moreover, the Controlling Officer has not responded to my recommendation on strengthening the Ministry's internal controls in order to avoid recurrence of over expenditure in future.

230. Significant Under-Expenditure on Recurrent Vote

I observed that there were significant under-expenditures on Recurrent Vote amounting to **E21,135,422.29** incurred by the Ministry's various responsibility centres. The details are illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-Expenditure	
00 CTA Vehicle Charges	E	E	E	E	%
1102: Principal Secretary's Office	197,973.00	147,972.00	64,293.59	83,678.41	56.6
1403: SBIS Deputy Director's Office I	47,398.00	47,396.00	18,971.23	28,424.77	60.0
1701: National Archives	32,066.00	18,802.00	14,701.58	4,100.42	21.8
Under-Expenditure on CTA Vehicle Charges				116,203.60	
01 Personnel Costs					
1102: Principal Secretary's Office	59,126.10	59,124.00	45,494.98	13,629.02	23.1
1401: Not in the Establishment Register	560,659.00	560,659.00		560,659.00	100
1601: Support Services	19,208,379.60	19,208,379.00	9,122.27	19,199,256.73	99.95
Under-Expenditure on Personnel Costs				19,773,544.75	
02 Travel, Transport and Communication Costs					
1001: Minister's Office	267,054.00	265,366.00	174,428.22	90,937.78	34.3
1202: Not in the Establishment Register		50,000.00		50,000.00	100
1402: Department of Communication	203,862.00	136,643.00	87,104.32	49,538.68	36.3
1403: SBIS Deputy Director's Office	655,907.00	664,601.00	310,347.26	354,253.74	53.3
1406: Not in the Establishment Register	31,155.00	1,599.00		1,599.00	100
1502: Mbabane Library	12,853.00	871.00	609.28	261.72	30.1
1801: Department of Science and Technology	537,935.00	792,933.00	634,507.41	158,425.59	20.0
Under-Expenditure on Travel, Transport and Communication Costs				705,016.51	
04 Professional and Special Services					
1001: Minister's Office	44,284.00	22,508.00	13,748.27	8,759.73	38.9
1201: Department of Communication	1,267,706.00	633,496.00	551,218.98	82,277.02	13.0
1401: Not in the Establishment Register	130,725.00	130,724.00	31,882.19	98,841.81	75.6
1404: SBIS Deputy Director's Office II	43,443.00	103,441.00	49,504.17	53,936.83	52.1
1502: Mbabane Library	11,895.00	11,889.00	0.00	11,889.00	100
1503: Manzini Library	23,996.00	23,991.00	12,889.65	11,101.35	46.3
Under-Expenditure on Professional and Special Services				266,805.74	
06 Consumable Materials					
1301: Department of Information	64,789.00	48,878.00	24,245.78	24,632.22	50.4
1402: Head of Information	69,415.00	14,409.00	0.00	14,409.00	100
1405: SBIS Engineer's Office	108,649.00	42,567.00	29,234.00	13,333.00	31.3
1501: Headquarters and National Library	1,594,745.00	1,428,069.00	1,244,537.59	183,531.41	12.9
1502: Mbabane Library	45,060.00	80.00	0.00	80.00	100
1701: National Archives	165,950.00	316,607.00	278,740.94	37,866.06	12.0
Under-Expenditure on Consumable Materials				273,851.69	
Under-Expenditure on Recurrent Vote				21,135,422.29	

I reminded the Controlling Officer that under-expenditures of 10% or more in a year may not be conducive to the development of the country and have a negative impact on service delivery.

I am concerned that planned development initiatives were not accomplished due to poor service delivery, or poor budget planning, execution and performance, thereby negatively impacting the lives of citizens.

I advised the Controlling Officer to ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. The Ministry is further advised to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met, despite the under-expenditures.

In response, the Controlling Officer concurred with my audit finding and provided the following reasons on the table below:

Item	Centre	Response
00 CTA	1102,1403,1701	Under expenditure on CTA is due to the shortage of spare parts and fuel at CTA.
01 Personnel	1102,1401	Under-expenditure is caused by vacant posts which cannot be filled due to hiring freeze.
01 Personnel	1601	This centre was closed as Government Computer Services was migrated to Royal Swaziland Technology Park. The budget was erroneously posted in this centre by the Ministry of Finance.
02 Travel, Transport and Communication	1001	A planned trip was cancelled yet the financial year had already ended.
02 Travel, Transport and Communication	1202	The funds could not be spent because there was an over expenditure of E-53,892 on item 02 at activity level (Activity 12)
02 Travel, Transport and Communication	1402	Released :136 643; Variance :15 246; Percentage: 11% The under expenditure occurred under item 021(internal travel). There are a few staff members who claim bus allowance under this centre.
02 Travel, Transport and Communication	1403	Funds were underspent due to the cancellation of an external trip as air ticket could not be procured.
02 Travel, Transport and Communication	1406	This centre has no personnel to claim bus allowance or tour advances. The under expenditure is on item 021 (internal travel) and item 022 (external travel)
02 Travel, Transport and Communication	1502	The funds under this item are too meagre to support any expenditure.
02 Travel, Transport and Communication	1801	Funds had been reserved to retire old tour advances. The tours could not be retired because we failed to get supporting documents.
04 Professional services	1001,1201,1401,1404,1502,1503	Funds under item 04 were not fully utilized because some batches that had queries at treasury could not be corrected until the financial year was closed. The batches ended up being paid in the new financial year.
06 Consumables	1301,1402,1405,1501,1502,1701	Some orders had to be cancelled at the end of financial year due to queries at Treasury

The response from the Controlling Officer was noted. However, it is not satisfactory because he did not explain how the planned programs and activities were implemented with the under-expenditures and why the allocation and release of budget on Personnel Costs (E19,208,379.60) to an abolished responsibility centre 1601 – Support Services was not rectified by the Ministry. Further, the Controlling Officer did not explain why the Ministry incurred expenditure amounting E9,122.27 under the abolished centre and did not provide the supporting documents for the expenditure.

231. Under-Expenditure on Projects G62970- Cyber Security, G62799- Construction of a Disaster Recovery Site, and G57999- E-Government

I reported that there were significant under-expenditures amounting to **E8,321,223.51** on Projects G62970-Cyber Security, G62799- Construction of a Disaster Recovery Site, and G57999- E-Government, under the responsibility centres 1601 and 1801, in the financial year ended 31st March 2023. This consists of under-expenditure amounting to **E2,027,100.00** (33.4%) on Project G62970, under-expenditure on Project G62799 worth **E1,206,000.93** (29.4%), under-expenditure on Project G57999- E-Government amounting to **E5,088,122.58** (39.1%), implemented by three responsibility centres: 1101, 1801 and 1601. The details are depicted in the table below.

Centre	Projects	Released Budget	Actual Expenditure	Under-Expenditure	
		E	E	E	%
1601	G62970: Cyber Security	6,072,000.00	4,044,900.00	2,027,100.00	33.4
1801	G62799: Construction of a Disaster Recovery Site	4,098,797.00	2,892,796.07	1,206,000.93	29.4
1801	G57999: E-Government	10,870,668.00	4,536,048.01	5,088,122.58	39.1
1601	G57999: E-Government	2,129,333.00	0.00		
1101	G57999: E-Government	0.00	3,375,830.41		
		13,000,001.00	7,911,878.42	5,088,122.58	39.1
Total Under-Expenditure on Capital Vote				8,321,223.51	

I reminded the Controlling Officer that under-expenditures of 10% or more in a year may not be conducive to the development of the country and it indicates that planned development initiatives were not accomplished leading to limited service delivery that negatively impacts the lives of citizens due to poor budget planning, execution and performance. The non-utilisation of budget provisions indicates that there were delays in the implementation of projects, which is likely to increase the costs of completion of the entire projects due to increase in prices and penalties for delays.

The Controlling Officer was advised to ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. The Ministry was further advised to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met, despite the under-expenditures.

In response, the Controlling Officer concurred with my audit observations and provided the following reasons for the under-expenditures and unappropriated expenditure.

Under-Expenditure

Centre	Project Number	Response
1601	G62970 Cyber Security	<i>This is a donor funded project. Funds were fully spent, but expenditure was not updated on Government accounting system. We are in the process of updating it.</i>
1801	G62799 Disaster Recovery Site (DRS)	<i>The funds had been released for fencing of the DRS. The contract price was E2.8 million. The balance was E1.2 million making it impossible to start works.</i>
1801	G57999 E-Government	<i>These funds were reallocated to pay overdue software licences which required E10 million. However, some of the licences could not be paid due to expired or invalid contracts.</i>
1601		<i>Due to disagreement with the vendor the Ministry decided to reallocate the funds to pay licence fees.</i>
1101		<i>The expenditure was mis-posted to centre 1101 instead of 1801. The payment went through because it was done by Journal Voucher (JV) since it was a foreign payment. The Ministry tried to correct the mis-posting but treasury demanded documents detailing the initial reallocation of the funds which was unfortunately misplaced and could not be located until financial year was closed.</i>

The Controlling Officer's response was acknowledged; however, it is not satisfactory because there was no justification provided with regard to the failure to accomplish the activities for which the financial allocation was earmarked. Further, there was no justification for the delayed information technology (IT) transformation for efficient and effective service delivery and economic development, by the Ministry.

232. Missing De-Embedder Distribution Amplifier: Project G61799 – Rehabilitation of Eswatini Television Authority

I reported that a De-Embedder Distribution Amplifier valued at **E105,800.00** was not available for physical verification during my inspection which was conducted on the 18th December 2023 at Eswatini Television Authority. I expected to find three De-Embedder Distribution Amplifiers which were purchased as part of the Eswatini Television Authority Rehabilitation Project, but could only verify two as I was informed that the third unit had been returned to the supplier because the wrong specification had been delivered. However, I did not find a Credit Note which should have been issued by Eswatini Television Authority as the buyer, when returning the amplifier to the supplier and the

Amplifier with the correct specifications had not been delivered after a period of 9 months since the end of the Financial Year on 31st March 2023 to 18th December 2023. Despite the fact that full payment was made to the supplier, there was also no evidence of a refund to the authority.

This contravenes section 52(3) of the Public Finance Management (PFM) Act which stipulates that Principal Secretaries are required to put in place procedures consistent with the PFM Act, the Procurement Act (2011) or any other law for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier. Furthermore, Section 110(1) of the Public Finance Management Act further cautions that a public office holder, public Officer, or other person with responsibility for Government resources shall be held personally responsible for any loss sustained by Government due to:

- a) acts of fraud or negligence on the part of that officer; or
- b) acts of fraud or negligence on the part of any other officer, if it is found that the officer contributed to the loss by the action, negligence or omission of that officer.

I am concerned that non-delivery of the De-Embedder Distribution Amplifier, poses a risk of financial loss to the Government, as payment has already been made to the supplier. There is a potential for the supplier to be uncooperative in delivering the missing equipment. Further, this may result in the objectives of the project not being met which could consequently have a negative effect on service delivery and ultimately the lives of citizens.

I advised the Controlling Officer to immediately initiate communication with the supplier to ascertain the status of the missing De-Embedder Distribution Amplifier and facilitate its prompt delivery.

At the time of compiling this report, the Controlling Officer had not responded to my audit finding.

233. Missing Cash: Imprest Cash Erroneously Captured as Cash in Transit

I observed that imprest amounting to **E13,994.40** was captured as 'cash in transit', through Journal Voucher number 120238, batch 49, month 12, source 335 in the financial year ended 31st March 2011, under the responsibility centre 1401. There is no record that the imprest was retired. Hence, this translates to missing cash, that was not recovered from the officer involved.

Centre	Account Item	Assets (E)
1401: Not in the Establishment Register	50203: Cash in Transit	13,994.40

Section 11, paragraph 3.12 of the Financial Management and Accounting Procedures Manual stipulates that "Standing Cash Advances – accounting entries and procedures are similar to those for petty cash advances". Paragraph 3.11 requires that "the Treasury 'Year-End Closing Procedures' circular calls for all petty cash imprest and standing advances accounts to be retired on or prior to 31 March. The year-end balance on this item should therefore equal nil".

I warned that, there is a risk that cash imprest might not be recovered from the officer(s) involved, and/or delay in the recovery of cash increases the risks of irrecoverable public funds and increases the cost of recovering the public funds.

I advised the Controlling Officer that the Ministry should promptly recover the missing cash imprest from the officer involved.

In response, the Controlling Officer stated that the Ministry was still tracing the source document with Treasury Common Services for the purpose of reconciliation as stated in the previous Audit Report.

The response of the Controlling Officer was acknowledged; however, it is not satisfactory because it does not show commitment of the Ministry to recover the public funds and to resolve the audit finding.

234. Unretired Tour Advances and Fictitious Liabilities Due to Non-postings of Tour Advances in the Suspense Account

I reported that tour advances amounting to **E2,653,192.14** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were fictitious liabilities amounting to **E43,974.04** that were created due to non-postings of tour advances in the Suspense Account and Cash Book after charging the Government General Account for those tours, under the Ministry. The tour advances were cashed out at the banks and the non-postings of tour advances indicate that the tour advance (external travel) expenditure was not recorded in the books

of accounts and fictitious liabilities were created when retiring the tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)	Fictitious Liabilities Due to Unposted Tour Advances (E)
1001: Minister's Office	51006: Tour Advances- Employees	59,635.72	
1101: Principal Secretary' Office	51006: Tour Advances- Employees	433,274.68	
1201: Department of Communication	51006: Tour Advances- Employees	216,058.54	
1301: Department of Information	51006: Tour Advances- Employees	82,157.75	
1402: Head of Information	51006: Tour Advances- Employees	176,202.08	
1403: SBIS Deputy Director' Office	51006: Tour Advances- Employees	299,667.77	
1404: SBIS Deputy Director' Office II	51006: Tour Advances- Employees	131,701.22	
1405: SBIS Engineer' Office	51006: Tour Advances- Employees	356,124.25	
1406: Not in the Establishment Register	51006: Tour Advances- Employees	45,295.54	
1407: Communication Department	51006: Tour Advances- Employees	9,987.46	
1501: Headquarters and National Library	51006: Tour Advances- Employees	35,388.25	
1503: Manzini Library	51006: Tour Advances- Employees	5,748.90	
1602: Not in the Establishment Register	51006: Tour Advances- Employees	91,599.29	
1701: National Archives	51006: Tour Advances- Employees	250,272.45	
1801: Department of Science and Technology	51006: Tour Advances- Employees	460,078.24	
1102: Principal Secretary' Office	51006: Tour Advances- Employees		6,072.10
1401: Not in the Establishment Register	51006: Tour Advances- Employees		18,153.25
1601: Support Services	51006: Tour Advances- Employees		19,748.69
Total Unretired Tour Advances and Fictitious Liabilities Due to Non-postings of Tour Advances		2,653,192.14	43,974.04

Financial and Accounting Instruction 1209 states that "the Tour Advances should be repaid immediately upon the completion of the tour". Further, Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advance item should normally equal zero.

Unretired tour advances remained unrecovered monies due to Government, and due to non-postings of tour advances in the Suspense Account and Cash Book, fictitious liabilities were created, and the external travel expenditure was understated in the financial year to which it relates; thus it distorted the financial position and financial performance, respectively.

I advised the Controlling Officer to ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Ministry to record the

external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advances Account at the end of each month.

In response, the Controlling Officer submitted that Tour advances' balance brought forward dates back to as far as 2011 which makes it difficult to bring the Tour Advance Account to zero as Below the Line Accounts should reflect. The vouchers are no longer clear. However, the Accounts department was working on reducing the balance. This is shown in the current year's account which has shown a drastic reduction in the balance for the Tour Advances Account.

The Controlling Officer's response was noted; however, it is not satisfactory because it does not show commitment of the Ministry to account-for and recover the public funds from the unretired tour advances, and to record (posted) the unposted tour advances, to resolve the audit finding.

235. Fictitious Liabilities Due to Mis-postings of Car Repairs Loans (Civil Servants) and Members of Parliament Security Loans

I reported that the settlement of Car Repairs Loan advance- 51015 amounting to **E5,000.00** was posted under the Ministry (Responsibility Centre 1101 – Principal Secretary's Office) instead of the Treasury Department, that is responsible for all employees' advances. The settlement made through a receipt number 05534135 dated 3rd April 2014, by accounting officer bearing employment number 09093393. This posting error created a fictitious liability balance, that had remained uncorrected by the Ministry, and the fictitious liability was included in the liabilities as at 31st March 2023.

I further noted that there was mis-posting, where the Tour Advance amounting to **E13,014.25** issued to employee number 3806214 was captured as Member of Parliament Security Loan - 51026 in the financial year 2016, under the SBIS Deputy Director's Office (Centre1403). This error has not yet been rectified by the Ministry and the retirement of this tour advance has created a fictitious liability balance, when the mis-posting continued to reflect a fictitious assets balance.

Section 11, paragraph 3.12 of the Financial Management and Accounting Procedures Manual (1993) which stipulates that "Standing Cash Advances – accounting entries and procedures are similar to those for petty cash advances". Paragraph 3.11 requires that "the Treasury 'Year-End Closing Procedures' circular calls for all petty cash imprest and

standing advances accounts to be retired on or prior to 31 March. The year-end balance on this item should therefore equal nil”.

I am concerned that cash imprest and employees’ advance relating to the Officer’s Personal Account might not be recovered from the officers involved, and/or delay in the recovery of cash and cash advance increases the risks of irrecoverable public funds and increases the cost of recovering the public funds.

I advised the Controlling Officer to promptly recover the missing cash imprest and cash advance from both officers.

In response, the Controlling Officer concurred with my observations and stated that, the funds for the car repair loans advance were receipted (#05534135) by the Accounts Office at the Revenue, however, there was no corresponding debit. This issue was also dealt with in previous audit and attachments were furnished.

With regard to the Member of Parliament Security Loan, the tour advance was mis-posted to 51026 instead of 51006 in the financial year 2015/2016. We are unable to get further details due to the time lapse.

The Controlling Officer’s response was noted; however, there is no evidence supporting his assertions and the financial information in the accounting system is misleading due to the mis-postings and non-reconciliations hence matter is not resolved and remains reportable.

236. Unappropriated Expenditure: Foreign Payments Without Budget Provision and Unadjusted Variations of Foreign Exchange Losses

I reported that the Ministry incurred foreign payments without providing the budget and did not adjust variations of foreign currency exchange losses on Accounts Payable. Thus, unappropriated expenditures (payments without budgets) and non-adjustment of foreign currency variations amounting to **E4,971,637.44** were incurred and a fictitious assets balances were created, under various responsibility centres. This comprise of unappropriated expenditures: amounting to **E3,694,663.59** under the Department of Communications (responsibility centre 1201) since the financial year 2019 and **E371,767.46** was incurred in the fiscal year ended 31st March 2021; **E1,208,529.00** under the responsibility centre 2105 since fiscal year 2010; **E58,101.55** under the responsibility centre 1401 since 2010; and **E10,343.30** under the responsibility Centre 1701 since fiscal year 2010.

The recurrent expenditure and variations were not included in the financial statements. These payments and variations of foreign exchange losses without budget provisions translates to unappropriated expenditure that results to fictitious assets, as illustrated in the table below.

Responsibility Centre	Account Item	Year of Transaction Occurrence	Unappropriated Expenditure (E)
1201: Department of Communication	61043: 2104 Accounts Payable- Swd Broadcasting	31 st March 2019	3,694,663.59
2105: Not in the Establishment Register	61042: Accounts Payable Information	31 st March 2010	1,208,529.00
1401: Not in the Establishment Register	61042: Accounts Payable Information	31 st March 2010	58,101.55
1701: National Archives	61004: Accounts Payable Tourism, Communication and Environment	31 st March 2010	10,343.30
Fictitious Assets Due to Unappropriated Expenditure			4,971,637.44

Section 34(7) of the Public Finance Management Act (2017) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Section 11, Paragraph 5.6 of the Financial Management and Accounting Procedures Manual guides that "year-end balances on this item should normally equal zero".

I advised the Controlling Officer to clear the unappropriated expenditure and fictitious assets by using budget savings or reallocation to the External Grants and subsidies items or request a supplementary budget, and reconcile Foreign Payments Suspense Account to nil balance at the end of the financial year.

At time of compiling this report, the Controlling Officer had not responded on this audit finding.

237. Non-adjustment of Unutilised Budgets and variations of Foreign Exchange Gains on Accounts Payable

I reported to the Controlling Officer that the Ministry did not prepare adjustments for unutilised budget and variations of foreign exchange gains on Accounts Payable amounting to **E4,269,889.34** under various responsibility centres, to transfer unutilized budget to the miscellaneous/sundry income to avoid the use of elapsed budget. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Year of Transaction Occurrence	Unutilized Budget (E)
2101: Not in the Establishment Register	61043: 2104 Accounts Payable- Swd Broadcasting	31 st March 2014	3,484,907.60
1101: Principal Secretary's Office	61042: Accounts Payable Information	31 st March 2010	362,837.47

1101: Principal Secretary's Office	61043: 2104 Accounts Payable- Swd Broadcasting	31 st March 2023	206,871.19
1701: National Archives	61042: Accounts Payable Information	31 st March 2010	122,136.57
1701: National Archives	61043: 2104 Accounts Payable- Swd Broadcasting	31 st March 2022	74,430.52
1301: Department of Information	61042: Accounts Payable Information	31 st March 2011	18,248.00
1501: Headquarters and National Library	61001: Accounts Payable Statutory	31 st March 2023	300.00
1501: Headquarters and National Library	61043: 2104 Accounts Payable- Swd Broadcasting	31 st March 2023	157.99
Total			4,269,889.34

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual states that, "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item". Further, Paragraph 5.6 requires that "year-end balances on this item should normally equal zero".

The non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item - in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities. Further, there is a risk of incurring expenditure against the unutilized budget, which may be regarded as unappropriated expenditure and there is a risk of using an elapsed budget.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget and misappropriation of public funds.

In response, the Controlling Officer submitted that adjustment vouchers are used to bring the Accounts payables to zero balances. The accounts office is continuously working on that. It can be observed that the balances for the previous years have been reduced. However, some transactions can be dated back as far as 5 years ago, some vouchers are no longer clear thus making it difficult to read and deduce to what those vouchers are relating to.

The Controlling Officer's response was noted; however, it is not satisfactory because the required adjustments were not prepared and captured in the Accounting System and the recommendations were not implemented. The audit finding remains unresolved by the Ministry.

238. Irregularly Use of Third Party Account for Revenue Collections

I noted that, a third party account 431-1501-61101 narrated 'sundry departmental deposits' was used to collect revenue instead of a revenue (sundry fees) account 431-1501-21990. The third party account held revenue collections amounting to **E350,095.60** in the form of sundry fees that ought to have been recognized as revenue in the financial statements, not liabilities. The fictitious liabilities were created by the irregular use of the third party account for the revenue collections under the Ministry.

I also noted that, funds amounting to **E160,472.00** were recognized as revenue by debiting the third party account 434-1501-61101 and crediting the revenue account 431-1501-21990 in the financial year ended 31st March 2022, through voucher number 130490.

I further noted that, funds amounting to **E530,610.20** were transferred as revenue from the third party account 434-1501-61101 to sundry fees (miscellaneous revenue) under the Treasury Department using account 351-2107-21990, without collections made under the responsibility 1501, hence the account was overdrawn in the financial year ended 31st March 2022.

On the other note, I observed that, the funds amounting to **E2,355,645.50** were recognized as revenue from no collections made under the responsibility centre, by debiting the third party account and crediting the sundry fees account through voucher number 100871 on 27th February 2023. However, it was later reversed from both revenue account and third party account on the 12th October 2023 through voucher number 131123, batch 326, narrating 'adjustment for wrongly capture'.

The overdrawn balance brought forwarded was reduced to **E228,013.20** by the revenue collections made amounting to **E302,597.00** under the responsibility centre 1501-National Library in the financial year ended 31st March 2023. The breakdown of the overdrawn balance and unclaimed sundry departmental deposits is illustrated in the table below.

Responsibility Centre	Account Item	Year of Transaction Occurrence	Overdrawn Revenue/ Deposits	Revenue Collected/ Deposits
1501: Headquarters and National Library	Overdrawn Balance 61101: Sundry Departmental Deposits	Revenue Collected in the fiscal year ended 2023 and Overdrawn funds	530,610.20 <u>302,597.00</u> 228,013.20	302,597.00
1203: Not in the Establishment Register	61101: Sundry Departmental Deposits	Revenue Collected in the fiscal year ended 2023		24,500.00
1301: Department of Information	61101: Sundry Departmental Deposits	Revenue Collected since fiscal years 2010 (E1,010.00) to 2023		1,830.00

1502: Mbabane Library	61101: Sundry Departmental Deposits	Revenue Collected since fiscal years 2010 to 2016		14,318.60
1511: Not in the Establishment Register	61101: Sundry Departmental Deposits	Revenue Collected since fiscal year 2010 to 2013		6,450.00
1601: Support Services	61101: Sundry Departmental Deposits	Revenue Collected since fiscal year 2022		400.00
Overpayments and Unclaimed of Sundry Departmental Deposits			228,013.20	350,095.60

Financial and Accounting Instruction 0501 states that it is the duty of the Accounting Officers (Controlling Officers) to ensure that revenue due is collected promptly and that all collections of revenue are properly brought to account.

I notified the Controlling Officer that, the use of third party account in the collection of revenue results to commingling and mismanagement of funds, and the collections held in the third party account are recognized as revenue; thus, resulting to understatement of Government revenue.

I advised the Controlling Officer that the Ministry should cease from using the third party account in the collection of revenue and all revenue collections held in the third party account should be transferred to the sundry fees account – 21990.

In response, the Controlling Officer stated that the account has been balanced.

The response of the Controlling Officer is not satisfactory because it did not address the audit finding.

239. Unremitted Deductions of National Provident Fund and Taxes

I also reported that there were unremitted deductions of National Provident Fund amounting to **E26,482.91** and unremitted taxes amounting to **E2,791,105.36**, as at 31st March 2023, as illustrated in the table below:

Responsibility Centre	Account Item	Unremitted Deductions (E)
1101: Principal Secretary's Office	62240: National Provident Fund Deduction	21,202.91
1501: Headquarters & National Library	62240: National Provident Fund Deduction	4,950.00
1701: National Archives	62240: National Provident Fund Deduction	330.00
Unremitted Deductions of National Provident Fund		26,482.91
1001: Minister's Office	62315: SRA- Taxation	61,544.48
1101: Principal Secretary's Office	62315: SRA- Taxation	356.77
1201: Department of Communication	62315: SRA- Taxation	9,285.40
1402: Head of Information	62315: SRA- Taxation	4,016.91
1403: SBIS Deputy Director's Office I	62315: SRA- Taxation	12,491.06
1404: SBIS Deputy Director's Office II	62315: SRA- Taxation	22,244.52
1405: SBS Engineer's Office	62315: SRA- Taxation	22,033.76

1406: Not in the Establishment Register	62315: SRA- Taxation	7,037.46
1701: National Archives	62315: SRA- Taxation	652,095.00
2101: Not in the Establishment Register	62315: SRA- Taxation	2,000,000.00
Unremitted Taxes Deductions		2,791,105.36

Section 14(2) of the Swaziland National Provident Fund Order No. 23 of 1974 states that, a contributing employer shall, for every contribution period after the date when he became a contributing employer, pay into the Fund the statutory contribution in respect of each eligible employee employed by him during such period. Subsection 3 further clarifies that every contribution due under this section should be paid to the Fund within twenty-one days after the end of the month in which the last day of the relevant contribution period falls, and shall be credited to the account of the person in respect of whom it is paid. Also, public entities are required by law (Income Tax Order of 1975 as amended) to remit taxes in accordance with the tax law.

Non-remittance of deductions of taxes deprive Government of receiving revenue and non-remittance of deductions of contributions for Provident Fund also deprived non-pensionable workers of receiving their rightful benefits through Eswatini National Provident Fund.

I advised the Controlling Officer to remit the deductions for contributions of Provident Fund and taxes, to the Eswatini National Provident Fund and Eswatini Revenue Service respectively, and provide proof of remittances.

In response, the Controlling Officer stated that remittance of funds deducted from employees' salaries is the duty of the Accountant General.

The response of the Controlling Officer was noted; however, it is not satisfactory because my recommendations were not implemented, and the Ministry has failed to take responsibility and accountability. The Accountant General has delegated accounting officers in his Ministry and it is his duty to reconcile his accounts on a monthly basis.

240. Outstanding Value Added Tax (VAT) Debt as at 31st March 2023

I reported that records from Eswatini Revenue Service revealed that the Ministry had Value Added Tax (VAT) debt worth **E159,559,629.11** as at 31st March 2023, relating to tax periods dating back from November 2015. The Value Added Taxes were not remitted to Eswatini Revenue Service by the Ministry, and the VAT debt was not disclosed in the

Financial Statements. The VAT debt balance was **E111,137,101.00** in the previous financial year (31st March 2022).

All public entities are required by law (Income Tax Order of 1975 as amended) to remit taxes in accordance with the tax law. Further, according to Section 11(2)(a) of the Public Finance Management Act, Controlling Officers are responsible for putting in place effective and efficient internal controls arrangements and systems for the management of assets, liabilities, and other risks.

I am concerned that the Government was deprived of its revenue by the Ministry's failure to settle its VAT Debt which was in contravention of the Country's tax laws and regulations.

I advised the Controlling Officer to settle the VAT debt and provide proof of settlement.

In response, the Controlling Officer acknowledged my observation and stated that the Ministry had requested a budget allocation from Ministry of Finance (MOF), for 2024/25 financial, to clear the debt.

The Controlling Officer's response was noted; however, it is not satisfactory because the audit finding has not been resolved.

HEAD 44: ELECTIONS AND BOUNDARIES COMMISSION

An audit of the Consolidated Government Financial Statements for the year ended 31st 2023 was conducted. I communicated my findings to the Controlling Officer through a memorandum referenced E24 Vol. Vol. 1/73 dated 25th October 2023. The Controlling Officer responded through a correspondence referenced EBC/44 dated 6th February 2024. However, the following audit findings were not satisfactorily addressed and thereby remain reported.

241. Outstanding Commitments

I reported that there were negative outstanding commitments amounting to **E306,478.81** under Secretariat on Travel, Transport and Communications, Professional and Special Services, Consumables, Durables and CTA Vehicle Charges, in the financial year ended 31st March 2023, as illustrated in the table below.

Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD80	Actual Variance AA220	Outstanding Commitment
		E	E	E	E	E	E
1201	00	582,712.00	582,711.00	384,103.26	197,107.74	198,607.74	1,500.00
1201	02	863,926.00	1,353,925.00	1,078,833.48	77,779.97	275,091.52	197,311.55
1201	04	46,109,458.00	26,682,856.00	26,502,392.55	87,682.17	180,463.45	92,781.28
1201	06	597,231.00	13,184,226.00	12,887,596.58	290,189.42	296,629.42	6,440.00
1201	07		4,726,750.00	4,547,294.58	171,009.44	179,455.42	8,445.98
Total Outstanding Commitments							306,478.81

Section 35 of the Public Finance Management Act (2017) requires that:

- (a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year to which it relates; and
- (b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I notified Controlling Officer that the reported recurrent expenditure could be misstated, which in turn distorts the financial performance of the Commission, thus misleading to users of the financial statements.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, and to keep close control on all commitments and make enquiries if a commitment does

not become actual expenditure within a period of 90 days, should be cancelled and the necessary expenditure account reconciliations undertaken.

The Controlling Officer did not provide the response on this audit finding. There were no de-commitments made by the Commission, hence the matter remains unresolved and reportable.

242. Unappropriated Excess Expenditure on Recurrent Vote

I reported that there was unappropriated excess expenditure on Personal Costs amounting to **E1,956,785.59** incurred by the Commission in the financial year ended 31st March 2023, under the responsibility centre 1102, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over Expenditure	%
01: Personnel	E	E	E	E	
1102	3,747,509.90	3,747,508.00	5,704,293.59	1,956,785.59	52.22

Financial and Accounting Instruction 0202 (ii) stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with part VII of the act. Section 107(3)(j) under part VIII of the act states that a public office and public officer, or other person with responsibility for government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

I warned the Controlling Officer to fully adhere to the provisions of the public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

The Controlling Officer did not provide the response on this audit finding.

243. Significant Under-Expenditure on Recurrent Vote

I reported that the Elections and Boundaries Commission incurred significant under-expenditures on Recurrent Vote amounting **E3,423,841.00**, in the fiscal year ended 31st March 2023, as illustrated in the table below.

00: CTA Charges	Appropriated Budget	Released	Actual Expenditure	Under Expenditure	%
1201: Secretariat	582,712.00	582,711.00	384,103.26	197,107.74	34.1
1102	291,990.00	291,989.00	39,658.14	252,330.86	86.4
Under-Expenditure on CTA Charges				449,438.60	
01: Personnel Costs					
1201: Secretariat	8,031,287.40	9,654,136.00	6,757,513.53	2,896,622.47	30
Under-Expenditure on Personnel Costs				2,896,622.47	
02: Travelling and Subsistence Allowance					
1201: Secretariat	863,926.00	1,353,925.00	1,078,833.48	77,779.97	20.3

I further noted that funds totalling **E454,237.00** were released but were not utilised resulting to 100% under-expenditure, under the Responsibility Centre 1101 – Elections and Boundaries Commission, and they were for CTA Vehicle Charges, Personnel, Transport and Communications and Professional Services. The table below has more details.

Non-utilisation of Appropriated Budget and Released Funds

Item Description	Appropriated Budget	Budget Released	Actual Expenditure	Under Expenditure	%
	E	E	E	E	
CTA Vehicle Charges	118,504.50	118,503.00	0.00	118,503	100
Personnel	218,568.00	218,568.00	0.00	218,568.00	100
Transport, Travel and Communications	109,855.00	109,853.00	0.00	109,853	100
Professional and Special Services	7,315.00	7,313.00	0.00	7,313.00	100
Non-utilisation of Released Budget				454,237.00	

Under-expenditure is a serious concern as the unutilised funds deprive other Government projects or programs of planned development initiatives. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country.

Under-expenditures of 10% or more in a fiscal year are considered to be unconducive to the development of the country.

I advised the Controlling Officer that the Commission should ensure that released funds are utilised and does not seek budget release when not ready to implement any activity or programme. I also advised the Controlling Officer to explain the reasons for the under-expenditure, and explain if its intended purposes were met and achieved, despite these under-expenditures.

The Controlling Officer did not provide the response on this audit finding.

244. Unremitted Deductions of National Provident Fund and Taxes

I reported to the Controlling Officer that there were unremitted deductions of contributions for the National Provident Fund amounting to **E1,129.26**, and refundable taxes due to remittance of non-deducted taxes (over remittance) amounting to **E157,277.50**, under the Secretariat, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Refundable Taxes (E)	Unremitted Deductions (E)
1201: Secretariat	62240: National Provident Fund Deductions		1,129.26
1201: Secretariat	62315: SRA- Taxation	157,277.50	

This is in contravention of Financial and Accounting Instruction 0817 which requires that “a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited”. Also, Financial and Accounting Instruction 0202 (vii) requires that the Controlling Officer is responsible for ensuring each month that his/her account are reconciled with Treasury records by Obtaining a certificate to this effect from his Chief Accounting Officer.

I warned the Controlling Officer that, non-remittance of deductions of contributions for Pension Fund and Provident Fund deprived non-pensionable officials of receiving their rightful benefits.

I advised the Controlling Officer the Commission should to remit all the outstanding deductions of Provident Fund and recover the over remitted taxes, and promptly remit the exact amount deducted from salaries.

In response, the Controlling Officer stated that the Commission is engaging with the Accountant General in correcting the issue of the Provident Fund and the tax advance account. The Controlling Officer explained that Provident Fund is supposed to be credited

at the same time when payment is made to the employee. On the taxation matter, the Controlling Officer explained that the account emanated from the new payment system for polling officers the Commission had engaged during previous by elections, stating that they are working with the Accountant General to reconcile the tax advance account.

The response of the Controlling Officer was noted; however, it is not satisfactory because the deducted contributions for the provident fund are still not remitted to the Fund to benefit the deserving non-pensionable officials, and the over-remitted taxes have not yet been recovered.

245. Outstanding PAYE Tax Debt and Value Added Tax Debt As At 31st March 2023

I notified the Controlling Officer that records from Eswatini Revenue Service revealed that the Elections and Boundaries Commission had a Pay-As-You-Earn (PAYE) Tax debt worth **E1,694,893.96** relating to tax periods dating back to June 2014 and Value Added Tax (VAT) debt worth **E2,136,589.52** relating to tax periods dating back to March 2013, and remain unpaid to date. Moreover, the debt was not disclosed in the financial statements for the year ended 31st March 2023.

I cautioned the Commission that, all public entities are required by the Income Tax Order of 1975 as amended to remit taxes accordingly.

Hence, I notified the Controlling Officer that Government was deprived of receiving revenue in the form of taxes and that this was in contravention of tax laws and regulations of the country by the Commission.

I advised the Controlling Officer to settle the PAYE and VAT debts with the Eswatini Revenue Service and provide proof of settlements.

HEAD 45: HEALTH

An Audit of Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my audit findings to the Controlling Officer, Ministry of Health, through a correspondence referenced M10 Vol. XV/15 dated 12th December 2023 and M10 Vol. XV/22 dated 31st January 2024. The Controlling Officer responded through a memorandum referenced MH/208A. However, the following audit matters were not satisfactorily addressed and therefore remained reportable.

246. Non-adjustment of Credit Balances Appearing Under Recurrent Expenditure

The Ministry of Health failed to reconcile budgets received from other Ministry's' budget votes, after utilization, and thus created credit balances amounting **E331,464.45** under various recurrent expenditure items. The table below shows the unadjusted credit balances which consequently reduced the Ministry's actual recurrent expenditure and thereby distorted the reported information.

Responsibility Centre	Description	Item	Amount (E)
4502: Piggs Peak Hospital	Electricity	04601	48,940.68
4304: Hlatikhulu Hospital	Electricity	04601	40,820.98
4502: Piggs Peak Hospital	Water	04602	33,242.48
4304: Hlatikhulu Hospital	Water	04602	26,733.20
4205: Mankayane Hospital	Electricity	04601	24,982.06
1203: T.B. Hospital	Electricity	04601	22,771.65
4306:	Water	04602	21,654.26
1201: Mbabane Hospital	Electricity	04601	18,447.08
4302: Nhlanguano Health Centre	Water	04602	16,125.48
1203: T.B. Hospital	Water	04602	11,783.39
1106: Not in the Establishment Register	Electricity	04601	10,812.61
1202: Mental Hospital	Electricity	04601	10,692.04
4205: Mankayane Hospital	Water	04602	10,020.84
4306: Matsanjeni Health Centre	Electricity	04601	9,812.74
4506: Emkhuzweni Health Centre	Electricity	04601	6,754.91
1201: Mbabane Hospital	Water	04602	6,719.42
4302: Nhlanguano Health Centre	Electricity	04601	6,101.60
1106: Not in the Establishment Register	Water	04602	4,005.06
1202: Mental Hospital	Water	04602	848.97
4206: Health Inspectorate Manzini	Vacuum Tanker Services	04604	195.00
Total			331,464.45

According to Financial and Accounting Instruction number 0510 "credits to recurrent expenditure items are not allowed except in the case of overpayment within the financial year, or certain inter-departmental transactions requiring an alteration to the debit or adjustments rectifying errors in the accounts for the year".

I am concerned that the credit balances inappropriately reduced the recurrent expenditure thus causing misstatements in the Statement of Recurrent Expenditure.

I advised the Controlling Officer to reconcile the affected expenditure items and make necessary adjustments.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

247. Outstanding Commitments

The Ministry of Health had outstanding commitments amounting to **E24,470,929.29** on CTA Vehicle Charges (00), Travel, Transport and Communication (02), Medical Drugs (03), Professional and Special Services (04), Consumable Materials and Supplies (06), and Durable Materials (07) in the financial year ended 31st March 2023, as illustrated in the table below.

Centre	Item	Budget	Released Budget	Actual Expenditure	Variance BD 80	Variance AA220	Commitments
		E	E	E	E	E	E
1102	00	22,739,999.50	13,433,709.00	13,623,274.24	-227,695.49	-189,565.24	38,130.25
1103	00	1,282,280.50	1,282,280.00	207,178.16	1,069,301.84	1,075,101.84	5,800.00
1102	02	9,198,197.00	23,029,600.00	20,500,589.64	2,162,443.69	2,529,010.36	366,566.67
1105	02	2,203,650.00	2,822,410.00	2,733,035.95	61,912.20	89,374.05	27,461.85
1103	02	174,260.00	174,259.00	115,919.45	53,554.32	58,339.55	4,785.23
1102	03	19,782,609.00	19,782,608.00	5,071,730.31	4,315,107.64	14,710,877.69	10,395,770.05
1106	03	51,965,040.00	51,965,040.00	42,642,466.09	-74,143.25	9,322,573.91	9,396,717.16
2102	03	68,015,600.00	68,015,600.00	60,273,394.98	6,297,344.20	7,742,205.02	1,444,860.82
1201	03	38,630,050.00	38,630,048.00	58,787,230.26	-20,677,619.76	-20,157,182.26	520,437.50
5101	03	274,443,478.00	274,443,476.00	273,989,615.00		453,861.00	453,861.00
2103	03	59,033,636.00	59,033,636.00	55,385,741.24	3,406,742.76	3,647,894.76	241,152.00
1105	04	150,015,173.00	150,015,172.00	149,596,697.11	12,803.74	418,474.89	405,671.15
1102	04	189,260,521.00	110,585,831.00	111,949,893.34	-1,706,983.60	-1,364,062.34	342,921.26
2102	04	2,137,801.00	887,016.00	1,092,983.09	-248,847.95	-205,967.09	42,880.86
1203	04	2,692,604.00	2,692,600.00	2,361,058.84	291,565.16	331,541.16	39,976.00
4506	04	752,216.00	752,212.00	683,248.42	32,568.58	68,963.58	36,395.00
2101	04	375,889.00	375,884.00	308,387.10	36,000.59	67,496.90	31,496.31

Centre	Item	Budget	Released Budget	Actual Expenditure	Variance BD 80	Variance AA220	Commitments
4306	04	680,370.00	680,369.00	644,812.94	9,142.59	35,556.06	26,413.47
4502	04	1,135,483.00	1,135,479.00	1,027,560.62	82,036.98	107,918.38	25,881.40
4503	04	297,693.00	297,691.00	281,658.80	932.20	16,032.20	15,100.00
2103	04	1,341,708.00	1,341,706.00	1,060,079.06	267,311.49	281,626.94	14,315.45
3234	04	596,518.00	596,516.00	525,010.87	60,258.38	71,505.13	11,246.75
2104	04	11,956,425.00	11,818,674.00	11,714,532.48	105,406.27	104,141.52	-1,264.75
4205	04	1,404,875.00	1,404,872.00	1,299,346.63	116,225.37	105,525.37	-10,700.00
1105	06	64,271.00	243,768.00	51,440.62	13,327.38	192,327.38	179,000.00
2104	06	4,121,920.00	4,099,252.00	3,945,180.66	-1,300.66	154,071.34	155,372.00
4203	06	286,272.00	286,269.00	284,031.26	-94,730.72	2,237.74	96,968.46
4506	06	345,749.00	345,745.00	265,906.69	-10,931.69	79,838.31	90,770.00
4503	06	166,000.00	165,999.00	110,616.80	71.08	55,382.20	55,311.12
2101	06	189,103.00	189,099.00	132,016.72	13,479.98	57,082.28	43,602.30
1202	06	1,103,512.00	897,385.00	841,897.09	15,660.91	55,487.91	39,827.00
4206	06	112,476.00	112,470.00	73,833.92	5,544.71	38,636.08	33,091.37
4303	06	12,908.00	12,907.00	5,364.00	6.50	7,543.00	7,536.50
1106	06	311,214.00	311,209.00	310,942.05	-5,954.45	266.95	6,221.40
1102	06	4,598,207.00	5,064,745.00	5,206,141.86	8,321.54	-141,396.86	- 149,718.40
2104	07	12,450,000.00	12,450,000.00	11,602,526.72	813,406.99	847,473.28	34,066.29
1102	07		56,530.00	53,523.18	1.00	3,006.82	3,005.82
Total							24,470,929.29
Negative Commitments							
2104	04	11,956,425.00	11,818,674.00	11,714,532.48	105,406.27	104,141.52	-1,264.75
4205	04	1,404,875.00	1,404,872.00	1,299,346.63	116,225.37	105,525.37	- 10,700.00
1102	06	4,598,207.00	5,064,745.00	5,206,141.86	8,321.54	-141,396.86	-149,718.40
Total							161,683.15

There were also abnormal negative commitments amounting to **E161,683.15** on Professional and Special Services under Biomedical Engineering (2104) and Mankayane Hospital (4205); and Consumables under the Principal Secretary's Office Responsibility Centre (1101), as illustrated above.

In the previous' year audit, the Ministry had outstanding commitments amounting to **E16,166,892.88**, which were not cancelled and hence the commitments for the fiscal year under review, represented an increase as compared with the previous fiscal year.

I cautioned that, section 35 of the Public Finance Management Act of 2017 requires that:

(a) "the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and

(b) All authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but

for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I warned that, there is a risk that the reported recurrent expenditure could be misstated, which in turn distorts the financial performance of the Ministry, thus misleading to users of the financial statements.

I advised the Controlling Officer that the Ministry should cancel all commitments that do not become actual expenditure within the stipulated time of 90 days and reconcile the accounts accordingly.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

248. Significant Unappropriated Over-Expenditure on Recurrent Vote

The Ministry of Health incurred significant unappropriated over-expenditures, amounting to **E101,421,412.25**, on its Recurrent Vote under various responsibility centres, as at 31st March 2023. The composition of the unappropriated excess-expenditure is shown in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Over Expenditure	%
00 CTA Charges	E	E	E	E	
2101: Central Medical Stores	1,077,468.00	275,985.00	328,285.00	52,300.00	19.0
01 Personnel Costs					
4307: Health Inspectorate Shiselweni	2,329,754.60	2,329,752.00	4,985,339.81	2,655,587.81	114
4507: Health Inspectorate Hhohho	2,481,722.10	2,481,720.00	5,067,096.31	2,585,376.31	104.2
4506: Emkhuzweni Health Centre	13,993,402.40	13,993,400.00	24,246,612.14	10,253,212.14	73.3
4405: Health Inspectorate Lubombo	2,706,210.10	2,706,208.00	4,631,781.91	1,925,573.91	71.2
4108: Sithobela Hospital	82,010.20	82,008.00	136,106.70	54,098.70	66.0
2104: Biomedical Engineering	2,137,916.40	2,137,916.00	3,178,261.11	1,040,345.11	48.7
3233: Non-Communicable Diseases Programme Unit	207,151.20	207,148.00	293,141.44	85,993.44	41.5
4504: Hhohho Regional (Mbabane Sub District) Clinics	13,417,205.30	13,417,204.00	17,749,569.08	4,332,365.08	32.3
4202: Manzini Region Clinics	16,554,770.30	16,554,768.00	21,783,651.97	5,228,883.97	31.6
4103: Tuberculosis Hospital	1,555,003.80	1,555,000.00	2,018,489.89	463,489.89	29.8
4205: Mankayane Hospital	51,102,885.00	51,102,880.00	62,459,769.69	11,356,889.69	22.2
4302: Nhlanguano Health Center	19,696,543.00	19,696,540.00	23,999,064.11	4,302,524.11	21.8
4403: Sithobela Health Centre	29,025,333.80	29,025,332.00	33,882,426.14	4,857,094.14	16.7
3230: Sexual Reproductive Health Programme Unit	834,310.90	834,308.00	956,122.48	121,814.48	14.6

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Over Expenditure	%
4303: Hlatikhulu Public Health Unit	4,743,293.80	4,743,292.00	5,374,751.35	631,459.35	13.3
4509: Pigg's Peak Public Health Unit	2,140,355.90	2,140,352.00	2,397,962.27	257,610.27	12.0
4503: Dvokolwako Health Centre	15,485,827.70	15,485,824.00	17,085,571.73	1,599,747.73	10.3
Unappropriated Over-Expenditure on Personnel Costs				51,752,066.13	
02 Travel, Transport and Communication Costs					
1203: T.B. Hospital	54,275.00	54,272.00	441,670.03	387,398.03	713.8
1001: Minister's Office	172,500.00	225,840.00	1,284,696.56	1,058,856.56	468.9
4405: Health Inspectorate Lubombo	11,234.00	11,232.00	13,861.90	2,629.90	23.4
2102: Central Laboratory	57,078.00	57,077.00	70,178.91	13,101.91	23.0
1201: Mbabane Hospital	142,222.00	142,220.00	157,623.32	15,403.32	10.8
Unappropriated Over-Expenditure on Travel, Transport & Communication Costs				1,477,389.72	
03 Medical Drugs					
4202: Manzini Region Clinics	1,250,000.00	1,250,000.00	13,272,730.31	12,022,730.31	961.8
4503: Dvokolwako	472,352.00	472,352.00	3,510,745.70	3,038,393.70	643.3
1205: Special Medical Care Unit	60,000.00	60,000.00	281,435.98	221,435.98	369.1
4402: Lubombo Region Clinics	2,475,000.00	2,475,000.00	4,926,674.57	2,451,674.57	99.1
4306: Matsanjeni Health Centre	920,200.00	920,200.00	1,749,565.76	829,365.76	90.1
4305: Shiselweni Region Clinics	1,999,200.00	1,999,200.00	3,215,825.36	1,216,625.36	60.9
4403: Sithobela Health Centre	1,944,000.00	1,944,000.00	3,068,999.93	1,124,999.93	57.9
4302: Nhlanguano Health Centre	3,000,000.00	3,000,000.00	4,679,158.84	1,679,158.84	56.0
1201: Mbabane Hospital	38,630,050.00	38,630,048.00	58,787,230.26	20,157,182.26	52.2
1202: Mental Hospital	4,725,000.00	4,725,000.00	7,173,213.53	2,448,213.53	51.8
4509: Pigg's Peak Public Health Unit	54,892.00	54,892.00	73,517.65	18,625.65	33.9
4504: Hhohho Regional (Mbabane Sub-District) Clinics	2,360,364.00	2,360,364.00	3,091,444.87	731,080.87	31.0
4502: Pigg's Peak Hospital	7,500,000.00	7,500,000.00	8,876,331.70	1,376,331.70	18.4
1103: National Events	10,315,927.00	715,924.00	821,753.57	105,829.57	14.8
1203: T. B. Hospital	3,750,000.00	3,750,000.00	4,136,703.92	386,703.92	10.3
Unappropriated Over-Expenditure on Medical Drugs				47,808,351.95	
04 Professional & Special Services					
2102: Central Laboratory	2,137,801.00	887,016.00	1,092,983.09	205,967.09	23.2
4505: Hhohho Regional (Pigg's Peak) Clinics	45,985.00	45,984.00	54,230.40	8,246.40	17.9
Unappropriated Over-Expenditure on Professional & Special Services				214,213.49	
06 Consumable Materials					
2103: National Blood Transfusion Service	1,995,851.00	522,187.00	639,277.96	117,090.96	22.4
Unappropriated Over-Expenditure on Consumable Materials				117,090.96	
Unappropriated Over-Expenditure on Recurrent Vote				101,421,412.25	

249. Unappropriated Expenditure

The Ministry further incurred expenditure amounting to **E9,810,532.13**, for which no budget had been appropriated during the Financial year ended 31st March 2023. The unappropriated expenditure was incurred in respect of CTA Vehicle Charges (00), Personnel Costs (01), Travel, Transport & Communication (02), Medical Drugs (03), and Professional and Special Services (04), under various Responsibility Centres, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget (E)	Unappropriated Expenditure (E)
1001: Minister's Office	00	0.00	52,300.00
1105: National Advisory Committee on Substance Abuse	00	0.00	3,229.84
1201: Mbabane Hospital	00	0.00	13,300.00
1203: T.B. Hospital	00	0.00	2,300.00
2102: Central Laboratory	00	0.00	4,400.00
4406: Lubombo Regional Hospital	01	0.00	2,906,418.21
1205: Special Medical Care Unit	02	0.00	3,562.12
3230: Sexual Reproductive Health Programme Unit	02	0.00	10,651.75
4508: Mbabane Public Health Unit	02	0.00	1,112.15
3202: Not in the Establishment Register	03	0.00	5,280.08
3230: Sexual Reproductive Health Programme Unit	03	0.00	6,527,510.00
3231: School Health Programme Unit	03	0.00	261,029.98
4206: Health Inspectorate Manzini	03	0.00	18,468.00
4508: Mbabane Public Health Unit	04	0.00	970.00
Total Unappropriated Expenditure			9,810,532.13

The Ministry therefore violated Section 34(7) of the Public Finance Management Act of 2017, which states that any excess or any amount expended but not appropriated should be treated as a loss of public money. Section 107(3)(j) of the act also states that "a public office and public officer, or another person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person willfully or negligently incurs unauthorized expenditures or makes unauthorized commitments.

The continued incurring of excess expenditure unlawfully by the Ministry is a major concern because it has serious effect on the fiscal budget, may lead to disciplinary action, and further increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and

enforcement, seek necessary authority before incurring expenditure and put in place control measures that will prevent recurrence of the anomaly.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

250. Under-Expenditure on Recurrent Budget Vote

The Ministry of Health incurred under-expenditure amounting to **E143,937,163.08** on its appropriated and released recurrent budget under various Responsibility Centres in the financial year ended 31st March 2023. The composition of the under-expenditure is illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under Expenditure	%
00 CTA Vehicles Charges	E	E	E	E	
4501: Hhohho Regional Health Offices	156,262.50	156,262.00	26,700.00	129,562.00	82.9
1103: National Events	1,282,280.50	1,282,280.00	207,178.16	1,075,101.84	83.8
4401: Lubombo Regional Health Offices	323,876.00	323,876.00	50,000.00	273,876.00	84.6
3230: Sexual Reproductive Health Programme Unit	91,052.00	91,052.00	11,600.00	79,452.00	87.3
4502: Piggs Peak Hospital	162,431.50	162,431.00	10,200.00	152,231.00	93.7
1202: Mental Hospital	81,277.50	81,277.00	2,500.00	78,777.00	96.9
4506: Emkhuzweni Health Centre	164,224.50	164,224.00	2,000.00	162,224.00	98.8
Under Expenditure on CTA Charges				1,951,223.84	
01 Personnel Costs					
3231: School Health Programme Unit	2,885,973.50	2,885,972.00	2,589,117.53	296,854.47	10.3
4203: King Sobhuza II Public Health Unit	5,161,765.70	5,161,760.00	4,584,656.38	577,103.62	11.2
3221: Health Education Unit	1,448,062.20	1,448,060.00	1,165,085.36	282,974.64	19.5
1102: Principal Secretary's Office	142,111,851.30	128,343,152.00	91,423,549.08	36,919,602.92	28.8
4301: Shiselweni Regional Health Offices	6,895,380.20	6,895,380.00	3,390,578.30	3,504,801.70	50.8
4401: Lubombo Regional Health Offices	3,960,738.60	3,960,736.00	1,685,600.52	2,275,135.48	57.4
4201: Manzini Regional health Offices	3,752,492.60	3,752,491.00	1,255,142.87	2,497,348.13	66.6
3216: Health Inspectorate Lubombo	200,944.00	200,944.00	66,704.16	134,239.84	66.8
4501: Hhohho Regional Health Offices	4,646,055.30	4,646,051.00	747,733.80	3,898,317.20	83.9
Under-Expenditure on Personnel Costs				50,386,378.00	
02 Travel, Transport & Communication Costs					
1102: Principal Secretary's Office	9,198,197.00	23,029,600.00	20,500,589.64	2,529,010.36	11.0
4504: Hhohho Regional (Mbabane Sub-District) Clinics	48,788.00	48,787.00	38,496.37	10,290.63	21.1
4202: Manzini Region Clinics	52,277.00	52,275.00	39,667.75	12,607.25	24.1
4203: King Sobhuza II Public Health Unit	62,733.00	62,732.00	45,161.43	17,570.57	28.0
2101: Central Medical Stores	66,314.00	66,311.00	45,974.83	20,336.17	30.7
1202: Mental Hospital	18,767.00	18,764.00	12,830.57	5,933.43	31.6

4201: Manzini Regional health Offices	23,404.00	23,403.00	15,856.46	7,546.54	32.3
1103: National Events	174,260.00	174,259.00	115,919.45	58,339.55	33.5
4506: Emkhuzweni Health Centre	18,968.00	18,967.00	12,138.92	6,828.08	36.0
4402: Lubombo Region Clinics	147,779.00	147,776.00	93,068.12	54,707.88	37.0
4304: Hlatikhulu Hospital	45,400.00	45,397.00	25,197.70	20,199.30	44.5
4401: Lubombo Regional Health Offices	48,067.00	48,065.00	25,487.29	22,577.71	47.0
2103: National Blood Transfusion Service	156,382.00	156,380.00	76,001.90	80,378.10	51.4
4403: Sithobela Health Centre	15,899.00	15,896.00	7,585.08	8,310.92	52.3
4404: Siteki Public Health Unit	31,823.00	31,820.00	14,126.59	17,693.41	55.6
2104: Biomedical Engineering	13,944.00	13,944.00	5,643.70	8,300.30	59.5
4502: Pigg's Peak Hospital	44,600.00	44,597.00	14,848.10	29,748.90	66.7
3221: Health Education Unit	13,405.00	13,404.00	3,354.00	10,050.00	75.0
4206: Health Inspectorate Manzini	16,336.00	16,335.00	3,445.26	12,889.74	78.9
3218: Aids Programme Unit	13,069.00	13,068.00	1,329.40	11,738.60	89.8
Under-Expenditure on Travel, Transport & Communication Costs				2,945,057.44	
03 Medical Drugs					
2102: Central Laboratory	68,015,600.00	68,015,600.00	60,273,394.98	7,742,205.02	11.4
4506: Emkhuzweni Health Centre	1,700,000.00	1,700,000.00	1,439,950.58	260,049.42	15.3
1106: Not in the Establishment Register	51,965,040.00	51,965,040.00	42,642,466.09	9,322,573.91	17.9
3228: Not in the Establishment Register	65,230,993.00	65,230,993.00	51,990,668.66	13,240,324.34	20.3
4205: Mankayane Hospital	10,000,000.00	10,000,000.00	7,534,423.11	2,465,576.89	24.7
4505: Hhohho Regional (Pigg's Peak sub-District) Clinics	2,360,364.00	2,360,364.00	1,689,781.86	670,582.14	28.4
4203: King Sobhuza II Public Health Unit	1,809,010.00	1,809,008.00	1,276,462.38	532,545.62	29.4
4304: Hlatikhulu hospital	13,800,000.00	13,800,000.00	9,376,045.07	4,423,954.93	32.1
4204: Mankayane Public Health Unit	602,604.00	602,604.00	402,681.13	199,922.87	33.2
3210: Tuberculosis Centre	15,000,000.00	15,000,000.00	6,366,369.83	8,633,630.17	57.6
3212: : Manzini Public Health Centre	641,334.00	641,334.00	215,771.35	425,562.65	66.4
1102: Principal Secretary's Office	19,782,609.00	19,782,608.00	5,071,730.31	14,710,877.69	74.4
4501: Hhohho Regional Health Offices	1,000,800.00	1,000,800.00	249,984.50	750,815.50	75.0
4406: Lubombo Regional Hospital	6,500,000.00	6,500,000.00	1,445,436.72	5,054,563.28	77.8
4301: Shiselweni Regional Health Offices	1,660,000.00	1,660,000.00	229,998.00	1,430,002.00	86.1
4303: Hlatikhulu Public Health Unit	457,493.00	457,492.00	41,097.96	416,394.04	91.0
2101: Central Medical Stores	14,763,972.00	14,763,972.00	685,581.65	14,078,390.35	95.4
4508: Mbabane Public Health Unit	2,062,331.00	2,062,328.00	93,856.71	1,968,471.29	95.5
Under-Expenditure on Medical Drugs				86,326,442.11	
04 Professional and Special Services					
3234: Not in the Establishment Register	596,518.00	596,516.00	525,010.87	71,505.13	12.0
1203: National Blood Transfusion Service	2,692,604.00	2,692,600.00	2,361,058.84	331,541.16	12.3
2101: Central Medical Stores	375,889.00	375,884.00	308,387.10	67,496.90	18.0
1104: Planning and Statistics Unit	443,219.00	443,216.00	361,118.04	82,097.96	18.5
2103: National Blood Transfusion Service	1,341,708.00	1,341,706.00	1,060,079.06	281,626.94	21.0
3212: Manzini Public Health Centre	199,588.00	199,583.00	151,289.61	48,293.39	24.2
3221: Health Education Unit	160,380.00	160,374.00	110,540.10	49,833.90	31.1

4504: Hhohho Regional (Mbabane Sub-District) Clinics	72,130.00	72,128.00	45,980.00	26,148.00	36.3
3209: Not in the Establishment Register	83,664.00	83,664.00	53,258.80	30,405.20	36.3
Under-Expenditure on Professional and Special Services				988,948.58	
05 Rentals					
4404: Siteki Public Health Unit	168,860.00	168,860.00	84,430.00	84,430.00	50.0
Under-Expenditure on Rentals				84,430.00	
06 Consumable Materials					
3218: aids Programme Unit	501,272.00	571,924.00	510,436.29	61,487.71	10.8
4502: Piggs Peak Hospital	921,573.00	921,570.00	819,034.72	102,535.28	11.1
3210: Tuberculosis Centre	292,538.00	292,533.00	248,833.90	43,699.10	14.9
1203: National Blood Transfusion Service	1,034,001.00	1,033,995.00	869,699.39	164,295.61	15.9
4506: Emkhuzweni Health Centre	345,749.00	345,745.00	265,906.69	79,838.31	23.1
3221: Health Education Unit	44,071.00	44,067.00	32,075.24	11,991.76	27.2
3232: Not in the Establishment Register	565,225.00	565,218.00	404,052.49	161,165.51	28.5
2101: Central Medical Stores	189,103.00	189,099.00	132,016.72	57,082.28	30.1
4503: Dvokolwako Health Centre	166,000.00	165,999.00	110,616.80	55,382.20	33.4
4206: Health Inspectorate Manzini	112,476.00	112,470.00	73,833.92	38,636.08	34.4
4405: Health Inspector Lubombo	160,571.00	160,566.00	104,496.14	56,069.86	34.9
4303: Hlatikhulu Puplic Health Unit	12,908.00	12,907.00	5,364.00	7,543.00	58.4
4307: Health Inspectorate Shiselweni	310,817.00	310,810.00	88,180.97	222,629.03	71.6
1105: National Advisory Committee on Substance Abuse	64,271.00	243,768.00	51,440.62	192,327.38	78.9
Under-Expenditure on Consumable Materials				1,254,683.11	
Total Under-Expenditure on Recurrent Vote				143,937,163.08	

251. Non-utilisation of Released Budget Appropriatoins

The Ministry also failed to utilize budget releases amounting to **E8,994,969.50** which were released to certain responsibility centres, during the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Item	Appropriated Budget (E)	Released Budget (E)	Actual Expenditure (E)	Unutilised Budget (E)
4202: Lubombo Region Clinics	00	248,230.50	248,230.00	0.00	248,230.00
4301: Shiselweni Regional Health Offices	00	28,529.00	28,529.00	0.00	28,529.00
4402: Lubombo Region Clinics	00	110,089.50	110,089.00	0.00	110,089.00
3202: Not in the Establishment Register	00	68,780.50	68,780.00	0.00	68,780.00
3204 Not in the Establishment Register:	00	51,422.00	51,422.00	0.00	51,422.00
3206: Not in the Establishment Register	00	29,056.00	29,056.00	0.00	29,056.00
3210: Tuberculosis Centre	00	404,227.00	404,227.00	0.00	404,227.00
3212: Manzini Public Health Centre	00	522,347.50	522,347.00	0.00	522,347.00
3218: AIDS Programme Unit	00	106,432.00	106,432.00	0.00	106,432.00
3234: Not in the Establishment Register	00	41,639.50	41,639.00	0.00	41,639.00

Responsibility Centre	Item	Appropriated Budget (E)	Released Budget (E)	Actual Expenditure (E)	Unutilised Budget (E)
4101: Not in the Establishment Register	00	20,140.00	20,140.00	0.00	20,140.00
4201: Manzini Regional Health Offices	00	204,082.00	204,082.00	0.00	204,082.00
4205: Mankayane Hospital	00	80,803.50	80,803.00	0.00	80,803.00
4206: Health Inspectorate Manzini	00	181,588.50	181,588.00	0.00	181,588.00
4304: Hlatikhulu Hospital	00	88,583.50	88,583.00	0.00	88,583.00
4305: Shiselweni Region clinics	00	80,257.50	80,257.00	0.00	80,257.00
4306: Matsanjeni Health Centre	00	38,507.00	38,507.00	0.00	38,507.00
4403: Sithobela Health Centre	00	84,758.50	84,758.00	0.00	84,758.00
4405: Health Inspectorate Lubombo	00	32,931.50	32,931.00	0.00	32,931.00
4503: Dvokolwako Health Centre	00	124,153.50	124,153.00	0.00	124,153.00
4504: Hhohho Regional (Mbabane) Clinics	00	46,716.50	46,716.00	0.00	46,716.00
3207: Not in the Establishment Register	00	29,640.00	29,640.00	0.00	29,640.00
3201: Not in the Establishment Register	01	906,904.00	906,904.00	0.00	906,904.00
1104: Planning and Statistics Unit	01	121,311.00	121,308.00	0.00	121,308.00
3209: Not in the Establishment Register	01	21,516.00	21,516.00	0.00	21,516.00
4101: Not in the Establishment Register	01	56,399.00	56,399.00	0.00	56,399.00
1106: Not in the Establishment Register	02	21,782.00	21,780.00	0.00	21,780.00
4301: Shiselweni Regional Health Offices	02	10,626.00	10,625.00	0.00	10,625.00
4303: Hlatikhulu Public Health Unit	02	13,243.00	13,241.00	0.00	13,241.00
4305: Shiselweni Region clinics	02	15,013.00	15,012.00	0.00	15,012.00
3233: Non-Communicable Diseases Programme Unit	03	5,000,000.00	5,000,000.00	0.00	5,000,000.00
3208: Not in the Establishment Register	04	158,639.00	158,636.00	0.00	158,636.00
3211: Not in the Establishment Register	04	46,621.00	46,616.00	0.00	46,616.00
Total		8,994,969.50			8,994,946.00

Under-expenditures of 10% or more in a year may not be conducive to the development of the country and have a negative impact on service delivery. They may further indicate poor budget planning, execution and performance.

I advised the Controlling Officer to ensure that appropriated funds are utilized for the intended purposes and budgets represent a realistic estimation of the cost of planned activities. I further advised the Controlling Officer to provide the reasons for under-expenditure and non-utilisation of funds released for health services.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

252. Missing Medical Equipment

During my physical verification of assets (durable items) that were purchased by the Ministry of Health during the financial year ended 31st March 2023, I noted that medical equipment amounting to **E163,439.00** was missing and could not be accounted for. This amount comprises of medical equipment worth E147,444.30 and E15,994.70 which was supposedly supplied to the Mbabane Government Hospital and Ezindwendweni Clinic, respectively, as shown in the table below:

Delivery Date	Delivery Note	Supplier	Description	Unit Price (E)	Total Amount (E)
Mbabane Government Hospital					
17/01/23	DN3827	E Medical	4 Diagnostic Otolaryngoscope	16,149.05	64,596.20
12/12/22	SNV-INV-08143	Artemis Pharmaceuticals	5 Dressing trolleys medium	5,347.26	26,736.30
12/12/22	SNV-INV-08143	Artemis Pharmaceuticals	10 Heavy duty wheel chair	5,611.98	56,111.80
Total					147,444.30
Ezindwendweni Clinic					
03/02/23	85997	ASD Medical	5 Right Upper Molars Forceps	493.30	2,466.50
03/02/23	85997	ASD Medical	5 Left Upper Molars Forceps	493.30	2,466.50
03/02/23	85997	ASD Medical	5 Left Semi-Cow Horn Forceps	493.30	2,466.50
03/02/23	85997	ASD Medical	5 Lower Premolar Forceps	493.30	2,466.50
03/02/23	85997	ASD Medical	5 Lower Anterior Forceps	612.87	3,064.35
03/02/23	85997	ASD Medical	Lower Cow Horn Forceps	612.87	3,064.35
03/02/23	85997	ASD Medical	5 Right Upper Molars Forceps	493.30	2,466.50
Total					15,994.70
Grand Total					163,439.00

An examination of delivery notes showed that the medical equipment was acknowledged to have been delivered in full, and signed by employee number 9225578 who is based at Mbabane Government Hospital.

I further noted that the different types of Forceps delivered at the Ezindwendweni Clinic were purchased for a Dental Unit, which was not functional because there was no Dentist at the Clinic hence it appears the equipment was procured without assessment of the need and user requisition.

Section 11(2)(f) of the Public Finance Management Act of 2017 requires Principal Secretaries to put in place arrangements to prevent unauthorised or wasteful expenditure, or loss of public resources. Section 11(3)(g) of the Act also requires Principal Secretaries to take effective and appropriate disciplinary steps including reporting losses as required under Part VII of the Act. In addition, according to section 110(1), a public

office holder, public Officer, or other person with responsibility for Government resources shall be held personally responsible for any loss sustained by Government due to:

e) acts of fraud or negligence on the part of that officer; or

f) acts of fraud or negligence on the part of any other officer, if it is found that the officer Contributed to the loss by the action, negligence or omission of that officer.

I am concerned that the payment was made in respect of undelivered items and furthermore the possibility that the missing equipment may have been stolen or misappropriated.

I advised the Controlling Officer to investigate the irregularity and take necessary action subject to the outcome and further put in place controls that will ensure purchase is informed by need. Further, I advised the Controlling Officer to avail the missing assets for verification and, moreover, ensure that delivery notes are only signed by the authorised receiver for the actual goods received in good condition and right quantities.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

253. Delivery of Faulty Digital Radiography (Mars 65 X-Ray) Machine

I further reported to the Controlling Officer that Duzas Investments was paid **E2,070,000.00** despite having delivered a faulty Digital Radiography (Mars 65 X-ray) machine at Pigg's Peak Government Hospital. The undue payment was made through Payment Voucher No. 096119, dated 9 December 2022 after delivery of the machine on 9 November 2022 as per Delivery Note No. 131. It transpired that on 10th and 13th January, a month after delivery, the machine was found to be faulty since it did not show an image as recorded in the supplier's job card. It is unclear why the machine was not immediately replaced as it is expected that at the time the fault was discovered, the machine should have been still under warranty. Information gathered during my physical verification exercise was that even though the machine was now functional, it often gets faulty and require repairs which shows that it was not in good condition when supplied.

According to section 52(3) of the Public Finance Management (PFM) Act, Principal Secretaries are required to put in place procedures for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier. The Act, under

section 80(1), further requires Controlling Officers to manage assets to ensure that Government achieves value for money when acquiring, using and disposing of Government assets.

I am concerned that the Government is not deriving utmost value from the purchase of the Digital Radiography machine and may end up incurring unwarranted repair costs after the warranty expires. Further, the intended purpose of acquiring the Digital Radiography machine was not being efficiently and effectively achieved which may negatively affect the lives of citizens.

I advised the Controlling Officer to ensure that payment is only made once deliveries have been confirmed to be in good condition, functional and of the right quantity and specification. I also advised the Controlling Officer to investigate the circumstances which led to payment for a faulty machine and why the problem has remained unrectified for a lengthy period and thereafter take necessary action. The Controlling Officer was further advised to manage assets such that Government achieves value for money when acquiring, using and disposing them.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

254. Idle Medical Supplies - Piggs Peak Government Hospital

I further noted during my physical verification exercise (December 2023) that medical instruments received by the Piggs Peak Hospital from ASD Medical Supplies on the 31st October 2022 as per Delivery Note number 82069 had been lying idle for more than twelve months. I also noted that the idle medical supplies which cost Government **E28,090.84**, though delivered at Pigg's Peak Hospital, were according to the Delivery Note strangely received by a Storekeeper based in Mbabane Government Hospital. The table below depicts the unutilised medical instruments.

Item Description	Quantity	Unit Price	VAT (E)	Total Price (E)
Plain Dressing forceps	10	107.86	16.20	1,078.60
Plain Dressing Forceps	10	107.86	16.20	1,078.60
Plain Dressing Forceps	10	107.86	16.20	1,078.60
Gigli	2	258.80	38.82	517.60
Gigli	30	258.80	38.82	7,764.00
Cord Scissor PO-24	6	720.02	108.00	4,320.12
Deaver	3	337.95	50.69	1,013.85

Item Description	Quantity	Unit Price	VAT (E)	Total Price (E)
Deaver	3	360.78	54.12	1,082.34
Deaver	3	382.13	57.32	1,146.39
Retractor Langenbaek 21cm	2	732.92	109.94	1,465.84
Retractor Langenbaek 21cm	2	732.92	109.94	1,465.84
Retractor Langenbaek 21cm	2	732.92	109.94	1,465.84
Retractor Langenbaek 23cm	2	768.87	115.33	1,537.74
Retractor Langenbaek 23cm	2	768.87	115.33	1,537.74
Retractor Langenbaek 23cm	2	768.87	115.33	1,537.74
Total				23,877.21
VAT				4,213.63
Total (VAT INC)				28,090.84

According to Section 80(1) of the Public Finance Management Act, Controlling Officers are responsible for the management of public entity assets and should manage the assets to ensure that Government achieves value for money when acquiring, using and disposing of Government assets. Section 11(2)(f) further requires Principal Secretaries to put in place arrangements to prevent unauthorised or wasteful expenditure, or loss of public resources.

I am concerned that the items delivered may have not been requisitioned by the Pigg's Peak Hospital, in excess of requirements, or not as per the ordered specification. These idle medical supplies may further be susceptible to misappropriation, or theft and moreover, value for money has not been attained from this expenditure.

I advised the Controlling Officer to act swiftly to ensure that value is derived from items purchased and put in place controls that will ensure purchase is informed by need. I further advised the Controlling Officer to ensure that acknowledgement of receipt is only signed by the actual recipient of the items supplied.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

255. Outstanding Commitments

The Ministry of Health had outstanding commitments amounting to **E6,464,604.52** on Project H33099 - Rehabilitation of Mbabane Government Hospital, which had not been cancelled at year-end (31st March 2023), as illustrated in the table below.

Centre	Item	Released Budget	Actual Expenditure	Variance BD80	Variance AA220	Commitments
		E	E	E	E	E
4501	H33099	24,299,755.00	10,798,742.46	7,036,408.02	13,501,012.54	6,464,604.52

It was unclear whether these commitments related to goods already received and recognized in the current financial year or not received and hence carried forward to the 2022/2023 budget. I was therefore unable to ascertain whether the correct treatment of the outstanding commitments was made in the financial statements as per Government laws and regulations.

Section 35 of the Public Finance Management Act of 2017 requires that:

(a) "the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and

(b) All authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I warned that, there is a risk that the reported recurrent expenditure could be misstated, which in turn distorts the financial performance of the Ministry, thus misleading to users of the financial statements.

I advised the Controlling Officer that the Ministry should cancel all commitments that do not become actual expenditure within the stipulated time of 90 days and reconcile the accounts accordingly.

In response, the Controlling Officer concurred with my observation on the outstanding commitments amounting to E6,464,604.52 and explained that the equipment was not delivered hence no payment was made. He further promised that the Ministry would adhere to the recommendation and that such would not occur again.

The Controlling Officer's response was noted, however, at the time of compiling this report, the outstanding commitment had not been cancelled.

256. Non-utilisation of Budget on Capital Project H36899: Health Systems Strengthening

The Ministry did not utilize released budget amounting to **E3,170,413.00** that had been set aside for the implementation of the Health Systems Strengthening Project (Capital Project H36899) during the fiscal year ended 31st March 2023. The details of the non-utilisation of budget on capital project is depicted in the table below.

Responsibility Centre	Project	Released Budget (E)	Actual Expenditure (E)	Unutilised Budget (E)	%
		E	E	E	
1102: Principal Secretary's Office	H36899:	3,170,413.00	0.00	3,170,413.00	100
Total Unutilised Budget				3,170,413.00	

257. Under-Expenditure on Capital Project H33099

The Ministry also incurred under-expenditure amounting to **E13,501,012.54** on capital expenditure budget that had been released for *Rehabilitation of Mbabane Government Hospital* (Project H33099) in the fiscal year ended 31st March 2023. The table below refers.

Responsibility Centre	Project Description	Budget Released	Actual Expenditure	Under-Expenditure	
No. 4501	No. H33099	E	E	E	%
Hhohho Regional Offices	Rehabilitation of Mbabane Government Hospital	24,299,755.00	10,798,742.46	13,501,012.54	55.6
Total Under-Expenditure on Capital Projects				13,501,012.54	

Under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government. This indicates that public funds were tied up in the Treasury Control Items and deprived funding to other essential public programmes during the fiscal year. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country.

I am therefore concerned that planned Programmes may have not been accomplished, leading to limited service delivery and thereby delaying improvements in the Health sector. This may ultimately have a negative impact in the lives of citizens.

I advised the Controlling Officer to always ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for non-utilisation of the released

budget and explain if its intended purposes were met and achieved, despite the under-expenditures.

In response, regarding the non-utilisation of Budget on Capital Project H36899, the Controlling Officer submitted that the Ministry got the funds through a supplementary that was released on the 4th of April 2023. A memo for the transfer of the funds to the Project account was written to the Accountant General on 6th April 2023. As the Government financial year was coming to an end, the funds were not transferred hence the non-utilisation of the released budget. The funds were meant to pay Eswatini Revenue Services for taxes of the Project Implementation Team. As these funds were not transferred, the taxes were not paid and are still owed. Attached is the release warrant and a copy of the Memorandum to the Accountant General requesting the transfer.

Furthermore, regarding the Under-Expenditure on Capital Project H33099, the Controlling Officer explained that the amount released was E71,606,816 and further clarified that E11,308,526 was transferred to Micro-Projects as per an attached telegraphic transfer of funds letters, batch No. 032(E4,300,000) which expenditure totals to E22,107,268.46 and the remainder was supposed to be transferred, unfortunately it was not until the financial year end.

The response by the Controlling Officer was noted, and it affirms my worry that because of inefficient implementation, the funds have not been expended for the intended purposes which may consequently have a negative impact on service delivery and ultimately the lives of citizens.

258. Unappropriated Expenditures on Project H36867- Health Systems Strengthening and Project H36967- Support Towards Curbing the Spread of COVID-19

I noted that the Ministry incurred unappropriated expenditures amounting to **E139,139,735.64**, on Project H36867- Health Systems Strengthening (E63,298,467.43) and Project H36967- Support Towards Curbing the Spread of COVID-19 (**E75,841,268.21**), under Responsibility Centre 1102. The Ministry incurred these expenditures without budget appropriation nor budget release during the financial year ended 31st March 2023. Therefore, the expenditure incurred was unauthorized in terms of the Public Finance Management Act of 2017. Expenditure details are illustrated in the table below.

Responsibility Centre	Project	Budget Released (E)	Actual Expenditure (E)	Unappropriated Expenditure (E)
1102: Principal Secretary's Office	H36867: Health Systems	0.00	63,298,467.43	63,298,467.43
	H36967: Support Towards Curbing the Spread of COVID-19	0.00	75,841,268.21	75,841,268.21
Unappropriated Expenditure on Project 36867 and Project 36967			139,139,735.64	139,139,735.64

The Ministry therefore violated Section 34(7) of the Public Finance Management Act of 2017 which states that any excess or any amount expended but not appropriated should be treated as a loss of public money. Section 107(3)(j) of the act also states that "a public office and public officer, or another person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person willfully or negligently incurs unauthorized expenditures or makes unauthorized commitments.

The continued incurring of excess expenditure unlawfully by the Ministry is a major concern because it has serious effect on the fiscal budget, may lead to disciplinary action, and further increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the Public Finance Management Act (2017) regarding excess (unappropriated) expenditure and enforcement, seek necessary authority before incurring expenditure and also put in place control measures that will prevent recurrence of the anomaly.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

259. Unutilised Industrial Pressure Iron – Rehabilitation of Mbabane Government Hospital (Project H33099)

I reported that an Industrial Electric Pressure Iron which cost Government **E164,000.00** was not being utilized and hence the Government was not deriving any value for the amount expended. The iron was acquired from KZM Investments and delivered on 6th January 2023 at Mbabane Government Hospital hence at the date (January 2024) of our physical verification exercise, it had remained idle for over a year. It is therefore unclear if a need analysis had been made prior to its procurement.

According to section 33(4)(a) of the Public Procurement Regulations of 2020, the approval of requisitions should include confirmation of the need of the items to be purchased. Section 80(1) of the Public Finance Management Act, further places responsibility on

Controlling Officers for the management of public entity assets such that Government achieves value for money when acquiring, using and disposing of Government assets.

I am concerned that the iron was either not requisitioned or the requisition was not informed by need, thus incurring wasteful and fruitless expenditure. Moreover, value to the Government on the money spent may be lost due to possible deterioration, misappropriation or theft of the idle items and expiry of warranty.

I advised the Controlling Officer to act swiftly to ensure that value is derived from the purchase and put in place controls that will ensure purchase is informed by need.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

260. Audit of COVID-19 Emergency Response Preparedness Project for the Financial Year Ended 31st March 2023

260.1. Non-utilisation of Grant Funding (TFOB5461)

I reported that a receipt amounting to **USD 711,635.00 (E12,692,508.37)**, as stated in the Statement of Cash Receipts and Payments, was not utilized as at 31st March 2023. This was despite having been received on the 8th September 2022 which was about seven months before year-end. This amount is part of the USD3,000,000 (E53,507,100.00), grant funding which was made accessible for project implementation effective 26th September 2021, the date of signing the agreement, but had not been utilized at all as at 31st March 2023.

I drew the attention of the Controlling Officer to the implementation time left before the project ends in relation to (vis-à-vis) the rate of spending or funds absorption rate (utilization of available funds).

According to the Kingdom of Eswatini (Health Emergency Preparedness and Response Fund) Grant Agreement between the Kingdom of Eswatini and the International Bank for Reconstruction and Development, the Closing Date of the agreement is 31st March 2024.

I am therefore concerned that planned programmes might not have been accomplished, leading to poor service delivery and thereby delaying implementation of project programs. I am also concerned that the unutilized grant funds will be forfeited thus

leading to non-achievement of Government's health social responsibility which may ultimately have a negative impact on the lives of the citizens.

I advised the Controlling Officer to ensure implementation of the Projects programs and activities in accordance with approved work plans and budget to further engage the World Bank with the propositions to allocate funds to other essential health programmes.

The Controlling Officer acknowledged my observation and stated that the non-utilisation of funds was caused by the initial approval of the activities that were considered as allowable expenditure under the Grant. The main objective of the Grant is to strengthen preparedness for health emergencies, yet the activities that were requested to be funded were considered as COVID-19 response rather than preparedness. This resulted in a lot of back and forth between the World Bank and the Ministry of Health. Currently, there is significant progress on the Grant activities since the Ministry started by developing guiding documents that inform the planned preparedness activities these documents were reviewed by the World Bank. Some of the documents include; the national health emergency response operations plan, Stockpile list, and Operational Framework for One Health.

The Controlling Officer's response was noted. However, the matter still remains reportable since the response does not address the risks highlighted in the audit finding. Also, the Ministry has not provided evidence substantiating the reason for delays.

260.2. Idle Plumbing Material

When verifying assets in the different Health Institutions, I observed that a lot of plumbing material was lying idle at various Health facilities. The unutilized material was part of a consignment acquired from ASD Medical (Pty) Ltd at a cost of **E12,614,998.94** between September 2021 and March 2022. We noted that the material was not recorded on receipt; hence it was not possible to ascertain the total quantities received or delivered, used and unutilized materials. It was not clear why the plumbing material was not utilized for intended purposes as the materials had been lying idle for more than two years.

The material was kept at, Pigg's Peak Government Hospital, Mankayane Government Hospital, Dvokolwako Health Centre, Mkhuzweni Health Centre, Hlathikhulu Government

Hospital, Sthobelweni Health Centre, Good Shepherd Hospital and Matsanjeni Health Centre. The acquisition of the plumbing material is shown below:

Date	Payee	Details	Amount (E)
24/09/2021	ASD Medical (Pty) Ltd	Plumbing Material	641,781.30
07/10/2021	ASD Medical (Pty) Ltd	Plumbing Material	201,002.89
26/10/2021	ASD Medical (Pty) Ltd	Plumbing Material	78,235.60
01/11/2021	ASD Medical (Pty) Ltd	Plumbing Material	382,840.33
01/11/2021	ASD Medical (Pty) Ltd	Plumbing Material	1,404,007.39
01/11/2021	ASD Medical (Pty) Ltd	Plumbing Material	30,118.34
25/11/2021	ASD Medical (Pty) Ltd	Plumbing Material	771,795.13
21/11/2021	ASD Medical (Pty) Ltd	Plumbing Material	2,382,671.26
21/01/2022	ASD Medical (Pty) Ltd	Plumbing Material	575,234.09
21/01/2022	ASD Medical (Pty) Ltd	Plumbing Material	894,168.32
18/03/2022	ASD Medical (Pty) Ltd	Plumbing Material	543,925.06
18/03/2022	ASD Medical (Pty) Ltd	Plumbing Material	3,894,808.02
18/03/2022	ASD Medical (Pty) Ltd	Plumbing Material	814,409.96
Total			12,614,997.69

Section 11(2) of the Public Finance Management Act requires Principal Secretaries to put in place measures for the management of public finances consistent with the principles, standards processes and systems required under this act, including but not limited to: -
 (a) effective and efficient internal control arrangements and systems for the management of assets, liabilities and other risks.

(f) Arrangements to prevent unauthorized or wasteful expenditure or loss of public resources.

I warned the Controlling Officer about the possibility of loss of value on money spent due to deterioration, misappropriation, theft and/or loss of warranty of the idle items. I also raised my concern that the material may have been purchased in excess of requirements.

The Controlling Officer was advised to put in place controls that will ensure the purchase is informed by need and ability to implement. I also requested him to explain why the material was not utilized and further state immediate plans to use the material if any. I further requested the Controlling Officer to provide details of the unutilized materials which should include item descriptions, date acquired, cost and location.

In response, the Controlling Officer submitted that this project was motivated by the sanitary inspections conducted by the Environmental Health Department in 2017, which

revealed a deplorable state of water and sanitation (WASH) facilities in health facilities. It was against this background that the Ministry requested funding under the COVID-19 Emergency Response Project to purchase plumbing materials for the healthcare facilities which included hospitals, health centres and clinics. The Ministry in conjunction with the locally based World Bank Consultant conducted an initial assessment which came up with the Bills of Quantities and a strong recommendation of employing plumbers for this project. The plumbers were employed under the project for an initial six-month contract which was renewed for a further six months. The first task given to the plumbers was to conduct a detailed assessment with quantities and specific plumbing materials. The Ministry then used the Bills of Quantities which informed the generation of an order of plumbing materials from ASD Medical Suppliers (Pty) Ltd.

The recently conducted audit requires the Ministry to explain why the material was not utilized and further state immediate plans to use the material if any. Responding to the first part of the question, "most of the remaining material in store was for all clinics under each catchment area of the 14 hospitals and health centres. While some of the plumbing commodities were to be used as backup stock for routine maintenance in the health facilities. We were not able to install them due to the shortage of transport for plumbers to the clinics and the amount of work in the main healthcare facilities. We believe that the remaining plumbing materials are secured under the custody of the Hospital Administrators. We will also advise the Hospital Administrators and/or Health Facility Management to update improve and harmonise our stores' records, according to the Government Stores Regulations. We will also engage the Healthcare Facilities' Stores Personnel and the plumbers to update the records."

Responding to the second part that is "What are immediate plans to use the material?": The Ministry has re-engaged the same plumbers and employed a supervisor of the project for a short-term contract of three (3) months. The Controlling Officer stated that the ministry will also dedicate one vehicle donated to the Ministry by Water Aid Eswatini to be used to transport plumbers and materials to the clinics for each main facility. The target of the Ministry is to complete the installation of the plumbing material by the end of February 2024 and keep clear records of the remaining emergency response/ backup stock.

The Controlling Officer's response was noted; however, it is not satisfactory. The Ministry has not provided evidence that there was no transport and that all means to get transport were exhausted. Also, regarding the immediate

plans to use the material, there was no evidence of the re-engagement of the plumbers. At the time of concluding the audit, the material remained idle, thus the matter remains unresolved.

260.3. Unauthorised Excess Expenditure and Breach of Contract

I reported to the Controlling Officer that whilst the agreed amount to be spent for the period of 90 days was **E446,400.00**, a total amount of **E1,400,000.00** was paid to Umsiti Investments. Therefore, the variance of **E953,600.00** was spent without a legal binding document. There was further no evidence of an addendum to the initial contract increasing the amount. Also noted was that the invoice dates fell outside the contract period and the expenditure was not fully supported by daily cash slips from the fuel provider. Below is a list of payments made to Umsiti Investments for fuel:

Invoice Date	Invoice Number	Payee	Amount (E)
12/07/2022	300	Umsiti Investments	250,000.00
07/07/2022	227	Umsiti Investments	200,000.00
22/04/2022	205	Umsiti Investments	150,000.00
24/09/2022	412	Umsiti Investments	250,000.00
28/12/2022	656	Umsiti Investments	250,000.00
07/02/2023	1056	Umsiti Investments	300,000.00
Total			1,400,000.00

According to the contract for the Provision of Fuel signed between the Ministry of Health and Umsiti Investments / Puma Energy Eswatini (PTY) LTD, effective from the 10th January 2022 to 15th March 2022, eight (8) vehicles were to be fueled by the service provider to a contract sum of **E446,400.00**, in a period of 90 days.

I warned the Controlling Officer that there was a risk of waste of project funds, and funds expended for purposes not intended or budgeted for.

I advised the Controlling Officer to ensure that The Ministry adhere to conditions of contracts. Furthermore, I requested the Controlling Officer to provide an explanation with supporting documents to for payments exceeding the amount specified in contract agreement.

In response, the Controlling Officer acknowledged my observation and stated that due to an increase in the number of COVID-19 cases, additional case investigations (door-to-door) had to be undertaken. A request was sent to increase the allocation of fuel, as

agreed in the Incident Management Team meeting minutes dated August 2021. A purchase order was issued, to cover the additional costs. Fueling receipts and fueling authority documents were submitted as proof of the expenditure against disbursements.

The response by the Controlling Officer was noted; however, the decision to send a request “to increase the allocation of fuel, as agreed in the Incident Management Team meeting minutes dated August 2021” took place before the contract became effective, that is, from 10th January 2022 to 15th March 2022. This implies that the request to increase the allocation of fuel was considered when contracting the supplier.

I further noted that the cited purchase order was issued on 23rd December 2022 which was after the service had been rendered to a greater extent which was also irregular. Furthermore, the cited purchase order does not reconcile with the invoices cited in the audit finding. The matter therefore remains unresolved and reportable.

260.4. Unsupported Hospitality Payments

I reported that key source and supporting documentation such as purchase orders, attendance registers and training reports for payments amounting to **E1,299,597.50** were not availed during the audit inspection, hence the authenticity of the transactions tabulated below could not be ascertained.

Date	Payee	Details of Expenditure	Amount (E)	Comments / Missing Document	Management Response	Auditor's Evaluation
17/06/22	Gezi Inhlanhla	Breakfast and Lunch Packs for 23 participants attending Quality Management Program Training.	15,870.00	No attendance register and training report	Management was still waiting for documentation from Technical Leads	Documentation from Technical Lead was not received. Therefore, the matter remains unresolved.
20/07/22	Happy Valley Enterprises	Breakfast meeting for 20 participants Project Implementation Unit	5,800.00	No attendance register	Management was still waiting for documentation from Technical Leads.	Documentation from Technical Lead was not received; therefore, matter remains unresolved.
14/06/22	Nhlangano Casino	Accommodation for 25 participants and conference facility for a workshop on psychological care	42,635.00	No attendance register and workshop report	Management provided attendance register	Attendance Report not provided; therefore, response not satisfactory

Date	Payee	Details of Expenditure	Amount (E)	Comments / Missing Document	Management Response	Auditor's Evaluation
20/05/22	Nhlangano Casino	Accommodation and meals for 60 members from 27 th April to 13 th May 2022	841,500.00	Order was raised after service has already been rendered; approval was made during the last date of attendance. No of lunch & drinks and dinner is 108 and 102, respectively yet order is for 50 people	Management was still waiting for a response from program lead	Documentation from Program Lead not received, therefore matter remains unresolved.
04/05/22	George Hotel	Accommodation and meals for Emergency Preparedness and Response for 50 people	50,075.00	No attendance register, requisition and training report	Management provided attendance register and a minute from the procurement officer.	Training report not provided, thus response unsatisfactory
22/03/22	Capitol Caterers	Provision of breakfast and lunch packs for training participants for quality of care and IPC	37,440.00	No attendance register and training report. No purchase order	A purchase order was submitted by management and attendance registers.	The training dates as stated in attendance register do not correspond with the delivery notes attached in the expenditure file. (Attached attendance lists cover periods 7
Date	Payee	Details of Expenditure	Amount (E)	Comments / Missing document	Management Response	Auditor's Evaluation
						to 10/02/2022, 24/03/2022, 17-18 /03/2022 & 29 to 31/03/2022 yet delivery notes are dated 15 and 22/03/2023). Also, There is no training report attached
14/05/22	Siteki Hotel	Provide lunch packs for 48 members	113,332.50	No list of people being provided	A minute requesting financial support and attendance register were submitted by management.	Requested documents attached, audit finding resolved
15/04/22	Tums George Hotel	Conference venue and accommodation for 25 Emergency Preparedness and Response staff training	102,150.00	No attendance register, no training report	Attendance register was submitted by management.	No training report, thus response not satisfactory.

Date	Payee	Details of Expenditure	Amount (E)	Comments / Missing Document	Management Response	Auditor's Evaluation
18/07/22	Mountain Inn	Accommodation and meals for 50 participants attending training	88,725.00	No attendance register and Training report	Attendance register was submitted by management.	Response unsatisfactory since the attendance list indicated that there were 44 participants instead of 50
14/06/22	Siteki Hotel	Provide lunch packs for 12 people at Siteki Public Health Unit	2,070.00	No attendance register	Management was still waiting for documentation from Technical Leads	Documentation from Program Lead not received. Therefore the matter remains reportable
Total			1,299,597.50			

260.5. Unsupported Fuel Expenditure

I also reported that key source and supporting documents for fuel expenditure amounting to **E2,053,502.70** were not availed for inspection during the audit. These included cash receipts (bearing vehicle registration), refueling authority and vehicle log books. As such, we were not able to ascertain that the fuel expenditure incurred was authentic and in respect of authorised vehicles. Tabulated below shows payments made for fuel without key source and supporting documents.

Date	Payee	Invoice number	Amount (E)
12/07/22	Umsiti Investments	300	250,000.00
01/08/22	Nhlangano Filling Station	002	50,000.00
07/06/22	Umsiti Investments	227	200,000.00
22/04/22	Umsiti Investments	205	150,000.00
23/09/22	Misty Mountains	018	150,000.00
21/09/22	BBX (Fourways Filling Station)	2022092110001	165,027.00
30/09/22	BBX (Fourways Filling Station)	2022092110002	93,475.70
02/10/22	Nhlangano Filling Station	004	80,000.00
02/09/22	Nhlangano Filling Station	003	70,000.00
21/07/22	Misty Mountains	017	100,000.00
24/08/22	Umsiti Investments	412	250,000.00
07/02/23	Umsiti Investments	1055	300,000.00
28/12/22	Umsiti Investments	656	250,000.00
06/12/22	Nhlangano Filling Station	005	95,000.00
28/12/22	Misty Mountains	020	150,000.00

Total			2,053,502.70

Paragraph 97 of the Project Operational Manual states that “the project’s internal controls should be based on the Government of Eswatini Public Finance Management Act of 2017 and supplemented by the Operational Manual when the need arises”.

Further, section 11(2) of the Public Finance Management Act requires Controlling Officers to put in place measures for the management of public finances consistent with the principles, standards processes and systems required under this act, including but not limited to: -

- (a) Effective and efficient internal controls arrangements and systems for the management of assets, liabilities and other risks.
- (f) Arrangements to prevent unauthorized or wasteful expenditure, or loss of public resources.

I raised my concern to the Controlling Officer that there was a risk of payments for fictitious transactions or services not provided, and payments in respect of undeserving beneficiaries.

I advised the Controlling Officer that all source and supporting documentation should be maintained to ensure accountability and transparency. The Ministry was requested to provide the supporting documents of the above payments for audit inspection.

In response, the Controlling Officer stated that the Ministry has submitted all copies of all cash receipts and refueling authority. The submitted files contained receipts received after fueling with fueling authority documents bearing registration numbers. Misty Mountains and Nhlangano Filling Station receipting system bears registration numbers on the receipts. However, Msiti Filling Station does not bear the registration on their receipts, hence monitoring was done using biweekly statements bearing the registration of the fueled vehicles (included in the blue file).

With regards to the vehicle logbooks, the vehicles used during the COVID-19 response were Government vehicles, the logbooks were monitored by the different programs which are in the Ministry of Health. In addition to the standard Government logbooks, the COVID-19 response team developed a policy with guiding tools and protocols on how to monitor the fueling of the vehicles.

The Controlling Officers response was noted; however, unsupported expenditure amounting to E1,299,597.50 for hospitality facilities remains outstanding. The audit finding has not been satisfactorily addressed and therefore remains reportable.

With regards to unsupported fuel expenditure I did not receive documents matching the fuel expenditure as per the queried invoices. The response did not address the audit finding; hence, the matter remains unresolved and reportable.

260.6. Payment in Respect of an Unendorsed Contract

I noted that a contract between the Ministry of Health and Nhlanguano Puma Filling Station was not signed by the Principal Secretary, on behalf of the Government. However, a total amount of **E50,000.00** was paid to Nhlanguano Puma Filling Station on 09 June 2022 in fulfilment of the Government's obligation yet the contract was not endorsed by the Controlling Officer. Further noted was that the contract does not have page numbers and there was no confirmation that this contract was vetted by the Attorney-General.

According to Section 77(5)(b) of the Constitution of the Kingdom of Eswatini, one of the functions of the Attorney General is to draw or peruse agreements, contracts, treaties, conventions and documents, by whatever name called, to which the Government is a party or in respect of which the Government has an interest. As per best practice, the validity of a contract requires that it should be signed by both parties in order for it to be binding.

I am concerned that the contract was not rightfully endorsed by the Controlling Officer because it may result in unauthorised expenditure, moreover the contract may not be binding thus resulting in unfulfilled obligations.

I advised the Controlling Officer to ensure that contracts should be endorsed by the relevant authority and that payments should be supported by signed contracts. He should also explain why the contract was not signed by both parties. I further requested for evidence that the contract was duly vetted by the Attorney General.

In response, the Controlling Officer submitted that a contract agreement between Nhlanguano Puma Filling Station and the Ministry of Health dated 16 June 2022 and was signed by the Principal Secretary on the 23rd of June 2022.

The Controlling Officer's response was noted. However, the expenditure was supported with an unsigned contract and the transaction occurred on the 7th of June 2022, while the then submitted contract was signed by the Controlling Officer on the 23rd of June 2022. This therefore implies that the expenditure was incurred without a contract.

260.7. Purchase Order Raised after Issuance of an Invoice

I noted that a purchase order that was raised to Waxola Investments was dated 2nd June 2022, whereas the invoice soliciting payment, amounting to **E310,500.00**, was dated 20th May 2022 and received by the Ministry of Health on the 30th May 2022. This implies that at the time of providing the service, the purchase order had not been issued to the supplier, thus contradicting procurement principles.

According to Paragraph 97 of the Project Operational Manual, the project's internal controls should be based on the Government of Eswatini Public Finance Management Act of 2017 and supplemented by the Operational Manual when the need arises.

Section 11(2) of the Public Finance Management requires Controlling Officers to put in place measures for the management of public finances consistent with the principles, standards processes and systems required under this act, including but not limited to: (a) effective and efficient internal controls arrangements and systems for the management of assets, liabilities and other risks.

I am concerned that financial losses could be incurred by the Government as a result of non-delivery or delivery of inferior goods or services.

I advised the Controlling Officer not to accept invoices for unordered supplies and also ensure that the delivery of goods or services is informed by purchase orders and not vice versa.

In response, the Controlling Officer stated the Ministry would ensure that in future the purchase order is issued first, as per Government regulations.

The Controlling Officer concurred with my audit observation.

261. Non-Recording of Financial Transactions (Receipts and Payments) in the Government Accounting System: COVID-19 Emergency Response Preparedness and Health System Strengthening for Human Capital Development Projects

I reported to the Controlling Officer that during the audit, I observed with concern that all transactions (receipts and payments) for the COVID-19 Emergency Response Preparedness and Health System Strengthening for Human Capital Development projects were not recorded or captured in the Government Accounting System, since inception of these projects. Instead, an excel spreadsheet was used to record the transactions. There was no justification by the Ministry for the non-recording of the transactions in the Government Accounting System. This was not in compliance with the Project Operations Manual, Government Financial Management Accounting Procedures Manual 1993, and Public Finance Management Act 2017.

During the financial year ended 31st March 2023, transactions for total receipts amounting to **E67,812,870.00 (USD4,163,210)** and total payments amounting to **E54,138,256.00 (USD3,206,960)** for Health System Strengthening for Human Capital Development Project P168564 were not captured in the Government Accounting System. Further, total receipts amounting to **E21,521,935.00 (USD1,213,546.00)** and total payments amounting to **E36,720,355.00 (USD2,160,920.00)** for COVID-19 Emergency Response Preparedness Project P173883 were also not captured in the Government Accounting System.

According to the Health System Strengthening for Human Capital Development and COVID-19 Emergency Response in Eswatini Project Operations Manual, Section G (paragraph 93), "The project accounting system will be based on **Government accounting software called "Entire"**. "

I warned the Controlling Officer that non-recording of the transactions in the Government Accounting System compromises the confidentiality, integrity and availability of the project's financial information. Furthermore, this may result to poor monitoring and evaluation of the Project and erroneous financial reports.

I advised the Controlling Officer to record or capture all projects transactions (since inception) in the Government Accounting System for custody of the financial information and record keeping. The Ministry should comply with the Project Operations Manual.

In response, the Controlling Officer mentioned that the ENTIRE system is only used for Government budgeted expenditure, not projects supporting the Ministry of Health. Post the mid-term review, the project documents (Project Operating Manual and Project Appraisal Document) were reviewed to include the accounting system (Quick Books and Pastel) that were acquired by the Ministry.

The Controlling Officer's response is acknowledged; however, it is incorrect to state that the ENTIRE Government Accounting System is only used for Government budgeted expenditure, not projects supporting the Ministry of Health. The Government Accounting System is used to capture all Government accounting transactions including Projects. Further, project expenditure is part of Government budgeted expenditure which is duly presented in the Government Budget Estimates Book (refer to budget for Project H36867(HSS) in the Government of the Kingdom of Eswatini Estimates Book). All transactions incurred from appropriated public funds are required to be recorded in the Government Accounting System, not any other accounting system like those suggested (Quick Books and Pastel). The matter has, therefore, not been addressed and, hence, remains reportable.

262. Audit of the Health System Strengthening for Human Capital Development Project for the year ended 31 March 2023

262.1. Low Budget Absorption

Significant under-expenditure totalling to **USD4,080,569.00 (E72,779,804.51)**, that is 61%, was noted when comparing the budget and actual expenditure for the year ending 31 March 2023 on the Statement of Comparative Budget and Actual Expenditure. This indicates that only 39% of the budget was utilised. Further, explanations for the material differences were not disclosed in the financial statements. The table below shows an analysis of the variances.

Programme Objectives/Components and Activities	Budget (USD)	Actual Expenditure (USD)	Under Expenditure (USD)	%	Management Response
1.0 Improve Health Delivery to Increase the Coverage and Quality of Health Services to build Human Capital					

Programme Objectives/Components and Activities	Budget (USD)	Actual Expenditure (USD)	Under Expenditure (USD)	%	Management Response
1.1 Build Capacity of Health Care Workers to deliver enhance, high impact RMNCAH and Nutrition and NCD Services across the continuum of Care	1,200,821	566,466	634,355	53	<i>The project had challenges in finding a vendor to assist in capacity strengthening of the NICU, therefore, the budget for 2022/2023 was not fully utilized.</i>
1.2 Increase the availability of Drugs, Commodities, Functioning Equipment and Client Data for High-Quality Health and Nutrition Service Delivery in Facilities	2,873,001	1,012,613	1,860,388	65	<i>Under the HSS project, focus is on the roll-out of the electronic Logistics Management Information System (eLMIS), however, the system that is being developed by a partner has not been completed therefore, this has affected the roll-out of the system.</i>
1.3 Strengthen the Capacity of Facilities, Programs and Regions to monitor quality of care, supervise and implement a Quality Management Approach in Health Facilities	744,053	370,538	373,515	50	<i>Delay in engagement of consultant (due to failed bids) to support the implementation of these activities resulted in the under-utilization of the budget.</i>
2.0 Increase Community Demand for RMNCAH, Nutrition and NCD Services					
2.1 Strengthen the CHVs to conduct Community Sensitization and Outreach AWBP-C2-A01	220,000	41,162	178,838	81	<i>The scheduling of the activities for this budget line relied on the availability of the community leaders.</i>
2.2 Scale-up of Social Accountability Monitoring of Sexual Reproductive (SRH)AWBP-REC C2-A04 Services	46,564	29,675	16,889	36	<i>There was delay in procurement of all the required equipment and the branding commodities.</i>
2.3 Targeted SBCC	102,000	15,584	86,416	85	<i>The process of engaging the Technical Assistant delayed due to failed bids.</i>
2.4 Design, Develop and Scale-Up ClientBased Digital Applications to help generate awareness, Improve Knowledge, and Boost uptake of Services and Adherence to appointments and Treatment.	47,567	5,364	42,203	89	<i>Most of the activities in this component were delayed because they require the development of software before the procurement of hardware which had large budget allocation.</i>
3.0 Strengthen the MOH's Stewardship Capacity to Manage Essential Health and Nutrition Services and Project Activities					

Programme Objectives/Components and Activities	Budget (USD)	Actual Expenditure (USD)	Under Expenditure (USD)	%	Management Response
3.1 Strengthening Regulations and Regulatory Frameworks	412,857	286,348	126,509	31	<i>Under this activity the projects were supposed to support the development of regulations, however, there was a delay in the endorsement of the legal frameworks.</i>
3.2 Project Management and M&E	1,035,186	273,730	761,456	74	<i>Kindly note that the budget for this activity is \$665,094 and not \$1,035,186 that must have been an oversight. The under expenditure was due to that the project vehicles are fueled through the Government system at CTA, however the budget also included the fuel. In addition, the Ministry's decision was to house the Project Implementation Unit under the MOH offices instead of renting offices.</i>
Total	6,682,049	2,355,123	4,080,569	61	

Cash Basis IPSAS 1.7.8, regarding "Presentation of a Comparison of Budget and Actual Amounts", states that the comparison of budget and actual amounts should be presented separately for each level of legislative oversight:

- a) The original and final budget amounts;
- b) The actual amounts on a comparable basis; and
- c) By way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross-reference to those documents is made in the notes.

I warned the Controlling Officer that the under expenditure reflects that there is a very low budget implementation which may result in failure to achieve project objectives, loss of value on borrowed funds and a negative impact on the lives of the citizens.

I advised the Controlling Officer to improve the project implementation rate and ensure that planned activities are timely implemented.

The response from the Controlling Officer as captured in the table above was noted. However, this is a recurring matter as poor budget performance was reported during my previous year's audit which shows that the matter was not addressed, hence, the recurrence. The objectives of the project might therefore not be achieved within the targeted time, cost and quality standards. The matter, therefore, remains reportable.

262.2. Idle iPads

I reported to the Controlling Officer that **950** Apple iPads amounting to **E13,519,687.45** which were procured in December 2021 were still lying idle at the Central Medical Stores.

This issue had also been raised in my previous audit wherein the Controlling Officer had stated that "there has been a delay in engaging the firm to be responsible for the development of the client-based software applications, mainly due to failed bids which were not anticipated. He had further stated that the Terms of Reference for the engagement of the firm has been reviewed and five firms that qualified initially have been requested to submit proposals.

However, once again, during my physical verification exercise which I conducted in September 2023, 21 months after acquisition, I found that the gadgets were still kept at the Central Medical Stores and not issued to the end users. Information on the acquisition of the iPads is shown below:

Order Number	Invoice number	Delivery Date	Quantity	Unit Price (E)	VAT	Amount (E)
SZ-MOH234158-GORFB	575134	09/12/2021	335	12,375.00	621,843.75	4,767,468.70
	575154	10/12/2021	264	12,375.00	490,050.00	3,757,050.00
	575187	14/12/2021	186	12,375.00	345,262.50	2,647,012.50
	575090	07/12/2021	165	12,375.00	306,281.25	2,348,156.25
Total			950			13,519,687.45

According to Section 80(3) of the Public Finance Management Act of 2017, Controlling Officers are expected to ensure that their entities have adequate systems and processes in place to plan for assets, procure assets, account for assets, maintain assets, store assets and dispose of assets, and including maintaining an assets register that is current, accurate and available for inspection at any time by the Auditor General.

I am concerned that the non-usage of the iPads may result to loss of supplier warranty. Furthermore, these gadgets may be susceptible to theft and misappropriation and may lose their value due to deterioration and obsolescence, and be rendered unusable. Further, there is no value for money attained from this expenditure so long as the gadgets are not used for the intended purposes.

I advised the Controlling Officer that the iPads should be used for the intended purpose and to ensure that asset purchases fulfil a realistic need and occur when the entity is ready to put to use the purchased assets.

In response, the Controlling Officer submitted that the consultant for this activity had been engaged and would develop the Community-Based Digital tools, then the tablets will be utilised.

The Controlling Officer's response was noted; however, I noted that the contract with the vendor was signed in September 2023 and it coincided with the audit engagement dates. This is in spite of the fact the same issue was reported in my audit report for the previous financial year. I am cognizant of the fact that the development of the necessary tools, testing and training may also take time. The Ministry has also not stated why this activity (engaging a consultant) was not done before or concurrently with the acquisition of the IPADS. Also, the response does not address the highlighted risks. The gadgets were meant to gather information identified at the time of their acquisition and therefore the continuous delays in utilizing them will result in non-achievement of desired outputs, outcomes and impacts.

262.3. Unauthorised Diversion of Project funds

I observed that an amount of **USD400,000.00** (equivalent to **E7,241,600.00**) was transferred on 30th March 2023 from the Health System Strengthening for Human Capital Development Project Dollar Account to the COVID-19 Emergency Response Project Account, despite the fact that these two projects have different objectives, work plans and budgets. There was no evidence that the transfer of funds was in accordance with the project's approved work plan and budget and duly authorised by the World Bank. Further to that, the funds withdrawn from HSS4CD Account, do not appear on COVID-19 Emergency Response Project Account bank statements for the year ended 31st March 2023.

According to Article 3.01 of the Loan Agreement (Health System Strengthening for Human Capital Development Project in Eswatini) between the Kingdom of Eswatini and the International Bank for Reconstruction and Development, the Borrower declared its commitment to the objectives of the Project.

I warned the controlling Officer that unauthorised diversion of funds may lead to misappropriation of funds, incurring of ineligible expenditure and concealment of slow project implementation.

I advised the Controlling Officer not to deviate or move project funds between the two projects in order to circumvent controls laid down as requirements for withdrawal of designated funds. I further requested the Controlling Officer to provide evidence of the beneficiary account and authority to divert the funds and to ensure that project disbursements are aligned with the Project's work plan, budget.

In response, the Controlling Officer acknowledged my observation. He submitted that the HSS project funds were diverted because the COVID-19 Project had insufficient funds because of delayed approval of Interim Financial Reports (IFRs), for the 2nd and 3rd quarters. However, the funds have been reimbursed.

The response from the Controlling Officer was noted, however there is no evidence confirming that the funds were paid back to the HSS Project, as the supporting documents were not availed. Further, evidence of the beneficiary account and authority to divert the funds were not provided. There is also no evidence supporting the Controlling Officer's assertion that there was delayed approval of the Interim Financial Reports and reasons for the delay were not explained.

262.4. Payment Processed Without Controlling Officer's Approval (Unsigned Memo to Accountant General)

I also observed that a memorandum from the Principal Secretary to Accountant General requesting payment was not signed by the Principal Secretary. The payment request amounting to **E160,657.00** was processed without the Controlling Officer's approval.

Section G(107) of the Project Operational Manual states that the project will have adequate financial management in place to ensure that funds are used for purposes intended and to prevent errors and fraud.

The Controlling Officer was warned that payment for unauthorised expenditure will result to financial losses, and increase the risk of collusion to commit and conceal fraudulent payments. I advised the Controlling Officer to ensure that all documents requesting payments are duly approved before they are processed.

The Controlling Officer did not provide a response to this matter hence it remained unresolved.

262.5. Non-availability of Assets for Physical Verifications and Non-recording of Assets (Durable Items) in the Government Stores Ledgers

I notified the Controlling Officer that durable assets *(5 Tablets and Tablet Stands; 100 units of Weighing Scales; and 10 litres Oxygen Concentrator for Mankayane Health Centre, 10 litres Oxygen Concentrator for Nhlanguano Health Centre, and 100 Electronic Body Scales for Central Medical Stores)* were not accounted-for in the Government records and neither recorded in the Government Stores Ledgers; instead, they were recorded in an excel spreadsheet file saved as Asset Register.

Furthermore, documents pertaining to their issuance (allocations including responsible persons, movements and locations were not provided, and were also not availed for physical verification during the audit. As a result, their existence could not be confirmed. The breakdown of these durable assets are illustrated in the three tables below.

Unverified Tablets and Tablet Stands

Description of Asset	Physical Identification Code	Serial Number & Registration Code	Supplier	Total Cost (E)	Delivery Date as per Delivery Note
Tablet & Tablet Stand	WB/MOH/TAB/SRH/55	353415709069994	Netcom	3,455.00	2021/07/26
Tablet & Tablet Stand	WB/MOH/TAB/SRH/56	353415709070414	Netcom	3,455.00	2021/07/26
Tablet & Tablet Stand	WB/MOH/TAB/SRH/57	353415709072618	Netcom	3,455.00	2021/07/26
Tablet & Tablet Stand	WB/MOH/TAB/SRH/58	353415709169133	Netcom	3,455.00	2021/07/26
Tablet & Tablet Stand	WB/MOH/TAB/SRH/59	353415709170891	Netcom	3,455.00	2021/07/26
Total Cost				17,275.00	

Unverified Weighing Scales

Description of Asset	Location	Physical Identification Code	Quantity	Supplier	Total Cost (E)	Delivery Date as per Delivery Note
Weighing Scales	PIU	WB/MOH/WS/NCD/01	100	Artemis Pharmaceuticals	174,730.00	23/02/2022

262.6. Unrecorded and Unverified Oxygen Concentrators and Electronic Body Scales

My review of expenditure supporting documentation revealed that durable items worth **E136,959.98** and **E196,147.00** which were purchased from ASD Medical (Pty) Ltd and Thompson Distributors, respectively, were not accounted-for in the Government Records and neither recorded in the Government Stores Ledgers. They were also not availed for physical verification during my audit, hence I was not able to confirm their existence. Details of the durable items are shown in the table below.

Description of Asset			Location	Physical Identification Code (S/N)	Total Cost (E)	Delivery Note	Date Received
Oxygen litres	Concentrator	10	Mankayane Health Centre	J02422	7,208.42	4008	2022/03/11
				J02334	7,208.42	4008	2022/03/11
				J02563	7,208.42	4008	2022/03/11
				J02525	7,208.42	4008	2022/03/11
				J02431	7,208.42	4008	2022/03/11
				J02301	7,208.42	4008	2022/03/11
				J02481	7,208.42	4008	2022/03/11
				J02331	7,208.42	4008	2022/03/11
				J02543	7,208.42	4008	2022/03/11
Oxygen litres	Concentrator	10	Nhlangano Health Centre	J0 2521	7,208.42	4007	2022/03/11
				J02333	7,208.42	4007	2022/03/11
				J02430	7,208.42	4007	2022/03/11
				J02570	7,208.42	4007	2022/03/11
				J02573	7,208.42	4007	2022/03/11
				J02574	7,208.42	4007	2022/03/11
				J02342	7,208.42	4007	2022/03/11
				J02317	7,208.42	4007	2022/03/11
				J02488	7,208.42	4007	2022/03/11
				J02343	7,208.42	4007	2022/03/11
Total					136,959.98		
100 Electronic Body Scales			Central Medical Stores		196,147.00	1959 and 1984	23/12/2021 and 24/06/2022
Total Amount					333,106.98		

Cash Basis IPSAS 2.1.24 (a) encourages entities to disclose in the notes to the financial statements information about assets of the entity. Furthermore, according to section 80(3) of the Public Finance Management Act of 2017, Controlling Officers are expected

to ensure that their entities have adequate systems and processes in place to plan for assets, procure assets, account for assets, maintain assets, store assets and dispose of assets and including maintaining an assets register that is current, accurate and available for inspection at any time by the Auditor General.

I am concerned that under the circumstances, I cannot rule out that the payment may have been in respect of undelivered items. Further, it is possible that the assets may have been misappropriated or stolen. I advised the Controlling Officer to prepare a complete asset register with locations for all the assets procured using project funds and avail them for audit verification.

The Controlling Officer in his response stated that the five (5) Tablets and Tablet Stands and 100 units of Weighing Scales were incorporated in the Asset Register kept in an excel spreadsheet file. The five (5) Tablets and Tablet Stands were delivered to the five health facilities through the Technical Lead. These assets will be accounted for in the Government Records Stores Ledger.

On the other hand, the Assets (oxygen concentrators) in question are for the previous financial year and were delivered to the NCD health facilities through the Technical Lead, and will be incorporated in the Fixed Assets Register, since it is an ongoing process.

The Controlling Officers response was noted; however, it does not address the non-availability of the Assets for physical verification. Also, the response does not confirm that the 100 units of Weighing Scales were delivered, and it also does not confirm allocations, including responsible persons and locations.

Further, at the time of concluding this report, the queried assets were still not recorded in the Government Stores Ledgers and there was no evidence that the assets were ultimately recorded in the Government Stores Ledgers.

Furthermore, records show that the transaction of the purchase of the 10 litres Oxygen Concentrators occurred on the 11th March 2022 and the actual payment was recognised during the year under review as per the dictates of IPSAS cash accounting basis. This matter remains reportable.

263. Mis-posting of Departmental Allowances

Departmental allowances amounting to **E233,716.93** were incorrectly coded under suspense account type (454–1203–01297) instead of recurrent account type (452–4306–

01297) in financial year ended 31st March 2023. These transactions were posted to a non-existing account instead of the recurrent expenditure account; as such they were not recognized as expenditure and were omitted from the financial statements for the year ended 31st March 2023. The breakdown of the mis-posted transactions is depicted in the table below.

Responsibility Centre	Account Item	Asset Balances (E)
1203: T.B. Hospital	01297: Departmental Allowances	159,730.12
4306: Matsanjeni Health Centre	01297: Departmental Allowances	73,986.81
Total Mis-postings of Departmental Allowances		233,716.93

Section 11, paragraph 1.3, of the Financial Management and Accounting Procedures Manual states that Below the Line Accounts include all those accounts where the last digit of the 3 number Head code is a "4". The 5-digit item code falls into the range 50001 to 99999. Some BTL account numbers are general to all line Ministries; others may be specific to an individual line ministry, whilst many fall directly under the control of Treasury.

I warned the Controlling Officer that the Departmental Allowances expenditure was understated since the transactions were not reflected anywhere in the Government Financial Statements.

I then advised the Controlling Officer to ensure that his Accounts Personnel investigate and make the necessary adjustments to correct the mis-posting.

At the time of compiling this report, the Controlling Officer had not responded to the audit finding; hence it remained unresolved.

264. Unaccounted-for Cash for Wages Advance

I also reported that cash amounting to **E133,854,165.90**. in respect of wages advance, was not accounted-for and brought back to Government as at 31st March 2023. This amount comprises of transfers amounting to **E17,690,750.00** that were made by the Ministry to the Eswatini MTN for distribution to health motivators, through the Wages Advance Suspense Account without a budget provision and also prior year payments amounting to **E116,163,415.90** that were directly made to the health motivators using the cheque payment modem, without the budget provision as well.

Centre	Account Item	Unaccounted-for (E)
3202: Not in the Establishment Register	50204: Wages Advance (Wages for Bagcugcuteli)	133,854,165.90

Total Unaccounted-for Cash Wages Advance	133,854,165.90

Financial and Accounting Instruction number 1408 stipulates that “the Standing Advance must be balanced at least once a week using the Standing Advance cash book. The cash held must agree with the balance on hand. Any discrepancy must be investigated immediately and any shortage made good or surplus paid into revenue in accordance with Instruction”. Also, Section 11, Paragraph 3.11, of the Financial Management and Accounting Procedures Manual provides guidance with regards to Treasury year-end closing procedures circular calling for all petty cash imprest and standing advances accounts to be retired on or prior to 31 March and that the year-end balance on this item should equal nil”.

I am concerned that missing cash may not be recovered from the affected officers. Furthermore, Government was deprived of receiving cash, which could have been utilized to improve the economic development and lives of the citizens.

I advised the Controlling Officer to recover the public funds from the officers involved with immediate effect, as required by the Financial and Accounting Instruction number 0509.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

265. Officer’s Personal Account and Salary Advance

265.1. Mis-posting Tour Advance as Officer’s Personnel Account

I notified the Controlling Officer a tour advance retirement amounting to **E14,275.84**, was erroneously captured under the Officer’s personnel account no. 511002, responsibility centre 1102, in the financial year ended 31st March 2023.

265.2. Erroneously Receipted Salary Advance Under the Ministry instead of Treasury Department

Furthermore, a salary advance amounting to **E1,000.00**, relating to employee number 004865502, was receipted (through receipt number 08430556) on the 7th November 2018 under the Ministry instead of the Treasury Department, where it was initially paid or processed. The settlement of the salary advance was therefore misplaced thus creating a fictitious liability under the responsibility centre 1203, as at 31st March 2023.

Responsibility Centre	Account Item	Liability Balances (E)
1102: Principal Secretary's Office	51002: Officer's Personal Account	14,275.84
1203: T.B. Hospital	51003: Salary Advance	1,000.00

This was in contravention with Financial and Accounting Instruction 1204 which stipulates that "when a personal advance is made to a public officer it will be debited to his personal account. The Controlling Officer must ensure that no salary is subsequently paid unless arrangements have been made for the commencement of repayments". Salary advances are required to be recovered within three months from source as a deduction of salary. Further, Financial and Accounting Instruction 0909 states that the "cash is advanced by the Treasury and the Controlling Officers must maintain a record of all cash advances obtained, the officer responsible, and how and when the advance was cleared".

I am concerned that fictitious liabilities have been created as a result of the uncorrected errors, thus, overstating reported liabilities.

I advised the Controlling Officer to investigate the errors and make necessary adjustments to rectify (correct) the affected accounts.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

266. Unretired Tour Advances and Fictitious Liabilities Due to Non-posting of Tour Advances in the Suspense Account and Cash Book

I reported that tour advances amounting to **E10,035,509.52** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were fictitious liabilities amounting to **E2,735,410.29** that were created due to non-postings of tour advances in the Suspense Account and Cash Book after charging the Government General Account for those tours, under the Ministry. The tour advances were cashed out at the banks and the non-postings of tour advances indicate that the tour advance (external travel) expenditure was not recorded in the books of accounts and fictitious liabilities were created when retiring the tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)	Fictitious Liabilities Due to Unposted Tour Advances (E)
1001: Minister's Office	51006: Tour Advances- Employees	1,130,474.45	
1102: Principal Secretary's Office	51006: Tour Advances- Employees	2,690,996.30	
1103: National Events	51006: Tour Advances- Employees	872,893.95	
1105: National Advisory Committee on Substance Abuse	51006: Tour Advances- Employees	742,035.37	
1201: Mbabane Hospital	51006: Tour Advances- Employees	686,026.25	
1203: T.B. Hospital	51006: Tour Advances- Employees	699,195.79	
1204: Intensive Care Unit	51006: Tour Advances- Employees	645,046.45	
1205: Special Medical Care Unit	51006: Tour Advances- Employees	722,574.88	
2101: Central Medical Stores	51006: Tour Advances- Employees	501,985.00	
3201: Not in the Establishment Register	51006: Tour Advances- Employees	17,261.60	
3210: Tuberculosis Centre	51006: Tour Advances- Employees	406,695.07	
3212: Manzini Public Health Centre	51006: Tour Advances- Employees	35,398.23	
3224: Not in the Establishment Register	51006: Tour Advances- Employees	900.00	
3230: Sexual Reproductive Health Programme Unit	51006: Tour Advances- Employees	124,469.94	
3232: Not in the Establishment Register	51006: Tour Advances- Employees	34,291.17	
3233: Non-Communicable Diseases Programme Unit	51006: Tour Advances- Employees	5,818.95	
3234: Not in the Establishment Register	51006: Tour Advances- Employees	448,061.50	
4104: Not in the Establishment Register	51006: Tour Advances- Employees	119,301.58	
4204: Mankayane Public Health Unit	51006: Tour Advances- Employees	8,696.82	
5101: Not in the Establishment Register	51006: Tour Advances- Employees	143,386.22	
1202: Mental Hospital	51006: Tour Advances- Employees		4,255.35
2102: Central Laboratory	51006: Tour Advances- Employees		2,530,511.37
3218: Aids Programme Unit	51006: Tour Advances- Employees		197,277.64
4110: Not in the Establishment Register	51006: Tour Advances- Employees		1,284.93
4501: Hhohho Regional Health Offices	51006: Tour Advances- Employees		2,081.00
Total Unretired Tour Advances and Fictitious Liabilities Due to Non- postings of Tour Advances		10,035,509.52	2,735,410.29

Financial and Accounting Instruction 1209 which states that "the Tour Advances should be repaid immediately upon the completion of the tour". Further, Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advances item should normally equal zero".

I warned the Controlling Officer that unretired tour advances remained unrecovered monies due to Government, and due to non-postings of tour advances in the Suspense Account and Cash Book, created fictitious liabilities, and the external travel expenditure was understated in the financial year it relates; thus distorts the financial position and financial performance, respectively.

I advised the Controlling Officer that, the Ministry should ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Ministry to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advances Account at the end of each month.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

267. Unutilised Grant Capital Funds Received for Health Equipment Program

I also noted that there were unutilised grant capital funds amounting to **E18,181,050.00** for the Health Equipment Program, under the Responsibility Centre 1102 – Principal Secretary’s Office, as at 31st March 2023. This was a grant from other bodies and the funds were received in the financial year 2010 from the donor and posted through Voucher number 131406, on the 30th October 2009. These are donor funds that remained unutilised and the Government has no obligation to refund these funds back to the donor. The breakdown of the unutilised capital funds is depicted in the table below.

Responsibility Centre	Account Item	Liability Balance (E)
1102: Principal Secretary’s Office	60277: Health Equipment	18,181,050.00

According to Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993), greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year.

The non-utilisation of grant capital funds deprived the patients from receiving health services. Also, since there is no obligation to refund the unused balance, recognizing it in the financial statements as a liability is misleading and inappropriate.

The Controlling Officer was advised to investigate the misclassification of deposits as donor funds and the non-utilisation of grant capital funds, and to take appropriate action to clear the fictitious liabilities.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

268. Mis-posting of Expenditure Relating to Dialysis Machine for Mankayane Hospital Program

I reported that expenditure relating to a Dialysis Machine for Mankayane Hospital program from a Chinese Grant, amounting to **E313,500.00**, was erroneously posted under the Ministry (under the Manzini Regional Health Offices (responsibility centre 4201)) instead of the Treasury Department in the financial year ended 31st March 2018. This payment was processed on the 26th September 2017, through Voucher number 132320.

The mis-posting resulted to the creation of a fictitious asset balance, which has not been corrected by the Ministry, since then. The expenditure was included in the Consolidated Statement of Grants from Other Bodies for the financial year ended 31st March 2018, however, the mis-posting error remained unrectified and the balance as at 31st March 2023 is illustrated in the table below.

Responsibility Centre	Account Item: 60284: Dialysis Machine for Mankayane Hospital	Fictitious Assets Due to Mis-posting error (E)
Unutilised grant capital funds for Dialysis Machine for Mankayane Hospital Balance before mis-posting		4,266,047.50
Unutilised grant capital funds for Dialysis Machine for Mankayane Hospital Balance as per the Statement of Grants from other bodies		3,952,547.50
4201: Manzini Regional Health Offices	Mis-posting of Expenditure Relating to Dialysis Machine for Mankayane Hospital Program	313,500.00

Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) stipulates that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I am concerned that because of the uncorrected mis-posting reported assets have been overstated.

I recommended that the Controlling Officer should investigate the mis-posting and make necessary adjustments to correct the error.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

269. Fictitious Assets due to Unappropriated Expenditure on Outstanding Accounts -All Ministries

I notified the Controlling Officer that payments amounting to **E12,459,009.26** were incurred without budget provisions on 'Outstanding Accounts All Ministries' in the financial year 2005, under the Minister's Officer (Responsibility Centre 1001). The payments (recurrent expenditure) were excluded in the financial statements and the unappropriated expenditure created fictitious assets in the books of accounts, and were not cleared through the use of budget savings or budget supplementary. Hence they remained uncleared since then, and balance was included in the assets as at 31st March 2023.

I also noted that the Ministry irregularly moved unappropriated funds from the Outstanding Accounts- All Ministries Account to the Phalala Fund Suspense Account No. 62106 to cater for Phalala Fund program expenditure. The transfers of funds without budget provision are illustrated in the table below.

Voucher Number	Description / Account Item	Fictitious Asset Balance (E)
100224	Funds Transferred for Phalala Fund	660,339.64
100225	Funds Transferred for Phalala Fund	5,538,001.72
100226	Funds Transferred for Phalala Fund	5,538,001.73
100227	Funds Transferred for Phalala Fund	722,666.17
Total	61080: Outstanding Account All Ministries	12,459,009.26

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

I advised the Controlling Officer that the Ministry should clear the unappropriated expenditure and fictitious assets by using budget savings or reallocation to nil balance at the end of the financial year.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

270. Overdrawn Balance Due to Unappropriated Expenditure and Unclaimed Sundry Departmental Deposits

I noted that the Ministry incurred unappropriated expenditure amounting to **E10,052,975.00** narrated 'transfer of funds', through payment voucher 010028, batch 007, in the financial year ended 31st March 2008, under the responsibility centre 1102-Principal Secretary's Office. The unappropriated expenditure was not included in the Statement of Expenditure for that year and created fictitious assets which were reduced to an overdrawn balance of **E10,048,166.20** by the unclaimed deposits amounting to **E4,808.80** collected in the previous years, under same responsibility centre.

I further noted that the Ministry transferred funds from Project S10099-04199 amounting to **E264,581.58**, to the third party collections (sundry departmental deposits) account-61101 under the responsibility centre 5101, which was not in the Establishment Register. The ministry incurred expenditure against these funds and the balance was reduced to **E60,020.58** as at 31st March 2010 and a deposit of **E900.00** increase the balance to **E60,920.58** in the fiscal year ended 31st March 2011. Since then, both the unutilised budget and deposit have not been cleared, and they were included in the liabilities as at 31st March 2023.

I also reported that there were unclaimed sundry deposits in the other responsibility centres. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unappropriated Expenditure Reduced by Deposits (E)	Unclaimed Deposits (E)
1102: Principal Secretary's Office	61101: Sundry Departmental Deposits	10,048,166.20	
5101: Not in the Establishment Register	61101: Sundry Departmental Deposits	-	60,920.58
1202: Mental Hospital	61101: Sundry Departmental Deposits	-	12,100.00
1203: T.B. Hospital	61101: Sundry Departmental Deposits	-	26,500.00
1205: Special Medical Care Unit	61101: Sundry Departmental Deposits	-	2,120.00
3205: Not in the Establishment Register	61101: Sundry Departmental Deposits	-	1,000.00
3207: Not in the Establishment Register	61101: Sundry Departmental Deposits	-	5,588.37
3210: Tuberculosis Centre	61101: Sundry Departmental Deposits	-	430.05
3214: Not in the Establishment Register	61101: Sundry Departmental Deposits	-	6,828.00
3218: Aids Programme Unit	61101: Sundry Departmental Deposits	-	12,017.03
3221: Health Education Unit	61101: Sundry Departmental Deposits	-	13,513.27
4104: Not in the Establishment Register	61101: Sundry Departmental Deposits	-	2,031.27
4108: Sithobela Hospital	61101: Sundry Departmental Deposits	-	5,922.00
4111: Not in the Establishment Register	61101: Sundry Departmental Deposits	-	1,433.02

Outstanding and Unclaimed Sundry Departmental Deposits	10,048,166.20	150,403.59

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

Further, Financial and Accounting Instruction number 1307 stipulates that "amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees. Moreover, Section 11.8, Paragraph 8.7 of the Financial Management and Accounting Procedures Manual emphasizes that any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher. If the subsequent claim is proved, such entry may be reversed and the deposit refunded. Paragraph 8.8 goes on to explain that balances for this account should normally be in credit or zero.

I warned that, unappropriated expenditure and diversion funds is tantamount to misappropriation and mismanagement of public funds.

I advised the Controlling Officer to recover the overpaid sundry deposits and, on the other hand, investigate those within a five-year period and dispose them to the rightful payees, while those in excess of five years should be transferred to the Consolidated Fund and recognised as revenue in the Revenue Miscellaneous.

I advised the Controlling Officer that the Ministry should clear the unappropriated expenditure and fictitious assets by using budget savings or reallocation to nil balance at the end of the financial year, and transferred the unutilized budget and unclaimed deposits to the Revenue Miscellaneous Sundries Account.

271. Payments Relating to Deceased Mine Workers, Funds for Surviving Spouses/Beneficiaries made without Provision of Deposits

I reported that payments amounting to **E1,177,153.19**, relating to 'Deceased Mine Workers, Funds for Surviving Spouses/Beneficiaries' were made without the provision of deposits or budget in the financial years 2014 to 2019. The incurring of the

unappropriated expenditure resulted to the creation of fictitious assets, under the Responsibility Centre 1001 – Minister’s Office. The unappropriated expenditures were The financial statements continued to include the fictitious assets balance as at 31st March 2023, as illustrated in the table below.

Centre	Account Item	Fictitious Asset (E)
1001: Minister’s Office	62101: Deceased Mine Workers, Funds for Surviving Spouses / Beneficiaries	1,177,153.19

According to Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993), greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year-end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year.

I warned the Controlling Officer that payments incurred without the provision of deposits or budget translates to unappropriated expenditure and resulted in the creation fictitious assets, which overstates the assets reported under the Ministry.

I advised the Controlling Officer to investigate the payments made without the provision of deposits, and provide the related deposits and/or recovery of the overpayments. The Controlling Officer was further advised to clear the fictitious assets by using budget savings, and ensure that the balance in this account is zero by the end of each year.

272. Uncleared Fictitious Asset Balances Due to Unappropriated Expenditure Incurred Through Specialist Care Medical Aid Fund

I notified the Controlling Officer that it is disquieting that the Government assets continues to include the fictitious assets balance of **E1,359,318,805.63** due to unappropriated expenditure incurred through the Below-the-line Specialist Care Medical Aid Fund - 62106 for the Phalala Fund Program under the Responsibility Centre 1001 – Minister’s Office, back dating in the fiscal years 2002 to 2020. The expenditure incurred without budget provision was **E495,476.00** in the financial year 2002, and accumulated to **E1,359,318,805.63** in the fiscal year 2020. These were payments were made to the various medical doctors under the Phalala Fund Program.

Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) stipulates that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining

balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I warned the Controlling Officer that payments incurred without the budget provision translates to unappropriated expenditure and fictitious assets, which overstates the assets under the Ministry.

I advised the Controlling Officer that the Ministry should investigate the payments made without the budget provision, and the fictitious assets balance should be cleared using budget savings or budget supplementary.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

273. Uncleared Fictitious Assets Balance Due to Unappropriated Expenditure Incurred Through Health Sector Study Trading Account

I further notified the Controlling Officer of my concern that the Government assets continue to include the fictitious assets balance of **E456,289.17** which was a result of the incurring of unappropriated expenditure through the Health Sector Study Trading Account since dating back to financial years ended 31st March 1997, 1998, 1999 and 2000. The unappropriated expenditure was incurred under the Principal Secretary’s Office (Responsibility Centre 1102) and resulted to a fictitious assets balance, which has remained uncleared to date.

A snapshot of the payments incurred without the budget provision and balances is depicted in the table below.

Financial Year	Batch	Voucher	Cheque	Payee	Amount (E)
31 st March 1997	215	110526	836769	Expertype	800.00
31 st March 1997	316	120543	836907	DHL International	160.00
31 st March 1997	456	121460	-	Accrued	1,499.80
31 st March 1997	075	130240	-	Clearing Over E	499.67
31 st March 1997	678	08999999		1996/1997 Balance b/f	228,075.45
31 st March 1998	678	08999999	-	1997/1998 Balance b/f	243,094.91
31 st March 1999	678	08999999	-	1998/1999	551,698.46
31 st March 2000	678	08999999	-	1999/2000	456,289.17

Section 11, paragraph 2.20 of the Financial Management and Accounting Procedures Manual (1993) guides that “greatest attention needs to be paid to the reconciliation of below-the-line accounts as part of the year end procedures since any remaining balances

will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

The effect of this anomaly is that the unappropriated expenditure was incurred, fictitious assets were created, and consequently, assets reported under the Ministry have been overstated.

I advised the Controlling Officer to investigate the matter and make necessary adjustments to clear the fictitious assets balance using budget savings or budget supplementary budget.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

274. Mis-posting of Issuance of Medical Drugs to the Public Health Facilities in the Exchange Adjustment I.M.F. Account instead of the Medical Drugs Trading Account

An amount of **E117,287.63** was erroneously posted in the Exchange Adjustment I.M.F. Suspense Trading Account 70216 instead of the Medical Drugs Trading Account 70214 in the financial year ended 31st March 2021. This transaction was posted on the 15th March 2021 through miscellaneous coding sheet voucher number 120057, batch 057, month 12, source 345. The mis-posting resulted to the creation of a fictitious liability balance that recurred up to the financial year ended 31st March 2023.

275. Mis-posting of Medicine Expenditure in the Tie Sales Staff Training Institution instead of the Medical Drugs Trading Account

Similarly, medicine expenditure amounting **E52,069.10** was erroneously charged to the ‘Tie Sales Staff Training Institution’ Trading Account 70204 instead of the Medical Drugs Trading Account 70214 in the financial year ended 31st March 2021. This transaction was posted on the 3rd April 2021 through Payment Voucher number 125137, batch 112, month 12, source 545. The mis-posting resulted to a fictitious asset balance that recurred up to the financial year ended 31st March 2023

Section 11, paragraph 2.20 of the Financial Management and Accounting Procedures Manual (1993) requires that “greatest attention needs to be paid to the reconciliation of below-the-line accounts as part of the year end procedures since any remaining balances

will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I am concerned by the creation of fictitious asset and liability balance as a result of erroneous posting which goes undetected and uncorrected for long periods. This distorts the reported financial position of the Government.

I advised the Controlling Officer to investigate and make necessary adjustments to clear the fictitious balances.

At the time of compiling this report, the Controlling Officer had not responded to the audit finding, hence it remained unresolved.

276. Unremitted National Provident Fund, Pension and Tax Deductions

I reported that there were unremitted deductions in respect of National Provident Fund worth **E1,360,191.69**, unremitted deductions of S.G. Civil Servants and Teachers Pension worth **E14,612.20**, and unremitted taxes worth **E52,445.18**, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Unremitted Deductions (E)
1001: Minister’s Office	62240: National Provident Fund Deduction	725.00
1102: Principal Secretary’s Office	62240: National Provident Fund Deduction	1,334,061.69
1103: National Events	62240: National Provident Fund Deduction	4,205.00
1201: Mbabane Hospital	62240: National Provident Fund Deduction	1,045.00
3212:Manzini Public Health Centre	62240: National Provident Fund Deduction	19,720.00
3231: School Health Program Unit	62240: National Provident Fund Deduction	145.00
4103: Tuberculosis Hospital	62240: National Provident Fund Deduction	290.00
Total Unremitted Deductions of National Provident Fund		1,360,191.69
1102: Principal Secretary’s Office	62241: SG Civil Servants & Teachers Pension	14,612.20
1102: Principal Secretary’s Office	62315: SRA- Taxation	52,445.18
Total Unremitted Deductions of National Provident Fund, Pension and Taxes		1,427,249.07

Over-Remittance of Tax On Companies

I also reported that the Ministry had an over-remitted tax on companies balance of **E29,200.06** in the financial year ended 31st March 2023, under the Principal Secretary’s Office. This was caused by the remission of more tax than what was deducted to the Eswatini Revenue Service.

Section 5, Paragraph 7.2 of the Financial Management and Accounting Procedures Manual guides that employee contributions are deducted from their salaries and credited to the employee centre's suspense account 62240. Payment should then be made, charging the suspense account the amount of deducted employee contributions and the recurrent budgets per centre for the equivalent employers' contributions. Further, Section 14(2) of the Swaziland National Provident Fund Order No. 23 of 1974 states that, a contributing employer shall, for every contribution period after the date when he became a contributing employer, pay into the Fund the statutory contribution in respect of each eligible employee employed by him during such period. Subsection 3 further clarifies that every contribution due under this section should be paid to the Fund within twenty-one days after the end of the month in which the last day of the relevant contribution period falls, and shall be credited to the account of the person in respect of whom it is paid. Furthermore, paragraph 2(1) under the second schedule of the Income Tax Order of 1975 requires employers to pay amounts deducted or withheld from employee's salaries to the Commissioner within seven days after the end of the month during which the amount was deducted or withheld, or in the case of a person who ceases to be an employer, within seven days after the day after which he ceases to be an employer, or in either case within such further period as the Commissioner may approve. (Amended A.6/1994.)

I am concerned by the continued non-remittance of tax deductions because this deprives Government of receiving its revenue. Also, non-remittance of employee contributions to the National Provident Fund and Pension Fund may have adverse effects on the benefits of pensionable and non-pensionable workers and further subject the Government to unnecessary debts and penalties.

I advised the Controlling Officer to ensure that deductions from employees' salaries are timeously and accurately remitted to the rightful institutions. The Controlling Officer was advised to recover the over-remittance of tax on companies from Eswatini Revenue Services, and reconcile the accounts, to, in consultation with the Treasury Department.

At the time of compiling this report, the Controlling Officer had not responded to my finding hence the matter remained unresolved.

277. Audit of Delivery of Medical Supplies Procured During the Financial Year Ended 31st March 2023 - Ministry of Health

An audit exercise to verify delivery of medical supplies procured using both directly and indirectly disbursed government funds during the fiscal year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a correspondence referenced M10 Vol. XV/24, dated 16th February 2024. The Controlling Officer had not responded at the time of compiling this report hence the following audit findings remained unresolved and therefore reportable.

277.1.Undelivered Medical Supplies – Procured by Ministry

I reported that **E33,996,894.49** worth of medical supplies extracted from several Payment Vouchers (PVs) were not delivered at the Central Medical Stores. Upon reconciling financial records maintained by the Accountant General with transactions processed by the Central Medical Stores (CMS), these supplies were found lacking matching Goods Received Notes (GRNs). The following table is a list of the undelivered medical supplies.

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG23103447	90146	Swazi Pharm	Vancomycin 1G Inj 10s	20	2022/11/30	2021/12/08	27,640.00
EG23103447	90146	Swazi Pharm	Vancomycin 500mg Inj 10s	15	2023/01/30	2021/12/08	10,380.00
EG23103447	90146	Swazi Pharm	Lactulose 10g syrup 150ml	48	2023/06/30	2021/12/08	1,689.60
EG23103447	90146	Swazi Pharm	lignocaine Plain 2% Inj	6	2026/04/30	2021/12/08	1,140.00
EG23103447	90146	Swazi Pharm	Akacia Sunction Cath	200	2025/11/01	2021/12/08	552.00
EG23103447	90146	Swazi Pharm	Akacia Sunction Cath	500	2026/03/30	2021/12/08	1,380.00
EG23103447	90146	Swazi Pharm	Akacia Sunction Cath	200	2026/03/30	2021/12/08	1,518.00
EG23103448	90166	Swazi Pharm	Barrs Sterigel 70%alcohol	200	2023/06/16	2022/04/21	8,970.00
EG23103448	90166	Swazi Pharm	Barrs Sterigel 0.5% Pre-Operative	100	2024/03/11	2022/04/21	4,600.00
EG23103418	90167	Swazi Pharm	Phenytoin 250mg/5ml Inj	150	2024/01/31	2022/06/22	88,500.00
EG23103480	90106	Swazi Pharm	Cavilon Barrier cream 92g	20	2024/02/22	2022/06/08	4,600.00
EG23103480	90106	Swazi Pharm	cavilon spray barrier film 28ml	100	2024/11/02	2022/06/08	19,696.00
EG23103480	90106	Swazi Pharm	Bezartan 150mg tabs	200	2023/12/31	2022/05/03	13,020.00
EG23103480	90106	Swazi Pharm	Sporatal 1l 6s	20	2022/12/30	2022/04/26	20,240.00
EG23103431	90116	Swazi Pharm	NIPRO Blood lines 9V SET 24s	98	2026/05/30	2021/11/25	193,844.00
EG23103420	90101	Swazi Pharm	Phenytoin 250mg/5ml Inj	40	30/092023 (4) and 31/08/2023 (36)	2022/02/03	23,600.00
EG23103420	90101	Swazi Pharm	Baclofen 10mg tabs	20	2024/08/31	2022/03/09	1,260.00
EG23103420	90101	Swazi Pharm	Cefepine 2g Inj	30	2023/10/30	2022/02/15	69,000.00
EG23103494	90147	Swazi Pharm	Berzatan 300mg tabs	170	2023/05/30	2022/03/08	16,507.00
EG23103494	90147	Swazi Pharm	Bio Nifedipine 30mg tabs	300	2025/07/31	2022/03/08	9,600.00
EG23103494	90147	Swazi Pharm	Fistula Needles 15g	46	2024/02/28	2021/11/12	40,204.00
EG23103494	90147	Swazi Pharm	Fistula Needles 16g	18	2024/03/30	2021/11/12	15,678.00
EG23103432	90128	Swazi Pharm	Dialyser Nipro Elision	30	2024/04/30	2021/12/20	260,820.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG23103422	90118	Swazi Pharm	NIPRO Blood lines set 24s	100	30/05/2026 (60) and 30/08/2026 (40)	2021/12/20	197,800.00
EG23103430	90117	Swazi Pharm	Tegaderm CHG 10cm	10	16/11/2023 (7) and 02/10/2023 (3)	2022/02/28	172,500.00
EG23103469	90161	Swazi Pharm	4-Point silicone head harness adult 1s	115	2099/12/30	2022/04/05	38,765.35
EG23103496	901650	Swazi Pharm	Lignocaine HCL 2% Jelly 20g	50	2024/01/30	2022/03/28	6,050.00
EG23103496	901650	Swazi Pharm	Nazene Z Nasal Drop 20ml	50	2025/01/30	2022/03/24	1,950.00
EG23103496	901650	Swazi Pharm	Paradole 200mg /ml 10ml	2	2023/06/30	2022/03/24	11,700.00
EG23103496	901650	Swazi Pharm	Litman Sthetoscope adult	2	2099/12/30	2022/03/07	5,198.00
EG23103467	90124	Swazi Pharm	Intersurgical straight connector 22ml	240	2027/01/30	2022/04/05	2,289.60
EG23103467	90124	Swazi Pharm	High flow nasal cannula	158	2024/04/30	2022/04/05	58,968.76
EG23103467	90124	Swazi Pharm	Swivel angle connector adult	875	30/01/2027 (130) and 28/02/2027 (745)	2022/04/05	42,446.25
EG23103467	90124	Swazi Pharm	Intersurgical Hydro trach	500	30/01/2027 (400) and 30/08/2026 (100)	2022/04/05	9,140.00
EG23103510	90119	Swazi Pharm	Lasix (Furosemide) 500mg tabs	250	2023/08/31	2022/04/12	771,250.00
EG23103510	90112	Swazi Pharm	Vygon central venous lines double lumen 16cm	660	2025/05/02	2022/08/02	2,467,357.20
EG23103510	90112	Swazi Pharm	Vygon central venous lines double lumen 20cm	450	2025/05/23	2022/08/02	1,682,289.00
EG23103452	90104	Swazi Pharm	Noradrenaline 4mg Inj	100	2023/08/31	2021/11/26	89,804.00
EG23103452	90104	Swazi Pharm	Suction canister 2l swivel	5	2099/12/30	2021/11/26	1,564.00
EG23103452	90104	Swazi Pharm	Swivel angle connector adult	30	2026/05/30	2021/12/07	572.70
EG23103452	90104	Swazi Pharm	Intersurgical T-connector with a port adult	50	2025/06/30	2021/12/07	1,115.50
EG23103452	90104	Swazi Pharm	Oral care gel 2g	200	2024/04/30	2021/12/07	1,242.00
EG23103564	90274	Swazi Pharm	Vygon Maxiflow expect picc line adult 5FR 55cm	20	2025/05/02	2022/08/02	2,152,528.80
EG23103884	90272	Swazi Pharm	Umlingo infection control mats 150cm	5	2099/12/30	2022/04/26	149,826.60
EG23103439	90148	Swazi Pharm	Perindopril 4mg tabs	10	2024/05/30	2021/12/06	390.00
EG23103439	90148	Swazi Pharm	Nazene Z Nasal Drop 20ml	300	30/07/2023 (150) and 30/08/2024 (150)	2021/12/01	11,700.00
EG23103439	90148	Swazi Pharm	Lactulose 10g syrup 150ml	198	2023/06/30	2021/12/01	6,969.60
EG23103439	90148	Swazi Pharm	Ascorbic acid 500mg/5ml Inj	100	2023/08/31	2021/11/30	14,720.00
EG23103891	90267	Swazi Pharm	Aprovel 150mg tabs	50	2022/12/31	2021/06/23	3,255.00
EG23103891	90267	Swazi Pharm	Phenytoin 250mg/5ml Inj	50	2023/12/30	2021/03/19	29,500.00
EG23103891	90267	Swazi Pharm	Tiamine 100mg/ml inje	10	30/06/2022 (8) and 30/05/2022 (2)	2021/04/13	12,825.00
EG23103940	90275	Swazi Pharm	Lasix (Furosemide) 500mg tabs	600	2023/08/31	2022/04/05	1,851,000.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG23103403	90168	Swazi Pharm	Omeprazole 20mg tabs	4000	2023/02/28	2022/05/09	68,000.00
EG23103499	90109	Swazi Pharm	NPWT Ystem canister G 1000ml	10	2023/06/30	2022/03/22	94,179.90
EG23103499	90109	Swazi Pharm	Wilaflow elite	20	2024/09/30	2022/03/11	10,080.20
EG23103939	90265	Swazi Pharm	Cavilon spray barrier film 28ml	600	2024/11/02	2022/06/10	118,176.00
EG23103947	90277	Swazi Pharm	Bio Nifedipine 60mg tabs	300	2025/07/31	2022/04/05	16,500.00
EG23103947	90277	Swazi Pharm	Sodium chloride 5% bottle	10	30/04/2022 (7) and 28/02/2023 (3)	2021/04/29	9,830.00
EG23103947	90277	Swazi Pharm	COV Tympanic membrane thermometer cuvettes	5	2024/12/31	2021/05/12	8,912.50
EG23103947	90277	Swazi Pharm	Oxymetazoline nasal drop 0.25% 20ml	100	2024/03/30	2021/06/24	3,900.00
EG23103947	90277	Swazi Pharm	Oxygen nebuliser with adult mask	63	2026/04/05	2021/07/08	1,333.08
EG23103507	90169	Swazi Pharm	Wilaflow elite -Ncpap generator	50	2024/10/30	2022/03/10	18,541.00
EG23103507	90169	Swazi Pharm	Wilaflow elite vadi universal CPAP circuit	50	2024/09/30	2022/03/10	25,200.00
EG23103465	90135	Swazi Pharm	Vygon central venous lines double lumen 20cm	75	2025/05/23	2022/08/01	280,381.50
EG23103483	90122	Swazi Pharm	Linezolid 600mg Inj 300ml	20	2022/05/31	2020/11/10	18,450.00
EG23103483	90122	Swazi Pharm	Clindamycin Fresenius Inj 600mg	100	31/01/2022 (80) and 31/07/2022 (20)	2020/11/10	32,000.00
EG23103483	90122	Swazi Pharm	Venofer Iron sucrose 100ml/5ml	400	2023/07/30	2022/02/02	142,000.00
EG23103476	90132	Swazi Pharm	Kerra contract ag	10	2024/09/21	2022/06/01	25,737.00
EG23103476	90132	Swazi Pharm	Kerra foam simple BDR AWL 1200	12	2023/04/30	2022/06/01	13,593.00
EG23103476	90132	Swazi Pharm	Kerra foam simple BDR CWL 1200	18	2023/10/30	2022/06/01	20,389.50
EG23103476	90132	Swazi Pharm	Kerra foam simple BDR 1203	50	30/11/2023 (17) and 30/12/2023 (33)	2022/06/01	217,350.00
EG23103476	90132	Swazi Pharm	Kerra foam simple BDR CWL 1201	50	2023/10/30	2022/06/01	144,900.00
EG23103942	90266	Swazi Pharm	Intersurgical straight connector 22cm	160	2026/04/30	2022/03/10	1,526.40
EG23103942	90266	Swazi Pharm	Swivel angle connector adult	125	2026/06/30	2022/03/10	6,063.75
EG23103942	90266	Swazi Pharm	Intersurgical Hydro trach	500	30/08/2026 (200) and 30/10/2026 (300)	2022/03/10	9,140.00
EG23108654	120864	Swazi Pharm	Incontinence appliance small	100	2027/03/14	2023/02/09	391.00
Not attached	1201710	Swazi Pharm	Intra-Utrine Device	3	2027/03/30	2022/09/12	165.00
Not attached	1201710	Swazi Pharm	Levonorgestrel 0.75mg tab	2000	2024/08/30	2022/09/12	21,900.00
EG23008154	1201730	Swazi Pharm	Bandage orthopeadic 100mm	1000	2027/02/27	2022/08/02	51,290.00
EG23008154	1201730	Swazi Pharm	Bandage orthopeadic 50mm	800	2027/02/27	2022/08/02	21,072.00
EG23008159	1201750	Swazi Pharm	Amoxycillin clavulanic acid tab	4163	2024/05/30	2022/08/01	123,349.69
EG23008159	1201750	Swazi Pharm	Rifampicin 150mg tab	100	2024/04/30	2022/08/01	16,500.00
EG23008168	120170	Pharm Industry	Ibuprofen 200mg tab	1000	04/2025	2022/11/09	105,000.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG23108303	120203	Swazi Pharm	Zinc sulphate dispensable 20mg tab	3000	2025/05/30	2022/11/10	44,970.00
EG23008163	120169	Swazi Pharm	Chlorpromazine 50mg Inj	88	2024/09/30	2022/08/18	96,800.00
EG23008160	1201720	Swazi Pharm	Sodium chloride 0,4 1000ml	996	2024/04/30	2023/01/04	25,298.40
EG23008160	1201720	Swazi Pharm	Dextrose 10% sol: 1000ml	4500	30/05/2024 (4368) and 30/09/2024 (132)	2022/12/07	131,175.00
EG23008160	1201720	Swazi Pharm	Ringers lactate solution: 200ml	1020	2024/07/30	2022/11/10	15,300.00
EG23105767	110503	Swazi Pharm	Nifedipine 10mg tab	4000	2025/06/30	2023/01/16	47,960.00
EG23001375	110503	Swazi Pharm	Levonorgestrel 0.75mg tab	2000	2024/08/30	2022/09/19	21,900.00
EG23000485	100007	Swazi Pharm	Digoxin Inj 0.5mg	20	2024/05/30	2022/10/13	3,000.00
EG23000485	100007	Swazi Pharm	Prednisolone syrup 15mg/5ml	800	2024/08/30	2022/10/13	90,800.00
EG23105752	110507	Swazi Pharm	Furosemide 20mg Inj	1190	2023/10/31	2021/05/04	257,040.00
EG23105752	110507	Swazi Pharm	Erythromycin 125mg suspension	30000	2023/07/30	2021/11/19	379,200.00
EG23105752	110507	Swazi Pharm	Ganciclovir 500mg Inj	20	2022/08/30	2021/11/29	36,000.00
Not attached	1201650	Swazi Pharm	Naloxone 0.4mg Inj	100	2027/06/30	2021/11/10	9,120.00
Not attached	1201650	Swazi Pharm	Neostigmine 2.5mg/ml Inj	50	2026/06/30	2021/12/14	5,550.00
Not attached	1201650	Swazi Pharm	Atropine sulphate 0.5mg/ml Inj	500	2026/08/30	2022/12/07	37,495.00
EG23107909	120195	Swazi Pharm	Darrows/Dextrose half strength 5%	3000	2024/04/30	2022/10/03	45,000.00
EG23107909	120195	Swazi Pharm	Dextrose 50% sol: 50ml	6000	2024/05/30	2022/11/10	96,900.00
EG23107909	120195	Swazi Pharm	Dextrose 50% sol: 50ml	6000	30/03/2024 (1200) and 30/05/2024 (4800)	2022/09/12	96,900.00
EG23102449	70709	Swazi Pharm	Venofer Iron sucrose 100ml/5ml	450	2023/09/30	2022/04/28	159,750.00
EG23102441	70712	Swazi Pharm	Cellcept 250mg cap	30	2023/05/31	2022/04/28	17,400.00
EG23102441	70712	Swazi Pharm	Venofer Iron sucrose 100ml/5ml	605	2023/09/30	2022/04/28	214,775.00
EG23102435	70714	Swazi Pharm	Fresenius blood transfusion admin set	1000	12/08/2024 (30) and 30/10/2024 (970)	2022/02/17	95,910.00
EG23102435	70714	Swazi Pharm	Fresenius infusion admin set	2000	2024/10/13	2022/02/17	129,720.00
EG23102425	70693	Swazi Pharm	Micon 1 filter	50	2099/12/30	2021/02/03	11,910.00
EG23102425	70693	Swazi Pharm	Micron 20 filter	13	2099/12/30	2021/02/03	2,870.40
EG23102425	70693	Swazi Pharm	Micron 5 filter	20	2099/12/30	2021/02/03	4,876.00
EG23102339	70112	Swazi Pharm	Manual resuscitator ambu bag adult	100	2025/12/30	2021/11/30	25,760.00
EG23102339	70112	Swazi Pharm	Swivel angle connector adult	200	2025/10/23	2021/11/30	3,818.00
EG23102339	70112	Swazi Pharm	Clear thermo micro HMEE ventilator filter adult	500	2026/05/22	2021/11/30	10,925.00
EG23102339	70112	Swazi Pharm	Clear thermo micro HMEE ventilator filter paed	100	2025/07/17	2021/11/30	2,254.00
EG23102436	70711	Swazi Pharm	Enoxaparin 40mg Inj	200	2023/11/30	2022/02/24	105,000.00
EG23102436	70711	Swazi Pharm	Enoxaparin 80mg/0,8ml Inj	100	2023/11/30	2022/02/24	86,250.00
EG23102437	70710	Swazi Pharm	Omeprazole 40mg/5ml Inj	800	2023/10/30	2022/03/09	156,000.00
EG23102437	70710	Swazi Pharm	Carvedilol 25mg tab	700	2024/12/31	2022/03/09	55,125.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG23103883	90273	Swazi Pharm	Umlingo infection control mats 150cm	5	2099/12/30	2022/04/28	149,826.60
EG23103883	90273	Swazi Pharm	Vygon neohelp small 1kg	15	2026/08/31	2022/04/08	9,262.50
EG23103493	90140	Swazi Pharm	Tranexamid acid 500mg	50	2023/01/30	2021/01/28	22,500.00
EG23103493	90140	Swazi Pharm	Omeprazole 40mg/5ml Inj	600	2023/10/30	2022/03/08	117,000.00
EG23103487	90141	Swazi Pharm	Boussignac cont post airways press #6	50	2025/08/31	2022/04/08	275,374.00
EG23103487	90141	Swazi Pharm	Boussignac cont post airways press #4	160	2025/05/31	2022/04/08	88,119.68
EG23102334	70106	Swazi Pharm	Phenytoin 250mg/5ml Inj	100	2024/01/31	24/06/2022 (32) and 23/05/2022 (68)	59,000.00
EG23102427	70694	Swazi Pharm	Micron 1 filter	90	2099/12/30	2022/02/03	21,438.00
EG23102427	70694	Swazi Pharm	Lactulose 10g syrup 150ml	50	2023/08/30	2022/01/31	1,760.00
EG23102427	70694	Swazi Pharm	Baclofen 10mg tabs	1	2024/08/31	2022/01/31	63.00
EG23102427	70694	Swazi Pharm	Bio Nifedipine 30mg tabs	300	2025/05/31	2022/02/01	9,600.00
EG23102427	70694	Swazi Pharm	Lactulose 10g syrup 150ml	30	2023/08/30	2022/02/01	1,056.00
EG23102427	70694	Swazi Pharm	Cialis tadalafil 20mg tab	15	2023/09/30	2022/01/26	12,000.00
EG23102426	70692	Swazi Pharm	Micron 1 filter	150	2099/12/30	2022/02/03	35,730.00
EG23102426	70692	Swazi Pharm	Micron 20 filter	12	2099/12/30	2022/02/03	2,649.60
EG23102426	70692	Swazi Pharm	Micron 5 filter	50	2099/12/30	2022/02/03	12,190.00
EG23102336	70105	Swazi Pharm	Nasogastric tube polyurethane radio FG14	100	2025/11/30	2021/12/25	16,790.00
EG23102336	70105	Swazi Pharm	Nasogastric tube polyurethane radio FG16	100	2025/06/30	2021/12/25	16,790.00
EG23102288	110172	Swazi Pharm	Kabiven 1000ml	5	2023/11/30	2022/12/08	11,500.00
EG23102288	110172	Swazi Pharm	Kabiven peripheral 1500ml	5	2024/03/31	2022/11/11	13,972.50
EG23102288	110172	Swazi Pharm	Kabiven 2000ml	10	2024/06/30	2022/12/08	38,640.00
EG23103945	90262	Swazi Pharm	Vygon central venous lines double lumen 16cm	5	2024/07/31	2022/04/12	18,692.10
EG23103945	90262	Swazi Pharm	Vygon central venous lines double lumen 20cm	20	2024/06/24	2022/04/12	74,768.40
EG23103906	90261	Swazi Pharm	High flow nasal cannula- large	50	2024/11/30	2022/08/18	18,661.00
EG23103906	90261	Swazi Pharm	High flow nasal cannula- small	50	2024/11/30	2022/08/18	18,661.00
EG23103906	90261	Swazi Pharm	Acutronic infact flow connector cixc	50	2027/04/30	2022/08/18	4,061.50
EG23103498	90162	Swazi Pharm	High flow nasal cannula-medium	90	2024/04/30	2022/04/07	33,589.80
EG23103408	90163	Swazi Pharm	Cialis tadalafil 5mg tab	3	2023/01/31	2022/04/05	4,500.00
EG23103408	90163	Swazi Pharm	Cellcept mycophenolic 250mg cap	50	2023/05/31	2022/04/11	29,000.00
EG23103563	90269	Swazi Pharm	Fresubin high protein 500ml	10	2021/05/31	2020/12/10	8,280.00
EG23103563	90269	Swazi Pharm	Fresubin intestamine 500ml	2	2021/03/31	2020/12/10	12,937.40
EG23103563	90269	Swazi Pharm	Fresubin supportan 500ml	10	2021/08/31	2020/12/10	13,202.00
EG23103563	90269	Swazi Pharm	Fresubin diben 500ml	10	2021/05/31	2020/12/10	33,810.00
EG23103563	90269	Swazi Pharm	Fresubin original 500ml	10	2021/07/31	2020/12/10	5,692.50
EG23103563	90269	Swazi Pharm	Fresubin intensive 500ml	10	2021/06/30	2020/12/10	16,560.00
EG23103563	90269	Swazi Pharm	Fresubin 2kcal HP 500ml	10	2021/07/31	2020/12/10	12,937.50
EG23102443	70698	Swazi Pharm	Fistula Needles 15g	10	2024/05/30	2022/04/12	8,740.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG23102443	70698	Swazi Pharm	Fistula Needles 16g	10	2024/05/30	2022/04/12	8,710.00
EG23102443	70698	Swazi Pharm	Fistula Needles 17g	10	2026/05/30	2022/04/12	8,710.00
EG23102450	70708	Swazi Pharm	Omeprazole 20mg tabs	2000	2023/02/28	2022/05/09	34,000.00
EG23102446	70696	Swazi Pharm	Phenytoin 250mg/5ml Inj	113	31/01/2024 (100) and 30/01/2024 (13)	2022/06/30	66,670.00
EG23103458	90150	Swazi Pharm	Medium multi drug screen	10	2024/04/30	2022/04/13	37,435.60
EG23103458	90150	Swazi Pharm	Lasix (Furosemide) 500mg tabs	1	2023/08/31	2022/04/07	3,085.00
EG23103399	901510	Swazi Pharm	Prograf 1mg cap	60	2024/08/31	2022/06/24	25,800.00
EG23103399	901510	Swazi Pharm	Sodium chloride 0.9% 50ml	40	2024/11/30	2022/06/17	8,800.00
EG23103491	90171	Swazi Pharm	Oxygen efficient resp aid mask	20	2026/08/15	2022/05/31	43,053.00
Not attached	90114	Swazi Pharm	Venofer Iron sucrose 100ml/5ml	300	2023/07/30	2022/02/03	106,500.00
EG23102430	70716	Swazi Pharm	IV 3000 ported 7cm	926	01/10/2024 (924) and 01/09/2023 (2)	2022/07/20	436,609.00
EG23103434	90149	Swazi Pharm	Fresubin supportan 500ml	8	2022/02/28	2021/12/01	10,561.60
EG23102439	70697	Swazi Pharm	Tranexamic 5ml Inj	70	2024/06/30	2022/02/01	31,500.00
EG23102439	70697	Swazi Pharm	Fistula Needles 17g	31	2026/05/30	2022/03/04	27,001.00
EG23102433	70707	Swazi Pharm	Primapore 8.38*6cm	65	2025/04/01	2021/03/31	7,400.25
EG23102433	70707	Swazi Pharm	Nasogastric tube polyurethane RAIO FG8	100	2026/01/30	2021/12/08	16,790.00
EG23102332	70108	Swazi Pharm	Nasogastric tube polyurethane FG6	100	2023/05/30	2021/12/28	16,790.00
EG23102332	70108	Swazi Pharm	Nasogastric tube polyurethane FG10	100	2025/04/30	2021/12/28	16,790.00
EG23102332	70108	Swazi Pharm	Nasogastric tube polyurethane FG 12	100	2025/11/30	2021/12/28	16,790.00
EG23102333	70111	Swazi Pharm	Fisher and packyel single heated breathing sys adult	100	30/05/2024 (16) and 30/08/2025 (84)	2021/12/01	54,050.00
EG23102338	70110	Swazi Pharm	Fresubin high protein 500ml	5	2022/07/31	2021/12/14	4,140.00
EG23102338	70110	Swazi Pharm	Fresubin intestamine 500ml	2	2022/06/30	2021/12/14	12,937.50
EG23102338	70110	Swazi Pharm	Kabiven 1540ml	5	2022/09/30	2021/12/14	14,179.50
EG23102338	70110	Swazi Pharm	Fresubin supportan 500ml	5	2022/09/30	2021/12/14	4,140.00
EG23102338	70110	Swazi Pharm	Fresubin original 500ml	5	2022/06/30	2021/12/14	2,846.25
EG23102338	70110	Swazi Pharm	Fresubin SIP feed vanilla 200ml	5	2022/11/30	2021/12/14	3,519.00
EG23102429	70718	Swazi Pharm	Enoxaparin 40mg Inj	200	2023/11/30	2022/02/24	105,000.00
EG23102331	70107	Swazi Pharm	Inter oral care suction toothbrush mini	1	2026/08/30	2021/12/07	508.95
EG23102331	70107	Swazi Pharm	Inter oral care suction toothbrush adult	2	2024/07/30	2021/12/07	5,520.00
EG23102331	70107	Swazi Pharm	Inter oral care suction toothbrush aspire	1	2024/09/30	2021/12/07	1,234.84
EG23102331	70107	Swazi Pharm	Inter oral care suction toothbrush sensitive	2	2024/10/30	2021/12/07	3,109.60
EG23102440	70699	Swazi Pharm	Micron 2 filter	80	2099/12/30	2022/04/12	19,504.00
EG23102440	70699	Swazi Pharm	Micron 20 filter	18	2099/12/30	2022/04/12	3,974.40
EG23102440	70699	Swazi Pharm	Micron 1 filter	50	2099/12/30	2022/04/12	11,910.00
EG23102304	70103	Swazi Pharm	Enoxaparin 40mg	200	2023/04/30	2021/08/14	105,000.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG23102420	70702	Swazi Pharm	Micron 10 filter	20	2099/12/30	2021/11/17	5,060.00
EG23102420	70702	Swazi Pharm	Micron 20 filter	7	2099/12/30	2021/11/17	1,545.60
EG23102420	70702	Swazi Pharm	Akacia adult nasal prongs	200	2026/02/01	2021/11/26	1,518.00
EG23102420	70702	Swazi Pharm	Akacia neonatal nasal prongs	100	2025/04/30	2021/11/26	759.00
EG23102420	70702	Swazi Pharm	Akacia peads nasal prongs	100	2025/05/01	2021/11/26	759.00
EG23102442	70717	Swazi Pharm	Prograf 0,5mg cap	40	2024/07/30	2022/07/12	8,800.00
EG23102442	70717	Swazi Pharm	Prograf 1mg cap	100	2024/08/31	2022/07/12	43,000.00
EG23102423	70695	Swazi Pharm	Berzatan 300mg tabs	360	2023/05/31	2021/10/11	34,956.00
EG23103463	90113	Swazi Pharm	Vygon nutriline PICC twin flow neonatal	20	30/05/2027 (18) and 30/04/2027 (2)	2022/08/02	1,879,891.20
EG23102298	70104	Swazi Pharm	Recormon erythropoietin 4000	400	2024/02/29	2022/06/03	382,000.00
EG23103421	90111	Swazi Pharm	Bio Nifedipine 30mg tabs	1700	2025/07/31	2022/02/03	54,400.00
EG23103421	90111	Swazi Pharm	Bio nifedipine	2000	2025/07/31	2022/02/03	110,000.00
EG23103509	90133	Swazi Pharm	Vac sensa trac pad	10	2024/08/31	2022/06/02	97,638.50
EG23103509	90133	Swazi Pharm	Vac ulta installation veraflo medium dressing	10	2023/08/31	2022/06/02	198,352.60
EG23108655	120865	Swazi Pharm	Dextrose 50% sol: 1000ml	5000	NO DN	NO DN	127,500.00
EG23108655	120865	Swazi Pharm	Ringers lactate solution: 1000ml	9740	NO DN	NO DN	162,171.00
EG23108656	120866	Swazi Pharm	Tongue blade wooden	700	2027/01/15	2023/02/09	13,930.00
EG23000465	120868	Swazi Pharm	Glycerine b.p 2.5l	40			5,999.60
EG23000491	71041	Swazi Pharm	Morphine sr tabs 10mg	400	31/01/2027 (204) and 30/11/2026 (196)	2022/09/20	139,800.00
EG23000491	71041	Swazi Pharm	Morphine sr tabs 30mg	300	2025/07/30	2022/09/20	191,097.00
EG23002969	70921	Swazi Pharm	Enalaprin 20mg tabs	15000	28/02/2025 (12150) and 30/08/2024 (2850)	18/08/2022 (12150) and 01/12/2021 (2850)	134,850.00
EG23001192	70068	Swazi Pharm	Pirfenidone 267mg	1	2025/02/28	2022/08/15	15,555.55
EG23008161	120168	Swazi Pharm	Fluoxetine 10mg cap	4000	2023/09/30	2022/04/20	500,000.00
EG23008161	120168	Swazi Pharm	Lamotrigine 100mg tabs	2726	2025/04/30	2022/08/18	460,694.00
EG23008161	120168	Swazi Pharm	Lamotrigine 25mg tabs	1786	2025/04/30	2022/08/18	98,230.00
EG23107912	120882	Swazi Pharm	Azithromycin 500mg	1000	2024/05/30	2022/09/20	89,500.00
EG23000467	120882	Swazi Pharm	Sodium valproate Inj 400mg/vial	200	2024/06/30	2022/08/01	79,800.00
EG22103615	90811	Swazi Pharm	Olanzapine tab	1000	2024/04/30	2022/08/01	17,000.00
EG22103615	90811	Swazi Pharm	Digoxin tab 0.0625mg	50	2023/03/30	2022/01/31	7,200.00
EG23000121	60040	Swazi Pharm	Levonorgestrel 30mcg tab	6667	2023/05/31	2021/08/05	120,006.00
EG22103621	50807	Swazi Pharm	Trihexyphenidyl tab	1500	2024/08/30	2022/02/11	32,985.00
EG22103621	50807	Swazi Pharm	Sertraline tab 50mg	2500	30/08/2024 (234) and 30/04/2025 (2266)	08/02/2022 (234) and 01/08/2022 (2266)	42,475.00
EG22103621	50807	Swazi Pharm	Sertraline tab 100mg	2500	30/08/2024 (2117) and 30/04/2025 (383)	08/02/2022 (2117) and 01/08/2022 (383)	46,250.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG22103621	50807	Swazi Pharm	Risperidone tab 4mg	300	2023/11/30	2022/04/20	36,000.00
EG23107906	120881	Swazi Pharm	Fluticazone nasal spray 50mcg	500	2024/03/31	2022/02/08	26,550.00
EG23107906	120881	Swazi Pharm	Alphagan purite drops 5ml	150	2023/08/31	2022/04/05	3,457.50
EG23103238	80087	Swazi Pharm	Lumbar puncturetray AFD 23131	30	2024/08/30	2021/11/03	12,675.30
EG23103238	80087	Swazi Pharm	Sodaline sofnoiline	800	30/09/2025 (385) and 30/05/2026 (96) and 30/08/2026 (192) and 30/09/2026 (96) and 30/06/2026 (32).	14/12/2021 (288) and 15/11/2021 (96) and 25/01/2022 (416)	449,696.00
EG23103238	80087	Swazi Pharm	Body bags with zip and window(blue and white-medium)	100	2023/11/11	2021/12/02	11,075.00
EG23103238	80087	Swazi Pharm	Body bags with zip and window (bule and white-large)	100	2023/11/11	2021/12/02	11,075.00
EG23103238	80087	Swazi Pharm	Body bags with zip and window(blue and white-xlarge)	100	2023/11/11	2021/12/02	11,075.00
EG22001499	80087	Swazi Pharm	Rifampicin /Isoniazid/PYR Azinamide disp	100	2023/12/30	2022/03/24	16,400.00
EG22001499	80087	Swazi Pharm	Ethambutol film coated tabs 100mg	100	2026/01/30	2022/03/24	10,895.00
EG22001499	80087	Swazi Pharm	Ethambutol film coated tabs 400mg	198	2023/01/30	2021/12/09	18,008.10
EG23008167 B	120953	Swazi Pharm	Bandage triangular disp 90cmx90cm	3000	2027/03/09	2022/07/28	9,660.00
EG23008167 B	120953	Swazi Pharm	Tube tracheostomy disp size 5	4	2026/05/07	2023/02/13	147.20
EG23008167 B	120953	Swazi Pharm	Tube tracheostomy disp non cuffed size 8	50	2026/05/07	2023/02/13	1,725.00
EG23008167 B	120953	Swazi Pharm	Tube tracheostomy disp non cuffed size 6.5	50	2026/05/07	2023/02/13	1,725.00
EG23008167 B	120953	Swazi Pharm	Tube tracheostomy disp non cuffed size 8,5	50	2026/05/07	2023/02/13	1,725.00
EG23008167 B	120953	Swazi Pharm	Blades surgical #10	1000	2027/02/28	2023/02/13	69,920.00
EG23008167 B	120953	Swazi Pharm	Catheter suprapubic drain 5-15ml FG 18	50	2027/11/19	2023/02/13	2,967.00
EG23008167 B	120953	Swazi Pharm	Catheter suprapubic drain 5-15ml FG 20	50	2027/11/19	2023/02/13	2,967.00
EG23008167 B	120953	Swazi Pharm	Catheter suprapubic drain 5-15ml FG 22	50	2027/11/19	2023/02/13	2,967.00
EG22002919	507/5	Swazi Pharm	Sodium Valproate Tablets CR 200MG: 100's	3000	2023/12/31	2022/03/30	495,000.00
EG22002919	507/5	Swazi Pharm	Sodium Valproate Tablets CR 500MG: 100's	12	2024/02/28	2022/02/11	4,788.00
EG22002919	507/5	Swazi Pharm	Sodium Valproate Tablets CR 500MG: 100's	3488	2024/01/31	2022/03/30	1,391,712.00
EG22002921	507/5	Swazi Pharm	Sodium Valproate Injection 400MG	200	2024/05/31	2022/02/21	79,800.00
EG22002921	507/5	Swazi Pharm	Sodium Valproate Tablets CR 300MG: 100's	1081	2023/10/31	2022/03/30	322,734.00
EG23001000 100094	507/5	Swazi Pharm	Sodium Valproate Syrup 200MG: 300ML	1000	2023/11/30	2022/03/30	199,000.00
EG22000686	50667	Swazi Pharm	Artesunate 60MG POI 1s	2980	2023/03/30	2021/12/01	72,712.00
EG23005410 541094	50667	Swazi Pharm	Artemether/Lumefantrine 120/20mg tablet 24s	5410	2024/09/30	2021/12/01	94,134.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG23001194	50810	Swazi Pharm	Pirfenidone 267ng Hard Caps 270s	1	2025/02/28	2022/07/05	15,555.55
EG22000755	50810	Swazi Pharm	Oxytocin Injectiob 10iu: 10 AMP	1200	2024/04/30	2022/07/28	58,200.00
EG22002921	50812	Swazi Pharm	Paediatrics Inhalation Spacers:1's	1000	2026/07/30	2022/02/08	138,000.00
EG23004900 94900994	50812	Swazi Pharm	Salbutamol Inhaler 100MCG Completw:1's	49009	2024/04/30	2022/08/02	857,657.50
EG23009919 9194	50812	Swazi Pharm	Salbutamol Inhaler 100MCG Completw:1's	991	2023/07/31	2022/01/31	17,342.50
EG23001000 100094	50812	Swazi Pharm	Salbutamol Sulphate-Ipratropium Solution:2.5ML	1000	2023/10/31	2022/04/05	334,000.00
EG22000767	50671	Swazi Pharm	Sodium Valproate Tablets CR 3000MG:100's	3	2023/09/30	2021/08/05	894.00
EG23001001 0094	50671	Swazi Pharm	Soduim Valproate Injection 400MG:1VIAL	100	2024/01/31	2021/10/27	39,900.00
EG22002906	50409	Swazi Pharm	Tamoxifen Tablets 20MG:30's	1000	2024/03/30	2022/07/06	49,990.00
EG22001009	50410	Swazi Pharm	Allopurinol Tablet 300MG:30's	3000	2025/04/30	2022/07/12	74,970.00
EG22000759	50411	Swazi Pharm	Clotrimazole Pessaries 200MG:6 Pess	15000	2025/03/30	2022/07/06	127,500.00
EG22002886	50412	Swazi Pharm	Diclofenac Suppositories 100MG:10 SUPP	1500	2025/01/30	2022/07/06	28,485.00
EG22000776	50412	Swazi Pharm	Fentanyl Injection 100MCG:10 AMPS	250	2025/12/31	2021/08/26	24,625.00
EG23000096	30428	Swazi Pharm	Levonorfestrel 0.75MG: 2's	1247	2023/06/30	2021/07/28	22,433.53
EG22000763	40163	Swazi Pharm	Potassium Chloride Injection 20% 1G/10ML	200	2023/09/30	2021/01/11	12,500.00
EG23005005 0094	40163	Swazi Pharm	Phenobarbitone Syrup 20MG/5ML: 100ML	500	2023/11/30	2022/06/06	44,995.00
EG22002896	43098	Swazi Pharm	Ringers Lactate Solution:1000ML	9000	2022/07/30	2022/01/26	149,850.00
EG22002921	43098	Swazi Pharm	Ringers Lactate Solution:1000ML	11000	2025/01/30	2022/06/27	183,150.00
EG22002921	43098	Swazi Pharm	Dextrose Solution 5%: 1000ML	5000	2024/12/31	2022/05/04	127,500.00
EG23100143	42991	Swazi Pharm	Pirfemidone 270 MG Capsules: 270's	1	2025/02/28	2022/07/04	14,099.00
EG22000778	40155	Swazi Pharm	Biperiden Injection 5MG: 5 AMPS	500	2025/01/31	2021/08/11	177,500.00
EG22002921	40155	Swazi Pharm	Gluteraldehyde Solution Pine:25l	200	2024/03/08	2022/04/12	258,600.00
EG22000759	40155	Swazi Pharm	Sodium Hypochlorite Solution 5%:25L	120	2024/02/28	2022/04/12	35,880.00
EG23000093	30427	Swazi Pharm	Clarithromycin 500MG Tablets:14's	2000	2022/07/30	2021/03/23	99,000.00
not attached	30425	Swazi Pharm	Rif 150mg/ Etham 275mg tablets 672	600	2025/02/28	2022/04/20	738,000.00
EG23000095	30426	Swazi Pharm	Ceftriaxone 1G injection:1's	47210	2022/08/30	2021/03/31	233,689.50
EG23000092	30430	Swazi Pharm	Clotrimazole Pessaries 200MG:6 Pess	14035	2022/12/30	2021/03/12	111,578.25
EG23000094	30378	Swazi Pharm	Metformin 850MG Tablets:500's	8000	2023/10/30	2021/03/25	552,000.00
EG23000094	30378	Swazi Pharm	Metformin 500MG Tablets:500's	10000	2023/11/30	2023/03/25	475,000.00
not attached	100005	Swazi Pharm	Magnesium Sulphate 50% 2ML Injection 10's	500	32 950.00	2024/01/30	44,816.00
EG23000493	100005	Swazi Pharm		120	2022/09/30	2022/07/14	11,040.00
EG23000484	200010	Swazi Pharm	Zinc Suphate Dispersable tablets 20MG:100's	4000	2025/05/30	2022/09/20	59,960.00
EG 23000486	100008	Swazi Pharm	Hyscine Butylbromide Tablets 10MG:1000's	500	2026/01/30	2022/09/14	199,500.00
EG 23000486	100008	Swazi Pharm	Olanzapine tablets 5MG:30's	1010	2024/04/30	2022/08/01	17,170.00
EG23000466	100008	Swazi Pharm	Sterile Water for irrigation:1000ML	1000	2024/07/30	2022/09/19	21,500.00
EG23000468	100006	Swazi Pharm	Sertraline Tablets 100MG:30's	2217	2025/04/30	2022/10/10	41,014.50
EG23000468	100006	Swazi Pharm	Sertraline Tablets 50MG:30's	334	2025/04/30	2022/10/10	5,674.66

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Amount (E)
EG23000452	100006	Swazi Pharm	Suxamethonium injection 100MG:10 VIALS	250	2023/07/30	2022/09/20	31,750.00
EG23001986	80361	Swazi Pjarm	Norgestrel 300MG/ ethinylesttra diol 30NCG Tablets 28's	33673	2022/05/30	2021/07/28	420,912.50
EG23001986	80361	Swazi Pjarm		56327	2026/11/30	2022/05/18	704,087.50
EG23001986	80361	Swazi Pjarm	Norgestrel 500MCG Tablets:28's	6480	2023/03/31	2021/09/02	155,520.00
EG23001986	80361	Swazi Pjarm		4800	2023/03/31	2021/11/15	115,200.00
EG23001986	80361	Swazi Pjarm		11577	2023/07/31	2022/01/31	277,848.00
EG23001986	80361	Swazi Pjarm	Intra-uterine device	657	2027/03/30	2022/09/12	36,135.00
EG23103767	90635	Swazi Pharm	Dopamine 40MG:10's	450	2027/05/30	2022/09/12	55,687.50
EG23104194	90636	Swazi Pharm	Drape Incise 56cm x 84cm:1kit	95	2026/12/01	2022/08/01	111,359.00
EG23104194	90636	Swazi Pharm		152	2027/02/04	2022/11/01	178,174.40
EG23104194	90636	Swazi Pharm		2	2025/04/01	2022/11/01	2,344.40
EG23104194	90636	Swazi Pharm		1	2026/10/01	2022/11/01	1,172.20
EG23104194	90636	Swazi Pharm	Primapore 8.3cm x 6cm:50's	500	2026/12/01	2022/08/01	187,029.00
EG23000451	90637	Swazi Pharm	Glycerine suppositories Adult	4	2023/11/30	2022/07/04	408.00
EG23000451	90637	Swazi Pharm		396	2024/09/30	2022/11/10	40,392.00
EG23000451	90637	Swazi Pharm	Glycerine suppositories Paediatric	208	2023/11/30	2022/07/04	21,216.00
EG23000451	90637	Swazi Pharm		102	2024/07/30	2022/10/13	19,584.00
EG23000451	90637	Swazi Pharm	Dihydrocodeine Tablets 30MG:100's	100	2023/11/31	2022/07/04	88,500.00
EG23000119	80096	Swazi Pharm	Norgestrel 500mg tablets:84's	16667	2023/07/31	2022/07/28	400,008.00
Total							33,996,894.49

This was in contravention of section 52(3) of the Public Finance Management (PFM) Act, which requires Principal Secretaries to put in place procedures consistent with the PFM Act, the Procurement Act, 2011, (Act No. 7 of 2011) or any other law for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier.

This discrepancy raised my concern about the actual occurrence, accuracy and completeness of the reported financial information related to procurement and inventory management. Concerning, is also the cost of undelivered supplies, mismanagement, potential errors, fraud, or misappropriation of medical supplies which exponentially hikes the health budget.

I advised the Controlling Officer to review and strengthen internal controls related to procurement and payment processes, highlighting that due care must be given that Government pays for delivered consignments. Also, enhance documentation procedures which ensure that all relevant details, such as quantity, description, and date, are

accurately recorded on both the Delivery Notes, Payment Vouchers and Goods Received Notes. Moreover, staff should be trained to create awareness and foster a culture of compliance.

277.2. Undelivered Medical Drugs (Antiretroviral) – Procured through NERCHA

The Ministry of Health transferred funds amounting to **E281,162,369.68** from the Consolidated Fund to the National Emergency Response Council on HIV/AIDS (NERCHA) for the procurement of medical drugs (antiretroviral medications) in the financial year ended 31st March 2023. However, I observed that the supplier (iPlusSolutions) delayed the delivery of the medical drugs (antiretroviral) that were full paid as an advances, through NERCHA. Significant amount of the medical drugs was not delivered at the Central Medical Stores. There were short-deliveries in the first and second purchase orders and the third order was not delivered at all.

According to the ARVs Financial Report as at 30th November 2023 prepared by NERCHA, signed by the Acting Managing Director on 12th December 2023, NERCHA paid three advances amounting to **E221,816,281.31 (USD 11,997,300.17)** to the supplier and undelivered medical drugs (antiretroviral) balance of **E138,611,473.70 (USD 7,423,310.48)**, as depicted in the table below.

ARV Advances	Advance Received by Supplier in E	Advance Received by Supplier in US\$	Delivered Medical Drugs US\$	Undelivered Medical Drugs US\$	Exchange Rate	Undelivered Medical Drugs in E
Advance 1: IT Solutions PO7278	7,272,975.22	412,889.74	58,320.00	354,569.74	17.6148	6,245,679.37
Advance 2: IT Solutions PO7826	131,000,000.02	7,198,474.58	4,515,669.69	2,682,804.89	18.1983	48,822,488.26
Advance 3: IT Solutions PO8853	83,543,306.07	4,385,935.85	-	4,385,935.85	19.0480	83,543,306.07
Total	221,816,281.31		4,573,989.69	7,423,310.48		138,611,473.70

The purchase order PO7278 had short-deliveries amounting to **E6,245,679.37** and it has been outstanding since 24th November 2022, that is 15 months as at February 2024.

The purchase order PO7826 had short-deliveries amounting to **E48,822,488.26** and it has been outstanding since 13th March 2023, that is 11 months as at February 2024.

Even though, the supplier's records revealed that purchase order number P07278 and P07826 were full delivered, there were no records at Central Medical Stores to confirm such deliveries. While, the ARVs financial report as at 30th November 2023 from NERCHA depicted that both purchase orders had short-deliveries amounting to **E55,068,167.63**.

Further, the purchase order PO8553 was not delivered at all and had undelivered amounting to **E83,543,306.07** and it has been outstanding since 8th September 2023, that is 5 months as at February 2024.

The medical drugs (ARVs) were confirmed undelivered during physical verification on 5th February 2024. It was also disquieting to note that Central Medical Stores had no delivery notes for items delivered and there were no Goods Received Notes; as such, I could not confirm the delivered medical drugs (ARVs).

Third party confirmation revealed that some of the undelivered items were in transit and some had no delivery schedule to the Central Medical Stores, despite the full payment made for the purchase order, as an advance to the supplier. The delivery information is depicted in the table below.

ARV ePO	Description	Revised Purchase Order			QTY in transit	Delivery Information				
	Product Description	QTY	Unit Cost			invoice no.	Estimated Delivery Date	Invoice Amount USD	Balance QTY	Balance USD
8553	Abacavir/Lamivudine 600/300mg tablet, container of 30 tablets - no carton	31,993	7.75	247,945.75	-		29-Mar-24		31,993	251,145.05
8553	Atazanavir/Ritonavir 300/100mg tablet, container of 30 tablets - no carton	4,320	9.90	42,768.00	4,320	2401100345	02-Feb-24	42,768.00	-	3,112.50
8553	Dolutegravir 50mg tablet, container of 30 tablets - no carton,	60,177	0.89	53,557.53	-		02-Aug-24		60,177	114,336.30
8553	Darunavir 600mg tablet, container of 60 tablets,	2,615	42.00	109,830.00	2,564	PL/ABD-019/2024	21-Feb-24	107,688.00	51	2,142.00
8553	Dolutegravir/Lamivudine/Tenofovir 50/300/300mg tablet, container of 90 tablets - no carton	276,053	8.54	2,357,492.62	-		12-May-24		276,053	2,815,740.60
8553	Lamivudine/Tenofovir 300/300mg tablet, container of 30 tablets - no carton	26,000	3.06	79,560.00	26,000	187002025-A	02-Feb-24	79,560.00	-	0.00
		72,816	3.06	222,816.96	72,816	187002052-A	31-Mar-24	222,816.96		
8553	Lamivudine/Tenofovir 300/300mg tablet, container of 30 tablets - no carton	50,784	3.06	155,399.04	50,784	187002052-A	31-Mar-24	155,399.00	-	7,097.00
8553	Lopinavir/Ritonavir 200/50mg tablet, container of 120 tablets - no carton	1,600	18.50	29,600.00	-		06-Mar-24		1,600	28,720.00
8553	Abacavir 300mg tablet, container of 60	4,741	6.50	30,816.50	4,741	PL/NSK-1359/2024	17-Feb-24	30,816.50	-	0.00
8553	PSM Costs	1		398,248.28	-				1	398,248.28
8553	Buffer	1		657,601.21	-				1	657,601.21
				4,385,635.89	-					4,385,935.85

This was in contravention of section 52(3) of the Public Finance Management (PFM) Act, which requires the Principal Secretaries to put in place procedures consistent with the PFM Act, the Procurement Act No. 7 of 2011 or any other law for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier.

I warned the Controlling Officer there is a risk of incurring a financial loss due to the full payment made to the supplier without receiving the corresponding medical drugs. This could also disrupt healthcare services, potentially affecting patient care and treatment as

well as the loss of public confidence in the Ministry of Health's ability to provide adequate healthcare services.

I advised the Controlling Officer to conduct a thorough investigation into the circumstances surrounding the failure of the supplier to deliver the medical drugs despite receiving full payment. The Ministry was further advised to take appropriate measures to recover outstanding balances for undelivered medical drugs from the supplier. I also advised that the Ministry should enhance oversight mechanisms to track the delivery status of procured goods and promptly address any deviations or delays, and over the NERCHA - Ministry of Health channel to ensure proper monitoring and verification of deliveries against payment made.

I highlighted that the Ministry should reassess the suitability and reliability of the supplier for future procurement contracts, considering their performance and adherence to contractual obligations. Moreover, a thorough investigation into the circumstances surrounding the short deliveries of medical drugs and review the procurement contract with the supplier to ensure clear provisions regarding delivery timelines, quantities, and penalties for non-compliance.

277.3. Unverified Delivery of Medical Drugs Procured through NERCHA

From the funds transferred by the Ministry of Health to NERCHA for the procurement of medical drugs on behalf of the Government, it transpired that NERCHA submitted a financial report as at November 2023 indicating expenditure totalling **E83,204,806.86** (US\$4,573,989.69). However, upon investigation, it was found that the reported expenditure did not correspond to the quantity and value of medical supplies delivered to the Central Medical Stores (CMS) and recorded as received from NERCHA.

ARV Advances	Advance Received by Supplier in E	Advance Received by Supplier in US\$	Delivered Medical Drugs US\$	Exchange Rate	Delivered Medical Drugs in E
Advance 1: IT Solutions PO7278	7,272,975.22	412,889.74	58,320.00	17.6148	1,027,295.14
Advance 2: IT Solutions PO7826	131,000,000.02	7,198,474.58	4,515,669.69	18.1983	82,177,511.72
Total			4,573,989.69		83,204,806.86

Procedures for confirmation of the medical supplies delivered through NERCHA was unsuccessful because according to records at the Central Medical Stores, items recorded as received from NERCHA were so trivial in comparison with the amount expended and included items denoted as donated. The recorded deliveries represented only a small

fraction of what was reported, raising concern about the occurrence, accuracy and completeness of the reported expenditure.

The Ministry therefore, violated section 52(3) of the Public Finance Management (PFM) Act, which requires Principal Secretaries to put in place procedures consistent with the PFM Act, the Procurement Act, 2011, (Act No. 7 of 2011) or any other law for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier.

The lack of clear records and discrepancy between reported expenditure and delivered supplies raises concern about the potential misappropriation or mismanagement of funds. Moreover, if the reported expenditure does not align with the actual quantity and value of medical supplies delivered, there is a risk of inadequate supply of essential drugs, compromising public health services. Failure to differentiate between donated items and purchased supplies hampers accountability and transparency in the procurement process, leading to a lack of confidence in the management of public funds.

I advised the Controlling Officer to implement robust documentation procedures to differentiate between donated items and supplies purchased using government funds. This includes maintaining accurate records of procurement transactions, including invoices, receipts, and delivery notes. The Ministry should also, in collaboration with NERCHA, ensure thorough reconciliation of reported expenditure with actual deliveries to ensure accuracy and completeness of financial reporting. Any discrepancies should be promptly investigated and rectified. The Controlling was advised to further implement stronger internal controls and oversight mechanisms to prevent mismanagement or misappropriation of funds.

277.4. Accumulation of Government Funds in Supplier's Account

I also reported that NERCHA keeps accumulated funds of **E138,611,473.70** at the hand of the supplier. This follows a Memorandum of Understanding (MOU) signed between the Ministry of Health and NERCHA whereby, the Government advances funds to NERCHA for the purpose of ease of access to markets. However, the Ministry does not track the performance of obligations by the suppliers as well as monitor the remaining balances of funds. As such additional advances are made before exhausting the obligations of the previous order and without considering the cash balance held by the supplier.

The accumulation of cash is demonstrated in the table below.

ARV Advances	Advance Received by Supplier in E	Advance Received by Supplier in US\$	Delivered Medical Drugs US\$	Undelivered Medical Drugs US\$	Exchange Rate	Undelivered Medical Drugs in E
Advance 1: IT Solutions PO7278	7,272,975.22	412,889.74	58,320.00	354,569.74	17.6148	6,245,679.37
Advance 2: IT Solutions PO7826	131,000,000.02	7,198,474.58	4,515,669.69	2,682,804.89	18.1983	48,822,488.26
Advance 3: IT Solutions PO8853	83,543,306.07	4,385,935.85	-	4,385,935.85	19.0480	83,543,306.07
Total	221,816,281.31		4,573,989.69	7,423,310.48		138,611,473.70

I highlighted section 8(1) of the PFM Act of 2017, which states that the Principal Secretary, in addition to the functions in Section 11 of this Act, shall manage resources of the line Ministry in compliance with this Act; and supervise the management of resources in entities in the vote of the line Ministry.

I expressed concern over the risk that government runs of losing significant funds should the supplier close down for any particular reason. Moreover, the held funds do not earn any interest for Government but rather may earn it for the supplier.

I recommended that the Ministry should monitor, reconcile and ensure previously disbursed funds are exhausted before being topped up for a subsequent order.

277.5. Discrepancy in Medical Supplies Delivery Records

I further reported that part of the funds that were transferred from the Ministry of Health to the National Emergency Response Council on HIV/AIDS (NERCHA), were subsequently used to pay a supplier for medical drugs. However, a significant inconsistency exists between the confirmation from the supplier and the records maintained by NERCHA regarding the delivery of medical supplies. The supplier confirms the delivery of medical supplies amounting to **E17,654,222.82** (US\$905,344.76 at an exchange rate US\$1: E19.5), while NERCHA's records indicate that the supplies have not yet been delivered despite full payment being made. The table below gives the details of the discrepancies.

Order No.	Description	Quantity As per Order	Quantity As per NERCHA	Quantity As per Supplier & date of delivery	Quantity Variance	Unit Price	Amount in USD
7826	Dolutegravir/Lamivudine/Tenofovir 50/300/300mg tablet, container of 90 tablets-no carton	315,245	315,242	315,242 (06.12.23)	3	8.95	26.95
7826	Lamivudine/Tenofovir 300/300mg tablet, container of 30 tablets-no carton	15,672	7,680	15,672 (7,680 delivered 28.07.23 & 7,992 delivered 28.07.23)	7,992	3.06	24,455.52
7826	Lamivudine/Zinovudine 150/300mg tablet, container of 60 tablets-no carton	37,944	19,944	37,944(18,000 delivered 23.08.23 & 7,000 delivered 20.10.23 & 12,944 delivered 20.10.23)	18,000	5.35	96,300.00

Order No.	Description	Quantity As per Order	Quantity As per NERCHA	Quantity As per Supplier & date of delivery	Quantity Variance	Unit Price	Amount in USD
7826	Dolutegravir 50mg tablet, container of 30 tablets-no carton	62,028	-	62,028(16.10.23)	62,028	1.3	80,636.40
7826	Dolutegravir/Lamivudine/ Tenofovir 50/300/300mg tablet, container of 30 tablets-no carton	110,000	11,000	110,000 (18.08.23)	99,000	3.05	301,950.00
7826	Lamivudine/Zidovudine 150/300mg tablet, container of 60 tablets-no carton	32,200	-	31,200 (delivered13.11.23)	31,200	5.26	164,112.00
7826	Abacavir/Lamivudine 600/300mg tablet, container of 30 tablets-no carton	26,053	-	26,053 (14,992 delivered 13.11.23 & 11,061 delivered 26.01.24)	26,053	9.13	237,863.89
Total							905,344.76

I referred the Controlling Officer to section 52(3) of the Public Finance Management (PFM) Act, which requires the Principal Secretaries to put in place procedures consistent with the PFM Act, the Procurement Act, 2011, (Act No. 7 of2011) or any other law for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier.

The discrepancy between the supplier's confirmation and NERCHA's records raises concern about potential mismanagement of funds, miscommunication, or possible fraudulent activities. Such discrepancies could lead to financial losses, inefficiencies in service delivery, and undermine the credibility of the Ministry of Health's procurement practices.

I recommended that the Controlling Officer should conduct a thorough reconciliation between the supplier's confirmation and NERCHA's records to identify any discrepancies and ascertain the accuracy of the delivery status. This may include requiring signed delivery notes or proof of receipt from authorized personnel. I further recommended enhanced communication and coordination between the Ministry of Health, NERCHA, and suppliers to ensure accurate and timely recording of procurement transactions.

277.6. Unaccounted-for Funds for Acquisition of Other Medical Supplies from the Ministry of Health to NERCHA

I noted that, funds amounting to **E34,100,000.00** transferred from the Ministry to NERCHA for the acquisition of other medical supplies were not accounted for by the Ministry and NERCHA. The transfer of funds was processed on 27th February 2023, through batch 495, payment voucher 110777, month 11. The total funds transferred by the Ministry to NERCHA was inconsistent with NERCHA's report. Out of four documented

transfers, NERCHA has reported only two as grants received. However, there are two additional transactions amounting to E34,100,000 (E31,200,000 and E2,900,000) that were not reported by NERCHA. These unreported transactions were captured as other medical supplies expenditure – item 03403 into the Government Accounting System.

I raised the PFM Act 2017, which requires that a Controlling Officer shall put in place measures for the management of public finances consistent with the principles, standards, processes and systems required under this Act including but not limited to - (c) systems to ensure authorised, effective, efficient, economical and transparent use of the resources of the entity.

Incomplete reporting of significant amounts of funds transferred from the Ministry of Health to NERCHA raises a concern about transparency and accountability in the management of public funds. This discrepancy may indicate potential mismanagement, misuse, or misallocation of funds, which could have adverse consequences on public health initiatives and services provided by NERCHA. Additionally, this might pose reputational risks to both entities and undermines public trust in the Government's financial management practices.

I advised the Controlling Officer to perform a thorough investigation into the discrepancy to determine the reasons behind the unreported transactions and identify any potential irregularities or discrepancies in the financial records of both the Ministry of Health and NERCHA. I further, encouraged the implementation of mechanisms to enhance reporting accuracy and timeliness, including regular reconciliation of financial records and improved communication between the Ministry of Health and NERCHA regarding fund transfers.

277.7. Funds Transferred from the Ministry of Health to NERCHA for Medical Drugs Procurement Not Utilised

I also reported that the Ministry of Health transferred funds to National Emergency Response Council on HIV/AIDS (NERCHA) specifically earmarked for the procurement of medical drugs. However, NERCHA has retained a significant balance of **E64,244,535.14** without utilizing it for the intended purpose of procuring medical drugs or returning it back to the Consolidated Fund.

This was in violation of Section 8(1) of the PFM Act of 2017, which states that a Principal Secretary, in addition to the functions in Section 11 of this Act, shall manage resources of the line Ministry in compliance with this Act; and supervise the management of resources in entities in the vote of the line Ministry.

I expressed my concern with respect to the retention of funds which may lead to delays in acquiring essential medical drugs, potentially affecting the timely delivery of healthcare services to patients. Failure to utilize allocated funds for their intended purpose indicates inefficiency in resource allocation, resulting in missed opportunities to address healthcare needs. Moreover, the potential of funds misuse increases as well as the strain in the healthcare system, compromising patient care and treatment outcomes.

I advised the Controlling Officer to ensure implementation of healthcare plans and alignment with priorities and needs, strengthen monitoring and oversight mechanisms to ensure compliance with funding allocation guidelines, considering current healthcare demands and adjusting allocations as necessary to meet evolving needs.

277.8. Misuse of Funds Transferred from the Ministry of Health to NERCHA

I further reported that **E92,000.00** of the funds that were specifically transferred for procuring medical drugs were misappropriated to purchase food instead.

This was in violation of section 8 (1) of the PFM Act of 2017, which states that a Principal Secretary, in addition to the functions in Section 11 of this Act, shall manage resources of the line Ministry in compliance with this Act; and supervise the management of resources in entities in the vote of the line Ministry.

I expressed concern over the misappropriation of funds set aside for essential healthcare services being used for a divergent purpose since it contributes to the shortages of essential medical supplies, potentially compromising patient care and treatment outcomes.

I advised the Controlling Officer to conduct a thorough reconciliation of funds transferred from the Ministry of Health to NERCHA against expenditures made by NERCHA to identify any discrepancies and instances of misuse, implement oversight and accountability mechanisms within NERCHA, including regular monitoring and review of expenditures.

277.9. Government Funds Held at NERCHA with no Purpose

I further noted that funds amounting to **E5,540,419.59** were transferred by the Ministry to NERCHA with no specific purpose. These Government funds have been held by NERCHA over a period of three years with guidance from the Ministry. The Ministry of Health failed to account for these funds due to lack of documentation and there was no

explanation provided regarding the background of previous activities that led to an opening balance which transpired during the review of the financial report prepared by National Emergency Response Council on HIV/AIDS (NERCHA). Hence the balance remained unaccounted for.

This was in violation of section 111(I) Public Procurement Regulations of 2020, which states that the procuring entity shall designate a member of staff as the contract manager for every contract awarded. The contract manager shall be responsible for – ensuring that all contract management records are kept and archived as required.

I raised my concern about the lack of transparency and accuracy of NERCHA's financial reporting process which could lead to erroneous financial analysis and decision-making.

I advised the Controlling Officer to provide supporting documentation for the reported opening balance and establish a clear audit trail documenting the flow of funds and transactions that contribute to the opening balance, facilitating transparency and accountability in financial reporting.

277.10. Undelivered Medical Supplies Procured Through UNICEF

During the audit of funds transferred from the Ministry of Health to UNICEF for the procurement of medical drugs, it was noted that a portion of the medical drugs procured by UNICEF on behalf of the Ministry and intended for delivery at the Central Medical Stores was not accounted for in the Goods Received Notes (GRNs). These drugs were not recorded as received, indicating a potential discrepancy in the documentation trail. The undelivered medical drugs amounted to **E5,928,097.50** (US\$304,005.00 at an exchange rate of US\$1: E19.50). The following table shows a list of the supplies not received by the Central Medical Stores.

Date	Description	Material No	Unit price	Quantity	Total US\$
03/11/2022	DTP vaccine, adsorbed, vial of 10 doses	S359123	18.90	4,500	8,505.00
03/11/2022	DTP-HepB-Hib vaccine, vial of 1 dose	S359241	11.52	50,000	63,000.00
03/11/2022	Rotavirus vac. Mono, tube of 1 dose	S359500	9.00	25,000	225,000.00
03/11/2022	HepB vaccine, adult, vial of 1 doses	S359303	3.00	2,500	7,500.00
Total					304,005.00

This was in contravention of section 52(3) of the Public Finance Management (PFM) Act, which requires Principal Secretaries to put in place procedures consistent with the PFM Act, the Procurement Act, 2011, (Act No. 7 of 2011) or any other law for verifying the

receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier.

The absence of documentation for the receipt of medical drugs raises concern regarding whether the supplies were actually delivered or not, and the accuracy and completeness of inventory records at the Central Medical Stores. This increases the risk of inventory mismanagement, potential stock outs, or even the diversion of medication.

I recommended to the Controlling Officer to conduct a thorough investigation into the discrepancy noted during the audit to ascertain the whereabouts of the missing medication, identify any gaps in the procurement and delivery process that may have contributed to the issue and take corrective actions accordingly. The Ministry of Health should ensure that all received medication is promptly recorded in the Goods Received Notes with accurate details regarding quantity, quality, and batch numbers. Moreover, the Controlling Officer should increase oversight and monitoring mechanisms to track the movement of medical drugs from procurement to delivery at the Central Medical Stores. Implementing a robust monitoring system will improve transparency and accountability in the supply chain process.

277.11. Delayed Recording of Medical Supplies in General Received Notes (GRNs)

The Ministry of Health consistently delayed recording medical supplies after delivery, including donated items, in the Goods Received Notes (GRNs) at the Central Medical Stores. The delays range from days to months, impacting the accuracy and timeliness of inventory records. The table shows a list of the delayed recordings.

GRN No.	Description	Quantity	Date Received	Date Recorded	Delay in Days
1560	Sodium chloride 0.9% 18ml/2ml	8640	2022/02/14	2022/05/12	87
1535	Midazolam 1mg/ ml	14	2022/03/30	2022/04/05	6
1535	Midazolam 5ml	200	2022/03/30	2022/04/05	6
1607	Medicine caps plastic 60ml	1100	2022/02/16	2022/06/30	134
1609	Esbriet 267mg hard caps	1	2022/06/24	2022/07/04	10
1640	Allopurinol 300mg tabs	3000	2022/07/12	2022/07/13	1
1652	Paracetamol Bp 500mg tabs	882	2022/07/11	2022/07/20	9
1652	Paracetamol Bp 500mg tabs	802	2022/07/11	2022/07/20	9
1652	Paracetamol Bp 500mg tabs	882	2022/07/11	2022/07/20	9
1652	Paracetamol Bp 500mg tabs	972	2022/07/11	2022/07/20	9
1652	Paracetamol Bp 500mg tabs	792	2022/07/11	2022/07/20	9
1652	Paracetamol Bp 500mg tabs	882	2022/07/11	2022/07/20	9
1652	Paracetamol Bp 500mg tabs	792	2022/07/11	2022/07/20	9
1652	Paracetamol Bp 500mg tabs	796	2022/07/11	2022/07/20	9
1658	65 roof x 250h x 250 circ Malaria Nets	10000	2022/07/21	2022/07/25	4

GRN No.	Description	Quantity	Date Received	Date Recorded	Delay in Days
1659	Metronidazole suspension 200mg	2280	2022/07/12	2022/07/25	13
1659	Metronidazole suspension 125mg	2960	2022/07/12	2022/07/25	13
1659	Amoxycillin tabs 500mg	200	2022/07/12	2022/07/25	13
1659	Hypodermic syringe 2 part 2ml	180	2022/07/12	2022/07/25	13
1659	Infusion giving sets	2000	2022/07/12	2022/07/25	13
1659	Amoxycillin oral suspension 250mg	2400	2022/07/12	2022/07/25	13
1659	Amoxycillin oral suspension 250mg	5900	2022/07/12	2022/07/25	13
1659	Amoxycillin oral suspension 250mg	2100	2022/07/12	2022/07/25	13
1659	Amoxycillin suspension 125mg	7400	2022/07/12	2022/07/25	13
1659	Paediatric paracetamol suspension 120mg	5700	2022/07/12	2022/07/25	13
1659	Metronidazole Inje 500mg	14976	2022/07/12	2022/07/25	13
1660	Ceftriaxone Inje	1000	2022/07/12	2022/07/25	13
1660	Retinol vitamin A tabs	50	2022/07/12	2022/07/25	13
1660	Tramadol Hydrochloride Inj	20	2022/07/12	2022/07/25	13
1660	Amoxycillin tabs 500mg	12	2022/07/12	2022/07/25	13
1660	Hydrocortisone sodium Inje	30	2022/07/12	2022/07/25	13
1660	Zip lock tabs envelopes	3	2022/07/12	2022/07/25	13
1660	Ephedrine Inje	62	2022/07/12	2022/07/25	13
1661	Parfenidole 267 tabs	1	2022/07/05	2022/07/25	20
1662	Candle wax (aplicating)	100	2022/07/21	2022/07/25	4
1662	Hearing aids batteries	320	2022/07/21	2022/07/25	4
1662	Hearing aids batteries	280	2022/07/21	2022/07/25	4
1662	Gum Injection	1	2022/07/21	2022/07/25	4
1664	Diclofenic Inj	1500	2022/07/27	2022/07/28	1
1689	5mm lite single wall corrugated carton 60cm	1000	2021/12/30	2022/08/02	215
1689	5mm lite single wall corrugated carton 30cm	987	2021/12/30	2022/08/02	215
1972	70cm 3/0 monofilament	50	2022/11/14	2022/11/21	7
1972	70cm PGA (0) Strandor 30mm	250	2022/11/14	2022/11/21	7
1972	70cm PGA (0) Strandor 30mm	250	2022/11/14	2022/11/21	7
1972	70cm PGA (0) Strandor 40mm	550	2022/11/14	2022/11/21	7
1972	70cm PGA (1) Strandor 40mm	900	2022/11/14	2022/11/21	7
1972	70cm PGA (1) Strandor 40mm	900	2022/11/14	2022/11/21	7
1973	70cm PGA (2/0) Strandon 24mm	900	2022/11/14	2022/11/21	7
1973	70cm PGA (2/0) Strandon 26mm	1000	2022/11/14	2022/11/21	7
1973	70cm PGA (2/0) Strandon 30mm	900	2022/11/14	2022/11/21	7
1329	Acetazolamide 250mg tab	37	2022/12/19	2022/12/20	1
1329	Acetazolamide 250mg tab	2	2022/12/19	2022/12/20	1
1329	Acetazolamide 250mg tab	21	2022/12/19	2022/12/20	1
1329	Risperidone 2mg tab	20000	2022/12/19	2022/12/20	1
1329	Spironolactone 25mg tabs	13400	2022/12/19	2022/12/20	1
1329	Spironolactone 25mg tabs	11600	2022/12/19	2022/12/20	1
1368	Blades surgical no.24	305	2023/01/20	2023/01/23	3
1369	Blades surgical no.11	50	2023/01/20	2023/01/23	3
1369	Blades surgical no.21	250	2023/01/20	2023/01/23	3
1369	blades surgical no.22	289	2023/01/20	2023/01/23	3
1027	Mentelyte Inj	100	2023/02/20	2023/02/23	3
1027	Plasma substitute	100	2023/02/20	2023/02/23	3
1027	Manitol Inj	800	2023/02/20	2023/02/23	3

The Ministry violated Section 44(a) of the Public Procurement Act which states that the requesting and procuring entities shall maintain records of all procurement proceedings.

Delayed recording of supplies in Goods Received Notes increases the risk of misappropriation of the medical supplies, portrayal of inaccurate inventory levels, and subsequent over purchasing that results in obsolete stock.

I advised the Controlling Officer to enhance the recording processes by implementing measures to streamline and expedite the recording process for received medical supplies. This may involve automation or improved data entry procedures and I advised the Controlling Officer to explore using technology solutions such as barcoding systems to automate the recording of received supplies, minimising manual errors and delays. I further recommended regular training and awareness for staff involved in the recording process about the importance of timely and accurate Goods Received Notes entries.

277.12. Receiving Medical Supplies with Shelf Life Less Than 18 Months

The Ministry received various pharmaceuticals and other critical items necessary for patient care amounting to **E7,959,972.75** with a shelf life of less than 18 months which was not compliant with set standards. The following table shows a list of such medical supplies.

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Shelf life (Months)	Amount (E)
EG23103447	90146	Swazi Pharm	Vancomycin 1G Inj 10s	20	2022/11/30	2021/12/08	11	27,640.00
EG23103447	90146	Swazi Pharm	Vancomycin 500mg Inj 10s	15	2023/01/30	2021/12/08	13	10,380.00
EG23103448	90166	Swazi Pharm	Barrs Sterigel 70%alcohol	200	2023/06/16	2022/04/21	13	8,970.00
EG23103480	90166	Swazi Pharm	Sporatal 1l 6s	20	2022/12/30	2022/04/26	8	20,240.00
EG23103494	90147	Swazi Pharm	Berzatan 300mg tabs	170	2023/05/30	2022/03/08	14	16,507.00
EG23103496	90147	Swazi Pharm	Paradole 200mg /ml 10ml	2	2023/06/30	2022/03/24	15	11,700.00
EG23103510	90119	Swazi Pharm	Lasix (Furosemide) 500mg tabs	250	2023/08/31	2022/04/12	16	771,250.00
EG23103940	90275	Swazi Pharm	Lasix (Furosemide) 500mg tabs	600	2023/08/31	2022/04/05	16	1,851,000.00
EG23103403	90168	Swazi Pharm	Omeprazole 20mg tabs	4000	2023/02/28	2022/05/09	9	68,000.00
EG23103499	90109	Swazi Pharm	NPWT Ystem canister G 1000ml	10	2023/06/30	2022/03/22	15	94,179.90
EG23103483	90109	Swazi Pharm	Venofer Iron sucrose 100ml/5ml	400	2023/07/30	2022/02/02	17	142,000.00
EG23103476	90109	Swazi Pharm	Kerra foam simple BDR AWL 1200	12	2023/04/30	2022/06/01	10	13,593.00
EG23103476	90109	Swazi Pharm	Kerra foam simple BDR CWL 1200	18	2023/10/30	2022/06/01	16	20,389.50
EG23103476	90109	Swazi Pharm	Kerra foam simple BDR CWL 1201	50	2023/10/30	2022/06/01	16	144,900.00
EG23000506	120167	Swazi Pharm	Povidone iodine solution 1l	3000	2024/06/02	2023/02/13	15	237,000.00
EG23008160	1201720	Swazi Pharm	Sodium chloride 0,4 1000ml	996	2024/04/30	2023/01/04	15	25,298.40
EG23001375	100003	Swazi Pharm	Norgestrel 500mcg/Ethinylestradio L 50mcg tab	2998	2023/07/31	2023/01/16	6	71,952.00
EG23003261	110068	Swazi Pharm	Levonorgestrel 30mcg tab	10027	2024/02/29	2023/01/16	13	180,486.00
EG23003261	110068	Swazi Pharm	Norgestrel 500mcg/Ethinylestradio L 50mcg tab	13669	2023/07/31	2023/01/16	6	328,056.00
EG23000485	110068	Swazi Pharm	Lidocaine oral spray 10mg	150	2023/10/30	2023/01/04	9	36,855.00
EG23105752	110068	Swazi Pharm	Ganciclovir 500mg Inj	20	2022/08/30	2021/11/29	9	36,000.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Shelf life (Months)	Amount (E)
EG23102449	70709	Swazi Pharm	Venofer Iron sucrose 100ml/5ml	450	2023/09/30	2022/04/28	17	159,750.00
EG23102441	70712	Swazi Pharm	Cellcept 250mg cap	30	2023/05/31	2022/04/28	13	17,400.00
EG23102441	70712	Swazi Pharm	Venofer Iron sucrose 100ml/5ml	605	2023/09/30	2022/04/28	17	214,775.00
EG23102288	110172	Swazi Pharm	Kabiven 1000ml	5	2023/11/30	2022/12/08	11	11,500.00
EG23102288	110172	Swazi Pharm	Kabiven peripheral 1500ml	5	2024/03/31	2022/11/11	16	13,972.50
EG23103408	90163	Swazi Pharm	Cialis tadalafil 5mg tab	3	2023/01/31	2022/04/05	9	4,500.00
EG23103408	90163	Swazi Pharm	Cellcept mycophenolic 250mg cap	50	2023/05/31	2022/04/11	13	29,000.00
EG23103563	90269	Swazi Pharm	Fresubin high protein 500ml	10	2021/05/31	2020/12/10	5	8,280.00
EG23103563	90269	Swazi Pharm	Fresubin intestamine 500ml	2	2021/03/31	2020/12/10	3	12,937.40
EG23103563	90269	Swazi Pharm	Fresubin supportan 500ml	10	2021/08/31	2020/12/10	8	13,202.00
EG23103563	90269	Swazi Pharm	Fresubin diben 500ml	10	2021/05/31	2020/12/10	5	33,810.00
EG23103563	90269	Swazi Pharm	Fresubin original 500ml	10	2021/07/31	2020/12/10	7	5,692.50
EG23103563	90269	Swazi Pharm	Fresubin intensive 500ml	10	2021/06/30	2020/12/10	6	16,560.00
EG23103563	90269	Swazi Pharm	Fresubin 2kcal HP 500ml	10	2021/07/31	2020/12/10	7	12,937.50
EG23102450	70708	Swazi Pharm	Omeprazole 20mg tabs	2000	2023/02/28	2022/05/09	9	34,000.00
EG23103458	70708	Swazi Pharm	Lasix (Furosemide) 500mg tabs	1	2023/08/31	2022/04/07	16	3,085.00
Not attached	90114	Swazi Pharm	Venofer Iron sucrose 100ml/5ml	300	2023/07/30	2022/02/03	17	106,500.00
EG23103434	90149	Swazi Pharm	Fresubin supportan 500ml	8	2022/02/28	2021/12/01	2	10,561.60
EG23102332	70108	Swazi Pharm	Nasogastric tube polyurethane FG6	100	2023/05/30	2021/12/28	17	16,790.00
EG23102338	70110	Swazi Pharm	Fresubin high protein 500ml	5	2022/07/31	2021/12/14	7	4,140.00
EG23102338	70110	Swazi Pharm	Fresubin intestamine 500ml	2	2022/06/30	2021/12/14	6	12,937.50
EG23102338	70110	Swazi Pharm	Kabiven 1540ml	5	2022/09/30	2021/12/14	9	14,179.50
EG23102338	70110	Swazi Pharm	Fresubin supportan 500ml	5	2022/09/30	2021/12/14	9	4,140.00
EG23102338	70110	Swazi Pharm	Fresubin original 500ml	5	2022/06/30	2021/12/14	6	2,846.25
EG23102338	70110	Swazi Pharm	Fresubin SIP feed vanilla 200ml	5	2022/11/30	2021/12/14	11	3,519.00
EG23103509	70110	Swazi Pharm	Vac alta installation veraflo medium dressing	10	2023/08/31	2022/06/02	14	198,352.60
EG23008161	120168	Swazi Pharm	Fluoxetine 10mg cap	4000	2023/09/30	2022/04/20	17	500,000.00
EG23000467	120168	Swazi Pharm	Sodium valproate syrup 200mg/5ml	1000	2023/11/30	2022/08/01	15	199,000.00
EG22103615	120168	Swazi Pharm	Lorazepam tab	250	2023/09/30	2022/05/16	16	49,750.00
EG22103615	120168	Swazi Pharm	Digoxin tab 0.0625mg	50	2023/03/30	2022/01/31	13	7,200.00
EG23107906	120168	Swazi Pharm	Alphagan purite drops 5ml	150	2023/08/31	2022/04/05	16	3,457.50
EG22001499	120168	Swazi Pharm	Ethambutol film coated tabs 400mg	198	2023/01/30	2021/12/09	13	18,008.10
EG22000686	50667	Swazi Pharm	Artesunate 60MG POI 1s	2980	2023/03/30	2021/12/01	15	72,712.00
EG22000755	50667	Swazi Pharm	Oxytocin Injectiob 10iu: 10 AMP	326	2023/12/30	2023/05/18	7	15,811.00
EG23005005 0094	50667	Swazi Pharm	Phenobarbitone Syrup 20MG/5ML: 100ML	500	2023/11/30	2022/06/06	17	44,995.00
EG22002896	43098	Swazi Pharm	Ringers Lactate Solution:1000ML	9000	2022/07/30	2022/01/26	6	149,850.00
EG23000093	30427	Swazi Pharm	Clarithromycin 500MG Tablets:14's	2000	2022/07/30	2021/03/23	16	99,000.00
EG23000095	30426	Swazi Pharm	Ceftriaxone 1G injection:1's	47210	2022/08/30	2021/03/31	16	233,689.50
EG23000094	30426	Swazi Pharm	Metformin 500MG Tablets:500's	10000	2023/11/30	2023/03/25	8	475,000.00
EG23000493	100002	Swazi Pharm	Tramadol Capsules 50MG:100 caos	100	2022/09/30	2022/07/14	2	9,200.00

Order No	Voucher	Supplier	Description	Quantity per Batch Details	Expiry date	Delivery Date	Shelf life (Months)	Amount (E)
EG23000493	100002	Swazi Pharm	Tramadol Capsules 50MG:100 caos	120	2022/09/30	2022/07/14	2	11,040.00
EG23000452	100002	Swazi Pharm	Suxamethonium injection 100MG:10 VIALS	250	2023/07/30	2022/09/20	10	31,750.00
EG23001986	80361	Swazi Pharm	Norgestrel 300MG/ ethinylesttra diol 30NCG Tablets 28's	33673	2022/05/30	2021/07/28	10	420,912.50
EG23001986	80361	Swazi Pharm	Norgestrel 300MG/ ethinylesttra diol 30NCG Tablets 28's	4800	2023/03/31	2021/11/15	16	115,200.00
EG23000451	90637	Swazi Pharm	Glycerine suppositories Adult	4	2023/11/30	2022/07/04	16	408.00
EG23000451	90637	Swazi Pharm	Glycerine suppositories Paediatric	208	2023/11/30	2022/07/04	16	21,216.00
EG23000119	80096	Swazi Pharm	Norgestrel 500mg tablets:84's	16667	2023/07/31	2022/07/28	12	400,008.00
Total								7,959,972.75

This was in contravention with the Specifications and Standards of the Invitation to Tender for the Supply and Delivery of Pharmaceuticals and Vaccines, which states that all pharmaceutical, vaccines and contraceptive products must, upon arrival at Central Medical Stores at Matsapha, have a remaining shelf life of not less than $\frac{3}{4}$ of the specified life remaining. For those items whose original shelf life is shorter than two years, they must have a remaining period of at least $\frac{3}{4}$ of their original shelf life remaining.

As a caution, I mentioned that stocking medical supplies with a short shelf life increases the chances of supplies expiring before utilization, leading to waste of resources and compromised patient care. Also, Government is made to incur excessive costs that include handling and storage costs, incineration costs and transportation to the incineration facilities. Moreover, they are a cause an effect to the disruption of regular operations, necessitating emergency procurement, leading to increased costs and shortages.

I advised the Controlling Officer to enforce procurement guidelines that specify the acceptable minimum shelf life requirements for medical supplies, strengthen communication with suppliers to ensure that medical supplies with adequate shelf life are procured, implement a robust inventory management system to monitor the shelf life of existing supplies, facilitating timely usage and minimizing waste.

277.13. Expired Stock of E13.4 Million Over a Period of 12 Months

The Ministry held excessive amount of expired stock amounting to **E13,434,806.62** that expired during the financial year ended 31st March 2023. This observation raised concern about the effectiveness of the stock management practices within the organisation.

I cautioned the Controlling Officer about section 11 (2) (f) of the PFM Act 2017 which requires Principal Secretaries to put in place measures to prevent wasteful expenditure or loss of public resources.

I informed the Controlling Officer that the accumulation of expired stock which has led to a financial loss of E13.4 million directly impacts the budget allocated for essential medical supplies and may lead to shortages in critical healthcare items and inability to provide timely and quality healthcare services. Moreover, this further causes Government to suffer excessive costs that include handling and storage costs, incineration costs and transportation to the incineration facility.

I advised the Controlling Officer to review and strengthen stock management policies, implement regular stock audits, provide training sessions for staff involved in stock management to ensure they are well-equipped with the knowledge and skills necessary to manage inventory effectively. Also, that the Controlling Officer should conduct periodic performance reviews of the stock management team to assess their adherence to policies and identify areas for improvement. Recognize and address challenges faced by the team to create a supportive and accountable work environment.

277.14. Acceptance of Donated Medical Drugs with One-Month Shelf Life Which Appears to be More of a Disposal Method by the Donor

The Ministry accepted donated medical drugs with a shelf life ranging from as little as or less than one month to fifteen months, from Global Life Sharing (supplier). These donations appeared to be more of a disposal method by the donor to avoid the costly disposal of the drugs on their part. The following table shows the details of the donated stock. 2357205 Jabula Dlamini

GRN No	Description	Quantity	Expiry date	Delivery date	Shelf life in Months	Received By
1508	Uparon tab 95%artemins herb	5	2022/04/01	2022/03/16	0	Storeman - G.D
1507	Loxperin 68.1mg tablets	2	2022/04/01	2022/03/16	0	Storeman - G.D
1507	Atovan 10mg tablets	1	2022/04/01	2022/03/16	0	Storeman - G.D
1509	Atovan tab,20mg	8	2022/05/01	2022/03/16	1	Storeman - G.D
1508	Epanel tab 50mg	2	2022/05/01	2022/03/16	1	Storeman - G.D
1508	Singulmon tab 10 mg	1	2022/05/01	2022/03/16	1	Storeman - G.D
1507	Mosaprone 5.2mg tablets	13	2022/05/01	2022/03/16	1	Storeman - G.D
1507	Pitalone Fcapsule 2mg	8	2022/05/01	2022/03/16	1	Storeman - G.D
1507	solbecine tabs 10mg	3	2022/05/01	2022/03/16	1	Storeman - G.D
1504	Brocerin cap 100mg	640	2022/06/01	2022/03/16	2	Storeman - 2357205
1505	Depens bug mosquito mites	396	2022/06/01	2022/03/16	2	Storeman - 2357205
1507	Rabed200m table	1	2022/06/01	2022/03/16	2	Storeman - G.D

GRN No	Description	Quantity	Expiry date	Delivery date	Shelf life in Months	Received By
1509	Union multi injection	1024	2022/07/01	2022/03/16	3	Storeman - G.D
1506	uniteride 5mg tablets	360	2022/07/01	2022/03/16	3	Storeman – 2357205
1505	Unidolinesyrup 8ml	1140	2022/07/01	2022/03/16	3	Storeman – 2357205
1508	Amtospine Tab 6.94mg	1	2022/07/01	2022/03/16	3	Storeman - G.D
1508	Rabed tabs 10mg	1	2022/07/01	2022/03/16	3	Storeman - G.D
1508	Olmeron tab 20mg	29	2022/07/01	2022/03/16	3	Storeman - G.D
1503	Tellows 80/10mg tabs	3000	2022/07/01	2022/03/16	3	Storeman – 2357205
1503	Augme 675mg tablets	600	2022/07/01	2022/03/16	3	Storeman – 2357205
1504	Nuptan 100mg tablets	1181	2022/08/01	2022/03/16	4	Storeman – 2357205
1503	Nurotan 100 mg tablets	720	2022/08/01	2022/03/16	4	Storeman – 2357205
1503	Cefuking 300.72 mg	2700	2022/08/01	2022/03/16	4	Storeman – 2357205
1503	Yuhan lafitidine 10mg tables	1000	2022/08/01	2022/03/16	4	Storeman – 2357205
1503	Aucmectin 375mg tablets	510	2022/08/01	2022/03/16	4	Storeman – 2357205
1503	Augme 375mg tablets	2010	2022/08/01	2022/03/16	4	Storeman – 2357205
1509	Levocle eyedrops	4000	2022/09/01	2022/03/16	5	Storeman - G.D
1504	Epinastrine 10mg tablets	1000	2022/09/01	2022/03/16	5	Storeman – 2357205
1504	Epinastrine 10mg tablets	850	2022/09/01	2022/03/16	5	Storeman – 2357205
1508	Singulmon tab 10 mg	1	2022/09/01	2022/03/16	5	Storeman - G.D
1507	Covasatom 80/125	20	2022/09/01	2022/03/16	5	Storeman - G.D
1503	Collage soft 100mg caps	4704	2022/09/01	2022/03/16	5	Storeman – 2357205
1503	Yuyu enosmium 600 tabs	588	2022/09/01	2022/03/16	5	Storeman – 2357205
1506	Lyicaveuso 300mg	10	2022/10/01	2022/03/16	6	Storeman – 2357205
1508	Eudyna caps 125mg/51mg	7	2022/10/01	2022/03/16	6	Storeman - G.D
1508	Atovan Tab ,10 mg	1	Oct 2022	2022/03/16	6	Storeman - G.D
1507	Audyna 12.5	6	2022/10/01	2022/03/16	6	Storeman - G.D
1503	Contrave 8mg/90mg tabs	70	2022/10/01	2022/03/16	6	Storeman – 2357205
1503	Cilodile sr 200mg caps	360	2022/10/01	2022/03/16	6	Storeman – 2357205
1509	Rebapide tab,100mg	13	2022/11/01	2022/03/16	7	Storeman - G.D
1509	Tiaprane tab,100mg	3	Nov 2022	2022/03/16	7	Storeman - G.D
1504	Bronky	1000	2022/11/01	2022/03/16	7	Storeman – 2357205
1505	Depens bug mosquito mites	396	2022/11/01	2022/03/16	7	Storeman - 2357205
1507	Rabed200m table	14	2022/11/01	2022/03/16	7	Storeman - G.D
1509	Preorine Cups,150mg	6	2022/12/01	2022/03/16	8	Storeman - G.D
1506	Yuyu cefactor 250mg caps	160	2022/12/01	2022/03/16	8	Storeman – 2357205
1506	Elipixen semitables	3	2022/12/01	2022/03/16	8	Storeman – 2357205
1508	Flucozoletab 50mg	3	2022/12/01	2022/03/16	8	Storeman - G.D
1507	Clironein syrup	3	2022/12/01	2022/03/16	8	Storeman - G.D
1507	Lapcista 10mg tablets	1	2022/12/01	2022/03/16	8	Storeman - G.D
1504	Licalo cream 30g	940	2023/01/01	2022/03/16	9	Storeman – 2357205
1504	Erdopect 300mg caps	500	2023/01/01	2022/03/16	9	Storeman – 2357205
1505	Clafacin 250mg tablets	140	2023/01/01	2022/03/16	9	Storeman – 2357205
1506	Depens bug double mosquito and mites	539	Feb 2023	2022/03/16	10	Storeman – 2357205
1506	mites bugs double mosquito	549	Feb 2023	2022/03/16	10	Storeman – 2357205
1506	Kwangdono suspension 125mg	120	2023/02/01	2022/03/16	10	Storeman – 2357205
1506	Stavova 5mg tablets	640	2023/03/01	2022/03/16	11	Storeman – 2357205
1504	Mountidi 25mg tablets	240	2023/04/01	2022/03/16	12	Storeman – 2357205
1506	Yuyu cefactor 250mg caps	960	2023/05/01	2022/03/16	13	Storeman – 2357205
1504	Cough syrup	2808	2023/05/01	2022/03/16	13	Storeman – 2357205
1505	Cheesen 300mg capsule	54	2023/07/01	2022/03/16	15	Storeman - 2357205

The Ministry violated the standing standard operating procedures which require that, after arrival in Swaziland, all donated medicines should have a remaining shelf-life of at least one year. In all cases it is important that the date of arrival and the expiry dates of the medicines be communicated to the Central Medical Stores well in advance. It is further

important that the Central Medical Stores official responsible for acceptance of the donations is fully aware of the quantities of medicines being donated, as well as their expiry dates, so as to avoid overstocking that may lead to wastage.

I raised my concern regarding accepting medical drugs with such a short shelf life because it poses a significant risk to the quality and efficacy of the healthcare services, compromising the healthcare of the nation. Furthermore, the acceptance of such donations without proper scrutiny raises concern about the integrity of the medical supply chain and the resultant waste of valuable resources as government inevitably bears excessive costs that include handling and storage costs, incineration costs and transportation to the incineration facility.

I advised the Controlling Officer to collaborate with relevant regulatory authorities to establish guidelines and regulations governing the donation of medical drugs to also align with quality standards, review and strengthen the donation acceptance policies, establish clear criteria to assess the suitability of donated items, including the minimum shelf life requirement. I further pointed out the importance of establishing transparent communication channels with donors to educate and advise them about the acceptable reasonable shelf life of donations. This should be coupled with implementing proper inspection protocols.

277.15. Non-Compliance with Procurement Regulations

I noted that the Ministry made suppliers to deliver medical supplies without issuing purchase orders, in the financial years ended 31st March 2023 and 2024. Instead, purchase requisitions were used and the delivery notes that were received and acknowledged without a corresponding order are listed in the table below.

	Caption in the Order Number space	Supplier	Order & Ship Date	Description	Qty	Delivery Note	Received By
1.	Req 3172DD22/02/2023	ASD Medical	16.03.23	Nexavar 200MG Tabs 60s	1	087123	Storeman - G.D 16.03.23
2.	Req 201451	ASD Medical	25.08.23	Methylphenidate Tabs 10MG 30s	400	091939	Storeman - G.D 28.08.23
3.	Req 201517	ASD Medical	04.08.23	Needles Hypodermic 21G 1	4000	091151	Storeman - G.D 07.08.23
				Needles Hypodermic 20G	1000		
				Needles Hypodermic 18G	500		
				Needles Hypodermic 22G	5000		
				Needles Hypodermic 23G	4500		
4.	P/O 027570/Swazi-C-NERCHA	ASD Medical	17.07.23	Pillowcase White Polycotton	20000	090507	Bheki Gama stationed at Psych – Mnz
				Pillows Standard Hollow Fibre Non – Allergies	10000		

	Caption in the Order Number space	Supplier	Order & Ship Date	Description	Qty	Delivery Note	Received By
				Blanket Fleece Assorted Colours	30000		
				Bed Manual 2Function Cranks+Matress 1980	10000		
5.	Req#201468	ASD Medical	19.07.23	Misoprostol 200MCG Tabs 120s	20	090613	Muzi Saulus 20.07.2023
6.	D/N 089906	ASD Medical	18.07.23	Phenytoin Injection 250MG/5ML 1 Vial	200	089906	Storeman - G.D 11.07.23
7.	Req# 201388 T9 Extended	ASD Medical	30.06.23	Primapore 15CMX8CM 20s	50	089921	Bheki Gama 04.06.23
8.	Req# 201388 waiting for EG order	ASD Medical	13.07.23	Primapore 15CMX8CM 20s	450	090401	Bheki Gama 18.07.23
9.	Not Stated	Avoma	Not Stated	Many	Many	SOR 486	Phiwa 28.07.23
10.	Req#201504	Avoma	Not Stated	VI Admin Set 60 drops – Paediatric 1s	9800	SOR 486.1	Storeman - G.D 03.08.23
11.	Req# 201504	Avoma	Not Stated	Set Solution Administration 20 Drops 1s - Order EG 24102737 was generated 07.09.23, deliveries before	39,000	SOR 486.2	Storeman - G.D 09.08.23
12.	Req#201515	Avoma	Not Stated	Sodium Chloride 0.9% Adcocre 200ml	320	SOR 490	Storeman - G.D 06.08.23
13.	Req# 201518	Avoma	Not Stated	Set Blood Administration Adult 1	10,000	SOR 494	Phiwa 09.08.23
14.	Req# 201518	Avoma	Not Stated	Many- Order EG 24102927 was generated 14.09.23, deliveries before. For the needles below 2000 & were as 1600+200+200	Many	SOR 494	Gcina 07.08.23
15.	Req# 201518	Avoma	Not Stated	Needles Disposable 19G Hypodermic needle (19G X 11/2", individually wrapped, sterile, single use) 100s	1600	SOR 494.1	Storeman - G.D 09.08.23
16.	Req# 201513	Avoma	Not Stated	Many	Many	050 06.08.23	Storeman - G.D 07.08.23
17.	Req#201518	Avoma	Not Stated	Many	Many	052 07.08.23	Storeman - G.D 07.08.23
18.	Req# 201513	Avoma	Not Stated	Many	Many	SOR 493	Storeman - G.D 07.08.23
19.	Req# 201513	Avoma	Not Stated	Many - Order EG 24102924 was generated 14.09.23, deliveries before.	Many	SOR 493.1	Storeman - G.D 09.08.23
20.	Not Stated	Avoma	Not Stated	Urine Bag Double End With Hooks 1s	25	SOR 492	Storeman - G.D 07.08.23
21.	Not Stated	Avoma	Not Stated	Syringes Disposable 50ml-60ml (With Deacon Syringe) 20s	96	SOR 495	Storeman - G.D 07.08.23
22.	Not Stated	Avoma	Not Stated	Syringes Disposable 50ml-60ml (With Deacon Syringe) 20s	16	SOR 495	Storeman - G.D 07.08.23
23.	Req#201521	Avoma	Not Stated	Syringes Disposable 50ml-60ml (With Deacon Syringe) 20s	208	SOR 495.1	Storeman - G.D 16.08.23
24.	Req# 201521	Avoma	Not Stated	Syringes Disposable 50ml-60ml (With Deacon Syringe) 20s	430	SOR 495.1	Storeman - G.D 16.08.23

This was in violation of the Public Procurement Regulations which state that the procuring entity shall request a quotation, from the identified tenderer, based on the statement of requirements included in the requisition; and, if the procuring entity is satisfied that the quotation meets its needs and offers value for money, it shall award a contract and issue

a written purchase order or similar document, provided that funds have been committed for the purchase.

The continued use of purchase requisitions instead of purchase orders by the Ministry, means that there is no formal documentation outlining the terms, conditions, and specifications of the procurement transaction. This violation of procurement procedures increases the likelihood of discrepancies, disputes, and potential financial losses. It also obstructs accountability and transparency in the procurement process, undermining the integrity of the overall supply chain.

I advised the Controlling Officer to ensure adherence to the established procurement procedures, strengthen stock management policies to do away with procurement under pressure and provide comprehensive training to relevant personnel involved in the procurement process, emphasizing the importance of following the prescribed procedures.

277.16. Discrepancies in Expired Medical Drugs Inventory

I reported about discrepancies identified between the recorded quantities of expired medical drugs in the stock management system and the actual physical count. According to the stock management system, the value of expired medical drugs was recorded at **E12,509,535.92**, while the physical count revealed a higher value of **E13,434,806.62**.

I referred the Controlling Officer to Section 8(1) of the PFM Act of 2017, which states that a Principal Secretary, in addition to the functions in Section 11 of the Act, shall manage resources of the line Ministry in compliance with this Act; and supervise the management of resources in entities in the vote of the line Ministry.

The disagreement of E925,270.70 between the values raises concern about the accuracy of financial reporting related to the inventory of expired medical drugs and the mismanagement of expired medical drugs may compromise the Ministry's ability to efficiently control inventory levels, affecting the overall operational efficiency and quality of healthcare services.

I advised the Controlling Officer to ensure a comprehensive reconciliation between the two systems, investigate the root causes of the discrepancies, respond prudently to the causes, enhance internal controls which include segregation of duties and periodic reviews as well capacitate the inventory management staff.

277.17. Misclassification of Procured Medicines as Donations

During my verification exercise I noted with concern that medicines procured through the National Emergency Response Council on HIV/AIDS (NERCHA) and UNICEF, using funds transferred from the Ministry of Health, as well as stock received as donations from the same agencies, were all classified as donations when being recorded at the Central Medical Stores. This misclassification indicated the Ministry was not able to accurately differentiate between procured items and donated items in the inventory records.

The PFM Act 2017, requires Controlling Officers to put in place measures for the management of public finances consistent with the principles, standards, processes and systems required under the Act including but not limited to - (c) systems to ensure authorised, effective, efficient, economical and transparent use of the resources of the entity.

I am concerned by the misclassification because it undermines accountability in the procurement process and makes it difficult to trace the utilization of funds allocated for procurement and to ensure that the medicines procured meet the necessary quality and safety standards. Furthermore, treating procured medicines as donations can misrepresent the financial transactions of the Ministry of Health and lead to inaccuracies in financial reporting, budget allocation, and expenditure tracking.

I advised the Controlling Officer to establish clear guidelines for the classification of medicines received at the Central Medical Stores which should differentiate between procured items and donated items and provide specific criteria for categorization. Separate records should be maintained (kept) by the Central Medical Stores. I also advised the Controlling Officer to provide training and capacity-building programs to staff responsible for inventory management at the Central Medical Stores.

278. Cancer Registry Project Account

278.1. Non-disclosure of Cancer Registry Project Account

I reported to the Controlling Officer that a Standard Bank Business Current Account (A/c No.9110003150413) titled "Cancer Register Project Account" and managed by the Ministry of Health had not been disclosed in the Consolidated Government Accounts for the year ended 31st March 2023. The account's bank statement showed that in year 2022, there was an opening balance of **E4,327,104.14**, receipts amounted to

E12,632,008.00 while payments amounted to **E16,365,615.78**. In year 2023, receipts were **E17,117,127.62** and payments were **E17,570,281.99**. The closing balance for the year ended 31st March 2023 was **E139,349.59**. I noted that, greater part of the receipts was received from MOF Account number 4045623.

The Ministry could not provide the establishing documents for the bank account and documented authorised signatories as well as other operational project documents. Upon further inquiry, it transpired that the account was initially opened for managing a cancer project which was later closed. However, a proper project closure was not conducted and closing balances of funds and equipment were not accounted for.

Moreover, the bank account was then unprocedurally repurposed and subsequent funds from this account were utilized for running the Cuban Doctors initiative under a Memorandum of Understanding (MoU) signed in September 2019. Funds for this project were drawn from Ministry's Professional and Special Services Recurrent Expenditure Budget, under the Principal Secretary's Officer (responsibility centre 1102). To run the project, funds were simply transferred from the recurrent budget to the Standard Bank Account and during the year under review, E1 Million was transferred from the Ministry of Health to this account.

I further noted that, for withdrawals from this bank account, the Accountant General and the Principal Secretary did not append their signatures and there was no Special Fund Financial Statement produced at the end of the fiscal year.

The PFM Act 2017, Section 10(b), states that the Accountant General shall be responsible for the custody and safety of public money and other resources of Government under the control of the Accountant General and the setting of standards and monitoring standards of the custody and safety of money and other resources of Government not under the control of the Accountant General.

Non-disclosure of the account is a concern to me because it violates the Public Finance Management Act (2017) which requires the Accountant General to keep complete, accurate records of all bank accounts under the Act. Moreover, the lack of monitoring and disclosure could result in unreported recurrent expenditures thereby distorting the Ministry's financial performance and misleading financial statements users. Furthermore, non-, monitoring of the account's activities poses risks of misuse or misallocation of funds.

I advised the Controlling Officer to Close the undisclosed Cancer Register Project Account and transfer remaining funds back to Government coffers. Regarding the repurposing of the Account, the Controlling Officer should seek authoring to open a Special Purpose Account in accordance with provisions of the Public Finance Management Act. I further advised the Controlling Officer to implement rigorous monitoring mechanisms to ensure compliance with financial regulations and transparency in the special fund's management.

278.2. Lack of Cuban Doctors' Contracts

I raised my concern to the Controlling Officer that despite the arrival of Cuban Doctors in Eswatini since 2005, through Government to Government relations, and a subsequent Memorandum of Understanding signed in September 2019, the Ministry had not formalised the engagement of the Doctors through employment contracts. As a result, their terms of engagement were not documented. I was therefore not able to authenticate the accuracy and validity of the payments made to and in respect of the Doctors

General Orders A. 124(b) state that appointments on contract terms of service, shall normally be made to cover periods of 36 months' residential service and, subject to them falling within the purview of the appropriate Commission or Authority. Shall be extended or renewed by that Commission or authority.

I am concerned by the absence of formal contracts because it may lead to legal ambiguities and challenges in managing Doctor appointments and responsibilities. This may further result in the deployment of unqualified medical personnel, thereby compromising the quality of healthcare services provided and eroding public trust in the healthcare system and the competence of doctors.

I advised the Controlling Officer to draft and enforce employment contracts for all Doctors, specifying names, qualifications, responsibilities, and duration of stay; ensure that all appointed doctors are vetted by the appropriate medical board to guarantee their qualifications and competence; and to regularly review and renew contracts as per legal requirements and standard practices.

278.3. Unconfirmed Existence of the Doctors and their Unregulated Benefits

I was not able to confirm the actual existence of the Cuban Doctors that were paid and catered for from the Ministry's budget due to lack of personal files. I expected to find their personal files which would contain critical information such as their documents of arrival into the country, placement correspondences, evidence of their titles and qualifications vetting. Moreover, there was no evidence that the Doctors were registered with the Eswatini Medical and Dental Council, as required by Section 32 of the Medical and Dental Council Act number 3 of 1970.

I further noted with concern that the Ministry did not regulate the benefits given to the Doctors. As per the Memorandum of Understanding between the Governments' of Eswatini and Cuba, the Ministry had to cater for rentals, electricity, water and internet usage. However, the provision of these utilities was not regulated so that it aligns with the MOU and have specific rates attached to each benefit in order to efficiently facilitate control and budget planning. The tables below show rental, electricity, water and internet expenses that were incurred for this cause.

Rental Costs

Date	Location	Supplier	Amount (E)
20.10.23	Coates Valley	Ana Da Conceicao Marques	17,325.00
20.10.23	Luyengo	Janet Ntombi Simelane	3,500.00
20.10.23	Good Shepherd	Milly's Trust	3,605.00
20.10.23	Siteki	Souza Florence Phila	4,000.00
08.11.23	Hlathikhulu	Zandile Shabangu	10,000.00
15.09.23	Coates Valley	Ana Da Conceicao Marques	17,325.00
15.09.23	Luyengo	Janet Ntombi Simelane	3,500.00
15.09.23	Good Shepherd	Milly's Trust	3,605.00
15.09.23	Siteki	Souza Florence Phila	4,000.00
21.07.23	Good Shepherd	Milly's Trust	2,255.00
21.07.23	Coates Valley	Ana Da Conceicao Marques	15,750.00
21.07.23	Luyengo	Janet Ntombi Simelane	3,500.00
14.08.23	Luyengo	Janet Ntombi Simelane	3,500.00
15.08.22	Good Shepherd	Milly's Trust	2,255.00
15.08.23	Coates Valley	Ana Da Conceicao Marques	15,750.00
Total			109,870.00

Electricity

Date	Meter Number	Location	Amount (E)
08.11.23	07096866129	Mbabane 2 (500)	15,000.00
	07139924984	Mbabane 3 (500)	
	04207413453	Hlathikhulu 1 (500)	
30.09.23	04268370246	Siteki	487.80
	07101227481	Macalpine	5,000.00
27.09.23	04269121838	Manzini (500)	15,000.00
	04268370246	Siteki 3 (New house (500)	
	07139929439	Hlathikhulu 2 (500)	
	04268370246	Siteki	

Date	Meter Number	Location	Amount (E)
	042691121838	Coates Valley	
15.09.23	07101227481	Macalpine	5,000.00
11.07.23	04207102353	Pigg's Peak	7,000.00
29.07.23	04207413453	Hlatsi	4,000.00
29.07.23	04269197382	Two Sticks	4,000.00
29.07.23	07096866129	Checkers	4,000.00
29.07.23	07101227481	Malcalpine	4,000.00
29.07.23	04207413453	Hlatsi	6,000.00
11.07.23	04269121838	Coates Valley	10,000.00
		Total	79,487.80

Water

Date	Location	Supplier	Amount (E)
10.11.23	Hlathikhulu	EWSC	10,000.00
26.10.23	Coates Valley	Ana Da Conceicao Marques (refund)	5,402.00
10.10.23	Siteki	EWSC	10,000.00
15.09.23	Siteki	EWSC	5000.00
		Total	30,402.00

Internet

Date	Location	Supplier	Amount (E)
30.09.23	Siteki	Swazi Mobile	645.00
30.09.23	Siteki	Swazi Mobile	310.00
15.09.23	7 Houses	Jenny	6,354.00
24.08.23	5 Houses	Jenny	532.86
24.08.23	5 Houses	Jenny	4,715.60
		Total	12,557.46

The PFM Act 2017 requires Controlling Officers to put in place measures for the management of public finances consistent with the principles, standards, processes and systems required under this Act including but not limited to - (c) systems to ensure authorised, effective, efficient, economical and transparent use of the resources of the entity. Also, the Memorandum of Understanding between Eswatini and Cuba, paragraph 4.1, states that the Eswatini Government has the following obligation, to express in writing the acceptance or not of the proposed Cuban specialists, as well as, to authenticate the photocopies of their titles, previously presented by the Cuba's Ministry of Public Health.

I concerned that the Ministry may experience budget overruns without noticing and consequently have other Ministry plans side-lined due to diversion of funds.

I advise the Controlling Officer to make recommendations to the authorities responsible for conditions of employment in Government so that the utilities are regulated and pegged.

278.4. Uncontracted Services Providers

I reported my concern that the Ministry paid Crime Security Services PTY LTD a total amount of **E470,212.55** for the provision of security services and a total amount of **E275,748.00** to Siyati Investments for grass and weeds cutting, clearing of drainage and pathways in the absence of a signed contract. Funds expended in respect of security services to the company were as follows:

Date	Company	Amount (E)
27.10.23	Crime Security Services PTY LTD	94,042.51
30.10.23	Crime Security Services PTY LTD	94,042.51
15.09.23	Crime Security Services PTY LTD	94,042.51
21.07.23	Crime Security Services PTY LTD	94,042.51
15.08.23	Crime Security Services PTY LTD	94,042.51
	Total	470,212.55

While Funds expended in respect of cleaning and clearing were as follows:

Date	Invoice	Company	Services	Amount (E)
20.10.23	138	Siyati Investments	Grass and weeds cutting, Clearing of drainage and pathways	55,736.00
N/A	N/A	Siyati Investments	No attachments	55,003.00
15.09.23	136	Siyati Investments	Grass and weeds cutting, Clearing of drainage and pathways	55,003.00
21.07.23	131	Siyati Investments	Grass and weeds cutting, Clearing of drainage and pathways	55,003.00
15.08.23	123	Siyati Investments	Grass and weeds cutting, Clearing of drainage and pathways	55,003.00
			Total	275,748.00

Section 52 (3) states that A Chief Executive Officer of a public entity shall put in place procedures consistent with this Act, the Procurement Act, 2011, (Act No. 7 of 2011) or any other law for verifying the receipt of goods and services prior to payment for the goods and services or that the payment otherwise meets the terms of the contract between the public entity and the supplier.

Engaging suppliers without a contract undermines the Government legal instruments and exposes both parties to uncontrolled coincidences. Furthermore, there won't be bases for measuring and monitoring supplier performance.

I advised the Controlling Officer to ensure that service providers are engaged through legally binding contracts such that payments are based on contractual obligations between the public entity and the service provider.

278.5. Purchase of Services that are provided by Government

The Ministry of Health procured maintenance services at a total cost of **E275,748.00** from a private company yet Government provides such services through the Ministry of Public Works and Transport and such services could have also been provided by the Ministry's Labourers and Groundsmen. Details of the services paid for are shown in the table below.

Date	Invoice #	Company	Services	Amount (E)
20.10.23	138	Siyati Investments	Grass and weeds cutting, Clearing of drainage and pathways	55,736.00
N/A	N/A	Siyati Investments	No attachments	55,003.00
15.09.23	136	Siyati Investments	Grass and weeds cutting, Clearing of drainage and pathways	55,003.00
21.07.23	131	Siyati Investments	Grass and weeds cutting, Clearing of drainage and pathways	55,003.00
15.08.23	123	Siyati Investments	Grass and weeds cutting, Clearing of drainage and pathways	55,003.00
			Total	275,748.00

The PFM Act 2017 requires Controlling Officers to put in place measures for the management of public finances consistent with the principles, standards, processes and systems required under this Act including but not limited to - (f) make arrangements to prevent unauthorised or wasteful expenditure, or loss of public resources and manage available working capital efficiently and economically.

Furthermore, the Public Procurement Regulations of 2020, S23, 6, (1), states that procurement of common use items and certain specialised items or categories of procurement shall be managed by a lead procuring entity, which may be included but is not limited to the (d) Ministry responsible for public works for all building, engineering and other works and for all consultancy services related to works procurement.

I am concerned that Government expenditure may have been unnecessarily increased due to repeated expenditure since there are workers who are paid for these tasks within Government. repeated

I advised the Controlling Officer to observe economy when expending public funds by exhausting resources that are available within Government before outsourcing.

HEAD 46: JUSTICE AND CONSTITUTIONAL AFFAIRS

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023, was conducted. I communicated my audit findings to the Controlling Officer, Ministry of Justice and Constitutional Affairs, through a report referenced J4 Vol VIII/72 and J4 Vol IX3/3 dated 6th November 2023 and 22nd January 2024 respectively. The Controlling Officer responded through two Memorandum dated 15th November 2023 and referenced JUS 3/1/5/2, dated 02nd February 2024 respectively. However, the following audit findings were unresolved and therefore remain reportable.

279. Outstanding Commitments

I reported to the Controlling Officer that the Ministry had outstanding commitments amounting to **E853,210.41** on CTA Vehicle Charges (00), Transport and Communications (02), Consumable Materials and Supplies (06) and Durable Materials and Equipment (07) in the financial year ended 31st March 2023, as demonstrated in the table below.

Responsibility Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD80	Variance AA220	Commitments
		E	E	E	E	E	E
1102	00	1,444,914.00	1,444,913.00	1,555,664.60	112,418.20	110,751.60	1,666.60
1001	00	174,600.00	174,600.00	55,518.06	116,581.94	119,081.94	2,500.00
1102	02	59,369.00	1,674,365.00	1,303,543.68	397,954.57	570,821.32	172,866.75
2301	02	581,300.00	1,311,294.00	974,407.12	330,486.78	336,886.88	6,400.10
1001	02	56,951.00	456,948.00	400,013.87	44,010.13	56,934.13	12,924.00
1102	04	1,704,818.00	2,484,815.00	2,842,146.44	61,775.97	19,116.62	80,892.59
1102	06	93,222.00	1,353,222.00	756,850.30	656,248.74	896,369.70	240,120.96
1102	07	1,500,000.00	1,850,000.00	1,633,020.37	381,140.22	716,979.63	335,839.41
Total Commitments							853,210.41

Section 35 of the Public Finance Management Act of 2017, requires that:

- (a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and
- (b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I warned the Controlling Officer about the risk that the reported recurrent expenditure for the year could be misstated and mislead the users, and also, goods and services may not be delivered.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, and to keep close control on all commitments and make enquiries if a commitment does not become actual expenditure within a period of 90 days, should be cancelled and the necessary expenditure account reconciliations undertaken, as per the Financial and Accounting Instruction 0410.

In response, the Controlling Officer acknowledged the outstanding commitments on the Ministry's recurrent vote and stated that a request for de-commitment was submitted to the Ministry of Information, Technology and Communication on the 10th of November 2023. She anticipated that by the 15th of December 2023 the commitments shall have been de-committed.

The response of the Controlling Officer is acknowledged; however, there are commitments which are still outstanding in the Government Accounting System, thus the matter remains unresolved.

280. Unappropriated Excess (Over) Expenditure on Recurrent Vote

I reported that there were significant unappropriated over-expenditures on Recurrent Vote amounting to **E3,838,159.83** incurred by the Ministry in the financial year ended 31st March 2023. This comprised of over-expenditures on CTA Vehicle Charges amounting to **E112,968.37**, under Attorney General's Chambers, Personnel Costs amounting to **E3,654,667.54** under Attorney General's chambers and Minister's Office and Consumables amounting to **E70,523.92** under Director of Public Prosecutions Office, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-Expenditure	
CTA Vehicle Charges	E	E	E	E	%
2301:Attorney General's Chambers	420,000.00	420,000.00	532,968.37	112,968.37	26.90
Personnel Costs					
1001: Minister's Office	1,543,541.10	1,543,539.00	1,782,179.81	238,640.81	15.46
2301:Attorney General's Chambers	13,940,770.50	13,940,766.00	17,356,792.73	3,416,026.73	24.50
Over-Expenditure on Personnel Costs				3,654,667.54	
Consumable Materials and Supplies					
2102:Director of Public Prosecutions Office	1,416.00	1,416.00	71,939.92	70,523.92	4,980.50
Unappropriated Excess Expenditure				3,838,159.83	

Section 34(7) of the Public Finance Management Act (2017) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VII of the Act. Section 107(3)(j) under Part VIII of the Act states that a public office and public officer, or other person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person wilfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

I warned the Controlling Officer that any excess or any amount expended beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effect on the fiscal budget. Unappropriated excess expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public moneys.

I advised the Controlling Officer that the Ministry ought to have sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorisation.

In response, the Controlling Officer stated that the over-expenditure on CTA Vehicle Charges under the Attorney General's Chambers (responsibility centre 2301, was due to the lack of vehicles and the Ministry resorted to renting cars which was expensive. The Ministry made several requests to the Ministry of Public Works and Transport for new cars which were not given to the Ministry. He also stated that the over-expenditure on Personnel Costs under the Minister's Office (Centre 1001) was due to a cost of living adjustments and a once-off payment which caused an increase on salaries) and the same applied to Responsibility Centre 2301(01) pertaining their salaries.

The Controlling Officer further stated that the over-expenditure on Consumable Materials under the Director of Public Prosecutions Office (Centre 2102) was due to an error on their part whereby they made a procurement for consumables under this centre while their budget was meagre. However, the Ministry commits not to repeat this error in future.

The response of the Controlling Officer was noted; however, there is no acceptable justification for the over-expenditure (excess expenditure) since it is in contravention of Section 34 of the Public Finance Management Act and sidestepping the budgetary and authority controls exerted by the Ministry of Finance.

281. Unutilised (100% Unused) Released Budget on Recurrent Vote

The Ministry incurred unutilised released budget in various responsibility centres amounting to **E7,296,957.00** in the financial year ended 31st March 2023. The unutilised released budgets were on CTA Vehicle Charges (00) amounting to **E265,198.00**; Personnel Costs (01) amounting to **E2,430,667.00**; Travel, Transport and Communication (02) amounting to **E969,997.00**; Professional and Special Services (04) amounting to **E2,704,165.00**; Consumables (06) amounting to **E360,264.00**; and Durable Materials and Equipment (07) amounting to **E566,666.00**. The table below depicts 100% unutilized released budget.

Responsibility Centre	Item	Budget Appropriated	Released Budget	Actual Expenditure	Under Expenditure	
		E	E	E	E	%
2202: NMRF	00	200,000.00	199,999.00	0.00	199,999.00	100
3101: Not in Establishment Register	00	65,201.00	65,199.00	0.00	65,199.00	100
Unutilised Budget on CTA Vehicle Charges				0.00	265,198.00	
2201: Not in Establishment Register	01	71,863.00	71,863.00	0.00	71,863.00	100
2202: NMRF	01	1,796,586.00	1,796,584.00	0.00	1,796,584.00	100
5101: Legal Aid	01	1,525,680.00	562,220.00	0.00	562,220.00	100
Unutilised Budget on Personnel Costs					2,430,667.00	
2103: Asset Forfeiture	02	250,000.00	249,999.00	0.00	249,999.00	100
2104: Witness Protection Unit	02	320,000.00	319,999.00	0.00	319,999.00	100
2202: NMRF	02	400,000.00	399,999.00	0.00	399,999.00	100
Unutilised Budget on Travel, Transport and Communications					969,997.00	
2103: Asset Forfeiture	04	900,000.00	441,666.00	0.00	441,666.00	100
2104: Witness Protection Unit	04	600,000.00	350,000.00	0.00	350,000.00	100
2202: NMRF	04	150,000.00	150,000.00	0.00	150,000.00	100
5101: Legal Aid	04	2,000,000.00	1,762,499.00	0.00	1,762,499.00	100
Unutilised Budget on Professional and Special Services					2,704,165.00	
1001: Minister's Office	06	266.00	264.00	0.00	264.00	100
2103: Asset Forfeiture	06	180,000.00	180,000.00	0.00	180,000.00	100
2104: Witness Protection Unit	06	90,000.00	90,000.00	0.00	90,000.00	100
2202: NMRF	06	90,000.00	90,000.00	0.00	90,000.00	100
Unutilised Budget on Consumable Materials					360,264.00	
2103: Asset Forfeiture	07	150,000.00	150,000.00	0.00	150,000.00	100
2104: Not in Establishment Register	07	100,000.00	100,000.00	0.00	100,000.00	100
2202: NMRF	07	200,000.00	116,666.00	0.00	116,666.00	100
2301: Attorney Generals Chambers	07	200,000.00	200,000.00	0.00	200,000.00	100
Unutilised Budget on Durables					566,666.00	
Total Budget Released with no Expenditure			7,296,957.00		7,296,957.00	

Non-utilisation of released funds could imply that there was poor implementation of government programs, objectives were not achieved and hence development was hampered. Also, under-expenditures of 10% or more in a year are considered to be not conducive to the development of the country and should not be regarded as savings.

Under-expenditure is a serious concern as the unutilised funds deprive other Government projects or programs of planned development initiatives. Had the funds been accessible and/or used to finance essential programs they would have contributed towards the development and economic growth of the country.

I warned the Controlling Officer about the risk of slow economic growth and development arising from the opportunity cost of tying up these unutilised funds instead of having them invested in other important government projects or programs.

I advised the Controlling Officer to ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for non-utilisation of the budget and explain how the mandate of the Ministry achieved without undertaking the planned programmes.

In response, the Controlling Officer stated that there are two responsibility centres 3101 and 2201 do not belong to the Ministry's Vote. This was noted in the previous audit and efforts were made to remove them from their Vote but they were not assisted. She added that they shall keep on reminding the Ministry of Finance to assist them in removing the two responsibility centres.

The non-utilisation of released budget on CTA Vehicle Charges under the Responsibility Centre 2202 - NMRF was caused by non-allocation vehicles (cars) to this department. She also stated that, the non-utilisation of released budget on Personnel Costs was due to officers under this department were remunerated under the Principal Secretary's Office, and a request to transfer them to their Centre had been made.

Non-utilisation on Personnel Costs under the Responsibility Centre 2103 - Asset Forfeiture Unit, officers serving as the Secretariat were still remunerated under the Director of Public Prosecutions and, a request to transfer posts to this Centre had been made.

Non-utilisation on Personnel Costs and Professional Services under the Legal Aid - Responsibility Centre 5101 was established late and they were given posts by the Ministry of Public Service late in April 2023, to be precise it is the main reason there were no personnel costs disbursed. Same applies for professional services.

The non-utilisation on Travel, transport and communication under the Responsibility Centre 2103, 2104 and 2202 was a result of an oversight to utilize the DPP's Centre and going forward they shall use their centre. Professional services' funds were for payments of advocates involved in the asset forfeiture of which Government had since hired them but this had not happened in the last financial year.

Advocates are hired in respect of complex matters where they anticipated the court might need more expertise because they were dealing with new law provisions coming from International Law. There was need to build up jurisprudence on asset recovery which was currently lacking.

She expanded that the Accounts Department conducts pool procurement and distributes goods to all Departments in the Ministry charging from the Principal Secretary's Centre at the beginning of the Financial Year since in most cases the funds released to that Centre are sizeable with the plan that before year ends items will be charged in the other Centre when funds are available. However, an oversight occurred whereby the Accounts continued to charge the Principal Secretary's Centre leaving resources in other Centres not utilized.

Centre 2104 which is Witness Protection Unit had currently no personnel to operate the office. She said they made several requests to the Ministry of Public Service for posts which they had not yet been granted which was the cause of the budget not to be utilized. The lack of staff also affected the procurement of consumables as well as durables.

Under the responsibility centre 2202 As for furniture she stated that they were fortunate that they got a donation from the United Nations Development Programme.

Furniture funds were released very late and timelines worked against them in following all the procurement procedures to acquire consumables and durables.

The response of Controlling Officer was acknowledged; however, it does not rectify the anomalies. Therefore, the matter remains unresolved and reportable.

282. Under Expenditures on Recurrent Vote

I reported to the Controlling Officer that the Ministry incurred under expenditures in various Responsibility Centres amounting to **E7,658,036.12** in the financial year ended 31st March 2023. These were incurred on: CTA Vehicle Charges worth **E144,496.55**, Personnel Costs worth **E1,531,869.57**, Travel, Transport and Communication amounting to **E964,642.33**, Professional and Special Services amounting to **E3,312,371.34**, Consumable Materials amounting to **E987,676.70**, and Durable Materials amounting to **E716,979.63**, as illustrated in the tables below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under Expenditure	
	E	E	E	E	%

1001: Minister's Office	174,600.00	174,600.00	55,518.06	119,081.94	68.2
2102: Director of Public Prosecutions Office	88,944.00	88,944.00	63,529.39	25,414.61	28.6
Under-Expenditure on CTA Vehicle Charges				144,496.55	
2101: Attorney General's Office	1,178,616.30	1,178,614.00	16,017.93	1,162,596.07	98.6
4101: Human Rights Commission	2,214,752.80	2,214,751.00	1,845,477.50	369,273.50	16.7
Under-Expenditure on Personnel Costs				1,531,869.57	
1102: Principal Secretary's Office	1,874,365.00	1,303,543.68	355,679.57	570,821.32	30.5
2301: Attorney General's Chambers	1,311,294.00	974,407.12	330,486.78	336,886.88	25.7
1001: Minister's Office	456,948.00	400,013.87	44,010.13	56,934.13	12.5
Under-Expenditure on Travel, Transport and Communication Costs				964,642.33	
1001: Minister's Office	16,177.00	16,171.00	2,267.20	13,903.80	86.0
2101: Attorney General's Office	4,522,900.00	814,566.00	351,539.52	463,026.48	56.8
4101: Human Rights Commission	3,996,288.00	3,174,621.00	1,666,204.50	1,508,416.50	47.5
2102: Director of Public Prosecutions Office	10,458,330.00	6,346,657.00	5,019,632.44	1,327,024.56	20.9
Under-Expenditure on Professional and Special Services				3,312,371.34	
2301: Attorney General's Chambers	142,792.00	142,787.00	51,480.00	91,307.00	64.0
1102: Principal Secretary's Office	93,222.00	1,653,220.00	756,850.30	896,369.70	54.2
Under-Expenditure on Consumable Materials				987,676.70	
1102: Principal Secretary's Office	1,500,000.00	2,350,000.00	1,633,020.37	716,979.63	30.5
Under-Expenditure on Recurrent Vote				7,658,036.12	

I reminded the Controlling Officer that under-expenditures indicate that the public funds were tied up in the above-mentioned Responsibility Centres, and they were neither used for the intended purposes nor anything else in the entire fiscal year. Thus, under-expenditures of 10% and above in a year is not conducive to the development of the Country, and these under-expenditures should not be regarded as savings.

I further alerted the Controlling Officer to the fact that under-expenditure could result in limited (poor) service delivery, slow economic growth and development arising from the opportunity cost of tying up these unutilised funds within the ministry, instead of having them invested in other important government projects or programs.

I advised the Controlling Officer to ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for the under-expenditures and explain if its intended purposes were met, despite the under-expenditures.

In response, the Controlling Officer stated that, funds on both Centres (1001 and 2102) on CTA Vehicle Charges were erroneously charged under the Principal Secretary's Office. The under-expenditure on Personnel costs was caused by the fact that, officers attached to the Law Reform Unit are still remunerated under the Attorney General's Office and

they will soon be transferred to their respective Centre. Under Centre 4101 (Human Rights and Integrity Commission) there are a lot of vacant posts which were not filled due to the Hiring Freeze Circular. She said they were currently awaiting authority from the Ministry of Public Service to fill them.

The under-expenditure on Professional and Special Services: Under the Responsibility Centre 2101, there was a consultant who was going to facilitate a capacity building exercise which eventually did not take place owing to the fact that the Ministry of Public Service did not approve the approach that the Attorney General's office intended to use. For Responsibility Centre 4101, the Ministry had budgeted for five Commissioners as per the Constitution of Eswatini but last financial year they ended up having only one Commissioner, hence the under-expenditure. Under the Responsibility Centre 2102 the Ministry had advocates but because they were engaged as per need and the Ministry engaged few than anticipated.

The under-expenditure on Consumable Materials: emanates from the oversight of purchasing in bulk under one Responsibility Centre. The Ministry commits to ensure that it does not happen in future.

Under-expenditure on Durable Materials and Equipment: Suppliers under this item failed to deliver on time and most of them delivered when the year was about to close and payments could not go through since checking had closed.

The response of the Controlling Officer was acknowledged and noted. However, it is not clear whether the intended purposes of requesting budgets for these items and the mandate of the Ministry was achieved despite the under expenditures. The matter remains reportable.

283. Unrecovered (Unretired) Tour Advances and Tour Advances Unrecorded Tour Advances

I reported that tour advances amounting to **E280,558.86** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were non-postings of tour advances amounting to **E429,875.19** in the Suspense Account and Cash Book after charging the Government

General Account for those tours under the Ministry. The tour advances were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of account and fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unrecovered/ Unretired Tour Advances (E)	Unrecorded Tour Advances (E)
1001 Minister's Office	51006: Tour Advances- Employees	248,598.66	
1102 Principal Secretary's Office	51006: Tour Advances- Employees	31,960.20	
2102 Director of Public Prosecutions Office	51006: Tour Advances- Employees		145,168.03
2301 Attorney General's Chambers	51006: Tour Advances- Employees		284,707.16
Unrecovered Tour Advances and Not Posted Tour Advances		280,558.86	429,875.19

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual guides that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 emphasizes that the year-end balances on the Tour Advance item should normally equal zero.

I warned the Controlling Officer that the unretired tour advances remained unrecovered monies due to Government and the external travel expenditures were understated in the financial year it relates. On the other hand, the retirement of tour advances against unposted tour creates fictitious liabilities in the financial statements; thus distorts the financial position and financial performance.

I advised the Controlling Officer that, the Ministry should ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and that unretired tour advances should be recovered from the employees involved. I further advised the Ministry to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advance Account at the end of each month.

*In response, the Controlling Officer stated that the unretired tour advances amounting to **E280,518.86** dated back to 2008 and the Ministry could not trace the source documents at Treasury Archives, hence it is difficult to retire them without the supporting documents. She stated that they will request the Treasury Department to possibly clear them using*

savings at the end of the financial year, since some of the officers have exited the Civil Service through retirement and others are deceased.

Currently the Ministry is trying by all means to retire all the tours after every trip.

*In respect of the **E429,875.19**, these were trips that took place towards the end of the financial year whose debit notes were not presented by the bank to Treasury, of which their entries were not made up until the financial year ended. Eventually the credit notes did reach Treasury, hence the transaction was completed.*

The response of the Controlling Officer was noted; however, the tour advances received by employees have not yet been retired nor recovered, and the fictitious liabilities caused by non-postings of tour advances was not addressed. In a nutshell, the recommendations made by my office have not been implemented by the Ministry.

284. Fictitious Liabilities due to Non-adjustment of Unutilized Budget Provision and Variations of Foreign Currency Exchange Gains on Accounts Payable

I also reported that there were fictitious liabilities due to non-adjustments of unutilized budget provisions and variations of foreign currency exchange gains on Accounts Payable amounting to **E6,352,475.93** under the Principal Secretary's Office (E6,147,821.23), Responsibility Centre 1201 (E783.75), Law Office (E59,507.95), State Reporting (E5,172.49), and State Law Office (E139,190.51), as at 31st March 2023. A greater portion of the budget were transferred from the Recurrent Expenditure in the fiscal year ended 31st March 2023, and the rest of the unutilized budget balances emanates from previous fiscal years, since 2004, 2008 and 2022, with subsequent movements.

The Ministry did not prepare adjustments for the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid misappropriation of public funds. The non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities. The breakdown of the unutilised budget provisions is depicted in the table below:

Responsibility Centre	Account Item	Year of Transaction Occurrence	Fictitious Liabilities (E)
1102: Principal Secretary's Office	61046-Acct Payable Justice	Financial Year 2023	6,147,821.23
1201: Not in the Establishment Register	61046- Acct Payable Justice	Financial Year 2008	783.75

2101: Law Office	61046- Acct Payable Justice	Financial Year 2004	59,507.95
2201: State Reporting	61046- Acct Payable Justice	Financial Year 2004	5,172.49
2301: State Law Office	61046- Acct Payable Justice	Financial Year 2022	139,190.51
Fictitious Liabilities due to Non-adjustment of Unutilised Budget Provision and Variations of Foreign Currency Exchange Gains on Accounts Payable			6,352,475.93

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) that states that “apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item”. Further, Section 11, paragraph 5.5 states that balances on this account may exist because of differences in the timing of entries to the computer system. Investigations and corrections should be carried out in consultation with the Treasury Common Services Section. Moreover, Paragraph 5.6 requires that “year end balances on this item should normally equal zero”.

I cautioned that there is a risk of incurring expenditure against the unutilised budget, which may be regarded as unappropriated expenditure; there is a risk of using the elapsed budget. Both, the recurrent expenditure and liabilities were overstated, thus distorting the financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid incurring expenditure against the elapsed budget, which would be regarded as unappropriated expenditure.

*In response, the Controlling Officer explained that on the credit balance of **E740,249.60** under Responsibility Centre 2301, for statute revision, it must be clarified that the purpose of the trading account is to buy and sell, not for profit the statutes of Eswatini, using this revolving account. This credit balance resulted from proceeds of the sale of the statutes which will, in turn, be used to purchase new volumes of statutes when following their revision. She further stated that the office of the Attorney General is busy with that exercise.*

*The Controlling Officer submitted that, the substantial amount of **E6,147,821.23** were funds for the Integrated Electronic Case Management Project (Synergy International Inc.) which was disbursed towards the close of the financial year. Since this payment was in foreign currency, a Journal Voucher was prepared to the Treasury Department to request*

for the transfer of funds to the entity. Since it was towards close of the year, Treasury Department had not yet effected the journal voucher.

She also reported that Responsibility Centres 1201 and 2201 did not belong to their vote.

Under Centre 2301 she said the credit balance of **E139,190.51** was as a result of a payment of a subvention to the Permanent Court of Arbitration, however, the Journal Voucher was not effected at the Treasury Department. The other figure on Centre 2101 was an accumulation of balances emanating from activities of the past dating back to year 2004 and efforts to reconcile the account are continuing.

The response of the Controlling Officer was noted and the effort to clear the accounts payable is commendable. However, at the time of compiling this report, the Accounts Payable had not been reconciled therefore the matter remains reportable.

285. Unremitted Deductions of National Provident Fund and Taxes

I reported to the Controlling Officer that there were unremitted deductions amounting to **E96,783.99** in respect of the contributions for the National Provident Fund, and unremitted taxes amounting to **E2,564,352.12** to the Eswatini Revenue Service, as at 31st March 2023. The breakdown is depicted in the table below.

Unremitted National Provident Fund

Responsibility Centre	Account Item	Unremitted Deductions (E)
1102: Principal Secretary's Office	62240: National Provident Fund Deduction	78,549.00
2301: Attorney General's Chambers	62240: National Provident Fund Deduction	12,523.74
1001: Ministers Office:	62240: National Provident Fund Deduction	4,450.74
2102: Law Office	62240: National Provident Fund Deduction	1,260.51
Unremitted deductions to National Provident Fund		96,783.99

Unremitted SRA- Taxation to Eswatini Revenue Service

Responsibility Centre	Account Item	Unremitted Taxes (E)
1001: Ministers Office	62315: SRA- Taxation	85,173.98
1102: Ministry Administration	62315: SRA- Taxation	18,036.79
2102: Director of Public Prosecutions Office	62315: SRA- Taxation	119,705.67
4101: Human Rights Commission	62315: SRA- Taxation	2,341,435.68
Unremitted Taxes to Eswatini Revenue Services		2,564,352.12

I reminded the Controlling Officer that, Financial and Accounting Instruction 0817 requires that "a deduction from a payment to be made must be shown on the payment voucher together with the account to be credited". In addition, Financial and Accounting Instruction 0202(vii) states that "the Controlling Officer is responsible for

ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer”.

I am concerned that the non-remittance of deductions of taxes deprive Government of receiving revenue and the non-remittance of deductions of contributions for the Provident Fund, deprived non-pensionable workers of receiving their rightful benefits through the Eswatini National Provident Fund.

I advised the Controlling Officer that the Ministry should remit the deductions for contributions of Provident Fund and taxes, to the Eswatini National Provident Fund and Eswatini Revenue Services respectively, and provide proof of remittances.

In response, the Controlling Officer stated that some of the deductions for contributions were remitted and others were not. The Ministry enquired from Treasury Department and the Ministry was yet to consult with them to ascertain what causes them not to often remit the funds.

With regards to the unremitted taxes to ERS: She further stated that, the Ministry had started remitting taxes deducted from Commissioners, even though the exercise started late. She also stated that they discovered that most of the unremitted taxes dated back to previous years and the Ministry had not accessed any documentation in that regard.

The response of the Controlling Officer was noted. However, both the taxes and the provident fund have not yet been remitted to the Eswatini Revenue Service and Eswatini National Provident Fund respectively, hence the matter remains reportable.

286. Outstanding Value Added Tax Debt As At 31st March 2023

Records from Eswatini Revenue Service revealed that the Ministry had Value Added Tax (VAT) debt worth **E10,984.04** relating to tax periods dating back to July 2018, and remain unpaid to date. Moreover, the debt was not disclosed in the financial statements for the year ended 31st March 2023.

The Ministry is cautioned that, all public entities are required by the Income Tax Order of 1975 as amended to remit taxes accordingly.

I notified the Controlling Officer that Government was deprived of receiving revenue in the form of taxes and that this was in contravention of tax laws and regulations of the country by the Ministry.

I advised the Controlling Officer that the Ministry should to settle the VAT debts with the Eswatini Revenue Service and provide proof of settlements.

287. Budget and Expenditure for Non-existing Responsibility Centres

I noted non-existing Responsibility Centres in the Establishment Register were allocated a total amount **E9,089,330.00** of appropriated recurrent budget, and a released budget of **E7,096,693.00** and they incurred **zero** actual recurrent expenditure in the financial year 2022/2023. The table below provides a list of the non-existing Responsibility Centres.

Responsibility Centre	Item	Budget Appropriated	Actual Expenditure	Released Budget	
		E	E	E	%
2202: NMRF	00	200,000.00	0.00	199,999.00	100
3101: Not in Establishment Register	00	65,201.00	0.00	65,199.00	100
Unutilised Budget on CTA Vehicle Charges			0.00	265,198.00	
2201: Not in Establishment Register	01	71,863.00	0.00	71,863.00	100
2202: NMRF	01	1,796,586.00	0.00	1,796,584.00	100
5101: Not in Establishment Register	01	1,525,680.00	0.00	562,220.00	100
Unutilised Budget on Personnel Costs				2,430,667.00	
2103: Not in Establishment Register	02	250,000.00	0.00	249,999.00	100
2104: Not in Establishment Register	02	320,000.00	0.00	319,999.00	100
2202: NMRF	02	400,000.00	0.00	399,999.00	100
Unutilised Budget on Transport and Communication				969,997.00	
2103:Not in Establishment Register	04	900,000.00	0.00	441,666.00	100
2104:Not in Establishment Register	04	600,000.00	0.00	350,000.00	100
2202:Not in Establishment Register	04	150,000.00	0.00	150,000.00	100
5101:Not in Establishment Register	04	2,000,000.00	0.00	1,762,499.00	100
Unutilised Budget on Professional & Special Services				2,704,165.00	
2103: Not in Establishment Register	06	180,000.00	0.00	180,000.00	100
2104: Not in Establishment Register	06	90,000.00	0.00	90,000.00	100
2202: Not in Establishment Register	06	90,000.00	0.00	90,000.00	100
Unutilised Budget on Consumable Materials				360,000.00	
2103: Not in Establishment Register	07	150,000.00	0.00	150,000.00	100
2104: Not in Establishment Register	07	100,000.00	0.00	100,000.00	100
2202: NMRF	07	200,000.00	0.00	116,666.00	100
Unutilised Budget on Durables				366,666.00	
Total Budget Released with no Expenditure				7,096,693.00	

I pointed out that all Responsibility Centres should be reflected in the Establishment Register for each financial year to support the Estimates (Budget) of public expenditure for the fiscal year. Further, Responsibility Centres that do not appear in the Establishment Register might have been abolished or non-existing and not for service delivery.

I warned the Controlling Officer that this may result in public funds not being accounted for by the Ministry of Justice and Constitutional Affairs, therefore, creating room for misappropriation and diversion of public funds and resulting to misinformed budget projections.

I advised the Controlling Officer to confirm the existence of these Responsibility Centres that were not appearing in the Establishment Register and to explain why the above Responsibility Centres were not included in the Establishment Register, and to eliminate abolished and/or non-existing Responsibility Centres with immediate effect. Also, budget allocations should be made only to approved Responsibility Centres.

HEAD 47: ANTI-CORRUPTION COMMISSION

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through reports referenced A4 Vol-/27 dated 27th September 2023 and dated 24th January 2024 referenced A4 (B) 29. The Controlling Officer responded through correspondence referenced ACC/10/1/99 and ACC/10/1/105. The Controlling Officer has responded to one correspondence. The following matters remain reportable.

288. Under-expenditure on CTA Vehicle Charges and Professional and Special Services

I reported that the Anti-Corruption Commission incurred under-expenditures on Recurrent Vote (CTA Vehicle Charges and Professional and Special Services) amounting **E7,401,423.95**, in the fiscal year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-Expenditure	
CTA Vehicle Charges	E	E	E	E	%
1102:	294,028.50	364,028.00	308,880.96	55,147.04	15.2
Professional and Special Services					
1102:	10,993,026.00	8,312,774.00	966,497.09	7,346,276.91	88.4
Under-Expenditure on CTA Vehicle Charges and Professional & Special Services				7,401,423.95	

Under-expenditure indicates that public funds were tied up in the Treasury Control Items and deprived funding to other essential public programmes during the fiscal year. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country. Hence, under-expenditures of 10% or more in a year are not considered conducive to the development of the country, and should not be regarded as savings for the government.

I am concerned that planned programmes were not accomplished, fewer cases of corruption were investigated, leading to lesser service delivery and thereby limiting improvements in the economic and livelihood of citizens. This reflects inadequate budget planning, execution and performance.

I advised the Controlling Officer that the Commission should ensure that released funds are utilised and does not seek budget release when not ready to implement any activity or programme. I also advised the Controlling Officer to explain the reasons for the under-expenditure, and explain if its intended purposes were met and achieved, despite these under-expenditures.

In response, the Controlling Officer stated that the under-expenditure on CTA Vehicle Charges was caused by the fact that, in the financial year 2022/2023, Government had reduced the allocation of fuel for the Commission against the approved budget. He further states that the turnaround process for the maintenance of vehicles took longer than expected. The Ministry of Public Works and Transport returned unprocessed documents after the close of the financial year and this resulted in the Commission incurring less expenditure than expected. The shortage of vehicles and reduction of fuel quota limited the Commission's operations. As a result, there were fewer investigation activities undertaken as the allocated fuel was consumed and depleted within the second week of the month.

With regards to the under-expenditure on Professional and Special Services, the Controlling Officer stated that the Commission's operations were hampered following a Cabinet decision to harmonise mandates of the Anti-Corruption Commission (ACC) and that of the Commission on Human Rights and Public Administration (CHRP). The alignment was aimed at addressing the Constitutional overlaps between CHRP and ACC with regard to investigations mandate. The undertaking made it seem like the harmonization exercise was imminent, which brought uncertainty to the operations of the Controlling Officer. The Commission had planned to increase coverage of investigations by improving volumes of cases to be investigated. It also included setting up investigative and support units that were aimed at expediting the conclusion of corruption cases, procuring experts' services, training of investigators and improving information technology infrastructure for purposes of strengthening investigations. These activities were not undertaken due to the stated reasons and the professional fees were not expended, hence the under-expenditure.

The Controlling Officer's response was acknowledged; however, there is no justification for the restrictions imposed to the Anti-Corruption Commission and rendering the Commission ineffective in the fight against corruption. The institution expected to combat and curb corruption was set up to fail at the expense of the citizens.

289. Irregular Re-allocation of Budget Funds Using Journal Vouchers Instead of Re-allocation Budget Warrant from the Ministry of Finance

I reported that budget funds amounting to **E1,611,284.49** were re-allocated irregularly using Journal Vouchers instead of the Re-Allocation Warrants from the Ministry of Finance. The reallocation of budget was endorsed by the Accountant-General instead of the Principal Secretary of the Ministry of Finance. These reallocations were made from the Salaries account item-01202, and Professional and Special Services account item-04199, to various Recurrent Vote Items. The details of the irregular reallocations of budget funds in the financial year ended 31st March 2023, are illustrated in the table below.

Source	Month	Batch Number	Voucher Number	Control Item From	Control Item Receiving Funds	Diverted Amount (E)
335	13	157	130545	01202- Acting Allowances	01101- Salaries	700,000.00
335	13	157	130543	01202- Acting Allowances	04603- Gas	400,000.00
335	13	157	130545	01202- Acting Allowances	02401- Telephone Charges	200,000.00
335	13	157	130544	04199- Professional and Special Services	06911- Tobacco and Cigarettes	132,719.89
335	13	157	130543	04199- Professional and Special Services	04603- Gas	90,000.00
335	13	157	130545	01202- Acting Allowances	04401- Printing Services	60,000.00
335	13	157	130544	04199- Professional and Special Services	04802- Departmental Conference	22,000.00
335	13	157	130543	04199- Professional and Special Services	04702- Bank Services Charges	5,964.60
335	13	157	130544	04199- Professional and Special Services	06202- Kitchen Utensils Chinaware	600.00
Total Funds transferred with no authority						1,611,284.49

Financial and Accounting Instruction 0114 states that savings on Personal Emoluments will not normally be accepted in support of a transfer by means of reallocation warrant or the finance supplementary expenditure.

I warned the Controlling Officer about the improper authorisation of budget re-allocations by the Accountant-General through the Journal Vouchers. I advised the Controlling Officer to seek authority to reallocate the budget from the Ministry of Finance, and to cease improper budget reallocations using the Journal Vouchers.

In response, the Controlling Officer concurred with my findings that journal vouchers were used instead of re-allocation warrants. He further stated that the re-allocations were done during the end of the year budget reconciliation and promised that such will not

happen in the future as the Commission will abide by the Financial and Accounting Instructions 0110 for re-allocations.

The response of the Controlling Officer was noted; however, the audit finding was not been resolved because re-allocations were improperly done and were not authorised by the Ministry responsible for allocating budgets.

290. Missing Laptop

During the inspection conducted on the 18th December 2023, I observed that a laptop worth **E20,585.00**, bearing serial number 59DLVC3 was not availed for a physical verification. The laptop was part of a consignment of four (4) laptops purchased by the Commission from PC Systems through Purchase Order Number EG21006068, Invoice Number IN086255 and delivered on 12th March 2021. Stores records revealed that this laptop was allocated to a former accountant bearing employment number 2699431 who has exited the public service (no longer a civil servant). Her stop payment was effective on the 1st May 2022 and her last salary was in April 2022.

The Controlling Officer was referred to Section 80(3) of the Public Finance Management Act (2017) which stipulates that, the Chief Executive Officer of a Public Entity, shall have adequate systems and processes in place to plan for assets, procure assets, account for assets, maintain assets, store assets, and dispose of assets, including maintaining an asset register that is up to date, accurate and available for inspection at any time by the Auditor-General.

I am concerned that the laptop might not have been returned by the former Accountant or might have been stolen on the account of the former Accountant due to weak internal controls. There is a probability of misappropriation of the asset and/or loss of the asset through theft.

I advised the Controlling Officer to recover the value of the missing laptop from the former Accountant and officials responsible for the allocation or re-allocation and management of such assets and to further report the loss of the laptop in accordance of the Government Stores Regulations, and maintain an up-to-date Asset Register.

In response, the Controlling Officer concurred with my findings stating that the Commission wrote to the former Accountant and requested her to return the laptop, but

she did not. The Controlling Officer further elaborated that they will consult the Accountant-General in processing a losses report since the officer is untraceable.

The response of the Controlling Officer was noted. However, it is not satisfactory because there is no interest to recover the value of the missing laptop and there is no investigation done to ascertain whether the laptop was indeed not returned by the former Accountant or it was stolen by one the official on account of the former Accountant. The correspondence to the officer was not availed, there is no police report of the loss of government property and there is no evidence that the Department reported to the Losses Committee.

291. Unjustified Invoices for Electricity and Water Bills - E482,608.83

I communicated to the Controlling Officer that payments for unjustified invoices for electricity amounting to E456,979.86 and water amounting to E25,628.97, were made in the period under review, from April 2020 to February 2023. The payments were made to Ncedze Property Managers without service agreements and supporting bills reflecting usage for the electricity and water for the stated payments. The sharing agreement or formula for the electricity and water consumption among other tenants was not provided. Details of the payments are illustrated in the following table.

Payments for Electricity

Period	Voucher	Date	Invoice Number	Supplier	Amount (E)
2	00020002	Not provided batch	IN 102637	Ncedze Property Managers	9,557.38
2	00020002	Not provided batch	IN 102638	Ncedze Property Managers	10,055.04
2	00020002	Not provided batch	IN 102636	Ncedze Property Managers	8,742.96
2	00020002	Not provided batch	IN 102640	Ncedze Property Managers	12,198.31
2	00020002	Not provided batch	IN 102641	Ncedze Property Managers	11,905.33
2	00020002	Not provided batch	IN 102639	Ncedze Property Managers	9,609.18
5	00050013	April 2020	IN 103229	Ncedze Property Managers	10,854.38
5	00050013	May 2020	IN 103230	Ncedze Property Managers	7,246.16
5	00050013	June 2020	IN 103231	Ncedze Property Managers	8,000.97
5	00050013	July 2020	IN 103232	Ncedze Property Managers	12,768.38
5	00050013	August 2020	IN 103233	Ncedze Property Managers	11,258.84
5	00050013	September 2020	IN 103234	Ncedze Property Managers	13,379.84
5	00050013	October 2020	IN 103235	Ncedze Property Managers	8,392.64
5	00050013	November 2020	IN 103236	Ncedze Property Managers	7,841.69
5	00050012	December 2020	IN 103237	Ncedze Property Managers	9,434.03

5	00050011	January 2021	IN 103238	Ncedze Property Managers	12,835.77
5	00050011	February 2021	IN 103239	Ncedze Property Managers	6,803.48
5	00050011	March 2021	IN 103240	Ncedze Property Managers	8,895.82
5	00050011	April 2021	IN 103241	Ncedze Property Managers	15,382.99
5	00050011	May 2021	IN 103242	Ncedze Property Managers	11,816.16
5	00050011	June 2021	IN 103243	Ncedze Property Managers	8,000.91
5	00050011	July 2021	IN 103244	Ncedze Property Managers	14,000.83
5	00050011	August 2021	IN 103245	Ncedze Property Managers	12,895.76
5	00050010	September 2021	IN 103246	Ncedze Property Managers	13,379.84
5	00050010	October 2021	IN 103247	Ncedze Property Managers	12,790.66
5	00050010	November 2021	IN 103248	Ncedze Property Managers	11,841.49
5	00050010	December 2021	IN 103249	Ncedze Property Managers	5,402.23
5	00050009	January 2022	IN 103250	Ncedze Property Managers	9,924.46
5	00050009	February 2022	IN 103251	Ncedze Property Managers	12,465.83
5	00050009	March 2022	IN 103062	Ncedze Property Managers	12,465.83
5	00050009	April 2022	IN 103106	Ncedze Property Managers	20,048.53
5	00050009	May 2022	IN 103157	Ncedze Property Managers	11,303.41
5	00050009	June 2022	IN 103204	Ncedze Property Managers	9,032.75
6	00060003	July 2022	IN 103280	Ncedze Property Managers	16,039.02
6	00060003	August 2022	IN 103281	Ncedze Property Managers	10,803.42
12	00120050	October 2022	IN 103292	Ncedze Property Managers	11,312.24
12	00120050	November 2022	IN 103293	Ncedze Property Managers	22,524.14
12	00120050	December 2022	IN 103294	Ncedze Property Managers	13,604.66
12	00120050	January 2023	IN 103295	Ncedze Property Managers	9,487.12
12	00120050	February 2023	IN 103296	Ncedze Property Managers	12,677.38
Total Payments For Electricity					456,979.86

Payments for Water Services					
Period	Voucher	Date	Invoice Electricity	Supplier	Amount (E)
2	00020001	Not provided batch	IN 102647	Ncedze Property Managers	572.90
2	00020001	Not provided batch	IN 102644	Ncedze Property Managers	599.20
2	00020001	Not provided batch	IN 102642	Ncedze Property Managers	471.60
2	00020001	Not provided batch	IN 102645	Ncedze Property Managers	914.80
2	00020001	Not provided batch	IN 102646	Ncedze Property Managers	486.60
2	00020001	Not provided batch	IN 102643	Ncedze Property Managers	572.90
5	00050014	April 2020	IN 103256	Ncedze Property Managers	471.60
5	00050014	May 2020	IN 103257	Ncedze Property Managers	471.60
5	00050014	June 2020	IN 103258	Ncedze Property Managers	471.60
5	00050014	July 2020	IN 103259	Ncedze Property Managers	471.60
5	00050014	August 2020	IN 103260	Ncedze Property Managers	471.60
5	00050014	September 2020	IN 103261	Ncedze Property Managers	471.60
5	00050014	October 2020	IN 103262	Ncedze Property Managers	471.60
5	00050015	December 2020	IN 103264	Ncedze Property Managers	471.60

5	00050016	January 2021	IN 103265	Ncedze Property Managers	471.60
5	00050016	February 2021	IN103266	Ncedze Property Managers	471.60
5	00050016	March 2021	IN 103267	Ncedze Property Managers	471.60
5	00050016	April 2021	IN 103268	Ncedze Property Managers	471.60
5	00050016	May 2021	IN 103269	Ncedze Property Managers	471.60
5	00050016	June 2021	IN 103270	Ncedze Property Managers	471.60
5	00050016	July 2021	IN 103271	Ncedze Property Managers	471.60
5	00050016	August 2021	IN 103272	Ncedze Property Managers	471.60
5	00050017	September 2021	IN 103273	Ncedze Property Managers	471.60
5	00050017	October 2021	IN 103274	Ncedze Property Managers	471.60
5	00050017	November 2021	IN 103275	Ncedze Property Managers	471.60
5	00050017	December 2021	IN 103276	Ncedze Property Managers	471.60
5	00050018	January 2022	IN 103277	Ncedze Property Managers	471.60
5	00050018	February 2022	IN 103278	Ncedze Property Managers	471.60
5	00050018	March 2022	IN 103063	Ncedze Property Managers	471.60
5	00050018	April 2022	IN 103107	Ncedze Property Managers	471.60
5	00050018	May 2022	IN 103158	Ncedze Property Managers	471.60
5	00050018	June 2022	IN 2022	Ncedze Property Managers	471.60
6	00060002	July 2022	IN 103283	Ncedze Property Managers	471.60
6	00060002	August 2022	IN 103284	Ncedze Property Managers	471.60
12	00120051	October 2022	IN 103297	Ncedze Property Managers	936.81
5	00050014	November 2022	IN 103263	Ncedze Property Managers	471.60
12	00120051	November 2022	IN 103298	Ncedze Property Managers	1,035.66
12	00120051	December 2022	IN 103299	Ncedze Property Managers	917.04
12	00120051	January 2023	IN 103300	Ncedze Property Managers	917.04
12	00120051	February 2023	IN 103301	Ncedze Property Managers	4,528.02
Payments Relating to Water Services					25,628.97

Section 4 sub-section 3.3 and 3.4 of the Financial Management and Accounting Procedures Manual requires that "bills should be received from Swaziland Electricity Board now named as Eswatini Electricity Company, for each meter belonging to the Ministry or Department, on a regular monthly basis. The Accounts person should scrutinize each bill to ensure that the account pertains to his/her ministry, and that any significant deviations from previous consumption patterns are verified and explained. The same procedure applies for the Eswatini Water Services Corporation."

My concern is that there is a risk that the payment of bills is not related to the consumption of the Commission. Also, there could also be overpayment of bills due to delayed payments and poor records, as it is not clear why payments for 2020 are made in 2023.

I advised the Controlling Officer to provide supporting documents justifying the utilities and adhere to the Financial Management and Accounting Procedures Manual at all times.

The Controlling Officer concurred with my findings and acknowledged the invoices paid to Ncedze for electricity and water bills. The Commission used lease agreements which were drawn by Ncedze Property Managers (Agent), and the Ministry of Public Service on behalf of ACC) to process the payments for the different years. The Controlling Officer agreed that the lease agreements did not spell out the basis for charging the utilities except for that the lessee had to pay for water and electricity.

The Commission has been paying for the utilities until they realised the anomaly of the basis and the improper invoicing. The Controlling Officer then halted the payments while requesting Ncedze to provide a proper contract for the payment of utilities. ACC made numerous follow up contacts with Ncedze but unfortunately there has been no positive response.

ACC approached the Property Managers on the 25th January 2024 and they promised to furnish them with the supporting documents (Service provider's invoice and sharing basis) for the payments which had already been made. Meanwhile, the Controlling Officer and the lessor are processing the agreement for future payments. The Commission will submit such documents as soon as they have received them.

The response of the Controlling Officer was noted; however, the audit finding was not resolved because there is no agreement in place and the Commission approached Ncedze on the 25th January 2024, which is after the Auditor General had noted the anomaly.

HEAD 48: JUDICIARY

I communicated my findings to the Registrar of the Supreme Court - Judiciary, through correspondences referenced J2A Vol. I/64 and J2A Vol. II/03; dated 2 October 2023 and 29 January 2024 respectively. The Controlling Officer responded through two memoranda; one not referenced but dated 14th November 2023 and the second one referenced AUD 2024 and dated 9th February 2024 respectively. The following matters remained reportable.

292. Unappropriated Excess (Over) Expenditure on Personnel Costs, and Professional and Special Services

I reported that there were unappropriated excess (over) expenditures on Recurrent Vote amounting to **E17,192,224.21** incurred under the Registrar of the High Court and Master of the High Court in the financial year end 2023. These were on Personnel Costs (01) amounting to **E5,537,087.96** under the Registrar of the High Court and Master of the High Court, and Professional and Special Services (04) amounting to **E11,655,136.25 (163.6%)** under the Registrar of the High Court, as illustrated in the table below.

Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Unappropriated Expenditure	
		E	E	E	E	%
1101: Registrar of the High Court	01	18,928,339.00	23,339,102.00	28,114,444.27	4,775,342.27	20.5
1201: Master of the High Court	01	6,808,065.40	5,240,161.00	6,001,906.69	761,745.69	14.5
Personnel Costs					5,537,087.96	
1101: Registrar of the High Court	04	4,088,833.00	7,125,203.00	18,780,339.25	11,655,136.25	163.6
Total					17,195,224.21	

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, section 34(1) of the Public Finance Management Act (2017), states that "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

I warned that, over-expenditure beyond the budget released, as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated over expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money. Any unauthorized expenditure may lead to

disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Judiciary ought to have sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorisation.

In response, the Controlling Officer clarified that this was due to increase in personnel costs. The additional new appointments were mistakenly captured under Head 48 instead of under Statutory (01) as these are Assistant Masters of the High Court and other Judiciary officers. She stated that they have since requested the Ministry of Public Service to correct the anomaly.

Item 04. The budget allocated on this item was insufficient for the financial year as the item incurred various services such as utilities (which are stipulated in the Prescription of Salaries and Allowances Act 2016) for the Honorable Judges as well as utilities for the entire Judiciary Structures, Sitting allowances for the JSC, Printing materials for the Judiciary documents, contracts services for machines and equipment's, security services for the Judiciary Office and Judiciary officers. The Political unrest witnessed in 2022/2023 has also largely contributed to the over-expenditure. Court Structures and Judicial Officers' homes were burnt down and there was urgent need to increase security within the Judiciary. This has seen an increase in professional services. The observation that this over-expenditure is wasteful and fruitless is noted. Our humble view is that there is a need to protect the government structures as well as increase personnel for effective service delivery for all Courts and the Master's Office.

The response of the Controlling Officer was noted. However, the matter remains reportable since it is in contravention of Section 34 of the Public Finance Management Act, (2017), and it by-passes the budgetary and authority controls exerted by the Judiciary. Also, there is no attached evidence confirming that the Controlling Officer sought authority to incur over expenditure from the Ministry of Finance and Parliament.

293. Significant Under-Expenditure on Recurrent Vote

I observed that there was a significant under-expenditure on CTA Vehicle Charges amounting to **E8,667.05** under the JSC and Customary Law Courts in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Appropriated Budget (E)	Released Budget (E)	Actual Expenditure (E)	Under-Expenditure (E)	%
1207: JSC & Customary Law Courts	35,011.00	23,114.00	14,446.95	8,667.05	37.5

I pointed out that the under-expenditure indicates that the public funds were tied up in the above mentioned Responsibility Centre, and they were neither used for the intended purposes nor anything else in the entire fiscal year. Thus, under expenditures of 10% or more in a year are considered to be not conducive to the development of the country and should not be regarded as savings. Under expenditure is a serious concern as the unutilized funds deprive other Government projects or programs of planned development initiatives. Had the funds been accessible and/or used to finance essential programs, they would have contributed towards the development and economic growth of the country.

I warned the Controlling Officer that there could be slow economic growth and development arising from the opportunity cost of tying up these unutilized funds within the Judiciary, instead of having them invested in other important government projects or programs.

I advised the Controlling Officer that the Judiciary should provide the reasons for the under-expenditure (non-utilisation of budget released), and explain if its intended purposes were achieved despite these under-expenditures.

In response, the Controlling Officer acknowledged the under-expenditure in the item CTA Vehicle Charges. She cited that this was due to unusable cars which are damaged and are either too expensive to service or completely un-roadworthy. The department has requested for funds to purchase new vehicles and await a budget allocation in this regard.

The response of the Controlling Officer was noted. However, the matter has not been resolved, hence it remains reportable.

294. Rental Paid for Unoccupied Offices – Siteki Magistrate Court

I reported to the Controlling Officer that a total amount of **E2,393,913.60** was paid to Phinduvuke Investments for annual rental of offices for the Magistrate Court and the Master of the High Court Offices in Siteki for the year ended 31st March 2023, yet only

the Master of the High Court was occupying the leased property. The payment was processed through Payment Voucher 050222, dated 7 September 2022 after an agreement signed on 1 September 2022 and shall be in force for five (5) years, until 31 August 2027. Physical inspection of the office site was conducted on 9th December 2023 and revealed that the Magistrate Court offices have not yet relocated to the newly leased premises, yet the rental paid was for both offices. The offices are not yet ready to be occupied by the Magistrate Court, hence there was no value for money in the rental paid for them.

I pointed out that according to principles on value for money; cost consciousness is one critical aspect of the value for money equation. It requires consideration of the priority of the task, alternative ways of achieving desired goods and services, and the costs and benefits of different approaches. Value for money also requires that organizational systems be proportional to the capacity and need to manage results and/or deliver better outcomes and be calibrated to maximize efficiency.

I warned the Controlling Officer about fruitless and wasteful expenditure on the unutilized property and that the public funds could have been used on other programs.

The Controlling Officer is advised to recover the rental paid for offices not occupied and ensure that rental is only paid once the offices are occupied.

In her response, the Controlling Officer noted my observation. She cited that the relocation of the Siteki Magistrate's Court as well as the Master of the High Court was necessitated by the declaration of the Lubombo Regional Administration building (the building that housed the respective offices) being declared inhabitable.

This presented an urgent need for the Judiciary to relocate and the only available building at the time was Phinduvuke Complex, which building was designed and intended for purposes of a shopping complex. It follows therefore that the building needed to be partitioned.

Government accordingly approached the tenant and undertook to lease the premises and further partition same. This then called for a lease agreement to be signed before any partitioning works could be done. The area to be occupied by the Master of the High Court needed minimal partitioning hence the immediate occupation.

Phase one of the partitioning was completed in March 2023 and owing to the end of financial year, there were budget constraints which consequently meant a delay in obtaining the authority to commit funds. The request to proceed to phase 2 was made in June 2023. Phase 2 was for the procurement of immovable furniture for the 6 Courtrooms. This exercise is 60% done but unfortunately the contractor insists on periodic payments as per the certificates from the Ministry of Works. Unfortunately, we still face cash flow issues.

It is for the above reasons that the office of the Controlling Officer anticipates that funds will be made available to see the projects to completion. Rentals were paid upfront because the landlord could not allow any alterations to be done to their building without paying rentals; which gives government the right to enter and alter and or partition the premises.

The response of the Controlling Officer was noted. However, the response does not state the reason why the rental was paid for offices that have not yet been occupied. The matter remains reportable.

295. Payment for Services Not Rendered - Partitioning of the Office of the Master of the High Court and Magistrate Court Offices in Siteki

I also reported to the Controlling Officer that a payment amounting to **E3,948,608.86** for the partitioning of the Magistrate Court and the office of the Master of the High Court was paid in full to the contractor, Phinduvuke Investments, before the service was fully rendered. According to Payment Voucher number 020305, dated 31 April 2023, payment to the contractor was done in full yet the service of partitioning had not been completed.

Physical verification of work done on site was conducted twice, on the 9th December 2023 and on the 20th December 2023. On both dates, the Foreman and the Landlord were not on site to give an update on the progress of the project.

Further noted was that the project contract did not state the commencement date and anticipated completion date of the project. The project contract was signed by the Lessor - Phinduvuke Investments and Lessee – the Controlling Officer of the Judiciary on the 23rd January 2023, without the involvement of the Attorney-General.

The cause for delays in completion of services, which have been fully paid for; could not be established since there were no variations from the Architect or Clerk of Works that was submitted which could have delayed completion of the project.

I drew the attention of the Controlling Officer to Section 77 (7) of the Constitution of Eswatini, which reads; "subject to the other provisions of this Constitution, an agreement, contract, treaty, convention or document by whatever name called, to which Government is a party or in respect of which the Government has an interest, shall not be concluded without the advice of the Attorney-General (in person or by subordinate officers acting in accordance with the general or special instruction of the Attorney-General), except in such cases and subject to such conditions as Parliament may prescribe".

I warned the Controlling Officer that the service may end up not being rendered because payment has already been made, leading to loss of public funds. Further, this may lead to the accumulation of pending and backlog of cases due to the shortage of courtrooms and staff offices.

I advised the Controlling Officer to ensure that the contractor completes the partitioning by 31st March 2024. Further, the Controlling Officer is advised to seek the advice from the Attorney-General before signing any agreement that involves the Government to avoid payment for services not rendered.

In her response, the Controlling Officer noted my observation. She cited that the relocation of the Siteki Magistrate's Court as well as the Master of the High Court was necessitated by the declaration of the Lubombo Regional Administration building (the building that housed the respective offices) being declared inhabitable.

This presented an urgent need for the Judiciary to relocate and the only available building at the time was Phinduvuke Complex, which building was designed and intended for purposes of a shopping complex. It follows therefore that the building needed to be partitioned.

The office of the Controlling Officer anticipates that funds will be made available to see the projects to completion. Rentals were paid upfront because the landlord could not allow any alterations to be done to their building without paying rentals; which gives government the right to enter and alter and or partition the premises.

The response of the Controlling Officer was noted. However, there is no explanation on why the contractor was paid in full before the service of

partitioning was fully rendered. The office is in receipt of a report from the quantity surveyor who confirmed that Phase 1 of the partitioning was partially completed in March 2023, thus payment was done before completion of the partitioning. The response also does not explain why the Attorney-General was not consulted before the lease was signed. The matter remains reportable.

296. Offices Operating in Condemned Building

I reported to the Controlling Officer that the building which houses the Nhlangano Magistrate Court was condemned by the Senior Public Health and Environmental Officer of Nhlangano Town Board through a corresponding letter dated the 23rd of May 2023, but it is still being used. This poses a health hazard and serious danger to the officers as the walls are cracked and continues to crack, the roof is leaking, electric wires are open, blocked water system and the ceiling is falling.

The premises were condemned through a correspondence from Nhlangano Town Council to the Judiciary. The correspondence advised that the defects be fixed within 14 days failing which; the structure would be condemned and closed. However, the building was still in use by December 2023 when the audit inspection took place.

Part V, section 23(1) of the Eswatini Occupational Safety and Health Act of 2001, states that, "if, in the opinion of an inspector, the whole or part of the premises constituting a workplace is no longer suitable for use as a workplace, the inspector may: (a) by notice in writing to the occupier, setting forth in what respect the premises are in the inspector's opinion no longer suitable for use as a workplace, and the necessary steps or work that may be carried out to correct or rectify the matter at the workplace, require the occupier to take the necessary steps to correct the situation and make the structural alterations mentioned within the period specified in such notice."

I am concerned that this may result to loss of government property and loss lives of officers, which may lead to litigations, should the building collapse during office hours.

I advised the Controlling Officer to request for an alternative office to carry out the duties of the Judiciary and request that the repairs of the building be done with immediate effect. Also, the Judiciary should cooperate with health and safety practice.

In response the Controlling Officer acknowledged my observation. She stated that the Judiciary has taken all steps necessary in trying to address the above. Past experience has taught us to avoid moving piecemeal as this creates problems as observed under recommendation 1 and 2 above.

She further reported that Micro-projects Unit was engaged to evaluate and report on the rehabilitation of Magistrate Courts in Eswatini and the Nhlangano Magistrate Court formed part of the report.

Micro-projects Unit reported that an amount of E6,456,215.62 was needed to rehabilitate the Nhlangano Magistrate Court. This amount has been budgeted for under the Judiciary's capital projects for the 2024/2025 financial year and we await the budget allocation.

As an interim remedy, the Ministry of Public Works has issued out a Tender for minor repairs particularly for the public toilets and the office has been informed that works should commence in about 3 weeks.

The response of the Controlling Officer was noted. A follow up on this issue will be done in the next audit cycle. The matter remains reportable.

297.Damages not evaluated or reported at Pigg's Peak Magistrate Court offices

I reported to the Controlling Officer that during physical verification of durables at the Pigg's Peak Magistrate's Court, I noted that there were immense damages of the Magistrate Court offices which were alleged to have been due to bombing during the unrest that took place in 2021. There was no proof that the damage was evaluated and reported to the relevant authorities. The damage included burnt office interior, cracked walls, broken windows, sagging ceilings, destroyed office furniture and dockets burnt to ashes.

I drew the attention of the Controlling Officer to part 1502 of the Stores Regulation (1975) which states that Heads of Departments shall order investigations into each loss of or damage to Government stores following preliminary reports made by a supervising officer in the terms of Regulation 0201. Completed and coordinated reports shall where required, be made to the Accountant-General for his/her consideration and decision".

I am concerned that stores may be stolen in the name of stores being destroyed during the riots which may lead to loss of government funds.

I advised the Controlling Officer to adhere to the laid down procedures and report the damaged stores, or the losses.

In response the Controlling Officer acknowledged my observation. She stated that the Tinkhundla Inspection report was done for purposes of evaluating the damage to the building in Piggs Peak. The damage was evaluated at E8,985,154.89. She also acknowledged that the procedure for reporting damaged stores and losses was not done and promised that the Accounts Officer shall work on that immediately.

The response of the Controlling Officer was noted. The matter will remain reportable until the damaged stores and losses are properly reported to the authorities.

298. Ceased Business Operations in Circuit Courts

I reported to the Controlling Officer that there were Circuit Courts amongst the Judiciary which had ceased operations due to shortage of motor vehicles to service Circuit Courts in the regions. The Circuit Courts are serviced by Magistrate Courts. Information given to the audit team revealed that 10 out of the total 17 Circuit Courts in the country were inactive. This caused backlog in court cases that are to be carried out at the Circuit Courts. The Circuit Courts which were found to be inactive are; Bhunya, Sidvokodvo, Gege, Phunga, Lavumisa, Lubulini, Lomahasha, Tshaneni, Buhleni and Mliba.

The entity's mission is to deliver and uphold the Rule of Law, by serving the best interests of justice and public by resolving matters brought before it in a fair, timely, efficient and transparent manner.

I am concerned about the accumulation in case backlogs. Further, public dissatisfaction on cases flow.

I advised the Judiciary to consider reopening operations within its closed courts to fast track and enhance public satisfaction on cases flow.

In response the Judiciary acknowledged my observation. She stated that the lack of funds, Judicial officers, personnel and infrastructure for the Judiciary has called for some Courts not to operate. The Judiciary has, over the years been allocated a small budget

which renders it impossible to run all the Courts. There are no Magistrates and clerk posts (we continue to await the issuance of posts from the Ministry of Public Service). Old and un-roadworthy vehicles have halted the operations of the Judiciary as a whole.

The response of the Controlling Officer was noted. The Controlling Officer is urged to report the problems through the authorized channels to ensure that the Circuit Courts are opened and the service is rendered to the citizens.

299. Suspended Officers Receiving Full Pay (Salaries)

I reported that the Judiciary paid **E435,000.83** in respect of salaries to employees who had been suspended with full pay pending finalization of their criminal cases in the year under review. I am therefore very disturbed to note that criminal proceedings against the employees had been delayed, thus the tax payers' money was paid to individuals who were not rendering any service to Government. The officers are listed below:

Employee Details:	Suspension Date	Payment Date	No. of months	Amount received per month (E)	Amount received (E)
Employment No. 3767597 Designation – Clerk of Court/ Interpreter	03.12.2014	Apr – Jul 2022	4	10,830.75	43,323.00
		August 2022	1	13,592.91	13,592.91
		Sep 2022 - Feb 2023	6	11,137.67	66,826.02
		March 2023	1	22,636.67	22,636.67
Sub-total					146,378.60
Employment No. 9108480: Designation - Clerical Officer	13.06.2016	Apr 2022 – Jul 2022	4	6,340.58	25,362.32
		August 2022	1	7,964.94	7,964.94
		Sep 2022 - Mar 2023	7	6,521.08	45,647.56
Sub-total					78,974.82
Employment No. 40232148: Designation - Accounts Officer	05.10.2016	Apr 2022 – Sep 2022	6	10,229.75	61,378.50
		October 2022	1	13,605.74	13,605.74
		Nov 2022 - Mar 2023	5	11,137.67	55,688.35
Sub-total					130,672.59
Employment No. 39957878: Designation - Clerical Officer	19.09.2018	Apr 2022– Jul 2022	4	6,340.94	25,362.32
		August 2022	1	7,964.94	7,964.94
		Sep 2022 - Mar 2023	7	6,521.08	45,647.56
Sub- total					78,974.82
Grand-total					435,000.83

I drew the attention of the Controlling Officer to General Order A.210 – [Suspended Officer Cessation of Salary Payment] which specifies the actions to be undertaken against

convicted officers. Section (1) states that in the case of an officer who has been convicted of a criminal offence, he shall be suspended from duty and shall not be paid any emoluments from the date of conviction pending a decision on his case and Section (2) states that if an officer is suspended from duty by his Head of Department on reasonable grounds of suspicion that he has committed the crime of theft of public property, he shall not be paid any salary from the date of suspension nor shall he be paid any salary outstanding at that date.

Furthermore, General Order A.910 requires the immediate completion of the proceedings of their cases and if the officers are found guilty of the charges laid against them their services should be terminated.

I am concerned about the continued financial loss to Government without service delivery. Further, non-recovery of salary overpayments in the event the officers are found guilty of the charges laid against them and their services are terminated.

I recommended adherence to the General Orders and recovery of the amounts already paid in violation of the General Order A.210 (1) and (2) to the Controlling Officer.

The Controlling Officer acknowledged my observation and stated that the matters are still pending in Court. The Controlling officer is therefore precluded from dealing with the matters pending finalization of the Court cases.

The response of the Controlling Officer was noted. Worth noted is that some of the officers have been suspended for more than seven (7) years.

300. Open Ended Authority of Overtime Payments

I reported to the Controlling Officer that the Judiciary was granted an authority to pay overtime allowances through an addendum which was open-ended to its staff. This was through Circular Number 8 of 2010, referenced MSD543/Vol.X, and dated 27th October 2015. The duration of the authority was not specified, thus even to-date the staff members attach this circular when claiming overtime. During the financial year ended 31st March 2023, an amount of **E2,903,113.23** was paid as overtime allowances.

The lack of duration for the authority creates an opportunity for fraud amongst staff. Noted was that the Judiciary incurred over-expenditure amounting to E4,775,342.27 on Personnel Costs which might have been caused by the huge overtime payments. In the previous year audit, the issue was raised but it has still not been addressed.

I drew the attention of the Controlling Officer to Government General Order A250 which provides guidance that whenever overtime has to be worked, it is necessary to seek the approval of the Principal Secretary in advance. Also, Establishment Circular number 8 of 2010 states that whenever overtime is worked, Controlling Officers should first seek Cabinet approval by preparing a cabinet paper and provide detailed reasons and justification why the overtime is necessary.

I am concerned that there may be payment of overtime not worked which may lead to the department incurring over-expenditure.

I advised the Judiciary to request approved authority to work overtime annually or quarterly and state the officers' name as well as the period for overtime in the authority

In response the Controlling Officer acknowledged my observation. She cited that the overspending on personal cost of E4,775,342.27 was due to a number of reasons such as the salary increments which consequently meant an increase in retention allowances of Judicial Officers, Acting allowances, entertainment and housing allowance. There were also salary increments following promotions and appeals.

Despite the Addendum being open ended, the approval of working overtime is still sought from the Controlling Officer and it is treated on a case by case bases. It is important to state that most overtime claims are from officers who worked extended hours and over the weekend preparing review files from the Magistrate Courts in all regions. These files are taken to the High Court as a matter of law. Employees type and proofread the records so that they are allocated to different Judges. This is a requirement of the law, one which cannot be ignored or done away with. The Judiciary has made numerous requests for typist posts over the years. These typists would be responsible for the records and the need to work overtime would decrease significantly.

The response of the Controlling Officer was noted. The Controlling Officer is urged to furnish the Office of the Auditor General with the internal overtime approval instrument.

301. Cash Accounts: Standing Cash Advance and Cash in Transit

301.1. Standing Cash Advance

I reported to the Controlling Officer that there was unrecovered Standing Cash Advance amounting to **E10,000.00** under the Responsibility Centre 1102 – High Court, as at 31st

March 2023, as illustrated in the table below. The unrecovered Standing Cash Advance emanates from an advance received by employee 33220383 on the 13/04/2011 through cheque number 709917, batch number 916. The advance was processed by the Judiciary instead of the Treasury Department, therefore, the advance was irregularly processed. This is illustrated in the following table:

Centre	Account Item	Unrecovered Cash Advance (E)
1102: High Court	50201: Standing Cash Advance	10,000.00

I drew the attention of the Controlling Officer to Section 11, paragraph 3.12 of the Financial Management and Accounting Procedures Manual (1993) which stipulates that "Standing Cash Advances – accounting entries and procedures are similar to those for petty cash advances". Paragraph 3.11 requires that "the Treasury 'Year-End Closing Procedures' circular calls for all petty cash imprest and standing advances accounts to be retired on or prior to 31 March. The year-end balance on this item should therefore equal nil".

I am concerned that the Standing Cash Advances may not be recovered from the affected officer, thus the cash (public funds) remained outstanding and/or unsettled by the officer involved. Also there is a risk of processing advances without a warrant from the Treasury Department.

I advised the Controlling Officer to recover the money and strengthen internal controls to ensure that all advances are processed by Treasury.

In response the Controlling Officer stated that the officer suspected to have been involved was arrested and the matter is pending in court.

The response of the Controlling Officer was noted. The matter remains reportable until the matter has been finalized in court.

301.2. Unaccounted-for Cash in Transit – Judiciary

I reported to the Controlling Officer that there was an outstanding cash in transit amounting to **E161,927,990.45** under the responsibility centre 1201 – Master of the High Court as at 31st March 2023.

Normally cash in transit occurs when an officer responsible for cash transactions conveys cash between revenue collection office and a local bank pending transfer of the cash to

a relevant Government Bank Account held at the Central Bank of Eswatini. Such funds are temporarily debited in a Cash in Transit Suspense account pending proof of deposit or transfer of the cash from the local bank into the Government Bank Account at the Central Bank. Thereafter, a Credit Note is issued to confirm receipt of the cash into the Government Bank Account which, in this case, is the Guardian Bank Account. The Cash Book – bank column should then be debited with the amount of cash received and the Cash in Transit Bank Account should be credited with this amount to clear the suspense account. However, the following table indicates that there was no corresponding debit entry in the Cash in Transit Suspense Account when the account was credited thereby distorting the Government Accounts.

Centre	Account Item	Outstanding Cash (E)
1201: Master of the High Court	50203: Cash in transit	161,927,990.45

Financial and Accounting Instruction 0501(i) and 0501(iv) state that it is the duty of the accounting officers to ensure that revenue due is collected promptly and that all collections of revenue are properly brought to account, and that they should pay over their entire collections to the Revenue Office or into a bank for the credit of a Government Account, as frequently as possible and preferably daily.

In response the Judiciary stated that the office of the undersigned will consult the Treasury department who is the responsible holder to try and resolve this matter.

302. Unretired Tour Advances and Fictitious Liabilities Due to Unposted Tour Advances in the Suspense Account

I reported that tour advances amounting to **E396,992.31** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were non-postings of tour advances amounting to **E65,933.50** in the Suspense Account and Cash Book after charging the Government General Account for those tours under the Judiciary. The tour advances were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of account and fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Centre	Account Item	Unretired Tour Advance (E)	Unposted Tour Advance (E)

1101: Registrar of Court	51006: Tour Advances- Employees	385,479.60	
1102: High Court	51006: Tour Advances- Employees	8,012.71	
1201: Master of the High Court	51006: Tour Advances- Employees		65,933.50
1202:Manzini Magistrate Court	51006: Tour Advances- Employees	3,500.00	
Unretired Tour Advances and Unposted Tour Advance		396,992.31	65,933.50

I reminded the Controlling Officer that, this was in contravention of Financial and Accounting Instruction 1209 which states that “the Tour Advances should be repaid immediately upon the completion of the tour”. Further, Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that “where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Judiciary should seek full recovery of that Advance from the officer’s future salary entitlements”. Moreover, Section 11, paragraph 4.19 states that “the year-end balances on the Tour Advances item should normally equal zero”.

I warned the Controlling Officer that unretired tour advances remained unrecovered monies due to Government, and due to non-postings of tour advances in the Suspense Account and Cash Book, created fictitious liabilities, and the external travel expenditure was understated in the financial year it relates; thus distorts the financial position and financial performance, respectively.

I advised the Controlling Officer that, the Judiciary should ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the Judiciary to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer stated that these are balances brought forward from previous years. She stated that the Department will do a follow up by reconciling the past years.

The response of the Controlling Officer was noted; and however, audit finding remains reportable until the advances are retired in full or cleared accordingly.

303. Departmental (Judiciary) Advances

I also noted that there were outstanding Departmental (Judiciary) Advances amounting to **E691,716.16**, under the Master of the High Court - responsibility centre 1201, as at 31st March 2023. This departmental advance relates to the payment of court order

arbitration done by the Treasury Department on behalf of the Judiciary, since it is mandated to settle Court cases on behalf of all Government ministries and departments using Treasury advance account number 51135. After processing the payments, the Treasury Department prepares a journal adjustment voucher debiting the relevant ministries' advance accounts and crediting Treasury Advance Account. The Judiciary was expected to clear the advance from its recurrent vote budget to reconcile the below-the-line accounts to zero.

The advance of **E1,062,177.37** was posted in the financial year ended 31st March 2022 through voucher 090374, batch 093, and budget provision of **E370,461.21** (through journal voucher 130879, batch 240) that reduced the balance. The Judiciary was expected to clear the remaining advance balance from its budget. The uncleared balance resulted to fictitious asset, and the balance is illustrated in the table below.

Centre	Account Item	Outstanding Advance(E)
1201: Master of the High Court	51135: Treasury Advance	691,716.16

I referred the Controlling Officer to Financial and Accounting Instruction 0202 which states that Controlling Officers are responsible for ensuring each month that his accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer. Further, Section 11 Subsection 2.20 of the Financial Management and Accounting Procedures Manual stipulates that "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year-end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year. Statements detailing all balances should be forwarded to Treasury to support the entries in the Statement of Assets and Liabilities and to enable the Auditor-General to verify such balances".

I am concerned that there is a risk of not recovering the outstanding advances from officers who caused the loss to the Government and not clearing the unaccounted-for advance.

The Controlling Officer was advised that the Judiciary should take full responsibility of the legal costs for their cases, which emanated from the Judiciary and they should have all the supporting documentation of the court cases, all transactions should be reconciled and allocated to the correct item of account to ensure that this Suspense Account remains with a nil balance at the end of the financial year, where possible.

In response, the Controlling Officer acknowledged my observation. She explained that she shall be consulting the Treasury department to reconcile the outstanding Court cases they paid for Judiciary with the intention to prepare Journal Vouchers to clear the account.

The response of the Controlling Officer was noted. The matter is unresolved until the outstanding advances have been settled in full and cleared accordingly.

304. Non-adjustment of Unutilised Budget and Variations of Foreign Currency Exchange Gains on Accounts Payable – Statutory, Tinkhundla and Telegraphic Transfers – Judiciary

I noted that there were no adjustments of unutilised budget and variations of foreign currency exchange gains amounting to **E223,069.55** on Accounts Payable relating to Statutory, Tinkhundla and Telegraphic Transfers, under various responsibility centres. The balance originates in the financial year ended 31st March 2020 with subsequent movements. The Judiciary did not prepare adjustments for the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget.

Centre	Account Item	Non-adjustment of Unutilised Budget (E)
1203: Mbabane Magistrate Court	61001: Accounts payable Statutory	3,000.00
1201: Master of the High Court	61006: Accounts Payable Tinkhundla	276.55
1210: Small Court Claims	61048: Telegraphic Transfers-Judiciary	219,793.00
Total		223,069.55

I drew the attention of the Controlling Officer to Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) which states that, “apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item”. Moreover, Paragraph 5.6 requires that “year-end balances on this item should normally equal zero”.

I warned the Controlling Officer that the non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item - in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities. Further, there is a risk of incurring expenditure against the unutilized budget, which may be regarded as unappropriated expenditure and there is a risk of using an elapsed budget.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid the use of elapsed budget.

In response, the Controlling Officer stated that, Treasury is the account holder for payments of subscriptions, as the department is debited for payment and credit the suspense account and upon final payment by Central Bank, then Treasury has to credit the account. The department is correcting the issue by preparing Journal Vouchers to Treasury to clear the account.

The response of the Controlling Officer was noted; However, the audit findings is unresolved since the account has not been cleared yet.

305. Unclaimed Sundry Departmental Deposits

I also notified the Controlling Officer that there were unclaimed Sundry Departmental Deposits amounting to **E77,796,368.72**, at the end of the financial year ended 31st March 2023. This account is for bail deposits which are either for pending court matters and unclaimed finalized court matters. In this regard pending matters and unclaimed finalized bail amounts should remain in this account.

The money is claimed or transferred based on court verdicts as they can be in favour and not in favour of the convict. Hence unclaimed finalized matters aged five years and above and bail deposits for court cases not in favour of the convict are converted to fines and should be transferred to government as revenue. The unclaimed Sundry Departmental Deposits are illustrated in the table below.

Centre	Account Item	Unclaimed Deposits (E)
1101: Registrar of Court	61101: Sundry Departmental Deposits	307,052.89
1102: High Court	61101: Sundry Departmental Deposits	89,782.48
1201: Master of the High Court	61101: Sundry Departmental Deposits	376,545.51
1202: Manzini Magistrate court	61101: Sundry Departmental Deposits	23,430,030.21
1203: Mbabane Magistrate Court	61101: Sundry Departmental Deposits	35,081,282.38
1204: Nhlangano Magistrate Court	61101: Sundry Departmental Deposits	4,472,845.00
1205: Piggs Peak Magistrate Court	61101: Sundry Departmental Deposits	6,247,684.75
1206: Simunye Magistrate Court	61101: Sundry Departmental Deposits	1,912,750.00
1207: J.S.C Customary Law Court	61101: Sundry Departmental Deposits	23,800.00
1208: Siteki Magistrate Court	61101: Sundry Departmental Deposits	5,840,095.50
1209: Industrial Court	61101: Sundry Departmental Deposits	14,500.00
Total Unclaimed Sundry Departmental Deposits		77,796,368.72

This indicates that the sundry deposits (collections) were not reconciled and transferred from these Below-the-Line Accounts to the Miscellaneous Sundry Income Account as revenue.

I reminded the Controlling Officer about Financial and Accounting Instruction number 1307, which states that “amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees. Further, I mentioned that Financial and Accounting Instruction number 1308 states that “where an amount in a deposit account has remained unclaimed for a period of five years, it shall be transferred to Revenue Miscellaneous Sundries”.

I warned the Controlling Officer that Government is deprived of its revenue from unremitted funds. Also, there is a risk that the bail amounts (collections) were not claimed by the rightful beneficiaries and remains unclaimed or claimed by wrong persons.

I advised the Controlling Officer that sundry deposits within a five-year period should be investigated and disposed to the rightful payees, while those in excess of five years should be transferred to the Consolidated Fund and be recognized as revenue in the Revenue Miscellaneous Sundries account, and reconcile the accounts accordingly.

In response, the Controlling Officer stated that the amounts on item 61101 are for all bail payments, which can only be claimed and paid to clients once the case is closed. In other words, this account will always have funds for as long as there are matters pending before Court or unclaimed finalized matters. Bail claim forms as well as receipts which are proof that the bail was deposited. Only then can bail be processed.

The Controlling Officer’s response and explanation are noted. However, the audit finding is based on those deposits which are in excess of the stipulated period of five years and the expectation is that all court cases should have been concluded within this period. Hence, the matter remains reportable.

306. Unremitted Deductions in respect of National Provident Fund Deductions and Taxes

I also reported to the Controlling Officer that there were unremitted deductions of the National Provident Fund amounting to **E50,979.46**, and unremitted taxes amounting to **E1,219,754.68** as at 31st March 2023, as illustrated in the table below.

Centre	Account Item	Unremitted Deductions (E)

1101: Registrar of Court	62240: National Provident Fund Deduction	48,052.77
1201: Master of the High Court	62240: National Provident Fund Deduction	420.00
1202: Manzini Magistrate Court	62240: National Provident Fund Deduction	346.69
1203: Mbabane Magistrate Court	62240: National Provident Fund Deduction	165.00
1204: Nhlanguano Magistrate Court	62240: National Provident Fund Deduction	230.00
1206: Simunye Magistrate Court	62240: National Provident Fund Deduction	830.85
1207: J.S.C. Customary Law Court	62240: National Provident Fund Deduction	45.00
1209: Industrial Court	62240: National Provident Fund Deduction	889.15
Total National Provident Fund Deduction		50,979.46
1101: Registrar of Court	62315: SRA- Taxation	1,219,754.68
Total Unremitted Deductions of National Provident Fund and Taxes		1,219,754.68

This was in contravention of Section 5, Paragraph 7.2 of the Financial Management and Accounting Procedures Manual which explains that employee contributions are deducted from their salaries and credited to the employee centre's suspense account 62240. Payment should then be made, charging the suspense account with the amount of deducted employee contributions and the recurrent budgets per centre for the equivalent employers' contributions.

Furthermore, Financial and Accounting Instruction number 0817 requires that "a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited".

I am concerned that non-remittance of deductions of Provident Fund deprives non-pensionable workers of receiving their rightful benefits through Eswatini National Provident Fund. The non-remittance of taxes deprives the government of revenue in the form of taxes.

I advised the Controlling Officer to promptly remit deductions of the Provident Fund to the Eswatini National Provident Fund, as well as remit the taxes to the Eswatini Revenue Service.

In response the Controlling Officer acknowledged my observation and stated that the amount in Item 62240 National Provident Fund is reconciled by the Treasury Department. Item 62315 Eswatini Revenue Services was remitted at the beginning of the current financial year.

The response of the Controlling Officer was noted. However, at the time of compiling this report, there was no evidence that the remittances had been made, hence the matter is unresolved.

307. Outstanding Pay As You Earn (PAYE) Tax Debt

Through a report referenced J2A/Vol.II/4 dated 9th February 2024, I notified the Controlling Officer that, records from Eswatini Revenue Service revealed that the Judiciary had a Pay-As-You-Earn (PAYE) Tax debt worth **E1,404,177.87** relating to tax periods dating back to July 2013. Moreover, the debt was not disclosed in the financial statements for the year ended 31st March 2023.

I reminded the Controlling Officer that the Income Tax Order of 1975 as amended requires entities to remit taxes to the Eswatini Revenue Service as they fall due. It also requires that entities deduct, from each employee, a tax amount and remit it to the Commissioner no later than the 7th day of the subsequent month.

I notified the Controlling Officer that Government was deprived of receiving revenue in the form of taxes and that this was in contravention of tax laws and regulations.

I advised the Controlling Officer that the Judiciary should settle the PAYE tax debt with the Eswatini Revenue Service and provide proof of settlement.

At the time of compiling this report, the Controlling Officer had not yet provided response on this audit finding.

308. Audit of Guardian Fund

An audit of the Guardian Fund under the Master of the High Court for the year financial year ended 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a report referenced A2/22/23/24 dated 22 January 2024. The Controlling Officer responded through a memorandum referenced AUD 2024 dated 25 January 2024. However, the following audit findings remain unresolved and reportable.

308.1. Collections Not Accounted-for in the Guardian Fund Deposit Bank Account and Guardian Fund Disbursement Account

I reported to the Controlling Officer that there were collections amounting to **E192,306,237.52** which were not accounted-for in the bank statement of the Guardian Fund Deposit Account number 100016207016 and Guardian Fund Disbursement Account number 100016207091. The Collections Account showed a total amount of **E379,356,126.21** whilst the Bank Statement showed a total amount of **E187,017,423.69**, resulting to unaccounted-for collections or missing cash. The analysis below shows the cash which have not been accounted-for:

CashBook Bank Balance: Collection A/C 484/1201/61121 as per Government Accounting System	E379,323,661.21
Bank Balances:100016207016 & 100016207091 354/2115/52102 [E185,703,322.81+ E1,315,100.88] =	<u>E187,017,423.69</u>
Unaccounted-for Collections or Missing Cash	<u>E192,306,237.52</u>

I further reported that the Accountant does not perform monthly reconciliations, thus could not reconcile the cash book with the bank account balance. The two accounts must always reconcile and report the same information including the balance.

In response the Controlling Officer acknowledged and noted the recommendation, and stated that the reconciliation of the cash book and the Bank statement will be done on monthly basis. Management will ensure that all cash amount is accounted for and that the funds from the General Account are requested monthly from Accountant General to the Guardian Fund bank account. Management will also monitor that reconciliation of the accounts in done on monthly basis.

The response was noted. However, since the reconciliation of the cash book and the bank statement are still not done, the matter remains reportable.

308.2. Under-banking of Cash into the Guardian Fund Account

I further reported to the Controlling Officer that there were cash collections amounting to **E6,061,514.72** receipted under source 148 during the year which were not deposited into the Bank Account of the Guardian Fund. The bank account reported total cash collections of **E31,914,367.07** yet the cash collections per the Government Accounting System were **E37,975,881.79**; hence the bank balance was understated. The analysis is depicted as follows:

Cash book A/c number 484/1201/61121 as per Government Accounting System	E37,975,881.79
Deposits as per Guardian Special Fund Bank Account – 10001620706	<u>E31,914,367.07</u>
Missing Cash	<u>E 6,061,514.72</u>

I am concerned that the Accountant does not perform monthly reconciliations of the Cash Book with the Bank Statement. As a result, the Accountant could not easily realize that these funds were not remitted to the respective Guardian Fund bank account during the year under review; hence the funds remained in the General Account.

Section 202 (vii) of the Financial and Accounting Instructions states that the Controlling Officer is responsible for ensuring in each month that his accounts are reconciled with Treasury records by obtaining a certificate to this effect from his chief accounting officer.

I am concerned that the missing cash might have been misappropriated. The Guardian Fund bank account may be deprived of earning higher interest due to being understated.

I recommended that the Controlling Officer should account for the unbanked funds. Further, the Controlling Officer should adhere to the Financial and Accounting Instructions by ensuring that the deposit account is always reconciled with the investment account.

In response the Controlling Officer acknowledged my observation, and stated that the reconciliation of the cash book and the bank statement will be done on monthly basis. Management will ensure that all cash amount is accounted for and that the funds from the General Account are requested monthly from Accountant General to the Guardian Fund bank account. Management will also monitor that reconciliation of the accounts is done on monthly basis.

The response of the Controlling Officer was noted. However, the reconciliations are still not done, hence the matter remains reportable.

308.3.Non-remittance of Cash Collections (Estates funds) Receipted in Revenue Stations

I reported that cash collections amounting to **E434,646.84** which were receipted into the collection account no. 484 – 1201 – 61121 from different Revenue Stations of the Treasury Department on behalf of the Master of the High Court, during the year ended 31st March 2023, were not remitted to the Guardian Special Fund Account number 100016207016. As a result, the funds were not disclosed in the Guardian Fund Statement - Appendix 24. The funds which were deposited into the General Account are as follows:

Revenue Source Code	Revenue Name	Funds which were not transferred to the Guardian Special Fund Bank Account
161	Nhlangano	2,000.00
162	Manzini	168,257.07
164	Piggs Peak	70,007.77
172	Matsapha	125,700.00
173	Mbabane City Centre	71,500.00
Total		434,464.84

Furthermore, a correspondence from the Registrar of the Supreme Court to the Accountant-General dated 28th July 2022, revealed that Guardian Fund receipts amounting to **E7,784,514.98** collected through the Treasury Department Revenue

Centres were not remitted to the Guardian Fund Account. These date back from the financial year 2018 to 2022.

According to the Judiciary, these funds were not remitted to the Guardian Fund bank account. The receipts collected over the years are depicted in the following table:

Financial Year	Amount Receipted (E)
2018	1,415,802.48
2019	1,732,877.12
2020	1,618,542.39
2021	1,790,719.64
2022	1,226,573.64
Total	7,784,514.98

The Controlling Officer did not promptly bring to the Guardian Fund Account all public monies collected by the Treasury Department on behalf of the Master of the High Court and the beneficiaries.

I drew the attention of the Controlling Officer to Paragraph 99 of The Administration of Estates Act of 28/1902 which illustrates that, "All moneys paid to the Master under the provision of any law for the purpose of being placed to the credit of the Guardian's Fund shall be paid into the Consolidated Fund to the credit of the Guardian's Fund "Special Fund", and the Master may, from time to time; withdraw any part of such moneys through the Accountant General in accordance with such financial regulations as the Minister for Finance may approve".

Also, in accordance with Financial and Accounting Instruction number 203 (ii), an Accounting Officer must promptly bring to account all public monies.

I warned the Controlling Officer about delays in the payment of beneficiaries which in the long run, may lead to the lapse of funds and forfeiture to the Government, thus depriving rightful beneficiaries of their benefits. Making payments to beneficiaries when funds have not been remitted to the Special account may lead to accumulated deficit. Further, the lack of reconciliation may result to distorted accounts.

I advised the Controlling Officer to ensure that all funds collected from the various Revenue Centres are promptly remitted into the Guardian Fund Account. Further, reconciliations of the two accounts must be performed on a monthly basis to avoid discrepancies.

In response, the Controlling Office acknowledge my observation and further mentioned that the reconciliation of the Guardian fund Special Bank account will now be done monthly. She further said she would request all funds deposited in Revenue Accounts to be remitted to the Guardian Fund Special account monthly.

The response of the Controlling Officer was noted. However, the matter remains reportable since the recommendation will only be effected in the future.

308.4. Non-remittance of Master's Taxation Fees on Executor's Remuneration to General Account from Guardian Fund

I also reported that Master's taxation fees on Executor's remuneration deducted from late estate files were not remitted to the General Account. The Master's taxation fees are calculated as 10% of executor's remuneration and should be remitted to the General Account after deduction from estate files.

The audit verified a sample of estate files to confirm if the amount deducted as taxes were transferred to the General Account and it was noted that **E373,275.56** from the sample was not transferred to the General Account.

The amounts deducted as tax from the executors' remuneration in the different Masters' offices are stipulated in the following table.

Master's Office	Amount (E)
Manzini	158,071.16
Nhlangano	20,439.23
Hlathikhulu	3,984.83
Siteki	28,420.40
Simunye	61.99
Pigg's Peak	4,741.80
Lobamba	16,819.14
Mbabane	144,337.01

The list of the sampled files and deducted files is shown in table below.

Master of the High Court Manzini		
Date	File Number	Masters Fees(E)
16.06.2022	EM19/2021	4,571.21
16.02.2022	EM19/2021	11,778.25
	EM19/2021	1,464.57
20.04.2022	EM419/2021	2,994.13
25.05.2022	EM396/2021	183.83

Master of the High Court Manzini		
Date	File Number	Masters Fees(E)
04.05.2022	EM184/2021(B)	481.34
16.05.2022	EM206/2021	169.29
01.04.2022	EM344/2021	187.88
09.06.2022	EM393/2021	150.96
28.04.2022	EM241/2021	267.08

Master of the High Court Manzini		
Date	File Number	Masters Fees(E)
	EM408/2021	110.48
27.03.2023	EM09/2019	2,260.44
10.10.2022	EM78/2017	1,579.70
24.11.2022	EM78/2017	1,164.81
19.08.2022	EM149/2017	31,089.25
16.03.2022	EM149/20217	8,250.00
05.08.2022	EM64/2006	3,534.37
01.03.2023	EM26/2021	8,899.32
08.11.2022	EM73/2016	10,331.95
06.02.2023	EM277/2022	1,086.47
16.03.2023	EM122/2022	13,162.14
21.02.2023	EM165/2022	9,371.46
22/07/2022	EM64/2020	76.23
05/02/2021	EM132/2021	106.83
07/03/2022	EM248/2021	125.00
13/04/2022	EM/16/2021	432.50
02/06/2022	EM/543/2021	27.18
09/0/2022	EM370/2021	1,432.50
25/05/2022	EM261/2020	81.25
28/12/2021	EM336/2021	147.50
30/01/2023	EM/421/2021	136.08
01/06/2023	EM/251/2020	183.22
25/05/2023	EM/162/2020	58.44
05/04/2022	EM/597/2021	1,423.00
05/04/2022	EM/534/2021	50.11
24/06/2022	EM/589/2021	260.41
06/07/2022	EM/476/2021	220.00
08/04/2022	EM/262/2020	235.20
24/06/2022	EM/532/2021	185.00
01/03/2022	EM10/2020	1,732.52
13/04/2022	EM/311/202	67.87
30/03/2022	EM/237/2020	763.79
27/04/2022	EM/248/2021	214.68
30/05/2022	EM455/2021	64.48
27/04/2022	EM437/2021	117.26
08/04/2022	EM/502/2021	662.75
02/09/2022	EM/49/2022	2,325.37
02/08/2022	EM/50/2022	2,021.10
14/06/2022	EM/77/2008	522.40
27/10/2022	EM326/2021	3,317.79

Master of the High Court Manzini		
Date	File Number	Masters Fees(E)
10/10/2022	EM376/2021	879.75
10/10/2022	EM150/2022	756.36
14/10/2022	EM112/2022	1,907.18
28/02/2023	EM412/2021	1,800.41
21/03/2302	EM1/2023	4,772.45
21/02/2023	EM12/2023	15,642.63
07/02/2023	EM244/2022	2,232.99
Total		158,071.16

Master of the High Court - Nhlangano		
Date	File Number	Masters Fees(E)
21.02..2023	EN01/2023	245.16
26.02.2023	EN12/2022	9,720.51
27.09.2023	EN115/2021	656.75
16.10.2021	EN42/2021	602.42
13.12.2022	EN105/2021	561.43
03.11.2022	EN66/2022	985.52
20.02.2023	EN49/2022	144.51
09.02.2023	EN96/2022	1,075.75
09.03.2023	EN06/2022	62.50
10.03.2023	EN23/2022	80.00
04/10/2022	EN110/2021	2,251.25
29/09/2022	EN129/2021	407.77
25/07/2022	EN44/202	291.23
07/03/2023	EN37/2022	142.67
31/03/2023	EN101/2022	105.00
30/03/2023	EN74/2022	58.21
09/06/2022	EN02/2022	2,592.30
22/02/2023	EN86/2022	110.79
06/03/2023	EN10/2023	130.00
12/12/2022	EN20/2022	32.44
13/02/2023	EN25/2022	139.81
10/10/2022	EN81/2022	43.21
Total		20,439.23

Master of the High Court - Hlathikhulu		
Date	File Number	Masters Fees(E)
22.06.2022	ES57/2021	13.84

Master of the High Court - Hlathikhulu		
Date	File Number	Masters Fees(E)
21.02.2022	ES48/2021	538.86
09.01.2023	ES61/2021	150.00
09.12.2022	ES22/2020	628.64
21.06.2022	ES07/2022	351.66
08.12.2022	ES17/2017	315.00
06.07.2022	ES06/2022	175.21
09.03.20.23	ES40/2022	55.55
20.02.2023	ES27/2022	205.00
19/09/2022	ES2192001	386.50
07/07/2022	ES22/2021	267.98
27/05/2022	ES38/2021	34.00
06/07/2022	ES54/2021	87.62
25/08/2022	ES13/2022	78.24
10/10/2022	ES39/2022	70.00
26/09/2022	ES21/2022	626.73
Total		3,984.83

Master of the High Court - Siteki		
Date	File Number	Masters Fees(E)
21.06.2023	EL150/2021	342.50
11.04.2022	EL103/2020	313.84
29.08.2022	EL29/2022	108.35
22.08.2022	EL 11/2021	471.85
20.07.2022	EL 32/2022	319.83
21.07.2022	EL12/2022	277.57
01.06.2022	EL 04/2022	146.25
13.01.2023	EL131/2022	227.95
20.07.2022	EL20/2022	1,143.70
15.03.2023	EL25/2022	95.00
17.05.2021	EL54/2021	397.49
24/08/2022	EL158/2021	446.29
03/10/2022	EL95/2022	248.47
03/10/2022	EL41/2022	17.04
2005/07/22	EL53/202	141.00
04/07/2022	EL106/2020	155.65
12/09/2022	EL92/2022	60.00
2008/03/23	EL133/2022	85.00
27/05/2022	EL27/2022	19.67
2001/06/22	EL34/2021	1,553.84

Master of the High Court - Siteki		
Date	File Number	Masters Fees(E)
21/12/2022	EL26/2015	200.00
10/06/2022	EL12/2021	273.50
02/11/2022	EL22/2021	12,474.42
11/04/2022	EL11/2022	198.75
20/04/2022	EL02/2021	1,881.18
25/10/2022	EL62/2022	86.88
13/04/2022	EL106/2021	255.00
11/05/2022	EL127/2021	72.17
16/01/2023	EL107/2022	829.69
13/02/2023	EL73/2020	3,419.90
24/11/2022	EL118/2020	50.00
24/05/2022	EL120/2021	2,014.72
2009/09/22	EL70/2022	92.90
Total		28,420.40
Master of the High Court - Simunye		
Date	File Number	Masters Fees (E)
02/11/2022	ELS21/2022	15.79
20/02/2023	ELS25/2022	46.20
Total		61.99

Master of the High Court – Piggs Peak		
Date	File Number	Masters Fees(E)
28.09.2022	EP86/2021	254.97
31.01.2023	EP116/2021	83.26
10.11.2022	EP89/2021	209.00
19.09.2021	EP87/2021	320.19
15.07.2022	EP07/2022	989.00
28/03/2023	EP06/2023	95.00
10/03/2023	EP02/2023	60.00
21/02/2023	EP70/2022	85.00
06/02/2023	EP12/2022	255.00
29/11/2022	EP64/2022	1,116.55
06/11/2022	EP41/2022	50.00
23/01/2023	EP42/2022	105.00
18/07/2022	EP53/2022	1,012.01
09/01/2023	EP15/2022	19.07
07/07/2022	EP23/2022	87.75
Total		4,741.80

Master of the High Court – Lobamba		
Date	File Number	Masters Fees(E)
26.01.2023	EHL19/20222	191.08
27.07.2022	EHL17/2022	135.00
05.07.2022	EHL15/2022	99.50
28.09.2022	EHL14/2022	456.37
25.11.2022	EHL13/2022	546.40
03.08.2022	EHL04/2022	361.32
04.07.2022	EHL01/2021	7,157.25
13.06.2022	EHL01/2021	6,250.00
31/10/2022	EHL21/2022	89.01
24/08/2022	EHL30/2022	39.20
22/11/2022	EHL32/2022	196.78
03/08/2022	EHL37/202	1,072.10
30/06/2022	EHL01/2022	225.13
Total		16,819.14

Master of the High Court - Mbabane		
Date	File Number	Masters Fees(E)
13.07.2022	EH28/2022	642.44
22.06.2022	EH56/2022	6,651.27
04.10.2022	EH43/2023	2,431.44
23.03.2023	EH197/2022	1,256.82
01.06.2022	EH40/2021	476.72
13.04.2022	EH89/2018	494.17
28.02.2023	EH343/2021	684.98
25.05.2022	EH326/2021	23,814.85
06.07.2022	EH280/2021	546.25
03.06.2022	EH195/2021	750.00
22.06.2022	EH376/2021	186.74
16.06.2022	EH128/2020	572.46
	EH128/2020	5,360.88
22.02.2023	EH303/2021	615.44
09.06.2022	EH180/2015	707.50
19.12.2022	EH176/2011	1,336.00
26.08.2022	EH156/2016	822.55
09.03.2023	EH75/2022	242.18
16.02.2023	EH10/2023	4,750.00
28.03.2023	EH42/2023	260.20
28.02.2023	EH17/2020	1,892.40

Master of the High Court - Mbabane		
Date	File Number	Masters Fees(E)
16.05.2022	EH355/2021	108.78
08.04.2022	EH315/2021	281.82
22.11.2022	EH205/2020	1,860.00
23.11.2022	EH05/2022	4,593.97
10.11.2022	EH301/2021	3,394.10
08.06.2022	EH93/2021	406.43
08.11.2022	EH174/2022	345.20
28.03.2023	EH 380/2021	644.21
07.02.2023	EH99/2020	1,887.18
15.03.2023	EH191/2022	399.36
14.04.2022	EH13/2021	13,342.58
	EH408/2021	27,822.26
20.01.2023	EH4/2008	3,171.25
31/03/2023	EH4/2008	3,171.25
25/01/2023	EH245/2019	342.07
06/02/2023	EH207/2021	1,550.00
10/11/2022	EH272/2021	1,517.28
09/03/2023	EH56/2020	28.64
21/02/2023	EH50/2022	750.00
09/11/2022	EH168/2022	213.24
31/03/2023	EH130/2018	278.83
27/07/2022	EH408/2021	3,123.29
22/02/2023	EH34/2020	17,009.98
03.08.2022	MCL03/2020	3,600.00
Total		144,337.01

I reminded the Controlling Officer about Section 19(2)(b) which states that "So much of the amount of any expenditure incurred by or on behalf of the estate of any deceased person during any year of assessment as in the opinion of the Commissioner relates to any amount of income deemed to be income received by or accrued to an heir or legatee of such deceased person in terms of subsection (1) shall —be deemed to be expenditure incurred by such heir or legatee during such year, and shall, to the extent that the deduction of expenditure or the nature of the expenditure in question is authorised by this Order, be taken into account in the determination of the taxable income of such heir or legatee".

Also, Financial and Accounting Instruction 0817 requires that "a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited". Also, Financial and Accounting Instruction 0202 (vii) states that "the Controlling Officer is responsible for ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer."

I am concerned that the Government is deprived revenue in the form of master's taxation fees on executor's remuneration and this results to wrong bank balances between the Guardian Fund and General Account, which may be misleading to the users of the financial statements.

I advised the Controlling Officer to take the necessary precautions to ensure that as soon as the tax funds are deducted, they should always be transferred from the Guardian Fund to the Government General Account.

In response the Controlling Officer acknowledged my observation and explained that from now on, the Master's taxation fees on Executor's remuneration will be collected from the Master's regional offices and remitted to the Government General Account.

The response of the Controlling Officer was noted. There was no record received by my office as evidence that the transfer of the taxation fees from Guardian Fund Account to the General Account has been done.

HEAD 49: CORRECTIONAL SERVICES

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my audit findings to the Controlling Officer of His Majesty's Correctional Services through correspondences referenced P18 Vol VI/63 dated 29th December 2023, P18/Vol.VI/64 dated 25/September 2023, P18 Vol VI/65 dated 12th January 2024, and P18 Vol 66 dated 19th January 2024. The Controlling Officer responded through a memoranda referenced CHQ/3/2Vol.14/307 dated 17th January 2024, CHQ dated 25th January 2024, CHQ dated 22nd January 2024 and CHQ dated 19th January 2024; however, the following audit findings were unresolved.

309. Outstanding Commitments

I reported to the Controlling Officer that the Correctional Service had outstanding commitments amounting to **E1,264,745.95** on CTA Charges (00), Professional and Special Services (04), and Consumable Materials (06), in the financial year ended 31st March 2023 as illustrated in the table below:

Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD 80	Variance AA220	Commitments
		E	E	E	E	E	E
1101	00	7,176,701.00	4,466,297.00	4,464,655.87	40,141.13	1,641.13	38,500.00
1101	04	16,800,207.00	29,467,583.00	29,087,178.94	-520,490.98	380,404.06	471,908.20
1201	04	15,000,000.00	15,464,269.00	16,384,988.43	-986,669.46	-920,719.43	65,950.03
1202	04	874,500.00	867,496.00	731,004.81	24,198.40	136,491.19	112,292.79
1205	04	866,778.00	360,105.00	233,253.38	0.22	126,851.62	126,851.40
1207	04	586,155.00	526,876.00	432,877.83	-0.33	93,998.17	93,998.50
1207	06	434,356.00	433,775.00	407,610.26	11,268.72	3,627.30	14,896.02
1212	04	540,494.00	224,465.00	164,013.37	0.01	60,451.63	60,451.62
1215	04	425,392.00	425,391.00	278,872.12	1,299.34	146,518.88	145,219.54
1301	04	327,830.00	452,618.00	322,631.67	376.22	129,986.33	129,610.11
1202	06	2,971,655.00	3,265,655.00	3,270,515.60	-9,928.34	-4,860.60	5,067.74
Total Outstanding Commitments							1,264,745.95

Further, Section 35 of the PFMA states that:

- (a) the authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year-to which it relates; and
- (b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I warned the Controlling Officer about the risk that the reported recurrent expenditure for the year could be misstated and mislead the users, and also, goods and services may not be delivered.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, and to keep close control on all commitments and make enquiries if a commitment does not become actual expenditure within a period of 90 days, should be cancelled and the necessary expenditure account reconciliations undertaken, as per the Financial and Accounting Instruction 0410.

In response, the Controlling Officer concurred with my observation, and promised to take action to closely monitors all commitments. The department made a request to the office of the Accountant General to de-commit the amounts in the financial year 2022/2023 and it was done. On the issue of Purchase Orders, some suppliers usually promise to deliver until the last day of the financial year. This is then validated through the Office of the Accountant General. In the case of this query, most of the commitments were de-committed at the department's request.

I noted the response of the Controlling Officer and the cancelled commitments (de-commitments) amounting to E8,569,872.66. However, there are still commitments which are still outstanding and thus reportable. The Controlling Officer is urged to cancel the commitments within the stipulated time.

310. Unappropriated Excess (Over) Expenditure on Recurrent Vote

I reported to the Controlling Officer that there were significant unappropriated over-expenditures on Recurrent Vote amounting to **E56,884,782.50** incurred by the Department in the financial year ended 31st March 2023. These comprise of over-expenditure on CTA Vehicle Charges worth **E826,841.32**, over-expenditure on Personnel Costs amounting to **E55,370,639.39**, over-expenditure on Medical Drugs amounting to **E225,660.41**, and over-expenditure on Consumable Materials **E461,641.38** under various Responsibility Centers. The table below illustrates the unappropriated over-expenditures incurred.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-Expenditure	
	E	E	E	E	%
00 CTA Vehicle Charges					
1102: Mbabane Prison	446,560.00	446,559.00	763,269.60	316,710.60	70.9
1203: Matsapha Central Prison	33,365.00	33,363.00	257,349.69	223,986.69	671.4
1213: Malkerns Young Persons Centre	195,092.50	195,091.00	481,235.03	286,144.03	46.7
Over-Expenditure on CTA Vehicle Charges				826,841.32	
01 Personnel Costs					
1102: Mbabane Prison	12,099,308.90	12,099,304.00	15,470,853.66	3,371,549.66	27.9
1201: Industrial Manager's Office	12,543,217.00	7,543,216.00	8,522,304.71	979,088.71	13.0
1202: Mbabane Prison	12,672,774.20	12,672,768.00	15,019,286.32	2,346,518.32	18.5

1203: Matsapha Central Prison	37,723,990.80	37,724,153.00	43,323,970.64	5,599,817.64	14.8
1204: Mankayane Prison	3,091,173.80	3,091,172.00	3,903,170.06	811,998.06	26.3
1205: Big Bend Prison	15,380,134.50	15,380,128.00	18,183,070.22	2,802,942.22	18.2
1206: Nhlanguano Prison	11,495,881.60	11,507,576.00	13,259,482.08	1,751,906.08	15.2
1207: Pigg's Peak Prison	8,912,468.60	8,912,464.00	10,545,970.26	1,633,506.26	18.3
1208: Manager- Prison Farm	2,978,981.00	2,994,620.00	3,962,546.64	967,926.64	32.3
1209: Women's Central Prison	8,203,233.60	8,203,232.00	9,472,036.91	1,268,804.91	15.5
1210: Malkerns Juvenile Industry Schemes	7,486,572.30	7,486,568.00	8,861,350.96	1,374,782.96	18.4
1211: Criminal Lunatic Asylum	3,108,077.70	3,108,076.00	3,498,676.47	390,600.47	12.6
1212: Remand Centre	10,208,349.90	10,208,344.00	11,765,492.56	1,557,148.56	15.3
1213: Malkerns Young Persons Centre	3,152,703.00	3,152,700.00	3,823,211.60	670,511.60	21.3
1214: Mawelawela Prison	449,735.00	449,732.00	542,871.34	93,139.34	20.7
1215: Balekane Prison Farm	8,914,671.40	8,914,668.00	10,660,258.91	1,745,590.91	19.6
1216: Animal Husbandry	2,763,230.30	2,763,228.00	3,126,366.94	363,138.94	13.1
1217: Dairy Farm	670,824.40	598,738.00	694,165.64	95,427.64	15.9
1301: Prison Staff College	13,107,747.30	13,107,744.00	15,848,414.79	2,740,670.79	20.9
1401: Close Protection Unit	78,913,119.00	78,913,549.00	103,719,118.68	24,805,569.68	31.4
Over-Expenditure Personnel Costs				55,370,639.39	
03 Medical Drugs					
1203: : Matsapha Central Prison	178,794.00	297,543.00	349,874.08	52,331.08	17.6
1205: Big Bend Prison	137,553.00	116,606.00	156,583.70	39,977.70	34.3
1207: Pigg's Peak Prison	29,770.00	27,013.00	60,098.29	33,085.29	122.5
1209: Women's Central Prison	38,894.00	38,892.00	46,680.25	7,788.25	20.0
1210: Malkerns Juvenile Industry Schemes	51,369.00	51,368.00	87,010.49	35,642.49	69.4
1212: Remand Centre	174,366.00	35,364.00	39,276.74	3,912.74	11.1
1215: Balekane Prison Farm	52,851.00	30,641.00.00	43,586.16	12,945.16	30.0
1205: Big Bend Prison	137,553.00	116,606.00	156,583.70	39,977.70	25.5
Over-Expenditure on Medical Drugs				225,660.41	
06 Consumable Materials					
1208: Manager- Prison Farm	382,616.00	382,615.00	468,903.10	86,288.10	22.6
1210: Malkerns Juvenile Industry Schemes	25,294.00	9,331.00	10,490.57	1,159.57	12.4
1212: Remand Centre	1,787,368.00	1,787,368.00	2,161,561.71	374,193.71	20.9
Over-Expenditure on Consumable Materials				461,641.38	
Total Over-Expenditure on Recurrent Vote				56,884,782.50	

Furthermore, Section 107(3) (j) read with Section 34(7) of the Public Finance Management Act (PFMA) of 2017, states that "a public office and public officer, or another person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person willfully or negligently incurs unauthorized expenditures or makes unauthorized commitments. Any excess or any amount expended but not appropriated and which is not allowed under this section is treated as a loss of public money".

Over-expenditure beyond the budget released, as appropriated by Parliament is not only unlawful, but also has serious effects on the fiscal budget. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to fully adhere to the provisions of the PFMA regarding excess expenditure and enforcement, seek authority to spend beyond the authorised budget and take corrective action to address the above anomaly, and further strengthen internal controls, in order to avoid recurrence of over expenditures in future. Further, the Controlling Officer was advised to ensure that no public funds are spent without seeking prior authorisation.

In response, the Controlling Officer acknowledged the observation and stated that the department regrets the over-expenditure, and explained that it is caused by the increased responsibilities and that some of these activities cannot be delayed or postponed due to the fact that they involve human beings. This includes adherence to production warrants by courts and also referrals to hospitals. She stated that authority to overspend on CTA charges and personnel was sought but in vain. He continued to explain that the CTA is always behind in debiting the department's accounts so when the debit is finally made, the department would not be aware of the over-expenditure.

The Controlling Officer further said the personnel costs were caused by cost of living adjustment circular number 1 and number 5 of 2022 and 2023 for 3% and 4% respectively. The recruitments done by the department also had an effect on the over-expenditure, for which, the Ministry was supposed to make the required budget allocations.

To avoid the recurrence of over-expenditure, the Controlling Officer stated that the department has notified the Public Accounts Committee and the Cabinet, in writing, about the increased scope and responsibilities of the department.

The response of the Controlling Officer was noted. However, as stated above, over-expenditure contravenes requirements of the Public Finance Management Act (2017).

311. Under-Expenditure on Recurrent Vote

I reported that there were under-expenditures on Recurrent Vote amounting to **E453,529.17** incurred by the Correctional Service's various Responsibility Centres. These comprise of under-expenditure on CTA Vehicle Charges worth **E195,441.84**,

under-expenditure on Travel, Transport and Communication Costs amounting to **E227,337.74**, under-expenditure on Medical Drugs amounting to **E30,749.59**, under various Responsibility Centres. The details are illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-expenditure	
CTA Vehicle Charges	E	E	E	E	%
1202: Mbabane Prison	80,136.00			0.00	100
1204: Mankayane Prison	85,874.50	217,872.00	137,869.41	80,002.59	36.7
1205: Big Bend Prison	220,628.50	346,699.00	232,031.75	114,667.25	33.1
1212: Remand Centre	93,884.50			0.00	100
1215: Balekane Prison Farm	287,772.00	772.00		772.00	100
1301: Prison Staff College	289,324.50			0.00	100
Under-Expenditure on CTA Vehicle Charges				195,441.84	
02 Travel, Transport & Communications					
1207: Pigg's Peak Prison	2,019.00	2,017.00	1,760.00	257.00	12.7
1208: Manager- Prison Farm	2,358.00	2,357.00		2,357.00	100
1209: Women's Central Prison	3,269.00	3,267.00	2,596.00	671.00	20.5
1210: Malkerns Juvenile Industry Schemes	2,684.00	2,683.00	831.98	1,851.02	69.0
1211: Criminal Lunatic Asylum	8,364.40.00	8,364.00	5097.61	3,266.00	39.0
1214: Mawelawela Prison	251.00	248.00		248.00	100
1215: Balekane Prison Farm	4,758.00	4,757.00	3,960.00	797.00	16.8
1216: Animal Husbandry	5,821.00	5,820.00		5,820.00	100
1217: : Dairy Farm	1,147.00	1,145.00		1,145.00	100
1301: Prison Staff College	1,620.00	1,620.00		1,620.00	100
1401: Close Protection Unit	222,067.00	692,065.00	482,759.28	209,305.72	30.2
Under-Expenditure on Travel, Transport and Communications				227,337.74	
03 Medical Drugs					
1201: Industrial Manager's Office	500,000.00	231,200.00	200,450.41	30,749.59	13.3
Under-Expenditure on Medical drugs				30,749.59	
Total Under-Expenditure on Recurrent Vote				453,529.17	

Under-expenditures of 10% or more in a year may not be conducive to the development of the country and have a negative impact on service delivery. This is so because planned development initiatives may not be accomplished and they may also result to lesser service delivery, thereby negatively impacting the lives of citizens.

I advised, the Controlling Officer to ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement any activity or programme. I further advised the Controlling Officer to provide reasons for the under-expenditures and explain if its intended purposes were met, despite the under-expenditures.

In response, the Controlling Officer, appreciated the observation and mentioned that the balances depicted by BD140 (verify on ENTIRE are not the same as queried by the office, which could have been caused by printing the figures before the process of the department's request went through.

He continued to explain that the under-expenditure is also caused by delays on release of funds to utilize the authority to commit the funds. The delay by CTA and Central Medical Stores to debit the department was another cause and another reason was that the department made commitments on external travel and professional service towards the end of the year.

The response of the Controlling Officer was acknowledged and noted. However, it is not clear whether the intended purposes of requesting budgets for these items was achieved despite the under expenditures.

312.Under-Expenditure on Project P31299- Improvements of Prison Facilities

I reported that there was significant under-expenditure amounting to **E8,218,099.00** on Project P31299- Improvements of Prison Facilities, under the Mbabane Prison (Centre 1202), in the financial year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Project	Released Budget (E)	Actual Expenditure (E)	Under-Expenditure (E)	%
1202: Mbabane Prison	P31299: Improvements of Prison Facilities	11,218,099.00	3,000,000.00	8,218,099.00	73.3

Under-expenditures of 10% or more in a year may not be conducive to the development of the country and have a negative impact on service delivery. This is so because planned development initiatives may not be accomplished, and they may also result to lesser service delivery, thereby negatively impacting the lives of citizens.

Planned development initiatives or improvements of prisons facilities were not accomplished, leading to inadequate service delivery thereby negatively impacting the lives of citizens, low budget absorption may also indicate inadequate budget planning, execution and performance. The under-expenditure, further, indicates that there were delays in the implementation of the project, which is likely to increase the costs of completion of the entire project due to increase in prices and penalties for delays.

I advised the Controlling officer to ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement the project. The Department of Correctional Services was further advised to provide reasons for the under-expenditure and explain if its intended purposes were met, despite the under-expenditure.

In response, the Controlling Officer stated that the project was initially allocated a budget of E3 million as per the budget estimate book of financial year 2022/2023, which when it was fully utilized, funds for project P31599- Rehabilitation of Prisons were wrongly released under this project. The anomaly was later reversed and funds from the correct project code were released, however, the reversal of the funds to Project P31599 were not affected. The intended purpose of the project (P31299 and P31599) was met.

The response of the Controlling Officer was noted. However, the under-expenditure has not been resolved and there was no elaboration how the intended purpose of the project was met, in terms of output and outcomes.

313. Non-accountability of Projects Implemented by the Micro-Projects Unit

I reported that funds amounting to **E51,073,342.00** were released and **E42,840,820.53** were transferred to the Micro-Projects Unit as an implementation agency for the Department. However, there is no record that the Department did account-for the usage of the funds and did report on the usage of the funds in the implementation of their projects and projects status, in their Performance Reports to Parliament. There is no reporting structure on the implementation of projects, and unutilized funds and unused materials for each project were not accounted-for, and over-usage of funds (over expenditure) were not reported back to the Correctional Service. The breakdown of the capital funds transferred to the Micro-Project Units is depicted in the table below.

Responsibility Centre	Projects	Budget Released (E)	Actual Expenditure (E)
1202: Mbabane Prison	P31299: Improvements of Prisons Facilities	11,218,099.00	3,000,000.00
	P31599: Rehabilitation of Prisons	39,855,243.00	39,840,820.53
Total Funds Transferred to Micro-Projects Unit		51,073,342.00	42,840,820.53

This was in contravention with Section 86 (2) of the Public Finance Management Act (2017) which states that “the Principal Secretary of the Ministry responsible shall prepare a quarterly report on the financial and non-financial performance of the Government against the annual budget and Appropriation Act”.

I warned the Controlling Officer that the efforts and achievements of Government in improving the livelihood and well-being of the prisoners may not be accounted-for and reported. The capital funds remain unaccounted for by the Department of Correctional Services.

I advised the Controlling Officer to establish a monitoring mechanism and reporting structure with the Micro-Projects Unit, and should account for the capital funds and report about the projects completed, project status and funds and materials for each project to Cabinet and Parliament.

In response the Controlling Officer concurred with my observation and promised to act promptly. He also mentioned that the project was allocated E3 million, however, a mis-post of E8.2 million was done which distorted the financial position of the project. He also revealed that there is a Projects Committee which is responsible for monitoring all projects and reports to the Controlling Officer. Going forward, the Department will require monthly and quarterly reports from the Micro-Projects unit which will be submitted to all oversight bodies.

The response of the Controlling Officer was noted. However, the department has not yet established accountability structures, hence the audit finding remains unresolved.

314. Unretired Standing Cash Advance and Fictitious Liability Due to Mis-postings

I reported that there were unretired Standing Cash Advances worth **E24,843.45** under various responsibility centres. I also reported that the settlement (recovery) of a Standing Cash Advance amounting to **E4,154.95** was erroneously retired and posted under the Correctional Service under the Nhlanguano Prison instead of the Treasury Department, where the initial cash advance was issued. Hence, this has created fictitious a liability due to mis-posting of the standing cash advance. The details of the standing cash advances as at 31st March 2023 is depicted in the table below.

Responsibility Centre	Account Item	Unretired Standing Cash Advances (E)	Fictitious Liability Due Mis-postings (E)
1101: Headquarters and Common Services	50201: Standing Cash Advance	3,500.00	
1202: Mbabane Prison	50201: Standing Cash Advance	400.00	
1203: Matsapha Central Prison	50201: Standing Cash Advance	2,990.50	
1204: Mankayane Prison	50201: Standing Cash Advance	1,052.95	
1205: Big Bend Prison	50201: Standing Cash Advance	3,000.00	
1207: Pigg's Peak Prison	50201: Standing Cash Advance	1,000.00	
1209: Women's Central Prison	50201: Standing Cash Advance	1,500.00	
1210: Malkerns Juvenile Industry Schemes	50201: Standing Cash Advance	3,600.00	
1212: Remand Centre	50201: Standing Cash Advance	300.00	
1213: Malkerns Young Persons Centre	50201: Standing Cash Advance	2,500.00	

1301: Prison Staff College	50201: Standing Cash Advance	5,000.00	
1206: Nhlanguano Prison	50201: Standing Cash Advance		4,154.95
Unretired Standing Cash Advances and Fictitious Liability Due to Mis-postings		24,843.45	4,154.95

I alerted the Controlling Officer that, this was a recurring audit finding that was included in the financial audit report for the year ended 31st March 2022.

This was in contravention with section 1405 of the Financial and Accounting Instructions which states that "a Standing Advance is an imprest which is issued to the holder of a designated post for the purpose of making disbursements directly connected with the public service and which may be transferred by a handing-over certificate to another holder of that post". Further, section 1406 states that "payments from imprests and standing advances must be supported by a voucher duly receipted by the payees" and 1408 which requires that "the Standing Advance must be balanced at least once a week using the Standing Advance cash book. The cash held must agree with the balance on hand. Any discrepancy must be investigated immediately and any shortage made good or surplus paid into revenue in accordance with Instructions".

Further, paragraph 3.11 of the financial and accounting procedure manual requires that "the Treasury "Year-End Closing Procedures" circular calls for all petty cash imprest and standing advances accounts to be retired on or prior to 31 March. The year-end balance on this item should therefore equal nil".

I am concerned that the Standing Cash Advances may not be recovered from the affected officers, and Government was deprived of receiving the cash, which could improve economic development and the lives of citizens. Also, the error of mis-postings relates to lack of control reviews prior to the process of financial transactions by the Accountants.

I advised the Controlling Officer to investigate and recover the public funds in respect of the Standing Cash Advances and imprest cash from the officers involved with immediate effect, as required by Financial and Accounting Instruction number 0509. The Department was further advised to correct and account-for the funds collected and to make necessary adjusting entries to correct the mis-posting.

In response, the Controlling Officer stated that the department discovered that the officers utilised the imprest and returned all the receipts and documents for the retirement process to take place. However, the department does not have the initial warrants and attempts to source them from the issuing office proved futile, hence

retiring was not possible. The department is in continuous search for the warrants in a bid to retire the imprest and correct the account-for the funds collected and clear the fictitious liability.

The response of the Controlling officer was noted. However, the audit finding remains unresolved since the imprest and the Standing Order Advances have not been retired.

315. Unretired Tour Advances and Non-postings of Tour Advances in the Suspense Account and Cash Book

I reported to the Controlling Officer that tour advances amounting to **E15,786,067.44** were not retired by and/or recovered from the officials involved. The unretired tour remained unrecovered assets and the related external travel expenditure was recorded in the books of accounts.

I further noted that tour advances amounting to **E29,610.55** were not posted in the Suspense Account and Cash Book after charging the Government General Account for those tours under the Ministry. The tour advances were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of account and fictitious liabilities were created when retiring tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)	Non-postings of Tour Advances (E)
1101: Headquarters and Common Services	51006: Tour Advances- Employees	10,521,059.12	
1102: Mbabane Prison	51006: Tour Advances- Employees	20,189.77	
1201: Industrial Manager's Office	51006: Tour Advances- Employees	113,095.85	
1203: Matsapha Central Prison	51006: Tour Advances- Employees	8,000.00	
1204: Mankayane Prison	51006: Tour Advances- Employees	7,700.00	
1207: Pigg's Peak Prison	51006: Tour Advances- Employees	45,931.44	
1216: Nhlanguano Prison	51006: Tour Advances- Employees	9,312.22	
1301: Prison Staff College	51006: Tour Advances- Employees	3,342,505.39	
1401: Close Protection Unit	51006: Tour Advances- Employees	1,718,273.65	
1209: Women's Central Prison	51006: Tour Advances- Employees		20,244.43
1210: Malkerns Juvenile Industry Schemes	51006: Tour Advances- Employees		8,172.86
1211: Criminal Lunatic Asylum	51006: Tour Advances- Employees		1,193.26
Total Unretired Tour Advances and Fictitious Liabilities Due to Non-postings of Tour Advances		15,786,067.44	29,610.55

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Department should seek full recovery of

that Advance from the officer's future salary entitlements". Moreover, Section 11, paragraph 4.19 states that the year-end balances on the Tour Advance item should normally equal zero.

I warned the Controlling Officer that the unretired tour advances remained unrecovered monies due to Government and the external travel expenditures were understated in the financial year it relates. On the other hand, the retirement of tour advances against unposted tour creates fictitious liabilities in the financial statements; thus distorts the financial position and financial performance.

I advised the Controlling Officer that, to ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. I further advised the department to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advance Account at the end of each month.

In response the Controlling Officer concurred with my observation and further clarified that most queries were as a result of mis-posting upon retirement, which was caused by using different centres for the allowance and the visa in one tour advance, resulting to the tour failing to be retired. He stated that the department has made a request to the Accountant General for assistance to reconcile these accounts so that the suspense account becomes nil. Going forward, the department has started using one centre when capturing the tours to ensure they can easily be retired. The department humbly requests for tolerance and patience of the Auditor General on this regard as this anomaly dates back to the year 2008.

The response of the Controlling Officer was noted. However, this anomaly dates back to more than 15 years ago and to date the tours have still not been cleared. The audit finding remains unresolved until the account is fully reconciled.

316. Outstanding Prisons Advance

I reported that there were outstanding Prisons Advances amounting to **E2,082,516.70**, under the Headquarters and Common Services as at 31st March 2023. This departmental advance relates to the payments of Court orders/arbitrations done by the Treasury Department on behalf of the Correctional Service since the financial year ended 31st March 2004. The Treasury Department prepared journal

adjustment vouchers debiting the Correctional Service' advance accounts and crediting Treasury Advance Account 51135. Then, the Correctional Service was expected to clear the advance from its recurrent vote budget to reconcile the below-the-line accounts to zero.

The outstanding advance has been classified as an asset, yet it is an inter-party receivables transaction between the Correctional Service and Treasury Department. This is not an asset, as there is no resource controlled by Government as a result of past events and from which future economic benefits are expected to flow to the Government. As such, this may be regarded as a fictitious asset, and the balance is illustrated in the table below:

Furthermore, I reported that there were no recoveries made since the account was opened in the financial year 2004, with an un-cleared advance worth **E71,925.62** which accumulated to **E2,082,516.70** by the end of financial year 2020, and there was no new advance issued since then. In the financial year ended 31st March 2020 there were new advances amounting to **E315,400.36**, as illustrated in the table below:

SRC	Voucher #	Account	Amount (E)	Description
335	050071	51149: Prisons Advance	165,400.36	Transferring Debt to be cleared with the budget of the Correctional Services
335	055072	51149: Prisons Advance	150,000.00	Transferring Debt to be cleared with the budget of the Correctional Services
	Total		315,400.36	

Such advances emanate from obligations such as Court Orders that required Government (Correctional Services) to pay certain costs and the Treasury Department paid the funds on behalf of the Correctional Service. However, these advances were not cleared with the Correctional Services budget, but left outstanding as illustrated in the table below:

Financial Year	Opening Balance (E)	New Advances (E)	Recovered Advances (E)	Closing Balance (E)
31 March 2019	1,761,516.43	5,599.91	0.00	1,767,116.34
31 March 2020	1,767,116.34	315,400.36	0.00	2,082,516.70
31 March 2022	2,082,516.70	0.00	0.00	2,082,516.70

I further noted that there were no recoveries of advance from the officials who caused this huge loss to Government, and the loss has not yet been reported to the Losses Committee at the Ministry of Finance.

Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual stipulates that "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining

balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year. Statements detailing all balances should be forwarded to Treasury to support the entries in the Statement of Assets and Liabilities and to enable the Auditor-General to verify such balances”.

I warned the Controlling Officer that the outstanding advances might not be recovered from the officers which may cause loss to Government and the reported position of the Government’s balance sheet may be distorted by not clearing the tour advance. Further, there is a possibility that the loss incurred might not be reported to the Losses Committee.

I advised the Controlling Officer to take full responsibility of the legal costs, and recover public funds due to negligence by the public officers involved, accordingly, as per the Financial and Accounting Instruction 0509. As the court cases emanated from the Department of Correctional Services, they should have all the supporting documentation. All transactions should be reconciled and allocated to the correct item of account to ensure that this Suspense Account remains with a nil balance at the end of the financial year. Further, the Department is advised to report all losses from court cases to the Losses Committee.

In response, the Controlling Officer concurred with the observation and explained that the department is working hand in hand with the office of the Attorney General to track and find all the supporting documents for the cases which are essential in preparing the adjustment vouchers. All the transactions will be reconciled, ensuring that the suspense account balance is zero. The department also takes the advice to report the losses from courts to the Losses Committee.

The response of the Controlling Officer was noted. Until all the transactions have been reconciled and the suspense account is zero and losses are reported to the Losses Committee, the audit finding remains unresolved.

317. Non-adjustment of Unutilised Budget Provision and Variations of Foreign Currency Exchange Gains on Accounts Payable Prisons

I reported that the department did not make necessary adjustments on unutilised budget provisions and variations of foreign currency exchange gains amounting to **E6,879,302.17** on Accounts Payable - Prisons, hence fictitious liabilities were created, under various responsibility centres. The balances originate from prior financial years with subsequent movements. The Department of Correctional Services

ought to have transferred the unutilized budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid misappropriation of public funds.

I explained that the non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item - in the fiscal years in which the transactions occurred and creation of fictitious liabilities, as depicted in the table below.

Centre	Account Item	Year of Transaction Occurrence	Fictitious Liabilities (E)
1101: Headquarters and Common Services	61049: Account Payable- Prisons	Financial Year 2021	203,148.50
1207: Pigg's Peak Prison	61049: Account Payable- Prisons	Financial Year 2016	12,780.00
1301: Prison Staff College	61049: Account Payable- Prisons	Financial Year 2015	6,735,313.95
1401: Close Protection Unit	61049: Account Payable- Prisons	Financial Year 2009	88,059.72
Fictitious Liabilities on Accounts Payable Prisons			6,879,302.17

318. Non-adjustment of Variations of Foreign Currency Exchange Loss

I further reported that the Department did not adjust variations of foreign currency exchange loss amounting to **E204,567.32** on Accounts Payable – Prisons, under the Responsibility Centre 1201- Industrial Manager's Office, in the financial year ended 31st March 2023 and a fictitious asset balance was created as illustrated in the table below.

Centre	Voucher	Account Item	Payee	Fictitious Assets (E)
1201	060807	61049: Account Payable- Prisons	Budget Provided from Recurrent Expenditure- Grants and Subsidies	(1,413,343.00)
	080398		Payment of STAT	1,617,910.32
Non-adjustment of Variations of Foreign Currency Exchange Loss				204,567.32

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) which states that "apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item". Further, Section 11, paragraph 5.5 states that balances on this account may exist because of differences in the timing of entries to the computer system. Investigations and corrections should be carried out in consultation with the Treasury Common Services Section". Moreover, Paragraph 5.6 requires that "year end balances on this item should normally equal zero".

I am concerned, that monthly reconciliations of suspense accounts were not performed by the Accounts Department, hence, there is a risk of incurring expenditure against the unutilized budget, which may be regarded as unappropriated expenditure and also, there is a risk of using the elapsed budget. There may also be non-

reconciliation of the Foreign Payments Suspense Account results in the creation of fictitious liabilities or assets. The recurrent expenditure was misstated while liabilities and assets were overstated; thus, distorting the financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the unutilised funds to the miscellaneous/sundry income account and reconcile Foreign Payments Suspense Account to ensure that the balance is equal to zero at the end of the financial year, by effecting the necessary adjustments. I further advised the department to clear the fictitious assets possibly through budget savings or reallocations to the External Grants and Subsidies item or request a supplementary budget.

In response, the Controlling Officer concurred with my observation and stated that the variance was caused by currency exchange variances between the standard rate on terminal system and the daily rate of the banks where these advances are cashed. As such, the department has contacted the relevant office in a bid to reconcile foreign payments suspense accounts to ensure that the balance is equal to zero, transfer the unutilised funds to sundry income and lastly, clear the fictitious assets using the savings from the financial year 2023/2024. Moreover, the department has requested a supplementary budget to cater for such differences.

The response of the Controlling Officer was noted. However, at the time of compiling this report, the Accounts Payable-Prison balances and foreign exchange differences were not reconciled as required, hence, the audit finding remains unresolved and reportable.

319. Fictitious Liabilities Due to Unutilised Budget on Outstanding Accounts Accrued–Recurrent, Outstanding Accounts Accrued–Capital, and Outstanding Accounts - All Ministries

I reported that there was a posting error where a payment amounting to **E817,787.72** was processed under the Responsibility Centre 1201- Industrial Manager's Office instead of the Responsibility Centre 1202- Mbabane Prison where the budget was provided for. It was further noted that budgets amounting to **E13,674,840.55** were accrued and there was no expenditure incurred against those budgets as follows:

- (i) Outstanding Accounts Accrued-Recurrent had unutilized budget of **E2,137,940.57** under the Prison Staff College (centre 1301) since the fiscal year 2019.

- (ii) Outstanding Accounts Accrued-Capital had unutilized budget of **E11,372,999.98** under the Mbabane Prison (centre 1202). This consist of the accrued budget worth E5,400,000.00 in the fiscal year 2011, accrued budget worth E90,780.45 in the fiscal year 2012, and accrued budget worth E5,882,219.53 in the fiscal year 2019.
- (iii) Outstanding Accounts All Ministries had unutilized budget of **E163,900.00** under the Headquarters and Common Services in respect of a cancelled payment made to the supplier, L S M Distributors, on the 16th December 2013, for Invoice number 2358 and Purchase Order number 490652, processed through voucher number 080221, source 775, month 9, batch number 14.

The unutilised accrued budgets have created fictitious liabilities under the Correctional Service, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Fictitious Asset (E)	Fictitious Liabilities (E)
1202: Mbabane Prison	61070: O/S Accounts Accrued- Recurrent		817,787.72
1201: Industrial Manager's Office	61070: O/S Accounts Accrued- Recurrent	817,787.72	
1301: Prison Staff College	61070: O/S Accounts Accrued- Recurrent		2,137,940.57
1202: Mbabane Prison	61075: O/S Accounts Accrued- Capital		11,372,999.98
1101: Headquarters and Common Services	61080: Outstanding Accounts All Ministries		163,900.00
Fictitious Assets and Liabilities		817,787.72	13,674,840.55

This was in breach of Section 11, paragraph 6.7 of the Financial Management and Accounting Procedures Manual (1993) which states that "payments to be processed through the "accrual" accounts should be batched separately and submitted to the Deputy Accountant-General along with Adjustment Vouchers for the same amounts. The Payment Vouchers should be prepared as usual but should be coded to the respective "accrual" account for payment against it in the new financial year. The Adjustment Voucher must clearly indicate that it is to be processed in the previous financial year and should be dated 31 March. It should debit the receiving Head, Responsibility Centre, Item and Project. The relevant recurrent or capital "accrual" account should be credited.

Further, paragraph 6.8 states that "a running list of all payments processed through each "accruals" account should be carefully maintained and reconciled against the computerized Management Statement details. The balance on these accounts (balance carried forward from previous year plus current year's expenditure) should be zero by the end of June each year. Any credit balances remaining at the end of month 3 should be transferred to miscellaneous income item. Debit balances should be transferred to the relevant recurrent or capital expenditure items".

I am concerned that unutilised accrued budgets translate to fictitious liabilities, and there is a risk of processing irregular payments against the unutilized budgets from the Consolidated Fund.

I advised the Controlling Officer that all credit balances remaining at the end of month three after the financial year-end should be transferred to miscellaneous income item from the Outstanding Accounts Accrued-Recurrent, Outstanding Accounts Accrued-Capital and Outstanding Accounts All Ministries, and ensure that the balance is zero by the end of June each year.

In response, the Controlling Officer concurred with my observation and explained that the accruals were caused by delays in issuing of authority to commit funds, delays in deliveries and unforeseen weather patterns delaying the projects. The Department shall transfer all income from Outstanding Accounts Accrued-Recurrent, Capital and All Ministries to miscellaneous accounts and ensure that the balance is zero by the end of June each year.

The response of the Controlling Officer was noted. However, since the fictitious liabilities have not been cleared yet, the audit finding remains unresolved.

320. Unclaimed Sundry Departmental Deposits and Gratuity, Dormant and Sundry Income

I informed the Controlling Officer that there were unclaimed Sundry Departmental Deposits, and Gratuity, Dormant and Sundry Income by the rightful beneficiaries amounting to **E8,350.00** under various responsibility centres, and were now due to be claimed by the Government or transferred to the Consolidated Fund as Revenue Miscellaneous Sundries.

I further noted that, these were recurring balances, with no movement which were included in the previous audit report for the financial year ended 31st March 2022. The breakdown of the unclaimed Sundry Departmental Deposits, and Gratuity, Dormant and Sundry Income, as at 31st March 2023 is illustrated in the table below.

Responsibility Centre	Account Item	Unclaimed Deposits (E)
1203: Matsapha Central Prison	61101: Sundry Departmental Deposits	6,000.00
1205: Big Bend Prison	61101: Sundry Departmental Deposits	350.00
1208: Manager- Prison Farm	61101: Sundry Departmental Deposits	2,000.00
Sundry Departmental Deposits and Gratuity Dormant and Sundry Income		8,350.00

Financial and Accounting Instruction 1307 which stipulates that “amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees”. Further, Financial and Accounting Instruction 1308 states that “where an amount in a deposit account has remained unclaimed for a period of five years, it shall be transferred to Revenue Miscellaneous Sundries”. Furthermore, Section 11.8, paragraph 8.7 of the Financial Management and Accounting Procedures Manual emphasizes that “any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher. If the subsequent claim is proved, such entry may be reversed and the deposit refunded”.

Failure to remit the sundry deposits to the rightful persons might result to loss of public funds. Further, unclaimed sundry deposits over a period of five years are regarded as revenue collections due to Government that should have been transferred to the Consolidated Fund (Revenue Miscellaneous Sundries). Also, the deposits might remain unclaimed or can be claimed by wrong persons.

I advised the Controlling Officer to reconcile the accounts accordingly such that sundry deposits within a five-year period are investigated and disposed to the rightful payees, while those in excess of five years are transferred to the Consolidated Fund and recognised as revenue in the Miscellaneous Sundries Income Account.

In response, the Controlling Officer concurred with my observation. He indicated that the Department discovered that the deposit was erroneously debited under Correctional Services (Head 49) instead of Head 48 (Master of the High Court). The department has since prepared the necessary vouchers for the reversal of the estate deposit of E7,400.00 to the Master of the High court with an instruction that it should be remitted to the rightful beneficiary and reconcile the accounts accordingly.

The response of the Controlling Officer was noted. The response pertaining the estate deposit is satisfactory as it has been reversed. However, the Controlling Officer did not respond on the sundry departmental deposits.

321. Unremitted Deductions of Encyclopaedia Britannica (Prison Disciplinary Fees) and Settlement of Mortgage Deduction (From Salaries) Under the Correctional Service Instead of the Treasury Department

I reported to the Controlling Officer that there were unremitted deductions on Encyclopaedia Britannica worth **E39,125.01** in respect of prison disciplinary fees

under the Headquarters and Common Services. I further reported that, settlement of balance in respect of a mortgage deduction from salaries amounting to **E2,150.00** was receipted through General Receipt number 00776786 on the 15th October 2003, under the Correctional Service (Industries Manager's Office – Centre 1201) instead of the Treasury Department, which is responsible for all salaries' deductions. This mis-posting resulted to the creation of fictitious liabilities. These deductions were included in the Accrued Liabilities and Deductions, as at 31st March 2023, as illustrated in the table below.

Responsibility Centre	Account Item	Unremitted Deductions (E)
1101: Headquarters and Common Services	62215: Encyclopaedia Britannica-Deductions	39,125.01
1201: Industries Manager's Office	62220: Mortgage Deductions A/C (Salaries)	2,150.00
Unremitted Deductions of Prison Disciplinary Fees and Mis-posting of Settlement of Mortgage Deduction Balance from salaries		41,275.01

This was in contravention of Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) which stipulates that "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year".

I am concerned that the unremitted deductions were not recognised as sundry income and translated to fictitious liabilities. Further, the mis-posting of settlement of mortgage deduction balance from salaries resulted to the creation of fictitious liability and non-recognition of sundry income received.

I advised the Controlling Officer that the Department should remit the deductions for disciplinary fees to the rightful special fund account and to investigate mis-posting (error) and rectify (correct) the accounts, accordingly, by debiting the Mortgage Deduction Account and crediting the Miscellaneous/Sundry Income Account.

In response, the Controlling Officer concurred with my observation and stated that the reconciliation was submitted to the relevant office.

The department discovered that the E2,150.00 was wrongly receipted at revenue as mortgage deduction yet it was in respect of prison industries. The office of the Commissioner General is continuously in contact with the relevant office to rectify the anomaly.

The response of the Controlling Officer was noted. However, since the anomaly had not been rectified at the time of reporting, the audit finding remains unresolved and reportable.

322. Unremitted Deductions of National Provident Fund and Employer's Pension Contribution Erroneously Posted to SG Civil Servants & Teachers Pension

I reported that there were unremitted deductions of National Provident Fund amounting to **E1,759.08** under the Headquarters and Common Services (responsibility centre 1101), as at 31st March 2023. I further reported that, employer's pension contribution amounting to **E3,663.61** was erroneously posted to SG Civil Servants Pension Suspense Account 62241 instead of the Recurrent Expenditure item 01303 in the financial year ended 31st March 2022, under the Headquarters and Common Services (responsibility centre 1101). As such, the expenditure was not recognised and a fictitious asset balance was created.

The breakdown of unremitted deductions of National Provident Fund and fictitious asset balance due to mis-posting of employer's pension contribution in the suspense account instead of the recurrent expenditure account, is depicted in the table below.

Responsibility Centre	Account Item	Mis-posting of Employer's Pension Contribution (E)	Unremitted Deductions (E)
1101: Headquarters and Common Services	62240: National Provident Fund Deduction		1,759.08
1101: Headquarters and Common Services	62241: SG Civil Servants and Teachers Pension	3,663.61	

This was in violation of the Financial and Accounting Instruction 0817 which states that "a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited". Further, Financial and Accounting Instruction 0202 (vii) of the same regulation states that "the Controlling Officer is responsible for ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer".

I am concerned that the non-remittance of deductions of contributions for Provident Fund may deprive non-pensionable workers of receiving their rightful benefits through Eswatini National Provident Fund. The recurrent expenditure was understated while the assets were overstated by the mis-posting of employer's pension contribution in the suspense account instead of the recurrent expenditure item.

I advised the Controlling Officer to promptly remit the contributions to the Eswatini National Provident Fund, and to correct the posting error of the employer's pension contribution by debiting the recurrent expenditure item 01303 and crediting the SG Civil Servants & Teachers Pension Suspense Account 62241.

In response, the Controlling Officer concurred with my observation, and stated that the process to rectify the anomaly of the Provident Fund amounting to E1,759.08 has started. The deductions were in respect of officers with employment numbers:3006022939, 5458350 and 602668169. The department is in the process of refunding the above officers through the treasury department. The department also requested for assistance to the relevant office to correct to the posting error of employees' pension contribution.

The employer's pension contribution of E3,663.61 was in respect of officer with employment number 5120505 which was erroneously posted. The department is in contact with the relevant office in an effort to correct this error.

The response of the Controlling Officer was noted. The audit finding remains unresolved until the anomaly has been corrected.

323. Poultry and Dairy Proceeds Erroneously Posted to the Exchange Adjustment I.M.F. Account

I also reported to the Controlling Officer that, poultry and dairy proceeds amounting to **E2,957.00** were erroneously posted to the Exchange Adjustment I.M.F. Suspense Trading Account 70216 instead of the Correctional Services Poultry and Dairy Trading Account 70226, under the Nhlanguano Prison (Responsibility Centre 1216) since the financial years ended 31st March 2010, 2011 and 2019. The mis-posting resulted to a non-recognition of proceeds (revenue) in the Trading Account and creation of a fictitious liability balance that recurred in the financial year ended 31st March 2023.

Responsibility Centre	Account Item	Occurrence of Transactions	Mis-posted Proceeds (E)
1216: Animal Husbandry	70226: Correctional Services Poultry and dairy units	Fiscal Year 2010 Proceeds	2,130.00
		Fiscal Year 2011 Proceeds	692.00
		Fiscal Year 2011 Proceeds	60.00
		Fiscal Year 2019 Proceeds	75.00
Total Proceeds mis-posted			2,957.00

Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) which states that "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year".

I am concerned that the mis-posted proceeds were not recognised as revenue (income) in the Poultry and Dairy Trading Account and the mis-posting of the proceeds

resulted to fictitious liabilities; hence revenue was understated and liabilities were overstated in the financial statements.

I advised the Controlling Officer to investigate errors and rectify (correct) the accounts, accordingly, by debiting the Exchange Adjustment I.M.F. Suspense Trading Account and crediting the Correctional Services Poultry and Dairy Trading Account.

In response, the Controlling Officer acknowledged the observation and explained that her Department assessed the error and confirmed the mis-posting. She stated that it was resolved that the department will have to make a Journal Voucher (JV) where item 70216 will be debited and item 70226 will be credited with E2,957.00.

The response of the Controlling Officer was noted. However, since the accounts have not been corrected in the accounting system the audit finding remains unresolved.

324. Fictitious Assets Due to Expenditure Incurred with Budget Provisions: Correctional Services Poultry and Dairy Units

I reported to the Controlling Officer that there the department expenditure incurred without budget provisions over the years under the Correctional Services Poultry and Dairy Trading Account and unappropriated expenditures have accumulated to **E10,399,370.50** under Responsibility Centre 1216 (Animal Husbandry). The unappropriated expenditures were not cleared through budget savings or reallocation to the same recurrent expenditure item or supplementary budget; as such, fictitious assets were created and disclosed in the Statement of Financial Position as at 31st March 2023, as illustrated in the table below.

Section 107(3)(j) of the Public Finance Management Act of 2017, states that “a public office and public officer, or another person with responsibility for Government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person willfully or negligently incurs unauthorised expenditures or makes unauthorised commitments. Any excess or any amount expended but not appropriated and which is not allowed under this section is treated as a loss of public money”.

I cautioned the Controlling Officer that Over-expenditure beyond the budget released, as appropriated by Parliament is not only unlawful, but also has serious effects on the fiscal budget. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Department should clear the unappropriated expenditure and fictitious assets possibly by using budget savings or reallocations from the Recurrent Vote or request a supplementary budget, and reconcile accounts to nil balance at the end of the financial year. Further, the Controlling Officer to seek authority to spend beyond the authorised budget and take corrective action to address the above anomaly, and further strengthen internal controls, in order to avoid recurrence of over expenditures in future.

In response, the Controlling Officer confirmed that the accumulated expenditure as at 31st March 2023 was E10,399,370.50 and stated that the department was faced with a dilemma whereby by year end, the broilers had not fully matured hence they had to purchase feed for them, otherwise the department would have made a big loss on the chicks since they were not ready for selling. She continued to say that corrective action would be taken to rectify the error and internal controls would be strengthened to avoid recurrence of the anomaly.

The response of the Controlling Officer was noted. The explanation was noted, however, the Controlling Officer should have requested for a supplementary budget under the circumstances. Moreover, the Department should implement the recommendations and provide the evidence to the Office.

325. Outstanding Value Added Tax Debt as at 31st March 2023

I reported that records from Eswatini Revenue Services revealed that the Correctional Service had a Value Added Tax (VAT) debt worth **E9,030.59** relating to tax periods dating back from September 2014, which was still outstanding and not disclosed in the financial statement for the year ended 31st March 2023.

Public entities are required by law (Income Tax Order of 1975 as amended) to remit taxes in accordance with the tax law. Government was deprived of receiving revenue in the form of taxes. I advised the Controlling Officer to settle the VAT debt with the Eswatini Revenue Services and provide proof of settlement.

In response, the Controlling Officer concurred with the observation, and further submitted that the department honors its tax obligations unless they are not aware of them hence it has deferred and prepayment accounts. The department has since engaged the Eswatini Revenue Services on the outstanding tax liability and payment is being processed.

The Controlling Officer's submission was noted. However, the audit finding remains unresolved until payment of the VAT has been made to the Government tax collector and proof of payment submitted.

326. Surcharges amounting to 46,670.28 on damaged vehicles not recovered from the officers— His Majesty's Correctional Services

I reported that the Losses Committee authorized surcharges amounting to **E46,670.28** on losses for damaged motor vehicles due to accidents. However, the money has not been recovered from the officers. Below is a list of officers responsible for the accidents and surcharge amounts which were never recovered.

Motor Vehicles	Date of Accident	Repair Cost (E)	Surcharged Amount (E)	Driver Employment Number
GSD 179 PR, Isuzu truck F800	October 2017	222,131.46	22,213.14	8968243
GSD 220 PR	March 2018	90,086.95	13,513.04	39805582
GSD 217 PR	January 2015	58,990.12	5,899.00	2649326
GSD 037 PR	February 2017	50,459.57	5,045.10	2506605
		421,668.10	46,670.28	

I drew the attention of the Controlling Officer to Financial and Accounting Instruction 0204(ii) which stipulates that, if at any time there is a loss of public moneys by reason of neglect or fault of any officer, they will be liable to be surcharged with the amount and any sums due to them.

My concern is that surcharges are revenue to the Government and if the Controlling Officer does not recover or surcharge the officers, these monies may never be recovered from the officers responsible. I advised that these monies should be recovered in full from the officers by deducting the amounts from their monthly salaries.

In a response dated 30th January 2024, the Controlling Officer stated that the department engaged the officers involved in the matter and they acknowledged that they were surcharged on the damaged government motor vehicles due to accidents. However, the amount of E46,670.28 was never recovered. She further illustrated in the table below the engagements and arrangements made with the officers in an effort to recover the owed amount to government.

Employment Number	Amount owed (E)	Repayment Amount (E)	Period
2506605	5,045.10	200	2 years, 2 months
8968243	22,213.14	200	9 years, 2 months
2649326	5,899.00	200	2 years 2 months
39805582	13,513.04	300	3 years, 8 months

The response of the Controlling Officer and the efforts to recover the funds are noted. At the time of writing this report, the deduction from the officers' salaries had not been effected, hence the audit finding remains unresolved.

327. Salary Overpayment - Employment Number 7423770

I also reported to the Controlling Officer that an officer deployed under His Majesty Correctional Services with employment number 7423770 was overpaid his salary by **E60,507.32**. The salary overpayment was caused by failure to effect salary staggering as per Standard Government Procedure. The Officer had been granted long-term study leave to pursue a three-year Advanced Diploma in Hardware and Networking at Advance School of Information Technology (ASIT) under the Royal Science Technology Park-Eswatini from 04th October 2021 to 14th December 2023. The table below depicts the overpayment of the salary.

Period	Salary Paid (E)	Applicable Salary (E)	Salary Overpayment (E)
October 2022 to March 2023	14,120.42 x 100% x 6 months = 84,722.52	14,120.42 x 75% x 6 months = 63,541.89	21,180.63
April 2023 to September 2023	15,730.67 x 100% x 6 months = 94,384.02	15,730.67 x 75% x 6 months = 70,788.01	23,596.01
October 2023 to December 2023	15,730.67 x 100% x 3 months = 47,192.01	15,730.67 x 50% x 3 months = 23,596.00	23,596.01
	226,298.55	157,925.90	68,372.65
Less November 2023 and December 2023, 75% staggering applied instead of 50% (15,730.67 X 25%)			(7,865.35)
Total Overpayment of Salary due to non-staggering			60,507.30

I warned the Controlling Officer that this was against General Order A370 (c), which states that, if an in-service training course is in excess of twelve (12) months in duration, an officer shall be paid full salary for the first twelve months, seventy-five percent of his/her basic salary for the next twelve months' period, fifty percent of his/her basic salary for the following twelve months' period, and twenty-five percent of his/her basic salary for the remaining period of his/her study leave. The General Order further clarifies that the maximum period of study leave for which the salary shall be payable at the above rates shall be forty-eight months and any period after the forty-eight months shall be considered to be leave without pay. The Officer was however paid full salary even on his second and third year of the study leave which was a violation of the General Orders, and hence resulted in the salary overpayment.

Further, Financial and Accounting Instruction 0509(1) requires that "immediate action must be taken to recover any amounts overpaid". Also read with, Financial and Accounting Instruction number 0204(ii) which stipulates that "if there is loss of Government funds by reason of negligence or fault, the responsible officer will be liable to be surcharged with the amount of any sum due to him/her may be withheld in satisfaction of such surcharge".

I warned the Controlling Officer that Government was deprived of funds which were duly paid to the officer and could have been used on other programmes. It might be difficult and costly to recover the unduly paid public funds from the officer should the officer exit the public service.

I advised the Controlling Officer to recover the overpaid amount from the officers and to surcharge the officer responsible for the overpayment and to consider disciplinary action against the responsible officer.

In response referenced CHQ dated 22nd January 2024, the Controlling Officer stated that, the department identified two officers (E/N 7423770 - E949.83 and E/N 9522222 - E887,12) who were on long term training and upon realizing the error, she subsequently initiated corrective action immediately on both officers' salaries.

The response of the Controlling Officer was noted and appreciated. Notably was that the Controlling Officer has effected the deduction on the officer's salary, however, the overpayment principal amount for officer 7423770 was understated at E56,990.03 instead of E60,507.30, thus an understatement of E3,517.27.

328. Overpayment of Salary- Employment Number 40436256

I reported to the Controlling Officer that an officer, employment number 40436256 resigned from Government and the officer's last day at work was on 31st August 2023, however, the officer continued to receive salary even in the month of September 2023, consequently an over payment of salary, amounting to **E13,480.12**. Occurred as illustrated below:

Gross Pay (E)	Pension Contribution (15%)	Income Tax (E)	Overpayment (E)
14,040.48	1,752.98	2,313.34	13,480.12

I reminded the Controlling Officer that according to the Financial and Accounting Instruction 0509 "immediate action must be taken to recover any amounts overpaid".

I am concerned about the continued salary earnings without delivery of services, while ignoring Government regulations that were meant to prevent losses occurring, under these circumstances.

I recommended that the Controlling Officer should investigate and recover the public funds from the implicated officer, and correctly account for the funds collected.

The Controlling Officer responded through a memorandum referenced CHQ dated 19th January 2024 and acknowledged my observation. The Controlling Officer further stated that they noted the discrepancy and engaged the officer even though he had already left the service. The officer acknowledged the salary overpayment and subsequently made arrangements with the Public Service Pension Fund who then reimbursed government from the officer's benefits on 24th October 2023. The Controlling Officer attached a printout supposedly from Pension reflecting that an outstanding amounting of E13,688.98 was recovered from the officer's benefits by the Public Service Pension Fund and was paid out to Swaziland Government Treasury.

I note the response from the Controlling Officer. However, the overpayment of salary from the officer is not recorded as a salary deduction from the employee in the salaries earnings and deductions module of the computerized Government Accounting System. Further, the receipt amounting to E13,688.98 claimed to have been recovered from the officer's contribution by the Pension Fund has not been received (receipted by Treasury) in the Government Accounting System and the Controlling Officer has not provided appropriate and sufficient evidence of such, hence the audit finding remains unresolved until the overpaid amount is fully accounted for by the Controlling Officer.

HEAD 50: HOME AFFAIRS

An audit of the Consolidated Government Financial Statements for the year 31st March 2023 was conducted. I communicated my findings to the Controlling Officer through a Management letter referenced H22 Vol.VIII/29, dated 18th December 2023. The Controlling Officer responded through a memorandum dated 16th February 2024. However, the following audit findings remain unresolved and reportable.

329. Outstanding Commitments

I noted that there were outstanding commitments amounting to **E1,666,153.17** on CTA Vehicle Charges (00), Travel, Transport and Communications (02), Professional and Special Services (04), and Consumable Materials (06) under various responsibility centres, in the financial year ended 31st March 2023, as illustrated in the table below.

Centre / Item	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD 80	Variance AA220
		E	E	E	E	E
110/200	3,782,783.50	3,782,780.00	3,784,292.98	-40,597.39	-1,512.98	39,084.41
6101/00	96,078.00	96,077.00	50,058.62	31,218.38	46,018.38	14,800.00
3401/00	175,308.50	197,308.00	192,998.25	2,309.75	4,309.75	2,000.00
6101/02	0.00	1,987,000.00	2,179,664.37	-201,043.74	-192,664.37	8,379.37
3101/02	142,524.00	115,518.00	126,654.47	-11,989.10	-11,136.47	852.63
1102/02	379,762.00	1,039,759.00	1,052,717.74	-13,696.98	-12,958.74	738.24
6101/04	8,804,066.00	10,616,066.00	10,023,640.37	-24,549.37	592,425.63	616,975.00
3401/04	6,887,363.00	2,010,356.00	1,869,600.28	438.72	140,755.72	140,317.00
3101/04	2,978,617.00	1,828,609.00	1,749,134.45	-41,432.13	79,474.55	120,906.68
3201/04	114,333.00	127,328.00	173,930.66	-101,010.95	-46,602.66	54,408.29
1102/04	208,456.00	208,448.00	197,659.27	-5,711.27	10,788.73	16,500.00
3101/06	7,588,982.00	3,158,979.00	1,203,064.70	1,429,029.18	1,955,914.30	526,885.12
3401/06	8,448,997.00	5,143,994.00	5,026,652.27	635.45	117,341.73	116,706.28
1102/00	-264,189.00	24,757.00	18,460.00	1,321.85	6,297.00	4,975.15
1001/06	3,628.00	3,627.00	3,627.00	1,002.00	3,627.00	2,625.00
Outstanding Commitments						1,666,153.17

This was in contravention of Financial and Accounting Instruction 0410 which states that "it is necessary to keep a close control on all commitments, and enquiries should be made if a commitment does not become actual expenditure within a reasonable time". Moreover, all outstanding debts should be reported to the Treasury Department at the end of each financial year in order to have them reported in the Financial Statements.

I warned the Controlling Officer that there is a risk that the reported recurrent expenditure could be misstated, which in turn distorts the financial performance of the Ministry, and therefore misleading to users of the financial statements.

I advised the Controlling Officer to keep close control on all commitments, and to make enquiries if a commitment does not become actual expenditure within a

reasonable time. Moreover, since Government Purchase Orders are only valid for 90 days, commitments which do not become actual expenditure within this timeframe should be cancelled and the necessary expenditure account reconciliations undertaken.

In response, the Controlling officer acknowledged the outstanding commitments and stated that they were as a result of late submission of all relevant documents and delayed delivery of items. He also stated that most of the outstanding commitments were paid during the financial year 2024.

The response of the Controlling Officer was noted; however, evidence supporting the payment of most of the outstanding commitments during the financial year 2024 was not provided. Moreover, the commitments have not been cancelled, thus, the matter remains reportable.

330. Unappropriated Over-Expenditure on Recurrent Vote

I reported that there were significant unappropriated over expenditures on the Recurrent Vote, amounting to **E14,659,935.90**, incurred by the Ministry in the financial year ended 31st March 2023. The composition of the unauthorized excess expenditure is shown in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Over-Expenditure	
	E	E	E	E	%
00 CTA Vehicle Charges					
1001: Minister's Office	174,600.00	174,600.00	294,151.30	119,551.30	68.5
Over-Expenditure on CTA Vehicle Charges				119,551.30	
01 Personnel Costs					
1001: Minister's Office	1,290,476.50	1,290,472.00	1,756,886.18	466,414.18	36.1
1102: Principal Secretary's Office	3,397,621.10	3,397,621.00	9,289,822.34	5,892,201.34	173.4
1103: Common Services and Accounting Section	1,998,284.40	1,998,284.00	2,582,681.85	584,397.85	29.2
3101: Immigration	21,613,710.30	21,613,710.00	24,386,776.24	2,773,066.24	12.8
3102: Ngwenya Borders Post	3,875,097.60	3,875,096.00	4,684,218.58	809,122.58	20.9
3103: Mhlumeni Border Post	4,397,355.90	4,397,352.00	5,131,493.42	734,141.42	16.7
3202: Malindza Refugee Centre	992,174.90	992,172.00	1,174,003.00	181,831.00	18.3
3401: Civil Registration	8,968,633.20	8,968,631.00	11,863,694.40	2,895,063.40	32.3
Over-Expenditure Personnel Costs				14,336,238.01	
03 Medical Drugs Costs					
3202: Malindza refugee Centre	116,781.00	116,780.00	264,171.25	147,391.25	126.2
Over-Expenditure on Medical Drugs				147,391.25	
04 Professional and Special Services					
3201: Refugees' Headquarters	114,333.00	127,328.00	173,930.66	46,602.66	36.6
Over-Expenditure on Professional and Special Services				46,602.66	

06 Consumable Materials					
3201: Refugees' Headquarters	64,632.00	46,625.00	56,777.68	10,152.68	21.8
Over-Expenditure on Consumable Materials				10,152.68	
Total Over-Expenditure on Recurrent Vote				14,659,935.90	

This was in contravention of Financial and Accounting Instruction 0202(ii), which stipulates that Controlling Officers are responsible for ensuring that no amount is spent in excess of the amounts specified by Treasury Warrants. Further, Section 34(1) of the Public Finance Management Act (2017) states that "excess expenditure" means unauthorised expenditure, and Section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public money"

I warned the Controlling Officer that any excess or any amount expended beyond the released budget, as appropriated by Parliament is not only unlawful, but also has serious effects on the fiscal budget. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer to seek authority before spending beyond the appropriated budget and to take corrective action to address the above anomaly, and further strengthen internal controls, in order to avoid recurrence of over-expenditures in future. Further the Ministry was advised to ensure that no public funds are spent without seeking prior authorisation.

In response, the Controlling Officer concurred with my observation and cited the following reasons for the over-expenditure:

- *Center 1001 - E119,551.30, is as a result of vehicle rental fees as the Ministry has a shortage of motor vehicles, while the Ministry has statutory national events that require adequate transport service.*
- *Center 01 – E14,336,236.01, due to the cut of 26 Million by the Ministry of Public Service during the time of the Pandemic year 2020/2021. Thus the over expenditure.*
- *Center 3202 – E147,391.25, drugs are ordered through Central Medical Stores, as a result the Ministry cannot monitor the expenditure.*

The Controlling Officer's response was noted; however, it does not justify the incurring of unauthorized excess expenditure. The Controlling Officer should have sought supplementary budget or budget reallocation and enforced budget monitoring controls to address the challenges. It therefore appears the Controlling Officer wilfully incurred the unauthorized excess expenditure which according to the PFM Act amounts to financial misconduct.

331. Significant Under-Expenditure on Recurrent Vote

I reported to the Controlling Officer that there were significant under-expenditures on the Recurrent Vote, amounting to **E2,592,077.87**, incurred under the Ministry's various responsibility centres. The composition of the under-expenditure is illustrated in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Under-Expenditure	
CTA Vehicle Charges	E	E	E	E	%
1103: Common Services and Accounting Section	30,973.00	30,972.00	0.00	30,972.00	100
3101: Immigration	38,156.50	16,155.00	10,288.27	5,866.73	36.3
3201: Refugee's Headquarters	154,087.00	154,085.00	111,767.10	42,317.90	27.5
3202: Malindza Refugee Centre	78,362.00	78,360.00	0.00	78,360.00	100
5102: Not in the Establishment Register	112,453.00	112,452.00	0.00	112,452.00	100
6101: Not in the Establishment Register	96,078.00	96,077.00	50,058.62	46,018.38	47.9
9101: Not in the Establishment Register	28,529.00	28,527.00	0.00	28,527.00	100
Under-Expenditure on CTA Vehicle Charges				344,514.01	
02 Travel, Transport and Communication Costs					
1001: Minister's Office	41,620.00	41,616.00	25,315.63	16,300.37	39.2
1103: Common Services and Accounting Section	9,355.00	9,352.00	1,489.56	7,862.44	84.1
3102: Ngwenya Border Post	7,270.00	7,268.00	0.00	7,268.00	100
3104: Not in the Establishment Register	2,391.00	2,389.00	0.00	2,389.00	100
3105: Not in the Establishment Register	2,391.00	2,389.00	0.00	2,389.00	100
3201: Refugees' Headquarters	44,879.00	44,876.00	36,640.80	8,235.20	18.4
3202: Malindza Refugee Centre	11,471.00	11,465.00	0.00	11,465.00	100
Under-Expenditure on Travel, Transport and Communication Costs				55,909.01	
04 Professional and Special Services					
1001: Minister's Office	27,296.00	27,293.00	13,992.45	13,300.55	48.7
1103: Common Services and Accounting Section	7,752.00	7,743.00	0.00	7,743.00	100
3102: Ngwenya Border Post	12,181.00	12,180.00	0.00	12,180.00	100
3103: Mhlumeni Border Post	36,190.00	36,186.00	0.00	36,186.00	100
3104: Not in the Establishment Register	1,696.00	1,695.00	0.00	1,695.00	100
3105: Not in the Establishment Register	1,696.00	1,695.00	0.00	1,695.00	100
3202: Malindza Refugee Centre	102,141.00	102,137.00	0.00	102,137.00	100
3501: Not in the Establishment Register	203,640.00	17,306.00	0.00	17,306.00	100
Under-Expenditure on Professional and Special Services				192,242.55	
06 Consumable Materials					
1001: Minister's Office	3,628.00	3,627.00	0.00	3,627.00	100
1102: Principal Secretary's Office	-264,189.00	24,757.00	18,460.00	6,297.00	25.4
1103: Common Services and Accounting Section	13,947.00	13,939.00	0.00	13,939.00	100
3101: Immigration	7,588,982.00	3,158,979.00	1,203,064.70	1,955,914.30	61.9
3102: Ngwenya Borders Post	4,600.00	4,595.00	0.00	4,595.00	100
3103: Mhlumeni Border Post	2,250.00	2,249.00	0.00	2,249.00	100
3104: Not in the Establishment Register	2,247.00	2,245.00	0.00	2,245.00	100
3105: Not in the Establishment Register	2,247.00	2,245.00	0.00	2,245.00	100
3202: Malindza Refugee Centre	10,548.00	10,546.00	0.00	10,546.00	100
Under-Expenditure on Consumable Materials				1,999,412.30	
Under-Expenditure on Recurrent Vote				2,592,077.87	

Under-expenditures of 10% or more in a year may not be conducive to the development of the country and have a negative impact on service delivery. I am therefore worried that planned Government activities and programmes may have not been accomplished thus leading to poor service delivery and thereby negatively impacting the lives of citizens. Low budget absorption may also indicate poor budget planning, execution and performance.

I advised the Controlling Officer to ensure that released funds are utilised for intended purposes and not to seek budget release when not ready to implement. I further

advised the Controlling Officer to provide reasons for the under-expenditure and explain if its intended purposes were met, despite the under-expenditure.

The Controlling Officer concurred with my observation, and stated that an attempt to make payments was made, but could only pay outstanding commitments during financial year 2024.

The response of the Controlling Officer was noted; however, it affirms my audit finding regarding the non-accomplishment of planned activities and programs. It further shows that the Ministry's budget planning process was not efficient hence the ineffectiveness of budget execution.

332. Irregular Payment of Uniform to an Officer – Employee No. 5272217

I reported that a payment of **E7,100.00** in respect of uniform was made to an officer with employment number 5272217 instead of the supplier. This payment was made through payment voucher number 090075 to the Officer. A cash receipt number 273 from Sibusiso Sami Boutique was attached. There was no record of uniform purchased.

Financial and Accounting Instruction 0803, states that "all vouchers must contain full particulars in respect of the payment made to enable the voucher to be checked and paid without reference to any other document, and supporting documents must be secured to the voucher".

I am concerned by the irregular payment because it has not only resulted in fruitless and wasteful expenditures but is also tantamount to misuse of public funds. Further, the purchase of uniform was not compliant with authorities guiding the acquisition and allocation of uniform.

I advised the Controlling Officer to recover the public funds unduly paid to the officer with immediate effect, and in future, ensure that all payments are made directly to suppliers and never to officers. I Further, advised the Ministry to comply with the Establishment Circular for uniform and maintain or keep an up-to-date Uniform Register and Inward Book.

In response, the Controlling officer stated that the officer is entitled to the uniform under Article 2 (d) (ii) of Finance Circular No.2 of 2017, however, acknowledged that the uniform was paid through unsupported vouchers, and stated that in future the proper procurement process will be followed.

The Controlling Officer's response was noted and he has agreed that the payment was not supported.

333. Unsigned Delivery Notes for Catering Services

I reported that payments amounting **E577,809.60** to Mahle Investments, Temajobe Investments, Thingo Investments and Tully Investments in respect of catering services were supported with unsigned delivery notes. Further, these payments were not supported with authorised internal requisitions, tender awards or minutes approved by the Controlling Officer. The breakdown of the payments made by the Ministry without signing of delivery notes as acknowledgement of the receipt of goods is depicted in the table below.

Voucher	Invoice	Payee	Amount (E)
011051	0807	Mahle Investments	251,850.00
011049	276	Temajobe Investments	264,900.00
040042	015	Thingo Investments	17,468.50
012030	30143	Tully Investments	19,222.60
040039	30122	Tully Investments	24,368.50
Total			577,809.60

Financial and Accounting Instruction 0406 which states that "every payment voucher must contain a reference to a proper authority."

I am concerned that payments may be made for services not delivered and not approved by the Controlling Officer which can result to unappropriated and fruitless expenditure.

I advised the Controlling Officer that the Ministry should ensure that all delivery notes are signed by the rightful officials to acknowledge the right quantities and quality of goods and services received from suppliers and service providers. Further, the Ministry was advised to issue an internal requisition supported by a tender award or minute approved by the Controlling Officer.

In response, the Controlling officer stated that requisite documents were submitted to the Treasury hence payments were effected in line with the payment procedures.

The response of the Controlling officer was noted, however the matter remains unresolved and reportable as the Ministry has not submitted evidence substantiating his assertion that the payments were appropriately supported. The Ministry was supposed to keep copies of all vouchers and supporting documents submitted to the Treasury Department for payment and avail them for audit purposes whenever required.

334. Unretired Tour Advances and Fictitious Liabilities Due to Non-posting of Tour Advances in the Suspense Account and Cash Book

I reported that tour advances amounting to **E702,747.32** were not retired by and/or recovered from the officials involved. The unretired tour advances remained unrecovered assets and the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were non-postings of tour advances amounting to **E175,377.88** in the Suspense Account and Cash Book after charging the Government General Account for those tours under the Ministry. The tour advances were cashed out at the banks. As such, the tour advances (external travel) expenditure was not recorded in the books of account and fictitious liabilities were created when retiring the tour advances. The breakdown is depicted in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances (E)	Unposted of Tour Advances (E)
3101: Immigration	51006: Tour Advances- Employees	106,382.61	
3102: Ngwenya Border Post	51006: Tour Advances- Employees	28,718.67	
3202: Malindza Refugee Centre	51006: Tour Advances- Employees	8,597.19	
3401: Civil Registration	51006: Tour Advances- Employees	99,355.41	
6101: Not in the Establishment Register	51006: Tour Advances- Employees	459,693.44	
1001: Minister's Office	51006: Tour Advances- Employees		20,677.29
3102: Ngwenya Border Post	51006: Tour Advances- Employees		41,878.55
1103: Common Services and Accounting Section	51006: Tour Advances- Employees		3,203.08
3201: Refugees' Headquarters	51006: Tour Advances- Employees		29,870.15
3501: Not in the Establishment Register	51006: Tour Advances- Employees		11,175.44
5102: Not in the Establishment Register	51006: Tour Advances- Employees		171.72
9101: Not in the Establishment Register	51006: Tour Advances- Employees		4,645.77
9102: Not in the Establishment Register	51006: Tour Advances- Employees		63,755.88
Unrecovered (unretired) Tour Advances and Tour Advances Purported to be over retired		702,747.32	175,377.88

Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual requires that "where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer's future salary entitlements". Further, Section 11, paragraph 4.19 states that "the year-end balances on the Tour Advances item should normally equal zero".

The unretired tour advances remained unrecovered monies due to Government and that the external travel expenditures were understated in the financial year to which they relate. On the other hand, the retirement of tour advances against unposted tour advance creates fictitious liabilities in the financial statements; thus distorting the financial position and financial performance.

I advised the Controlling Officer should ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances

should be recovered from the employees involved. I further advised the Ministry to record the external travel expenditure in the books of accounts of the financial year to which it relates and to reconcile the Tour Advance Account at the end of each month.

In response, the Controlling Officer concurred with my observation on the unretired tour advances and stated that it was a tendency with officers and the system citing non availability of funds while the commitment had already been done. On the un-posted tour advance the Controlling Officer stated that they are liaising with the Treasury department to reconcile the account.

The response of the Controlling officer was noted; however, the audit finding was not resolved.

335. Outstanding Interior Advance

I reported that the Ministry had outstanding advances amounting to **E7,150,254.26**, under the responsibility centre 1102 – Principal Secretary’s Office, as at 31st March 2023. This departmental advance relates to the payment of court orders which date back to the financial year ended 31st March 1996, which was done by the Treasury Department on behalf of the Ministry. The Ministry was expected to clear the advance from its recurrent vote budget to reconcile the below-the-line account to zero.

I reported that the outstanding advance has been classified as an asset, whereas this is an inter-party receivables transaction between the Ministry and Treasury Department. This is not an asset, as there is no resource controlled by Government as a result of past events and from which future economic benefits are expected to flow to the Government. As such this may be regarded as a fictitious asset, and the balance is illustrated in the table below.

Responsibility Centre	Account Item Description	Unrecovered Advance (E)
1102: Principal Secretary’s Office	51150: Interior Advance	7,150,254.26

I reminded the Controlling Officer that the Treasury Department is mandated to settle Court cases on behalf of all Government ministries and departments using Treasury Advance account number 51135. After processing the payments, the Treasury Department should prepare a journal adjustment voucher; debiting the relevant ministries’ advance accounts and crediting Treasury Advance Account. Then Ministries and Departments are expected to clear their advance accounts from recurrent expenditure budget to reconcile the below-the-line accounts to zero.

I warned the Controlling Officer that there is a risk of not recovering the outstanding advances from officers who caused the loss to Government and not clearing the unaccounted-for advance.

I advised the Controlling Officer that the Ministry should take full responsibility of the legal costs for their cases, and recover public funds due to negligence by the public officers involved, accordingly. The court cases emanated from the Ministry and they should have all the supporting documentation, and all transactions should be reconciled and allocated to the correct item of account to ensure that this Suspense Account remains with a nil balance at the end of the financial year.

In response, the Controlling officer stated that the Ministry was not able to pay the court orders because the Treasury Department had not forwarded the court orders and the corresponding adjustment vouchers to facilitate the payment.

The response of the Controlling Officer was noted; however, it is not satisfactory because the outstanding advance was not cleared.

336. Funds Received from UNICEF and UNIFEM not regarded as Government Revenue

I reported that funds received from the U.N.I.C.E.F. for Birth and Death Registrations amounting to **E172,500.71** and funds received from the U.N.I.F.E.M. to finance Gender Support Programme Fund amounting **E65,638.80**, in the financial year ended 31st March 2010, with no obligation to refund these funds; were not regarded as Government revenue but were regarded as liabilities.

I further reported that these were balances of unutilised funds when implementing the above-named programmes and the Government has no obligation to refund them back to the donors. The unutilised funds were not transferred to the Sundry Income to be recognised as Government revenue, but were recognised as liabilities. since they were not refunded back to the respective donors. The balances of the programmes funds are shown in the table below.

Responsibility Centre	Account Item Description	Unutilized Funds (E)
3401: Department of Civil Registration	60267: UNICEF Birth and Death Registration	172,500.71
3501: Not in the Establishment Register	60269: UNIFEM Gender Support Programme Fund	65,638.80
Total Programmes Funds		238,139.51

I drew the attention of the Controlling Officer to Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) which states that "greatest attention needs to be paid to the reconciliation of the below-the-line

accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I raised my concern about the risk of misappropriation of these funds. I am also concerned that Government revenue was not recognised as sundry income, and fictitious liabilities have been created; thus, distorting both financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the programme funds to Sundry Income Account as miscellaneous revenue and clear the fictitious liabilities.

In response, the Controlling Officer acknowledged my observation and stated that the funds were sent back to the donor, however a reconciliation was not done to rectify the error.

The response by the Controlling Officer was noted; however, necessary adjustments to clear the liabilities have not been effected in the Government Accounting System. The audit finding therefore remains unresolved.

337. Non-adjustment of Unutilised Budget Provision and Variations of Foreign Currency Exchange Gains on Accounts Payable

I reported to the Controlling Officer that the Ministry did not prepare adjustments for unutilised budget and variations of foreign exchange gains on Accounts Payable amounting to **E7,532,189.02** under various responsibility centres. The balances originate from prior financial years with subsequent movements. The Ministry ought to have transferred the unutilised budget and foreign currency exchange gains to the miscellaneous/ sundry income to avoid misappropriation of public funds. The non-adjustment has resulted in the overstatement of recurrent expenditure - Grants and Subsidies Item in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities. The breakdown of the unutilised budget provisions is depicted in the table below.

Responsibility Centre	Account Item Description	Year of Transaction Occurrence	Fictitious Liabilities
3101: Immigration	61050: Account Payable Interior	Financial Year 2010	7,355,249.41
5102: Not in the Establishment Register	61050: Account Payable Interior	Financial Year 2007	153,178.95
3202: Malindza Refugee Centre	61050: Account Payable Interior	Financial Year 2014	19,232.16
1102: Principal Secretary's Office	61050: Account Payable Interior	Financial Year 2009	4,068.08
1103: Common Services and Accounts Section	61050: Account Payable Interior	Financial Year 2009	460.42
Total Fictitious Liabilities			7,533,729.02
1102: Principal Secretary's Office	61005: Account Payable Police	Financial Year 2007	1,540.00

I cautioned that there is a risk of incurring expenditure against the unutilised budget, which may be regarded as unappropriated expenditure, since that budget elapsed budget. Both, the recurrent expenditure and liabilities were overstated, thus distorting the financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the unutilised budget and foreign currency exchange gains to the miscellaneous/sundry income to avoid incurring expenditure against the elapsed budget, which would be regarded as unappropriated expenditure.

In response, the Controlling Officer stated that the classified documents are procured from the UK, with foreign currency using an estimated exchange rate. After payment the Ministry has a responsibility to reconcile the transactions. The Controlling Officer further stated that reconciliation was done in the year 2023.

The response of the Controlling officer was noted but there is no evidence of the reconciliation undertaken, thus, the matter remains unresolved.

338. Unappropriated Expenditure: Foreign Payments Without Budgets and Non-adjustment of Variations of Foreign Currency Exchange Losses

I also noted that the Ministry incurred foreign payments without providing the budget and did not adjust variations of foreign currency exchange losses on Accounts Payable. Thus, unappropriated expenditures (payments without budgets) and non-adjustment of currency variations amounting to **E9,614,234.95** were incurred and fictitious assets were created, under various responsibility centres. The recurrent expenditure and variations were not included in the financial statements (Statement of Recurrent Expenditure – Appendix 7). The fictitious assets originated from prior financial years. Below is a breakdown of the payments without budget provision and non-adjustment of currency variations.

Responsibility Centre	Account Item	Year of Transaction Occurrence	Fictitious Assets(E)
3401: Civil Registration	61050: Account Payable Interior	Financial Year 2010	9,397,444.17
5101: Not in the Establishment Register	61050: Account Payable Interior	Financial Year 2005	216,738.25
3501: Not in the Establishment Register	61050: Account Payable Interior	Financial Year 2000	52.53
Unappropriated Expenditure			9,614,234.95

Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) that states that “apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item”. Further, Section 11, paragraph 5.5 states that balances on this account may exist because of differences in the timing of entries to the computer

system. Investigations and corrections should be carried out in consultation with the Treasury Common Services Section. Moreover, Paragraph 5.6 requires that “year end balances on this item should normally equal zero”.

I notified the Controlling Officer that Ministry incurred unappropriated expenditure on the Accounts Payable which was not reported in the Statement of Expenditure, and resulted in fictitious assets.

I advised the Controlling Officer that the Ministry should reconcile the Foreign Payments Suspense Account and clear the unappropriated expenditure and fictitious assets possibly by using budget savings or reallocations to the External Grants and Subsidies item or request a supplementary budget.

In response, the Controlling Officer concurred with my observation and stated that the budget was provided through reallocation. Further, he stated that payments were made using estimated exchange rates and the Ministry is responsible to reconcile after every transaction.

The response of the Controlling Officer was noted; however, the fictitious assets remains uncleared and necessary adjustments and reconciliation are not yet done.

339. Posting Error in Accounts Payable

I further reported that there was a posting error that occurred in the financial year 2008, wherein Accounts Payable-Police amounting to **E1,540.00** were posted under the Ministry of Home Affairs (responsibility centre 1102) instead of the Police Service. The error has created a fictitious liability.

Financial and Accounting Instruction 0203 stipulates that the Controlling Officer should see to it that all books of account are correctly posted and kept-up-to-date. Further, Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual (1993) stipulates that “greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year”.

I raised my concern to the Controlling Officer that monthly reconciliations of suspense accounts were not performed by the Accounts Department. Non-reconciliation of the Foreign Payments Suspense Account results to the creation of fictitious liabilities or assets, thus distorting the financial position of the Government.

I advised Controlling Officer that the Ministry should investigate and rectify the posting error, to clear the fictitious liability and reconcile Foreign Payments Suspense Account to ensure that the balance is equal to zero at the end of the financial year.

In repose, the Controlling Officer concurred with my observation and stated that the anomaly is currently under investigation with a view to rectify it.

The response of the Controlling Officer was acknowledged, however, the matter remains unresolved and therefore reportable.

340. Fictitious Assets and Liabilities in respect of Outstanding Accounts Accrued – Capital and Outstanding Accounts All Ministries

I reported to the Controlling Officer that there were payments amounting to **E3,500,000.00** that were incurred without provision of budget in respect of 'Outstanding Accounts Accrued- Capital' in the financial year 2015, under the Malindza Refugees (Responsibility Centre 3202). This has translated to fictitious assets as at 31st March 2023.

I also reported to the Controlling Officer that payments amounting to **E627,749.00** and **E4,184,544.96** were made without provision of budget on Outstanding Accounts-All Ministries in the financial year 2005, under the Immigration Department; responsibility centre 3101 and responsibility centre 6101, respectively. In total, the unappropriated expenditure incurred by the Ministry amounted to **E4,812,293.96**, and it has created fictitious assets which were not cleared through budget savings as at 31st March 2023.

I further reported that there was a budget of **E31,561.96** which was moved from Printing Services Recurrent Expenditure item 04401 to 'Outstanding Accounts Accrued-Capital' – suspense account 61075' under the Immigration Department (responsibility centre 3101) in the fiscal year 2014. It was irregular to move (transfer) budget from Recurrent Expenditure Vote to Capital Expenditure Vote. The budget has not been utilised since then, and was not transferred to the Miscellaneous Income, by the end of June 2015. The details of the uncleared fictitious assets and liabilities, as at 31st March 2023, are depicted in the table below.

Responsibility Centre	Account Item	Fictitious Assets (E)	Fictitious Liabilities (E)
3101: Immigration	61075: O/S Accounts Accrued-Capital		31,561.96
3202: Malindza Refugees Centre	61075: O/S Accounts Accrued-Capital	3,500,000.00	
3101: Immigration	61080: Outstanding Accounts All Ministries	627,749.00	
6101: Not in the Establishment Register	61080: Outstanding Accounts All Ministries	4,184,544.96	
Fictitious Assets and Liabilities		8,312,293.96	31,561.96

Section 11, paragraph 6.8 states that “a running list of all payments processed through each “accruals” account should be carefully maintained and reconciled against the computerised Management Statement details. The balance on these accounts (balance carried forward from previous year plus current year’s expenditure) should be zero by the end of June each year. Any credit balances remaining at the end of month 3 (30 June) should be transferred to miscellaneous income item. Debit balances should be transferred to the relevant recurrent or capital expenditure items.

I warned the Controlling Officer that unappropriated expenditure translates to fictitious assets, which overstates the assets; whilst, unutilised accrued budgets translates to fictitious liabilities, which overstates the assets, under the Ministry. There is a risk of processing irregular payments from the Consolidated Fund.

I advised the Controlling Officer that the Ministry should clear the fictitious assets due to unappropriated expenditure possibly using budget savings, and to clear balances of unutilized accrued budgets as guided by the Financial Management and Accounting Procedures Manual.

In response, the Controlling Officer stated that these were funds that were accrued in the respective years as stated by my observation and the necessary actions are taken to clear the balance.

The response by the Controlling Officer was noted; however, until the necessary adjustments to clear the balances are effected, the matter remains unresolved.

341. Unclaimed Sundry Departmental Deposits

I noted that there were unclaimed sundry Departmental Deposits by the rightful beneficiaries amounting to **E301,651.75** under various responsibility centres, and were now due to be claimed by the Government or transferred to the Consolidated Fund as Revenue Miscellaneous Sundries. These are recurring balances with no movement, and they were included in the previous audit report for the financial year ended 31st March 2022. The breakdown of the unclaimed deposits is illustrated in the table below.

Responsibility Centre	Account Item Description	Unclaimed Deposits (E)
1102: Principal Secretary’s Office	61101: Sundry Departmental Deposits	2,270.12
3101: Immigration	61101: Sundry Departmental Deposits	1,066.75
3201: Refugees’ Headquarters	61101: Sundry Departmental Deposits	33,163.94
5101: Not in the Establishment Register	61101: Sundry Departmental Deposits	45,016.14
5102: Not in the Establishment Register	61101: Sundry Departmental Deposits	128,324.69
5103: Not in the Establishment Register	61101: Sundry Departmental Deposits	52,688.38

5104: Not in the Establishment Register	61101: Sundry Departmental Deposits	35,625.25
9101: Not in the Establishment Register	61101: Sundry Departmental Deposits	3,496.50
Total		301,651.77

Financial and Accounting Instruction 1307 stipulates that “amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees”. Further, Section 11.8, paragraph 8.7 of the Financial Management and Accounting Procedures Manual emphasizes that “any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher. If the subsequent claim is proved, such entry may be reversed and the deposit refunded”.

I am concerned that the deposits may remain unclaimed or may be claimed by wrong persons; thus resulting to non-recognition of revenue and overstatement of liabilities at the year-end.

I advised the Controlling Officer to accordingly reconcile the accounts such that, sundry deposits within a five-year period are investigated and disposed to the rightful payees, while those in excess of five years are transferred to the Consolidated Fund, in the Revenue Miscellaneous Sundries account.

In response, the Controlling Officer stated that the activities 5101, 5102, 5103 and 9101 were transferred to the Ministry of Labour, Sports and the Deputy Prime Minister’s office during the 2010 portfolio realignment. In consultation with the Accountant General it was agreed that the funds be transferred to the consolidated fund.

The Controlling Officer’s response was noted; however, the necessary reconciliations were not done and the sundry deposits were not remitted to their rightful beneficiaries, and that those due to Government were transferred to the Consolidated Fund as revenue.

342. Unremitted Deductions of Provident Fund Contributions, Pension and Taxes, and Refunded Provident Fund

I reported to the Controlling Officer that there were unremitted deductions of National Provident Fund amounting to **E26,482.91**, and unremitted tax deductions amounting to **E1,310,754.26** as at 31st March 2023.

I further reported that pension contributions deducted from an officer bearing employment number 4199377, in the financial year 2016, amounting to **E14,612.20** were not remitted to the Public Service Pension Fund.

I also reported that an officer bearing employment number 300391835 was refunded Provident Fund contributions amounting to **E8,205.00** in December 2022, without recalling the remitted contributions from the Eswatini National Provident Fund. Further, there were unremitted Provident Fund contributions arrears amounting to **E155.00** which were deducted from employee number 5538335 in February 2022, under the same responsibility centre.

The details of unremitted deductions of Provident Fund contributions, Pension contributions, taxes and refunds for provident fund are as follows:

Responsibility Centre	Account Item Description	Refunds (E)	Unremitted Deductions(E)
Civil Servants and Teachers Pension			
1001: Minister's Office	62241: SG Civil Servants & Teachers Pension		14,612.20
Unremitted Provident Fund Deductions			
1001: Minister's Office	62240: National Provident Fund Deduction		1,360.50
1103: Common Services and Accounting Section	62240: National Provident Fund Deduction		11,957.98
3101: Immigration	62240: National Provident Fund Deduction	8,205.00	
3101: Immigration	62240: National Provident Fund Deduction		155.00
3101: Immigration	62240: National Provident Fund Deduction	8,205.00	
Over-remitted and unremitted deductions of Taxation			
1001: Minister's Office	62315: SRA-Taxation		542,293.32
3101: Immigration	62315: SRA-Taxation		545,370.52
3201: Refugees Head Quarters	62315: SRA-Taxation		20,831.58
3401: Department of Civil Registration	62315: SRA-Taxation		46,135.16
3501: Not in Establishment Register	62315: SRA-Taxation		1,953.60
6101: Not in Establishment Register	62315: SRA-Taxation		154,170.08
Total Unremitted deductions of Taxes			1,310,754.26

I cautioned the Controlling Officer about Section 5, Paragraph 7.2 of the Financial Management and Accounting Procedures Manual which states that "employee contributions are deducted from their salaries and credited to the employee centre's suspense account 62240. Payment should then be made, charging the suspense account the amount of deducted employee contributions and the recurrent budgets per centre for the equivalent employers' contributions". Further, public entities are required by law, Income Tax Order of 1975 as amended and National Provident Fund Order 1974 to remit taxes and contributions to Eswatini Revenue Service and Eswatini National Provident Fund, respectively.

I reminded the Controlling Officer that the non-remittance of deductions of taxes deprive Government from receiving revenue, and non-remittance of deductions of contributions for both pension and provident funds may also deprive employees from receiving their rightful benefits through Eswatini National Provident Fund.

Hence, I advised the Controlling Officer that the deductions of the pension, contributions of provident fund and taxes should be promptly remitted to the rightful authorities, and to recover the refunds from the National Provident Fund. The Ministry

should consult the Treasury Department to recover monies and reconcile the accounts, accordingly.

In response, the Controlling Officer stated that the E155.00 was erroneously deducted and the officer will be reimbursed and further stated that the E542,293.32 was tax for former Minister and the issue was settled in collaboration with Treasury.

The response of the Controlling Officer was noted; however, the audit finding was not resolved.

343. Budget, Expenditure, Assets and Liabilities for Non-existing Responsibility Centres

I further reported that non-existing Responsibility Centres in the Establishment Register; were allocated a total budget of **E19,868,383.00** as appropriated recurrent budget and released budget of **E32,602,364.00**, and an actual recurrent expenditure amounting to **E32,695,865.82** in the financial year 2022/2023. Further, the Detailed Statement of Assets and Liabilities depicted assets worth **E4,861,029.18** and liabilities amounting to **E719,841.20** under these non-existing Responsibility Centres – Supporting the Estimates of Public Expenditure for the financial year 2022/2023. The table below provides a list of the non-existing Responsibility Centres.

Centre	Expenditure Item	Appropriated Budget (E)	Budget Released (E)	Actual Expenditure (E)
3104	Travel, Transport & Communications	2,391.00	2,389.00	0.00
3105	Travel, Transport & Communications	2,391.00	2,389.00	0.00
3104	Professional and Special Services	1,696.00	1,695.00	0.00
3105	Professional and Special Services	1,696.00	1,695.00	0.00
3104	Consumable Materials	2,247.00	2,245.00	0.00
3105	Consumable Materials	2,247.00	2,245.00	0.00
3501	Consumable Materials	278,949.00	27,279.00	27,196.00
3501	Professional and Special Services	203,640.00	17,306.00	0.00
5102	CTA Vehicle Charges	112,453.00	112,452.00	0.00
6101	Travel, Transport & Communications	0.00	1,987,000.00	2,179,664.37
6101	Personnel Costs	0.00	9,555,000.00	10,072,422.26
6101	Professional and Special Services	10,332,000.00	10,149,999.00	10,342,884.20
6101	Professional and Special Services	8,804,066.00	10,616,066.00	10,023,640.37
6101	CTA Vehicle Charges	96,078.00	96,077.00	50,058.62
9101	CTA Vehicle Charges	28,529.00	28,527.00	0.00
Total Budget and Expenditure for Undisclosed Responsibility Centres		19,868,383.00	32,602,364.00	32,695,865.82
Assets and Liabilities for Undisclosed Responsibility Centres			Assets	Liabilities
3501	51006: Tour Advances- Employees			11,175.44
5102	51006: Tour Advances- Employees			171.72
6101	51006: Tour Advances- Employees		459,693.44	
9101	51006: Tour Advances- Employees			4,645.77

9102	51006: Tour Advances- Employees		63,755.88
3501	60269: UNIFEM Gender Support Programme Fund		65,638.80
5102	61050: Account Payable Interior		153,178.95
3501	61050: Account Payable Interior	52.53	
5101	61050: Account Payable Interior	216,738.25	
6101	61080: Outstanding Accounts All Ministries	4,184,544.96	
5102	61101: Sundry Departmental Deposits		128,324.69
5103	61101: Sundry Departmental Deposits		52,688.38
5101	61101: Sundry Departmental Deposits		45,016.14
5104	61101: Sundry Departmental Deposits		35,625.25
9101	61101: Sundry Departmental Deposits		3,496.50
3501	62315: SRA-Taxation		1,953.60
6101	62315: SRA-Taxation		154,170.08
Total Assets and Liabilities for Undisclosed Responsibility Centres		4,861,029.18	719,841.20

I pointed out that all Responsibility Centres should be reflected in the Establishment Register for each financial year to support the Estimates (Budget) of public expenditure for the fiscal year. Further, Responsibility Centres that do not appear in the Establishment Register might have been abolished or non-existing and not for service delivery.

I warned the Controlling Officer that this may result in public funds not being accounted for by the Ministry of Home Affairs, therefore, creating room for misappropriation and diversion of public funds and resulting to misinformed budget projections.

I advised the Controlling Officer to confirm the existence of these Responsibility Centres that were not appearing in the Establishment Register and to explain why the above Responsibility Centres were not included in the Establishment Register. Also, budget allocations should be made only to approved Responsibility Centres.

In response, the Controlling Officer stated that, the responsibility centres exist except for 51 (Gender Unit now under Deputy Prime Minister's Office and 9101 (Ministry of Sports, Culture and Youth Affairs) which existed until there was an assignment of responsibilities and realignment of Ministries and Departments in 2010.

The response by the Controlling officer was noted; however, evidence supporting his assertion that some of the queried responsibly centres are linked to existing activities has not been provided. He has further alluded that some of the centres are no longer under his Ministry. The matter therefore remains unresolved and reportable.

HEAD 53: PUBLIC WORKS AND TRANSPORT

An audit of the Consolidated of Government Financial Statements for the year ended 31st March 2023, was conducted. I communicated my findings to the Controlling Officer through report referenced P20 Vol X/9 dated 10th January 2024. The Controlling Officer responded through a memorandum dated 24th January 2024. However, the following audit findings remain not responded and reportable.

344. Outstanding Commitments

I reported that the Ministry had outstanding commitments amounting to **E2,935,732.79** on Consumable Materials (06), Travel, Transport and Communication Costs (02), and CTA Vehicle Charges (00) which were not cancelled in the financial year ended 31st March 2023, as illustrated in the table below.

Centre	Item	Appropriated Budget	Released Budget	Actual Expenditure	Variance BD80	Variance AA220	Commitments
		E	E	E	E	E	E
5004	06	134,963,189.00	140,214,280.00	248,744,414.49	-111,172,079.05	-108,530,134.49	2,641,944.56
5004	02	1,586,273.00	2,344,053.00	1,483,470.44	730,885.66	860,582.56	129,696.90
4201	02	66,963.00	199,960.00	129,932.31	21,472.94	70,027.69	48,554.75
5004	00	429,033.50	158,218.00	157,262.81	-41,544.81	955.19	42,500.00
2101	02	54,796.00	991,480.00	864,085.06	99,815.38	127,394.94	27,579.56
1101	02	266,366.00	1,708,812.00	1,657,107.68	26,430.10	51,704.32	25,274.22
1001	02	44,239.00	644,236.00	451,488.37	172,564.83	192,747.63	20,182.80
Total Outstanding Commitments							2,935,732.79

In the previous' year audit, the Ministry had outstanding commitments amounting to **E4,474,709.01**, which were not cancelled.

Section 35 of the Public Finance Management Act stipulates that:

- (a) The authority to spend under the annual budget shall expire and cease to have effect at the end of the financial year to which it relates; and
- (b) all authorities to make payments against commitments which have been made prior to the end of the financial year and for which goods or services have been received but for which no payment has been made prior to the end of the year shall expire 14 days after the end of the financial year and payments made for goods and services received in the previous financial year shall be recorded for the previous financial year.

I warned the Controlling Officer about the risk that the reported recurrent expenditure for the year could be misstated and mislead the users.

I advised the Controlling Officer to investigate and rectify the outstanding commitments, and to keep close control on all commitments and make enquiries if a commitment does not become actual expenditure within a period of 90 days. Expired orders should be cancelled and the necessary expenditure account reconciliations undertaken, as per the Financial and Accounting Instruction 0410.

In response, the Controlling Officer acknowledged my observation and promised to ensure that in future all commitments that do not become actual expenditures are de-committed by the end of each financial year.

The response of the Controlling Officer was noted; however, it is not satisfactory as there were no de-commitments made by the Controlling Officer hence the commitments had not been cleared at the time of concluding the audit.

345. Unappropriated Excess (Over) Expenditure on Recurrent Vote

I reported that there were significant unappropriated over-expenditures on Recurrent Vote amounting to **E136,203,224.07**, incurred by certain responsibility centres of the Ministry, in the financial year ended 31st March 2023. The details of the over-expenditure are depicted in the table below.

Responsibility Centre	Budget Appropriated	Released Budget	Actual Expenditure	Unappropriated Expenditure	
	E	E	E	E	%
CTA Vehicle Charges					
2110: Mbabane District Maintenance Unit	4,437,192.00	4,437,192.00	6,064,037.26	1,626,845.26	36.7
2140: Lubuli District Maintenance Unit	932,156.50	932,155.00	1,258,818.46	326,663.46	35.0
2101: Headquarters	3,951,173.50	7,043,071.00	8,697,483.17	1,654,412.17	23.5
5001: Not in the Establishment Register	0.00	0.00	14,251.05	14,251.05	100
Over-Expenditure on CTA Vehicle Charges				3,622,171.94	
Personnel Costs					
1101: Principal Secretary's Office	7,342,988.20	7,145,738.00	14,145,028.14	6,999,290.14	98.0
2175: Bridge Maintenance Unit	1,257,751.40	1,326,184.00	1,642,373.69	316,189.69	23.8
2155: Team Gravelling Unit (South East)	2,609,436.30	2,823,499.00	3,363,936.77	540,437.77	19.1
4205: Siteki Buildings Depot	3,113,174.90	3,134,399.00	3,600,115.34	465,716.34	14.9
2185: National Sign Manufacturing Unit	478,122.00	504,244.00	571,615.77	67,371.77	13.4
Over-Expenditure Personnel Costs				8,389,005.71	
Travel, Transport and Communications					
5001: Not in the Establishment Register	0.00	0.00	1,768.34	1,768.34	
Over-Expenditure on Travel, Transport and Communications				1,768.34	
Professional and Special Services					
1103: Common Services and Accounting Section	670,462.00	742,450.00	827,317.00	84,867.00	11.4
Over-Expenditure on Professional and Special Services				84,867.00	
5004: Government Transport (CTA)					
Over-Expenditure on Rentals	1,500,000.00	14,726,166.00	30,317,461.98	15,591,295.98	105.9

Over-Expenditure on Consumable Materials	134,963,189.00	140,214,280.00	248,744,414.49	108,530,134.49	77.4
Total Over-Expenditure on Recurrent Expenditure				136,203,224.07	

This was in contravention of Section 107(3)(j) read with Section 34(7) of the Public Finance Management Act of 2017, states that “a public office and public officer, or another person with responsibility for government resources commits an offence of financial misconduct if, without lawful authority under this Act or other lawful authority, that person willfully or negligently incurs unauthorised expenditures or makes unauthorised commitments.

I warned the Controlling Officer that any excess or any amount expended but not appropriated and which is not allowed under this section is treated as a loss of public money. I am concerned that over-expenditure beyond the budget released, as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Ministry ought to have sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorisation.

In response, the Controlling Officer acknowledged my audit observations and provided the following explanations:

The over-expenditure on CTA Vehicle Charges under Activity 21 is a result of an under-allocation on this budget item. He stated that means have been made to request budget based on actual expenditure on this item, however the allocation has been maintained. In addition, these are cost intensive activities with high maintenance and operational costs caused by the current old yellow plant used by the department.

The over-expenditure on Personnel Costs was as a result of an under budget allocation for the past five financial years. The Controlling Officer stated that the Ministry conducted an internal analysis and findings indicated that the expenditure is proportionate to the number of posts under the administration.

Over-expenditure on Professional and Special Services under the Responsibility Centre 1103, controls will be made going forward. However, this budget item is always under allocated while it caters for the Ministry’s utility bills which are very essential for uninterrupted services. While, under the Responsibility Centre 5004, the over-

expenditure was a result of car hire services to support Ministries' operations to complement their depleted fleet.

This over-expenditure on Consumable Materials was a result of supplementary approvals by the Ministry of Finance for different Ministries. The Ministry is also required to provide additional fuel supplies to cater for National events which are not adequately budgeted for under the Ministry of Home Affairs. Also, the over-expenditure on Consumable Materials was acknowledged and means to align it will be made in collaboration with the Ministry of Finance.

The response from the Controlling Officer was noted; however, the audit finding still stands as there is no authority for the over-expenditure incurred. Further, there is no acceptable justification for the over-expenditure (excess expenditure) since it is in contravention of Section 34 of the Public Finance Management Act (2017) and sidestepping the budgetary and authority controls exerted by the Ministry of Finance.

346. Exorbitant Expenditure for Vehicle (Car) Rentals Instead of Buying the Vehicles

I reported that exorbitant expenditure in respect of vehicle (car) rentals amounting to **E30,317,461.98** was incurred by the Ministry instead of buying the vehicles, under the Central Transport Administration (CTA). The hiring of vehicles is very costly for Government and should be minimised or eliminated by the decision to buy the vehicles than to rent the vehicles.

This resulted to an unappropriated over-expenditure of **E15,591,295.98 (105.87%)**, since the appropriated budget was **E1,500,000.00** and released budget was **E14,726,166.00**, in the fiscal year ended 31st March 2023, as illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Unappropriated Excess (Over Expenditure)	
	E	E	E	E	%
5004: Government Transport (CTA)	1,500,000.00	14,726,166.00	30,317,461.98	15,591,295.98	105.87

Previous audits revealed that the Ministry incurred exorbitant expenditure in respect of vehicles (cars) rentals amounting to E18,919,074.10 in 2021 and E8,342,237.64 in 2022 instead of procuring new vehicles since the Ministry had adequate budget.

I notified to the Controlling Officer that 'value for money' is one of the key considerations of any decision involving the use of public funds across government,

as it is supported by the 'Five Case' Model of Decision-making. The Five Case Model is a decision making tool used by developed Governments to make informed strategic, economic, commercial, financial and management decisions.

In terms of 'value for money', I warned the Controlling Officer that the costs of these rentals may not be sustainable and affordable in the foreseeable future due to the declining trend in the Government's revenue streams, and funding may not be available to sustain the rental option.

I cautioned the Ministry from incurring unappropriated expenditure and also advised that a balance should be struck between the 'rentals option' and the 'buying option', in line with costs, benefits and risks, and consider 'value for money'. Further, I advised the Controlling Officer that competitive prices should be opted, in the use of public funds, and should ensure that wasteful and fruitless expenditure is avoided at all cost.

The Controlling Officer concurred with my findings and recommendations. The Controlling Officer explained that renting vehicles for an extended period may result in unsustainable expenditure. He further stated that under the circumstances, as observed by the Auditor General, the financing of procurement of vehicles was not provided for while government is required to continue to provide uninterrupted services. He concluded that as a way forward government had approved an innovative financing model to procure government vehicles, which is envisaged to drastically reduce the over expenditure on this item.

The response of the Controlling Officer was noted; however, it is not satisfactory, until the vehicles are procured and rental of vehicles is minimized and eventually avoided. Hence, the matter remains unresolved and reportable.

347. Significant Under-Expenditure on Recurrent Vote

I reported that there were significant under-expenditures on Recurrent Vote amounting to **E8,891,973.29** in various Responsibility Centres in the financial year ended 31st March 2023. I further reported that the under-expenditures include 100% unutilised appropriated budget allocations amounting to **E2,123,471.00** and unutilised released budget amounting to **E1,921,585.00** to certain responsibility centres on CTA Vehicle Charges, Travel and Communications, Professional and Special Services, and Consumable Materials.

The details of under-expenditure and unutilized released budget on recurrent vote are illustrated in the table below.

Responsibility Centre	Appropriated Budget	Released Budget	Actual Expenditure	Under-Expenditure	
00 CTA Vehicle Charges	E	E	E	E	%
2120: Siteki District Maintenance Unit	1,358,059.50	1,358,057.00	596,891.28	761,165.72	56.1
2150: Team Gravelling Unit (North)	3,388,792.50	595,368.00	8,625.00	586,743.00	98.6
2155: Team Gravelling Unit (South-East)	1,815,789.50	133,792.00	32,366.33	101,425.67	75.8
2165: Bitumen Unit	445,835.50	224,711.00	29,715.59	194,995.41	86.8
2175: Bridge Maintenance Unit	50,899.50	50,897.00	0.00	50,897.00	100
4102: Not in the Establishment Register	82,051.50	82,049.00	0.00	82,049.00	100
4201: Buildings Department Headquarters	821,962.50	221,960.00	94,317.46	127,642.54	57.5
4202: Mbabane Building Depot	1,207,040.50	328,296.00	182,919.38	145,376.62	44.3
4203: Manzini Building Depot	725,054.50	596,540.00	260,150.33	336,389.67	56.4
4204: Nhlangano Building Depot	325,328.00	299,384.00	46,628.93	252,755.07	84.4
4206: Piggs Peak Building Depot	565,487.00	311,801.00	212,627.69	99,173.31	31.8
4207: Electrical Section	277,016.00	221,356.00	123,213.19	98,142.81	44.3
4401: Road Transportation Board	958,685.50	633,965.00	546,144.57	87,820.43	13.6
4402: Not in the Establishment Register	580,233.50	555,951.00	36,298.34	519,652.66	93.5
4501: Director of Civil Aviation Office	55,186.00	55,184.00	0.00	55,184.00	100
4502: Matsapha Airport	206,148.00	206,148.00	0.00	206,148.00	100
Under Expenditure on CTA Vehicle Charges				3,705,560.91	
01-Personnel Costs					
2120: Siteki District Maintenance Unit	5,785,553.20	5,785,552.00	4,878,493.34	907,058.66	15.7
5001: Not in the Establishment Register	1,113,805.00	1,113,805.00	0.00	1,113,805.00	100
Under-Expenditure on Personnel Costs				2,020,863.66	
02: Travel, Transport & Communication					
1001: Minister's Office	44,239.00	644,236.00	451,488.37	192,747.63	29.9
1103: Common Services and Accounting Section	47,141.00	47,134.00	37,929.20	9,204.80	19.5
2101: Headquarters	54,796.00	991,480.00	864,085.06	127,394.94	12.9
2103: Not in the Establishment Register	32,589.00	32,588.00	2,104.98	30,483.02	93.5
2110: Mbabane District Maintenance Unit	4,666.00	4,664.00	2,275.30	2,388.70	51.2
2120: Siteki District Maintenance Unit	9,628.00	15,625.00	13,474.33	2,150.67	13.8
2130: Nhlangano District Maintenance Unit	2,702.00	17,702.00	11,621.73	6,080.27	34.4
2150: Team Gravelling Unit (North)	4,762.00	4,759.00	0.00	4,759.00	100
2155: Team Gravelling Unit (South East)	6,836.00	6,835.00	4,386.68	2,448.32	35.8
2160: Team Gravelling Unit (South West)	261.00	260.00	0.00	260.00	100
2165: Bitumen Unit	6,836.00	6,835.00	0.00	6,835.00	100
2175: Bridge Maintenance Unit	85.00	84.00	0.00	84.00	100
2185: National Sign Manufacturing Unit	42.00	41.00	0.00	41.00	100
2190: Pipe Manufacturing Unit	85.00	84.00	0.00	84.00	100
4201: Buildings Department Headquarters	66,963.00	199,960.00	129,932.31	70,027.69	35.0
4204: Nhlangano Buildings Depot	9,119.00	36,115.00	25,503.90	10,611.10	29.4
4205: Siteki Buildings Depot	8,051.00	10,446.00	5,122.79	5,323.21	51.0
4207: Electrical Section	13,074.00	93,069.00	70,560.08	22,508.92	24.2
4401: Road Transportation Board	29,772.00	59,768.00	38,344.89	21,423.11	35.8
4404: Road Safety Council	9,541.00	7,118.00	1,977.03	5,140.97	72.2
4405: Not in the Establishment Register	6,836.00	6,835.00	0.00	6,835.00	100
4406: Not in the Establishment Register	9,112.00	9,110.00	0.00	9,110.00	100

5004: Government Transport (CTA)	1,586,273.00	2,344,053.00	1,483,470.44	860,582.56	36.7
Under-Expenditure on Travel, Transport and Communication Costs				1,396,523.91	
04-Professional and Special Services					
1001: Minister's Office	69,894.00	83,055.00	53,679.83	29,375.17	35.4
2103: Not in the Establishment Register	291,027.00	60,171.00	26,504.90	33,666.10	56.0
2110: Mbabane District Maintenance Unit	18,361.00	18,358.00	0.00	18,358.00	100
2120: Siteki District Maintenance Unit	13,022.00	13,020.00	863.19	12,156.81	93.4
2130: Nhlanguano District Maintenance Unit	11,806.00	11,804.00	0.00	11,804.00	100
2140: Lubuli District Maintenance Unit	33,448.00	22,285.00	8,100.00	14,185.00	63.7
2150: Team Gravelling Unit (North)	15,382.00	15,376.00	0.00	15,376.00	100
2160: Team Gravelling Unit (South West)	10,566.00	10,563.00	0.00	10,563.00	100
2165: Bitumen Unit	1,394.00	1,392.00	0.00	1,392.00	100
2175: Bridge Maintenance Unit	2,839.00	2,837.00	0.00	2,837.00	100
2185: National Sign Manufacturing Unit	3,310.00	3,308.00	0.00	3,308.00	100
2190: Pipe Manufacturing Unit	6,962.00	6,958.00	0.00	6,958.00	100
4202: Mbabane Buildings Depot	33,379.00	165,919.00	142,595.10	23,323.90	14.1
4203: Manzini Buildings Depot	39,410.00	12,222.00	3,932.61	8,289.39	67.8
4204: Nhlanguano Buildings Depot	13,193.00	13,185.00	0.00	13,185.00	100
4205: Siteki Buildings Depot	6,757.00	6,748.00	0.00	6,748.00	100
4206: Piggs Peak Buildings Depot	11,721.00	46,435.00	37,733.50	8,701.50	18.7
4207: Electrical Section	8,814.00	8,813.00	6,742.68	2,070.32	23.5
4401: Road Transportation Board	529,230.00	1,027,704.00	775,509.52	252,194.48	24.5
4404: Road Safety Council	31,016.00	4,276.00	0.00	4,276.00	100
4406: Not in the Establishment Register	44,313.00	2,904.00	0.00	2,904.00	100
4501: Not in the Establishment Register	438.00	437.00	0.00	437.00	100
4502: Not in the Establishment Register	10,670.00	10,668.00	0.00	10,668.00	100
Under Expenditure on Professional & Special Services				492,776.67	
06: Consumable Materials					
1001: Minister's Office	18,299.00	18,293.00	15,880.00	2,413.00	13.2
1103: Common Services and Accounting Section	82,799.00	359,746.00	164,046.26	195,699.74	54.4
2130: Nhlanguano District Maintenance Unit	231,637.00	216,633.00	174,238.77	42,394.23	19.6
2165: Bitumen Unit	147,181.00	147,174.00	0.00	147,174.00	100
2175: Bridge Maintenance Unit	43,793.00	43,787.00	29,292.21	14,494.79	33.1
2185: National Sign Manufacturing Unit	90,825.00	90,814.00	0.00	90,814.00	100
2190: Pipe Manufacturing Unit	56,195.00	38,378.00	0.00	38,378.00	100
4206: Piggs Peak Buildings Depot	1,246,288.00	1,463,139.00	1,230,290.14	232,848.86	15.9
4405: Not in the Establishment Register	7,290.00	87.00	0.00	87.00	100
4406: Not in the Establishment Register	16,880.00	144.00	0.00	144.00	100
Under Expenditure on Consumable Materials				764,447.62	
07: Durable Materials					
2101: Headquarters	830,000.00	893,478.00	386,527.48	506,950.52	56.7
4401: Road Transportation Board	400,000.00	23,000.00	19,910.00	3,090.00	13.4
Under Expenditure Durable Materials				510,040.52	
Total Under Expenditure on Recurrent Vote				8,891,973.29	

I reminded the Controlling Officer that under-expenditures of 10% or more in a year may not be conducive to the development of the country and have a negative impact on service delivery.

I am concerned that planned development initiatives might not have been accomplished, and delayed service delivery may negatively impact the lives of citizens due to poor budget planning, execution and performance.

I advised the Controlling Officer to ensure that released funds are utilised for intended purposes and not to seek budget release when not ready to implement any activity. The Controlling Officer was further advised to provide reasons for the under-expenditures and explain if the budget's intended purposes were achieved in terms of output and outcomes, despite the under-expenditures.

The Controlling Officer acknowledged my audit observations and promised to implement internal controls to ensure this is not recurring and stated that intended purposes and outputs were achieved despite the savings.

The response of the Controlling Officer has been duly acknowledged; however, no justification has been provided with regard to the failure to accomplish the activities for which the financial allocation was earmarked. The Controlling Officer is hereby once more reminded that the Ministry must prepare a budget that aligns with activities that will be implemented in accordance with the requested funds. The substantial under-expenditure continues to be a matter of concern as it signifies the non-execution of crucial activities that bear significant economic implications for the nation.

348. Abolished Head and Centre Allocated Budget and Incurred Actual Expenditure

I reported that abolished Head 91 and Centres for the Central Transport Administration were allocated unauthorised and unappropriated budget amounting to **E24,075,834.00** and incurred actual expenditure on Personnel Costs (salary allowance) worth **E54,569.76** and **E1,484.00** on CTA Vehicle Charges (trucks and cars) in the financial year ended 31st March 2023.

The breakdown of the allocated budget and actual expenditure incurred by the abolished Head 91 is depicted in the table below.

Centre	Allocated Budget	Budget Released	Actual Expenditure	Description
00: CTA Vehicle Charges	E	E	E	
1101:Principal Secretary's Office	20,933,414.00	0.00	0.00	0.00
1102: Not in the Establishment Register	242,738.00	0.00	0.00	
1201: Not in the Establishment Register	462,175.00	0.00	0.00	
2401: Not in the Establishment Register	120,920.00	0.00	0.00	
9101: Central Transport Administration	2,316,587.00	0.00	1.484.00	Trucks and cars
Total Allocated Budget	24,075,834.00	0.00		
01: Personnel Costs		0.00		
1101: Not in the Establishment Register		0.00	54,549.76	Salary Allowance
Total Actual Expenditure		0.00	56,569.76	

Financial and Accounting Instruction 0201(vii) states that "the Accountant General must supervise the expenditure and other disbursements of the Government, to take care that no payment is made which is not covered by proper authority and in case of any apparent extravagance or defect in the provision for a charge owing to the exhaustion or absence of a vote, to call the attention of the Permanent Secretary for Finance in writing".

I am concerned about budget allocations to the abolished Head and Responsibility Centres and the risk of incurring unlawful and fruitless expenditure. Further, other more deserving budget lines may be unnecessarily deprived of funding thereby negatively impacting service delivery and the budgeting process.

I advised the Controlling Officer that to closely monitor budget appropriations in order to avoid allocations to abolished Heads and further engage the Ministry of Finance to rectify the recurring anomaly and establish internal controls to curb the allocation of budgets to abolished Ministries and Departments.

The Controlling Officer in his response promised to liaise with Ministry of Finance and the Treasury Department to close the Trading Account and to effect transfer of balances from the Trading Account to the appropriate accounts under the Ministry.

I noted the response of the Controlling Officer, however the response does not resolve the audit finding. I appreciate the commitment to resolved that matter and will follow it up in the next audit.

349. Non-adjustment of Credit Balances Against Recurrent Expenditure

I expressed my concern to the Controlling Officer that unlawful credit entries against recurrent expenditure continue to reduce and conceal the actual expenditure incurred in that particular item where the budget is allocated. The appropriated budgets are moved without budget warrants or instruments. A suspense account ought to have been used as opposed to the recurrent account.

I observed that unutilised budgets were unlawfully credited against the actual recurrent expenditure worth **E32,607,492.61**. Unutilised budget consist of **E31,567,830.31** received from the Ministries and Departments for road motor vehicles - E31,537,116.21, building materials - E29,114.10, and food products - E1,600.00. It also comprises a budget transferred from the Ministry of Home Affairs which was not utilised by the Ministry of Public Works and Transport in respect of overtime worth **E1,039,662.30** under various responsibility centres. The breakdown is depicted in the table below.

Responsibility Centre	Item	Description	Amount (E)
5004: Government Transport (CTA)	07303	Road Motor Vehicles	31,537,116.21
4201: Buildings Department Headquarters	06809	Other Building Materials	29,114.10
2103: Not in the Establishment Register	06199	Other Food Products	1,600.00
Su-Total			31,567,830.31
2150: Team Gravelling Unit (North)	01105	Overtime	698,256.11
4201: Buildings Department Headquarters	01105	Overtime	181,149.69
2190: Pipe Manufacturing Unit	01105	Overtime	66,717.03
2120: Siteki District Maintenance Unit	01105	Overtime	42,378.06
4205: Siteki Buildings Depot	01105	Overtime	16,559.63
2101: Headquarters	01105	Overtime	16,092.25
4204: Nhlanguano Building Depot	01105	Overtime	11,632.50
2175: Bridge Maintenance Unit	01105	Overtime	4,290.38
2140: Lubuli District Maintenance Unit	01105	Overtime	1,617.48
4401: Road Transportation Board	01105	Overtime	631.13
2165: Bitumen Unit	01105	Overtime	338.04
Sub-Total			1,039,662.30
Grand total			32,607,492.61

I reminded the Controlling Officer that Financial and Accounting Instruction 0510 states that "credits to recurrent expenditure items are not allowed except in the case of overpayment within the financial year, or certain inter-departmental transactions requiring an alteration to the debit or adjustments rectifying errors in the accounts for the year". In addition, Section 31(4) of the Public Finance Management Act (2017) stipulates that "the total amount to be reallocated in a financial year shall not exceed five (5) per cent of the amount for the activity from which funding is removed".

I am concerned that the credit balances inappropriately reduced the recurrent expenditure thus causing misstatements in the Statement of Recurrent Expenditure.

I advised the Controlling Officer to cease the unlawful movement of budget through misuse of Journal Adjustment Vouchers, and all budget movements should be governed by the Public Finance Management Act as appropriated by Parliament and supported with Budget Warrant authorised by the Ministry of Finance. The Controlling

Officer is advised to reconcile the affected expenditure items and make necessary adjustments.

In response, the Controlling Officer stated that the Journal Voucher is the current accounting tool used to facilitate movements of funds from client Ministries for all services provided by CTA – Responsibility Centre 5004. The Controlling Officer submitted that the modality has been observed to create a distortion in the Ministry's budget, hence a proposed solution is to open a Suspense Account to cater for these transactions. This will enhance reconciliation at the end of each financial year.

The credit entry under the Centre 4201- Building Department Headquarters, a Journal Voucher of E67,966.00 from the Fire Department for purchase of their requested building material by the ministry for reasons of being the right ministry to purchase building material was made. The unutilized budget was as a result of choosing suppliers charging lesser prices than those anticipated by the Fire Department and contracted suppliers. Also, a purchase of geyser amounting to E10,001,30 was mistakenly made against an allocated budget in the Buildings Budget instead of the budget provided for by the Fire Department and the contracted supplier relatively charged lesser amount than anticipated. After the above error was noted and rectified, the result is that the actual under expenditure against the JV is now E19,112.80 instead of the recorded E29,114.15.

The credit entry under the Roads - Centre 2103, was on account of user fees for the training facility and the funds in question will be transferred to miscellaneous revenue in the meantime. The responsibility centre is still required and the Ministry is in the process to revive the operations of the Ministry's Training Centre.

Overtime response

Lastly the overtime balances are a result of the non-remittance of unutilized overtime allowances from the Ministry of Home Affairs for officers participating in the National duties. The ministry will duly reconcile and reimburse all unutilized funds through savings from the current financial year.

I have taken note of the response furnished by the Controlling Officer. However, it is imperative to highlight that the occurrence distorted the final accounts. Further, its presentation in the Government Accounts is misleading. I encouraged the use of the right channels and instruments for budget allocation, and improved accountability in the Ministry.

350. Unutilised Recurrent Budget Treated As Deposits to Revenue

I reported that the Ministry received funds amounting to **E71,191,964.11** from Head 60 for the purchase of motor vehicles for the Government. However, the Ministry only used **E39,654,847.90** and **E31,537,116.21** remained unutilised and there was a credit entry balance against the recurrent expenditure in respect of road motor vehicles under the responsibility centre 5004 – Government Transport (CTA).

The unutilised recurrent budget amounting to **E31,537,116.21** was transferred to Miscellaneous Revenue as 'deposits to revenue' instead of being reversed to its relevant item account in the Central Transfers – Head 60. The unutilised recurrent budget was regarded as deposits to revenue, which was a misrepresentation. An unutilised recurrent budget is not revenue and it has to be forfeited, as per the Public Finance Management Act, 2017.

I reminded the Controlling Officer of Section 26(4) of the Public Finance Management Act (2017) states that "Appropriations shall be authorised in the Appropriation Act and shall be made for one year."

I raised my concern about the overstated recurrent expenditure in the Central Transfers – Head 60 and the overstated revenue by the same amount. Further, the use of this elapsed budget in the next fiscal year is tantamount to misappropriation of public funds.

I advised the Controlling Officer to correct the misrepresentation in respect of the unutilised recurrent budget which is regarded as deposits to revenue, by debiting the Miscellaneous Revenue Account and crediting the Recurrent Vote Account, and then debiting Recurrent Vote Account and crediting the Recurrent Vote Account – Head 60.

The Controlling Officer noted my observation and promised to engage with the Ministry of Finance to normalise the operations of CTA with Ministries on services and maintenance of vehicles.

I have noted the responses submitted by the Controlling Officer. Regrettably, the misrepresentation of the accounts was not yet rectified and the matter remains reportable.

351. Unappropriated Over-Expenditure on Capital Projects T52155 and T51555

I observed that the Ministry incurred significant unappropriated over-expenditure on capital projects T52155- Manzini Golf-Course Interchange and T51555-Manzini-Mphandze (MR3 amounting to **E47,448,981.38** in the fiscal year ended 31st March 2023. This consists of over-expenditure worth **E35,650,734.64** on Project T52155, and over-expenditure worth **E11,798,246.74** on Project T51555 - *Manzini-Mphandze (MR3 Lot 1), financed through a loan from ADB*, under the responsibility centre 2101, as illustrated in the table below.

Centre	Project	Released Budget	Actual Expenditure	Over-Expenditure	
		E	E	E	%
2101: Headquarters	T52155: Manzini Golf-Course Interchange	113,155,903.00	148,806,637.64	35,650,734.64	31.5
	T51555: Manzini-Mphandze (MR3 Lot 1), financed through a loan from ADB	4,521,947.00	16,320,193.74	11,798,246.74	260.9
Over-Expenditure on Capital Expenditure Vote				47,448,981.38	

This was in contravention section 34(1) of the Public Finance Management Act (2017), "excess expenditure" means unauthorised expenditure. Further, section 34(7) states that any excess or any amount expended but not appropriated and which is not allowed under this section shall be treated as a loss of public moneys and dealt with in accordance with Part VIII of the Act.

I warned the Controlling Officer that over-expenditure beyond the budget released, as appropriated by Parliament is not only unlawful but also has a serious effect on the fiscal budget. Unappropriated over expenditure is not allowed by the Public Finance Management Act, and is treated as a loss of public money. Any unauthorized expenditure may lead to disciplinary action. Non-compliance with the laws, rules and regulations may increase the risk of incurring unlawful, wasteful and fruitless expenditure.

I advised the Controlling Officer that the Ministry ought to have sought authority before spending beyond the appropriated budget and also put in place control measures that will prevent recurrence of the anomaly, and to ensure that no public funds are spent without seeking prior authorization.

The Controlling Officer responded by stating that the perceived over expenditure is on account of the non-alignment of the Government and AfDB financial years. The AfDB releases all the funds to fast-track project implementation and the project is permissible to withdraw payments irrespective of the closure of financial years for as long as the funds are available. The Ministry submitted that on this project, there were

savings as a result of the project being completed on schedule and without any interest escalation due to irregular payments.

The Capital Funds for these payments were released in March 2022, yet actual payments were processed and paid by the Bank in the 2022/23 Financial Year.

The response by the Controlling Officer was noted however the Accounting personnel know how to align Government reporting with that of AfDB so that users of the accounts cannot be misled. That could have been done following the accounting principles hence the finding remains.

352. Significant Under-Expenditure on Projects H34299- National Ambulance Service and E45799- Renovation of Mbabane and Malkerns VTRS Centre

I observed that the Ministry incurred significant under-expenditure on capital projects H34299 and E45799 amounting to **E7,796,337.00**, which relates to non-utilisation of released capital budgets in the financial year ended 31st March 2023. This consist of an under-expenditure on Project H34299 – National Ambulance Service worth **E3,796,337.00** under the responsibility centre 5004 – Government Transport (Central Transport Administration), and an under-expenditure on Project E45799 – Renovation of Nhlanguano, Mbabane and Malkerns Vocational Training and Rehabilitation Service Centre worth **E4,000,000.00**. These under-expenditures are illustrated in the table below.

Responsibility Centre	Project	Released Budget	Actual Expenditure	Under-Expenditure	
		E	E	E	%
5004: Government Transport (CTA)	H34299: National Ambulance Service	3,796,337.00	-	3,796,337.00	100
4101: Not in the Establishment Register	E45799: Renovation of Mbabane and Malkerns VTRS Centre	4,000,000.00	-	4,000,000.00	100
Significant Under-Expenditure on Capital Expenditure Vote				7,796,337.00	

I reminded the Controlling Officer that under expenditure indicates that the public funds were tied up in the above-mentioned project, and they were neither used for the intended purposes nor anything else in the entire fiscal year.

I am concerned that under expenditure is a serious concern as the unutilised funds deprive other Government projects or programmes of planned development initiatives. Had the funds been accessible and used to finance essential programmes, they would have contributed towards the development and economic growth of the country. The non-utilisation of budget provisions indicates that there were delays in the

implementation of projects, which is likely to increase the costs of completion of the entire project due to increases in prices and penalties for delays.

I advised the Controlling Officer that the Ministry should explain the reason that made it to have these under expenditures and whether they were really necessary and genuine savings, on these projects. I further requested the Controlling Officer to explain if the intended purposes were met and accomplished, despite these under-expenditures and non-utilisation of the appropriated budget.

In response, the Controlling Officer stated that:

H342/99: *The award for the ambulances was issued at the end of the financial year (29/03/2023) hence the transaction could not be completed. Funds have been made available for the current financial year 2023/24.*

E457/99: *This project is under the Ministry of Labour and Social Security and implemented by Micro Projects, hence all relevant updates on the project may be obtained from these agencies.*

I appreciate Controlling Officer's response however the matter still stands and remain reportable because it has not been resolved. Further, the Controlling officer must know that the budget falls under his vote and should take full responsibility and accountability of the projects.

Audit of Detailed Statement of Assets and Liabilities

353. Police Advance Cleared with Unlawful Credit Entry Against Recurrent Expenditure Instead of Miscellaneous Sundry Revenue

I observed that the movement of budget amounting to **E5,111.85** from the Ministry of Home Affairs to the Ministry in respect of overtime was erroneously captured or punched under Police Advance (51105) instead of Overtime Account (01105) in the financial year 2022. When correcting this error, the Ministry cleared the police advance with an unlawful credit entry against recurrent expenditure instead of Miscellaneous Sundry Revenue item.

Financial and Accounting Instruction 0510 states that "credits to recurrent expenditure items are not allowed except in the case of overpayment within the financial year, or certain inter-departmental transactions requiring an alteration to the debit or adjustments rectifying errors in the accounts for the year". Further, Section 11 subsection 2.20 of the Financial Management and Accounting Procedures Manual stipulates that "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the

next financial year. Statements detailing all balances should be forwarded to Treasury to support the entries in the Statement of Assets and Liabilities and to enable the Auditor-General to verify such balances”.

I am concerned that the recurrent expenditure has been reduced by the unlawful credit entry against recurrent expenditure, instead of crediting the Miscellaneous Sundry Revenue.

I advised the Controlling Officer that the Ministry should rectify this error, accordingly, and should cease the unlawful credit entries against recurrent expenditure.

In response, the Controlling Officer acknowledged my recommendations and further stated that since the previous financial year (2022/23) was closed no further transactions could be effected. In conclusion, the Controlling Officer promised to adhere to my advice, particularly the JVs.

The response of the Controlling Officer was noted; however, the audit finding is not resolved and is still reportable since no action was taken to rectify the noted errors.

354. Unretired Tour Advances and Non-postings of Tour Advances in the Suspense Account and Cash Book

I noted that tour advances amounting to **E330,990.98** under the Ministry and under the Head 91– Central Transport Administration amounting to **E835,206.76** were not retired by and/or recovered from the officers involved. The unretired tour advances remained unrecovered assets and there is no confirmation that the related external travel expenditure was not recorded in the books of accounts.

I further noted that there were non-postings of tour advances amounting to **E129,544.65** under the Ministry and **E35,773.79** under the Head 91 – Central Transport Administration in the Suspense Account and Cash Book after charging the Government General Account for those tours (the tour advances were cashed out at the banks), under the Ministry. As such, the tour advances (external travel) expenditure was not recorded in the books of accounts and fictitious liabilities were created when retiring tour advances, as illustrated in the table below.

Responsibility Centre	Account Item	Unretired Tour Advances	Non-postings of Tour Advances
Head 53: Ministry		E	E
1001: Minister's Office	51006: Tour Advances- Employees	167,765.19	
2101: Headquarters	51006: Tour Advances- Employees	1,792.84	
4401: Road Transportation Board	51006: Tour Advances- Employees	31,740.67	
5004: CTA Vehicle Charges	51006: Tour Advances- Employees	129,692.28	

1101: Principal Secretary's Office	51006: Tour Advances- Employees		129,226.50
1103: Common Services and Accounting Section	51006: Tour Advances- Employees		318.15
Unrecovered (unretired) Tour Advances and Fictitious Liabilities due to incomplete postings of Tour Advances: Ministry		330,990.98	129,544.65

Head 91: Central Transport Administration			
1101: Not in the Establishment Register	51006: Tour Advances – Employees	832,593.56	
2101: Not in the Establishment Register	51006: Tour Advances – Employees	2,613.20	
1201: Not in the Establishment Register	51006: Tour Advances – Employees		6,995.37
9101: Not in the Establishment Register	51006: Tour Advances – Employees		28,778.42
Unretired Tour Advances and Fictitious Liabilities due to non-postings of Tour Advances: Head 91 – CTA		835,206.76	35,773.79

This contravenes Financial and Accounting Instruction 1209 which states that “the Tour Advances should be repaid immediately upon the completion of the tour. I further, referred the Ministry to Section 11, paragraph 4.18 of the Financial Management and Accounting Procedures Manual which requires that “where an officer who has received a Tour Advance fails to retire it in good time, the Accounts Person in the Ministry should seek full recovery of that Advance from the officer’s future salary entitlements”. Moreover, Section 11, paragraph 4.19 states that “the year-end balances on the Tour Advance item should normally equal zero.

I am concerned that the unretired tour advances remained unrecovered monies due to Government, and due to non-postings of tour advances in the Suspense Account and Cash Book created fictitious liabilities, and the external travel expenditure was understated in the financial year to which it relates; thus it distorted the financial position and financial performance, respectively.

I advised the Controlling Officer to ensure that all the tour advances are retired and repaid immediately upon the completion of the tour, and unretired tour advances should be recovered from the employees involved. Further, the Controlling Officer must investigate unretired tour advances and seek full recovery of the advance from the officer’s salary entitlement.

The Controlling Officer was further advised to rectify the incomplete or non-postings in the tour advances suspense account in order to eliminate all fictitious liabilities and record the external travel expenditure books of accounts in the financial year it relates. I also advised to reconcile the Tour Advance Account at the end of each month.

The Controlling Officer acknowledged my findings and recommendations. He further reported that reconciliation is ongoing and the account would be normalised through Journal Vouchers. The Controlling Officer also committed to appraise me every quarter on this issue.

The response of the Controlling Officer was noted; however, it is not satisfactory because the outstanding tour advances were not retired or recovered from the officers involved, and the unposted tour advances were not addressed by the Ministry. The Ministry has not implemented my recommendations on this audit finding and the matter remains unresolved and reportable.

355. Outstanding Works and Transport Advance

I noted that outstanding Works and Transport Advance amounting to **E29,948,042.60** incurred in July 2022, under the responsibility centre 2101 – Headquarters, and was not cleared through the recurrent budget as at 31st March 2023. This departmental advance relates to the payment of court order arbitration done by the Treasury Department on behalf of the Ministry and it was posted through voucher 040189, batch 058. The Ministry was expected to clear the advance from its budget. The outstanding advance has been classified as an asset, whereas this is an inter-party receivables transaction between the Ministry and the Treasury Department. This is not an asset, as there is no resource controlled by Government as a result of past events and from which future economic benefits are expected to flow to the Government. As such this may be regarded as fictitious asset.

The Controlling Officer was reminded that the Treasury Department is mandated to settle Court cases on behalf of all Government ministries and departments using Treasury advance account number 51135. After processing the payments, the Treasury Department prepares a journal adjustment voucher debiting the relevant ministries' advance accounts and crediting the Treasury Advance Account. Then Ministries and Departments are expected to clear their advance accounts from the recurrent expenditure budget to reconcile the below-the-line accounts to zero.

I referred the Controlling Officer to Financial and Accounting Instruction 0202 which states that Controlling Officers are responsible for ensuring each month that his accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer. Further, Section 11 Subsection 2.20 of the Financial Management and Accounting Procedures Manual stipulates that "greatest attention needs to be paid to the reconciliation of the below-the-line accounts as part of the year-end procedures since any remaining balance will show in the Treasury Report as an asset or liability and will be carried forward to the next financial year. Statements detailing all balances should be forwarded to Treasury to support the entries in the Statement of Assets and Liabilities and to enable the Auditor-General to verify such balances".

I am concerned that there is a risk of not recovering the outstanding advances from officers who caused the loss to the Government and not clearing the unaccounted-for advance.

The Controlling Officer was advised that the Ministry should take full responsibility of the legal costs for their cases, which emanated from the Ministry and they should have all the supporting documentation of the court cases, all transactions should be reconciled and allocated to the correct item of account to ensure that this Suspense Account remains with a nil balance at the end of the financial year, where possible.

In response, the Controlling Officer stated that there was no negligence on the side of the Ministry or any officer concerning this project, instead, the Ministry followed proper due diligence in resolving the dispute in this project as previously advised by the Attorney-General's office in a similar matter under Project T500 - Construction of Sicunusa - Nhlangano Road. Unfortunately, in this instance as opposed to the T500 experience the due diligence court process cost the government a lot of money. He elaborated that if the Ministry had been allowed to take proper technical and financial decisions to weigh the costs of project stoppage against compensation of this one property owner, the cost would have been much lower; however, the Ministry was compelled to comply to the Attorney General's advice on such issues.

The response of the Controlling Officer was noted; however, it is not satisfactory because it does not address the audit finding. The Controlling Officer need to make the necessary adjustments to the advance account.

356. Non-adjustment of Unutilised Budget on Accounts Payable to Works and Transport

I noted that there were no adjustments of unutilised budget amounting to **E4,376,708.10** on 'Accounts Payable - Works and Transport' under the Responsibility Centre 2101 – Headquarter, since the fiscal year ended 31st March 2022. In the fiscal year ended 31st March 2022, the balance was E145,913.00, which accumulated to the E4.376 million as at 31st March 2023.

I advised the Controlling Officer to transfer the unutilised budget to the miscellaneous/sundry income to avoid misappropriation of public funds. The non-adjustment has resulted in the overstatement of recurrent expenditure, Grants and Subsidies - External Item in the fiscal years in which the transactions occurred and has resulted to the creation of fictitious liabilities.

I reminded the Controlling Officer of Section 11, Paragraph 5.4 of the Financial Management and Accounting Procedures Manual (1993) which states that “apart from entering the eventual transaction total, an adjustment will also be required to balance the Foreign Payments Suspense by the amount of the currency variation. The contra entry should either debit or credit the original expenditure item”. Further, Section 11, paragraph 5.5 states that balances on this account may exist because of differences in the timing of entries to the computer system. Investigations and corrections should be carried out in consultation with the Treasury Common Services Section. Moreover, Paragraph 5.6 requires that “year end balances on this item should normally equal zero”.

I am concerned that incurring expenditure against the unutilised budget may be regarded as unappropriated expenditure; and the elapsed budget may be used. The recurrent expenditure was misstated while liabilities and assets were overstated, thus distorted the financial performance and financial position of the Government.

I advised the Controlling Officer to transfer the unutilised funds to the miscellaneous/sundry income account and reconcile Foreign Payments Suspense Account to ensure that the balance is equal to zero at the end of the financial year, by debiting the Accounts Payable and crediting the Miscellaneous Sundry Income Account. I further advised the Controlling Officer to clear the fictitious assets by using budget savings or reallocations to the External Grants and Subsidies item or request a supplementary budget.

The Controlling Officer acknowledged my observation and recommendations. He explained that this is holding account for processing foreign currency, whereby the processing of payments tends to overlap to the next financial year. In that regard, the observed anomaly was corrected upon payment of outstanding payments.

The response of the Controlling Officer was noted; however, the audit finding remained unresolved pending the effecting of adjustment in the Government Accounting System.

357. Unappropriated Expenditure On Outstanding Accounts Accrued – Recurrent and Outstanding Accounts Accrued – Capital

I reported that expenditures (payments) amounting to **E92,072,227.81** were incurred without provision of budget on Outstanding Accounts Accrued- Recurrent and Outstanding Accounts Accrued- Capital, and translated to fictitious assets. This comprise of expenditure (payments) incurred amounting to **E26,637,827.37** without provision of budget on Outstanding Accounts Accrued – Recurrent in the financial year

2022 under the Responsibility Centre 5004 - CTA, and expenditure (payments) incurred amounting to **E65,434,400.44** without provision of budget on Outstanding Accounts Accrued – Capital in the financial year 2019 under the Responsibility 2101– Headquarters.

I noted that the unappropriated expenditures incurred by the Ministry, results to fictitious Assets, which were not cleared through budget savings or reallocation to the same recurrent expenditure item or supplementary budget, as at 31st March 2023.

358. Non-adjustment of Unutilised Budget on Outstanding Accounts Accrued – Capital Project H34299 and P30699

I further observed that there was fictitious liability balance of **E3,449,686.63** on Outstanding Accounts Accrued – Capital which was as a result of accruing more budget than expenditure incurred as per the invoices, under the Head 91– Central Transport Administration. In the fiscal year 2013, the capital budget worth **E4,792,635.08** from Project H34299 – National Ambulance Service from the Ministry of Health and capital budget worth **E10,408,751.55** from Project P30699 – Replacement of Firefighting Equipment & Specialised Vehicles from the Fire and Emergency Services were both accrued to the account 61075 of the Ministry to purchase ambulances and specialised vehicles. However, the budget was utilised in the next fiscal year 2014; hence, a liability balance of **E15,201,386.63** in the fiscal year ended 2013 was created. In financial year 2014, the Ministry incurred expenditure amounting to **E11,751,700.00** in respect of purchase motor vehicles against the accrued capital budget. This indicates that the Ministry accrued budget amount without being informed by the invoices amount. The unutilised budget amount that translated to fictitious liability balance should be transferred to the Miscellaneous Revenue.

The fictitious assets due to unappropriated expenditure incurred by the Ministry, and fictitious liability balance on Outstanding Accounts Accrued – Capital due to accruing more budget than expenditure incurred as per the invoices are illustrated in the table below.

Responsibility Centre	Account Item	Fictitious Assets due to Unappropriated Expenditure (E)	Fictitious Liabilities due to Unutilised Budget (E)
5004: Government Transport (CTA)	61070: Outstanding Accounts Accrued – Recurrent	26,637,827.37	
2101: Headquarters	61075: Outstanding Accounts Accrued – Capital	65,434,400.44	
Unappropriated Recurrent Expenditure		92,072,227.81	
Head 91: Central Transport Organisation			
9101: Not in the Establishment Register	61075: Outstanding Accounts Accrued – Capital	Accrued Budget Invoices Amounts Fictitious Liability	15,201,386.63 <u>(11,751,961.36)</u> 3,449,686.63

The analysis of the expenditure and unutilised accrued capital budget under the Head 91 – Central Transport Administration, which was abolished in the fiscal year 2019, is illustrated in the table below.

Source	Batch	Date	Voucher	Account	Description	Amount (E)	Invoice
335		2013.07.09	130938	914/9101/61075	Correction of Expenditure	-10,408,751.55	
335		2013.07.09	130940	914/9101/61075	Correction of Commitment	-4,792,635.08	
						-15,201,386.63	
291	127	20130711	00040200	914/9101/61075	Zambezi Auto	3,479,532.46	12724
291	127	20130711	00040200	914/9101/61075	Zambezi Auto	3,479,532.46	12724
291	128	20130710	00040201	914/9101/61075	Leites Toyota	473,700.46	12740
291	128	20130710	00040201	914/9101/61075	Leites Toyota	616,990.66	12740
291	128	20130710	00040201	914/9101/61075	Leites Toyota	616,990.66	12740
291	128	20130710	00040201	914/9101/61075	Leites Toyota	616,990.66	12740
291	128	20130710	00040201	914/9101/61075	Leites Toyota	616,990.66	12740
291	128	20130710	00040201	914/9101/61075	Leites Toyota	616,990.66	12740
291	128	20130710	00040201	914/9101/61075	Leites Toyota	616,990.66	12740
291	128	20130710	00040201	914/9101/61075	Leites Toyota	616,990.66	12740
291	128	20130710	00040201	914/9101/61075	Leites Toyota	616,990.66	12740
Expenditure of Ambulances and Specialised Vehicles						11,751,700.00	
Fictitious Liability Balance						3,449,686.63	

Paragraph 6.7 of the Financial Management and Accounting Procedures Manual which states that “a running list of all payments processed through each “accruals” account should be carefully maintained and reconciled against the computerized Management Statement details. The balance on these accounts (balance carried forward from previous year plus current year’s expenditure) should be zero by the end of June each year. Any credit balances remaining at the end of month 3 should be transferred to miscellaneous income item. Debit balances should be transferred to the relevant recurrent or capital expenditure items.

I warned that unappropriated expenditure is not only unlawful but results to fictitious assets. Also, there is a risk of incurring expenditure against the unutilised budget (elapsed budget), which may be regarded as unappropriated expenditure. The recurrent expenditure was misstated while liabilities and assets were overstated, thus distorted the financial performance and financial position of the Government.

I advised the Controlling officer that all credit balances remaining at the end of month three after the financial year-end should be transferred to miscellaneous income item from the Outstanding Accounts Accrued-Recurrent and Outstanding Accounts Accrued-Capital, and ensure that the balance is zero by the end of June each year. The Ministry was further advised to clear the fictitious assets due to unappropriated expenditure using budget savings and/or reallocations from other items or supplementary budget.

In response, the Controlling Officer acknowledged my recommendations and further stated that the Ministry will engage the Ministry of Finance and Treasury Department

to reconcile the accounts, otherwise the payment was honoured using the successive year budget.

The response of the Controlling Officer was noted; however, the audit finding remains unresolved pending the effecting of adjustment in the Government Accounting System.

359. Unclaimed Sundry Departmental Deposits - Ministry

I noted that there were unclaimed sundry department deposits amounting to **E722,274.35** as at 31st March 2023 under the responsibility centre 1101 – Principal Secretary's Office, Centre 4301 and 4501- Director of Civil Aviation Office. The sundry deposits (collections) were not claimed by the rightful beneficiaries over a period of five years and there are due to be claimed by the Government or transferred to the Consolidated Fund as Revenue Miscellaneous Sundries. The details of the unclaimed sundry departmental deposits as at 31st March 2023, are depicted in the table below.

Responsibility Centre	Account Item	Unclaimed Deposits (E)
1101: Principal Secretary's Office	61101:Sundry Departmental Deposits	15,800.00
4301: Not in the Establishment Register	61101:Sundry Departmental Deposits	42,546.35
4501: Director of Civil Aviation Office	61101:Sundry Departmental Deposits	663,928.00
Unclaimed Sundry Departmental Deposits		722,274.35

360.Diversion of Sundry Departmental Deposits to Finance Recurrent Expenditure

I further noted that there was diversion of sundry departmental deposits worth **E2,646.05** to recurrent expenditure item 02201 to cater for External Travel Costs in the financial year 2015, processed on 25th September 2015, though Journal Voucher 131481. This resulted to the overdrawn balance in respect of sundry departmental deposits under the responsibility centre 1101, Head 91 – CTO. The diversion of sundry departmental deposits to finance recurrent expenditure is tantamount to misappropriation of public funds and fraud.

361.Diversion of Funds to Clear An Overdrawn Balance on 'Supply of Diaries' Resulted in Misclassification of Recurrent Expenditure

I also observed that, funds for Arms and Ammunition Others item 06901 from the Ministry under the responsibility centre 2150 were diverted to clear an overdrawn balance of **E13,945.00** on the supply of diaries suspense account 61135 under the responsibility centre 9101, instead of using printing services recurrent expenditure

item 04401 in the financial year ended 31st March 2023. The transaction was processed through Journal Voucher number 130819, on the 18th July 2023.

The diversion of funds (budget) to cancel the overdrawn balance of 'supply of diaries' instead of reallocation to the printing services item - 04401, resulted to a misclassification of recurrent expenditure.

362. Diversion of Funds from Plant and Vehicle Renewals Fund and Other Professional Services to Clear Unappropriated Expenditure on Sundry Deposits - Central Transport Organisation

I reported that, funds amounting to **E13,143,426.45** from the Plant and Vehicle Renewals Fund – 62302 were used to clear unappropriated expenditure in respect of salaries incurred on Sundry Deposits - Central Transport Organisation Suspense Account 61191 under the responsibility centre 1201 of the abolished Head 91 in the financial year ended 31st March 2022. The transaction was posted on the 3rd July 2023 through a Journal Voucher 130710, Batch 197, Month 13. The unappropriated expenditure was in respect of salaries paid using the sundry deposits suspense account without the budget provision over the past fiscal years.

Moreover, in the financial year ended 31st March 2023, unappropriated expenditure in respect of salaries amounting to **E120,105.00** was incurred (processed) using the Sundry Deposits Suspense Account without the budget provision under the same responsibility centre 1201 of the abolished Head 91, which was then cleared using the funds from the Other Professional Services –item 04199. Hence, the Ministry diverted funds amounting to **E13,263,531.45** from the Plant and Vehicle Renewals Fund and Other Professional Services to clear unappropriated expenditure.

Diversion of sundry deposits to finance recurrent expenditure, diversion of funds to clear overdrawn balance on Supply of Diaries, and diversion of funds from Plant and Vehicle Renewals Fund to clear unappropriated expenditure under the Abolished Head 91 are detailed below.

Responsibility Centre	Account Item	Diversion of Funds (E)
1101: Not in the Establishment Register	61101: Sundry Departmental Deposits	2,646.05
9101: Not in the Establishment Register	61135: Supply of Diaries	13,945.00
1201: Not in the Establishment Register	61191: Central Transport Organisation: Diversion of funds from Plant and Vehicle Renewals Fund and Other Professional Services to clear Unappropriated Expenditure in respect of – Salaries	13,143,426.45 120,105.00 13,263,531.45

Financial and Accounting Instruction 1307 which stipulates that “amounts accepted as deposits must not be left un-actioned. Vigorous and continual investigations should be made in order to dispose of all deposits to the rightful payees”. Further, Financial and Accounting Instruction 1308 states that “where an amount in a deposit account has remained unclaimed for a period of five years, it shall be transferred to Revenue Miscellaneous Sundries”. I further refereed, Ministry to Section 11.8, paragraph 8.7 of the Financial Management and Accounting Procedures Manual emphasizes that “any deposit which remains unclaimed for five (5) years should be credited to the Consolidated Fund through an adjustment voucher. If the subsequent claim is proved, such entry may be reversed and the deposit refunded”. Paragraph 8.8 explains that balances for this account should normally be in credit or zero.

There is a risk that the deposits remain unclaimed or claimed by wrong persons. This results to under-recognition of revenue and overstatement of the liabilities at the year-end. Public funds could be misappropriated.

The Ministry was advised that the sundry deposits within a five-year period should be investigated and disposed to the rightful payees, while those in excess of five years should be transferred to the Consolidated Fund and recognised as revenue in the Revenue Miscellaneous Sundries account, and reconcile the accounts accordingly.

The Controlling Officer acknowledged my observations and recommendations. He stated that the Ministry had reconciled the Sundry Deposit accounts and stated that their findings were as follows:

- 1. are funds that are in excess of 5 years and the funds will be transferred to Miscellaneous Revenue.*
- 2. and 3.: The error, as I had reported was acknowledged. The Controlling officer explained that at the time the transaction was made the reallocation of funds had been closed as part of financial year end procedures, hence the use of an Item that had savings. The process to correct the anomaly can no-longer be effected at this time in the financial year.*
- 4. This expenditure was the result of the non-movement of the budget to cater for personnel costs. Engagements with the Ministry of Public Service and Ministry of Finance have resolved.*

The Controlling Officer’s response was noted; however, the audit finding remains unresolved pending the respective adjustment.

363. Diversion of Funds from and Non-submission of Financial Statement of Plant and Vehicle Renewals Fund for Audit: Head 91 - Central Transport Administration

I noted that funds amounting to **E383,356,143.91** were diverted from the Plant and Vehicle Renewals Fund in the past two fiscal years, by the Ministry under the responsibility centre 1101. As such, the Fund continues to be irregularly depleted through the diversion of funds: a credit balance amounting to **E1,270,078,767.31** after the diversion of funds amounting to **E13,143,426.45** during the year under the Responsibility Centre 1101 – Principal Secretary's Office and a debit balance amounting to **E606,804,628.31** under the Responsibility Centre 9101 – Central Transport Administration, as at 31st March 2023.

Further, funds amounting to **E370,212,717.46** were diverted from the Plant and Vehicle Renewals Fund – 62302 to the Medical Referral Scheme – 61114 (**E349,219,449.58**) and the Health System Strengthening for Human – 52302 (**E20,993,267.88**) in the financial year ended 31st March 2022.

Moreover, the Financial Statement of the Plant and Vehicle Renewals Fund was not prepared by the Ministry of Public Works and Transport and the Accountant-General.

The Plant and Vehicle Renewals Fund Account ought to depict the movements of contributions for replacement value, withdrawn (disposal) value, and the closing balance for all the Ministries and Departments. The balances of and movements in the Plant and Vehicle Renewals Fund are depicted in the table below.

Responsibility Centre	Account Item	Asset Balance (E)	Liability Balance (E)
1101: Principal Secretary's Office	62302: Plant and Vehicle Renewals Fund		1,653,434,911.22
	Less: Diverted Funds to Medical Referral Scheme and Health System Strengthening for Human		(370,212,717.46)
	Balance before diversion		1,283,222,193.76
	Less: Diverted Funds		(13,143,426.45)
	Balance after diversion of funds		1,270,078,767.31
9101: Central Transport Administration	62302: Plant and Vehicle Renewals Fund	606,804,628.31	

Section 87 (1) of the Public Finance Management Act (2017), requires that 'the Accountant-General should within three (3) months of the end of each financial year, prepare and submit Consolidated Annual Accounts to the Auditor-General. Further, according to Section 10 (1)(d) of the Public Finance Management Act (2017), the Accountant-General should be responsible for the compilation and management of the accounts of Government. Further, Section 10 (1)(b) states that the Accountant-General should be responsible for the custody and safety of public money and other resources of government under the control of the Accountant-General and the setting

of standards and monitoring standards for the custody and safety of money and other resources of government not under the control of the Accountant-General.

The diversion of Funds is tantamount to misappropriation of public funds, and non-preparation/submission of the Financial Statement of Plant and Vehicle Renewals Fund for financial reporting and audit purposes concealed the financial performance of the Fund. Further, failing to submit financial statements for any government programme and to account for public funds, is not only unlawful but it creates room for misappropriation of public funds, unauthorised and fruitless expenditure. It also defeats the spirit of good financial governance, accountability and transparency in the use of public funds.

The Controlling Officer was advised that the Ministry should cease diverting the funds from the Plant and Vehicle Renewals Fund, and provide the authority of the diverted funds and explain how these funds will be reimbursed back to this Fund. The Ministry was further advised to prepare the Financial Statement of the Plant and Vehicle Renewals Fund, depicting the movements of contributions for replacement value, withdrawn (disposal) value, and the closing balance for all the Ministries and Departments. Both the Controlling Officer and the Accountant-General are required by the Public Finance Management Act (2017) to prepare Financial Statements for all public activities and submit them to the Office of the Auditor-General.

In response the Controlling Officer stated that the Ministry will engage Treasury and Ministry of Finance for the processes of completely closing the Trading Account under Head 91.

364. Unremitted Deductions of National Provident Fund, S.G. Civil Servants & Teachers Pension, Car Advance Interest Subsidy – Banks, and Taxes

I reported that there were unremitted deductions amounting to **E19,148.32** of the National Provident Fund under the Ministry and **E1,724.94** under the Head 91 – Central Transport Administration.

There were also unremitted deductions from employment number 4688396 in respect of S.G. Civil Servants & Teachers Pension amounting to **E14,612.19** which occurred in the financial year ended 31st March 2016 and car advance interest subsidy – banks amounting to **E15,030.55** that was deducted from in the financial year 2014, under the Minister's Office. Also, unremitted taxes deductions amounting to **E78,604.84** under the Ministry (Minister's Office and Road Transportation Board) had not been remitted as at 31st March 2023. A breakdown of the unremitted deductions is depicted in the table below.

Responsibility Centre	Account Item	Unremitted Deductions (E)
1001: Minister's Office	62240: National Provident Fund Deduction	1,015.00
1101: Principal Secretary's Office	62240: National Provident Fund Deduction	251.31
1103: Common Services and Accounting Section	62240: National Provident Fund Deduction	17,230.06
2190: Pipe Manufacturing Unit	62240: National Provident Fund Deduction	11.95
4203: Manzini Buildings Depot	62240: National Provident Fund Deduction	640.00
Unremitted Deductions of National Provident Fund - Under the Ministry		19,148.32
1001: Minister's Office	62241:S G Civil Servants & Teachers Pension	14,612.19
1001: Minister's Office	62263:Car Advance Interest Subsidy – Banks	15,030.55
1001: Minister's Office	62315: SRA- Taxation	69,397.84
4401: Road Transportation Board	62315: SRA- Taxation	9,207.00
Unremitted Deducted Taxes – Under the Ministry		78,604.84
Head 91- Central Transport Administration (CTA)		
1101: Not in the Establishment Register	62240: National Provident Fund Deduction	1,719.94
2101: Not in the Establishment Register	62240: National Provident Fund Deduction	5.00
Unremitted Deductions of National Provident Fund Under Head 91- CTA		1,724.94

365.Diversion of Recurrent Budget to Clear Excess Tax Remitted to Eswatini Revenue Services

I noted that tax worth **E9,716.84** was remitted to the Eswatini Revenue Service yet there was no deduction made from the officer(s) involved and it was not recovered from the Eswatini Revenue Services (ERS) but was then cleared from SRA Suspense Account 62315 under the Principal Secretary's Office through a diversion of funds (budget) from recurrent expenditure item 00261 CTA Vehicle Charges.

In the financial year ended 31st March 2023, I also observed that the Ministry remitted more taxes than deducted from employees by **E26,581.50** under the Principal Secretary's Office, and the excess in tax remittance was cleared from the SRA Suspense Account 62315 through a diversion of funds (budget) from recurrent expenditure item 00261 CTA Vehicle Charges. Hence, the total diverted funds (budget) from recurrent expenditure item 00261 CTA Vehicle Charges was **E36,298.00**.

366.Unremitted Tax Deducted from BMW's Invoices and Board Fees Tax Deductions

I reported that the tax liability under responsibility centre 9101, relates to tax deductions worth **E176,592.72**, which comprises tax deducted invoice numbers 0140367003 and 0140367004 from BMW South Africa on the 27th January 2016, and deducted tax from Board Fees, that were not remitted to the Eswatini Revenue Services. The breakdown of the unremitted tax is depicted in the table below.

Batch	Voucher	Date	Supplier/Description	Invoice	Tax Amount (E)
101	100146	27.01.2016	BMW	0140367003	85,964.91

101	100146	27.01.2016	BMW	0140367004	85,964.91
Deductions from BMW's Invoices					171,929.82
678	12999999	17.05.2016	Unremitted Tax Deductions		4,662.90
Unremitted Tax Deducted from BMW's Invoices and Employees' Tax (Board Fees Tax deductions)					176,592.72

367. Deducted Employees Tax was Diverted to Clear Outstanding Imprest and Unlawful Credit Entry Against Recurrent Expenditure

I further noted that, deducted employees tax worth **E13,157.10** was diverted to clear outstanding imprest worth **E8,000.00**, on 3rd April 2013, through Journal Voucher number 080307, batch 143; as a result, a fictitious liability of **E5,157.10** was created under the imprest account, under responsibility centre 9101 – CTO. The fictitious liability was then unlawfully cleared by crediting external travel expenditure item 02201 that resulted to an unlawful credit entry against recurrent expenditure account in the financial year 2016 (on the 28th October 2015), through Journal Voucher 060059, batch 15.

This contravenes Financial and Accounting Instruction 0817 which requires that "a deduction from a payment to be made, must be shown on the payment voucher together with the account to be credited". Further, Financial and Accounting Instruction 0202 (vii) stipulates that "the Controlling Officer is responsible for ensuring each month that his/her accounts are reconciled with Treasury records by obtaining a certificate to this effect from his Chief Accounting Officer".

I warned that non-remittance of deductions of taxes deprive Government from receiving revenue; non-remittance of deductions of contributions for Provident Fund may deprive non-pensionable workers from receiving their rightful benefits from the Eswatini National Provident Fund; non-remittance of deductions of pension and car advance interest subsidy-bank deprived the official from receiving his rightful benefits from the Eswatini Public Pension Fund and the bank.

I also warned that remittance of taxes without deductions from the payroll of the officials involved and deliberately clearing them through the diversion of recurrent budget could be an indicator of possible misappropriation of public funds and fraud. Also, similarly diverting deductions of employees' tax to cancel (clear) outstanding imprest cash could also be indicator of possible misappropriation of public funds and fraud. I therefore concerned that the cash remains unrecovered from the officials involved.

I advised the Ministry to promptly remit all the deductions in respect of the National Provident Fund, Pension, car advance interest subsidy-banks, and taxes to the

Eswatini National Provident Fund, Eswatini Public Pension Fund, rightful bank account of the official, and Eswatini Revenue Services. The Ministry is further advised to investigate the circumstances behind the cancellation of tax remittances, diversion of deductions, and diverted deductions of employees' tax to cancel outstanding imprest. I also advise the Controlling Officer to recover the public monies from the officials implicated.

The Controlling Officer responded as follows:

3.9.1 With appropriate advice from the Accountant General, the Ministry undertook to follow the processes to remit the balances to the respective entities.

3.9.2 The Ministry promised to reconcile the balances with Eswatini Revenue Services.

3.9.3 The Ministry stated that they remitted the said taxes to Eswatini Revenue Services under Head 53 as Head 91 had ceased operations and further promised that a reconciliation will be made on the CTA Board remuneration.

3.9.4 The balances under Head 91 (closed Trading Account) will be reconciled with the assistance of the Accountant General.

The response of the Controlling Officer was noted; however, it is not satisfactory because the audit recommendations were not implemented and no changes have been made in the accounting system.

368. Unrecovered Employees Advances - Officer's Personal Account under Head 91: Central Transport Administration

I noted that employees' advances in respect of Officer's Personal Accounts amounting to **E4,905.00** were not recovered from Officers bearing employment number 5080337 and 7255988 under the Head 91 – Central Transport Administration. The advances were paid to the officers through cheque numbers 214611 and 214610 dated 24 April 2008, batch number 45.

Date	Cheque	Voucher#	Account #	Employee	Payee	Amount (E)
23.04.2008	214611	010151	914910151002	5080337	General Transport Manager CTA	2,395.00
23.04.2008	214610	010150	914910151002	7255988	General Transport Manager CTA	2,510.00
Total Unrecovered Employees' Advances – Officer's Personnel Account – 51002, under responsibility centre 9101						4,905.00

Financial and Accounting Instruction 1204 which stipulates that "when a personal advance is made to a public officer it will be debited to his personal account. The Controlling Officer must ensure that no salary is subsequently paid unless arrangements have been made for the commencement of repayments". Salary advances are required to be recovered within three months from source as a deduction of salary. Further, Financial and Accounting Instruction 0909 states that the "cash is advanced by the Treasury and the Controlling Officers must maintain a

record of all cash advances obtained, the officer responsible, and how and when the advance was cleared”.

I am concerned that the salary advance charged in the Officer’s Personnel Account remains unrecovered from the officer(s) involved, and there is a risk that the public funds were unduly paid and unlawfully charged under the abolished Responsibility Centre, and the salary advance charged in the Officer’s Personnel Account might remain unrecovered from the officer(s) involved.

I advised the Controlling Officer to investigate and recover the public funds from the implicated officers, and correctly account for the funds collected, by charging the Revenue Miscellaneous Sundries.

In response, the Controlling Officer stated that the Ministry would take necessary legal process to recover the public fund as the matter had been investigated.

The response from the Controlling Officer is acknowledged. However, it is not satisfactory as the recoveries from the officers have not been made, for over 15 years, now. Until full recoveries from the officers are made, the matter remains unresolved. Noted is that officer, employee number 5080337 retired from civil service, in 2019.

369. Budget, Expenditure, Assets and Liabilities for Non-existing Responsibility Centres

I observed that an appropriated recurrent budget amounting to **E2,660,319.00**, the released budget amounting to **E2,120,467.00**, and an actual recurrent expenditure amounting to **E80,927.61** under non-existing Responsibility Centres in the Establishment Register for the financial year 2022/2023 of the Ministry. Further, a recurrent budget worth **E825,833.00** was allocated to the abolished Head 91 – Central Transport Organisation.

I further noted that, a capital budget amounting to **E64,236,267.00** was released and the actual capital expenditure amounting to **E60,044,497.81** was incurred on projects G57099, M35499, P33699 and G50099, and non-utilisation of released budget of **E4,000,000.00** on Project E45799, under the non-existing Responsibility centres.

Furthermore, there were assets amounting to **E43,146.35** under the Ministry’s non-existing responsibility centres 4406 and 4301, and assets amounting to **E14,115,329.26** and liabilities amounting to **E37,498.73** under the abolished Head 91, non-existing responsibility centres in the Establishment Register – Supporting the Estimates of Public Expenditure for the financial year 2022/2023. The table below provides a list of the non-existing responsibility centres.

Centre	Expenditure Item	Budget (E)	Budget Released (E)	Actual Expenditure (E)

Head 53: Ministry of Public Works and Transport				
2103	CTA Vehicle Charges	91,984.00	83.00	0.00
4102	CTA Vehicle Charges	82,051.50	82,049.00	0.00
4402	CTA Vehicle Charges	580,233.50	555,951.00	36,298.34
4502	CTA Vehicle Charges	206,148.00	206,148.00	0.00
5001	CTA Vehicle Charges	0.00	0.00	14,251.05
5001	Personnel Costs	1,113,805.00	1,113,805.00	0.00
2103	Travel, Transport & Communication Costs	32,589.00	32,588.00	2,104.98
4405	Travel, Transport & Communication Costs	6,836.00	6,835.00	0.00
4406	Travel, Transport & Communication Costs	9,112.00	9,110.00	0.00
5001	Travel, Transport & Communication Costs	0.00	0.00	1,768.34
2103	Professional and Special Services	291,027.00	60,171.00	26,504.90
4406	Professional and Special Services	44,313.00	2,904.00	0.00
4502	Professional and Special Services	10,670.00	10,668.00	0.00
2103	Consumable and Special Services	167,380.00	39,924.00	-1,600.00
4405	Consumable and Special Services	7,290.00	87.00	0.00
4406	Consumable and Special Services	16,880.00	144.00	0.00
Recurrent Budget and Expenditure for Undisclosed Responsibility Centres		2,660,319.00	2,120,467.00	80,927.61
Head 91 – Abolished Head				
1101	CTA Vehicle Charges	20,933,414.00	0.00	0.00
1102	CTA Vehicle Charges	242,738.00	0.00	0.00
1201	CTA Vehicle Charges	462,175.00	0.00	0.00
2401	CTA Vehicle Charges	120,920.00	0.00	0.00
9101	CTA Vehicle Charges	2,316,587.00	0.00	0.00
Recurrent Budget Allocated to Abolished Head		825,833.00	0.00	0.00
Total Recurrent Budget and Expenditure for Undisclosed Responsibility Centres		3,486,152.00	2,120,467.00	80,927.61
Capital Expenditure		Appropriated Budget	Budget Released (E)	Actual Expenditure (E)
4101:	E45799:		4,000,000.00	0.00
	G57099: Separation of Meters in Govt Houses		4,358,982.00	4,288,374.88
	M35499:		4,685,119.00	4,685,118.76
	P33699:		19,990,668.00	19,990,666.74
	G50099: Rehabilitation of Government Buildings VI		31,201,498.00	31,080,337.43
Total Capital Budget and Expenditure for Undisclosed Responsibility Centres			64,236,267.00	60,044,497.81
Assets and Liabilities for Undisclosed Responsibility Centres				
Centre	Account Description	Assets (E)		Liabilities (E)
4406	60406: Setting Up RSPS Computer Lad Library			600.00
4301	61101: Sundry Departmental Deposits			42,546.35
				43,146.35
Head 91: Abolished Head				
1101	51006: Tour Advances – Employees	832,593.56		
1201	51006: Tour Advances – Employees			6,995.37
2101	51006: Tour Advances – Employees	2,613.20		
9101	51006: Tour Advances – Employees			28,778.42
1101	61101: Sundry Departmental Deposits	2,646.05		
9101	61135: Supply of Diaries	13,945.00		
1201	61191: Central Transport Organisation	13,263,531.45		
1101	62240: National Provident Fund Deduction			1,719.94
2101	62240: National Provident Fund Deduction			5.00
9101	62315 SRA – Taxation	176,592.72		
Total Assets and Liabilities for non-existing Responsibility Centres		14,115,329.26		37,498.73

The responsibility centres that did not appear in the Establishment Register might have been abolished or non-existing and not for service delivery, and there is a risk of public funds not being accounted for by the Ministry. This creates room for

misappropriation and diversion of public funds and results in misinformed budget projections.

I advised the Controlling Officer to confirm the existence of these responsibility centres that were not appearing in the Establishment Register and to explain why the above responsibility centres were not included in the Establishment Register. I also advised the Controlling Officer to ensure that budget allocations are made only to the approved responsibility centres.

In response, the Controlling Officer acknowledged my observations stated that all Responsibility Centres under Head 91 which was abolished will be terminated and the Head account closed. Responsibility Centre 4102 was responsible for the Construction Unit within the Buildings Department which was dissolved and recommended for abolishment and budget transferred to the 4201. Responsibility Centre 4301 to be abolished and the balances to be transferred to Miscellaneous Revenue.

The Controlling officer elaborated and stated that other Responsibility Centres are valid and active as justified below:

Responsibility Centre 2103 - Items 00, 02, 04 will be redirected to 2101 and retain Item 06 within the centre to cater for operational purposes.

Responsibility Centre 4101 - The allocation to the centre caters for the Capital program for the department and to be retained.

Responsibility Centre 4402, 4405 and 4406 – All centres are under the Road Transportation Department and processes to normalise the configuration (realignment) of the department are underway.

Responsibility Centre 5001 – the centre was created to cater for the establishment of the Transportation Department, a process which is still underway, thus the centre should be retained.

The response from the Controlling Officer was noted; however, the audit finding remains unresolved until the responsibility centers are aligned, the abolished heads and centre are removed from the Ministry and the reconciliations for all the accounts affected is done.

HEAD 56: SPORTS CULTURE AND YOUTH AFFAIRS

An audit of the Consolidated Government Financial Statements for the year ended 31st March 2023 was conducted. I communicated my audit findings to the Principal Secretary, Ministry of Sports, Culture and Youth Affairs through a correspondence referenced S22 Vol II/35 dated 20th December 2023. The Controlling Officer responded through a memorandum referenced SCYA/61 dated 3rd January 2024; however, the following audit findings were unresolved, thus remain unresolved and reportable.

370. Under-Expenditure on Recurrent Vote

I reported that the Ministry incurred under-expenditure on Recurrent Vote amounting to **E926,924.81**: on Travel, Transport and Communications amounting to **E45,916.12** and on Professional and Special Services amounting to **E881,008.69** in the financial year 31st March 2023, as illustrated in the table below:

Responsibility Centre	Item	Estimated Budget	Released Budget	Actual Expenditure	Under Expenditure	
		E	E	E	E	%
1801:Department of Sports	02	41,832.00	30,449.00	17,053.37	13,395.63	44.0
1401:Department of Youth Affairs	02	76,343.00	78,890.00	46,369.51	32,520.49	41.2
Under Expenditure on Travel ,Transport & communication					45,916.12	
1401:Department of Youth Affairs	04	2,916,348.00	26,358.00	4,757.55	21,600.45	82.0
1801:Department of Sports	04	1,462,098.00	1,109,464.00	252,938.10	856,525.90	77.2
1001:Minister's Office	04	49,842.00	12,839.00	9,956.66	2,882.34	22.5
Under Expenditure on Professional Services					881,008.69	
Total Under Expenditure on Recurrent Vote					926,924.81	

I reminded the Controlling Officer that under-expenditures of 10% or more in a year may not be conducive to the development of the country and have a negative impact on service delivery. This is so because they may result in not accomplishing planned development initiatives, and they may also result to lesser service delivery, thereby negatively impacting the lives of citizens.

I advised the Controlling Officer to ensure that released funds are utilized for intended purposes and not to seek budget release when not ready to implement. I further advised the Controlling Officer to provide reasons for non-utilisation of the released budget and explain if its intended purposes were met and achieved, despite the under-expenditures.

In response, the Controlling Officer concurred with my observations and provided the following explanations. The under-expenditure on Professional and Special Services under the responsibility centre 1801- Department of Sports was caused by the fact that the department was allocated a budget of E1,462,098.00 with only E1,109,464.00 of the whole allocation for Somhlolo utilities and the review of the Sport Policy, popularization of the policy, making hard copies and distributing the policy to the

stakeholders. The department had limited operations since Somhlolo National Stadium was still under construction and so there were no games that were hosted at the National Stadium during the financial year 2022/23. This resulted in reduced bill for both electricity and water usage by an average of at least half.

The Controlling Officer further stated that none of the amount budgeted for the review of the Sport Policy was expended since the review ended up being fully sponsored by external stakeholders. The reason for soliciting funds from its stakeholders yet Government has allocated funds for the same project was that the Cabinet had stipulated a date on which they wanted the policy to be have been done and submitted at Cabinet. Since the government machinery is slow on the tendering process, then the Ministry engaged its stakeholders. The reviewed of Sport Policy was still at Cabinet for their approval.

The under-expenditure on Travel, Transport and Communications under the Department of Sport was as a result of allocated a budget of E41,832.00 with only a budget of E30,449.00 released, and the department was allocated a small amount for the external travel to statutory conferences. He also stated that, there are three (3) statutory annual conferences that the department has to attend, but, as a department we only afford one statutory conference. The amount that appears as an under-expenditure was the balance left after attending one statutory meeting. The remaining balance was not sufficient to attend the other two statutory meetings.

The Controlling Officer further stated that the under-expenditure on Professional and Special Services under the Responsibility Centre 1401 was an oversight on the part of the Ministry. He also stated that the under-expenditure on Travel, Transport and Communication under the Responsibility Centre 1401 was the balance that remained because it was not going to be enough to cater for external travel to attend statutory conferences in the Department of Youth. Out of the E76,343.00 the E46,639.51 was utilized to cater for only one external travel.

The Controlling Officer's response was noted; however, it is not satisfactory because sports and youth activities were not implemented, despite having appropriated budgets, in their respective departments. I advise the Ministry to prioritise the developmental activities for the youth and increase their participation in the economic. Hence, a comprehensive policy for the youth economic development should be considered.

371. Audit of Statement of Write-offs

I drew the attention of the Controlling Officer that an audit of the Statement of Write-offs of Loss of Cash, Stamps, Stores and Abandoned Claims and Losses Due to

Accidents on Vehicles for the financial year ended 31st March 2023 was conducted. I communicated my findings through a correspondence referenced S22 VOL II /36 and dated 18th January 2024.

371.1. Non-recovery of surcharge for lost laptop valued at E7,220.00 from officer employment number 4862200 - Sports Culture & Youth Affairs

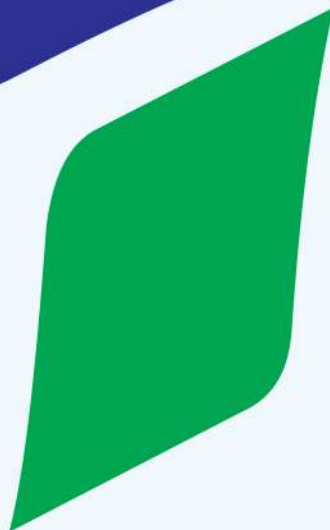
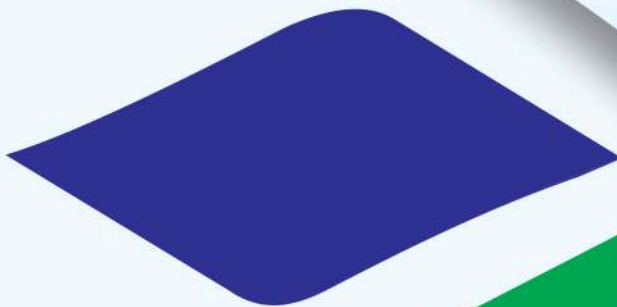
I reported to the Controlling Officer that there was no recovery of surcharge for the value of a laptop worth **E7,220.00** which was lost in 2019 from the officer bearing employment number 5217861. The officer was found to have carelessly left the laptop in a public transport, and failed to prove that the loss was not due to personal negligence. The surcharge to the officer was recommended on the loss of laptop at the value of E7,220.00 by the Losses Committee in April 2022. The recommendation was communicated to the Principal Secretary on the 25th May 2022, through a memorandum referenced FIN/17A/56. Over a period of 21 months (May 2022 to January 2024), the recommended surcharge was not yet recovered from the involved officer.

Through a memorandum dated 12th September 2022, the officer submitted that he received a comprehensive evaluation on the lost laptop in question done by the Ministry of Information, Communication and Technology and stated that it is only fair for him to be surcharged at the depreciated value of the lost laptop at 13% per annum, being E4,102.35. The officer had pledged to initiate the first payment from the month of October 2022 spread over the 36 months (3 years).

I reminded the Controlling Officer that, Section 0204(ii) of the Financial and Accounting Instruction, states that if at any time there is a loss of public moneys by reason of neglect or fault of any officer, they will be liable to be surcharged with the amount and any sums due to them by government may be withheld in satisfaction of such surcharges.

I expressed my concern that there is a risk that the loss will never be recovered from the officer. I advised the Controlling Officer that the amount of the laptop should be recovered through deduction from the officer's monthly income.

In response, the Controlling Officer concurred with my audit finding and the officer has acknowledged the debt of E4,102.00 as per the evaluation of the Ministry of Information, Communication and Technology. The deduction will start in February 2024 for a period of 36 months.



Office of the
AUDITOR
GENERAL

Supreme Audit Institution

P. O. BOX 98

Mbabane H100, Eswatini

Find Us @ opposite Main Treasury Department

Talk To Us @+268 2404 2033