



REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

ON THE COVID 19 PANDEMIC FINANCIAL MANAGEMENT AND

UTILISATION OF PUBLIC RESOURCES IN THE COUNTRY'S

PROVINCES BY MINISTRIES, DEPARTMENTS AND AGENCIES.

FOURTH SESSION – NINTH PARLIAMENT

Presented to Parliament in May, 2022.

*(Note by Veritas - presented to
National Assembly on 10 May 2022.)*

[S.C. 23, 2022]

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On Thursday, 7 October 2021, Mr. Speaker announced that all Committees of the Third Session would continue to operate as previously constituted until such time that new Committees are appointed by the Committee on Standing Rules and Orders.

The Public Accounts Committee constituted the following Members at the time of inquiry:

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Hon. Chikwama
Hon. B. Dube
Hon. Dutiro
Hon. Masuku
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Hon. B. Dube – Chairperson

Terms of Reference of the Public Accounts Committee -

Standing Order No. 17:

“There must be a Committee on Public Accounts, for the examination of the sums granted by Parliament to meet the public expenditure and of such other accounts laid before Parliament as the committee may think fit.”

1.0 INTRODUCTION

- 1.1 COVID19, which broke out in late 2019 across the world and in Zimbabwe in early 2021 brought about fundamental changes in the way people live. Never before had people been faced with serious disruptions of work though such a virus which to date the medical fraternity has not found a cure for. Governments across the world, including Zimbabwean authorities had to come up with policies and programmes to contain the spread of Covid 19. Apart from resources provided by Treasury, individuals and corporates also mobilised resources which they donated to finance Government of Zimbabwe's effort in fighting the scourge.
- 1.2 Following the roll out of the programmes it became imperative that the resources mobilised should be accounted for. An audit was necessary especially after negative reports that came out in various media alleging corruption in the tender processes and generally in the use of resources. The Auditor General's Report which focussed on Covid 19 Relief Funds Management was therefore a welcome development particularly for oversight institutions. When this Report was tabled in Parliament, it stood referred to the Public Accounts Committee, which resolved to examine the Report as part of its oversight function over the Executive.

2.0 OBJECTIVE OF THE ENQUIRY

- 2.1 The Committee's objectives for examining the Report are as follows:
- 2.1.1 To study the recommendations made by the Auditor General for key Ministries involved in the Covid 19 Government programmes and establish the extent to which these had been implemented;
- 2.1.2 To proffer the Committee's recommendations arising from the gaps observed.

3.0 METHODOLOGY

- 3.1 In conducting the enquiry, the Committee analysed the Auditor General's Report to familiarise itself with the issues raised and recommendations made;
- 3.2 The Committee proceeded to receive oral evidence from the Ministry of Public Service, Labour and Social Welfare and Local Government and Public Works through two meetings held with each of the Ministries.

4.0 COMMITTEE'S FINDINGS

What follows below are the issues the Committee picked up and examined by seeking clarification and explanations from the two Ministries. Sadly, the Ministries in general could not provide ready answers to the Committee's questions. Equally disturbing is the fact that despite the Ministry officials' undertakings to submit the required information within mutually agreed timeframes, this was not complied with leaving the Committee with no option but to finalise this Report without the information sought.

4.1 DATABASE OF BENEFICIARIES

- 4.1.1 *The Auditor General observed that the Ministry of Public Service, Labour and Social Welfare Head Office paid COVID19 allowances amounting to \$89 022 103 to*

vulnerable communities' country wide through Net One. It could not confirm whether the allowances had reached all the intended beneficiaries as reconciliations and confirmation reports were not prepared.

4.1.2 *It was also revealed that COVID19 allowances processed through the Net One platform in July 2020 for 873 beneficiaries at \$300 each had not been collected from Buhera and Umzingwane District Social Welfare offices. This was caused by-*

- *Incorrect contact details such as the addresses on the database;*
- *The same address being used for 1 107 beneficiaries which made it difficult to contact beneficiaries; and*
- *Net One lines which did not have beneficiary names to facilitate distribution.*

4.1.3 The Accounting Officer highlighted that as a Ministry they did not have the capacity to register beneficiaries due to the lockdown measures that were in place to curb the spread of Covid-19 and hence they made use of the local leadership, churches among other sources of information collection to voluntarily provide names of intended beneficiaries which they used to compile their database. He admitted that the personnel tasked with data collection lacked the necessary tools of trade such as computers and had to submit the information to the Ministry in hard copy.

4.1.4 The Accounting Officer indicated that payments were made through the Net One's one money platform. Normal validation processes were not undertaken due to high volumes of beneficiaries reaching an excess of 350 000 beneficiaries involved but however sample validation exercises were conducted by phone to check whether the beneficiaries who received were bona fide recipients of their allowances and the amount received. He submitted that the beneficiaries had confirmed receipt of the amounts.

4.1.5 The Accounting Officer, however, admitted that there were cases of phone number duplications. He alluded that the system used by Net One should have been able to identify duplications in the system but in the case where one uses a small letter and a capital letter on the same name it makes it impossible for the system to capture the name as a duplicate. It was indicated that during the clean-up exercise carried by the Ministry about 600 names were duplicated and half were flashed out. In Buhera everyone was said to be in the bread making business which was not realistic and hence these names were weeded out from the database. From the Auditor General's Report, they received few were paid in duplicate and follow ups were yet to be made after their internal auditors' report.

4.1.6 The Committee was informed that data clean-ups were conducted by the IT department which were aimed towards the weeding out of duplications. For incomplete data they received they had to return it to the source origin to provide the requisite data that was needed for the process and then forwarded to Net One for processing of another verification as well.

4.1.7 The Ministry's position was that all the names that had been submitted to Net One attracted the lines to be released to the Ministry. The Accounting Officer indicated that at head office they had a complete database of the beneficiaries as they got the information from local leaders and churches among others. Some of these

beneficiaries were not registered at district and provincial office but instead were forwarded straight to the head office and there is a possibility that these people belonged to Manicaland. Due to the fact that the Ministry wanted to pay people in time they did not send back the information to the District and Provincial offices. It was indicated that there was a mismatch on the lines and the database at the district offices but as a way-forward the Ministry was developing a MIS system that would enable District and Provincial Offices to see the complete database.

4.2.1 *The Auditor General also observed that a total of 88 beneficiaries who were listed on the Buhera District Social Welfare database paid in July 2020 did not receive their COVID19 allowances amounting to \$26 700, as the Net One lines allocated to them were not availed by the service provider. There was no evidence that reconciliations and communication was being done to timely address the anomalies.*

4.2.2 On collection of Covid 19 allowances by third parties, the Accounting Officer indicated that normally they did not use third parties as the World Bank which so concerned about assisting the vulnerable. Under normal programming the Ministry uses Community based targeting method in a physical manner. The Accounting Officer indicated that he would not want to administer a programme where they get information from third parties owing to the fact that he will be accountable at the end of the day.

4.2.3 On measures taken to ensure that beneficiaries whose allowances were collected by third parties confirmed receipt, the Accounting Officer highlighted that the Ministry's regulations provided for collection on behalf of someone in cases where their beneficiaries have disabilities or chronic illnesses, child headed families and the elderly who are not able to walk. He stated that proxies were captured during the initial registration process. With regards to the 88 cases for Buhera District, it was reported that the authentication exercises were still being conducted but out of the 40 that had been sampled, all of them had confirmed having received their allowances.

4.2.4 The Accounting Officer informed the Committee that the Ministry had suspended the programme and disciplined officers as a measure to safeguard the allowances against theft.

4.2.5 Committee's Observation

The distribution mechanism of the Covid 19 allowances was in shambles leaving the process open to abuse. The Committee believes that the Ministry of Public Service, Labour and Social Welfare had databases for vulnerable people prior to the outbreak of Covid 19 given that one of its principle functions is that of assisting the less privileged in society through various social welfare assistance programmes.

4.2.6 Recommendations

- 1. The Auditor General should within 180 days of tabling of this Report, conduct a forensic audit of the disbursements to establish whether the intended beneficiaries received the allowances and if not, establish cases of embezzlement with appropriate recommendations.*
- 2. The Ministry of Public Service, Labour and Social Services within 120 of tabling of this Report, should follow up with Net One and update the database of*

beneficiaries which can be relied on now and during any future Covid 19 disbursements.

DUPLICATED BENEFICIARIES

4.3.1 *The Mutare District Social Welfare Office database which was submitted to the Head Office for payment of allowances had the following anomalies: -*

- I. *58 beneficiaries who received COVID19 allowances amounting to \$45 240, had similar identity numbers, different dates of birth and of a different gender,*
- II. *375 beneficiaries had uncontactable addresses and ID numbers quoted which did not exist as confirmed with the RG's Office. These beneficiaries received COVID19 allowances amounting to \$292 500.*

4.3.2 The Accounting Officer reiterated that the Ministry had received the names of beneficiaries from various sources due to the nature of the situation which required urgency. As a result, some of the information not been properly captured. He advised the Committee that half of the beneficiaries had been weeded out as some names had been duplicated. He argued that names forwarded to Net One for further verifications were not picked because some were capitalised and some were not. The Committee was informed that internal audits were still being conducted and once concluded people would have to account for the money.

4.4.1 *Eighteen (18) beneficiaries paid under the Mangwe District Department of Social Welfare received duplicate Net One lines each loaded with \$600 for the payment of COVID19 relief allowances. There was no evidence that communication had been made to the relevant Net One office so that the error, which might have resulted in the beneficiaries being paid twice, could be rectified.*

4.4.2 *Further, on three (3) occasions, two (2) different beneficiaries used the same identity number [58-316200 Y 45, 19-052524 P 19 and 08- 79102 N 03] to collect COVID19 allowances amounting to \$600 each at Umzingwane District under the Ministry of Public Service, Labour and Social Welfare.*

4.4.3 On whether the Ministry had recovered any money out of the improper payments made through issuance of duplicate Net One lines, the Accounting Officer indicated that they had not yet recovered any but they were waiting for Covid-19 restrictions to be relaxed before sending their internal auditors.

4.4.4 Committee's Observation

The explanation from the Ministry was not satisfactory to the Committee as the internal audit referred to should have been conducted and concluded before the commencement of the Committee's enquiry. The Committee had no option but to note the Ministry officials' lack of seriousness in addressing the anomalies.

4.4.5 Recommendations

1. The Zimbabwe Republic Police (ZRP) and Zimbabwe Anti-Corruption Commission (ZACC) should institute investigations on the issue of duplicate beneficiaries with a view to prosecuting those guilty of any wrong doing within 180 days of tabling this Report.

2. *The Ministry of Public Service, Labour and Social Welfare should institute the process of recovering improperly paid allowances from the beneficiaries.*

PAYMENT OF COVID 19 ALLOWANCES (Manicaland Province)

4.5.1 *The Manicaland Provincial Social Welfare Officer could not provide to the Auditor General, a consolidated report and copies of confirmation of receipt of the \$3 959 950 COVID 19 allowances disbursed by Head Office and paid to 18 349 beneficiaries in the Province. He indicated that allowances paid to beneficiaries were for vulnerable communities and Small and Medium Enterprises (SMEs) whose businesses were adversely affected by the measures taken to contain the COVID 19 pandemic.*

4.5.2 The Committee gathered that in addition to the list Head Office received from the provincial office, the Ministry received an additional list of beneficiaries from other sources within the province in the master database. In response to the Committee's question on a mechanism developed to account for disbursed allowances for beneficiaries in Manicaland, the Accounting Officer submitted that the anomaly would be rectified by the introduction of MIS that will enable all offices to access the database.

4.5.3 Committee's Observation

There was no system of accountability in the receipt of allowances from Head Office and there was no reasonable justification for the Provincial Office's failure to adhere to simple accounting procedures. It would appear that the omission was deliberate and therefore dereliction of duty.

4.5.4 Recommendation

The Ministry should regularise the anomaly by compiling a consolidated report and confirmations of receipt of all Covid 19 allowances. The process should be completed within 60 days of tabling of this Report and copies submitted to the Auditor General and the Public Accounts Committee.

COLLECTION OF ALLOWANCES BY BENEFICIARIES

4.6.1 *As of December 2020, a total of 1 273 beneficiaries had not collected their Net One lines at Mutare District Social Welfare Office since July 2020. This amounted to an estimated \$763 800 uncollected allowances. It was noted that incorrect capturing of beneficiary addresses in Chiredzi and Gutu Districts resulted in sim cards for 3 710 beneficiaries remaining undistributed for six months (since June 2020).*

4.6.2 *Furthermore, 366 Mangwe District Social Welfare Office and 195 Umzingwane District Office beneficiaries had not collected their COVID 19 relief allowances amounting to a combined total of \$336 600. There was no documentary evidence availed for audit to show that the Districts informed the beneficiaries about the payments.*

4.6.3 *There was also no safeguard against continuous payment of allowances to unconfirmed beneficiaries. Furthermore, no reports were prepared outlining Net One sim cards which were received but not loaded with money for beneficiaries.*

4.6.4 On the issue of uncollected lines at Mutare District Social Welfare Office, the Committee was advised that the Ministry had not been able to get the correct physical addresses and the amount which Government was availing as allowance to SMEs was insignificant. The Committee was advised that the Ministry had taken a position to recall all the money in the uncollected sim lines for remittance to Treasury. The Committee was also advised that the Ministry had since tasked its internal auditors to come up with a report which would guide the next steps to be followed in addressing the anomalies.

4.6.5 Committee's Observation

It appeared to the Committee that the intended beneficiaries had not been properly advised of the allowances that were due for collection. This was despite the fact that various modes of communication such as telephone, radio and television could have been used to good effect in the midst of Covid 19 restrictions.

4.6.6 Recommendation

The Ministry of Public Service, Labour and Social Welfare should communicate with the intended beneficiaries and ensure that the allowances are disbursed within 90 days of tabling of this Report.

PAYMENT OF COVID19 ALLOWANCES TO MEMBERS OF STAFF

4.7.1 *It was noted during audit that members of staff stationed at Toronto Quarantine Centre, Magamba Quarantine Centre and Matabeleland South Provincial Social Welfare Office were paid COVID19 allowances totalling \$2 290 599. These allowances were paid to members of staff who reported for duty during the COVID19 lockdown period from April to July 2020. The payments were made without competent authority. Furthermore, there were inconsistencies and lack of documented guidelines on payment of the COVID19 allowances across different Government departments. The amounts paid ranged from \$180 to \$320 per day.*

4.7.2 The Committee was informed that the basis for paying Covid 19 allowances to members of staff was the approval by the Public Service Commission relating to payment of travel and subsistence allowances. The Ministry officials argued that the conditions in the quarantine centres were very unique and made it difficult to motivate staff to continue work under the prevailing circumstances. They also argued that members of staff were not allowed to leave their posts during their shifts which stretched to a period of two weeks, thus they were subjected to the same conditions as returnees who had to be quarantined for a period of 20 days. The Ministry had, therefore, found it imperative to pay the allowances.

4.7.3 Committee's observations

- 1. Whilst the fear of contracting Covid 19 was real and the need to pay staff allowances was considered noble by the Ministry of Public Service, Labour and Social Welfare, failure to seek the necessary approval for payment of allowances cannot be condoned.*
- 2. The Ministry Officials could not provide the Committee with the number of staff members who benefited and the corresponding amounts they received and this was perceived as efforts to conceal information for unauthorised conduct.*

4.7.4 Recommendation

The Ministry should seek authority from the Accounting Officer in retrospect and if approval is not granted, recover the allowances paid. The exercise should be completed within 60 days after tabling this Report.

URBAN FOOD ASSISTANCE

4.8.1 Section 4 (3) of the Social Welfare Assistance Act [Chapter 17:06] requires that from time to time reviews/assessments be conducted to determine eligibility of persons intending to receive social welfare assistance in terms of amount, or level of social welfare assistance. The Kwekwe and Zvishavane District Social Development Offices (DSDO) did not avail for audit inspection documentary evidence to show that the urban food beneficiaries who received cash disbursements totalling \$187 000 and \$3 806 300 respectively during the months of April, May, July and August 2020 were assessed to determine whether or not they qualified to be in the urban feeding programme.

4.8.2 The Ministry officials indicated that the criteria for eligibility of persons were in two parts as follows:

- a) self-targeting, where applicants approach the Social Welfare Offices and apply for assistance and considered after a means test; and
- b) community-based targeting, where communities participate in identifying eligible beneficiaries as guided by the officials who then conduct verification exercises.

4.8.3 They explained that for Kwekwe and Zvishavane the targeted beneficiaries were those who are labour constrained, food poor, persons with disabilities, the elderly and the chronically ill. It was also highlighted that the Ministry was in the process of coming up with standard operating procedures for the selection of beneficiaries for the urban cash for cereal programme.

4.8.4 The Committee was informed that the Ministry had recently updated the food deficit mitigation programme manual for the rural food assistance programme and it was this same module that had been used for the urban areas but given the difference in dichotomies between rural and urban areas the Ministry had realised that they cannot be the same and hence the different manuals.

4.8.5 Probed on why the District Welfare Offices had not complied with Section 4 (3) of the Social Welfare Assistance Act [Chapter 17:06] that spelt out the criteria for selecting beneficiaries of the Urban Feeding Programme, the Ministry officials admitted that for the community-based targeting and in all targeting criteria there should have been rigorous follow ups to the beneficiaries to ensure that those in need and deserving people were covered. They blamed the prevailing circumstances for limiting mobility of officers to conduct the usual home-based visits to weed out the undeserving beneficiaries. To remedy the anomaly, the Ministry reported that it was drafting a manual that would guide the officers and plans were being made for an online training for the officials.

4.8.6 Committee's observation

Failure by the Ministry Officials to submit records of assessment to the Auditor General and the subsequent failure to avail the same to the Committee is clear testimony that proper procedures were not been followed. As a result, undeserving people could have benefited at the expense of those who deserved the allowances.

4.8.7 Recommendations

- 1. *The Ministry of Public Service Labour and Social Welfare should conduct a review/assessment to determine eligibility of persons who should benefit from social welfare assistance within 180 days of tabling of this Report.***
- 2. *Documentary evidence of periodic reviews must always be kept in files and made available to the Auditor General upon request.***

MANAGEMENT OF QUARANTINE CENTRES (Service Delivery in Quarantine Centres)

4.9.1 *The visit by the Auditor General to the Mushagashe Quarantine Centre, revealed that the security at the centre was inadequate. The facility did not have a secure fence and alternative gates for entry and exit to the Centre were not lockable. Therefore, there was no restriction of movement of inmates from going to other areas of the facility. During the period from June 14, 2020 to December 10, 2020, a total of 141 out of 1 261 admitted inmates, had absconded.*

4.9.2 *There was also no backup for electricity and water in the event of electricity outage. The availability of electricity was not constant at the facility. The facility was used as a Quarantine Centre before the repairs of electricity and plumbing had been done.*

4.9.3 *On why the quarantine facilities had been allowed to operate under insecure conditions and the action taken to remedy the situation, the Ministry officials submitted that the identification and establishment of quarantine centres was the responsibility of the Ministry of Local Government and Public Works. They pointed out that while it was desired that the centres be secure with adequate facilities, this had not been the case due to inadequate funds. The Committee was advised that inmates had been admitted at the quarantine centres before the conditions had been met because there was no alternative accommodation at a time there was a huge influx of people through the country's ports of entry.*

4.9.4 *To remedy the situation, the Ministry of Local Government and Public Works indicated that it had moved in to replace the security fence and to install a borehole. The Committee sought the officials' comments on failure to lock a gate and the response was locking of gates was the responsibility of officers from the Zimbabwe Republic Police and the Zimbabwe National Army who manned the gates.*

4.9.4 Committee's observation

There was ample evidence of negligence of duty in as far as not locking the gates was concerned as this resulted in some inmates absconding from the quarantine centres and in the process posing a great risk of contaminating people outside the quarantine centres.

4.9.5 Recommendation

In future, the Ministry of Local Government and Public Works should work closely with other officials from the Ministry of Public Service Labour and Social Welfare, the Zimbabwe Republic Police and Zimbabwe National Army to ensure that there is maximum security for inmates in quarantine centres.

BUS FARE PAYMENTS FOR QUARANTINE CENTRE INMATES

4.10.1 Section 35 (6) (a) of the Public Finance Management Act [Chapter 22:19] states that every Accounting Officer shall keep or cause to be kept proper records of account. Contrary to these requirements, the AG noted the following anomalies:

- I. *Mushagashe Quarantine Centre did not avail payment schedules to support bus fares amounting to \$42 930 paid to inmates that were leaving the centre.*
- II. *A schedule showing payments amounting to \$18 300 for twenty-seven (27) inmates at Mushagashe Quarantine Centre revealed that the inmates received the bus fares on September 10, 2020. However, the admissions and discharge register indicated that the inmates were discharged on September 22, 2020, thirteen days after payment date.*
- III. *Out of a total amount of \$597 460 paid, inmates whose bus fare payments amounted to \$516 370 did not sign the acquittal forms at Mushagashe Quarantine Centre as proof that they had received the amounts indicated. The AG could not confirm the accuracy of the expenditure figures in the absence of supporting records.*

4.10.2 *Midlands Provincial Social Welfare Office paid in cash bus fares totaling \$604 760 to returnees discharged from Quarantine Centres. A sample of payments reviewed showed that persons travelling to the same destinations were invariably paid different amounts. No reasonable explanations were proffered for such practices.*

4.10.3 When asked to respond to how bus fares amounting to \$516 370 were accounted for given that recipients did not confirm through signing for the disbursed amounts, the Ministry officials submitted that the anomaly had also been of concern to the Ministry after they noticed it. The Committee was advised that the Ministry had suspended the officers concerned but after an investigation by a team led by an official from the Ministry of Finance and Economic Development the suspended officers had been cleared. The basis given for clearing the officers were that money had been issued in the presence of the police and other officers and that there had been concerns raised relating to fears of contracting Covid 19 hence the money was not signed for.

4.10.4 The Committee was informed that the Ministry had not been satisfied with the outcome of the investigations and after a discussion within the Ministry involving the Accounting Officer, a decision had been made to reconstitute the investigation Committee.

4.10.5 Regarding the payment of different amounts in bus fare to inmates going the same destinations, the Ministry officials argued that payments were different because there was no formal transport arrangements made for the inmates. As such different contractors had been engaged with different rates charged depending on the time of the day, minors accompanying the inmates and their luggage. On why the details relating to children and the luggage had not been indicated, the Ministry officials blamed that omission on junior officer entrusted with that responsibility and stated that this had

prompted the Ministry to place a supervisory responsibility on senior officers over the junior officers. To ensure accountability of public funds going forward, the Ministry officials submitted that they had developed a procedure operation manual to guide the officers in the discharge of their duties.

4.10.6 Committee's observation

There was serious breach of the provisions of the Public Finance Management Act by officials who did not keep proper records of accounts.

4.10.7 Recommendations

- 1. The Ministry of Public Service Labour and Social Welfare should expedite investigations and finalise this matter within 120 days of tabling of this Report.*
- 2. A Report of the findings of the internal investigation and remedial action taken by the Ministry should be submitted to the Auditor General and Public Accounts Committee within 180 days of tabling of this Report.*

PAYMENT OF ADMINISTRATION FEES FOR QUARANTINE CENTRES

4.11.1 Mushagashe Training Centre charged accommodation and service fees to the Ministry of Public Service, Labour and Social Welfare for the use of its premises as a Quarantine Centre. The fees were purported to be based on the number of inmates resident at the centre on each day. However, there was no authority produced approving the basis used for payments.

4.11.2 Further to the above, a total of \$6 993 000 was billed between the period April 7, 2020 to November 14, 2020 for the services rendered and \$1 508 500 had been paid by the Ministry. The invoices were not supported by records of the number of inmates for the period and the administration services that the Ministry was billed for by the Institution to enable the Auditor General to validate the invoiced amounts.

4.11.3 The Ministry of Public Service, Labour and Social Welfare did not have a clear decommissioning policy that ensures that sites are restored to their original state upon closure of a quarantine centre. As at the date of audit by the AG, on December 4, 2020, it was observed that the Ministry owed Vuti High School in Mashonaland West Province \$138 593 for the damages done to the school infrastructure by the people who were in quarantine as well as other expenses incurred by the School on behalf of the Ministry. The money had been outstanding since the closure of the quarantine centre in June 2020.

4.11.4 The Committee asked the Ministry officials whether there was an agreement and approval of the accommodation and service fees charged by Mushagashe Training Centre and to explain the procedures the Ministry carried out to verify the accuracy of the accommodation and service fees charged. To this, the Ministry officials admitted that there was no agreement and stated that payments were based on the invoice amount and manifesto of the inmates admitted at the quarantine centre. The Committee was informed that verifications were conducted by the Provincial Covid 19 Task Force using the manifesto before the invoices were forwarded to head office for payments.

4.11.5 Committee's observations

- 1. The Ministry of Public Service Labour and Social Welfare made payments to Mushagashe Training Centre for use of its premises as a quarantine centre without any form of contract entered into. Contracts by their nature define and govern the rights and duties between or among parties and in the event of a breach of contract, the injured party may seek judicial remedies such as damages or cancellation.***
- 2. Lack of supporting documents for payments made for inmates that were accommodated at the institutions is not excusable accounting practice.***
- 3. The absence of a decommissioning policy is an anomaly which should be rectified***

4.11.6 Recommendations

- 1. In future programmes, the Ministry should enter into contracts or at least sign memorandum of understanding with service providers without fail.***
- 2. The Zimbabwe Republic Police (ZRP) and Zimbabwe Anti-Corruption Commission (ZACC) should institute investigations on the issue given the suspicion that money could have been stolen.***
- 3. The Ministry should formulate a decommissioning policy within 60 days of tabling this Report.***

PAYMENT IRREGULARITIES

4.12.1 *Gwanda Provincial Social Welfare office overpaid Appleridge Investments when it made three payments totaling \$1 938 340 for the same invoice number 012 in respect of catering services rendered at DDF and Beitbridge quarantine centres from August 3, 2020 to September 15, 2020. Furthermore, another invoice amounting to \$579 570 was also paid to the same company. The invoice had no reference number, no period for which catering services were rendered and the station where the services were rendered.*

4.12.2 In explaining the anomaly, the Ministry officials submitted that reconciliations had been done and these had established that the company had been overpaid by an amount of \$1 006 920 which the company also acknowledged. To rectify the anomaly, the officials indicated that they had asked the company to refund the money by 31 August 2021. In addition to the request for a refund, the officials indicated that they had requested the company to improve on its invoicing method. At the time of concluding this report, no evidence had been submitted by the Ministry to indicate that the refund had been made, although the Ministry had undertaken to submit the documents by 3 September 2021.

4.12.3 Committee's observation

The Ministry did not show concern over the payment as indicated by their lack of urgency to recover the overpaid amount.

4.12.4 Recommendation

The Ministry of Public Service Labour and Social Welfare should recover overpaid amount within 30 days after tabling of this Report. Alternatively, proof of a set off arrangement with other goods that could have been supplied should be submitted to the Committee within the same time-frame.

GROCERIES FOR QUARANTINE CENTRES

- 4.13.1 *In Manicaland Province, approved documented requisitions, detailing the food requirements against the number of inmates, for the procured goods worth \$2 998 078, were not availed to the AG by the eight (8) Quarantine Centres.*
- 4.13.2 *There were no payment vouchers prepared for amounts paid to retail suppliers for the goods collected. Mashonaland Central Provincial Social Welfare Office did not carry out reconciliations of groceries collected against the amounts that had been paid to OK Zimbabwe amounting to \$632 550. Furthermore, no confirmations of payments to OK Zimbabwe from Head Office were submitted to the AG and only a few requests to Head Office were availed. In the absence of these documents audit could not determine the completeness of the transactions.*
- 4.13.3 *In Masvingo Province, goods valued at \$1 128 192 were not supported by authorized requisitions from the centres. The Provincial Office did not have records to confirm balances of goods at OK, TM and N. Richards. Also, the Provincial Office did not have financial records on total payments made to each supplier, total cost of goods taken by each of the Quarantine Centres and total cost of services incurred towards the administration of the Quarantine Centres. The AG was therefore not able to determine whether the COVID19 funds were appropriately utilized and accounted for.*
- 4.13.4 *Gwanda Provincial Social Welfare office processed payment voucher number 1/2020 on August 12, 2020 and paid \$339 796 to OK Zimbabwe Gwanda for food and non-food items which had been requested by Esikhoveni Quarantine Centre. The goods had not yet been collected/delivered at the time of audit on December 8, 2020 which was almost four (4) months after payment. The management indicated that they had not been given authorisation to collect the goods by the Provincial Office.*
- 4.13.5 *The Ministry officials explained the procurement procedure used in procuring food for the inmates were the same as the one used under normal conditions. They submitted that due to the speed with which the goods were required, the Ministry had flighted a tender where the OK Zimbabwe, Pick and Pay and N. Richards were identified as prospective suppliers. The Committee was informed that at the procurement stage the other companies required cash upfront except OK Zimbabwe leading to OK Zimbabwe being awarded the contract and thereafter opening an account from which goods were procured with occasional reconciliations conducted to ensure that the Ministry operated within the budget. With regards to anomalies that had been observed, officials were still to establish how they had occurred through a team that had been set up to come up with recommendations.*
- 4.13.6 *With regards to the whether Gwanda Provincial Social Welfare Office had now been authorised to collect food and non-food items paid for in August 2020 from OK Zimbabwe Gwanda Branch, the Ministry officials indicated that the goods remained uncollected. They submitted that there had been a donation received from the Civil*

Protection Unit and collecting the items would have resulted in loss of the food items as some of them were perishables. The Committee was advised that the issue of authorisation was being handled by the Provincial Office. An undertaking to provide information on the final outcome of the authorisation issues remained unfulfilled at the time of completing this Report.

4.13.7 The Committee was assured that the implementation of the operations procedure manual would address the shortcomings relating to requisitions of goods procured, reconciliations of collected goods and payments and others that had been observed at Provincial Offices. In addition to the procedure manual officials highlighted that the Ministry was going to embark on a training exercise, would bolster supervisory levels and take appropriate disciplinary actions where it was necessary.

4.13.8 Committee's Observations

1. The issue of missing vouchers is a matter of concern to the Committee as it proves that the payments were not authorised.

2. There must be proper coordination within the Ministry to ensure that intended beneficiaries receive goods

4.13.9 Recommendation

The Ministry should reverse the purchase and get a refund from the supplier within 30 days of tabling of this Report. In the event that the amount was off set by the purchase of another order, documents supporting the transaction should be submitted to the Public Accounts Committee.

INTERNAL CONTROLS (Segregation of Duties)

4.14.1 *There was no segregation of duties in the procurement of goods, stores management, distribution of goods to Quarantine Centres and maintenance of registers at Manicaland Provincial Social Welfare Office. One individual was responsible for the maintenance of the Provincial Office cashbook, cash receipt books and payment of bus fares to inmates who would have been discharged from quarantine centres.*

4.14.2 In explaining the measures taken to address the issue of segregation of duties at Manicaland Provincial Social Welfare Office, the Ministry officials indicated that they had appointed another accounting assistant at the Manicaland Provincial Office. The officials submitted that they were working with the human resources department to make sure that all the vacant positions are filled in across the Ministry so as to improve on internal controls. With regards to supervision, the Ministry confirmed that the Provincial Social Welfare Officer was the head of the Province and was charged with ensuring that work is checked at that senior level.

4.14.3 Committee's observation

There is need for the recruitment of more staff in the Ministry of Public Service, Labour and Social Welfare to enable it to assign the different duties to different individuals.

4.14.4 Recommendation

The Public Service Commission should facilitate the recruitment of additional staff in the Ministry within 180 days of tabling of this Report.

DONATIONS (Donations Registers and other Records)

4.15.1 At most centres visited, the AG observed non-maintenance of donations registers and inaccurate registers such that she could not satisfy herself whether the donations reached the intended beneficiaries. Below are some of the specific cases:

Joshua Mqabuko Nkomo Polytechnic was identified to be a Quarantine Centre and there were refurbishments that had to be done. An examination of the records showed that the Quarantine Centre, received two consignments of donations of plumbing materials amounting to \$300 133 in May and November 2020 from How Mine for infrastructure refurbishment. However, the institution did not maintain a register to record and account for the donations.

4.15.2 Magamba Quarantine Centre did not maintain a COVID19 response donations register to facilitate proper accountability. Instead, a file for the issue vouchers for donations was being maintained by the officer responsible for receipting and distribution of COVID19 response items. There was no evidence of review of the documentation by an independent official.

4.15.3 Plumtree Quarantine Centre did not record a donation of (4) four bales and (6) six sacks of clothing as was reflected on issue voucher number 451371H from the Department of Social Welfare Head Office, Harare. Furthermore, the distribution list of the items to beneficiaries was not available for audit inspection.

4.15.4 Esigodini District Social Welfare Office did not maintain an updated register of donations. As a result, the AG was unable to determine the accuracy of stock records of the donated Covid-19 items as there were variances between figures on the issue voucher numbers 396220 and 9455944E and the subsequent entry of the same in the donations register .

4.15.5 Manicaland Provincial Social Welfare Office did not maintain a separate register for the COVID19 response donations. The donations were recorded together with items received from the Head Office or procured by the Province. This caused confusion in tracking movement of the items.

4.15.6 The Ministry officials submitted that most of the centres did not maintain donations registers due to lack of adequate staff knowledgeable about assets maintenance which includes donations. They argued that most of the quarantine centres had been opened with thin staff and some duties had been assumed by non-administration staff. The Ministry officials did not submit records for the Joshua Mqabuko Nkomo Quarantine Centre indicating that items valued at \$300 133 had been eventually recorded in the registers. Proof of records prepared after the audit and the lists of beneficiaries of the clothes at Plumtree Quarantine Centre were also not submitted to the Committee by 3 September as promised.

4.15.7 Committee's observation

The issue of incompetent staff may not be a genuine reason advanced by the Ministry. However, if it is genuine, the issue should be addressed.

4.15.8 Recommendation

The forensic audit recommended earlier on should cover the issue of donations with the Auditor General giving recommendations for her findings.

PROCUREMENT OF GOODS AND SERVICES (Procurement Plan)

4.16.1 Manicaland Provincial Social Welfare Office was tasked with the responsibility of procuring groceries for eight (8) Quarantine Centres in the province where COVID 19 inmates were accommodated. A sample of documents reviewed revealed that groceries worth \$2 998 078 were procured from April 2020 up to the time of the audit in December 2020. There was no evidence that the Provincial Office developed a procurement plan for the goods that were to be procured for the Quarantine Centres

4.16.2 The Ministry officials attributed the absence of a procurement plan by arguing that Covid 19 had been an emergency which did not afford them time to plan. They submitted that procurement of goods was based on budgets submitted to Treasury and allocations that were subsequently made. They undertook to ensure that in future procurement plans would be prepared as Provincial Social Welfare Offices had been requested to come up with these plans.

4.16.3 Committee's observation

In the absence of a procurement plan, the Ministry officials procured goods haphazardly. As a result, there is no guarantee that the goods they procured were of the right quality and quantities and this can be construed as a deliberate destruction of an audit trail in order to embezzle the goods acquired outside proper procedures.

4.16.4 Recommendation

The Ministry should prepare procurement plans for all the purchases done in retrospect within 60 days of tabling this Report.

STORES MANAGEMENT

4.17.1 The stores register at Plumtree Quarantine Centre was not being reviewed by a senior officer to identify and mitigate errors. After a physical count of items recorded in the stores register, a variance was noted where the register indicated a running balance of 168 kilograms against 88 kilograms as per physical count resulting in a shortfall of 80 kilograms of sugar which could not be explained.

4.17.2 Makonde Quarantine Centre was also not properly maintaining stores records as evidenced by the following anomalies:

- I. There was a variance of fifteen (15) between the quantity recorded on the stock card of forty (40) and the physical count of fifty-five (55) on baby pampers.
- II. Two boxes with various children's toys and one mosquito net were not recorded in the register on the date of audit
- III. There were inconsistencies on the quantities of the food items that were issued to the kitchen from the stores.
- IV. The number of staff members and people quarantined at the centre varied each

day, but the centre did not consider this factor when it issued out the food items to the kitchen. In some instances, the same quantities were issued out when there were no people quarantined at the centre. In addition, there was no evidence to show that the registers were being checked by a senior official or any delegated person.

4.17.3 *The AG further observed that 255 blankets and 580 kilograms of mealie meal that were issued to Mushagashe Quarantine Centre were not recorded in the goods received register. As a result, accountability for the items could not be validated.*

4.17.4 The Ministry officials submitted to the Committee that investigations on the variances could have been conducted at Provincial level but admitted that Head Office did not have the Report. Like the other documents the Ministry undertook to provide nothing had been received when this Report was concluded.

4.17.5 Committee's observation

The variances are a serious cause of concern as they are prevalent and can not be treated as errors in the absence of well-maintained records. In such cases there is reasonable suspicion of theft.

4.17.6 Recommendations

1. The Ministry of Public Service, Labour and Social Welfare should submit a Report on the investigation of the variances to the Public Accounts Committee within 60 days of tabling this Report. The Report should also include action taken against officials guilty of misconduct.

2. Supervisors should conduct spot check at regular intervals.

CASH RECORDING AND MANAGEMENT

4.18.1 *The AG observed that the Zvishavane District Social Welfare Office did not receipt or record cash received during the period June 9, 2020 to November 29, 2020 amounting to \$483 730. Acquittals for the money were said to have been sent to the Provincial office without retaining some copies at the District office. As a result, it was difficult to ascertain whether the amounts so received were properly brought to account.*

4.18.2 *Also Manicaland Provincial Social Welfare Office did not receipt cash amounting to \$30 000 received from the Head office between May 20, 2020 and November 25, 2020 for bus fares to vulnerable quarantined returnees.*

4.18.3 Failure to follow procedures for receipting, recording and disposal of cash was attributed to the use of non-accounting officers in undertaking the duties. The Ministry officials reiterated that at provincial level, a human resources officer ended up performing accounting and administrative duties which was not a normal arrangement.

4.18.4 Committee's observation

The recording of cash is a simple exercise which can be done by no accounting personnel.

4.18.5 Recommendation

ZRP and ZACC should institute investigations on this matter within 180 days of tabling this Report.

FUEL MANAGEMENT

4.19.1 *The Auditor General observed that Mashonaland Central Provincial Social Welfare Office issued 780 litres worth of fuel coupons without supporting fuel requisitions for the period under review.*

4.19.2 The Ministry officials submitted that the Provincial Social Welfare Officer had been advised to use a standard requisition form instead of the one that was being used. The old form was reported to have caused some confusion between requests for fuel and requests for vehicle use.

4.19.3 The Committee requested for the list of beneficiaries and purpose for which the fuel had been used for and the Ministry officials undertook to provide this information later arguing that Head Office did not have the information as it was kept at the Provincial office. The Committee was advised that provincial offices kept these records in the spirit of devolution and they were audited.

4.19.4 Committee's observation

Failure by the Ministry to submit to the Committee a list of beneficiaries and the purpose for which the fuel had been used is construed as an attempt to conceal theft of fuel.

4.19.5 Recommendation

1. ZRP and ZACC should institute investigations on this matter within 180 days of tabling this Report.

2. In future all fuel coupon issued should have supporting fuel requisitions

EXPENDITURE MANAGEMENT (Use of Funds on non-prioritised COVID19 related Costs)

4.20.1 *The Auditor-General (AG) observed that funds amounting to \$581 945 were disbursed for refurbishment of Gweru Infectious Diseases Hospital through the Municipality of Gweru in order to mitigate the spread of COVID19 disease. The Department of Public Works in Midlands Province was tasked to carry out all the procurement processes on behalf of the Municipality. AG's concern was that these funds were redirected to refurbish Mkoba I Clinic and there were no supporting documents and progress reports to support usage of the funds. Consequently, the Hospital remained not fully equipped thereby rendering it unsuitable to fight the COVID19 pandemic.*

4.20.2 *AG also noted that Public Sector Investment Programme (PSIP) project funds amounting to \$796 817 which had been allocated to Chipinge District Hospital Isolation Centre were used by Manicaland Provincial Public Works Department without the Accounting Officer's authority, to settle a cost overrun at Victoria Chitepo Provincial Hospital Isolation Centre. There was also no evidence that the*

hospitals were advised of the funds which were disbursed to the Provincial Public Works for Isolation centre preparation works.

4.20.3 The Ministry officials explained that they were almost completing Victoria Chitepo Hospital which was the only isolation centre in the Province and there was need to pay a contractor so that the centre would be functional. They hoped that with the next release of funds, they would offset the expenses at Chipinge Hospital. The Committee was informed that the works at Chipinge District Hospital that had been earmarked for the first phase had been completed. The officials stated that regularisation of the re-directed funds had been done orally and there was need for the Accounting Officer to properly regularise it. In that regard, the Ministry's internal auditors had been asked to double check the transactions so that the Accounting Officer would decide on the condonation of the redirected funds accordingly. This exercise was expected to be completed within a week after the oral evidence with the Committee.

4.20.4 *The Auditor-General further observed that out of funds totaling \$4 600 000 disbursed for refurbishment of Gweru Infectious Diseases Hospital, an amount of \$1 305 681 was still unused. This amount had been earmarked for the purchase of a standby generator around August 18, 2020 and by the time of audit, on December 8, 2020, the generator had not been acquired. Her concern was that the funds were lying idle and losing value through inflation while the process to acquire the generator was taking long.*

4.20.5 The Committee sought an explanation for on why \$1 305 681 remained unutilised despite there being refurbishments that were required at Gweru Infectious Disease Hospital. In response the Ministry officials submitted that the funds were meant to procure a backup generator for the Hospital. They highlighted that there were challenges with the selected supplier who had provided a generator which did not meet the required specifications. The Provincial Office had asked for a correct generator but the supplier was battling to provide it and the procurement process had had to be restarted in order to identify an alternative supplier.

4.20.6 Committee's observations

- 1. *The use of funds on non-prioritized Covid 19 costs may have been for a noble cause. However, officials must at all times operate within the legal framework. In this instance, authority should have been sought.***
- 2. *On the planned acquisition of a generator, the Ministry should have sought for 3 quotations. Failure by the first supplier to supply the generator should have led to the Ministry resorting to second supplier.***

4.20.7 Recommendation

The Accounting Officer should regularise the expenditure and evidence of the regularisation should be submitted to the Committee within 30 days of tabling of this Report.

UTILISATION OF COVID19 FUNDS

4.21.1 *An amount of \$41 528 was incurred towards maintenance of staff houses at Mutimurefu Prison under Ministry of Justice, Legal and Parliamentary Affairs using COVID19 donated funds deposited into the State Occasions Account.*

4.21.2 The Committee sought an explanation on whether the maintenance of staff houses at Mutimurefu Prison under Ministry of Justice, Legal and Parliamentary Affairs using COVID-19 response budget had been properly authorised. The Ministry officials requested for time to consult the Ministry of Justice, Legal and Parliamentary Affairs and the Provincial Works Director for Masvingo in order for them to give the correct position as they did not have the facts of the matter then. However, they admitted that as a matter of principle, the expenditure on staff houses had not been proper unless the Provincial Development Coordinator had authorised it as a temporary measure before rectifying the expenditure.

4.21.3 Committee's observation

The Committee's observation was that the Ministry officials had not followed up on the matter as they had undertaken during their submission of oral evidence to the Committee.

4.21.4 Recommendation

The Ministry of Local Government and Public Works should make a follow up on the issue of authorization and submit the response to the Auditor General for verification within 30 days of tabling of the Report.

MAINTENANCE OF QUARANTINE CENTRE BUILDINGS

4.22.1 *The Midlands Provincial Public Works Department invested a total sum of \$983 657 towards the rehabilitation of Torwood Hospital Quarantine Centre. The project was reported to be 78.6% complete at the time of audit. A physical inspection of maintenance work carried out at the hospital on December 10, 2020 showed that although some plumbing and electrical installations had been done, the hospital was not yet ready to be used for the intended purpose as there was no running water. Painting of the building was required and some of the items fitted like tapes and electrical equipment were susceptible to theft due to inadequate security.*

4.22.2 *The Auditor-General noted that Ministry of Public Service, Labour and Social Welfare did not have a clear decommissioning policy that ensures that sites are restored to their original state upon closure of a quarantine centre. The case in point is Vuti High School in Mashonaland West Province that was owed \$138 593 for the damages done to the school infrastructure by the people who were in quarantine. The money had been outstanding since the closure of the quarantine centre in June 2020. However, the Ministry of Public Service, Labour and Social Welfare indicated that the Ministry of Local Government and Public Works was responsible for all restoration works and crafting of the decommissioning policy*

4.22.3 Responding the Committee's request for an update of the work done to ensure that Torwood Hospital was brought to its intended use, the Ministry officials stated that rehabilitation of Torwood Hospital was still at 78,6 % complete pending the release of funds required to complete the project. It was submitted that additional work had been

done after the audit and this included painting of the structure, drilling of a borehole and installation of the necessary equipment.

4.22.4 On whether the Ministry had a decommissioning policy, the Ministry officials acknowledged the observation that a quarantine centre should be restored to its status or even better after its use. They however referred to a tussle between the Ministry and that of Public Service, Labour and Social Welfare in relation to the maintenance of quarantine centres. The Committee was informed that the Ministry of Local Government and Public Works' understanding was that whenever they are given a job by a Ministry, after doing the job it was expected that the requesting Ministry should manage the institution and when there is change of use and a Ministry requires services to restore the structure to its original use, that Ministry should alert the Ministry of Local Government and Public Works so that resources can be made available for that purpose.

4.22.5 Committee's observation

The Committee observed that the Ministry of Local government and Public works did not have a policy decommissioning policy to follow and there was no proper coordination with the Ministry of Public Service, Labour and Social Welfare in their work.

4.22.6 Recommendations

1. The two Ministries must coordinate their work and ensure that a decommissioning policy is formulated within 30 days of tabling of this Report.

2. The Ministry of Public Service, Labour and Social welfare should always admit inmates after all the facilities at a quarantine centre are in place.

MANAGEMENT AND REHABILITATION OF ISOLATION CENTRES (Status of Isolation Centres)

4.23.1. *The Auditor-General noted that Manicaland Province had four (4) hospitals which were identified to provide isolation services and treatment facilities to COVID19 positive persons. Out of the four (4) Isolation Centres identified, Victoria Chitepo Provincial Isolation centre was the only centre whose rehabilitation and equipping works had been completed and was fully operational as at December 12, 2020. Progress of rehabilitation at the other three (3) isolation centres was delayed by at least fifty-eight (58) days due to the failure to supply equipment by companies contracted by your Ministry.*

4.23.2 *The AG observed that out of the targeted ten Isolation Centres (253 bed capacity) in Masvingo Province, six Isolation Centres (179 bed capacity) had been completed and operational. Construction and refurbishment works for four Isolation Centres (74 bed capacity) were still outstanding. She also noted that as of December 4, 2020 the construction of the COVID19 Intensive Care Unit that started on May 15, 2020 had exceeded its planned timelines of September 15 by three months. Essential items such as beds, theatre equipment, tables, and ventilators among others. had not been procured at the hospital. Only ten ventilators had been donated for the ICU.*

- 4.23.3 *At Ndanga District Hospital an existing female ward was converted into an Isolation Unit and refurbishment works started on May 15, 2020 and should have been completed by September 15, 2020. Costs incurred as at December 9, 2020 amounted to \$581 481, however, the Isolation Centre was not operational due to outstanding works that included fencing, toilets and showers, installation of taps, water back up, procurement of oxygen gas pipe and installing an epoxy floor and there were no beds for the whole unit.*
- 4.23.4 *Construction and refurbishment works for Chivi and Bikita Isolation Centres which started on May 15, 2020 were expected to have been completed by August 15, 2020. As at December 10, 2020 the projects had not been completed.*
- 4.23.5 *Although major construction works for Gutu Mission Hospital Isolation Unit had been completed and operational, the donning and doffing rooms were not properly constructed due to unavailability of building materials. People passing by could see staff changing and flooring had not been done making it difficult to clean and contain the spread of the virus. Installation of the oxygen pipe had not been done because the equipment had not been procured.*
- 4.23.6 *The AG observed that as of December 12, 2020 a total of \$23 100 000 had been disbursed to Manicaland Provincial Public Works for rehabilitation works at Victoria Chitepo Provincial Hospital, Nyanga District Hospital, Mutare Infectious Diseases Hospital and Chipinge District Hospital Isolation Centres. However, medical gas piping, plumping and furnishing of the hospital was still outstanding.*
- 4.23.7 *In explaining the root causes of the anomalies outlined above, the Ministry officials indicated that a contractor had taken too long to complete works on air ventilation and medical gas since there were components that were being imported from South Africa especially the man holds. The Committee was informed that work had eventually been completed at all the three isolation centres (V. Chitepo, Nyanga and Chipinge) including Mutare Infectious Hospital and the centres had been handed over to the Ministry of Health and Child Care for use. For Chivi Hospital, the Ministry officials submitted that the major sponsor had been Tongaat Hulett and there had been a delay in the provision of materials. Given the delays the Ministry had to request for additional funds from Treasury and all the work under that phase had been completed by 31 March 2021. For Bikita Hospital, a donation had been secured from Bikita Minerals and additional funding from Treasury had complemented the donation and the work had also been completed by 31 March 2021.*

4.24.8 Committee's observations

- 1. *The Committee noted that there was serious mismanagement of funds as goods intended were not purchased in time. In addition, there was no follow up done by supervisors to ensure that tasks were performed by the junior officers.***
- 2. *Donations received have to be utilised effectively carefully in order to retain the confidence of the donors.***

4.24.9 Recommendation

The Ministry of Local Government and Public Works should institute disciplinary action within 60 days of tabling of this Report, against officers who were negligent in discharging their duties.

ADVANCE PAYMENTS

4.24.1 *Section 97 (3) of the Public Finance Management (Treasury Instructions), 2019 prohibits the use of advance payments unless advance payment guarantees are furnished. The AG noted that the Midlands PDC's office made payments amounting to \$113 511 on the basis of quotations prior to delivery of goods.*

4.24.2 The Ministry officials highlighted that advance payments were made because there was need for urgent procurement. They explained that OK Zimbabwe and some hotels would only deliver commodities after payment had been made and assured the Committee that in future the Ministry would comply with the laid down procedures by ensuring that procurement for Public Sector Investment Projects have advance payment guarantees signed or that payments are made after deliveries have been made.

4.24.3 Committee's observation

The advance payments made by the Midlands Provincial Development Coordinator's (PDC) Office were in violation the Public Finance Management Act as advance payments guarantees were not availed to the Auditor General and the Committee.

4.24.4 Recommendation

The Accounting Officer must censure the officials who made the payment in violation of the Act within 30 of tabling this Report.

VIOLATION OF TENDER PROCEDURES

4.25.1 *The Auditor-General noted that Mashonaland Central Provincial Public Works Procurement Management Unit, flouted tender procedures when it procured building and electrical material for the rehabilitation of Mvurwi hospital. The Province used competitive quotes method when it awarded tenders. The values of tenders awarded were above the competitive quotation limit of \$350 000. No minutes were provided to show that a properly constituted committee sat and adjudicated the bids*

4.25.2 *Furthermore, the Midlands Provincial Development Coordinator's (PDC) Office did not source the mandatory three (3) quotations when chickens valued at \$16 235 were purchased from Flowell Farming.*

4.25.3 The Ministry officials argued that the procurement for \$ 350 000 had been conducted in line with Statutory Instrument No. 291 of 2020 whose threshold had been revised to US\$ 10 000 an equivalent to ZWL 840 000. They however admitted that tenders awarded were not procured to the best advantage of the Government in the absence of quotations and adjudication

4.25.4 The Ministry officials indicated that the Ministry would write to the Midlands Provincial Development Coordinator's Office to ensure that in future, the laid down procedures are followed. They attributed the failure to follow procedures to urgent

nature of the procurement during a period of crisis where established companies were not ready to deliver the chickens before payment was done and the Office had negotiated with the particular supplier

4.25.5 Committee's observation

The Midlands PDC's office violated procurement procedures by procuring chickens without sourcing of three quotation.

4.25.6 Recommendation

The Accounting Officer must censure the officials who violated the procurement requirement in terms of the Act. Evidence of the disciplinary action taken should be submitted the Public Accounts Committee within 60 days of tabling this Report.

MAINTENANCE OF FUEL REGISTER

- 4.26.1 *At Manicaland Provincial Development Coordinator's office, the Auditor-General observed that a total of 2 154 litres of fuel was said to have been utilised for COVID19 response errands between May 11, 2020 and June 23, 2020. However, 1 954 litres of the fuel utilised was not supported by evidence such as copies of vehicle log books. The fuel register did not also indicate whether the fuel consumed was petrol or diesel and issuing officer was not signing.*
- 4.26.2 *She observed that Manicaland Provincial Development Coordinator's office received two Trek fuel cards each uploaded with 2 500 litres of fuel. The Provincial office used card number 2675002063 for fuelling both petrol and diesel vehicles. A circular from Head office referenced Y/CP/28/1 dated May 8, 2020 requested that a proper running balance be kept. Contrary to this, fuel's running balances could not be verified with accuracy as the fuel issued was not recorded in a sequential and consistent order.*
- 4.26.3 *The opening balance of fuel on June 15, 2020 was 2 792 litres worth \$69 609. The goods receipt voucher for the fuel card allocated to the Provincial office was not availed for audit. The AG could not therefore confirm if the quantities recorded were correct.*
- 4.26.4 *According to a letter dated October 2, 2020 written to Head office by the Manicaland PDC, fuel valued at \$60 387 could not be accounted for as at September 30, 2020. Fuel had last been accessed through Trek cards number 26750020633 and 26750020641 on June 23, 2020. The AG was not furnished with the preliminary investigation report conducted at Manicaland PDC's office neither was there evidence of follow up by Head office regarding the deficiency on the fuel cards.*
- 4.26.5 *The Ministry officials explained the root cause of anomalies relating to the maintenance of fuel registers at Manicaland Province by indicating that when transacting the Ministry had noted that the Trek cards were not in quantity form as had been indicated on the vouchers from Head Office but in monetary values. On the fuel valued at \$30 387, the Committee was informed that that a special audit had been commissioned to carry out thorough investigations and the report had not yet been submitted. On fuel registers the officials acknowledged the Auditor General's observation and stated that the registers were being maintained using the same card for fuels. It was submitted that*

going forward separate registers would be kept for diesel and petrol. On log sheets the officials indicated that these had been requested from the users of vehicles issued with fuel and the log sheets had been compiled.

- 4.26.6 The Committee requested the Ministry to submit receipts vouchers for 2 795 litres worth \$ 69 609 being the fuel card allocated to Manicaland Province. The Ministry officials submitted that the Ministry would check on the fuel receipt vouchers and submit them to the Committee. The requested receipt vouchers were never submitted to the Committee.
- 4.26.7 In response to a question on action taken on fuel valued at \$60 387 that could not be accounted for at Manicaland PDC's Office, the Ministry officials stated that the discrepancy had been noted and a special investigation audit had been carried out in August 2021 and the report was still pending.
- 4.26.8 Asked to explain the mechanisms that had been put in place to ensure that Matabeleland South Provincial Development Coordinator's Office obtains value for money on fuel paid for, given the volatile price changes of the commodity, the officials highlighted that the fuel had been a donation of 50 000 litres on the cards. They expressed regret that not more than 15 000 litres had been drawn and Matabeleland Province had ended up surrendering the cards because of failure to access the fuel since Trek was emphasizing on the fuel denominated in United States dollars.

4.26.9 Committee's observation

The Committee noted that there was lack of accountability in that officials could not even account for the fuel in monetary form. There might have been an ulterior motive for not signing for the fuel issued.

4.26.10 Recommendations

1. The Ministry of Local Government and Public Works must submit the report of the investigations to the Auditor General and Accountant General within 30 days of tabling of this Report.

2. The Ministry of Local Government and Public Works should institute disciplinary action on officials found guilty of any form of misappropriation.

INTERNAL CONTROLS (Segregation of Duties)

4.27.1 *The Auditor-General observed that there was no separation of duties in the preparation of Temporary Deposit (TD) account reconciliations at the offices of the Midlands Provincial Development Coordinator, Midlands Provincial Public Works and Midlands Provincial Medical Director during the period between April to December 2020. The monthly bank reconciliation statements availed for audit showed that total deposits of \$936 000, \$13 817 171 and \$4 500 000 respectively were received, however they did not provide significant evidence for the doer-checker mechanism, as such reconciliations were only actioned by one person (preparer) and not reviewed by a higher authority.*

4.27.2 The officials submitted that during the lockdown period Ministries had been directed to reduce personnel to levels of 50%. He indicated that the internal controls were now

being maintained and supervised since the restrictions had been relaxed and about 90% of the workforce was now reporting for duty.

4.27.3 Committee's observation

The Committee observed that failure to follow procedures is an act of misconduct and stresses that proper procedures should always be followed.

4.27.4 Recommendation

The Ministry of Local Government and Public Works should submit an arrangement that will ensure that in future procedures are followed even under difficult circumstances such as Covid 19 restrictions.

4.28.1 Masvingo Provincial Development Coordinator's Office received 5 000 litres of diesel for use in the fight against COVID19 pandemic. The fuel was issued on the basis of verbal authority contrary to using authorized fuel requisitions.

4.28.2 The Ministry officials submitted that the issue was worrisome and requested the Committee for time in order to look into the matter and give an appropriate answer after verifying the transaction. They admitted that transacting business in Government through verbal instructions was not a standard practice.

4.28.3 Committee's observation

The Committee noted that by admitting that Government business is not transacted through verbal instructions, the officials acknowledged wrong doing on the part of the Masvingo PDC's Office.

4.28.4 Recommendation

The Zimbabwe Anti-Corruption and Zimbabwe Commission and Republic Police should within 60 days of tabling of this Report institute investigations into this matter.

4.29.1 The Midlands Provincial Development Coordinator's (PDC) Office received fuel as COVID-19 donations. In addition, the Ministry of Local Government and Public Works Head Office also provided 2 500 litres of petrol and 2 500 litres of diesel towards the same cause. The total amount of fuel was 4 700 litres of petrol and 7 469 litres of diesel. However, there was no evidence that the issuances of all these resources were authorized by a senior official according to the requirements of the fuel requisition forms.

4.29.2 On whether the Ministry had verified that 4 700 litres of petrol and 7 469 litres of diesel issued at the Midlands PDC's Office was utilised for the authentic Covid 19 related activities the officials submitted that Midlands Province had some challenges in terms of manpower at director and deputy director level as these had not been appointed. They stated that the PPWD was overwhelmed with duties. On the reasons for the vacant posts the officials explained that appointment of staff to commissioned posts rested with the Public Service Commission which they constantly reminded of the vacant posts through periodic reports that were submitted through the human resources department.

4.29.3 Committee's observation

The Committee observed elements that raise suspicion of misappropriation on the part of the officers in the absence of proof of authorization by senior officials.

4.29.4 Recommendation

The Zimbabwe Anti-Corruption Commission and Zimbabwe Republic Police should within 60 days of tabling of this Report institute investigations into this matter.

DONATIONS (Donations Registers and other Records)

4.30.1 *The Auditor-General appreciated the effort made by the administration to keep a record of issue vouchers for received donations and issues done to Districts, except for fuel, all other information for donated items was entered on separate stock sheets. However, Mashonaland West Provincial Development Coordinator's Office did not maintain a composite register for all goods donated.*

4.30.2 *The Department of Civil Protection donated to Bindura Provincial Hospital through issue voucher number 517845H dated November 13, 2020, 20 boxes of one plus month pack and 10 packets of one plus combo meal meant for discharged COVID19 patients. However, the donated goods had already passed the expiry date of October 09, 2020. Unnecessary transport costs were incurred transporting the expired goods from the Head Office as the goods were eventually condemned and destroyed.*

4.30.3 *The Auditor-General was unable to determine whether the donated COVID19 items issued by Chikurubi Maximum Prison to Gwanda Prison were properly accounted for due to variances and inaccuracies in the stock records presented. There were variances between figures on issue voucher number 35 from Chikurubi Prison and the subsequent entry of the same in the Gwanda Prison stock cards.*

4.30.4 *The Ministry officials acknowledged the anomalies relating to donations in Mashonaland West Provincial Development Coordinator's Office promised that correct account for the donated goods at national, provincial and district level would be kept given that almost 90% of staff were now reporting for duty. It was submitted that the Ministry had come up with a template which would be used to record the donations. On donations whose shelf life had expired, he indicated that the Ministry would in future not accept such goods and admitted that the euphoria with receiving donations had in the past overshadowed the need to look at the nitty gritty such as the shelf life of goods.*

4.30.5 *On whether Chikurubi Prison officials had investigated or inquired on the cause or source of the variances observed by the Auditor General, the Ministry officials submitted that they were looking into the variances with a view to checking and verifying whether the donations were properly accounted for. They explained that the verification exercise was not only being conducted for Chikurubi Prison but for all institutions that had received donations.*

4.30.6 Committee's observation

The Ministry officials admitted to the anomaly and undertook to develop a template for recording donations. Seriousness in addressing the audit observation must be demonstrated by developing the template.

4.30.7 Recommendation

The Ministry of Local Government and Public Works should develop a template for the donations and submit the copy to the Auditor General and the Public Accounts Committee within 30 days of tabling of this Report.

COVID19 VICTIMS DONATIONS ISSUED TO STAFF

4.31.1 *At Mashonaland West Provincial Development Coordinator's Office, from the two tonnes of mealie meal donated by World Food Program (WFP), three hundred and fifty kilograms (350 kg) were issued to staff members and also out of the 359 cases of cooking oil donated, eighty-four (84) litres were given to staff over and above the \$900 worth of grocery allowances that staff were receiving. The authority to issue the donations to members of staff was not availed for audit examination.*

4.31.2 The Committee requested the Ministry officials for proof of authority granted to staff at the Mashonaland West Provincial Development Coordinator's Office to collect goods that were meant for the vulnerable people during the Covid 19 pandemic. In response to that request the officials could not provide the authority. They indicated that the anomaly had been noted and that action would be taken against those who had committed an offence. To mitigate against possible loss of donations through pilferage, the Committee was advised that the Ministry would ensure that donated items are declared to a higher structure for example Head Office to avoid double dipping.

4.31.3 Committee's observation

The distribution of donated goods to staff was done without the appropriate authority.

4.31.4 Recommendation

The Ministry of Local Government and Public Works should submit a report on the disciplinary action taken against officers who committed an offence by distributing goods to staff without authority.

5.0 CONCLUSION

5.1 This Report is a result of thorough scrutiny of the Auditor General's Report and oral evidence gathered from officials in the Ministries of Public Service, Labour and Social Welfare and Local Government and Public Works. The Committee's recommendations to the Ministries and those issues referred to the Zimbabwe Anti-Corruption Commission and Zimbabwe Republic Police should be taken seriously. Generally, the Committee was concerned about the laxity in maintaining records.