

MINISTRY OF FINANCE

ANNUAL PERFORMANCE REPORT

2012/2013

FINANCIAL YEAR

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VISION

To be a highly efficient and effective ministry that proactively addresses the needs of its stakeholders.

MISSION STATEMENT

To ensure macroeconomic stability in Swaziland by formulating and implementing fiscal and financial policies that optimize economic growth and improves the welfare of its citizens.

VALUE STATEMENT

The Ministry is guided by the following values:

- Excellence (punctuality, good customer service and quality service delivery)
- Professionalism (adherence to office etiquette and confidentiality)
- Integrity (honesty and transparency)

GOALS AND OBJECTIVES

- To improve revenue collection through efficiency and diversification
- To control public expenditure management through improved budgeting, internal control and monitoring
- To facilitate privatization and improve supervision of public enterprises
- To enhance service delivery and improve internal operations
- To improve the regulatory framework for the financial sector including the non-bank financial sector
- To regulate and control supply chain management practices (procurement, stores management and contract and supplier performance)
- To facilitate timely payment of government financial obligations

1. FOREWORD

After negotiating the worst of a severe liquidity crisis in 2010/11 and 2011/12, the Government has been offered a lifeline through higher Southern African Customs Union (SACU) receipts.

Revenues from SACU increased by nearly 150% from E2.9 billion in 2011/12 to E7.1 billion in 2012/13. This has enabled the Government to declare a small surplus of less than 1% of Gross Domestic Product (GDP) while clearing arrears and replenishing reserves that were heavily depleted during the financial crisis.

Passing a prudent and credible Budget for 2012/13 has allowed the Government to pay over E1 billion in arrears, clear the E660 million line of credit from the Central Bank and to increase reserves from 2.1 months of import cover in March 2012 to around 3.5 months at the end of January 2013. Revenues are broadly on track, despite slow collections on corporate and income taxes, thanks to the introduction of the Value Added Tax (VAT) in April 2012. This has increased collections by around E300 million compared to Sales Tax. Spending is broadly on target, with an expected savings forecast at around E500 million. Most will come from loan financed capital spending, which has been disbursed slowly and will not impact on the cash position. Around E100 million will come from recurrent, despite overspending on the Central Transport Administration (CTA) charges.

The wage and hiring freeze was extended into 2012/13 to keep the wage bill under control. After a nominal decrease in 2011/12, the wage bill is expected to grow by E200 million in 2012/13. There have been other benefits too. Lower relative wages and depreciation in the Rand/Lilangeni have helped boost exports, which are up by 20% year on year based on preliminary figures from the Swaziland Revenue Authority (SRA).

Despite the strong fiscal performance in 2012/13, challenges remain. Decisions to delay spending cuts in 2009/10 forced Government to increase domestic debt. As a result, domestic interest payments have increased from E37 million to nearly E142 million since 2010/11. The economy continues to under perform, with real growth forecast by the Central Bank at 0.7% in 2011 and 0.2% in 2012. We are also over-dependent on SACU to sustain high levels of spending, with the non-SACU deficit forecast at E6 billion (19% of GDP) in 2012/13 and E8 billion (24% of GDP) in 2013/14.

These challenges highlight the improvements that are needed to make the economy more competitive, improve public finance management systems and policy, and to remain prudent during SACU windfalls.

2. BUDGET AND ECONOMIC AFFAIRS SECTION

2.1 Budget execution and reporting

- 2.1.1 The Ministry issued the fourth quarter warrant for the recurrent budget according to the Commitment Plan introduced at the beginning of the year. This tool helped in aligning quarterly releases to available resources to avoid the mismatch between cash and commitments. The section continues to monitor the cash-flow situation by reviewing all planned commitments before orders are generated by the Treasury Department. As a result, projections for the 2012/13 financial year showed an improvement during the course of the year. However, there was some pressure exerted by arrears within some ministries, especially on utilities, that resulted in front-loaded spending.
- 2.1.2 The Ministry was able to present the Mid-Year Budget Statement in November 2012. It demonstrated that the 2012/13 Budget was highly credible. Overall, revenue projections are on target. On the spending side, the Ministry is forecasting savings of around E500 million, mostly due to under spending on (mostly loan financed) capital projects whilst goods and services are anticipated to under spend by less than E100 million. Overspending was recorded on interest payments emanating from higher domestic debt obligations that were incurred in previous years.
- 2.1.3 In order to correct for arrears and higher interest payments, the Ministry of Finance presented a Supplementary Budget to Parliament. This supplementary budget redistributes the existing allocations in the 2012/13 Budget and will not increase overall spending. It is projected that by the end of the year, the stock of arrears would have been reduced to around E400 million.
- 2.1.4 The section also prepared the 2013/14 budget between October 2012 and February 2013. A budget of over E13 billion was presented to Parliament on the third week of February and is due for deliberations.

2.2 Strengthening of the Public Finance Management

- 2.2.1 The section was able to complete the drafting of the Public Finance Management (PFM) Bill within the fiscal year. This Bill is scheduled for presentation to Cabinet before the end of the financial year. During the course of the year, we were also able to consult Principal Secretaries and Parliament's Finance Committee on the contents of the Bill.
- 2.2.2 The section has also partnered with the Treasury Department to review the Government's chart of accounts in order to improve the basis for monitoring and reporting expenditure, to prepare for a new integrated financial management system, and to set a platform for moving to international accounting standards.

2.2.3 The section was also represented in the Payroll Audit Committee, led by the Ministry of Public Service. To date, the preparatory committee has finalized the payroll framework and concluded on the budget of the exercise.

2.3 International Co-operation

2.3.1 The Ministry of Finance has hosted missions from a number of donors during the course of 2012/13, including the World Bank (WB), International Monetary Fund (IMF), African Development Bank (AfDB) and European Investment Bank (EIB).

2.3.2 Two government projects are receiving financing from the World Bank: one on local government strengthening and one on the HIV/AIDS and TB interventions. Recent missions focused on the implementation of these two projects that have started receiving funding from the Bank. The Bank also delivered a final report on delivering better social safety nets, a programme led by the Deputy Prime Minister's Office.

2.3.3 Two missions were received from the African Development Bank: one to conduct debt reconciliation and the other to participate in the LUSIP II donor's conference. The first mission worked with both the Ministry of Finance and the Central Bank to reconcile existing loans from the African development Bank. The second mission followed-up on implementation of ongoing projects financed by the Bank, including the recruitment of a resident Public Finance Management Specialist, the Economic Diversification Study and the development of a Transport Master Plan.

2.3.4 The European Investment Bank visited Swaziland in January 2013 to review progress on Phase I of the LUSIP I project and to gather more information on Phase II.

2.3.5 The IMF was invited by the Ministry of Finance to review the updated Fiscal Adjustment Roadmap and also assess the health of the non-bank financial sector. The five-day mission made recommendations to the Ministry, which are being considered with the relevant partners.

2.3.6 The Ministry attended the IMF/WB African Countries' Caucus meetings in Arusha, Democratic Republic of Congo (DRC) in August 2012. The objective of caucus meetings is to prepare a joint communiqué to the IMF Managing Director and the World Bank's President about pertinent issues affecting African countries. Issues raised in the 2012 Communiqué include: increasing representation of African countries on the board and among the staff of the two multi-lateral institutions; and providing additional support for growth-enhancing projects within the region (agriculture and energy were identified as key). The meeting also considered the general governance issues of the caucus meetings.

2.3.7 In September, the Ministry attended annual meetings of the IMF and World Bank that were held in Tokyo, Japan. African Ministers of Finance presented the Caucus report. Ministers were briefed on progress achieved by constituency offices and issues of governance of the two institutions were discussed. The Swaziland delegation also held side meetings on critical projects: a US\$14.6 million loan agreement between the Government of Swaziland and the Organization of Petroleum Exporting Countries (OPEC) Fund was signed; and the Kuwait Fund was briefed on the implementation of their lending portfolio in Swaziland.

2.4 External Debt and Deficit Financing

2.4.1 The Budget Department facilitated timely loan payments to multilateral and bilateral financial institutions. The Unit has also supported the signing of two loans that were passed by Parliament:

- The US\$37.9 million loan from the India Export-Import bank to finance the development and mechanization of agriculture in the country; and
- The US\$14.6 million loan from the OPEC Fund for International Development to support the LUSIP II project by providing portable water supply in the affected area.

3. FISCAL & MONETARY AFFAIRS SECTION

3.1 Creating an environment that promotes private sector development.

3.1.1 Development Approval Order (DAO).

3.1.1.1 As mandated by Section 69(2) of the Income Tax Order, 1975 the DAO Committee met and considered eight (8) new applications. Out of the eight applications, two were approved and five were not granted because they did not meet the requirements of this tax concession. One is still under consideration and it is expected to be finalized during the first quarter of the next financial year.

The Committee also held various meetings with a view of developing a strategic plan that will guide its mandate. This exercise is aimed at coming up with recommendations for reviewing the DAO incentives in order to enhance its effectiveness in attracting investment that will contribute positively towards the upliftment of the country's economy. The exercise is expected to be finalized during the final quarter of the current financial year.

3.1.2 Tax Information Exchange Agreement (TIEA)

3.1.2.1 Cabinet approved that the Government of the Kingdom of Swaziland enter into a

Tax Information Exchange Agreement (TIEA) with the Isle of Man. Following the initialing and approval by the Attorney General of a draft Agreement between the Government of the Kingdom of Swaziland and the Government of the Isle of Man for the exchange of information relating to tax matters, Cabinet approved that the two parties formalize this arrangement by signing the agreement. However the agreement has not yet been signed by the two parties as the agreement is awaiting finalization by the Ministry of Foreign Affairs and International Cooperation. Conclusion of this Agreement is targeted for the first quarter of the 2013/14 financial year.

3.1.3 Double Taxation Avoidance (DTA)

3.1.3.1 Double Taxation Agreements (DTAs) facilitate information sharing between the countries that have concluded the Agreement. They also provide for assistance in recovery of tax. DTAs are negotiated by a team of Officials from the Ministry of Finance and the Swaziland Revenue Authority (SRA). The Ministry of Finance has received proposals for the negotiation of DTAs from Gabon, the United Arab Emirates (UAE), Palestine, Portugal and the Republic of Mozambique. We have concluded the DTAs with the Kingdom of Lesotho, Seychelles, and Botswana.

The DTA team has been working on updating the Swaziland DTA model to align it to international standards. The team has been meeting every Friday to go through the country's model by using other models, like the United Nations (UN), the Common Market for Eastern and Southern Africa (COMESA), the Organization for Economic Co-operation (OECD), and the Southern African Development Community (SADC) models as benchmarks. The new Swaziland DTA Model has since been completed and will soon be presented to Cabinet for approval.

3.1.4 Import Permits

3.1.4.1 The Ministry continued hosting the Import Permit Committee meetings which sit weekly to consider applications for import permits for goods imported into Swaziland from countries outside the Southern African Customs Union (SACU). The Committee considered 558 applications. Of these applications, 494 import permits valued at E83.93 million were issued and the rest were rejected for not meeting the exemption requirements.

3.2. Contributing to the regional integration initiatives.

3.2.1 During the quarter the Ministry participated in a number of regional meetings under SACU and SADC.

3.2.2 During the period under review the Ministry successfully hosted the 27th SACU Commission and 30th SACU Council of Ministers meetings which were held at Ezulwini on the 17th – 21st September 2012. These meetings followed the SACU

Ministerial Retreat which was held in Windhoek, Namibia which was attended by all Member States. The Retreat provided an opportunity for Ministers to reflect on the internal issues currently facing the Organization in its efforts to implement the new SACU Work Programme and promote economic development across the SACU region.

- 3.2.3 Following the decision by Summit that the 2002 SACU Revenue sharing formula be reviewed, all SACU Member states were requested to submit proposals on how SACU revenues can be collected and shared. All SACU Member States including Swaziland submitted their proposals to the Secretariat in the last quarter of 2011/12. However, all the formulae submitted by Member States failed to meet certain criteria like being stable in the event more Member States join SACU and as such Member States were urged to revise their formulae and resubmit to the Secretariat before the end of February 2013.
- 3.2.4. SACU Member States are in the process of developing an annex on the Permanent Arrangement for the Management of the SACU Common Revenue Pool. This will entail among other provisions the opening of a special account to be used to deposit all customs and excise duties collected in the Union which would be a significant shift from the current arrangement where these duties are paid into South Africa's consolidated Fund. It has been agreed that Member States must use the Draft Annex developed by SACU Legal Experts and Senior Finance Officials for the process of national stakeholder consultations.
- 3.2.5 The Protocol on Finance and Investment (FIP) seeks to foster harmonization of financial and investment policies of the State Parties in order to make the protocol, consistent with objectives of the Southern African Development Community (SADC) and ensure that any changes to financial and investment policies in one State do not necessitate undesirable adjustment in other states. Swaziland signed the Finance and Investment Protocol (FIP) on 18th August 2006 and on 27th September 2012 ratified the FIP, it deposited its instrument of ratification in October 2012. In order to fully understand the implications of the FIP on member states a number of learning platform have been formulated by the SADC Unit in which Swaziland has participated.

3.3. Maintaining a sound financial regulatory framework for the country's financial sector.

3.3.1 Financial Services Regulatory Authority (FSRA)

- 3.3.1.1 The Financial Services Regulatory Authority (FSRA) is now operational. The office has assembled a working group to create regulations that will assist in regulating Savings and Credit Cooperatives (SACCOs) since it was flagged by the the International Monetary Fund (IMF) that our SACCOs are faced with governance problems. The draft SACCO Regulations Bill was presented to stakeholders on the 21-22 February 2013.

3.3.2 Anti-Money Laundering and Combating of the Financing of Terrorism (AML/CFT)

3.3.2.1 In an endeavor to fight against Money Laundering and Terrorist Financing the Ministry has put in place the Board of Directors of the Swaziland Financial Intelligence Unit (SFIU) which will give direction to the SFIU an autonomous central national agency responsible for receiving, requesting, analyzing and disseminating to competent authorities disclosures of financial information in order to counter money laundering and financing of terrorism.

3.3.2.2 The ESAAMLG Secretariat hosted the 24th Task Force of Senior Officials and 12th Council of Ministers Meeting from 24th - 31st August 2012 in Maputo, Mozambique. Swaziland's Progress report was presented and viewed by the expert review groups highlighting both deficiencies and significant progress that had been made. The country was commended for the significant progress it has made towards the adherence to the 40+9 FATF Recommendations. However, the country needs to begin the process of implementing the provisions of the Money Laundering and Financing of Terrorism (Prevention) Act no.6 of 2011.

3.3.3 Micro Finance Unit – Rural Finance and Enterprise Development

3.3.3.1 The Micro Finance Unit (MFU) under the Ministry has continued with the facilitation of the Rural Finance and Enterprise Development Programme (RFEDP). This is a programme jointly funded by a loan from the International Fund for Agriculture Development (IFAD) and the Government of Swaziland. The main objectives of the MFU are to provide the rural poor with access to efficient and effective financial services on a sustainable basis; to develop an enabling and enhanced environment for business development in the rural areas; and to micro, small and medium scale enterprises as well as business services in the rural areas.

3.3.3.2 The following are some of the achievements of the Unit:

- Development of the Small and Micro Businesses – they have identified the Policy constraints through the Micro Small Medium Enterprises (MSME) Policy Support & Investor Roadmap. Also through learning events, workshops and information dissemination the Unit has enhanced awareness on the performance of the MSMEs.
- Enhanced access to information on available financial services and products.
- Training Swaziland Commercial Amadoda on business planning in order to benefit from a loan portfolio of E10 million from the Swaziland Industrial Development Company (SIDC).
- The formulation of the business plan of the Swaziland Women Economic Empowerment Trust (SWEET), which endeavors to establish a national woman's bank.

3.3.4 Consumer Credit Bill

3.3.4.1 The Ministry and the Micro Finance Unit (MFU) with the Technical Assistance of FinMark Trust (FMT) through Feasibility Consultants (Pty) Ltd has completed the draft Consumer Credit Bill. In November 2012 Cabinet approved a National Credit policy for Swaziland which was the basis for drafting the Bill. Further technical assistance was received from FMT in the form of a drafting instruction document in December 2012. Following that submission a local drafting team with officials from the Ministry of Finance, MFU, Financial Services Regulatory Authority (FSRA) and the Central bank of Swaziland (CBS) have been developing the draft Bill.

3.4 Maximizing the availability of sustainable revenue sources to finance government operations.

3.4.1 Transfer of assets from Government to the Swaziland Revenue Authority (SRA).

The Ministry is still on the process of acquiring all the assets that need to be transferred to SRA for their use and development. Paperwork for transferring this property, especially the inland property is at its last stages. With regards to transferring ownership of border gates to SRA the Ministry with the relevant stakeholders made a decision that border gates will not be transferred instead, SRA will be given the Right of Use.

3.5 Revenue Performance

At the end of the period under review the overall revenue collection was E10.9 billion from a budgeted E9.8 billion for the period; this shows an 11% over collection. This increase in collection can be attributed to the introduction of the Value Added Tax (VAT) in April and the SACU revenue receipts which are the main source of revenue for the country.

3.5.1 Income Taxes

Income taxes consist of four tax types namely Company Tax, Individuals, Graded Taxes and Other taxes. Overall Income Taxes revenue collection for this period amounted to E1.849 billion against a budget estimate of E2,767 billion on Income Taxes which reflects an under collection of 33% of the budget. Company Taxes collected E561 million for the period against an annual budget of E820 million. Revenue collected from Individuals being P.A.Y.E amounted to E1,086million from an estimated budget of E1.592 billion which shows a 68% collection of the annual budget, hence an under collection for the period. Other Income taxes collected for the period were E199.8 million against an annual budget of E348 million showing a 57% collection within a period of ten (10) months.

Graded Tax collection was E1.7 million from a budgeted E3.9 million for the year, showing an under collection but is expected to increase towards the end of the financial year. It is worth highlighting that the collection of this tax is not cost efficient for the country. The Ministry has received Cabinet's approval for the repeal of graded tax.

3.5.2 Taxes on Property

Taxes on properties relates to the transfer duties imposed on the sale of land. These taxes are collected through the Ministry of Housing and Urban Development through the City or Town councils. Transfer duties are levied at 2% for the first E40, 000 value, 4% on any amount exceeding E60, 000 and 6% on any amount exceeding E60, 000 of any fixed property or any lease. The amount collected in this period amounted to E21.2 million against an annual budget estimate of E25 million thus, reflecting an 85% collection for the period which translates to a 2% over collection for the period against a budget of E20 million.

3.5.3 Taxes on Goods and Services

Taxes on Goods and Services are the major source of revenue as 75% of the overall revenue budget is collected from these taxes. It is made up of Value Added Tax (VAT), Southern African Customs Union, Sugar Export Levy, Lotteries & Gaming, Road Toll, Licenses and Other Taxes and Fuel Taxes. Value Added Tax collections amounted to E1.322 billion by end of January 2013 against an annual budget estimate of E1.498 billion.

Also the largest revenue collecting items are the receipts from the SACU pool which amount to E1.75 billion per quarter bringing the total collection to date to E7.062 Billion as projected. This contributes 65% of total revenue collection for the quarter and is always on target as the forecast is exactly what we receive in the year unless there is an adjustment after the pool is audited.

E7.4million was collected from Lotteries and Gaming for the quarter from an annual budget estimate of E3.4 million. The collection of the tax has improved significantly.

Road Toll collections amounted to E23.1million against an annual budget of E28.3 million, resulting to 82% collection for the period. Licenses and Other Taxes collected E46.8 million for the period against an annual budget of E63.3 million which is a 26% under collection.

Fuel tax is also contributing greatly to revenue as collection amounted to E360 million against an annual budget of E213 million. This shows an over collection of E146 million against a budget of E147 million which is a 69% over collection. The budget will be over collected as we increased the fuel tax amount from E1 to E2 per litre to recoup the losses from the repeal of sales tax when we made Fuel

products a zero-rated item for VAT purposes.

Overall Taxes on Goods and Services had a collection of E8.9 billion against a budget of E7.3 billion for the period, showing an over collection of 21%. This category contributes 82% of the overall collection of revenue which is mainly attributable to SACU receipts and VAT.

3.5.4 Non Tax Revenue

This Revenue Category is made up of Property Income, Fees & Fines and Loan Repayment. E31 million was collected in property income for the period against a budget of E55 million which is a 56% collection of the item budget. Fines and Fees have collected E47 million compared to a budget of E61 million which depicts a 92% collection of the overall budget.

3.5.5 Government Treasury Bills

The Central Bank of Swaziland (CBS) on behalf of the Government of Swaziland issues treasury bills on a weekly basis. These are auctioned by a Committee that comprises of officials from the Ministry of Finance and the CBS. They are open for sale to commercial banks, companies, non-bank financial institutions, stockbrokers, corporate and individual investors. They are offered as competitive bids and noncompetitive bids; competitive bids have a minimum of E5 million there after applications can be made in multiples of E1 million. Auctions are still held every Wednesday and results are published on the Central Bank website and on local newspapers the following day. Treasury bills issued and outstanding by mid-February 2013 stood at E1, 192.83 million.

4. CORPORATE SERVICES AND SUPPLY CHAIN MANAGEMENT

4.1 Co-ordination of the Ministry's activities and functions.

4.1.1 The Section continued to play the co-ordinating role by ensuring that the different sections submitted the expected reports in order to compile the quarterly performance report submitted to Parliament and the performance target report submitted to the Public Policy Co-ordinating Unit (PPCU).

4.2 Ensuring that the Ministry is fully staffed.

4.2.1 The Ministry received Cabinet's approval to promote and fill the subsequent vacant posts. One officer was promoted to the post of Principal Finance officer and two were promoted to the post of Senior Finance Officer. The Civil service Commission was requested to fill the subsequent vacant positions which are obtainable at entry level and they managed to fill the position of Finance Officer, obtainable under the Public Enterprises Unit. We are hopeful that the other vacant posts will be filled within the course of the next financial year.

4.3 Formulation of the Private-Public Partnership (PPP) Policy.

4.3.1 The section produced a draft PPP policy which was submitted to Cabinet and it was considered and approved. The section is currently formulating an implementation plan for the policy.

4.4 Provision of Secretarial services to the Ministerial Facilities Committee.

4.4.1 An exercise to review terms and conditions of the Judiciary has been completed and recommendations submitted to Cabinet for approval.

4.5 Amendment of regulations.

4.5.1 Following the promulgation of the Procurement Act, 2010, there is a need to align all relevant subsidiary legislation with the Act. One of these is the Rural Development Fund (RDF) regulations. The exercise has started and is being carried out in consultation with the Ministry of Tinkhundla Administration and Development. It is expected that the draft amendment Bill will be submitted to Cabinet before the end of the financial year.

4.6 Appointment of the Accountant General.

4.6.1 The section in collaboration with the Civil Service Commission advertised and interviewed candidates for the above mentioned position. A recommendation was sent to the appointing agency and the post of Accountant General has been filled.

4.7 Appointment of members of the Procurement Agency and Government Tender Board.

4.7.1 The process of establishing the agency is underway. We have obtained Cabinet's approval for Board members of the Swaziland Public Procurement Agency and the Government Tender Board.

4.8 Improvement of Government tender procedures.

4.8.1 We have trained the Elections and Boundaries Commission (EBC) Procurement Team and Commissioners on drafting tender documents. We also trained the EBC Evaluation Committee on evaluation and preparation of an evaluation report. The team was also trained on contract drafting and management.

4.8.2 We also amended the common use prequalification document, facilitated training of suppliers (members of the Federation of Swaziland Business Community) on pre-qualification procedures.

4.9 Provision of secretarial services to the National Tender Board

4.9.1 In the 2012/13 financial year, the National Tender Board awarded contracts to the value of **E 291, 198,590.07**.

Below is a summary of the contract awards:

<u>SECTOR</u>	<u>AMOUNT</u>
• Public Works	E151,812,296.45
• Pharmaceuticals and Medical Supplies	E 27,939,897.01
• Vehicles and Plants	E 51,426,607.19
• Goods and Services	E 60,019,790.05

5. PUBLIC ENTERPRISES UNIT

5.1 Production of PEU Quarterly Reports.

5.1.1 The PEU continued producing quarterly reports for submission to SCOPE and Parliament. For the year under review the Unit was able to produce four quarterly reports. The major challenge was the printing of the reports due to shortage of funds. However, the reports will be printed once the funds are available.

These reports inform SCOPE and Parliament about the operational and financial

affairs of all category A Public enterprises. They also highlight the major concerns on the operations of the enterprises.

Reports on the performance of the Public Enterprises Loan Guarantee Fund that is used to train management and Chief Executive Officers of public enterprises as well as guarantee loans from local financial institutions were produced and attached to the quarterly reports.

5.2 Management of the Public Enterprises Loan Guarantee Fund (PELGF).

5.2.1 The Unit continued to manage the Public Enterprises Loan Guarantee Fund. The Loan Guarantee Fund has three components consisting of 80% of the contributions going into the guaranteeing of loans, 10% of the contributions by PEs going to each public enterprise top executive training (Individual Training), and finally 10% of all the PEs contributions going into a common pool to train all PEs middle managers as groups (Group Training).

5.3 Provision of loan guarantees from the Public enterprises Loan Guarantee Fund.

5.3.1 One loan guarantee was re-issued this year to Swazi Bank for a loan given to the Swaziland Cotton Board.

5.4 Management of Individual's Development.

5.4.1 The PEU continued supporting individual training of senior managers of Public Enterprises through the training portion of the Loan Guarantee Fund. Under this program enterprises send their senior managers to certain specific courses, but before the courses are attended the PEU has to be consulted. The PEU assesses the course content and its relevance to the operations of that particular enterprise. The enterprises are reimbursed for this training from funds set aside for individual training under the scheme. During the year 29 senior managers were trained from different enterprises as follows:

- Swazi Bank 5
- UNISWA 24

5.5 Management of Group Training.

5.5.1 There was no Group Training during the year. It is planned that training will resume in 2013.

5.6 Management of Corporate Governance Training.

5.6.1 Following the accreditation of SAMKHO Consulting and REDI Consulting to deliver Corporate Governance training to Boards of category A public enterprises, the Unit coordinated the training of 2 Boards during the year.

5.7 Investment of Funds of the Public Enterprises Loan Guarantee Fund.

5.7.1 The monies of the Fund that are not used to guarantee any investment are eligible for investment. Some of the monies were invested with Swazi Bank, Ned Bank, Standard Bank and First National Bank.

5.8 Provision of Secretariat services to SCOPE.

5.8.1 The PEU continued with the task of being the secretariat for the Cabinet Standing Committee on Public Enterprises (SCOPE) Sub-Committee. This involves arranging SCOPE meetings, preparing of agenda items, distributing papers to members and other related issues including giving advice where needed.

5.8.2 SCOPE was able to meet 45 times this year and they made the following approvals:

- Renewal of the Swaziland Tourism Authority Chief Executive Officer's Contract;
- Appointment of new members of the Board of the Directors of the Swaziland Posts and Telecommunications Corporation;
- Appointment of Board members of the Swaziland Electricity Company;
- Appointment and extension term of the term of office for members of the Swaziland National Council of Arts and Culture Board;
- Consider the Proposed Integrated Revenue Administration System Programme for the Swaziland Revenue Authority;
- Approval of the Swaziland Water Services Corporation Annual Report for the year ended 31st March 2011;
- Extension of the term of office of the Board of Directors for the Swaziland Television Authority;
- Extension of term for Swaziland Railways Board members;
- Extension of contract for the Swaziland Dairy Board Chief Executive Officer;
- Renewal of the contract of the Chief Financial Officer for Swazi Bank;
- Approval of salary increase for the Swaziland Railways main staff and management;
- Appointment of a Board member for the Swaziland Standards Authority Council;

- Appointment of a new Chairman of the Board of Directors for the National Maize Corporation;
- Consideration of a request from the Swaziland Posts and Telecommunications to keep Regulator License Fees pending the establishment of an independent Regulator;
- Consideration of a request to SCOPE for the implementation of Cost of Living Adjustment above PEU “Major” for the Swaziland National Provident Fund;
- Consideration of a request for extension by 6 months the term of office of members of the Swaziland Cotton Board;
- Consideration of a request for replacement of two members of the Board of Directors of the Swaziland Dairy Board;
- Appointment of the Board of Commissioners of the Competition Commission;
- Establishment of a Parastatal to engage in sustainable and commercial production in Government farms;
- Appointment of an Acting Chief Executive Officer at SWADE;
- Appointment of Swaziland Television Authority Board of Directors;
- Consideration of the fixed term employment contract of the Swaziland National Council of Arts and the Chief Executive Officer;
- Termination of the Mantenga Cultural Village Lease Agreement between SNTC and LOMCO;
- Approval of the operation of the Piggs’ Peak Hotel by Piggs’ Peak Hotel and Casino Board;
- Appointment of PriceWaterHouseCoopers as external auditors for the Swaziland Water Services Corporation for financial year ending 31st March 2012 and 2013;
- Appointment of an Acting Chief Executive Officer at the National Agricultural Marketing Board;
- Renewal of contract of employment for the Chief Financial Officer of the Sincephetelo Motor Vehicle Accidents Fund;
- Salary review – Sincephetelo Motor Accidents Fund;

- Public Enterprises Unit Quarterly Report for June 2011;
- Consideration of Sincephetelo Motor Vehicle Accidents Fund Financial Statements;
- Renewal of contract for the Finance Director of the Swaziland National Housing Board;
- Extension of contract of employment for the Chief executive Officer and Chief Financial Officer of the Swaziland National Sports Council;
- Recommendation to appoint a new Council of the Swaziland Standards Authority from March 2012 to February 2015;
- Appointment of the Chief Executive Officer for the Swaziland Nazarene Health Institutions;
- Consideration of a request for extension of term of office for the Board of Swaziland Railways;
- Extension of term of office for the Chief Executive Officer of the Swaziland Railways;
- Request for rent increase for Swaziland National Housing Board;
- Appointment of Board members of the Swaziland National Provident Fund;
- Appointment of the Swaziland Posts and Telecommunications Corporation Board of Directors;
- Operationalization of a new organizational structure at the National Maize Corporation;
- Consideration of Policy for Acting Chief Executive Officers and Acting Chief Financial Officers;
- Appointment of an Acting Chief Executive Officer of the Swaziland Cotton Board;
- Appointment of Managing Director for Swaziland Water Services Corporation;
- Renewal of the contract of the General Manager Business Development and Finance for Swaziland National Provident Fund;
- Renewal of the Swaziland Environmental Authority Chief Financial Officer's

Employment contract;

- Appointment of Chief Executive Officer for Swaziland Electricity Company;
- Consideration of a request for the appointment of an Acting Chief Executive Officer at the National Agricultural Marketing Board;
- Public Enterprises Unit Quarterly Report for September 2011;
- Annual Report of the National Maize Corporation for the year ended March 2011;
- Request for SCOPE approval – Appointment of Acting Chief Executive Officer at National Agricultural Marketing Board;
- Request for SCOPE approval – Appointment of Board Members for the Swaziland Electricity Company;
- Renewal of term of office of the Sincephetelo Motor Vehicle Accidents Fund Board;
- Request for replacement of a member of the Board of Directors at Swaziland Dairy Board;
- Extension of Acting Chief Executive Officer of the Swaziland Electricity Company;
- Appointment of External Auditors for the Swaziland Tourism Authority;
- Appointment of members of the Swaziland Tourism Authority Board of Directors;
- Appointment of Swaziland Television Authority Board of Directors;
- Appointment of SPTC Chairman and a Board member;
- Recommendation for the appointment of the Chief Executive Officer for the Swaziland Cotton Board;
- Follow-up on the request for the appointment of the Chief Executive Officer for the National Agricultural Marketing Board
- Appointment of Managing Director for Swaziland Development Finance Corporation;

- Submission of the Audited Financial Statements for the National Agricultural Marketing Board for the period ended 31st December 2011.
- Appointment of Acting Chief Financial Officer for the Swazi Bank;
- Appointment of Acting Chief Executive Officer for the Swazi Bank;
- Request for the appointment of External Auditors for Pigg's Peak Hotel and Casino;
- Request for appointment of an Acting Chief Executive Officer at the Swaziland Cotton Board;
- Recruitment of the Chief Financial Officer for the Swaziland National Trust Commission;
- Improving the remuneration packages for parastatal organizations;
- Progress report on Pigg's Peak Hotel and Casino (Pty) Ltd.
- Public Enterprises Unit Quarterly Report for December 2011;
- Consideration of a recommendation for the Acting appointment of General Manager Finance for SPTC;
- Approval of Acting appointment for Phumelele Dlamini as Acting Chief Executive Officer of Swaziland Investment Promotion Authority;
- Appointment of Director for the Swaziland Electricity Company Board of Directors;
- Appointment of a new Director to represent Government in the Board of Parmalat Swaziland;
- Appointment of the Swaziland Youth Enterprise Fund Manager;

5.9 Management of Public Enterprises' budgets.

- 5.9.1 The PEU continued advising the ministry of funds that have to be transferred to public enterprises that receive subventions from Government.

6. TREASURY AND STORES

6.1 Implementation of the strategic business and operational action plan.

6.1.1 The Chart of Accounts (COA) has been mapped. The technical and steering committees have been formed and the procurement process is about to begin. With the Business Process Mapping (BPM), the procurement process has begun and eligible consultants have been sourced through the open tender system. The Swaziland Automated Electronic Clearing House (SAECH) has been implemented.

6.2 Adoption of International Public Sector Accounting Standards (IPSAS).

6.2.1 The International Monetary Fund is continuing to give the department technical advice on the preparations for the implementation of IPSAS. This includes preparations such as changing our charts of accounts to be Government Financial Standards (GFS) compliant.

6.3 Tracing and collection of long overdue debts on car loans.

6.3.1 The recovery of Government car loan debts from officers who left the service is going at a slow pace because of the difficulty of tracing the debtors. The total amount being owed at the beginning of the year was E1, 534,302.00. The amount recovered so far is E35, 583.12 and the balance is E1, 498,718.88.

6.3.2 The Treasury department is working with the Attorney General to trace the debtors but we are experiencing difficulties with deceased debtors. This is due to the fact that the Master of the High Court's office does not have control of overdue debts brought to their attention after the publication of the estates.

6.4 Lowering of the real time gross settlement (RTGS) limit from online banking to transactions over a million to accommodate transactions from 500,000 Emalangeni and above.

6.4.1 This has been achieved as the limit has been lowered to E500, 000.00.

6.5 Finalization of the computerization of embassy accounts.

6.5.1 This exercise is taking off in March. Embassies to be visited are;
Geneva
Brussels
London
Abudabi
Kuwait
Qatar

6.6 Minimization of lost court cases and out of court settlements.

6.6.1 There were no court cases or out of court settlements reported during the year ended 2012/2013.

6.7 Implementation of the Electronic funds Transfer (EFT) system for low value high volume transactions.

6.7.1 The introduction of the Swaziland Automated Clearing House (SEACH) is now at pilot stage with Type 'A' batches for suppliers. We are currently piloting with the Cabinet Offices, Correctional Services and the ministries of Finance and Economic Planning and Development.

6.7.2 We are still waiting for the Ministry of Information, Communications and Technology (ICT) to complete the encryption process which will then lead to the rolling out of this programme to other Ministries and Departments.

6.8 Upgrading of the revenue receipting system.

6.8.1 All revenue collecting offices which are still under manual receipts are being upgraded to the revenue receipting system. The exercise commenced at the beginning of the financial year and our main challenge is the networking which has to be undertaken for some offices to be upgraded. The Ministry of Information, Communications and Technology is addressing this challenge.

6.9 Revenue collection for the first quarter

REVENUE COLLECTION UP TO JANUARY 2013

ITEM NO	DESCRIPTION	BUDGET	ACTUAL	VARIANCE	OVER/ UNDER %
20401	Motor Vehicle License	8,802,000.00	9,515,318.00	713,318.00	0.09
20402	Penalties	380,250.00	380,250.00	347,980.00	(0.09)
20403	Disposal Motor Vehicle	84,000.00	121,120.00	37,120.00	0.45
20404	Change of Ownership	102,750.00	148,200.00	45,450.00	0.45
20405	New Registration MV	315,000.00	273,330.00	(41,670.00)	(0.14)
20407	Drivers license	2,427,750.00	2,600,511.00	172,761.00	0.08%
20408	Arrears Motor Vehicle License	735,750.00	603,308.00	(132,442.00)	(0.18)

20409	Special Permit	46,500.00	42,950.00	(3,550.00)	(0.08)
20410	Certificate of fitness	400,500.00	733,830.00	333,330.00	0.84
20411	Public Driving Permit	648,750.00	447,345.00	(201,405.00)	(0.31)
20412	Duplicate Disc	30,750.00	30,150.00	(600.00)	(0.02)
20415	Instructors Certificate	5,250.00	4,950.00	(300.00)	(0.06)
20416	Duplicate Blue Book	69,000.00	65,050.00	(3,900.00)	(0.06)
	TOTAL	14, 048, 250	14, 934, 042	885, 972	0.07

6.9.1 There was an increase in collection on the following items.

- Motor Vehicle License by 1%
- Disposal of Motor Vehicle by 5%
- Change of Ownership by 5%
- Drivers License by 1%
- Certificate of Fitness by 1%

6.9.2 Overall collection was exceeded by 1% when we compare actual collection versus the projections.

6.10 Decentralization.

6.10.1 A new revenue office has been opened at Luve. It is currently operated by an officer loaned from the Manzini Revenue Office. Another office has been opened in Lomahasha and is not yet fully operational because we are still securing officers to be deployed there.

7. INTERNAL AUDIT

7.1 Internal audit assignments carried out.

7.1.2 Carried out internal audit reviews of the revenue collection at the City Centre Revenue office, Mbabane Treasury Revenue office, Matsapha and Manzini Revenue offices.

7.1.3 Carried out an internal audit review of the disbursements, monitoring and repayment of the Community Poverty Reduction Fund.

7.1.4 A special audit was carried out at CODEC.

7.1.5 A team of Internal Auditors is part of the E-Governance and Payroll audit task.

7.1.6 Compiled a report on Government arrears for the last quarter of the financial year 2011 / 2012 which comprised the following ministries and departments:

Public Service	DPM'S Office
Commerce Industry& Trade	Correctional Services
Natural Resources & Energy	Economic Planning & Development
Judiciary	Parliament
Agriculture	Housing & Urban Development
Auditor General's Office	

7.1.7 Updated the Government Arrears Report for the Financial Year 2011/ 2012. The update and reconciliation covered the under listed ministries and departments:

Justice & Constitutional Affairs	Correctional Services
Home Affairs	Public Works & Transport
Economic Planning	DPM's Office
Commerce, Industry & Trade	Labour & Social Security
Elections & Boundaries Commission	Education & Training

7.1.8 Documentation of the systems description for the revenue collection process as a preview for the Internal Audit review testing procedures to be done in the other revenue offices still to be audited.

7.1.9 An Internal audit team was involved in the audit of the Health, HIV/Aids and TB Projects.

7.1.10 The department has actively participated in the exercise to amend the Public Financial Management (PFM) Bill and the formulation of the Chart of Accounts.

7.1.11 We have received Cabinet's approval to fill vacant posts. It is anticipated that the Civil service Commission will expedite the filling of the posts.

7.1.12 Financial Reviews were also executed in the Ministries of Sports, Culture and Youth Affairs, Home Affairs, Public Works and Transport, Commerce, Industry and Trade and the Ministry of Labour and Social Security.

7.1.13 The department also conducted Human Resources Reviews at the Prime Minister's and Deputy Prime Minister's offices. A review of the Schemes of Service was also carried out in the Ministry of Public Service.

7.1.4 Audit Plans were produced for the Ministries of Labour and Social Security and Tourism and Environmental Affairs.

7.1.5 A risk register was produced for the Ministry of Public Service.

7.1.6 The department is part of the Government Domestic Arrears Task Team and performs other special assignments from time to time.

8. RECURRENT EXPENDITURE

8.1 Head 34 – Headquarters

ITEM	ESTIMATE	RELEASED TO DATE	EXPENDITURE	VARIANCE	%
00	170,521.00	127,890.00	266,251.13	-38,361.13	-30
01	11,968,930.00	9,287,530.00	8,936,073.45	351,456.55	3.78
02	2,195,715.00	2,279,744.00	1,840,815.07	438,928.93	19.25
04	7,057,744.00	5,088,717.00	2,329,868.37	331,324.71	6.51
06	201,155.00	271,644.00	258,027.46	13,616.54	5.01
07	173,305.00	23,305.00	0.00	123,305.00	100
10	338,520,000.00	271,560,278.00	243,320,000.0	28,240,278.00	10.40
11	4,419,085.00	3,844,685.00	0.00	3,844,685.00	100
TOTAL	364,706,455.00	292,583,793.00	256,951,035.48	35,632,757.52	12.18

ITEM 00: CTA CHARGES

The over expenditure was caused by under-budgeting for a SACU meeting hosted in September 2012. The department hired extra vehicles to transport delegates and this resulted to the shooting up of fuel charges.

ITEM 01: PERSONNEL COSTS AND ALLOWANCES

The department is operating within the set budget.

ITEM 02: TRAVEL TRANSPORT AND COMMUNICATION

The savings are caused by some tour advances and air tickets that are not yet retired or paid.

ITEM 04: PROFESSIONAL AND SPECIAL SERVICES

The department is operating within the set budget.

ITEM 06: COMSUMABLE MATERIAL AND SUPPLY

The department is operating within the set budget.

ITEM 07: DURABLE MATERIALS AND EQUIPMENT

The savings are already committed to purchase office furniture for a senior officer who was transferred to the ministry and to replace other office desks and desk top computers which are no longer serviceable.

ITEM 10: GRANTS AND SUBSIDIES – INTERNAL

This is to be used to pay the final subventions to the Swaziland Revenue Authority and the Registrar of Insurances. These payments will be effected before the end of the financial year.

ITEM 011: GRANTS AND SUBSIDIES – EXTERNAL

The funds are for the payment of annual subscriptions to Anti-Money Laundering. This payment is currently being processed.

8.2 Head 35 – Treasury Department

Item	Estimates	Released Funds	Actual Expenditure	Variance	
00	969 349	990 756	1 076 202	85 446	(9%)
01	19 954 626	16 607 282	14 987 466	1 619 816	9.75%
02	735 415	598 168	337 953	260 215	44%
04	5 178 798	4 685 262	1 766 070	2 919 192	62%
06	842 759	889 733	698 647	191 086	21%
07	95 800	126900	126900	0	0%
11	130 260	130 260	162 504	32 244	0.2%

ITEM 00: CTA CHARGES

This item shows an over expenditure because the budget was cut yet activities could not be scaled down mainly because revenue stations have to bank everyday.

ITEM 01: PERSONNEL COSTS AND ALLOWANCES

The department is operating within the set budget.

ITEM 02: TRAVEL, TRANSPORT AND COMMUNICATION

There is an under expenditure on this item due to minimal external travel undertaken owing to financial constraints.

ITEM 04: PROFESSIONAL AND SPECIAL SERVICES

This item shows an under-expenditure mainly because item 047 (bank charges) is not updated on time owing to the delay in receiving the bank statements and therefore making the necessary entries. This will be corrected through the implementation of the Integrated Financial Management and Information System (IFMIS).

ITEM 06: COMSUMABLE MATERIALS AND SUPPLIES

This item also shows an under expenditure because some requests for expenditure by sections have not been actioned due to budget constraints.

ITEM 07: DURABLE MATERIALS AND EQUIPMENT

We have not spent under this item because the funds have just recently been released. The department is currently processing the procurement of the required material and equipment.

ITEM 011: GRANTS AND SUBSIDIES – EXTERNAL

The funds will be utilized for the payment of the ESAAG subscription which is required at the end of the financial year.

8.3 Head 38 – Internal Audit

ITEM	ESTIMATES	RELEASED FUNDS	ACTUAL EXPENDITURE	VARIANCE	%
00	429,635.00	337,135.00	66,111.00	271,024.00	80%
01	2,972,655.00	2,911,948.00	1,978,445.00	933,503.00	32%
02	188,837.00	228,837.00	121,186.00	107,651.00	47%
04	18,829,695.00	18,459,695.00	91,128.00	18,366,137.00	99%
06	73,633.00	98,633.00	46,883.00	38,741.00	39%

07	60,000.00	360,000.00	111,116.00	221,703.00	62%
11	9,000.00	14,000.00	-	14,000.00	100%
TOTAL	22,563,455.00	22,410,248.00	2,414,869.00	19,952,759.00	

ITEM 00: CTA CHARGES

The department has one (1) vehicle thus the savings. A request for two (2) additional vehicles was not successful.

ITEM 01: PERSONNEL COSTS

The under expenditure is due to the vacant posts which are being filled. The process of personnel restructuring and recruitment is underway.

ITEM 02: TRAVEL AND COMMUNICATIONS

There is an under expenditure on this item due to minimal external travel undertaken, the office is yet to undertake regional inspection trips and some external travel will be done before financial year end.

ITEM 04: PROFESSIONAL SERVICES

The bulk of the budget was to pay for Consultancy services however due to cash flow problems the exercise was temporarily stalled. The ministry is still working on the logistics for the Consultant's re-engagement. Some of the savings will be used for high priority and urgent expenditure such as purchase of additional vehicles.

ITEM 06: CONSUMABLE MATERIALS AND SUPPLIES

Under expenditure on this item is a result of the unavailability of funds. The office could manage to procure stationery only, thus the under expenditure.

ITEM 07: DURABLE MATERIALS AND EQUIPMENT

Due to the vacant posts we could not purchase much furniture and equipment but with the recruitment process underway, the funds will be utilized to purchase additional computers and office furniture for the new staff members.

ITEM 11: GRANTS AND SUBSIDIES – EXTERNAL

Funds under this item are budgeted for the yearly membership subscription to the

Institute of Internal Auditors. The payment has been made and the 100% under expenditure will be cleared once the transfer has been finalized.

9. OFFICE OF THE AUDITOR GENERAL

9.1 Introduction

9.1.1 The Office of the Auditor General is established by Section 207 of the Constitution of the Kingdom of Swaziland and Audit Act No. 4 of 2005. The Auditor General is mandated to audit the Public Accounts of Swaziland and all offices, courts and authorities of the Government of Swaziland and report to Parliament.

9.2 Vision

To be an autonomous office of the Auditor General that addresses audit issues with proficiency and passion.

9.3 Mission statement

The office of the Auditor General is a Public Institution that audits and assesses value for money applications on public accounts, advises stakeholders on accountability and reports to Parliament in terms of the Audit Act No. 4 of 2005.

9.4 Audit Work Carried Out

9.4.1 Financial audits

- Mbabane Roads Department.
- Mbabane Electrical Department.
- Mbabane building Department.
- Public Works Headquarters- Roads
- Public Works Headquarters Administration.
- Sikhuphe International Airport.
- Auditing of study loans suspense account.
- Income Tax and Customs and Excise termination of service in terms of abolishment of office.
- Verification of time barred allowance/acting allowance.
- Vouching Income Tax and Customs and Excise Departments for January to December 2010.
- Project G46099 SIMPA rehabilitation and IDM
- P25799 Women dormitory block, Matsapha Police College.
- Ministry of Agriculture Head office.
- Department of Statistics
- Deeds Registry

- Ministry of Sports, Culture and Youth Affairs (Zone VI Games)
- Audit inspection – Defence HQ
- Audit inspection -Nokwane
- Audit inspection – Garison
- Audit inspection – Phocweni
- Audit inspection – St George’s Barracks
- Audit inspection –Nkoyoyo
- Audit inspection – Ministry of Housing and Urban Development
- Audit inspection – Manyonyaneni Beef Ranch
- Audit inspection - Strategic oil Reserve
- Audit inspection - Water Relief Fund
- Audit inspection – Tractor Hire Pool

9.4.2 Tinkhundla Centres:

9.4.2.1 Lubombo Region:

- Mpolonjeni Inkhundla (25 projects)
- Sithobela Inkhundla (9 projects)
- Dvokodvweni Inkhundla (12 projects)
- Siteki Inkhundla (23 projects)
- Matsanjeni North Inkhundla (14 projects)
- Siphofaneni Inkhundla (6 projects)
- Nkilongo Inkhundla (22 projects)
- Lugongolweni Inkhundla (12 projects)

9.4.2.2 Manzini Region:

- Ludzeludze Inkhundla (23 projects)
- Kukhanyeni Inkhundla (16 projects)
- Mkhiweni Inkhundla (11 projects)
- Mhlambanyatsi Inkhundla (24 projects)
- Mangcongco Inkhundla (15 projects)
- Ngwempisi Inkhundla (24 projects)

9.4.3 Audit of schools:

- Embo Methodist Primary
- Matsapha Government Primary
- Bhunya high School
- Bhunya Primary school
- Ekuthuleni Primary school
- Ekuvinjelweni Secondary School
- Zombodze high school
- Zamokuhle Primary
- Manyonyane Primary
- Lubulini Primary
- Ndzevane High
- Njabulweni Primary

- Entuthukweni Primary
- Mbabane Central Primary
- U-Tech High School
- Entandweni High School
- Mhlatane High School
- Mbokonjweni Primary
- Shewula Primary
- Shewula High
- Emafusini Primary
- St John's Primary
- Lucaceni Primary
- St. Anne's High School
- Enkambeni Primary
- St. Mark's Primary
- Lubombo Central High
- Mphundle Primary
- Mphundle High
- Ezindwendweni High
- St. Michael's High
- St. Michael's Primary
- Siteki Nazarene Primary
- Siteki Nazarene High
- Emseni Primary School
- kaBoyce High School
- Letindze Primary
- Tikhuba High School
- Ebenezer Primary School
- Kalonhlupheko Primary School
- Mambane High School
- Mambane Primary School

9.4.4 Other audits carried out:

Audit of Swaziland Revenue Authority.

Audit of fuel management at CTA.

Conducted investigations at the University of Swaziland.

Forensic investigation – Swaziland Development Tourism Company

Review of Audited accounts 14 parastatals bodies

Audit of the Common Wealth Parliamentary Association account

Audit of the Morocco grant

9.4.5 Performance Audits:

9.4.5.1 Completed Audits:

- Elderly grants
- Utilisation of Global fund on the Indlunkhulu program

9.4.5.2 Audits under review:

- Maintenance of Government Housing

9.4.5.3 On-going Projects:

- Rural Development Fund
- Distribution of geysers and electric stoves
- Scholarship recovery
- Disaster Management Agency

9.4.5.4 Environmental audits

- Environmental Audits on solid Waste – on going
- Development of Audit guidelines on:
- Tourism and wild life conservation
- Land use and land management for working group on environmental auditing, (WGEA) Projects – on going.

9.4.5.5 Follow Up Audits:

Foreign Service allowance – Councilor

Overtime claim amounting to E24,641.98

Study Loans Audit.

Retirement of office, Ministry of Information, Communication and Technology.

Death notification- employee 4332624

Resignation from the Civil Service- Employee 2408990.

Salary overpayment – Ministry of Natural Resources & Energy.

Cash shortage- Ministry of Agriculture

Audit inspection – Ministry of Economic Planning & Development

Prison Reward fund statement

Book Fund Statement

Overpayment of salary – Employee 4771029

Guard Fund Financial Statement

Police Reward Fund

Statistics (NSDS)

Audit Inspection – Mbabane Lutheran Primary School (Ka- Schiele)

Prison Poultry Extension Statement

Trading Account of C.T.A

Outstanding imprest

C.T.A – fuel Management inspection

Audit Inspection of Royal Science and Technology Park

Matsapha Industrial Estates Statements

9.4.6 Audit of workman's compensation:

Prime Minister's office - 1 employee

Royal Swaziland Police - 78 employees

Ministry of Foreign Affairs - 1 employee
Ministry of Defence - 3 employees
Ministry of Natural Resources - 13 employees
Ministry of Agriculture - 21 employees
Economic Planning - 3 employees
Ministry of Housing and Urban Development - 2 employees
Fire and Emergency Services - 6 employees
Ministry of Education - 47 employees
Ministry of Finance - 1 employee
Treasury and Stores - 1 employee
Customs and Excise - 3 employees
Ministry of Public Service - 5 employees
Ministry of Health - 35 employees
Ministry of Justice and Constitutional Affairs - 13 employees
HM's Correctional Services - 6 employees
Ministry of Home Affairs - 3 employees
Ministry of Public Works and Transport - 9 employees
Office of the Auditor General - 4 employees
Ministry of Labour and Social Security - 16 employees
Central Transport Administration - 13 employees
Ministry of Enterprise and Employment - 5 employees

9.5 Annual accounts

9.5.1 Audited 49 appendices.

Statements of assets and liabilities
Detailed statements of assets
Detailed statements of liabilities
Statement of Receipts and payment
Surplus and Deficit Accounts
Detailed Statement of Revenue
Detailed statement of Recurrent Expenditure
Detailed statement of Capital Expenditure
Grants from other bodies
Capital fund
Statement of Public Debt
Outstanding loans from revenue and other sources
Statement of Imprest outstanding
Consolidated Statement of outstanding Revenue
Statement of contingent liabilities
Statement of Expenditure authorised by contingency warrants
Statement of write offs by Principal Secretary Finance
Police Reward Fund
Fairview Township
Disabled Soldiers and Dependants Pension Fund

- Prison officers Reward Fund
- Special Fund and unexpected loan held by Treasury
- Guardian Fund
- Ngwane Park Township
- Disaster Relief Task
- Community Development
- Regional Development Fund
- Strategic oil Reserve
- Sibhimbi Fund
- Water Relief Fund
- Special Care Medical aid fund
- Empowerment Fund
- Capital Investment
- I.M.F. Special Drawings Rights Accounts
- Japanese Aid Fund
- Resettlement Fund
- Matsapha Industrial Estate
- Drugs Trading account
- Poultry Extension Account
- Manyonyaneni Beef Ranch
- Tractor Hire Pool
- Protea Pigg's Peak
- Central Transport Administration
- Book Fund
- Health Sector Study
- Swaziland International Trade Fair
- Statute Revision
- Statement of Prison Poultry Extension
- Housing and Urban Settlement

9.6 Follow ups on P.A.C Recommendations:

- 9.6.1 Tinkhundla Centres:
- Lomasha Inkhundla
 - Motshane Inkhundla
 - Maseyisini Inkhundla
 - Khubuta Inkhundla
 - Mbabane East Inkhundla
 - Sandleni Inkhundla
 - Ngudzeni Inkhundla
 - Somntongo Inkhundla
 - Kwaluseni Inkhundla
 - Lobamba Lomdzala Inkhundla
 - Ngwempisi Inkhundla
 - Ntondozi Inkhundla
 - Dvokodvweni Inkhundla

- 9.6.2 Ministries and Departments:
 Ministry of Defence
 Ministry of Commerce and Trade
 Ministry of Tourism and Environmental Affairs
 Ministry of Information, Communications and Technology.

9.7 Amendment of regulations

- 9.7.1 We also amended the Audit Act so as to give effect to the provisions of the Constitution establishing the office of the Auditor General and assign supreme auditing functions to the Auditor General amongst other objectives. The Audit Amendment Bill has been approved by Cabinet and has been submitted to Parliament.

9.7 RECURRENT EXPENDITURE

Item	Budget Estimate	Funds Released	Actual Expenditure	Variance	%
00	303,525.00	227,644.00	386,651.72	-160,507.72	42%
01	10,934,943.00	8,201,131.00	7,301,635.74	899,495.26	12%
02	1,072,452.00	988,748.00	380,837.92	250,560.60	66%
04	274,147.00	176,651.00	61,607.42	115,043.58	18.7%
06	336,771.00	243,048.00	83,393.66	147,342.34	177%
07	80,000.00	80,000.00	0.00	80,000.00	100%
011	52,968.00	52,968.00	0.00	52,968.00	100%
	13,054,806.00	9,970,190.00	8,214,126.46	1,384,902.06	17%

ITEM 00: CTA CHARGES

CTA charges indicated an accumulated over expenditure of E 160,507.72, 42%. The over expenditure was due to the increased demand of the Audit which required the Auditor General to travel long distances. The over expenditure will be reduced by the 4th Quarter release.

ITEM 01: PERSONNEL COSTS

The 12% savings was as a result that a number of posts vacant, Hence the under expenditure of E 899,495.26

ITEM 02: TRAVEL AND COMMUNICATIONS

The under expenditure on this Item is due to unretired tour advances. The Office is in the process of clearing the tour advances

ITEM 04: PROFESSIONAL SERVICES

The positive variance of E115, 043.58, 18.7% is due to the fact the office is still to pay its bill for Utility Services and the office is to Host Quality Assurance Workshop in February 2013.

ITEM 06: CONSUMABLE MATERIALS AND SUPPLIES

This Item projects an under expenditure of E147,343.34. The under expenditure will be reduced early in the fourth Quarter since the Auditor General is in the process of compiling her Annual report and three performance reports.

ITEM 07: DURABLE MATERIALS AND EQUIPMENT

The office is in the process of installing access control system. The unused amount of E80, 000.00 will be cleared by the end of the 4th Quarter.

ITEM 11: GRANTS AND SUBSIDIES – EXTERNAL

No expenditure has been incurred under this item due to the fact that the request for payment of subscriptions is normally received towards the end of the year or at the beginning of the subsequent year.