FINDINGS OF AN INVESTIGATIVE AUDIT REPORT OF THE MALAWI ELECTORAL COMMISSION

COMMISSION RESPONSES TO THE AUDIT REPORT

KINDLY NOTE THAT THIS DOCUMENT IS A RECAST OF THE REPORT THAT WAS ISSUED BY THE CENTRAL INTERNAL AUDIT UNIT OF THE MINISTRY OF FINANCE. THE ORIGINAL WORDING OF THE DOCUMENT IS IN BLACK WHILST THE COMMISSION RESPONSES ARE IN RED AND ITALICS

SUBMITTED 26TH NOVEMBER, 2015
EXECUTIVE SUMMARY

The investigative audit of the Malawi Electoral Commission (MEC) was requested by the Secretary to the Treasury following allegation of abuse of public funds by top management.

Following the request, the agreed audit objectives of the assignment were as follows:

i) To substantiate or dispel alleged abuses of public funds leveled against the MEC top management.
ii) To identify weakness in Control over Management of public resources at the Institution.
iii) To recommend appropriate action for addressing any irregularities that may be observed.

Specific findings in summary were noted as follows:

i) MEC management ignored legal and regulatory guidelines as provided in the Public Finance management Act (PFMA), Public Procurement Act (PPA) and Malawi Public Service regulations (MPSR).
ii) MEC maintained incomplete accounting records due to inexperienced accounting personnel in public accounting system.
iii) MEC was maintaining numerous and unnecessary bank accounts, the reconciliation of which was not reliable because of lack of proper maintenance of cashbooks and other accounting methods.
iv) MEC management decided to invest MK398,000,000.00 MEC idle funds without evidence of the Commission written authority.
v) An examination of funds internal transferred revealed internal transfers amounting to MK118,667,404.44 between April, 2014 and February, 2015 not indicated with accounts transferred to in the cashbooks.
vi) MEC management was wasteful in spending public funds on activities not budgeted for. A wasteful expenditure was noted on local and external travel by Commissioners and senior staff amounting to MK2015,623,586.00 between July, 2012 and December, 2014.
vii) Within the wasteful expenditure, a few examples substantively examined revealed MK4,688,000.00, overlapping subsistence allowances to officers on local travels and MK13,246,055.26, external travel allowances to Commissioners and senior officer without evidence of travel in their passports.
viii) The CEO paid himself MK2,228,957.00 for a personal trip on his private study graduation without the approval of the Commission.
ix) Management paid to Commissioners and staff personal loans totaling to **MK41,442,286.00** from operating funds between January, 2014 and January, 2015 but also without evidence of repayment.

x) Management paid without appropriate authority the total of **MK16,850,3254.00** in respect of two contract gratuity from operating funds not yet refunded back.

xi) Management committed itself to a bill of **MK7,043,662.33** in hiring vehicles for the CEO after his official vehicle was involved in a road accident without a written arrangement with the insurance company who may later refuse to won the bill.

xii) Management incurred expenditure in excess of **MK64,251,648.20** on borrowing of lamps and tents from Zimbabwe as an alternative to buy generators. The expenditure did not add significant value to the polling event.

xiii) Management procured two services of vehicle maintenance amounting **MK19,503,836.00** without following procurement procedures resulting into failure to ascertain value for money.

xiv) Payment of **MK98,579,603.00** for unsubstantiated claim of goods supplied by SCI Tanzania.

xv) In June and July, 2014, management procured and paid **MK426,893,806.09** for ballot papers, voter rolls and envelopes on emergency above threshold from local suppliers without obtaining ODPP authority resulting in failure to ascertain value for money.

xvi) MEC undervalued two boarded off vehicles Land Cruisers of 2004 model at **MK1,850,000.00** which were also serviced with MEC funds totaling **MK744,976.10** while knowing that the vehicles were boarded off and offered for sale to the Chairman and Chief Executive Officer.

xvii) Management irregularly paid duty amounting to **MK4,936,875.00** for boarded off vehicles which were offered and bought by the Chairman and Chief Executive Officer at **MK1,500,000.00** and **MK350,000.00** respectively.

xviii) Management did not comply with public service regulations when they recruited staff without interviews, staff without minimum requirements and deploying recruitees to posts not allowed.

Having noted the foregoing serious mismanagement at the Malawi Electoral Commission, we recommend that necessary and urgent that Malawi Electoral Commission should be reorganized in terms of:

- Putting in place operational policies in line with applicable Acts of Parliament that should correct and guide the Commission in human resource, financial and asset management.
- Efficient and effective operational systems should be put in place to safeguard economical usage of public resources.
The Commission should be made answerable at least to Parliament on the use of tax payers money entrusted to them every year.

Action should be taken on each audit observation’s recommendations.
1.0 INTRODUCTION

The Special investigative Audit of the Malawi Electoral Commission (MEC) was conducted by the Central Internal Audit Unit upon the request by the Secretary to the Treasury after receiving anonymous tip-off on abuse of public funds by MEC top management. The audit was performed between 27th April and 15th May, 2015.

BACKGROUND

Malawi Electoral Commission (MEC) is an independent body that is mandated to carry out electoral activities by Section 76 of the Constitution of the Republic of Malawi as well as Section 8 of the Electoral Commission Act.

The Malawi Electoral Commission gets funding from Malawi Government and in some cases from Cooperating Partners.

The Malawi Government funds the Commission in form of Other Recurrent transactions (ORT) which is done monthly for day to day operations. During Elections times, the Government funds the Commission to meet the requirement of the Electoral process.

Cooperating Partners come in during elections to complement Government funding to ensure that elections are carried out successfully.

During the 2013/2014 Financial Year, MEC conducted the Tri-partite Elections (TPE) where the electorates elected the President, Members of Parliament and Local Government Councilors. The TPE were budgeted at K18 billion of which K10.7 was to be financed by Government while K7.3 billion was to be financed by development partners. In addition to the electoral budget, MEC had K0.3 billion budget for Other Recurrent Transactions (ORT). During the same Financial Year Government funded K10.8 billion to MEC of which K10.7 billion was for elections while K0.1 billion was for ORT.

The MEC was funded K393 million during the 2014/15 Financial Year for ORT and during the same year K650 million was funded to facilitate by-elections which took place in October, 2014.
2.1 ALLEGED ABUSE OF PUBLIC RESOURCES

In March, 2015, an anonymous letter was sent to the Minister of Finance with copies to the Chief Secretary to the Government and the Secretary to the Treasury from concerned officers of the Malawi Electoral Commission alleging that there was malfeasance at the Malawi Electoral Commission perpetrated by the Chief Elections Officer. Specific areas of concern mentioned in the letter included:

i) Expenditures out of budget  
ii) Outright abuse of funds  
iii) Un authorized expenditures  
iv) Un planned procurements  
v) Employing girlfriends and close relatives

2.0 AUDIT OBJECTIVES

Based on the directive and mandate of CIAU, the objectives of the audit were as follows:

i) To substantiate or dispel alleged abuses of public funds leveled against the MEC top management.  
ii) To identify weaknesses in the Controls over Management of public resources at the institution.  
iii) To recommend appropriate action for addressing any irregularities that may be observed.

3.0 AUDIT SCOPE


4.0 AUDIT METHODOLOGY

In order to obtain sufficient and reliable audit evidence the audit team used appropriate procedures that included the following:
i) Review the policy documents of incorporation for MEC as a corporate body, such as the MEC Act, Commissioners and Staff Conditions of Service, Finance and Asset management, accounting procedures and strategic plan.

ii) Performed walk through test with a view to assess adequacy of management structure and internal checks and control system.

iii) Enquired about the other source of income in addition to Treasury funding and reviewed the annual budget.

iv) Examined procurement and expenditure accounting records on test check basis and also test checked the consumable stores and asset ledgers.

V) made enquiries with management and staff on transactions that were not backed by relevant authority and documentation.

6.0 DETERMINATION OF RESPONSIBILITY

In line with the Public Finance Management Act (2003) and the MEC Act, the Management of the Malawi Electoral Commission was responsible for the maintaining adequate and effective control over the internal checks and control of MEC human resource, financial asset management. The responsibility of the Central Internal Audit Unit (CIAU) was only to review the controls and make appropriate recommendations to management.

7.0 LIMITATIONS

The audit was unable to conduct an exhaustive examination of all transactions during the period under review due to:

i) Large volume against time to carry out the audit.

ii) In some cases, management was unable to produce back up authority for management decisions claimed to be based on the Commission’s discretion.

iii) External travel allowances paid to some Commissioners were not verified in their Passports because the passports were not made available as follows:
<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>PERIOD</th>
<th>NO OF PAYMENTS</th>
<th>TOTAL AMOUNT</th>
<th>DETAILS AT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justice Maxon Mbendera</td>
<td>MEC Chairman</td>
<td>23/02/2013 - 08/10/2014</td>
<td>19</td>
<td>17,210,824.76</td>
<td>Appendix '3(iv)'</td>
</tr>
<tr>
<td>Rev. Mezuwa M.M. Banda</td>
<td>Commissioner</td>
<td>07/09/2012 – 29/10/2014</td>
<td>8</td>
<td>7,188,457.78</td>
<td>Appendix '3(iv)'</td>
</tr>
<tr>
<td>Nancy G. Tembo</td>
<td>Commissioner</td>
<td>05/07/2012 – 02/10/2014</td>
<td>9</td>
<td>7,355,556.04</td>
<td>Appendix '3(iv)'</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>31,754,838.58</td>
<td></td>
</tr>
</tbody>
</table>

8.0 AUDIT FINDINGS

Due to time limitation against the large volume of transactions, the audit had to sample a total of 1,248 payments for examination representing a 10% of all payments made between July, 2012 and March, 2015. The sample was picked randomly with set materiality level at MK 1million. However, where risk was considered to be high, amounts below the level were also picked for examination.

Overall, the following observations were noted:

8.1 LACK OF OPERATIONAL GUIDING POLICY

Criteria

Section 3(a) of the MEC Act, provides for the Commission as corporate body with perpetual succession and a common seal and be capable of: acquiring, holding and disposing of real and personal property.

Section 13(1) of the MEC Act provides that the Commission shall appoint such other professional, technical and administrative officers and support staff as the Commission may deem necessary, subject to such terms and conditions as the Commission shall in its discretion, determine.

Section 16(1) of the MEC Act provides that the Commission shall cause to be kept proper books and other records of accounts in respect of receipts and expenditures of the Commission in accordance with acceptable principles of accounting. Further to this, Section 16(5) stipulates that the Commission shall at times comply with the provisions of Public Finance Management Act (PFMA) and Public Audit Act (PAA).

Section 92(1) of the Public Finance Management Act stipulate that the Secretary to the Treasury may issue Treasury Instructions setting out detailed
procedures and requirements not inconsistent with this Act to any matter prescribed by this Act to be provided for, or that is necessary or desirable for carrying out or giving effect to this Act and general for the better control and management of public moneys and public resources.

The provisions of the Acts of parliament are laws that regulate the institutional activities designed to deliver the objectives for public establishments. MEC, as a Government agency, should have in place operational guidelines on Human Resource, Financial and Asset Management. Where operational guidelines are not in place, the public sector policies such as Treasury Instructions and Public Service Regulations should apply.

**Finding**

The Malawi Electoral Commission (MEC) do not have authentic operational guiding policy documents on human resource management, public finance management and public asset management.

There are in draft form, the Commissioners and Staff Conditions of Service and Financial Policy Manual which were reluctantly used because they are not approved.

Most of the MEC activities were operated on decisions by management or the Commission’s discretion. Some of the operations involving human resource, finance and asset management were not compliant with public policies on economy and efficiency.

**Cause**

Management lack of recognizing public regulations on public service and public accountability.

**Implication**

Lack of transparency and accountability.

**Management Response**

1. **At the time of the audit, most of the policies mentioned were in draft form. The Commission was being guided by best practice.**
2. Currently the Fixed Assets Policy and Finance Policies and Procedures manual have been approved by the Commission. See minutes of the Commission’s meeting in Appendix 8.1 (ii).

3. The Commissioner’s Conditions of Service are operational as approved by the Public Appointments and Declaration of Assets Committee of Parliament. See Appendix 8.1 (ii).

4. So too are the Conditions of Service for staff. See Appendix 8.1 (iii).

5. The HR policies will be brought to the Commission for approval by end of December, 2015.

Suffice to note that for the last 14 years before the appointment of this Commission, these had not been produced. It is the current Commission that initiated the establishment of the guiding policies.

Recommendation

MEC as Government of Malawi Agency, should recognize and comply with laws and regulations provided for in all Acts of Parliament especially where the MEC Act do not have acceptable standard operational guidelines.

8.2 MAINTAINING INCOMPLETE ACCOUNTING RECORDS

Criteria

Section 16(1) of the Electoral Commission Act stipulates that the Commission shall cause to be kept proper books of accounts in respect of receipts and expenditures of the Commission in accordance with acceptable principles of accounting.

Finding

Majority of the staff in the Accounts Department were new and not oriented in the acceptable public accounting procedures. They were not familiar with the budget process, the chart of accounts for the budget lines. Basically they were told what to write without being conversant with what they were transacting and for what reason. As a result:

i) Vouchers were prepared without codes as a classification of expenditure,
ii) Cashbook entries were made without voucher numbers and budget line analysis.

iii) Payment through funds transfer instructions were not prepared with Bank Draft (BD) vouchers after the bank effected the payment and narration of activity only was recorded in cashbook without reference number.

iv) Expenditure control ledgers were not maintained.

Cause

Lack of orientation in public accounting systems.

Implication

No classification of expenditure since spending was based on availability of funds in the bank and not according to budget provision and budget lines.

Management Response

1. The new team in the accounts department was brought in at a time the Commission was at the peak of elections operations and the observation is correct. They were never trained specifically in public finance management.

2. The Commission has since approached the Accountant General to provide staff to conduct an orientation workshop on the Public Finance Management Act for its commissioners, management, accounting and other relevant personnel. See Appendix 8.2 (i).

i) Vouchers without Codes: Our understanding was that IFMIS Account Codes are only indicated on the payment vouchers which we send to CPO. As for the payment vouchers which draw monies from our accounts at FMB and MSB, “IFMIS” account codes were not being indicated on the vouchers as we do not process these in IFMIS and we do not have any accounting software where we could get the codes from. But this has been noted and as a way forward we have started indicating the codes on 1st November 2015.

ii) Cashbook entries without voucher numbers: Our filing is based on cheque numbers, since we thought this is a more reliable sequence as opposed to the voucher numbers which are manually generated
hence prone to error. But this has been noted and we have started in October 2015, indicating the voucher numbers. We have now also started updating our ledgers from July, 2015 to enable us do the budget analysis.

iii) Payment through funds transfer: We agree with the finding and we will start demanding for the Bank draft vouchers from the banks with immediate effect so that we attach to the transactions.

iv) Expenditure Control Ledger: We have started doing the ledger in November 2015, in the short term, and we will implement ACCPAC in the medium and to long term.

3. MEC is currently working with UNDP to facilitate software upgrades of ACCPAC accounting package and staff training thereafter. MEC has also approached the Accountant General’s office through their Deputy Director of ICT to install the IFMIS at the office. Refer to the attached communication with the Accountant General (See Appendix 8.2 (ii). At the moment we are waiting for the team from Treasury to visit the office.

Recommendations

- Management should immediately organize orientation training in public accounting systems for the newly recruited accounting personnel.
- Management should seek advice of the Accountant General on the acquisition of the accounting software package.

8.3 MAINTAINING AN UNNECESSARY NUMBER OF BANK ACCOUNTS

Criteria

Section 17(1) of the Electoral Commission Act states that all sums received for the purpose of the Commission shall be paid into one or more bank accounts at such banks as the Commission may determine, and no amount shall be withdrawn except under the written authority of the Commission and by means of cheque signed by a person authorized by the Commission.
Section 6.2 of MEC draft Financial Policy Manual states that all MEC bank accounts whether for payments, savings, depository and other investment banking services for the holding of MEC funds may be opened and closed only upon the approval of the Commission through the Finance and Administration Committee (FAC) of the Commission based on the recommendation of the Chief Executive Officer (CEO) and the Director of Finance (DoF).

Finding

The Malawi Electoral Commission (MEC) management were operating thirteen (13) bank accounts as listed below:

<table>
<thead>
<tr>
<th>NAME</th>
<th>BANK</th>
<th>ACCOUNT NUMBER</th>
<th>DATE OPENED</th>
<th>BALANCE AS AT 31/12/14</th>
<th>PURPOSE</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Operations</td>
<td>CPO</td>
<td>CC46010001</td>
<td>CPO BT</td>
<td>MK</td>
<td>ORT?</td>
<td>IFMS-CPO BT</td>
</tr>
<tr>
<td>2 Operations</td>
<td>FMB</td>
<td>0230353004</td>
<td>Not Known</td>
<td>5,153,191.42</td>
<td>ORT</td>
<td>Old acc with CB</td>
</tr>
<tr>
<td>3 Operations</td>
<td>MSB</td>
<td>1022011249001</td>
<td>Not known</td>
<td>(1,788,937.33)</td>
<td>ORT</td>
<td>Old acc with CB</td>
</tr>
<tr>
<td>4 CEO(Ops)</td>
<td>MSB</td>
<td>1024883104001</td>
<td>Mar,2014</td>
<td>(8,093,858.33)</td>
<td>ORT</td>
<td>Ref OA/1/15/13/270</td>
</tr>
<tr>
<td>5 PPE</td>
<td>MSB</td>
<td>1500808176001</td>
<td>03/02/2009</td>
<td>No Record</td>
<td>Nomin fees</td>
<td>RBM A/c 30022820072-01</td>
</tr>
<tr>
<td>6 PPE</td>
<td>MSB</td>
<td>1022695033001</td>
<td>Not known</td>
<td>(249,043.33)</td>
<td>Nomin fees</td>
<td>Auth. Not produced</td>
</tr>
<tr>
<td>7 Local Govt</td>
<td>MSB</td>
<td>1024801833001</td>
<td>Not known</td>
<td>6,973,670.09</td>
<td>Nomin fees</td>
<td>Auth. Not produced</td>
</tr>
<tr>
<td>8 Fixed Deposit</td>
<td>MSB</td>
<td>3012695055002</td>
<td>Not known</td>
<td>1,565,857.33</td>
<td>Interest A/C</td>
<td>Records not produced</td>
</tr>
<tr>
<td>9 Pension Trust</td>
<td>FMB</td>
<td>0230412012</td>
<td>Not known</td>
<td>9,081,165.28</td>
<td>MEC Staff</td>
<td>Auth. Not produced</td>
</tr>
<tr>
<td>10 Pensions</td>
<td>NDEB</td>
<td>021000004313</td>
<td>Not known</td>
<td>183,821.42</td>
<td>Commissioners</td>
<td>Acc. Closed</td>
</tr>
<tr>
<td>11 Pensions</td>
<td>NEDB</td>
<td>002100004283</td>
<td>Not known</td>
<td>1,565,857.33</td>
<td>Commissioners</td>
<td>Acc. Closed</td>
</tr>
<tr>
<td>12 DGP(PE3)</td>
<td>FMB</td>
<td>0230353005</td>
<td>Annual</td>
<td>20,243,912.12</td>
<td>EU Account</td>
<td>Acc. Closed</td>
</tr>
<tr>
<td>13 Loan A/C</td>
<td>MSB</td>
<td>1500808176001</td>
<td>No Record</td>
<td></td>
<td>Staff Loans</td>
<td>Private Account</td>
</tr>
</tbody>
</table>

Most of the accounts were opened sometime back and the current management was unable to trace the authority documents that opened them. The Committee on finance’s written authority was not produced. Even the depository and staff loans accounts were not supported by the Committees authority to open and transfer of public funds into them.

Cause

Management making unilateral decisions without involving the Finance Committee and Treasury.

Implication

Ineffective control and lack of transparent accountability
Management Response

1. **Section 17 (1)** of the Electoral Commission Act no. 11 of 1998 states that all sums received for the purpose of the commission shall be paid into one or more bank accounts at such banks as the Commission may determine.

2. The Commission determined that it was necessary to maintain the following bank accounts as listed by the audit findings for the reasons as explained in the table below:

<table>
<thead>
<tr>
<th>ACC NO.</th>
<th>BANK / INSTITUTION</th>
<th>USE / NECESSITY</th>
<th>DESCRIPTION/REASON &amp; NECESSITY OF THE ACCOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 CC4601001</td>
<td>CPO</td>
<td>Govt Funding Channel</td>
<td>The main account at the treasury where all government funding is channeled.</td>
</tr>
<tr>
<td>2 0230353004</td>
<td>FMB</td>
<td>Operations</td>
<td>Initially opened with funding from UNDP for operations and it is now used to handle operational matters. An added advantage of FMB is that it is easy to transact with them for foreign transactions.</td>
</tr>
<tr>
<td>3 1022011849001</td>
<td>MSB</td>
<td>Operations</td>
<td>It is used for operational matters, opened as a back up to the operations account at FMB. Another fact that influenced the opening of this account is that MSB has its footprint all over the country which facilitates electoral operations.</td>
</tr>
<tr>
<td>4 1024883104001</td>
<td>MSB</td>
<td>Elections</td>
<td>CEOs – The Minister of Finance gave authority at a Steering Committee meeting to open this account to facilitate electoral activities that require quick payments. See Appendix 8.3 (i)</td>
</tr>
<tr>
<td>5 1500808176001</td>
<td>MSB</td>
<td>Inactive account</td>
<td>Account is inactive - reference can be made with the MSB - The Acc numbering sequence was changed by the bank. Rendering this particular account inactive.</td>
</tr>
<tr>
<td>6 1022695033001</td>
<td>MSB</td>
<td>Elections - Nominations fees</td>
<td>This facilitates accounting of all Nomination fees for Presidential and Parliamentary Elections.</td>
</tr>
<tr>
<td>7 1024801833001</td>
<td>MSB</td>
<td>Elections - Nominations fees</td>
<td>This facilitates accounting of all Nomination fees for Local Govt</td>
</tr>
<tr>
<td>8 3012695055002</td>
<td>MSB</td>
<td>Investment</td>
<td>This was a fixed deposit which MEC opened with the bank as an investment by MEC for Idle funds.</td>
</tr>
</tbody>
</table>
15

<table>
<thead>
<tr>
<th>#</th>
<th>Account Number</th>
<th>Institution</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>0230412012</td>
<td>FMB</td>
<td>Pensions acc</td>
<td>Account used by MEC for all employee pensions related payments. For instance Old Mutual pays MEC for death benefits, cheque is deposited into this account and MEC processes cheque payments per the beneficiaries list from this account. The Pension Act (2010) requires that monies for pensions and death benefits be kept separately. (Section 36 (1) (g) (ii))</td>
</tr>
<tr>
<td>10</td>
<td>021000004313</td>
<td>NEDBANK</td>
<td>Gratuity</td>
<td>Pension fund account for previous Commissioners, the account was inactive as it was under restriction order by the ACB until late in 2014 when the order was lifted. The Account has since been closed.</td>
</tr>
<tr>
<td>11</td>
<td>021000004283</td>
<td>NEDBANK</td>
<td>Gratuity</td>
<td>Pension fund account for previous Commissioners, the account was inactive as it was under restriction order by the ACB until late in 2014 when the order was lifted. The Account has since been closed.</td>
</tr>
<tr>
<td>12</td>
<td>0230353005</td>
<td>FMB</td>
<td></td>
<td>An account with this number does not exist. We used to operate an account no. 0230378005 for EU DGP activities. This has since been closed.</td>
</tr>
<tr>
<td>13</td>
<td>1500808176001</td>
<td>MSB</td>
<td>Duplication</td>
<td>Refer to # 5</td>
</tr>
</tbody>
</table>

3. The Commission through the Finance and Administration Committee is fully aware of the Bank accounts operated by the Commission and are consulted when need arises to close or open bank accounts.

4. As an extra control, The Finance Committee of the Commission is appraised on the bank balances including investment activities every week through a report which is prepared by the Finance department.

5. All Bank accounts that are operational as of now are necessary as determined by the Commission in accordance with Section 17(1) of the Electoral Commission Act and as explained in the table above.
6. In some circumstances we open accounts as per requirements of partners that fund Commission activities/projects. For example we used to operate an account for EU DGP at FMB which was closed at the behest of EU DGP. We then opened an account with FDH on instruction from EU DGP. See Appendix 8.3 (ii). You may wish to cross check with EU DGP.

Recommendations

- The bank accounts should be streamlined to correspond with strategic activities.
- Unnecessary bank accounts should be closed.
- Management should consult Treasury when opening new accounts or closing accounts.

8.4 UNRELIABLE BANK RECONCILIATION

Criteria

Principles of public accounting system require the account holder to receive bank statements supported with cheque images and debit notes at least once a month. The balance on the bank statement should be reconciled with the cashbook balance and prepare a bank reconciliation statement. Justified debits or credits must be recorded in cashbook by paying or receipting.

Finding

Bank reconciliation was prepared every month for the period under review. However, the reconciliation statement could not be relied upon because of erratic recording of cashbook as outlined below:

i) Bank charges and interest received were not paid and receipted in cashbook but left hanging in a separate column.
ii) The expenses or receipts were not posted to any budget line.
iii) Forex purchases and fund transfers were only recorded as debit in Malawi Kwacha without details of reference.
iv) There were duplicate recordings in cashbook that were not discovered and corrected by the reconciliation.

Appendix ‘1’ are details of reference
Cause

Lacked orientation to new accounting personnel in public accounting systems.

Implication

Errors and irregularities were not detected and accounts balance were not true.

Management Response

1. Bank charges and interest received left hanging: From the month of November 2015 we have started recording the bank charges and bank interest in the cash book as opposed to recognizing them as reconciling items.

2. Expenses and receipts not posted to a budget line: This has been noted, we have started allocating every other expenses and receipts to particular ledgers with appropriate budget lines.

3. Forex Purchases: This has been noted we will go through the cashbooks and separate vouchers will be processed with proper reference.

4. Duplicate recordings: We haven’t seen any duplications and we would seek to be guided on specific duplications made.

5. We have however noted in appendix 1 in the auditors report, that the amount indicated as “not posted into ledgers” on FMB OPS – 0230353004 of MK17,428,906.79 is actually an over cast, the correct amount is MK5,693,683.98.(our records show that the figure indicated as MK5,663,683.98 is actually MK5,693,683.98).

6. On account name number 9 – “MEC ORT – We will establish this ledger and cashbook to reflect the IFMIS transactions and we will also start reconciling this account on a monthly basis. We have since started in November 2015.

Recommendation

Management should immediately conduct the accounting operators orientation in public accounting bank reconciliation.
8.5 FUNDS INVESTED WITHOUT COMMISSION'S WRITTEN AUTHORITY: MK398,000,000.00

Criteria

Section 75(1a) of the Public Finance Management Act (PFMA) provides that moneys of a statutory body that are not immediately required may be invested on deposit with a bank.

Section 17(2) of the Electoral Commission Act states that any sums not immediately required for the purposes of the Commission may be invested in such a manner as the Commission may in its discretion, determine. According to Section 16(5) of the Electoral Commission Act, the Commission shall at all times comply with the provisions of the PFMA.

Finding

An examination of cashbook transfer of funds revealed that a total of MK398,000,000.00 was transferred to short term fixed deposit investments without the Commission authority as follows:

<table>
<thead>
<tr>
<th>TRANSFERRED OUT</th>
<th>INVESTED INTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>DATE</td>
<td>A/C NAME</td>
</tr>
<tr>
<td>14/11/2014</td>
<td>PPE(MSB)</td>
</tr>
<tr>
<td>24/02/2014</td>
<td>PPE(MSB)</td>
</tr>
<tr>
<td>24/02/2014</td>
<td>LG (MSB)</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
</tr>
</tbody>
</table>

Cause

Management making unilateral decisions without involving the Commission's Finance Committee

Implication

Public funds may get lost through such precedents as follow ups may not be done properly when members of staff who know about the transactions leave the service abruptly.
Management Response

1. With reference to the investment with Alliance Capital, the Commission was informed and this was ratified by Finance & Admin Committee (F&A). Please find attached a copy of the minutes in Appendix 8.5 (i).

In addition to the explanation above. A funds balances report is prepared every week for the Chairperson of the F & A Committee which includes all investments that MEC has made and all bank balances. A sample of the report is in Appendix 8.5 (ii).

Recommendation

Decisions to invest the Commission’s idle funds should always be approved in writing by Finance and Administration Committee(F&AC) of the Commission.

8.6 INTERNAL FUNDS TRANSFER NOT TRACED: MK118,667,404.44

Criteria

SECTION 17(2) of the Electoral Commission Act states that any sums not immediately required for the purposes of the commission may be invested in such a manner as the Commission may in its discretion, determine. According to Section 16(5), of the Electoral Commission Act, the Commission shall at all times comply with the provisions of the PFMA.

Finding

An examination of the cashbook revealed that a total of MK118,667,404.44 was transferred to accounts not indicated in cashbook and instruction authority not produced as follows:

<table>
<thead>
<tr>
<th>A/C NAME</th>
<th>A/C NO.</th>
<th>PERIOD</th>
<th>No OF TRANSFERS</th>
<th>TOTAL AMOUNT</th>
<th>DETAILS AT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations (FMB)</td>
<td>0230353004</td>
<td>9/6 – 4/9/2014</td>
<td>3</td>
<td>7,497,636.40</td>
<td>Appendix ‘2’</td>
</tr>
<tr>
<td>Operations (MSB)</td>
<td>1022011849001</td>
<td>11/4 – 19/9/2014</td>
<td>14</td>
<td>37,718,891.86</td>
<td>Appendix ‘2’</td>
</tr>
<tr>
<td>Chief Elections officer(MSB)</td>
<td>1024883104001</td>
<td>14/7 – 8/10/2014</td>
<td>3</td>
<td>37,191,268.37</td>
<td>Appendix ‘2’</td>
</tr>
<tr>
<td>PPE (MSB)</td>
<td>1022695033001</td>
<td>19/9/14 – 18/2/15</td>
<td>7</td>
<td>9,702,736.18</td>
<td>Appendix ‘2’</td>
</tr>
<tr>
<td>LG (MSB)</td>
<td>1024801833001</td>
<td>1/9 – 26/11/2014</td>
<td>4</td>
<td>26,556,871.63</td>
<td>Appendix ‘2’</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>118,667,404.44</td>
<td></td>
</tr>
</tbody>
</table>
**Cause**

Lack of transparent accounting and weakness in proper maintenance of accounting records.

**Implication**

Funds can be diverted to uses other than those for the Commission.

**Management Response**

1. Written authorizations for 24 of the funds transfers amounting to MK92,629,217.81 are available as attached. See Appendix 8.6
2. Seven authorizations for the balance are yet to be traced and these will be submitted immediately we get the copies from the bank.

**Recommendation**

- The officers involved in transfer of funds should be made to account for the transferred funds, failing which legal action should be taken against them.
- Management should always ensure that operators are adequately supervised.

**8.7 EXCESSIVE TRAVEL COST NOT PROVIDED FOR IN THE TPE BUDGET: MK205,623,586.00**

**Criteria**

Section 17(1) of the Electoral Commission Act states that all sums received are for the purpose of the Commission. No amount shall be withdrawn except under the written authority of the Commission.

The strategic plan and the Parliament approved annual budget are the instruments that guide MEC management on activities to implement.

MEC main budget during the under review was that one for Tripartite Elections (TPE) budgeted at MK18.4 billion. Activities in the approved budget were for the management of the TPE.

**Finding**
An examination of payment records revealed that there were many expenditures not provided for in the budget. Majority of the expenses not provided for in the budget related to local and external travel. Most of the payments were sanctioned by individual memos without reference to any budget line. Examples were noted in internal and external travel allowances paid to Commissioners and senior management officers as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>PERIOD</th>
<th>NO OF PAYMENTS</th>
<th>LOCAL TRAVEL</th>
<th>EXTERNAL TRAVEL</th>
<th>TOTAL</th>
<th>DETAILS AT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willie D.R. Kalonga</td>
<td>CEO</td>
<td>July, 2012-April, 2015</td>
<td>92</td>
<td>11,080,047.</td>
<td>28,031,267</td>
<td>39,111,314</td>
<td>App.’3(i)</td>
</tr>
<tr>
<td>Harris Potani</td>
<td>DCEO (ES)</td>
<td>Aug.2012-Jan.2014</td>
<td>24</td>
<td>1,524,772.</td>
<td>6,797,418</td>
<td>8,322,190</td>
<td>App.’3(i)</td>
</tr>
<tr>
<td>Ayanja Kumitengo</td>
<td>CEO Secretary</td>
<td>Aug.2012-Nov.2014</td>
<td>69</td>
<td>10,611,993.</td>
<td>2,297,982</td>
<td>12,909,975</td>
<td>App.’3(i)</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td></td>
<td></td>
<td>82,619,979</td>
<td>123,003,607</td>
<td>205,623,586</td>
<td></td>
</tr>
</tbody>
</table>

Some of the officers outlined above were also involved and paid allowances in the activities that were planned and took place during the same period. Time limitation could not enable that audit team to review all payment records.

**Cause**

Weakness in control by management over use of public funds.
Implication

Funds used for these unplanned activities deprived the Commission of the opportunity to implement all core functions.

Management Response

1. As observed some of the travels were not budgeted for in the period under review. The nature of the Commission is such that it operates in a global and regional village/environment. Time and again the Commission is under obligation to participate in regional or global meetings that shape international standards in elections. It should be noted that most of these meetings are unforeseen but essential. The MEC is sometimes forced to utilize other budget lines to fulfill these obligations.

2. Travel budget in 2012/13 was MK183,626,484 including travel for the Mzimba by-elections.

3. The 2014 TPE budget covering fiscal year 2013/2014 including ORT budget which had various travel lines amounted to MK964,594,985.

4. Appendix “3(i)” of the audit report contains apparent errors amounting to MK15,015,983.19. See Appendix 8.7.

Recommendations

- Management officials who approved unplanned activities which were outside MEC budget not related to core business of the Commission should be reprimanded.
- Management should ensure compliance with public financial regulations and procedures when making decisions involving public funds.

8.8 OVERLAPPING SUBSISTENCE ALLOWANCES: MK4,688,000.00

Criteria

Section 23.1(C) of the MEC Conditions of Service provides for any employee who is required and authorized by the Commission to travel away from his normal place to work overnight shall be paid subsistence allowance at a rate befitting his/her grade as determined by the Commission from time to time.
No individual officer could undertake two assignments and spend double nights on which to claim double subsistence allowance during the same period.

Finding

A substantive follow-up of some of the payments for irregular cost of travels by MEC Commissioners and staff disclosed overlap of day in the field for which subsistence allowances were paid more than once. Noted examples of the Commissioners and officers whose subsistence allowances were claimed during overlapping periods totaled **MK4,688,000.00. Appendix ‘3(ii)’** are details. Time limitation could not enable the audit team to examine all payments.

Causes

Negligence and lack of proper control on expenditure of public funds.

Implication

Public funds were lost through such recklessness by management.

Management Response

1. The issue is surrounding two activities; Polling exercise from Electoral Services Department and CVE Meetings with chiefs from CVE Department
2. Total number of days for both activities was supposed to be 32. For Polling we paid 27 days and CVE Meetings we paid 7 days, in essence it is only the 15th May 2014 that overlapped.
3. The overpayment will be recovered.
4. As for the third activity indicated as “Polling procedures”, we have not been able to trace what this particular activity was and its relevant activity memo, because the report does not show any references such as cheque number and voucher numbers of the actual payments made. MEC will further check on the documentation and proceed to recover on any overlap of days if any.
5. Christina Kumwenda was paid 32 days as opposed to 59 days as indicated in the report. She was not paid under CVE activity. (Refer to vouchers for the CVE activity). See **Appendix 8.8**.

Recommendation

- Management should immediately recover the duplicate subsistence allowances paid.
Management should intensify the internal checks and control in approving and payment of subsistence allowances.

8.9 EXTERNAL TRAVEL ALLOWANCES PAID TO OFFICERS WITHOUT TRAVEL EVIDENCE IN THEIR PASSPORTS: MK13,246,055.26

Criteria

Working conditions in the Malawi Public Service Regulations stipulate that any public employee who is travelling outside Malawi on approved duty shall be paid external travelling allowance for the duration of his/her stay outside the country at the determined rates from time to time.

Finding

After noting frequent and excessive payments for external travel allowances to some Commissioners and senior management staff, a substantive testing was conducted by checking the individual passports in order to verify the travel. The exercise revealed that some payments for external travel to some Commissioners and officers were not supported with evidence of travel in their passports around the period the payment was made. The following Commissioners and officers were noted to lack evidence of travel in their passports:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>PERIOD</th>
<th>No. OF PYMNTS</th>
<th>TOTAL AMOUNT MK</th>
<th>DETAILS AT</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. Chinkwita Phiri</td>
<td>Commissioner</td>
<td>21 January, 2014</td>
<td>1</td>
<td>544,082.</td>
<td>App. ‘3(iii)’</td>
</tr>
<tr>
<td>S.A.M. Biliati</td>
<td>Commissioner</td>
<td>14 January, 2015</td>
<td>1</td>
<td>1,534,500.</td>
<td>App. ‘3(iii)’</td>
</tr>
<tr>
<td>Harris Potani</td>
<td>DCEO (ES)</td>
<td>27 March, 2014</td>
<td>1</td>
<td>994,559.</td>
<td>App. ‘3(iii)’</td>
</tr>
<tr>
<td>Henzily Munkhondya</td>
<td>DES</td>
<td>14 February, 2014</td>
<td>1</td>
<td>503,241.</td>
<td>App. ‘3(iii)’</td>
</tr>
<tr>
<td>Ayanja Kumitengo</td>
<td>CEO Secretary</td>
<td>11 November, 2014</td>
<td>1</td>
<td>628,567.</td>
<td>App. ‘3(iii)’</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>13,246,055.</strong></td>
<td></td>
</tr>
</tbody>
</table>
However, passports for two Commissioners and the Chairman were not produced. From the cashbook dates, some payments were noted made more than one in a shortest duration to some individuals.

Time limitation could not enable a complete audit follow up of all payment records.

**Cause**

Lack of internal checks and control resulting from weak mismanagement of public funds.

**Implication**

Allowances paid to individuals concerned for trips not undertaken resulted in loss of public funds.

**Management Response**

1. All Commissioners/ staff travelled for the trips stated and outlined. Please find photocopies of passport extracts in the attached appendices as indicated below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Period</th>
<th>Attachment Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justice Maxon Mbendera, SC</td>
<td>Chairperson</td>
<td>23/02/2013-08/10/2014</td>
<td>Appendix 8.9(1a) .The Chairperson did not travel to Seychelles and he returned the allowances that were paid to him. See deposit slip in Appendix 8.9 (1b).</td>
</tr>
<tr>
<td>Rev. Mezuwa Banda</td>
<td>Commissioner</td>
<td>07/09/2012-29/10.2014</td>
<td>Appendix 8.9 (2)</td>
</tr>
</tbody>
</table>
26

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Date</th>
<th>Appendix</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs Nancy G. Tembo</td>
<td>Commissioner</td>
<td>05/07/2012-02/10/2014</td>
<td>Appendix 8.9 (3)</td>
<td></td>
</tr>
<tr>
<td>Dr W.M. Nakanga</td>
<td>Commissioner</td>
<td>Sept 12-Oct. 2014</td>
<td>Appendix 8.9 (4)</td>
<td></td>
</tr>
<tr>
<td>Dr E. Chinkwita Phiri</td>
<td>Commissioner</td>
<td>21 January, 2014</td>
<td>Appendix 8.9 (5)</td>
<td></td>
</tr>
<tr>
<td>S.A.M Billiati</td>
<td>Commissioner</td>
<td>14 January, 2015</td>
<td>Appendix 8.9 (6)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Note: travelled in February, 2015 to Lesotho.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harris Potani</td>
<td>DCEO(Ops)</td>
<td>27 March, 2014</td>
<td>Appendix 8.9 (8)</td>
<td></td>
</tr>
<tr>
<td>Henzily Munkhondya</td>
<td>DES</td>
<td>14 February, 2014</td>
<td>Appendix 8.9 (9)</td>
<td></td>
</tr>
<tr>
<td>Sangwani Mwafulirwa</td>
<td>DM&amp;PR</td>
<td>24 September, 2012</td>
<td>Appendix 8.9 (10)</td>
<td></td>
</tr>
<tr>
<td>Ayanja Kumitengo</td>
<td>CEO, Secretary</td>
<td>11 November, 2014</td>
<td>Appendix 8.9 (11)</td>
<td></td>
</tr>
</tbody>
</table>

2. The Commission has resolved that from now on boarding pass stubs will be retained to be filed together with the vouchers.

Recommendation

- Management should recover the sums paid for external trips proved not travelled.
- The Commission should reprimand the individuals concerned for the intended theft.

8.10 USE OF MEC FUNDS ON NON-APPROVED PERSONAL TRAVEL-MK2,228,957.00

Criteria
Working conditions in the Malawi Public Service Regulations requires that any public employee who is travelling outside Malawi on duty should be granted approval by relevant authority before being paid external travel allowance for the duration of his/her stay outside the country at the determined rates from time to time.

**Finding**

Examination of payments for external travel allowances revealed that the Chief Elections Officer (CEO) had travelled to Arusha, Tanzania in November, 2013 for his self sponsored MBA graduation for which he was paid K2,228,957.00 as follows:

<table>
<thead>
<tr>
<th>DATE</th>
<th>PAYEE</th>
<th>DESCRIPTION</th>
<th>AUTHORITY</th>
<th>VR/CHQ</th>
<th>US$</th>
<th>AMOUNT MK</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/11/2013</td>
<td>MSB for CEO</td>
<td>External travel allowance &amp; Advance to CEO for graduation – Arusha, TZ.</td>
<td>Memo by CEO Secretary</td>
<td>Bank transfer</td>
<td>1,500. 1,000.</td>
<td>669,329.10 446,219.40</td>
<td>Annex ‘I’</td>
</tr>
<tr>
<td>11/11/2013</td>
<td>Skylink Travel</td>
<td>Air fare to Arusha &amp; back for the CEO</td>
<td>LPO# 2307</td>
<td>Bank transfer</td>
<td>1,113,409.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,228,957.50</td>
</tr>
</tbody>
</table>

A review of related correspondences disclosed that the travel to Arusha was not approved by the commission and therefore, the use of MEC resources was not authorized.

**Cause**

Negligence and abuse of office by the Chief Elections Officer.

**Implication**

MEC resources diverted for personal interest.

**Management Response**

1. The practice in the Commission has been that staff that take initiative to advance their education are supported by the Commission.
2. The Chairperson of the Finance and Administration Committee approved that the Chief Elections Officer should travel to Tanzania for the graduation ceremony and this therefore was an official trip. See Appendix 8.10 (i). Hence the payment of the travel allowance of $1,500.00

3. He also approved an advance of $1,000.00. Unfortunately Finance did not effect the payroll deductions. However the loan has since been repaid as per Appendix 8.10 (ii).

4. Appendix 8.10 (iii) is a statement from Skylinks. He is entitled to travel business class but he opted to travel economy class hence the credit note.

Recommendation

- The CEO should pay back the external travel allowance paid to him on unauthorized personal trip to Arusha.
- The CEO should desist from using informal memos by his personal secretary to sanction expenditure of public funds without the involvement of the budget officer in the Finance section.

8.11 PERSONAL LOANS PAID FROM OPERATIONS ACCOUNTS AND WITHOUT EVIDENCE OF REPAYMENT: MK41,422,286.00

Criteria

Working conditions in the Malawi Public Service Regulations stipulate public relevant authority may grant personal loans to employees in respect of Education, Emergency, Bicycle, Motor Vehicle and General Purpose Fund.

Special funds must be identified and put into an official loan revolving fund account from which personal loans should be paid.

Finding

An examination of payment records for operation accounts revealed that management sanctioned payments of personal loans from elections operational funds. The funds were paid as personal loans to Commissioners and members of staff as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>TYPE</th>
<th>PERIOD PAID</th>
<th>TOTAL AMOUNT MK</th>
<th>DETAILS AT</th>
</tr>
</thead>
</table>

28
Justice M. Mbendera  Chairman  Housing & Furniture  Jan-Nov ’14  8,219,067.  Appendix ‘4’
Dr W.M. Nakanga  Commissioner  Emergency  Oct-Nov ’14  1,400,000.  Appendix ‘4’
S.A.M. Billiati  Commissioner  Emergency  30 Oct ‘14  250,000.  Appendix ‘4’
Rev. M.Mezuwa Banda Commissioner  Emergency  11 Sept ’14  700,000.  Appendix ‘4’
E. Kalonga Mtafu  Commissioner  Emergency  6 Aug ’14  1,800,000.  Appendix ‘4’
E. Chinkwita Phiri  Commissioner  Emergency  4 Nov ’14  500,000.  Appendix ‘4’
Thandi Nkovole  CEO Sec.  Emergency  30 Oct ‘14  1,000,000.  Appendix ‘4’
Ayanja Kumitengo  CEO Sec.  Emergency  3 July ’14  500,000.  Appendix ‘4’
G. Sikwese  Emergency  17 Dec ’14  20,000.  Appendix ‘4’
MEC Adv. Account  MEC Private A/c  Loan  Feb’14 & Jan’15  25,000,000.  Appendix ‘4’

| TOTAL | | 41,422,286. |

Honoraria for Commissioners and Staff salaries were paid from Accountant General. There was no evidence that the amount have been repaid.

However, according to the 27th August, 2014 memo from the Chairman’s Secretary, which read: “His Lordship would like to surrender the MK6million gratuity at the end of term of office to clear the debt and the balance of K2,109,566.94 be cleared within 24 months effective October, 2014.”

It should be noted that Gratuity is only paid after successful completion of the contract period. It is therefore wrong to surrender a gratuity to clear the loan while the contract period has not come to an end.

**Cause**

Management lack of direction on the treatment of personal loans.

**Implication**

Loss of public funds through unrecovered personal loans.

**Management Response**

1. The observation is correct. The Commission has written the Accountant General to increase seed money for MEC Employees loan fund. All the amounts provided to the Commissioners and members of staff as stated in the report, were properly booked in the payroll system immediately in the month the loan was given and repayment commenced. Most of the loans have since been repaid. See attachments in Appendices 8.11 (j) a, b, c.

2. We have since written the Accountant General to assist in increasing the seed money for the advances account. Refer to Appendix 8.11(ii).
3. As regards payment of MK25 million to MEC Emergency Advance Fund. The amount was given to the fund in two chunks, first MK10 million and second 15 million. This was done in the same spirit of investing idle funds, this amount was invested with the staff fund at an interest of 3%. At the time of the audit, the fund had started repaying the MK10 million and as at today the whole MK10 million with the interest of MK300,000 has since been repayed. Refer to Appendix 8.11(iii).

4. The remaining MK15 million is due in December 2015 as it is the time we will have finished recovering the loans from the members of the fund.

Recommendation

- Management should immediately recover the personal loans with interest.
- Management should seek direction from Accountant General on the treatment of personal loans by opening a staff loans revolving account.

8.12 GRATUITY PAID FROM OPERATIONAL FUNDS: MK16,850,324.00

Criteria

MEC employees working on contract shall be paid their terminal benefit (gratuity) based on their conditions of the contract. As public officers, their gratuity is payable under statutory provision by Accountant General after the Pre-audit by National Audit Office.

Finding

An examination of payment records for Operations accounts revealed that management paid employment contract gratuity to senior officers at the end of their contract as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>CONTRACT PERIOD</th>
<th>GRATUITY AMOUNT MK</th>
<th>A/C PAID</th>
<th>CHQ #</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>L.B. Longwe</td>
<td>DCEO</td>
<td>March 2009-February 2014</td>
<td>8,277,356.</td>
<td>Ops (FMB)</td>
<td>0711</td>
<td>04/03/2014</td>
</tr>
<tr>
<td>D.C. Bandawe</td>
<td>Former CEO</td>
<td>September 2009-August 2012</td>
<td>8,572,968.</td>
<td>Ops (FMB)</td>
<td>0539</td>
<td>02/10/2013</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>16,850,324.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
There was no Commission's authority to justify the payment of gratuity from operating accounts.

**Cause**

Management failure to seek direction from relevant authority.

**Implication**

MEC operational funds have not been refunded from the pensions and gratuities account.

**Management Response**

1. Initially the practice was that all provisions for gratuities for contract staff, were being sent to NEDBANK. When the Nedbank accounts were frozen by ACB in 2010, we started remitting the provisions to Old Mutual.

2. When the contracts for the two members of staff had expired in August 2013 for D.C Bandawe and in February 2014 for L B. Longwe respectively, Old Mutual had not accumulated enough funds to enable us to make the payments since the other part of the funds were with NEDBANK frozen accounts. So a decision was made to facilitate the payments through FMB operations with the idea that the funds would be reimbursed once the Nedbank account was cleared by ACB.

3. Please find attached copies of the expenditures that were made from the Nedbank account in Appendix 8.12(i).

4. We would like to state that when Old Mutual repaid the amount of MK6, 068,937.82 this amount was deposited in the FMB Operations account on 8th May, 2014. See Appendix 8.12 (ii).

**Recommendation**

- Management should immediately recover the gratuity paid from the appropriate account.
- Management should seek assistance from Accountant General on the Contract Gratuity.

8.13 **UNJUSTIFIED HIRING OF MOTOR VEHICLE FOR THE CEO-K7,043,662.37**
Criteria

Chief Elections Officer (CEO) Contract Conditions of Service provide that the CEO will be provided with a motor vehicle at a time to cater for transport requirements.

Finding

An audit examination of transport records disclosed that in July 2014, the official vehicle for the Chief Elections Officer (CEO) registration number BS 6671, new Toyota Prado TX was involved in a road accident. The vehicle had to be sent to a garage for repairs under the insurance arrangement document of which was not produced.

However, MEC hired vehicles for the CEO from Zoom Car Hire and later from Ocean Car Hire at the total bill amounting MK7, 043,662.37 under the pretext that the insurance will be responsible. No document from the insurance was produced for this arrangement.

Prior to the allocating of the new vehicle, the CEO was using a Toyota Land cruiser Reg. No. MJ 3373 which was not surrendered back to the office. It was expected in this circumstance for the CEO to revert to using the unsurrendered vehicle in absence of written commitment from the insurance.

In the circumstance that no written commitment to hire cars for the CEO by management, the Car Hire firms may take MEC to task for payment of the MK7, 043,662.37 bill not yet settled.

Cause

CEO’s unilateral decision by assuming insurance responsibility.

Implication

The commission may be taken task to pay for the management negligence.

Management Response

1. The vehicles were hired by the Commission and not the CEO in his personal capacity.
2. The right to hire a replacement vehicle following an accident is recognized by the law of tort and is covered by insurance policy. See Appendix 8.13 (i).

3. The Commission has commenced a case against PSI for recovery of the hire charges. The matter is under mediation because both the Commission and PSI use the same lawyers.

4. The Police report put the fault entirely on the PSI driver who hit the Commission vehicle. See Appendix 8.13 (ii) for the Police report.

5. Given the circumstances that led to the hire of the vehicle, the Commission is unable to accept the auditors' recommendation that the bill should be covered by the CEO.

Recommendation

In the event that MEC is taken to task to settle the hiring bill, the CEO, Mr Kalonga should bear the responsibility.

8.14 ADHOC EXPENDITURE ON BORROWING OF LAMPS & TENTS NOT PROVIDED FOR IN THE BUDGET: MK64, 251,648.20

Criteria

Paragraph 7.1 of the May, 2014 Tripartite Elections (TPE) budget provided for polling material at estimated cost of MK4,435,319,009.02. There was no provision of borrowing polling equipment such as lamps and tents.

Finding

On 5th February, 2014, the Director of Electoral Services (DES) wrote a Memo to the Chief Elections Officer (CEO), requesting him to approve the payment of $116,698.62 to enable Zimbabwe Electoral Commission (ZEC) facilitate logistical arrangements pertaining to dispatch of the borrowed gas lamps and tents to Malawi. The money was for packaging, transport of glass and mantle, travelling and subsistence allowance and foreign allowance. The initial request by MEC was 8,000 gas cylinders and the request was approved with an additional 1,500 gas cylinders making a total of 9,500 gas cylinders. In Zimbabwe the gas cylinders were not at one place but assembled from various provinces where they were being kept after their elections.
The audit team only accessed the DES request without the breakdown or supporting documentation and a few payment records towards the cost of borrowing lamps and tents as follows:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION OF SERVICE</th>
<th>AMOUNT US$</th>
<th>AMOUNT MK (EQUIV)</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Packaging &amp; purchase of cardboard</td>
<td>16,968.62</td>
<td>8,229,780.70</td>
<td>Exchange rate of $1=MK485</td>
</tr>
<tr>
<td>2</td>
<td>Transport</td>
<td>47,224.00</td>
<td>22,903,640.00</td>
<td>Exchange rate of $1=MK485</td>
</tr>
<tr>
<td>3</td>
<td>Glass and Mantles</td>
<td>20,500.00</td>
<td>9,942,500.00</td>
<td>Exchange rate of $1=MK485</td>
</tr>
<tr>
<td>4</td>
<td>Travelling and sub-allowance</td>
<td>20,175.00</td>
<td>9,784,875.00</td>
<td>Exchange rate of $1=MK485</td>
</tr>
<tr>
<td>5</td>
<td>Foreign Travel allowance</td>
<td>11,830.00</td>
<td>5,737,550.00</td>
<td>Exchange rate of $1=MK485</td>
</tr>
<tr>
<td>6</td>
<td>Combine cargo-clearing of lamps &amp; tents (5payments)</td>
<td>7,653,302.50</td>
<td>Contract arrangement</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>116,697.62</td>
<td>64,251,648.20</td>
<td></td>
</tr>
</tbody>
</table>

Due to time limitation, not all payments towards the borrowing of lamps and tents were accessed. However, the expenditure was alleged to be in excess of MK150 million.

**Cause**

Lack of financial prudence by management spending on unplanned activities.

**Implication**

Wastage of electoral resources on unplanned activity that was considered to have no additional value during the polling event.

**Management Response**

1. The borrowing of the lamps was a directive by the Commission in order to ensure that there was adequate lighting during counting of votes which is critical to the integrity and transparency to the electoral process for the 2014 tripartite elections. See Appendix 8.14.
2. In the budget funds amounting to $315,415 were provided for the purchase of gensets. This translated to MK152,976,462 at the time of required implementation (Exchange rate of MK485 to the USD).
3. Borrowing of lamps which included tents was $116,697.62 converted at MK485 to the USD it comes to MK64,251,648.20.
4. There was an additional expense of $14,867.71 for reverse logistics which translates to MK8,474,594.70 at MK570 to the USD.
5. The total expenditure on the borrowing of gas lamps and tents including sending these back to Zimbabwe is MK72,726,242.90 which is lower than the budget of MK152,976,462.

6. We are unable to accept the allegation that the provision of gas lamps (including tents) did not have added value during the polling event.

Recommendation

People in the management who deliberately departed from the plans and approved expenditure outside the budget without prudence, should be reprimanded.

8.15 NON-COMPLIANCE WITH PUBLIC PROCUREMENT PROCEDURES: MK19,503,836.00

Criteria

Section 30 (1) of the Public Procurement Act (PPA) 2003, stipulates that public procurement shall be realized by means of open tendering proceedings subject to exceptions outlined under Sub-Sections (2 – 12). Sub-Section (8) allows Procuring Entities (PEs) to procure using the Request for Quotation (RFQ) method. RFQ method may be used for:

Section 115 of the Public Procurement Regulations set out conditions for use of RFQ procedure. Further Section 116 of the Public Procurement Regulations state that the PE’s Purchase Order (PO) constitutes an acceptance of the winning supplier’s quotation and forms a legally binding contract.

Finding

An examination of procurement records revealed that MEC management used to procuring goods or services without complying with public procurement regulations and procedures. In most cases there was no evidence of internal Procurement Committee (IPC) minutes that resolved the availability of funds in the budget and that the goods or services were offered at competitive price. The following two examples were noted:

<table>
<thead>
<tr>
<th>SUPPLIER / PAYEE &amp; RFQ REF. NO.</th>
<th>DESCRIPTION OF GOODS/SERVICES</th>
<th>COST IN MK</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Description</td>
<td>Details</td>
<td>Amount</td>
<td>Note</td>
</tr>
<tr>
<td>-------------</td>
<td>---------</td>
<td>--------</td>
<td>------</td>
</tr>
<tr>
<td>Caring Motors Services Chq 1108 / Vr 2325</td>
<td>Service &amp; repair BN 1170</td>
<td>3,003,836.00</td>
<td>No Quotation No Contract</td>
</tr>
<tr>
<td>Toyota Malawi LPO 1727 Chq 29509 Vr 992</td>
<td>Supply &amp; fit Bull Bars to Commission’s vehicles (11) &amp; Spo</td>
<td>16,500,000.00</td>
<td>No Quotation No Contract</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>19,503,836.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Cause**

Unilateral decisions by top management without involving IPC.

**Implication**

Wastage of electoral resources on unplanned procurements and lack of evidence to ascertain value for money.

**Management Response**

1. Find attached IPC Minutes and quotation for BN1170 in Appendix 8.15.
2. Management notes the observation on the procurement of bullbars, however the vehicles for which the bullbars were bought were under warranty and it was a requirement that only Toyota could supply.
3. Commissioners and Members of staff have since undergone training on Public Procurement conducted by the office of the ODPP from 02nd to 05th November 2015 so that procurement laws and procedures are enhanced and adhered to.

**Recommendation**

Top Management should desist from making unilateral procurement decisions to avoid wastage of public resources by complying with procurement regulations.

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**8.16 UNSUBSTANTIATED CLAIM OF SUPPLY OF GOODS BY SCI TANZANIA: MK98,579,603.00**

**Criteria**

Section 115 of the Public Procurement Regulations set out conditions for use of RFQ procedure that include specification of the requirements, price, shipping arrangement and validity period. Section 116 further state that the PE's Purchase Order (PO) constitutes an acceptance of the winning supplier's quotation and forms a legally binding contract.
Finding

A substantive examination of procurement records relating to SCI Tanzania disclosed that MEC IPC minutes of 3rd June, 2014, under item 2.0 indicated that SCI Tanzania was claiming to have supplied and delivered to the Commission various goods and services in September 2013. There was no evidence of a contract, quotation and purchase order. The items are as follows:

<table>
<thead>
<tr>
<th>SUPPLIER/PAYEE &amp; RFQ REF. NO.</th>
<th>DESCRIPTION OF GOODS/SERVICES</th>
<th>COST US$</th>
<th>COST MK</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCI Tanzania: MEC/2013/14/NCB/18</td>
<td>Repair of P110S software upgrade &amp; training</td>
<td>37,086.02</td>
<td>16,688,709.00</td>
<td>Retrospective contract drawn</td>
</tr>
<tr>
<td>SCI Tanzania: MEC/2013/14/NCB/18</td>
<td>Repair of BD-ID400 printers, software upgrade &amp; replacement of accessories</td>
<td>21,105.68</td>
<td>9,497,556.00</td>
<td>Retrospective contract drawn</td>
</tr>
<tr>
<td>SCI Tanzania: MEC/2013/14/NCB/18</td>
<td>Hiti P1105 printers &amp; Jazz former spare parts</td>
<td>49,764.00</td>
<td>22,393,800.00</td>
<td>Retrospective contract drawn</td>
</tr>
<tr>
<td>SCI Tanzania: MEC/2013/14/NCB/18</td>
<td>Jazz former PCB spare parts</td>
<td>11,300.00</td>
<td>5,085,000.00</td>
<td>Retrospective contract drawn</td>
</tr>
<tr>
<td>SCI Tanzania: MEC/2013/14/NCB/18</td>
<td>BS-ID400 photo media &amp; professional support</td>
<td>70,073.43</td>
<td>31,533,043.50</td>
<td>Retrospective contract drawn</td>
</tr>
<tr>
<td>SCI Tanzania: MEC/2013/14/NCB/18</td>
<td>Provision of Jazzmatrix spare parts</td>
<td>€24,329.99</td>
<td>13,381,494.50</td>
<td>Retrospective contract drawn</td>
</tr>
</tbody>
</table>

| TOTALS | 98,579,603.00 |

Surprisingly, in an effort to document the claim, MEC Management drew a retrospective contract signed by a Mr. Mayur Repotek as SCI Tanzania Project Manager. In the process MEC Management obtained a quotation dated 4th June, 2014, for service claimed to have been supplied in September 2013. Evidence of goods and services supplied or rendered was not produced. However, the claim is outstanding as unpaid arrears.

Cause

Procurement was not originally processed through IPC.

Implication
Unjustified retrospective documentation amounts to corruption between MEC Management and the SCI Tanzania and that Public funds may be paid for unrendered or overcharged goods and services.

**Management Response**

1. **For the registration exercise for the TPE**, we had BD-ID 400 printers which were supplied for the 2009 elections including photo media. Most of these printers were not working and they were no longer available on the market because they were out of production. But we had a lot of photo media for the BD-ID 400 printers. We therefore had to use this photo media with Hiti P110S which necessitated upgrade of these printers so that they should be compatible with the photo media we had in stock.

2. The orders became necessary in the heat of the registration exercise across the country which could not be stopped without compromising the integrity of the electoral process in view of the fact that there were a lot of breakdowns of equipment. In the event, this became an emergency procurement. Refer to **Appendices 8.16 (i) (a-f)** for the correspondence and accompanying quotations justifying the emergency procurement and **Appendix 8.16 (ii)** for evidence of receipt of the goods and services.

3. After the fact, these transactions were taken to IPC for ratification. See **Appendix 8.16 (iii)** for the minutes of the IPC.

4. The consumption of the items in the invoices, were certified by Directors of Electoral Services and ICT who were the end-users of these goods and services. IPC determined that the prices claimed by the supplier were comparable with previous consumption. IPC accordingly ratified the transactions. See **Appendix 8.16 (iv)** for the certified quotations.

5. The Commission’s IPC applied to ODPP to clear the transaction and ODPP noted the procurement. Refer to **Appendix 8.16 (v)**.

**Recommendations**

- The matter should be reported to the Anti-Corruption Bureau (ACB) for further investigations.
- The officers who authorized the procurement without following procedures should be reprimanded.

**8.17 GOODS PROCURED OUTSIDE PROCUREMENT PLAN AND BUDGET:**

MK21,155,225.00
Criteria

Section 23 of the Public Finance Management Act (PFMA) as read in line with Section 178 of the constitution stipulates that no public money shall be expended unless the expenditure is authorized by an appropriate Act of Parliament.

Section 17(1) of the Electoral Commission Act states that all sums received are for the purpose of the Commission as provided for in the approved budget. No amount shall be withdrawn except under the written authority of the Commission as budgeted and by means of cheque signed by person authorized by the Commission.

MEC main budget during the period under review was that one for Tripartite Elections (TPE) budgeted at MK18.4 billion. Activities in the approved budget were for the management of the TPE core business.

Finding

A review of the procurement and expenditure documents disclosed that the Commission made commitments and expenditure on goods and services not included in the procurement plan and also not provided for in the budget. The procured goods, services and their associated expenses were not core to the tripartite election. There was no special authority by the Commission. The following were the noted examples:

<table>
<thead>
<tr>
<th>SUPPLIER/PAYEE</th>
<th>DESCRIPTION OF GOODS</th>
<th>ORDER NO.</th>
<th>DATE</th>
<th>QTY.</th>
<th>UNIT COST</th>
<th>AMOUNT MK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kunsi Trading</td>
<td>Golf shirts MEC Logo</td>
<td>002868</td>
<td>19/02/2014</td>
<td>200</td>
<td>19,200</td>
<td>2,880,000.00</td>
</tr>
<tr>
<td>Samida Enterprise</td>
<td>Sleeveless Jackets</td>
<td>003185</td>
<td>31/03/2014</td>
<td>50</td>
<td>15,500</td>
<td>902,875.00</td>
</tr>
<tr>
<td>Media Works</td>
<td>Branded T-shirts</td>
<td>002840</td>
<td>18/02/2014</td>
<td>200</td>
<td>3,500</td>
<td>7,000,000.00</td>
</tr>
<tr>
<td>Media Works</td>
<td>Sleeveless Jackets</td>
<td>002840</td>
<td>18/02/2014</td>
<td>150</td>
<td>15,500</td>
<td>2,325,000.00</td>
</tr>
<tr>
<td>Media Works</td>
<td>Sleeveless Jackets</td>
<td>002841</td>
<td>18/02/2014</td>
<td>150</td>
<td>15,500</td>
<td>2,325,000.00</td>
</tr>
<tr>
<td>Media Works</td>
<td>Branded T-shirts</td>
<td>002841</td>
<td>18/02/2014</td>
<td>200</td>
<td>3,500</td>
<td>7,000,000.00</td>
</tr>
<tr>
<td>Media Works</td>
<td>VAT on Order No. 2840-41</td>
<td>002841</td>
<td>18/02/2014</td>
<td></td>
<td>449,125</td>
<td>449,125,00</td>
</tr>
<tr>
<td>Sunbird Mount Soche Hotel</td>
<td>Supply of snacks &amp; beverage at National</td>
<td>Inv. 6038</td>
<td>27/05/2014 –</td>
<td>Various</td>
<td></td>
<td>13,041,100.00</td>
</tr>
</tbody>
</table>
Management attitude not to comply with budget control and procurement plan.

Implication

Wasteful expenditure on unplanned and unnecessary items to TPE procurement.

Management Response

The Commission has taken note of the observations.

1. **The procurement of T-Shirts and Sleeveless Jackets – MK10,282,000**

These were initially budgeted for in the 2014 tripartite elections because they were deemed core in the sense that they provided visibility of the elections and acted as marketing tools that enhanced the identity as well as the image of MEC officials managing the elections and stakeholders. Due to limited resources, the said goods and services were removed from the 2014 tripartite final budget with understanding that the Commission would be efficient in the implementation of the various budget lines with a view to accommodate such goods and services. The goods and services were procured from within the budget lines 1.5.34, 1.5.35, to 1.5.37 under CVE materials which amounted to MK31 million. The Commission directed that these should be procured as part of the electoral processes. See Appendix 8.17.

The Commission makes a commitment to include in the procurement plan all goods and services that it plans and anticipates to procure within a budgetary period with an indication of the alternative measures for goods and services that are deemed core and essential but not provided for in the budget because of limited resources.

2. **The Supply of food stuffs at the Tally Center – MK 13,041,100.00**
Budget item No 7.11 provided for snacks and refreshments for Commissioners and stakeholders amounting to MK12,080,000 for a period of 5 days. See Appendix 8.17 (ii).

The determination and announcement of results took 14 days from 20th May to 2nd June, 2014.

Recommendation

The top Management officials who initiated the unplanned procurement should be reprimanded.

8.18 PROCUREMENT IN EXCESS OF THRESHOLD WITHOUT ODPP AUTHORITY: MK426,843,806.09

Criteria

Sections 30(10a & c) permits Procuring Entities (PEs) to procure goods or services by means of the ‘Single Source’ method only in circumstances:

[a] when the estimated value of the procurement does not exceed the amount set in the regulation;

[b] when there is an emergency need for the goods, works and services involving an imminent threat to the physical safety of the population or of damage to property, and engaging in tendering proceedings or other procurement methods would be impractical.

For the purpose of checks and balances, the regulation set out thresholds to limit PEs on procurement of goods and services using RFQ. Any single procurement of estimated value above threshold should seek “No Objection” authority from the Director of ODPP.

Section 115 of the Public Procurement Regulations set out conditions for the use of RFQ procedure.

Finding

The ICT Department of MEC was responsible for printing of ballot papers and voters roll. However, MEC entered into a contract with the local printing firm, Fattani Offset Printers and Universal Trading to provide printing of ballot papers and voters roll and envelopes respectively. The outsourcing was done because of the emergency procurement to replace...
original ballot papers which were damaged at some polling centres in Blantyre and Lilongwe Cities, during election. The ICT Department equipment printing speed could not meet the targeted time.

The threshold for MEC to procure in this circumstance was MK5,000,000.00. It was observed that MEC procured the emergency ballot papers voters roll and envelopes of value above threshold using RFQ method without the ODPP prior “No Objection” authority. A retrospective request to ODPP was made to regularize the transaction to which ODPP raised concerns on the breach of the procurement law despite giving a consent.

The following are the details of the procurement:

<table>
<thead>
<tr>
<th>SUPPLIER/PAYEE &amp; RFQ REF. NO.</th>
<th>DATE</th>
<th>DESCRIPTION OF GOODS/SERVICES</th>
<th>AMOUNT MK</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fattani Offset Printers:</td>
<td>22/07/2014</td>
<td>Printing of ballot papers &amp; voters roll</td>
<td>68,339,071.11</td>
<td>Emergency</td>
</tr>
<tr>
<td>MEC/2013/14/NCB/17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fattani Offset Printers:</td>
<td>June 2014</td>
<td>Voters roll</td>
<td>144,071,113.68</td>
<td>Emergency</td>
</tr>
<tr>
<td>MEC/2013/14/NCB/17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fattani Offset Printers:</td>
<td>June 2014</td>
<td>Ballot papers</td>
<td>195,000,000.00</td>
<td>Emergency</td>
</tr>
<tr>
<td>MEC/2013/14/NCB/17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Universal Trading</td>
<td>June 2014</td>
<td>Results Envelopes</td>
<td>19,433,621.30</td>
<td>Emergency</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>426,843,806.09</td>
<td></td>
</tr>
</tbody>
</table>

Cause

Non-compliance with procurement regulations.

Implication

Price paid for the goods was not competitive as such value for money was not ascertained.

Management Response

The Commission is obligated to print sufficient Ballot Papers for the conduct of elections as stipulated under section 76 of the Parliamentary and Presidential Elections Act. Further, the availability of voters register at approximately 12000 polling streams country wide is a constitutional requirement.

1. Printing of Voters Roll

The preliminary Voters Rolls that were printed for Verification had a lot of errors and they therefore had to be withdrawn. This necessitated the
Commission to outsource from local printers for the reprinting of the Voters Roll as a matter of urgency. The Commission’s in house capacity could not handle the emergency reprinting of the Voters Roll. We went out and sourced 3 quotations under RFQ considering that it would be impractical to do National Competitive Bidding. The preferred bidder was chosen on the basis of having adequate capacity, price competitiveness, and ability to print within the limited time. See Appendix 8.18 (i) and (ii) for the quotations that were obtained and the minutes of the IPC meeting respectively.

2. Printing of Ballot Papers

2.1 Ballot papers and other materials were burnt in the morning hours of the polling day in some centres.

In Blantyre, centres such as Nkolokoti, Ndirande Makata, Kapeni Demonstration, Misesa and Namame Schools experienced violence that resulted in the destruction of ballot papers and other polling materials.

In Lilongwe District two polling stations; namely House of Hope and Msambachikho, had a short supply of parliamentary ballot papers available for polling. Voters refused to proceed to vote only for presidential and local government elections. They further declined the arrangement to source ballot papers from other centers within the constituency. Election materials including ballot papers were burnt in the fracas.

2.2 In order to allow the people to vote, the Commission had to print new ballot papers within 24 hours.

2.3 Due to the circumstances outlined above, an emergency procurement was declared and Fattan Offset Printers was identified.

2.4 The Commission notes that it has no record of having paid MK68 million neither having received such an invoice. This amount was not part of the emergency procurement.

2.5 The IPC minutes ratifying the emergency procurement were sent to ODPP for clearance of the transaction. ODPP took note of the transaction on 24th June 2014. See Appendix 8.18 (iii) and (iv) for the minutes and correspondence noting the procurement respectively.
3. **Procurement of additional envelopes**

The procurement of additional envelopes from Universal Trading was in direct relation to the printing of additional ballot papers. An addendum contract was issued to Universal Trading the successful bidder in the initial open tender of the same item. No Objection was granted by ODPP as per attached communication for this procurement. See Appendix 8.18 (iv).

**Recommendation**

Relevant penalties should be applied as provided for offences of non-compliance with Procurement Laws and Regulations.

8.19 **IRREGULAR CLOSED BID ON DISPOSAL OF BOARDED OFF VEHICLES**

**Criteria**

Section 3(a) of the MEC Act, provides for the Commission as a corporate body with perpetual succession and a common seal and be capable of: acquiring, holding and disposing of real and personal property. Section 16(5) of the MEC Act stipulates that the Commission shall at times comply with the provisions of Public Finance Management Act (PFMA) and Public Audit Act (PAA).

In the absence of specific guiding regulation for the MEC Act on conditions of service, Public Service Regulations shall apply to MEC Commissioners and staff. Public Service Regulations require that all boarded off Government assets including vehicles shall be sold by public auction so that members of the general public can have an opportunity to participate.

Contract Conditions of Service for Commissioners provide that they will be provided with one four wheel drive vehicle. They will be entitled to purchase the vehicle when it clocks five years or at the end of the contract whichever is earlier at **10% of the original cost**.

Contract Conditions of Service for MEC Senior Members of Staff provide that they are entitled to purchase a vehicle allocated to them when it clocks five years or 250,000 Km, whichever is earlier at **10% of the valuation of the vehicle**.

**Finding**

The Malawi Electoral Commission used the closed bidding method where the Commissioners and members of staff submitted bids for the purchase of
boarded off vehicles. The MEC set up Board of Survey of 2013 allocated the boarded off vehicles to Commissioners and senior officers basing on seniority of bidders, after examining the bids.

The Board of Survey resolved to allocate the old vehicles to officials who were using them at 10% of the valuation price. Fourteen (14) vehicles were allocated to Commissioners and staff as detailed on Appendix 5. Out of the allocation, four vehicles boarded off in 2013 were official vehicles of the MEC Chairperson and the Chief Elections Officer (CEO). They were boarded off after Government had procured new vehicles (Toyota Prado TX) for the Commissioners and the CEO.

The MEC system of boarding off and offer for sale to Commissioners and senior officers Government vehicles contravened Government Asset Disposal Regulations and Public Service Regulations.

**Cause**

Management negligence to comply with regulations and procedures laid down by Government in disposing used vehicles.

**Implication**

Government vehicles may be sold at very low value than could be realized when sold through public auction.

**Management Response**

1. **In the absence of a formal policy we relied on the decision by the Commission and the Board of Survey to dispose of vehicles that were sold under closed tender. Refer to the attached minutes in Appendix 8.19 (i).**

2. For vehicles that are personal to holder, the first offer goes to them in accordance with their Conditions of Service. In the case of Commissioners, their conditions are approved by the Public Appointments Committee of Parliament. And in the case of management staff their conditions are approved by the Commission. Refer to Appendices 8.19 (ii) and 8.19 (iii) for Commissioners and staff Conditions of Service respectively. Refer to 8.19 (iv) for minutes approving management staff to buy official vehicles they use when certain conditions are met.

3. This notwithstanding, we will seek guidance from Treasury to assist in formulating the asset disposal policy.
Recommendation

- In absence of any approved MEC policy on disposal of vehicles, all boarded off vehicles should be sold by public auction.
- Management should seek assistance of the Treasury on the disposed Government vehicles.

8.20 UNDERVALUATION OF BOARDED OFF VEHICLES: MK1,850,000.00

Criteria

Government vehicles boarded off must be valued by a reputable and competent evaluator or PVHO to come up with a reserved economic price for offering for sale of the boarded off vehicle. MEC vehicles are Government vehicles subject to Government asset disposal regulations.

Finding

MEC Management decided, without the Commission’s authority, to value two Toyota Land Cruisers allocated to the Chairman, Mr. M. Mbendera and the Chief Elections Officer, Mr. Willie Kalonga by engaging Toyota Malawi. Terms of Reference (ToRs) for valuing the vehicles were not produced. However, Toyota Malawi did value the two vehicles together with assessed cost of repairing the defects as follows:

<table>
<thead>
<tr>
<th>VEHICLE DETAILS</th>
<th>ALLOCATED &amp; OFFERED TO</th>
<th>ASSESSED REPAIR COST</th>
<th>VALUE OFFERED</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Land</td>
<td>Justice M. Mbendera MEC Chairman</td>
<td>1,419,000.00</td>
<td>1,500,000.00</td>
<td>Suspiciously undervalued</td>
</tr>
<tr>
<td>Cruiser</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reg. No.: TO 2966</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make: 2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mileage: 294096</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Land</td>
<td>Mr. Willie Kalonga Chief Elections Officer</td>
<td>396,854.00</td>
<td>350,000.00</td>
<td>Suspiciously undervalued, paid K385,000</td>
</tr>
<tr>
<td>Cruiser</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reg. No.: MJ 3373</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make: 2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mileage: 348381</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The audit team made an effort to enquire from Toyota Malawi, Blantyre in order to establish the cause of undervaluation which was below or almost equal to
assessed repair cost. Unfortunately, the official who signed the valuation forms deliberately avoided meeting the auditors. The officers who attended to the auditors claimed that the strange valuation could only be explained by the signatory on the valuation forms. Annex II(a-b) are the valuation forms.

**Cause**

Suspected collusion between individual evaluator and the interested party.

**Implication**

Loss of economic value of the disposed vehicles.

**Management Response**

1. The Commission approved the convening of a Board of Survey to dispose of these vehicles. See Appendix 8.20 (i).
2. It is the Board of Survey that recommended that the vehicles earmarked for sale to the Chairperson and the Chief Elections Officer should be sent to Toyota Malawi for valuation. See Appendix 8.20 (ii).
3. The assessment by Toyota Malawi for MJ 3373 for repair expenses was MK2,433,337.40. The valuation of the vehicle was put at MK350,000.00. See Appendix 8.20 (iii).
4. The vehicle MJ 3373, was sold using the revaluation that was done by Malawi Revenue Authority as per Appendix 8.20 (iv). For the relevant Conditions of Service refer to Appendix 8.1 (iii) above.
5. The Commission is of the view that Toyota Malawi are reputable valuers being dealers of the Toyota brand.
6. For the Chairperson’s vehicle, it should be noted that the valuation of the vehicle has no implication on the cost at which he would be offered the vehicle. The purchase price is dependent on the original cost of the vehicle. Refer to the Conditions of Service for Commissioners in Appendix 8.1 (ii).
7. It should be noted the purpose of valuing a vehicle would be to establish the reserve price in case circumstances arise that you offer the vehicle to other persons.
Recommendation

- The two vehicles should be withdrawn and valued again and recover a real economic value from the buyer; and
- Anti-Corruption Bureau should be engaged to probe the conduct of valuation of the two vehicles by Toyota Malawi.

8.21 MAINTENANCE OF VEHICLES IDENTIFIED FOR BOARDING OFF: MK744,976.10

Criteria

Conditions for Commissioners and senior Management officers provides that one official vehicle be allocated for use at a time. When a new replacement vehicle is allocated before the old one qualifies for boarding off and sale, the old one should be surrendered back to office.

Finding

In 2013, MEC acquired new Toyota Prados TX to replace the Toyota Land Cruisers allocated to all Commissioners and the Chief Elections Officer. The Chairman, Justice M. Mbendera, and the Chief Elections Officer, Mr. Willie Kalonga, did not surrender back to office the Toyota Land Cruisers earlier allocated to them after being allocated the new Toyota Prados TX, till they were boarded off and offered to them for sale in October 2014.

In October 2013, and February 2015, the two Toyota Land Cruisers were sent for maintenance services as follows:

<table>
<thead>
<tr>
<th>VEHICLE DETAILS</th>
<th>ALLOCATED &amp; OFFERED TO</th>
<th>MAINTENANCE COST (MK)</th>
<th>EVIDENCE (MK)</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Land Cruiser</td>
<td>Justice M. Mbendera MEC Chairman</td>
<td>472,642.00</td>
<td>Annex ‘III(a-b)’</td>
<td>Funds used for personal gain</td>
</tr>
<tr>
<td>Reg. No.: TO 2966</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Land Cruiser</td>
<td>Mr. Willie Kalonga Chief Elections</td>
<td>272,334.00</td>
<td>Annex ‘III(c)’</td>
<td>Funds used for personal gain</td>
</tr>
<tr>
<td>Reg. No.: MJ 3373</td>
<td>Officer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>744,976.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cause

Management fraud.
Implication

Public funds used for personal interest.

Management Response

1. Ownership of these vehicles at the time of the repairs had not yet been passed on to the intended buyers. As such they were the property of the Commission.
2. To this date the TO 2966 is still owned by the Commission.

Recommendation

The maintenance cost paid by MEC should be recovered from Justice M. Mbendera and Mr. Willie Kalonga since the vehicles were not surrendered and no longer used by the office.
Memo

To : Chief Elections Officer

Through : Deputy Chief Elections Officer

Ref. No. : ELC/10178

Date : Monday, October 27, 2014

Subject : CHANGE OF TITLE HOLDER FOR TOYOTA LAND CRUISER - TO 2966

The title holder for the above vehicle is Malawi Revenue Authority.

We request that duty amounting to MK2,436,875.00 be paid on the vehicle so that the holder becomes Malawi Electoral Commission. The vehicle is in the process of being disposed off.

GEORGE A. K. KHAKI
8.22 PAYMENT OF DUTY FOR BOARDED OFF AND OFFERED FOR SALE VEHICLES: MK4,936,875.00

Criteria

MEC acquires vehicles at duty free status. Upon disposal of the duty free vehicles, the buyer has to pay duty to Malawi Revenue Authority before taking ownership of the vehicle.

Public officers entitled to buy the vehicles allocated to them on duty free, have this clearly stated in their conditions of service.

Finding

MEC arranged to pay duty to two duty free Toyota Land Cruisers earlier allocated to the Chairman, Justice M. Mbendera and the Chief Elections Officer, Mr Willie Kalonga and later on boarded off and offered to them for sale.

Below are the details of vehicles and duty to be paid:

<table>
<thead>
<tr>
<th>VEHICLE DETAILS</th>
<th>ALLOCATED &amp; SOLD TO</th>
<th>DUTY PAID BY MEC</th>
<th>EVIDENCE</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Land Cruiser</td>
<td>Justice M. Mbendera MEC Chairman</td>
<td>2,436,875.00</td>
<td>Annex ‘IV’</td>
<td>Irregular charge to public funds</td>
</tr>
<tr>
<td>Reg. No.: TO 2966</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Land Cruiser</td>
<td>Mr Willie Kalonga Chief Elections Officer</td>
<td>2,500,000.00</td>
<td>Annex ‘IV’</td>
<td>Irregular charge to public funds</td>
</tr>
<tr>
<td>Reg. No.: TO 2966</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>4,936,875.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Finance and Administration Committee of the Commission was misled by management proposal under the Minute Ref.NO.FYA/7/9/1/15, asking them to formalize as new policy that vehicles that are sold to users as part of their benefits should have their duty paid by the Commission. There is no Government approved MEC policy that allows duty to be paid by Government Agency on behalf of employees.

Cause

Management fraud

Implication

Wastage of MEC funds on personal interests.
Management Response

1. MRA has advised that MEC is not exempt from paying duty on vehicles. See the letter attached from the Malawi Revenue Authority in Appendix 8.22.

2. Vehicle No. TO 2966 was not sold to Justice Maxon Mbendera, SC. He was offered to buy the vehicle on 6th March, 2015. He declined the offer.

Recommendations

- The duty paid by MEC should be recovered from Justice M. Mbendera and Mr Willie Kalonga.
- MEC Management should be cautioned that there is no absolute independence where public resources are concerned.

8.23 Recruiting People without Interviews

Criteria

Malawi Public Service Regulations require that all vacancies be publicly advertised indicating minimum qualifications required for any post so that all candidates who meet the requirements should apply and be interviewed.

Finding

Contrary to the above requirement, the Commission recruited seven officers without interviews.

Outlined below are details of the recruitments.

<table>
<thead>
<tr>
<th>No.</th>
<th>NAME</th>
<th>POST</th>
<th>GRADE</th>
<th>DATE EMPLOYED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A.H.B. Kapindula</td>
<td>Security Manager</td>
<td>C5</td>
<td>11/02/2014</td>
</tr>
<tr>
<td>2</td>
<td>Kalolo G. Msaka</td>
<td>Assistant Human Resource Officer</td>
<td>C7</td>
<td>11/07/2014</td>
</tr>
<tr>
<td>3</td>
<td>F. Magalasi</td>
<td>Administrative Officer</td>
<td>C6</td>
<td>06/08/2012</td>
</tr>
<tr>
<td>4</td>
<td>Chikondi Mvula</td>
<td>Press Officer</td>
<td>C6</td>
<td>05/02/2015</td>
</tr>
<tr>
<td>5</td>
<td>Harold Zgambo</td>
<td>Driver</td>
<td>C9</td>
<td>10/01/2014</td>
</tr>
<tr>
<td>6</td>
<td>Sydney Ndembe</td>
<td>Assistant Procurement Officer</td>
<td>C7</td>
<td>05/01/2015</td>
</tr>
<tr>
<td>7</td>
<td>Grace Mhango</td>
<td>Procurement Assistant</td>
<td>C8</td>
<td>05/01/2015</td>
</tr>
</tbody>
</table>
**Cause**

i) Negligence by management to follow recruitment procedures as outlined in the Public Service Regulations.

ii) Abuse of Office

**Implication**

The individuals recruited could not be the best candidates to fill such positions as such the Institution could not get the best services as expected.

**Management Response**

Matters of recruitments and appointments in the Electoral Commission are guided by the Electoral Commission Act (1998).

Section 13(1) of the Electoral Commission Act states “The Commission shall appoint such other professional, technical and administrative officer and support staff as the Commission may deem necessary, subject to such terms and conditions as the Commission shall, in its discretion, determine”.

We note further that the Malawi Public Service Act (1994) Section 2 says the act is applicable to the administration of the public service save otherwise as provided under any written law with respect to any part of the public service

This notwithstanding, in reference to the allegations made, the following are the specific responses for each case:

1. **Lt. Col Austin H Kapindula** – he attended interviews for the post of Asset Manager. Having noted his qualifications and experience, he was offered the position of Warehouse and Security Manager which was required at the time. The interview was conducted by the Finance and Administration Committee. See the attached minutes in Appendix 8.23 (i).

2. **Mr. Kalolo Msaka** joined as an intern from the University of Malawi responsible for handling the accreditation of both International and Local Citizen Election Observers. He performed well and the Commission recruited him on a permanent basis. The recruitment of interns into
permanent positions is an acceptable practice and standard. The F&A confirmed the appointment. See Appendix 8.23 (ii).

3. **Mr. Fyson Magalasi** was interviewed and employed in the Commission as Transport Officer in March, 2010. He was transferred to the position of Administration Officer in 2014. Please find attached copies of his appointment letter and transfer letter in Appendix 8.23 (iii).

4. **Miss Chikondi Mvula** - she attended interviews as a Temporary Web and Social Media Officer in November, 2013 and was successful. Having successfully performed her duties, the Commission, guided by the Electoral Commission Act as cited above, offered her the appointment as Press Officer (Web and Social Media) on permanent basis and this was sanctioned by the Finance and Administration Committee on 9th January, 2015. Find attached an extract of the Committee minutes in Appendix 8.23 (iv).

5. **Mr. Harold Zgambo** is a driver for Commissioner Stanley Biliati. Commissioners have the prerogative to choose their own drivers. And their terms of office coincide with those of the commissioners. A copy of the appointment letter for Mr. Zgambo is attached for reference in Appendix 8.23 (v).

6. **Mr. Sydney Ndembe** was interviewed for the position of ICT data entry Clerk but has a University degree in procurement and the Commission moved him to Procurement where he was best suited following an existing vacancy. See Appendix 8.23 (vi).

7. **Ms Grace Mhango** was similarly employed as an ICT data entry clerk and transferred to Procurement as a Procurement Assistant to perform data entry functions for the Department. See Appendix 8.23 (vi) above.

**Recommendation**

- People recruited without interview should be discharged and those involved in appointing them must be reprimanded.
- Management should seek guidance from DHRM&D on how MEC human resource recruitment and management should be guided in line with public service regulations

**8.24 RECRUITING PEOPLE WHO DID NOT MEET MINIMUM REQUIREMENTS OF THE JOB**

**Criteria**
Public Regulation 1:106 stipulate that an appointment may not be made unless the candidate possesses the qualifications, whether minimum or additional, required for appointment to any grade or post.

Finding

Contrary to the requirement outlined above, the Commission interviewed and or recruited people who did not meet the minimum requirements of the job as indicated in the advert.

Outlined below are details:

<table>
<thead>
<tr>
<th>No.</th>
<th>NAME</th>
<th>POST</th>
<th>MINIMUM REQUIREMENT</th>
<th>QUALIFICATION PRESENTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ndiuzayani Jinazali</td>
<td>Administrative</td>
<td>Diploma in Secretarial</td>
<td>Secretarial Certificate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assistant</td>
<td>Management</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Angella Warren</td>
<td>Administrative</td>
<td>Diploma in Secretarial</td>
<td>Certificate in Business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assistant</td>
<td>Management</td>
<td>Management</td>
</tr>
<tr>
<td>3</td>
<td>Gloria Kalonga Pondamali</td>
<td>Accounts Assistant</td>
<td>Diploma in Accounting</td>
<td>ACCA Foundation Stage Certificate</td>
</tr>
<tr>
<td>4</td>
<td>Memory Chawinga</td>
<td>Accounts Assistant</td>
<td>Diploma in Accounting</td>
<td>Certificate in Financial Accounting</td>
</tr>
<tr>
<td>5</td>
<td>Sheena Maziya</td>
<td>Warehouse Assistant</td>
<td>MSCE</td>
<td>No Certificate</td>
</tr>
<tr>
<td>6</td>
<td>Caroline Daudi</td>
<td>Messenger</td>
<td>MSCE</td>
<td>JC</td>
</tr>
<tr>
<td>7</td>
<td>Eness Chunga</td>
<td>Messenger</td>
<td>MSCE</td>
<td>JC</td>
</tr>
<tr>
<td>8</td>
<td>Gertrude Msompha</td>
<td>Messenger</td>
<td>MSCE</td>
<td>JC</td>
</tr>
<tr>
<td>9</td>
<td>Lyna Katete</td>
<td>Messenger</td>
<td>MSCE</td>
<td>JC</td>
</tr>
<tr>
<td>10</td>
<td>Anthony Chunda</td>
<td>Messenger</td>
<td>MSCE, Grade &amp; PSV</td>
<td>JC, PDG C1</td>
</tr>
<tr>
<td>11</td>
<td>Mike Howe</td>
<td>Driver</td>
<td>MSCE, Grade &amp; PSV</td>
<td>JC, PG</td>
</tr>
<tr>
<td>12</td>
<td>Emmanuel Kadango</td>
<td>Driver</td>
<td>MSCE, Grade &amp; PSV</td>
<td>JC, PG</td>
</tr>
<tr>
<td>13</td>
<td>William Chisakala</td>
<td>Messenger</td>
<td>MSCE</td>
<td>JC</td>
</tr>
</tbody>
</table>

Cause

Abuse of office by management

Implication

Compromised service delivery by incompetent officers.

Management Response

1. For the cases of Ms Jinazali and Ms Warren we attach the advertisement Appendix 8.24 (i) for the position. We did not indicate that the minimum
we needed was a diploma. In addition, both have substantial secretarial experience which was one of the requirements.

2. In the case of Mrs. Pondamali, at shortlisting and at the time of the interviews, the panels certified that an ACCA Foundation Certificate is an equivalent to a diploma. Besides this Mrs. Pondamali has an Advanced Diploma in Business Management awarded by the Association of Business Executives which is equivalent to the diploma we were looking for. Refer to Appendix 8.24 (ii).

3. For Ms Chawinga, Management was motivated by the fact that she has vast experience in ACCPAC an accounting package that the Commission is in the process of implementing. This gave her an added advantage and compensated for her lack of possession of a diploma.

4. Ms Maziya presented a JC during her interviews. We were equally surprised that she failed to produce the JC when it was required by the Audit Team. When she was pressed to once again bring the original certificate to be presented to the Audit Team, she decided to resign from the Commission.

5. Ms Daudi, Ms Chunga and Ms Msompha did not attend interviews. When the current Commission came in, these had worked for over one year in their positions as temporary labourers in the warehouse and then were allocated other duties. They were therefore confirmed in their positions without necessarily looking at their qualifications in compliance with Section 28 (3) of the Employment Act (2000) which states that

   “Where the purpose or effect of a contract of employment that is purported to be for a specific period of time or a specific task is the filling on a lasting basis of a post connected with the normal and permanent activity of an undertaking, it shall be deemed to be a contract of employment for unspecified period of time”.

6. For Ms Katete and Mr. Chisakala all have MSCEs which were presented at the time of the audit. We present the copies of the certificates in Appendices 8.24 (iii) and 8.24 (iv) to clear any ambiguities.

7. Mr. Chunda was erroneously offered the position of Messenger instead of Office Assistant. He did not do the messenger interview. The mistake has since been corrected.

8. For Messrs Kadango and Howe were indeed recruited with JCs instead of the MSCE which was indicated on the advertisement. The driver position is
in Grade C9 in the Staff Establishment whose entry qualification in the Commission is JC. The candidates were shortlisted and they were the top 2 in the interviews. Attached please find the interview report in Appendix 8.24 (v).

Recommendation

- People employed without minimum qualifications should have their employment terminated and those involved in appointing them must be reprimanded
- Management should seed guidance from DHRM&D on how MEC human resource recruitment and management should be guided in line with public service regulations

8.25 PLACING PEOPLE IN POSITIONS THAT ARE DIFFERENT FROM POSITIONS THEY WERE INTERVIEWED FOR

Criteria

Public Service Regulations require that prospective candidates for any job should be interviewed in order to identify and pick competent candidates. Successful candidates are expected to fill posts they were interviewed.

Finding

A review of the MEC recruitment and deployment process revealed that when the number of successful candidates exceed the required number of post for which interviews were held, the excess successful candidates were still picked for deployment to other posts that were not related to the advertised post.

Below are details of officers who were deployed to posts different from the one they were interviewed for:

<table>
<thead>
<tr>
<th>No.</th>
<th>NAME</th>
<th>POST INTERVIEWED FOR</th>
<th>POST DEPLOYED</th>
<th>GRADE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Elizabeth Chigwenembe</td>
<td>Warehouse Assistant</td>
<td>Office Assistant</td>
<td>C10</td>
</tr>
<tr>
<td>2</td>
<td>Sheila Kaizo</td>
<td>Warehouse Assistant</td>
<td>Office Assistant</td>
<td>C10</td>
</tr>
<tr>
<td>3</td>
<td>Lusako Ngosi</td>
<td>Warehouse Assistant</td>
<td>Office Assistant</td>
<td>C10</td>
</tr>
<tr>
<td>4</td>
<td>Zione Gondwe</td>
<td>Warehouse Assistant</td>
<td>Office Assistant</td>
<td>C10</td>
</tr>
<tr>
<td>5</td>
<td>Lyna Katete</td>
<td>Warehouse Assistant</td>
<td>Messenger</td>
<td>C10</td>
</tr>
<tr>
<td>6</td>
<td>William Chisakala</td>
<td>Warehouse Assistant</td>
<td>Messenger</td>
<td>C10</td>
</tr>
<tr>
<td></td>
<td>Name</td>
<td>Position</td>
<td>Replacement</td>
<td>Grade</td>
</tr>
<tr>
<td>---</td>
<td>--------------------</td>
<td>-----------------------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>7</td>
<td>Joseph Chigwenje</td>
<td>Warehouse Assistant</td>
<td>Messenger</td>
<td>C10</td>
</tr>
<tr>
<td>8</td>
<td>Violet Dobvu</td>
<td>Receptionist</td>
<td>Warehouse Assistant</td>
<td>C10</td>
</tr>
<tr>
<td>9</td>
<td>Voster Jali</td>
<td>Warehouse Assistant</td>
<td>Grounds man</td>
<td>C11</td>
</tr>
<tr>
<td>10</td>
<td>Ellarton Kaligwengwere</td>
<td>Warehouse Assistant</td>
<td>Grounds man</td>
<td>C11</td>
</tr>
<tr>
<td>11</td>
<td>Noel Jeremani</td>
<td>Warehouse Assistant</td>
<td>Grounds man</td>
<td>C11</td>
</tr>
</tbody>
</table>

**Cause**

Negligence to follow MEC own recruitment requirements in disguise to accommodate personal interests.

**Implication**

Poor service delivery

**Management Response**

1. All the positions listed in the table are cleaners in the same grade and the different terminology of their posts is out of respect or related to work station where they have been assigned to.
2. The Commission notes that this finding has since been dropped.

**Recommendation**

- Management should reverse the deployment of staff from positions they were interviewed to their original posts they were interviewed for.
- Management should avoid using personal discretion on staff deployment in a public institution like MEC.