



**KINGDOM OF LESOTHO**

# **REPORT OF THE AUDITOR-GENERAL**

**On the Consolidated Financial Statements  
of the Government of Lesotho**

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**FOR THE YEAR  
ENDED 31 MARCH 2024**





**OFFICE OF THE AUDITOR-  
GENERAL  
P.O. BOX 502, MASERU 100  
LESOTHO**



**A/C/REP/1-42 (Vol. 3)**

**28<sup>th</sup> April 2026**

Adv. Lebohang Fine Maema  
Clerk to the National Assembly  
National Assembly Chambers  
P.O. Box 190  
Maseru 100

Dear Adv. Maema,

**AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF  
THE GOVERNMENT OF LESOTHO FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

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I submit my report on the Consolidated Financial Statements of the Government of Lesotho for the year ended 31<sup>st</sup> March 2024 in accordance with Section 116 of the Constitution of Lesotho as amended by Act No.2, of 2025.

I have issued an Adverse Opinion on the Consolidated Financial Statements of the Government of Lesotho for the year ended 31<sup>st</sup> March 2024.

Please arrange to present before Parliament in terms of the above-quoted section of the Constitution.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mathabo Gail Makenete'.

**'MATHABO GAIL MAKENETE (MS.) CA(L)  
AUDITOR-GENERAL**

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AMP	Asset Management Policy
BEDCO	Basotho Enterprises Development Corporation
CAO	Chief Accounting Officer
CBL	Central Bank of Lesotho
CFS	Consolidated Financial Statements
CG	Consul General
CHAL	Christian Health Association of Lesotho
DCEO	Directorate on Corruption and Economic Offences
EDSP	Economic Diversification Support Project
FNB	First National Bank
FY	Financial Year
GoL	Government of Lesotho
IEC	Independent Electoral Commission
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
LNDC	Lesotho National Development Corporation
MDA	Ministries, Departments and Agencies
MFS	Ministries' Financial Statements
MNO	Mobile Network Operators
MoFDP	Ministry of Finance and Development and Planning
OAG	Office of The Auditor-General
PFMA Act, 2011	Public Financial Management and Accountability Act, 2011
RSL	Revenue Services Lesotho
SACU	Southern African Customs Union
SADC	Southern African Development Community
SOE	State-Owned Enterprise
VAT	Value Added Tax
WASCO	Water and Sewerage Company

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## OVERVIEW

According to the Constitution of Lesotho as amended by the Act No.2 of 2025, the Office of the Auditor-General (OAG) has a broad mandate to ensure public accountability and transparency by ensuring that: -

- a) Government receipts have been included in and expenditures charged to the Consolidated Fund and other funds.
- b) Public assets and liabilities are accounted for;  
and submit reports to Parliament.

In carrying out this mandate under Section 22 of the Audit Act, 2016 (the Act), the Auditor-General shall have access to documents, explanations, and information, as well as to all Government property.

In ensuring public accountability and transparency, the OAG aims to identify potential issues or challenges encountered and provide recommendations for improvement to optimise resource use within Ministries, Departments and Agencies (MDAs).

In terms of the Act, Section 7 (2), the Auditor-General currently undertakes the following types of audits: -

**Financial audit:** This type of audit involves verifying the accuracy of the information presented in the financial statements.

**Compliance audit:** The aim is to verify whether MDAs comply with the prescribed laws, regulations, directives, and procedures.

**Performance audit:** This audit focuses on assessing the economic, efficient, and effective utilisation of public resources. Specifically, the focus lies in assessing the management and performance aspects pertaining to an organisation or its operations.

**Forensic audit:** This is a detailed check of the financial records and transactions aimed at investigating suspected fraud, financial misconduct, or legal disputes. It involves a structured analysis of the business's financial records to uncover evidence that can be used in legal proceedings.

Consideration is given to the PFMA Act, 2011, Sections 35 (3) and 37 (1), which stipulate that the Minister shall prepare the annual Consolidated Financial Statements (CFS) and submit them to the Auditor-General within five months of the year-end for audit. These should then be presented to

Parliament within eight months of the end of the financial year to which they relate.

I present this annual Audit Report on CFS for the financial year (FY) 2023/2024 beyond the statutory period of eight months. As the OAG has embarked on improving technical and operational matters, it maintains its commitment to comply with the statutory reporting timelines for the audit report of the FY 2026/27, to be produced within the set time.



**OFFICE OF THE AUDITOR-GENERAL**  
**P.O. BOX 502, MASERU 100**  
**LESOTHO**



**AUDIT CERTIFICATE**  
**ON THE CONSOLIDATED FINANCIAL STATEMENTS**  
**OF THE GOVERNMENT OF LESOTHO FOR THE YEAR**  
**ENDED 31<sup>ST</sup> MARCH 2024**

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**ADVERSE OPINION**

I have audited the Consolidated Financial Statements of the Government of Lesotho (the Government) set out on pages 11 to 97, which comprise the Consolidated Statement of Cash Receipts and Payments as at 31<sup>st</sup> March 2024, Consolidated Statement of Comparison of Budget and Actual Amounts, Statement of Accounting Policies, Statement of Consolidated Entities and Notes to the Consolidated Financial Statements for the year then ended, including a summary of significant accounting policies.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion paragraphs, the accompanying Consolidated Financial Statements (CFS) do not present fairly the financial position of the Government as at 31<sup>st</sup> March 2024, its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards financial reporting under Cash Basis of accounting (Cash Basis IPSAS).

**BASIS FOR ADVERSE OPINION**

**1. Cash Position and Balances**

The Consolidated Statement of Cash Receipts and Payments showed that the Government had a cash balance of M5.91 billion as at 31<sup>st</sup> March 2024. In contrast, Note 15 showed a total cash balance of M2.82 billion, thus resulting in a discrepancy of M3.09 billion between the two balances.

**2. Differences in Cash Decrease**

Note 15 to the CFS shows a cash increase of M600 million from M2.22 billion to M2.82 billion between 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024, while the Consolidated Statement of Cash Receipts and Payments shows a cash increase of M1.31 billion, resulting in a discrepancy of M710 million.

### **3. Understatement of the Cash Balance**

#### **3.1 Unsupported reconciling payments**

The cash balance in the Consolidated Statement of Receipts and Payments is understated by M13.1 million due to unsupported reconciling payments processed by the Central Bank of Lesotho that have not been recorded in the Government's Cashbook.

#### **3.2 Funds not returned to the Consolidated Fund**

The Consolidated Fund is understated by M80 million as of 31<sup>st</sup> March 2024, due to the Independent Electoral Commission (IEC) failing to remit unspent budget allocations at the close of the 2023/24 financial year.

Therefore, the Government reported cash balance was understated by the two above amounts.

### **4. Unexplained decrease in the Closing Balance**

The Treasury Bills opening balance of M867.54 million on 1<sup>st</sup> April 2023 decreased to M747.90 million on 31<sup>st</sup> March 2024, without an indication of movements (issues or repayments) during the year.

### **5. Inconsistent Reporting of the Loan Guarantees Balance**

There were discrepancies on outstanding Loan Guarantees in Schedule 7, Table 12 in the CFS, as follows: -

- a) There was no record of transactions for repaid or new guarantees from the opening balance of M48.78 million to the closing balance of M54.91 million.
- b) The CFS balance was M54.91 million, the Public Debt Financial Statements (PDFS) reported a nil balance, while the Ministry of Finance and Development Planning Financial Statements reported M64.91 million. The above two discrepancies created uncertainty over the accurate valuation of the Government's contingent liabilities.

### **6. Discrepancies in Public Debt Financial Statements**

The Consolidated Statement of Cash Receipts and Payments and the corresponding Note 9 of the CFS and the PDFS each reported other domestic interest payments amounting to M461.79 million. These figures differed from those in Note 9 of the PDFS, which reported M550.73 million, resulting in a variance of M88.94 million.

## **7. Discrepancies in Prior Year Pending Litigations**

There is a variance of M31.04 million attributable to the Ministries of Local Government, Chieftainship, Home Affairs and Police, and Information, Communications, Science, Technology and Innovation's previous year litigation figures in the CFS and Ministries Financial Statements (MFS) for 2023/24.

## **8. Differences in Prior Year Payment Arrears**

The Ministry of Information, Communications, Science, Technology, and Innovation's financial statements (2023/24) show a comparative balance for payment arrears of M10.98 million for 2022/23. This differs from the audited CFS balance of M3.81 million, resulting in a variance of M7.17 million.

## **9. Differences in actual expenditure between CFS, MFS, and IFMIS Ledger**

- a) Fifteen (15) Spending Units' recurrent expenditure amounts of both CFS and MFS depicted the same amounts. However, nine (9) units reported expenditures of M53.40 million more than in IFMIS, while six (6) units reported M188.45 million less than the amounts in CFS and MFS.
- b) The Ministry of Local Government, Chieftainship, Home Affairs, and Police recorded different amounts of M1.68 billion, M1.72 billion and M1.73 billion for IFMIS, MFS and CFS, respectively, for recurrent expenditure.

## **10. Pathways to Sustainable Livelihoods Project: Omission of Activities and Misstatements**

### **10.1. Omission of Project Activities (2022/23)**

For the financial year ended 31<sup>st</sup> March 2023, both the MFS and CFS did not report receipts of M123.42 million or expenditure of M4.14 million related to the Pathways to the Sustainable Likelihood Project (the Project), despite the Project Financial Statements confirming receipts and expenditure.

### **10.2. Misstatement of Project Expenditure & Receipts (2023/24)**

- a) The MFS of the current year reported expenditure of M156.63 million, while the Project's financial statements reflected M160.77 million, resulting in an understatement of M4.14 million.
- b) The audited project receipts amounted to M191.35 million, whereas the MFS reported M67.93 million for the period ended 31<sup>st</sup> March 2024.

This results in an understatement of Government receipts by M123.42 million.

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Government in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to my audit of the Government's financial statements, and I have fulfilled my other ethical responsibilities in accordance with the requirements of the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

I draw attention to the following matters disclosed in the Consolidated Financial Statements; however, they do not form the basis for qualifying my opinion: -

a) **Long-Outstanding Arrears from Bonding Agreement Defaulters**

The revenue arrears amounting to M7.4 million reported by the Ministry of Public Service, Labour and Employment include M7.2 million relating to employees who defaulted on their bonding agreements in prior financial years.

b) **Outstanding Payment Arrears**

The Government failed to meet its payment obligations of M2.81 billion to individuals, suppliers, lenders, and contractors within specified payment due dates.

c) **Usage of the Contingency Fund**

An advance of M152.43 million was allocated to six spending units from the Contingency Fund for expenditure that was neither urgent nor unforeseen. These allocations breached Section 113 of the Constitution.

d) **Appropriation Act and Supplementary Appropriation Bill**

i) The Supplementary Appropriation (2023/2024) Bill, 2024,

intended to regularise expenditure by spending units, had not been enacted by Parliament as at the time of the report.

- ii) The total advances of M404.78 million remained unregularised as the Supplementary bill for 2023/2024 was not approved by Parliament as at the time of the report.
- iii) There were differences between the recomputed revised budget (Appropriation Act, 2023/24 and Supplementary Appropriation Bill (2023/2024)) amounts and the revised budget per CFS and MFS for 6 Spending units.

## **KEY AUDIT MATTERS**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the Consolidated Financial Statements of the current period. However, I do not provide a separate opinion on these matters. I have determined the following to be the key audit matters: -

### **a) Management of Public Assets**

Four (4) spending units purchased assets totalling M96.03 million in the current year, of which only M2.07 million were recorded in the asset registers.

### **b) Public Revenue and Expenditure**

- i) The CFS and MFS reported total receipts of M21.83 billion, while IFMIS Ledger totalled M21.41 billion, leaving an unexplained variance of M422 million.
- ii) A total amount of M 315.98 million was spent without a budget for projects within three (3) spending units.
- iii) The IFMIS ledger for projects of nine (9) spending units did not reconcile with either the CFS or the MFS.
- iv) The revised budget amount of M67.93 million reported in the Ministry of Gender, Youth, Sports, Arts, Culture, and Social Development's financial statements under donor loans, did not match the M70.76 million shown in the Consolidated Financial Statements, resulting in a variance of M2.83 million.

### **c) Contingent Liabilities**

The CFS and the Ministry of Finance and Development Planning's financial statements did not disclose seventeen (17) pending litigation

cases relating to the Lesotho Millennium Development Agency (LMDA).

## **RESPONSIBILITIES OF THE MINISTER AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

Sections 35 and 62 of the Public Financial Management and Accountability Act, 2011, require the Minister to prepare the annual Consolidated Financial Statements in accordance with International Public Sector Accounting Standards financial reporting under Cash Basis (Cash Basis IPSAS). The Minister is also responsible for such internal controls as he/she determines necessary, to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Government's financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Section 116 of the Lesotho Constitution (as amended) requires me to ensure public accountability and transparency, while Section 7 (1) of the Audit Act, 2016, requires me to audit and report on these Statements.

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

As part of an audit in accordance with ISSAI, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: -

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design, and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal controls.

- b) Obtain an understanding of internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Government's internal controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and any significant deficiencies in internal controls that I identify during my audit.

I also provide those charged with governance a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Based on the matters communicated with those charged with governance, I determine the matters that were most significant in the audit of the financial statements for the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report, because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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**MATHABO GAIL MAKENETE (MS.) CA(L) 28<sup>TH</sup> APRIL 2026**  
**AUDITOR-GENERAL**

**PART 1**

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS OF THE  
GOVERNMENT OF LESOTHO FOR THE  
YEAR ENDED  
31<sup>ST</sup> MARCH 2024**

*Accountant General's Office*  
Treasury Department  
Ministry of Finance



# Kingdom of Lesotho

Annual Consolidated Financial  
Report For The Year Ended 31<sup>st</sup>  
March 2024

Audited Version

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### Abbreviations

AGO	Accountant General's Office
BD	Budget Department
BEDCO	Basotho Enterprise Development Corporation
CAO	Chief Accounting Officer
CBL	Central Bank of Lesotho
CMU	Cash Management Unit
CPO	Central Payment Office
DCEO	Directorate on Corruption and Economic Offences
EFT	Electronic Fund Transfer
EU	European Union
FIU	Financial Intelligence Unit
FY	Financial Year
GOL	Government of Lesotho
GOLFIS	Government of Lesotho Financial Information System
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
LNDC	Lesotho National Development Corporation
MDP	Ministry of Development Planning
MNOs	Mobile Network Operators
MoF	Ministry of Finance
NSDP	National Strategic Development Plan
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFMAA	Public Financial Management and Accountability Act
PFMRAP	PFM Reform Strategy and Activity Plan
RSL	Revenue Services Lesotho
SACU	Southern African Customs Union
SOE	State Owned Enterprise
TA	Technical Assistance
VAT	Value Added Tax
WASCO	Water and Sewerage Corporation

## **1. REPORT BY THE MINISTER OF FINANCE AND DEVELOPMENT PLANNING**

In my capacity as the Minister of Finance and Development Planning, I am mandated to produce and submit to the Auditor General, the Consolidated Financial Statements for the year 2023/2024, per Section 35 of the Public Financial Management and Accountability (PFMA) Act, for audit. I also act in compliance with International Public Sector Accounting Standards (IPSAS). Consolidated Financial Statements are produced mainly to meet accountability and transparency objectives of the Government. They are intended to present the extent to which Ministries, Departments and Agencies have performed throughout the year against their budgets as approved by Parliament.

The budget that was presented for the 2023/24 financial year was aimed to enhance growth and resilience. The budget was intended to transform the lives of Basotho by providing health care services, industrialization, better service delivery and good governance. However, a blend of various requirements and limited resources continue to prevail as a challenge. The situation has caused difficulties to establish priorities and the support investment in inclusive growth. On the other hand, corruption and wasteful spending also need to be mitigated to protect Government resources.

SACU receipts improved per the expectation in 2023/24 and the Government managed to maintain a surplus budget. The Central Bank of Lesotho maintained NIR above the target floor of 120 percent of M1 on gross international reserves to safeguard the Loti/Rand peg.

The domestic economy registered a growth rate of 1.2 percent in 2022/23. Forecasts indicate an uptick to 1.4 percent in 2023/24, aligning with the broader influences of regional and global economic dynamics. The national accounts data released by the Bureau of Statistics indicates that the domestic economy achieved an average growth rate of 1.8 percent during the initial three quarters of 2023. In January to March 2024 the economy realized a slow growth to 2.1%.

Overall, the growth momentum observed was largely attributed to the revival of diamond mining activities, robust expansion in the construction sector driven by the Lesotho Highlands Water Project II (LHWP II), and growth across various service sectors. The domestic economy is projected to grow even further in 2024/25.

The Government of Lesotho continues to enjoy support, in various ways, from the development partners to extend service delivery to the citizens. The development partners assisted in the construction of infrastructure, public financial management and digital transformation. The gratitude is extended to various international partners that include the International Monetary Fund (IMF), European Union (EU), the World Bank and the African Development Bank, and other strategic partners that have reached out to accelerate the betterment of the Basotho lives.

Finally, my gratitude extends to the Accountant General and her team for her dedication, hard work and professionalism in compiling these Consolidated Financial

Statements for the Financial Year 2023/2024. They are continuously setting the bar higher in compiling and complying with the law and the International Public Sector Accounting

Standards. I therefore commit to providing Treasury Department the continued support in striving to ensure that our financial reporting is reliable, relevant and timely.



.....

**Honourable Dr. Rets'elisoa Matlanyane, MP**  
Minister of Finance and Development Planning

## **2. REPORT BY ACCOUNTANT GENERAL**

### **2.1 Treasury Mandate**

Treasury is a department within the Ministry of Finance, headed by the Accountant General. PFMAA Section 35 together with Treasury Regulations, where Regulation 95 provides that, the Accountant General shall prepare the Consolidated Financial Statements for the Government. The Accountant General is also expected to provide technical guidance to spending units in the preparation of financial statements.

### **2.2 The Government of Lesotho**

The Government of Lesotho (GOL) is composed of the Central Government, Local Governments, Extra-Budgetary Entities, Public Financial Corporations and Public Non-Financial Corporations. Central Government includes all Ministries, Departments and Agencies whilst Local Governments are all the District Councils, Urban Councils and the Maseru City Council. GOL also has direct control over three financial institutions, two public companies and two corporations.

In addition to the above GOL, has two joint ventures and holds investments in different private companies.

### **2.3 Commentary on Consolidated Financial Statements**

#### **A. General Commentary**

The consolidated financial statements are produced annually to give the citizens, taxpayers, Members of Parliament and development partners (local and international) and other users of financial information, clear information on the financial performance and position of government.

The statements are required by law. Section 35 of the Public Financial Management and Accountability Act, 2011 requires the Ministry of Finance to prepare the Government's consolidated financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and to submit them to the Auditor General for audit within five months of the end of the financial year to which they relate. The Treasury Regulations of 2014 delegates the responsibility for preparing the consolidated financial statements to the Accountant General and requires her to direct how the IPSASs are to be applied.

In 2016, the Treasury evaluated its annual reporting practices against the requirements of the cash-basis IPSAS, established the gaps and developed a roadmap for achieving compliance. The preparation of the FY2023/24 consolidated financial statements continues the journey that commenced with the 2015/16 statements and introduces several quality enhancements, including the reporting of the movements in financial assets and liabilities as well as, opening and closing cash balances. The 2019 update to the roadmap to clean audit opinion, also takes account of a 2017 revision to the cash-based IPSAS that relaxed the requirements for consolidating the financial information from all government-controlled entities and third-party transactions.

In preparing these consolidated financial statements, I am indebted to the Treasury Financial Reporting Team which has worked tirelessly over the past months to guide, verify and

consolidate the financial information. I am grateful for the active engagement of the Chief Accounting Officers and their finance staff and for their diligence in preparing the Spending Unit annual reports. I am also appreciative of the valuable inputs provided by other Treasury Department units and Ministry of Finance and Development Planning departments.

The remainder of my report is organized as follows: Section B aims to provide a narrative on the government's financial performance and position for the year ended 31 March 2024 whilst Section C seeks to explain the main issues, pressures and risks that are faced by the Treasury and the plans to address them.

Based on the information provided by the Chief Accounting Officers, and to the best of my knowledge, the Consolidated Financial Statements as set out on pages 26 to 58 reliably present the FY2023/24 cash flows and financial performance of the Government of Lesotho

## **B. Commentary on Consolidated Financial Statements**

### ***i) Introduction***

These financial statements consolidate information from the annual reports prepared and submitted by the Chief Accounting Officers (CAOs) in respect of the Spending Units, projects and other funds for which they are accountable. The statements include the financial performance information reported by the 26 central government ministries, departments, constitutional bodies and other Spending Units; the ten district councils; and 7 centrally operated spending heads administered by the Ministry of Finance. The coverage is the same as that of the national budget.

The consolidated financial statements for the year ended 31<sup>st</sup> March 2024 comprise the following four statements: (a) Consolidated Receipts and Payments; (b) Consolidated Budget versus Actual Comparison; (c) Accounting Policies; and (d) Consolidated Entities. Notes to the consolidated financial statements assist readers in gaining a fuller understanding of Government's financial performance and position. They provide the reader with additional analysis of amounts included in the two face statements and include information on the Government's financial assets, liabilities and contingent liabilities. More detailed information relating to a Spending Unit can be found in the respective CAO reports. The remainder of this commentary highlights the key features of the Government's FY2023/24 financial performance.

### ***ii) Budget Reconciliation***

The revised Expenditure Budget, after considering the budget was M28.024 billion, from the original budget of M26.675 billion. The total budget includes both appropriated and unappropriated expenditure. The unappropriated original budget was M4.878 billion and was revised to M5.205.

It is to be noted that the revised figure has been sourced from the Budget Department data which differs from the consolidation that was prepared after the ministries' financial reports have been submitted. The consolidated financial statements exhibit a total amount of M27.508billion.

Contingencies Fund budget was M300 million which was revised to M447 million by reallocation. Withdrawals from the Contingencies Fund amounted to M404.8 million, thereby, leaving a balance of M42.9 million unutilized. According to the data provided per the Contingencies Fund Management Report, M404.8 million withdrawn from the Fund was utilised for recurrent expenditure budget only.

Recurrent Revenue Budget remained at the originally budgeted amount of M24.127 billion. The originally budgeted amount for capital receipts from external sources was M3.633 billion which was composed of M1.026 billion for Grants and M2.607 billion for Loans. The budget was revised to M3.853 billion.

The Supplementary Appropriation Bill 2023/24 that is meant to formalise the above changes has been submitted to Parliament for enactment.

**iii) Budget Surplus**

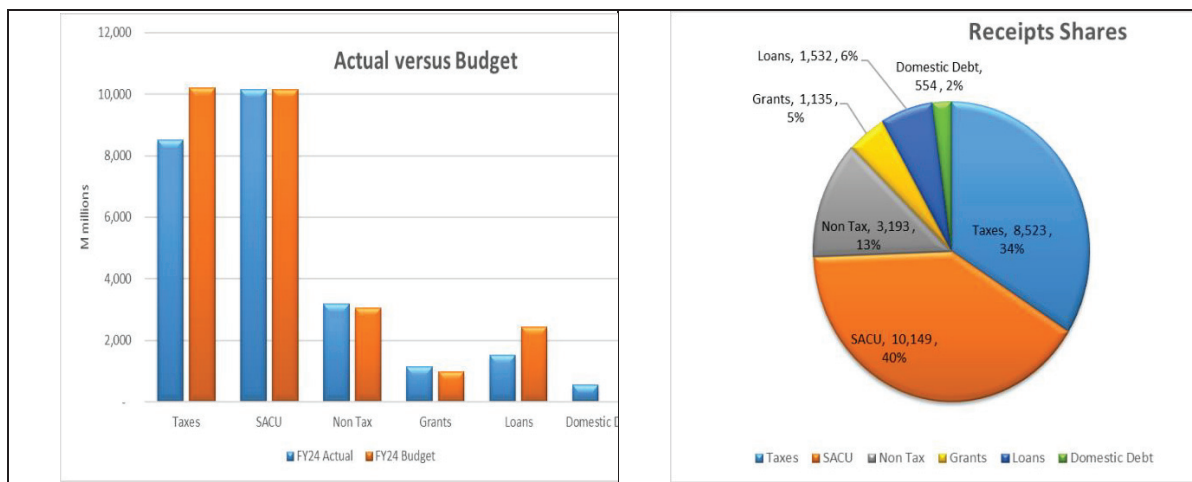
The appropriated budget projected a surplus of M 1.085 billion

**C. Overall Budget Performance**

**i) Receipts**

The overall collection (excluding loans and project grants) for FY2023/24 was M21.831 billion which is M2.296 billion less than the revenue budget of M24.127 billion. The collection increased by 30% from M16.779 in 2022/23. **Figure 1** illustrates the deposits or actual receipts against the main sources for the year and the comparative collection rates against the approved budgets. The over collection was attributed to reasons including but not limited to under budgeting

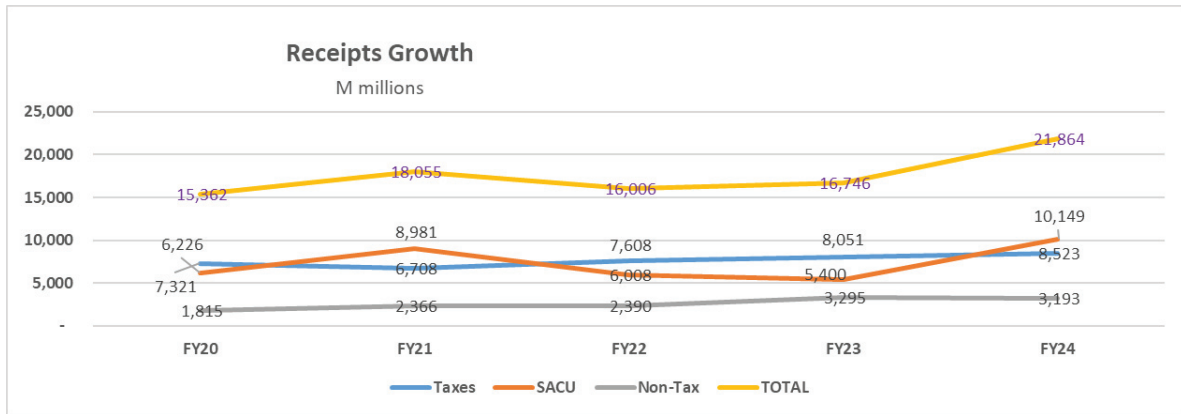
Figure 1: FY2023/24 Receipts



Southern Africa Customs Union (SACU) receipts of M10.148 billion during FY2023/24 same as the budgeted figure of M10.148 billion. These receipts were higher than the M5.400 billion received in the previous year. Actual tax revenues of M8.523 billion (compared to FY2022/23 of M8.051) increased slightly. Non-tax revenues (which mainly comprise electricity sales,

water and mining royalties, and dividends) contributed 13% of recurrent revenues. **Figure 2** provides the trend in revenue receipts and especially illustrates the significance, volatility and increase in the SACU receipts.

**Figure 2: FY2023/24 Receipts Trends**



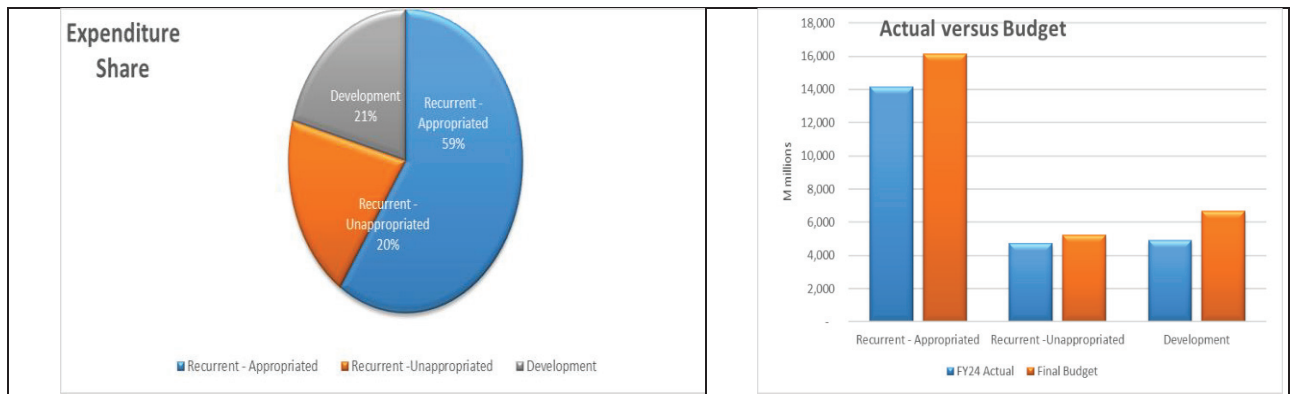
**ii) Expenditures**

The total originally approved expenditure budget for FY2023/2024 was M26.675 billion of which M20.351 billion (79%) was allocated to recurrent and M6.323 (21%) for capital expenditure towards achieving the government’s infrastructure and other development objectives. The recurrent provision can be further broken down between the appropriated amounts for release to Spending Units of M 15.172 billion and the statutory/centralized budgets of M4.878billion managed by the Ministry of Finance for pensions, debt servicing, statutory salaries and related expenses and the Contingency Fund.

It should be noted that the expenditure budget has been revised to M28.024 billion of which M21.352 billion has been allocated to recurrent expenditure, whilst M6.672billion for capital expenditure. The Contingencies Fund held a balance of M42.9 million as on 31<sup>st</sup> March 2024. The revision of the expenditure is yet to be approved by Parliament, in accordance with Supplementary Appropriation (2023/2024) Bill.

**Figure 3** illustrates the proportional split between expenditures and relative execution rates between the three main expenditure categories.

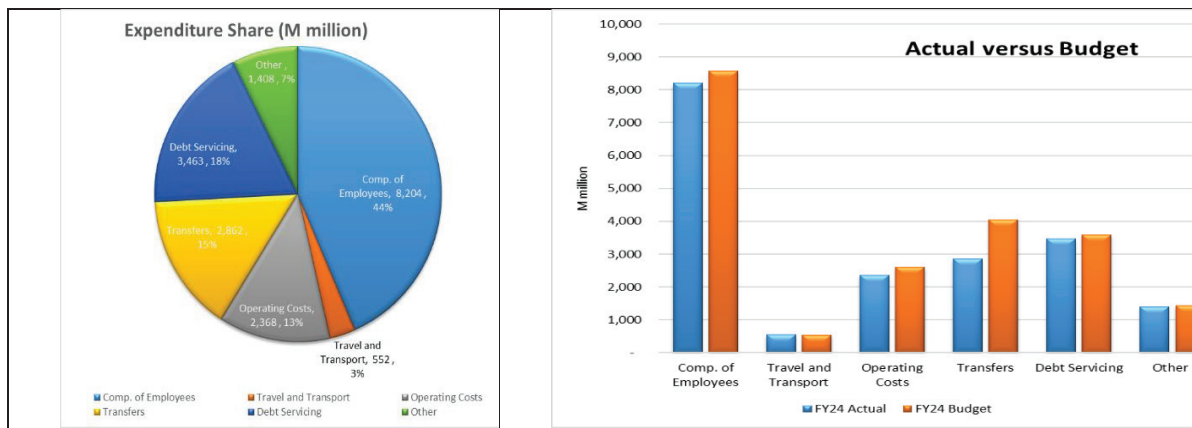
**Figure 3: FY2023/24 Aggregate expenditure**



**iii) Recurrent Expenditures**

The recurrent expenditure analysis per **figure 4** is made from the spending units' submissions.

**Figure 4: FY2023/24 Recurrent Expenditures**

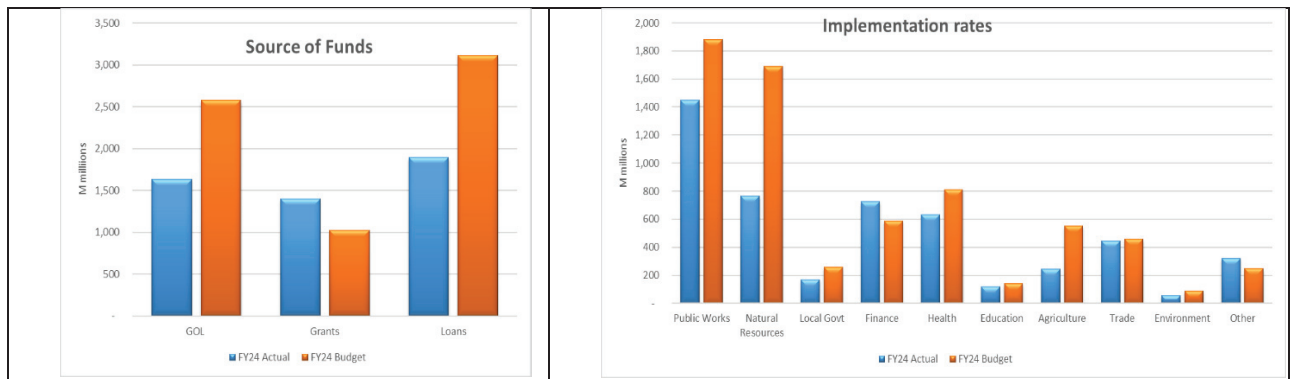


**iv) Capital Expenditures**

Overall project expenditure was M4.931 billion against the budget of M6.722 billion representing an execution rate of 73%. **Figure 5** illustrates that the implementation rate varied considerably across the three funding categories, ranging from 63% of domestic resources to 137% and 61% for grant and loan funded expenditures, respectively.

Physical progress of the capital projects generally lagging behind scheduled timeframe due to various reasons as stipulated in the Annual Progress Report as submitted by the Chief Accounting Officer of the Ministry of Finance and Development Planning. It is also evident that on foreign debt the execution is low

**Figure 5: FY2023/24 Capital Expenditures**



93% of the capital expenditure budget is accounted for by eleven Spending Units (Public Works and Transport, Natural Resources, Local Government, Chieftainship, Home Affairs and Police, Finance and Development Planning, Trade, Industry, Business Development and Tourism, Health, Education and Training, Environment and Agriculture, Food Security and Nutrition). Project execution rates varied across these agencies ranging from 44% for Agriculture, Food Security and Nutrition to 123% for Finance and Development Planning.

**v) Financing**

Total stock of public debt increased during FY2023/24 from M23.720 billion to M25.812 billion as illustrated in **Figure 6**. The increase is attributed to the issuance of Treasury Bonds M753 million and inclusion of Pension Fund M2.000 billion Shortfall. External debt disbursements of M1.536 billion, loan redemptions of M1.051 billion and Domestic debt repayments of M1.431 billion were made. Over the seven-year period since FY2017/18, the loan stock has increased by 103%.

**Figure 6: FY2023/24 Public Debt**



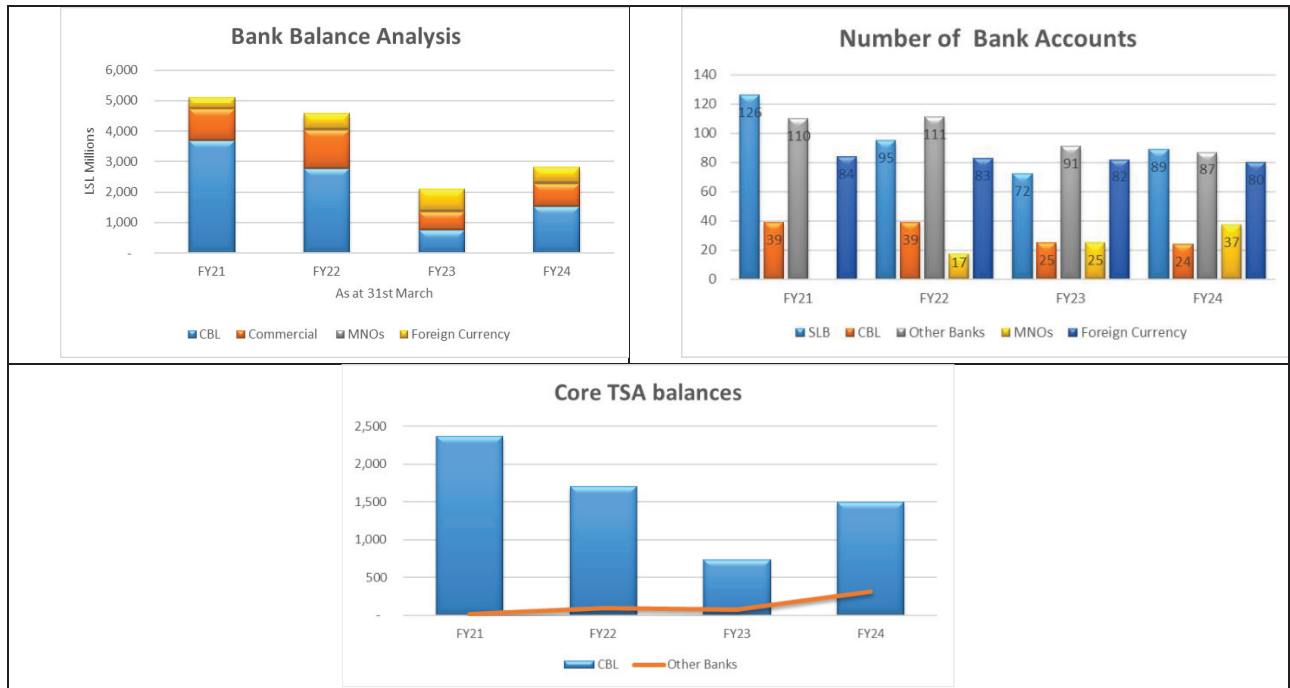
**vi) Cash**

During FY2023/24 the government’s cash balances amounted to M2.882 billion made up of Head Controlled accounts M1.013 billion and Treasury accounts M1.810 billion. At the end of the financial year there were 194 Local accounts holding an amount of M682 million while 53 Foreign accounts held an equivalent of M331 million under head-controlled accounts. Treasury

accounts held an amount of M947 million from 42 local accounts, 27 foreign bank accounts holding M184 million and 1 debt servicing accounts with an amount of M678 million.

**Figure 7** illustrates the movements in cash balances and the number of bank accounts.

**Figure 7: FY2023/24 Cash Accounts and Balances**



The core-Treasury Single Account (TSA) includes the Consolidated Fund bank account and is the repository for all government revenues and the source of its expenditure funding. Unlike in the previous financial year, Core TSA accounts held an amount of M1,809 billion while other accounts closed the year with an amount of M1,013 billion

#### D. Significant Issues

My previous report indicated issues that adversely impacted on the quality of the consolidated financial report. The Road Map to clean audit was developed and is being implemented through the queries and recommendation made by the Auditor. Some of the issues remain a challenge however, efforts are underway to address them over a period of time.

##### i) National Strategic Development Plan

The Government of Lesotho has a commitment to transform Lesotho to a producer and export driven economy through the implementation of the National Strategic Development Plan II (NSDP). The NSDP advocates for participation of citizens in the development of the country. It also aspires for sustainable growth that will reduce poverty. The strategic direction is therefore provided by the NSDP for growth and development. It is expected that the NSDP provides basis for resource allocation and that all national development programs be aligned with it, which could later be translated into improved service delivery to the citizen and accountability to the all the stakeholders.

The NSDP is aligned with Sustainable Development Goals, African Union Agenda 2063 and the SADC Regional Indicative Strategic Development Plan, to maintain relevance globally and within the continent.

The Ministry of Finance and Development Planning is currently developing the Extended NSDP II M&E Framework. The Framework will monitor progress as per outcomes and interventions set in the Extended NSDP II. It was realized that Ministries are provided with budget on activities outside NSDP interventions. This led to mismatch of implementation to the set strategies. T. As a result of this, ministries tend to have duplication of efforts where funds are used on the same initiative; where there comes an issue of monitoring the same project by different ministries. This reflects flaws in the books of accounts which leads to inefficient use of resources.

Performance on the Budget Commitments for 2023/24.

The 2023/24 budget speech commitments are outlined in the paragraphs below per the NSDP II Key Priority Areas (KPAs)

#### KPA 1: Economic Growth & Private sector-led Job Creation

A. Tikoe and Belo infrastructure almost complete. Belo factory shells complete, although, the testing and commissioning of electrical wires, water reticulation and fire safety fitments were still outstanding. On the other hand, Tikoe fencing has been completed and factory shells 95% complete. Minor works remained for electricity and plumbing. Preferred bidder for the construction of the Lesotho Standards Institute has been selected although the project could not take off due to inadequate budget.

B. The Ministry of Agriculture, Food Security and Nutrition has facilitated for the production of eggs, pork, chicken and beef. Two combine harvesters were procured to accelerate the harvesting of the wheat. Furthermore, inputs were provided to the farmers at a subsidized price as a continuous effort to ensure food security. On the other hand, four irrigation facilities were rehabilitated in Quthing, Mophale's Hoek and Maseru. This initiative was intended to encourage farmers to also enhance cash cropping.

#### KPA 2: Strengthening Human Capital

A. During 2023/24 the Ministry of Health performed activities to prevent and improve health services by:

- ❖ Training Village Health Workers in all districts
- ❖ Tracing missing TB patients
- ❖ Embarking on a country wide campaign on Human Papiloma virus (HPV) vaccination
- ❖ Undertaking a Lesotho Demographic survey from November 2023 to February 2024

The construction of the Cancer Centre and the Maseru District Hospital continued. The main construction works in Maseru District Hospital was completed by the end of the 2023/24 financial year.

B. Social grants to the vulnerable children and the aged continued to be paid mostly in cash. However, the ministry responsible for social development slightly increased numbers of beneficiaries who were paid through the mobile phones. A lot still has to be done on this area, since cash handling poses a lot of risks, like misappropriation, increased bank charges and so on.

C. In terms of higher education, two private Higher Education Institutions were registered. There was considerable effort also in enhancing compliance with the Higher Education Act, as far as public Higher Education Institutions were concerned. The Centre for Accounting Studies Bill is already in the enactment process while the National Health Training College Bill was still at drafting stage. The Acts for Lerotholi Polytechnic, Lesotho College of Education and National University of Lesotho are under review to improve their relevance to the day. The Ministry of Education had committed to construct and rehabilitate primary and secondary schools. During the 2023/24 financial year the procurement of contractors was initiated and as at 31 March 2024, the evaluation of tenders was ongoing. Furthermore, sites for inclusive schools were handed over to the contractors to commence construction to support special needs of the learners.

D. A hundred thousand passport booklets were procured, together with identity cards and consumables.

E. Diaspora Policy was officially launched, and diaspora homecoming was hosted in Thaba Bosiu. Diaspora investment and remittance workshops were held in South Africa.

### KPA 3: Building Enabling Infrastructure

A. Construction of major roads, namely, Mpiti-Sehlabathebe and Monontsa-Marakabei continued during 2023/24 financial year. Estimated end date for both roads was in March 2024. However, due to a number of drawbacks, estimated completion date for Monontsa-Marakabei was extended to October 2024. As at 31 March 2024, overall progress for Mpiti-Sehlabathebe overall was 95%. There are additional cost that are imposed as a result of delays in payments and extension of project end date.

Pavement strengthening for both unpaved and paved roads was expected to end in March 2024. There has been notable progress for the unpaved roads. Although the project did not end in March as anticipated, potential for completion has been evident. On the contrary, the paved roads have recorded 15% progress as of 31 March 2024, due to mainly recruitment hurdles encountered while sourcing the labourers. There were either delays or no recruitment in other areas. There was also a delay on the side of the contractor to submit the approval of the Butimen Stabilised Base-Layer and Asphalt Mix Design. The delay in payments exacerbated the situation.

B. Rural roads have been constructed across the ten districts. Budget was executed on the construction, insurance, and fuel of the yellow plant. Upgrade of urban roads has executed less than 30% of the budget which translates into low service delivery as far as this project is concerned. Construction of Bus terminals has taken off in Berea, Mafeteng and Leribe districts and will continue in subsequent financial years.

Community Councils have maintained infrastructure through the Development Fund for Community Councils. Additionally, solid waste budget was executed up to 90%.

Construction of the Mashai and Mantsonyane Police Posts, and Principal Chief's Office in Botha Bothe was completed.

C. Furthermore, construction of the Polihali Dam continued during 2023/24. Water distribution has been improved between South Africa and Lesotho, and within the country. The integration of electricity and water generation has also improved system efficiency with energy production which support water distribution. Works for distribution of bulk water between Maputsoe and Hlotse have commenced.

On the energy sector, pole planting was ongoing for Mopeli-Belo and Hlotse-Belo lines. Construction for electrification network at Ha Nooa is in progress, whilst construction of the 30 megawatts solar plant is completed. Electricity from the power plant has been injected into the national grid. A substation has been completed, commissioned, and handed over to the Lesotho Electricity Company. The transmission line from Ha Ramarothole to Ha Mofoka has been completed and is in operation.

Health facilities and four schools have been electrified. Electrification for fourteen additional schools was in progress. In addition, procurement was under way for solar street lighting.

D. WIFI connection was completed for Lerotholi Polytechnic, Institute of Development Management (IDM), St Elizabeth (M/Hoek) and Lesotho College of Education (LCE). Connection for Limkonkwing University of Creative Technology still in progress. 27 base stations or towers were also completed.

The concept note has been approved for the Broadcasting Complex. Processes to acquire an e-payment gateway have been initiated.

#### KPA 4: Good Governance & Accountability

A. The E-Filing system is fully operational and taxpayers are able to file tax returns online. Furthermore, Double Taxation Agreement between Lesotho and United Arab Emirates has been concluded and the Government awaits the signing of the Treaty. VAT, Income Tax and Tax Administration Bills are not yet enacted.

B. In terms of non-tax revenue, six MDAs are fully connected to the IFMIS revenue module. Four MDAs were partially connected, whilst five have not been connected due to fluctuating prices and lack of hardware equipment which would be dedicated for the revenue collection as required. In addition to the above, there is a cashless system that has been developed to enhance revenue collection. The system has been developed but not yet implemented. Only one Payment Service Provider was almost ready to implement the solution. The PSP was waiting for the regulator's approval.

C. General support to IFMIS was provided to enhance its functionality and security through the acquisition of the infrastructural items and antivirus. IFMIS connectivity has been expanded to cover the three Foreign Missions in South Africa. However, the use of the IFMIS in these

Missions was still low at the end of 2023/24 financial year. Surveys were also undertaken, in the nine districts that exclude Maseru, to identify offices which will be used as IFMIS Computer Labs where training and transactions will be initiated for the district departments. The labs will increase access to IFMIS.

D. There has been quite an improvement in the reconciliation of the bank accounts that are centrally managed by the Treasury thereby improving cash management. On the other hand, finance and human resources officials were trained on the payroll reconciliation to further enhance controls in expenditure management. Electronic Funds transfer was implemented in April 2023.

E. In 2022/23 the Enterprise Risk Management (ERM) COSO methodology was introduced to the Government of Lesotho. As a result, during 2023/24, the ERM Policy was drafted and sensitization workshops were held for Internal Auditors, other officials and Chief Accounting Officers. Furthermore, the four pilot ministries were trained to develop their own risk registers.

F. In March 2023 the Public Procurement Act was enacted and came into effect in April 2023. The Act has introduced amongst others:

- The establishment of an independent procurement institution
- E-procurement to promote efficiency, cost reduction and minimize human intervention
- Central Tender Board for conducting tender process on behalf of the procuring entities on items of complex nature and high value items.

G. Lesotho Defence Force troops deployed along the borderline to curb stock theft and to Mozambique to fight against terrorism by the rebels. Rehabilitation of the youth continues to be a priority for the Government.

H. Crime prevention has also been a priority for GOL, where Chiefs and Community Policing Committees were trained on their roles and responsibilities around their communities. Furthermore, sixty satellite Police Posts were opened. Fourteen operations and forty-five raids were held during 2023/24. LMPS fleet was also substantially increased, and Facility for Production of the Police uniform was established. The uniform facility is intended to minimise costs for production and improve quality of the uniform. Quality uniform and the fleet are expected to contribute towards enhanced visibility of the Police in the streets.

I. The Directorate on Corruption and Economic Offences (DCEO) engaged in education activities to prevent or mitigate corruption. Terms of reference were also developed, and a consultant procured for the drafting of the National Anti-Corruption Strategy and Action Plan Framework. Engagement of stakeholders is one other strong mechanism for fighting economic crimes. It has therefore been imperative to establish a National Anti-Corruption Steering Committee where various ministries, agencies and departments are represented. In addition, a memorandum of understanding was signed with Revenue Services Lesotho and the Central Bank of Lesotho. Staffing complement has been increased to enhance coverage of the anti-corruption function. A country scoping mission was also conducted.

One hundred and seventy-five reports were received in relation to corruption and economic offences. Forty-two cases have been completed and twenty-five enrolled in the Courts of Law. On the other hand, illicit assets have been confiscated and repatriated from South Africa.

J. On governance, the Local Government Elections were successfully held and new Councils were formed. The legal framework for devolution per the decentralization framework is still inadequate. The law that was intended to address such deficiencies is in the process of enactment.

#### KPA 5: Cross Cutting Issues

A. The Disaster Management Authority disseminated early warning messages as a means to support timely preparedness and response initiatives against natural disasters associated with climate change. Seeds and food parcels were distributed to the communities. There was also a reconstruction of houses that were blown by the strong winds at Rothe. District Councils were trained on disaster risk reduction.

B. There is still a hurdle with waste management at Tsosane dumpsite. The dumpsite was holding waste that exceeded its capacity. The ministry responsible for local government was expecting the 2024/25 budget to finance the transportation of the waste to Tsoeneng landfill.

C. 72% of equipment has been procured for the meteorological studio to enhance early warning systems. There is, however, a challenge that the weather station is still operating manually. There is a need to acquire an automated one.

D. Government committed to increase Child Grants from M120 per month to M200 per month. Disability Grants were also increased from M400 to M600 per month, throughout the 2023/24 fiscal year. The number of Orphans and Vulnerable Children (OVCs) receiving bursary was expected to increase from 26,400 to 36,000, however, only 28716 benefited. Use of mobile money did not meet the target for 2023/24. The status continues to expose the Government to cash handling risks and costs for transporting cash from one point to another

E. Counter Domestic Violence Act 2022 and the Harmonization of the Rights of Customary Widows with the Legal Capacity of Married Persons Act 2022 were successfully translated and made into simplified version with support from GIZ, UNDP, World Vision and Karabo Ea Bophelo. Copies have been shared at workshops held for the Judiciary, LMPS, Prosecutors and health workers in Maseru, Leribe, Berea, Mafeteng and Mohale's Hoek districts. Information has been disseminated to various stakeholders, in relation to the legal framework in 5 districts of Maseru, Mohales Hoek, Mafeteng, Butha Buthe and Berea; and through the media.

F. The Ministry will support government sectors to mainstream gender equality into their development plans and programs through gender audit studies and gender-responsive budgeting. With the support from Commonwealth Secretariat, Training of Trainers workshop was held for Department of Gender staff on Gender Mainstreaming and Gender Responsive

Budgeting. Subsequent training was done for Community Councilors in two districts, five ministries and Law Enforcement agencies.

Gender Audit was conducted for Ministry of Education, Ministry of Public Works & Transport and Disaster Management Authority only, due to budgetary constraints.

G. Youth Development Bill has been finalised and awaiting Parliamentary formalities. The enactment of the Bill will facilitate the holding of National Youth Council elections. The National Youth policy has been disseminated throughout the country in the form of workshops and trainings during the year under review.

H. The Entrepreneurship Development Fund has not yet been established per the plan. The Government will continue to find means to establish the Fund. Furthermore, GOL will continue to equip aspiring youth entrepreneurs with trainings to start and or improve their businesses, create an enabling environment for them to network and market their businesses and also offer support through mentorship programs. The Ministry has continued to enhance employability of youth under the National Volunteers Corps program. Sixty-four youth were engaged in 2023/24.

#### ***ii) Budget***

The budget was financed with Recurrent Revenue, Treasury Bills and Bonds together with external assistance from development partners by way of grants and loans. GOL sourced funding from both its receipts and development partners to finance the above performance. It is not yet determined how far the commitments in the 2023/24 budget measure against the actual activities and the value derived from these activities by the citizens

I continue to note inconsistencies in the budget figures. Figures on the Appropriation Act were not similar to the budget book and the budget data that was sourced from the Budget submissions. Another concern from my desk is the exclusion of capital receipts in the budget book, with correct line items. This would enhance transparency and accountability on the external assistance from development partners. Currently, the external assistance is only shown on the expenditure side of the budget. As a result, the trial balances of the ministries have to be worked on manually to include the receipts with line items that are not shown on the budget. This may cause inconsistencies in the financial data of GOL.

#### ***iii) Cash management and Bank Accounts Monitoring***

Total public funds released from the Consolidated Fund to meet Government commitments amounted to M21.088 billion. M19.286 billion funding, was directed to GOL Recurrent expenditure budget, while M1.802 billion was meant to finance Development budget. The funds were released according to the payment submissions made to Treasury. Source of funding came from the SACU proceeds, Treasury Bills and tax and non-tax revenue.

Donor funded projects were financed through disbursements and cash balances held in bank accounts that were held directly by the MDAs, in accordance with the agreements that were signed with the development partners.

Monitoring of bank accounts and cash held at the four commercial banks and the Central Bank of Lesotho, has gradually been strengthened, although there is still room for further improvement. There were 373 bank accounts held by GOL across the commercial banks, mobile network operators and Central Bank of Lesotho. Bank accounts are held for Special Funds, Projects and other extra budgetary units.

*iv) Year-end payment pressure*

Every year end I issue an Instruction to close the financial year. The intention is to manage the closure of the financial year and facilitate clearance of end of year payments. It has however, been always a challenge to meet deadlines for finalizing procurement and issue of warrants by MDAs where they are expected to initiate payments beyond the stipulated deadlines. MDAs also don't seem to be spending their budgets during the year. All these factors result into increased submissions from MDAs, where, number and values of invoices submitted for payment in March can be twice or thrice the volumes of other months. They, thus put pressure and considerable stress on the cash, Treasury staff and systems, and whilst they ensure that all payments are recorded in the accounting system prior to the year-end date. The signing, dispatch and payment of these vouchers inevitably overflows into the next financial year. The practice adversely impacts on cash management, budget credibility, financial reporting, bank reconciliation functions and payment efficiency.

The situation causes the government to incur arrears that must be cleared in the subsequent financial years. Arrears for the financial year 2022/23 amounted to M924 million whilst for 2023/24 the outstanding balance stands at M2.810 billion this increase is due to inclusion of M1.800 billion of Pension shortfall that the government has committed to settle in ten years.

*v) Compliance on the Public Finance Legal Framework*

The Treasury is charged with responsibility to enhance compliance with the public financial management laws and has strengthened the compliance of the Laws and enforcement of the Internal Controls by rigorous Inspectorate function. To ensure that this is a success, the Lesotho Mounted Police Service has dedicated a team which works with Treasury to enforce compliance. There are several cases in the courts of law, where officers are suspected to have misappropriated funds.

There was a fraud of over M50 million from the Consolidated Fund in 2022/23. The case was reported by Accountant General to the LMPS after the transactions were picked as reconciling items on the bank reconciliation activity. Case number is Maseru RCI 56/09/2021. The case involves several officials from the Treasury Department and other people from outside Government. A joint Team of Law Enforcement Agencies was established to work on this case. There are about eighteen (18) suspects that were arrested and seventeen (17) of them have been released on bail. The other one has been arrested in South Africa and there is an extradition case going on against him. The Law Enforcement Agencies joint team is still continuing with investigations on this case. Although the case was reported initially as over M50 million missing government funds about 58 million has been ascertained missing.

In November 2023, the Joint Team went to Bloemfontein for official handing over of vehicles which were seized and an amount of M5 million was repatriated back to GOL coffers. This

brings the total of the repatriated funds to M23 million. In February 2024, the DCEO scheduled an auction for the vehicles, which was not successful.

There was an arrest of a suspect in South Africa on the same case. Following this arrest an investigator was appointed, after almost a year. An extradition case was, subsequently instituted against the suspect. The extradition trial was part heard in March 2024, at Randburg Magistrate Court.

The LMPS Investigation Team engaged with the South African Police Service (SAPS) to continue with the investigations. There have been two arrests that have been made in South Africa relating to this case. Both the suspects have been released on bail.

There are about 9 South African based companies whilst in Lesotho there are about 4 such companies implicated in this case. More money has been transferred into South African based companies. The LMPS team has sent Mutual Legal Assistance (MLA) to South Africa. MLA processing and follow-ups are costly and may cause delays in the investigations. Hence, there needs to be a Police attaché in the Foreign Missions in South Africa.

***Lack of cyber legislation and or cyber laboratory for processing the electronics proved to be a shortfall. The presence of those is envisaged to enable deeper investigations on electronically pursued transactions. This will enable examination of electronic hardware and devices.***

***vi) Submission of Chief Accounting Officers reports for Consolidation***

The delay for the CAOs to submit financial reports is still a persisting challenge. The submissions were done from July 2024 to October 2024. There is also a consistent delay in Ministries complying with the queries as they are raised by the Treasury Department in preparation of the Consolidated Annual Financial Statements. Most of the queries relate to the cash balances. CAOs must start to own the preparation of the reports for their spending units so that they are able to account for their budgets and the level of service delivery.

***vii) Public debt and Contingent Liabilities***

• ***Public Debt Status***

Much of the Government of Lesotho debt is from external sources composed of multilateral institutions. The multilateral debt was meant to provide funding for infrastructure and social benefits. At 31 March 2024, total debt stock stood at M25.812 billion, of which, M19.256 billion foreign and domestic was M6.556 billion. New issues that occurred during 2023/24 amounted to M 2.289 billion.

Loans lent-on to parastatals amounted to a balance of M948 million. The loans were lent-on to improve water infrastructure, expansion of national fibre network and construction of factory shells. A total of M20.4 million was received from the concerned parastatals by the end of 2023/24 financial year.

- *Contingent Liabilities*

Contingent liability in relation to guarantees was M54.9million as at 31<sup>st</sup> March 2024, increasing from M48.7million that was exposed at the beginning of the financial year.

### **Pension Fund**

There was a contingent liability of M3.2 billion resulting from under funding according to the Pension Fund's actuary report. The Government has committed to pay M2 billion in ten annual instalments of M200 million.

Thus, converting the M2 billion into a liability. And M1.2 billion remains a contingent liability. Of the M2 billion that has been committed, M200million has been paid in the 2023/24 financial year leaving a balance of M1.8billion. There are also contingent liabilities that have occurred as a result of pending litigation in the courts of law. Pending cases that seem to hold the highest amounts is that of Frazer Solar which estimated to cost M1.2 billion and Tšepong with M2.3 billion.

## **E. Qualification points on previous year financial statements**

### *i) Cash balances and non-Reconciliation of centrally managed bank accounts*

The April 2023 opening balance has been adjusted with M821 million. These were accounts held for special funds, extra budgetary units and other organisations which do not form part of the Government Consolidated Financial statements. However, there is still work in progress for the reconciliation and the disaggregation of opening balances on the Head Controlled cash balances, as indicated above.

### *ii) NON-CASH ASSETS: ACCOUNTS RECEIVABLE AND OTHER REVENUE ARREARS*

An amount of M415 million from the prior years has not been disclosed in the current year. However, there was no evidence of this amount being cleared.

*The Ministry of Health received a M26 million advance for buying COVID-19 vaccines. This money was labelled as an imprest advance instead of a contingency advance, which led to the advance being listed under funds to be allocated in a Supplementary Bill presented to Parliament.*

*M26 million was not originally appropriated under Ministry of Health. COVID 19 was an emergency, therefore it was drawn from Contingency fund.*

*To effect the budget allocation, that happened during the year (on an emergency) Supplementary Budget had to follow. It was not erroneous.*

It was shown as an advance because the government was initially going to pay for the vaccines. The payment followed a letter of credit process to avoid paying public funds in advance. An imprest was issued by the Ministry of Health to enable the issuance of the letter of credit which provided guarantee to the supplier that they will be paid. Whilst the imprest was issued, a

development partner paid for the vaccines and there was a delay in the clearing of the imprest from the side of the Ministry of Health.

***Receivables to the tune of M415 million***

The Ministry of Natural Resources has acknowledged that for financial year 2021-2022, Mining had a receivable of \$1,125,000.00 (which was translated to M17,500,000.00 at the time of recording) from the company of Lucapa Diamond Company. The amount was erroneously recorded as M175,000,000.00 in the Financial Statements of 2021-2022. The payment was settled into Government's account on the 13/08/2021. It was also captured into IFMIS on the 25th of August 2021. The settlement was omitted to be recorded in the Financial Statements of 2021-2022.

***iii) PENDING LITIGATION***

***The current CFS 2021/22 presented Pending Litigation Claims of seven (7) ministries with different amounts totaling M492 million as the restated position of 31st March 2021, against the audited CFS as at 2020/21 amounting to M71 million.***

According to the submission from the Ministry of Health, it is not clear what is happening with CIV/T/617/2009 and CIV/T/279/2019. On the other hand, CCT/0106/2020- MOH acknowledged receipt of the court order and the Ministry was in the process of applying for variation of the court order.

Payments for Tankiso M500,000.00 and Maliakae M400,000.00 were in progress at the time of this report, whilst there was no progress with Motsokako's payment.

Furthermore, the Ministry of Local Government, Chieftainship, Police and Home Affairs, acknowledges omission in the financial statements, yet documents included in the working paper file when submitting financial statements for March 2021. Pending litigation reported in the financial statements for the year 2020/21 amounts to M 3,398,687.45 and those for 2021/22 amounted to M1,035,000.00 which accumulated to M 4,433,687.45

Independent Electoral Commission, on the other hand, indicated that the Petitioner/Plaintiff offered to assist the Commission with results audit during the 2015 National Assembly elections. They proceeded to train staff in preparation and just when they were about to implement the audit system the Commission realized that its Plaintiff's motive could cause confusion and halted the process. However, they were to proceed after the announcement of election results. That did not happen and they are claiming damages.

ITEC had tendered for the supply of printing and photocopying services. The Tender Panel disqualified them on the basis that the license attached was irrelevant. They wanted the court to reverse that decision of the Tender Panel and to award them damages for lost business.

Lastly, submission from the Ministry of Trade Industry and Business Development indicated that there was a case between Trend Group (PTY) LTD V Principal Secretary- Ministry of Small Business Development Cooperatives and Marketing AND 2 others (CCT/0412/22). In this case, Trend Group was contracted by the Ministry to provide it with the service of office partitioning at 10/10 Building in 2021.

The total contract sum for its works amounted to M4,059,351. The company performed its obligations under the contract.

Later, there was a court order directing the Ministry to pay M3,180,205.65 after paying the M879,145.68.

**iv) ACCOUNTABILITY FOR EXPENDITURE BY CHIEF ACCOUNTING OFFICERS**

*As at the time of the audit, the Bill to regularise the capital expenditure amount of M1.6 billion had not been enacted in terms of Section 16 of the PFMA Act. Two voted heads of expenditure exceeded their budgeted expenditures by M21.9 million and M2.9 million respectively, in contravention of the requirements of section 112 (3) (b) “Authorisation of expenditure” of the Constitution, which governs excess expenditure cases.*

*There was a difference of M887 million between the appropriated budget of M7.327 billion (per Appropriation Act 2021/22 plus Appropriation Bill), and the total revised capital budget of M6.439 billion per Spending Units.*

There is disparity between capital budget in the Line Ministries against the Budgeted Capital in the appropriation. The difference is as a result of the Supplementary Appropriation bill. Secondly, lack of monitoring of the budget from the original budget and the reallocated budget to provide total revised budget. Ministries and Finance differ.

**v) Omission of Below-The-Line Account**

The 2008/09 financial year balances have been a qualifying point for the Auditor General. These balances have been investigated without the supporting documentation in the archives. The balances have been excluded from the Annual Financial Statements without following the proper write-off processes. The process to solicit the write off these Below the Line Balances is underway so that there is a formal approval that writes off the long omitted Below the Line balances.

**F. Irregularities**

**i) Transfer of funds by IEC**

The normal practice in accordance with the PFMA Act section 14, is to retire appropriated public funds by the end of each financial year. It has been observed that on 28 March 2024 M80 million that was held in a bank account held by the Independent Electoral Commission (IEC) transferred public funds to an unknown bank account. The same amount was received on 02 April 2024 back to the IEC bank account. The movement of these funds and the timing thereof was not in compliance with the PFMA S14.3. and Treasury Regulations R 31. This is evident in the Statement of Receipts and Payments of the IEC for the year ended 31 March 2024, the balance of M80 million is shown but on the bank balances the account hold a nil balance.

Letter of Credit arrangement – Ministry of Agriculture and Nutrition

The Letter of Credit was issued as an Advance payment on behalf of the Ministry of Agriculture by FNB. This was for the Contract amount of M49,851,540.00 while the invoice amount was M49,642,802.65. The full contract amount was paid yet less was delivered and less was invoiced. The advance will not be retired until the difference of M 208,737.35 is resolved.

In conclusion, these Consolidated Financial Statements present improvements over the previous years, sustaining the gains made. Further advancing the quality of financial reporting requires the continuing cooperation of CAOs, finance officers and other departments within the Ministry of Finance.



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**Ms. Hlompho Matsoso**  
Acting Accountant General

### **3. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024**

For clearer understanding, the statements should be read in conjunction with the underlying accounting policies, notes and additional schedules.

**3.1 Consolidated Statement of Cash Receipts and Payments****For the year ended 31<sup>st</sup> March 2024**

Description	Notes	Actual 2024				Actual 2023
		Head Controlled Accounts	Treasury Accounts	3rd Parties Accounts	Total for All Accounts	Total for All Accounts
		M'000	M'000	M'000	M'000	M'000
<b>RECEIPTS</b>						
<b>Taxes</b>		<b>5,681</b>	<b>8,517,170</b>	<b>-</b>	<b>8,522,852</b>	<b>8,051,319</b>
Income, Profit and Capital Gains	<u>1</u>	-	3,988,066	-	3,988,066	4,071,534
Property	<u>1</u>	-	10	-	10	-
Goods and Services	<u>1</u>	5,681	4,528,339	-	4,534,020	3,978,911
Other Taxes	<u>1</u>	-	756	-	756	874
<b>Grants</b>		<b>620,598</b>	<b>-</b>	<b>573,466</b>	<b>1,194,064</b>	<b>956,996</b>
Foreign Governments	<u>4</u>	-	-	-	-	84,156
International Organisations	<u>4</u>	620,048	-	321,983	942,031	777,023
Grants from Other General Government Units	<u>4</u>	550	-	251,483	252,033	95,818
<b>Other Revenue</b>		<b>400,327</b>	<b>2,705,800</b>	<b>-</b>	<b>3,106,127</b>	<b>3,262,341</b>
Property Income	<u>2</u>	12,637	622,614	-	635,250	609,309
Rand Monetary Compensation	<u>2</u>	-	331,730	-	331,730	361,222
Sale of Goods and Services	<u>2</u>	373,641	1,730,490	-	2,104,131	1,626,282
Fines, Penalties and Forfeits	<u>2</u>	-	7,713	-	7,713	5,454
Voluntary Transfers other than Grants (NGOs)	<u>2</u>	421	-	-	421	142
Miscellaneous and Unidentified Revenue	<u>2</u>	744	13,253	-	13,998	642,843
Exchange Rate Gains	<u>2</u>	12,884	-	-	12,884	17,090
<b>SACU Receipts</b>		<b>-</b>	<b>10,148,513</b>	<b>-</b>	<b>10,148,513</b>	<b>5,399,532</b>
SACU Receipts	<u>21</u>	-	10,148,513	-	10,148,513	5,399,532
<b>Disposal of Financial Assets</b>		<b>-</b>	<b>27,909</b>	<b>-</b>	<b>27,909</b>	<b>20,388</b>
Domestic Financial Assets	<u>22</u>	-	27,909	-	27,909	20,388
<b>Disposal of Non Financial Assets</b>		<b>-</b>	<b>119</b>	<b>-</b>	<b>119</b>	<b>864</b>
Fixed Assets	<u>14</u>	-	119	-	119	864
<b>Incurrence of Domestic Liabilities</b>		<b>-</b>	<b>554,421</b>	<b>-</b>	<b>554,421</b>	<b>1,193,598</b>
Securities Other Than Shares	<u>17</u>	-	554,421	-	554,421	1,192,810
Other Accounts Payable	<u>17</u>	-	-	-	-	788
<b>Incurrence of Foreign Liabilities</b>		<b>777,895</b>	<b>-</b>	<b>754,158</b>	<b>1,532,053</b>	<b>1,337,872</b>
Loans	<u>3</u>	777,895	-	754,158	1,532,053	1,337,872
<b>TOTAL RECEIPTS</b>		<b>1,804,502</b>	<b>21,953,933</b>	<b>1,327,624</b>	<b>25,086,059</b>	<b>20,222,910</b>

Description	Notes	Actual 2024				Actual 2023
		Head Controlled Accounts	Treasury Accounts	3rd Parties Accounts	Total for All Accounts	Total for All Accounts
		M'000	M'000	M'000	M'000	M'000
<b>PAYMENTS</b>						
<b>Compensation of Employees</b>		<b>436,807</b>	<b>8,060,426</b>	<b>711</b>	<b>8,497,944</b>	<b>8,294,712</b>
Wages and Salaries	<u>6</u>	370,522	6,697,026	711	7,068,259	6,916,238
Social Contribution	<u>6</u>	66,286	1,363,400	-	1,429,685	1,378,474
<b>Goods and Service</b>		<b>1,199,579</b>	<b>2,517,313</b>	<b>221,993</b>	<b>3,938,885</b>	<b>3,813,898</b>
Travel and Transport	<u>5</u>	351,957	382,933	20,424	755,313	739,083
Operating Costs	<u>5</u>	847,622	2,134,380	201,570	3,183,572	3,074,815
<b>Interest</b>		<b>-</b>	<b>817,291</b>	<b>-</b>	<b>817,291</b>	<b>577,005</b>
Domestic Interest	<u>9</u>	-	461,792	-	461,792	267,957
Foreign Interest	<u>9</u>	-	355,500	-	355,500	309,048
<b>Transfers</b>		<b>2,109,262</b>	<b>1,448,003</b>	<b>-</b>	<b>3,557,264</b>	<b>3,050,888</b>
Subsidies	<u>10</u>	10,059	737,631	-	747,691	522,394
Grants	<u>11</u>	564,652	618,339	-	1,182,991	1,217,315
Social Benefits	<u>12</u>	1,534,550	92,032	-	1,626,582	1,311,179
<b>Other Expenses</b>		<b>11,398</b>	<b>1,326,022</b>	<b>-</b>	<b>1,337,420</b>	<b>1,308,663</b>
Property Expense Other Than Interest	<u>13</u>	-	-	-	-	53
Miscellaneous Other Expense	<u>13</u>	11,398	1,326,022	-	1,337,420	1,308,610
<b>Losses</b>		<b>11,374</b>	<b>73,581</b>	<b>-</b>	<b>84,956</b>	<b>90,007</b>
Losses of Public Moneys	<u>18</u>	11,374	73,581	-	84,956	90,007
<b>Acquisition of Financial Assets</b>		<b>-</b>	<b>12,435</b>	<b>-</b>	<b>12,435</b>	<b>11,098</b>
Foreign Financial Assets	<u>24</u>	-	12,435	-	12,435	11,098
<b>Acquisition of Monetary Gold &amp; Spcl Drawing Rights</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,939</b>
Special Drawing Rights	<u>25</u>	-	-	-	-	33,939
<b>Acquisition of Non Financial Assets</b>		<b>1,075,039</b>	<b>714,857</b>	<b>1,104,920</b>	<b>2,894,816</b>	<b>1,746,926</b>
Fixed Assets	<u>8</u>	1,075,039	714,857	1,104,920	2,894,816	1,746,926
<b>Repayment of Domestic Liabilities</b>		<b>1,120</b>	<b>1,686,017</b>	<b>-</b>	<b>1,687,137</b>	<b>976,625</b>
Securities Other Than Shares	<u>19</u>	-	1,231,227	-	1,231,227	833,851
Loans	<u>19</u>	1,120	454,789	-	455,909	-
Other Accounts Payable	<u>19</u>	-	-	-	-	142,774
<b>Repayment of Foreign Liabilities</b>		<b>-</b>	<b>949,268</b>	<b>-</b>	<b>949,268</b>	<b>916,308</b>
Loans	<u>20</u>	-	949,268	-	949,268	916,308
<b>TOTAL PAYMENTS</b>		<b>4,844,579</b>	<b>17,605,213</b>	<b>1,327,624</b>	<b>23,777,417</b>	<b>20,820,068</b>
Cash at the beginning of the year	<u>15</u>	2,972,436	2,733,994	-	5,706,431	9,914,660
Exch. Rate Gain / Loss		-	-	-	-	25,996
<b>Increase (Decrease) in cash</b>		<b>(3,040,077)</b>	<b>4,348,720</b>	<b>0</b>	<b>1,308,642</b>	<b>(597,159)</b>
Net Change in Deposits, Imprests and Financail Assets and Liabilities	<u>16</u>	(53,816)	(85,350)	-	(139,166)	(2,253)
Year End adjustments to be cleared	<u>28</u>	(821,668)	-	-	(821,668)	(3,475,572)
<b>Inter Government Cash Movements</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Funding Allocations	<u>27</u>	2,928,908	(2,928,908)	-	-	(0)
Transfers of revenue and unspent funds	<u>27</u>	(143,723)	0	-	(143,723)	(159,243)
<b>CASH AT THE END OF THE YEAR</b>	<u>15</u>	<b>1,842,060</b>	<b>4,068,456</b>	<b>0</b>	<b>5,910,516</b>	<b>5,706,431</b>

### **3.2 Consolidated Statement of Comparison of Budget and Actual Amounts For the Year Ended 31 March 2024**

Description	Actual 2023/24			Variance Actual to final/Revise M'000	Variance over Final Budget %
	Actual Amounts M'000	Final/ Revised Budget M'000	Approved Budget M'000		
<b>CASH INFLOWS</b>					
<b>Recurrent Revenue</b>					
Taxes	8,522,852	10,212,721	11,007,103	1,689,870	17%
Grants	25,628	224	-	(25,404)	-11338%
Other Revenue	3,106,127	2,937,264	2,937,063	(168,863)	-6%
SACU Receipts	10,148,513	10,148,438	10,148,438	(76)	0%
Disposal of Financial Assets	27,909	34,464	34,464	6,555	19%
Disposal of Non Financial Assets	119	-	-	(119)	-100%
<b>Total Recurrent Revenue</b>	<b>21,831,148</b>	<b>23,333,112</b>	<b>24,127,068</b>	<b>1,501,963</b>	<b>6%</b>
<b>Development and Financing Receipts</b>					
Grants	1,168,437	1,065,881	1,025,669	(102,556)	-10%
Incurrence of Domestic Liabilities	554,421	-	-	(554,421)	-100%
Incurrence of Foreign Liabilities	1,532,053	2,786,936	2,607,217	1,254,883	45%
<b>Total Development and Financing Receipts</b>	<b>3,254,911</b>	<b>3,852,817</b>	<b>3,632,886</b>	<b>597,906</b>	<b>16%</b>
<b>Total Cash Inflows</b>	<b>25,086,059</b>	<b>27,185,928</b>	<b>27,759,954</b>	<b>2,099,869</b>	<b>8%</b>
<b>CASH OUTFLOWS</b>					
<b>Recurrent Expenditure</b>					
Compensation of Employees	8,203,922	8,581,196	8,541,382	377,274	4%
Travel and Transport	551,633	543,428	417,829	- 8,205	-2%
Operating Costs	2,367,714	2,597,953	2,521,280	230,240	9%
Interest	817,291	1,056,566	1,036,566	239,275	23%
Transfers	2,861,582	4,054,126	4,145,893	1,192,544	29%
Other Expenses	1,243,679	1,216,484	1,216,697	- 27,195	-2%
Losses	73,581	95,346	50,000	21,764	23%
Acquisition of Financial Assets	12,435	22,172	22,172	9,737	44%
Acquisition of Monetary Gold & Spl Drawing Rights	-	2,819	2,819	2,819	100%
Acquisition of Non Financial Assets	78,227	94,180	42,870	15,953	17%
Contingencies Fund	-	-	300,000	-	-100%
Repayment of Domestic Liabilities	1,687,137	1,360,338	860,338	- 326,798	-24%
Repayment of Foreign Liabilities	949,268	1,444,238	1,193,351	494,970	34%
<b>Total Recurrent Expenditure</b>	<b>18,846,469</b>	<b>21,068,847</b>	<b>20,351,197</b>	<b>2,222,378</b>	<b>11%</b>
<b>Capital Expenditure (By Project)</b>					
<b>GOVERNMENT OF LESOTHO</b>	<b>1,635,488</b>	<b>2,573,701</b>	<b>2,690,546</b>	<b>938,213</b>	<b>36%</b>
301 - Agriculture, Food Security and Nutrition	18,794	17,700	17,700	- 1,094	-6%
302 - Health	67,749	162,600	292,600	94,851	58%
303 - Education and Training	39,976	48,445	20,200	8,468	17%
304 - Finance and Development Planning	16,249	83,374	112,482	67,125	81%
305 - Trade, Industry, Business Development and Tourism	352,097	356,000	256,000	3,903	1%
306 - Gender, Youth, Sports, Arts, Culture and Social Development	3,054	3,054	16,400	-	0%
307 - Justice and Law	-	-	5,000	-	-100%
308 - Local Government, Chieftainship, Home Affairs and Police	166,823	256,139	457,800	89,316	35%
310 - Information, Communications, Technology and Innovation	12,900	20,928	10,000	8,029	38%
313 - Public Works and Transport	584,608	1,203,384	794,000	618,775	51%
314 - Environment	111	6,400	6,400	6,289	98%
315 - Natural Resources	285,309	312,677	288,964	27,368	9%

Description	Actual 2023/24				
	Actual Amounts M'000	Final/ Revised Budget M'000	Approved Budget M'000	Variance Actual to final/Revised M'000	Variance over Final Budget %
319 - His Majesty's Office	6,484	10,000	210,000	3,516	35%
335 - National Security Services	17,858	20,000	20,000	2,142	11%
339 - Senate	63,476	73,000	183,000	9,524	13%
<b>DONOR GRANTS</b>	<b>1,400,922</b>	<b>1,069,406</b>	<b>1,025,669</b>	<b>- 331,516</b>	<b>-31%</b>
301 - Agriculture, Food Security and Nutrition	11,602	28,202	28,202	16,600	59%
302 - Health	157,392	216,867	216,867	59,476	27%
303 - Education and Training	34,773	90,417	90,222	55,644	62%
304 - Finance and Development Planning	698,840	448,905	448,905	- 249,935	-56%
305 - Trade, Industry, Business Development and Tourism	15,346	11,740	6,848	- 3,606	-31%
306 - Gender, Youth, Sports, Arts, Culture and Social Development	1,751	3,337	3,000	1,585	48%
307 - Justice and Law	1,120	-	-	- 1,120	-100%
308 - Local Government, Chieftainship, Home Affairs and Police	2,770	3,331	-	560	17%
313 - Public Works and Transport	251,483	-	-	- 251,483	-100%
314 - Environment	27,306	82,618	47,635	55,312	67%
315 - Natural Resources	198,539	183,989	183,989	- 14,550	-8%
<b>DONOR LOANS</b>	<b>1,895,117</b>	<b>2,796,175</b>	<b>2,607,217</b>	<b>901,059</b>	<b>32%</b>
301 - Agriculture, Food Security and Nutrition	214,874	506,954	506,954	292,080	58%
302 - Health	406,315	431,348	431,348	25,032	6%
303 - Education and Training	44,865	-	-	- 44,865	-100%
304 - Finance and Development Planning	9,671	57,752	48,513	48,081	83%
305 - Trade, Industry, Business Development and Tourism	77,644	87,188	87,188	9,543	11%
306 - Gender, Youth, Sports, Arts, Culture and Social Development	156,628	70,761	-	- 85,867	-121%
310 - Information, Communications, Technology and Innovation	59,589	44,480	-	- 15,109	-34%
313 - Public Works and Transport	611,846	376,327	376,327	- 235,519	-63%
314 - Environment	30,294	81,148	16,670	50,854	63%
315 - Natural Resources	283,389	1,140,217	1,140,217	856,829	75%
<b>Total Development Expenditure</b>	<b>4,931,526</b>	<b>6,439,282</b>	<b>6,323,432</b>	<b>1,507,756</b>	<b>23%</b>
<b>Total Cash Outflows</b>	<b>23,777,995</b>	<b>27,508,129</b>	<b>26,674,629</b>	<b>3,730,134</b>	<b>14%</b>
<b>Net Flow</b>	<b>1,308,064</b>	<b>- 322,201</b>	<b>1,085,325</b>	<b>- 1,630,265</b>	<b>506%</b>

### 3.3 Statement of Accounting Policies

The Consolidated Financial Statements have been prepared in accordance with the following accounting policies, which have been applied consistently, and in all material aspects, from one year to another, unless otherwise indicated.

#### A. Basis of Preparation

i) **Reporting entity** – These financial statements consolidate information for the national government, including its ministries, departments, Constitutional bodies and other Spending Units covered by the national budget. The lists of included and excluded agencies are shown below in the Statement of Consolidated Entities.

ii) **Financial year** – The Government’s fiscal year runs from 1st April to 31st March. These consolidated financial statements cover the year ended 31st March 2024 whilst the comparative actual figures reflect the 12 months ended 31st March 2023.

iii) **Reporting currency** – All amounts have been presented in the Lesotho Loti (M). Transactions denominated in other currencies have been converted to Loti at the exchange rate prevailing at the time of transaction. Cash held in other currencies at the year-end have been converted to Lesotho Loti at the exchange rates prevailing on 31st March 2024, as advised by the Central Bank of Lesotho (CBL). Disclosures of borrowings held at 31st March 2024 and denominated in foreign currencies have been similarly converted to their Loti equivalents.

iv) **Accounting basis** – The Consolidated Financial Statements comply with the provisions of the Public Financial Management and Accountability Act, 2011 excepting the requirement for their compliance to IPSAS. The Government has embarked on a roadmap for implementing the cash-basis IPSAS but does not yet comply for the following significant reasons:

- *The financial statements do not consolidate all government-controlled entities. State owned enterprises, autonomous institutions and other extra-budgetary funds are not fully consolidated—this IPSAS requirement was relaxed in 2017.*
- *Centrally managed bank account balances are not fully reconciled as at 31st March 2023.*
- *The financial statements disclose a small number of accrual items which had not been cleared at the reporting date e.g. accounts payable, advances, provisions, third party trusts and deposits. The FY2023/24 flows on these are disclosed.*

v) **Previous year adjustments - Corrections made by Spending Units to the reported figures of previous years have adjusted the comparative figures and cash balances carried forward from the respective years. The adjustments are disclosed in the notes to the financial statements.**

vi) **Receipts and Other Cash Inflows - Revenues include the tax collections by Revenue Services Lesotho (RSL) net of tax refunds, receipts from the Southern African Customs Union (SACU), grants from development partners, dividends, royalties and miscellaneous non-tax revenues collected by Spending Units. Revenues are recognised in the financial records when received.**

- **Grant aid** – grants received from local or foreign institutions are recorded when funds are received or, in respect of grant funded expenditures that benefit government but are disbursed by donors to third parties, upon receipt of notification that the disbursement has been made. In-kind local and foreign aid assistance are disclosed in the statements at fair value based on records supplied by the donors.
- **Foreign exchange gains** – realised gains are recognised on payment of funds.
- **Sale of investments** – revenues from the sale of shares in trading entities are recognised in the financial statements on receipt of the sale proceeds.
- **Borrowing receipts** – loans received from local or foreign institutions are recorded when funds are received or, in respect of loans disbursed by institutions to settle government obligations to third parties, upon receipt of notification that the disbursement has been made.
- **Short term borrowings** – receipts of Treasury Bills with tenures of less than one year are recorded on a net basis with the repayment of short term borrowings.

vii) **Payments and Other Cash Outflows** - Unless otherwise specified, expenditures are recognised in the financial records when the final authorisation for payment is effected in the IFMIS.

- **Advances to local authorities** – advances of budgeted monies transferred to district councils were expensed at the time the final authorisation for payment of the advance is effected on the system. Adjustments were made to reflect actual payments incurred during the year by the district council.
- **Repayment of Borrowings** – Repayments of borrowed monies are recorded when the final authorisation for payment is entered on the system. The values are updated to account for the actual exchange rate applied by the Central Bank of Lesotho. The Notes to the Financial Statements identify the borrowing balances as at 31st March 2024.
- **Repayment of short term borrowings** – Repayments of Treasury Bills with tenures of one year or less are recorded on a net basis with short term borrowing receipts.
- **Inventories** – Payments for inventories purchased during the year are treated as expenditures. Stock balances and issues are maintained for statistical purposes. The financial value of stock balances is not recognized in the financial statements.
- **Donor and Loan Funded Capital Projects** – Payments funded from grants or loans received from local or foreign institutions are recorded as expenditure when the final authorisation for payment is effected on the system, or in respect of loan or grant funded expenditures that are disbursed by the donors or lenders to third parties, upon receipt of notification that the disbursement has been made. In-kind local and foreign aid assistance are disclosed in the statements at fair value based on records supplied by the donors.
- **Foreign Exchange Losses** – Realised losses on foreign currency transactions are recognised on the payment of funds.

viii) **Assets**

- **Cash and cash equivalents** – comprise cash on hand, balances with banks and investments in short-term money market instruments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.
- **Investments** - Investments are not recognized in the Consolidated Financial Statements. They are recorded in the financial records at historic cost and are updated where independent

*external valuation exercises have been completed. Shareholdings are disclosed in the Notes to the Financial Statements. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the financial records when the cash is received.*

- **Loans and advances** - are recognised as expenditure at the nominal amount when cash is paid to the beneficiary. Loan balances are recorded in a loan register and balances reduced when cash repayments are received from the beneficiary. Balances as at 31st March 2024 are disclosed in the Notes to the Financial Statements.
- **Amounts receivable** - Amounts receivable to Government at the reporting date are identified in the Notes to the Financial Statements.
- **Property, plant and equipment** – Payments for the acquisition of property, plant and equipment items are not capitalized. The costs of acquisition and proceeds from disposal of these items are treated as expenditure and income items respectively.

ix) **Liabilities**

- **Borrowings** - New borrowings are shown as funding inflows. The stock of public debt as at 31st March 2024 is disclosed in the Notes to the Financial Statements. Public debt comprises domestic and external borrowing by the Government.
- **Accounts payable** - Accounts payable by the Government at the reporting date are identified in the Notes to the Financial Statements.

x) **Contingent liabilities** – A contingent liability is a potential liability that may occur, depending on the outcome of an uncertain future event. Contingent liabilities are included in the Notes to the Financial Statements.

### 3.4 Statement of Consolidated Entities

Compliance with the accrual-IPSAS requires the consolidation of the financial information of all government-controlled entities, where the IPSAS definition of control is *“the power to govern the financial and operating policies of another entity so as to benefit from its activities”*. Similar coverage had been a requirement of the cash-based IPSAS but was revised in 2017 and compliance now requires only consolidation of budgetary central government.

Accordingly, the FY2023/24 financial statements have concentrated on consolidating information from the budgetary central government and district councils as listed in Table 1. Coverage of future financial statements will eventually extend to include the controlled-entities listed in Table 2.

**Table 1: Controlled Entities Included in Consolidation**

Head	Entity	Head	Entity
301	Agriculture, Food Security and Nutrition	314	Environment
302	Health	315	Natural Resources
303	Education and Training	316	Public Service, Labour and Employment
304	Finance and Development Planning	317	Judiciary
305	Trade, Industry, Business Development and Tourism	318	Independent Electoral Commission
306	Gender, Youth, Sports, Arts, Culture and Social Development	319	His Majesty's Office
307	Justice and Law	320	Public Service Commission
308	Local Government, Chieftainship, Home Affairs and Police	335	National Security Services
309	Prime Minister's Office	336	Disaster Management Authority
310	Information, Communications, Technology and Innovation	337	Defence
311	Directorate on Corruption and Economic Offences	338	National Assembly
312	Foreign Affairs and International Relations	339	Senate
313	Public Works and Transport	340	Ombudsman
<b>Central Services (managed by Min. Finance)</b>			
321	Public Debt	325	Subscriptions to Int. Organisations
323	Pensions & Gratuities	326	Refund of Erroneous Receipts
324	Statutory Salaries & Allowances	331	Contingencies Fund
<b>Local Government</b>			
Local Government Service Commission (LGSC)		Maseru City Council	
<b>District Councils</b>		<b>Urban Councils</b>	
<ul style="list-style-type: none"> <li>• Berea</li> <li>• Botha-Bothe</li> <li>• Mafeteng</li> <li>• Mokhotlong</li> </ul>		<ul style="list-style-type: none"> <li>• Berea</li> <li>• Botha-Bothe</li> <li>• Mafeteng</li> <li>• Mokhotlong</li> </ul>	

<ul style="list-style-type: none"> <li>• Quthing</li> <li>• Qacha's Nek</li> <li>• Thaba-Tseka</li> <li>• Maseru</li> <li>• Leribe</li> <li>• Mohale's Hoek</li> </ul>	<ul style="list-style-type: none"> <li>• Quthing</li> <li>• Qacha's Nek</li> <li>• Thaba-Tseka</li> <li>• Semonkong</li> <li>• Hlotse</li> <li>• Mohale's Hoek</li> <li>• Maputsoe</li> </ul>
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**Table 2: Controlled entities excluded from consolidation**

Public Non-Financial Corporations		Public Financial Corporations
<ul style="list-style-type: none"> <li>• Lesotho Electricity Company (LEC)</li> <li>• Lesotho Housing Corporation (LNDC)</li> <li>• Water &amp; Sewerage Corporation (WASCO)</li> </ul>		<ul style="list-style-type: none"> <li>• Central Bank of Lesotho (CBL)</li> <li>• Lesotho Post Bank</li> <li>• Pension Fund</li> </ul>
Local Government		
<ul style="list-style-type: none"> <li>• Maseru City Council</li> </ul>		
Extra Budgetary		
<ul style="list-style-type: none"> <li>• Auditor General's Office</li> <li>• Basotho Enterprise Development Corporation (BEDCO)</li> <li>• Centre for Accounting Studies</li> <li>• Council for Higher Education</li> <li>• Directorate of Dispute Prevention and Resolution</li> <li>• Exam Council of Lesotho</li> <li>• Land Administration Authority</li> <li>• Lerotoli Polytechnic</li> <li>• Lesotho College of Education</li> </ul>	<ul style="list-style-type: none"> <li>• Lesotho Communications Authority</li> <li>• Lesotho Electricity And Water Authority</li> <li>• Lesotho Freight Bus Services</li> <li>• Lesotho Institute of Accountants</li> <li>• Lesotho Millenium Development Agency</li> <li>• Lesotho Revenue Authority</li> <li>• Lesotho Sports &amp; Recreation Commission</li> <li>• Lesotho Tourism Development Corporation</li> <li>• Manpower Development Fund</li> </ul>	<ul style="list-style-type: none"> <li>• National Aids Commission</li> <li>• National Drug Service Organization</li> <li>• National University of Lesotho</li> <li>• Petroleum Fund</li> <li>• Postal Services Fund</li> <li>• Queen Mamohato Memorial Hospital</li> <li>• Road Fund</li> <li>• Roads Directorate</li> <li>• Lesotho National Dairy Board</li> <li>• Lesotho Nursing Council</li> </ul>

Joint Ventures
Institute of Development Management (IDM)
Lesotho Highlands Development Authority

**50% and more owned by GoL**

Active Public Enterprises / 'SOEs'	GoL %	LNDC %	Total %
Loti Brick	22.8	73.6	96.4
Maluti Mountain Brewery	10	51	61

MHG Lesotho Pty Ltd (Avani Hotels)	36.4	16.7	5 3. 1
Ok Bazaars		50	5 0

### Minority Investments

Active State Invested Enterprises	G o L %	LN DC %	Total %
Coca-Cola Beverages Lesotho	5		5
Lesotho Flour Mills Pty Ltd	4 9		49
Econet Telecom Lesotho	3 0		30
Letseng Diamonds	3 0		30
Mothae Diamonds	3 0		30
Liqhobong Mining	2 5		25
Storm Mountain (Kao) Diamonds Pty Ltd	2 5		25
National General Insurance Co Ltd	2 0		20
National Life Assurance Co Ltd	1 2		12
Lesotho Standard Bank Pty Ltd	9. 6 5		9.65
Minet Lesotho Pty Ltd (Aon Insurance)	5		5
Lemphane Diamonds	2 6, 5		26.5
Gem Stone (Show Ridge)	2 5		25
Reskol Diamond Mine (Kolo)	1 0		10

As at the date of preparation of these Consolidated Financial Statements, Appendix 4 provides, where available, additional information on the government-controlled entities detailing the status of their submissions of annual financial statements for audit and the most recent audit opinion.

### 3.5 Notes to the Consolidated Financial Statements

#### *Consolidated Statement of Cash Receipts and Payments Headings:*

Head Controlled Accounts – identify transactions and balances controlled by Spending Units outside of the IFMIS.

Treasury Accounts – comprise transactions managed through the IFMIS and the Treasury controlled bank accounts that comprise the core Treasury Single Account (TSA).

Third Party Accounts – bank accounts and transactions are controlled by a third party (e.g. a donor) but government benefits from the transactions.

Previously not all receipts, payments and adjustments on the face of Financial Statement had notes, currently, the change has been made in the year under review to provide notes for all of them, except for Exch. Rate Gain / Loss. Furthermore, all notes now have comparative figures except for Note 28.

Basis for budget comparison:

The Consolidated Statement of Comparison of Budget and Actual Amounts include the original budget for FY2023/24 as approved by the National Assembly through the Appropriation (2023/24) Act, 2023. It also includes the revised budget for the year taking account of supplementary budgets, reallocations and other budget variations authorised in accordance with the Treasury regulations. The comparison is made for the major classifications of revenue and expenditure. Appendix 2 provides budget versus actual comparisons analysed by Spending Unit.

Budgets are specific to a financial year. Unexpended budgeted funds at the close of the financial year are surrendered. The budget and accounts are prepared on the basis of similar accounting standards and the same financial year.

Cabinet has approved the application of the Contingency Fund and allocation of Supplementary estimates, and instructed the Law Office to draft the Supplementary Estimates Appropriation Bill for submission to Parliament.

Amounts in the Appropriation Act and budget book vary. For the budget versus actual comparison statement the budget book figures have been used, since they are the published versions most accessible to stakeholders and provide the breakdown to line items.

Table 3: FY2023/24 Use of Contingency Fund

NO.	DATE REQUESTED	DATE APPROVED	MINISTRY/ HEAD	RECURRENT REQUEST	CAPITAL REQUEST	TOTAL ADVANCES APPROVED TO DATE	BALANCE AVAILABLE	PURPOSE/REASON
0	01 April 2023	01 April 2023	Contingencies Fund	300,000,000	-	-	300,000,000	To Finance unforeseen and unanticipated activities.
1	30 June 2023	04 July 2023	Local Government, Chieftainship, Home Affairs and Police	5,604,233	-	5,604,233	294,395,767	Additional funds required for the celebration of King's 60th birthday.
2	04 July 2023	06 July 2023	Local Government, Chieftainship, Home Affairs and Police	40,568,283	-	46,172,516	253,827,484	Additional funds required for procurement of 100,000 passport booklets.
3	07 July 2023	07 July 2023	His Majesty's Office	3,287,178	-	49,459,694	250,540,306	Additional funds required for the celebration of King's 60th birthday.
4	27 June 2023	21 July 2023	Judiciary	1,155,294	-	50,614,988	249,385,012	Additional funds required for the resuscitation of the Judiciary Digital Court Recording System and back-up after Government network suffered a cyber attack in June.
5	08 June 2023	26 July 2023	Defence	18,842,331	-	69,457,319	230,542,681	Additional funds required to supplement the payment of the aircrafts annual insurance premium for Lesotho Defence Force, Airwing.
6	19 July 2023	26 July 2023	National Assembly	2,083,700	-	71,541,019	228,458,981	Additional funds required for the purchase of two vehicles which were purchased for the Speaker and the Deputy Speaker in 2022/2023 FY but the delivery was made in 4 July 2023. The allocated money in 2022/23 lapsed in accordance with PFMA Act 2021.

NO.	DATE REQUESTED	DATE APPROVED	MINISTRY/ HEAD	RECURRENT REQUEST	CAPITAL REQUEST	TOTAL ADVANCES APPROVED TO DATE	BALANCE AVAILABLE	PURPOSE/REASON
7	08 August 2023	11 August 2023	Senate	938,943	-	72,479,962	227,520,038	Additional funds required for payment of vehicle allowance the President and Vice President of the Senate following the Legal Notice No 34 of the Members of Parliament Salaries (Amendment of Schedule) Regulations, 2023.
8	04 August 2023	11 August 2023	Public Service, Labour and Employment	3,000,310	-	75,480,272	224,519,728	Additional funds required for payment for termination and expired contracts of former Principal Secretaries.
9	10 August 2023	16 August 2023	Health	1,513,057	-	76,993,329	223,006,671	Additional funds required to pay Doctors call allowance arrears from past years.
10	21 August 2023	23 August 2023	Public Service, Labour and Employment	8,357,287	-	85,350,616	214,649,384	Additional funds required to pay for support and maintenance of Human Resource Management System (HRMS), Psychometric Assessment units, consultancies services of PSs interviewers, salary arrears and acting allowance of the PS.
11	28 July 2023	29 August 2023	Foreign Affairs and International Relations	1,536,397	-	86,887,013	213,112,987	Additional funds required to finance critical positions of the Ministry to achieve its mandate efficiently and effectively.
12	25 August 2023	29 August 2023	Education and Training	-	-	89,388,403	210,611,597	Additional funds required to pay for 178 unsponsored students in terms of the commitments made by the government of Lesotho to bail out NUL on 50/50 basis on fees due to fees for 2022/2023 academic year.

NO.	DATE REQUESTED	DATE APPROVED	MINISTRY/ HEAD	RECURRENT REQUEST	CAPITAL REQUEST	TOTAL ADVANCES APPROVED TO DATE	BALANCE AVAILABLE	PURPOSE/REASON
13	07 September 2023	07 September 2023	Natural Resources	57,722,767	-	147,111,170	152,888,830	Additional funds required for financial assistance to settle LEC outstanding debt to Etricidade De Mozambique (EDM) where LEC has not been able to honour its obligation in paying both ESKOM and EDM electricity bulk supply and is in breach as a result and EDM will discontinue the supply of electricity.
14	08 September 2023	15 September 2023	Foreign Affairs and International Relations	1,146,636	-	148,257,806	151,742,194	Additional funds required for 78th UNGA trip which is an annual session where all issues to the international community are discussed and decided upon. It is the only unique forum which provides for multilateral discussion of the full spectrum of international issues covered by the Charter of UN.
15	15 September 2023	27 September 2023	Natural Resources	114,750,236	-	263,008,042	36,991,958	Additional funds required for the refurbishment and maintenance of Muela Hydropower Plant to be undertaken in this financial year as well as costs associated with KLM project contracts.
16	20 September 2023	27 September 2023	Agriculture, Food Security and Nutrition	7,907,615	-	270,915,657	29,084,343	Additional funds required for part-time lecturers at LAC as projected to the end-year and arrears to resuscitate both campus in Maseru and Leribe.
17	25 September 2023	12 October 2023	Defence	2,640,000	-	273,555,657	26,444,343	Additional funding is needed to support the financing of local government election operations, specifically for aircraft fuel and lubricants, for the scheduled event on September 29, 2023.

NO.	DATE REQUESTED	DATE APPROVED	MINISTRY/ HEAD	RECURRENT REQUEST	RECURRENT REQUEST	CAPITAL REQUEST	TOTAL ADVANCES APPROVED TO DATE	BALANCE AVAILABLE	PURPOSE/REASON
18	16 October 2023	12 October 2023	Education and Training	8,538,656	-	-	282,094,313	17,905,687	Additional funds are needed to cover the wages of investigators and administrative staff at the Lesotho Distance Teaching Centre. The shortage in funding arose due to a temporary suspension of hiring for these roles.
19		23 October 2023	Justice and Law	3,182,100	-	-	285,276,413	14,723,587	Additional funds required to cover the arbitration case between Trencon (the company that was awarded contracts to clinic) and LMDA.
20	15 November 2023	16 November 2023	Public Service, Labour and Employment	4,010,598	-	-	289,287,011	10,712,989	Additional funds required to cover the arbitration case between Trencon (the company that was awarded contracts to clinic) and LMDA.
21	19 October 2023	22 November 2023	Senate	-	908,683	-	290,195,694	9,804,306	Additional funds required for payment of terminal benefits in respect of Chie Letapata Sekhobe Makhola and Dr Fako Likoti who were Commissioners of PSC
22	17 November 2023	22 November 2023	National Assembly	-	372,148	-	290,567,842	9,432,158	Additional funds required to service outstanding bills relating to power and communications and to cater for legal fees for CONCASE 0015/2023 (Joel B. Motsone and others vs President of the Senate and 3 others)
23	10 October 2023	22 November 2023	Education and Training	-	996,000	-	291,563,842	8,436,158	Additional funds are required to finance International meeting of the Honourable Speaker of National Assembly for PAN African Parliament 3rd Session of the 6th Parliament in Mauritius.

NO.	DATE REQUESTED	DATE APPROVED	MINISTRY/ HEAD	RECURRENT REQUEST	CAPITAL REQUEST	TOTAL ADVANCES APPROVED TO DATE	BALANCE AVAILABLE	PURPOSE/REASON
24	09 November 2023	11 December 2023	Justice and Law	3,382,767	-	294,946,609	5,053,391	Funds are required for training of LCS recruits which has not happened since 2016 for Correctional Officers to duly fulfil their roles in accordance with national and international standards.
25	28 November 2023	11 December 2023	Justice and Law	1,231,880	-	296,178,489	3,821,511	Additional funds required for the arbitration case between Trencon and Lesotho Millennium Development Authority.
00	17 November 2023	17 November 2023	Contingencies Fund	147,698,607	-	-	151,520,118	Contingency Replenishment by reallocation to finance unforeseen and unanticipated activities.
26	16 November 2023	11 December 2023	Public Works and Transport	10,000,000	-	306,178,489	141,520,118	Additional funds required to supplement continuity of issuance of drivers licenses and number plates.
27	23 November 2023	22 December 2023	Disaster Management Authority	15,000,000	-	321,178,489	126,520,118	Additional funds required to purchase maize, wheat, and beans from Basotho that produced surplus to respond to the food insecurity crisis in the country.
28	06 December 2023	22 December 2023	Natural Resources	20,963,210	-	342,141,699	105,556,908	Additional funds required for payment of outstanding gratuities for LHWC and additional staff who oversee and monitor Basotho participation in the construction of main work at the LHDWP.
29	13 December 2023	22 December 2023	Natural Resources	4,717,514	-	346,859,213	100,839,394	Additional funds required for shortages for office rent.
30	05 December 2023	08 January 2024	Trade, Industry, Business Development and Tourism	820,000	-	347,679,213	100,019,394	Additional funds required to cater for the shortfall towards the day to day management of the Lesotho National Convention Centre which was an omission from the 2023/24 budget.

NO.	DATE REQUESTED	DATE APPROVED	MINISTRY/ HEAD	RECURRENT REQUEST	CAPITAL REQUEST	TOTAL ADVANCES APPROVED TO DATE	BALANCE AVAILABLE	PURPOSE/REASON
31	09 January 2024	17 January 2024	Justice and Law	3,529,745	-	351,208,958	96,489,649	Additional funds required for the arbitration case between Trencon and Lesotho Millennium Development Authority.
32	08 January 2024	17 January 2024	Public Service, Labour and Employment	1,155,700	-	352,364,658	95,333,949	Additional funds requested for funds for implementation of demerged ministries in Human Resource Management Information System.
33	11 January 2024	22 January 2024	Justice and Law	5,197,950	-	357,562,608	90,135,999	Additional funds requested to finance legal fees in respect of the high profile cases claims, where progress is slow and Advocates and Prosecutors had to withdraw and other cases are filed.
34	19 January 2024	02 February 2024	Education and Training	5,000,000	-	362,562,608	85,135,999	Additional funds are required for Lerotholi Polytechnic's degree programs in Power System Engineering, Telecommunications, Computer Systems Engineering, and Irrigation and Drainage at the Satellite Campus, Moshoeshoe II High School rehabilitation.
35	15 December 2023	02 February 2024	Defence	1,484,712	-	364,047,320	83,651,287	Additional funds required to purchase fuel and lubricants which ran out, this will be used for filling of the bowzers at Makoanyane and Raifomose Barracks.
36	16 January 2024	02 February 2024	Foreign Affairs and International Relations	4,688,223	-	368,735,543	78,963,064	Additional funds required for funding of returning diplomats whose end tour has come and those whose tour is approaching.
37	15 February 2024	06 March 2024	Ministry of Justice and Law	2,498,093	-	371,233,636	76,464,971	Additional funds required for the arbitration case between Trencon and Lesotho Millennium Development Authority.

NO.	DATE REQUESTED	DATE APPROVED	MINISTRY/ HEAD	RECURRENT REQUEST	CAPITAL REQUEST	TOTAL ADVANCES APPROVED TO DATE	BALANCE AVAILABLE	PURPOSE/REASON
38	07 March 2024	12 March 2024	Ministry of Justice and Law	47,076		371,280,712	76,417,895	Additional funds required to facilitate part-payment of the legal fees to Advocate Qalker for the arbitration case between Trecon and Lesotho Millennium Development Authority. This shortage was caused by exchange rate fluctuations.
39	13 March 2024	18 March 2024	National Assembly	756,878		372,037,590	75,661,017	Additional funds required to fast track the completion of 2024/25 budget estimates and the three bills conditional to Millennium Challenge Corporation Compact II from 8-27 March 2024.
40	25 January 2024	18 March 2024	Ministry of Local Government, Chiefdomship, Home Affairs and Police	31,853,127		403,890,717	43,807,890	Additional funds required to enable payment to Pangea due to unforeseeable inability to pay the contract for the months of October to March 2024.
41	18 March 2024	19 March 2024	Senate	892,960		404,783,677	42,914,930	Additional funds required to cater for boarding, lodging and meals for special sitting of Parliament to deal with urgent Bills before Parliament whereby the work will be done beyond normal working hours.
				521,404,936	552,482,284	404,783,677		
					147,698,607			

**Note 1: Tax Revenues**

The Revenue Services Lesotho (RSL) acts as the government's agent for collecting taxes and customs duties. Collections are regularly remitted to the Consolidated Fund. These are net of any tax expenditures (e.g. for VAT refunds). They also exclude Road Fund collections by the RSL, which are transferred directly to the Roads Directorate.

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled Accounts M'000	Treasury Accounts M'000	3rd Parties Accounts M'000	Total for All Accounts M'000	
<b>Taxes on Income, Profits and Capital Gains</b>	-	3,988,066	-	3,988,066	4,071,534
Personal Income Tax	-	2,605,909	-	2,605,909	3,426,917
Company Tax	-	721,224	-	721,224	487,629
Withholding Tax	-	660,933	-	660,933	156,989
<b>Taxes on Property</b>	-	10	-	10	-
Local Government Rates	-	10	-	10	-
<b>Taxes on Goods and Services</b>	5,681	4,528,339	-	4,534,020	3,978,911
Value Added Tax	-	3,952,260	-	3,952,260	3,577,174
Motor Vehicle Assurance	-	22,078	-	22,078	17,676
Oil Levy	-	364,591	-	364,591	357,539
Tobacco and Alcohol Levy	-	161,529	-	161,529	-
Casino Licences	-	75	-	75	95
Gaming Levy	-	7,210	-	7,210	-
Guest Houses	-	81	-	81	-
Hotels and Lodges	-	62	-	62	82
Off Sales	-	772	-	772	111
Restaurants and Canteens	-	226	-	226	1,032
Drivers' Licence Fee	-	9,601	-	9,601	12,950
Motor Registration	-	-	-	-	24
Club Licences	-	16	-	16	15
Crops and Livestock Licences	-	404	-	404	391
Diamond Dealers Licences	-	25	-	25	146
Firearm Licences	-	661	-	661	821
Herbalist Licences	-	28	-	28	28
Industrial Licences	193	1,347	-	1,540	668
Master's Fees	-	17	-	17	10
Reservation Name - Society	-	200	-	200	130
Trading Licences	1,160	4,383	-	5,543	5,747
Registration and Licensing - Private Hospital	-	35	-	35	50
Registration and Licensing - Clinic	-	7	-	7	4
Registration and Licensing - Laboratory	-	0	-	0	-
Registration and Licensing - Medicine Outlet Pharmacy	-	3	-	3	-
Ambulance Registration License or Company Registration	1,933	2,728	-	4,661	4,217
Registration and Licensing-Medical Cannabis	2,395	-	-	2,395	-
<b>Other Taxes</b>	-	756	-	756	874
Stamp Duty	-	756	-	756	874
<b>Total Tax Revenue</b>	<b>5,681</b>	<b>8,517,170</b>	<b>-</b>	<b>8,522,852</b>	<b>8,051,319</b>

**Note 2: Non-Tax Revenues****Collections of non-tax revenues were as follows:**

Description	Actual 2024				Actual 2023
	Head Controlled M'000	Treasury Accounts M'000	3rd Parties M'000	Total for All M'000	Total for All Accounts M'000
<b>Property Income</b>	<b>12,637</b>	<b>622,614</b>	<b>-</b>	<b>635,250</b>	<b>609,309</b>
Interest	12,637	16,058	-	28,695	24,260
<i>Interest Received from Financial Public Corporations</i>					
<i>Interest Received from Non Financial Public Corporations</i>	3,510	-	-	3,510	7,210
<i>Interest - Deposits and Investments</i>	2,212	16,058	-	18,270	12,436
<i>Interest - Other</i>	6,522	-	-	6,522	3,376
Dividends	392	-	-	392	1,238
<i>Dividends Received from Financial Public Corporations</i>	-	67,033	-	67,033	151,016
<i>Dividends Received from Non Financial Public Corporations</i>	-	53,079	-	53,079	24,582
<i>Dividends - Other</i>	-	13,954	-	13,954	3,877
Rent - Non Produced Assets	-	-	-	-	122,557
<i>Royalties</i>	-	539,523	-	539,523	434,033
<i>Surface Rent</i>	-	526,756	-	526,756	428,455
	-	12,767	-	12,767	5,578
<b>Rand Monetary Compensation</b>	<b>-</b>	<b>331,730</b>	<b>-</b>	<b>331,730</b>	<b>361,222</b>
<i>Rand Monetary Compensation</i>	-	331,730	-	331,730	361,222
<b>Sale of Goods and Services</b>	<b>373,641</b>	<b>1,730,490</b>	<b>-</b>	<b>2,104,131</b>	<b>1,626,282</b>
Sales by Market Establishments	-	1,578,345	-	1,578,345	1,415,660
<i>Electricity - Muela</i>	-	-	-	-	12,102
<i>Water Royalties - LHDA</i>	-	1,578,345	-	1,578,345	1,403,558
Administrative Fees	-	49,108	-	49,108	49,002
<i>Airworthiness</i>	-	6	-	6	17
<i>Application of Trade Union</i>	-	9	-	9	3
<i>Attestation Fees</i>	-	25	-	25	55
<i>Births and Deaths Registration</i>	-	-	-	-	11
<i>Building Permits</i>	-	126	-	126	47
<i>Citizenship</i>	-	230	-	230	2,096
<i>Flight Operations</i>	-	6	-	6	18
<i>Importation</i>	-	2,668	-	2,668	1,499
<i>Issue Of Employment Certificate</i>	-	8,746	-	8,746	7,619
<i>Labour Agents Permits</i>	-	28	-	28	3
<i>Registration of Land, Leases and Other Title Documents</i>	-	680	-	680	569
<i>Motor Vehicle Inspection</i>	-	8,205	-	8,205	8,392
<i>Passports</i>	-	15,674	-	15,674	11,943
<i>Patent Fees</i>	-	-	-	-	1
<i>Permits</i>	-	6,324	-	6,324	6,417
<i>Registr. Of Cat. Construc</i>	-	686	-	686	638
<i>Regstr. Security C. &amp;Gua.</i>	-	327	-	327	426
<i>Temporary Air Service Permits</i>	-	59	-	59	44
<i>Trademarks, Births, Deaths</i>	-	3,306	-	3,306	8,052
<i>Visas</i>	-	1,972	-	1,972	1,152
<i>Radio and Television Broadcast Licences</i>	-	30	-	30	-
<i>Membership Subscriptions</i>	-	-	-	-	1
Incidental Sales by Non Market Establishments	373,641	103,037	-	476,678	161,620
<i>Abattoir Fees</i>	-	14	-	14	8
<i>Airport Services Charge</i>	-	1,100	-	1,100	366
<i>Ambulance Fees</i>	-	52	-	52	70
<i>Application Fees</i>	-	210	-	210	143
<i>ATS Products</i>	-	4	-	4	-
<i>College Fees</i>	-	203	-	203	-
<i>Court Fees</i>	-	191	-	191	210
<i>Craft Centre</i>	-	36	-	36	39
<i>Dental Fees</i>	-	482	-	482	565
<i>Design Fees</i>	-	1	-	1	0
<i>Examination Fees</i>	-	44	-	44	2
<i>Farmers' Training Centre</i>	-	-	-	-	69
<i>Forest Fund-511/001/03715</i>	23	-	-	23	82
<i>Hire of Buildings and Structures</i>	-	164	-	164	794
<i>In Patient Fees</i>	-	1,057	-	1,057	1,658
<i>Identity Photographs</i>	-	882	-	882	4

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head	Treasury	3rd	Total for	
	Controlled M'000	Accounts M'000	Parties M'000	All M'000	
Insurance Commission	-	2,915	-	2,915	1,588
Landing Fees	-	3,348	-	3,348	740
Market Fees	-	142	-	142	118
Meals and Accommodation	-	49	-	49	107
Motor Vehicle Number Plates	-	8,562	-	8,562	6,683
Mortuary Fees	-	15	-	15	17
Newspaper Advertising & S	-	0	-	0	381
Ophthalmic Fees	-	174	-	174	182
Out Patient Fees	-	3,568	-	3,568	4,032
Police Outside Service	-	4,990	-	4,990	3,958
Pound and Grazing Fees	-	10	-	10	7
Private Patient Fees	-	417	-	417	484
Public Toilets	-	166	-	166	157
Road Accident Reports	-	80	-	80	127
Rent from Government Properties - Commercial and Industrial	64,827	3,922	-	68,749	61,702
Rent from Government Properties - Residential	-	6,237	-	6,237	5,438
RSA Referrals	-	94	-	94	71
Sale of Goods or Products	-	43,117	-	43,117	24,614
Sale of Maps, Books and Other Publications	-	49	-	49	63
Sale of Fish, Poultry and Produce	-	680	-	680	7,119
Sale of Services	-	6,527	-	6,527	8,474
Sale of Stray Stock	-	736	-	736	336
Sale of Tender, Bidding and Contract Documents	240	1,544	-	1,784	3,481
Sanitary and Refuse	-	33	-	33	85
School Fees	-	-	-	-	3,264
Statutory Fees	-	81	-	81	100
Stud Fees	-	838	-	838	-
Sundry	307,603	7	-	307,610	16,605
Tender Fees	-	330	-	330	571
Technical Operations Unit	-	1,003	-	1,003	345
Tuition Fees	225	741	-	966	1,770
Water Kiosks	-	24	-	24	17
Prison Industries	-	8	-	8	30
Spring and Water Quality	-	52	-	52	22
Aircraft Hire	-	901	-	901	608
Valuation Fees	-	9	-	9	90
Sale of Advertising	-	61	-	61	104
Laboratory Testing Services	-	278	-	278	141
Payroll Deduction Fee	-	368	-	368	507
Entrance Fees	-	348	-	348	593
Assessment Fees	-	1,017	-	1,017	608
X-Ray	-	332	-	332	-
Caution Fees	-	-	-	-	79
Registration Fees	722	3,943	-	4,665	1,415
Road Fund Commission	-	882	-	882	774
<b>Fines Penalties and Forfeits</b>	<b>-</b>	<b>7,713</b>	<b>-</b>	<b>7,713</b>	<b>5,454</b>
Judicial Fines	-	3,172	-	3,172	3,101
Other Fines, Penalties and Forfeits	-	14	-	14	116
Surcharges	-	4,527	-	4,527	2,237
<b>Voluntary Transfers other than Grants (NGOs)</b>	<b>421</b>	<b>-</b>	<b>-</b>	<b>421</b>	<b>142</b>
Direct Disbursement Voluntary Transfers	421	-	-	421	142
<b>Miscellaneous and Unidentified Revenue</b>	<b>744</b>	<b>13,253</b>	<b>-</b>	<b>13,998</b>	<b>642,843</b>
Transfer of Unclaimed Moneys	-	-	-	-	273
Repayments of Expenditure Paid in Prior Years	744	13,253	-	13,998	642,570
<b>Exchange Rate Gains</b>	<b>12,884</b>	<b>-</b>	<b>-</b>	<b>12,884</b>	<b>17,090</b>
Exchange Rate Gains - Foreign Bank Accounts	6,935	-	-	6,935	17,090
Exchange Rate Gains - Foreign Currency Loans	5,949	-	-	5,949	-
<b>Total Other Revenue</b>	<b>400,327</b>	<b>2,705,800</b>	<b>-</b>	<b>3,106,127</b>	<b>3,262,341</b>

### Dividends

Amounts shown as dividends represent the cash received by government during the financial year. Actual amounts received may relate to the dividends declared by the enterprises for their previous years' performances. The Government controls state owned enterprises, as listed in Table 2 above, and has minority shareholdings in companies, as indicated in Table 2. Of these dividends received during FY2023/24 were from those shown below.

Supervising Spending Unit	Entity Name	Dividends Received Actual	
		2023/2024 M'000	2022/2023 M'000
Finance	Lesotho National Life Insurance		960
Finance	Coca-Cola Beverage Lesotho	101	
Finance	Central Bank of Lesotho	28,449	-
Finance	Minet	505	462
Finance	Maluti Mountain Brewery	6,570	3,877
Finance	Avani	7,282	
Finance	Standard Lesotho Bank	24,125	23,160
Mining	Letseng Mine		122,557
<b>Total</b>		<b>67,033</b>	<b>151,016</b>

### Note 3: Incurrence of Foreign Liabilities for the Year Ended 31 March 2024

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled Accounts M'000	Treasury Accounts M'000	3rd Parties Accounts M'000	Total for All Accounts M'000	
<b>Incurrence of Foreign Liabilities</b>	<b>777,895</b>	<b>-</b>	<b>754,158</b>	<b>1,532,053</b>	<b>1,337,872</b>
Loans	777,895	-	754,158	1,532,053	1,337,872
<i>Bilateral Loans</i>	27,018	-	-	27,018	228,119
<i>Multilateral Loans</i>	625,254	-	621,293	1,246,546	926,481
<i>Financial Institution Loans</i>	125,623	-	29,971	155,594	-
<i>Export Credits</i>	-	-	102,894	102,894	183,271
<b>Total Foreign Liabilities Incurred</b>	<b>777,895</b>	<b>-</b>	<b>754,158</b>	<b>1,532,053</b>	<b>1,337,872</b>

### Note 4: Grants received

Grants received during the year ended 31<sup>st</sup> March 2024 were

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled M'000	Treasury Accounts M'000	3rd Parties Accounts M'000	Total for All M'000	
<b>Grants from Foreign Governments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,156</b>
<i>Current Donor Grants - Foreign Governments</i>	-	-	-	-	262
<i>Capital Donor Grants - Foreign Governments</i>	-	-	-	-	83,893
<b>Grants from International Organisations</b>	<b>620,048</b>	<b>-</b>	<b>321,983</b>	<b>942,031</b>	<b>777,023</b>
<i>Current Donor Grants – Multilateral Partners</i>	22,946	-	2,132	25,078	11,077
<i>Capital Donor Grants – Multilateral Partners</i>	597,103	-	319,851	916,953	765,945
<b>Grants from Other General Government Units</b>	<b>550</b>	<b>-</b>	<b>251,483</b>	<b>252,033</b>	<b>95,818</b>
<i>Current Grants from Central Government</i>	550	-	-	550	69,981
<i>Capital Grants from Central Government</i>	-	-	251,483	251,483	25,837
<b>Total Grants</b>	<b>620,598</b>	<b>-</b>	<b>573,466</b>	<b>1,194,064</b>	<b>956,996</b>

**Grants Received Summary by type**

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
Current Grants	23,496	-	2,132	25,628	81,321
Capital Grants	597,103	-	571,334	1,168,437	875,676
<b>Total Grants</b>	<b>620,598</b>	<b>-</b>	<b>573,466</b>	<b>1,194,064</b>	<b>956,996</b>

**Note 5: Payments on goods and services.**

Payments on goods and services of FY2023/24 were as follows

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Travel and Transport</b>	<b>351,957</b>	<b>382,933</b>	<b>20,424</b>	<b>755,313</b>	<b>739,083</b>
<i>Vehicle Maintenance and Repairs</i>	10,403	30,655	-	41,058	88,598
<i>Fuel and Lubricants</i>	26,019	87,002	-	113,021	140,181
<i>Standing Charge</i>	-	-	-	-	1,801
<i>Short Term Hire of Vehicles</i>	60,554	89,809	-	150,363	181,342
<i>Private Hire of Vehicles</i>	-	11,825	-	11,825	2,058
<i>Motor Mileage Allowance</i>	2	7	-	9	16
<i>Fares (Local)</i>	204	1,007	-	1,211	1,378
<i>Subsistence (Local)</i>	159,125	95,367	835	255,327	170,877
<i>Freight Charges</i>	212	10,389	19,409	30,010	41,632
<i>Equine Hire</i>	88	61	-	149	84
<i>Fares (International)</i>	4,021	22,931	103	27,056	29,053
<i>Subsistence (International)</i>	91,328	33,880	77	125,285	82,046
<i>Consultancies</i>	-	-	-	-	16
<b>Operating Costs</b>	<b>848,200</b>	<b>2,134,380</b>	<b>201,570</b>	<b>3,184,150</b>	<b>3,074,815</b>
<i>Power</i>	8,336	99,774	-	108,110	95,231
<i>Communications</i>	17,078	93,536	48,555	159,170	104,408
<i>Printing</i>	44,981	36,804	72	81,857	38,171
<i>Stationery</i>	35,273	17,682	40	52,995	42,021
<i>Maintenance of Public Assets</i>	136,818	130,572	-	267,390	276,960
<i>Food, Fodder and Beverage Supplies</i>	6,157	68,900	-	75,057	56,960
<i>Purchases or Production of Materials, Goods or</i>	230,708	397,366	68,600	696,674	545,349
<i>Minor Works</i>	3,135	9,650	-	12,785	16,234
<i>Drugs</i>	24,968	384,703	17,464	427,135	492,081
<i>Dressings</i>	-	21,163	-	21,163	13,295
<i>Vaccines</i>	50,908	35,400	-	86,308	6,151
<i>Dips and Anthelmintics</i>	-	55	-	55	67
<i>Official Entertainment</i>	223	422	-	644	309
<i>Official Gifts</i>	21	40	-	61	322
<i>Training Costs</i>	52,739	13,629	70	66,439	55,442
<i>Software Licenses</i>	5,522	81,535	6,368	93,425	100,322
<i>Consultancies</i>	196,540	30,676	55,685	282,901	393,560
<i>Ammunition</i>	1,148	1,665	-	2,813	26,863
<i>Fitch</i>	-	786	-	786	-
<i>ESAAMLG</i>	-	-	-	-	1,000
<i>UNDP Lesotho</i>	-	2,165	-	2,165	-
<i>Books and Publications</i>	11	53	-	65	2,324
<i>Membership Subscriptions</i>	6,400	29,404	4,714	40,518	108,770
<i>Project Costs - Historic</i>	-	100	-	100	-
<i>Water Supply</i>	598	28,268	-	28,866	17,850
<i>Sewerage and Sanitation</i>	-	530	-	530	1,375
<i>Rent and Lease of Buildings for Government Use</i>	19,210	202,586	-	221,796	223,127
<i>Purchase of Health Services</i>	-	444,927	-	444,927	451,573
<i>Bank Charges</i>	7,426	1,706	-	9,132	4,546
<i>Witness Expenses</i>	-	282	-	282	504
<b>Total Goods and Services</b>	<b>1,200,157</b>	<b>2,517,313</b>	<b>221,993</b>	<b>3,939,463</b>	<b>3,813,898</b>

## Note 6: Compensation of Employees

Payments of FY2023/24 employee compensation are made up of the following:

Description	Actual 2024			Total for All Accounts M'000	Actual 2023 Total for All Accounts M'000
	Head Controlled Accounts M'000	Treasury Accounts M'000	3rd Parties Accounts M'000		
<b>Wages and salaries</b>	<b>370,522</b>	<b>6,697,026</b>	<b>711</b>	<b>7,068,259</b>	<b>6,916,238</b>
Non Statutory Salaries in Cash	229,118	6,026,587	711	6,256,416	6,142,659
<i>Salaries – Established Posts</i>	229,118	6,025,324	-	6,254,442	6,125,427
<i>Salaries – New Posts</i>	-	1,263	-	1,263	2,227
<i>Project Salaries, Vacant Positions, Vacant</i>	-	-	711	711	15,004
Statutory Salaries in Cash	-	14,694	-	14,694	10,837
<i>Privy Purse</i>	-	-	-	-	18
<i>Chief Justice</i>	-	667	-	667	488
<i>Judges</i>	-	8,265	-	8,265	6,069
<i>Chairman PSC</i>	-	453	-	453	227
<i>Members PSC</i>	-	1,623	-	1,623	1,271
<i>Attorney-General</i>	-	551	-	551	403
<i>Director Public Prosecutions</i>	-	541	-	541	396
<i>Auditor-General</i>	-	541	-	541	135
<i>Ombudsman</i>	-	541	-	541	396
<i>Chairman IEC</i>	-	541	-	541	513
<i>Members IEC</i>	-	972	-	972	922
Wages in Cash	133,829	420,765	-	554,594	450,098
<i>Wages – Established Posts</i>	90,970	348,196	-	439,166	443,177
<i>Wages – New Posts</i>	42,859	72,569	-	115,428	6,921
Allowances in Cash - Non Statutory Posts	7,574	184,917	-	192,492	270,903
<i>Allowances - Non Statutory Posts</i>	7,574	184,917	-	192,492	270,903
Allowances in Cash - Statutory Posts	-	3,448	-	3,448	2,961
<i>Queen's Allowance</i>	-	666	-	666	487
<i>King's Allowance</i>	-	905	-	905	663
<i>Allowances Chief Justice</i>	-	60	-	60	60
<i>Allowances Judges</i>	-	1,119	-	1,119	1,032
<i>Allowances Chairman PSC</i>	-	42	-	42	37
<i>Allowances Ombudsman</i>	-	66	-	66	84
<i>Allowances Attorney General</i>	-	48	-	48	60
<i>Allowances Auditor General</i>	-	66	-	66	55
<i>Allowances Director Of Public Prosecutions</i>	-	72	-	72	72
<i>Allowances Chairman IEC</i>	-	48	-	48	48
<i>Allowances Members IEC</i>	-	126	-	126	126
<i>Allowances Members PSC</i>	-	230	-	230	236
Salaries and Wages - Own Account Capital	-	-	-	-	338
<i>Salaries and Wages - Own Account Capital</i>	-	-	-	-	338
Wages and Salaries in Kind	-	46,616	-	46,616	38,442
<i>School and Medical Fees - Foreign Missions</i>	-	46,616	-	46,616	38,442
<b>Social Contributions</b>	<b>66,286</b>	<b>1,363,400</b>	<b>-</b>	<b>1,429,685</b>	<b>1,378,474</b>
Actual Social Contributions	-	545,598	-	545,598	615,127
<i>GoL Pension Contribution</i>	-	545,598	-	545,598	615,127
Unfunded Pensions and Gratuities	66,286	817,802	-	884,088	763,347
<i>Civil Pensions</i>	-	590,653	-	590,653	541,921
<i>Gratuities</i>	66,286	227,149	-	293,434	221,426
<b>Total Compensation of Employee</b>	<b>436,807</b>	<b>8,060,426</b>	<b>711</b>	<b>8,497,944</b>	<b>8,294,712</b>

## Note 8: Purchase of Property, Plant and Equipment

Fixed assets are expensed on acquisition and sale proceeds accounted for when assets are disposed of. The following table summarises the capital assets acquired during FY2023/24.

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Acquisition of Fixed Assets</b>	<b>1,075,039</b>	<b>714,857</b>	<b>1,104,920</b>	<b>2,894,816</b>	<b>1,746,926</b>
Buildings and Structures	867,696	642,458	1,078,197	2,588,351	1,644,086
<i>Dwellings Constructed by Government</i>	-	16,743	-	16,743	18,030
<i>Other Dwellings</i>	87,587	4,527	-	92,114	13,969
<i>Non Residential Buildings Constructed by</i>	-	352,054	-	352,054	4,790
<i>Other Non Residential Buildings</i>	44,313	5,773	-	50,085	37,217
<i>Other Structures Constructed by Government</i>	50,746	-	-	50,746	35,229
<i>Other Other Structures</i>	685,050	263,361	1,078,197	2,026,609	1,534,852
Machinery and Equipment	207,343	72,399	26,723	306,466	102,839
<i>Vehicles, Cycles &amp; Equine</i>	87,737	34,908	12,738	135,383	23,328
<i>Office Equipment</i>	27,145	8,410	11,837	47,392	31,336
<i>Office/Residential Furniture</i>	2,434	15,978	-	18,413	15,376
<i>Non - Office Equipment</i>	90,027	13,103	2,148	105,278	32,800
<b>Total value of property, plant and equipment expense</b>	<b>1,075,039</b>	<b>714,857</b>	<b>1,104,920</b>	<b>2,894,816</b>	<b>1,746,926</b>

## Note 9: Interest Payments

Costs include interests paid during the year in respect of external debts, commitment fees, and charges on treasury bills, treasury bonds, and other domestic borrowings. These charges arise from financing arrangements for the budget and monetary policy instruments.

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Domestic Interest</b>	-	461,792	-	461,792	267,957
<i>Other Domestic Interest</i>	-	461,792	-	461,792	267,957
<b>Foreign Interest</b>	-	355,500	-	355,500	309,048
<i>Bilateral Interest</i>	-	20,562	-	20,562	13,981
<i>Multilateral Interest</i>	-	261,113	-	261,113	224,685
<i>Financial Institutions Interest</i>	-	9,669	-	9,669	14,158
<i>Export Credit Interest</i>	-	64,156	-	64,156	56,223
<b>Total interest payable</b>	-	<b>817,291</b>	-	<b>817,291</b>	<b>577,005</b>

## Note 10: Subsidies

Subsidies paid during the year are summarized as below:

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Subsidies</b>					
To Public Corporations	10,059	737,631	-	747,691	491,543
<i>Subsidies - Non Financial Public Corporations</i>	-	7,366	-	7,366	317,994
<i>Subsidies - Non Financial Public Corporations</i>	3,022	730,266	-	733,287	173,548
<i>Subsidies - Financial Public Corporations</i>	7,038	-	-	7,038	-
To Private Enterprises	-	-	-	-	-
On Products	-	-	-	-	30,852
<i>Petroleum Levy</i>	-	-	-	-	27,374
<i>Subsidy on Agricultural Inputs</i>	-	-	-	-	3,478
<b>Total subsidies for the year</b>	<b>10,059</b>	<b>737,631</b>	-	<b>747,691</b>	<b>522,394</b>

## Note 11: Grants Paid

Other transfers relate to social benefit payments, subsidies and grants to other non-governmental organisations and autonomous bodies. The following tables provide a breakdown of transfers over the main categories.

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Grants</b>					
To International Organisations	2,132	106,114	-	108,246	154,589
<i>Commonwealth Secretariat</i>	-	2,648	-	2,648	4,756
<i>ACP</i>	2,132	1,067	-	3,199	-
<i>Group Of 77</i>	-	-	-	-	79,364
<i>SADC</i>	-	102,399	-	102,399	70,469
To Other General Government Units	562,521	512,225	-	1,074,746	1,062,726
<i>Current Grants Paid to Central Government</i>	1,698	-	-	1,698	194,072
<i>Current Grants Paid to Extra Budgetary Units</i>	469,756	81,669	-	551,425	304,751
<i>Current Grants Paid to Local Governments</i>	-	8,951	-	8,951	-
<i>Grants in Aid Paid to Central Government</i>	-	9,927	-	9,927	-
<i>Grants in Aid Paid to Extra Budgetary Units</i>	91,067	411,678	-	502,745	529,222
<i>Grants in Aid Paid to Local Governments</i>	-	-	-	-	10,000
<i>Capital Grants Paid to Extra Budgetary Units</i>	-	-	-	-	6,780
<i>Capital Grants Paid to Local Governments</i>	-	-	-	-	17,902
<b>Total grants for the year</b>	<b>564,652</b>	<b>618,339</b>	<b>-</b>	<b>1,182,991</b>	<b>1,217,315</b>

## Note 12: Social Benefits

Social benefits comprised:

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Social Benefits</b>					
Social Assistance Benefits	1,523,217	91,299	-	1,614,516	1,310,439
<i>Old Age Pension</i>	876,139	-	-	876,139	820,238
<i>APC Pension</i>	-	-	-	-	1,969
<i>Public Assistance in Cash</i>	206,796	70,952	-	277,747	43,810
<i>Social Assistance Benefits in Kind</i>	8,523	-	-	8,523	76
<i>School Feeding Program</i>	229,784	-	-	229,784	275,901
<i>Public Assistance in Kind</i>	-	10,220	-	10,220	6,516
<i>LLA Pensions</i>	3,574	-	-	3,574	3,785
<i>Disability Grants</i>	20,000	-	-	20,000	2,858
<i>OVC Bursary</i>	60,357	10,127	-	70,484	70,346
<i>Child Grants</i>	118,044	-	-	118,044	84,942
Employer Social Benefits	11,333	733	-	12,066	740
<i>Compensation</i>	11,333	733	-	12,066	740
<b>Total social benefits</b>	<b>1,534,550</b>	<b>92,032</b>	<b>-</b>	<b>1,626,582</b>	<b>1,311,179</b>

### Note 13: Other Operating Expenses

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Property Expense Other Than Interest</b>	-	-	-	-	<b>53</b>
Withdrawals from Income of Quasi Corporations	-	-	-	-	21
Rent of Non Produced Assets	-	-	-	-	31
<i>Rent and Lease of Land for Government Use</i>	-	-	-	-	31
<b>Miscellaneous Other Expense</b>	<b>11,398</b>	<b>1,326,022</b>	<b>-</b>	<b>1,337,420</b>	<b>1,308,610</b>
Current	11,398	1,226,153	-	1,237,551	1,291,217
<i>Transfers to Institutions Caring for Orphans</i>	-	5,349	-	5,349	-
<i>Student Grants - National Manpower Developmen</i>	-	1,109,200	-	1,109,200	1,186,395
<i>Legal Compensation</i>	1,816	2,652	-	4,468	2,109
<i>Motor Vehicle Assurance</i>	2,628	29,389	-	32,017	32,165
<i>Non Life Insurance Premiums</i>	6,954	79,563	-	86,517	70,548
Capital	-	99,869	-	99,869	17,393
<i>Capital Transfers - Non Financial Public Corporatio</i>	-	99,869	-	99,869	17,393
<b>Total Other Expenses</b>	<b>11,398</b>	<b>1,326,022</b>	<b>-</b>	<b>1,337,420</b>	<b>1,308,663</b>

### Note 14: Proceeds from the Sale of Assets

Under the cash basis of accounting these are proceeds from disposal of property, plant, and equipment, which are recognized at the time of receipts and are included as part of Non-Tax Revenues.

For information purposes gains on disposal of property, plant and equipment were up as follows:

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Disposal of Fixed Assets</b>	-	<b>119</b>	-	<b>119</b>	<b>864</b>
Machinery and Equipment	-	119	-	119	864
<i>Proceeds from Sale of Transport Equipment</i>	-	-	-	-	572
<i>Proceeds from Sale of Other Machinery and</i>	-	119	-	119	293
<b>Total Proceed received</b>	-	<b>119</b>	-	<b>119</b>	<b>864</b>

### Note 15: Cash

Bank accounts are maintained for: effecting central payments; departmental revenue deposits; sub-accountancy operations; projects; special, trust and other extra-budgetary funds; and semi-autonomous government agencies. An ongoing exercise seeks to rationalize the number and uses of government bank accounts and incorporate balances within a Treasury Single Account structure. The number of accounts and their balances (per bank records) are shown below.

Note 15 details only balances that are directly under Treasury and Heads that affect the Government Cash Receipts and Payments that are consolidated. Special Funds Trust Monies and other State-owned entities bank accounts were previously included in the Note 15 as if their transactions affect the statement of Cash receipts and payments. They are now disclosed separately under disclosure Schedule 9 (table 15): Other Cash Balances.

Analysis per bank	Accounts at 31 March 2024		Accounts at 31 March 2023	
	Count	Balance	Count	Balance
		M'000		M'000
<b>HEAD CONTROLLED ACCOUNTS</b>				
<i>Locally Denominated Accounts:</i>				
Central Bank of Lesotho	12	29,084	13	22,954
Ned Bank Lesotho	42	171,672	41	131,357
Standard Lesotho Bank	74	98,897	57	96,818
First National Bank	18	108,214	19	16,185
Lesotho Post Bank	11	252,834	13	277,169
<b>Total</b>	<b>157</b>	<b>660,702</b>	<b>143</b>	<b>544,482</b>
<i>Foreign Currency Accounts</i>				
Central Bank of Lesotho	50	298,348	51	605,257
Standard Lesotho Bank	3	32,444	3	39,405
Foreign Diplomatic Missions				
<b>Total</b>	<b>53</b>	<b>330,793</b>	<b>54</b>	<b>644,662</b>
<i>Debt and Debt Servicing Accounts</i>				
Lesotho Post Bank			4	92,473
<b>Total Debt and Debt Servicing Accounts</b>	<b>0</b>	<b>-</b>	<b>4</b>	<b>92,473</b>
<i>Mobile Network Operators (MNOs) Cash balances</i>				
Vodacom	19	16,874	13	3,150
Econet	15	2,543	10	3,801
Chaperone	3	1,674	2	2,947
<b>Total MNOs accounts</b>	<b>37</b>	<b>21,091</b>	<b>25</b>	<b>9,897</b>
<b>TOTAL HEAD CONTROLLED ACCOUNTS</b>	<b>247</b>	<b>1,012,585</b>	<b>226</b>	<b>1,291,515</b>
<b>TREASURY ACCOUNTS</b>				
<i>Locally Denominated Accounts</i>				
Central Bank of Lesotho	11	818,475	11	479,000
Standard Lesotho Bank	15	40,935	15	30,791
First National Bank	4	83,528	4	29,456
Lesotho Post Bank	12	4,301	12	6,291
<b>Total</b>	<b>42</b>	<b>947,238</b>	<b>42</b>	<b>545,539</b>
<i>Foreign Currency Accounts</i>				
Foreign Diplomatic Missions	26	154,270	27	126,119
First National Bank	1	30,125	1	3,500
<b>Total</b>	<b>27</b>	<b>184,396</b>	<b>28</b>	<b>129,619</b>
<i>Debt and Debt Servicing Accounts</i>				
Central Bank of Lesotho	1	678,137	1	256,353
<b>Total Debt and Debt Servicing Accounts</b>	<b>1</b>	<b>678,137</b>	<b>1</b>	<b>256,353</b>
<b>TOTAL TREASURY ACCOUNTS</b>	<b>70</b>	<b>1,809,771</b>	<b>71</b>	<b>931,511</b>
<b>TOTAL GOVERNMENT ACCOUNTS</b>	<b>317</b>	<b>2,822,356</b>	<b>297</b>	<b>2,223,027</b>

### Note 16: Net Change in Deposits, Imprests and Financial Assets and Liabilities

Account	Head Control Accounts			Treasury Accounts		
	Balance	Balance	Net	Balance	Balance	Net
	3/31/2024	3/31/2023	Movement	3/31/2024	3/31/2023	Movement
	M'000	M'000	M'000	M'000	M'000	M'000
<b>Net Movement in Liabilities</b>	<b>2,615</b>	<b>5,894</b>	<b>(3,279)</b>	<b>9,860</b>	<b>4,892</b>	<b>4,968</b>
<i>PAYE Tax Deductions Payable</i>	-	-	-	5	(39)	44
<i>Other Deductions Payable</i>	(821)	-	(821)	2,704	1,875	828
<i>Withholding Tax Payable</i>	26	-	26	523	(2,303)	2,826
<i>Commission on Deductions Payable</i>	-	-	-	129	63	66
<i>Advance on Account from customer</i>	3,410	5,894	(2,484)	0	5,031	(5,031)
<i>Recurrent Expenditure Payable</i>	-	-	-	300	264	35
<i>Monies Retained Under a Contract</i>	-	-	-	6,199	-	6,199
<b>Net Movement in Financial assets</b>	<b>50,537</b>	<b>-</b>	<b>(50,537)</b>	<b>186,360</b>	<b>96,042</b>	<b>(90,317)</b>
<i>Imprest Clearing</i>	50,537	-	(50,537)	95	262	168
<i>Imprest Control</i>	-	-	-	139,071	34,950	(104,121)
<i>STC Allocation Advance Received</i>	-	-	-	47,064	60,607	13,543
<i>Other Accounts Receivable</i>	-	-	-	130	223	93
<b>Total</b>	<b>53,153</b>	<b>5,894</b>	<b>(53,816)</b>	<b>196,220</b>	<b>100,934</b>	<b>(85,350)</b>

### Note 17: Incurrence of Domestic Liabilities for the Year Ended 31 March 2024

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Incurrence of Domestic Liabilities</b>	-	<b>554,421</b>	-	<b>554,421</b>	<b>1,193,598</b>
<i>Securities Other Than Shares</i>	-	554,421	-	554,421	1,192,810
<i>Issue of Bonds</i>	-	554,421	-	554,421	1,192,810
<i>Other Accounts Payable</i>	-	-	-	-	788
<i>Annual Advances Received</i>	-	-	-	-	788
<b>Total Domestic Liabilities Incurred</b>	-	<b>554,421</b>	-	<b>554,421</b>	<b>1,193,598</b>

### Note 18: Losses For the Year Ended 31 March 2024

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Losses</b>	<b>11,374</b>	<b>73,581</b>	-	<b>84,956</b>	<b>90,007</b>
<i>Exchange Rate Losses</i>	11,374	73,581	-	84,956	90,007
<i>Exchange Rate Losses - Foreign Bank Accounts</i>	11,374	73,581	-	84,956	90,007
<b>Total Losses</b>	<b>11,374</b>	<b>73,581</b>	-	<b>84,956</b>	<b>90,007</b>

### Note 19: Repayment of Domestic Liabilities for the Year Ended 31 March 2024

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Repayment of Domestic Liabilities</b>	<b>1,120</b>	<b>1,686,017</b>	<b>-</b>	<b>1,687,137</b>	<b>976,625</b>
Securities Other Than Shares	-	1,231,227	-	1,231,227	833,851
<i>Redemption of Treasury Bills - Fiscal</i>	-	728,839	-	728,839	537,382
<i>Redemption of Bonds</i>	-	502,388	-	502,388	296,469
Loans	1,120	454,789	-	455,909	-
<i>Other Repayments</i>	1,120	200,000	-	201,120	-
<i>Repayment of Arrears</i>	-	254,789	-	254,789	-
Other Accounts Payable	-	-	-	-	142,774
<i>Repayment of Domestic Arrears</i>	-	-	-	-	142,774
<b>Total Domestic Liabilities Repaid</b>	<b>1,120</b>	<b>1,686,017</b>	<b>-</b>	<b>1,687,137</b>	<b>976,625</b>

### Note 20: Repayment of Foreign Liabilities for the Year Ended 31 March 2024

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Repayment of Foreign Liabilities</b>	<b>-</b>	<b>949,268</b>	<b>-</b>	<b>949,268</b>	<b>916,308</b>
Loans	-	949,268	-	949,268	916,308
<i>Bilateral Loans</i>	-	83,752	-	83,752	86,803
<i>Multilateral Loans</i>	-	630,053	-	630,053	692,718
<i>Financial Institution Loans</i>	-	95,434	-	95,434	62,815
<i>Export Credits</i>	-	140,029	-	140,029	73,972
<b>Total Foreign Liabilities Incurred</b>	<b>-</b>	<b>949,268</b>	<b>-</b>	<b>949,268</b>	<b>916,308</b>

### Note 21: SACU Receipts For the Year Ended 31 March 2024

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>SACU Receipts</b>	<b>-</b>	<b>10,148,513</b>	<b>-</b>	<b>10,148,513</b>	<b>5,399,532</b>
<i>SACU Receipts</i>	-	10,148,513	-	10,148,513	5,399,532
<b>Total SACU Receipts</b>	<b>-</b>	<b>10,148,513</b>	<b>-</b>	<b>10,148,513</b>	<b>5,399,532</b>

### Note 22: Disposal of Financial Assets For the Year Ended 31 March 2024

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled	Treasury	3rd Parties	Total for All	
	Accounts M'000	Accounts M'000	Accounts M'000	Accounts M'000	
<b>Disposal of Domestic Financial Assets</b>	<b>-</b>	<b>27,909</b>	<b>-</b>	<b>27,909</b>	<b>20,388</b>
Loans	-	27,909	-	27,909	20,388
<i>Principal Repayments Received from Non Financia</i>	-	27,909	-	27,909	20,388
<b>Total Disposal of Financial Assets</b>	<b>-</b>	<b>27,909</b>	<b>-</b>	<b>27,909</b>	<b>20,388</b>

### Note 24: Acquisition of Financial Assets For the Year Ended 31 March 2024

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled Accounts M'000	Treasury Accounts M'000	3rd Parties Accounts M'000	Total for All Accounts M'000	
Acquisition of Domestic Financial Assets	-	-	-	-	-
Acquisition of Foreign Financial Assets	-	12,435	-	12,435	11,098
Currency and Deposits	-	12,435	-	12,435	11,098
ADB	-	12,435	-	12,435	11,098
<b>Total Acquisition of Financial Assets</b>	-	<b>12,435</b>	-	<b>12,435</b>	<b>11,098</b>

### Note 25: Acquisition of Monetary Gold and Special Drawing Rights For the Year Ended 31 March 2024

Description	Actual 2024				Actual 2023 Total for All Accounts M'000
	Head Controlled Accounts M'000	Treasury Accounts M'000	3rd Parties Accounts M'000	Total for All Accounts M'000	
Acquisition of Monetary Gold and Special Drawin	-	-	-	-	33,939
Acquisition of Special Drawing Rights	-	-	-	-	33,939
IMF	-	-	-	-	33,939
<b>Total Acquisition of Monetary Gold and Special Drawin</b>	-	-	-	-	<b>33,939</b>

**Note 27:** Inter Government Cash Movements for the Year Ended 31 March 2024 Transfers of revenue and unspent funds were previously presented as part of total payments in the Statement of Cash Receipts and Payments. This overstated total payments as it represents Inter Government Cash Movements. The change is made with a note in the year under review, to include it at the end of the report under Cash Balances as one of the items adjusting Cash Balances.

Description	Actual 2024			Actual 2023 Total for All Accounts M'000
	Head Controlled Accounts M'000	Treasury Accounts M'000	Total for All Accounts M'000	
<b>Funding Allocations</b>	<b>2,928,908</b>	<b>(2,928,908)</b>	<b>-</b>	<b>(0)</b>
<i>Funding Allocations to</i>	<i>2,928,908</i>	<i>(2,928,908)</i>	<i>-</i>	<i>(0)</i>
<b>Transfers of revenue and unspent funds</b>	<b>143,723</b>	<b>(0)</b>	<b>143,723</b>	<b>159,243</b>
<i>Transfers of Revenue to Treasury</i>	<i>63,300</i>	<i>(0)</i>	<i>63,300</i>	<i>25,469</i>
<i>Transfers of Unspent funds to Treasury</i>	<i>56,239</i>	<i>-</i>	<i>56,239</i>	<i>125,614</i>
<i>Transfers Unspent funds to Donors</i>	<i>24,184</i>	<i>-</i>	<i>24,184</i>	<i>8,159</i>
<b>Total Inter Government Cash Movements</b>	<b>3,072,631</b>	<b>(2,928,908)</b>	<b>143,723</b>	<b>159,243</b>

## Note 28: Year End adjustments to be cleared

These are adjustments for omissions or errors made in prior years that affected the cash balances.

Treasury Accounts		2024 Total Adjusted Amount M'000	2023 Total Adjusted Amount M'000
<b>SPENDING UNIT Adjustment details</b>			
000 - Treasury	The ongoing reconciliation exercise. The amount of M1.4 billion reconciling items was submitted to the Auditor General which was yet to be verified with supporting documents to address unaccounted cash balance of M6.1 billion. The adjustment was made in the Statement of Cash Receipts and Payments, as Year End adjustments to be cleared, under cash balances. The adjustment was yet to be made in IFMIS.	-	1,401,899
000 - Treasury	GOL-TBS BLOCKED ACCOUNT opening cash book balance was M575,973,413.07 in 2017/18. The account is a Government account but it is kept by the Central Bank of Lesotho for monetary purposes. The movements in this accounts do not affect the Consolidated Financial Statements, therefore, opening balance included was reduced in the 2022/23 statement of cash receipts and payments by the amount. The account is now disclosed under other cash balances.	-	575,973
000 - Treasury	These were Foreign missions bank balances which were previously classified as head controlled accounts. They are now classified under Treasury because Foreign missions transactions are now captured into the IFMIS, therefore the adjustment is needed to increase the Treasury balance and reduce the Head controlled balance.	-	126,119
000 - Treasury	These are the debt payments that were made outside of the system by the Central bank of Lesotho therefore are adjusted in the books as per submission to Auditor General for verification.	-	524,250
<b>TOTAL</b>		-	<b>2,376,003</b>

Accounts		2024 Total Adjusted Amount M'000	2023 Total Adjusted Amount M'000
<b>Adjustment details</b>			
	IMF LOANS PRGF Opening cash book balance was M973,449,372.68 from 2017/18. This balance has not been included in bank balances list from 2021/2022 after discovering that it does not belong to the Government through Central Bank of Lesotho correspondence dated 21 September 2022. There was no adjustment made from the cash book balance, therefore, the balance in the 2022/23 statement of cash receipts and payments was reduced by the amount.	-	973,449
	Statement of cash receipts and payments opening cash book balance in 2017/18 erroneously included bank balances amounting to M821,668,149.62. These were accounts held for special funds, extra budgetary units and other organisations which do not form part of the Government Consolidated Financial statements, therefore, opening balance included is reduced in the 2023/24 Consolidated statement of cash receipts and payments by the amount.	- 821,668	-
	These were Foreign missions bank balances which were previously classified as head controlled accounts. They are now classified under Treasury because Foreign missions transactions are now captured into the IFMIS, therefore the adjustment is needed to increase the Treasury balance and reduce the Head controlled balance.	-	126,119
		<b>- 821,668</b>	<b>- 1,099,569</b>

#### 4. DISCLOSURE SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS

##### Schedule 1: Investments

The government owns minority shares in the trading entities listed below Table 4. The Lesotho National Development Corporation (LNDC), a wholly owned state enterprise, also holds shares in three of these companies (Maluti Mountain Brewery, Avani International and Loti Brick). During 2023/24 dividends were received from the Central Bank of Lesotho, Minet, Maluti Mountain Brewery, Coca Cola Beverages Lesotho, Avani International and Standard Lesotho Bank.

**Table 4: Investments**

Entity	Government Ownership	Sector	Comments
Letseng Diamonds	30%	Mining	
Kao Mining	25%	Mining	
Liqhobong Mining Development Company	25%	Mining	
Lemphane Diamonds	26.5%	Mining	
Mothae Diamonds	30%	Mining	70% of shares sold in 2016 - 2017.
Gem Stone (Show Ridge)	25%	Mining	
Reskol Diamond Mine (Kolo)	10%	Mining	
Standard Lesotho Bank	9.6%	Banking	
Minet	5%	Insurance	
National General Insurance Group	20%	Insurance	
National Life Insurance	12%	Insurance	
Econet Lesotho	30%	Communications	
Lesotho Flour Mill	49%	Milling	
Maluti Mountain Brewery	4.75%	Brewing	LNDC owns 51%
Avani International	36.4%	Hospitality	LNDC owns 16.7%
Loti Brick	22.8%	Brick Making	LNDC owns 73.6%
Coca-Cola Beverages Lesotho	5%	Brewing	
Ok Bazaars		Trade	LNDC owns 50%

##### Schedule 2: Accounts Receivable and other Revenue Arrears

Revenue arrears are amounts receivable by the Government, but which have not been remitted to government by the due date. The table below analyses the overdue debt by spending units and period for which amounts are overdue. It records those debts owed to the Government budget agencies. It excludes moneys owed to sub-vented agencies (e.g. Tertiary education institutions), extra budgetary funds (e.g. National Manpower Development scheme), rental arrears;

rechargeable works; refunds of overpayments to employees and suppliers; replacement of returned to sender (bounced) cheques; interest and principal payments due on loans made to individuals and institutions; and advances where the acquittal is overdue.

**Table 5(a): Overdue Debt Analysis by period**

Analysis by Spending Unit	Period Overdue				Total	Total
	More or equal 1 year	More than 6 Months, Less than 1 Year	More than 3 months, Less Than 6 Months	Less or equal 3 Months	Receivables Arrears at 31 March 2024	Receivables Arrears at 31 March 2023
	M'000	M'000	M'000	M'000	M'000	M'000
301 - Agriculture, Food Security and Nutrition	-	135,260	9	80	135,349	34,559
302 - Health	125	-	-	-	125	-
303 - Education and Training	32,764	113	6	10	32,893	34,227
304 - Finance and Development Planning	-	-	29	40	69	58
305 - Trade, Industry, Business Development and Tourism	286	100	21	263	669	325
306 - Gender, Youth, Sports, Arts, Culture and Social Development	426	-	-	-	426	481
307 - Justice and Law	-	-	-	-	-	38
308 - Local Government, Chieftainship, Home Affairs and Police	765	68	48,423	53	49,309	692
309 - Prime Minister's Office	-	-	1	-	1	765
310 - Information, Communications, Technology and Innovation	886	945	336	840	3,007	1,050
311 - Directorate on Corruption and Economic Offences	-	-	-	25	25	-
312 - Foreign Affairs and International Relations	-	319	-	-	319	1,395
313 - Public Works and Transport	-	-	1,540	-	1,540	-
315 - Natural Resources	2,529	8	928,048	-	930,586	225,268
316 - Public Service, Labour and Employment	7,201	94	68	66	7,429	253
323 - Pensions and Gratuities	-	0	-	-	0	-
337 - Defence	-	183	64	125	372	215
339 - Senate	-	47	-	-	47	47
<b>TOTAL</b>	<b>44,981</b>	<b>137,138</b>	<b>978,545</b>	<b>1,502</b>	<b>1,162,166</b>	<b>299,373</b>

**Table 5(b): Overdue Debt Analysis by item**

Analysis by Spending Unit	Advances (standing imprest, staff debtors etc)		Tour Imprests		Disposal of assets		Sale of goods and services		Income (Interest, dividends, rentals)		Refunds of overpayment		Undeposited Revenue		Fines, penalties and forfeits		Total Arrears at 31 March 2024		Total Arrears at 31 March 2023	
	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development
	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000
301 - Agriculture, Food Security and Nutrition	-	46,456	88,805	89	-	-	-	-	-	-	-	-	-	-	88,805	46,545	-	-	34,559	-
302 - Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125	-	-	-	-	-
303 - Education and Training	32,764	-	-	-	-	-	-	-	-	-	-	-	-	-	32,893	-	-	-	34,227	-
304 - Finance and Development Planning	-	-	10	-	-	-	-	-	59	-	-	-	-	-	69	-	-	-	58	-
305 - Trade, Industry, Business Development and Tourism	177	-	-	-	-	-	-	-	427	-	-	-	-	-	669	-	-	-	325	-
306 - Gender, Youth, Sports, Arts, Culture and Social Development	-	-	426	-	-	-	-	-	-	-	-	-	-	-	426	-	-	-	481	-
307 - Justice and Law	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38	-
308 - Local Government, Chieftainship, Home Affairs and Police	48,390	-	-	-	78	-	-	-	5	-	-	-	-	-	49,309	-	-	-	692	-
309 - Prime Minister's Office	-	-	-	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	765	-
310 - Information, Communications, Technology and Innovation	-	-	-	-	-	-	886	-	2,121	-	-	-	-	-	3,007	-	-	-	1,050	-
311 - Directorate on Corruption and Economic Offences	25	-	-	-	-	-	-	-	-	-	-	-	-	-	25	-	-	-	-	-
312 - Foreign Affairs and International Relations	-	-	-	-	-	-	-	-	319	-	-	-	-	-	319	-	-	-	1,395	-
313 - Public Works and Transport	-	1,540	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,540	-	-	-
315 - Natural Resources	-	-	-	-	-	-	53,957	-	876,621	-	-	-	-	-	930,586	-	-	-	225,268	-
316 - Public Service, Labour and Employment	-	-	66	-	-	-	161	-	1	-	-	-	-	-	7,429	-	-	-	253	-
323 - Pensions and Gratuities	-	-	-	-	-	-	-	-	-	-	0	-	-	-	0	-	-	-	-	-
337 - Defence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	372	-	-	-	215	-
339 - Senate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47	-
<b>TOTAL</b>	<b>81,356</b>	<b>47,996</b>	<b>89,308</b>	<b>89</b>	<b>78</b>	<b>-</b>	<b>55,004</b>	<b>-</b>	<b>879,553</b>	<b>-</b>	<b>999</b>	<b>-</b>	<b>403</b>	<b>-</b>	<b>1,114,035</b>	<b>48,085</b>	<b>-</b>	<b>299,373</b>	<b>-</b>	<b>-</b>

### Schedule 3: Pension Liabilities

The Public Officer's Defined Contribution Pension Fund Act (2008) was established to deliver pension benefits to contributing members employed in the Lesotho public service. Statutory actuarial valuations of the Fund are required at regular intervals to assess the viability of the Fund to pay future pension and benefit obligations. The auditor's report on the Fund's annual report for FY2015/16 raises doubt on the Fund's ability to meet future benefits when due and payable. The recent actuary report as at 31<sup>st</sup> March 2023 shows a deficit of M3.249 billion of which M2.000 billion is committed as a liability by the government of Lesotho and will be payable in equal instalments for 10 years. To date an amount of M200 million is paid and reduced the liability to M1.800 billion.

### Schedule 4: Public Debt

Public Debt comprises domestic and external borrowings. The increase in the debt stock reflects the additional domestic borrowing, net new disbursements and the effects of the depreciation of the Maloti against the major currencies in which the external loans are denominated.

**Table 6: External Liabilities**

Category	01 April 2023	2023/2024		2023/2024		2023/2024	31 March 2024
	Opening Loan Balance in Maloti	New Borrowings in Maloti	Disbursements in Maloti	Repayment Amount in Maloti	Interest Paid in Maloti	Closing Loan Balance in Maloti	
Multilateral lenders	14,278,677,625		922,676,890	702,998,379	259,055,479	14,809,630,876	
Bilateral lenders	1,009,405,799			105,013,327	19,431,038	951,554,184	
Commercial banks	147,412,399			95,434,327	9,668,874	59,902,601	
Export Credits	2,930,261,105		613,509,870	147,325,176	64,877,687	3,434,678,988	
<b>Total</b>	<b>18,365,756,927</b>	<b>-</b>	<b>1,536,186,760</b>	<b>1,050,771,209</b>	<b>353,033,078</b>	<b>19,255,766,649</b>	

**Table 7: Domestic Liabilities**

Category	01 April 2023	2023/2024		2023/2024		2023/2024	31 March 2024
	Opening Debt Balance in Maloti	Adjustment in Maloti	Newly Issued in Maloti	Repayment Amount in Maloti	Interest Paid in Maloti	Closing Debt Balance in Maloti	
Treasury Bills	867,542,200				34,313,993	747,879,500	
Fiscal Bills	728,839,100			728,839,100	52,914,015	-	
Treasury Bonds	3,757,582,400		753,009,200	502,388,059	374,492,137	4,008,203,541	
Interest to Members of Parliament					71,644		
Other Repayments(Pension Fund Shortfall)		2,000,000,000		200,000,000		1,800,000,000	
<b>Total</b>	<b>5,353,963,700</b>	<b>2,000,000,000</b>	<b>753,009,200</b>	<b>1,431,227,159</b>	<b>461,791,789</b>	<b>6,556,083,041</b>	

**Table 8: Debt Opening and Closing Balances and Exchange Rates**

Currency	As at 31 March 2023			As At 31 March 2024			Change 2023/24 (per cent)		
	Exchange rate	Balance (currency)	Balance Maloti	Exchange rate	Balance (currency)	Balance Maloti	Exchange rate	Balance (currency)	Balance (Maloti)
AED	4.8506	32,138,750	155,892,220	5.1400	28,156,318	144,723,475	6%	-12%	-7%
BUA	24.0120	22,328,697	536,156,684	25.1021	4,625	116,086	5%	-100%	-100%
CAD	13.1500	460,995	6,062,081	13.9400	422,983	5,896,389	6%	-8%	-3%
CHF	19.5286	2,499,881	48,819,183	20.9600	2,324,239	48,716,049	7%	-7%	0%
DKK	2.5942	5,073,668	13,162,108	2.7300	4,595,629	12,546,067	5%	-9%	-5%
EUR	19.4565	1,799,166	35,005,476	20.3700	52,169,844	1,062,699,728	5%	2800%	2936%
GBP	22.1201	3,764,379	83,268,439	23.8200	3,644,610	86,814,612	8%	-3%	4%
JPY	133.1850	3,125,569	416,278,949	0.1247	2,971,668	370,567	-100%	-5%	-100%
KWD	58.0880	5,874,040	341,211,230	61.3800	5,070,660	311,237,105	6%	-14%	-9%
NOK	1.7033	1,807,720	3,079,089	1.7400	1,669,007	2,904,072	2%	-8%	-6%
SAR	4.7465	65,628,000	311,503,304	5.0400	53,908,000	271,696,320	6%	-18%	-13%
SEK	1.7250	11,285,978	19,468,313	1.7600	10,455,719	18,402,065	2%	-7%	-5%
USD	17.8435	136,301,864	2,432,102,317	18.8900	173,365,949	3,278,431,692	6%	27%	35%
XDR	24.0120	356,118,171	8,551,109,526	25.0100	356,099,361	8,906,045,026	4%	0%	4%
XEU	19.4565	1,799,166	35,005,476	20.3700	1,352,448	27,549,367	5%	-25%	-21%
ZAR	1.0000	1,305,092,415	1,305,092,415	1.0000	1,126,516,576	1,126,516,576	0%	-14%	-14%
		<b>1,955,098,459</b>	<b>14,293,216,810</b>		<b>1,822,727,636</b>	<b>15,304,665,197</b>			

**Table 9: Annual Principal Repayment Schedule**

These figures are subject to change if there are re-openings of existing bonds as well as new issuances in the coming years.

The maximum limit for treasury bills issues in a year is M1.5 billion. Discount rates for future interest payments (T-Bills) have been forecasted.

External Debt	Balance at		Principal Repayment Schedule (Maloti)				
	31 March 2024	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Multilateral lenders	14,809,747,193	702,998,379	841,056,012	1,313,945,084	1,017,371,142	895,171,900	807,025,874
Bilateral lenders	951,554,184	105,013,327	119,846,188	117,184,838	128,987,367	117,314,837	86,461,637
Commercial banks	59,902,601	95,434,327	22,156,781	-	-	-	-
Other lending institutions	3,434,678,988	147,325,176	198,673,478	276,248,729	272,285,107	268,321,486	242,378,946
<b>Total external debt</b>	<b>19,255,882,966</b>	<b>1,050,771,209</b>	<b>1,181,732,459</b>	<b>1,707,378,652</b>	<b>1,418,643,616</b>	<b>1,280,808,223</b>	<b>1,135,866,457</b>

Domestic Debt	Balance at		Principal Repayment Schedule (Maloti)				
	31 March 2024	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Treasury Bills	747,879,500	-	-	-	-	-	-
Fiscal Bills	-	728,839,100	-	-	-	-	-
Treasury Bonds	4,008,203,541	502,388,059	913,541,800	902,413,600	350,000,000	537,898,700	-
Other Repayments( Pension Fund Shortfall)	1,800,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
<b>Total domestic debt</b>	<b>6,556,083,041</b>	<b>1,431,227,159</b>	<b>1,113,541,800</b>	<b>1,102,413,600</b>	<b>550,000,000</b>	<b>737,898,700</b>	<b>200,000,000</b>

### Schedule 5: On-lending arrangements

The Government lends or on-lends loans to state-owned-enterprises and other entities for specific purposes consistent with its development policy objectives. The borrower is obliged to pay interest and repay principal sums to government in accordance with the terms and conditions agreed between the parties. The table below summarises the FY2023/24 transactions and year-end status.

**Table 10: On-Lending Transactions and Year-End Status**

Year of contract	Year of Maturity	Objective	PROJECT DESCRIPTION	Benefiting Parastatal	Balance at 01 April 2023 M	Transactions during the year			Balance at 31 Mar 2024 M
						Loans Repaid M	Interest charges Paid M	Disbursements during the year M	
2010	2029	To contribute towards the economic development of the Kingdom of Lesotho through providing the industrial space to attract industrialist to place their ventures in Lesotho.	Tikoe Factory Shells	LNDC	26,400,000	3,400,000	459,000		23,000,000
2009	2035	To contribute towards the economic development of the Kingdom of Lesotho through providing the industrial space to attract industrialist to place their ventures in Lesotho.	Tikoe Phase 2 Factory Shells	LNDC	202,789,827				202,789,827
2011	2031	Expansion of the National Network	Telecom National Network Phase II	ECONET	194,521,667	11,505,000	7,938,450		183,016,667
2008	2028	Expansion of the National Network	Telecom National Network Phase I	ECONET	172,807,608	11,059,742	7,048,248		161,747,866
1997	2020	To meet the increasing demand on water supply system as well as improving access too water sanitation services in Maseru area and encompass expansion of water servies to unserved neighbourhoods.	BADEA 132 Maseru Water Supply I	WASCO	63,023,315				63,023,315
2004	2033	To meet the increasing demand on water supply system as well as improving access too water sanitation services in Maseru area and encompass expansion of water servies to unserved neighbourhoods.	BADEA 133 Maseru Water Supply II	WASCO	78,097,438				78,097,438
2004	2023	To increase the economic benefits derived from infrastructure investments inthe roads, urban water sewage and public buildings sectors.	OFID 134 Maseru Supply II	WASCO	85,500,487				85,500,487
1992	2032	To increase the economic benefits derived from infrastructure investments inthe roads, urban water sewage and public buildings sectors.	IDA 2400 Infrastructure Engineering	WASCO	18,119,448				18,119,448
2004	2029	To meet the increasing demand on water supply system as well as improving access too water sanitation services in Maseru area and encompass expansion of water servies to unserved neighbourhoods.	IDA 3995 Water Sector Improvement Project	WASCO	30,957,000				30,957,000
2011	2042	Construction of the 5 towns Water Supply Project	Five Towns (BADEA)	WASCO	564,789				564,789
2018	2038	To improve the welfare and health conditions of people and alleviate poverty inthe project area by providing access to potable water and reducing water-bone diseases	Greater Maseru Water Supply Project-BADEA	WASCO	6,315,870			58,136,801	64,452,671
2009	2039	To support investment in the electricity infrastructure and enhance electricity access rate	Lesotho Electricity Supply Project	LEC	31,115,455	1,944,716	612,586		29,170,739
<b>TOTAL</b>					<b>910,212,905</b>	<b>27,909,458</b>	<b>16,058,284</b>	<b>58,136,801</b>	<b>940,440,248</b>

**Arrears as at 31st March 2024**

ARREARS	Amount in LSL
Econet Telecom Lesotho	130,562,401.0
WASCO	226,234,031.3
<b>TOTAL ARREARS TO GOL</b>	<b>356,796,432.3</b>

## Schedule 6: Payment Arrears

Payment arrears are payment obligations on Government to individuals, suppliers, lenders or contractors that were due for settlement prior to 31st March 2023, but which remained unpaid as at that date. Their eventual settlement will be against the budget appropriations for future years. The table below provides a summary analysis of payment arrears, in total of M2.6 billion, declared by Spending Units and the periods for which payment is overdue. It shows that M806 million was owing to suppliers. Of this M378 million (15% of the total) has been overdue for more than six months to over a year. The comparative figure for Ministry of Information, Communications, Technology and Innovation is adjusted to be M10.981 million as the previous year report omitted the total of M7.17 million by error.

**Table 11 (a): Analysis of Payment Arrears by period**

Spending Unit	Period Overdue				Total Payment Arrears at 31st March 2024 M'000	Total Payment Arrears at 31st March 2023 M'000
	More or equal 1 year M'000	More than 6 Months, Less than 1 Year M'000	More than 3 months, Less Than 6 Months M'000	Less or equal 3 Months M'000		
301 - Agriculture, Food Security and Nutrition	-	7,573	-	24,773	32,346	8,773
302 - Health	18,082	30,332	1,867	18,509	68,790	27,660
303 - Education and Training	13,520	975	28,080	123	42,699	137,704
304 - Finance and Development Planning	-	18,495	2,805	79,066	100,366	15,791
305 - Trade, Industry, Business Development and Tourism	36,155	1,358	650	14,624	52,788	219,915
306 - Gender, Youth, Sports, Arts, Culture and Social Development	1,094	32,538	-	61	33,693	127,215
307 - Justice and Law	-	-	1,185	6,732	7,917	10,143
308 - Local Government, Chieftainship, Home Affairs and Police	105,963	11,031	-	-	116,994	73,042
309 - Prime Minister's Office	1,538	486	1,627	145	3,797	5,611
310 - Information, Communications, Technology and Innovation	1,175	2,723	11,691	186	15,775	10,981
311 - Directorate on Corruption and Economic Offences	-	-	-	4,270	4,270	525
312 - Foreign Affairs and International Relations	829	6,543	4	21	7,396	1,477
313 - Public Works and Transport	10,081	270	3,905	287,843	302,099	141,476
314 - Environment	4,771	-	-	-	4,771	8,706
315 - Natural Resources	1,135	43,916	-	-	45,050	57,813
316 - Public Service, Labour and Employment	557	43	82	1,667	2,349	2,432
317 - Judiciary	169	-	-	5	175	4,588
318 - Independent Electoral Commission	-	3,483	399	-	3,882	166
319 - His Majesty's Office	-	-	-	307	307	382
320 - Public Service Commission	-	-	-	-	-	10
323 - Pensions and Gratuities	1,973	245	102,671	5,452	110,342	5,265
324 - Statutory Salaries and Allowances	7	-	0	594	601	538
335 - National Security Services	-	-	-	2,362	2,362	470
336 - Disaster Management Authority	4,720	-	-	47	4,767	26,962
337 - Defence	417	15,717	7,583	12,723	36,439	43,361
338 - National Assembly	-	61	-	-	61	-
339 - Senate	-	-	-	10,184	10,184	535
340 - Ombudsman	-	-	17	-	17	28
<b>TOTAL</b>	<b>202,186</b>	<b>175,788</b>	<b>162,567</b>	<b>469,695</b>	<b>1,010,236</b>	<b>931,570</b>

**Table 11(b): Analysis of Payment Arrears by item**

Analysis by Spending Unit	Compensation of Employees		Pensions and Gratuities		Goods and Service		Taxes Withheld		Other Expenses		Construction work		Consultancies		Transfers		Total Arrears at 31 March 2024		Total Arrears at 31 March 2023	
	Recurent	Development	Recurent	Development	Recurent	Development	Recurent	Development	Recurent	Development	Recurent	Development	Recurent	Development	Recurent	Development	Recurent	Development	Recurent	Development
	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000	M'000
301 - Agriculture, Food Security and Nutrition	81	-	-	8,281	23,206	-	778	-	-	-	-	-	-	-	24,065	8,281	24,065	8,281	8,773	-
302 - Health	1,997	-	65,828	-	65,828	-	965	-	-	-	-	-	-	-	68,790	-	68,790	-	27,660	-
303 - Education and Training	14,303	-	28,396	-	28,396	-	-	-	-	-	-	-	-	-	42,699	-	42,699	-	136,000	1,705
304 - Finance and Development Planning	1,619	-	83,351	10,535	83,351	4,863	-	-	-	-	-	-	-	-	100,366	-	100,366	-	15,791	-
305 - Trade, Industry, Business Development and Tourism	11,836	-	34,291	-	34,291	9	3,542	-	3,110	-	-	-	-	-	49,678	3,110	49,678	3,110	21,198	198,717
306 - Gender, Youth, Sports, Arts, Culture and Social Development	-	-	33,632	-	33,632	32	29	-	-	-	-	-	-	-	33,693	-	33,693	-	40,929	86,286
307 - Justice and Law	148	-	6,317	-	6,317	1,452	-	-	-	-	-	-	-	-	7,917	-	7,917	-	10,143	-
308 - Local Government, Chiefship, Home Affairs and Police	18,521	196	73,141	5,441	73,141	9,616	6	8,920	-	-	-	-	-	-	101,736	15,259	101,736	15,259	63,439	9,603
309 - Prime Minister's Office	96	-	3,452	-	3,452	2	246	-	-	-	-	-	-	-	3,797	-	3,797	-	5,611	-
310 - Information, Communications, Technology and Innovation	186	-	12,141	-	12,141	3,447	-	-	-	-	-	-	-	-	15,775	-	15,775	-	3,809	-
311 - Directorate on Corruption and Economic Offences	-	-	4,270	-	4,270	-	-	-	-	-	-	-	-	-	4,270	-	4,270	-	525	-
312 - Foreign Affairs and International Relations	1,798	-	5,465	-	5,465	106	-	28	-	-	-	-	-	-	7,396	-	7,396	-	1,477	-
313 - Public Works and Transport	270	-	3,905	10,081	3,905	-	-	-	-	-	197,036	-	-	-	14,256	287,843	14,256	287,843	19,655	121,821
314 - Environment	20	-	3,322	1,430	3,322	-	-	-	-	-	-	-	-	-	4,771	-	4,771	-	4,983	3,723
315 - Natural Resources	36	-	555	148	555	828	-	43	42,676	-	-	-	-	-	783	44,267	783	44,267	3,720	54,093
316 - Public Service, Labour and Employment	481	-	1,868	-	1,868	-	-	-	-	-	-	-	-	-	2,349	-	2,349	-	2,432	-
317 - Judiciary	-	-	169	-	169	5	-	-	-	-	-	-	-	-	175	-	175	-	4,588	-
318 - Independent Electoral Commission	3	-	396	-	396	-	-	-	-	-	-	-	-	-	3,882	-	3,882	-	166	-
319 - His Majesty's Office	1	-	306	-	306	-	-	-	-	-	-	-	-	-	307	-	307	-	382	-
320 - Public Service Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-
323 - Pensions and Gratuities	-	-	-	110,342	-	-	-	-	-	-	-	-	-	-	110,342	-	110,342	-	5,265	-
324 - Statutory Salaries and Allowances	-	-	601	-	601	0	-	-	-	-	-	-	-	-	601	-	601	-	538	-
335 - National Security Services	-	-	2,362	-	2,362	-	-	-	-	-	-	-	-	-	2,362	-	2,362	-	470	-
336 - Disaster Management Authority	-	-	4,767	-	4,767	-	-	-	-	-	-	-	-	-	4,767	-	4,767	-	26,962	-
337 - Defence	6,702	-	29,674	-	29,674	63	-	-	-	-	-	-	-	-	36,439	-	36,439	-	43,361	-
338 - National Assembly	-	-	61	-	61	-	-	-	-	-	-	-	-	-	61	-	61	-	-	-
339 - Senate	-	-	848	-	848	345	-	-	-	-	8,990	-	-	-	1,193	8,990	1,193	8,990	3	532
340 - Ombudsman	1	-	-	-	-	-	15	0	-	-	-	-	-	-	17	-	17	-	28	-
<b>Total</b>	<b>58,097</b>	<b>196</b>	<b>422,326</b>	<b>13,750</b>	<b>422,326</b>	<b>10,444</b>	<b>13,237</b>	<b>6</b>	<b>12,807</b>	<b>42,676</b>	<b>209,136</b>	<b>8,990</b>	<b>91,543</b>	<b>3,483</b>	<b>642,486</b>	<b>367,751</b>	<b>642,486</b>	<b>367,751</b>	<b>447,919</b>	<b>476,480</b>

## Schedule 7: Contingent Liabilities

Contingent liabilities mainly comprise outstanding amounts guaranteed by the Government in respect of loans issued to state-owned enterprises, public officials and businesses, as indicated below.

**Table 12: Outstanding Amounts Guaranteed (per Public Debt and Aid Management Department)**

Benefitting entity Date and purpose	Lending Institution and Main terms	Balance of guarantee at 31 March 2023	2023/24 Transactions		Balance of guarantee at 31 March 2024
			Repaid	New Guarantee	
Lesotho Housing	Lesotho Post Bank	24,069,936.00			22,013,699.00
Tractor Finance Partial Gu	Lesotho Post Bank	8,123,717.39			17,956,597.90
PCGF	Standard Lesotho Ban	567,500.00			6,096,593.97
Loans to statutory Memb	Standard Lesotho Ban	267,904.19			135,927.13
WASCO	Standard Lesotho Ban	10,000,000.00			5,071,767.26
Maseru E-textile		5,755,153.80			3,633,609.47
		48,784,211.38			54,908,194.73

The contingent liabilities also comprise pending litigation claims for compensation and potential liabilities from Public-Private Partnerships (PPP). Potential compensation payable are identified in individual CAO annual reports and summarized below.

**Table 13: Pending Litigation Claims (per CAO Annual reports)**

Spending Unit	Exposure at 31 March, 2024 M'	Exposure at 31 March, 2023 M'
301 - Agriculture, Food Security and Nutrition	6,649,566	1,600,142
302 - Health	12,875,321	
303 - Education and Training	5,457,577	3,416,332
304 - Finance and Development Planning	3,859,751,589	39,700,000
305 - Trade, Industry, Business Development and Tourism	4,769,190	146,510
306 - Gender, Youth, Sports, Arts, Culture and Social Development		131,456,214
308 - Local Government, Chieftainship, Home Affairs and Police	7,839,316	8,569,136
310 - Information, Communications, Technology and Innovation	10,584,185	37,155,745
311 - Directorate on Corruption and Economic Offences	482,939	
313 - Public Works and Transport	442,750	
314 - Environment	6,865,545	
315 - Natural Resources	154,073,958	712,401
318 - Independent Electoral Commission		3,528,665
335 - National Security Services	28,626,007	22,022,574
<b>Total</b>	<b>4,098,417,944</b>	<b>248,307,719</b>

## Schedule 8: Losses and Accidents

**Table 14: Summary of Losses and Accidents**

Spending Unit	Losses of Stores	Losses of cash	Unretired Imprest	Motor Vehicle Accidents	2023/2024	2022/2023
	M'000	M'000	M'001	M'000	Amount (M'000)	Amount (M'000)
301 - Agriculture, Food Security and Nutrition	-	-	-	711	711	-
303 - Education and Training	-	-	-	-	-	192
304 - Finance and Development Planning	83	35	-	-	118	222
305 - Trade, Industry, Business Development and Tourism	-	-	-	-	-	45
306 - Gender, Youth, Sports, Arts, Culture and Social Development	-	-	-	6	6	-
307 - Justice and Law	-	-	-	16	16	4
308 - Local Government, Chieftainship, Home Affairs and Police	24	-	-	898	922	721
310 - Information, Communications, Technology and Innovation	177	-	-	29	205	-
311 - Directorate on Corruption and Economic Offences	-	-	25	-	25	-
312 - Foreign Affairs and International Relations	-	790	415	-	1,204	1,108
313 - Public Works and Transport	-	-	-	-	-	90
314 - Environment	-	852	-	-	852	-
315 - Natural Resources	-	47	-	113	160	111
316 - Public Service, Labour and Employment	-	-	-	680	680	-
317 - Judiciary	-	-	-	63	63	147
318 - Independent Electoral Commission	-	295	-	-	295	-
319 - His Majesty's Office	-	-	1,339	-	1,339	1,339
335 - National Security Services	-	-	-	219	219	107
338 - National Assembly	-	-	-	132	132	-
<b>GRAND TOTAL</b>	<b>283</b>	<b>2,019</b>	<b>1,779</b>	<b>2,867</b>	<b>6,949</b>	<b>4,087</b>

**Schedule 9: Other Cash Balances**
**Table 15**

These balances were previously reported under Note 15, but now they are separated as they do not form part of the Statement of Cash Receipts and Payments.

Analysis per bank	Accounts at 31 March 2024		Accounts at 31 March 2023	
	Count	Balance	Count	Balance
		<i>M'000</i>		<i>M'000</i>
<b><u>ACCOUNTS HELD FOR SPECIAL FUNDS</u></b>				
Central Bank of Lesotho	3	208,347	3	206,976
Ned Bank Lesotho	8	33,433	9	25,533
Standard Lesotho Bank	11	314,814	11	103,858
First National Bank	1	2,305	2	1,123
ABSA	1	3,644	1	3,587
Lesotho Post Bank	5	49,663	6	42,198
<b>TOTAL SPECIAL FUNDS ACCOUNTS</b>	<b>29</b>	<b>612,207</b>	<b>32</b>	<b>383,276</b>
<b><u>ACCOUNT HELD FOR MONETARY PURPOSE</u></b>				
<i>Locally Denominated Accounts</i>				
Central Bank of Lesotho	1	744,343	1	964,779
<b>TOTAL MONETARY ACCOUNTS</b>	<b>1</b>	<b>744,343</b>	<b>1</b>	<b>964,779</b>
<b><u>SOE'S ACCOUNTS:</u></b>				
Ned Bank Lesotho	0	-	3	577
Standard Lesotho Bank	0	-	4	8,083
First National Bank	0	-	1	29
<b>TOTAL SOE'S ACCOUNTS</b>	<b>0</b>	<b>-</b>	<b>8</b>	<b>8,689</b>
<b><u>MONIES HELD IN TRUST:</u></b>				
Central Bank of Lesotho	1	346,242	1	341,806
Ned Bank Lesotho	1	76	1	63
Standard Lesotho Bank	21	30,727	22	30,056
Standard Bank SA	1	3,375	1	1,559
First National Bank	1	2,693	1	2,071
Lesotho Post Bank	2	171	3	125
<b>TOTAL TRUST MONIES ACCOUNTS</b>	<b>27</b>	<b>383,284</b>	<b>29</b>	<b>375,680</b>
<b>GRAND TOTAL</b>	<b>57</b>	<b>1,739,833</b>	<b>70</b>	<b>1,732,424</b>

## 5. APPENDICES

### Appendix 1: Analysis of Receipts and Payments by Spending Unit

#### 2023/24 ACTUALS - SPENDING UNIT SUMMARY

*(An extract from the Statement of Budget comparison and Actuals)*

Spending Unit	Recurrent		Development		Net Flows
	Receipts	Payments	Receipts	Payments	
301 Agriculture, Food Security and Nutrition	51,002,522	428,608,367	309,074,983	245,270,220	(313,801,082)
302 Health	9,651,098	2,107,119,521	360,637,786	631,456,061	(2,368,286,699)
303 Education and Training	8,988,166	2,733,712,388	45,101,597	119,613,593	(2,799,236,218)
304 Finance and Development Planning	19,102,911,810	2,137,712,484	966,056,334	724,759,855	17,206,495,805
305 Trade, Industry, Business Development and Tourism	22,331,996	115,288,209	107,576,408	445,086,780	(430,466,586)
306 Gender, Youth, Sports, Arts, Culture and Social Development	504,602	1,341,759,154	71,270,463	161,433,488	(1,431,417,577)
307 Justice and Law	4,020,404	344,244,342	13,889,386	1,119,557	(327,454,110)
308 Local Government, Chieftainship, Home Affairs and Police	31,952,869	1,726,736,505	-	169,593,172	(1,864,376,808)
309 Prime Minister's Office	-	106,123,647	-	-	(106,123,647)
310 Information, Communications, Technology and Innovation	5,590,784	222,835,841	56,116,770	72,488,892	(233,617,179)
311 Directorate on Corruption and Economic Offences	80,466	44,990,161	-	-	(44,909,695)
312 Foreign Affairs and International Relations	1,976,709	432,909,612	-	-	(430,932,903)
313 Public Works and Transport	34,241,705	205,674,646	802,215,920	1,447,938,115	(817,155,137)
314 Environment	381,453	138,483,971	60,003,150	57,711,280	(135,810,647)
315 Natural Resources	2,506,419,431	393,579,140	462,968,120	767,236,275	1,808,572,137
316 Public Service, Labour and Employment	17,370,529	140,230,970	-	-	(122,860,441)
317 Judiciary	5,138,819	127,521,314	-	-	(122,382,495)
318 Independent Electoral Commission	5,320,986	274,590,265	-	-	(269,269,279)
319 His Majesty's Office	550,000	16,829,751	-	6,484,104	(22,763,855)
320 Public Service Commission	-	11,845,882	-	-	(11,845,882)
335 National Security Services	-	103,301,917	-	17,858,339	(121,160,256)
336 Disaster Management Authority	-	55,330,697	-	-	(55,330,697)
337 Defence	22,288,003	790,852,184	-	-	(768,564,181)
338 National Assembly	17,000	104,396,001	-	-	(104,379,001)
339 Senate	14,500	25,795,716	-	63,476,204	(89,257,420)
340 Ombudsman	-	10,254,539	-	-	(10,254,539)
<b>Total Appropriated</b>	<b>21,830,753,852</b>	<b>14,140,727,226</b>	<b>3,254,910,916</b>	<b>4,931,525,934</b>	<b>6,013,411,608</b>
<b>Statutory Expenditure</b>					
321 Public Debt	392,024	3,204,826,822	-	-	(3,204,434,798)
323 Pensions and Gratuities	-	1,313,317,359	-	-	(1,313,317,359)
324 Statutory Salaries and Allowances	2,282	38,465,605	-	-	(38,463,323)
325 Subscriptions to International Organisations	-	148,584,933	-	-	(148,584,933)
326 Refunds to Erroneous Receipts	-	547,098	-	-	(547,098)
<b>Total Statutory</b>	<b>394,306</b>	<b>4,705,741,817</b>	<b>-</b>	<b>-</b>	<b>(4,705,347,511)</b>
<b>Totals</b>	<b>21,831,148,158</b>	<b>18,846,469,044</b>	<b>3,254,910,916</b>	<b>4,931,525,934</b>	<b>1,308,064,096</b>

## Appendix 2: Budget Comparison – Analysis by Spending Unit

### *FY2023/24 Budget versus Actual – Revenues*

(An extract from the Statement of Budget Comparison and Actual Amounts)

Collecting Unit		Original	Revised (as per Submission by Spending Units)	Actual Rec Revenue	Variance
301	Agriculture, Food Security and Nutrition	34,356,535	34,356,535	51,002,522	48%
302	Health	29,587,656	29,587,656	9,651,098	-67%
303	Education and Training	4,691,125	4,691,125	8,988,166	92%
304	Finance and Development Planning	21,144,036,360	20,349,655,110	19,102,911,810	-10%
305	Trade, Industry, Business Development and Tourism	10,836,261	10,836,261	22,331,996	106%
306	Gender, Youth, Sports, Arts, Culture and Social Development	425,670	425,670	504,602	19%
307	Justice and Law	3,908,685	4,132,738	4,020,404	3%
308	Local Government, Chieftainship, Home Affairs and Police	35,382,479	35,382,479	31,952,869	-10%
310	Information, Communications, Technology and	19,060,950	19,060,950	5,590,784	-71%
311	Directorate on Corruption and Economic Offences	-	80,466	80,466	
312	Foreign Affairs and International Relations	-	120,000	1,976,709	
313	Public Works and Transport	32,402,457	32,402,457	34,241,705	6%
314	Environment	178,500	178,500	381,453	114%
315	Natural Resources	2,783,916,267	2,783,916,267	2,506,419,431	-10%
316	Public Service, Labour and Employment	19,369,838	19,369,838	17,370,529	-10%
317	Judiciary	3,111,500	3,111,500	5,138,819	65%
318	Independent Electoral Commission	304,000	304,000	5,320,986	1650%
319	His Majesty's Office	-	-	550,000	
337	Defence	5,500,000	5,500,000	22,288,003	305%
338	National Assembly	-	-	17,000	
339	Senate	-	-	14,500	
<b>Total Appropriated</b>		<b>24,127,068,283</b>	<b>23,333,111,552</b>	<b>21,830,753,852</b>	<b>-10%</b>
321	Public Debt			392,024	
324	Statutory Salaries and Allowances			2,282	
<b>Total Statutory</b>		<b>-</b>	<b>-</b>	<b>394,306</b>	
<b>Totals</b>		<b>24,127,068,283</b>	<b>23,333,111,552</b>	<b>21,831,148,158</b>	<b>-10%</b>

**FY2023/24 Budget versus Actual – Recurrent Expenditures**

(An extract from the Statement of Budget comparison and Actual Amounts)

Spending Unit		Original Budget (as per Spending Units submissions)	Revised (as per Submission by Spending Units)	Actual	Variance
<b>Appropriated Expenditure</b>					
301	Agriculture, Food Security and Nutrition	557,394,199	566,801,814	428,608,367	23%
302	Health	2,246,400,268	2,248,313,323	2,107,119,521	6%
303	Education and Training	2,730,081,522	2,747,094,575	2,733,712,388	0%
304	Finance and Development Planning	2,636,253,268	3,186,614,559	2,137,712,484	19%
305	Trade, Industry, Business Development and Tourism	126,656,950	127,751,206	115,288,209	9%
306	Gender, Youth, Sports, Arts, Culture and Social Development	1,395,991,863	1,395,991,863	1,341,759,154	4%
307	Justice and Law	329,171,219	352,863,161	344,244,342	-5%
308	Local Government, Chieftainship, Home Affairs and Police	1,730,942,091	1,808,967,734	1,726,736,505	0%
309	Prime Minister's Office	116,587,180	116,587,179	106,123,647	9%
310	Information, Communications, Technology and Innovation	241,330,995	241,330,995	222,835,841	8%
311	Directorate on Corruption and Economic Offences	74,087,846	74,087,846	44,990,161	39%
312	Foreign Affairs and International Relations	430,016,310	443,886,914	432,909,612	-1%
313	Public Works and Transport	199,850,400	214,958,123	205,674,646	-3%
314	Environment	157,904,947	153,069,191	138,483,971	12%
315	Natural Resources	186,084,816	399,137,434	393,579,140	-112%
316	Public Service, Labour and Employment	127,905,749	163,304,532	140,230,970	-10%
317	Judiciary	126,777,683	129,015,322	127,521,314	-1%
318	Independent Electoral Commission	371,061,825	371,061,825	274,590,265	26%
319	His Majesty's Office	15,365,123	18,652,301	16,829,751	-10%
320	Public Service Commission	13,652,432	13,652,431	11,845,882	13%
330	Centralised Items	432,990,794		-	100%
331	Contingencies Fund	300,000,000			100%
335	National Security Services	107,302,023	107,302,023	103,301,917	4%
336	Disaster Management Authority	28,701,068	56,006,068	55,330,697	-93%
337	Defence	652,327,497	778,244,577	790,852,184	-21%
338	National Assembly	102,254,502	105,549,784	104,396,001	-2%
339	Senate	24,222,090	27,630,101	25,795,716	-6%
340	Ombudsman	11,121,132	11,121,133	10,254,539	8%
<b>Total Appropriated</b>		<b>15,472,435,792</b>	<b>15,858,996,014</b>	<b>14,140,727,226</b>	<b>9%</b>
321	Public Debt	3,090,255,138	3,361,142,648	3,204,826,822	-4%
323	Pensions and Gratuities	1,621,012,283	1,635,982,047	1,313,317,359	19%
324	Statutory Salaries and Allowances	40,791,728	43,795,455	38,465,605	6%
325	Subscriptions to International Organisations	124,434,160	161,826,634	148,584,933	
326	Refunds to Erroneous Receipts	2,268,000	2,268,000	547,098	76%
<b>Total Statutory</b>		<b>4,878,761,309</b>	<b>5,205,014,784</b>	<b>4,705,741,817</b>	<b>4%</b>
<b>Total Recurrent Expenditure</b>		<b>20,351,197,101</b>	<b>21,064,010,798</b>	<b>18,846,469,044</b>	<b>7%</b>

**Appendix 3: Controlled Entities and Investments – Status of Annual Reporting (As at 31 March 2024)**

*Reporting status per entity*

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING REPORTS	REMARKS	FINANCIAL YEAR END
CHRISTIAN HEALTH ASSOCIATION OF LESOTHO	2022/2023	UNQUALIFIED	2023/2024	There was no key audit matters identified during the course of this financial year's audit.	MARCH
ST.JOSEPH HOSPITAL	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
LESOTHO NUTRITION AND HEALTH SYSTEMS STENGTHENING PROJECT (P170278) IDA 69310	2022/2023	UNQUALIFIED	2023/2024	There was no key audit matters identified during the course of this financial year's audit.	MARCH
CONSTRUCTION OF MASERU DISTRICT HOSPITAL	2022/2023	UNQUALIFIED	2023/2024	There was no key audit matters identified during the course of this financial year's audit.	MARCH
CONSTRUCTION OF MDISO WAREHOUSE	2022/2023	UNQUALIFIED	2023/2024	There was no key audit matters identified during the course of this financial year's audit.	MARCH
LESOTHO COVID19 EMERGENCY PREPAREDNESS & RESPONSE PROJECCT(LC-19EPRP P173939 TF B5779)	2022/2023	UNQUALIFIED	2023/2024	There was no key audit matters identified during the course of this financial year's audit.	MARCH
LEPHOI HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024	THERE WERE NO SUPPORTING DOCUMENTATION OF INTERCOMPANY RECEIVABLES FOR MARAKABEI AND POPA HEALTH CENTRE AMOUNTING TO M222,923.60 AND M222,002.60 RESPECTIVELY.	MARCH
ROMA COLLEGE OF NURSING					
FATIMA HEALTH CENTRE-CHAL	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There was no key audit matters identified during the course of this financial year's audit.	
NAZARETH HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There was no key audit matters identified during the course of this financial year's audit.	MARCH
ST.BENEDICT HEALTH CENTRE-CHAL	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There was no key audit matters identified during the course of this financial year's audit.	MARCH
ST RODRIQUE HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024	There was unsupported sundry income and donations. Apart from that, there were no key audit matters for this financial year.	MARCH

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
ST. JAMES HOSPITAL	2019/2020	QUALIFIED	2020/2021 to 2023/2024	THERE WAS NO SUPPORTING DOCUMENTATION OF EXPENDITURE WHICH WAS CONFISCATED BY THE DIRECTORATE ON CORRUPTION AND ECONOMIC OFFENCES. ALSO, THERE WAS NO SUPPORTING DOCUMENTATION OF INTERCOMPANY RECEIVABLES BETWEEN THE HOSPITAL AND HEALTH CENTERS.	MARCH
ST.BERNARD HEALTH CENTRE-CHAL	2020/2021	UNQUALIFIED	2021/2022	There were no key audit matters identified during the course of the audit of this financial year. No latest audit for the year 2021/2022.	MARCH
SCOTT HOSPITAL	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
MATELILE HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
MASEMOUSE HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
RIBANENG HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
MARAKABEI HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024	THERE WAS NO SUPPORTING DOCUMENTATION OF INTERCOMPANY RECEIVABLES FOR LEPHOI AND POPA HEALTH CENTRES AND THERE WAS NO SUPPORTING DOCUMENTATION FOR INTERCOMPANY PAYABLES AMOUNTING TO M1,109,644.46 RESPECTIVELY.	MARCH
MOFOKA HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		MARCH
SEBEDIA HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024	There was no sufficient, appropriate evidence to support the accounts receivables amount disclosed in the financial statements.	MARCH

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
SCOTT SCHOOL OF NURSING	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
EMMAUS HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
HOLY FAMILY HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
ST.JOSEPH KORO KORO HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There were no key audit matters identified during the course of the audit of this financial year. No latest audit for the year 2020/2021 and 2021/2022.	
MOFUMAHALIOA ROSARY HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
MOTSEKUOA HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
STRENGTHENING MINISTRY OF HEALTH'S CAPACITY FOR HIV DIAGNOSIS, TREATMENT AND MONITORING PROJECT	2022/2023	UNQUALIFIED	2023/2024	There were no key audit matters identified during the course of the audit of this financial year. No latest audit for the year 2020/2021 and 2021/2022.	MARCH
PAKI HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024	There was no documentation of income and expenditure, as well as no documentation of ownership of land as a result of ownership of buildings. Apart from that there were no key audit matters for this financial year.	
ST.ANDREWS HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
ST FRANCIS HEALTH CENTER	2019/2020	QUALIFIED	2020/2021 to 2023/2024	There is no documentation of adjustments impacting accumulated surplus and reserve accounts in the Statement of Changes in Equity. There is also no supporting evidence to explain the rationale for the adjustments.	
ST.PETER CLAVER HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
GOL COUNTERPART(GLOBAL FUNDS TB COUNTERPART)	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
HEALTH SECTOR REFORM PROGRAMME	2020/2021	UNQUALIFIED	2021/2022	There are no key audit matters identified during the course of this year's audit.	MARCH
MASERU HOSPITAL	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
GOL CANCER TREATMENT CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
GOL MATERNAL, NEW BORN & CHILD HEALTH	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
GOL LESOTHO MATERNAL HEALTH PBF	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
WHO/GOL, NDSO WAREHOUSE	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters identified during the course of this year's audit.	
GAVI & GOL GAVI	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
MASERU SDA HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
LITTLE FLOWER HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There are no key audit matters identified during the course of this year's audit.	
MAPUTSOE ADVENTIST HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There are no key audit matters identified during the course of this year's audit.	
MASERU ADVENTIST HEALTH CENTRE	2020/2021	UNQUALIFIED	2021/2022-2022/2023	There are no key audit matters identified during the course of this year's audit.	
MALUTI ADVENTIST HOSPITAL	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There are no key audit matters identified during the course of this year's audit.	
ST. DAVID HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
ST ANN HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024	There was no sufficient audit evidence to support the accounts payable amount for suspense.	
ST. THERESA(BELE-BELA) HEALTH CENTRE	2017/2018	QUALIFIED	2018/2019-2021/2022		
MAPUTSOE SDA HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
MAPHELENG HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There are no key audit matters identified during the course of this year's audit.	
IMMACULATE CONCEPTION HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024	There are no key audit matters identified during the course of this year's audit.	
KOLO HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There are no key audit matters identified during the course of this year's audit.	
FOBANE HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
HEALTH REFORM SECTOR PROJECT	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
GOOD SHEPHERD HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
SAMARIA HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
ST.PETERS HEALTH CENTRE	2018/2019	QUALIFIED	2019/2020 to 2023/2024		
SEBOCHE HOSPITAL	2018/2019	QUALIFIED	2019/2020 to 2023/2024		
MOUNT TABOR HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
ST.LEONARD HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
HERMITAGE HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
BETHEL HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
HOLY CROSS HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
St. Leo Health Centre	2021/2022	QUALIFIED	2022/2023 to 2023/2024	No supporting documentation to staff loans and suspense balance carried in the Statement of Financial Position. Apart from that, there were no key audit matters identified during the course of this financial year's audit.	MARCH
ST. MATTHEW HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
TEBELLONG HOSPITAL	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
BETHANY HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024	There was an unsupported write-off of receivables and a suspense account and there was no support of authorisation. Apart from that there were no key matters identified during the course of this financial year's audit.	
SEKAKE HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
VILLA MARIA HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
ST. FRANCIS HEALTH CENTRE	2017/2018	UNQUALIFIED			
SACRED HEART HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
ST. GABRIEL HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
TSEPO HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
PARAY HOSPITAL	2018/2019	QUALIFIED	2019/2020 to 2023/2024		
PARAY SCHOOL OF NURSING	2018/2019	QUALIFIED	2019/2020 to 2023/2024		
POPA HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024	THERE WAS NO SUPPORTING DOCUMENTATION OF INTERCOMPANY RECEIVABLES AND PAYABLES AMOUNTING TO M222,002.60 AND M849334.53 RESPECTIVELY.	MARCH
MONTMATRE HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
BAYLOR COLLEGE OF MEDICINE CHILDRENS FOUNDATION LESOTHO	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024	FINANCIAL YEAR ENDED ON 30 JUNE 2018. AUDIT FOR 2016/2017 IN PROGRESS.	MARCH
CDC/ PEPFAR	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024	There were no key audit matters identified during the course of the audit of this financial year.	
FOBANE ADVENTIST HEALTH CENTRE	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024		

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
EMMANUEL ADVENTIST HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There was no key audit matters identified during the course of this financial year's audit.	
NATIONAL DRUG SERVICE ORGANISATION	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024	There was no key audit matters identified during the course of this financial year's audit.	MARCH
LESOTHO NURSING COUNCIL	2012/2013	QUALIFIED	2013/14 to 2023/2024	AUDIT FOR 2013/14 IN PROGRESS. SUBSEQUENT FINANCIAL YEARS' FINANCIAL STATEMENTS NOT YET SUBMITTED FOR AUDIT	
SCOTT COLLEGE OF NURSING	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
ST. JOSEPH'S HOSPITAL	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
ROMA COLLEGE OF NURSING	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
FATIMA HEALTH CENTRE-CHAL	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
NAZARETH HEALTH CENTRE	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024	There were no key audit matters identified during the course of the audit of this financial year. No latest audit for the year 2021/2022 and 2022/2023.	
SION HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There are no key audit matters identified during the course of this year's audit.	
ST. BENEDICT HEALTH CENTRE-CHAL	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There were no key audit matters identified during the course of the audit of this financial year.	
ST.BERNARD HEALTH CENTRE-CHAL	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There were no key audit matters identified during the course of the audit of this financial year.	
SCOTT HOSPITAL	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
MATELILE HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
MASEMOUSE HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
RIBANENG HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
MOFOKA HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
SCOTT SCHOOL OF NURSING	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
EMMAUS HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
HOLY FAMILY HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
ST DAVID HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	There was no key audit matters identified during the course of this financial year's audit.	
SUPPORT TO LABORATORY SERVICES CDC/PEPFAR	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		
MOFUMAHALI OA ROSARY HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
MOTSEKUOA HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
PAKI HEALTH CENTRE	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
ST. ANDREWS HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
ST. PETER CLAVER HEALTH CENTRE	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
GOL COUNTERPART (GLOBAL FUNDS TB COUNTERPART)	2020/2021	UNQUALIFIED	2021/2022	There are no key audit matters identified during the course of this year's audit.	
HEALTH SECTOR REFORM PROGRAMME	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters identified during the course of this year's audit.	MARCH
GOL MASERU DISTRICT HOSPITAL	2020/2021	UNQUALIFIED	2022/2023	There are no key audit matters identified during the course of this year's audit.	
GOL CANCER TREATMENT CENTRE	2020/2021	UNQUALIFIED	2021/2022	There are no key audit matters identified during the course of this year's audit.	
GOL MATERNAL, NEW BORN & CHILD HEALTH	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
GOL LESOTHO MATERNAL HEALTH PBF	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
WHO/GOL, NDSO WAREHOUSE	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters identified during the course of this year's audit.	MARCH
GAVI & GOL GAVI	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024	There are no key audit matters identified during the course of this year's audit.	
NATIONAL AIDS COMMISSION					2018/2019
RIDER'S FOR HEALTH	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024	The audit was done internally for 6 months. From July to December.	DECEMBER
MOHLANAPENG HEALTH CENTRE	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
St James Health Centre	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
St Margaret Health Centre	2019/2021	UNQUALIFIED	2020/2021 to 2023/2024		
St Barnabas Health Centre		UNQUALIFIED	2020/21		
St. Leo Health Centre	2019/2020	QUALIFIED	2020/2021 to 2023/2024	No supporting documentation to staff loans and suspense balance carried in the Statement of Financial Position. Apart from that, there were no key audit matters identified during the course of this financial year's audit.	MARCH
Maryland Health Centre	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
ST THERESA HEALTH CENTER	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024	There are no key audit matters identified during the course of this year's audit.	
ST THERESA(BELA-BELA)	2020/2021		2021/2022 to 2023/2024	There is a management letter with no opinion.	
St Monicas Health Centre	2019/2023	Disclaimer	2020/2021 to 2023/2024		
Louis Gerard Health Centre	2019/2024	Adverse	2020/2021 to 2023/2024		
LESOTHO COVID19 EMERGENCY PREPAREDNESS & RESPONSE PROJECT (LC-19EPRP P173939 IDA 69300)	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters identified during the course of this year's audit.	MARCH
COVID-19 EXPENDITURE ON PROCUREMENT OF ELECTRONIC EQUIPMENT	2019/2021		2021/2022 to 2023/2024	THERE WAS A SUBMISSION OF AN INTERNAL AUDIT REPORT FOR THE YEAR 2020/21	

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
LESOTHO COVID19 EMERGENCY PREPAREDNESS & RESPONSE PROJECT (LC-19EPRP P173939 IDA 66770)	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters identified during the course of this year's audit.	MARCH
Loretto Health Centre	2019/2020	QUALIFIED	2020/2021 to 2023/2024		
SUPPORT TO TUBERCULOSIS	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters identified during the course of this year's audit.	MARCH
Covid-19 Related Expenditure for Prime Minister's Office and Ministry of Health	2020/2021		2021/2022 to 2023/2024	The audit was done internally with no finalised audit report. Management is expected to prepare and submit to the internal audit their action plan in order for the internal audit to finalise the audit report.	
UNITED NATIONS POPULATION FUND	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters identified during the course of this year's audit.	MARCH
UNITED NATIONS CHILDREN'S FUND	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters identified during the course of this year's audit.	MARCH
Matukeng Health Centre	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		
MAMOHAU HOSPITAL CHRISTIAN HEALTH ASSOCIATION (CHAL)	2019/2020	DISCLAIMER	2020/2021 to 2023/2024		
UNFPA 7TH COUNTRY PROGRAMME	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		
SOUTHERN AFRICA TUBERCULOSIS & HEALTH SYSTEM SUPPORT PROJECT	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters identified during the course of this year's audit.	MARCH
E-GOVERNMENT INFRASTRUCTURE PROJECT	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		2019/2020
LESOTHO COMMUNICATIONS AUTHORITY- UNIVERSAL SERVICE FUND	2022/2023	UNQUALIFIED	2023/2024	THERE WAS A SUBMISSION OF ANNUAL FINANCIAL REPORTS FOR THE YEAR 2022/2023	MARCH
LESOTHO BASIC EDUCATION IMPROVEMENT PROJECT	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024		
LESOTHO COLLEGE OF EDUCATION	2020/2012	DISCLAIMER			

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
LESOTHO INSTITUTE OF ACCOUNTING	2018/2019	UNQUALIFIED	2019/2020-2021/2022	THERE WAS A SUBMISSION OF ANNUAL FINANCIAL REPORTS FOR THE YEAR 2017/2018 AND 2018/2019.	JUNE
NUL-SEFIKA PROJECT	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		JUNE
LESOTHO EDUCATION QUALITY FOR EQUALITY PROJECT	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024		
COUNCIL ON HIGHER EDUCATION	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters concerned with this financial year's audit.	MARCH
LESOTHO DISTANCE TEACHING CENTRE				THERE WAS NO AUDIT REPORT, ONLY TRADING ACCOUNT/ SPECIAL FUND BUDGET ESTIMATES FOR 2022/2023 OF WHICH THE HONOURABLE MINISTER OF FINANCE APPROVED.	
NUL-Tloutle Holdings	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024		JUNE
THE NATIONAL UNIVERSITY OF LESOTHO	2019/2020	UNQUALIFIED	2020/2021-2021/2022		JUNE
CENTRE OF ACCOUNTING STUDIES	2023/2024	UNQUALIFIED	NIL		MARCH
EXAMINATION COUNCIL OF LESOTHO	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024		MARCH
PETROLEUM FUND	2023/2024	UNQUALIFIED	NIL	There are no key audit matters concerned with this financial year's audit.	MARCH
LESOTHO REVENUE AUTHORITY	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters concerned with this financial year's audit.	MARCH
LESOTHO REVENUE AUTHORITY LESOTHO TAX MODERNISATION PROJECT	2022/2023	UNQUALIFIED	2023/2024		MARCH
GLOBAL FUND PROJECT-GOL COUNTERPART	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
GLOBAL FUND PROJECT-COUNTRY COORDINATING MECHANISM	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
GLOBAL FUND PROJECT-NEW FUNDING MODEL	2018/2019	UNQUALIFIED	2019/2020 to 2023/2024		
FINANCIAL INTELLIGENCE UNIT	2022/2023	UNQUALIFIED	2023/2024		MARCH
NEW FUNDING MODEL 3- JHPIEGO	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024	The audit was for 6months. From July to December.	

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
NEW FUNDING MODEL 3- Ministry of Health and Ministry of Finance	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024	The audit was for 6months. From July to December.	
PMU	2020/2021	UNQUALIFIED	2021/2022 to 2023/2024	There was an internal audit performed in the financial year 2020/2021. A management letter was issued with assurance that the internal control, governance and risk management were adequate and operating effectively.	
LESOTHO SURVEY METHODOLOGY PROJECT	2017/2018	UNQUALIFIED	2018/2019 to 2023/2024		
ECONOMIC DIVERSIFICATION SUPPORT PROJECT	2022/2023	UNQUALIFIED	2023/2024		MARCH
COMPETITIVENESS AND FINANCIAL INCLUSION PROJECT CAFI	2022/2023	UNQUALIFIED	2023/2024		MARCH
ECONOMIC DIVERSIFICATION SUPPORT PROJECT(EDSP)	2020/2023	UNQUALIFIED	2023/2024		MARCH
O.K BAZAARS	2022/2023	UNQUALIFIED	2023/2024		JULY
SMALL HOLDER AGRICULTURE DEVELOPMENT PROJECT	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		MARCH
WOOL AND MOHAIR PROMOTION PROJECT- IFAD	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		MARCH
WOOL AND MOHAIR PROMOTION PROJECT- LNWMGA	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		MARCH
WOOL AND MOHAIR PROMOTION PROJECT - OFID	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		MARCH
WOOL AND MOHAIR PROMOTION PROJECT- GOL	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		MARCH
AGERICULTURAL PRODUCTIVITY PROGRAM FOR SOUTHERN AFRICA(P164486)	2022/2023	UNQUALIFIED	2023/2024		MARCH
WOOL AND MOHAIR PROMOTION PROJECT- ASAP	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		MARCH
WOOL AND MOHAIR PROMOTION PROJECT- NUL	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		MARCH
WOOL AND MOHAIR PROMOTION PROJECT- IFAD/ ASAP/ RPSF/ OFID/ GOL/ LNWMGA	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		MARCH

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING REPORTS	REMARKS	FINANCIAL YEAR END
LESOTHO COMMUNICATION AUTHORITY	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO COMMUNICATION AUTHORITY SERVICE FUND	2022/2023	UNQUALIFIED	2023/2024		MARCH
TRANSPORT INFRASTRUCTURE AND CONNECTIVITY PROJECT IDA CREDIT NUMBER 61510	2022/2023	UNQUALIFIED	2023/2024	THERE WAS A SUBMISSION OF 2019/20,2020/21 AND 2021/22 AUDIT REPORTS	MARCH
ROADS DIRECTORATE		UNQUALIFIED			MARCH
TRANSPORT INFRASTRUCTURE AND CONNECTIVITY PROJECT GOL COUNTERPART	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		MARCH
LEC (PTY)LTD URBAN DISTRIBUTION REHABILITATION AND TRANSMISSION EXPANSION PROJECT	2021/2022	UNQUALIFIED	2022/2023 to 2023/2024		
LEC - COMMUNICATIONS	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO ELECTRICITY AND WATER AUTHORITY	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO ELECTRICITY COMPANY	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO RENEWABLE ENERGY AND ENERGY ACCESS PROJECT (SREP) GRANT LEC	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO RENEWABLE ENERGY AND ENERGY ACCESS PROJECT	2023/2024	UNQUALIFIED	Nil		MARCH
LESOTHO RENEWABLE ENERGY AND ENERGY ACCESS PROJECT(CONSOLIDATED STATEMENTS)	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO RENEWABLE ENERGY AND ENERGY ACCESS PROJECT (SREP) LOAN LEC	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO RENEWABLE ENERGY AND ENERGY ACCESS INTERNATIONAL DEVELOPMENT ASSOCIATION LOAN	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO RENEWABLE ENERGY AND ENERGY ACCESS PROJECT GOL	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO RENEWABLE ENERGY AND ENERGY ACCESS INTERNATIONAL DEVELOPMENT ASSOCIATION LOAN(DOE)	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO RENEWABLE ENERGY AND ENERGY ACCESS PROJECT (SREP) LOAN DOE	2022/2023	UNQUALIFIED	2023/2024		MARCH

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING G REPORTS	REMARKS	FINANCIAL YEAR END
LESOTHO TOURISM DEVELOPMENT CORPORATION	2022/2023	UNQUALIFIED	2023/2024		MARCH
			2023/2024		
PLACEMENT OF VOLUNTEERS UNDER THE NVC PROGRAMME			2023/2024		
			2023/2024		
			2023/2024		
			2023/2024		
LESOTHO LOWLANDS RURAL WATER SUPPLY AND SANITATION PROJECT	2022/2023	UNQUALIFIED	2023/2024	There are no key audit matters concerned with this financial year's audit.	MARCH
MASERU WASTE WATER PROJECT	2019/2020	UNQUALIFIED	2020/2021 to 2023/2024	31-Mar-20	
LESOTHO LOWLANDS RURAL WATERSUPPLY AND SANITATION PROJECT AND LESOTHO LOWLANDS WATER DEVELOPMENT PROJECT PHASE 2	2023/2024	UNQUALIFIED	NIL		MARCH
LOWLANDS RURAL WATER SUPPLY AND SANITATION PROJECT	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO LOWLANDS WATER DEVELOPMENT PROJECT	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO MILLENNIUM DEVELOPMENT AGENCY	2019/2021	UNQUALIFIED	2021/2022 to 2023/2024	AUDIT FOR 2019/20 IS IN PROGRESS	MARCH
LESOTHO TAX MODERNISATION PROJECT	2023/2024	UNQUALIFIED	NIL		DECEMBER
STRENGTHENING LESOTHO'S CAPACITY TO ADVANCE THE NAPP PROECT	2022/2023	UNQUALIFIED	2023/2024		DECEMBER

ENTITY	LATEST AUDITED FINANCIAL STATEMENTS	AUDIT OPINION	OUTSTANDING REPORTS	REMARKS	FINANCIAL YEAR END
INSTITUTIONAL SUPPORT FOR DEBT AND EXPENDITURE MANAGEMENT PROJECT	2023/2024	UNQUALIFIED	NIL		MARCH
MALUTI MOUNTAIN BREWERY	2022/2023	UNQUALIFIED	2023/2024		DECEMBER
LOCAL CLIMATE ADAPTIVE LIVING PROJECT FOR TOW YEARS	2022/2023	UNQUALIFIED	2023/2024		MARCH
LESOTHO EDUCATION QUALITY FOR EQUALITY PROJECT AND LESOTHO BASIC EDUCATION STRENGTHENING PROJECT	2023/2024	UNQUALIFIED	NIL		MARCH
REGENERATION OF LANDSCAPES AND LIVEHOODS PROJECTS	2023/2024	UNQUALIFIED	NIL		MARCH
LOTI BRICK	2022/2023	UNQUALIFIED	2023/2024		MARCH
ROAD FUND	2023/2024	UNQUALIFIED	NIL		MARCH
WATER AND SEWERAGE COMPANY	2022/2023	UNQUALIFIED	2023/2024		MARCH
REVENUE SERVICE LESOTHO	2023/2024	UNQUALIFIED	NIL		MARCH
LAND ADMINISTRATION AUTHORITY	2022/2023	UNQUALIFIED	2023/2024		MARCH

**PART 2**

**AUDIT OF THE CONSOLIDATED  
FINANCIAL STATEMENTS OF THE  
GOVERNMENT OF LESOTHO FOR  
THE YEAR ENDED 31<sup>ST</sup> MARCH  
2024**

## **CHAPTER 1: INTRODUCTION**

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### **1.1. SUBMISSION AND AUDIT OF FINANCIAL STATEMENTS**

Section 35 (3) of the Public Financial Management and Accountability Act, 2011, (PFMA Act, 2011) mandates that the Consolidated Financial Statements (CFS) shall be prepared per the International Public Sector Accounting Standards financial reporting under Cash Basis (Cash Basis IPSAS) and shall be submitted to the Auditor-General for audit within five months of the end of the financial year.

### **1.2. CASH BASIS OF ACCOUNTING**

Section 62 of the PFMA Act, 2011, states that until the Minister announces the date for the commencement of the accrual basis of accounting, the financial statements shall continue to be prepared in accordance with Cash Basis IPSAS.

### **1.3. EXECUTIVE SUMMARY**

In accordance with the broad mandate given to the Auditor-General, the 2023/2024 audit report of the Government's Consolidated Financial Statements, including summaries of the audits of Statutory Bodies and Development Projects undertaken during the reporting period, is hereby presented.

The primary goal of the audit was to provide an opinion on the financial position of the Government, statutory bodies, and Government projects, and to alert various stakeholders to the management of the Government's and enterprises'/projects' financial affairs, highlighting areas of weakness and making recommendations.

My Office is aware of efforts to enhance reporting by ministries, where, since 2024, they have now submit monthly accounts to the Accountant-General. This will enable my Office to conduct targeted ministerial audits in the future to strengthen the integrity of the Consolidated Financial Statements.

### **1.4. PRIOR YEARS MATTERS**

The prior years' matters could not be followed up on, due to the delayed process of the tabling of the 2022/2023 report, which was done at the time of the completion of the 2023/2024 report.

## CHAPTER 2: CASH MANAGEMENT

### 2.1. CASH BALANCES

Section 74 of the Treasury Regulations, 2014, authorises the Accountant-General to establish and maintain agreements with the Central Bank of Lesotho (CBL) to define and operate the structure of the Consolidated Fund bank account, including sub-accounts. The Accountant-General also has the power to set up and manage agreements with commercial banks for the operation of other bank accounts.

Furthermore, Section 1.3.8 of Cash Basis IPSAS states that notes to the financial statements should include narrative descriptions or more detailed analyses of amounts presented on the face of the financial statements, along with additional information.

As per Note 15 of the Consolidated Financial Statements (CFS), as at 31<sup>st</sup> March 2024, there were 317 Government accounts, comprising 280 bank accounts held at CBL and local commercial banks, and 37 accounts opened with local mobile network operators (MNOs), with a total cash balance of M2.82 billion. The cash position is shown in Table 1 below.

*Table 1: Cash Position as at 31<sup>st</sup> March 2024 – Government Accounts*

Bank	Accounts at 31.03.2024		Accounts at 31.03.2023		Increase / (Decrease)	Cash Increase / (Decrease) (M'000)
	No. of accounts	Amount (M'000)	No. of accounts	Amount (M'000)	No. of accounts	M'000
<b>HEAD CONTROLLED</b>						
<b>LOCAL CURRENCY:</b>						
CBL	12	29,084	13	22,954	(1)	6,130
Nedbank	42	171,672	41	131,357	1	40,315
STD Lesotho	74	98,897	57	96,818	17	2,079
FNB Lesotho	18	108,214	19	16,185	(1)	92,029
Lesotho Postbank	11	252,834	13	277,169	(2)	(24,335)
<b>TOTAL LOCAL</b>	<b>157</b>	<b>660,701</b>	<b>143</b>	<b>544,483</b>	<b>14</b>	<b>116,218</b>
<b>FOREIGN ACCOUNTS:</b>						
CBL	50	298,348	51	605,257	(1)	(306,909)
STD Lesotho	3	32,444	3	39,405	-	(6,961)
<b>TOTAL FOREIGN</b>	<b>53</b>	<b>330,792</b>	<b>54</b>	<b>644,662</b>	<b>(1)</b>	<b>(313,870)</b>
<b>DEBT AND DEBT SERVICING ACCOUNTS</b>						
Lesotho Post Bank	0	-	4	92,473	(4)	(92,473)

Bank	Accounts at 31.03.2024		Accounts at 31.03.2023		Increase / (Decrease)	Cash Increase / (Decrease) (M'000)
	No. of accounts	Amount (M'000)	No. of accounts	Amount (M'000)	No. of accounts	M'000
<b>TOTAL DEBT AND SERVICING</b>	<b>0</b>	<b>-</b>	<b>4</b>	<b>92,473</b>	<b>(4)</b>	<b>(92,473)</b>
<b>MNOs:</b>						
Vodacom	19	16,874	13	3,150	6	13,724
Econet	15	2,543	10	3,801	5	(1,258)
Chaperone	3	1,674	2	2,947	1	(1,273)
<b>TOTAL MNOs</b>	<b>37</b>	<b>21,091</b>	<b>25</b>	<b>9,898</b>	<b>12</b>	<b>11,193</b>
<b>TOTAL HEAD CONTROLLED</b>	<b>247</b>	<b>1,012,584</b>	<b>226</b>	<b>1,291,516</b>	<b>21</b>	<b>(278,932)</b>
<b>TREASURY ACCOUNTS</b>						
<b>LOCAL CURRENCY:</b>						
CBL	11	818,475	11	479,000	-	339,475
STD Lesotho	15	40,935	15	30,791	-	10,144
FNB Lesotho	4	83,528	4	29,456	-	54,072
Lesotho Postbank	12	4,301	12	6,291	-	(1,990)
<b>TOTAL LOCAL</b>	<b>42</b>	<b>947,239</b>	<b>42</b>	<b>545,538</b>	<b>-</b>	<b>401,701</b>
<b>FOREIGN ACCOUNTS:</b>						
Foreign Missions	26	154,270	27	126,119	(1)	28,151
FNB Lesotho	1	30,125	1	3,500	-	26,625
<b>TOTAL FOREIGN</b>	<b>27</b>	<b>184,395</b>	<b>28</b>	<b>129,619</b>	<b>(1)</b>	<b>54,776</b>
<b>DEBT ACCOUNTS:</b>						
CBL	1	678,137	1	256,353	-	421,784
<b>TOTAL DEBT</b>	<b>1</b>	<b>678,137</b>	<b>1</b>	<b>256,353</b>	<b>-</b>	<b>421,784</b>
<b>TOTAL TREASURY</b>	<b>70</b>	<b>1,809,771</b>	<b>71</b>	<b>931,510</b>	<b>(1)</b>	<b>878,261</b>
<b>TOTAL GOVT ACCOUNTS</b>	<b>317</b>	<b>2,822,355</b>	<b>297</b>	<b>2,223,026</b>	<b>20</b>	<b>599,329</b>

Sources: CFS Financial Year (FY) 2022/23 and 2023/24

### Audit concerns

- a) The Consolidated Statement of Cash Receipts and Payments showed that the Government had a cash balance of M5.91 billion, whereas Note 15 to the CFS revealed a total cash balance of M2.82 billion, resulting in a discrepancy of M3.09 billion between the two balances.
- b) Furthermore, Note 15 to the CFS shows a cash increase of M600 million from M2.22 billion to M2.82 billion between 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024, while the Consolidated Statement of Cash Receipts and Payments indicates a cash increase of M1.31 billion, resulting in a discrepancy of M710 million.

As indicated in my previous audit reports, these discrepancies continue to compromise the integrity of the CFS.

## **Recommendation**

Having noted the cash balance reduction between the Statement of Cash Receipts and Payments and Note 15, I recommend that the Accountant-General should conclude the reconciliation exercise.

## **2.2. DIFFERENCES BETWEEN THE EXPECTED NUMBER OF ACCOUNTS AND THE ACTUAL NUMBER OF ACCOUNTS AT YEAR END**

The confirmed total number of accounts held at various banks and mobile network operators (MNOs) as of 31<sup>st</sup> March 2023 was 367. Confirmations from banks and mobile network operators' accounts were received. The confirmations showed that, during 2023/24, 35 new accounts were opened and 39 were closed or removed from the Accountant-General's register of accounts. Therefore, the expected number of accounts per bank confirmation at the end of 2024 should be 363.

## **Audit Concern**

The total number of accounts, as per reviewed confirmations, was 365, thus leaving an overall variance of 2 accounts between the expected and actual figures per bank confirmations. The variance was noted in accounts held at CBL; the investigation revealed that 2 accounts, namely Lesotho E-Government Phase II Loan account number 10002371048 for the Ministry of Information, Communications, Science and Technology, and Lesotho Lowlands Water Development Project account number 37756 (94264) for the Ministry of Natural Resources, reported in the current year by CBL had been omitted in the previous year.

Omission of accounts in the bank confirmations leads to inaccurate financial reporting that may negatively affect decision-making. Also, unreported accounts might be used for illicit activities.

## **Recommendation**

The Accountant-General should reconcile and update banks' MNOs' information and Treasury records monthly to ensure accuracy of the cash position and the correct details of accounts held on behalf of the Government.

## **2.3. DORMANT/INACTIVE BANK ACCOUNTS**

The Financial Institutions Act, 2012, Section 65 (3) states that "a dormant account is an account that has not been operating for a period of 2 years after the date of maturity of the deposit. No withdrawals shall be allowed on the account except with the permission of 2 senior officers of the institution out of several signatories authorised to grant permission."

Furthermore, Section 83 (2) of the Treasury Regulations, 2014, states that “The Accountant-General shall review all official bank accounts annually and arrange for the closure of any account considered unnecessary, invalid or inactive and transfer any balance to a Consolidated Fund bank account”.

### Audit Concern

A review of bank confirmations showed that 6 bank accounts listed in Table 2 had been inactive for over 1 year as of 31<sup>st</sup> March 2024. Their period of inactivity ranged from 1 to 7 years.

Delay in acting on dormant/inactive accounts poses a risk of fraud and misappropriation of public funds. Further, delays in acting on dormant or inactive accounts increase the risk of fraud and misappropriation of public funds.

*Table 2: Dormant/Inactive Accounts*

Account Number	Account Name	Ministry	Date of last activity of account	Period of inactivity	Balance as at 31.03.2024 M '000
<b>Standard Lesotho Bank</b>					
9080000973803	Digital Migration Project	Information, Communications, Science, Technology and Innovation	03.01.2017	7 years, 2 months	72
9080002094769	Lesotho Millennium Development Agency	Finance and Development Planning	23.06.2022	1 year, 8 months	40,003
9080000662832	Capital Project Fund	Local Government, Chieftainship, Home Affairs and Police	14.05.2019	4 years, 10 months	0
9080002298917	Food Management Unit	Prime Minister's Office	31.03.2021	3 years	0
<b>Nedbank Lesotho</b>					
21000047233	Border Refurbishment Account	Finance and Development Planning	06.07.2022	1 year, 8 months	0
11990117820	UNICEF Probation Account 2	Law and Justice	22.12.2021	2 years, 3 months	-3
<b>Total</b>					<b>40,072</b>

Source: Bank Confirmations

### Recommendation

The Accountant-General should review all official bank accounts monthly and annually, closing any dormant accounts to prevent misuse.

## 2.4. CASH BALANCES AT FOREIGN MISSIONS

Treasury Regulations, 2014, Section 81 (1), (3) and (6) require that monthly bank reconciliations be performed and any discrepancies be resolved promptly.

### Audit Concerns

Review of bank reconciliations revealed the following anomalies: -

#### a) Long-standing unresolved discrepancies in reconciliations

Treasury Regulations, 2014, Section 81 (10), states that a Chief Accounting Officer must inform the Accountant-General of discrepancies or errors in official bank accounts that cannot be rectified within 30 days of detection.

### Audit Concern

The audit found long-standing, unresolved discrepancies in the reconciliations for accounts managed by the three foreign missions listed in Table 3. These unresolved discrepancies have persisted for an unacceptably long period, as shown in the same table, and no measures have been taken to address them.

*Table 3: Unresolved Discrepancies in Bank Reconciliations*

Mission/Consulate name	Unreconciled Amounts		
	31 <sup>st</sup> March 2024 M `000	31 <sup>st</sup> March 2023 M `000	31 <sup>st</sup> March 2022 M `000
Berlin	1,627	1,545	1,286
Durban	34	34	151
New Delhi	890	876	754

**Sources: Past Audit Reports, Missions Bank Reconciliation Statements**

### Recommendations

The CAO should ensure that: -

- i) The bank reconciliations have been prepared, and the cash books have been submitted to my Office.
- ii) Appropriate action is taken against Finance Officers who fail to comply.
- iii) The long-standing discrepancies are resolved and cleared with the Accountant-General.

#### b) Unapproved bank reconciliation statements

Section 81 (7) and (9) of Treasury Regulations, 2014, states that "Authorising Officers shall check and approve the Bank Reconciliation

Statement," and requires that both the Finance Officer preparing and the Authorising Officer approving shall sign the statement.

### **Audit Concern**

The review of bank reconciliation statements prepared and submitted by foreign missions did not bear the signatures of the Finance and the Authorising Officers.

Therefore, I was unable to confirm whether the bank reconciliations had been checked and approved.

This indicates a lack of accountability on the part of the relevant officers.

### **Recommendation**

The CAO should ensure that Finance and Authorising Officers at Foreign Missions comply with Sections 81 (7) and 81 (9) to promote transparency and accountability in public funds.

## **2.5. UNSPENT BALANCE OF M80 MILLION NOT RETURNED BY IEC TO CONSOLIDATED FUND AT YEAR-END**

Public Financial Management and Accountability (PFMA) Act, 2011, Section 14 (3) states that, "Unspent appropriation under an annual Appropriation Act lapses at the end of the financial year for which it has been approved and any amounts that remain unspent after that date may not be spent or re-allocated." and further Treasury Regulations, 2014, (31) (a) and (b) state that, "any payments of public money approved but not paid within a financial year shall be cancelled" and "all votes shall lapse at the end of the financial year."

### **Audit Concern**

IEC transferred M80 million on the 28<sup>th</sup> March 2024, that was held in its bank account 9080001917176, to the STANLIB Lesotho inflow bank account (9080001512435) held with Standard Lesotho Bank, which was unknown to the Accountant-General, for purposes of opening a STANLIB Lesotho Money Market Fund Investment Account, as confirmed by STANLIB Lesotho. Further, the Statement of Cash Receipts and Payments for the year ended 31<sup>st</sup> March 2024 shows a balance of M80 million; however, the confirmed bank balance of the same account holds a nil balance.

The movement of these funds and the timing thereof was not in compliance with the PFMA Act, 2011, Section 14 (3) and 31 (a) and (b), as the IEC

Account had a nil balance; however, the funds of M80 Million had not been paid for the approved expenditure of acquisition of the building.

This resulted in the Accountant-General's inability to sweep the unspent balance of M80 million from the IEC Standard Lesotho Bank account (9080001917176) upon lapse of the financial year 2023/2024. Therefore, the Consolidated Fund was understated by M80 million as at 31<sup>st</sup> March 2024.

### **Recommendation**

The Director of Elections should comply with the PFMA Act, 2011, and the Treasury Regulations, 2014, in the utilisation of public funds.

## **2.6. UNEXPLAINED PAYMENTS MADE AT CENTRAL BANK OF LESOTHO**

According to Section 24 (1) (b), (2), (5) (a) of Treasury Regulations 2014, payments of public funds to payees should be made through the preparation of a payment voucher accompanied by original supporting documents, including contract reference, invoice, delivery report, and other relevant documents. The payment must relate to goods received or services performed under a specified government contract and must be made in favour of the person or organisation entitled to receive it.

The payment should ultimately be recorded in accordance with Section 25 (1), (2) of Treasury Regulations, 2014, which obliges the Accountant-General to record all approved payment vouchers received, ensure they are paid promptly, and capture payment vouchers in the system.

### **Audit Concern**

Following the ongoing reconciliation exercise conducted by the Accountant-General to address the M6.2 billion variance reported in the 2020/21 audit report, during this year's audit, I observed that payments totalling M13.1 million, as detailed in Table 4 below, made from the Main Recurrent Expenditure Account (No. 0101403715017) held at the Central Bank of Lesotho, lacked supporting documentation and were not reflected in the Government's general ledger (Cashbook). Additionally, three of these payments had no transaction reference numbers.

*Table 4: Unaccounted for Payments*

<b>Date payment cleared at bank</b>	<b>Transaction</b>	<b>Transaction Reference</b>	<b>Amount paid (M) '000</b>
27 May 2022	Maintenance Fee	No transaction reference	7,998
08 Nov. 2022	Settlement from Calypso	No transaction reference	659
06 Jan. 2023	Settlement from Calypso	No transaction reference	215
09 Jan. 2023	021PVR23000023	021PVR23000023	174
08 Feb. 2023	021PVR230530	021PVR230530	4,051
<b>Total</b>			<b>13,097</b>

**Source: Bank statements, Accountant-General Reconciling items 2022/2023**

Unrecorded transactions could indicate potential misappropriation of funds and could lead to unexpected cash shortages or poor cash management.

### **Recommendation**

The Accountant-General should review the payments in question as part of the reconciliation process, which must now be completed.

## CHAPTER 3: CASH RECEIPTS

The Government of Lesotho derives its receipts from two main streams: recurrent and capital. Recurrent receipts consist of direct and indirect taxes, fees, charges, and dividends. Revenue receipts are included within this category. On the other hand, capital receipts comprise miscellaneous receipts and external funds, including loans and grants. Government ministries responsible for revenue collection are given targets based on approved estimates for each financial year.

In the Consolidated Financial Statements (CFS), revenue figures are actual receipts, some of which may not relate to the current financial year. Revenue arrears realised from previous years are accounted for as current revenue in the year of collection.

### 3.1. REVENUE COLLECTIONS FOR THE YEAR

Actual receipts for the financial year 2023/2024 increased by M4.86 billion (24%) compared to the previous year, with recorded receipts of M25.09 billion as compared to M20.22 billion. The increase was mainly due to higher receipts on taxes on goods and services and Southern African Customs Union (SACU) receipts. Overall, revenue collections reported in the two (2) years are summarised in Table 5 below.

*Table 5: Overall Revenue Collection for the Two Years 2023 & 2024*

Description	2023/24	2022/23
	M'000	M'000
	A	B
Income, Profit	3,988,066	4,071,534
Property	10	-
Goods and Services	4,534,020	3,978,911
Other Taxes	756	874
SACU Receipts	10,148,513	5,399,532
<b>Total Taxes</b>	<b>18,671,365</b>	<b>13,450,851</b>
Other Revenue	3,106,124	3,262,341
Disposals of Assets	28,028	21,252
<b>Total Recurrent Receipts</b>	<b>21,805,517</b>	<b>16,734,444</b>
Grants	1,194,064	956,996
Loans	2,086,474	2,531,470
<b>Total Capital Receipts</b>	<b>3,280,538</b>	<b>3,488,466</b>
<b>Grant Total</b>	<b>25,086,055</b>	<b>20,222,910</b>
<b>Increase/(Decline)</b>	<b>4,863,145</b>	
<b>Increase/(Decline) %</b>	<b>24</b>	

Sources: CFS FY 2023/24 & 2022/23

## 3.2. DIVIDENDS

Dividends form part of the cash received by the Government. These are from profits declared by enterprises where the Government has a shareholding.

Cash Basis IPSAS, paragraph 1.3.8, requires that the notes to the financial statements include narrative descriptions, detailed schedules, or analyses of the amounts presented on the face of the financial statements, along with any additional information. These include information required and encouraged by this Standard to achieve fair presentation and enhance accountability.

### Audit Concerns

- a) There are inconsistencies in the CFS note 2 and Disclosure Schedule 1 on the state-owned entities' dividends received and investments as follows: -
  - i) Note 2 shows M28.45 million as dividends from the Central Bank of Lesotho (CBL), whereas Table 4 of Schedule 1 does not list CBL as a Government-owned entity.
  - ii) Neither Note 2 nor Table 4 of the CFS lists Lesotho National Development Corporation (LNDC) as a state-owned enterprise.
- b) The dividends decreased by an additional 56% compared to the previous year, and some of the same enterprises did not declare dividends, as shown in the 2022/23 report. Details are presented in Table 6.

As a result, the Government is not deriving value from its investments.

*Table 6: Dividends Received and Enterprises Not Declaring Dividends*

Entity	Government ownership %	Dividends received in 2023/24 M'000	Dividends received in 2022/23 M'000	Dividends received in 2021/22 M'000	Comment
Letšeng Diamonds	30	-	122,557	178,452	
Kao Mining	25	-	-	-	
Liqhobong Mining Development	25	-	-	-	
Lemphane Diamonds	26.5	-	-	-	
Mothae Diamonds	30	-	-	-	70% of shares sold in 2016 - 2017

Gem Stone (Show Ridge)	25	-	-	-	
Reskol Diamond Mine	10	-	-	-	
Central Bank of Lesotho	100	28,449	-	46,999	
Standard Lesotho Bank	9.6	24,125	23,160	24,125	
Minet	5	505	462	403	
National Insurance General Group	20	-	-	-	
National Life Insurance	12	-	960	-	
Econet Lesotho	30	-	-	-	
Lesotho Flour Mills	49	-	-	-	
Coca-Cola Beverage Lesotho	5	101	-	-	
Maluti Mountain Brewery	4.75	6,570	3,877	9,282	LNDC owns 51%
Avani International	36.4	7,282	-	-	LNDC owns 16.7%
Loti Brick	22.8	-	-	-	LNDC owns 73.6%
<b>Total</b>		<b>67,032</b>	<b>151,016</b>	<b>259,261</b>	
<b>Increase/(Decrease) (Y/Y)</b>		<b>(83,984)</b>	<b>108,245</b>		
<b>Increase/(Decrease) (Y/Y) (%)</b>		<b>(56%)</b>	<b>(42%)</b>		

Sources: CFS FY 2023/24, 2022/23 & 2021/22

## Recommendations

- i) The Accountant-General should investigate the inconsistencies and adjust the financial statements accordingly.
- ii) The Minister of Finance and Development Planning should strengthen measures and policies to secure returns on Government investments.

## CHAPTER 4: NON-CASH ASSETS

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### 4.1. ACCOUNTS RECEIVABLE AND OTHER REVENUE ARREARS

Accounts receivable represent amounts due to Ministries, Departments, and Agencies (MDAs) from individuals or entities that have been provided with goods or services and advances that have not been acquitted/cleared. Accounts receivable are made up of outstanding amounts in relation to Advances, Rental Arrears, Recovery of Expenditure, Surcharges, Sale of Goods and Services.

Revenue arrears are amounts owed to the Government beyond the due date. Year-to-year movements of accounts receivable and revenue arrears must be duly supported by relevant records.

#### 4.1.1. Accounts Receivables

Section 62 of the Treasury Regulations, 2014, requires the Chief Accounting Officer (CAO) to ensure that all public funds owed to the spending unit are collected when due, deposited promptly into an official bank account, and properly recorded. In addition, Section 63(4) provides that if any public funds remain unpaid after the due date, the CAO must refer the matter to the Government's legal adviser so that recovery proceedings can be initiated through the Courts.

#### **Audit Concerns**

##### a) **Significant Increase in Receivables**

The Accountant-General reported total accounts receivable amounting to M1.16 billion as at 31<sup>st</sup> March 2024, compared to M299 million recorded on 31<sup>st</sup> March 2023.

This represents an increase of M863 million or 289%, as shown in Schedule 2, Table 5 (a) of the CFS, exacerbated by a significant increase in receivables for the Ministries of Agriculture, Food Security, and Nutrition; Local Government, Chieftainship, Home Affairs and Police, as well as Natural Resources, as shown in Table 7 below.

Table 7: Significant Increase in Receivables

Ministry	Amount as at 31 <sup>st</sup> March 2023	Amount as at 31 <sup>st</sup> March 2024	Variance	Variance
	A	B	C=(A-B)	D= C/A*100
	M'000	M'000	M'000	%
Agriculture, Food Security and Nutrition	34,559	135,349	(100,790)	292
Local Government, Chieftainship, Home Affairs and Police	757	49,309	(48,552)	6414
Natural Resources	225,268	930,586	(705,318)	313

Source: CFS FY 2023/24

**b) Long Outstanding Receivables**

Receivables amounting to M45 million have been outstanding for more than one year.

A significant increase in receivables indicates inadequate management of appropriated funds, which can lead to a cash shortage and result in the government being unable to recover those receivables.

Delayed collection of funds reduces the government's available cash resources, potentially affecting its ability to finance operations and deliver essential public services.

Failure to ensure timely collection of revenues and to pursue overdue amounts through legal recovery mechanisms, as required by Sections 62 and 63 (4) of the Treasury Regulations, 2014, exposes the government to regulatory non-compliance and weakens accountability in public financial management.

**Recommendations**

- a) The Chief Accounting Officers (CAOs) of all spending units should implement tighter monitoring mechanisms to ensure that all revenues due are collected promptly in accordance with Section 62 of the Treasury Regulations, 2014.
- b) In compliance with Section 63 (4), affected CAOs must refer all overdue debts that remain unpaid beyond their due dates to the Government's legal adviser to initiate recovery proceedings through the courts.

- c) Chief Accounting Officers (CAOs) of the Ministries listed in Table 7 should investigate the root causes of the significant rise in their receivables to ensure they are properly recorded and recoverable. They should also strengthen internal controls and interdepartmental cooperation to prevent future build-up and protect Government revenue.

#### **4.1.1.1. Undisclosed Current Year Receivables in the Consolidated Financial Statements**

Treasury Regulations, 2014, Section 95, read with Section 35 of the Public Financial Management and Accountability Act, 2011 (PFMA), and the Cash Basis International Public Sector Accounting Standards (IPSAS) provide for the preparation of the Consolidated Financial Statements (CFS).

The CFS are prepared based on the Ministries' Financial Statements (MFS). As such, the CFS and MFS should reflect the same figures.

Section 10 (f) of the same Regulations further requires the CAOs to ensure adequate control over the public money collected or spent by the spending unit, by ensuring that "transactions are correctly valued".

#### **Audit Concern**

The CFS disclosed receivables of M3.01 million for the Ministry of Information, Communications, Science, Technology and Innovation, while the MFS of the same ministry reported M3.18 million, resulting in a discrepancy of M172,000 due to advances.

Failure to fully and accurately capture all consolidated receivables balances may result in incomplete disclosure of Government assets in the CFS and misstated receivables figures, thereby affecting the reliability of financial reporting.

#### **Recommendation**

The Accountant-General should strengthen review and consolidation controls to ensure that all receivables balances from spending units are accurately reflected in the CFS.

#### **4.1.2. Fines, Penalties, and Forfeits**

In line with Section 48 (1) of the Public Financial Management Accountability Act, 2011, the Accountant General is responsible for recovering any public money due, and to offset amounts payable to a person who owes the Government.

## Audit Concerns

### a) High Value of Bonding Agreement Defaulters M7.2 million

The audit observed that the Ministry of Public Service, Labour and Employment had total revenue arrears of M7.4 million, of which M7.2 million related to employees who defaulted on their bonding agreements in previous years.

The Ministry suffered a loss of M7.2 million, which could have been utilised to support other officers or enhance service delivery. There is also a potential risk of encouraging further defaults due to insufficient enforcement and a lack of accountability.

## Recommendation

The Ministry should immediately start recovery proceedings for all identified defaulters in cooperation with the Accountant General and Attorney General. Furthermore, future bonding agreements should include a clear enforcement clause on civil recovery procedures in case of default.

### b) Refunds of Overpayments

If the Government has wrongly paid money to companies, suppliers, or public officers, those funds must be recovered. Section 28 of the Treasury Regulations states that if the money is recovered within the financial year in which it was paid out, it should be returned to the Treasury General Ledger accounts. However, if recovered after the financial year in which it was paid out, it must be treated as revenue.

## Audit Concern

The outstanding amount due to the Government resulting from overpayments was M 999,000 as indicated in Table 8.

*Table 8: Refunds of Overpayments*

Ministry	Amount M'000	Remarks
Health	125	Salary overpayment to four employees has not yet been recovered
Education and Training	129	Salary overpayments that are still to be recovered from salary deductions
Local Government, Chieftainship, Home Affairs and Police	745	Salary overpayment in respect of officers who drew salary beyond their entitlement
<b>Total</b>	<b>999</b>	

*Sources: MFS & Working paper files and CFS FY 2023/24*

Outstanding overpayments amounting to M999,000 pose a direct risk of financial loss to the Government if refunds are not recovered promptly from suppliers or officers.

Failure to recover overpayments in accordance with Section 28 of the Treasury Regulations results in non-compliance, weakening financial discipline and accountability across ministries.

The repeated overpayments reveal weaknesses in internal controls, such as insufficient verification before payments are processed, raising the likelihood of future errors.

Funds tied up in unrecovered overpayments diminish the Government's capacity to fund essential programmes and operations.

### **Recommendations**

All ministries: -

- a) Should take urgent steps to recover the amounts due from suppliers and officers, ensuring compliance with Section 28 of the Treasury Regulations.
- b) Implement stricter controls during invoice processing, including cross-checking supplier claims, validating delivery documents, and supervisory review before payments are approved.
- c) Ensure that recovered amounts are recorded according to Section 28; refunds recovered in the same financial year must be credited to the original expenditure vote, while those recovered in subsequent years must be recorded as revenue.

#### **4.1.3. Sales Of Goods and Services**

Section 51 (2) (d) of the Treasury Regulations, 2014, requires Accounting Officers who are responsible for the collection of revenue to render, within one month of the end of the financial year, a return showing all amounts which remained uncollected at the end of the previous financial year, excluding bills raised in March.

#### **Audit Concern**

The overdue debt of M55 million is on the sale of goods and services. The debt consists of amounts that remained uncollected at the end of the financial year, excluding bills raised in March (Arrears of Revenue). This is depicted in Table 9.

Table 9: Sale of Goods and Services

Spending Units	Amount M'000	Remarks
Information, Communications, Science, Technology, and Innovation	886	Outstanding advertising revenue at year's end
Natural Resources	53,957	Sale of electricity from 'Muela owed by LEC to the Ministry
Public Service, Labour and Employment	161	Assessment fees owed by various Ministries and LIPAM tuition fees arrears
Ministry of Defence and National Security	372	Being revenue arrears owed by various Ministries for aircraft services
<b>Total</b>	<b>55,376</b>	

Sources: MFS & Working paper files and CFS FY 2023/24

Failure to collect monies from the sale of goods and services increases the risk that these arrears may become irrecoverable, resulting in a loss of public funds.

### Recommendation

Ministries should improve controls over invoicing, billing, and follow-up to ensure the prompt collection of amounts owed for goods and services.

## CHAPTER 5: LIABILITIES

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### 5.1. DOMESTIC DEBT

#### **Unexplained decrease in the closing balance of Treasury Bills**

The accounting principle states that opening and closing balances can change only from movements such as repayments or new issues in the case of Treasury Bills.

#### **Audit Concern**

The Treasury Bills opening balance of M867.54 million on 1<sup>st</sup> April 2023 decreased to M747.90 million on 31<sup>st</sup> March 2024, without an indication of newly issued bills or repayments during the year.

The unexplained movement might cause an understatement of the Treasury Bills balance and lead to an inaccurate forecast of future repayments. Furthermore, the balances do not reflect the Government's true liabilities regarding Treasury Bills.

#### **Recommendation**

The Accountant-General should review the transactions to confirm the accuracy of the balances accordingly.

### 5.2. OMITTED INFORMATION IN THE DEPARTMENT OF PUBLIC DEBT FINANCIAL STATEMENTS

Treasury Regulations, 2014, Section 95, read together with Section 35 of the PFMA Act, 2011, and Cash Basis International Public Sector Accounting Standards (IPSAS), specify the preparation of the Consolidated Financial Statements (CFS).

Furthermore, Section 36 (b) and (c) of the PFMA Act, 2011, requires the Minister to provide supplementary information to accompany the CFS:

“a statement identifying each current guarantee provided by the Government, the beneficiary of the guarantee, the purpose of the guarantee, and the amount involved and”

“any payments made during the year as a result of the guarantee”.

## 5.2.1. Inconsistent Reporting of Loan Guarantees

### Audit Concerns

- a) Scrutiny of records uncovered discrepancies in the reporting of Loan Guarantees in Schedule 7, Table 12 in the CFS, on outstanding guarantees as follows: -
  - There is no record of transactions for repaid and new guarantees from the opening balance of M48.78 million to the closing balance of M54.91 million.
  - M54.91 million was not reflected in the PDFS, whereas the debt working paper file showed a different amount of M64.52 million.
- b) On the other hand, the Ministry of Finance and Development Planning's financial statements reported an outstanding loan guarantee amount of M64.91 million.
- c) Furthermore, the banks did not supply any evidence to verify the balance of guaranteed loans.

Refer to Table 10 below for the figures on the loan guarantees.

*Table 10: Figures for Loan Guarantees*

<b>Bank Loan Guarantees</b>	<b>CFS</b>	<b>Ministry of Finance and Development Planning FS</b>	<b>Public Debt working paper file</b>
	<b>M'000</b>	<b>M'000</b>	<b>M'000</b>
Lesotho Housing	22,014	22,014	22,014
Tractor Finance Partial Guarantees	17,957	37,691	37,302
Partial Credit Guarantee Scheme (PCGF)	6,097	-	-
Loans to Statutory Members	136	136	136
WASCO	5,072	5,072	5,072
Maseru Textile	3,634	-	-
<b>Total</b>	<b>54,910</b>	<b>64,913</b>	<b>64,524</b>

**Sources: CFS FY 2023/24, PDFS, MFS, and Public Debt working paper file**

These figures reveal inconsistent reporting, and the Government is uncertain about the extent to which it has guaranteed loans which guarantees may be called upon to the detriment of the Government.

## **Recommendation**

The Accountant-General and the Public Debt Department should review and address the inconsistencies in the loan guarantees.

### **5.2.2. Discrepancies in Public Debt Financial Statements**

Section 1.3.8 of Cash Basis IPSAS states that notes to the financial statements should contain narrative descriptions or more detailed analyses of amounts shown on the face of the financial statements, as well as additional information.

The notes to the PDFS are expected to correspond with the figures on the face of the financial statements.

#### **Audit Concern**

The Statement of Cash Receipts and Payments in the CFS and the PDFS shows other domestic interest payments of M461.79 million, and the corresponding Note 9 of the CFS also indicates the same amount. However, Note 9 of the PDFS reports a different amount of M550.73 million. This results in a variance of M88.94 million.

This inconsistency could result in a misstatement of liabilities if there has been an underpayment of interest, or of assets if there has been an overpayment.

#### **Recommendation**

The Accountant-General and the Public Debt Department should examine this discrepancy and amend the CFS as needed.

## **5.3. CONTINGENT LIABILITIES**

In terms of the Cash Basis IPSAS currently used by the Government, it is encouraged that contingent liabilities and pending litigation claims be disclosed in the notes to the Financial Statements.

### **5.3.1. Pending Litigations**

Pending litigation claims refer to legal cases that have been initiated but are not yet resolved. They include lawsuits that have been filed but not yet served, as well as those that have gone to trial but are awaiting a decision or judgment. They also represent potential obligations that the Government may need to settle when they become due.

Treasury Regulations, 2014, Section 95, read along with Section 35 of the Public Financial Management and Accountability Act, 2011 (PFMA Act, 2011)

and Cash Basis International Public Sector Accounting Standards (IPSAS), provide for the preparation of the Consolidated Financial Statements (CFS). The CFS are prepared based on the Ministries' Financial Statements (MFS). As such, the CFS and MFS should reflect the same figures.

Section 10 (c) and (f) of the same Regulations further requires the CAOs to ensure adequate control over the public money collected or spent by the spending unit, by ensuring that – “All transactions introduced into the accounting records actually exist; and transactions are correctly valued”.

### Audit Concerns

Contrary to the above sections: -

#### a) Differences in Reported Litigations

A net difference of M155.06 million was noted between the current year pending litigations balance reported in the CFS, amounting to M166.95 million, and the MFS total of M11.89 million, as detailed in Table 11.

*Table 11: Comparison of CFS and MFS (Current year figures)*

Spending Unit	Exposure per CFS (M'000)	Exposure per MFS (M'000)	Difference (M'000)
	A	B	C= A-B
Ministry of Health	12,875	11,250	1,625
Ministry of Natural Resources	154,074	636	153,438
<b>Total</b>	<b>166,949</b>	<b>11,886</b>	<b>155,063</b>

Source: CFS FY 2023/24 and MFS FY 2023/24

#### b) Differences in Prior Year figures recorded in the CFS and MFS

There is a variance of M31.04 million attributable to the two spending units' prior year figures in the CFS and MFS for 2023/24, as shown in Table 12.

*Table 12: Comparison of Prior Year CFS and MFS figures*

Spending Unit	Exposure per CFS (M'000)	Exposure per MFS (M'000)	Difference (M'000)
	A	B	C= A-B
Ministry of Local Government, Chieftainship, Home Affairs and Police	8,569	7,599	971
Ministry of Information, Communications, Science, Technology and Innovation	40,656	10,584	30,072
<b>Total</b>	<b>49,225</b>	<b>18,183</b>	<b>31,043</b>

Source: CFS FY 2023/24 and MFS FY 2023/24

Undisclosed cases may lead to the inability to assess the full extent of potential litigation/exposure, which can negatively affect the provision of necessary services.

### **Recommendation**

The Accountant-General and CAOs should investigate the discrepancies and ensure that information from the MFS is transferred correctly to the CFS during consolidation.

### **5.3.2. Undisclosed Pending Litigations**

Cash Basis IPSAS 1.3.8 states that the notes to the financial statements should include narrative descriptions, detailed schedules, or analyses of the amounts presented on the face of the financial statements, along with any additional information. They encompass information required and encouraged by this Standard to achieve fair presentation and improve accountability.

Cash Basis IPSAS 2.1.24 (a) further urges entities to disclose, in the notes to the financial statements, information regarding their assets, liabilities, revenues, and expenses.

### **Audit Concern**

It was noted that 17 pending litigation cases under the Ministry of Finance and Development Planning, relating to the Lesotho Millennium Development Agency (LMDA), were not disclosed in either the MFS or the CFS. The related claim amounts had not been determined.

### **Recommendations**

CAOs must: -

- a) Establish and maintain a comprehensive litigation register across the agencies, including pending, ongoing, and concluded cases.
- b) Ensure that all pending litigation cases are adequately disclosed in the Notes to the Financial Statements in accordance with IPSAS Cash Basis requirements, even where claim amounts are not yet determined.
- c) Strengthen coordination between legal and finance units to ensure timely identification, disclosure, and recognition of litigation claims.

### **5.4. PAYMENT ARREARS**

Arrears are outstanding payments that have passed their due dates and have not been made by the agreed-upon deadline.

#### **5.4.1. Failure to Pay on Due Dates**

Treasury Regulations, 2014 Section 26 (1) – (2) stipulates that “An Authorising Officer shall ensure that all payment vouchers are paid by the due date. The standard due date shall be 30 calendar days from receipt of the invoice, but alternate due dates may be stipulated in the Government contracts.”

Further, Section 139 (1) of the Public Procurement Act, 2023 (the Act), states that “a payment under a procurement contract shall be made within 30 days or a time limit set out in a contract and a contract may provide for payment of compensation for failure to make a payment within a time limit.”

##### **Audit Concern**

Contrary to Section 26 (1) – (2) of the Regulations and Section 139 (1) of the Act, the Government failed to meet its payment obligations of M2.81 billion to individuals, suppliers, lenders, and contractors within the specified due dates as detailed in Schedule 6, Table 11 (a) of the CFS.

The Government's failure to pay overdue debts promptly results in serious financial and economic impacts, as it negatively influences suppliers' cash flows, reducing their capacity to meet their own financial commitments. This, in turn, affects their available funds and can lead to the closure of their businesses.

These closures will result in increased unemployment, weakening overall economic activity.

##### **Recommendation**

The CAOs from respective spending units should ensure prompt payment of creditors within 30 days of receiving an invoice or the time limit specified in contracts.

#### **5.4.2. Difference between the MFS and CFS (Prior Year Amounts)**

Treasury Regulations, 2014, Section 95, read with Section 35 of the Public Financial Management and Accountability Act, 2011 (PFMA), and the Cash Basis International Public Sector Accounting Standards (IPSAS) provide for the preparation of the Consolidated Financial Statements (CFS).

The CFS are prepared in accordance with the MFS. As such, the CFS and MFS should reflect the same figures.

##### **Audit Concern**

The figures in both the CFS and the Ministry of Information, Communications, Science, Technology, and Innovation financial statements for the prior year reflected different amounts of M3.81 million and M10.98 million, respectively,

resulting in a variance of M7.17 million. The 2022/23 audited financial statements disclosed M3.81 million.

This variance could lead the Ministry to settle for non-existent arrears, thereby reducing funds for other essential services.

### **Recommendation**

The CAO should investigate the variance and ensure that the previous year's audited balance is used.

## **5.5. MONIES HELD IN TRUST**

Section 24 (1) and (2) of the PFMA Act, 2011, states that money held in trust is "Money held by Government in trust or on behalf of a person other than Government is a liability to the Government."

### **5.5.1. Irregular Closure of Official Accounts**

Section 83 (1) of Treasury Regulations, 2014, requires that "a Chief Accounting Officer who no longer needs an official bank account shall seek the approval of the Accountant-General to close the account." Moreover, subsection (6) states that "Any balance remaining in an official bank account at the time it is closed shall be transferred to another official bank account nominated by the Accountant-General."

### **Audit Concern**

Contrary to the above requirement, two bank accounts held with Lesotho Post Bank and Standard Lesotho Bank, namely, the Police Orphans Education Trust account (1027994800010), which was closed on 21<sup>st</sup> June 2023 with a balance of M6,182, and the Police Training College account (90800020054597), which was closed on 23<sup>rd</sup> November 2023 with a balance of M4,120, revealed the following:-

- a) Lack of evidence to show the authority for the closure of the Police Training College account.
- b) The balance of the Police Orphans Education Trust account could not be traced to the nominated account by the Accountant-General.

This could lead to liability if claims are made for funds that were neither recorded nor received.

### **Recommendation**

The Accountant-General should provide evidence of the instruction to close the account and where those funds were transferred to.

## **CHAPTER 6: LOSSES AND ACCIDENTS**

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Section 36 (a) of the Public Finance Management and Accountability Act, 2011 (PFMA Act, 2011) requires the Minister to provide a summary of any losses of public funds or damage to Government property, including details of amounts recovered or written off, as part of the Consolidated Financial Statements (CFS).

### **Losses of Stores, Cash, and Accidents**

The Stores Regulations, 1967, read with the Treasury Regulations, 2014, PARTS XIV and XV, outline the responsibilities of officers and the actions required of Chief Accounting Officers (CAOs) regarding losses of stores, public monies, or Government property, including damage or loss. These Regulations stipulate that any losses or damage to stores, shortages, fraud, theft, or other irregularities involving cash holdings must be reported immediately to the Principal Secretary for Finance, with copies sent to the Accountant General and the Auditor-General.

The Regulations also specify that no officer may exercise discretion to withhold any report where theft, fraud, negligent control, or misuse or damage to government stores is known or suspected to have occurred.

Furthermore, Section 42 of the same Regulations states that any failure to recover or settle outstanding advances within the specified period will result in the amount being considered a loss of public funds. This loss must then be managed in accordance with Part XIV of the regulations, which addresses losses of public money.

### **6.1. MOTOR VEHICLE ACCIDENTS**

#### **Audit Concerns**

##### **6.1.1. Unsubmitted Vehicle Accident reports – M1.84 million**

The six (6) spending units shown in Table 13 and the CFS, reported vehicle accidents amounting to M1.84 million. However, the required copies of the accident reports were not submitted to my Office in accordance with the Regulations.

I could not confirm the accuracy and completeness of the accidents reported in the CFS, thus preventing independent verification and audit follow-up on the progress of the losses.

Table 13: Statement of Vehicle Accidents per CFS, MFS & Auditor-General's Office

Spending Units	CFS/MFS	Reports To The Auditor-General
	Amount M'000	Amount M'000
Ministry of Gender, Youth, Arts, Culture and Social Development	6	-
Ministry of Agriculture, Food Security and Nutrition	711	-
Ministry of Information, Communications, Science, Technology and Innovation	29	-
Judiciary	63	-
National Assembly	132	-
Ministry of Local Government, Chieftainship, Home Affairs and Police	898	-
<b>TOTAL</b>	<b>1,839</b>	<b>-</b>

Source: CFS FY 2023/24, MFS & copies of vehicle accident reports

## Recommendation

The Chief Accounting Officers (CAOs) should ensure that copies of the vehicle accident reports, along with the relevant documents, are submitted to my Office.

### 6.1.2. Unreported Vehicle Accidents

#### 6.1.2.1. Ministry of Environment and Forestry

##### a) Prior Year (2022/23)

The summary of losses and accidents in the Ministry's financial statements (MFS) for 2022/23, along with the CFS, did not report four (4) vehicle accidents. These losses were included in the CAO's report on the 2023/24 financial statements but were not disclosed in either the MFS or the CFS Summary of Losses and Accidents.

This error in the Summary of Losses and Accidents misrepresents the Government's actual exposure to losses, thereby limiting stakeholders' ability to rely on the financial information for effective oversight, decision-making, and accountability.

##### b) Current Year (2023/24)

Contrary to the Regulations stated above, the MFS failed to report two vehicle accidents, one involving a rented Mosotho-owned vehicle and the other a Government vehicle.

The vehicle owner lodged a claim against the Ministry, which was not paid because the Ministry of Finance and Development Planning had not granted authority.

The Government vehicle was declared a write-off by the insurance company; however, evidence of payment had not been provided at the time of the audit.

These accidents could expose the Government to unnecessary legal action and to the loss of compensation from the insurance company.

### **Recommendations**

- a) The CAO should ensure that accidents are reported in the MFS accordingly.
- b) The Accountant-General and the CAO should report and update the Statements of Losses and Accidents in both the MFS and CFS.
- c) The Accountant-General should follow up to ensure that the insurance company's compensation is received and properly recorded.

#### **6.1.2.2. The Ministry of Health**

The accident loss reports for three (3) vehicles (X4257, X45BBG & Y4733) were not submitted to my Office. Two (2) of the vehicles were severely damaged, and there was no indication of repair costs or the actions taken to repair the vehicles on the loss reports.

The officers have obstructed the services that could have been delivered using those vehicles.

#### **Recommendation**

The CAO should ensure that the estimated loss is recorded on the loss reports and properly disclosed in the MFS.

#### **6.1.2.3. Ministry of Natural Resources**

The CFS and MFS of 2023/24 omitted four (4) accidents, of which three (3) relate to the previous year and one (1) to the current year, with no evidence of movement.

Furthermore, one accident was recommended for a surcharge for the affected officer, but no action was taken.

These unreported accidents hinder the Government's ability to hold officers accountable and result in inaccurate reporting of its financial position.

**Recommendation**

The CAO should investigate, amend the financial statements accordingly, and ensure that the surcharge recommendation is implemented.

**PART 3:**  
**ADMINISTRATION OF PUBLIC**  
**FUNDS**

## **CHAPTER 7: ADMINISTRATION OF PUBLIC FINANCE**

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Expenditure is categorised into Supply Services and Consolidated Fund Standing Services. Supply Services is further divided into Recurrent Expenditure and Development Expenditure, both of which are appropriated. Consolidated Fund Standing Services consists of recurrent expenditure charged directly to the Consolidated Fund.

### **7.1. CONSOLIDATED FUND STANDING SERVICES**

Section 14 (4) of the Public Finance Management and Accountability Act, 2011 (PFMA Act, 2011), states that "An annual Appropriation Act shall not include authorisations in respect of statutory expenditure."

Section 112 (1) of the Constitution states that "the Minister for the time being responsible for finance shall cause to be prepared and laid before both Houses of Parliament in each financial year estimates of the revenues and expenditure of Lesotho for the next following financial year."

The budget estimates are compiled in the Budget Estimates Book with appropriate classification to assist the Minister in preparing the annual estimates.

#### **Audit Concern**

The Book of Estimates for 2023/2024 listed Centralised Items (Head 330) and the Contingencies Fund (Head 331) with a total of M732 million, as part of the Standing Services section. This should instead form part of the Appropriated Funds section.

Since the Book of Estimates serves as the basis for appropriation, including these Heads in the Standing Services section has resulted in an overstatement of the appropriation.

#### **Recommendation**

The Budget Controller should review and modify the Book of Estimates to eliminate duplication.

### **7.2. SUPPLY SERVICES/APPROPRIATED EXPENDITURE**

The total amount allocated for recurrent expenditure in a financial year, whether in the annual or any supplementary budget, must not exceed the sums that can be financed from the recurrent revenue shown in the original or revised estimates for that year.

### 7.2.1. Differences between Appropriation Act and Book of Estimates

The Appropriation (2023/2024) Act, 2024 (the Appropriation Act), authorises the expenditure of funds allocated in the Book of Estimates (2023/2024) and appropriates them according to Heads of Expenditure. The total amount specified in the Book of Estimates should therefore match the amount stated in the Appropriation Act for each Head of Expenditure.

#### Audit Concern

A comparison between the figures in the Appropriation Act (excluding the M300 million allocated for the Administration Account) and the Book of Estimates revealed discrepancies of M2.61 billion for receipts, as detailed in Table 14.

Table 14: Comparison of Amounts in the Appropriation Act and Book of Estimates

Description	Appropriation Act (M'000)	Book of Estimates (M'000)	Variance (M'000)
	A	B	C=A-B
Government Revenues	24,127,068	24,127,068	-
Capital Receipts			
• Donor Grants	1,023,669	1,025,669	2
• Donor Loans	2,607,217	-	2,607,217
<b>Total Receipts</b>	<b>27,757,954</b>	<b>25,152,737</b>	<b>2,607,217</b>
Recurrent Expenditure	15,172,436	15,172,436	-
Capital Expenditure			-
a) GoL	2,690,546	2,690,546	-
b) Donor Grants	1,025,669	1,025,669	-
c) Donor Loans	2,607,217	2,607,217	-
<b>Total Capital</b>	<b>6,323,432</b>	<b>6,323,432</b>	<b>-</b>
<b>Total Expenditure</b>	<b>21,495,868</b>	<b>21,495,868</b>	<b>-</b>

Sources: Appropriation Act 2023/24 and Book of Estimates 2023/24

Failing to update the Book of Estimates after the passage of the Appropriation Act could mislead budget implementation, potentially resulting in the use of unappropriated funds.

#### Recommendation

Once the Appropriation Bill is enacted, the Budget Controller should update the Book of Estimates.

### 7.3. OVERALL FISCAL BALANCE FOR 2023/24

The overall fiscal balance refers to the difference between the Government's receipts and expenditure.

The original budget for the financial year 2023/2024 projected a surplus of M1.08 billion, and the revised budget projected a deficit of M765 million, while the actual outcome was a surplus of M904 million. Table 15 below shows details of the overall fiscal balance for the year ending 31<sup>st</sup> March 2024.

*Table 15: Overall Fiscal Balance for 2023/24*

Item	Original Approved Budget M'000	Revised budget M'000	Actual per CFS M'000
	A	B	C
<b>Revenue</b>			
Recurrent	24,127,068	23,333,112	21,831,145
Donor Funds (grants and loans)	3,630,886	3,852,817	3,254,911
<b>Total</b>	<b>27,757,954</b>	<b>27,185,929</b>	<b>25,06,056</b>
<b>Expenditure</b>			
Recurrent-Voted	15,172,436	15,859,306	14,141,032
Recurrent-Statutory	4,878,761	5,205,014	4,705,742
Development	6,323,432	6,438,972	4,931,221
Administration	300,000	447,669	404,000
<b>Total</b>	<b>26,674,629</b>	<b>27,950,961</b>	<b>24,181,995</b>
<b>Surplus/(deficit)</b>	<b>1,083,325</b>	<b>(765,032)</b>	<b>904,061</b>

Sources: Appropriation Act 2023/24, and CFS FY 2023/24

#### 7.3.1. Administration Account/Contingencies Fund

Section 113 of the Constitution (as amended) authorises Parliament to establish a Contingencies Fund (the Fund) and authorises the Minister of Finance to make advances from the Fund, when there is an urgent and unforeseen need for expenditure that cannot be met through other provisions.

If an advance is made from the Fund, a supplementary estimate must be presented, and a Supplementary Appropriation Bill must be introduced as soon as possible to replace the amount advanced.

Furthermore, Section 5 (c) of the PFMA Act, 2011 states that "A Chief Accounting Officer shall ensure that public money allocated by Parliament is used efficiently to achieve programme objectives approved by Parliament."

The Contingencies Fund was allocated M300 million under the Appropriation Act, 2023/2024. During the year, the Fund was increased by M147.70 million through reallocation, bringing the total funds to M447.70 million. Table 8 of

the CFS shows that M404.78 million was spent, leaving a year-end balance of M43 million.

### Audit Concerns

- a) An advance of M152.43 million was allocated to six spending units from the Fund for expenditure that was neither urgent nor unforeseen. Details are shown in Table 16. These allocations violated Section 114 of the Constitution.
- b) Total advances of M404.78million remained unregularised as the Supplementary Appropriation Bill for 2023/2024 was not approved by Parliament as at the time of the audit.
- c) Table 18 of the CFS has not reported revised and actual figures for the contingencies, despite the Supplementary Appropriation Bill showing that advances totalling M404.78 million were drawn from the Fund.
- d) As in my previous reports, I have raised concerns about the failure to verify whether the amounts spent were for the intended purposes, as the Accountant-General had not maintained a separate account for advances from the Fund.

*Table 16: Approved Non-emergency Contingencies Allocation*

Ministry	Amount M'000	Application Date	Date of Approval	Reasons for Contingency
Natural Resources	114,750	15/9/2023	27/9/2023	Additional funds required for the refurbishment and maintenance of the Muela Hydropower plant to be undertaken in this financial year, as well as costs associated with the costs of KLM project contracts
Foreign Affairs and International Relations	4,688	16/1/2024	2/2/2024	Additional funds are required for the funding of returning diplomats whose contracts ended, and those whose end-of-tour was approaching
Natural Resources	4,718	13/12/2023	22/12/2023	Additional funds required for the shortage of office rent
Law and Justice	3,282	9/11/2023	11/12/2023	Funds are required for training of recruits which has not happened since 2016 for correctional officers to duly fulfil their roles in accordance with national and international standards
Education and Training	5,000	19/1/2024	2/2/2024	Additional funds are required for Lerotholi Polytechnic's degree program for power systems engineering, telecommunication, computer systems engineering and irrigation and drainage at the

Ministry	Amount M'000	Application Date	Date of Approval	Reasons for Contingency
				satellite campus, Moshoeshoe II High School rehabilitation
Defence and National Security	18,842	8/6/2023	26/7/2023	Additional funds are required to supplement the payment of the aircraft annual insurance premium for the Lesotho Defence Force Airwing
Foreign Affairs and International Relations	1,147	8/9/2023	15/9/2023	Additional funds are required for the 78 <sup>th</sup> UNGA trip, which is an annual session where all issues to the international community are discussed and decided upon
<b>Total</b>	<b>152,427</b>			

Source: Contingencies Fund management report, CFS FY 2023/2024

Allocating the Contingencies Fund to non-emergency expenditures risks depleting the appropriated funds for genuine emergencies.

### Recommendations

- a) The Minister of Finance and Development Planning should: -
  - i) Approve additional funding requests in compliance with the Constitution's requirements.
  - ii) Follow up on the process of the enactment of the Supplementary Appropriation Bill 2023/24.
- b) Accountant-General should adjust the CFS to reflect the revised and actual expenditure under the Contingencies Fund.

### 7.3.2. Centralised Items Vote

Section 20 of the PFMA Act, 2011, states that "The Minister has responsibility for the management, supervision, control and direction of all matters relating to the financial affairs of Government which are not by law assigned to any other minister or authority."

The Appropriation Act (2023/2024), under recurrent expenditure, allocates M 432.99 million to the Centralised Items Vote (Head 330).

### **7.3.2.1. Legality and Administration of Centralised Items Vote**

#### **a) Administration and legality of the Centralised Items Vote**

##### **Audit Concerns**

- i) In my previous reports, I had raised a concern about the lack of legislation governing the administration of Head 330 Centralised Items, which remains unresolved.
- ii) No expenditure was reported under Head 330 in Table 18 of the CFS, despite reallocations totalling M 197.53 million being made from the Centralised Items Vote to the respective Heads.
- iii) Due to the absence of legislation regulating the administration of Head 330, legal responsibility for the funds under this Head could not be determined.

##### **Recommendation**

The Minister of Finance and Development Planning should eliminate the use of the Centralised Item Vote for existing expenditure items and instead encourage better budget allocation to increase transparency in public funds management.

##### **Auditor's Remarks**

I noted that the Head 330 was to be abolished from the 2025/26 budget.

#### **b) Appropriated funds used for items not budgeted for under Centralised Items**

According to the Appropriation Act, 2023/24, the Centralised Items budget was allocated for subsidies to Public Non-Financial Corporations and Grants in Aid paid to the Extra Budgetary Units as detailed in the Book of Estimates.

##### **Audit Concerns**

- i) The Appropriation Act, 2023/24, allocated a total of M432.99 million for the Centralised Items Vote, of which M197.53 million (46%) was reallocated to the spending units, instead of to Public Non-Financial Corporations and the Extra budgetary units, as presented in Table 17.
- ii) Moreover, there is no specific expenditure breakdown for Head 330 in the CFS.

The reallocation of funds has resulted in ineligible expenditure.

*Table 17: Payments for Items Not Budgeted Under Centralised Items*

<b>Spending Unit</b>	<b>Amount M '000</b>	<b>Reason for Payment</b>
Ministry of Finance and Development Planning	50,361	Youth Apprenticeship Program
Ministry of Defence and National Security	127,866	SAMMIM activities and compensation of LDF personnel who served in the SADC mission
Judiciary	1,050	Shortage of judge's salaries
National Assembly	83	Procurement of IPADS
Ministry of Health	400	Doctors' call allowances and salary adjustments
Ministry of Trade, Industry, Business Development and Tourism	274	International travel-SADC Summit in Luanda, Angola
Ministry of Foreign Affairs and International Relations	6,499	Settlement of overdue Municipality rates of Indent House Government building
Senate	667	Reasons not provided
Ministry of Public Service, Labour and Employment	2,222	Vehicle purchase for Honourable Minister
Ministry of Public Works and Transport	5,108	Shortage of salaries in the Roads Directorate
<b>Voted Heads total</b>	<b>194,530</b>	
Statutory Salaries and Allowances	3,004	Vehicle purchases for Their Majesties
<b>Total payments</b>	<b>197,534</b>	

Source: Budget Office Schedule and CFS FY 2023/24 & Supplementary Appropriation Bill 2023/24

## **Recommendation**

The Minister of Finance should eliminate the use of this Centralised Item vote without an appropriate legal framework.

## CHAPTER 8: ACCOUNTABILITY FOR RECURRENT REVENUE BY CHIEF ACCOUNTING OFFICERS

Treasury Regulations, 2014, Section 13 on cash flow planning, and Section 51 (1) on the responsibility of the Chief Accounting Officers (CAOs) for the collection and safe custody of public money, set out budgeting and revenue-collection measures within spending units.

To achieve proper cash flow management, CAOs must continuously evaluate and improve revenue collection processes, including developing effective collection strategies, timing receipt collection, or establishing adequate machinery and fee scales.

### 8.1. BUDGET EXECUTION ON RECURRENT REVENUE

CAOs are responsible for all aspects of revenue collection and for rendering proper accounts of the sums received under the specific heads of revenue assigned to them. The other objectives of revenue collection are to prevent theft or fraud by revenue collectors, and to minimise losses should they occur.

The original recurrent revenue budget of M24.13 billion was revised downwards to M23.33 billion for the twenty-two (22) collecting units. The actual revenue collected, however, was M21.83 billion, resulting in an overall under-collection of M1.50 billion against the budget.

The total revenue collection includes Southern African Customs Union (SACU) revenue of M10.15 billion and tax revenues of M8.52 billion, representing 40% and 34%, respectively.

#### Audit Concern

Three (3) collecting units under-collected by a range of 24% to 76 %, and nine (9) exceeded the budget by 11% to 194% against the normal variance of +/- 10% as shown in Table 18 and Table 19. The overall collection from all collecting units is shown in Appendix 2.

*Table 18: Under Collection of Revenue*

Collecting Unit	Revised Budget	Actual Collection per IFMIS	Variance	Under Collection
	M'000	M'000	M'000	%
	A	B	C=A-B	D=C/A*100
Ministry of Health	29,588	7,197	22,391	76
Ministry of Information, Communications, Science, Technology and Innovation	19,061	5,292	13,769	72

Collecting Unit	Revised Budget	Actual Collection per IFMIS	Variance	Under Collection
Ministry of Public Service, Labour and Employment	19,370	14,496	4,874	25
<b>Total</b>	<b>68,019</b>	<b>26,987</b>	<b>41,034</b>	

*Source: CFS FY 2023/24 AND IFMIS*

*Table 19: Over Collection of Revenue*

Collecting Unit	Revised Budget	Actual Collection per IFMIS	Variance	Over Collection
	M'000	M'000	M'000	%
	A	B	C=A-B	D=C/A*100
Ministry of Agriculture, Food Security and Nutrition	34,357	50,450	-16,093	47
Ministry of Education and Training	4,691	8,658	-3,967	85
Ministry of Trade, Industry, Business Development, and Tourism	10,836	18,996	-8,160	75
Ministry of Foreign Affairs and International Relations	120	353	-233	194
Ministry of Environment and Forestry	178	433	-255	143
Judiciary	3,112	3,443	-331	11
<b>TOTAL</b>	<b>53,294</b>	<b>82,333</b>	<b>-29,039</b>	

*Source: CFS FY 2023/24 and IFMIS*

Under-collection of revenue against the budget may lead to funding gaps for critical social services and adversely affect the Government's fiscal position.

Over-collection may suggest that revenue projections were set too low, thus misleading in assessing the Government's ability to finance vital social services.

### **Recommendations**

- a) The CAOs and the Budget Controller should regularly review and update their budgets to reflect changes in revenue projections.
- b) CAOs should enhance their revenue management and collection mechanisms.

## **8.2. DIFFERENCES BETWEEN THE AMOUNTS IN THE CFS, MFS, AND THE IFMIS LEDGER**

Treasury Regulations, 2014, Section 95, read along with Section 35 of the Public Financial Management and Accountability Act, 2011 (PFMA Act, 2011), provide for the preparation of the Consolidated Financial Statements (CFS).

The CFS are prepared based on the Ministry's Financial Statements, which are prepared based on the Integrated Financial Management Information System (IFMIS) Ledgers. Consequently, the CFS, MFS, and IFMIS Ledger should reflect the same figures.

### **Audit Concerns**

- a) The CFS and MFS reported actual revenue amounting to M21.83 billion, while IFMIS Ledger totalled M21.41 billion, leaving an unexplained variance of M422 million as depicted in Appendix 3.

The disparity between the CFS and IFMIS Ledger (underlying records) may render the financial statements misleading to the stakeholders.

- b) The actual amounts from the CFS and the MFS for 19 ministries out of 21 ministries are the same, except for the Ministries of Agriculture, Food Security and Nutrition, and Information, Communications, Science, Technology and Innovation.

### **Recommendation**

CAOs should investigate the discrepancies and ensure that revenue collection is reconciled between IFMIS and ministries' records regularly, such that the consolidation is accurate.

## **8.3. LOSS OF REVENUE**

### **Ministry of Local Government, Chieftainship, Home Affairs, and Police**

The Aliens Control Regulations 1966, as amended, require that the permit application fee for residence permits be M1,500.

According to the Cabinet Approval of 29<sup>th</sup> August 2018, the gazetted Government fees of M1,500 charged for permits remained the same, while the service provider was to charge the service fee of M2,800 per application processed. The Government revenue will be collected by the Government, while the service provider will collect only the service fee.

## Audit Concerns

- a) Residence permit applicants were overcharged M2,800, contrary to the gazetted amount of M1,500.
- b) The Government incurred a loss of revenue estimated at M11.78 million related to 7,851 applications submitted during the seven years. This resulted from the non-collection of the gazetted amount of M1,500 application fee by the Ministry. Details are illustrated in Table 20.
- c) The contract between the service provider and the Ministry expired in 2023; however, the review noted that Atlantic Hi Tech continued providing the service until the time of the report. Despite this, my Office was not provided with a new contract or any evidence of renewal.

*Table 20: Details of Revenue Lost by the Government*

Year	Number of Applications	Gazetted Fee (M)	Total Revenue (M'000)
	A	B	C=(A*B)
2018-2020	3334	1,500	5,001
2021-2022	3003	1,500	4,505
2023-2024	1514	1,500	2,271
<b>Total</b>	<b>7,851</b>		<b>11,777</b>

**Sources: The Aliens Control Regulations 1966, as amended, and the residence applications register**

The Government has introduced ungazetted charges, and the applicants were made to overpay for services.

Outsourcing aims to enhance service delivery; however, there is no evidence that the Government's revenue loss was to be offset by service fees from the supplier.

## Recommendation

The CAO should find a solution that does not adversely affect both applicants and the Government, while ensuring service delivery by private suppliers.

## **CHAPTER 9: ACCOUNTABILITY FOR RECURRENT EXPENDITURE BY CHIEF ACCOUNTING OFFICERS**

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It is a requirement of Section 5 of the Public Finance Management Act (PMFA Act, 2011) that Chief Accounting Officers (CAO) should ensure that public funds allocated by Parliament are used efficiently to achieve approved programme objectives.

At the close of each financial year, CAOs must compile a Statement of Comparison of Budget and Actual Amounts for every voted service managed. The statement should display the financial year's actual results against the amounts allocated by Parliament, based on cash payments and receipts. A comparison with the previous year's outturn is also necessary. This legal requirement promotes transparency and accountability in public expenditure.

### **9.1. RECURRENT EXPENDITURE**

#### **9.1.1. Unapproved Supplementary Appropriation Bill**

The PFMA Act, 2011 Section 16 (1) and (1) (b) state that "The Minister shall prepare a Bill for a Supplementary Appropriation Act for presentation to Parliament in accordance with Section 112 (3) of the Constitution," and "where a need has arisen for new expenditure not provided for by an annual Appropriation Act."

#### **Audit Concern**

Contrary to Section 16 (1) of the PFMA Act, 2011, the Supplementary Appropriation (2023/2024) Bill, 2024, which was intended to regularise expenditure by spending units, had not been enacted by Parliament at the time of the report.

Unapproved use of funds prevents Parliament from effectively discharging its duty to allocate public funds.

#### **Recommendation**

The Minister of Finance and Development Planning should regularise the expenditure as soon as possible, as required by the Constitution.

### 9.1.2. Irregularities in the budget and Appropriated Funds

Section 5 (c) of the PFMA Act, 2011 states that "A Chief Accounting Officer shall ensure that public money allocated by Parliament is used efficiently to achieve programme objectives approved by Parliament."

Contrary to the stipulation of the PFMA Act, 2011 Section 5 (c), the following were noted: -

#### Audit Concerns

##### a) Differences in Revised Budgets

There were differences between the recomputed revised budget (Appropriation Act, 2023/24 and Supplementary Appropriation Bill (2023/2024)) and the revised budget per CFS and MFS for 6 spending units, as shown in Table 21.

*Table 21: Differences in Revised Budgets*

Spending Unit	Original Approved Budget M'000	Supplementary amounts M'000	Revised budget (audit figure) M'000	Revised Budget CFS/MFS M'000	Variance M'000
	A	B	C = A+B	D	E = C-D
Ministry of Agriculture, Food, Security and Nutrition	557,394	7,908	565,302	566,802	- 1,500
Ministry of Law and Justice	329,171	19,070	348,241	352,863	- 4,622
Ministry of Environment and Forestry	157,905	-	157,905	153,069	4,836
Ministry of Natural Resources	186,085	212,404	398,489	399,137	- 648
Ministry of Public Service, Labour and Employment	127,906	18,746	146,652	163,305	-16,653
Ministry of Defence and National Security	652,328	162,833	815,161	778,245	36,916
<b>Total</b>	<b>2,010,789</b>	<b>420,961</b>	<b>2,431,750</b>	<b>2,431,421</b>	<b>18,329</b>

**Sources: Supplementary Appropriation Bill 2023/2024 and CFS FY 2023/2024**

This could result in spending units using unapproved funds.

#### Recommendation

The Chief Accounting Officers should investigate and make appropriate corrections.

b) **Under-utilisation of Appropriated Funds**

The Directorate on Corruption and Economic Offences, the Ministry of Finance and Development Planning, and the Independent Electoral Commission exhibited low absorption capacity, with utilisation rates ranging from 61% to 74% of their allocated budgets, as shown in Table 22.

*Table 22: Budget Execution on Recurrent Expenditure*

Spending Unit	Original Approved Budget	Supplementary amounts	Revised budget	Actual Exp. (CFS & MFS)	Variance	Spending Capacity
	M'000	M'000	M'000	M'000	M'000	%
	A	B	C = A+B	D	E = C-D	F = D/C
Directorate on Corruption and Economic Offences	74,088	-	74,088	44,990	29,098	61
Ministry of Finance and Development Planning	2,636,253	550,361	3,186,615	2,137,712	1,048,902	67
Independent Electoral Commission	371,062	-	371,062	274,590	96,472	74
<b>Total</b>	<b>3,081,403</b>	<b>550,361</b>	<b>3,631,764</b>	<b>2,457,293</b>	<b>1,174,471</b>	

Sources: Appropriation Act 2023/24, Supplementary Appropriation Bill 2023/24, MFS & CFS FY 2023/2024

Low absorption indicates weaknesses in budget control and financial management that could prevent planned programmes from being realised.

**Recommendation**

The CAOs should ensure that a mechanism is in place to increase absorptive capacity to improve budget utilisation of requested and appropriated funds.

**9.1.3. Differences in Actual Expenditure Between the Consolidated Financial Statements (CFS), Ministries' Financial Statements (MFS), and IFMIS Ledger**

Treasury Regulations, 2014, Section 95, read together with Section 35 of the PFMA Act, 2011, and the Cash Basis International Public Sector Accounting Standards (Cash Basis IPSAS), provide for the preparation of the CFS. The Financial Statements are prepared based on the Integrated Financial

Management Information System (IFMIS) ledger. As such, the CFS, MFS, and IFMIS ledger should reflect the same information.

### Audit Concerns

- a) Fifteen (15) spending units' expenditure amounts of both CFS and MFS agreed. However, nine (9) reported expenditure of M53.40 million more than IFMIS, while six (6) reported M188.45 million less than the CFS and MFS amounts. Details are shown in Table 23 and Table 24.

These discrepancies raise questions about the completeness and accuracy of the reported expenditures.

*Table 23: Difference Between Actual Expenditure per CFS/MFS, and IFMIS*

Spending Unit	CFS/MFS	IFMIS	Difference of CFS & MFS vs IFMIS
	M'000	M'000	M'000
	A	B	C=A-B
Ministry of Education and Training	2,733,967	2,727,343	6,624
Ministry of Finance and Development Planning	2,137,712	2,115,989	21,723
Ministry of Trade, Industry, Business Development and Tourism	115,288	114,255	1,033
Ministry of Gender, Youth, Sports, Arts, Culture and Social Development	1,341,759	1,338,548	3,211
Ministry of Law and Justice	344,244	339,469	4,775
Prime Minister's Office	106,124	105,655	469
Ministry of Environment and Forestry	138,484	138,138	346
Public Service, Labour and Employment	140,231	139,969	262
Ministry of Defence and National Security	790,852	775,892	14,960
<b>Total</b>	<b>7,848,661</b>	<b>7,795,258</b>	<b>53,403</b>

**Source: MFS, CFS FY 2023/2024, and IFMIS ledger**

*Table 24: Difference Between Actual Expenditure per CFS/MFS, and IFMIS*

Spending Unit	CFS/MFS	IFMIS	Difference of CFS & MFS vs IFMIS
	M'000	M'000	M'000
	A	B	C=A-B
Ministry of Agriculture, Food, Security and Nutrition	428,608	504,742	-76,134
Ministry of Health	2,107,120	2,119,381	-12,261
Ministry of Information, Communication, Science, Technology and Innovation	2,222,836	2,222,957	-121
Ministry of Public Works and Transport	205,675	224,665	-18,980

Independent Electoral Commission	274,590	355,239	-80,649
<b>Total</b>	<b>5,238,829</b>	<b>5,426,974</b>	<b>-188,145</b>

Source: MFS, CFS FY 2023/2024, and IFMIS ledger

- b) The Ministry of Local Government, Chieftainship, Home Affairs, and Police recorded different amounts of M1.68 billion, M1.72 billion, and M1.73 billion between IFMIS, MFS, and CFS, respectively.

The IFMIS ledger is used to prepare CFS and MFS; therefore, discrepancies between the two statements render the figures reported in the CFS unreliable.

Inconsistencies between CFS and underlying records pose a risk that the figures used may be inaccurate and could undermine the integrity of the CFS.

### **Recommendation**

The Accountant-General should examine the discrepancies and ensure they are corrected.

#### **9.1.4. Utilisation of Released Funds**

Section 27 (1) (a) of the PFMA Act, 2011 states that the Minister may issue a warrant for payments from the Consolidated Fund only where the amount has been appropriated in an annual Appropriation Act, or a Supplementary Appropriation Act, and the appropriation has not lapsed.

Furthermore, Section 17 (1) of the Treasury Regulations, 2014, states that "The Budget Controller shall issue a warrant to the Chief Accounting Officers in accordance with Section 27 of the Act."

### **Audit Concerns**

#### **a) Released Warrants exceeded the Revised Budget**

Contrary to the sections stipulated above, the funds (warrants) released to the two (2) spending units, namely, the Ministry of Local Government, Chieftainship, Home Affairs, and Police, and the Judiciary, exceeded the revised budget by a combined M47.88 million. Details are shown in Table 25.

Table 25: Comparison of Released Funds and Revised Budget

Spending Units	Original Approved Budget M'000	Supplementary Amounts M'000	Revised Budget M'000	Warrant of Release M'000	Variance M'000
	A	B	C = A+B	D	E = C-D
Judiciary	126,778	2,237	129,015	132,066	3,051
Ministry of Local Government, Chieftainship, Home Affairs and Police	1,730,942	78,026	1,808,968	1,853,795	44,827
<b>Total</b>	<b>1,857,720</b>	<b>80,263</b>	<b>1,937,983</b>	<b>1,985,861</b>	<b>47,878</b>

Source: Appropriation Act 2023/24, CFS FY 2023/24, Released warrants and Supplementary Appropriation Bills

This poses the risk of unauthorised expenditure and weakens budgetary control.

Releasing funds exceeding the revised budget could lead to irregular expenditure.

### Recommendation

The Minister and Budget Controller should investigate the anomaly and ensure that the warrants released do not surpass the revised budget.

#### b) Unreleased Appropriated Budget

In contravention of the provisions of Section 27 (1) and 17 (1), it was established that funds for three (3) spending units were not released in full, as shown in Table 26.

Table 26: Unreleased Appropriated Budget

Spending Unit	Original Approved Budget M'000	Supplementary Amounts M'000	Revised Budget M'000	Released Warrants M'000	Variance M'000	Spending Capacity %
	A	B	C = A+B	D	E = C-D	F = D/C
Ministry of Education and Training	2,730,082	17,036	2,747,118	1,838,578	908,540	67%
Ministry of Finance and Development Planning	2,636,253	550,362	3,186,615	2,602,450	584,165	82%
Ministry of Trade, Industry, Business Development and Tourism	126,657	1,094	127,751	113,675	14,076	89%
<b>Totals</b>	<b>5,492,992</b>	<b>568,492</b>	<b>6,061,484</b>	<b>4,554,703</b>	<b>1,506,780</b>	

Sources: Appropriation Act 2023/24, CFS FY 2023/2024, Supplementary Appropriation Bill 2023/2024, and Released Warrants 2023/2024

This therefore indicates a restriction on the implementation and achievement of the spending units' objectives, had the appropriated amount been released in full.

### Recommendation

The Minister of Finance and Development Planning should release Appropriated Funds as appropriated to enable spending units to implement planned programme objectives.

#### c) Low Absorption of Released Funds

I observed that the Ministries of Finance and Development Planning, as well as Public Works and Transport, received funds totalling M2.86 billion but spent only 81% and 53%, respectively, in contravention of Section 5 (c) of the PFMA Act, 2011. Details are shown in Table 27.

*Table 27: Comparison of Released Funds and Actual Expenditure*

Spending Unit	Original Approved Budget M'000	Actual Expenditure Per IFMIS M'000	Released Warrants M'000	Variance M'000	Spending Capacity %
	A	B	D	E = B-D	F= B/D
Ministry of Finance and Development Planning	2,636,253	2,115,989	2,603,450	487,461	81
Ministry of Public Works and Transport	199,850	129,191	242,226	113,035	53
<b>Total</b>	<b>2,836,103</b>	<b>2,245,180</b>	<b>2,845,676</b>	<b>600,496</b>	

**Source: Appropriation Act 2023/24, CFS FY 2023/2024, IFIMS ledger 2023/2024, and Released Warrants**

Planned spending unit objectives may not be achieved due to underspending and failure to render services as required.

### Recommendation

The CAOs should ensure that a mechanism is in place to enhance absorptive capacity and improve budget utilisation for delivering services.

#### d) Unspent Supplementary Budget

Section 14 of the PFMA Act, 2011, requires that "The Minister shall, for each financial year, present a bill to Parliament in accordance with Section 112 (2) of the Constitution," which means an authorisation by Parliament in the form of an Appropriation Act to spend the public money for specific purposes during the financial year.

## Audit Concern

Contrary to Section 5 (c) of the PFMA Act, 2011, two (2) of the seventeen (17) spending units, namely the Ministries of Agriculture, Food Security and Nutrition, and Finance and Development Planning, received supplementary budget allocations but did not utilise them, reporting unspent budgets of 24% and 33% respectively, as shown in Table 28.

*Table 28: Unspent Supplementary Budget*

Spending Units	Original Approved Budget	Supplementary/ Reallocation	Revised Budget	Actual Expenditure per CFS	Variance	Unspent Budget
	<b>A</b>	<b>B</b>	<b>C = A+B</b>	<b>D</b>	<b>E = C-D</b>	<b>F = E/C</b>
	<b>M'000</b>	<b>M'000</b>	<b>M'000</b>	<b>M'000</b>	<b>M'000</b>	<b>%</b>
Ministry of Agriculture, Food, Security and Nutrition	557,394	7,908	565,302	428,608	136,694	24
Ministry of Finance and Development Planning	2,636,253	550,361	3,186,614	2,137,712	1,048,902	33
<b>Total</b>	<b>3,193,647</b>	<b>558,269</b>	<b>3,751,916</b>	<b>2,566,320</b>	<b>1,185,596</b>	

**Sources: CFS FY 2023/2024 and Supplementary Appropriation Bill 2023/2024**

This suggests that there was no need for the supplementary budget, emphasising poor budget oversight. The extra unused funds could have been allocated to essential services.

## Recommendations

- a) There should be continuous consultation amongst the Accountant-General, the Budget Controller, and the spending units on the cash forecasting and budgeting.
- b) There should be close monitoring of the implementation of approved initiatives by Government agencies.

## 9.2. DEVELOPMENT EXPENDITURE

In order for the Government to access public monies, there has to be an Appropriation Act by Parliament authorising the use of funds.

Spending without a budget breaches the Appropriation Act. Spending less than the budget suggests that planned activities have not been carried out, which could delay service delivery and potentially increase costs.

### **9.2.1. Variances between Consolidated Financial Statements (CFS) and IFMIS Ledger Balances**

Treasury Regulations, 2014, Section 95, read along with Section 35 of the Public Financial Management Accountability Act, 2011 (PFMA Act, 2011), provide for the preparation of the Consolidated Financial Statements (CFS).

The Ministry's financial statements are prepared based on the Integrated Financial Management Information System (IFMIS) ledger. As such, the IFMIS ledger, Ministries' Financial Statements (MFS), and the CFS should reflect the same information.

#### **Audit Concerns**

Comparison of the CFS, MFS, and IFMIS ledger of project expenditure in 9 spending units, shown in Appendix 4, revealed the following: -

- a) For all spending units, the IFMIS ledger did not reconcile with either the CFS or the MFS, indicating that spending units are not posting to the IFMIS ledger.
- b) The revised budget amount of M67.93 million reported in the Ministry of Gender, Youth, Sports, Arts, Culture, and Social Development's financial statements under donor loans did not match the M70.76 million shown in the Consolidated Financial Statements, resulting in a variance of M2.83 million.

These discrepancies expose flaws in the consolidation process, which could result in the misstatement of financial performance and position.

#### **Recommendations**

The Accountant-General should: -

- a) Investigate the discrepancies and adjust accordingly.
- b) Strengthen the reconciliation process to ensure that the balances reported in the CFS are fully supported by MFS and IFMIS records.
- c) Enhance review controls at the consolidation stage to identify and resolve variances before submission of financial statements.

## **9.2.2. Ministry of Gender, Youth, Sports, Arts, Culture, and Social Development**

### **Differences in the Actual Expenditure between the Audited Financial Statements of the Pathways to Sustainable Livelihood Project (the project) and the MFS**

In accordance with public sector financial reporting practices, projects implemented under a specific Ministry must be consolidated under that Ministry's financial statements for annual reporting purposes. This ensures that all project-related financial activities are accurately reflected in the Ministry's overall financial position and performance.

The project started in November 2022, and the audited financial statements for the year ended 31<sup>st</sup> March 2024 covered a period of 17 months, including five months for the year ended 31<sup>st</sup> March 2023.

### **Audit Concerns**

The comparison of the total actual expenditure and receipts of the project's audited financial statements for the period ended 31<sup>st</sup> March 2024, with MFS and CFS, revealed the following: -

- a) The MFS and CFS for the year ended 31<sup>st</sup> March 2023 did not report any receipts or expenditure, but the project's financial statements reported revenue received and expenditure incurred.
- b) The project's financial statements expenditure amounted to M160.77 million while the MFS for the year ended 31<sup>st</sup> March 2024 reported M156.63 million, leaving an unexplained discrepancy of M4.14 million.
- c) The audited project revenue amounted to M191.35 million, while the MFS reported M67.93 million, resulting in a variance of M123.42 million.

The Ministry's financial records may be inaccurate, resulting in incorrect CFS figures and weakening the reliability of financial information.

### **Recommendation**

The Chief Accounting Officer (CAO) and the Accountant-General should examine, resolve discrepancies, and implement the necessary adjustments.

## **9.2.3. Budget Execution**

It is a requirement of Section 5 (c) of the PMFA Act, 2011, that CAOs should ensure that public funds allocated by Parliament are used efficiently to achieve approved programme objectives.

## Audit Concerns

### a) Under-utilisation of Appropriated Funds

In contravention of the provisions of Section 14 (1) of the PFMA Act, 2011, I found that projects for ten (10) ministries listed in Appendix 5 reported budget execution below 75%, indicating relatively low utilisation of funds.

Low utilisation of the appropriated funds indicates that funds were allocated for the projects, but were unspent, suggesting that objectives may not have been met.

## Recommendation

CAOs should closely monitor projects' performance and address any delays to fast-track the implementation of planned activities.

### b) Spending without a budget

A total amount of M 315.98 million was spent without a budget for three (3) spending units, as shown in Table 29.

Table 29: Expenditure Incurred Without Budget

Spending Units	Funding Type	Actual Expenditure (CFS) M'000
<b>Education and Training</b>		
Basic Education Quality and Equity Improvement	IDA (LOAN)	44,865
<b>Trade, Industry, Business Development and Tourism</b>		
Economic Diversification Support Project	GOL	452
Economic Diversification Support Project	Grant (ADF)	10,484
Economic Diversification Support Project	Loan (ADF)	8,696
<b>Public Works and Transport</b>		
Pavement Strengthening - Paved Road	GRANT	251,483
<b>TOTAL</b>		<b>315,980</b>

Sources: CFS FY 2023/24 and MFS

Spending without proper authority or budget may lead to funding activities that are not Government priorities and clearly breach the law.

**Recommendation**

The Budget Controller and CAOs should work together to ensure that budgets for loans and grants are accurately recorded, in accordance with public financial management rules.

**PART 4:**  
**REPORT ON THE ASSET MANAGEMENT  
PROCESS REVIEW OF MINISTRIES  
AND DEPARTMENTS**

## CHAPTER 10: ASSET MANAGEMENT

Sections 5 (h) and (i) of the Public Financial Management and Accountability Act, 2011 (PFMA Act, 2011), mandate a Chief Accounting Officer (CAO) to ensure that Government property is recorded and managed efficiently to achieve the program objectives approved by Parliament, and are required to register assets and prepare asset management plans.

Furthermore, the Asset Management Policy (AMP) and Procedural Guidelines encompass a framework for the management, operations, and maintenance of both movable and immovable assets across ministries and departments. These ensure effective monitoring, tracking, and utilisation of assets, enhancing accountability and efficiency.

### Audit Concerns

#### a) Improper Maintenance of Fixed Asset Registers (FAR)

- i) Contrary to Section 5 (h) and (i), four (4) spending units listed in Table 30 and Appendix 6 purchased assets amounting to M96.03 million in the financial year 2023/2024, of which only M2.07 million were recorded in the asset registers.

The failure of spending units to record and update their asset registers hampers their ability to effectively track, monitor, and safeguard their assets.

- ii) The asset registers of the Ministry of Public Service, Labour and Employment and the Public Service Commission did not record the acquisition dates of their assets.

Omitting acquisition dates on the FAR might affect decisions on asset maintenance, revaluation, and replacement.

*Table 30: Unrecorded Assets in the FAR*

Spending Units	MFS	Fixed Asset Register	Value of Unrecorded Assets
	M'000	M'000	M'000
	A	B	C=A-B
National Assembly	3,306	2,072	1,234
Ministry of Local Government, Chieftainship, Home Affairs and Police	88,127	0	88,127
Ministry of Defence and National Security	577	0	577

Ministry of Information, Communications, Science, Technology and Innovation	4,017	0	4,017
<b>Total</b>	<b>96,027</b>	<b>2,072</b>	<b>93,955</b>

*Source: Ministry Financial Statements (MFS) and Fixed Asset Registers*

## Recommendations

The Chief Accounting Officers (CAO) should: -

- i) Ensure that all asset acquisitions are promptly and accurately recorded in the fixed asset registers at the time of purchase, including proper descriptions, locations, purchase dates, and identities, to facilitate traceability from the registers to the physical assets.
- ii) Conduct regular asset verifications comparing payment and procurement records with the fixed asset registers to identify any discrepancies.

### b) **Absence of Fixed Asset Register**

The review of six (6) spending units' financial statements revealed that assets totalling M790.47 million were purchased during the financial year 2023/24; however, no asset registers were provided for audit, as shown in Table 31.

*Table 31: Spending Units Without FAR*

<b>Spending Units</b>	<b>Spending Units Financial Statements</b>
	<b>M'000</b>
Disaster Management Authority Fund	363
Ministry of Finance and Development Planning	42,861
Ministry of Public Works and Transport	604,973
Ministry of Foreign Affairs and International Relations	322
Ministry of Education and Training	58,664
Ministry of Agriculture, Food Security and Nutrition	83,284
<b>TOTAL</b>	<b>790,467</b>

*Source: Spending units Financial Statements, Working paper file*

The absence of asset registers can lead to asset loss, misappropriation, or errors in the financial statements.

## Recommendation

CAOs should maintain asset registers and make them available during the audit.

# **PART 5: MINISTERIAL AUDIT**

## **CHAPTER 11: MINISTERIAL AUDIT**

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### **Audit of the Lesotho Mission in South Africa**

Lesotho maintains its High Commission in Pretoria and has two Consulates in Johannesburg and Durban, South Africa. The Consulates act as satellite offices of the Lesotho High Commission and are headed by Consuls General.

The main purpose of missions abroad is to represent and promote the interests of the Government and people of Lesotho through diplomacy, providing consular services, encouraging bilateral cooperation, and responsibly managing public resources in accordance with the law and international commitments.

My Office conducted an audit of the High Commission and the two Consuls for the financial years 2021/2022 to 2024/2025. The audit focused on governance arrangements, revenue and expenditure management, asset administration and contracts, and human resources practices.

The findings below highlight important issues identified during the audit that require the attention of management and oversight authorities, as they expose the Government to financial loss, regulatory non-compliance, and reputational damage. This emphasises the need for stronger oversight and accountability across the foreign missions.

The full audit report of the Mission has been prepared and discussed with the management.

#### **11.1. LESOTHO-DURBAN CONSULATE**

##### **11.1.1. Vehicles Management**

Sections 5 (h) and (i) of the Public Financial Management and Accountability Act, 2011 (PFMA Act, 2011), mandate a Chief Accounting Officer (CAO) to ensure that Government property is recorded and managed efficiently to achieve the program objectives approved by Parliament, and are required to register assets and prepare asset management plans.

Section 91 (2) of the Treasury Regulations, 2014, states that, "On receipt of a report provided under regulation 90, the Principal Secretary shall investigate the loss or damage and decide whether to: -

- a) instruct the Accountant-General to recover the value of the loss or damage from any officer identified as being responsible, including action

to recover the shortfall from the salary of that officer under regulation 87;

- b) write off the value of the loss or damage; and
- c) request the Minister to impose a surcharge under Section 60 of the Act.”

The section further states that the Principal Secretary shall furnish a copy of the report detailing the loss or damage, along with a decision regarding the loss or damage, to the Auditor-General.

### **Audit Concerns**

#### **a) Improper Maintenance of the Fixed Asset Register (FAR)**

The following deficiencies were noted: -

- i) The initial costs and acquisition dates of the vehicles, Peugeot 407-Registration DBBH 137D and Chevrolet Captiva registered CBBB 628D, were not recorded.
- ii) The FAR indicated that the Peugeot 407 was burnt, but the date of the incident was not recorded.

#### **b) Missing Loss Report**

Contrary to the Treasury Regulations, 2014, Sections 91 (2) and (3) stated above, the loss reports of the vehicles were not prepared.

#### **c) Extended Unavailability of Vehicles**

The review of the correspondence files showed that vehicle DBBH 137D was damaged due to technical issues and was declared a write-off by the insurance company in 2021. Meanwhile, vehicle CBBB 628D had been at the mechanic's for repairs since 2018 and was not available or replaced for the Consulate's use up to the time of reporting.

Improper maintenance of the FAR may affect decision-making on asset maintenance and replacement.

The unreported losses might not be recovered.

The unavailability or replacement of vehicles hampered the effective discharge of Consulate services.

## **Recommendations**

- a) The Principal Secretary for the Ministry of Foreign Affairs and International Relations must investigate the vehicle losses and ensure proper decisions are made and submitted to the relevant offices.
- b) The Consul General should ensure that the FAR is updated appropriately and that a loss report is prepared.

### **11.2. LESOTHO – JOHANNESBURG CONSULATE**

#### **11.2.1. Suspected Fraudulent Rental of Government Units at Killarney**

Section 51 (1) of the Treasury Regulations, 2014, states that “Chief Accounting Officers shall be responsible for the collection and safe custody of public money in the spending unit and shall ensure that adequate records are kept of public money collected.”

The Government owns three residential units numbered 39, 59, and 63 located at Killarney, which are under the custody of the Lesotho Consulate in Johannesburg. The continued payment of increasing monthly electricity charges for the units from the 2021/2022 financial year to November 2025 indicates ongoing occupation of the properties.

#### **Audit Concerns**

- a) The diplomat serving as Vice Consul irregularly rented out residential units 59 and 63, including a storeroom (Unit 39), for personal financial gain, as no rental income was recorded in the Consulate’s accounting records or remitted to the Consulate’s bank account. M174,000 was deposited into the diplomat’s personal account for Unit 63.
- b) No lease agreements between the lessees (occupants) and the lessor (the Consul-General) were available on file for audit verification.
- c) There were no relevant rental receipts recorded, although Municipality statements and invoices showed rising electricity charges for the three (3) units amounting to M72,810.

The Government has suffered a financial loss in revenue and higher electricity bills due to irregular use of government property. Consequently, the revenue that could have been used to provide services has been lost.

## **Recommendations**

The Chief Accounting Officer (CAO) of the Ministry of Foreign Affairs and International Relations (MFAIR), in collaboration with the Accountant General, should: -

- a) Conduct further investigations to determine the total financial loss and identify all parties involved.
- b) Institute disciplinary and legal action against the Vice Consul and any other involved officials. All misappropriated funds, including rent collected for personal gain and municipality charges incurred by the Consulate due to the unauthorised occupancy of the Government units, must be recovered accordingly.
- c) Ensure monthly reconciliations of rental income, tenancy records, and utility payments are carried out properly.

### **11.2.2. Collection of Revenue**

Section 5 (e) of the PFMA Act, 2011, requires a Chief Accounting Officer to “promptly collect, deposit, and account for public money due to Government,” and on 5 (h) to “ensure that government property is recorded and managed efficiently to achieve the programme objectives approved by Parliament.”

The Government owns several properties managed by the Lesotho-Johannesburg Consulate, which are intended to generate rental income. These include the Indent House, as well as units and flats located at Killarney, Suncrest, and Sorento.

#### **Audit Concerns**

I noted with concern the poor condition of the properties, leading to security issues and rent collection anomalies. Because of the different states and occupancy rates of these properties, the ability to generate revenue as planned varies greatly.

##### **11.2.2.1. Rent Collection from Indent House and the flats**

- a) The Consulate only availed lease agreements for the Indent House starting from October 2022. However, approved rent tariffs for the flats were not provided.
- b) An analysis of the Consulate’s bank statements revealed deposits that were significantly lower at M128,280 compared to the total expected

rental payments of M731,800, indicating an under-remittance of M603,520 in rental revenue for the Indent house.

These discrepancies put the Consulate at risk of losing public revenue due to potential misappropriation of rental income.

### **Recommendations**

The Chief Accounting Officer should ensure that: -

- i) All lease agreements and tariffs for rented properties should be properly documented, signed by the affected parties, and stored securely.
- ii) All rental payments are made directly into the mission's bank account.
- iii) The reconciliation of tenant payments to bank deposits is conducted monthly, with any discrepancies investigated and corrected.

#### **11.2.2.2. Improper Maintenance of the Cash Book**

Section 51 (1) of the Treasury Regulations, 2014, states that "Chief Accounting Officers shall be responsible for the collection and safe custody of public monies in the spending unit and shall ensure adequate records are kept of public money collected."

#### **Audit Concern**

Revenue from rental properties was not entered into the Consulate's cash book. Consequently, the Consulate did not perform reconciliations on the cash book and the bank statements.

The Consulate faces risks of revenue misappropriation, inaccurate financial reporting, and poor accountability.

#### **Recommendation**

The CAO should ensure that all rental revenue is promptly and fully recorded in the cash book, supported by official receipts, and that regular (monthly) cash book to bank reconciliations are prepared, reviewed, and approved by management.

#### **11.2.3. Procurement**

##### **Contract Management**

Section 24 (5) (a) and (b) of the Treasury Regulations, 2014, requires that, before certifying a payment voucher for amounts payable under a Government contract, an Examining Officer must ensure that the payment relates to goods received or services rendered in accordance with a valid

Government contract and at the agreed contract price, net of applicable withholding tax.

The Lesotho - Johannesburg Consulate engaged contractors to undertake repairs and renovation works on all properties in the absence of the contracts.

### **Audit Concerns**

- a) A contractor entered into a one-year service contract with the Consulate on 7<sup>th</sup> March 2024. However, the contract was not renewed upon expiry, and the contractor continued to carry out repairs and maintenance works. It was further established that the contractor had been engaged since the 2022/23 financial year without any formal contract in place.

During the period under review, total payments of M1.86 million were made to the contractor, who also claimed that an outstanding balance of M294,850 remained unpaid. The breakdown of payments made to the contractor is provided below.

2022/2023	M383,540 (no evidence of contract)
2023/2024	M913,535 (no evidence of contract)
2024/2025	<u>M564,739</u> (formal contract in place until 06 <sup>th</sup> March 2025)
<b>Total</b>	<b>M1,861,814</b>

- b) Another contractor was engaged to perform repairs and maintenance works without a service contract and was paid an amount of M293,089 during the financial years 2024/2025 and 2025/2026.

This breach of Treasury Regulations, 2014, has resulted in irregular, unauthorised, and potentially fraudulent expenditure, as payments may have been made for works not carried out and/or priced arbitrarily.

### **Recommendation**

The CAO should investigate the contracts to determine whether the work paid for was for services rendered and take corrective action thereafter.

## **11.2.4. Asset Management**

### **Other Assets (vehicles)**

The review noted that the Lesotho–Johannesburg Consulate is currently operating with only one official vehicle, which is assigned to the Consul

General. The rest of the vehicles previously allocated to the Consulate were said to be in poor mechanical condition and beyond economical repair.

#### **Audit Concern**

No supporting documentation was provided to assess or substantiate the assessment of the vehicles, such as condition reports, mechanical evaluations, cost-benefit analyses, disposal approvals, or evidence of compliance with Government vehicle management and disposal procedures.

This exposes the Government of Lesotho to continued wasteful expenditure and loss of value for money.

#### **Recommendation**

The CAO should obtain mechanical assessment reports for all Mission vehicles, conduct cost-benefit analyses, and implement corrective actions.

### **11.2.5. Non-Compliance with Public Service Regulations on Staff Appointments and Contract Management**

Section 22 of the Public Service Regulations, 2008 states that recruitment shall be against an established position and in accordance with the job description and requirements of the specified job.”

Sections 103 and 104 of the same regulations, Chapter VII (Foreign Service), prescribe the approved establishment and positions for diplomatic missions and consular posts, respectively.

#### **Audit Concern**

- a) It was noted that certain positions reflected in the appointment letters of staff at the Consulate were not provided for under Section 104, as shown in Table 32 below.

This indicated that appointments were made outside the legally approved consular post structure.

- b) The nominal roll was not provided to me for verification of the number of staff allocated to each position.

The limited assurance regarding staffing legitimacy elevates the risk of ongoing irregular payments and financial loss.

Table 32: Inconsistencies in Posts in Consulate

Lesotho-Johannesburg Consulate positions	Positions in Consular posts per Section 104
Consul General	Consul General
-	Assistant Consul General
Consul	Consul
Vice Consul	Vice Consul
Commercial Attache (Not per Consular posts)	-
Assistant Consular Attache (2)	Assistant Consul
Third Secretary (Not per Consular posts)	-
Consular Attache - Admin (Not per Consular posts)	-
-	Assistant Vice Consul
Consular Attache (2) (Not per Consular posts)	-
Consular Agent (Driver) (2)	Consular Agent
	Assistant Consular Agent

Source: Public Service Regulations, 2008

### 11.3. PRETORIA HIGH COMMISSION

#### 11.3.1. Cash Management

##### a) Unauthorised Investment of Public Funds - M1 million

Section 23 (1) of the Public Financial Management Accountability Act, 2011 (PFMA Act, 2011), states that "Surplus balances of the Consolidated Fund may be invested by the Minister only and any investments of surplus balances of the Consolidated Fund shall remain part of the Consolidated Fund for the purpose of this Act, and shall be made in the name of the Government of Lesotho."

Treasury Regulations, 2014, Section 15 (1) stipulates that "The Accountant-General shall, with the prior approval of the Minister and Principal Secretary, invest surplus balances of the Consolidated Fund in accordance with Section 23 (1) of the Act, and shall ensure the proper management of Government cash, including-

- i) Negotiation of favourable interest rates for bank balances, investments, and overdrafts.
- ii) Minimising balances in non-interest-bearing bank accounts."

On the other hand, Section 78 (2) (d) of the same Regulations requires a Finance Officer controlling an official bank account to ensure that a transfer to another official bank account conforms with any instructions from the Accountant-General.

#### Audit Concerns

- i) Contrary to the PFMA Act, 2011, and Treasury Regulations, 2014, M1 million was transferred from the Mission's current bank account

to an investment account held under the same name at Nedbank South Africa, without the authority of the Minister, Principal Secretary, or the Accountant-General.

- ii) Furthermore, interest amounting to M7,063 received from the investment was not transferred to the Consolidated Fund.

This irregular opening of the investment account and undeposited interest into the Consolidated Fund exposed public funds to misuse and potential loss.

### **Recommendations**

The High Commissioner should ensure: -

- i) Compliance with the PFMA Act, 2011, and the Treasury Regulations 2014 in the utilisation of public funds in the future.
- ii) That the interest income is transferred to the Consolidated Fund.

#### **b) Unauthorised Salary Advances**

The Government of Lesotho established a salary advance facility at the Postal Services for civil servants to provide short-term financial relief to employees facing temporary financial difficulties. The facility was designed to help civil servants cover urgent and unforeseen personal expenses without resorting to high-interest borrowing from informal or commercial lenders. The Postal Service salary advances are granted at ten (10) per cent interest and a (0.75) per cent administration fee.

In this regard, the salary advance scheme aims to support employee welfare, financial stability, and productivity within the public service, while ensuring that advances are recoverable through structured payroll deductions in line with approved terms and conditions. Diplomats stationed at the High Commission are entitled to apply under this scheme.

#### **Audit Concern**

Two (2) officers received interest-free salary advances of M20,000 and M12,000 from the funds allocated to the High Commission, instead of the officers applying through the established government facility.

This irregularity could set an undesirable precedent that raises the risk of misusing public resources and losing accountability, leading to a direct loss of public funds.

## **Recommendation**

The High Commissioner should not issue salary advances from Mission funds and ensure that all employee salary advances are processed through the approved Government facility.

### **c) Imprests not cleared and cleared after the due date**

A tour imprest is an advance of public funds granted to an officer to cover approved travel-related expenses incurred while on official duty, such as subsistence, accommodation, and local transport. Tour imprests may be issued on either an accountable basis, requiring full acquittal with supporting documentation, or a non-accountable basis, paid at approved fixed rates in accordance with applicable regulations.

Section 41 (8) of the Treasury Regulations, 2014 stipulates that "A travel advance shall be acquitted within fourteen days of the return of the officer from the travel."

#### **Audit Concern**

It was noted that accountable imprests totalling M91,057 had not been cleared from the 2021/2022 financial year until September 2025, while other imprests amounting to M368,085 were cleared after the prescribed due dates, with delays ranging from one month to one year.

Failure to clear imprests promptly and delays in the process expose public funds to the risk of misappropriation.

## **Recommendation**

The Chief Accounting Officer and the High Commissioner should take proper steps to recover all outstanding imprests in accordance with relevant regulations.

### **11.3.2. Contract Management**

#### **Incomplete Contract Terms**

The High Commission engaged a company to provide security services from 1<sup>st</sup> August 2017 to 31<sup>st</sup> July 2019, with a provision for automatic annual renewal thereafter. Under Section 5.1 of the contract, the High Commission was required to pay the contractor monthly charges as outlined in the "Schedule."

## **Audit Concerns**

### **Absence of Contractual Schedule and Non-Compliance with Legislative Requirements**

- a) The Schedule mentioned in Section 5.1 of the contract, which details the agreed monthly charges and the relevant escalation mechanism, was not attached to the signed contract.
- b) The security company issued invoices that were settled by the Mission and increased annually at rates ranging from 3 per cent to 28 per cent until the time of the audit.

Unclear pricing terms and undocumented escalations raise the risk of arbitrary billing, invoice manipulation, or collusion between officials and service providers.

### **Recommendation**

The High Commissioner should ensure that the schedule is attached to the contract and that it is being adhered to.

# **PART 6: PERFORMANCE AUDITS**

## **CHAPTER 12: PERFORMANCE AUDIT**

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Section 7 (2) (d) of the Audit Act of 2016 mandates the Auditor-General to undertake several types of audits, including performance audits.

A performance audit is defined as an assessment of an organisation's activities to determine whether its operations are conducted with regard to economy, efficiency, and effectiveness, and if accountability requirements are reasonably met.

I conducted a performance audit to assess how effectively the Department of Home Affairs provide Passports and Identity Cards for establishing identity, accessing services, and facilitating international travel, ensuring their timely availability to citizens.

The Government of Lesotho, through the Ministry of Local Government, Chieftainship, Home Affairs, and Police, has authorised the Department of Home Affairs to issue passports and identity cards to citizens. This mandate upholds constitutional rights to freedom of movement and aligns with SDG 16.9 and NSDP II objectives related to legal identity. The Department oversees Passport Services and the National Identity and Civil Registry (NICR) units, supported by biometric systems introduced via agreements with service providers. However, since 2018, the Department has faced delays due to procurement challenges, system failures, and operational inefficiencies. These issues have led to public dissatisfaction caused by issuance backlogs that hinder timely service delivery.

The main audit findings from the performance review on issuing Passports and Identity Cards are outlined below.

### **SUMMARY OF FINDINGS**

#### **12.1. SYSTEM MAINTENANCE AND SUPPORT**

- a) Lack of collaboration between Government IT staff and the service provider led to recurring system failures.
- b) Systems were running outdated Windows 7, which no longer received vendor support, thereby exposing them to security risks.
- c) Maintenance delays varied from one week to four months due to restricted technical capacity.

#### **12.2. IDENTITY CARD PROCESSING AND BACKLOG**

- a) Same-day issuance standards were not met due to shortages of blank cards and consumables.
- b) System crashes and faulty machines caused delays and stock wastage.

- c) Backlogs persisted despite increased printing activity.

### **12.3. PASSPORT PROCESSING AND BACKLOG**

- a) The Department failed to meet the three-day issuance standard for e-passports.
- b) Procurement delays and equipment failures caused backlogs since 2018, reaching 54,001 by January 2026.
- c) Poor quality assurance led to wastage of blank passports.

### **12.4. INFORMATION DISSEMINATION**

- a) SMS notification system for the collection of passports by applicants was non-functional due to unpaid service fees.
- b) Alternative communication methods were inconsistent across districts.

### **12.5. INTERNAL COMMUNICATION**

Formal communication mechanisms between staff were not consistently enforced, leading to a heavy reliance on WhatsApp messaging, which lacked accountability and traceability.

### **12.6. MONITORING**

- a) Four (4) of five (5) districts visited lacked strategic, annual, or quarterly plans, and they could not implement a Performance Management System (PMS).
- b) The Mafeteng NICR office was the only district using a performance monitoring tool.

### **12.7. DEPLOYMENT OF TEMPORARY NICR STAFF**

- a) Recruitment did not follow Public Service procedures, as temporary staff were employed at the same level regardless of their qualifications.
- b) No training was provided to them.
- c) There was heavy reliance on temporary staff at 1,067, compared to 21 permanent.

A follow-up on the progress made in implementing all the recommendations will be undertaken during the financial year 2026/27.

# **PART 7: APPENDICES**

**APPENDIX 1***ACCOUNTS RECEIVABLE REPORTED IN THE YEAR 2023/2024*

<b>Head</b>	<b>CFS Amount M'000</b>	<b>Remarks</b>
<b>ADVANCES</b>		
<b>STANDING AND TRAVEL ADVANCES</b>		
Directorate on Corruption and Economic Offences	25	An unretired imprest from one officer who was supposed to pay training fees in the Republic of South Africa, and the officer did not pay
Education and Training	32,764	
Local Government, Chieftainship, Home Affairs and Police	48,390	Imprests
Trade, Industry, Business development and Tourism	177	
<b>TOUR IMPRESTS</b>		
Agriculture, Food Security and Nutrition	88,894	Unretired imprest
Senate	46	Travel imprest not cleared – The officer was transferred to the Ministry of Health before retiring imprest
Law and Justice	38	Travel imprest not cleared off
Gender, Youth, Sports, Arts, Culture and Social Development	426	Uncleared imprest

Sources: CFS FY 2023/24 and MFS

## APPENDIX 2

### COMPARISON OF REVISED BUDGET AND ACTUAL COLLECTION

Collecting Unit	Revised Budget	Actual Collection per IFMIS	(Under)/Over Collection	Collection
	<b>M'000</b>	<b>M'000</b>	<b>M'000</b>	<b>%</b>
	<b>A</b>	<b>B</b>	<b>C=B-A</b>	<b>D=B/A*100</b>
Agriculture, Food Security and Nutrition	34,357	50,450	16,093	-47
Health	29,588	7,199	-22,391	92
Education and Training	4,691	8,658	3,967	-85
Finance and Development Planning	20,349,655	18,718,702	-1,630,953	8
Trade, Industry, Business Development and Tourism	10,836	18,996	8,160	-75
Gender, Youth, Sports, Art, Culture, and Social Development	426	217	-209	49
Law and Justice	4,133	6,607	2,474	-60
Local Government, Chieftainship, Home Affairs and Police	35,382	31,953	-3,429	10
Information, Communications, Science, Technology and Innovation	19,061	5,292	-13,769	72
Directorate on Corruption and Economic Offences	80	80	0	0
Foreign Affairs and International Relations	120	353	233	-194
Public Works and Transport	32,402	33,652	1,250	-4
Environment and Forestry	178	433	255	-143
Natural Resources	2,783,916	2,505,579	-278,337	10
Public Service, Labour and Employment	19,370	14,496	-4,874	0
Judiciary	3,112	3,443	331	-11
Independent Electoral Commission	304	339	35	-12
His Majesty's Office	0	550	550	0
Public Service Commission	0	1	-1	0
Defence and National Security	5,500	1,133	4,367	79
National Assembly	0	17	17	0
Senate	0	15	15	0
<b>TOTAL</b>	<b>23,333,031</b>	<b>21,408,165</b>	<b>1,942,866</b>	

Source: Book of Estimates 2023/2024 and IFMIS Ledger

**APPENDIX 3****COMPARISON OF COLLECTIONS PER CFS, MFS, AND IFMIS**

<b>Collecting Units</b>	<b>CFS Figures M'000</b>	<b>MFS Figures M'000</b>	<b>IFMIS Figures M'000</b>	<b>UNDER/OVER MFS M'000</b>	<b>UNDER/OV ER CFS M'000</b>
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D = B - C</b>	<b>E = A - C</b>
Agriculture and Food Security	50,999	51,003	50,450	553	549
Health	9,651	9,651	7,199	2,452	2,452
Education and Training	8,988	8,988	8,658	330	330
Finance and Development Planning	19,102,912	19,102,912	18,718,702	384,210	384,210
Trade, Industry, Business Development and Tourism	22,332	22,332	18,996	3,336	3,336
Gender, Youth, Sports, Arts, Culture and Social Development	505	505	217	288	288
Law and Justice	4,020	4,020	6,607	(2,587)	(2,587)
Local Government, Chieftainship, Home Affairs and Police	31,953	31,953	31,953	0	0
Information, Communications, Science, Technology and Innovation	5,591	5,292	5,292	0	299
Directorate on Corruption and Economic Offences	80	80	80	0	0
Foreign Affairs and International Relations	1,977	1,977	353	1,624	1,624
Public Works and Transport	34,242	34,241	33,652	589	590
Environment and Forestry	381	381	433	(52)	(52)
Natural Resources	2,506,419	2,506,419	2,505,579	840	840
Public Service, Labour and Employment	17,371	17,371	14,496	2,875	2,875
Judiciary	5,139	5,139	3,443	1,696	1,696
Independent Electoral Commission	5,321	5,321	339	4,982	4,982
His Majesty's Office	550	550	550	0	0
Public Service Commission	0	1	1	0	(1)
Defence and National Security	22,288	22,288	1,133	21,155	21,155
National Assembly	17	17	17	0	0
Senate	15	15	15	0	0
<b>Total</b>	<b>21,830,751</b>	<b>21,830,456</b>	<b>21,408,165</b>	<b>422,291</b>	

Source: CFS FY 2023/24, MFS AND IFMIS LEDGER

## APPENDIX 4

### COMPARISON OF THE CFS, MFS, AND IFMIS LEDGER CAPITAL PROJECT EXPENDITURE

Spending Units	CFS	MFS	IFMIS Ledger	Under/over Statement of CFS	Under/Over Statement of MFS
	M'000	M'000	M'000	M'000	M'000
	A	B	C	D=A-C	E=B-C
<b>Agriculture, Food Security and Nutrition</b>	<b>245,270</b>	<b>245,270</b>	<b>16,465</b>	<b>228,805</b>	<b>228,805</b>
Wool and Mohair Promotion Project	56,873	56,873	10,483	46,390	46,390
Agricultural Productivity Programme for Southern Africa (APPSA)	101,625	101,625	1,033	100,592	100,592
Smallholder Agriculture Development Project II	86,773	86,773	4,949	81,823	81,823
<b>Health</b>	<b>66,510</b>	<b>66,511</b>	<b>71,671</b>	<b>(5,159)</b>	<b>(5,159)</b>
Construction of Maseru District Hospital	27,031	27,031	28,092	(1,060)	(1,060)
Construction of Cancer Management and Treatment Center	19,178	19,178	21,366	(2,188)	(2,188)
Support for Immunisation	718	718	2,605	(1,887)	(1,887)
GOL- Support to TB Control Programme	19,583	19,583	19,608	(24)	(24)
<b>Education and Training</b>	<b>147,997</b>	<b>147,997</b>	<b>0</b>	<b>147,997</b>	<b>147,997</b>
Free Primary Education (Classrooms)	22,259	22,259	0	22,259	22,259
Construction of Secondary Schools	17,702	17,702	0	17,702	17,702
Improvement of Secondary Schools	15	15	0	15	15
Basic Education and Adolescent Development	31,578	31,578	0	31,578	31,578
Basic Education Strengthening Project	31,578	31,578	0	31,578	31,578
Basic Education Quality and Equity Improvement	44,865	44,865	0	44,865	44,865
<b>Finance and Development Planning</b>	<b>724,759</b>	<b>724,760</b>	<b>15,991</b>	<b>708,769</b>	<b>708,769</b>
Border Post Infrastructure Refurbishment	3,031	3,031	3,031	(0)	(0)
Support for HIV/AIDS	4,501	4,501	4,243	258	258
Tax Modernisation Programme	0	0	0	0	0
Consultancies and studies	8,716	8,716	8,716	0	0
Support for HIV/AIDS	698,840	698,840	0	698,840	698,840
Tax Modernisation Programme	6,507	6,507	0	6,507	6,507
Institutional Support Project for Debt and Expenditure Management (ISPDEM)	3,164	3,164	0	3,164	3,164
<b>Gender, Youth, Sports, Social Development and Culture</b>	<b>229,650</b>	<b>229,650</b>	<b>0</b>	<b>229,650</b>	<b>229,650</b>

UNICEF Donor Grants	1,751	1,751		1,751	1,751
Pathways to Sustainable Livelihoods Project	156,628	156,628	0	156,628	156,628
UNICEF Donor Grants	3,337	3,337	0	3,337	3,337
Pathways to Sustainable Livelihoods Project	67,934	67,934	0	67,934	67,934
<b>Law and Justice</b>	<b>1,120</b>	<b>1,120</b>	<b>0</b>	<b>1,120</b>	<b>1,120</b>
Support for Reforms and Strengthening of Governance in Lesotho Programme	1,120	1,120	0	1,120	1,120
<b>Local Government, Chieftainship, Home Affairs and Police</b>	<b>102,868</b>	<b>102,868</b>	<b>87,830</b>	<b>15,038</b>	<b>15,038</b>
Development Fund for Councils	18,090	18,090	17,347	743	743
Development of Rural Community Roads	77,075	77,075	70,483	6,592	6,592
Solid Waste Management for Urban Councils	4,704	4,704	0	4,704	4,704
Solid Waste Management (MCC)	2,999	2,999	0	2,999	2,999
<b>Public Works and Transport</b>	<b>1,447,419</b>	<b>1,447,419</b>	<b>585,710</b>	<b>861,194</b>	<b>861,194</b>
Transport Infrastructure Connectivity	139,061	139,061	37,911	101,150	101,150
Pavement Strengthening - Paved Roads	316,147	316,147	76,234	239,913	239,913
Pavement Strengthening - Unpaved Roads	12,836	12,836	28,172	(15,337)	(15,337)
Mpiti Sehlaba-Thebe Road	734,554	734,554	238,717	495,837	495,837
Marakabei-Monontša Road	243,948	243,948	202,263	41,685	41,685
Moshoeshoe I Airport/Rehabilitation (Runway Rehabilitation)	873	873	2,413	(1,540)	(1,540)
<b>Grand Total</b>	<b>2,965,595</b>	<b>2,965,594</b>	<b>778,181</b>	<b>2,187,414</b>	<b>2,187,414</b>

Source: CFS FY 2023/24, MFS and IFIMIS Ledger

## APPENDIX 5

### BUDGET EXECUTION AGAINST APPROPRIATED FUNDS

Spending Units	Funding Type	Original Budget	Supplementary/ Re-allocation	Revised Budget	Actual Expenditure (CFS)	Spending Capacity (%)
		<b>M'000</b>		<b>M'000</b>	<b>M'000</b>	
<b>Agriculture, Food Security and Nutrition</b>		<b>357,209</b>	<b>0</b>	<b>357,209</b>	<b>84,095</b>	
Wool and Mohair Promotion Project	IFAD (Grant)	4,761		4,761	620	13
Wool and Mohair Promotion Project	IFAD (Loan)	4,761		4,761	620	13
Agricultural Productivity Programme for Southern Africa	GOL	1,500		1,500	1,033	69
Smallholder Agriculture Development Project II	Japan	12,739		12,739	1,911	15
Smallholder Agriculture Development Project II	IFAD (Loan)	44,481		44,481	9,834	22
Smallholder Agriculture Development Project II	IDA (Loan)	288,967		288,967	70,078	24
<b>Health</b>		<b>441,974</b>	<b>0</b>	<b>441,974</b>	<b>105,937</b>	
Construction of Maseru District Hospital	GOL	40,330	-	40,330	28,092	70
Support for Immunisation	GOL	11,879	-	11,879	2,605	22

Spending Units	Funding Type	Original Budget	Supplementary/ Re-allocation	Revised Budget	Actual Expenditure (CFS)	Spending Capacity
Construction of Cancer Treatment Centre	GOL	218,137	-	218,137	21,336	10
Health Sector Reform	Grant (WHO)	15,000	-	15,000	2,343	16
Health Sector Reform	Grant (UNCF)	30,000	-	30,000	0	0
Support for Immunisation	Grant (GAVI)	18,161	-	18,161	0	0
M-Mama Lesotho - An Emergency Transportation System	Grant (VODA)	8,792	-	8,792	0	0
Support for the TB Control Programme	Grant (GF)	20,405	-	20,405	0	0
Lesotho Covid 19 - Emergency Preparedness	Loan (IDA)	79,270	-	79,270	51,562	65
<b>Education and Training</b>		<b>56,600</b>	<b>14,191</b>	<b>70,791</b>	<b>62,582</b>	
Construction of Secondary Schools	GOL	10,000	14,191	24,191	17,702	73
Improvement of Secondary Schools	GOL	200	0	200	15	7
	JAPAN INTERNATIONAL (GRAND)	46,400	0	46,400	0	0
Basic Education Quality and Equity Improvement	IDA (LOAN)	0	0	0	44,865	-100
<b>Trade, Industry, Business Development and Tourism</b>		<b>11,848</b>	<b>4,892</b>	<b>16,740</b>	<b>25,138</b>	

Spending Units	Funding Type	Original Budget	Supplementary/ Re-allocation	Revised Budget	Actual Expenditure (CFS)	Spending Capacity
New and Cashless Services for One-Stop Business Facilitation Centre (OBFC)	GOL	1,200	-	1,200	644	54
Refurbishment of Lesotho Cooperative College	GOL	2,500	-	2,500	-	0
Standards and Quality Infrastructure	GOL	1,300	-	1,300	-	0
Economic Diversification Support Project	GOL	-	-	-	452	-100
Economic Diversification Support Project	Grant (ADF)	-	-	-	10,484	-100
Lesotho Competitiveness and Financial Project	Grant (IDA)	6,848	4,892	11,740	4,862	41
Economic Diversification Support Project	Loan (ADF)	-	-	-	8,696	-100
<b>Information Communications, Science, Technology and Innovation</b>		<b>201</b>	<b>11</b>	<b>212</b>	<b>68</b>	
E-Government	GOL	5	11	16	9	56
E-Government	AfDB	196	-	196	60	30
<b>Finance and Development Planning</b>		<b>160,995</b>	<b>(19,869)</b>	<b>141,126</b>	<b>25,920</b>	
Border Post Infrastructure Refurbishment	GOL	16,000	-	16,000	3,031	19

Spending Units	Funding Type	Original Budget	Supplementary/ Re-allocation	Revised Budget	Actual Expenditure (CFS)	Spending Capacity
Support for HIV/AIDS	GOL	10,000	892	10,892	4,501	41
Tax Modernisation Programme	GOL	15,000	-	15,000	0	0
Consultancies and Studies	GOL	70,000	(30,000)	40,000	8,716	22%
Institutional Support Project for Debt and Expenditure Management (ISPDEM)	GOL	1,482	-	1,482	-	0%
Tax Modernisation Programme	LOAN	48,513	-	48,513	6,507	13%
Institutional Support Project for Debt and Expenditure Management (ISPDEM)	LOAN	-	9,239	9,239	3,164	34%
<b>Natural Resources</b>		<b>1,191,421</b>	<b>0</b>	<b>1,191,421</b>	<b>288,569</b>	
Village Water Supply	GoL	7,000	-	7,000	5,164	74%
Scaling Up Renewable Energy and Energy Efficiency Programme (SREP) (Lesotho Renewable Energy and Energy Access Project (LREEAP))	GoL	2,000	-	2,000	701	35%
Lesotho Lowlands Water Supply and Sanitation	Grant (ADF)	41,219	-	41,219	12,838	31%
Scaling Up Renewable Energy and Energy Efficiency Programme (SREP)	Grant (Climate)	15,860	-	15,860	-	0%

Spending Units	Funding Type	Original Budget	Supplementary/ Re-allocation	Revised Budget	Actual Expenditure (CFS)	Spending Capacity
(Lesotho Renewable Energy and Energy Access Project (LREEAP))						
Lesotho Lowlands Water Supply Scheme	Loan (IDA)	351,573	-	351,573	61,356	17%
Lesotho Lowlands Water Supply Scheme	Loan (EU)	26,487	-	26,487	16,449	62%
Scaling Up Renewable Energy and Energy4Efficiency Programme (SREP) (Lesotho Renewable Energy and Energy Access Project (LREEAP))	Loan (IDA)	161,987	-	161,987	79,266	49%
Scaling Up Renewable Energy and Energy Efficiency Programme (SREP) (Lesotho Renewable Energy and Energy Access Project (LREEAP))	Loan (Climate)	13,200	-	13,200	3,965	30%
Lesotho Lowlands Water Development Project Phase III	Loan (OPEC)	24,984	-	24,984	5,936	24%
Ramarothole 70 MW Solar Generation Project	Loan (EIC)	139,100	-	139,100	102,894	74%
Greater Maseru Water Supply	Loan (BADEA)	137,418	-	137,418	-	0%
Greater Maseru Water Supply	Loan(OPEC)	179,975	-	179,975	-	0%
Lesotho Lowlands Water Supply and Sanitation	Loan (ADF)	45,656	-	45,656	-	0%

Spending Units	Funding Type	Original Budget	Supplementary/ Re-allocation	Revised Budget	Actual Expenditure (CFS)	Spending Capacity
Lesotho Lowlands Water Development Project Phase III	Loan (BADEA)	15,819	-	15,819	-	0%
Lesotho Lowlands Water Development Project Phase III	Loan (GK)	15,697	-	15,697	-	0%
Lesotho Lowlands Water Development Project Phase III	Loan (SF)	13,445	-	13,445	-	0%
<b>His Majesty's Office</b>		<b>210,000</b>	<b>0</b>	<b>210,000</b>	<b>6,484</b>	
Construction of the Royal Palace	GoL	210,000	-	210,000	6,484	3%
<b>Public Works and Transport</b>		<b>728,327</b>	<b>358,558</b>	<b>1,086,885</b>	<b>639,373</b>	
Pavement Strengthening - Paved Roads	GOL	100,000	9,000	109,000	64,663	59%
Pavement Strengthening - Unpaved Roads	GOL	110,000	113,716	223,716	12,836	6%
Mpiti Sehlaba-Thebe Road	GOL	300,000	235,842	535,842	223,885	42%
Moshoeshoe I Airport/Rehabilitation (Runway Rehabilitation)	GOL	51,700	-	51,700	873	2%
Construction of Office Park and Residence Maintenance	GOL	9,300	-	9,300	514	6%
Pavement Strengthening - Paved Road	GRANT	-	-	-	251,483	-100%
Transport Infrastructure Connectivity	LOAN	157,327	-	157,327	85,118	54%

Spending Units	Funding Type	Original Budget	Supplementary/ Re-allocation	Revised Budget	Actual Expenditure (CFS)	Spending Capacity
Ministry of Gender, Youth, Sports, Arts, Culture, and Social Development		3,000	0	3,000	1,751	
Capital Donor Grants- Multilateral Partners	UNICEF	3,000	-	3,000	1,751	58%

Source: Appropriation Act 2023/24, Supplementary Appropriation Bill 2023/24, and CFS FY 2023/24

**APPENDIX 6***ASSETS ACQUIRED IN SPENDING UNITS*

Spending Units	Date	Quantity	Description	Amount M'000
<b>Ministry of Information, Communications, Science, Technology and Innovation</b>	25/05/2023	1	3KVA UPS - Victron	570
	25/05/2023	1	1.50M KU Band Drive-Away Satellite Antenna	1 186
	25/05/2023	2	INCLUDED Pals PAC500 antenna controller	407
	25/05/2023	1	Rigol DSA832E 9kHz-3.2GHz Spectrum Analyser, with Rack Mounting Kit	48
	25/05/2023	2	The DVE6100 DVB-S2X Efficient DSNG Encoder/Modulator is a DVB-S2X, HEVC/H.264 encoder/modulator in a compact IU half-width chassis.	708
	25/05/2023	2	RX8200 DVB-S2 SD/HD MPEG 2/4/HEVC	126
	25/05/2023	1	VSAT Modem	12
	25/05/2023	2	100W Ext Ku SSPB; I-Band I/P; int 10 MHz Ref	667
	25/05/2023	1	1 KU kit	90
	25/05/2023	1	RM controller with 10m M&C cable	81
	25/05/2023	1	Custom Trailer with Off-Road Axel Suspension; BP6500S 6.5KVA Diesel Genset mounted with storage for cable drums and	122
	<b>TOTAL</b>			<b>4,017</b>
<b>Disaster Management Authority Fund</b>	26/03/2024	2	Dell Vostro Desktops	24
	26/03/2024	5	Dell Latitude 3540 Core i5 & desktops	146
	01/03/2024	4	HP M479fnw Printer	124
	28/11/2023	1	LAN installation	68
		<b>TOTAL</b>		
<b>Public Service Commission</b>	2023/2024	1	Camera Canon	15
	2023/2024	1	Computer-Monitor Hp	2
	2023/2024	1	Cpu Hp	16
	2023/2024	1	Laptop	11

	2023/2024	1	Computer - Monitor Lenovo	2
	2023/2024	1	Cpu Lenovo	16
	2023/2024	1	Computer - Monitor Hp	2
	2023/2024	1	Cpu Hp	16
	<b>TOTAL</b>			<b>80</b>
<b>National Assembly</b>	04/07/2023	1	Toyota Land Cruiser X92BBL	1,294
	04/07/2023	1	Toyota Hilux GD6 4*4 D/C X97BBL	634
	04/03/2024	1	Desktop Computer All in one	115
	04/03/2024	1	Pull up banner	10
	04/03/2024	1	Teardrop banner	9
	04/03/2024	1	Wall banner & Branded Gazzebo	11
	<b>TOTAL</b>			<b>2,073</b>

*Sources: Fixed Asset Register, Invoices*