

Management Letter

MINEDH - MINISTRY OF EDUCATION AND HUMAN DEVELOPMENT

Education Sector Support Fund (FASE)

31 December 2016



Building a better
working world



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Maputo, June 15, 2017

To:

MINISTRY OF EDUCATION AND HUMAN DEVELOPMENT

Education Sector Support Fund (FASE)

Dear Sirs,

We have audited the financial statements of the Education Sector Support Fund (FASE), for the year ended 31 December 2016 for which the report was issued on June 12, 2017, and we now have the pleasure of presenting to you our management letter.

This letter is for the exclusive use of the Project Management to bring to their attention some points noted during our audit work which, although all of them do not affect our opinion in the audit report, are considered important to bring to their attention, together with constructive suggestions to improve the operation of the accounting systems and internal controls implemented by management, and subsequently increase the degree of accuracy of the financial statements.

We want to emphasize that, being based on tests, the audit of accounting system and internal control have been only documented and evaluated to determine the nature and extent of our tests to the financial statements and possibly may not have identified all errors and weaknesses in the accounting system.

Our audit procedures, including the review of the internal control system, were carried out in order to enable us to express an opinion on the financial statements of Education Sector Support Fund (FASE) for the year ended 31 December 2016, and to identify, as far as possible, abnormal situations and / or inaccuracies accounting wise that could materially affect them. In this context, this management letter relates exclusively situations identified in the course of our audit work and does not necessarily include all situations that a detailed review internal control could eventually reveal.

It should be understood that this management letter was prepared merely for internal use and should not be disclosed to any third party without our prior written consent.



We are available for further clarification that deem necessary.

We would like to take this opportunity to thank the cooperation afforded to our audit team throughout the Institution personnel contacted in the course of this engagement,

Yours faithfully,


Paulo Reis
Partner
ERNST & YOUNG, LDA





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| | Weak control over school construction projects |
| | Payments of company invoices made to individuals |
| | Delay in justification for the settlement of advances, Repayment of advances |
| | Lack of evidence of fuel control |
| | Lack of evidence of receipt of goods purchased (GRV) and/or Services contracted |

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Priority Level Definition

The definition of the different levels of priority is summarized as follows:

| Priority | Definition |
|--|--|
| High  | <ul style="list-style-type: none"> ▶ A weakness of internal control, a high business risk or compliance with legislation or regulations that is of such a nature as to result in material financial losses to the FASE and which requires the immediate attention of the management. ▶ Disagreements between the Management and the Auditors in matters of accounting nature. ▶ Contravention of policies, regulations, memorandums and agreements. ▶ Ideas or suggestions of material added value. ▶ Any finding of Medium priority transiting the previous year |
| Medium | <ul style="list-style-type: none"> ▶ A weakness of internal control, a high business risk or compliance with legislation or regulations, which is such as to result in material financial loss to the FASE and which requires the immediate attention of the Board in an medium period of time (Not exceeding six months) for its resolution. ▶ Ideas or suggestions with less added value |
| Low  | <ul style="list-style-type: none"> ▶ Items considered of immaterial or non-material impact. ▶ Ideas for improvements in internal control systems, without significant Value added |

Index of findings

| Área | Priority | Recurring finding |
|--|----------|-------------------|
| Contracts without a certification from the Administrative Court | HIGH | NOT |
| Weak control over school construction projects | HIGH | NOT |
| Payments of Company invoices made to individuals | HIGH | NOT |
| Delays in submission of returns/ Repayment of advances | HIGH | YES |
| Lack of evidence of fuel Control | MEDIUM | YES |
| Lack of evidence of receipt of goods purchased (GRV) and/or Service contracted | MEDIUM | YES |

Education Sector Support Fund (FASE)

Progress of the observations referred to in the Management letter of prior period as at 31 December 2015

We present below a summary of the audit findings for the year ended 31 December 2015. We noted that only 38% (15 of the 39 points) were resolved satisfactorily by the management, representing some improvements of the internal control environment.

As in previous years, we are committed to working closely with Management over the course of the year, with a view to pursuing improvements in the Internal Control System to mitigate the findings and their recurrence.

We present a summary table of the findings of the previous year, its progress to date, the new Findings and the total of the Findings requiring action by the management on 31 December 2016.

Caption:

Y - Problem/Findings completely resolved

N - Problem/Findings not completely resolved

P - Problem/Findings partially resolved

| Seguimento das constatações | | | | | |
|--|------------------------------------|----------|-----------------|--------------|------------------------------------|
| Finding | Total comments at 31 December 2015 | Resolved | Repeat findings | New findings | Total comments at 31 December 2016 |
| Contracts without a certification from the Administrative Court | - | - | N | 7 | 7 |
| Weak control over school construction projects | - | - | N | 6 | 6 |
| Payments of Company invoices made to individuals | - | - | N | 1 | 1 |
| Delay in justification for settlement of advances/ Repayment of advances | 4 | N | Y | 4 | 8 |
| Fuel Control | 6 | P | Y | 2 | 4 |
| Inadequate Supporting Documents | 7 | Y | N | - | - |
| Lack of Evidence of procurement | 5 | P | Y | - | 2 |
| Lack of evidence of reception of goods purchased (GRV) | 2 | P | Y | 2 | 3 |
| Errors in the recording of transactions | 7 | P | Y | 1 | 2 |
| Lack of evidence of authorization for payment | 2 | P | N | - | 1 |
| Signed attendance listing | 2 | P | Y | 1 | 2 |
| Motorcycles without registry documentation | 2 | Y | N | - | - |
| Goods transfers confirmation | 1 | Y | N | - | - |
| Confirmations of ADE funds reception | 1 | Y | N | - | - |
| TOTAL | 39 | - | - | 24 | 36 |

Education Sector Support Fund (FASE)

| Education Sector Support Fund (FASE) | | | |
|---|---|----------|-----------|
| 1. Contracts without a certification from the Administrative Court | Management Comments | Priority | Recurring |
| <p>During our analysis, we noted the occurrence of some situations where contracts for services and goods do not contain evidence of approval by the Administrative Court, which are listed below.</p> <p>These situations represent a violation of the procedure in line with Decree 5/2016 of 8 March on the Regulation of Contracting of Public Works, Supply of Goods and/or Services to the Government, in its article 111, number 2.</p> <p>The aggregate value for situations described above amounts to approximately 175,675,637 meticals, and are summarized as follows:</p> <ul style="list-style-type: none"> • Manica Province - 58.499.890 meticals; • Sofala Province - 1.647.030 meticals; • Tete Province - 1.228.476 meticals; • Quelimane Province - 17.171.468 meticals; • Nampula Province - 59.626.091 meticals; • Niassa Province - 13.506.626 meticals; • Cabo Delgado Province - 23.996.056 meticals; | <p>The DPEDHs notified all SDEJTs and have advised them that should make the necessary adjustments in all the cases, together with the TA, making it a recurring procedure for the coming years</p> | H | N |

Education Sector Support Fund (FASE)

| Education Sector Support Fund (FASE) | | | | | | | | | | | | | | | | | | | | | |
|---|---------------------|------------------|-----------|-----|-------------------|------------|-----|-------------------|--------------|-----|-------------------|--------------|-----|-------------------|------------|--|--|------------------|--|---|---|
| 2. Weak control over school construction projects. | Management Comments | Priority | Recurring | | | | | | | | | | | | | | | | | | |
| <p>We noted the existence of weaknesses of control and lack of effective and centralized supervision of the construction projects processes in the various locations, which makes it difficult to have a timely and adequate consistent action in cases of non-compliance and/or abandonment of construction projects at the different locations. Moreover, we noted the occurrence of situations of ongoing construction projects, which were paid in full. Although there are guarantees or certified cheques in some of them, the possibility of successful completeness of the referred projects seems doubtful and may also imply additional costs with legal procedures to execute the guarantees.</p> <p>The situations observed are summarized as follows:</p> <p>Manica Province:</p> <ul style="list-style-type: none"> • The full contract amount of 6,808,018 Meticals was paid in full for the Munhinga Primary School, District of Sussendenga, with contract n°. 07 / UGEA-FASE / DPEDH-M 2016, without retention of the 5% retention guarantee for good performance. Only later a bank guarantee was obtained as a guarantee, which is valid November 2017. • The full contact amount was also paid before completion for other project in the amount of 3,291,274 Meticals, for which we were not provided with evidence of the completion certificate. Furthermore, there was no retention of the 5% value as a performance guarantee: <table border="1"> <thead> <tr> <th>Doc N°.</th> <th>Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>275</td> <td>Constr Esc NC 140</td> <td>766.232,47</td> </tr> <tr> <td>36C</td> <td>Constr Esc NC 177</td> <td>1.060.424,86</td> </tr> <tr> <td>36D</td> <td>Constr Esc NC 198</td> <td>1.246.311,78</td> </tr> <tr> <td>276</td> <td>Constr Esc NC 128</td> <td>218.304,47</td> </tr> <tr> <td></td> <td></td> <td>3.291.274</td> </tr> </tbody> </table> | Doc N°. | Description | Amount | 275 | Constr Esc NC 140 | 766.232,47 | 36C | Constr Esc NC 177 | 1.060.424,86 | 36D | Constr Esc NC 198 | 1.246.311,78 | 276 | Constr Esc NC 128 | 218.304,47 | | | 3.291.274 | <p>Manica Province:</p> <p>The work was carried out and is scheduled for final delivery in November of this year. It should be noted that good performance is ensured by the presentation by the contractor of a Bank Guarantee of 5% of the contractual value;</p> <p>We recognize and we will pay attention to the fact that payments are only made with work certificates matching the work done;</p> <p>We acknowledge the lack of provisional and / or definitive completion certificates and the non-retention of a 5% performance guarantee for works whose payment amounts to MZM 3,291,274, but there is work being done</p> | H | N |
| Doc N°. | Description | Amount | | | | | | | | | | | | | | | | | | | |
| 275 | Constr Esc NC 140 | 766.232,47 | | | | | | | | | | | | | | | | | | | |
| 36C | Constr Esc NC 177 | 1.060.424,86 | | | | | | | | | | | | | | | | | | | |
| 36D | Constr Esc NC 198 | 1.246.311,78 | | | | | | | | | | | | | | | | | | | |
| 276 | Constr Esc NC 128 | 218.304,47 | | | | | | | | | | | | | | | | | | | |
| | | 3.291.274 | | | | | | | | | | | | | | | | | | | |

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| <p>■ We also verified payments related to certificates of construction works totaling MZM 21,744,185, for which there was no retention of the 5% good performance guarantee, as summarized below:</p> | <p>to ensure the Compliance with these rules. We would like to point out that the EPC of Chibata and ESG of Macate projects have already been received in the first half of June (After the audit visit);</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|----------------------|--------|----|------------------|------------|-----|-------------------|------------|-----|-------------------|--------------|-----|-------------------|------------|-----|-------------------|--------------|-----|-------------------|------------|-----|-------------------|--------------|-----|-------------------|--------------|-----|-------------------|--------------|-----|-------------------|------------|-----|------------------|------------|-----|-------------------|--------------|-----|-------------------|------------|-----|-------------------|------------|-----|-------------------|------------|-----|-------------------|--------------|-----|-------------------|------------|--|--|----------------------|---|--|
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| Doc Nº. | Description | Amount | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 | Constr Esc NC 17 | 283.270,73 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 270 | Constr Esc NC 135 | 387.662,91 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 274 | Constr Esc NC 142 | 3.313.657,36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 278 | Constr Esc NC 131 | 102.367,07 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 279 | Constr Esc NC 132 | 1.073.926,62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 280 | Constr Esc NC 133 | 624.414,23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 283 | Constr esc NC 141 | 1.190.116,28 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 364 | Constr Esc NC 173 | 5.043.466,18 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 370 | Constr Esc NC 181 | 3.379.819,19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 373 | Constr Esc NC 166 | 505.440,00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 106 | Constr Esc NC 85 | 132.444,00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 286 | Constr Esc NC 144 | 1.292.888,30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 363 | Constr Esc NC 172 | 322.101,00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 271 | Constr Esc NC 136 | 103.016,02 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 272 | Constr Esc NC 138 | 105.766,69 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 273 | Constr Esc NC 139 | 2.685.389,08 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 277 | Constr Esc NC 120 | 708.460,50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <u>21.744.185,07</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Education Sector Support Fund (FASE)

| Education Sector Support Fund (FASE) | | | |
|---|--|----------|-----------|
| 2. Weak control over school construction projects (Cont.) | Management Comments | Priority | Recurring |
| <p><u>Tete Province:</u></p> <ul style="list-style-type: none"> ▪ A payment of 810,398 meticaïs was made as a devolution of the 5% retention for guarantee for the proper execution of EP1 Nbvizi Moatize, EPC Chitata Moatize and EP1 Nsungo Moatize Projects, for which we were not presented with the respective project completion certificates. ▪ An amount of 475,554 meticaïs was reimbursed in respect of the value of the retention of the construction project of EPC Nhamapulete and 3 de Fevereiro in Mágoe, for which we did not obtain the respective final project completion certificate. <p><u>Nampula Province:</u></p> <ul style="list-style-type: none"> ▪ From our analysis of the expenses of the Nampula province we noted a payments amounting to 1,649,719 meticaïs, referring to the reimbursement of 5% good performance guarantees for the proper execution of school construction projects, for which we have not obtained the definitive project completion certificate. | <p><u>Tete Province:</u></p> <p>The works were completed. However, we recognize and we will pay more attention so that in the future to ensure that 5% retention payments are made through the delivery of the definitive completion certificate.</p> <p><u>Nampula Province:</u></p> <p>The works were completed. However, we recognize and we will pay more attention so that in the future to ensure that 5% retention payments are made through the delivery of the definitive completion certificate.</p> | H | N |

Education Sector Support Fund (FASE)

| Education Sector Support Fund (FASE) | | | | Management Comments | Priority | Recurring | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 3. Payments of company invoices made to individuals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Manica Province: From our analysis of the expenses of the Manica Province we have noticed the occurrence of several situations of payments related to contracts of construction projects in which the companies provided services and the were made in name of individuals. These payments amounted to approximately 32,299,088 meticals and the beneficiaries are alleged to be owners or representatives of those companies and not to the entities contracted. This situation may lead to the occurrence of payments in favor of ineligible persons and/or entities, resulting in eventual losses to the FASE Project. Examples of this payments are summarized as follows:</p> | | | | <p>Manica Province: This is a subject that transcends the scope of intervention of DPEC nor MINEDH. What happens is that the bank accounts of the companies are open in names of the owners and not of the companies and they are thus registered in e-SISTAFE. However, work will be done with MEF-CEDSIF and other related sectors to mitigate the risk.</p> | H | N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Beneficiary Name</th> <th>Payment Order N°</th> <th>Amount</th> <th>Company/Entity</th> </tr> </thead> <tbody> <tr><td>Alexandre Nhacudine</td><td>189</td><td>85.725,00</td><td>Melicos empreitada</td></tr> <tr><td>António Valentim</td><td>56</td><td>419.850,00</td><td></td></tr> <tr><td>João José Lus Dias</td><td>148</td><td>87.330,00</td><td></td></tr> <tr><td>Francisco Raposo</td><td>53</td><td>280.627,00</td><td>Kaerera Construções</td></tr> <tr><td>Lopes Marcelino Paiva</td><td>176</td><td>761.718,73</td><td>Paiva Construções</td></tr> <tr><td>Nelson José Sabinda</td><td>39</td><td>101.320,00</td><td></td></tr> <tr><td>Celina Paulo</td><td>236</td><td>1.190.118,28</td><td>Securo construções</td></tr> <tr><td>Candida Luisa Miranda</td><td>45</td><td>945.664,55</td><td>Babilónia Construções</td></tr> <tr><td>Candida Luisa Miranda</td><td>50</td><td>282.270,75</td><td>Babilónia Construções</td></tr> <tr><td>Candida Luisa Miranda</td><td>233</td><td>3.313.657,36</td><td>Babilónia Construções</td></tr> <tr><td>Candida Luisa Miranda</td><td>234</td><td>766.232,47</td><td>Babilónia Construções</td></tr> <tr><td>Candida Luisa Miranda</td><td>222</td><td>218.304,47</td><td>Babilonia Construções</td></tr> <tr><td>Candida Luisa Miranda</td><td>225</td><td>102.967,07</td><td>Babilonia Construções</td></tr> <tr><td>Candida Luisa Miranda</td><td>283</td><td>1.811.852,83</td><td>Babilónia Construções</td></tr> <tr><td>António Torre Manuel</td><td>226</td><td>1.673.825,62</td><td>Economos construções</td></tr> <tr><td>Chico Moreira Lus</td><td>243</td><td>1.466.521,19</td><td></td></tr> <tr><td>Francisco Raposo</td><td>249</td><td>638.154,55</td><td>Kaerera Construções</td></tr> <tr><td>Celina Benjamin</td><td>253</td><td>1.212.242,38</td><td></td></tr> <tr><td>Jose monz antónio</td><td>269</td><td>3.918.410,97</td><td></td></tr> <tr><td>Loes Marcelino Paiva</td><td>277</td><td>3.378.819,10</td><td></td></tr> <tr><td>Jose monz antónio</td><td>273</td><td>683.241,41</td><td></td></tr> <tr><td>Candida Luisa Miranda</td><td>282</td><td>2.380.000,00</td><td>Babilónia Construções</td></tr> <tr><td>Francisco Raposo</td><td>252</td><td>513.287,73</td><td>Kaerera Construções</td></tr> <tr><td>Artónio Torre Manuel</td><td>266</td><td>259.930,11</td><td></td></tr> <tr><td>Celina Benjamin Paulo</td><td>267</td><td>5.043.486,16</td><td></td></tr> <tr><td>Celina Benjamin Paulo</td><td>287</td><td>1.246.311,76</td><td></td></tr> <tr><td colspan="2"></td><td><u>32.299.087,60</u></td><td></td></tr> </tbody> </table> | | | | Beneficiary Name | Payment Order N° | Amount | Company/Entity | Alexandre Nhacudine | 189 | 85.725,00 | Melicos empreitada | António Valentim | 56 | 419.850,00 | | João José Lus Dias | 148 | 87.330,00 | | Francisco Raposo | 53 | 280.627,00 | Kaerera Construções | Lopes Marcelino Paiva | 176 | 761.718,73 | Paiva Construções | Nelson José Sabinda | 39 | 101.320,00 | | Celina Paulo | 236 | 1.190.118,28 | Securo construções | Candida Luisa Miranda | 45 | 945.664,55 | Babilónia Construções | Candida Luisa Miranda | 50 | 282.270,75 | Babilónia Construções | Candida Luisa Miranda | 233 | 3.313.657,36 | Babilónia Construções | Candida Luisa Miranda | 234 | 766.232,47 | Babilónia Construções | Candida Luisa Miranda | 222 | 218.304,47 | Babilonia Construções | Candida Luisa Miranda | 225 | 102.967,07 | Babilonia Construções | Candida Luisa Miranda | 283 | 1.811.852,83 | Babilónia Construções | António Torre Manuel | 226 | 1.673.825,62 | Economos construções | Chico Moreira Lus | 243 | 1.466.521,19 | | Francisco Raposo | 249 | 638.154,55 | Kaerera Construções | Celina Benjamin | 253 | 1.212.242,38 | | Jose monz antónio | 269 | 3.918.410,97 | | Loes Marcelino Paiva | 277 | 3.378.819,10 | | Jose monz antónio | 273 | 683.241,41 | | Candida Luisa Miranda | 282 | 2.380.000,00 | Babilónia Construções | Francisco Raposo | 252 | 513.287,73 | Kaerera Construções | Artónio Torre Manuel | 266 | 259.930,11 | | Celina Benjamin Paulo | 267 | 5.043.486,16 | | Celina Benjamin Paulo | 287 | 1.246.311,76 | | | | <u>32.299.087,60</u> | | | | |
| Beneficiary Name | Payment Order N° | Amount | Company/Entity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alexandre Nhacudine | 189 | 85.725,00 | Melicos empreitada | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| António Valentim | 56 | 419.850,00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| João José Lus Dias | 148 | 87.330,00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Francisco Raposo | 53 | 280.627,00 | Kaerera Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lopes Marcelino Paiva | 176 | 761.718,73 | Paiva Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nelson José Sabinda | 39 | 101.320,00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Celina Paulo | 236 | 1.190.118,28 | Securo construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Candida Luisa Miranda | 45 | 945.664,55 | Babilónia Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Candida Luisa Miranda | 50 | 282.270,75 | Babilónia Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Candida Luisa Miranda | 233 | 3.313.657,36 | Babilónia Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Candida Luisa Miranda | 234 | 766.232,47 | Babilónia Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Candida Luisa Miranda | 222 | 218.304,47 | Babilonia Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Candida Luisa Miranda | 225 | 102.967,07 | Babilonia Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Candida Luisa Miranda | 283 | 1.811.852,83 | Babilónia Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| António Torre Manuel | 226 | 1.673.825,62 | Economos construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Chico Moreira Lus | 243 | 1.466.521,19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Francisco Raposo | 249 | 638.154,55 | Kaerera Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Celina Benjamin | 253 | 1.212.242,38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jose monz antónio | 269 | 3.918.410,97 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loes Marcelino Paiva | 277 | 3.378.819,10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jose monz antónio | 273 | 683.241,41 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Candida Luisa Miranda | 282 | 2.380.000,00 | Babilónia Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Francisco Raposo | 252 | 513.287,73 | Kaerera Construções | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Artónio Torre Manuel | 266 | 259.930,11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Celina Benjamin Paulo | 267 | 5.043.486,16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Celina Benjamin Paulo | 287 | 1.246.311,76 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <u>32.299.087,60</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Education Sector Support Fund (FASE)

| Education Sector Support Fund (FASE) | | | |
|--|--|----------|-----------|
| 4. Delay in justification for settlement of advances/ repayment of advances | Management Comments | Priority | Recurring |
| <p>We noted recurring occurrence of delays in justification for settlement of advances given for payments of expenses at district and province level as well as the repayment of advance to State budget made. From our analysis of the advances, the amounts overdue refer to balances carried forward from previous periods, with a maturity of more than 12 months.</p> <p>Furthermore, we find that there is no spreadsheet or mechanism for checking and control the balance aging of the outstanding amounts, which would allow for a more rigorous and follow-up of delays in reporting, in addition it would also facilitate timely identification of the recurring cases and their respective accountability.</p> | <p>These are amounts advanced in previous years. There is a mechanism for age control of outstanding and pending amounts, but there is a prevailing difficulty in the regularization of amounts advanced in previous years which requires Meticulous work for which some DPEDH teams will go to the districts to support the SDEJT in the reconstitution of the processes for accountability</p> | H | Y |

| 5. Lack of Evidence of fuel Control | Management Comments | Priority | Recurring |
|--|--|----------|-----------|
| <p>We noted the occurrence of some situations of acquisition fuels in which we did not obtain evidence of control on the consumption and utilization, as summarized below:</p> <p>Tete Province Expense in the amount of 66,950 Meticaís relating to the purchase of fuel (Journal No. 248, Doc No. 231) of IFP Chitima, for which during the audit field work was no attached in the justification process evidence of fuel usage and consumption control. Moreover, the copy was sent afterward.</p> <p>Cabo Delgado Province We noted some instances of expenditures with the purchase of fuel in the amount of 217,200 Meticaís, for which we were not supplied with evidence of the respective consumption control, namely schedules kept to track the utilization and indication of the beneficiaries.</p> | <p>Tete Province We recognize the finding. In order to avoid similar situations occurring in the future, in order to reinforce the procedure manual of the FASE, the fuel control maps will be sent to the institutions, in electronic version;</p> <p>Cabo Delgado Province We recognize the finding. In order to avoid similar situations occurring in the future, in order to reinforce the procedure manual of the FASE, the fuel control maps will be sent to the institutions, in electronic version</p> | M | Y |

Education Sector Support Fund (FASE)

| Education Sector Support Fund (FASE) | | | |
|--|--|----------|-----------|
| 6. Lack of evidence of receipt of goods purchased (GRV) and services contracted | Management Comments | Priority | Recurring |
| <p>We noted the occurrence of some situations of acquisition of goods and services, for which we did not obtain evidence of their receipt or rendering, as summarized below:</p> <p>Maputo Province During our analysis, we verified expenses amounting to 72,540 Meticais (with the description Just Desp DICIPE, Journal number 391), dated 15 December 2017, related to the purchase of a laptop, which until the last day of our field work had not been delivered. As per client explanation, they have started the litigation process to recover the money from the supplier. No corroborative evidence was supplied to support the action allegedly taken.</p> <p>Cabo Delgado Province We noted the existence of expenditure amounting to 1,270,040 meticais, allegedly related to snacks and meals in seminars and meetings, which are not supported by the respective attendance lists and/or meeting reports nor any other deliverables from the meeting.</p> | <p>Maputo Province MINEDH instructed DPEDH to resolve this matter, as well as compliance with the Financial Procedures Manual in line with the procedures to be taken into account before payment of purchases of goods and services. It should be noted that the case is being duly accompanied by the DPEDH legal office in order to recover the equipment;</p> <p>Cabo Delgado Province An exercise is being carried out to collect attendance lists and report activities in each district where the activity took place, including raising awareness among managers that they rigorously attach such evidence in all expenditure processes.</p> | H | Y |

GENERAL COMMENTS:

1. MINEDH commits to continue monitoring and follow-up actions with DPEDH and SDEJT in compliance with the rules and / or procedures of FASE management.
2. On the other hand, MINEDH is planning training in which key personnel will participate in the management processes of the FASE at various levels