

STATEMENT OF RESPONSIBILITIES

The Consolidated Annual Appropriation Account of the Government of the Republic of Malawi, for fiscal year 2018/2019 have been prepared by the Department of Accountant General in the Ministry of Finance, Economic Planning and Development in accordance with the provisions of section 83 of the Public Finance Management Act, 2003.

The consolidated financial statements are prepared based on the accounts of the budgetary Ministries, Departments and Agencies (MDAs) recorded in the Integrated Financial Management Information System (IFMIS), and information received from other relevant agencies and organizations.

The Secretary to the Treasury is responsible for the management of the Consolidated Fund, Supervision and Control of all matters relating to the financial affairs of the Government. Under the provisions of Section 83 of the Public Finance Management Act, 2003, the Minister of Finance Economic Planning and Development is responsible for the effective application of the Act and any regulations, instructions, and directives issued under the Act.

The Secretary to the Treasury is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that the transactions recorded are within the authority and properly record the use of all public funds by the Government of Malawi. He is also responsible to ensure compliance with the Treasury Instructions as per Section 13 of the Public Finance Management Act, 2003.

To the best of my knowledge, the system of internal controls has operated adequately throughout the fiscal year ended 30th June, 2019 and the provisions of the Treasury Instructions have been reasonably complied during the year.

I, accept responsibility for the reliability and completeness of these financial statements, the financial information they contain and their compliance with the Public Finance Management Act, 2003 and the related Treasury Instructions.

To the best of my knowledge, the system of internal control has operated adequately throughout the fiscal year ended 30th June 2019.

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Sungani M. Mandala
Accountant General

To the best of my knowledge, the financial statements and the financial information contained therein, have been compiled and prepared in accordance with the PFM Act (2003)

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Cliff K. Chiunda
Secretary to the Treasury

1.0 COMMENTARY OF KEY TERMS USED IN THE FINANCIAL STATEMENTS

1.1 Consolidated Statement of Cash Receipts and Payments

The Consolidated Statement of Cash Receipts and Payments provides a clear comparison of actual cash receipts and payments with the budget approved by the legislative body and comparative figures for the previous reporting period, it also presents the following amounts for the reporting period:

- i) Total cash receipts of the entity compared to the annual budget approved by the legislative body, showing separately a sub-classification of total cash receipts using a classification basis appropriate to the entity's operations;
- ii) Total cash payments of the entity compared to the annual budget approved by the legislative body, showing separately a sub-classification of total cash payments using a classification basis appropriate to the entity's operations;
- iii) Beginning and closing cash and bank balances of the entity; and

Total cash receipts and total cash payments for each sub-classification of cash receipt and payment, are reported on a gross basis, except that cash receipts and payments may be reported on a net basis when:

- i) They arise from transactions which the entity administers on behalf of other parties and which are recognized in the "Statement of Cash Receipts and Payments";
- ii) They are for items in which the turnover is quick, the amounts are large, and the maturities are short.

Line items, headings and sub-totals are presented in the "Statement of Cash Receipts and Payments" when such presentation is necessary to present fairly the entity's cash receipts, cash payments and cash balances.

Disclosure of information about such matters as whether cash is generated from taxes, fines, fees, and/or borrowings and whether it was expended to meet operating costs, for the acquisition of capital assets or for the retirement of debt enhances transparency and

accountability of financial reporting.

The “Statement of Cash Receipts and Payments” includes both recurrent and capital transactions, which may be disclosed in separate sections of the Statement. Where a separate Capital Fund or other funds have been created, the financial results of these funds are disclosed separately in the notes to the financial statements.

The Government has disclosed separately on the face of the “Statement of Cash Receipts and Payments”, total external assistance received in cash during the period compared to the budget for such funds.

- i) Where external assistance is received from, more than one provider, or for more than one project, the significant individual providers of assistance and the amounts for each project has been disclosed separately, on both the face of the “Statement of Cash Receipts and Payments” and in the notes to the financial statements. The currency in which the assistance was provided, is reported and the exchange rate used if appropriate.
- ii) Where external assistance is received in the form of loans and grants, the total amount received during the period as loans and the total amount received as grants are shown separately, on the face of the “Statement of Cash Receipts and Payments” and in the notes to the financial statements.

1.2 Comparative Statement of Budget and Actual Amounts

The budgetary information in the financial statements has been presented in the same format as the annual budget approved by the legislative body.

The core purpose of the public sector financial statements is to provide a comparison of budget and actual amounts as a key component of accountability of the relevant Controlling Officer to the legislative body and so plays a key role in the control of the entities’ financial affairs. For this reason, the presentation, format and classification of the financial statements are consistent with the annual budget to ensure that this comparison is provided simply and clearly.

1.3 Notes to the Consolidated Financial Statements

The notes to the consolidated financial statements are presenting:

- i) Information about the basis of preparation of the consolidated financial statements and the specific accounting policies selected and applied for significant transactions and other events; and
- ii) Additional information which is not presented on the face of the financial statements but is necessary for a fair presentation of the entity's cash receipts, cash payments and cash balances and adequately account to the legislative body for the funds received and disbursed.

The notes include all central government ministries that are primarily engaged in non-profit activities; narrative descriptions and more detailed schedules or analyses of amounts shown on the face of the financial statements.

The narrative descriptions explain major variations between the approved budget and outturns for major votes, budget heads and sub-heads; and includes information required for disclosure by the guide as well as other disclosures considered necessary to achieve a clear and understandable presentation and enhance accountability.

The notes to the financial statements provide details of cash and cash equivalents on hand and the balances held at the Central Bank.

1.4. Disclosure and Accounting Policies

The accounting policies of the financial statements describes each specific accounting policy that is necessary for a proper understanding of the financial statements. Inappropriate accounting treatments are not rectified either by disclosure of the accounting policies used, or by notes or explanatory material. An accounting policy may be significant even if amounts shown for current and prior periods are not material.

1.5. Payment by Third Party

The payments made by the third parties do not constitute cash receipts or payments by the government but do benefit the Government. They are disclosed in the notes to the Consolidated Statement of Cash Receipts and Payments as per revised cash basis IPSAS (2017).

2.0 FINANCIAL STATEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 30TH JUNE, 2019

2.1 Introduction

The Public Financial Management Act (PFMA) of 2003 requires that the Secretary to the Treasury should prepare a Consolidated Annual Appropriation Account for the Government of Malawi every year, and submit it to the Auditor General to express an opinion on whether the financial information shows a true and fair view of Government revenues and expenditures for a particular financial year.

The consolidated financial statements are for the Government of Malawi. Malawi is a sovereign state governed by a constitution enacted in 1994. It carries out the normal functions of a sovereign government for the benefit and well-being of its constituents.

The core purpose of public sector financial statements is to provide a comparison of budget and actual amounts collected and expended as a key component of the accountability of the respective Controlling Officers to the Members of Parliament at National Assembly. For this reason, the presentation, format and classification of the financial statements is consistent with the approved annual budget to ensure that this comparison is presented simply and clearly. The Consolidated Appropriation Account is composed of accounts of Government Ministries, Departments, Agencies and Local Councils.

2.2 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Cash Basis International Public-Sector Accounting Standards (IPSAS) Accrual Stage 2, which incorporates financial assets and financial liabilities as presented by the International Consortium on Governmental Financial Management (ICGFM) a structured approach to modernizing government financial reporting. Using this accounting standard, capital expenditures are expensed in the year of purchase.

The consolidated financial statements have adopted the cash basis, IPSAS accrual stage 2 that incorporates financial assets and liabilities. At this stage, the Government information on assets and liabilities are not included with the financial report but rather disclosed. Under this stage the financial assets include: cash balances and receivables. Financial liabilities shall include accounts payables and public debts which includes loans for public servants.

The cash basis IPSAS Accrual Stage 2 of IPSAS requires that the structure of the financial statements as a minimum include Financial Statement Discussion and Analysis, Comparative Statement of Budget and Actual Expenditures, and Statement of Cash Receipts and Payments. In addition, supporting schedules of Statement of Balances on Consolidated Funds, and Statement of Receipts and Payments on Recurrent and Development Budget are provided as part of the appendices to the Financial Statements.

However, as part of financial reforms, the Government is committed to migrate to Accrual IPSAS. The adoption of Cash Basis IPSAS will enable a planned and smooth migration from Cash Accounting to Accrual Accounting.

The Government continued with the implementation of Public Finance Management (PFM) reforms. These reforms aim at improving the use and management of public resources through setting up of financial management systems that promote transparency, accountability, fiscal discipline, efficiency and effectiveness. It should further be noted that during the year, a number of financial management reforms were undertaken including:

- i) Development with the implementation of Electronic Funds Transfer (EFT) model.
- ii) Government continues to invest in operational efficiency and controls in the current IFMIS. In this regard, servers and network infrastructure to support IFMIS operations have been installed and preparations for Migration to new IFMIS are underway.
- iii) Government has also embarked on the review of the Public Finance Management Act (PFMA).
- iv) Awareness of IPSAS accrual accounting to all MDAs across the Regions

- v) Pilot of payroll interface between HRMIS and IFMIS in Some MDAs

2.3 Reporting Entity

The Financial Statements, as presented, reflects the activities of the Central and Local Government, covering all ministries, departments, agencies and councils. The Local Councils have been included in the Consolidated Annual Appropriation Account only to the extent of expenditures from central government and central government transfer to councils.

2.4 Budget Performance

The Financial Statements show how the budget implementation was done in relation to the approved and revised budgets. Note that the budget utilization for all revenue and expenditure items is relative to the revised budget as approved by Parliament. Below are summaries of performance of major categories of Revenues, Grants, Loans and Expenditures.

2.5 Revenue, Grants, And Loans

Revenue, grants, and loans consist of Domestic Revenues, Program Grants, Dedicated Grants, and Project Grants and Program and Project Loans. Total Revenue, Grants, and Loans for the year ending 30th June, 2019 were initially approved at K1, 268 Trillion and at mid-year review, the revised budget was K1, 203 Trillion. The actual revenue and grants received amounted to K1, 144 Trillion. This represent 94% of revised budget.

2.6 Domestic Revenue

Domestic revenues comprise of Tax and Non-tax revenues. In the 2018/19 fiscal year, domestic revenues were budgeted at K1,066 Trillion, comprising of tax revenues amounting to K969 Billion, and non-tax revenues of K97 Billion.

The budget remained the same at K1, 066 Trillion, with tax and non-tax revenues K969 Billion and K97 Billion, respectively. The actual collection was K1, 034 Trillion

representing 97 % of the revised target, of the actual revenue collection. Net tax revenue collection amounted to K956 Billion, while non-tax revenue collection amounted to K74 Billion.

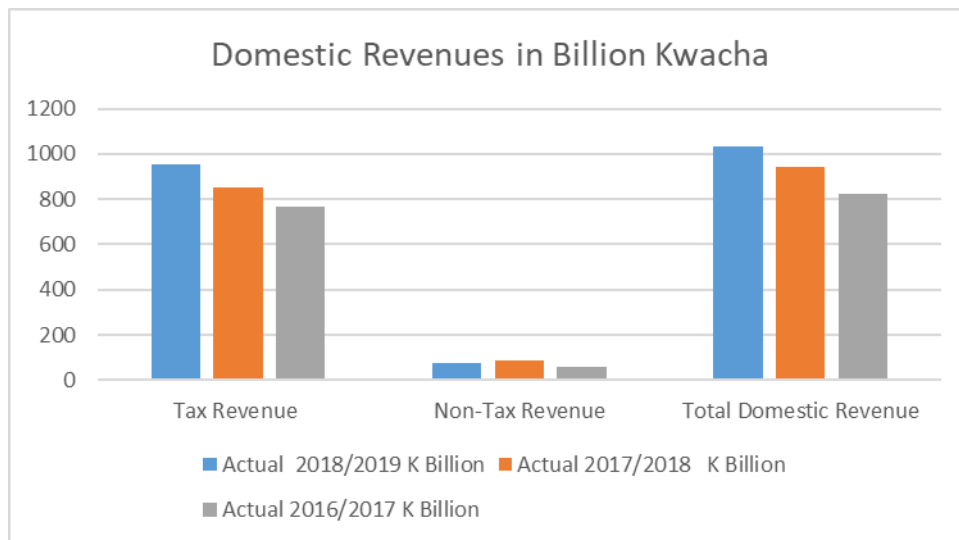
In the previous fiscal year (2017/2018), domestic revenues were budgeted at K980 Billion and later revised downwards to K953 Billion. The actual out-turn was at K943 Billion comprising of K854 Billion net tax revenue and K89 Billion non-tax revenue. The table below depicts actual tax and non-tax revenue performance in the past two years and the year under review.

Table 1: Breakdown of domestic revenue

Description	Actual	Actual	Actual
	2018/2019	2017/2018	2016/2017
	K Billion	K Billion	K Billion
Tax Revenue	956.0	854.0	767.6
Non-Tax Revenue	74.5	88.6	56.9
Total Domestic Revenue	1,034.3	942.6	824.5

Source: Revenue Policy Division

DOMESTIC REVENUES



2.7 Tax Revenue

Tax revenues increased by 12% in the 2018/2019 fiscal year. The good performance in tax revenues is on account of effective tax administration, the completion of the restructuring program at the Malawi Revenue Authority and improvement in tax compliance by the tax payers.

2.8 Non – Tax Revenues

Non-Tax Revenues comprise of departmental receipts and treasury funds, road levy, storage levy, road tax, and parastatal dividends including those from the Reserve Bank of Malawi.

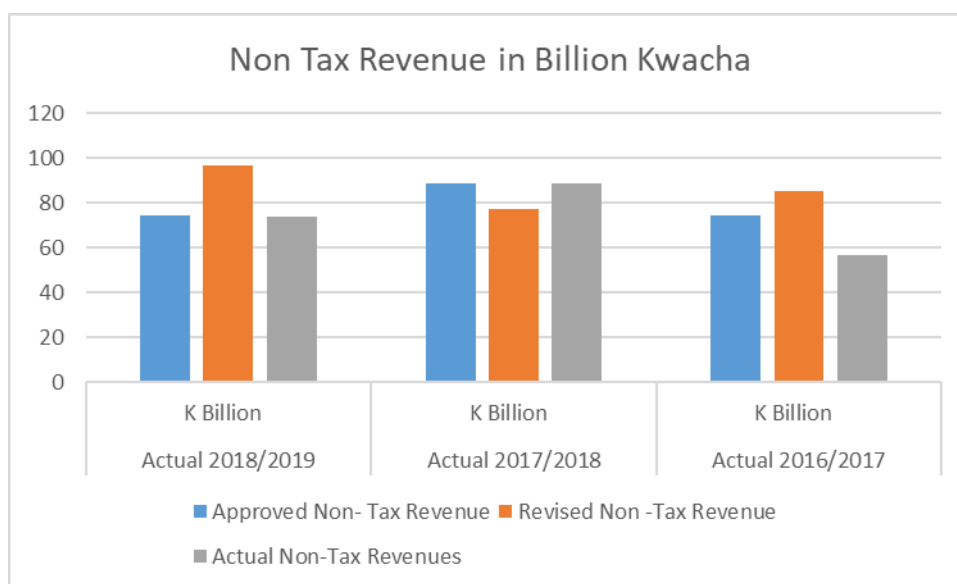
The non-tax revenue budget for the year was K97 Billion and remained the same at K97 Billion at midyear. The actual collection was K74 Billion representing 76 % of revised budget. The non-tax revenues have decreased by 20% compared to last financial year. However, it remains low at 7% of tax revenues.

The table below shows non-tax revenue performance in the past two years in relation to their projection and the year under review.

Table 2: Non – Tax Revenues

Description	Actual 2018/2019	Actual 2017/2018	Actual 2016/2017
	K Billion	K Billion	K Billion
Approved Non- Tax Revenue	74.5	88.6	74.5
Revised Non -Tax Revenue	96.6	77.1	85.6
Actual Non-Tax Revenues	74.0	88.6	56.9

Source: Revenue Policy Division



2.9 Grants

Grants were projected at K197 Billion at the beginning of the financial year comprising K74 Billion project grants, K63 Billion dedicated grants, and program grants of K60 Billion.

At mid-year, the total grants were revised downwards to K137 Billion comprising of K74 Billion project grants, and K63 Billion dedicated grants, and nil program grants, actual grants received in the year were K109 Billion representing 80% of revised budget. The actual grants received comprised of K38 Billion dedicated grants, and K40 Billion project grants and K31 Billion on Program grants were received in 2018/2019 financial year. The table below shows performance of grants in the past year and the year under review

Table 3: Breakdown of Total Grants in Billion Kwacha

Description	2017/2018 Actual Received	2018/2019 Approved Budget	2018/2019 Revised Budget	2018/2019 Actual Outturn	2018/2019 % of Actual against Revised budget
Total Grants	69.3	197	137	109	79.562
Of which: Program grant	-	60	--	31	-
Dedicated Grants	25	62	62	38	61.29
Dedicated health services Joint Fund-WB	-	9	9	-	-
Dedicated Education Services Joint Fund - GDC	-	2.6	2.6	-	-
Dedicated Education Services Joint Fund - Norway	-	2.7	2.7	-	-

Description	2017/2018 Actual Received	2018/2019 Approved Budget	2018/2019 Revised Budget	2018/2019 Actual Outturn	2018/2019 % of Actual against Revised budget
Dedicated Resources(PIU&DOD MA)-WB	-	7	7	-	-
Dedicated Education Services Joint Fund - WB	-	12	12	11	-
Malawi Drought Recovery & Resilience Project	-	-	-	21	-
Malawi Floods Emergency Recovery Program	-	-	-	0.2	-
NAC Inflows	3.6	-	-	-	-
Health Swap	-	-	-	-	-
Education Swap	4.7	-	-	-	-
PFEM Pool	1.2	2.3	2.3	-	-
World Bank Recovery Resources	30.9	-	-	-	-
Agriculture Swap	5.6	27	27	6.1	22.6
FISP					
Project grant	44.3	74	74	40	54.1

Source: Budget document No. 3

2.10 Borrowings

The 2018/19 financial year closed with a net borrowing of MK320.2 Billion which was financed using foreign resources at MK61.3 Billion and domestic resources at MK258.9 Billion.

2.11 RECURRENT EXPENDITURES

In the year under review, recurrent expenditures were budgeted at K1,136 Trillion but later revised upwards to K1,174 Trillion. The actual out-turn was an expenditure of K1,106 Trillion. This represents 94% actual expenditure against the revised budget. Below are details of how some categories of expenditure performed.

2.12 Wages and Salaries (including foreign and other allowances)

Wages and salaries were budgeted at K 439.6 Billion, and later revised downwards to K 387.8 Billion. The actual expenditure on this item was K 379.6 Billion, representing a budget utilization of 98%. Specifically, actual expenditure on wages and salaries for Central Government was K161.2 Billion, whilst K201 Billion was for Local Councils.

Foreign allowances were K 2.9 Billion, and other allowances was K14.5 Billion.

2.13 Public Debt Charges (Domestic and Foreign)

A total of K182 Billion was provided for Public Debt Charges. The amount was revised upwards to K223 Billion. The actual expenditure on this item was K181 Billion comprising of K167 Billion of domestic debt charges and K14.0 Billion of foreign debt charges. Representing 81% of the revised budget. The Government had contracted domestic debt in order to finance the budget deficit to meet its expenditure commitments. This included zero coupon promissory notes, treasury notes, treasury bills and ways and means advances.

2.14 Social Contribution (Pension and Gratuities)

The approved budget for Pensions and Gratuities payments was K80 Billion which was revised upwards to K83 Billion. The actual expenditure on this item was K83 Billion representing a budget utilization of 100 %.

2.15 Compensation and Refunds

This was budgeted at K5 Billion and was revised upwards to K11.1Billion, and the actual out-turn was K11.2 Billion representing 100 % utilization of the revised budget. This was due to payment of general compensation to Malawi Young Pioneer (MYP) officials.

2.16 Subsidies

The approved budget for fertilizer Subsidies was K40 Billion and was revised to K37 Billion. The actual out-turn on the item was K37 Billion, representing budget utilization of 100 %.

3.0 Generic Goods and Services

3.1 Internal Travel

The approved budget on internal travel was K31 Billion which was later revised upwards to K 34 Billion. Expenditure on internal travel was K33 Billion representing 98% utilization of the revised budget.

3.2 Office Supplies and Expenses

The approved budget on office supplies and expenses was K29 Billion which was later revised downwards to K27 Billion. Expenditure on this sub-items was K26 Billion representing 98% utilization of the revised budget. This was due to good adherence to expenditure control measures.

4.0 TRANSFERS TO COUNCILS BY SECTOR

The total budget for Central Government Transfers for the financial year 2018/19 was MK 219.5 Billion. Personal emoluments out of this projection amounted to MK173.5 Billion. Education sector was allocated MK9.5 Billion and health Sector MK8.4 Billion, the health sector allocation excludes MK14.3 Billion for drugs in the district hospitals and this was allocated under the National Local Government Finance Committee. The development budget of MK 16.3 Billion allocated to the district councils comprises of MK 10 Billion for upgrading of city roads and MK6.3 Billion for other rural projects. However management of these resources is currently being done by the Road Fund Administration.

During the midyear budget review; the government revised upwards the sector figures and the revised figures have been reported as shown below:-

Table 5: Transfer to Council by Sector

Sector	2018/19 Approved Budget	2018/19 Revised Budget	2018/19 Funding	2018/2019 % against revised budget
Health	8,378,619,270.75	8,378,619,270.75	8,369,710,559.05	100
Education	9,535,007,460.74	9,535,007,460.74	9,535,007,460.67	100
Agriculture	1,534,894,393.73	1,534,894,393.73	1,177,715,884.72	76
Other Sectors	13,477,700,000.00	9,134,000,000.00	1,919,000,000.00	21
Development funds	3,184,000,000.00	1,273,600,000.00	1273600001.04	100
Bore Hole funds	2,316,000,000.00	2,316,000,000.00	2,316,000,000.00	100
GRF	2,730,306,239.31	1,992,988,743.39	1,701,369,249.57	85
CDF	4,825,000,000.00	4,825,000,000.00	4,825,000,000.00	100
Total Transfers	45,981,336,806.42	41,990,782,389.39	31,118,359,481.34	74

Source: NLGFC

5.0 Development Expenditure

The approved budget for development expenditure was K319 Billion. This was revised downwards to K278 Billion. However, actual total expenditure was K206 Billion representing a budget utilization of 74 %. This outturn is mainly because of reduced expenditures on foreign financed projects.

5.1 Domestically Funded Development Projects (Part II)

The approved and revised budgets were K123 Billion, and K136 Billion, respectively. The actual expenditure was K93 Billion, representing budget utilization of 68 %. The underperformance was due to under collection of domestic revenues.

5.2 Foreign Funded Development Projects (Part I)

The approved budget was K195 Billion. This was revised upwards to K225 Billion at the end of the year. However, actual budget outturn was K111 Billion, representing a revised budget utilization of 49%. The low absorption rate resulted from low disbursements of resources from project donors.

6.0 CONSOLIDATED GOVERNMENT EXPENDITURE CLASSIFIED USING THE MALAWI GROWTH AND DEVELOPMENT STRATEGY (MGDS) III

The Government has developed a five-year Malawi Growth and Development Strategy (MGDS) III (2017-2022), an overarching national strategy, succeeding the MGDS II. This Strategy has been developed under the theme, “Building a Productive, Competitive and Resilient Nation”. With this theme, Government undertakes that for next five years, support will be channeled towards improving productive capacity of all sectors of the economy and to ensure that the country competes on the global stage while building systems that are resilient to natural shocks and disasters emanating from climate change. Government continues to implement this five year Strategic Plan. In the year under review the Government continues to budget and spend recurrent and development program based, on the MGDS activities in order to deliver the MGDS outcomes.

6.1 EXPENDITURE ON PRIORITY OR FOCAL AREAS

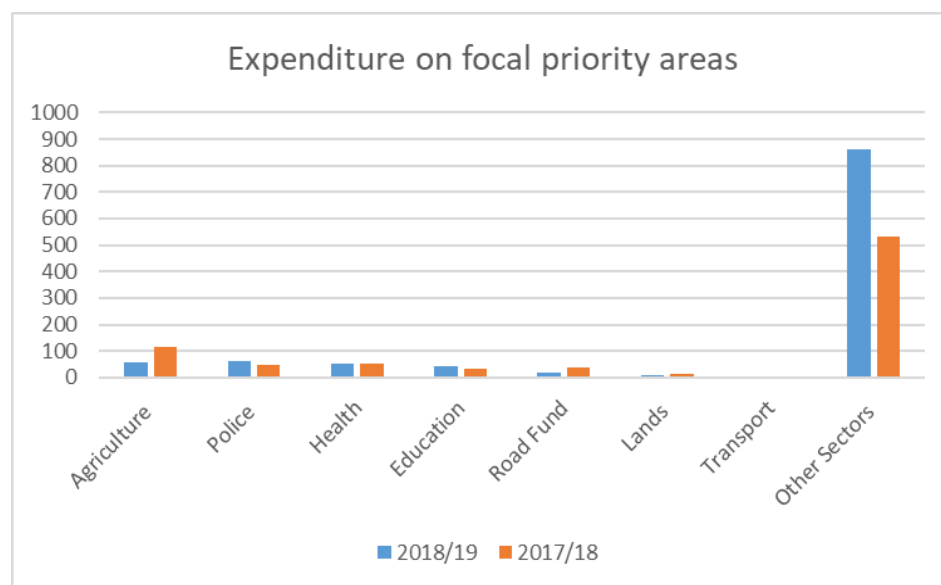
The 2018/19 budget continued to have budgeted expenditures among key sectors and ministries which have been classified as providing priority services. These included ministries responsible for Agriculture and Irrigation, Road Fund Administration, Police, Transport, Lands and Housing, Health, and Education, Science and Technology. The actual recurrent

expenditures in these ministries and agencies amounted to K244.6 Billion representing 22% of total recurrent expenditure.

The table and graph below indicate the actual expenditures in the priority areas in comparison to the previous year 2017/18. All other ministries including Local Councils have been included except for the statutory expenditures

Table 6: Expenditures on expenditure by priority or focal areas

Year	Agriculture	Police	Health	Education	Road Fund	Lands	Transport	Other Sectors
2017/18	114.8	47.0	50.7	35.1	39.5	13.7	3.5	532.2
2018/19	58.3	62.1	50.1	44.4	16.6	8.7	3.5	860.4



7.0 RECURRENT ACCOUNT

Total Recurrent Expenditure for the year amounted to K1, 106 Trillion. This is K38 Billion more than K1, 068 Billion which was spent in 2017/18 representing an increase of 3.4% from previous financial year. The increase was triggered due to the tripartite elections

conducted on 21st May, 2019, the impact of tropical cyclone Idai and mass promotions in Ministry of education and the Malawi Police.

In addition, high market price on commodities such as fuel and utilities, the use of aged motor vehicles has also increased motor vehicle running expenses.

The table below reflects the overall performance for the year under review.

Table 7: Overall performance of Recurrent Account

	2018/2019	2017/2018	2016/2017
Description	Actual	Revised	Actual
	MK Billion	MK Billion	MK Billion
Domestic Receipts, and grants	1,110.5	1,173.7	1,000.1
Dev. Part I & II Expenditure	205.7	277.9	202.5
Recurrent Expenditure	1,105.5	1,179.3	1,067.8
(Deficit) / Surplus	-200.7	-233.5	-270.2

8.0 EXPENDITURE BY VOTE

8.1 Recurrent Expenditure by Vote (Statement 4a)

Recurrent account expenditure is made up of Statutory and Voted expenditure. Of the total expenditure on recurrent account in 2018/19, K284.1 Billion was spent on statutory activities while K589.3 Billion was spent on voted expenditure of which K 232.0 Billion were councils.

8.2 Development Expenditure by Vote- (Statement 4b)

Total expenditure on Development Account for all votes amounted to K 205.7 Billion. Out of this, the Roads Fund Administration spent K 30.1 Billion which is 15 % of the total expenditure on development account. The actual expenditure on development for 2017/18 financial year was K202.6 Billion.

9.0 DISCLOSURES

Relevant disclosures have been provided where necessary, such as:

- i) Arrears for pensions and gratuities stood at K21.1 Billion as at 30th June 2019, of which K4.9 Billion is death gratuity. There is an increase as compared to last year's arrears of K17.1 Billion.
- ii) Total claims on arrears submitted to National Audit Office amounted to K31.2Billion of which K1Billion was verified as at 30th June,2019
- iii) The total financial assets in the year totalled
List of Bank Balances

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CASH POSITION AS AT 30th JUNE, 2019		
ITEM NO	ACCOUNT CLASS	AMOUNT
1	MG 006 Development Part 1 Donor funded	26 408 521 045,89
2	MG 030 Development Part 3 Local fund	621 421 435,66
3	MG 050 Malawi Government Development	11 751 906 191,09
4	WM 001 Malawi Government Control Account - No.1	(1 391 160 389 311,45)
5	WM 002 Malawi Government Account - No.1-Foreign	-
6	WM 003 Malawi Government Operating Account – Local	1 271 490 957 592,73
7	WM 004 Malawi Government Reserve Account	-
8	WM 005 Malawi Government Salaries	6 264 200,24
9	WM 006 Malawi Government Other Recurrent Transaction (ORT)	912 846 748,83
CASH POSITION AS AT 30th JUNE, 2019		
ITEM NO	ACCOUNT CLASS	AMOUNT
11	WM 008 Malawi Government Development Part 2 funded	832 765 870,38
12	WM 009 Malawi Government other financing receipts	(126 065 789 446,42)
13	WM 010 Malawi Government Deposit Account	-
14	WM 011 Malawi Government Special Miscellaneous Deposit Accounts	209 039 452,37
15	WM 012 Malawi Government Customs	77 272 700 918,82
16	WM 013 Malawi Government Revenue Holding Account	55 354 285 554,96
17	WM 014 Malawi Government Pensions and Gratuities	-
18	WM 015 Malawi Government Treasury Cashiers	231 571 421,94
19	WM 016 Malawi Government Rents Receivables	-
20	WM 017 Malawi Government Treasury Fund Receipts	2 498 009 671,58

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21	WM 018 Malawi Government Special Revenue	9 482 129,55
22	WM 019 Malawi Government Other Recurring Expenditure	63 062 320 335,31
23	WM 025 Malawi Government Deposits Account	1 051 227 914,20
24	WM 026 Malawi Government Statutory Expenditure	39 703 751 491,49
25	WM 027 Deposits from Statutory Bodies	-
26	WM 028 Deposits from Other Institutions LOCAL	5 992 450 642,88
27	WM 061 Deposits from other Institutions FOREIGN	1 879 571 476,54
	CASH POSITION AS AT 30th JUNE, 2019	
ITEM NO	ACCOUNT CLASS	AMOUNT
28	A1001 Recoveries of Government Advance	680 060 147,43
29	A1010 Recoveries of Government Advance Short Term	34 883 022,24
30	A1020 Government Advance	279 476 387,14
31	A1030 Malawi Government Recycle funds	100 171 114 017,04
32	FF020 Holding of XDR	(8 178 711 454,55)
33	FF021 Reserve Tranche	(2 630 248 483,43)
34	OT050 IMF No. 2 Deposit	5 023 906,85
35	SF001 Malawi Government Self-Funded Institution	13 402 878 967,18
	GRAND TOTAL - CASH BALANCE AS AT 30 JUNE 2019	145 827 391 846,49

iv) The total financial liabilities in the year are as below

List of Accounts Payables

ITEM NO.	VOTE	PAYMENT ARREARS	ADVANCE ARREARS
1	030	21, 100, 000, 000	
2	070	7, 190, 000	
3	080	841,459,092.78	
4	090	127,463,107.21	15,498,855.50
5	099	50,963,283.23	4,986,100.42
ITEM NO.	VOTE	PAYMENT ARREARS	ADVANCE ARREARS
6	120	6, 370, 930.00	11,046,538.48
7	190	57, 822, 732.11	120,985,909.44
8	260	214,950,000.00	37,398,633.88
9	320	80,895,323.54	4,183,305.10
10	330	-	9,951,971.71
11	341	4,850,740,455.49	-
12	342	2,721,773,402.15	30,178,000.00
13	370	-	5,502,625.39
14	430	42,216,096.93	-
15	460	240, 779, 870.38	1,671,599.28

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Consolidated Annual Appropriation Accounts for the year ended 30th June 2019*

16	470	246,493,901.84	-
17	510	57,257,040.61	-
18	550	57,257,040.61	5,252,114.95
TOTAL		30,666,115,056.84	89,942,710.11

- v) The Stale cheques in the year under review totalled K2.05 Billion. See the table below:

Stale cheques for the year 2018/2019 were as follows:

Description	K
Other Recurrent Transactions	1,319,734,469.62
Development	645,052,807.19
Deposit	66,127,364.85
Pensions	11,016,512.33
Compensations	6,943,648.69
Total	2,048,874,802.68

10.0 CONFIRMATION OF THE ACCURACY AND FAIR PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS SUBMITTED

I hereby acknowledge that the 2018/2019 annual financial statements have been submitted to the Auditor General for auditing in terms of a section 86 of the PFMA and section 184 of the Constitution.

I acknowledge my responsibility for the accuracy of the accounting records and the fair presentation of the financial statements and confirm, to the best of my knowledge and belief, the following:

- i) The financial statements have been prepared in accordance with the reporting framework guide as prescribed in the Accountant General and relevant guidelines specified / issued by the MOF.
- ii) the financial statements are complete and fairly or accurately presented
- iii) all amounts appearing on the financial statements have been cast and cross-cast and been accurately cross referenced in consultation with the Accountant General
- iv) the financial statements are free from material misstatements, including deliberate omissions; and
- v) Accounting estimates are reasonable in the circumstances and within stipulated policy environment.

11.0 CONCLUDING REMARKS

I hereby present the annual appropriation account for 2018/2019 financial year in line with Section 83 of the PFMA, 2003.

Cliff K. Chiunda
SECRETARY TO THE TREASURY