



## **MEDIA RELEASE**

### **MHRC STATEMENT ON K6.2. BILLION COVID-19 AUDIT REPORT**

The Malawi Human Rights Commission (“the Commission”) welcomes the National Audit Office (NAO) Report on the usage and accountability of the K6.2 Billion Covid-19 disbursement. The Commission applauds the following post-audit report government’s actions: the firing of a Cabinet Minister, the arrest of 46 people implicated in the report, and the interdiction of some controlling officers as they signal some progress towards addressing the recommendations raised in the audit report. While the Commission acknowledges this urgent action-oriented response to the report, it observes that the approach government has used in dealing with the plunder of Covid-19 resources has not been holistic. The Commission is therefore calling on Government to adopt a broader approach to addressing this plunder by amongst other things funding another audit to vigorously and comprehensively investigate the other COVID-19 funds (beyond the K6.2 Billion).

The Commission makes the following observations in view of the release of K6.2 Billion Covid-19 Audit Report and Government’s response:

- a) The Commission welcomes government’s move to interdict officers implicated by the NAO report. However, there is need for government to adhere to existing legislation on interdiction of officers as well as principles of natural justice. In this regard, the government’s move on interdiction without pay has no legal basis as provided in Section 56(3) and (4) of the Employment Act, and should hence be aborted.
- b) While the Commission partly agrees with NAO audit report that the absence of guidelines on Covid-19 funds management and reporting may have led to this public resource plunder, it is of the view that this cannot be used as an excuse for the maladministration. The Commission strongly believes that in the absence of such guidelines, public officers were obliged to abide by the existing procurement and finance management procedures, guidelines and Laws when implementing Covid-19 related activities using public money.
- c) The Commission observes that while there has been some ordering of interdictions and the firing of a Cabinet Minister, the co-chairpersons of the Presidential Taskforce have been left scot-free despite the Audit report exposing its failure to provide oversight role on procurement of PPEs and also involvement of Ministry of Health and Central Medical Stores on the same. This is a case of selective justice
- d) The Commission bemoans the failure by the Education cluster to utilize some funds for Covid-19 due to unnecessary, man-made logistical challenges.

- e) The Commission faults government's continued failure to honor its pledge of supporting NAO to conduct quarterly audits.

The Commission makes the following recommendations:

- a) Government should review of the Terms of Reference of the Presidential Taskforce on Covid-19 in the context of its failure to provide oversight on Covid-19 funds management particularly on procurement of Personal Protective Equipment (PPE).
- b) Government should fund another audit to vigorously and comprehensively investigate the other COVID-19 funds (beyond the K6.2 Billion).
- c) Government should strengthen preventive control to avoid recurrence in the plunder of public resources
- d) Government must fully implement auditor's recommendations with the specified period by NAO.
- e) The Commission further agrees with those who hold the view that a holistic approach to ridding off this vice of abuse and mismanagement of public resources is the best course of action if we are to have a lasting solution to the problem. This should go beyond the Vice President's led Taskforce review of allowances policy in the public service but also touching on the general review of working conditions for public servants in the country; the strict enforcement of public finance related laws; review of the efficacy of the current public sector Ethical Codes of Conduct; and a clear definition and translation of the Tonse Government *Mind-set change* campaign into reality. Inclusivity should hence be key in such an approach whereby the voices of both externals and public servants are considered in an honest and transparent manner.

The Commission commends government for the direction they have taken in addressing issues of public resource plunder. The Commission would like to commit its continued support to government in monitoring the progress on the implementation of the recommendations from the Audit reporting line with its mandate.

**Issued on 29<sup>th</sup> April 2021, Lilongwe Malawi**

Habiba Osman

A handwritten signature in black ink, appearing to read 'Habiba Osman', written over a large, faint circular stamp or watermark.

**Executive Secretary**

