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**ZIMBABWE UNITED PASSENGER COMPANY**



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**WILLOWVALE DEPOT RECEIPTS AND BANKINGS ANALYSIS  
REPORT**

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## **WILLOWVALE DEPOT RECEIPTS AND BANKINGS ANALYSIS REPORT**

### **1. BACKGROUND**

Routine checks were conducted within the ticket office in June 2019 and it was observed that sixty-six (66) waybills were missing. A team was subsequently set up by the Operation Restore Sanity Taskforce Command to check and report on the cash office's operations. The team comprised of Superintendent Makuni [Taskforce], SIO Sangondimambo [Taskforce], Redemption Musiyiwa [ZUPCO]. The team mainly focused on whether personnel within the Willowvale cash office were complying with the provisions of the company's policy on handling revenue received. The team's findings and recommendations, as outlined in this report were also reviewed by the head of Audit and Risk.

### **2. SCOPE OF THE EXERCISE**

Over and above a cash count and interviews with the cash office personnel, the following documents and records were also examined during the course of the exercise:

- a) Operations Department Procedures Manual,
- b) Cash summary sheets,
- c) Bank statements for the rural account (1120061060047), USD account (1120112090113)
- d) CBZ deposit slips for both the USD and RTGS ZUPCO accounts,
- e) Cash records,
- f) Vouchers, and
- g) Delivery note from BOC gases

### **3. SUMMARY OF OBSERVATIONS**

- a) Inordinate delays in banking for both the CBZ rural account and the USD account,
- b) Under banking with respect to both the CBZ rural account and the USD account,
- c) Unauthorised built up of a USD cash float,
- d) Cash deposit advise slips not supported by authentic cash summary sheets,
- e) A CBZ bank deposit slip not bearing a bank stamp,
- f) Cash record sheets not supported by cash summary sheets,
- g) Cash summary sheets not supported by deposit slips (missing deposit slips),

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- h) Non-banking of Zambian and Malawian currencies,
- i) Employees in possession of the organisation's hard cash for long periods of time,  
and
- j) Compromised security of the cash office,

### 4.0.DETAILED OBSERVATIONS

#### 4.1. DELAYED BANKING - (*Rural Account 112006106004*)

The receipts and banking schedule for the rural account was analysed. It was established that there were some inordinate delays in banking contrary to the provisions of the company's Operations Department Procedures Manual which in paragraph 2.7.1, page 23, provides that revenue collected must be banked within 24 hours. Cash Summary Sheet file depicted inordinate banking delays as indicated below:

#### Schedule of Banking Delays

DATE RECEIVED	CASH SUMMARY SHEET NO.	AMOUNT RECEIVED [\$]	DATE BANKED	AMOUNT BANKED [\$]
23/01/2019	034671	773	25/01/2019	696
25/01/2019	034673	278	29/01/2019	278
26/1/2019	034674	64	29/1/2019	64
26/1/2019	034674	372	1/2/2019	372
27/1/2019	034675	321	29/1/2019	321
30/1/2019	034679	585	1/2/2019	585
1/2/2019	173401	449	7/2/2019	449
2/2/2019	173402	782	7/2/2019	782
3/2/2019	173403	186	7/2/2019	186
5/2/2019	173404	1592	7/2/2019	592
7/2/2019	173407	966	18/2/2019	97
8/2/2019	173406	544	18/2/2019	54
9/2/2019	173408	958	18/2/2019	317
10/2/2019	173409	375	18/2/2019	375
11/2/2019	173410	264	18/2/2019	264

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12/2/2019	173411	508	18/2/2019	508
13/2/2019	173412	139	1/2/2019	139
14/2/2019	173413	114	18/2/2019	114
15/2/2019	173414	148	18/2/2019	148
28/2/2019	173427	291	2/3/2019	291
1/3/2019	173428	645	4/3/2019	645
19/3/2019	034686	1443	21/3/2019	1443
22/3/2019	173448	355	25/3/2019	355
01/4/2019	173459	341	NOTHING BANKED	NOTHING BANKED
29/3/2019	173455	1387	1/4/2019	1387
4/4/2019	173463	143	8/4/2019	143
5/4/2019	173464	1051	8/4/2019	1051
17/4/2019	173478	1143	23/4/2019	1143
18/4/2019	173479	1295	23/4/2019	1295
19/4/2019	173480	1143	23/4/2019	1143
21/4/2019	173482	1652	23/4/2019	1652
26/4/2019	173488	926	29/4/2019	926
3/5/2019	173495	1039	6/5/2019	1039
7/5/2019	173500	1349	9/5/2019	1349
10/5/2019	019503	806	13/5/2019	806
17/5/2019	019515	1216	20/5/2019	1216
22/5/2019	019522	2479	24/5/2019	2479
24/5/2019	019524	2171	27/5/2019	2171
31/5/2019	019530	4471	3/6/2019	4471
7/6/2019	019537	4506	10/6/2019	4506
14/6/2019	019546	5071	17/6/2019	5071
26/6/2019	019558	3452	28/6/2019	3452
28/6/2019	019560	3775,5	01/7/2019	3775,5
5/7/2019	019567	5969.50	8/7/2019	5969.50
7/7/2019	189888	1832.50	9/7/2019	1832.50
12/7/2019	019575	2348.50	15/7/2019	2348.50

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The Accountant and Cashier were invited to explain and justify the departure from the company's policy regarding the timing of banking revenue receipts. In their written responses, they attributed this departure to the temporary shift of the cash office from Willowvale Depot to Belvedere Depot as well as transport problems to transmit the cash receipts to the bank. It was however established that the temporary shift took place on 20 January 2019. Willowvale cash office resumed its operations on 12 February 2019. Their explanation does not hold water as the delays in banking continued beyond the 12 February 2019 when CIT services were available to the Depot.

### **Risk(s):**

- Delays in banking may encourage fraudulent behaviour such as teeming and lading.
- Accumulation of large amounts of cash in the vault becomes a security threat as it attracts armed robbers.
- In the event of an armed robbery, the organisation's exposure will be very high due to delayed banking.

### **Recommendation(s):**

- All cash received should be timely banked in line with the provisions of Operations Department Procedures Manuals, if not the same day then the next working day after receipt.
- Where for any reason some cash buffer is required, Management should prescribe a limit above which all cash has to be banked.

## **4.2. UNDER BANKING**

It was also observed that there was under banking on the following cash summary sheets:

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## Under Bankings Schedule

CASH SUMMARY SHEET NO.	AMOUNT RECEIVED RTGS [\$]	AMOUNT BANKED RTGS [\$]	SHORTFALL RTGS [\$]
034671	773,00	696,00	77,00
173404	1592,00	592,00	1000,00
173407	966,00	97,00	869,00
173406	544,00	54,00	490,00
173408	958,00	317,00	641,00
<b>TOTAL</b>			<b>3077,00</b>

The RTGS \$3000,00 under banking total was explained as transfers to accounts which were not disclosed and for purposes not disclosed. The money remains not accounted for.

**USD ACCOUNT NUMBER 1120112090113.**

DATE RECEIVED	CASH SUMMARY SHEET NO.	AMOUNT RECEIVED [USD \$]	DATE BANKED	AMOUNT BANKED [USD \$]
23/01/19	034671	91,00	25/01/19	\$91,00
27/01/19	034675	125,00	29/01/19	125,00
29/01/19	034677	86,00	01/02/19	86,00
30/01/19	034679	14,00	04/03/19	14,00
06/02/19	173405	237,00	07/02/19[ deposit slip not filed]	\$237,00
07/03/19	173433	350,00	14/03/19 [deposit slip not filed]	\$350,00
13/03/19	173441	80,00	14/03/19 [deposit slip not filed]	\$80,00

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15/03/19	173443	381,00	18/03/19	381,00
19/03/19	034686	381,00	21/03/19	381,00
22/03/19	173448	341,00	25/03/19	341,00
27/03/19	173453	246,00	01/04/19	\$141,00 [\$105,00 used to buy acytelyne]
29/03/19	173455	311,00	01/04/19	311,00
05/04/19	173464	302,00	08/04/19	302,00
24/05/19	019524	108,00	28/05/19	108,00
05/06/19	019535	221,00	24/06/19	16,00
07/06/19	019537	363,00	24/06/19	363,00
14/06/19	019546	128,00	NOT BANKED	NOT BANKED
20/06/19	019552	142,00	24/06/19	142,00
28/06/19	019560	40,00	01/07/19	40,00
5/7/2019	019567	255,00	8/7/2019	255,00
12/7/2019	019575	300,00	15/7/2019	300,00
25/6/2019	19530	45,00	NOT BANKED	NOT BANKED

Cash Summary Sheet number 019535 was under banked by US\$205,00. \$45,00 on cash summary sheet number 19530 was not banked. The cashier explained that he did not bank the money as he was building up to the float of \$1500,00 he was instructed by his superiors. He did not know what the float was to be used for. No satisfactory explanation was given regarding inordinate delays in banking. US\$128,00 was explained as having been refunded to passengers after the bus broke down.

### **Risk(s)**

- Unauthorised under banking promotes fraud through teeming and lading.
- Building up an unauthorised US\$ cash float carries the risk of unjust enrichment on the part of those accumulating the US\$ which they can later sell on the black market.

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- If other staff members get to of such unauthorised transactions it may cause despondency.

### **Recommendations.**

- It is an accounting principle to ensure that all cash receipts are banked timeously and intact, and such the organisation is not spared on this required.
- All instructions to build up US\$ cash floats should be authorised in writing for future referencing.
- Cash floats must be accumulated in line with the organisation`s finance policy.

### **4.3. CASH DEPOSIT ADVICE SLIPS WITHOUT CASH SUMMARY SHEETS**

The following deposit slips were filed. However, the cash summary sheets to which they relate were not seen.

#### **ACCOUNT NUMBER 1120112090113**

<b>DEPOSIT SLIP NO.</b>	<b>DATE</b>	<b>AMOUNT</b>
007002	29/01/19	\$467,00
007001	29/01/19	\$565,50
008464	27/03/19	R100,00
008457	04/03/19	\$14,00
008456	28/02/19	R29490,00
008455	28/02/19	\$121,00
008454	07/02/19	\$237,00
010256	29/02/19	\$248,00
010255	29/01/19 [NO BANK DATE STAMP]	\$31,00
010252	25/01/19	\$91,00
010251	23/01/19	\$7,00

#### **ACCOUNT NUMBER 1120112090025**



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DEPOSIT SLIP NO.	DATE	AMOUNT
008657	29/01/19	\$18,50
008651	23/01/19	\$107,00
010604	18/01/19	\$189,00
010603	18/01/19	\$179,00
010602	18/01/19	\$222,00
010601	18/01/19	\$191,00
010840	11/01/19	\$179,00

### ACCOUNT NUMBER 1120061060047

DEPOSIT SLIP NO.	DATE	AMOUNT
004109	01/02/19	\$193,00
004107	29/01/19	\$300,00
004101	23/02/19	\$400,00
003656	11/01/19	\$100,00

The cashier was requested to avail the missing cash summary sheets and cash records. In his written response he indicated that he had retrieved the documents but, which he also failed submit as part of his to the enquiry. It was also observed that a CBZ bank teller omitted to date stamp deposit slip number 010255 but the money however reflected on the bank statement reviewed. Deposit slips 008456, 008455, 008454, 010256, 010255, 010252, 010251 and 008464 were ascribed by the bank to ZUPCO RTGS1 (120112090025). The account number was changed to 1120112090133 [Nostro Account]. The change was in long hand. The mix up in bank accounts was also not explained.

### Risks

- Deposit slips not supported by the relevant cash summary sheets as supporting documents impairs the audit trail and may cause confusion in trying to reconcile records in future.
- Failure to avail the cash summary sheets speaks to poor internal controls, lack of adequate supervision, poor filing and the possibility for fraudulent behaviour.

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## Recommendations

- It is recommended that a sound and effective internal controls with respect to filing and custody of all essential banking documents be instituted as a matter of priority.
- There is need for proper supervision of cashiers.
- Proper filing is highly recommended.

## 4.4.CASH RECORD SHEETS WITH NO CASH SUMMARY SHEETS AND NO DEPOSIT SLIPS.

The following cash records sheets do not have cash summary sheets and deposit slips:

DATE	CASH RECORD NO.	SHORTFALL	CASH PAID IN
10/01/19	035966	ZK239	RTGS\$1792,00, ZK520,00
11/01/19	035967	RTGS\$23,00	RTGS\$1919,00, US\$337,00 and ZAR600,
12/01/19	035968	RTGS\$21,00, ZK100	RTGS\$2229,00 and ZK1100,00
13/01/19	035969	US\$68,00, ZAR30,00	RTGS\$1765,00 US\$215,00, ZAR570,00 and MK46000,00
14/01/19	035970	-	RTGS\$1894,00
18/01/19	035971	US\$81,00	RTGS\$1011,00 and ZK3249,00
19/01/19	035972	RTGS\$15,00,	RTGS\$223,00 and US\$31,00
20/01/19	035973	US\$13,00, ZAR50,00	RTGS\$1411,50, US\$248,00
21/01/19	035974	-	RTGS\$852,00

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22/01/19	035975	-	RTGS\$1072,50, US\$7,00, ZAR900 and MK2000,00
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It is not clear how the revenue and shortfalls were treated. Cashier was called upon to explain how RTGS\$ 13669,00, ZK4869,00, ZAR 2070,00, USD\$ 838,00, and MK 48000 paid in was handled and how the shortfalls highlighted in the table above were treated. He responded to have banked the local currency and US\$. He was silent on how the Rands were treated. On checking the bank statement, a total of \$500 [RTGS] was banked in time and a total of US\$831,00 was banked outside the 24-hour rule while US\$7,00 was banked in time. \$13`669,00 [RTGS], and ZAR2`070,00 remains unaccounted for as the bank statement did not confirm the alleged bankings.

#### 4.5.CASH SUMMARY SHEETS WITH NO DEPOSIT SLIPS

DATE	CASH SUMMARY SHEET NO.	AMOUNT	ACCOUNT
1/2/2019	034680	USD 71	ACCOUNT 133
8/2/2019	173406	USD 265	ACCOUNT 133
20/2/2019	173419	\$ 481	ACCOUNT 113
1/4/2019	173459	\$ 341	ACCOUNT 47
3/4/2019	173462	\$ 952	ACCOUNT 47
25/4/2019	173487	\$ 390	ACCOUNT 47
20/5/2019	19520	\$ 640	ACCOUNT 85
14/6/2019	19546	USD 128	ACCOUNT 133

The cashier was called upon to explain the missing deposit slips which are not attached to the cash summary sheets. The deposit slips were not availed to the team.

In accounting for the amounts stated in the above table the following was given:

- In respect of US\$71,00 a bank statement confirmed the money was banked on 02/02/19.

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- In respect of US\$265,00, US\$130,00 was expended on a voucher, US\$121,00 was banked late on 25/02/19 while US\$14,00 was banked late on 04/03/19. No satisfactory explanation was given as to why the banking was delayed and split.
- In respect of RTGS\$481,00, the money was transferred to an unknown account.
- In respect of RTGS\$341,00, the bank statement confirms the money having been banked in time on 02/04/19
- In respect of RTGS\$952,00, the bank statement confirms the money having been banked in time on 04/04/19.
- In respect of RTGS\$390,00, the bank statement does not confirm the transaction and the money remains unaccounted for.
- In respect of RTGS\$640,00, the bank statement confirms the money having been banked in time on 21/05/19
- In respect of US\$128,00, the money is alleged to have been refunded to passengers when the bus broke down.

**The following amounts were transferred to unknown accounts.**

<b>DATE</b>	<b>CASH SUMMARY SHEET NO.</b>	<b>AMOUNT</b>
2/3/2019	173429	\$519
8/2/2019	173406	\$490 AND USD 130
9/2/2019	173408	\$641

The cashier was called upon to explain and justify the destination to which the RTGS \$1650,00 and US\$130 were transferred. No satisfactory explanation was given in this regard.

#### **4.6.CASH COUNT RESULTS**

A cash count of foreign currency was conducted, however local currency was excluded. The cash found on hand was as follows:

<b>CURRENCY</b>	<b>DENOMINATION</b>	<b>QUANTITY</b>	<b>AMOUNT</b>
USD	100	1	100
USD	50	2	100
USD	20	19	380
USD	10	87	870

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USD	5	8	40
<b>TOTAL</b>			<b>1490</b>
ZAMBIAN KWACHA	100	726	72600
ZAMBIAN KWACHA	50	401	20050
ZAMBIAN KWACHA	20	91	1820
ZAMBIAN KWACHA	10	25	250
ZAMBIAN KWACHA	5	50	250
ZAMBIAN KWACHA	2	6	12
ZAMBIAN KWACHA	1	15	15
ZAMBIAN KWACHA	0,50	14	7
<b>TOTAL</b>			<b>95004</b>
MALAWI KWACHA	2000	47	94000
MALAWI KWACHA	1000	11	11000
MALAWI KWACHA	500	3	1500
<b>TOTAL</b>			<b>106500</b>

It was observed that the company does not bank Zambian and Malawian kwachas. This is against company policy which requires that all monies collected must be banked within 24 hours. US\$1`490.00 was on hand against a book balance of \$2207,00. The cash office was maintaining a minimum of USD \$1`500.00 from as

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far back as 28/05/19. Cashier was called upon to explain departures from company policy and differences between physical and book values in US\$. No satisfactory explanation was given in this area.

### **4.7.PURCHASES**

It was observed that 3 vouchers were raised as follows:

- ✓ oxygen cylinders at USD \$42 each at a total cost of USD\$126.
- ✓ 2 vouchers for acetylene at USD\$156 each.

The voucher for USD\$126.00 is supported by proof of payment through the delivery note number 184509. The delivery note dated 24 May 2019 was issued by BOC Gases. The other vouchers are not supported by any proof of payment. Acetylene gas was not purchased and, as a result change of USD\$312.00 was returned on 28 May 2019. This therefore means that company employees have the latitude to keep company funds for four days without authority.

For, the purchase of ZESA meter, money was raised on 30 May 2019 and signed for by Mr Seremani. The meter was bought for USD\$250.00, but cash actual disbursed was USD\$ 270.00 and the change returned was USD\$20 on 3 June 2019. This also implies that company employees have the latitude to keep company funds for four days without authority

### **4.8.SECURITY OF THE CASH OFFICE.**

It was observed that the security at the cash office was compromised since its two doors do not have screen doors.

### **4.9.RECOMMENDATIONS.**

The team made the following recommendations:

- a) The company policy on cash handling and subsequent bankings be observed all the time.
- b) Depot manager and other line supervisors must supervise the work of their subordinates.
- c) All deviations from company policies needs prior executive authority.
- d) Internal audit department must carry out regular checks on the company systems and corrective action taken in time.

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- e) Two screen doors be fixed to the cash office's two doors to improve security.
- f) The cashier must account for a total of RTGS\$19267,00, ZAR2070,00 and US\$378,00.
- g) The filing system at the depot be improved so that records can be easily retrieved and the system be easily followed.

Signed.....[Mr. P. Chimbanda] Acting Audit and Risk Manager]