

VOTE 24
MINISTRY OF CO-OPERATIVES AND MARKETING

59. FOLLOW UP ON PREVIOUS YEAR'S OUTSTANDING MATTERS

The following matters reported in the financial year 2002/2003 have so far not been cleared.

NOS.	PARA	DETAILS	AMOUNT QUERIED SHS.	AMOUNT SETTLED SHS.	AMOUNT STILL OUTSTANDING SHS.
1.1	6.1	Outstanding imprests	31,897,847	30,653,960	1,243,887
1.2	62.2	D.Funds not booked	54,567,167	-	54,567,167
1.3	64.1	Payment not accounted for	126,862,198	125,631,498	1,230,800
1.4	64.3	Improper payments of allowances	13,878,327	12,580,887	1,297,440
1.5	64.5	Overpayments	7,865,647	7,175,647	690,000
1.6	65.1	Outstanding bills	12,416,650	3,239,760	9,176,890
Total			247,487,936	179,281,752	68,206,184

More effort is needed to clear the outstanding balances.

60. NON SUBMISSION OF ACCOUNTS AND STATEMENTS

As at the date of writing this report accounts and statements relating to the Inspection and Supervision of Cooperatives Fund (ISCF) and Register of Cooperatives Societies Fund (RCSF) for the years 2001/2002, 2002/2003 and 2003/2004 had not been submitted for audit. The Ministry has been urged to submit the statements as required by the Act which established the funds.

61. AUDIT QUERIES

A test check of the year's accounts and the related records resulted in the issue of 21 (twenty one) audit queries of which none had been replied and settled as in February 2005. In addition four (4) queries issued during the previous accounting period 2002/2003 were still outstanding.

62. OUT-TURN

62.1 Supply Vote

The Supply Vote closed with an apparent saving of Shs.15,258,185 arising from a net expenditure of Shs. 7,110,858,612 against the net approved estimates of Shs.7,126,116,797. The net expenditure included Shs.179,850,999 transferred to deposit account to meet outstanding commitments. However, exchequer issues received during the year amounted to Shs. 7,126,116,797 which is equivalent to the net approved budget for the year leaving an unconfirmed cash balance with the Paymaster General account of Shs.3,931,625 net of the outstanding imprests of Shs. 11,326,560.

62.2 Development Vote

The year's out-turn on the Development Vote was a net expenditure of Shs. 2,349,848,938 (Foreign Component) against the net approved estimates of Shs. 2,376,823,938 resulting in a apparent saving of Shs. 26,975,000 mainly related to foreign aid funded projects (D – Funds). However, exchequer issues received during the year amounted to Shs. 2,349,848,938 leaving a nil cash balance with the Paymaster General's account.

62.3 Statement of Revenue

The Statement of Revenue submitted showed a total collection of Shs. 29,141,129 against the estimated revenue collections of Shs. 4,500,300 resulting in an over-collection of Shs. 24,640,829. It would appear that the revenue estimates were either understated or the budget was unrealistic.

63. BANK RECONCILIATION STATEMENTS

Audit examination of bank reconciliation statements submitted, showed variances as under:-

Account	Cash balance as per Statement of Vote Account	Cash balance as per CPO cash balance Statement Shs.
i. Supply Vote	3,931,624	NIL
ii. Development Vote	NIL	2,207,523,938
iii. Miscellaneous Deposit	129,850,998	NIL

These large differences need reconciliation.

64. STATEMENT OF ASSETS AND LIABILITIES SHS. 179,850,998

A cash balance of Shs. 179,850,998 was reported in the statement of assets and liabilities as at 30th June 2004, whereas the same balance for the same account was Shs. 240,036,396 according to the deposits register. A large difference of Shs. 60,185,398 has not been reconciled.

65. OUTSTANDING IMPRESTS SHS. 11,326,560

The Statement of the Supply Vote account as at 30/6/2004 reflected outstanding imprests as follows:-

		Shs.
(i)	Special imprests	3,641,400
(ii)	Safari imprests	2,685,160
(iii)	Standing imprests	<u>5,000,000</u>
	Total	<u>11,326,560</u>

There were noticeable delays in retiring individual imprests whilst fresh imprests were being issued before retirement of the previous ones. In addition, the mandatory 10% surcharge was not being imposed on the imprests retired later.

66. IMPROPERLY VOUCHERED EXPENDITURE SHS. 49,782,519

The footnotes to the appropriation accounts did not reflect any payments related to improperly vouched expenditure. However, a test check of various payments disclosed such payments totalling Shs. 49,782,519 as detailed below:-

No.	Detailed	Account	Amount Involved Shs.
1.	Payment with missing supporting documents	Supply vote	388,858
2.	Payments not received	- ' -	49,393,661
Total			49,782,519

Replies to five audit queries raised on this matter had not been submitted as at the time of writing this report in February 2005.

67. PAYMENTS NOT CONFIRMED AS RECEIVED SHS. 3,973,877

Payments amounting Shs. 3,973,877 were made to payees for various reasons. Acknowledgement receipts to confirm that the payments were received by the bonafide payees could not be produced for audit. My two queries issued on this matter have not been replied.

68. IRREGULAR AND/OR QUESTIONABLE PAYMENTS

68.1 Double Payment of Subsistence allowances Shs. 11,086,320

A test check of the transactions relating to retirement of Imprests disclosed double payment of subsistence allowance claims totalling Shs. 11,086,320. Four audit queries raised on this matter have not been replied. Immediate recovery of the amount is called for.

68.2 A sum of Shs. 5,877,602 was paid to Bank of Tanzania in June,2004, being refund for cost of office equipment and incremental costs incurred on behalf of the Ministry under Rural and Microfinance Services Project (RMFSP Credit Nos. 3278 T.A). The expenditure had no budget provision in the 2003/2004 financial year budget. In addition, the expenditure was charged against the recurrent account instead of the development account. The expenditure has not been regularized.

68.3 Payments of Compensation Not Budgeted For And Supported Shs. 47,393,661

The Ministry paid Shs. 47,393,661 as compensation payments to the Kibaigwa residents whose plants and houses were demolished to allow for construction of the International Market.

- (i) The relevant valuation report and duly receipted compensation schedules were not produced for audit.
- (ii) It was further noted that the expenditure was not budgeted for during the financial year 2003/2004. The expenditure was charged against the recurrent expenditure account instead of development expenditure account. No supplementary budget request has been approved for the expenditure.

69. MATTER ARISING FROM LOCAL INSPECTIONS

69.1 Outstanding Bills Shs. 5,157,960

Local inspection carried out in December 2004 disclosed outstanding bills aggregating to Shs. 5,157,960 addressed to various ministries for refunds of payments made on their behalf.

The Ministry has been advised to make follow-up of reimbursements..

69.2 Remittances Not Acknowledged By The Ministry Of Finance Shs. 1,233,492

Revenue banked in favour of the Ministry of Finance (Treasury) between November and December 2004 had not been acknowledged receipt of by the Treasury as in January 2005. A proper investigation to ensure that the funds have not fallen into wrong hands is requested.

70. TREASURY STOCK VERIFICATION UNIT

Verification carried out in April 2004 at the Ministry of Cooperatives and Marketing Head Quarters (Administration) Dodoma revealed the following irregularities:-

(a) Unaccounted For Purchases of Stores Shs. 17,888,616.00

Various stores including office furniture and equipments, stationery, coil, spiral binder and curtain materials all worth Shs. 17,888,616.00 locally purchased were neither taken on ledger charge nor their utilization accounts produced.

(b) Stores not on ledger nor inventory charge Shs. 25,332,600.00

Office furniture and equipment worth Shs. 25,332,600.00 were neither taken on ledger nor inventory charge.

(c) Unreceipted Issues of Stores Shs. 11,110,425.00

Various stores worth Shs. 11,110,425.00 including stationery, "expel" and soap issued and struck off ledger charge were not authenticated by respective recipients.

71. AUDIT CERTIFICATE

In my opinion, the Supply Vote, Development Vote, Miscellaneous Deposit and Revenue accounts fairly present the financial position of Vote 24 as at 30th June 2004, subject to clearance of various matters raised above.