

**VOTE 31**  
**VICE PRESIDENT'S OFFICE**

**120. FOLLOW UP ON PREVIOUS OUTSTANDING MATTERS FOR  
AUDIT REPORT 2002/2003**

Matters arising on my previous year audit report which require further action are as follows:-

<b>Paragraph</b>	<b>Audit observation</b>	<b>Amount (Tshs)</b>
7.1	Statement of Fixed Assets	
(i)	Fixed Assets reported had no assigned identification code numbers for easy verification and control	416,279,746.00
8.2	(i) Non competition of shallow well sub project at Bunda though the final payment of shs.1,800,000 has already been paid.	1,800,000.00
	(ii) Non accountability of shs.8,000,000 paid for construction of Bukama Secondary School Girls' Hostel	8,000,000.00
	(iii) Installation of fuming chamber at Water quality laboratory in Bukoba not yet fixed on the ground	14,556,133.33
	(iv) Bathroom and toilet Project at Mwaloni – Makoleo Mwigobile Musoma – urban area. The construction stopped due to land disputes.	4,800,000.00
	(v) Non completion construction of science laboratory at Paul Bomani Secondary School Mwanza	13,000,000.00
	<b>Total</b>	<b>458,435,879.33</b>

## **121. AUDIT QUERIES**

A test check of accounts and related records for the financial year ended 30<sup>th</sup> June, 2004 resulted in the issue of 23 audit queries of which none had been replied at the reporting date.

## **122. OUT-TURN**

### **122.1 Supply Vote**

The year's out-turn on the Supply Vote was a net expenditure of shs. 21,621,613,967 against net approved estimates of shs.21,624,767,471 leaving out a saving of Shs.3,153,504.

Similarly, exchequer issues received during the year totalled Shs.21,624,767,471 resulting into cash balance of shs.3,153,504 with the Paymaster's General Account.

### **122.2 Development Vote**

The statement of Development Vote Account reflected total expenditure of Shs.9,305,633,936 during the year against the approved estimates of shs.9,305,634,350 leaving a saving of Shs.414.

### **122.3 Direct to Project Funds not accounted for Shs.5,616,450,752**

Exchequer issues totalling Shs.5,616,450,752 were booked during the year as direct to Project funds received from donors.

However we could not confirm the correctness and legitimacy of the value of goods received as the respective Custom entry documentations, Custom Exemption documents and a list showing distribution and location of items etc were not availed for audit inspection.

## **123. IMPROPER TRANSFER OF DEVELOPMENT FUND INTO DEPOSIT A/C SHS. 5,792,532**

An amount of Shs.5,792,531.91 credited in the development account vide ERV No.00888569 of 18/8/2003 was transferred to miscellaneous deposit A/C vide Bank pay-in-slip No.252326 of 4/9/2003.

The intention to transfer the funds was not stated and the transaction was not recorded in the deposit register hence making it difficult to follow up expenditure

ultimately incurred there from. In the circumstances we were unable to establish whether the transferred funds were used for intended purposes.

**124. OMISSION OF RETENTION MONEY FROM THE STATEMENT OF ASSETS AND LIABILITIES SHS.6,578,044.15**

The total sum of retention monies amounting to shs.6,578,044.15 were deducted during the year from contractors paid certificates. However the amounts were not shown in the miscellaneous deposit register and in the statement of assets and liabilities as at 30<sup>th</sup> June, 2004. This amount was banked vide bank pay-in-slip No.252326 of 4<sup>th</sup> September, 2003 Viz.

ERV	Date	C/N	Amount	Payee
00888568	26/6/03	0056992	3,289,022.00	General Electric and Building Contractor
00888570	18/8/03	00570511	3,289,022.15	"
<b>Total</b>			<b>6,578,044.15</b>	

**125. OUTSTANDING IMPREST SHS.8,919,600**

Although the footnotes to the appropriation account did not reflect outstanding imprests, a scrutiny of payment vouchers for the year 2003/2004 revealed existence of outstanding imprests amounting shs.8,919,600 which were issued to various staff for subsequent purchase of fuel. Accountability thereof is awaited for verification.

**126. UNVOUCHED/IMPROPERLY VOUCHERED EXPENDITURE SHS.168,973,586.55 AS FOLLOWS:-**

A test check of the year's payment vouchers revealed existence of improperly vouched expenditure totalling Shs.168,973,586.55 in respect of the Supply Vote account.

Replies to 4 queries relating to this matter are still awaited.

**127. UNRECEIPTED SUBVENTIONS SHS.17,179,854,600**

A total amount of shs.17,179,854,600 being subvention was issued to Revolutionary Government of Zanzibar and other Institutions in the year under review.

Accountability particulars thereof were however not availed to audit.

Reply to one (1) audit query raised on this matter is awaited

## **128. UNRECEIPTED PAYMENTS OF STATUTORY DEDUCTIONS SHS.63,094,293.69**

A total sum of Shs.63,094,293.69 was effected to various Institutions being statutory deductions from Vice President's staff's Personal emoluments for the year under review. However no acknowledgement receipts were produced to support proper receipt of paid deductions. In the circumstances, audit could not vouch for the authenticity of the expenditure.

## **129. GOODS AND SERVICES**

### **129.1 Statement of Fixed Assets Shs.224,093,596**

The value of Fixed Assets owned by Vice President Office as at 30<sup>th</sup> June, 2004 was reported at a cost –value of shs.224,093,596.

However, this value could not be relied upon due to the following:-

- (i) The cost value of fixed assets was reported less by Shs.192,186,150 compared to Shs.416,279,746 which was reported in the previous year's appropriation account.
- (ii) The cost value of eight (8) motor vehicles and one (1) motorcycle amounting shs.508,814,800 was not included in the schedule/lists of fixed assets. Further, no cost value was indicated to three (3) motor vehicles namely STJ 5794,5795 and ST 128 A.
- (iii) Despite our previous year's audit recommendation, the Fixed Asset Register has not yet been maintained for control purpose.

## **130. NATIONAL POVERTY MONITORING SYSTEM**

### **130.1 Back ground and objective**

A memorandum of Understanding was signed on March, 2003 between the Government of the United Republic of Tanzania and Pooled Funds Partners for the National Poverty Monitoring System.

## 130.2 Audit of Pooled Fund Accounts

According to Paragraph 4.7 of the Pooled Fund's Procedures and Accounting Manual, the Pooled Fund Final Accounts being part of the overall VPO financial statements prepared each year as per section 25(2) of PFA 2001 should be submitted to the Controller and Auditor General by 31<sup>st</sup> October.

## 130.3 Matters arising

During the year under review we noted fund disbursements to implementing agents as follows:-

Implementing agents	Development Pooled Fund Tshs.	Recurrent Gvt Contribution Shs.	Total Amount Shs.
<b>1. VPO :-</b>			
- Poverty Eradication Initiatives	211,300,000	-	211,300,000
- Poverty Monitoring System Secretariat	723,320,732	354,000,000	1,077,320,732
- Dissemination Sensitization and Advocacy	295,022,900	91,587,500	386,610,490
<b>2. NBS</b>	721,423,068	291,437,022	1,012,860,090
<b>3. President Office Planning and Privatization</b>	559,896,545	181,587,500	741,484,045
<b>4. PORALG Routine Data System (TWG)</b>	390,000,000	-	390,000,000
	<b>2,900,963,335</b>	<b>918,612,022</b>	<b>3,819,575,357</b>

The accountability of these funds could not be authenticated as the final accounts and related documents were not submitted for audit examination.

## 131. LAKE VICTORIA ENVIRONMENT MANAGEMENT PROJECT (LVEMP)

### (i) Out standing Imprest to Micro Projects Shs.14,825,126

A total sum of Shs.14,825,126 paid as imprest to the various Micro projects was noted to be outstanding as at 30<sup>th</sup> June, 2004. Retirement particulars thereof were however not availed to audit.

**(ii) Purchase of Tree Seedlings Shs.196,646,000**

We have noted that distribution and accountability 1,966,464 tree seedlings worth 196,646,000 was not available for verification. The seedlings were issued to the District forest officer (Musoma; Tarime and Bunda) for distribution.

**(iii) Annual Maintenance Contract**

The Lake Victoria Environment Project entered into Contract Agreement with the Computer Centre (TZ) Ltd for the Comprehensive maintenance of office equipment at a contract cost sum of USD 14,690 for a period from 1<sup>st</sup> July, 2003 to 30<sup>th</sup> June, 2004. The terms of payment of the maintenance as per agreement were as follows:-

- 20% on signing the contract agreement was signed  
on 27/6/2003
- 30% after first service
- 30% after second service
- 20% after third service

The second payment of Shs.4,610,339 i.e 30% of the contract sum after first service was made vide cheque No.832443 of 16<sup>th</sup> December, 2003. However the payment was not supported by details showing the extent of service carried out. In addition, particulars of the third and fourth payments were not made available as a result we could not confirm whether the maintenance contract agreement was executed as agreed.

**132. AUDIT CERTIFICATE**

In my opinion, the Supply Vote, Development Vote, Miscellaneous Deposit and Revenue accounts fairly present the financial position of Vote 31 as at 30<sup>th</sup> June, 2004.