

**VOTE 34**  
**MINISTRY OF FOREIGN AFFAIRS AND**  
**INTERNATIONAL CO-OPERATION**

**143. FOLLOW-UP ON OUTSTANDING MATTERS IN PREVIOUS  
AUDIT REPORTS**

Period	Para	Outstanding Issues	Amount Queried (T.Shs.)	Status
2000/2001	102.2 (ii)	Visa fees not accounted for i.r.o honorary consulates (i.e.. Manila, Seoul, Perth and Sydney	TShs. 42,664,972.50	No action
2001/2002	136.1	Unclaimed Salaries not accounted for	TShs. 17,531,483	No action
	142.2.7	Missing issue vouchers supporting issue of items.	TShs. 19,713,970 FRW 6,438,100	No action
	142.3.3	An apparent loss of cash due to failure to observe handing over procedures.	TShs. 12,499,000 USD. 12,499	No action
2002/2003	131.1	Outstanding advances and imprests overseas missions.	TShs.117,237,906	An amount of Shs. 40,285,087.75 is not yet cleared.
	136	Un vouched expenditure	TShs. 436,990,651	Payment voucher worth TShs. 18,019,085 have not yet been produced for Audit Examination.
	137	Improperly vouched expenditure.	TShs. 6,473,378,573	Expenditure totalling TShs. 142,151,456.00 is yet to be cleared.
	141	Special funds not accounted for	TShs. 5,179,911,006	A balance of TShs. 660,155,133.00 is still unaccounted for.

## **144. STATUS OF AUDIT QUERIES**

A test check of the accounts, statements and related records for the year under review (2003/2004) resulted in the issue of 30 queries and 8 Management letters of which none has been replied and settled.

In addition 19 queries and 14 management letters relating to the previous years are still outstanding as follows.

<b>Financial Year</b>	<b>Number of Queries Outstanding</b>
1998/1999	2
1999/2000	-
2000/2001	2
2001/2002	4
2002/2003	<u>11</u>
<b>Total</b>	<b><u>19</u></b>

More effort should be exerted to clear long outstanding audit queries and management letters, which have been issued.

## **145. OUT-TURN**

### **145.1 Supply Vote**

The year's out-turn on the Supply Vote ended with an actual expenditure of Shs. 43,990,384,963 as against approved estimates and actual exchequer issues of Shs. 43,990,457,963, which resulted in unspent balance of T.Shs. 73,000.

## **146. STATEMENT OF REVENUE**

### **146.1 Revenue overcollected during the year under review (TShs. 3,644,176,021)**

We have noted that revenue collection during the year ended on 30<sup>th</sup> June, 2004 rose up to Shs. 7,217,094,021.65 compared to approved estimate of Shs. 3,572,918,000 which resulted in over collection of Shs. 3,644,176,021 (102%)

**146.2 Revenue collection not remitted to BOT (TShs. 567,951,936)**

Revenue collected from various overseas missions worth Shs. 567,951,935.74 has not been remitted to the Retention Revenue Account No. 13:32 at the Bank of Tanzania as required by the Treasury Circular No. 6 of 2002/2003 .

**147. OUTSTANDING IMPRESTS (TSHS. 188,929,217)**

**147.1** During an audit examination of records relating to Safari imprests we noted that a sum of Shs. 188,929,217 was still outstanding as at 30<sup>th</sup> June, 2004 . Apparently, there was no schedule of outstanding imprest shown as footnotes to the Appropriation Account of the Ministry. The Ministry has not designed any formalized system to ensure that all outstanding imprest balances are settled within 14 days after the event. This has led to outstanding imprest totalling TShs. 188,929,217 during the year under review.

**148. STATEMENT OF ASSETS AND LIABILITIES**

**148.1 Non-Maintenance of Deposit Register**

The Ministry does not maintain an up to date Deposit Register which contains the necessary information of various deposit items and balances which need to be reflected in the Statement of Assets and Liabilities. Consequently the balances shown do not tally or match with those shown in the Deposit Register, as detailed below:

Item	Code	Balance as per Deposit Register	Balance as per Statement of Assets and Liabilities	Audit Figure Shs.
Deposit General	693D0001	77,266,106.46	65,140,966.96	71,213,289.89
Unclaimed Salaries	693D0002	22,114,483.70	31,052,437.40	35,635,437.40
Stale Cheques	693D0019	15,393.00	30,786.10	535,118.67
Fedha za Rambirambi	693D0013	189,474.80	189,474.80	2,042,474.80

**148.2 Other Deposits not reflected in the Deposit cash book (TShs. 13,012,655)**

We have noted that other deposits totalling TShs. 13,012,655.50 (as detailed on the table below) were apparently not included in the Deposit cash book balance as at 30<sup>th</sup> June, 2004 which only reflects Shs. 98,493,356.95 .

Item	Description	Amount Shs.
693D00011	Deposit General	6,072,322.93
693D00012	Unclaimed Salaries	4,583,000.00
693D00013	Fedha za rambirambi	1,853,000.00
693D00099	Stale Cheques	<u>504,332.57</u>
		<b><u>13,012,655.50</u></b>

**149. EMBASSY MOTOR VEHICLES NOT CONFIRMED AS RECEIVED (TSHS. 221,859,224.00)**

We have noted that funds were disbursed to 5 overseas mission for the purchase of 5 motor vehicles which were intended to be used by the respective embassies abroad.

Name of mission	Reasons for motor vehicle purchased	Amount (TShs.)
New Delhi	Representative	53,187,000
Stockholm	Office Car	52,455,224
Tokyo	Representative	45,360,000
Harare	Representative	45,857,000
Nairobi	Mini-Bus (for office use)	<u>25,000,000</u>
		<b><u>221,859,224</u></b>

Audit needs confirmation whether the motor vehicles were actually purchased and taken on ledger charge.

**150. SCHEDULES OF FIXED ASSETS**

**150.1 Schedules of fixed assets not incorporated.**

We have noted that 16 missions have maintained schedules for fixed assets, whereas 13 missions abroad have not maintained a comprehensive up-to date fixed asset schedules, which are required to be incorporated in the final financial statements of the Ministry's

Appropriation Accounts rendering in complete record of the mission's fixed assets.

Furthermore, the 16 missions which have maintained schedules for fixed assets, have not indicated the value of the assets, how they were acquired or details of transfers and thereby rendering inadequate controls over the existence and movement of fixed assets.

**151. TITLE DEED FOR CHANCERY HOUSE NO. 3 STRATFORD LONDON POUNDS 6,221,763.07 (EQUIVALENT TO TSHS. 12,493,922,420.80)**

The High Commission in London had purchased and paid pounds 6,221,763.07 (Equivalent to TShs. 12,493,922,420.80) for acquisition of chancery House No. 3 Stratford - London, (letter reference No.TZL/A.10/5 dated 19<sup>th</sup> August, 2004 refers. However, there was no evidence furnished of possession of the respective title deed.

**152. UNVOUCHED AND IMPROPERLY VOUCHERED EXPENDITURE SHS. 7,369,193,685**

A test check of the payments vouchers for the financial year 2003/2004 disclosed the existence of unvouched and improperly vouched expenditures of Shs. 7,369,193,685 as follows:

Unvouched expenditure Shs.	91,140,055
Improperly – vouched expenditure	<u>7,278,053,630</u>
	<u><b>7,369,193,685</b></u>

**152.1 Unvouched Expenditure (TShs. 91,140,055)**

During examination of payment vouchers we noted that paid payment vouchers amounting to Tshs. 91,140,055 were missing from the accounts. This indicates a lack of physical security over accounting records. The physical security over accounting records should be enhanced.

## **152.2 Improperly Vouched Expenditure (TShs. 7,278,053,630)**

We noted that paid payment vouchers aggregating to Tshs. 7,278,053,630 were not supported by proper documentation to authenticate payments effected. For example, copies, of payments vouchers, profoma invoices and in some instances no proper supporting documents were attached.

## **153. RENOVATIONS/REHABILITATION OF GOVERNMENT BUILDINGS TSHS. 3,492,429,299**

A sum of TShs. 3,492,429,299 was paid during the year under review (2003/2004) for renovations and rehabilitation of buildings/ structures at Head office and Embassies as follows:

<b>Station Missions</b>	<b>Details/Particulars</b>	<b>Amount (TShs.)</b>
Head Office	Building rehabilitation	183,663,099
Zanzibar	Renovation of building	8,766,200
New York	Chancery renovation	1,000,000,000
New Delhi	Renovation of Chancery building	1,500,000,000
Brussels	Rehabilitation of Buildings	<u>800,000,000</u>
	<b>Total Shs.</b>	<b><u>3,492,429,299</u></b>

However, there was no evidence of signed contract agreements, bills of quantity and certificate of completion of work, which were made available to audit for ease of verification.

## **154. SUBVENTIONS TO CENTRE FOR FOREIGN RELATIONS – SHS. 446,356,169**

### **154.1 Center for Foreign Relations (CFR)**

The Ministry had paid a total sum of Shs. 446,356,169 to the Center for Foreign Relations (CFR) as subvention for the financial year 2003/2004. However, the audited financial statements have not been submitted so that we can confirm proper utilization and accountability of the funds.

**155. FURNITURE ADVANCES TO MISSION OFFICIALS TSHS.  
109,848,860**

The Ministry had paid advances amounting to Shs. 109,848,860 to ministry's officials at various Missions abroad as furniture advances. However no recoveries have been initiated and confirmed to date.

**156. OVERSEAS MISSIONS**

During the year under review several missions were inspected and significant matters observed are highlighted below:

**156.1 TANZANIA HIGH COMMISSION - MAPUTO**

**156.1.1 Follow-up of previous audit report for the period  
ended 15<sup>th</sup> December, 2003**

The following audit findings which were reported in the previous audit have not been cleared:

Para	Audit Period	Details	Amount Involved	Balance Outstanding	Status
3.4(a)	Dec, 2003	Non compliance to the foreign services staff regulations (FSSF)	\$ 41,629.78	\$ 41,629.78	Not implemented
3.6	Dec, 2003	Undevelopment Government plot No. 157 Area AV. Dos Martires DA MA CHAVA No. 874	--	--	Implementation is awaited
3.7	Dec, 2003	Balance of cash not acknowledged	\$ 2,691.00	\$ 2,691.00	Not implemented
3.13.1	Dec, 2003	Exorbitant costs of repair	\$ 11,762.29	\$ 11,762.29	No reply has been submitted.

**Matters Arising from the Audit undertaken during the year under Review (2003/2004)**

**156.1.2 Passports not produced during audit inspection**

At the time of audit inspection we noted that four passport books were missing.

Qty	S/No.	TYPE OF PASSPORT
1	A:0349328	Ordinary
1	A: 0349352	Ordinary
1	A: 0349366	Ordinary
1	A: 0349367	Ordinary

The physical security over counterfoil accountable printed documents ranging from passports and other related records should be enhanced.

**156.1.3 Defence Advisor**

We have noted that payment expenditures worth USD. 11,521.35 (Equivalent to Shs. 12,212,631) incurred by the Defence Advisor were apparently not supported by expenditure details as follows: -

PV	Amount (USD)	Payee
2/204	3,276.35	DA's Office
7/5/04	2,035.00	DA's Office
4/6/04	2,035.00	DA's Office
5/8/04	4,175.00	DA's Office
6/8/04	407.00	D. Chilamla
	<b>11,521.35</b> =====	

**156.2 TANZANIA EMBASSY – LUSAKA**

**156.2.1** Follow up of the Outstanding Matters on Previous audit report for the Period ended 30<sup>th</sup> June, 2003

(i) **Para 142:3:3**

**An Apparent Loss of Cash USD. 12,499  
(Approximately TShs. 12,499,000)**

No action has been made and the matter is still outstanding

**Matters Arising from the Audit Undertaken during the year  
– Under Review (2003/2004)**

**156.2.2 Repairs without contracts ZK 23,693,922  
(Approximately TSHS. 5,271,897.65)**

The mission paid ZK 23,693,922 to several payees for repairing the mission buildings without formal signed contract agreements.

**156.2.3 Over remittance of Local salaries USD. 32,451.73  
(Approximately TShs. 32,451,730)**

A test check of remittances and payment of salaries has revealed that there was over remittance of local based staff salaries. It was noted that the amount received at the mission for the purpose of paying salaries to local based staff was USD. 39,103.23. However, the actual local salary payments during the year 2003/2004 amounted to USD 6,651.50 only leaving unaccounted balance of USD. 32,451.73.

**156.2.4 Irregular payments of medical services ZK. 18,041,845  
(Approximately TShs. 4,014,310.50)**

Mission paid to M/S Mult Medical Services a sum ZK. 18,041,845 (equivalent to TShs. 4,014,310.50) as medical expenses in respect of several mission officials contrary to the

Tanzania Foreign Service Staff Regulations (Revised) 1979 Part I. Reg. 142. In addition there was no insurance cover for all officers and their families or contract agreement between the Mission and medical practitioner.

**156.2.5 Credit in Bank not in cash book USD. 2,218.28 (Equivalent to TShs. 2,218,280)**

We noted that a sum of USD. 2,218.28 (Equivalent to Tshs. 2,218,280) was credited in the Mission Revenue Bank Account No. 870026011100 on 31<sup>st</sup> May, 2004 without a corresponding entry in the relevant cashbook and no bank reconciliation would appear to have been done. Periodical bank reconciliation should be done, reviewed and checked as initiated by management to ensure controls over bank balances.

**156.3 TANZANIA HIGH COMMISSION – ABUJA**

**156.3.1 Stores not taken on ledger charge Naira 296,855 (Equivalent to TShs. 2,374,840)**

The following items of stores paid for were not taken on ledger charge hence we were unable to confirm whether they were actually received and utilized in the interest of the mission.

PV.	Items	Value Shs.
26/10/2003	Various items	58,040
27/10/2003	Various drinks for Home residence.	46,675
4/1/2004	Variance items	28,260
17/6/2004	Stationeries/Drinks	98,095
18/3/2004	Various items	65,785
<b>Total</b>		<b>Naira 296,855</b>

**156.3.2 Advances not Recovered – Naira 267,216 (Equivalent to TShs. 2,137,728)**

A sum of Naira 267,216 (Equivalent to TShs. 2,137,728) was loaned to two officials without initiating recoveries to date:

PV.	Amount Naira	Payee
7/10/2002	52,000	Amb. Cisco. Mtiro
--	15,000	
2/6/2004	200,216	Mrs. Helen
	<b>267,216</b> =====	

The Mission is reminded to recover the outstanding advance of Naira 267,216 (Equivalent to TShs. 2,137,728) from the two officials.

**156.3.3 Motor car (Mercedes Benz) not confirmed delivered (USD. 80,973.72)**

A sum of USD. 80,973.72 was paid to M/S Daimler Chrysler ag Stuttgart – Germany, for purchase of one motor vehicle (Mercedes Benz) type S 350L (Vide PV. 7/6/2003). It has been difficult to confirm whether the motor vehicle was actually delivered and accounted for due to missing relevant documentation.

**156.3.4 High Rental charges – USD. 408,465 (Equivalent to TShs. 444,001,455)**

The Mission paid a total amount of USD. 270,000 in respect of the rental charges for a three years contract for the house occupied by the chancery and Head of Mission at Plot No. 15 Yed Seram Street. The contract period started 1<sup>st</sup> July, 2002 and expected to end on 1<sup>st</sup> July, 2005.

Furthermore, the mission paid a total sum of USD. 138,465 as rental charges for another 3 years contract for the three flats which are occupied by other Home Based Staff on Plot. No. 53 – Mississippi street. The contract period started 15<sup>th</sup> July, 2002 and expected to end on 15<sup>th</sup> July, 2005.

Since the mission at Abuja owns two plots, (Plot. No. 353 and 961) it would be reasonable and economical for the Ministry to build its own houses, which can be occupied by the Head of mission and other staff in order to minimize rental costs.

**156.3.5 Loss of Exchequer receipt vouchers (ERVS) Serial 0.16072792 – 16072744 and 16072789-16072792**

A general scrutiny of revenue collected between January, 2002 – 24<sup>th</sup> September, 2004 accruing from passports, ETDS and Visa Fees revealed that VISA receipt leaflet with serial numbers 0-16072792-16072744 and 16072789 – 16072792 have been torn and removed by unknown persons from the visa receipts booklet.

Although, the issue has been reported to the Police however, no loss report has since been prepared and report to appropriate authority to date (September, 2004)

**156.3.6 Uncoded assets worth Naira 9,790,702 (Equivalent to TShs. 78,325,618)**

We carried a physical verification of the Assets issued to the Mission, worth Tshs. 78,325,618 and revealed that they were all not coded and engraved with unique identification numbers. This identification process could enhance High Commission management's control over the physical security of fixed assets.

**156.4 TANZANIA EMBASSY – KINSHASA**

**156.4.1 Follow up of the outstanding matters on previous Audit Report for the period ended 31<sup>st</sup> December, 2002**

**(ii) 4:1:1 Para 4:1**

Collections not banked USD. 40,790 (Equivalent TShs. 40,790,000) No action has been taken to date.

**(ii) 4:1:2 Para 4:2**

Under remittance from Ministry of Foreign Affairs USD. 1,707.11 (Approximately TShs. 1,107,110) no action has been taken to date.

**(iii) 4:1:3 Para 4:3**

Incorrect cash book balance which resulted from the variances of USD. 4,017.43 and FRC 9.17 were still outstanding and no recovery or action taken against the officer concerned.

**(iv) 4:1:4 Para 5:2**

Questionable transportation costs of USD.8,600 (Equivalent to TShs. 8,600,000) is still outstanding. Recovery measures from Mr. James Marwerwe who had been paid twice has not been effected.

**(v) 4:1:5 Para 5:3**

Fuel not taken on ledger charge USD. 4,000.00

Still outstanding as at 30<sup>th</sup> June, 2004

**Current Matters Arising**

**156.4.2 Medical Bills/Expenses USD. 4,540.17 OR TSHS. 4,834,952**

PV. NO.	Amount (USD)
1/7/2003	1,365.33
17/9/2003	745.84
25/11/2003	824.00
17/2/2004	1,605.00
<b>Total</b>	<b>4,540.17</b> =====

A total amount of USD 4,540.17 which is equivalent to TShs. 4,834,952.00 was paid in cash to Ngaliema Medical Center being Medical expenses for Embassy Officials. However, payments were made without insurance cover, contract agreement or authority from Permanent Secretary contrary to the Tanzania Foreign Service Staff Regulations (TFSSR) as revised in 1979 Part I Reg. 142. No action has been taken to regularize the payments.

**156.4.3 Payments made without contract agreement USD. 119865.76 ar.d Fr. C 244800 equivalent to TShs. 128,400,000.00**

A test check of payment vouchers revealed that a sum of TShs. 128,400,000.00 was paid to various payees in respect of house rent, various repairs and rehabilitation of the Chancery and residential buildings without following the normal contracts and tendering procedures as prescribed in PPA of 2001. In addition, the rehabilitation of the Chancery and the Head of Mission's residence houses was made without proper authority from the Permanent Secretary.

**156.4.4 Fuel not taken on ledger charge**

During the year under review fuel purchased worth USD. 2500 was not either accounted in the stores ledgers or in the respective Motor Vehicles logbooks. Further more the delivery and utilization of the fuel could not be confirmed by audit.

**156.4.5 Questionable payments USD. 14,004 Equivalent TShs. 14,920,842.00**

The Mission paid Mr. Daud Bandoma sum a of USD. 14,004 vide PV.6/3/2004, cheque no. 000043 as subsistence allowance for 64 days for himself and his two children form 3<sup>rd</sup> September, 2000 to 5<sup>th</sup> November, 2000 on his arrival at the station – Kinshasa. However, it was noted that payment was not charged to the relevant financial year contrary to the Public Finance Regulations, Reg. No. 85 (3)

**156.4.6 Government Buildings which are owned by Embassy without title deed.**

The Mission purchased Chancery and residential buildings for the official and residential purposes. However scrutiny of various documents revealed that two Chancery and one residential building owned by the Embassy do not have any Title Deed to show that the ownership of the buildings have

been transferred to Embassy or the government of United Republic of Tanzania as new owners.

**156.4.7 Revenue collections not banked USD. 17.595 and FC. 20800**

Financial regulations require that all revenue collections must be banked promptly and intact. But the Embassy still has spent revenue collections from issue of passports and visa fees amounting to USD. 17.595 and FC. 20800 before the revenue was banked contrary to the Public Finance Regulation No. 78 of 2001.

**156.5 TANZANIA EMBASSY BEIJING**

**156.5.1 Matters Arising**

(a) The following motor vehicles appeared in Missions store register Folio 55 were neither physically present at the premises of the Embassy nor were references available for their disposal or transfer that could be verified.

	PV. No.	Date	Amounts	Payee	Registration No.	Model	Colour
1.	53/12	31/12/88	Jyen55,978.89	Tokyo Boeki Heall Office 13-8-2 hrome, Hatchobori Chuo-ku, Tokyo Japan	214-0001  Engine No.? Classis No.?	YH61LB- JR (L.H.D) Mercedes Benz	Blue
2.	1/1/90 9/5/90 45/6	1990 1990 30/6/91	USD. 11,000	Duty Shop Free	214-010  Engine No.? Classis No.?	Mitsubishi galant	?

**156.5.2 Comment on the Mission's replies to the Management letter ref. 312/70 of 25<sup>th</sup> August, 2004.**

After review of the documents submitted with mission's reply, the following were noted: -

**(i) Motor vehicle No. 214-0001**

The motor vehicle which was queried in the management letter was purchased 1988 vide. PV.No. 53 of December and not the one which was mentioned in reply bought in 1978. (Refer TZP/T.50/3 of 6<sup>th</sup> February, 1995).

**(ii) Motor vehicle No. 214 -010**

Our audit query referred to Mitsubishi glant, the one which was replaced with Mitsubishi space wagon, refer to letter TZP/T. 50/4

The mission is required to investigate the matter and find the correct vehicles referred to in the audit observations.

**156.6 TANZANIA EMBASSY BRUSSELS**  
**156.6.1 Follow – up of previous audit report for the period ended June, 2002**

**(i) Para 142:12:3**

(i)	Payment of advances to officials	DFL 4,772.68
(ii)	Payments for maintenance of residence wassenaar:	
	a) Installation and maintenance of water PUMP DFL 2903.18	
	b) Insurance premium DFL 3.172.96	
	c) Other payments (including some repair) DFL 19714.89	25,791.03
	<b>Total</b>	<b>30,563.71</b> =====

In addition, the contract agreement entered into between the Government of Tanzania and Honorary consular was still not made available during the audit visit.

As the result it could not be verified whether the consulate was authorized to the above expenditure on behalf of United Republic of Tanzania.

**Matters Arising from the Audit undertaken During the Year under review.**

**156.6.2 During the period review, the following anomalies were observed in the consulate's records:-**

- (a)(i) An amount of Euro 177,765 equivalent to Shs. 231,094,500 being visa fees were collected and retained by Honorary Consulate contrary to financial regulations and Foreign Services Regulations.
- (ii) In addition no proper authority was produced to audit to substantiate the permission which granted Honorary Consular to retain 43% of each Visa fee collected.
- (b) **Payments Made from Visa Collections without authority Euro 9,794.78**

Payments totalling Euro 9,794.78 were from visa fees collections without proper authority from the Ministry of Foreign Affairs.
- (c) In May, 2004 it was noted that a single Exchequer Receipt Voucher No. 06235516 was issued for applications No. 42038 to 42056 for Euro. 665. This caused problems to ascertain whether the amount of Euro 25,515 equivalent to Shs. 33,246,045 shown to have been collected between 4<sup>th</sup> May, 2004 and 28<sup>th</sup> May, 2004 was the correct amount for which the Visas issued referred to.

**(d) Payments not duly documented Euro. 366.14**

A test check of payments vouchers disclosed that payments totalling Euro. 366. 14 were not duly supported by proper documentation as analysed below:

<b>PV.</b>	<b>Amount Euro</b>	<b>Payee</b>	<b>Nature of Payments (Missing documents)</b>
1/4/03	122.55	Hougehe Mraads Chap.	• Missing acknowledgement receipts
3/4/03	180.52	Charles Sol	• Repairing automatic gate - Missing receipts.
4/4/03	63.07	Charles Sol	• Manual transmitter for automatic gate - Missing acknowledgement receipts.
<b>Total</b>	<b>366.14</b>		

**156.7 TANZANIA EMBASSY – STOCKHOLM**

**156.7.1 Follow –up of outstanding matters from the previous audit reports.**

(1) The following paragraphs relating to the previous audit for the year 2000 are still outstanding:-

**(i) Missing Exchequer Receipt Vouchers:**

No action has been taken to date to produce exchequer receipt voucher book (ERV) No. 03824201 to 03824400 for audit verification.

**(ii) Missing payment vouchers sek. 27354**

No action has been made to trace three payment vouchers paid to the three payees involving expenditure of sek. 27,354.

**(2) Outstanding matters raised in previous Audit ended 30<sup>th</sup> November, 2000.**

- (i) Visa collections for sek. 363,728.29 were made using un official receipts. No. response has been made from Honorary Consular to Denmark.
- (ii) No action has been taken todate on unreceipted Remittances of USD. 25,922.

**Current Matters**

**156.7.2 Unofficial receipts used to collect Visa fees worth 262,268.32**

Tanzania consulate to Denmark collected visa fee totalling Sek. 262,268 using Local Receipt Book contrary to Financial Regulations. No sufficient explanation has been given on audit enquiry.

Further, the contract agreement entered into between the Government of Tanzania and the Honorary consular was not made available. As the result it could not be verified whether the consulate was authorized to retain DKK 160 out of DKK 250 on each visa fee collected.

**156.7.3 Under/Over Posting of visa collection**

During the period under review, we observed under/over Posting of visa collections in the Revenue collector's cash book (RCCB). This resulted into net under posting of Sek. 4,937.

**156.7.4 Bank Reconciliation Statement as at 30<sup>th</sup> June, 2004**

An examination of the Bank reconciliation statement disclosed the following outstanding items, which had not been cleared for a considerable length of time as follows:

		'Sek'
(1)	Payments in cash book not in bank	24,727.61
(2)	Payments in cash book not in bank	4,063.10
(3)	Payments in bank not in cash book.	50.10
	<b>Total</b>	<b>28,840.81</b> =====

Periodical bank reconciliation should be reviewed and approved as initiated by management to ensure clearance and control over bank balances.

**156.7.5 Nugatory Expenditure SEK. 24,752.34**

The Mission incurred SEK. 24,752.34 equivalent to Shs. 3,564,337 as penalty for late payments to suppliers who rendered services and goods to the Mission. The expenditure was incurred for which no services was rendered to the government

Nugatory expenditure could have been avoided had the mission made prompt payments.

**156.7.6 Grounded motor vehicle NO. MJA. 920 VOLVO**

It was observed that a motor vehicle registration No. MJA. 920 Volvo was found grounded at the HOC's residence since December, 2003. And no action has been taken to dispose off the vehicle. As the result the salvage value of the vehicle continued to decline while the mission continued to incur insurance cost during dormant period from January, 2004 – June, 2004 vide Pv. No. 6/2/04 Sek. 625 paid to M/S Volvia Forsakring Obrev.

**156.7.7 Outstanding Bills Sek. 351,240.06 Equivalent to TShs. 50,578,569.21**

Outstanding bills totalling Sek. 351,240.06 for the period between February, 2003 and July, 2004 were pending payments as at the time of audit.

It is recommended to the Ministry headquarters to make proper arrangement to settle these long outstanding bills so as to avoid penalty.

**156.8 TANZANIA HIGH COMMISSION – PRETORIA**

**156.8.1 Follow-up of previous audit report for the period ended December, 2003.**

The following findings which were reported in the previous audit reports have not been finalized:

Para	Audit Period	Details	Amount Involved	Balance Outstanding	Remarks
3.3.2	Dec, 03	Questionable purchase and shipping cost of furniture.	RD.151, 697.20	44,097.20	No recovery has been made to date May, 2005.
3.6	Dec, 03	Pre-payment of Accommodation charge not recovered.	RD.104, 000.00 (USD. 15,757.60)	RD 104,000.00	No recovery has been made to date May, 2005.

**Current Audit Findings**

**156.8.2 Unreceipted remittance USD. 24,965.64**

A sum of USD. 24,965.64 (Equivalent to Shs. 26,307,275) remitted on 30<sup>th</sup> July, 2003 and 19<sup>th</sup> August, 2003 to the Tanzania High Commission, Pretoria did not appear to have been received and brought to account in the respective cashbook. The Mission should investigate into the matter and trace the acknowledgement receipt for the amount of USD. 24,965.64 for audit verification.

**156.8.3 Outstanding imprests RD. 149,400.83**

During the months of July and August, 2004 imprests worth RD. 149,400.83 were granted to officers to cover expenditure on official duties outside their duty stations had not been retired as at September, 2004.

**156.8.4 Unspent Balance not brought to account RD. 2,029.29**

A total amount of RD. 24,189.15 (Equivalent to Shs. 3,628,372.50) was issued to various officers as safari imprests.

However, amount retired was RD. 22,159.86. The balance of RD. 2,029.29 is still outstanding as detailed below:

Imprest No.	PV.	Amount Issued (RD)	Amount Retired	Unspent Balances	Payee
86	92/6/04	10,215.15	8,784.42	1,430.73	HE EA. Mwambulukutu
48	109/6/04	5,850.00	5,700.00	150.00	HE. EA. Mwambulukutu
23A	135/04	4,500.00	4,345.23	154.77	R.A. Faraji
66	26/2/04	3,624.00	3,330.21	293.21	S. Khubeka
		24,189.15	22,159.86	2,029.29	

The Ministry should take appropriate recovery for unretired balances.

**156.8.5 Stores not taken on ledger charge worth RD. 23,725.70 (Equivalent to Shs. 3,558,855.00)**

Items of stores paid for as shown below were not taken on ledger charge and therefore, it was not possible to confirm whether they were put into proper use:

PV.	Items	Value (RD)
14/1/04	Various stationeries	7,158.50
35/4/04	4 Michelin Tyres 225/60 R16	8,558.84
1/7/04	Various items for office use	2,569.30
13/7/04	24 battles for wine for Hom. Residence	1,113.76
14/8/04	Various drinks for Hom. Residence	4,325.30
		<b>23,725.70</b>

Vote 34 Foreign Affairs and International Co-operation

The Mission should confirm that the above items of stores were duly received and utilized properly.

**156.8.6 Payments not Supported by relevant documents RD. 188,325.75 (TShs. 28,248,862.50)**

The following payments were not supported by the relevant documents as follows:

PV.	CN	Payee	Details	Amount RD.	Missing Documents
1/3/04	--	Col. K.G. Msemwa	--	13,44.00	Nature of payment is not identified.
3/3/04	0856	DR. JJDJ Pressis	Medical Treatment	17,243.80	Doctors prescription
15/3/04	0865	MAJ. G. F. Lous	Medical Treatment	6,000.00	Doctor's prescription and hospital bills.
28/3/04	0871	MAJ. G. F. Lous	Medical Treatment	12,000.00	Cash sale and doctor's prescription.
34/3/04	0880	Eugene Marais Hospital	Medical Treatment	50,000.00	Statement of expenditure
10/4/04	0916	Maj. G.A. Rezegea	Medical Treatment	5,000.00	Doctor's prescription
18/4/04	0923	Maj. G.A. Rezegea	Medical Treatment	2,000.00	Doctor's prescription
2/5/04	0943	Col. KG. Msemwa	Purchases of various items	10,000.00	Delivery note/invoice
35/5/04	0943	Col. KG. Msemwa	Payment of debts	49,641.95	Bills
3/6/04	0961	June Ntsume	Purchases of various office items.	3,000.00	Delivery note/invoice
14/6/04	0973	Urology Hospital	Medical Treatment	20,000.00	Hospital bills
			<b>TOTAL</b>	<b>188,325.75</b> =====	

The relevant supporting documents should be traced and made available to audit for verifications per the Public Finance Regulation 95 of 2001.

**156.8.7 Uncoded Items RD. 209,714,08 (Equivalent TShs. 31,457,112)**

Several items of stores worth RD 209,714.08 (Equivalent to Shs. 31,457,112) brought to account and issued to staff residences and offices were not been coded up to the date of writing this report (October, 2004)

**156.9 TANZANIA HIGH COMMISSION – CAIRO**

**156.9.1 Expenditure**

**156.9.1.1 Transfer of Funds US\$ 5,000**

An amount of US\$ 5,000 was transferred from Recurrent Vote Account No. 04-5030 to Deposit Account No. 0460353227 vide PV. No. 11/12 of 2003 and cheque No. 0110833. However, the amount has not yet been reimbursed to Vote Account as at the date of audit inspection.

It is recommended that the Ministry should produce relevant authority to cover the transfer of the amount to Deposit Account or the transfer should be reversed by producing relevant receipt particulars to audit.

**156.9.1.2 Payments to Military Attache Amounting to US\$ 25,933.06**

The following payments amounting to US\$ 25,933.06 were made to the Military Attache without supporting documents:-

Date	P.V. No.	Amount	Cheque No.
02/12/03	01/12/03	US\$ 6,039.46	02050622
03/12/03	05/12/03	200.00	02050624
17/12/03	08/12/03	4,693.60	02050625
30/12/03	04/12/03	15,000.00	02050623
		<u>25,933.06</u>	

**156.10 TANZANIA EMBASSY – ABU DHABI, U.A.E.**

**15.10.1 Expenditure**

**156.10.1.1** A sum totalling Dhs. 10767 as shown below was observed to have been made to various payees as purchases of various items and school fees for Salim Rashid whose relationship with His Excellency the Ambassador was not established at the time of audit.

PV. No	Amount (Dhs)
04/06	1,000
03/09	7,935
06/09	<u>1,832</u>
	<u>10,767</u>

**156.10.1.2** Medical expenses of Mohamed Rashid amounting to Dhs.10,580 paid vide PV. 10/9 was noted to have been incurred by the Embassy for treatment of the aforementioned person who is said was employed by the Ambassador as a cook.

The Ministry should confirm whether the amounts are bonafide payments chargeable to public funds or recover the same.

**156.11 TANZANIA HIGH COMMISSION - NEW DELHI**

**Audit Findings**

**Revenue Collection and Accounting**

**156.11.1 Expenditure**

- PV. No. 05/11/04                      Rs 81,674

Being payment for the purchase of seven pieces coach seater, one piece centre table and two pieces of furniture worth RS 45,400 for an officer's residence. However it is understood that foreign officers in Embassies and High

Commissions are granted loans to purchase furniture instead of being given free furniture.

## 156.12 TANZANIA EMBASSY – ADDIS ABABA

### Audit Findings

#### 156.12.1 Follow-up of Previous year's Audit Observation

- The following items in the previous year's schedule of observations were observed to have not been satisfactorily replied and as such need urgent attention for their clearance:-
- Questionable settlement of Hotel bill for Simba Sports Club Birr 4,069.30 (T 9,037,950).
- Ineligible expenditure on Medical charges for Local staff involving a sum of Birr 9037.95 ) is still outstanding.
- Long standing uncleared items in the Bank Reconciliation Statement totalling US \$ 125.37 have not yet been cleared as shown below

Item	ERV. No.	Amount
Receipt in cash	029952	US \$ 0.37
Book not credited	015905	20.00
By Bank	0850789	105.00
<b>Total</b>		<b>125.37</b>
		<b>=====</b>

It is recommended that vigorous action should be taken to clear these long outstanding matters without any further delay.

### Current Audit Findings

#### 156.12.2 Registers not Maintained

The following registers were not being maintained.

- (i) Rent receivable register
- (ii) Assets register

It is recommended that the Embassy should adhere to directives issued by the Government regarding accounting for public funds and assets.

#### 156.12.3 Unserviceable Stores

It was observed during the audit that various items of stores were of unserviceable nature.

Ministry should take measures to dispose off the unserviceable items of stores.

#### 156.13 TANZANIA EMBASSY – RIYADH

##### Audit Findings

#### 156.13.1 Revenue Collection not accounted for SR. 1193.5

Revenue collections totalling to SR. 1193.5 was not evidenced to have been accounted for as under:-

Station	ERV. Nos	Total Amount	Period of Collection
Muscat	03802323	SR. 210	21/06 – 23/06/03
Muscat	18562401 - 18562439	SR. 483.5	3/11-24/11/03
	<b>Total</b>	<b>SR. 693.5</b>	

In addition, a total amount of SR. 4558 was collected vide ERV Nos. 16037801 – 16037919. However, an amount of SR 4058 was accounted for in the RCCB No. 0291. Hence, an amount of SR. 500 could not be accounted for.

### 156.13.2 Receipt Books not returned

The following ERV. Books issued to Muscat Consulate were not returned as at the date of inspection:

Serial Nos.	Quantity
18483401-18484000	3 books
18562001 – 18562400	2 books
18562601 - 18562800	1 book
<b>Total</b>	<b>6 books</b> =====

It recommended that the Embassy, should investigate on the where abouts of the books and furnish its findings to the Ministry.

### 156.13.3 Expenditure

- PV. No. 06/08/04 for SR 2220 for the purchase of two pieces of Window type AC – 18 KBTU HC/Carrier CR 3m@SR 1100 for MC's residence. However, the two pieces of Air Conditioners have not been taken on ledger charge.

It is recommended that ledger folio vide which the above two air conditioners were taken on ledger charge should be furnished to audit to facilitate verification thereof.

- In PV. No. 10/02/04 an amount of SR 3000 was paid to a land lord in respect of deposit whereby the amount is supposed to be refunded ultimately. However, payment of the amount would appear to have not been recorded.

It is recommended that a deposit register should be opened and any such payment including the amount in question should be recorded for ease of reference and recovery.

### 156.13.4 Outstanding Advances

The following officers of the Embassy have outstanding Salary Advances totalling SR. 6575 as at the date of audit.

## Vote 34 Foreign Affairs and International Co-operation

Name of the Officer	Amount
Mahfouz Yasin	SR. 500
Mahamoud S. Chapa	3575
Amina A. Basumbul	2500
<b>Total</b>	<b>SR 6575</b>
	=====

It is recommended that all the outstanding advances should be recovered as at 30<sup>th</sup> June, 2005.

### 156.13.5 Bank Reconciliation

Verification of the Bank reconciliation as at 31<sup>st</sup> December, 2004 disclosed the following amounts in respect of revenue collections totalling SR 51,749 have not been banked.

Period of Collection	Amount	Station
November, 2004	SR 18,769.50	Muscat
December, 2004	19,885.00	Muscat
November, 2004	5,719.50	Riyadhi
December, 2004	6,400.00	Riyadhi
December, 2004	975.00	Jedah
<b>Total</b>	<b>SR 51,749.00</b>	
	=====	

It is recommended that the amounts should be pursued to establish that they have been cleared.

### 156.14 TANZANIA EMBASSY – PARIS

#### Audit Findings

#### 156.14.1 Outstanding Advances 17,548.23

A total sum of €8,424 and FF 59,851 (equivalent to €9,124.23) issued as advances to various officials of the Embassy and from the Ministry of Foreign Affairs have been outstanding some for so a long period as follows:

PV.	Date Issued	Payee	Amount Outstanding
8/3	5/3/97	MoFA	FF 50,907
12/10	2/10/97	MoFA	FF 7,192
-	16/2/99	Mr. Kitoi	FF 1752

Vote 34 Foreign Affairs and International Co-operation

		<b>Sub – Total</b>	<b>FF 59,851 (€ 9,124.23)</b>
20/9	10/9/03	Office of the Speaker	€ 5,924
15/11	-	Capt. Ibrahim (MoFA)	€ 2,000
25/12	-	MoFA	€ 500
		<b>Sub – Total</b>	<b>€ 8,424</b>
		<b>Total</b>	<b>€ 17,548.23</b>
			=====

The Management should ensure that these long outstanding advances are recorded from monthly salaries of the respective officers.

**156.15 TANZANIA HIGH COMMISSION – KAMPALA**

**Audit Findings**

**156.15.1 Uncompetitive Purchases**

A sum of Ushs. 43,059,535 was paid to various suppliers of goods and services without prior calling for competitive quotations. In addition renovations were carried out without binding contracts being entered into between the two parties, contrary to financial regulations.

**156.15.2 Excessive repair costs on Motor Vehicle Ushs. 8,895,100**

A total sum of Ushs. 8,895,100 was spent for the repair and maintenance of the High Commissioner's motor vehicle No. CD 66 01 U. Refer Appendix II. The repair costs seemed to be at the higher side taking into consideration that the motor vehicle (Mercedes Benz) had been used for only two years (ie bought in November 2001). It is likely that the vehicle has some manufacturer's defects which need to be rectified.

The management should liaise with the seller/manufacturer of the vehicle so as to rectify these defects which seem to have emanated from the manufacturer.

**156.16 TANZANIA EMBASSY – ROME**  
**156.16.1 Follow up on Previous Years Audit Recommendations**

The following matters relating to previous years audit reports have not been cleared:

**Para 3 (i) & (ii)**

Advances and Imprests amounting to Lire 5,155,000 comprising of Lire 2,155,000 used to purchase air ticket for one official from the Ministry of Foreign Affairs and Lire 3000,000 issued as a loan to one official of the Embassy have not been cleared.

**Para 6,3**

Inordinate mode of charging Expenditure Euro 54,047 and Lire 29,453,380. These sums were collected and spent before being banked by the Milan and Malpesa Airport. No appropriate directives have been issued by the Ministry for the Consulate to abstain from this practice.

The Management should ensure that all of the outstanding matters are promptly dealt with and resolved.

**156.16.2 Outstanding imprests and advances Euro 3,080.21**

Advances and Imprests balances amounting to Euro 3,080.21 were outstanding as at the date of this audit, December, 2004 as follows:

PV. NO.	Cheque No.	Payee/Description	Amount (€)
14/11	1000921834	Ministry of Finance Air tickets to Milan	994.76
24/10	1000971973	Dr. J. Msina – Air tickets	638.31
3/2	600079033	MOFA – Advance €50,000 Repaid €48,552.86 <b>Total</b>	1,447.14 <b>3,080.21</b> =====

The Management should ensure that the outstanding advances and imprest balances are cleared by the respective officials/ministries.

### **156.16.3 Collections of Revenue using local receipts Euro 67,099**

A total sum of Euro 67,099 was collected by the Milan Consulate using unauthorized local receipts. In addition, the receipts were not pre - printed; we could not therefore establish the accuracy and propriety of these collections.

Collection date	Receipt No.	Amount (Euro)
June 2004	01 - 99	9,480
July 2004	100 - 276	35,173
August 2004	277 - 344	9,396
September 2004	345 - 413	13,050
<b>Total</b>		<b>Euro 67,099</b>

The Management should give a clear explanation regarding this mode of collecting government revenue which is contrary to financial regulations and ensure in future all revenues are collected using the official Exchequer Receipt Vouchers.

### **156.16.4 Delays in remitting revenue collections Euro 395,456.50**

A sum of Euro 226,291.05 collected at the Milan Consultant between November 2002 and October 2003 was remitted in November 2003, while Euro 169,165 collected during the period starting November 2003 to October 2004 was remitted in November 2004 a delay of almost one year for each of the remittance without any appropriate reason.

The Management should clearly give the reasons for this delay in remitting the revenue collections by the consulate.

### **156.16.5 +Short remittance of revenue collections Euro 9,298.38**

A test check of revenue collections at the Milan Consulate revealed that a sum of Euro 9,298.38 was short remitted out of

Euro 92,164 collected. It was noted that only Euro 57,126.05 was remitted while Euro 25,742.15 were expended before being banked without any appropriate authority contrary to financial regulations.

The Management should:

- (i) Give account of the short remittance of Euro 9,298.38
- (ii) Explain why Euro 25,742.15 was spent before being banked and without appropriate authority.

**156.17 TANZANIA HIGH COMMISSION – LILONGWE**

**Audit Findings**

**156.17.1 Irregular Procurement of Motor Vehicles USD. 60,805.25**

The High Commission procured two used motor vehicles one Toyota Land Cruiser Model 1999 at USD 21,000 which had total 840,067 Kilometres run. The other Toyota Van – Emina model 1995 was purchased at USD. 12,000 and had total 189,738 Kilometres run.

**The following anomalies were noted:**

- The High Commission purchased second hand motor vehicle for Government use which as noted above had gone as far as 840,067 km contrary to the existing financial and procurement regulations.
- The procurement of these motor vehicles had no relevant authority from the Ministry of Foreign Affairs and International Cooperation.
- The procurement involved unnecessary and avoidable costs in the form of imprests issued to one officer of the Mission to travel to Dubai and freight charges from Dubai to Dar es salaam amounting to USD. 23,447.25

- The Officer paid a total sum of USD 3,000 to unknown individual being consultancy free for the procurement of these motor vehicles. No proper procedures were observed relevant to the engagement of a consultant as per the Procurement Act. 2001.

In addition, we could not see any logic behind of hiring a street consultant while the whole procurement transaction could have been done by registered dealers for Toyota motor vehicle either in Dar es Salaam or in Malawi.

- There was no relevant document such as invoices receipts etc produced by the consultant to confirm that the service was rendered thus raising questions as to the propriety of this transaction and whether actually this service was rendered.
- The van was in a bad running condition and totally worn out in such a way that it took only a few months (despite several repairs) to be ferried back to the Ministry of Foreign Affairs headquarters in Dar es Salaam an extra cost of MK 156,200 equivalent to USD. 1,358.26.

The Ministry should investigate the relevance and propriety of this purchase and take appropriate action against the officer involved in this anomaly as it is evident that the transaction has caused great loss to the government.

#### **156.17.2 Purchase of Office Equipment and Furniture from Dubai USD. 34,028**

- (i) Office furnitures costing USD 34,028 were purchased from Dubai contrary to laid down procurement procedures as analysed below and the following anomalies were observed.
- (ii) Some of the purchased office furniture missed some necessary fittings making their assembling quite impossible, these include.

2 units of Hut 829v – visitors chairs  
 1 units – JF-3044 visitors chair  
 2 units Eurec-610 single seater sofa  
 1 units coffee table

(iii) Four items of office furniture and one cash box could not be traced during our physical check, these are:

1 units Hul 888 –chair  
 1 units High back chair  
 1 units Board room chair  
 1 units visitors chair  
 1 unit office safe

(iv) The purchase was made without calling for competitive quotations to ensure that the Government enjoys the best economical prices.

(v) The consignment had no bill of lading/packing list, price list or single bill of entry thus rendering it difficult for auditors to confirm and ascertain the actual quantities and value of the items purchased. The items including two motor vehicles include:

S/N	Description of Item	Amount (USD)
1	Various office furniture Dhs. 77,880	21,278
2	1 unit Service car- Prado Land Cruiser	21,000
3	1 unit Service car – Toyota van - Emina	12,000
4	1 unit photocopier machine	4,200
5	Freight charges for 1 container (Sharjah – Dsm)	4,000
6	2 units office safe	3,000
7	1 unit shredder – Olympia (100.4)	600
8	1 unit vacuum cleaner - Panasonic	500
9	1 unit vaccum cleaner (HITACHI)	250
10	1 unit Water Cooler – West point	200
11	Commission/Agent fee	3,000
	<b>Total</b>	<b>70,028</b>

The purchase was done contrary to the laid down procurement and regulations. The Ministry should take appropriate action against the officer engaged in this dubious transaction.

**156.17.3 Issue of Large amounts of imprests USD 194,086.96**

One officer of the Mission had been given imprests to purchase various office equipments including motor vehicles, computers, office furniture, curtains etc as listed below:

PV. No.	Amount	Payee	Purpose/Place
1/9/03	USD. 108,000	G. Mwanjabala	To South Africa to purchase 1 Unit motor vehicle and other office equipment.
3/9/03	USD. 60,000	G. Mwanjabala	To Dubai to purchase 2 Units motor vehicles and office furniture.
1/11	MK. 2,000,000 (USD 17,391.30)	G. Mwanjabala	Office use
1/9	MK 1,000,000 (USD 8695.65)	G. Mwanjabala	Office use
<b>Total</b>	<b>USD 194,086.96</b> =====		

The following irregularities were noted:

- (i) The purchase of such big items like motor vehicles using imprest system is contrary to procurement regulations.
- (ii) The payments did not pass proper authorization levels. In addition, the officer had no authority from the Permanent Secretary to the Ministry of Foreign Affairs for traveling abroad.

The Ministry should take appropriate action to investigate this breach of regulations.

**156.17.4 Unspent cash balance not accounted for USD. 23,633.33**

A total sum of equivalent to USD 23,633,33 being unspent cash balances from imprests issued were not surrendered and consequently not re-banked as analysed below:

Vote 34 Foreign Affairs and International Co-operation

PV. No.	Amount Issued	Amount Used	Cash not Surrendered	Payee
1/9	USD 108,000	USD 97,745	USD 10,255	G. Mwanjabala
1/11	MK 2,000,000	MK 1,429,340	MK 570,660 (USD 4,962.25)	G. Mwanjabala
1/9	MK 1,000,000	MK 59,202	MK 940,798 (USD 8,168.85)	G. Mwanjabala
14/1	MK 300,000	MK 273,000	MK 27,000 (USD 234,78)	Zainab Mallya
<b>Total</b>			<b>\$ 23,633.33</b> =====	

The Ministry should investigate the issue and take appropriate disciplinary action including recovering the amounts from the respective payees.

#### **156.17.5 Failure to hold a cash survey**

We could not conduct a cash survey at the Tanzania High Commission – Lilongwe due to the fact that the Keys for the Cash box had been misplaced on the event when the financial attaché fell seek.

The High Commission should trace the keys for the cash box and follow the relevant cash handling and cash survey procedures before opening the cash box.

#### **156.17.6 Inadequately supported expenditure USD. 101,035.55**

Out of USD 168,000 paid through imprests issued to G. Mwanjabala for purchase of office furniture, equipment and curtains (Pv. 1/9 USD 108,000 and Pv. 3/9 USD 60,000) only expenditure for USD 66,964.45 was supported with relevant supporting documents leaving a balance of USD 101,035.55 unsupported. We could not establish the propriety of the expenditure and whether actually the items purchased were worth the sum of money paid out due to lack of the relevant supporting documents.

The High Commission should submit the missing supporting documents to authenticate and establish the propriety of this expenditure which is contrary to financial and procurement procedures and regulations.

**156.17.7 Construction of car park and servant quarter MKW 4,500,000 (Equiv. USD 39,130.43)**

During the period under review the High Commission entered an addendum contract with M/S Lexson Chiluli for construction of a car park and servant quarter at the High Commissioner's residence at a total cost of MKW 4,500,000 (PV. I/1/04)

The following were noted during physical inspection:

- The car park was covered using used iron sheet.
- The car park constructed was only unlockable car shed without gates, which cannot meet the security need for Government property.
- Poor internal and external walls plastering.
- Internal and external painting not done to the required standard

The High Commission should communicate with the contractor to rectify those defects, locking and fixing gates to the car park.

**156.17.8 Outstanding insurance claim MK 59,396**

During the audit it was noted that the High Commission had an outstanding Insurance claim of MK 59,396 lodged at M/S NICO General Insurance Co being surtax paid in respect to insuring three motor vehicles. As at the date of this audit this amount of tax paid has not been refunded to the High Commission.

The High Commission should add effort to ensure this sum of money is refunded by the insurance Company

**156.17.9 Payment for Journey not authorized MKW 48,652**

A sum of MKW 48,652/= was paid vide PV. 11/10/03 to M/S South African Airways being cost of air ticket Lilongwe – Johannesburg – Lilongwe in favour of F. Mwanjabala to attend medical check – up in South Africa.

There was no authority from the Ministry of Foreign Affairs and International Cooperation for Mrs. Mwanjabala to attend Medical check – up abroad. In addition we had not obtained evidence of how this medical treatment was financed indicating that the air ticket was paid using government funds to facilitate a private journey.

The High Commission should submit authority from the Ministry authorizing the journey; also confirm that the journey was for government interest.

**156.18 TANZANIA HIGH COMMISSION - NAIROBI**

**Current Audit Findings**

**156.18.1 Inter Ministerial Outstanding Advances TShs. 798,059.00**

We report that advances totalling TShs. 798,059 issued to various officials of the Ministry of Works (Ujenzi) had not been recovered as detailed below:

PV. NO	AMOUNT IN FOREX	AMOUNT IN TSHS.	PAYEE
2/7/2003	(USD.400)	412,924	Amaniel Israeli
14/11/2003	(KShs.29,066.80)	<u>385,135</u>	
	<b>TOTAL</b>	<b><u>798,059</u></b>	Grand Regency Hotel

The Ministry should liaise with the Ministry of Works to recover the amount of Tshs. 798,059.

**156.18.2 Imprests not recorded in the imprest register TShs. 4,348,882.00**

We report that imprests of Shs. 4,348,882.00 issued to various officials of the Embassy, were not booked in the imprest register as shown below:

PV. NO	AMOUNT IN FOREX	AMOUNT TSHS.	IN PAYEE
12/2/03	(USD. 2,395)	2,472,382	M/S C. Busungu
13/11/03	(KShs. 100,000)	1,390,000	M/S C. Busungu
26/11/03	(KShs. 35,000)	4,348,882	Moses Onyachi
<b>TOTAL</b>		<b><u>4,348,882</u></b>	

It is recommended that all imprests issued should be well numbered and recorded in the imprest register.

**156.18.3 Minor constructions and repair payments not supported by contrary agreement (KShs. 1619150 TShs. 22,506,185)**

We report that several payments were made to M/S Wilson Meena in respect of minor works and repairs of Mission buildings in the financial years 2002/2003 and 2003/2004 amounting to (Kshs. 1,619,150) equivalent to TShs. 22,506,185 without formal signed contract agreement.

The Mission should ensure that proper procurement procedures are followed as prescribed in the Public Procurement Regulations.

We also request for the contract agreements for the above works should be made available for audit scrutiny.

**156.18.4 Medical Expenses (KShs.32736) Tshs. 4,337,533.00**

We report that the Mission made irregular payments of medical expenses (KShs. 327361) Shs. 4.337533.00 on behalf of its employees contrary to the Tanzania foreign service staff regulations No. 142 (Revised) 1979 Part. I

In addition there was no either insurance cover for all officers and their families or contract agreement between the Mission and Medical practitioner.

It is recommended to follow Regulation 142 of TFSSR Part I as revised in 1979.

**156.18.5 Travelling documents not recorded in the counter foil register**

We report that various travelling documents (Ordinary Passports, Diplomatic Passports, Emergency Traveling Documents, Service Passports, Interstate pass book, Passport ledger Book and passport registers) purchased by the mission have not been accounted for in the counter foil register contrary to financial regulations as follows: -

S/N	DETAILS	QTY
1.	Ordinary Passports	300
2.	Diplomatic Passports	25
3.	ETDS	10
4.	Service Passports	5
5.	Interstate Pass book	1
6.	Passport ledger book	1
7.	Passport registers	2

We recommend that all accountable documents should be recorded in the counterfoil register.

**156.18.6 Non remittance of 8% Visa collection (USD. 18097.20 and KShs.171,800) approximately TShs. 21,070,052.00**

Treasury Circular No. 6 of 2002/2003, requires the mission to remit 8% of the visa collection to the Retention Revenue Account at the Bank of Tanzania. However, this remittance was not made in respect of visa collection amounting to (USD.

226,215 and KShs. 2,146,600) Equivalent to Shs. 263,375,646.70 .

We recommend that an amount of TShs. 21,070,051.73 be remitted to the Retention Account.

## **156.18.7 TANZANIA CONSULATE – MOMBASA**

### **Current Audit Findings**

#### **156.18.7.1 Evaluation of Internal Control System**

Evaluation of internal control system of the consulate revealed the following weakness: -

- (i) The consulate does not make use of stores issue vouchers to prove for proper utilization of consumable and non consumables.
- (ii) The consulate does not use counter foil register to record accountable documents for control purpose.
- (iii) Items purchased for consulate uses have no code numbers (codification) for identification purposes.

The management is required to strengthen the internal control system and observe the public Finance Act, and Public Procurement Act and their Regulations.

#### **156.18.7.2 Repairs made without contract (KShs. 887,861) Equivalent TShs. 12,323,511**

A test check of payment vouchers revealed that a sum of KShs. 887,861 equivalent to TShs. 12,323,511.00 was paid to various payees in respect of house rent and other services rendered without contracts.

The consulate should comply with the financial regulations.

**156.18.7.3 Medical Expenses (KShs. 266,284) TShs. 3,696,022**

PV. NO	Amount (KShs.)	Payee
19/7/2000	2,590	J.S. Moshi
20/8/2000	9,040	J.S. Moshi
30/9/2000	5,209	J.S. Moshi
11/11/2000	9,138	J.S. Moshi
8/9/2002	3,945	Makame I. Makame
11/6/2003	3,590	Makame I. Makame
10/3/2004	50,000	Makame I. Makame
8/5/2004	23,857	Makame I. Makame
3/11/2003	91,029	Sylivester J. Lujuo
4/11/2003	42,323	Clara T. Lauma
5/11/2003	25,563	Makame I. Makame
	266,284	
	<b>TSHS. 3,696,022</b>	
	=====	

A total amount of (KShs. 266,284) equivalent to TShs. 3,696,022 was paid to various consular officials being Medical expenses. However, there was no insurance cover, contract agreement or authority from Permanent Secretary contrary to the Tanzania Foreign Service Staff Regulations (TFSSR) as revised in 1079 part 1 Reg. 142.

The Consulate should ensure that any Medical Expenses is duly covered under the insurance cover/contract agreement as required by TFSSR (revised ) 1979 Part 1 Reg. 142.

**156.18.7.4 Revenue collections not banked USD. 16,868 and KShs. 717,300**

Revenues totalling USD. 62367 and KShs. 717,300 collected from Visa fees during the financial year 2001/02, 2002/03 and 2003/04 at the Mombasa Consulate were not banked promptly and intact.

The consulate should follow Financial Regulations.

**157. AUDIT CERTIFICATE**

The Supply Vote, Miscellaneous Deposit and Revenue Accounts present fairly the financial position of Vote 34 as at 30<sup>th</sup> June, 2004 except for matters raised in the preceding paragraphs.