

**VOTE 42  
OFFICE OF THE SPEAKER**

**228. FOLLOW UP ON OUTSTANDING MATTERS FOR THE YEAR  
2001/2002**

**228.1 Para 221 Bank Reconciliation Statement as at 30<sup>th</sup> June,  
2002**

The following balances are yet to be cleared.

Unpresented cheques	<b>Shs.</b>
Cheques/cash on transit	65,122,527
Payments in cash book not in bank statements	636,186
	<u>600</u>
<b>Total</b>	<b><u>65,759,313</u></b>

**228.2 Para 222 – Losses of cash and Stores Shs. 25,318,160**

Losses of cash Shs. 1,141,000 and stores Shs. 4,677,100 are yet to e resolved.

**228.3 Para 224 – Outstanding Imprests and Advances  
Shs.37,048,530**

Recoveries of Shs. 4,353,581 advances and Shs. 1,044,880 imprests are still outstanding.

**229. AUDIT QUERIES**

As a result of a test check of the accounts and other related records for the year 2003/2004. 37 audit queries were issued, but none of them had been replied and settled as at the time of writing this report February, 2005.

**230. OUT – TURN**

**230.1 Supply vote**

The Supply Vote account for the year ended 30<sup>th</sup> June, 2004 closed with a net expenditure of Shs. 16,017,315,029 against the approved estimates of Shs. 16,047,678,834, hence recording an apparent saving of Shs. 30,363,805. Exchequer issues received during the year similarly amounted to Shs.16,047,678,834 resulting in a cash balance of Shs.30,363,805 with the Paymaster General's Account.

## **230.2 Development Vote**

The Development Vote account closed with a net expenditure of Shs.4,486,748,413 against net approved estimates of Shs. 4,520,000,000, an apparent saving of Shs.33,251,587. However, exchequer issues received totalled Shs.4,514,772,700, leaving an unverifiable cash balance of Shs.28,024,287 with the PMG's account.

## **231. STATEMENT OF REVENUE AS AT 30<sup>TH</sup> JUNE, 2004**

The Statement of Revenue reflected the actual revenue collected during the year of Shs. 8,498,308 against the approved estimates of Shs. 410,000 resulting in overcollection of shs.8,088,308. Unrealistic budgeting could have contributed to the overcollection of revenues.

## **232. STATEMENT OF LOSSES OF CASH AND STORES SHS.6,038,160**

The balances of losses of cash and stores for the previous years were reported to be Shs. 1,361,060 and Shs. 4,677,100 respectively. The Office should exert more effort to get the pending cases finalized to enable the losses to be written off.

## **233. STATEMENT OF FIXED ASSETS**

### **233.1 Values of Fixed Assets not indicated**

Schedules of fixed assets were produced for furniture and fittings, and for machines and equipment only. However, values of the fixed assets were not indicated in the schedules. As a result values of assets listed in the schedules could not be determined during audit.

### **233.2 Assets Omitted**

The schedule of fixed assets submitted with the appropriation accounts did not include buildings and motor vehicles owned by the office. Consequently, the accounts submitted were incomplete.

## **234. UNVOUCHED AND IMPROPERLY VOUCHERED EXPENDITURE SHS 1,318,518,799**

### **234.1 Missing payment Vouchers Shs. 587,441,017**

Expenditures amounting to shs. 587,441,017 ranked as unvouched as the respective payment vouchers were missing. In the absence of the payment

vouchers I was unable to satisfy myself on the propriety of the expenditure of Shs. 587,441,017.

### **234.2 Improperly Vouched Expenditure Shs. 647,982,190**

Though no payments of improperly vouched nature were reported in the footnotes to the appropriation accounts, a test check of the year's accounts disclosed such payments amounting to Shs. 647,982,190 emanating from missing supporting documents. Without these documents the total expenditure involved could not be confirmed to be proper charge against public funds.

I have requested the Accounting Officer to trace and submit the relevant missing supporting documents for audit scrutiny.

### **234.3 Payments on Proforma Invoices Shs. 83,095,592**

Payments amounting to Shs. 83,095,592 were made in advance to various suppliers of goods and services on the strength of proforma invoices, contrary to financial and procurement regulations. In the absence of the relevant delivery notes, ledger folio references and utilization records, I was unable to confirm delivery, receipt and use of the goods and services paid for.

### **235. IMPRESTS SUSPECTED NOT TO HAVE BEEN RECOVERED SHS.52,053,891**

A total amount of Shs. 52,053,891 ascertained from the relevant records, was paid to a Member of Parliament as imprests during Parliamentary sessions. However, the imprests appeared to have not been retired as the relevant retirement particulars were not available for audit verification. This amount does not include an unanalyzed balance of such imprests of Shs. 15,105,650 reflected in the Statement of Vote account for the Supply Vote. I have requested recovery particulars of the imprests amounting to Shs. 67,159,541.

### **236. QUESTIONABLE AND IRREGULAR EXPENDITURE**

#### **236.1 Payments on Catering Services shs.27,025,584**

An amount of shs. 27,025,584 was paid to several suppliers for supplying refreshments to Parliamentary Committees. However, the relevant payments were not channeled through the Purchasing Committee, contrary to the procurement procedures, thus circumventing the procurement regulations.

### **236.2 Payments on Printing Shs. 11,520,000**

A total amount of Shs. 11,520,000 was paid to M/S Business Image – DSM for printing various books. However, audit verification revealed that the works were to be done by the Government Printer in accordance with Standing Orders. In addition, the following were observed from this transaction:-

- (i) There was no evidence that M/S Government Printers was unable to print the books.
- (ii) The purchases were split up apparently to circumvent the local purchasing powers of the Accounting Officer.
- (iii) The purchase was not channeled through the Purchasing Committee established for procurement control.
- (iv) There was no confirmation that the books have already been delivered, in the absence of the delivery documents.

In the circumstances, I could not satisfy myself on the regularity of the payments effected.

### **236.3 Payments not authorized by authorizing officers Shs.1,007,568,636**

A sample test check made on the payments made, revealed that payments worth Shs. 1,007,568,636 were not authorized (signed) by authorizing officers contrary to the financial regulations. This is an indication of total weakness in the internal control system and non-observance of the financial instructions.

## **237. BANK RECONCILIATION STATEMENTS AS AT 30<sup>TH</sup> JUNE, 2004**

### **237.1 Bank Reconciliation Statements Not Produced**

Bank reconciliation statements for the Development and Revenue accounts, were not produced for audit verification as required by the financial regulations.

### **237.2 Items not cleared by the Bank (Supply Vote)**

The bank reconciliation statement for the Supply Vote disclosed the following items which had not been cleared with the bank:-

<b>Description</b>	<b>Amount Outstanding (Shs.)</b>
Unpresented cheques	1,466,081,064
Receipt in Bank not in Cash Book	4,210,840
Un lodgments (Receipts)	384,824,136
Debits in bank not in Cash book	2,955,489

Urgent clearance of the Outstanding items is called for.

### **238. AUDIT CERTIFICATE**

In my opinion, except for matters mentioned in the preceding paragraphs, the Development Vote and Revenue accounts present fairly the financial position of Vote 42 as at 30<sup>th</sup> June, 2004. However, the accounts of the Supply Vote present fairly the financial position of Vote 42 as at 30<sup>th</sup> June.