

VOTE 46
MINISTRY OF EDUCATION AND CULTURE

270. FOLLOW - UP ON PREVIOUS YEARS OUTSTANDING MATTERS

Matters arising on my previous years reports which require further action are as follows:-

Period	Paragraph	Audit Observation	Outstanding Amount (Shs.)	Audit Comment
1998/99	248	Nugatory/ Double Payment of Shs.6,760,050 not yet recovered from the supplier who was paid twice.	6,760,050	Case No. 160/2004 was opened at Kisumu Court. Judgement awaited.
	245	Unconfirmed receipts of goods/ services Shs.60,289,289.	20,585,219	Loss report required.
1999/00	232(iii)	Non submission of original computer receipted payrolls Shs.311,065,658. The matter is partially implemented.	11,223,879	Computer receipted Payroll from 4 stations are yet to be produced.
	236	Failure to claim insurance due Shs.23,150,176. An effort was materialized on the Ministry vehicle No. STH.1357. We still wait compensation for STJ 306.	23,150,176	The matter is still outstanding
2001/02	268.4	Questionable refunds of money to teachers Shs.16,757,000. The nature of claims was not disclosed and pay sheets were not made available for audit confirmation.	16,757,000	The matter is still outstanding. AQ.No.35 of 2000/2001 refers.
	270	Revenue not banked Shs.153,697,181.60. In nine (9) audit inspections carried out revenue amounting to Shs. 153,697,181.60 was not	An amount of Shs. 49,813,131.60 is still outstanding.	The matter is partially attended to.

Vote 46. Ministry of Education and Culture

		banked		
274		Losses of Cash Shs.78,585,158 due to Losses of unclaimed salaries Shs.57,933,773.50 and Shs.18,267,080.95 on short banking of revenue and Shs.2,172,230 for Dar es Salaam Sec. School.	Loss Shs. 49,479,106.25 is still outstanding.	Judgement is still awaited.
278.1		<u>Fictitious and unauthorised salary adjustment</u> <u>Shs.4,118,145</u> : Examination of salary control sheet for the month of January, March and June, 2002 noted an amount of Shs.4,118,145 as fictitious adjustment of arrears of salary to Ministry staff. Further 56,771,646 was also paid in the subsequent year 2002/2003.	Amount of Shs.45,907,429 was still outstanding	Result of an investigation and action taken on the officer involved is awaited.
279.1		<u>Doubtful Retirement of Special Imprest Shs.36,459,000</u> : Cash payment of Shs.4,950,000 and Shs.3,296,720 for purchase of bags and stationaries. The purchase exceeds, the Accounting Officer's power of local purchase. No tender or support quotations.	Amount of Shs.4,950,000 is still outstanding	The matter is still outstanding.
281.4		<u>Shinyanga Technical Sec. School Local Purchases order no.F.249143 and F.348772.</u> Local Purchase order forms with serial F.249143 and F.348772 which were previously reported stolen have been used by two suppliers on fictitious supply of foodstuff of value Shs.9,893,530.	Amount still outstanding Shs.9,893,530.	The Officer involved in this matter is still unknown

271. AUDIT QUERIES AND MANAGEMENT 'AUDIT REPORTS

A test check of the accounts and related records for the year 2003/2004 resulted in the issue of **95** audit queries and **3** management audit letters. In addition **46** inspection reports were issued on Secondary Schools and Colleges visited during the year. The most significant issues raised are commented upon in this report. As at the reporting date (January 2005) none of the audit queries has been satisfactorily replied. Furthermore, only one inspection report and management letter were replied. Furthermore, the status of audit queries and manager letters for the previous years is as follows:-

Year of Account	Number of Audit Queries Outstanding	Management Letter
1996/1997	1	
1997/1998	1	
1998/1999	2	
1999/2000	1	
2000/2001	5	
2001/2002	10	1
2002/2003	63	1
Total	83	2

272. OUT-TURN

272.1 Supply Vote

272.1.1 The Supply Vote account for the year 2003/2004 closed with a total expenditure of Shs.49,667,905,530 against approved estimates of Shs.51,586,775,343, an apparent saving of Shs. 1,918,869,813. Exchequer issues released equalled to the approved estimates sum, leaving an unspent balance of issues of Shs.1,918,869,813 being cash balance in the Paymaster General's account at the bank.

272.1.2 Unspent Balance Shs.1,918,869,813

The sum of Shs.1,918,869,813 was unspent balance as on the date of closure of the financial year. The reason for these large unutilized issues was not well documented and apparently resulted in tying up funds needed elsewhere for public expenditure.

272.1.3 Outstanding imprests Shs.3,261,700

The examination of payment vouchers disclosed unretired cash imprests amounting to Shs.3,261,700. The unretired imprests amount was not disclosed

Vote 46 Ministry of Education and Culture

in the Statement of Vote account. A query issued on the matter was left unattended.

272.2 Development Vote

272.2.1 The year's out-turn on the Development Vote was a net expenditure of Shs.70,786,643,808 against approved estimates of Shs.86,885,233,228 resulting in an apparent saving of Shs.16,098,589,420. However, actual exchequer issues received during the year similarly totalled Shs.70,786,643,808 leaving a "NIL" balance, with the Paymaster General's account.

272.2.2 Unreleased Funds: Shs.16,098,589,419.59

During the year 2003/2004 there were pledges from various donor countries which amounted to Shs.16,098,589,419 detailed below in order to finance development projects:-

S/No.	Name of Donor Partner	Funds acquired for	Unreleased Funds (Shs.)
1.	The Government of JAPAN	Fund for Primary Education Development Programme.	503,000,000.00
2.	The Government of Ireland	Fund for strengthening Tanzania Institute of Education.	109,000,000.00
3.	The World Bank, Sweden, Finland, Norway, Netherland, Canada and Belgium.	Fund budgeted towards the Primary Education Development Programme.	3,397,386,800.30
4.	The World Bank, Germany and ADF.	Fund for construction of Laboratory and Improvement of performance of girls in Secondary School.	3,026,351,191.56
5.	Government of Sweden.	Fund for Teachers - In service training.	8,042,664,528.00
6.	Government of Sweden.	Fund for Culture Trust Fund	1,020,186,900.00
Total			16,098,589,419.86

However, it appears that these pledges were not honoured by the donors.

273. STATEMENT OF REVENUE ACCOUNT

273.1 Under-collection of Revenue

During the year revenue collection was Shs.50,137,334 against the approved estimates of Shs.8,819,583,000 with an apparent undercollection of Shs.8,318,445,666 equivalent to 94% of the estimated amount. However, the amount of school fees collected and allowed to be spent by the schools was apparently not included in the accounts.

273.2 Outstanding Arrears of Revenue Shs.430,331,083

The Arrears of Revenue summary figure shown in the Arrears of Revenue statement submitted along with the appropriation accounts was Shs.430,331,083. However, audit inspections carried at 5 stations upcountry observed an amount Shs.80,540,360 was uncollected revenue of previous years. The amount was not reported in the summary of arrears of revenue.

274. THE STATEMENT OF ASSETS AND LIABILITIES

The Statement of Assets and Liabilities as at 30th June, 2004 was noted with the following matters:-

274.1 Unpaid Salaries Shs.1,155,983,749.56

The amount of Shs.1,155,983,749.56 was unpaid salaries as at 30th June, 2004. The amount was not supported by a list of legitimate payees, which should also give causes for the salaries not being paid. The amount of unclaimed salaries keeps on growing as revealed in following three year analysis trend:-

Year	Shs.
2001/2002	1,120,702,693.88
2002/2003	1,154,199,458.58
2003/2004	1,155,983,749.56

More effort needs to be made to analyse this serious trend.

274.2 Stale Cheques Shs.5,822,810

An amount of Shs.5,822,810 reflected in the Statement of Assets and Liabilities was stale cheques. In the stale cheque register was an adjusted amount of Shs.172,800 which was without supporting documents. The reason for the adjustment was not made clear to audit.

274.3 Education General Shs.18,991,412.61

The balance figure of Education General in the Statement of Assets and Liabilities was Shs.18,991,412.61 which concurs with the Deposit Register balance. However, in the register was an adjustment figure of Shs.9,990,236.91 of underposted receipts. The adjustment figure was not cross-referenced to relevant adjustment vouchers to confirm the authenticity of the adjustment.

274.4 Outstanding Commitment Shs.513,628,008.63

Outstanding debts of the Ministry totalled Shs.513,628,008.63 in respect of Secondary/Teachers Training College Education and Government as follows:-

Category	Shs.
• Secondary/Teachers Training College Education	469,155,295
• Government Debt	<u>44,472,713</u>
Total	<u>513,628,008</u>

The amount of Shs.44,472,713 in respect of Government Debt was not supported by an analysis schedule/list showing the names of debtors, amount owing and invoices dates.

275. FIXED ASSETS - SHS.50,093,827,294.95

275.1 As on closure of the financial year the Ministry's fixed assets had a total value of Shs.50,093,827,294 as detailed hereunder:-

Vote 46 Ministry of Education and Culture

Category	Shs.
Buildings	46,269,210.028.30
Motor Vehicles	1,881,042,272.98
Plant and Crafts	188,963,210.15
Office Furniture and Equipment	1,472,771,787.75
House hold Furniture and Equipment	<u>281,839,795.75</u>
Total	50,093,827,294.95 =====

The motor vehicles balance Shs.1,881,042,272.98 includes Shs.131,955,308 which was reported in the financial year 2002/2003, viz. motor vehicles Toyota Double Cabin STK 1 to STK 4 issued for Bustani TTC, Ndanda TTC, Mandaka TTC and Tarime TTC. The amount was without depreciation charge as the vehicles are claimed to have been purchased during the year under review.

275.2 Buildings Shs.46,269,210,228.30

The building costs in the statement of fixed assets were valued at Shs.46,269,210,228.30. This amount also appeared in the previous year accounts. However, scrutiny of development expenditure revealed an amount of Shs.8,551,369,333 was incurred on construction and rehabilitation of buildings carried as follows:-

	Shs.
(a) <u>Administration</u>	
- Public Buildings	120,000,000
- Building and Rehabilitation	20,000,000
(b) <u>Policy and Planning</u>	
- Building and Rehabilitation	587,281,900
(c) <u>Chief Education</u>	
- Building and Rehabilitation	60,000,000
(d) <u>Inspectorate</u>	
- Building and Rehabilitation	4,944,714,283
(e) <u>Secondary Education</u>	
- Building and Rehabilitation	2,794,373,150
(f) <u>Culture and National Language</u>	
- Building and Rehabilitation	<u>25,000,000</u>
Total	<u>8,551,369,333</u>

Vote 46 Ministry of Education and Culture

In the circumstances the statement value of the assets was understated by Shs.8,551,369,333.

In addition a fixed assets register is not kept by the Ministry. Lack of a fixed assets register affects proper management of the fixed assets.

276. LOSSES OF CASH AND STORES SHS.216,601,182

The footnotes to the appropriation accounts reported losses of cash Shs.131,133,044.75 and losses of stores Shs.85,468,137.07. However, losses of cash Shs.6,438,214.25 for salaries and school fees from the following schools were not reported in the accounts:-

	Shs.
Usangi Day Sec. School "Salary"	2,262,300.00
Tabora Girls Sec. School "Salary and School Fees"	<u>4,175,914.25</u>
Total	<u>6,438,214.25</u>

277. UNVOUCHED AND IMPROPERLY VOUCHERED EXPENDITURE – SHS.131,068,811.30

The Appropriation Accounts disclosed payment of improperly vouched expenditure of Shs.131,068,811.30. Further test examination of payment vouchers disclosed payments of similar nature totalling 1,475,922,008.40 of which Shs.52,569,900 was unvouched expenditure and Shs.1,423,352,108.40 lacked adequate supporting documents as shown below:-

Category	Supply Vote Account Amount (Shs.)	Deposit Account Amount (Shs.)	Total Amount (Shs.)
Improper Vouched Expenditure	1,353,440,672.40	69,911,436.00	1,423,352,108.40
Unvouched Expenditure		52,569,900.00	52,569,900.00
Total	1,353,440,672.40	122,481,336.00	1,475,922,008.40

The internal control system for security of accounting documents needs to be seriously reviewed.

278. IRREGULAR AND QUESTIONABLE PAYMENTS

**278.1 Missing Follow-up Information on Accountability -
Shs.17,880,650**

During examination of payment vouchers it was observed that an amount of Shs.16,700,000 was paid in advance to the Chief Supplies Officer Dar es Salaam for supply of fuel and lubricants to the ministry vehicles. Respective fuel requisitions issued to individual drivers were not entered in a control register maintained by the Ministry to account for the deposit values and quantities of fuel supplied. Further an amount of Shs.1,180,650 on fuel expenses refunds were supported by cash sale receipts which did not quote quantities of fuel paid for. In the event, accountability of fuel expenditure incurred was questionable.

**279. STORES NOT TAKEN ON LEDGER CHARGE -
SHS.71,687,120**

Test checks of payment vouchers noted stores purchases worth Shs.71,687,120 were not taken on ledger charge.

Audit could not verify whether the stores were utilised in the public interest. Our four (4) audit queries regarding this are still outstanding.

280. AUDIT INSPECTION REPORT OF VARIOUS STATIONS :

280.1 Outstanding Imprests and Advances - Shs.23,628,990.

Examination of payment vouchers carried at fourteen stations revealed outstanding imprests and advances totalling Shs.23,628,990. It is assumed that the outstanding amounts were not recovered up to the time of writing this report because no replies were received on the raised observations.

**280.2 Unvouched and Improperly Vouched Expenditure -
Shs.169,860,740**

Examination of payment vouchers at fifteen (15) stations in respect of financial year 2003/2004 disclosed payments totalling Shs.169,869,740 which were made without adequate supporting documents (Shs.106,788,395) and missing payment vouchers (Shs.63,072,345).

281. MASASI GIRLS SECONDARY SCHOOL

281.1 Suspected Misappropriation of Cash - Shs.11,026,000

Audit of the Masasi Girls Secondary School accounts carried out in September, 2003 and 2004, disclosed misappropriation of cash collections amounting to Tshs.11,026,000 pertaining to school fees collections, unclaimed salaries and students' pocket money. The issued audit queries related to this issue have not been attended to.

282. TAMBAZA SECONDARY SCHOOL

282.1 Cash Collections not Brought to Account - Shs.7,614,500

Revenue collections for the year 2004/2005 amounting to Shs.7,614,500 had not been brought to account nor banked. The issued audit management report has not been replied.

282.2 Cash Payment not Supported by Cash Sales Receipts - Shs.4,194,795

Examination of payment vouchers observed that the school management effected payments by cash out of unbanked revenue money amounting to Shs.4,194,795 for purchase of stationeries, and other school activities which were not supported by invoices or cash sale receipts.

282.3 Irregular Payment of Subsistence Allowance - Shs.241,000

An officer was paid an amount of Shs.515,000 being subsistence allowance for travel on duty to Arusha. The allowance was paid at an unauthorised higher rate per night resulting on an overpayment of Shs.241,000. The overpayment has not been recovered.

282.4 Contract for erection of Communication Tower by M/s. Celtel Tanzania Ltd.

The school management entered into a contract agreement with M/s. Celtel Tanzania Ltd to erect a communication tower at the school compound in the year 2001. The examination of receipts revealed a sum Shs.13,472,659 was paid in instalments as follows:

Year	Amount (Shs.)
- 2001	4,131,000
- 2002	4,517,569
- 2003	4,824,090

The respective contract has not been made available for audit verification.

283. MTWARA TEACHERS TRAINING COLLEGE

283.1 Unretired Special Imprests - Shs.6,060,000

Special imprests amounting to Shs.6,060,000 were granted to various officials during the period of March, 2003 and March, 2004 but were unretired by end of August, 2004. As at the time of writing this report January, 2005 the college management has not responded to the raised issues.

283.2 Stores not taken on Ledger charge - Shs.20,202,280

Stores worth Shs.20,292,280 were not taken on ledger charge and that their proper utilization could not be verified.

283.3 Improperly Vouched Expenditure – Shs.13,724,500

Payments amounting to Shs.13,724,500 were inadequately vouched as follows:-

Reasons	Amount (Shs.)
Advanced payments on the strength of proforma invoices.	584,500
Payments not acknowledged with receipts.	<u>13,140,000</u>
	<u>13,724,500</u>
	=====

The propriety of the payments could not be verified.

284. MAZENGO SECONDARY SCHOOL

284.1 School Fees Collections not Recorded in RCCB and not Banked - Shs.3,662,000

Our audit observed school fees collections of Shs.1,001,500 which were not recorded on the RCCBs and were also unbanked. In addition school fees collections of Shs.2,660,500 have been recorded in the RCCBs but could not be traced to have been banked.

285. Contract for Rehabilitation of Dormitories - Shs.10,008,000

A sum of Shs.10,008,000 was paid to M/s. Pacha Building Construction Company of Morogoro for rehabilitation works carried on Mazengo, Rugambwa and Ruhinda dormitories. The payment was effected without deducting a 5% retention money, worth Shs.500,400. However, during an audit site visit it transpired that pipe fitting work of value Shs.220,000 was not undertaken.

286. TREASURY STOCK VERIFICATION UNIT

a. Unsupported Issues of Stores Shs. 45,500,363.10

Various stores worth Shs. 45,502,363.10 were issued and struck off ledger charge without their supporting issue vouchers as follows:-

i.	Magu Day Secondary School, Mwanza (Oct. 2003)	Shs. 14,898,942.00
ii.	Lang'ata Bora Secondary School, Mwanga (March, 2004)	2,827,500.00
iii.	Chato Secondary School, Biharamulo (April, 2004)	18,001,200.00
iv.	Mahenge Secondary School, Kibondo (April, 2004)	2,157,040.00
v.	Chamwino Secondary School, Dodoma (September, 2003)	810,141.10
vi.	Nyampulikano Secondary School, Sengerema (April, 2004)	1,522,590.00
vii.	Loliondo Secondary School – Ngorongoro Arusha (June, 2004)	3,321,350.00
viii.	Bagemoyo Secondary School – Bagamoyo (Feb. 2004)	1,071,000.00
ix.	Ikwiriri Secondary School – Rufiji Utete (2004)	892,600.00
		45,502,363.10

b. Deficient stores shs. 32,550,882.00

Various stores worth Shs. 32,550,882.00 were found deficient when ledger and physical stock balances were compared as follows:-

i.	Magu Day Secondary School, Mwanza (October, 2003)	3,029,000.00
ii.	Galanos Secondary School, Tonga (June, 2004)	6,797,500.00
iii.	Chamwino Secondary School - Dodoma (September, 2003)	736,700.00
iv.	Buturi Secondary School – Tarime (May, 2004)	2,495,147.00
v.	Tarime Teachers Training College – Tarime (May, 2004)	4,760,705.00
vi.	Enyoito Secondary School – Arusha (March, 2004)	612,000.00
vii.	Kisangula Secondary School – Serengeti (April, 2004)	2,341,749.00
viii.	Nyamongo Secondary School – Tarime (June, 2004)	4,215,731.00
ix.	Bagamoyo Secondary School, Bagamoyo (Feb. 2004)	1,387,250.00
x.	Ikwiriri Secondary School – Rufiji Itete (2004)	3,983,800.00
xi.	Kibasila Secondary School, Dar es Salaam (April, 2004)	2,191,300.00
		32,550,882.00

c. Unaccounted For Purchases of Stores Shs. 32,314,352.80

Stores worth Shs. 32,314,352.80 locally purchased were neither taken on ledger charge nor could their utilization accounts be produced as follows-

Vote 46 Ministry of Education and Culture

i.	Magu Day Secondary School Mwanza (October, 2003)	1,099,200.00
ii.	Chato Secondary School Biharamulo (April, 2004)	1,936,200.00
iii.	Dabalo Secondary School – Dodoma (September, 2003)	1,245,164.00
iv.	Primary School Inspectorate –Korogwe (June, 2004)	2,031,098.80
v.	Kisangula Secondary School – Serengeti (April, 2004)	1,355,700.00
vi.	Runzewe Secondary School – Bukombe (June, 2004)	1,041,555.00
vii.	Kibiti Secondary school – Kibiti – Utete (June, 2004)	8,438,685.00
viii.	Bagamoyo Secondary School – Bagamoyo (Feb. 2004)	2,194,900.00
ix.	Utete Secondary School – Utete (January, 2004)	1,284,050.00
x.	Kabuku Secondary School – Handeni (May, 2004)	2,604,500.00
xi.	Kibasila Secondary School, Dar es Salaam (April, 2004)	9,083,300.00
		32,314,352.80

d. Unsupported Receipts of Stores Shs. 150,027,979.50

Stores worth Shs. 150,027,979.50 received from various sources were taken on ledger charge without their supporting receipt documents as follows:-

Vote 46 Ministry of Education and Culture

i.	Lang'ata Bora Secondary School – Mwanga (March, 2004)	2,822,500.00
ii.	Longoi Secondary School – Hai (July, 2003)	7,727,820.00
iii.	Mwiko Secondary School – Moshi (May, 2004)	3,487,000.00
iv.	Makanya Secondary School – Same (April, 2004)	6,365,200.00
v.	Mkuu Secondary School – Rombo (December, 2003)	828,500.00
vi.	Matolo Secondary School – Rombo (March, 2004)	4,343,800.00
vii.	Kivangare Secondary School – Same (September, 2003)	3,000,200.00
viii.	Mkombozi Secondary School, Same (March, 2004)	1,055,000.00
ix.	Chato Secondary School – Biharamulo (Aprl, 2004)	12,410,950.00
x.	Biharamulo Secondary School, Biharamulo (April, 2004)	3,244,050.00
xi.	Muhanga Secondary School – Kibondo (April 2004)	1,265,150.00
xii.	Chamwino Secondary School – Dodoma (September, 2003)	1,831,352.50
xiii.	Butui Secondary School – Tarime (May, 2004)	73,604,000.00
xiv.	Tarime Teachers Training College (May, 2004)	4,314,200.00
xv.	Pakula Secondary School – Moshi (June, 2004)	1,580,200.00
xvi.	Machame Girls Secondary School – Hai (June, 2004)	15,962,440.00
xvii.	Kisangula Secondary School – Serengeti (April, 2004)	2,629,327.00
xviii.	Loliondo Secondary School, Ngorongoro Arusha (June, 2004)	2,747,890.00
xix.	Kabuku Secondary School, Handeni (Mei, 2004)	808,400.00
		150,027,979.50

e. Overdue Outstanding Stores on Loan Shs. 14,480,600.00

Stores worth Shs. 14,480,600.00 were found long outstanding on loan as follows:-

Vote 46 Ministry of Education and Culture

i.	Muhange Secondary School – Kibondo (April, 2004)	882,000.00
ii.	Dabalo Secondary School, Dodoma (September 2003)	4,422,000.00
iii.	Suba Secondary School – Tarime (June, 2004)	15,901,100.00
iv.	Primary School Inspectorate – Korogwe (June, 2004)	1,174,500.00
v.	Bagamoyo Secondary School – Bagamoyo (Feb. 2004)	6,726,500.00
vi.	Ikwiriri Secondary School Rufiji – Utete (2004)	2,760,000.00
		31,866,100.00

h. Unaccounted For Receipts of Stores Shs. 22,627,888.00

Stores worth Shs. 22,627,888.00 received from various sources were neither taken on ledger charge nor could their utilization accounts be produced as follows:

i.	Mzindakaya Secondary school – Sumbawanga (June, 2004)	1,050,733.00
ii.	Suba Secondary School – Tarime (June, 2004)	3,832,380.00
iii.	Nyampukulukano Secondary School – Sengerema (June, 2004)	16,302,775.00
iv.	Loliondo Secondary School Ngorongoro, Arusha (June, 2004)	1,442,000.00
		22,627,888.00

i. Untransferred Ledger Balance of Stores Shs. 11,113,300.00

Balances of stores worth Shs. 11,113,300.00 were not transferred from old to new ledger balances as follows:-

i.	Machame Girls Secondary School – Hai (June, 2004)	8,724,100.00
ii.	Kibeslia Secondary School, Dar es Salaam (April, 2004)	2,389,200.00
		11,113,300.00

287. AUDIT CERTIFICATE

In my opinion, subject to my comments in the preceding paragraphs, the Supply Vote, Development Vote, Miscellaneous Deposit and Revenue accounts present fairly the financial position of vote 46 as at 30th June, 2004.