

VOTE 51
MINISTRY OF HOME AFFAIRS

341. FOLLOW UP ON OUTSTANDING PARAGRAPHS OF AUDIT REPORTS FOR PREVIOUS YEARS

The Ministry has not finalized the following paragraphs of my previous years' annual reports:-

1999/2000- REPORT

PARA	AUDIT OBSERVATIONS	AMOUNT REPORTED	AMOUNT OUTSTANDING
306	Cash balance to be surrendered to the Paymaster General's Account at the Central Bank.	190,382,898	190,382,898
309	Bank Reconciliation Statement		
309.1	Outstanding items: - Receipts in cash book but not in PMG's statements (Retention revenue collection Account No.6501000011- Local)	148,387,302	23,572,500
	Receipts in cash book but not in PMG's statements (Retention revenue collection Account No.691000670 – FOREX)	USD 327,548.62	USD 90,229
313(ii)	Losses of cash and stores not written off/finalized	Shs. 10,549,751 USD 23,460	Shs. 10,549,751 USD 23,460

2000/2001 REPORT:

331.4	Revenue collected by Immigration Zanzibar but not remitted to the Ministry Headquarters	416,547,047	416,547,047
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2001/2002 REPORT:

345.2	Revenue collected by Immigration Zanzibar but not remitted to the Ministry Head quarters	507,595,119	507,595,119
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2002/2003 REPORT:

321.2	Revenue collected by Immigration Zanzibar but not remitted to the Ministry Head quarters	617,765,684	617,765,684
326	Outstanding Domestic Debts	2,953,000,000	2,923,000,000

342. AUDIT QUERIES

A test check of the accounts and related records for the year under review resulted in the issue of 61 audit queries. The most significant observations raised are commented upon in this report. As at the date of writing this report, February 2005, none of the audit queries had been replied. In addition 2 audit queries relating to the previous financial year were still outstanding as at the time of writing this report.

343. OUT-TURN

343.1 Supply Vote

343.1.1 The Supply Vote closed with a net expenditure of Shs. 9,010,134,697 against net approved estimates of Shs. 9,332,318,700 resulting in a saving of shs.322,184,003.

Exchequer issues received during the financial year totalled Shs 9,010,455,527 leaving a cash balance of Shs 320,830 with the Paymaster General's account.

343.1.2 Outstanding Imprests and Warrants of Funds issued Shs.232,748,274

Included in the total expenditure of shs.9,010,134,697 are imprests (shs.3,434,496) and warrants of funds (shs.229,313,778) totalling shs.232,748,274 not accounted for as at the time of writing this report, February,2005.

343.2 Development Vote

343.2.1 No approved estimates were provided for in respect of development vote account for the year ended 30th June, 2004. However, expenditure on Development vote under 'D' Funds amounting to shs. 17,714,555,447 was recorded during the year' ended 30th June, 2004 as analysed below. Documents to confirm receipt and utilization of materials/equipment so donated have not been produced for audit.

Description	Amount (Shs)
• Food for refugees Camps (WFP)	11,899,067,356.52
• Humanitarian Assistance to Refugees (UNHCR/NGO)	5,769,615,572.37
• Danida/Refugees affected areas (DANIDA)	<u>45,972,302.08</u>
Total	<u>17,714,655,230.97</u>

In addition, the Ministry had omitted to account for expenditure under D-Funds amounting to shs 4,289,526,074 in respect of various materials and equipment imported directly by donors. The total development expenditure should therefore, amount to Shs. 22,004,181,305 instead of shs 17,714,655,231.

343.2.2 Non Production of Specific Agreements

The respective agreements/memorandum of understanding entered into between the Organisations mentioned above and the Government of the United Republic of Tanzania were not available for audit scrutiny.

344. STATEMENT OF RECURRENT REVENUE

344.1 Shortfall in collection of revenue Shs.584, 948,749

The statement of recurrent revenue for the year ended 30th June, 2004 showed actual collection of shs.7,124,526,251 against approved estimates of shs.7,709,475,000 resulting in a shortfall of shs.584,948,749, i.e.7.6% of the approved estimates.

344.2 Recurrent revenues due from Zanzibar shs.883,576,172

Immigration Zanzibar had estimated to collect a total sum of shs.649,299,500 being recurrent revenue from Immigration, Visas, Passports fees, and Citizenship Registration etc.

However, returns received at Immigration Headquarters Dar es Salaam showed that a total amount of shs.883,576,172 was collected as at 30th June, 2004 registering an over-collection of shs.234,276,672 or 36.1% above the approved estimates as shown below:-

Description	Approved Estimates (shs)	Actual collection (shs)	Amount of Over/Under collection (shs)
Receipts from Immigration fees	168,165,000	232,519,790	+64,354,790
Receipts from Visa & Passports	476,409,500	651,056,382	+174,646,882
Receipts from Citizenship Registration	4,700,000	-	-4,700,000
Receipts from Search Fees	<u>25,000</u>	-	<u>-25,000</u>
Total	<u>649,299,500</u>	<u>883,576,172</u>	<u>234,276,672</u>

Furthermore, it has been noted that a sum of shs.434, 362,140 out of the amount collected of shs.883,576,172 had been spent on other charges leaving a balance of shs.449,214,032 to be remitted to Immigration Head office, Dar es Salaam though it was not yet received in Dar es Salaam as at the time of writing this report, February 2005.

344.3 Arrears of Revenue Shs. 528,681,000 and USD 1,260

The Statement of Arrears of Recurrent Revenue as at 30th June, 2004 showed an accrued amount of shs 5,480,000 in respect of revenue item no. 090239 (Receipts from annual fees) for the year ended 30th June, 2004 only, excluding a total sum of Shs 523,201,000 and USD 1260 being arrears of revenue relating to the previous years as follows:-

(a) 1001-Administration and General			
Item	Description	Amount	
		Shs.	USD.
090239- Registrar of Societies	Un paid Annual fees	369,086,000	1260
(b) 3001- Fire and Rescue Services			
090129-Receipts from Fire certificates	Fire Certificates fees	<u>154,115,000</u>	-
	Total	<u>525,016,000</u>	<u>1260</u>

Appropriate action to recover these large arrears of revenue is required.

345. STATEMENT OF ASSETS AND LIABILITIES

345.1 Statement of Deposits as at 30th June, 2004

The Statement of Miscellaneous Deposit Account for the year ended 30th June,2004 showed a total cash balance of shs 24,271,990.75 made up as follows:-

Code No.	Description	Amount (shs)
693-1001	Deposit General	1,522,455.98
693-1082	Fire and Rescue Services	512,109.96
693-1083	Immigration	446,537.81
693-1084	Domestic debts	<u>21,790,887.81</u>
	Total:	<u>24,271,990.75</u>

It is noted that the balances of the following deposit accounts were not analysed.

Code No	Description	Amount (Shs)
693-1001	Deposit general	1,522,455.92
693-1084	Domestic Debts	<u>21,790,887.81</u>
	Total	<u>23,313,343.73</u>

The correctness of these figures could not therefore, be confirmed.

**346. UNVOUCHED AND IMPROPERLY VOUCHERED EXPENDITURE
SHS 72,423,051**

The footnotes to the Appropriation Accounts did not show unvouched and improperly vouched expenditure. However, audit examination of the Ministry payment vouchers for the year ended 30th June, 2004 noted unvouched and improperly vouched expenditure amounting to Shs. 72,423,051.

In view of the absence of appropriate documents required, I was unable to satisfy myself as to the propriety of this large expenditure being charged against the Vote. I have not received replies to my 11 audit queries issued on this matter.

**347. PAYMENTS MADE ON THE STRENGTH OF PROFORMA
INVOICES SHS. 40,080,125**

Payments totalling shs. 40,080,125 were made in advance during the year under review to various suppliers of goods and services on the strength of proforma invoices. Five audit queries seeking confirmation of receipt and accountability of goods and services bought are still outstanding.

348. MISSING SIGNED PAY LISTS SHS. 75,715,483

It was noted that original pay lists relating to various allowances paid to the Ministry's employees amounting to Shs. 75,715,483 were not made available during the audit examination of payments. Ten audit queries issued on this matter have not been replied to date.

**349. STATEMENT OF OUTSTANDING CREDITORS NOT
INCORPORATED IN THE APPROPRIATION ACCOUNT**

Contrary to Treasury Circular No. 1 of 1998/99, the Ministry has not compiled a statement of outstanding creditors (unpaid bills and debts) as at 30th June, 2004. However, according to records available within the Ministry, the value of creditors as at 30th June, 2004 amounted to Shs. 2,923,000,000. Upon payment, these debts will greatly affect the financial position of this Ministry.

350. STATEMENT OF FIXED ASSETS

350.1 Accounting of Fixed Assets shs 14,380,005,109

The footnotes to the appropriation accounts as at 30th June, 2004 reported a sum of shs. 14,380,005,109 being value of fixed assets. The value of these assets could not be ascertained because valuation certificates were not made available to support the values of the assets listed in the statement.

350.2 Understatement of value of fixed assets shs 477,807,100

The Ministry owns an office-cum-residential building located at Iringa Municipality. The building was valued by a registered valuation surveyor to have a replacement cost of shs. 777,807,100, but the building has been shown in statement of fixed assets at a cost of shs. 300,000,000 only, thus understating its value by shs. 477,807,100.

351. STORES NOT ACCOUNTED FOR SHS 65,863,754

It was noted that goods worth shs 65,863,754 bought for the Ministry's use were not accounted for in the stores ledgers and they were neither physically produced nor their utilization details produced to confirm that the stores were used for the intended purposes.

352. FUEL NOT TAKEN ON LEDGER CHARGE SHS 169,087,690

A sum of shs 169,087,690 was paid to M/S Chief Supplies Officer, Government Stores, DSM and Maji Central Stores, Kurasini, DSM in respect of supplies of petrol, diesel and oil. However, the accountability of the fuel purchased could not be verified as the relevant records such as fuel register was not made available at the time of audit. My six audit queries seeking confirmation of delivery and utilization of the purchased fuel are still outstanding.

353. MATTERS ARISING FROM LOCAL INSPECTIONS

353.1 Unconfirmed receipt of remittances to the Ministry Headquarters Shs.5,870,000 and USD 8,190

Remittances to the Ministry Head quarters from up-country stations amounting to Shs 5,870,000 and USD 8,190 as shown below were not acknowledged by the Ministry ;-

S/NO.	STATION	AMOUNT	
		USD	(SHS)
1.	Regional Immigration Office, Singida (GS.03/65/84)	4,260	2,150,000
2.	Regional Immigration Officer Mwanza (MS.61/75/112)	<u>3,930</u>	<u>3,720,000</u>
	Total	<u>8,190</u>	<u>5,870,000</u>

353.2 Stores not taken on ledger charge shs 2,320,576

Stores purchased worth shs 2,320,576 could not be verified as having been delivered and accounted for as follows:-

S/No	Station	Management Letter	Amount (Shs)
1.	Regional Immigration Office, Singida	GS. 03/65/84	1,925,946
2.	Regional Immigration Office, Mwanza	M.61/75/112	<u>394,630</u>
	Total:		<u>2,320,576</u>

353.3 Regional Immigration Officer, Mwanza

353.3.1 Fuel unaccounted for in logbook shs 1,014,560

Fuel valued at shs 1,014,560 was issued for use to office motor vehicle with registration number STJ 1658 during the year ended 30th June, 2004. It was noted that the motor vehicles' log book was not available, therefore, we could not confirm whether the fuel issued to this motor vehicle was used for official journeys.

354. TREASURY STOCK VERIFICATION UNIT

(a) Unposted Issues of Stores Shs.2,887,500.00

Stores, mainly stationery and tyres, worth Shs.2,887,500.00 were issued from stores but were not posted in respective ledgers as follows:-

(i)	Immigration H/Office (May 2004)	2,387,500.00
(ii)	Regional Immigration Office, Mwanza (Sept., 2003)	<u>500,000.00</u>
	Shs.	<u>2,887,500.00</u>

(b) Unaccounted for receipts of stores Shs.1,717,150

Verification carried out at Refugees Liaison Office Kibondo in April, 2004 revealed that stores worth TShs.1,717,150 observed received were

Vote 51 – Ministry of Home Affairs

neither taken on ledger charge nor their utilization accounts produced for verification.

(c) Unreceipted issues of stores Shs.80,453,525.00

Issue vouchers supporting issues of stores worth Sh.80,453,325.00 were not authenticated by respective recipients as follows:-

(i)	Immigration H/Office (May 2004)	48,279,200.00
(ii)	Regional Immigration Office, Kigoma (Oct.2003)	954,125.00
(iii)	Refugees Head quarters (March 2004)	<u>31,220,000.00</u>
	Shs.	<u>80,453,325.00</u>

(d) Stores not in ledger nor Inventory charge Shs.2,282,900.00

Office furniture and equipment worth Shs.2,282,900.00 issued to various departments were neither taken on ledger nor inventory charge as follows:

(i)	District Immigration Office – Nzega (June, 2004)	757,000.00
(ii)	District Immigration Office – Tarime (Sept.2003)	699,900.00
(iii)	Regional Immigration Office – Mtwara (March, 2004)	<u>826,000.00</u>
	Shs.	<u>2,282,900.00</u>

(e) Deficient stores Shs.1,686,092.00

Verification carried out at Regional Immigration Office, Mara in July, 2003 revealed that stores worth Shs.1,686,092.00 were deficient when ledger and physical stock balances were compared.

(f) Unsupported issues of stores worth Shs.33,740,120.00

Diesel worth 33,740,120.00 were struck off stores ledger charge without supporting issue vouchers or recorded on relevant vehicle log books.

i.	Regional Immigration office – Mwanza (Sept.2003)	27,813,285.00
ii.	Regional Immeigration Office-Kigoma (Oct.2003)	1,044,935.00
iii.	Regional Immigration office Sumbawanga (Jan.2004)	1,591,700.00
iv.	Refugees liaison office – Kibondo (April 2004)	1,085,700.00
v.	Regional Immigration Office Lindi (July 2003)	<u>2,207,500.00</u>
	Shs.	<u>33,743,120.00</u>

(g) Unaccounted for purchases of stores Shs.30,683,732.00

Stores and fuel worth Shs.30,683,732.00 locally purchased were neither taken on ledger charge nor could their utilization accounts be produced as follows:-

i.	Regional Immigration Office (July 2003)	1,329,000.00
ii.	Regional Immigration Office – Mwanza (Sept.2003)	2,795,886.20
iii.	Regional Immigration Office – Kigoma (Oct.2003)	694,600.00
iv.	Regional Immigration Office Lindi (July 2003)	6,711,846.00
v.	Refugees Headquarters DSM (March 2004)	1,002,000.00
vi.	Anti drugs commission, DSM (March, 2004)	<u>18,150,400.00</u>
	Shs.	<u>30,683,732.20</u>

(h) Unsupported receipts of stores Shs.4,216,910.00

Stores worth Shs.4,216,910.00 received from various sources were taken on ledger charge without their supporting receipt vouchers as follows:-

i.	Regional Immigration Office – Kigoma (Oct., 2003)	829,000.00
ii.	Refugee Liaison Office – Kibondo (April 2004)	<u>3,387,910.00</u>
	Shs.	<u>4,216,910.00</u>

(i) Unaccounted for purchases through special imprest worth TShs.1,570,150.00

Verification carried out at Anti-drugs Commission, Dar es Salaam in March, 2004 revealed that stores worth Shs.1,570,150.00 purchased, through special imprest were not accounted for in their respective ledgers.

(j) Unreported motor vehicle accident worth Shs.2,484,000.00

Verification carried out at the Regional Immigration Office – Mtwara, in March, 2004 revealed the accident of Motor Vehicle STJ 1667/L/ROVER 110. Evaluation done by Ndanda Mission Garage repair reported that it would cost TShs.2,484,000.00.

No accident report had been sent to Treasury.

355. AUDIT CERTIFICATE

In my opinion, the Supply Vote, Revenue, and Miscellaneous Deposit Accounts present fairly the financial position of Vote 51 as at 30th June, 2004. However, the Development Vote does not present fairly the financial position of Vote 51 as at 30th June, 2004.