

VOTE 53
MINISTRY OF COMMUNITY DEVELOPMENT GENDER
AND CHILDREN

370. FOLLOW-UP ON OUTSTANDING MATTERS IN THE PREVIOUS AUDIT REPORTS

The following matters which were reported in my previous audit reports have not been settled.

Para 2000/01 Audit Report	Description	Amount Queried SHS.	Amount Cleared SHS.	Amount Outstanding SHS.
367	Outstanding Imprests	40,699,150	37,578,150	3,091,000
368	Unvouched and improperly vouched expenditure	453,520,766	216,485,251	237,035,515
369	Stores not taken on ledger charge	22,621,000	8,456,000	14,165,000
370	Missing acknowledgement receipts	71,310,041	39,789,041	31,521,000
375-1	Women Day Expenses	15,000,000	--	15,000,000
376	Losses of Cash and store	770,587,825	--	770,587,825
2002/2003 Audit Report				
351.2	Bank Reconciliation-Supply	196,005,756	186,135,756	9,870,000
353	Outstanding Imprests	111,527,966	107,516,820	4,011,146
354	Missing acknowledgement receipts	78,185,500	51,712,400	26,473,100
355.2	Improperly vouched expenditure	101,757,816	86,836,276	14,921,540

371. AUDIT QUERIES

A test check of accounts and related records for the year 2003/2004 resulted in 28 audit queries being issued, the more significant of which have been commented upon in this report. As at the report date, (February, 2005) only eight (8) queries had been replied. In addition 24 audit queries relating to financial years 2000/2001 and 2002/2003 are still outstanding as follows:

Year	No. of Queries Outstanding
2000/2001	18
2002/2003	6
Total	<u>24</u>

372. OUT TURN

372.1 Supply Vote

The Supply Vote account closed with a saving of Shs.73,985 arising from net expenditure of Shs.4,076,003,391 against the approved estimates of Shs.4,076,077,376. Similarly the exchequer issues received during the year amounted to Shs.4,076,077,376 leaving a cash balance of Shs.73,985 with the PMG account.

372.2 Development Vote

The year's out-turn on the Development Account was an expenditure Shs.700,182,132 against the net approved estimates of Shs.1,373,079,400 reflecting a budget surplus of Shs.672,897,268. However, actual exchequer issues received during the year totalled Shs.724,476,491 leaving a cash balance of only Shs.24,294,359 with the PMG Account.

372.3 Unsupported Expenditure-Development Account Shs.435,214,180

The Statement of Development Vote account shows net expenditure for the year under review of Shs.700,182,132. The sum includes an amount of Shs.435,214,180 spent on Administration-and General and Policy and Planning. No expenditure details were submitted for audit to authenticate this development expenditure of Shs.435,214,180. In the absence of expenditure details the propriety of the expenditure could not be ascertained.

373. STATEMENT OF ASSETS AND LIABILITIES

373.1 Unreconciled Variances between Miscellaneous Deposit Statement and Deposit Register

Examination made on the balances of Miscellaneous Deposit Statement items against the Deposit Register revealed the following variances.

Deposit Code	Item	Balance as per statement SHS.	Balance as per Deposit Register SHS.	Variance SHS.
693D01011	Anti Corruption Activity	4,075,000	700	4,074,300
693D01101	Children Dev. Fund	4,937,802	2,690,845	2,246,957
693D01003	Family Dev. Fund	4,143,664	NIL	4,143,664
693D01008	Tender	3,761,736	1,388,000	2,373,736
693D01005	Women Dev. Fund	2,770,750	3,148,010	(377,260)

Reconciliation of these variances is required.

374. OUTSTANDING IMPRESTS - SHS.24,662,335

The footnotes to the Appropriation account did not disclose any outstanding imprests. However, audit examination of payment vouchers, imprest register and other records revealed outstanding imprests totalling Shs.24,662,335 as shown below:

Account	Amount Shs.
Recurrent	22,345,235
Deposit	<u>2,317,100</u>
Total	<u>24,662,335</u>

Prompt action is required to ensure retirement of these outstanding balances.

375. INADEQUATELY SUPPORTED EXPENDITURE - SHS.35,324,290

375.1 Missing Supporting document Shs.8,350,290

During the year under review, the Ministry paid Shs.8,350,290 (Recurrent Account Shs.5,544,247 and Deposit Account Shs.2,806,043) to individuals and institutions who supplied goods and services to the Ministry. The payments were made without being supported by relevant documents. My three (3) queries issued on the matter have not been replied.

375.2 Family Day Expenses not accounted for Shs.10,000,000

The Ministry paid Shs.10,000,000 to the Regional Administrative Secretary (RAS), Kigoma through the NMB to meet costs of family day which was held in Kigoma in April, 2004. Up to the time of writing this report (February, 2005) expenditure account duly supported with receipts and other records have not been submitted for verification.

375.3 Payment through bank Shs.16,974,000

It was observed during examination of the Ministry payments that an amount of Shs.16,974,000 was transferred through NMB to the Principal, Tengeru (CDTI). The money was intended to be paid to Arusha dealers for foam mattresses, desks and beds.

In the absence of invoices, delivery notes and utilization records, I was unable to confirm whether the goods or stores, purchased were correctly received and utilized for intended purposes.

376. QUESTIONABLE AND IRREGULAR PAYMENTS- SHS.28,597,300

376.1 Questionable Payment for Seminar expenses – Shs.19,885,000

The Ministry paid Shs.19,885,000 to the consultancy unit of Mzumbe University, Morogoro for meeting seminar costs conducted for senior officials of the Ministry. Our audit noted the following anomalies:-

- (i) No acknowledgement receipt was submitted to confirm receipt of the money by Mzumbe University.
- (ii) Tuition fees of Shs.5,320,000 was considered to be on the high side.
- (iii) An expenditure of Shs.11,556,000 was not supported by expenditure documents.

In the circumstances we could not confirm due economy of the expenditure involved.

376.2 Irregular payment for maintenance costs Shs.8,712,300

A motor vehicle owned by the Ministry was sent for repair and maintenance to M/s DT DOBIE & Co. for Shs.8,712,300. The motor vehicle was not channeled to E + M division prior and after maintenance to determine the extent of repair to be done and confirm the repair work done respectively. In addition used spare parts which were replaced with new ones worth Shs.5,628,426 could not be physically verified as were not shown when requested.

377. UNSUPPORTED UTILIZATION OF FUNDS SHS.408,673,200

An amount of Shs.408,673,200 (Recurrent Vote Shs.263,673,200 and Development Account Shs.145,000,000) was paid through banking system as warrant of funds to Folk Development Colleges (FDCS) and Community Development Training Institutes (CDTIS) to meet recurrent and development expenditure approved for the year 2003/2004.

However, it was not possible to confirm proper utilization of funds in the absence of statements of expenditure duly supported and progress or completion reports in respect of development work undertaken. I am awaiting replies to my nine (9) queries issued.

378. STATEMENT OF FIXED ASSETS

A schedule of fixed assets was submitted along with the Appropriation Account. However, it did not indicate the total value of all fixed assets owned by the Ministry. In addition, the individual values of fixed assets reported could not be verified due to non-availability of valuation reports / certificates and non-maintenance of fixed asset register.

379. NON-COMPLIANCE WITH CONTRACT PROCEDURES SHS.68,604,980

A contract agreement for completion of student hostel at the Community Development Training Institute (CDTI) Tengeru-Arusha was entered into between the Ministry of Community Development, Gender and Children and the National Service Construction Department, (Northern Zone) Arusha for a contract sum of Shs.50,674,716 and additional works certified amounting to Shs.20,464,000. However, total payments made to the contractor was Shs.68,604,980. Scrutiny on contract transactions revealed the following shortcomings:

- (i) Bills of quantities to support the contract agreement were not submitted for examination.
- (ii) The Ministry paid the contractor an advance payment of Shs.20,269,886 being 40% of the contract sum prior to submission of the approved performance security bond to guarantee the advance payment.
- (iii) The Ministry did not engage the service of a Consultant Engineer, instead the Director of Community Development at the Ministry Headquarters (An Engineer by Profession) assumed the roles and responsibilities of a Consultant Engineer.
- (iv) No record was made available to confirm whether the Director of Community Development was sanctioned by the Ministry Tender Board to perform as a Consultant Engineer. Furthermore, examination on contract records / files noted that there was no close supervision by a Consultant Engineer.

In view of the above matters of non-compliance in the execution of the contract it is doubtful whether the work executed by the contractor is of intended quality and specification. My three (3) audit queries seeking explanation on the above issue are yet to be replied.

380. TREASURY STOCK VERIFICATION UNIT

(a) Unsupported issues of stores Shs. 24,128,500.00

Various stores worth Shs. 24,128,500 were taken on ledger charge without any support voucher references as detailed below:-

i)	Bariadi Folk Development College (May 2004)	Shs.	350,000.00
ii)	Kisangwa Folk Development College-Bunda (May 2004)	Shs.	9,292,100.00
iii)	Rubondo FDC – Biharamulo (April 2004)	Shs.	8,821,650.00
iv)	Urambo Folk Development College-Urambo (Jan. 2004)	Shs.	1,520,900.00
v)	Handeni Folk Development College (May 2004)	Shs.	4,143,850.00
		Shs.	24,128,500.00

(b) Unaccounted for Purchases of Stores Shs. 17,625,218.50

Various stores worth Shs. 17,625,218.50 were locally purchased from different suppliers but the same were not accounted for, as follows:-

i)	Bariadi Folk Development College (May 2004)	Shs.	487,900.00
ii)	Folk Development College Mwarhala-Nzega (June 2004)	Shs.	3,495,220.00
iii)	Kisangwa Folk Development College-Bunda (June 2004)	Shs.	2,998,700.00
iv)	Rubondo FDC – Biharamulo (April 2004)	Shs.	293,500.00
v)	FDC – Masasi (October 2003)	Shs.	2,232,829.00
vi)	Monduli Folk Development College (October 2003)	Shs.	1,178,302.00
vii)	Urambo Folk Development College (December 2003)	Shs.	5,528,620.00
viii)	Folk Development – singida (Sept.2003)	Shs.	1,410,147.50
		Shs.	17,625,218.50

(c) Deficiencies of stores Shs. 6,261,425.00

Verification revealed that stores worth Shs. 6,261,425.00 were deficient when comparison was made between physical and ledger stock balances as follows:-

i)	Folk Development College Chisalu-Mpwapwa (May 2004)	Shs.	627,400.00
ii)	Kisangara Folk Development College Bunda (June 2004)	Shs.	1,357,000.00
iii)	Rubondo FDC – Biharamulo (April 2004)	Shs.	483,500.00
iv)	Monduli Folk Development College (October)	Shs.	709,800.00
v)	Ikwiriri Folk Development College – Utete (January 2004)	Shs.	665,000.00
vi)	Urambo Folk Development College (December 2003)	Shs.	1,353,300.00
vii)	Handeni Folk Development College (May 2004)	Shs.	1,065,425.00
		Shs.	6,261,425.00

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(d) Unsupported issues of stores Shs. 5,629,200.00

Various stores worth Shs. 5,629,200.00 were issued and struck off ledger charge without any supporting vouchers as follows:-

i)	Rubondo FDC – Biharamulo (April 2004)	Shs.	3,154,200.00
ii)	Handeni Folk Development (May 2004)	Shs.	293,400.00
iii)	Kilwa Masoko FDC (December, 2004)	Shs.	2,181,600.00
		Shs.	<u>5,629,200.00</u>

(e) Unaccounted for receipts of stores Shs. 4,713,350.00

Stores worth Shs. 4,713,350.00 received from various sources were not accounted for as follows:-

i)	Folk Development College Chisalu Mpwapwa)	Shs.	750,000.00
ii)	Monduli Folk Development college (October 2003)	Shs.	3,963,350.00
		Shs.	<u>4,713,350.00</u>

(f) Overdue outstanding stores on loan Shs.5,243,800.00

Verification revealed the outstanding stores on loan worth Shs.5,243,800 a detailed below and no efforts were being done to recover them:-

i)	Rubondo FDC Biharamulo (April 2004)	Shs.	2,141,300.0
ii)	Monduli folk Development College (October, 2003)	Shs.	376,200.0
iii)	Urambo Folk Development college-Urambo (dec.2003)	Shs.	1,716,000.0
iv)	Handeni Folk Development College (May, 2004)	Shs.	771,800.0
v)	Mtawanya FDC Mtwara (Jan. 2004)	Shs.	238,500.0
		Shs.	<u>5,243,800.0</u>

(g) Purchase of stores by special imprests Shs. 2,139,400.00

Special imprests amounting to Shs.2,139,400.00 were paid to staff for purchase of stores, but the stores were neither purchased nor were the imprest retired as follows:-

i)	Handeni Folk Development College (May, 2004)	Shs.	1,478,400.0
ii)	Singida Folk Development College (September, 2003)	Shs.	661,000.0
		Shs.	<u>2,139,400.0</u>

(h) Verification carried out at Handeni Folk Development College in May, 2004 revealed that furnitures worth Shs. 16,443,000 were neither taken on inventory nor on ledger charge.

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- (i) Verification carried out at Urambo Folk Development College in December 2003, revealed that stores worth Shs. 1,634,700 were issued from the store but the same were not posted into ledger.
- (j) Verification carried out at Mwanhala Folk Development College – Nzega in June 2004, revealed that balances of various stores worth Shs. 1,760,650 were not transferred from old to new ledgers.

381. AUDIT CERTIFICATE

In my opinion, the Revenue Statement presents fairly the financial position of Vote 53 as at 30th June, 2004. However, subject to clearance of matters raised in the preceding paragraphs, the Supply Vote, Development Vote and Miscellaneous Deposit Accounts present fairly the financial position of Vote 53 as at 30th June, 2004.