

**VOTE 56**  
**MINISTRY OF REGIONAL ADMINISTRATION**  
**AND LOCAL GOVERNMENT**

**395. AUDIT QUERIES**

Examination of the year's accounts resulted in issuing 35 audit queries of which 12 were satisfactorily replied and closed. There were no outstanding queries pertaining to previous years. Clearance of the remaining 23 queries for the year under review is called for.

**396. OUT-TURN**

**396.1 Supply Vote**

The Supply Vote account closed with actual saving of Shs. 3,866,611 after a net expenditure of Shs. 30,741,504,155 against the net approved estimates (and actual exchequer issues) of Shs. 30,745,370,766.

**396.2 Development Vote**

The Development Vote account closed with a saving of Sh.60,390,895,777 after a net expenditure of Sh.45,733,428,595 against the net approved estimates of Sh.106,124,324,372. The total exchequer issues received totalled Sh.45,733,438,105 which when compared to the net expenditure resulted an unspent balance of Sh. 9,600.

**397. STATEMENT OF ASSETS AND LIABILITIES**

**397.1 Unclaimed Salaries – Shs. 3,402,711**

The Statement of Assets and Liabilities disclosed unclaimed salaries of Sh. 3,402,711 due from May 1999 to March 2004. The amount includes Sh. 236,661 and Sh. 285,250 payable to the Treasury as miscellaneous revenue and to the Commissioner of Income Tax as income tax respectively since July, 2001. We call for prompt clearance of the matter as it is long overdue.

**397.2 Outstanding Claims Shs. 766,864,674**

The accounts closed with outstanding claims of Sh.766,864,674 as shown in the Statement of Assets and Liabilities. The analysis produced was for Sh. 338,138,294 only. The authenticity of the total outstanding claims could not be confirmed in the absence of the analysis for the remaining balance of Sh.428,726,380. Clearance of the claims is urgently called for to avoid litigation.

**398. IMPROPERLY VOUCHERED EXPENDITURE SHS. 204,384,982**

During the year under review a total sum of Sh. 204,384,982 was paid without the relevant supporting documents. The eligibility of this expenditure to remain as a proper charge against public funds could not be ascertained due to lack of proper documentation.

**399. RECEIPT OF PAYMENTS NOT CONFIRMED SHS. 74,992,416**

A total sum of Sh. 74,992,416 was paid to various payees. Receipt of the payments by the bonafide payees could not be confirmed during audit, in the absence of the relevant acknowledgement receipts from the payees.

**400. QUESTIONABLE CONTRACT PAYMENTS SHS. 54,687,607**

In June 2003 the Ministry entered into contract with M/S Afrig Engineering and Company Ltd, of Box 8591, Dar es Salaam, for renovation works of the Ministry's Sub – Office in Dar es Salaam. The contract and the total payments were found to be questionable because:

- (i) The contract did not specify the period for completion of work and commencement date of the contract. Consequently the liquidated damages to be claimed by the Ministry in case the works were delayed for completion, could not be determined.
- (ii) Certificates of completion of works certified by the consultant to support the payments effected were not produced when called for audit examination.

**401. COMPETITIVE QUOTATIONS NOT AVAILED SHS. 24,378,280**

Contrary to the procurement procedures, payments of Sh.24,378,280 were effected for the purchases of goods and services from various suppliers without application of competitive quotations. As such the prices charged could not be confirmed to be the most economical and proper. We call for strict adherence to the procurement procedures.

**402. STORES NOT TAKEN ON LEDGER CHARGE SHS.  
17,255,930**

A sample test of the year's accounts disclosed that stores worth Sh.17,255,930 were purchased from different suppliers. On examining the stores ledgers it was detected that the stores had not been recorded therein, and were neither produced for physical verification nor their utilisation records produced for audit examination.

### **403. FIXED ASSETS**

#### **403.1 Book Values Differ**

On 30<sup>th</sup> June 2003 the total value of two (2) Motor Vehicles and one hundred and thirty two (132) office chairs was Sh. 45,008,257 as a closing balance. However, on 1/7/2003, (one day after the closing date), the assets opened with a total value of Sh. 71,261,494, registering a difference of Sh. 26,253,237 above the closing balance. Reasons to justify the difference are still awaited.

#### **403.2 Fixed Assets Omitted Shs. 16,946,170**

Fixed assets valued at Sh. 16,946,170 as reflected in the schedule of fixed assets, appear not to have been recorded in the register of fixed assets.

#### **403.3 Depreciation Policy And Rates of Depreciation Not Specified**

Notes to specify the policy and the rates of depreciation of fixed assets were not submitted along with the appropriation accounts and the related financial statements. In the absence of the policy and such rates the correctness of the balances totalling Shs. 1,016,470,917 could not be ascertained.

#### **403.4 Values and Number of Furniture And Equipment Differ**

Six hundred and twenty items (620) worth Sh. 350,399,855 pertaining to furniture and equipment were reported in the financial statements while, according to the register of fixed assets the quantity is two hundred and eleven (211) items worth Shs. 81,062,043. The resulting difference of 409 items worth Shs. 269,337,012 indicates that the schedule of the fixed assets and the register were not reconciled.

### **404. AUDIT CERTIFICATE**

In my opinion, the Supply Vote, Development Vote, Miscellaneous Deposit and Revenue Accounts present fairly the financial position of Vote 56 as at 30<sup>th</sup> June 2004.