

VOTE 62
MINISTRY OF COMMUNICATIONS AND TRANSPORT

445. PROGRESS OF FINALISATION OF OUTSTANDING PARAGRAPHS IN PREVIOUS AUDIT REPORTS

The Ministry has not finalized replies on the following paragraphs of my previous year's audit report.

Details	Amount reported Shs.	Amount Outstanding Shs.
Financial year 1988/99		
• Arrears of Revenue including unverified debtors	1,554,383,199	694,582,388
• Losses of Cash	20,413,090	11,610,000

446. AUDIT QUERIES

A test check of the accounts and related records for the year under review resulted in the issue of 32 audit queries, and the most significant observations raised are commented upon in this report. As at the date of writing this report, January 2005 only six audit queries have been replied satisfactorily and settled.

447. OUT-TURN

447.1 Supply Vote

The Supply Vote Account closed with an apparent saving of Shs.5,208,345 arising from net expenditure of Shs.68,171,840,927 against the net approved estimates of Shs. 68,177,049,272. However, exchequer issues received during the year, totalled Shs. 68,177,049,272 thus closing with a cash balance of Shs. 5,208,345 with the Paymaster General's Account.

447.2 Development Vote

The year's out-turn of the Development Vote Account was a net expenditure of Shs. 32,508,502,636 against net approved estimates of Shs.32,516,553,538 leaving an apparent saving of Shs. 8,050,902

However, the exchequer issues received during the financial year totalled Shs.32,508,502,838 resulting in unspent issues of Shs. 202 being cash balance with the PMG's account.

448. LOSSES OF CASH SHS. 11,610,000

The statement of losses revealed that there were no losses outstanding as at 30th June, 2004. However, audit examination of the Ministry's accounting records has revealed that there were losses of cash adding up to Shs.11,610,000 relating to the previous years, which had not yet been finalized as at the date of this report but apparently were excluded from the losses statement.

449. BANK RECONCILIATION STATEMENTS

The Bank reconciliation statements for the PMG Revenue accounts No. 2011000008 and 14:19 as at 30th June 2004 revealed the following outstanding items.

	PMG A/C No. 2011000008 Shs.	PMG A/C No. 14:19 Shs.
Credits in bank not in cash book	13,383,540	2,139,900
Wrong Credits in bank (F/Y 2002/03)	38,926,334	-
Receipts in cash book not in bank	12,754,000	455,107
Wrong debits in bank	1,711,301,551	52,855,322
Debits in bank not in cash book	3,251,520	-

Efforts should be made to resolve these discrepancies.

450. STATEMENT OF REVENUE

450.1 Shortfall in revenues

The actual collection of revenue during the year was Shs.3,892,533,202 being 67% of the approved revenue estimates of Shs. 5,800,904,000 resulting in a shortfall of revenue collection by Shs.1,908,370,798 or 33% of the approved revenue estimates.

450.2 Arrears of Revenue

The Statement of arrears of revenue as at 30th June 2004 showed arrears of revenue amounting to Shs.1,142,402,447 for the year ended 30th June 2004 relating to the Tanzanian Government Flight (TGF) Agency. However, it has been noted that the statement has not included a sum of Shs.694,582,388 being arrears of revenue relating to the previous years which was not collected by other Agencies within the Ministry of Communications and Transport.

• Civil Aviation Agency	Shs. 663,196,544
• Aerodromes Agency	Shs. <u>31,385,844</u>
Total	Shs. <u>694,582,388</u>

451. REVENUE COLLECTED BUT NOT TRACED IN BANK STATEMENTS SHS. 1,650,000

A test examination of revenue collection records revealed that a total sum of shs.1,650,000 was collected and banked as shown below:-

Account No.	ERV. No.	RCCB No.	Bank Pay-in-slip No.	Amount not traced in bank statements Shs.
CTLA Revenue A/c No. 2011000008	17558321 to 17558346	J. 250939	377333	1,027,000.00
"	18124141 to 18124200	J. 01082235	367961	<u>623,000.00</u>
			Total	<u>1,650,000</u>

However, the respective bank credits were not traced in the bank statements at the time of audit, November 2004. One audit query issued on this matter is still outstanding.

452. UNVOUCHED AND IMPROPERLY VOUCHERED EXPENDITURE SHS.497,186,777.76

The footnotes to the Appropriation Accounts do not show unvouched and improperly vouched expenditure. However, audit examination of the Ministry's payment vouchers for the year ended 30th June 2004 noted unvouched and improperly vouched expenditure totalling shs. 497,186,778 as shown below:-

Category	Amount Shs.
Unvouched expenditure	6,305,349
Improperly vouched expenditure	<u>490,881,428</u>
	<u>497,186,778</u>

The missing supporting documents should be traced and submitted for audit examination.

453. PAYMENTS MADE IN ADVANCE SHS. 14,116,751

Payments totalling Shs. 14,116,751 were made in advance during the year under review to several suppliers of goods and services. Two audit queries seeking confirmation of receipt and accountability of the goods and services bought are still outstanding.

454. STORES NOT ACCOUNTED FOR SHS. 29,062,150

Audit examination of the year's payments documents and related records revealed that stores bought for Shs. 29,062,150 during the year were not accounted for in the stores ledgers. Three audit queries issued on this matter seeking for details of the stores have not been replied.

455. AUDIT CERTIFICATE

In my opinion, the Supply Vote, Development Vote, Revenue and Miscellaneous Deposit Accounts fairly present the financial position of Vote 62 as at 30th June, 2004.