

VOTE 64
COMMERCIAL COURT OF TANZANIA

461. AUDIT QUERIES

A test check of the accounts and related records for the year 2003/2004; resulted in the issue of two Management Letters, none of which have been replied and settled. In addition 19 audit queries related to the previous years and two Management Letters were still outstanding as at the time of writing this report.

The position of outstanding audit queries and Management audit report is as follows:

Years	Audit Query	Audit Report
2001/2002	8	-
2002/2003	<u>11</u>	<u>2</u>
Total	<u>19</u>	<u>2</u>

462. OUT-TURN

462.1 Supply Vote Shs.703,973,934

The Statement of Supply Vote account for the year under review showed a net expenditure of Shs.703,979,934 against approved estimates of Shs.703,979,934. Similarly exchequer issues received were equal to the net expenditure thereby closing with a NIL cash balance on the PMG's account.

462.2 Development Vote

The Development Vote closed with net expenditure of Shs.26,946,073 against approved estimates of Shs.250,800,000 an apparent saving of Shs.223,853,927. In addition exchequer issues received were equal to the net expenditure, leaving a NIL cash balance on the PMG's account.

463. STATEMENT OF REVENUE ACCOUNTS AS AT 30TH JUNE, 2004

463.1 Revenue Collection Shs.664,403,659

Statement of Revenue account for the year under review revealed that actual revenue collection was Shs.664,403,659, against net approved estimates of Shs.900,200,000 an under collection of Shs.235,796,341.

463.2 Non-Submission of Bank Reconciliation Statement

Bank Reconciliation Statements for Revenue Account were not submitted for the period from July 2003 – June 2004 as a result audit could not confirm or verify the correctness of revenue balances.

464. STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH JUNE, 2004

The Statement of Assets and Liabilities (Miscellaneous Deposit Accounts) submitted show the account overdrawn by Shs. (9,360,958) Dr. The Accounting Officer should investigate the cause of the debit balance and reconcile the account.

465. STATEMENT OF FIXED ASSETS AS AT 30TH JUNE, 2004

A schedule to the Statement of Fixed Assets as at 30th June, 2004 indicates Fixed Assets purchased during the year Shs.31,815,000 (audit figure). However the figure shown does not include balance brought forward from the previous year of Shs.302,337,818. Therefore correct value of Fixed Assets should have been Shs.378,441,915 as determined below:

Balance of Fixed Assets brought forward	Shs.302,337,818
Assets shown in statement	31,815,000
Add Assets Purchased during the year 2003/2004 not included in the list	
Motor vehicle Toyota L/C Prado	26,946,073
CCTV & Intruder (security system)	<u>17,343,024</u>
Total	<u>378,441,915</u>

In addition some properties have not been valued e.g. Commercial Courts Registry Building of Arusha.

466. IRREGULAR AND QUESTIONABLE PAYMENTS – SHS.35,015,380

466.1 Advance Payment for Printing Manual Books 8,067,000

During the year under review an advance payment was made to M/S National Printing Company Ltd. towards the cost of printing 500 pcs manual books for the Commercial Court as per LPO No.300065.

However, at the time of writing this report there was no evidence confirming delivery of the printed manuals.

**466.2 Payment for Supply and Installation of Security System
Shs.17,343,025**

A sum of shs.17,343,025 was paid to M/S SSTL Group in respect of the supply and the installation of circuit television CCTV and intruder alarm system for security at the Commercial Court building.

Audit scrutiny of supporting documents disclosed that the work was to start on 21/6/2004, and to be completed on 30/8/2004. However as at the time of auditing, the work was incomplete.

**466.3 Irregular Payment of Special Allowance and Salaries to
Judicial official Shs.3,254,609**

It was revealed that special allowances and salaries totalling Shs. 2,500,000 and 754,600 respectively were paid to a Judiciary official as refunds of the amount claimed to have been used from his pocket to pay his driver (who is a casual labourer) and who is entitled to casual labour allowances. Despite my previous AQ.No. 25 of 2001/2002 which questioned similar payments, no action has been taken to correct the existing situation.

**466.4 Ineligible Payments of Water and Telephone Bills
Shs.6,350,746**

It was noted that payments Shs.6,350,746 were expended on Water bills Shs.1,125,883 and Telephone bills shs.5,224,863 respectively in respect of residences of two Judiciary officials contrary to their terms of service. These officials are not entitled to free water services packages. It was noted that they are paid Shs.65,000 monthly for telephone allowances. In this circumstances therefore the total amount of Shs.6,350,746 paid to them should be recovered.

467. IMPROPERLY VOUCHERED EXPENDITURE – SHS.11,318,817

Examination of the payment vouchers for the year 2003/2004 revealed payments of Shs.11,318,817 were inadequately documented (e.i their supporting documents missing) rendering them improperly vouched expenditure.

468. STORES NOT TAKEN ON LEDGER CHARGE – SHS.36,098,220

During the year under review it was noted that payments for various stores items and fuel from Government Stores worth Shs.36,098,220 had not been taken on ledger charge and their utilization accounts could not be confirmed.

469. AUDIT CERTIFICATE

In my opinion, the Supply Vote and Development Vote, accounts fairly present the financial position of Vote 64 as at 30th June 2004.

However, the Miscellaneous Deposit and Revenue accounts present fairly the financial position of Vote 64 as at 30th June 2004, subject to clearance of matters raised above.