

VOTE 69
MINISTRY OF TOURISM AND NATURAL RESOURCES

514. FOLLOW UP ON PREVIOUS YEARS AUDIT REPORTS

The following matters reported in previous years audit reports were still outstanding as at the time of writing this report.

(a) Financial year 1998/1999

Para	Details	Amount Reported (Shs)	Amount outstanding (Shs)
494	Irregular Compensation Payments	126,285,815	18,050,369
496	Stolen boat accessories	16,853,460	16,853,460

1999/2000 Audit report

Para	Details	Amount Reported (Shs)	Amount outstanding (Shs)
498.2.1	Motorcycles (Honda) bought but not yet delivered	15,774,000	15,774,000
498.7.1.	Value of Goods not taken on ledger charge	57,811,853	36,122,050
499.5	Purchases of Motor Vehicles paid for but not delivered	194,308,118	194,308,118

(b) 2001/2002 Audit report

Para	Details	Amount Reported (Shs)	Amount outstanding (Shs)
557.1	Bank Reconciliation Statement		
	Credit in Bank Statement not in cash book	-	-
	• Retention Revenue -forex A/C	US\$ 3,234	US\$ 3,234
	Receipt in cash book but not in bank statement		
	• Retention Revenue -forex A/C	US\$ 48,779	US\$ 48,779
559.1 0.4	Advance not refunded	266,000,000	86,000,000

(c) 2002/2003 Audit report

Para	Details	Amount Reported (Shs)	Amount outstanding (Shs)
499.1	Unverified Cash Balance	237,769,273	237,769,273
499.2	Outstanding items in the bank reconciliation statements	-	-
499.2.1	Receipts in Cash book not in bank	160,052,777	160,052,777
500	Funds not Accounted for	4,363,463,846	3,918,060,915
501	Payments made on the strength of proforma invoices	101,991,310	101,991,310
502	Inadequately Supported Expenditure	29,099,203	29,099,203
504	Stores not Accounted for	691,298,190	656,617,310
505.1	Loss of Cash at Mbegani Fisheries Dev. Centre	22,580,571	22,580,571

515. AUDIT QUERIES

A test check of the accounts and related records for the year 2003/2004 resulted in the issue of 46 queries and six management audit reports of which the most significant issues have been referred to in this report. In addition, there were 15 audit queries relating to the year 2002/2003 which have not been cleared.

516. NON SUBMISSION OF ACCOUNTS AND STATEMENTS

The following financial statements and related records for the year ended 30th June 2004 due for submission on 30th September, 2004 had not been submitted for audit as at the time of writing this report:

- (i) Marine Parks Reserve Unit
- (ii) Mbegani Fisheries Development Centre

517. OUT-TURN

517.1 Supply Vote

The Supply Vote account closed with a saving of Shs. 26,239,686 arising from a net expenditure of Shs. 26,251,273,122 against net approved estimates of Shs.26,277,512,808.

Exchequer issues received during the year similarly totalled Shs.26,277,512,808 against net expenditure of Shs.26,251,273,122 leaving a cash balance of Shs.26,239,686/= which was reduced by an outstanding imprest of Shs.6,079,331 resulting in a cash balance of Shs.20,160,355 with the Paymaster General's Account.

517.2 Development Vote

The Development Vote account closed with a net expenditure of shs7,892,233,006 against net approved estimates of Shs. 28,933,027,206 resulting in an apparent saving of Shs. 21,040,794,200 Exchequer issues received during the year equalled the net expenditure of Shs. 7,892,233,006 therefore leaving a NIL balance with the Paymaster General's Account.

518. STATEMENT OF REVENUE

518.1 Over collection of Revenue

The Statement of Revenue as at the 30th June 2004 disclosed a total collection of Shs 26,365,469,619 including revenue collected and retained at source of Shs 5,248,675,047.60 against an annual estimate of Shs.21,370,892,000 an over collection of Shs 4,994,577,619.

518.2 Review of the Bank Reconciliation Statements

A review of the Revenue Bank Reconciliation Statements as at 30th June, 2004 for the Retention Revenue-General A/C No. 6503800009 and Retention Revenue Forex (USD) Account No.012105002942 disclosed the following outstanding items:

- (i) Retention Revenue-General A/C
 - Credits in Bank not in the Cashbook Shs 1,482,583,549

- (ii) Retention Revenue Forex (USD) Account
 - Credit in Bank Statement not in Cashbook USD 3,642,876
 - Debits in Bank Statement not in Cashbook USD 119,226
 - Receipt in Cashbook not in Bank Statement USD 20,529

Steps need to be taken to clear the outstanding items.

519. STATEMENT OF DEPOSITS ACCOUNT

519.1 Receipts in Cashbook not in bank statements Shs.204,050,037.90

The bank reconciliation statements prepared by the CPO reflected total receipts in cash books not in bank statements of Shs. 30,523,327,275.70 out of this figure Shs. 204,050,037.90 relate to the Ministry of Natural Resources and Tourism. The Ministry should make follow up and ensure that these receipts are credited to the respective bank account.

520. OUTSTANDING IMPREST BALANCES SHS. 3,180,330

The Statement of Vote Account reflected outstanding imprest of Shs.6,079,330. However, at the time of writing this report Shs.2,899,000 has been recovered leaving Shs 3,180,330 still outstanding.

521. FUNDS TRANSFERRED TO UP-COUNTRY STATIONS BUT NOT ACKNOWLEDGED RECEIPT SHS. 2,185,760,267

Audit test check of payment vouchers for the year under review revealed that the Ministry had transferred a total sum of Shs. 2,185,760,267 to various up country stations/Sub Treasuries for which no acknowledgement receipts have been furnished. Eight audit queries issued requesting acknowledgement of these funds transferred to those stations are still outstanding.

522. GOODS NOT ACCOUNTED FOR SHS.593,833,602/=

Examination of payment vouchers for the year under review noted that stores and other equipment bought for Shs.593,833,602.00 were not recorded in the respective stores ledgers or Fixed Assets Registers. We could not establish delivery and utilization of the items paid for due to lack of cross referencing. All seven audit queries issued seeking confirmation of the delivery and accountability of these items have not been replied.

523. INADEQUATELY SUPPORTED EXPENDITURE SHS. 59,944,535

The Ministry incurred a total expenditure of Shs. 59,944,535 which had no adequate supporting documents to render them as a proper charge against public funds. In the absence of proper supporting documents, we could not ascertain the propriety of the expenditure incurred.

524. PAYMENTS MADE IN ADVANCE SHS: 112,321,222

A total sum of Shs.112,321,222 was paid to various suppliers of goods and services in advance on the strength of profoma invoices. Delivery and accountability of the goods purchased have not been ascertained. Eight audit queries raised seeking confirmation of the receipt and accountability of the goods and services paid for in advance are still outstanding.

525. AUDIT OF OTHER FUND ACCOUNTS

525.1 Tanzania Wildlife Protection Fund F/Y 2002/03

525.1.1 Inadequately Supported Expenditure Shs.20,651,602

Payments amounting to Shs.20,651,602 were made without adequate supporting documents. In the absence of supporting documents we could not confirm the correctness and propriety of the expenditure incurred.

525.1.2 Prior Year Adjustments not analysed USD.106,611.50

During the year under review, the Fund made some adjustments for payments in bank not in cash book relating to the year 2001/2002 amounting to USD. 106,611.50 which had no adequate analysis.

Included in this figure were a number of cheques amounting to USD. 39,241 paid by customers which were dishonoured by the bank and had not been replaced by fresh cheques from the responsible customers.

525.1.3 Stolen Motor Vehicle STJ.3996 Toyota L/Cruiser Hardtop

A physical check of fixed assets at Malihai Club - Arusha noted that one motor vehicle STJ.3996 Toyota Land Cruiser (hard top) was stolen on 04th August, 2003 at Njiro - in Arusha. To date this motor vehicle remains missing and no loss report has been prepared.

525.1.4 Receipts in cash book not in bank Statements Shs.31,253,553 and USD 198,050.50

A review of bank reconciliation statements as at 30th June, 2003 revealed receipts in cash book but not in bank statements amounting to Shs.31,253,553.00 and USD.198,050.50 for the Local and forex Account respectively. The fund management has been urged to communicate with the banks to ensure prompt clearance of these receipts.

526. PROJECTS PERFORMANCE REVIEW

526.1 Tanzania Forest Conservation Management Project

526.1.1 Uncompetitive purchases Shs.4,736,446.90

A total sum of Shs.4,736,446.90 was paid to several suppliers of goods and services without obtaining at least three quotations thus denying the government an advantage of obtaining the goods at the best economical and competitive prices.

526.1.2 Goods not Accounted for Shs.6,528,148

An examination of payments revealed that stores worth Shs.6,528,148 purchased from various suppliers had not been accounted for in stores ledgers. The delivery and final utilisation particulars have not been confirmed.

526.2 Beekeeping Development Project

526.2.1 Transfer of funds not acknowledged receipt Shs. 5,000,000

During the year under review the project transferred a sum of TShs. 25,000,000 vide PV 16/3, C/N 055137 through NMB – Bank House – Dar es Salaam to various districts. It was noted that TShs. 5,000,000 paid to Kibondo district was not acknowledged by the recipient. We have not received any evidence confirming receipt and accountability of this sum.

526.3 Mafia Island Marine Park Development and Conservation Project

526.3.1 Inadequately Supported Expenditure TShs.3,497,338

Payments amounting to Shs. 3,497,338 were made to various officers without sufficient documentation. In the absence of adequate supporting documents, we could not establish the propriety of the expenditure incurred.

526.4 Capacity Building and Infrastructure Development (CAWM – Mweka) Project

526.4.1 Inadequately supported expenditure TShs.59,759,216

A total sum of Shs.59,759,216 was paid to various officials and participants involved in workshops and short courses. However the list of participants in those workshops and short courses were not made available on request. We

have requested the Ministry to submit the original signed pay sheets for further verification.

526.4.2 Payments for ICT Consultant Shs.7,464,000

A sum of Shs.7,464,000 was paid to one ICT Consultant in respect of 3 months salary. It was noted that the salary to this consultant was to be borne by the college; instead the salary was paid through the project bank account.

526.5 Serengeti Regional Conservation Project

526.5.1 Fuel not recorded in fuel register Shs. 4,440,400

Fuel worth Shs.4,440,000 purchased from M/s Panju Filling Stations had not been recorded in the fuel register. Audit could not therefore ascertain delivery or accountability of the fuel.

526.6 Natural Forestry Resources Management And Agroforestry Centre

526.6.1 Payments made without proper supporting documents Shs.4,907,225

A sum of Shs.4,907,225 was paid without being supported by relevant supporting documents. In the absence of the, original supporting documents, the propriety of the expenditure incurred could not be established.

526.7 Biodiversity and Human-Wildlife Interface Project

526.7.1 Goods not accounted for in ledger books Shs.8,094,417.60

Items including newsletters printed worth Shs.8,094,417.60 were not recorded in the respective ledger books fixed assets registers. Due to lack of cross reference to the relevant ledger books, the delivery of these items could not be established with certainty.

526.8 Catchment Forestry Project

526.8.1 Mapping Activity Paid for but not done Shs. 99,990,000

During the year under review, a sum of Shs.99,990,000 was paid to the Institute of Resources Assessment of the University of Dar as salaam for conducting mapping activities on 13 selected Forest Reserves as per contract Agreement

no CMF/2/69/36 Dated 29 July 2003. To date the intended activity had not been performed.

526.8.2 Outstanding Imprest Balances Shs. 2,093,445

Audit verification disclosed that imprest balances amounting to Shs.2,093,445 issued to various Project officials at Morogoro Catchments Forestry Project have not been retired as at the time of writing this report, December 2004.

526.8.3 Fuel and Tyres not Accounted for Shs.5,320,000

Audit test check of payment vouchers and related records at Tanga Catchment Forestry Office revealed that fuel and tyres worth Shs.5,320,000 bought from Tanga Regional Stores Officer were not accounted for in stores ledgers

526.9 Mangrove Forests Management Project

526.9.1 Unspent balance not Accounted for Shs 1,769,152.46

During the financial year 2003/04, the Lindi Mangrove Forest Management Office had deposited a total sum of Shs.22,191,511.85 to the Sub Treasury Lindi, of which as at 30th June 2004, Shs.1,769,152.46 had not been spent. Accountability of this balance has not been made.

526.9.2 Outstanding Imprests Balances Shs 3,045,000

Imprests amounting to Shs.3,045,000 issued to various Project officials at Lindi Mangrove Forest Management Project had been outstanding for more than a year.

526.9.3 Missing Sub Treasury Payment Vouchers Shs 11,593,650

During the financial year 2003/04, the Tanga Mangroves Office had deposited a total sum of Shs.23,392,400 to the Sub-Treasury Tanga.

However, only payment vouchers worth Shs.11,798,750 were produced for audit, leaving payment vouchers with a value of Shs.11,593,650 not examined.

In addition, the final accountability of the unspent balance reflected in the Sub Treasury statement of Shs.1,571,888.40, was not furnished.

526.9.4 Stolen Motor Bike STH 7494

One motorbike STH 7494 was reported to have been stolen since 20th February 1997. However, the action taken and loss finalization report were missing in the relevant file for audit verification.

526.10 Ruvu Fuel Wood Project

526.10.1 Activity paid for but not done Shs 44,518,436

The project entered into a building contract No.CR/RBE/B.30/2002 of 30th July, 2002 with M/S Tanzania Building - Agency Kibaha for the construction of a conference hall at Ruvu Farmers Centre at a contract sum of Shs. 66,040,127.

Total payments made as at the time the audit was carried out per Certificates No. 1 and 2 amounted to Shs. 44,518,436 i.e 67.4% of the total contract price. Physical verification carried out at the site revealed that no construction has been done and the contractor has abandoned the site.

527. TREASURY STOCK VERIFICATION UNIT

(a) Unaccounted for Inventories Shs. 76,735,165.00

Office furniture and equipment worth Shs. 76,735,165.00 were neither taken on ledger, master inventory nor Inventory charge as follows:-

i.	Lukwika/Lumesule and Msenjesi-Masasi Game Reserves (May, 2004)	Shs.	800,000.00
ii.	Longuza Teak Planting Project – Muheza (January, 2004)	Shs.	1,259,000.00
lii.	Magambo Forest Project-Lushoto (January, 2004)	Shs.	1,225,000.00
iv.	Tourist Hunting and Cites Desk Office – Arusha (September, 2003)	Shs.	72,596,665.00
v.	District Catchments Forest Office – Korogwe (June,2004)	Shs.	<u>854,500.00</u>
		Shs.	<u>76,735,165.00</u>

(b) Unaccounted for purchases of stores Shs. 16,412,105.90

Stores worth Shs.16,412,105.90 locally purchased were neither taken on ledger charge nor could the same be produced as surpluses during verification as follows:-

i.	Lukwika/Lumesule and Msenjesi-Masasi Game Reserves (May, 2004)	Shs.	3,969,376.40
ii.	Shume Forest Project – Lushoto (January, 2004)	Shs.	4,119,122.00

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iii.	Longuza Teak Planting Project – Muheza (January, 2004)	Shs.	6,945,700.00
iv.	Regional Fisheries Office – Mwanza (July, 2003)	Shs.	<u>1,377,907.50</u>
		Shs.	<u>16,412,105.90</u>

(c) Deficient stores Shs.5,526,300.00

Comparison between ledger and physical stock balances revealed deficient stores worth Shs. 5,526,300.00 as follows:-

i.	Shume Forest Project Lushoto (Jan.2004)	Shs.	618,500.00
ii.	Longuza Teak Planting Project – Muheza (January, 2004)	Shs.	918,800.00
iii.	Magambo Forest Project-Lushoto (January, 2004)	Shs.	342,500.00
iv.	Forest Hunting and Cites Desk Office Arusha (September, 2003)	Shs.	527,850.00
v.	District Catchments Forest Office – Korogwe (June,2004)	Shs.	<u>3,118,650.00</u>
		Shs.	<u>5,526,300.00</u>

(d) Unsupported Issues of stores Shs. 13,736,140.00

Stores worth Shs.13,736,140.00 were issued and struck off ledger charge without supporting issue vouchers/documents as follows:-

i.	Longuza Teak Planting Project – Muheza (January, 2004)	Shs.	12,716,240.00
ii.	Tourist Hunting and Cites Desk Office – Arusha (September, 2003)		480,000.00
iii.	District Catchments Forest Office – Korogwe (June,2004)	Shs.	<u>539,900.00</u>
		Shs.	<u>13,736,140.00</u>

(e) Unsupported receipts of stores Shs. 8,564,252.00

Stores worth at shs.8,564,252.00 received from various sources were taken on ledger charge without their supporting receipt vouchers as follows:-

i.	Longuza Teak Planting Project – Muheza (January, 2004)	Shs.	2,515,200.00
ii.	Tourist Hunting and Cites Desk Office – Arusha (September, 2003)		1,668,527.00
iii.	District Catchments Forest Office – Korogwe (June,2004)	Shs.	4,380,525.00
		Shs.	<u>8,564,252.00</u>

(f) Unaccounted for receipts of stores Shs. 23,790,725.00

Stores worth Shs.23,790,725.00 received from various sources were neither taken on ledger charge nor could their utilization accounts be availed for scrutiny as follows:-

i.	Magamba Forest Project – Lushoto (January, 2004)	Shs.	3,810,350.00
ii.	Regional Fisheries Office – Mwanza (July, 2003)	Shs.	18,302,600.00
iii.	Tourist Hunting and Cites Desk Office – Arusha (September, 2003)	Shs.	<u>1,677,775.00</u>
		Shs.	<u>23,790,725.00</u>

(g) Verification carried out at Regional Fisheries Office Mwanza in July 2003 revealed the following:-

- (i) Issue Vouchers pertaining to issues of stores worth Shs.9,898,500.00 were not receipted by respective recipients.
- (ii) Stores worth at Shs.1,926,000.00 were outstanding on loan for a long period.
- (iii) Three (3) Platform weighing scales worth Shs.1,800,000.00 included in handing over certificate between Mr. C.T. Rwekeza (Incoming Officer) and Mrs. M. Nkomola (Outgoing Officer) were missing at the time of verification.

(h) Verification carried out at District Catchment Forest Office – Korogwe in June, 2004 revealed that timber worth Shs.8,855,800.00 was issued and struck off ledger charge for sale by public auction. However the ERV's for the amount realized could not be produced.

528. AUDIT CERTIFICATE

In my opinion,

- The Development Vote and the Statement of Revenue present fairly the financial position of Vote 69 as at 30th June 2004
- Except for matters raised in the preceding paragraphs, the Supply Vote and the Miscellaneous Deposit Accounts present fairly the financial position of Vote 69 as at 30th June 2004.