

## VOTE 71 COAST REGION

### 554. AUDIT QUERIES

A test check of the accounts and related records for the financial under review resulted in forty eight (48) audit queries being issued, the more significant of which are referred to in this report. As at the time of writing this report January, 2005, none of the queries have been replied.

In addition, sixty seven (67) audit queries pertaining to previous financial years are still outstanding as shown below: -

Financial year	Number of queries outstanding last year	Number of queries outstanding current year
2001/02	39	9
2002/03	<u>63</u>	<u>58</u>
<b>Total</b>	<b><u>102</u></b>	<b><u>67</u></b>

### 555. FOLLOW-UP OF THE PREVIOUS AUDIT REPORTS

#### MATTERS ARISING FROM LOCAL INSPECTIONS 2001/02 ACCOUNTS.

#### 555.1 Stores not accounted for Shs. 8,842,966.

The Regional Administrative Secretary – Coast purchased stores items worth Shs. 8,842,966 which were neither taken on ledger nor their utilization accounts produced to audit up to the time of writing this report.

#### 555.2 Unaccounted for issues of medicines – Shs. 6,940,000

The RMO'S office issued various medicines worth Shs. 6,940,190 to various health centres and dispensaries in the Coast Region. However up to the time of writing this report the matter was still outstanding.

### 556. OUT-TURN

#### 556.1 Supply Vote

The Supply Vote closed with a saving of Shs. 29,416,008 arising from net expenditure of Shs. 12,999,157,445 against reported net approved estimates of shs. 13,028,573,453.

Exchequer issues received during the year totalled to Shs. 13,028,573,453 equal to the net approved estimates, leaving a saving of Shs. 29,416,088.

### 556.2 Development Vote

The year's out-turn on the Development Vote was a net expenditure of Shs. 1,073,860,193, against net approved estimates of Shs. 1,114,860,193, making a saving of Shs. 41,000,000. However exchequer issues received during the year totalled to shs. 1,114,860,193 ending in a real saving of Shs. 41,000,000.

## 557. STATEMENT OF REVENUE

The statement of revenue for the year under review reflected revenue collections of shs. 1,352,773 against the provision of Shs. 1,772,000 a shortfall of Shs. 419,227 or 24%.

## 558. APPROPRIATION-IN-AID

The statement of appropriation-in-aid for the year ended 30<sup>th</sup> June, 2004 showed actual collections of Shs. 130,950 against estimated amount of Shs. 292,000 recording a deficit of Shs. 161,050 or 55%.

## 559. STATEMENT OF ASSETS AND LIABILITIES

Verification made on deposit register against the statement of Assets and Liabilities submitted along with the Final Accounts revealed deposit balances which were not analysed, of TShs. 4,489,175,695. However, the correct figure should read Shs. 4,427,616,571 (Audit figure), as follows:-

CODE	DESCRIPTION	ACCOUNTS FIGURE	AUDIT FIGURE	DIFFERENCE
693-1010	Vazi la Taifa	850,000	850,000	NIL
693-1011	Udadisi wa Mazo	175,365	175,355	NIL
693-1012	Repair of Vehicles	5,175,194	5,179,194	NIL
693-1013	Child Survives Programme Development			(1,035,640)
693-1013	Road Toll	2,898,355	2,898,355	NIL
693-1022	Restructuring	898,666	898,666	NIL
693-1025	Usambazaji wa Mbegu	500,000	500,000	NIL
693-1026	Unpaid Salaries	21,990,896	3,504,954	(18m485,935)
693-1028	Kituo cha Afya	422,385.35	422,385	NIL
693-1029	Nyumba DC Mkuranga	88,022.25	88,022	NIL
693-1032	Nyumba ya RAS	2,989,649	2,989,649	NIL
693-1041	Ukarabati wa Ofisi ya Mkuu wa Mkoa			
693-1043	Examination Expenses	101,400	101,400	NIL
693-1044	Training	485,420	485,420	NIL

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693-1045	Transport and licensing authority	210,500	210,500	NIL
693-1047	Compensation	29,596	29,596	NIL
693-1050	Nane Nane	4,300,000	3,300,000	(1,000,000)
693-1051	Ajali ya Treni	200,000	500,000	300,000
693-1052	Rambirambi Dr. Omari	157,000	157,000	NIL
693-1053	MMEM	92,150.49	92,150.49	NIL
693-1054	Rambirambi	2,964,000	2,964,000	NIL
693-1056	Mfuko wa Ukaguzi	23,000	23,000	NIL
693-1057	Michango ya Umeme	100,000	100,000	NIL
693-1088	Mtende na Mabusha	199,439	199,439	NIL
	Fixed Asset	4,218,643,000	4,218,643,000	NIL
693-6210	Development Fund	<u>219,077,916</u>	<u>177,740,379</u>	<u>(41,337,543)</u>
	<b>TOTAL</b>	<b><u>4,489,175,695</u></b>	<b><u>4,427,616,571</u></b>	<b><u>61,559,184</u></b>

Proper investigation of the difference needs to be made and schedules analyses are required for the audit.

### 560. OVER EXPENDITURE OF SHS. 990,947,738

The following sub-votes were over spent to the tune of Shs. 990,947,738 as indicated below:-

Sub vote	Amount over spent (Shs)
Administration and General	979,620,358
Management support	695,590
Physical planning and engineering	144,320
Social services support	6,140,442
Curative services	1,586,549
<b>Total</b>	<b><u>990,947,738</u></b>

Reallocation warrant required to be issued by the accounting officer to regularize over expenditure within the supply vote was not prepared and submitted.

### 561. BANK RECONCILIATION STATEMENTS

Bank reconciliation statements for the supply vote, revenue and miscellaneous deposit account were not submitted along with the Appropriation Account.

### 562. BUILDING CONSTRUCTION AND RENOVATION SHS. 676,694,500

During the financial year under review, the Secretariat paid a sum of Shs. 676,694,500 to various contractors in respect of construction/renovations of Regional block, Regional Commissioners residence house, District Commissioner's offices and other public buildings. However the contractual documents (eg. Work in progress certificates

bill of quantities, variation orders and acknowledgement receipts) were not submitted to audit when called for.

**563. GRANTS TO DISTRICT COUNCILS SHS. 11,901,477,011**

During the financial year 2003/04 grants released by Treasury and charged to the account amounted to shs. 11,901,477,011 as per exchequer issue notifications availed to audit. However receipts issued by the respective Local Authorities to acknowledge receipt of the same were not produced to audit for verification.

**564. DISTRICT PROJECT DEVELOPMENT GRANTS SHS. 80,374,900**

The Secretariat paid out shs. 60,624,900 and Shs. 19,750,000 to District councils and urban council respectively for the implementation of various development projects.

However, as at 30<sup>th</sup> June, 2004 neither acknowledgement receipts nor progress reports thereon were prepared and submitted for audit in order to examine the economy, efficiency and effectiveness of the projects. The audit queries raised in this regard have not been replied.

**565. UNVOUCHED AND IMPROPERLY VOUCHERED EXPENDITURE – SHS. 41,697,199**

Although the footnotes to the Appropriation Accounts did not disclose any existence of unvouched and improperly vouched expenditure, audit examination of payment vouchers revealed expenditure amounting to Shs. 41,697,199 which was unvouched or inadequately vouched.

Category	No. of queries	Account	Amount (shs)
Unvouched	1	Supply	405,000
Payments not supported by relevant documents	10	Supply	36,690,119
		Development	4,602,080
		<b>Total</b>	<b>41,697,199</b>

**566. QUESTIONABLE CONTRACTS AND PURCHASES OF GOODS AND SERVICES – SHS. 265,915,617.**

During the financial year 2004/05 the Secretariat purchased goods and services worth Shs. 265,915,617 from different suppliers and contractors as follows: -

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<b>Account</b>	<b>No. of queries</b>	<b>Amount (Shs)</b>
Development	4	96,423,078
Misc. Deposit	1	168,992,539
Supply	1	<u>500,000</u>
<b>Total</b>		<b><u>265,915,617</u></b>

The purchases were neither supported by quotations or contract agreements.

**567. OUTSTANDING SAFARI AND SPECIAL IMPRESTS SHS.  
4,968,070**

The Statement of Vote account as at 30<sup>th</sup> June, 2004 did not reflect any outstanding imprest. However, examination of payment vouchers for the year under review revealed imprest of Shs. 4,968,070 which had not been retired or recorded into imprest registers.

**568. STORES NOT TAKEN ON LEDGER CHARGE – SHS. 6,806,810**

Examination of payment vouchers for the financial year ended 30<sup>th</sup> June, 2004 revealed stores purchased which have not been accounted for as follows: -

<b>Account</b>	<b>No. of queries</b>	<b>Amount (Shs)</b>
Supply	2	5,726,810
Misc. deposit	1	<u>1,080,000</u>
<b>Total</b>		<b><u>6,806,810</u></b>

**569. NUGATORY EXPENDITURE – SHS. 2,071,370**

Although the foot notes to the appropriation did not disclose any case of nugatory payments, a test check made on payment vouchers for the year ended 30<sup>th</sup> June, 2004 resulted in issuing one audit query questioning similar expenditure of Shs. 2,071,370 as shown below:-

<b>Account</b>	<b>No. of queries</b>	<b>Amount (Shs)</b>
Supply	1	2,071,370

## 570. MATTERS ARISING FROM LOCAL INSPECTIONS

As a result of local inspections conducted during the year the following audit findings were raised:

### 570.1 Stores not taken on ledger charge Shs. 25,380,018

Name of the office	Amount (shs)
Regional Medical Officer	61,300
Regional Education Officer	4,200,000
Regional Administrative Secretary	20,418,718
<b>Total</b>	<b>25,380,018</b>

### 570.2 Issues not accounted for shs. 829,000

Stores valued at Shs. 829,000 purchased by Regional Education Officer were issued for office use without issue vouchers.

### 570.3 Unreceipted remittances Shs. 4,448,390

Various revenues amounting to Shs. 4,448,390 collected and lodged to the bank through the Sub-Treasury had not been acknowledged to have been receipted.

### 570.4 Non payment on lease agreement shs. 900,000

A part of the Regional block has been leased to National Micro Finance Bank – Kibaha branch for the three years commencing on 15<sup>th</sup> February, 2004 for the leasing amount of Shs. 900,000. However up to the end of financial year 2003/04 an amount of Shs. 900,000 was still outstanding.

## 571. TREASURY STOCK VERIFICATION UNIT

Verification carried out at the Administrative Secretary's Office – Utete Rufiji in January, 2004 revealed the following irregularities:-

- i. Stores mainly stationery worth Shs. 446,620 received from various sources were neither taken on ledger charge nor could their utilization accounts be produced.
- ii. Various stores worth Shs. 1,048,920 locally purchased were neither taken on ledger charge nor could their utilization accounts be produced.

## **572. AUDIT CERTIFICATE**

In my opinion, supply vote, development vote and the revenue accounts fairly present the financial position of vote 71 as at 30<sup>th</sup> June, 2004. However, the Miscellaneous Deposit account does not present fairly the financial position of Vote 71 as at 30<sup>th</sup> June, 2004.