

**VOTE 74
KIGOMA REGION**

593. FOLLOW UP ON PREVIOUS YEAR'S OUTSTANDING MATTERS

593.1 Para 5: Appropriation In Aid Shs. 10,433,851

Authority from the Treasury to spend Shs. 6,717,008 which was not in the budget for the year 2001/2002 is yet to be received by the Secretariat.

593.2. Para 7: Outstanding Debts Shs. 48,061,033

All debts are still outstanding.

593.3 Para 9. Payments for Renovation of Regional Commissioner's House Shs.80,000,000

Expenditure statement for Shs.56,390,492 deposited with the Building Agency Dar es Salaam and physical implementation reports have not been produced for audit verification.

593.4 Para 15. Fixed Assets Shs. 163,282,104

The register for the fixed assets worth Shs.163,282,104 has not been updated. It is noted in the schedules of fixed assets for the year 2003/2004 that the figures shown represent the figures shown during the year 2001/02 meaning that the depreciation, disposal and additions during the year were not taken in to account.

594. AUDIT QUERIES

A test check of the year's accounts and related records for the year 2003/2004 resulted in the issue of 42 audit queries, the more significant of which are referred to in this report. As at the time of writing this report 2 queries had been replied and settled. The position of outstanding queries in respect of previous years is as follows:-

Year	No of Queries
2000/2001	1
2001/2002	5
2002/2003	<u>17</u>
	<u>23</u>

595. OUT TURN

595.1 Supply Vote

The Supply Vote ended with an apparent saving of Shs. 247,038 after a net total expenditure of Shs. 13,237,128,607 against the net approved estimates of Shs.13,237,375,645. Exchequer issues received during the year amounted to Shs.13,237,375,645 which when put against the net total expenditure resulted in a real saving of Shs. 247,038 with the Paymaster General's Account.

595.2 Development Vote

The net estimates for the Development Vote account was Shs.372,539,800 while the net expenditure was Shs.372,539,600 resulting in an apparent saving of Shs.200. However, exchequer issues received during the year totalled to shs.372,539,600, hence recording a nil cash balance with the Paymaster General's Account.

595.3 Achievement of Secretariat's Objectives

During the year under review, the Region targeted to accomplish various activities. We have noted with satisfaction that the Secretariat made progress in implementing those activities except the following:

ITEM	ACTIVITY/TARGET	ACHIEVEMENT/STATUS, 2003/04	ACHIEVEMENT PERCENTAGE
	MANAGEMENT SERVICE SUPPORT		
260800	Shs. 6,661,200 was received for training 15 staff	All the money was spent to train 1 staff.	6.67
	ADMINISTRATION		
260800	Shs.12,400,000 was approved and received to train 15 staff	All the money was spent to train 9 staff	60
310600	Shs. 1,000,000 was received for the purpose of purchasing ten (10) fire extinguishers	All the money was spent, but no extinguishers were physically seen	0
	PLANNING AND ENGINEERING SERVICES SUPPORT		
270100	Shs.20,000,000 was received for maintenance of physical infrastructures.	All the money was spent for the purpose, but the infrastructures paid for were not disclosed or physically seen.	0

280603	URBAN COUNCILS Shs.25,000,000/= received for Construction of a dispensary at Mwanga Msufini.	No construction was undertaken	0
280603	Shs.20,000,000/= was received for Construction of 3 houses at Uhuru, Mlole and Kitongoni Primary Schools.	No construction were undertaken	0
	Total 85,061,200		

Without further information it cannot verified whether the funds received were properly utilized.

595.4 Physical and Financial Performance Reports not availed

Physical and financial reports in respect of the following projects were not enclosed with the final financial statements.

Names of Projects	Expenditure involved (Shs.)
(i) Rehabilitation of the Regional Commissioner's house(Phase one)	110,875,000
(ii) Self Help Projects	10,000,000
Total	120,875,000

We request for submission of the reports in order to compare both the physical and financial performances.

596. STATEMENT OF REVENUE

The Statement of Revenue for the year under review reflected nil collections against the approved budget of Shs.2,002,000. This indicates that either the estimates were not realistic to the sources of revenues or there was laxity in collection of such revenues.

597. SUMMARY STATEMENT OF ARREARS OF REVENUE

In the last year's report (paragraph 576) I pointed out a case of uncollected revenues for previous years of Shs.2,547,000. In the year ended 2003/2004 the revenues due still remain outstanding, showing that no efforts were being put to ensure recovery of the same.

598. IMPROPERLY VOUCHERED EXPENDITURE SHS. 85,824,110

The footnotes to the appropriation accounts did not disclose instances of improperly vouchered expenditure. However, examination of the year's accounts disclosed the existence of improperly vouchered expenditure of Shs.85,824,110 as shown below:

Category	No of Queries	Amount
Improperly vouchered Expenditure (Missing supporting documents)	18	79,890,350
Payments on proforma Invoices	1	<u>5,933,760</u>
	Total Shs.	<u>85,824,110</u>

Unless the missing documents are produced and that the goods and services are confirmed to have been delivered and utilized as planned the total expenditure involved still remains improper.

599. IRREGULAR AND QUESTIONABLE PAYMENTS SHS. 7,868,421

(i) Disbursements not accounted for Shs.1,400,000

The sum of shs.1,400,000 was paid to a staff of the Secretariat to cater for expenses that might emerge during budget preparation. However, it was not ascertained whether the amount was utilized as intended or reversed to the relevant account in the absence of the expenditure details.

(ii) Irregularities in issue of cheques to suppliers Shs.520,000

A test check on payment vouchers disclosed that Shs.520,000 was paid in a personal name (Elihaika Godson Masura) instead of Kabwabwa Enterprise (firm's name). In the circumstances Public Finance Act 2001 was overlooked

(iii) Suspicious purchase of motor vehicle spare parts shs.4,172,800

(a) An amount of Shs. 760,000 was refunded to an Officer of the Secretariat after submission of receipts nos. 01184 and 01192 purportedly issued for the purchase of Motor vehicle spare parts from M/S NDM enterprises.

(b) Shs.3,412,800/= was paid to M/S Novatus Moshi and M/S Midabo Garage for the supply of Motor vehicle spare parts as well. The following irregularities were noted in audit:-

- The vehicles' registration numbers were not disclosed.

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- No competitive bids were used.
- Spareparts purchased were not recorded in the store ledgers.
- Neither the used spareparts nor the ledger for recording used spareparts were produced for audit.

**(iv) Maintenance of Motor Vehicle No. STH. 8506 Toyota L/Cruizer
Shs. 1,775,621**

During the year under review, an amount of Shs.1,775,621 was paid to one M/S Michael Langa Midabo for maintenance of one motor vehicle . However, the following irregularities in payments were noted:-

- The cheques were drawn in personal name contrary to financial directives.
- The expenditure was supported by copy invoices.
- The Secretariat did not indemnify the expenditure to be a proper charge on the Vote.

600. TRANSFER OF FUNDS SHS.9,580,000

- An amount of Shs.4,348,000 was paid from CSPD fund to meet recurrent expenditures during Uhuru Torch Race.
- An amount of Shs.3,482,000 was paid from MEM account to meet recurrent expenses.
- An amount of Shs.1,750,000 was paid from development funds to cater for expenses connected to Freedom Torch.

The money paid had not been refunded to the giver account meaning that the activities for which the funds were budgeted for have not been implemented.

601. AMOUNT NOT PROPERLY ACCOUNTED FOR SHS. 9,451,200

The Secretariat received Shs.51,317,200 from the Ministry of Regional Administration and Local Government (TAMISEMI) for Seminars for Village Executive Officers in May, 2004.

However, the following irregularities were disclosed:-

- Shs. 1,600,000 was paid to TAMISEMI Accountant as petty cash to meet incidental expenses. Expenditure details were not available for audit.

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- Shs. 7,851,200 was paid to RAS as unspent balance. However, the acknowledgement receipt for unspent money received by RAS was not produced for audit.
- A cheque for Shs. 7,851,200 payable by the Regional Secretariat to TAMISEMI was cashed at the bank counter and it could not be confirmed by audit that the money was received by the Ministry.

602. MATTERS ARISING FROM LOCAL INSPECTIONS

602.1 Revenue Not Accounted for Shs. 3,496,360

Revenue amounting to Shs. 3,496,360 was neither accounted for in the books of accounts nor evidenced as banked. Details are as follows:

Station	Amounts involved (Shs)
(i) Office of the RAS	2,761,360
(ii) District Administrative Secretary - Kibondo	735,000
Total	3,496,360

602.2 Stores not confirmed as delivered – Shs. 8,491,600

Stores worth Shs. 8,491,600 already paid for could not be confirmed as delivered. Details are as follows:

Station	Values of Stores involved (Shs.)
(i) RAS – Kigoma	6,761,600
(ii) Regional Medical Office	1,730,000
Total	8,491,600

603. TREASURY STOCK VERIFICATION UNIT

Verification carried out at the District Administrative Secretary's Office, Kigoma in November, 2003 revealed under mentioned irregularities:-

- (i) Fuel and spare parts worth Shs. 3,330,050 were taken on ledger charge without quoting their supporting receipt documents.
- (ii) Fuel worth Shs. 1,621,200 was issued from the store but the issue vouchers raised in support of issues were not certified by the due recipients as evidence of receipts at the intended destination.

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- (iii) Stores worth Shs. 417,100 were deficient when the physical stocks were compared with the stores ledgers.
- (v) Various stores mainly fuel, lubricants and spare parts valued at Shs. 3,279,100 locally purchased from various suppliers, were neither taken on ledger charge, nor produced as surplus on hand nor could their utilization accounts be produced for verification.

604. AUDIT CERTIFICATE

In my opinion, subject to the preceding paragraphs, the Supply Vote and the Revenue accounts present fairly the financial position of Vote 74 as at 30th June, 2004. Furthermore, the Development, and Miscellaneous Deposit accounts fairly present the financial position Vote 74 as at 30th June, 2004.