

VOTE 75 KILIMANJARO REGION

605. AUDIT QUERIES

A test check of the accounts and related records for the financial year ended 30th June, 2004 resulted in the issue of 27 audit queries the more significant of which are commented upon in this report. At the time of writing this report January, 2005, 10 had been replied and settled.

In addition, seven (7) queries relating to previous financial years are still outstanding as shown below:-

<u>Year</u>	<u>No. of queries still outstanding</u>
2000/2001	1
2002/2003	<u>6</u>
Total	<u>7</u>

606. OUT TURN

606.1 Supply Vote

The Supply Vote closed with an apparent saving of shs 3,923,291 arising from net expenditure of shs 24,806,086,729 against net approved provision of shs 24,810,010,020.

As the exchequer issues received during the year amounted to shs.24,810,686,022, the actual saving was shs 4,597,293 with the Paymaster General's Account.

606.2 Development Vote

The year's out turn on the Development Vote was Shs 437,075,342 against net approved estimates of shs 1,014,790,000 (local Shs. 437,235,000 and foreign funds Shs. 577,555,000) an apparent saving of Shs. 577,714,658.

However, exchequer issues received during the year amounted to shs.437,235,000 resulting in a cash balance of shs 159,658 with the Paymaster General's Account as at 30th June 2004.

The saving was mainly attributed to non receipt of the foreign funds.

607. STATEMENT OF ASSETS AND LIABILITIES

607.1 Deposits not Cleared

Scrutiny of the deposit register revealed that unclaimed salaries totalling Shs.20,455,940 pertaining to the years 2002/2003 and 2003/2004 in respect of employees who are no longer in the Government service for various reasons remained uncleared as shown below:-

Code	Station	Uncleared Balance (Shs)
693-0005	RAS Moshi	19,113,149
693-0702	DAS –Hai	<u>1,342,791</u>
Total		<u>20,455,940</u>

Appropriate action is required.

608. DEVELOPMENT GRANTS TO LOCAL AUTHORITIES NOT ACKNOWLEDGED RECEIPT SHS 137,650,000

The Secretariat disbursed funds totalling Shs. 137,650 to Local Authorities for development projects during the year under review. However, confirmation of receipt of the funds by the respective Councils and submission of the physical implementation reports were not made available. My two audit queries issued on the subject are still outstanding.

609. STATEMENT OF REVENUE

The Statement of Revenue as at 30th June, 2004 reflected an out-turn of Shs.1,917,392 against the net approved estimates of Shs. 2,237,946 resulting in an under-collection of Shs. 320,554 or 14% of the revenue estimates.

610. PURCHASE OF FUEL NOT ACCOUNTED FOR SHS 23,625,903

The Secretariat purchased fuel valued at shs 23,625,903 paid out of Supply Vote during the year 2003/2004. However, the fuel was neither recorded in the fuel ledger nor was utilization account made available for audit verification. My audit query seeking confirmation of accountability and utilization of the fuel for official purpose is still outstanding.

611. OVERPAYMENT TO SUPPLIERS OF GOODS THROUGH INFLATED PRICES SHS 11,361,700

A sum of Shs. 11,361,700 was apparently overpaid to suppliers of goods out of Development Funds through inflated prices of various items of stores. My two audit queries seeking recovery of the amount involved are still outstanding.

612. QUESTIONABLE PAYMENT SHS 3,530,000

A total amount of Shs 3,530,000. paid from Supply Vote was noted to be questionable in that the minutes attached to support the expenditure Shs.3,130,000 were dated 28th November, 2003 while the R.C.C. meeting was purported to have been conducted at Uhuru Hostel in April 2004. In addition, a sum of Shs. 400,000 was paid as petty cash to an officer other than the Secretariat's cashier and the expenditure details were not made available for audit. Replies to my two audit queries are still awaited.

613. IMPROPERLY VOUCHERED EXPENDITURE SHS. 25,444,060

Payments aggregating to Shs 25,444,060 were noted to be of an improperly vouched nature as they lacked the necessary supporting documents. I am awaiting replies to six audit queries raised on the subject.

614. MATTERS ARISING FROM LOCAL INSPECTION - R.M.O. KILIMANJARO

614.1 Revenue not Accounted for Shs 1,082,850

Revenue collection amounting to shs 1,082,850. was not brought to account and banked nor could it be made available for counting during the audit inspection.

614.2 Doubtful Purchase of Hydraulic Operation Bed Shs 16,066,200

The Regional Medical Officer, Kilimanjaro purchased a Hydraulic Operation Bed from the MSD at a cost of Shs 16,066,200 and charged to Hospital Supplies Item while a similar bed had earlier been purchased at Shs. 3,500,000 out of Basket Funds against a budgeted amount of shs 2,500,000 from a supplier based in Moshi.

The circumstances surrounding the transaction are questionable.

615. TREASURY STOCK VERIFICATION UNIT

(a) Deficient stores worth Shs.4,481,400

Comparison between ledger balances and physical stock at District Administrative Secretary's Office, Moshi in January 2000 revealed deficient stores worth Shs.4,481,400 including 435 bags of cement and 378 pieces of corrugated iron sheets.

(b) Unsupported receipts of stores worth Shs.2,086,300

Stores worth Shs.2,086,300/= were taken in ledger account without quoting the relevant supporting receipt vouchers documents as here under:-

(i)	District Administrative Secretary's Office, Mwanga (Febr.2004)	Shs.	1,815,500
(ii)	District Administrative Secretary's Office, Moshi (Jan.2004)	Shs.	<u>270,800</u>
		Shs.	<u>2,086,300</u>

(c) Unsupported issues of Stores worth Shs.299,000

Verification conducted at Mwanga District Administrative Secretary's office revealed buildings materials valued at Shs.299,000 were struck off without supporting issue vouchers.

(d) Unaccounted for purchases of fuel worth Shs.6,701,080

Payment of Shs.5,950,000 and Shs.751,080 were made to Government Store – Moshi and Mahela Agip Service respectively for the supply of fuel but the same was neither accounted for nor could its utilization account be availed for inspection as follows:-

(i)	District Administrative Secretary's Office, Moshi (Jan.2004)	Shs.	5,950,000
(ii)	District Administrative Secretary's Office, Mwanga (Febr.2004)	Shs.	<u>751,080</u>
		Shs.	<u>6,701,080</u>

616. AUDIT CERTIFICATE

In view of my comments in the preceding paragraphs, in my opinion, the Supply Vote and Development Vote present fairly the financial position of vote 75 as at 30th June 2004 subject to the above reservations. The Revenue and Miscellaneous Deposit Accounts present fairly the financial position of Vote 75 as at 30th June, 2004.