

**VOTE 76
LINDI REGION**

617. AUDIT QUERIES

A test check of the accounts and related records for the year ended 30th June 2004 resulted in 15 queries being issued, the more significant of which are commented upon in this report.

At the time of writing (January 2005) 5 queries have been replied and settled.

In addition 16 queries relating to the previous financial year are still outstanding. Progress achieved in replying to audit queries is as follows:-

Year	No. of Queries Outstanding last year	No. of Queries outstanding
2002/03	34	16

618. OUT TURN

618.1 Supply Vote

The Supply Vote account closed with an apparent saving of Shs. 42,751,655 arising from net expenditure of Shs. 11,065,536,409 against the approved estimates of Shs. 11,108,288,064. However, exchequer issues received during the year totalled Shs. 11,067,154,164 resulting in a real saving of Shs. 1,617,755 with the Paymaster General's account.

618.2 Development Vote

The Development Vote account reflected a net expenditure of Shs. 928,648,503 against net approved estimates of Shs. 928,972,800 resulting in un-utilized amount of Shs. 324,297.

However, actual exchequer issues received during the year totalled Shs. 928,972,800 resulting in a real saving of Shs. 324,297 with the Paymaster General's Account.

619. REVENUE

619.1 Revenue Collections shs. 5,573,771

The Statement of Revenue for the year under review reflected Revenue collections of shs. 5,573,771 against approved estimates of Shs. 2,201,000 recording over collections of Shs. 3,373,771 or 153% of the Budget. This indicates that Revenue Budget was not realistically forecasted.

619.2 Statement of Appropriation in Aid Shs. 60,000

The statement of Appropriation-in-aid for the year ended 30th June 2004 showed actual collections of Shs. 60,000 against approved estimates of Shs.112,000 an undercollection of Shs. 52,000 or 53% of the Budget.

620. STATEMENT OF ASSETS AND LIABILITIES DEPOSIT BALANCE SHS. 19,914,655

Verification of Deposit Register and Statement of Assets and Liabilities submitted along with the Appropriation Account revealed deposit balances of Shs. 19,914,655. However, this figure could not be authenticated by audit due to the following reasons:-

- The Deposit Balances reported in the Account were not reconciled with the deposit Statements from Sub-Treasury.
- Bank Reconciliation Statement was not submitted for Deposit Account.

621. BANK RECONCILIATION STATEMENT

Bank Reconciliation statements as at 30th June, 2004 for Supply vote, Development vote and Revenue Account were reconciled with the Sub-Treasury Statements.

No Bank Reconciliation Statement was prepared and submitted for audit verification in respect of Miscellaneous Deposit Account.

Further I have not been supplied with the expenditure statement and Deposit Account Balances from Sub-Treasury for Comparison and Verification.

622. LOSS OF CASH SHS. 2,007,750

Loss of Cash of Shs. 2,007,750 involving financial year 1997/98 is not yet finalized.

The Secretariat is again requested to take prompt appropriate accounting action to finalise the loss.

623. UN ACCOUNTED FOR SEMINAR (WARSHA) FUND TSHS.1,150,000

The Secretariat returned to the Permanent Secretary Ministry of Health a sum of Shs. 1,150,000 being unspent balance during the IMCI and blindness prevention seminar (Warsha) conducted in the Region.

The refund was allegedly made through a hand written Memo from the "Warsha" Accountant purporting to refund the fund to the Ministry. The acknowledgement receipt from the Ministry was not submitted when requested. The Secretariat is

requested to submit relevant evidence showing that the refund was received by the Ministry and accounted for.

624. OUTSTANDING IMPRESTS TSHS.2,097,000

The Secretariat granted imprests worth TShs. 2,097,000 to various officers for the purpose of fulfilling various activities. At the time of report writing, the Imprests were not retired and there are no recovery measures taken.

In addition, the imprests were not reported in the footnotes of the appropriation account.

625. REHABILITATION OF ILULU STADIUM TSHS. 2,200,000

The agreement was made between the Regional Secretariat and the District Prison Officer Lindi to Rehabilitate Ilulu Stadium of Lindi at an agreed sum of TShs.2,200,000.

In the absence of the following documents audit could not confirm propriety of the expenditure incurred.

- The Contract agreement signed by the two parties.
- The bills of quantity indicating the cost Centres and the budget.
- Certificates evaluating the value of works executed and paid for.
- Acknowledgement receipts of the fund from the District Prisons Officer.

626. PAYMENTS FROM DEPOSIT ACCOUNT MADE WITHOUT AUTHORITY SHS. 7,390,000

The Secretariat made payments aggregating to Shs. 7,390,000 from Miscellaneous Deposit Account without quoting specific receipts on which the amounts paid were initially deposited. Under the circumstances audit is not satisfied with the control of the Miscellaneous Deposit Account.

627. QUESTIONABLE REPAIR OF MOTOR VEHICLE TSHS.4,731,630

The Secretariat paid a sum of Shs. 4,731,630 to one Garage M/S Nduvini Autoworks of Dar es Salaam in respect of maintaining the Secretariat vehicle Nissan STJ 3566.

The following observations were noted:-

- The payment was effected based on Proforma Invoices No.0986a and 0987 both of 25/6/04.

- The Maintenance was not channelled through E & M Unit for prior and post inspections.
- The garage was not the approved garage by the Secretariat.

628. QUESTIONABLE EXPENDITURE RENOVATION OF MPS OFFICE RUANGWA SHS. 3,000,000

The Secretariat received funds and distributed them to District Administrative Secretaries for the purpose of Rehabilitating Offices of Members of Parliament, and furnishing.

DAS Ruangwa paid the whole amount i.e. Shs. 3,000,000 to the Regional Building Agency Lindi. The Agency raised questionable bills demanding payments for the Rehabilitation of the MP's Office and installation of an Air conditioner. Audit verification of the fund disclosed that neither Rehabilitation nor furniture was done/purchased. The District Administrative Secretary had been ordered to recover the Money from TBA and confirm that the funds have been utilized for the purposes for which it had been issued.

629. QUESTIONABLE PURCHASES OF AIR CONDITIONERS SHS.3,685,000

The District Administrative Secretary Kilwa paid a sum of Shs. 3,685,000 for purchase of seven Air Conditioners to be installed in the Offices of two Hon. Members of the Parliament for two Provinces in the District. Each MP has got only two office rooms. Audit could not get explanation on the following:-

- How seven air conditioners could be used in four office rooms.
- It is questionable whether due economy was considered when making this expenditure.

630. MATTERS ARISING FROM LOCAL INSPECTION

Audit inspection carried out at Regional Secretariat disclosed the following:-

630.1 Ruangwa District Hospital

630.1.1 Collections not remitted TShs. 2,834,300

Verification of collections and banking for Cost Sharing Funds disclosed that, collections aggregating shillings 2,834,300 made at District Hospital were not remitted to Chief Cashier for Banking, nor accounted for.

630.1.2 Unauthorised payments TShs. 2,554,640

The District Hospital Ruangwa spent a sum of shillings 2,554,640 for various purchases in the Hospital, from cost sharing Fund without prior authority from relevant authorities, i.e. District Hospital Board. In addition, the monies were spent prior to Banking.

The District Medical Officer is required to observe rules and regulations set out with regard to the expenditure of Cost Sharing Funds.

631. TREASURY STOCK VERIFICATION UNIT

Verification carried out at District Administrative Secretary's Office Lindi in January 2004 revealed the following irregularities:-

- (i) Fuel Battery No. 70 and stationery all worth Shs. 2,557,662 were struck off ledger charge as issued, but without supporting issue vouchers.
- (ii) Fuel Battery No. 70, Tyre and tubes all worth Shs. 2,169,395 locally purchased were neither taken on ledger charge nor could their utilization accounts be produced.

632. AUDIT CERTIFICATE

In my opinion, the Supply Vote, Development Vote, and Revenue accounts present fairly the financial position of Vote 76 as at 30th June 2004. However, the Miscellaneous Deposit account does not present fairly the financial position of Vote 76 as at 30th June, 2004.