

VOTE 77 MARA REGION

633. AUDIT QUERIES

A test check of the accounts and related records for the year 2003/2004 resulted in the issue of 57 audit queries; of which the more significant are referred to in this report. At the time of writing (December 2004) none of the queries has been settled. In addition 18 queries relating to the previous financial year 2002/2003 are still outstanding indicating laxity in settling audit queries.

634. OUT – TURN

634.1 Supply Vote

The Supply Vote closed with an amount overspent of Shs. 42,791,777 arising from net expenditure of Shs. 17,260,461,751 against reported approved provision of Shs. 17,217,669,974.

However, as exchequer issues received during the year totalled Shs. 17,269,067,974 the real saving was Shs. 8,606,223.

634.2 Development Vote

634.2.1 The year's out – turn on the Development Vote was a net expenditure of Shs. 1,231,841,324 against net approved estimates of Shs. 1,139,853,600 registering an amount overspent of Shs. 91,987,724. However, as exchequer issues received during the year amounted to Shs. 1,233,446,930 the real saving was Shs. 1,605,606.

634.2.2 At the end of the financial year 2003/2004 an amount of Shs. 202,455,000 was shown in the Appropriation Account to have been issued and spent by the Town Council and 4 District Councils in the Region for implementation of various projects within their jurisdiction. However, as at January 2005 no financial statements or physical implementation report were produced to audit.

635. STATEMENT OF REVENUE

The Statement of Revenue shows that the amount collected was Shs. 2,552,245. Since no Approved estimates were prepared, despite a token figure of Shs. 2,000, audit could not evaluate the Secretariat's revenue collection performance.

636. STATEMENT OF APPROPRIATION- IN-AID

The Statement of Appropriation – in-Aid for the year 2003/2004 showed actual collection of Shs. 612,908 against estimated amount of Shs. 1,398,000 registering deficit of Shs. 785,092 or 56% deficit.

637. STATEMENT OF ASSETS AND LIABILITIES

The Statement of Assets and Liabilities as at 30th June, 2004 reflected balance with Sub-Treasury of Shs. 8,417,990. However, the correctness of this figure could not be confirmed in audit in the absence of a reconciled statement between Sub-Treasury and the Secretariat.

638. IMPRESTS NOT RECORDED – SHS. 95,014,400

The accounts did not reflect any amount regarding outstanding imprests as at 30th June 2004. Audit examination of payment vouchers for the year 2003/2004 disclosed payments of imprests worth Shs. 95,104,400 in respect of imprests issued but not recorded. Furthermore, the whole amount of Shs. 95,014,400 was excluded from the statement of Vote Account as at 30th June, 2004.

Despite my 9 queries issued thereon, retirement particulars for Shs. 95,014,400 have not been submitted.

639. STORES NOT TAKEN ON LEDGER- SHS. 52,869,385

A test check of the payment voucher for the year under review disclosed stores worth Shs. 52,869,385 purchased by the Secretariat had not been brought to account in the stores ledger.

My eleven- (11) queries issued in this regard are outstanding.

640. STORES PAID FOR BUT NOT DELIVERED – SHS. 15,544,950

Examination of payment vouchers for the year disclosed stores worth Shs.15,544,950 purchased were not supplied by the suppliers to the Secretariat in the absence of delivery notes or cash sales.

One audit query issued in this regard is still outstanding.

641. FIXED ASSETS

Fixed Assets detailed in the Appropriation Accounts have not been properly accounted for in the accounts in the absence of valuation certificates.

Vote 77 – Mara Region

Despite mention on this issue even in my previous reports it would appear no immediate action has been taken by the Secretariat on valuation of Fixed Assets.

642. IMPROPERLY VOUCHERED EXPENDITURE – SHS. 135,406,360

Examination of the payments for the year 2003/2004 resulted in the issue of audit queries; questioning improperly vouched expenditure of Shs. 135,406,360 as follows:-

Category	No. of Queries	Amount Shs.
- Unreceipted payroll/payroll	14	110,791,160
- Improperly vouched Expenditure	8	24,615,200
Total	22	135,406,360

643. PAYMENTS WITHOUT AUTHORITY – SHS. 29,139,220

Payments aggregating Shs. 25,139,220 were paid from Miscellaneous Deposit Account without quoting specific receipts on which the amounts paid were initially deposited to justify the authenticity of the payments. My two audit queries on this issue have not been replied.

644. PAYMENTS MADE WITHOUT ACKNOWLEDGEMENT RECEIPTS – SHS.7,311,450

A test check of the payments for the year under review disclosed payments worth Shs.7,311,450 made to sundry payees were not acknowledged receipt by the receiving Institutions/Agencies.

My five queries issued on this issue have not been replied.

645. IRREGULAR AND/OR QUESTIONABLE PAYMENTS

645.1 Some payments were noted defective; hence questionable involving a total sum of Shs. 5,635,000.

• Fraudulent nightout claims (three queries)	Shs.	2,380,000
• Payments made to a person not employed by the secretariat for the activities not known to audit	"	240,000
• Questionable imprest payment	"	1,000,000
• Imprest ledger No. 4-5/TLMP/03 and 2/TLMP/2003 not produced for audit purpose (involving two queries)	"	2,015,000
		<u>5,635,000</u>

646. TREASURY STOCK VERIFICATION UNIT

Verification conducted at Tarime District Administrative Secretary's office in September, 2003 revealed the following:-

- (i) Stores worth Shs. 4,555,200.00 were struck off ledger charge as issued without reference to supporting issue vouchers.
- (ii) Issue vouchers pertaining to issues of fuel worth Shs.2,609,240.00 were un-receipted by due recipients (Drivers).
- (iii) 998 litres of diesel worth Shs. 748,500.00 locally purchased were neither taken on ledger charge nor could utilization account in official journeys be justified.
- (iv) Comparison between ledger and physical stock balances disclosed deficient stores worth Shs. 116,322.00.

647. AUDIT CERTIFICATE

In my opinion, the Supply Vote, Development Vote and Revenue present fairly the financial position of Vote 77 as at 30th June, 2004.

However, the Miscellaneous Deposit Account under the Vote presents fairly the state of Affairs as at 30th June, 2004 subject to the above reservations.