

**VOTE 78
MBEYA REGION**

648. AUDIT QUERIES

A test check of the Secretariat accounts and related records for the year 2003/2004 resulted in the issue of 10 audit queries, the more significant of which are commented upon in this report. At the time of writing (January, 2005) none of the audit queries had been satisfactorily replied and settled. In addition 4 queries relating to the previous year are still outstanding as follows:-

Year	No. of Queries outstanding last year	No. of Queries still outstanding
2001/2002	7	NIL
2002/2003	9	4
Total	16	4

649. ERRORS IN THE APPROPRIATION ACCOUNTS AND STATEMENTS

649.1 Statement of Vote account

The net expenditure figure according to Sub-Treasury record should read Shs.24,544,072,468/- (audit figure) against Shs.24,542,434,938 shown in the statement of Vote Account. The difference of Shs.1,637,530 was attributed to undercasting and overcasting errors made when preparing the appropriation accounts.

650. OUT-TURN

650.1 Supply Vote

The Supply Vote closed with an apparent saving of Shs. 156,691 arising from net expenditure of Shs. 24,544,072,468 (audit figure) against reported approved estimates of Shs. 24,544,229,159.

However, as exchequer issues received during the year amounted to Shs. 24,544,310,159 (audit figure), the real saving was Shs. 237,691 as against the reported cash in hand of Shs. 1,794,220.

650.2 Development Vote

The year's out-turn on the Development Vote Account was Shs.1,567,712,872 against approved estimates of Shs.1,567,746,000 an apparent saving of Shs.33,128.

However, as exchequer issues received during the year similarly amounted to Shs.1,567,746,000/- the Development Vote Account closed with a real saving of Shs.33,128/- with the Paymaster General's account.

651. THE STATEMENT OF REVENUE

The Statement of Revenue for the year ended 30th June,2004 reflected collection of Shs.9,843,685/- (audit figure) against Shs.9,883,718/- reflected in the statement. The difference of Shs.40,033/- was revenue collected in the previous financial year but wrongly included in the current financial year's revenue figure. However, as the approved provision was Shs.1,123,324/-, the statement reflected an over collection of Shs.8,741,552/- particularly on miscellaneous receipts.

652. OUTSTANDING LIABILITIES – SHS. 5,195,198

The Secretariat had outstanding liabilities totalling Shs.5,195,198/- which had remained pending settlement for five (5) consecutive financial years as follows:-

Financial year	Amount (Shs)
1991/1992	734,110
1993/1994	1,155,349
1994/1995	1,821,989
1996/1997	1,379,750
1999/2000	104,000
Total	5,195,198

653. FIXED ASSETS

The schedule of fixed assets submitted together with the final accounts was not susceptible audit for the following reasons:-

- Out of 259 items of fixed assets reported in the schedules, 196 items shown did not indicate their values.
- No valuation certificates were submitted for audit verification.

However, these anomalies appear to persist for long periods indicating that no serious action is being taken by the Secretariat to evaluate the assets.

654. IMPROPERLY VOUCHERED EXPENDITURE – 15,164,200

There are ten (10) queries raised during the year involving Shs.15,164,200/- questioning expenditure of the above nature.

655. BANK RECONCILIATION STATEMENTS AS AT 30TH JUNE, 2004

The Supply Vote Development Vote, Revenue and Miscellaneous Deposit Account annual statements submitted for audit examination were not supported by bank reconciliation statements contrary to the requirements of the Public Finance Regulations, 2001 Number, 162.

656. TREASURY STOCK VERIFICATION UNIT

(a) Office furniture and equipments worth Shs. 6,176,180 were neither taken on charge in inventory sheets at individual inventory locations nor master inventory charge as follows:-

(i) District Administrative Secretary – Ileje District (April, 2004)	Shs. 3,771,180.00
(ii) District Administrative Secretary – Mbarali (November, 2003)	Shs. 2,405,000.00
	Shs. 6,176,180.00

(b) Verification carried out at Ileje District Administrative Secretary's Office in April, 2004 disclosed that stores worth Shs. 580,450 including stationery, tyres and diesel were purchased from local suppliers but were neither taken on ledger account nor could their utilization accounts be produced.

(c) Maintenance and repair of Motor Vehicles in Private Garages without Prior Authority of E & M Division Shs. 6,658,228.

Payments amounting to Shs. 6,658,228 were made to private garages for maintenance and repair of Government vehicles but the vehicles were not routed through Electrical and Mechanical Division of the Ministry of Works for authorization and certification as follows:-

(i) District Administrative Secretary Office – Ileje (April, 2004)	Shs. 3,599,280
(ii) District Administrative Secretary Office – Mbarali (Nov. 2003)	Shs. 3,058,948
	<u>Shs. 6,658,228</u>

657. AUDIT CERTIFICATE

In view of my comments in the above paragraphs, the Supply Vote, Revenue Account Development Vote and Miscellaneous Deposit Accounts present fairly the financial position of Vote 78 as at 30th June,2004 subject to the above reservations.