

**VOTE 86
TANGA REGION**

745. AUDIT QUERIES

A test check of the accounts and related records for the 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 (February, 2005) none had been replied and settled. In addition, 9 queries pertaining to the previous years are still outstanding as shown below:-

Year	No. of Queries still outstanding
2001/2002	1
2002/2003	<u>8</u>
Total	<u>9</u>

746. OUT - TURN

746.1 Supply Vote

The Supply Vote closed with an apparent saving of Shs.1,834,357 arising from net expenditure of Shs.20,998,993,271 against net approved estimates of Shs.21,000,827,628. However, as exchequer issues received during the year amounted to Shs.20,999,041,162 the real saving was Shs.47,891 with the Paymaster General's Account.

746.2 Development Vote

The year's out-turn on the Development Vote was Shs1,729,626,040 (Local Shs.509,581,040 and foreign funds shs. 1,220,045,000) against net approved estimates of Shs. 1,729,627,000 (Local component of Shs. 509,582,000 and foreign funds shs. 1,220,045,000) an apparent saving of Shs.960. However, exchequer issues received during the year amounted to Shs. 1,729,627,000 resulting in a cash balance of Shs 960 with the Paymaster General's Account.

747. STATEMENT OF REVENUE

The Statement of Revenue as at 30th June, 2004 reflected an out-turn of Shs.2,541,124 as against the approved estimates of Shs. 3,058,000 resulting in an under collection of Shs 516,876 or 17% of the total revenue estimates. However, the Statement of Arrears of Revenue was not prepared and submitted to audit as required by financial regulations.

748. BANK RECONCILIATION STATEMENTS

Bank Reconciliation Statements as at 30th June, 2004 for Supply Vote, Development Vote, Miscellaneous Deposit and Revenue Accounts were prepared and submitted along with the Appropriation Accounts. These statements disclosed unrepresented cheques totalling Shs. 259,594,044 of which a sum of Shs. 257,516,699 was confirmed to have been subsequently presented to bank, leaving a balance of Shs 2,077,345 as at 30th September 2004.

749. IMPROPERLY VOUCHERED EXPENDITURE – SHS 99,816,340

Contrary to the prevailing Financial Regulations, the Secretariat made payments amounting to Shs 99,816,340 without proper supporting documents as shown below:-

Missing acknowledgment receipts shs	77,215,819
Inadequately supported payments shs	<u>22,600,521</u>
Total	Shs <u>99,816,340</u>

Replies to my twelve audit queries issued are still awaited.

750. FIXED ASSETS

The schedule of fixed assets owned by the Secretariat was not prepared and disclosed in the footnotes to the Appropriation Account for the year under review.

751. PAYMENTS FOR MAINTENANCE AND REPAIRS OF MOTOR VEHICLE NOT CERTIFIED BY MECHANICAL ENGINEER SHS.2,353,800

A sum of shs. 2,353,800 was paid to a private garage for maintenance and repairs carried out to a motor vehicle, not certified by Mechanical Engineer, before and after the repairs.

Reply to my audit query issued on the subject is still awaited.

752. COMPUTER SET APPARENTLY NOT DELIVERED SHS.10,000,000:

Two payments amounting to shs. 10,000,000 were made to two suppliers being cost of two-desktop and two lap top computers with printers. No documentary evidence was produced to confirm delivery and accountability of the computer set paid for. The audit query issued on the subject has not been replied to.

753. DEFERRED PAYMENTS SHS. 5,224,961:

Examination of payments made during the year 2003/2004 disclosed an expenditure of Shs. 5,224,961 in respect of the previous year 2002/2003 which had not been disclosed in the list of creditors in the footnotes to the 2002/2003 Appropriation Accounts.

754. SPECIAL IMPRESTS NOT ACCOUNTED FOR SHS. 1,226,671:

The Secretariat paid a total of Shs. 1,226,671 to two officers for meeting various activities. The relevant documents showing the actual expenditure incurred and or the unspent amount surrendered were not produced. My two audit queries issued are still outstanding.

755. STORES NOT TAKEN ON LEDGER CHARGE SHS. 11,955,766

Stores purchased worth Shs11,955,766 could not be confirmed to have been accounted for and used as intended in the absence of delivery notes, stores ledger entries and utilization accounts.

The seven (7) audit queries issued are still outstanding.

756. TREASURY STOCK VERIFICATION UNIT

(a) Unsupported receipts of Stores Shs. 11,125,335

Stores worth Shs. 11,125,335 were noted taken on ledger charge but the relevant vouchers/documents supporting receipts were not quoted on the respective ledger folios as follows:-

(i)	Bombo Regional Hospital – Tanga (July 2003)	Shs. 6,809,535
(ii)	District Administrative Secretary – Handeni (April, 2004)	Shs. <u>4,315,800</u>
		Shs. <u>11,125,335</u>

(b) Verification carried out in July 2003 at Bombo Regional Hospital – Tanga revealed drugs and hospital equipments worth Shs 669,560 received from Pharmacy and medical Stores Department (MSD) were not taken on ledger charge

(c) Unsupported Issue of Stores Shs. 14,794,680

Stores worth Shs. 14,794,680 were struck off ledger charge without supporting issue vouchers as follows:-

Vote 86 Tanga Region

(i)	Bombo Regional Hospital – Tanga (July 2003)	Shs. 4,121,470
(ii)	District Administrative Secretary – Handeni (April, 2004)	Shs. <u>10,673,210</u>
		Shs. <u>14,794,680</u>

(d) Unreceipted Issues of Stores Shs. 2,598,885

Issue vouchers pertaining to issues of stores worth Shs. 2,598,885 were not receipted by respective recipients as follows:

(i)	Bombo Regional Hospital – Tanga (July 2003)	Shs. 2,258,885
(ii)	District Administrative Secretary – Handeni (April, 2004)	Shs. <u>340,000</u>
		Shs. <u>2,598,885</u>

(e) Deficient Stores Shs. 2,312,022

Comparison of ledger and physical stock balances revealed deficient stores worth shs. 2,312,022 as follows:

(i)	Bombo Regional Hospital – Tanga (July 2003)	Shs. 1,019,270
(ii)	District Administrative Secretary – Handeni (April, 2004)	Shs. <u>1,292,752</u>
		Shs. <u>2,312,022</u>

(f) Verification carried out at Handeni District Administrative Secretary's office in April, 2004, revealed the following irregularities:-

- (i) Stores worth Shs. 2,014,400 locally purchased were neither taken on ledger account nor could their utilization account be produced.
- (ii) Special imprest of Shs. 778,100 was issued to the Supplies Officer Mr. J.S. Nyangasa for the purchase of various items but the imprest was not retired and the intended items were yet to be delivered up to the date of verification.

757. AUDIT CERTIFICATE

In my opinion, the Supply Vote, Development Vote, Miscellaneous Deposit and Revenue Accounts present fairly the financial position of Vote 86 as at 30th June, 2004.