

**VOTE 95
MANYARA REGION**

794. AUDIT QUERIES

A test check of the accounts and related records for the year ended 30th June 2004 resulted in 20 queries being issued, the more significant of which are referred to in this report. In addition, 22 queries relating to the year 2002/2003 are still outstanding.

795. OUT TURN

795.1 Supply Vote

The Supply Vote closed with an apparent saving of Shs. 57,862,965 arising from net expenditure of Shs. 11,955,366,340 against the approved estimates of Shs. 12, 013,229,305. However, as the exchequer issues received during the year amounted to Shs. 11, 955,688,045 the real saving was Shs. 321,705. However, the real saving could not be confirmed as the Secretariat did not maintain a cashbook in respect of the year under review.

795.1.1 Excess Expenditure

There was no Excess Vote. However, in the cases of the following Sub vote/Items the excess of expenditure over the approved estimates ranged between 106% and 392% [according to Sub Treasury Statement of Expenditure] which shows either the estimates were not prepared on a realistic basis or the expenditure was not subject to proper control.

1001 Administration and General

Sub Vote/ Code	Description	Estimates	Actual	Over Expenditure	Percentage of Excess
250101	Civil Servant	200,837,100	275,014,576	74,177,476	136%
250302	Moving Expenses	3,060,000	7,059,400	3,999,400	203%
250311	Per- diem Domestic	54,250,000	63,266,579	9,016,579	116%
250313	Extra Duty	10,700,000	11,351,345	651,345	106%
260101	Telephone and Telegrams	31,200,000	42,735,372	11,351,372	137%
260302	Food & Refreshment	1,900,000	3,866,700	1,966,700	203%
260305	Entertainment	1,000,000	3,798,550	2,798,550	379%
260602	Microfilm/photocopy	2,100,000	4,924,851	2,824,851	234%
260605	Stationery & Supplies	2,440,000	9,572,655	7,132,655	392%
270301	Service & Repair	27,200,000	58,721,041	31,521,041	215%
270503	Diesel	43,787,670	60,127,163	16,339,493	137%
310301	Furniture curtains & Flooring	3,000,000	5,970,000	2,497,000	183%

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2001 Management Support					
260605	Stationery & Supplies	3,030,000	3,812,500	762,500	125%
260803	Fees	5,000,000	5,749,900	749,900	115%
270301	Service and Repairs	1,000,000	1,240,000	240,000	124%
2002 Economic and Development Support					
260803	Fees	1,200,000	1,300,000	1,800,000	250%
2004 Social Service Support					
260207	Examination	25,930,000	35,929,300	9,999,300	138%
Total Shs.				177,830,172	

- It could be observed that, though the Secretariat did not have the full complement of staff the expenditure on Civil Servant, Moving Expenses and Per Diem Domestic was high.
- Registers for trunk calls and log sheets of government vehicles were not maintained to have effective control over the expenditure.
- Vehicles were sent to private garages for repairs and maintenance instead of to E&M Division or without the approval of the division.

795.2 Development Vote

The out turn of the Development Vote was a net expenditure of Shs. 3,146,017,571 against the approved estimates of Shs. 2,474,146,700 resulting in an over expenditure of Shs. 1,186,806,796. The over expenditure was as a result of incorporating into the release warrants previous year donor expenditure on Land Management Programme (LAMP). Expenditure documents for Shs. 514,935,625 in respect of Mbulu Rural Development Programme (MRDP) were not booked in the accounts. However, the Appropriation Account for Development Vote could not be verified due to absence of detailed expenditure statement from Sub Treasury Manyara. Development account cashbook and Vote book were not maintained up-to-date by the Secretariat.

796. BANK RECONCILIATION STATEMENTS

The Sub Treasury Manyara bank reconciliation statements for the month of June, 2004 reflected an amount of un presented cheques for all warrant holders. In preparing the Appropriation Accounts, the Secretariat did not go through the Bank Reconciliation Statements and prepare a memorandum of un presented cheques and other reconciling items pertaining to its Vote. The Secretariat closing cashbook balance according to Sub Treasury records as at 30th June, 2004 was Shs. 3,441,566. However, according to the Statement of Vote Account the unspent balance was Shs. 321,702. The two figures could not be authenticated as the Secretariat did not maintain a cashbook (Supply Vote) for the year under review.

797. GRANTS TO LOCAL AUTHORITIES SHS. 11,496,929,140

During the year 2003/2004 grants released by the Treasury and charged to the Appropriation Accounts amounted to Shs. 11,496,929,140 .Receipt issued by the Councils to acknowledge the same were not produced to audit when called for. Also, the relevant journal vouchers to support expenditure of Shs. 11,496,929,140 charged in the accounts was not produced.

798. DEVELOPMENT PROJECTS IMPLEMENTATION

798.1 Contract Register Missing

All contracts awarded should be recorded in separate pages in the above mentioned register. The register is a vital medium as it provides information on the contract particulars such as name and address of the contractor; the original contract sum; details of payments made; approved variations and amounts; gives outstanding contract sum at any particular point of time. The Secretariat does not maintain such a register. However, during the year a sum of a sum of Shs 290,000,000 was paid in advance to contractor for the construction of the Manyara Regional Block out of Shs300,000,000 released in the year under review. The difference of Shs 10,000,000 was diverted and spent on other activities without approval of proper authority.

798.2 Contract documents missing Shs. 117,890,557

During the year under review the Secretariat entered into contracts with building contractors for construction of the Regional Commissioner's official residence and other minor works. The essential contract documents which form the basis of the performance of the work and payments were not availed to audit. In the absence of such vital documents I was unable to comment on the performance of the contracts.

799. STATEMENT OF DEPOSIT ACCOUNT

The statement of Deposit Account for the year ended 30th June, 2004 showed a total cash balance of Shs. 33, 998,700 made up of 14 (fourteen) types of deposit accounts. However, it was not possible to verify the statement in the absence of a deposit register required to be maintained for recording receipts and payments of money received. In addition, the balance shown Shs. 33,998,700 could not be reconciled with bank records as no bank reconciliation statement in respect of deposit account was prepared and submitted along with the accounts.

800. BILLS OUTSTANDING SHS. 11,619,723

Bills for Shs. 11,619,723 were still pending settlement at the time of writing this report categorized as follows:-

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Employees transfer allowances Shs.	4,566,328
Suppliers of stationery	787,400
Service and Repairs	<u>5,859,995</u>
Total Shs.	<u>11,619,723</u>

801. OVERPAYMENT ON PROCUREMENT OF MOTOR VEHICLES SHS. 4,835,157

An apparent over payment of Shs. 4,835,157 was made to two car dealers arisen through application of different rates of exchange before and after the actual sale took place. The official exchange rate applicable for sale of motor vehicles from ex-bonded ware houses at the time of sale by the car dealer is that shown on the bill of entry and not that quoted by the suppliers/dealers on proforma invoices served to customers.

802. PAYMENT OF UNCLAIMED SALARIES NOT ADEQUATELY SUPPORTED SHS. 22, 587,900

A sum of Shs. 22,587,900 was paid to RAS, Manyara for subsequent payment of unclaimed salaries in respect of sundry employees of the Secretariat. There was no evidence brought before audit that the unpaid salaries were earlier received in the Secretariat books supported by receipt vouchers . Both a register for unclaimed salaries was not in place and personal files of the respective payees were not produced for audit inspection.

803. LAXITY OVER PAYMENT OF SUBSISTENCE ALLOWANCE CLAIMS SHS.1,790,000

Examination of payment vouchers revealed that a sum of Shs. 1,790,000 was paid as night out allowances to officials of the Secretariat on the pretext that they travelled on official duties outside their duty station. Scrutiny of the claims however revealed that the dates the officers claimed to be on safari overlap each other. Seemingly, the allowances were obtained without actual travelling occurring.

804. LAXITY CONTROL OVER ISSUES AND RETIREMENT OF IMPRESTS SHS. 82,921,542

Examination of payment vouchers revealed that large imprests were issued to various officials of the Secretariat with inadequate explanation or without clear description. Officials with outstanding imprests were issued with additional fresh imprests. There was no imprest register being maintained to record such imprests. The imprests were not retired on the conclusion of the activity contrary to Regulation 105 of the Public Finance Regulations, 2001. No concrete reasons were advanced for failure to retire the imprests on time. In the event, it could not be established in audit that the imprests issued were used wholly and exclusively for the purpose for which the imprests were issued.

**805. UNCLAIMED SALARIES NOT ACCOUNTED FOR SHS.
1,974,000**

Unpaid salaries totalling Shs. 1,974,000 had no banking confirmation and no physical cash was made available during audit inspection. In addition Shs 3,151,900 pertaining to officials of the Secretariat who have either died, absconded, terminated etc was not remitted to Treasury as per financial regulations.

**806. NON ESTABLISHMENT OF PROCUREMENT MANAGEMENT
UNITY**


The Secretariat has yet to establish a Procurement Management Unity in accordance with Regulation 32(9) of the Procurement of Goods and Works Regulations, 2001 of which its role is to invite, receive, process and make recommendations on tenders for the procurement of goods, works and services whose value is within the authority limit to the Regional Tender Board for approval.

807. UNVERIFIED FUEL FOR MOTOR VEHICLES SHS. 48,966,030

During the year, the Secretariat purchased fuel and issued to various motor vehicles a total of 54,406.7Litres of fuel worth Shs 48,966,030. However the consumption accountability of the fuel purchased could not be verified as the relevant log books for the respective motor vehicles issued with fuel were not made available at the time of audit. I have requested for the same to be submitted for audit scrutiny.

808. AUDIT CERTIFICATE

Subject to my comments in the preceding paragraphs, the Supply Vote, Development Vote, Miscellaneous Deposit and Revenue accounts present fairly the financial position of Vote 95 as at 30th June 2004


~~T.M. Kiama~~
CONTROLLER AND AUDITOR GENERAL
National Audit Office,
DAR ES SALAAM
October, 2005