

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE (NAO)



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF THE JUDICIARY**

VOTE 40

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2005

The Controller and Auditor General
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February, 2006

Office of the Controller and Auditor General

The National Audit Office,
United Republic of Tanzania

(Established under Article 143 of the Constitution of the URT).

The statutory duties and responsibilities of the Controller and Auditor General are given in the Public Finance Act No. 6 of 2001.

Our Vision

We aspire to be an organization that fosters a culture of financial discipline, transparency and accountability within the Government of Tanzania.

Our Mission

We are the Supreme Audit Institution in Tanzania, which strives to provide timely and high quality audit services to all our clients in order to enhance public sector financial performance by educating key stakeholders on the effective management of public finances; providing value added services and functioning independently and impartially in auditing and reporting on public accounts.

Therefore, our Core Values are

- ✓ We strive to achieve and maintain objectivity in providing impartial audit services so as to promote our independence
- ✓ We pursue excellence in the provision of our audit services
- ✓ We exercise professional integrity by demonstrating high ethical standards
- ✓ We focus on people and have great respect to our stakeholders
- ✓ We encourage and promote innovation amongst our members of staff; and
- ✓ We ensure best resource utilization at national as well as individual public entity level.

We do this by.....

- contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- helping to improve the quality of public services by supporting innovation on the use of public resources;
- providing technical advice to our clients on operational gaps in their operating systems;
- systematically involve our clients in the audit process and audit cycles; and
- providing audit staff with adequate working tools and facilities that promote independence.

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Definition of terms and Abbreviations

Financial Statements means the following statements, notes and supporting schedules of the Judiciary for the year ended 30th June 2005.

- Responsibility for the Financial Statements
- Notes to the Financial Statements
- Statement of Vote Account - Supply
- Statement of Vote Account - Development
- Cashflow Statement for Recurrent Account
- Cashflow Statement of Revenue
- Summary Statement of Revenue
- Summary- development Appropriation Account
- Summary- Recurrent Appropriation Account
- Statement of Arrears of Revenue
- Summary Statement of Losses
- Statement of Composition of Fund

These statements and notes for part of this report.

Act means the Public Finance Act No.6 of 2001 as amended in 2004.

Regulations means the Regulations of the Public Finance Act issued under G.N. Number 259 of 2003.

AIDS	Acquired Immune Deficiency Syndrome
CAG	Controller and Auditor General
CPO	Central Payment Office
DM	District Magistrate
DR	District Registrar
ERV	Exchequer Receipt Voucher
HIV	Human Immunodeficiency Virus
IJA	Institute of Judiciary Administration
INTOSAI	International Organization of Supreme Auditing Institutions
ISA	International Standards of Auditing
OC	Other Charges
RM	Regional Magistrate
UPC	Urban Primary Court
URT	United Republic of Tanzania

1.0 BACKGROUND INFORMATION TO THE AUDIT

1.1 Introduction

We have completed the audit of the Judiciary (Vote 40) for the year ended 30th June 2005. Audit findings arising from examination of accounting records, and evaluation of the internal control system, which require management attention and action are set under part 3 of this report.

1.2 Establishment of the Judiciary

The Judiciary was established in accordance with Article No.117 of the Constitution of the United Republic of Tanzania of 1977.

1.3 Operational Objectives

The main objectives of Judiciary are as follows:-

- To provide fair and transparent System for effective and efficiency dispensation of Justice to Public.
- To create a conducive environment for efficient and effective delivery of services.

The target to achieve these objectives are:-

- (i) To dispose off 60% - 70% of all cases by 2007.
- (ii) To institute effective and transparent Mechanism for combating Corruption in the Judiciary by 2007.
- (iii) To enhance professional skills of 208 Primary Court Magistrates, (57 Women and 151 men) to Diploma level and 60 Court Clerks (20 Women and 40 Men) to Certificate level by 2007.
- (iv) To equip Libraries in Court of Appeal and 11 High Courts Zone by 2007.
- (v) To Secure 4 Office Premises, supplies and equipment by 2007.
- (vi) To provide necessary facilities, incentive and entitlement of 6,386 staff by year 2007.
- (vii) To build Capacity of Judiciary staff on Gender Mainstreaming. Also respond and control the spread of HIV/AIDS in Judiciary by 2007.
- (viii) To improve financial management control and monitoring of funds by year 2007.
- (ix) To support the Institute of Judiciary Administration (IJA) Lushoto.

1.4 Financing

The Judiciary received funds from the Government of Tanzania, in order to discharge its activities. For the year 2004/2005 funds allocated to Judiciary was follows.

Description	Amount Budgeted	Amount Received
Supply Vote	19,454,577,200	19,437,245,323
Development Vote	2,700,000,000	2,700,000,000

1.5 Organisation Structure

The Judiciary (Vote 40) is under the Ministry of Justice and Constitutional Affairs. The Judiciary is headed by the Chief Justice who is assisted by Judge Incharge, Judges of Court of Appeal and High Court.

The Chief Justice is also assisted by the Registrar of Court of Appeal, who is the Accounting Officer to the Vote. The Registrar is assisted by Senior District Registrar, District Registrar, Director of Administration and Personnel and Chief Accountant.

1.5.1 Vision of the Judiciary

The vision of the Judiciary is to Dispense Justice with equity and compassion according to the Law of Tanzania.

1.5.2 Mission of the Judiciary

The Mission of the Judiciary is to carry out the Administration of Justice to General Public in an effective and efficient way. The Judiciary will fulfil this through timely hearing and disposal of cases file before court of law. In doing so the Judiciary will maintain the highest standard of fairness and transparency in a corruption free atmosphere.

1.5.3 Functions of Judiciary

The main roles and functions of the Judiciary includes:-

- Hearing and deciding cases filed before the Courts of Law.
- Educating members of the Public of their rights under the Laws of Tanzania.
- Maintaining Peace and Order through good governance under the rule of Law.

1.6 INTERNAL CONTROLS SYSTEM

1.6.1 Internal Audit and Audit Committee

The Public Finance Regulations, Regulations 28-35 requires Accounting Officers to establish an effective Audit Committee and Internal Audit Unit. These will help on effectiveness of Internal Controls functions. During Audit it was noted that the Auditee has Internal Audit Unit but no report have been submitted to CAG. In addition, there was no evidence for existence of Audit Committee.

1.6.2. Procurement Tender Board

The Judiciary has established a Tender Board to supervise all functions of procurement of goods and services. The board has 8 members. The Board met several times and tender documents were openly and transparently evaluated.

1.7 Out-turn

Supply Vote

The statements of vote accounts prepared without using the original estimates figure of Shs.18,972,395,000 and reallocation warrant number 2 of Shs.462,192,200 were not shown in the statement. However, the account closed with net expenditure of Shs.19,739,417,450. An apparent saving of Shs.75,159,750 against net approved estimates of Shs.19,454,575,200 (Audit figure). The Exchequer issues received during the year totaling to Shs.19,437,245,323 resulted into in cash balance of Shs.57,827,870 with Paymaster General.

Development Vote Account

Development Vote Account for the year closed with net expenditure of Shs.2,698,098,199.90. However, actual exchequer issues received during the year equal to approved estimates totaling to Shs.2,700,000,000. There was a real saving of Shs.1,901,801, the balance of cash in hand with the Paymaster General's Account. Although cash balance reported by Central Payment Office was Shs.1,551,800, the variance were not explained during audit.

Revenue Collections

Over Collection of Revenue Shs.479,144,885

The statement of revenue collections showed actual revenue collected during the year of Shs.817,934,421.85 against the approved estimates of Shs.423,277,000 resulting in over collections of revenue amounting to Shs.394,457,421.85. However, it was noted that total revenue collected according to revenue cash book was Shs.902,421,885, making over collection of revenue Shs.479,144,885 or 113.2%.

1.8 Audit Mandate

By virtue of the provision of Article 143 of the constitution of the United Republic of Tanzania and Section 30 (1) of the Public Finance Act No.6 of 2001, the Controller and Auditor General is the appointed Auditor of all government revenue and expenditure including this of the Judiciary.

1.9 Audit Objectives

The main objective of conducting the audit is to enable me to express an opinion on the financial statements of the Judiciary for the period ended 30th June 2005 and in particular:-

- To determine whether transactions were executed in accordance with Management authorization and recorded properly in the books of accounts to permit the preparation of the financial statements in accordance with the International accounting Principles and Treasury Instructions.
- To determine whether funds have been collected properly and used exclusively and judiciously for eligible expenses as per approved budget and regulations governing government expenditure with due attention to economy and efficiency.
- To ascertain whether all relevant supporting documents, records and accounts have been kept in respect of the Judiciary activities.
- To verify whether goods and services bought for the Judiciary were acquired through laid down procurement procedures and the Public Procurement Act No.3 of 2001 and 21 of 2004.
- To perform compliance tests to determine whether Judiciary Management complied in all material respects with the Public Finance Act No.6 of 2001.
- To evaluate whether the internal control procedures instituted are effective to provide relevant and reasonable information to the management for implementing and monitoring activities and that the assets of the Judiciary are adequately safe guarded against losses from unauthorized use or disposition.
- To determine whether the management of the Judiciary has taken adequate corrective action on the previous year's audit observations/recommendations.
- To review the Management Structure with the aim of ensuring that there is clear segregation of duties.

1.10 Audit Scope

The audit of the Judiciary for the year ended 30th June 2005 was carried out in accordance ISA. The audit covered the evaluation of the effectiveness of the financial accounting system and internal control over the activities of the Judiciary, examination and verification of the accompanying financial statements of vote and appropriation account, and other auditing procedures as was considered necessary under the circumstances for the purpose of forming an opinion on the financial

statements. The audit was carried out on a test check basis, therefore the audit findings are confined to the extent that records, documents and information requested to the purpose of the audit were made available to us.

As auditors, we are not required to search specially for fraud; therefore our audit was planned in such a way that we would have a reasonable expectation of detecting material misstatements in the financial statements, including those resulting from fraud or irregularities. The responsibility for detection and prevention of fraud and irregularities rests with the Judiciary management who are responsible for setting up and maintaining an adequate system of internal control.

1.11 Audit Methodology

In auditing the financial statements together with their underlying records, the following principal audit steps were followed:-

- A review of the establishment Act, regulation, and other Judiciary documents as was deemed necessary under the circumstances to enhance a clear understanding of the auditee.
- Examination of receipts and payments to confirm compliance with existing legislation, financial regulation and other instructions or directives.
- Review of the Internal control structure by assessing significant policies and procedures and determine its adequacy.
- Review of Judiciary financial statements and other associated information.
- Conduct compliance tests on the system of procurements contracts and their execution as well as stores management.
- Appraisal of the previous audit recommendations to determine whether the management has taken adequate corrective action.
- Hold entrance and exit meetings with the auditee to discuss the audit objectives and results of exercise respectively.

1.12 Presentation of audit findings

The audit was carried out according to the mandate stated above, applying professional standards and audit procedures that were considered appropriate in each situation.

The audit findings are divided into two parts. The first part comprises the opinion on the critical examination of the financial statements submitted for audit and the circumstances surrounding their preparation and presentation.

The second part comprises the detailed findings on the gaps and shortfalls in the internal control system which, if rectified on time, will greatly improve the effectiveness of the internal control system applied.

2.0 AUDIT REPORT ON THE FINANCIAL STATEMENTS

**To: A.G. Mwarija
Accounting Officer of Vote 40**

**Re: Audit Report on the Financial Statements of the Judiciary for
the year ended 30th June 2005**

I have audited the financial statements of the Judiciary shown on pages 10 through 26 for the year ended 30th June 2005.

Responsibilities of the Accounting Officer

Section 25(4) of the Act places responsibility to the Accounting Officer to prepare the financial statements based on Generally Accepted Accounting Standards.

In addition, Regulation 35 requires the Accounting Officer and the entity management to establish an effective Internal Control System appropriate to the circumstances of the Judiciary and the affiliate bodies.

Responsibilities of the Controller and Auditor General

My responsibility is to express an independent opinion on the financial statements, and on procurement procedures adopted by the Judiciary based on the audit. According to Section 30 of the Act my specific responsibilities are to examine, inquire into, audit and report on the accounts of the Judiciary.

In addition, Section 31 of the Act requires me to satisfy myself that the accounts have been kept in accordance with generally accepted accounting practice; reasonable precautions have been taken to safeguard the collection of revenue, the receipt custody, disposal, issue and proper use of public property, that the laws, directions and instructions applicable thereto have been duly observed, expenditure of public monies has been properly authorized; and to satisfy myself whether the funds appropriated to the Judiciary were used exclusively and judiciously to meet eligible expenditures with due regard to economy and efficiency.

Basis of Opinion

The audit was conducted in accordance with the ISA and procedures that are consistent with those recommended by the INTOSAI. Those standards require that I plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An

audit also includes assessing the significant estimates and judgments made in the preparation of the financial statements, assessing whether the internal control system and the accounting policies are appropriate to the circumstances of Judiciary constitutently applies and adequately disclosed, evaluating the over all financial statements presentation, and assessing the extent of compliance with the relevant statutory requirements. I believe the audit provides a reasonable basis for my opinion.

The financial statements have been prepared and presented based on the cash basis of accounting pursuant to Regulation 53. Under the cash basis, cash receipts are recognized when they are received and cash payments are recognized when they are paid.

Qualified opinion:

In my opinion, except for the matters specified below the financial statements of the Judiciary (Vote 40) have been prepared based on the generally accepted accounting structures and that they fairly reflect, in all material respect, the results of its operations and cash flows for the year ended on 30th June 2005 and the financial position as at that date.

Further to my opinion expressed above, the procedures applied for the procurement of works did not comply with the requirements of the Public Procurement Act No.21 of 2004 and the related Regulations

Material disagreement and non compliance with Laws:

- (1) These are unvouched and improperly expenditure amounting to Shs.1,761,175,891
- (2) Unavailable supported documents on the payments of contract price of Shs.1,355,100,000
- (3) There were ineligible expenditure of Shs.118,594,000 spent by the management on recurrent expenditures which were spent contrary to regulation 46 of Public Finance Act of 2001.
- (4) Questionable payments for rehabilitation and conversion of former Forodhani Hotel to offices of Court of Appeal amounting to Shs.1,246,466,130.
- (5) There were expenditure on renovation of various primary court amounting to Shs.12,190,000 of which were not recorded into Deposit register.

(6) There were unretired special imprest by High Court Offices amounting to Shs.410,650,433
The details of these matters are given under para 3 of this report.

Frank Mosses Hizza Mhilu
Ag: CONTROLLER AND AUDITOR GENERAL

Office of the Controller and Auditor General
National Audit Office
Dar es salaam
February,2006

3.0 AUDIT FINDINGS AND RECOMMENDATIONS

3.1 Follow up implementations on previous audit findings

Outstanding matters in the previous year report are as shown below:-

Audit report 2001/2002

Para	Audit Observation	Amount Queried Amount (Shs)	Outstanding Amount (Shs)
191	Revenue not banked	30,345,725	30,345,725
Audit Report 2002/2003			
193.4	Revenue collected but not banked	41,980,049	26,187,967
193.5	Apparent loss of revenue	10,286,270	10,186,170
193.6	Missing receipt Books	48	48
193.7	Monthly returns not submitted	8,461,244	8,461,244
194.3	Mirathi Dep. Account, Reconciliation of variance	1,101,606,785	1,101,606,785
195	Loss of cash	123,068,818	100,393,447
198	Improperly vouched expenditure	486,896,282	143,815,348
202	Questionable payment of Construction and building project	318,984,723	318,984,723
Total			1,739,981,457

Recommendation

Accounting Officer's attention is drawn to the advantages of acting promptly on audit recommendations with a view to securing Public Accountability by arresting financial and accounting controls deficiencies.

3.2 Current Audit findings

A test check of the accounts and related records for the year ended 30th June 2005 resulted in the issues of 8 management letters, which are yet to be replied. The outstanding significant matters are referred to in the succeeding paragraphs of this report. In addition as at the time of writing this report two management letters relating to the previous financial year (2003/2004) had not been attended.

3.2.1 Financial performance

3.2.2 Financial Control Issues

Revenue Collected but not banked - Shs.18,926,146

Examination of revenue collection records and banking documents has disclosed that revenue collection amounting to Shs.18,926,146 were

not traced in bank statement, indicating that the revenue collected were neither banked nor physically counted as shown below:-

Station	Amount	Reference
RM-Kivukoni	7,849,679	Management letter EJ/40 of Dec,2005
DM-Mara	2,123,000	Management letter EJ/40 of 16/5/2005
High Court-Tanga	3,572,500	Management letter D.50819 of 20/7/2005
DM - Tanga	1,077,500	Management letter D.50819 of 20/7/2005
UPC-Tanga	4,303,467	Management letter D. 50819 of 20/7/2005
Total	18,926,146	

Implication

This implies that there might be inadequate internal control system over cash collection which may lead to the loss of government revenue.

Recommendation

The management should make a follow - up on the revenue overdue for collection, and strengthen the internal control system.

3.2.3 Unreceipted Remittance Shs.44,190,481

Revenue remittance returns in respect of revenue collection amount to Shs.44,190,981 collected at various Residents and District's Magistrate at upcountry Judiciary, were not remitted to Headquarters office Dar es Salaam as follows:-

Station	Amount	Reference
DM-Babati	17,957,998	Management letter AS 21/34 of 8/7/2005
RM-Mara	2,309,500	Management letter EJ/40 of 16/5/2005
DM-Musoma	2,937,240	Management letter EJ/40 of 16/5/2005
PCM-Mtwara	1,128,100	Management letter EJ/40 of 1/12/2005
RM-Mara	9,763,250	Management letter EJ/40 OF 16/5/2005
UPC Tabora	6,017,698	-
DM Korogwe	4,076,695	Management 50819 of 20/7/2005
Total	44,190,481	

Implication

This implies that, there is inadequate management follow - up on the amount remitted to the headquarters, however may lead to the loss of government revenues.

Recommendation

Management should make follow-up on remittances.

3.2.4 Apparent Loss of Revenue Shs.636,783

Audit of documents relating to revenue collection and banking records at Primary Court Magistrate - Mtwara, disclosed that revenue

collections amounting to Shs.636,783 were neither banked nor physically produced to audit for verification.

Implication

This implies that there might be inadequate Internal Control System over cash collected which may lead to the loss of government revenue.

Recommendation

The management should make a follow-up on the discrepancy and strengthen the Internal Control System.

3.2.5 Missing Exchequer Receipt Vouchers Books 46 pieces

Forty six (46) Books were not produced when called for, therefore audit could not verify collections made vide those receipt books.

Management is required to trace those books and submitted to audit for Verification.

Implication

This implies that the revenue figure presented in the Financial Statements might not reflect the actual collections for the respective years. Also the accountability of revenue collected vide those receipts is questionable.

Recommendation

The management should make a follow up on the lost revenue books and strengthen the internal control system over accountability and storage of accountable documents.

3.2.6 Loss of Salaries and Cash Exhibits - Shs.6,366,022

Audit inspection on exhibit and salaries records at District Magistrate - Babati Office revealed that salaries for the month of October 2001 amounting to Shs.380,000 and cash exhibit totaling Shs.5,986,022 appeared to have been stolen.

The loss was apparently facilitated by negligence of the officers responsible for cash handling and safe custodian of exhibit, as the cash and exhibit room was not broken. Officers were jointly charged with the security guard vide criminal case No.233/2001 and the case was still pending as at the time of audit. The audit is awaiting for finalization of this case.

Implication

This implies that the Internal Control system is not effective.

Recommendation

The Management should make a follow - up on finalization of the case and ensure that the Internal Control System is effective.

3.2.7 Statement of Miscellaneous Deposit

The statement of Miscellaneous Deposit Account for the year ended 30th June 2005 showed a total cash balance of Shs.5,270,617,958.65. However, the statement did not indicate individual Accounts (ledger) hence this balance could not be verified.

In addition, the Central Payment Office (CPO) showed a cash balance of Shs.5,292,968,419.40 resulting into un - explained variance of Shs.22,350,461, this balance could be verified.

Implication

This implies that the reconciliation for miscellaneous deposit account was not properly carried out.

Recommendation

The management should frequently carry out reconciliation for all accounts including miscellaneous deposit account and clear all outstanding items on time.

3.2.8 Statement of losses - Shs.188,691,160.63

The Statement of Losses as at 30th June 2005 reflected Shs.188,691,160.63 composed of cash totaling Shs.186,353,560.63 and stores Shs.2,337,600 reported during the year under review. However, according to the records (loss files) made available during the audit losses of Shs.79,342,693 were not included in the statement of losses as indicated below:-

Type of Loss	Amount (Shs.)
cash	78,445,093
Stores	897,600
Total	79,342,693

Implication

This implies that the losses have been understated by Shs.79,342,693

Recommendation

It is recommended that adjustments should be done so as to have a true picture of the accounts of the Judiciary.

3.2.9 Statement of fixed assets Shs.7,162,368,014.30

Statement of Fixed Assets, indicated that Judiciary own Fixed Assets amounting to Shs.7,162,368,014. However, the following fixed assets worth Shs.620,840,400 purchased during the financial year 2004/2005 were not included in the statement:-

Pv. No.	Description of Fixed Assets	Amount (Shs)
6/6/2005	PABX System Secretarial set Fax machine	88,182,000
7/6/2005	Office Furniture	267,660,000
8/6/2005	UPS and Printer	140,310,000
20/6	TV and Decks Panasonic 10 Pcs HP Laser Jets 2550 x Printer 3Pcs Refrigerator 10 Pcs Executive cases 30 Pcs Microwave 2 pcs	19,210,000
21/6	Binding machine 6 Pcs Dust bin 155 Pcs Office Tray 245 Pcs	23,637,000
23/6	Frash Disc. 20 Pcs Power Point 4 Pcs Cameras digital 4 Pcs Web Gin 25 Pcs Re- writable CD's 20 Pcs	15,662,200
24/6	Desk Organizer 99 Pcs Wall clock 99 Pcs overhead project 1 Pcs scanner 2 Pcs	6,440,200
25/6	Lap top 512 MB 10 Pcs	19,880,000
27/6	Various fixed assets	10,280,000
31/6	Magistrate platform Chiest drawer table 6 Pcs Office Table Office Chairs 24 Pcs Office table 1 Pc Benches 25 Pcs Executive chair 1 Pc Shelves for exhibit 1Pc Witness dock Accused dock	7,244,600
32/6/2005	Various furniture	22,334,400
	Total	620,840,000

Implication

This implies that the statement of fixed assets was understated by 620,840,400, hence it does not reflect the actual value of fixed assets as at 30th June,2005.

Recommendation

Management should make adjustments in the statement of fixed assets to include the omitted assets and in future there should be proper accounting of assets.

3.2.10 Bank Reconciliation Statements

Bank reconciliation statements as at 30th June 2005 for Revenue accounts has not been prepared and submitted together with final accounts.

Moreover bank reconciliation statement for miscellaneous deposit account - Mirathi Deposit Account No.16.143 prepared by Treasury shows the following uncleared matters.

Categories	Amount
Receipts in bank not in cash book	1,907,617,038
Un presented cheque	1,337,803,547
Payment in cash book (except unrepresented cheques) not in bank statement	26,299,830
Payment in bank statement not in cash book	1,442,682,284
Receipt in cash book not in bank	2,574,556,443.77

The clearance of outstanding matters still awaited.

Implication

This implies that uncleared matters in bank reconciliation may lead to the loss of Public Funds undetected.

Recommendation

Management should make follow-up on the outstanding matters to ensure early clearance.

3.2.11 Improperly and unvouched expenditure Shs.1,761,175,891

Examination of the payment vouchers during the financial year under review revealed unvouched and improperly vouched expenditure as follows:-

Items	Amount
Unvouched Expenditure	340,517,255
Improperly vouched expenditure	1,304,462,046
Payment based on proforma invoices	71,196,590
Total	1,761,175,891

Implication

- The legitimacy of the amount spent could not be ascertained
- There is a poor records keeping.

Recommendation

The missing payment voucher and supporting documents should be traced and produced for audit purposes. In addition, the management should strengthen the system of record keeping.

3.2.12 Ineligible Expenditure Shs.118,594,000

A total sum of Shs.116,060,000 from Development fund and Shs.2,534,000 related to special deposit fund was spent by the Judicial Court to meet recurrent expenditures nature such as paying secessions, leave allowances and other charges (O.C) contrary to regulation 46 of the Public Finance Regulations of 2001.

Implication

This may imply that the targeted activities under the development fund were not implemented.

Recommendation

Management should comply with financial regulations by ensuring that funds are used for the intended purposes.

3.2.13 Unsupported payments of contracts sum Shs.1,355,100,000

A sum of Shs.1,355,100,000 was released by the Court of Appeal Headquarters, Dar es Salaam to various DMs, DRs, RM's up country Courts stations in order to the meet cost of constructions and rehabilitation activities.

However, the contract documents and progress reports were not made available for audit verification and therefore audit could not ascertain the guinness of the expenditure.

Implication

This implies that the whole process of procurement (tendering) might not have been followed and may lead to loss of Government funds.

Recommendation

Management should submit the missing documents to audit for scrutiny and in future management should ensure proper documentation.

3.2.14 Questionable payment of Contract sum Shs.39,611,152

A total sum of Shs.39,611,152 was paid to M/S National Service Construction Department and M/S. Rino Building Contractor and Supplier, in respect of construction of fence and additional work for house No.1205 Kajificheni and renovation of house No.2A, plot No.2297/13 Upanga Road; and Magomeni and Kinondoni Primary Court.

However, Bill of Quantities, Tendering Documents and Certificates of work completion and handing over were not availed to audit.

Implication

This implies that execution of the work might not have been implemented as planned.

Recommendation

Management should missing documents for audit scrutiny.

3.2.15 Renovation of various Primary Courts Shs.12,190,000

The Court of Appeal entered into Contract with GIDA Ltd vide contract No.JY/10/2003/2004 to renovate Ilala, Manzese, Temeke, and Buguruni primary courts.

However, it was observed that payments were not recorded into Deposit Register.

Also, action plan and completion certificates were not made available for audit. In the absence of these documents audit could not ascertain the works executed.

Implication

This implies that renovation of these primary courts might not have been done as expected.

Recommendation

It is recommended that missing payments record and other supporting documents should be produced for audit scrutiny.

3.2.16 Questionable Payment for rehabilitation and Conversion

Of former Forodhani Hotel Shs.1,246,466,130

Audit examination for the year under review has revealed a payment of Shs.1,246,466,130 made for rehabilitation and conversion of former Forodhani Hotel into Court of Appeal Offices. The contract was scheduled, to commence in June 2004 and to be completed within the period of ten weeks. But till the time of writing this report (December 2005) the work was not completed (i.e. delay of 18 months). Also contract Agreement documents and schedule of work performed were not made available to audit when requested.

Implication

- This implies that there was inadequate follow-up from the management in execution of this contract, hence this may lead to loss of government funds and increase cost of implementation.
- Non submission of relevant documentation implies that there might be improper documentation.

- Delay in completion of the work deprived the court staff from working in conducive environment.

Recommendation

- Management should make close follow-up in implementation of the project and take immediate corrective action where necessary.
- Management should ensure submission of missing document for audit scrutiny and in future management should ensure proper documentation.

3.2.17 Questionable payment of Utility allowances Shs.46,238,132

A total amount of Shs.46,238,132 was paid to settle electricity, telephone and water bills for Residential house of ex-official (others deceased). According to employment packages of the ex-staff seemed that there were no extended services of free packages from Government after retirement from the Public Services or death.

Implication

This implies that there is improper monitoring of staff allowances which may lead to misuse of public funds.

Recommendation

The management should re-examine the payments and recover for ineligible expenditure otherwise declare nugatory. In future, the management should strengthen system of payment for utility bills.

3.2.18 Special Imprests for running court sessions and other activities Shs.410,650,433

Examination of payment vouchers for the year ended 30th June 2005 has noted that the Accounting Officer has effected payment aggregating to Sh.410,650,433 as Special Imprests for running Court Sessions and other activities of High Court and Court of Appeal for up-country stations and Head Office respectively. These Imprests have not been retired.

Implication

This implies that the genuineness of expenditure in respect of this figure could not be ascertained, hence may lead to loss of government funds.

Recommendation

Management should ensure that the retirement particulars are submitted for audit and in future the management should strengthen control on imprests.

3.2.19 Goods and Fuel purchased but not taken on ledger charges

Shs.287,994,489

Stores worth Shs.199,439,489 and fuel valued to Shs.88,555,000 purchased during the year under review were noted to have not been taken on ledger charges. Management letter No.JE/120 of December 2005 refers.

Implication

This indicates that stores records are not properly kept as a result management may not control the receipt and issue of stores.

Recommendation

The management should ensure that the goods are taken into ledger and that there is proper accountability of stores.

3.2.20 Questionable payment of Night Out Allowances Shs.6,819,500

Total of Shs.6,819,500 was paid to Officer of the Judiciary for staying in the hotel between October 2004 and June 2005 (9 months) in absence of Government Quarter contrary to staff Circular No.2 of 1996 and Section M 16 (c) of the standing order.

Implication

This implies that the government Rules and Regulations were not complied with and hence there might be a misuse of Government Funds.

Recommendation

Management should ensure that there is a clear compliance of Government Rules and Regulations.

3.2.21 Questionable procurement of Household Furniture -

Shs.47,850,000

A test check of the payment for procurement of goods and services to Judiciary Offices revealed that total Shs.47,850,000 was paid in respect of supplying household furniture including sofa set, dining table set, bed with mattress, coffee tables and ward robes to Officers for replacing the old ones. The old furnitures were supposed to be returned to the office. As at the time of audit old furnitures were yet to be returned.

Implication

- This implies that there is improper control of assets which may lead to loss of Government properties.
- Loss of fixed assets through theft or pilferage may go undetected by management.

Recommendation

The management should ensure that the old furnitures are returned back to the office and disposed off as required under the Regulation.

4.0 CONCLUSION

The detailed audit findings presented above have been communicated to management of the Judiciary (Vote 40) during the exit meeting. The management of Judiciary has promised to take appropriate action with a view to rectify the situation. We shall appreciate to receive formally the actions taken in this respect.

Lastly, I would like to express my appreciation for the co-operation given to the audit team. It is my hope that such good working relationships will be extended during future audits.

Dr. Frank Mosses Hiza Mhillu
Ag: CONTROLLER AND AUDITOR GENERAL

Copy to:- The Chief Secretary,
State House,
P.O. Box 9120,
Dar es Salaam

“ Permanent Secretary and Paymaster General,
Ministry of Finance,
P.O. Box 9111,
Dar es Salaam

VOTE 40 - JUDICIARY
RECURRENT EXPENDITURE STATEMENT OF VOTE ACCOUNT
(BALANCE SHEET)
Date: 30-Jun-2005

2003/2004	Description	NOTE	2004/2005
16,273,736,300.00	Original Approved Estimates		18,972,395,000
649,826,092.00	Add Reallocation Warrants	1	482,182,200
<u>16,923,562,392</u>	Total Net Approved Estimates		<u>19,474,577,184</u>
	Issues received during and in respect of the Current Financial Year	2	19,437,245,323
16,923,562,392	Less: Net Expenditure		19,339,290,213
<u>16,862,274,985</u>	Unspent Balance of Issues		97,955,109
60,217,960			
-	Less: Outstanding Imprests		-
-	Less: Advances		-
-	Less: Accounts Payable		-
<u>60,217,960</u>	Balance, being Cash on Hand with the PMG as per Vote Account Cash Book		<u>97,955,109</u>

A.G. Mwarija
ACCOUNTING OFFICER

VOTE 40 - JUDICIARY
RECURRENT EXPENDITURE STATEMENT OF VOTE ACCOUNT
(BALANCE SHEET)
Date: 30-Jun-2005

2003/2004	Description	NOTE	2004/2005
16,273,736,300.00	Original Approved Estimates		18,972,395,000
649,826,092.00	Add Reallocation Warrants	1	<u>482,182,200</u>
<u>16,923,562,392</u>	Total Net Approved Estimates		<u>19,474,577,184</u>
	Issues received during and in respect of the Current Financial Year	2	19,437,245,323
16,923,562,392	Less: Net Expenditure		<u>19,339,290,213</u>
<u>16,862,274,985</u>	Unspent Balance of Issues		97,955,109
60,217,960			
-	Less: Outstanding Imprests		-
-	Less: Advances		-
-	Less: Accounts Payable		-
<u>60,217,960</u>	Balance, being Cash on Hand with the PMG as per Vote Account Cash Book		<u>97,955,109</u>

A.G. Mwarija
ACCOUNTING OFFICER

VOTE 40 - JUDICIARY
DEVELOPMENT EXPENDITURE STATEMENT OF VOTE ACCOUNT
(BALANCE SHEET)
as at 30 June 2005

2003/2004	Description	NOTE	2004/2005
1,700,000,000	Original Approved		
-	Estimates		2,700,000,000
	Add: Reallocation Warrant		-
	Total Net Approved		
<u>1,700,000,000</u>	Estimates		<u>2,700,000,000</u>
	Issues received during and respect		
1,700,000,000	of the Current Financial Year	2	2,700,000,000
<u>1,699,963,636</u>	Less: Net Expenditure		<u>2,698,098,199</u>
36,363	Unspent Balance of Issues		1,901,800
-	Less: Outstanding Imprests		-
-	Less: Advance		-
-	Less: Accounts Payable		-
	Balance, being Cash on Hand with the PMG as per Vote		
<u>36,363</u>	Account Cash Book		<u>1,901,800</u>

A.G. Mwarija
ACCOUNTING OFFICER

VOTE 40 - JUDICIARY
CASH FLOW STATEMENT FOR RECURRENT
FOR THE YEAR ENDED 30th JUNE 2005

ACTUAL EXPENDITURE	CASH FLOW FROM OPERATING ACTIVITIES	NOTE	ACTUAL EXPENDITURE	APPROVED ESTIMATE	VARIANCE APPROVED/ ACTUAL
JUNE 2004			JUNE 2005	2004/05	
	Cash Flow from Operating Activities				
	Receipts				
	Taxation				
	Non tax				
	Grants				
16,922,492,946	Exchequer Issues	2	19,437,245,323	19,474,577,200	37,331,877
	Interest Received				
	Other receipt				
16,922,492,946	Total Receipts		19,437,245,323	19,474,577,200	37,331,877
	Payments				
6,295,566,026	Personal Emoluments		7,250,802,599	7,250,802,600	0.58
	Pensions		-	-	
9,799,369,764	Suppliers-goods, works& C/services	4	562,810,993	1,287,356,000	724,545,007
767,339,200	Current transfers and subsidies		10,279,988,795	10,936,418,600	636,429,804
-	Other Payments	5			
1,862,274,991	Total Payments		18,093,602,388	19,474,577,200	1,380,974,812
60,217,954	Net Cash flow operating activities		1,343,642,934	1,029,084,016	-
	Cash Flow from Investing Activities				
	Purchases of Assets	6	(1,245,687,825)	-	(1,245,687,825)
	Proceeds from sale of Assets			-	-
	Proceeds from sale of Investment			-	-
	Purchase of Foreign currency securities			-	-
	Capital grants			-	-
0	Net Cash flow Investing activities		(1,245,687,825)		(1,245,687,825)
	Cash Flow from Financing Activities				
	Proceeds from borrowings			-	-
	Repayment of borrowings			-	-
0	Net Cash flow from Financing Activities		-	-	-
	Net Increase/(decrease) in cash and cash equivalents		97,955,109	-	-
	Receipts & Cash equivalents at the beginning of the period		0	-	-
	Cash and Equivalents at the end of the period	7	97,955,109	-	-

**VOTE 40 - JUDICIARY
CASH FLOW STATEMENT FOR DEVELOPMENT
FOR THE YEAR ENDED 30th JUNE 2005**

ACTUAL EXPENDITURE	CASH FLOW FROM OPERATING ACTIVITIES	NOTE	ACTUAL EXPENDITURE	APPROVED ESTIMATE	VARIANCE APPROVED/ ACTUAL
JUNE 2004			JUNE 2005	2004/05	
	Cash Flow from Operating Activities				
	Receipts				
	Taxation				
	Non tax				
	Grants				
1,700,000,000	Exchequer Issues	2	2,700,000,000	2,700,000,000	100
	Interest Received				
	Other receipt				
1,700,000,000	Total Receipts		2,700,000,000	2,700,000,000	100
	Payments				
	Personal Emoluments				
	Pensions				
(1,699,963,636)	Suppliers-goods, works& C/services	4	(2,698,098,199)	(2,700,000,000)	99.92956296
	Interest paid				
	Other Payments				
(1,699,963,636)	Total Payments		(2,698,098,199)	(2,700,000,000)	99.92956296
36,363	Net Cash flow operating activities		1,901,800	-	
	Cash Flow from Investing Activities				
	Purchases of Assets				
	Proceeds from sale of Assets				
	Proceeds from sale of Investment				
	Purchase of Foreign currency securities				
	Capital grants				
-	Net Cash flow Investing activities		-	-	
	Cash Flow from Financing Activities				
	Proceeds from borrowings				
	Repayment of borrowings				
-	Net Cash flow from Financing Activities		-	-	
	Net Increase/ (decrease) in cash and cash equivalents		1,901,800		
	Receipts & Cash equivalents at the beginning of the period		-		
	Cash and Equivalents at the end of the period	7	1,901,800		

**VOTE 40 - JUDICIARY
CASH FLOW STATEMENT FOR DEPOSIT
FOR THE YEAR ENDED 30th JUNE 2005**

ACTUAL EXPENDITURE	CASH FLOW FROM OPERATING ACTIVITIES	NOTE	ACTUAL EXPENDITURE	APPROVED ESTIMATE	VARIANCE APPROVED/ ACTUAL
JUNE 2004			JUNE 2005	2004/05	
	Cash Flow from Operating Activities				
	Receipts				
	Taxation				
	Non tax				
	Grants				
	Exchequer Issues				
	Interest Received				
37,438,662,101	Other receipt	3	44,405,483,272		
37,438,662,101	Total Receipts		44,405,483,272		
	Payments				
	Personal Emoluments				
	Pensions				
	Suppliers-goods, works& C/services				
	Interest paid				
(36,857,322,727)	Other Payments	5	(44,070,188,838)		
(36,857,322,727)	Total Payments		(44,070,188,838)		
581,339,373	Net Cash flow operating activities		335,294,434	-	
	Cash Flow from Investing Activities				
	Purchases of Assets				
	Proceeds from sale of Assets				
	Proceeds from sale of Investment				
	Purchase of Foreign currency securities				
	Capital grants				
-	Net Cash flow Investing activities		-	-	
	Cash Flow from Financing Activities				
	Proceeds from borrowings				
	Repayment of borrowings				
-	Net Cash flow from Financing Activities		-	-	
	Net Increase/ (decrease) in cash and cash equivalents		335,294,434		
	Receipts & Cash equivalents at the beginning of the period		4,957,673,985		
	Cash and Equivalents at the end of the period	7	5,292,968,419		

Note on Financial Statements:

1. Reallocation Warrant

	<u>2003/2004</u>	<u>2004/2005</u>
Reallocation Warrant No. 1	20,000,000	20,000,000
Reallocation Warrant No. 3	(945,131,900)	462,182,200
Reallocation Warrant No. 4	<u>1,574,957,992</u>	<u>0</u>
	<u>649,826,092</u>	<u>482,182,200</u>

2. Issues received during the current Financial Year

Exchequer Issues during the year:	2003/2004	2004/2005
Supply Vote:		
Recurrent Exchequer Received - PE	6,548,116,546	7,532,868,923
Recurrent Exchequer Received - OC	<u>10,374,376,400</u>	<u>11,904,376,400</u>
	<u>16,922,492,946</u>	<u>19,437,245,323</u>
Development Vote:		
Development Exchequer Received		
- Capital	<u>1,700,000,000</u>	<u>2,700,000,000</u>
Total Exchequers Received	<u>18,622,492,946</u>	<u>22,137,245,323</u>

3. Other receipts

Other receipts collected were deposits made by court clients in Mirathi and Special Deposit Accounts.

4. Suppliers-goods, works & C/ services

The actual payments made comprise of:

Recurrent Expenditure

Procurement - Office equipment
Fumigation and office cleaning

Development Expenditure

Works - Renovation of Court Buildings under the following projects:

1. 6211 - Rehabilitation of High Court Buildings	400,000,000
2. 6204 - Rehabilitation of Court of Appeal Building	1,000,000,000
3. 6203 - Construction and Rehabilitation of Primary Court Buildings	1,049,999,999
4. 6268 - Construction of District Court Buildings	148,098,200
5. 6206 - Construction of High Court Building Bukoba	100,000,000

5. Other payments

The actual payments made comprise of:

Recurrent Expenditure

General administration costs

Telephone, Electricity & Water

Postage

Medical expenses

Travelling Expenses

Training expenses

Burial expenses

Deposit

Payment made to dependants & beneficiaries 44,070,188,838

6. Purchases of assets

The actual payments made in respect of procurement of the following vehicle for court supervision:

6 Toyota Land Cruiser GX

1 Toyota Pick up double cabin

16 Toyota RAV 4

7. Cash and cash equivalents at the end of the year

This refers to Mirathi & Special Deposit Accounts balance carried forward, unspent balance of recurrent expenditure and development accounts.

8. Schedule of Project.

Rehabilitation of High Court Buildings

Rehabilitation of Court of Appeal Building

Construction and Rehabilitation of Primary Court Buildings

Construction of District Court Buildings

Construction of High Court Building Bukoba

VOTE40 - Judiciary
SUMMARY STATEMENT OF REVENUE AS AT 30-Jun-2005

Actual Collection 2003/2004	Sub Vote Code	Sub Vote Description	Budget 2004/2005 Tshs	Actual Collections 2004/2005 Tshs	Variance Tshs	Collection as % of Budget
11,718,707	401001	Administration and General	3,272,000	16,127,873	(12,855,873)	492.905661
98,161,642	402001	High Court	120,001,000	194,794,794	(74,793,794)	162.327642
85,479,075	402011	Primary Courts	90,002,000	180,399,227	(90,397,227)	200.439132
310,781,701	402012	District Courts	210,002,000	480,978,385	(270,976,385)	229.0373266
506,141,127.89		TOTAL	423,277,000	872,300,280	(341,195,562)	206.0835818

A.G. MWARIJA
RECEIVER OF REVENUE

STATEMENT OF LOSSES as at 30th June, 2005

YEAR WHICH LOSSES OCCUR	LOSS/DESCRIPTION OF LOSS	CATEGORY OF LOSSES				TOTAL	ACTION/EFFORTS TAKEN TO RECOVER
		CASH	STORE	ABANDONMENT	ADJUSTMENT		
1996/1997	Exhibit store	-	85,000	-	85,000	85,000	Written off by Treasury
1997/1998	Exhibit store	-	42,600	-	-	42,600	The suspect connected with this loss is at large. I would therefore recommend it to be written off
1999/2000	Exhibit store	-	70,000	-	-	70,000	The suspect connected with this loss is at large. I would therefore recommend it to be written off
2001/2002	Revenue	30,345,725	-	-	-	30,345,725	The date for hearing this case has already been fixed
2001/2002	Imprest	430,000	-	-	-	430,000	The officer connected with this loss is dead and hence irrecoverable. After all it had long been recommended for write off
2001/2002	Various	5,321,035	-	-	-	5,321,035	The case regarding this loss is still progressing in Court.
2001/2002	Salaries	2,137,500	-	-	-	2,137,500	Police investigation over this loss has proved futile. I would therefore recommended it to be written off.

2001/2002	Exhibit store		700,000	-	-	700,000	The case of this loss has already been finalised. I would therefore recommend it to be written off.
2001/2002	Salaries	6,362,822	-	-	-	6,362,822	Police investigation on this report has also proved futile. I would therefore recommend it to be written off.
2002/2003	Probate cheques	8,175,000	-	-	-	8,175,000	This loss is under police investigation
2002/2003	Probate cheques	15,942,717	-	-	-	15,942,717	This loss is under police investigation
2002/2003	Various	2,218,130	-	-	-	2,218,130	The Case against this loss has been dismissed due to lack of evidence. I would therefore recommend it also to be written off.
2002/2003	Probate	483,000	-	-	-	483,000	The original missing supporting documents were later on traced and cash bail refund effected accordingly. I would

							therefore request that this loss be withdrawn
2002/2003	Exhibit cash	15,938,000	-	-	-	15,938,000	The case is still in court
2003/2004	Various	3,452,791	-	-	3,452,791	3,452,791	Written off by Treasury
2003/2004	Revenue	11,386,324	-	-	-	11,386,324	The case is still in court
2003/2004	Revenue	7,872,240	-	-	-	7,872,240	The case is still in court
2003/2004	Revenue	3,162,600	-	-	-	3,162,600	The Officer connected with this loss is dead. I would therefore recommend it to be written off.
2003/2004	Exhibit cash and revenue	346,000	-	-	-	346,000	This loss is still under police investigation.
	Exhibit store	-	1,440,000	-	-	1,440,000	This loss has already been finalised. I would therefore recommend it to be written off.
2004/2005	Revenue	5,000,000	-	-	-	5,000,000	The Officer connected with this loss is still at large. I would therefore recommend it to be written off
2004/2005	Exhibit cash	100,000	-	-	-	100,000	The Officer connected with this loss is still at large. I would therefore - recommend it to be written off

2004/2005	Probate cheques	8,926,009	-	-	-	8,926,009	This loss is still under police investigation.
2004/2005	Various	22,946,358	-	-	22,946,358	22,946,358	Written off by Treasury
2004/2005	Revenue	10,479,582	-	-	-	10,479,582	The case is still in court
2004/2005	Revenue	10,286,270	-	-	-	10,286,270	The case is still in court
2004/2005	Revenue	6,443,900	-	-	-	6,443,900.00	The case is still in court
2004/2005	Revenue	8,597,556	-	-	-	8,597,556	The case is still in court
		186,353,560	2,337,600	-	26,484,149	188,691,160	

A.G. Mwarija
ACCOUNTING OFFICER

40 - JUDICIARY
STATEMENT OF DEPOSIT as at 30th June, 2005

Cost Centre	Description	Debit	Credit	Balance Carried forward
6930DG1001		374,643,482.93	491,380,109.57	116,736,626.64
6930DG1003		273,491,454.12	443,209,319.47	169,717,865.35
6930DG1004		1,282,915,663.52	1,470,292,498.28	187,376,834.76
6930DG1095		1,205,710,119.50	1,278,576,616.26	72,866,496.76
6930DG1096		2,123,138,966.33	2,211,417,823.28	88,278,856.95
6930DO1015		19,564.05	19,564.05	0.00
6930DO1074		21,792.15	21,792.15	0.00
6930DO1120		5,032,635,932.37	9,558,228,606.10	4,525,592,673.73
6930DO1004	DM&PCM - Ilala	4,076,534,584.91	4,096,520,870.83	19,986,285.92
6930DO1004	DM&PCM - Ilala	633,200,901.20	638,928,652.15	5,727,750.95
6930DO1009	DM&PCM - Bagamoyo	248,000.00	496,000.00	248,000.00
6930DO1012	DM&PCM - Bukoba	301,666.55	301,666.55	0.00
6930DO1015	DM&PCM - Dodoma	30,049,302.05	30,049,302.05	0.00
6930DO1096	DM&PCM - Kinondoni	5,201,897,544.29	5,231,655,437.07	29,757,892.78
6930DO1096	DM&PCM - Kinondoni	590,982,050.62	608,465,934.97	17,483,884.35
6930DO1037	DM&PCM - Lushoto	2,283,516.50	2,283,516.50	0.00
6930DO1044	DM&PCM - Mbeya	19,582,367.50	19,582,367.50	0.00
6930DO1051	DM&PCM - Morogoro	5,671,232.55	5,671,232.55	0.00
6930DO1049	DM&PCM - Moshi	7,576,062.44	7,576,062.44	0.00
6930DO1061	DM&PCM - Mwanza	7,445,882.55	7,445,882.55	0.00
6930DO1067	DM&PCM - Ngara	1,400,079.80	1,400,079.80	0.00
6930DO1095	DM&PCM - Temeke	3,086,961,396.86	3,100,858,893.69	13,897,496.83
6930DO1095	DM&PCM - Temeke	676,789,214.80	677,768,384.25	979,169.45
6930DG1127	Domestic Debit	631,458.00	631,458.00	0.00
6930DO1130	End of Year Commitment Transfer	622,848,114.38	624,661,310.38	1,813,196.00
6930DO1005	High Court - Arusha	15,800.00	15,800.00	0.00
6930DO1005	High Court - Arusha	15,800.00	15,800.00	0.00
6930DO1128	N.P.F DSM- Special Deposit	11,389,338.00	11,389,338.00	0.00
6930DO1128	NSSF	6,371,377.50	6,633,244.50	261,867.00
6930DO1002	Registrar Court of Appeal	1,457,584.00	1,457,584.00	0.00
6930DO1001	Registrar High Court	3,530,040,919.62	3,532,211,631.18	2,170,711.56
6930DO1001	Registrar High Court	238,268,851.83	249,009,556.17	10,740,704.34
6930DO1003	Resident Magistrate - DSM	1,585,791,990.16	1,585,791,990.16	0.00
6930DO1003	Resident Magistrate - DSM	433,722,785.12	443,272,521.00	9,549,735.88
6930DO1074	Rm - Singida	33,644,608.00	33,644,608.00	0.00
6930DO1120	Special Deposit - Miscellaneous	12,944,398,946.28	12,944,468,546.28	69,600.00
6930DO1123	Stale Cheques	1,024,040.00	5,730,483.09	4,706,443.09
6930DO1124	Stale Cheque - Special Deposit	16,616,559.08	16,616,559.08	0.00
6930DO1124	Unpaid Salaries	7,942,139.06	22,948,466.12	15,006,327.06
	Unpaid Salaries - Special Deposit	2,507,750.00	2,507,750.00	0.00
TOTAL		44,070,188,838.62	49,363,157,258.02	5,292,968,419.40

A.G. Mwarija
ACCOUNTING OFFICER

STATEMENT OF COMPOSITION OF FUND at 30 June, 2005

Vote	Project	APPROVED ESTIMATES				AMOUNT RELEASED				ACTUAL EXPENDITURE				VARIANCE		
		Foreign		Local Tshs '000	Total Tshs '000	Foreign		Local Tshs '000	Total Tshs '000	Foreign		Local Tshs '000	Total Tshs '000	Foreign	Local Tshs '000	Total Tshs '000
		Name of Donor	Amount			Name of Donor	Amount			Name of Donor	Amount					
40	6203			1,050,000.0	1,050,000.0			1,050,000.0	1,050,000.0			1,049,999.9	1,049,999.9		0.00	0.00
	6204			1,000,000.0	1,000,000.0			1,000,000.0	1,000,000.0			1,000,000.0	1,000,000.0		0.00	0.00
	6206			100,000.0	100,000.0			100,000.0	100,000.0			100,000.0	100,000.0		0.00	0.00
	6211			400,000.0	400,000.0			400,000.0	400,000.0			400,000.0	400,000.0		0.00	0.00
	6268			150,000.0	150,000.0			150,000.0	150,000.0			148,098.2	148,098.2		1,901.8	1,901.8
				2,700,000.0	2,700,000.0			2,700,000.0	2,700,000.0			2,698,098.2	2,698,098.2		1,901.8	1,901.8

A.G. Mwarija
ACCOUNTING OFFIC

Notes to the Financial Statements

Accounting Policies

1. This financial statements are prepared and presented based on the cash basis of accounting pursuant to Public Finance Regulation 53. However, additional details have been included to promote understanding and comprehension of the data as required and in compliance with the International Public Sector Accounting Standards for the cash basis of accounting.
2. The accounting policies used have been applied consistently throughout the reporting period consistent with the previous period.
3. Procurement of goods, works consultancy and non-consultancy services to the extent that they are reflected in this financial statement have been done in accordance with the Public Procurement Act No.4 of 2004.
4. This Financial Statement has been prepared in accordance with International Public Sector Accounting Standards (IPSAS) on Financial reporting under the Cash Basis of Accounting and it complies with the requirements of the Public Finance Act No.6 of 2001.

APPENDIX A

LOSS OF REVENUE SHS.636,782.20

REVENUE DATE	RECEIVED FROM	ERV. NO.	AMOUNT
10.10.2003	Arabu Hatibu	17566101	1,500
10.10.2003	K. Mutitu	17566102	1,500
10.10.2003	M. Ally	17566103	10,000
10.10.2003	S. Ismail	17566104	7,000
15.10.2003	Zabibu Salum	17566105	5,000
20.10.2003	Mary Zefania	17566106	1,500
20.10.2003	K. Abdallah	17566107	1,500
23.10.2003	Collia Katisi	17566108	1,500
30.10.2003	Rukia Issa	17566109	1,500
30.10.2003	Omary Dadi	17566110	1,500
31.10.2003	Bahati Nassoro	17566111	1,500
03.11.2003	Mohamed Salum	17566112	1,500
04.11.2003	Maimuna Namjupa	17566113	10,000
05.10.2003	Mohamed Kundura	17566114	3,000
05.11.2003	Manzi A. Manzi	17566115	1,500
07.11.2003	Shaban N. Mohamed	17566116	7,000
07.11.2003	Sophia Selemeni	17566117	1,500
07.11.2003	Said Laila	17566118	1,500
07.11.2003	Ally Salum	17566119	1,500
07.11.2003	M/S. Rukola Enter.	17566120	1,500
07.11.2003	M. H. Ally	17566121	500
07.11.2003	Deodatus Mboweto	17566122	1,500
15.11.2003	Hamis Mponda	17566123	4,000
10.11.2003	A.S. Likumi	17566124	5,000
10.11.2003	S.S.Mkudile	17566125	1,500
11.11.2003	S. Mhagama	17566126	2,000
14.11.2003	F. Shaibu	17566127	1,500
17.11.2003	Yahya Hamis	17566128	6,000
19.11.2003	Z.F. Ibrahim	17566129	8,000
20.11.2003	M. A. Makame	17566130	1,500
20.11.2003	Amina Ally	17566131	1,500
20.11.2003	Abdu Mussa	17566132	10,000
1.12.2003	H. S. Chikandaga	17566133	1,500
1.12.2003	Geofrey John	17566134	5,000
2.12.2003	Seleman Mohamed	17566135	1,500
8.12.2003	Bill Chistopher	1 7566136	1,000
10.12.2003	Venance Mpiluka	17566137	1,500
10.12.2003	Jalina Mponda	17566138	1,500
10.10.2003	Josephina Chilumba	17566139	1,500
10.12.2003	Sophia Ahamad	17566140	1,500
10.12.2003	Hassan Nyoso	17566141	5,000

10.12.2003	Desdaria Moses	17566142	10,000
15.12.2003	Mariam Said	17566144	4,000
15.12.2003	R. S. Mayumba	17566143	5,000
15.12.2003	S. Muranguda	17566144	1,000
15.12.2003	Rukia Seleman	17566147	1,000
15.12.2003	Rehema Rashid	17566148	1,000
15.12.2003	Asna Mohamed	17566150	1,000
15.12.2003	Student Jeremia	17566150	5,000
15.12.2003		17588146	10,000
16.12.2003	C. Marius	17566151	1,500
16.12.2003	R. Napwapwacha	17566152	10,000
	Sub Total		194,500
Mirathi			
Mirathi No.			
33/2003			12,917
59/2001			204,365.60
33/2002			70,000.00
36/2002			55,000.00
	Sub Total		343,282.60
Madai Case No.			100,000.00
5/2003	Sub Total		442,282.60
	Grand Total		636,782.60

Appendix “B”

Missing Exchequer and Receipt Vouchers

Serial No.	Quantity	Date of Issues	To whom issued
024558-600	1	25/11/1980	Babati District Council
278801-9000	1	04/08/1981	Babati District Council
277801-8000	1	28/09/1982	Babati District Council
907401-600	1	02/02/1983	Babati District Council
314501-600	<u>1</u>	11/08/1987	Babati District Council
	<u>5</u>		
627201-400	1	09/05/1984	Babati Urban P/Court
627801-8000	1	24/01/1985	Babati Urban P/Court
812601-800	1	28/11/1985	Babati Urban P/Court
399401-600	1	24/03/1985	Babati Urban P/Court
836801-400	1	06/08/1985	Babati Urban P/Court
171001-7000	1	30/11/1988	Babati Urban P/Court
172801-200	1	01/08/1988	Babati Urban P/Court
171001-3000	1	20/08/1990	Babati Urban P/Court
173401-600	1	01/02/1991	Babati Urban P/Court
174021-400	1	01/70/1991	Babati Urban P/Court
968201-400	1	18/11/1991	Babati Urban P/Court
979201-400	1	02/03/1992	Babati Urban P/Court
979601-800	1	04/08/1992	Babati Urban P/Court
147201-400	1	04/11/1993	Babati Urban P/Court
868201-400	1	29/09/1993	Babati Urban P/Court
4486001-200	1	07/03/1996	Babati Urban P/Court
4486201-400	<u>1</u>	11/10/1997	Babati Urban P/Court
	<u>17</u>		
278601-800	1	31/08/1985	Bashnet P/Court
024156-200	<u>1</u>	01/07/1980	Bashnet P/Court
	<u>2</u>		
628321-400	1	31/08/1985	Bonga P/Court
170801-1000	1	22/06/1989	Bonga P/Court
867801-8000	1	10/12/1992	Bonga P/Court
869201-400	1	17/11/1993	Bonga P/Court
427001-200	1	25/10/1994	Bonga P/Court
390801-1000	1	27/12/1995	Bonga P/Court
03508201-200		07/11/1996	Bonga P/Court
5842001-200	1	10/12/1997	Bonga P/Court
12190401-600	<u>1</u>	06/06/2001	
	<u>9</u>		

813373-400	1	26/06/1986	Magugu P/Court
171701-400	1	23/08/1988	Magugu P/Court
968401-400	1	04/02/1992	Magugu P/Court
205001-200	1	09/02/1994	Magugu P/Court
468601-800	1	12/12/1995	Magugu P/Court
03514601-800		28/06/1996	Magugu P/Court
6265401-600	1	15/05/1998	Magugu P/Court
9546201-400	<u>1</u>	19/06/2000	Magugu P/Court
	<u>8</u>		
813801-400	<u>1</u>	06/11/1986	Minjingu P/C
	<u>1</u>		
854472-600	1	30/03/1987	Gallapo P/Court
170601-800	1	19/06/1989	Gallapo P/Court
968001-200	<u>1</u>	12/11/1991	Gallapo P/Court
	<u>3</u>		
170001-200	1	13/06/1989	Dareda P/Court
	<u>1</u>		
Grand Total	<u>46</u>		

OUTSTANDING PREVIOUS AUDIT FINDINGS

PARA	DESCRIPTION	AMOUNT CLEARED	AMOUNT OUTSTANDING
204	Unreconciled Revenue Account		
206.3	Previous Deposit Balances of Shs.4,376,334,611 not included in previous balance	NIL	4,376,334,611
206.3	Schedule to support the balance of Individual accounts of special Deposit Account of special Account balances of Shs.4,937,098,548	NIL	4,937,098,548
207	Statement of losses of Cash and Fixed Receipts value to Shs.120,423,381	NIL	120,423,381
208	Understated of statements of fixed assets by Shs.170,855,571	NIL	120,423,381
209	Unvouched and Improperly Vouched Expenditure Shs.3,695,260,572		250,052,000
210	Irregular and Questionable payments Shs.1,513,533,730		1,513,533,730
211	Refund of Pension Contribution not brought to account 11,948,462	NIL	11,948,462
	<ul style="list-style-type: none"> Stores not taken on ledger charge 152,269,096 	NIL	152,269,096

BASES FOR THE PROPOSED AUDIT OPINION

The following are the reason givingto the proposed and opinion on the Appropriation Account and Statements of the Judiciary Vote 90 for the year ended 30th June,2005.

S/No.	Observation	Bases of Assessment	Percentage Bases of Assessments
	• Unvouched & Improperly vouched expenditure	<u>1,761,175,891</u> 19,437,245,323	9.06%
	• Ineligible Expenditure	<u>118,594,000</u> 19,437,245,320	0.61%
	• Unsupported payment of contract	<u>1,355,100,000</u> 19,437,245,326	6.97%
	• Questionable payments for rehabilitationForodhani Hotel	<u>1,246,466,130</u> 19,437,245,323	6.4%
	• Question payment in utility allowance	<u>46,238,132</u> 19,437,245,323	0.24%
	• Special Imprest for Court Session	<u>410,650,433</u> 19,437,245,323	2.1%
	• Good and fuel purchased but not taken on ledger charge	<u>287,994,489</u> 19,437,245,323	1.5%
	• Questionable procurement of House Work furniture	<u>47,850,000</u> 19,437,247,323	0.02%
	• Revenue collected not Banked	<u>18,926,146</u> 19,437,247,323	0.09%
			27%