

**THE UNITED REPUBLIC OF TANZANIA**  
**NATIONAL AUDIT OFFICE (NAO)**



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL  
ON THE FINANCIAL STATEMENTS OF THE PRESIDENT'S  
OFFICE PLANNING AND PRIVATIZATION  
VOTE 66**

**FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE, 2005**

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DAR ES SALAAM.

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.

**Vision**

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

**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 ensuring that ministries, departments, agencies, and public authorities 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 circles; and
  - Providing audit staff with adequate working tools and facilities that promote independence;
- © This audit report is intended for use by government authorities. However, upon receipt of the General Report of the CAG by the Speaker, this report is a matter of Public record and its distribution may not be limited.

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## Abbreviations

Financial statements means the following statements, notes and supporting schedules of the President's Office Planning and Privatization for the year ended 30<sup>th</sup> June, 2005.

- Statement of Vote Account Recurrent
- Statement of Vote Account Development
- Cash Flow Statement for Recurrent Account
- Cash Flow Statement for Development
- Cash flow Statement for Deposit Account
- Statement of Revenue
- Statement of Arrears of Revenue
- Summary of Appropriation Recurrent
- Statement of composition of Fund
- Statement of Losses

These financial statements form part of this report.

Regulations means the Regulations of the Public Finance Act issued under GN number 259 of 2003.

Act	Public Finance Act No. 6 of 2001
BOQ	Bills of Quantity
DAP	Director of Administration and Personnel
GN	Government Notice
IPC	Interim Payment Certificate
IPSAS	International Public Sector accounting Standards
PFA	Public Finance Act
PMG	Paymaster General
POPP	President Office Planning and Privatization
PV	Payment vouchers
URT	United Republic of Tanzania

## 1.0 BACKGROUND INFORMATION TO THE AUDIT

### 1.1 Introduction

We have completed the audit of the financial statements of the President's Office Planning and Privatization (POPP) for the year ended 30<sup>th</sup> 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 out under Part 3 of this report.

### 1.2 Brief History of Client Establishment

The Office of Planning and Privatization was established by the President of the United Republic of Tanzania on 23<sup>rd</sup> November 2000. The President re-established the President's Office Planning and Privatization pursuant to Article 55 of the Constitution of URT through an Instrument Published under GN No. 467 of 1<sup>st</sup> December 2000 issued as a special supplement No. 4 to the official Gazette No. 48 Vol. 81 dated 1<sup>st</sup> December, 2000.

### 1.3 Operational Objectives

Operational objectives of the President's Office Planning and Privatization are as follows:-

- To have a conducive environment for analysis, review and formulation of focused socio-economic policies, plans and strategies;
- To promote research and ensure timely dissemination of socioeconomic data and information;
- To have a clearly defined national policy framework for effective participation of socio-economic agents;
- To have an institution that has capacity to deliver quality services;
- To enhance productivity and ensure effective participation of private sector in the realization of Tanzania Development Vision 2025;
- To attain maximum benefits from external trade, economic cooperation and foreign assistance; and
- To improve services and reduce HIV/AIDS infections.

### 1.4 Financing

The main sources of funds for the recurrent and development expenditure of the President's Office Planning and Privatization is through appropriation from the Exchequer and from Development Partners/donors. During the year under review, a total amount of Shs. 21,980,768,750.21 was received as shown below:

Recurrent expenditure	15,094,432,500.00
Development expenditure	<u>6,886,336,151.21</u>
<b>Total</b>	<b><u>21,980,768,651.21</u></b>

### 1.5 Management Structure

The Chief Executive Officer of President's Office Planning and Privatization (POPP) is the Permanent Secretary who is responsible for the day-to-day operations including management of funds, properties, personnel as well as discipline of employees. The Management structure of the President's Office Planning and Privatization is as shown at annexure I.

## 1.6 Internal Control System

A review of Internal control system through observation and oral interview revealed existence and proper application of adequate and effective controls over the POPP activities which ensure economic and efficient utilization of resources as well as safeguarding of the POPP assets.

### 1.6.1 Audit Committee

The Audit Committee has been established in accordance with Regulation No. 28 of the Public Finance Regulations (2001) and Treasury Circular No. 9 of 2003/2004 The audit committee is comprising of the following members:-

- |                              |                     |
|------------------------------|---------------------|
| - Chairman - from POPP       | - Director          |
| - Secretary - from POPP      | - Senior Accountant |
| - 1 member - from POPP       | - DAP               |
| - 1 member - from Treasury - | Senior Accountant   |

### 1.6.2 Internal Audit Unit

The President's Office Planning and privatisation has an Internal Audit Section which review day to day operations so as to evaluate the adequacy and effectiveness of internal controls.

### 1.6.3 Tender Board committee

A Tender Board has been established for ensuring that procurement procedures are followed and that best practices in relation to procurement and disposal by tender are strictly adhered.

## 1.7 Financial Performance

### Supply Vote:

Supply vote closed with an apparent saving of Shs. 6,690,381.82 arising from net expenditure of Shs. 15,087,742,118.18 against approved estimate of Shs.15,094,432,500. However, exchequer issues received totalled Shs.15,094,431,599 only resulting in cash balance of Shs. 6,689,480.82 with the Paymaster General's Account.

### Development Vote

The development vote closed with a net expenditure of Shs.6,886,336,152.21 against approved estimates of Shs. 14,798,297,800 resulting in a saving of Shs.7,911,961,647.79. However, actual exchequer issues received during the year amounted to Shs. 6,887,030,133.96, resulting in a Shs. 693,981.75 balance with the PMG's Account.

## 1.8 Audit Mandate

By virtue of the provisions of article 143 of the constitution of the United Republic of Tanzania and Section 30 (1) and 37(1) of the Public Finance Act. No. 6 of 2001 the Controller and Auditor General is the statutory Auditor of all government revenues and expenditures including the accounts of POPP.

## 1.9 Audit Objectives

The main objective of conducting the audit is to enable the Controller and Auditor General to express an independent opinion on the financial statements of the POPP for the year ended 30<sup>th</sup> 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 International Accounting Principles and the existing financial legislation.
- To determine whether funds have been collected and used exclusively to meet eligible expenses as per the POPP approved budget and financial regulations.
- To ascertain whether all relevant supporting documents, records and accounts have been kept in respect of all activities.
- 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 whether the assets of POPP are adequately safeguarded against losses from unauthorized use or disposition.

#### **1.10 Audit Scope**

The audit was carried out in accordance with International Standards on Auditing. The audit covered the evaluation of effectiveness of the financial accounting systems and internal control over the activities of POPP, examination and verification of the accompanying financial statements and carrying out other auditing procedures as was considered necessary for the purpose of forming an opinion on the financial statements. The audit was conducted on a test - check basis; therefore, the audit findings are confined to the extent that records and information requested for the purpose of the audit were made available to us.

As auditors we are not required to search specifically for fraud. Therefore our audit cannot be relied upon to disclose all such matters. However, our audit was planned so that we would have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities or fraud. The responsibility for detecting and preventing fraud or irregularities rests with the POPP management who are responsible for setting up and maintaining an adequate and effective 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:

- Examination of receipts and payments cash book, bank reconciliation statements to confirm compliance with existing legislation, financial regulations and other instructions or directives.
- Review of the internal control structure by assessing significant policies and procedures and determine its adequacy.
- Review of POPP financial statements, progress reports and other associated information.
- Conduct compliance tests on the procurement procedures 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 the audit 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 AND FINANCIAL STATEMENTS

**To: The Permanent Secretary,  
Accounting Officer of Vote 66  
President's Office Planning and Privatization**

**Re: Audit Report on the Financial Statements of the President's Office  
Planning and Privatization for the year ended 30<sup>th</sup> June, 2005.**

I have audited the financial statements of the President's Office Planning and Privatization shown on pages 11 through 38 for the year ended 30<sup>th</sup> 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 President's Office Planning and Privatization.

### **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 President's Office Planning and Privatization 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 President's Office Planning and Privatization.

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, expenditures of public monies has been properly authorized; and to satisfy myself whether the funds appropriated to the President's Office Planning and Privatization 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. It 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 the President's Office Planning and Privatization consistently applied and adequately disclosed, evaluating the overall 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 recognised when they are received and cash payments are recognised when they are paid.

### **Opinion**

In my opinion, the financial statements of the President's Office Planning and Privatization have been prepared based on the generally accepted accounting standards and that they fairly reflect, in all material respects, the results of its operations and cash-flows for the year ended on 30<sup>th</sup> June 2005, and the financial position as at that date.

Further to my opinion, the procurement of office furniture and fittings, IT equipment and accessories thereon, and office equipment was generally done in accordance with Public Procurement Act No. 21 of 2004 and related regulations.

### **Matters of Emphasis**

Without qualifying the my opinion expressed above, attention is drawn to the following matters:

1. A contractor was paid an advance of Shs. 337,706,657 instead of the amount agreed in the contract agreement of Shs.74,879,808 resulting in excess payment of Shs.262,826,849.
2. A contract for rehabilitation of an Office building of POPP at a contract price of Shs. 195,795,984 (including 20% VAT) which was scheduled to be completed on 14<sup>th</sup> March, 2005 was not yet finalized by the end of January, 2006

Dr. Frank Mosses Hiza Mhilu  
Ag: **CONTROLLER AND AUDITOR GENERAL**

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Office of the Controller and Auditor General  
National Audit Office,  
Dar es Salaam

February, 2006

**STATEMENT OF RESPONSIBILITY ON THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30<sup>TH</sup> JUNE, 2005**

These Financial Statements have been prepared by the management of the President's Office Planning and Privatization in accordance with the provisions of Section 25(4) of the Public Finance Act. No 6 of 2001. The Financial statements comply with the generally accepted accounting practices as required by the said Act and are presented in a manner consistent with the International Standards on Financial Reporting under the Cash Basis of Accounting.

The management of the President's Office Planning and Privatization is responsible for establishing and maintaining a system of effective Internal Control designed to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all public financial resources by the President's Office Planning and Privatization

To the best of my knowledge, the system of Internal Control has operated adequately throughout the reporting period and that the Accounts and underlying records provide a reasonable basis for the preparation of the Financial Statements for the 2004/2005 financial year.

I accept responsibility for the integrity of the Financial Statements, the information it contains, and its compliance with the Public Finance Act No. 6 of 2001 and the instructions issued by the Treasury in respect of the year under review.

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**Signed by Accounting Officer**

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**Date**

**VOTE 66-PRESIDENT'S OFFICE PLANNING AND PRIVATIZATION  
RECURRENT EXPENDITURE STATEMENT OF VOTE ACCOUNT  
BALANCE SHEET AS AT 30<sup>TH</sup> JUNE 2005**

(In T.shs)					
2003/2004			NOTE		
8,181,637,000.00		Original Approved Estimates		7,952,733,300.00	
20,000,000.00		Add reallocation Warrant		7,141,699,200.00	
7,103,401.00					
426,328,600.00		Less reallocation warrant			
7,782,411,801.00		Net approved estimate	1	15,094,432,500.00	
	7,782,411,801.00	Issue received in year	2		15,094,431,599.00
7,781,138,694.67	7,781,138,694.67	Less Net Expenditure	3	15,087,742,118.18	15,087,742,118.18
1,273,106.33	1,273,106.33	Unutilised Budget / Issues	4	6,690,381.82	6,689,480.82
		Represented by			
	0.00	Outstanding Imprest			0.00
	0.00	Advances			0.00
	0.00	Cash in hand with PMG			6,689,480.82
	1,273,106.33				6,689,480.82

**E. S. BUKUKU  
ACCOUNTING OFFICER**

**VOTE 66-PRESIDENT'S OFFICE PLANNING AND PRIVATIZATION  
DEVELOPMENT STATEMENT OF VOTE ACCOUNT  
BALANCE SHEET AS AT 30<sup>TH</sup> JUNE 2005**

(In T.shs)					
2003/2004			NOTE		
16,700,081,700.00		Original Approved Estimates		14,698,297,800.00	
0.00		Add reallocation Warrant		100,000,000.00	
16,700,081,700.00		Net approved estimate	5	14,798,297,800.00	
	7,170,374,703.30	Issue received in year	6		6,887,030,133.96
7,170,374,703.30	7,170,374,703.30	Less Net Expenditure	7	6,886,336,152.21	6,886,336,152.21
9,529,706,996.70		Unutilised Budget Issues	8	7,911,961,647.79	693,981.75
		Represented by			
	0.00	Outstanding Imprest			0.00
	0.00	Advances			0.00
	0.00	Cash in hand with PMG			693,981.75
					<b>693,981.75</b>

**E. S. BUKUKU  
ACCOUNTING OFFICER**

**PRESIDENT'S OFFICE  
PLANNING AND PRIVATIZATION  
CASHFLOW STATEMENT FOR RECURRENT  
FOR THE YEAR ENDEND 30TH JUNE, 2005**

Actual Expenditure	Cash flow from Operating Activities	Note	Actual Expenditure	Approved Estimates	Variance Approved/Actual
<b>2003/2004</b>					
	Receipts				
	Taxation				
	Non Tax				
	Grants				
7,782,411,801	Exchequer Issues	15	15,094,431,599	15,094,432,500	901.00
	Interest Received				
	Other Receipts				
	<b>Total Receipts</b>		15,094,431,599	15,094,432,500	

<b>Payments</b>					
430,904,070.68	Personal Emolument	16	487,547,994.98	487,927,900	379,905.02
	Pension				
164,805,450.01	Supplies-goods, works, & C/Services	17	8,503,605,755.34	8,509,809,199	6,203,443.66
4,427,361,067.15	Current transfers and subsidies	18	5,091,023,767.86	5,091,130,800	107,032.14
	Interest paid				
2,504,441,137.84	Other Payments	19	1,005,564,600.00	1,005,564,600	-
	<b>Total Payments</b>		15,087,742,118.18	15,094,432,499	6,690,380.82
	<b>Net Cash flow operating activities</b>		6,689,480.82		

**Cash flow from Investing activities**

253,626,968.99	Purchases of assets			
	Proceeds from sale of Assets			
	Proceeds from sale of investments			
	Purchase of foreign current securities			
	Capital grants			
	<b>Net Cash flow Investing activities</b>			

**Cash flow from financing activities**

	Proceeds from borrowings			
	Repayment of borrowings			
1,273,106.33	<b>Net cash flow from financing activities</b>			

Net Increase/(decrease) in cash and cash equivalent

Receipts and Cash equivalents at the beginning of the period

Cash and Equivalents at the end of the period

6,689,480.82		
NIL		
6,689,480.82		

**E. S. BUKUKU  
ACCOUNTING OFFICER**

**PRESIDENT'S OFFICE  
PLANNING AND PRIVATIZATION  
CASHFLOW STATEMENT FOR DEVELOPMENT  
FOR THE YEAR ENDEND 30<sup>th</sup> JUNE, 2005**

Actual Expenditure	Cash flow from Operating Activities	Note	Actual Expenditure	Approved Estimates	Variance Approved/Actual
<i>June - 2004</i>					
	<b>Receipts</b>				
	Taxation				
	Non Tax				
	Grants				
7,170,374,703.30	Exchequer Issues	20	6,887,030,133.96	14,798,297,800	7,911,267,666.04
	Interest Received				
	Other Receipts				
	<b>Total Receipts</b>		<b>6,887,030,133.96</b>	<b>14,798,297,800</b>	<b>7,911,267,666.04</b>

<b>Payments</b>					
	Personal Emolument		-		
	Pension				
628,131,000.00	Supplies-goods, works, & C/Services	21	4,192,226,623.21	8,305,464,562	4,113,237,938.79
16,000,000.00	Current transfers and subsidies	22	21,000,000.00	21,000,000	0.00
	Interest paid				
6,747,568,007.30	Other Payments	23	2,673,109,529.00	6,471,833,238	3,798,723,709
	<b>Total Payments</b>		<b>6,886,336,150.21</b>	<b>14,798,297,800</b>	<b>7,911,961,647.79</b>
	<b>Net Cash flow operating activities</b>		<b>693,981.75</b>		<b>693981.75</b>

**Cash flow from Investing activities**

	Purchases of assets				
	Proceeds from sale of Assets				
	Proceeds from sale of investments				

	Purchase of foreign current securities			
	Capital grants			
	<b>Net Cash flow Investing activities</b>			

**Cash flow from financing activities**

	Proceeds from borrowings			
	Repayment of borrowings			
	<b>Net cash flow from financing activities</b>			

Net Increase/(decrease) in cash and cash equivalent	693,981.75		
Receipts and Cash equivalents at the beginning of the period	-		
Cash and Equivalents at the end of the period	693,981.75		

**E. S. BUKUKU  
ACCOUNTING OFFICER**

**PRESIDENT'S OFFICE  
PLANNING AND PRIVATIZATION  
CASHFLOW STATEMENT FOR DEPOSIT  
FOR THE YEAR ENDEND 30th JUNE, 2005**

Actual Expenditure	Cash flow from Operating Activities	Note	Actual Expenditure	Approved Estimates	Variance Approved/Actual
<b>2003/2004</b>					
	Receipts				
	Taxation				
	Non Tax				
	Grants				
	Exchequer Issues				
	Interest Received				
4,334,000,000.00	Other Receipts	24	7,078,128,382.41		
4,334,000,000.00	<b>Total Receipts</b>		7,078,128,382.41		

<b>Payments</b>					
	Personal Emolument				
	Pension				
	Supplies-goods, works, & C/Services	25	513,106,739.00		
	Current transfers and subsidies				
	Interest paid				
4,306,570,371.12	Other Payments	26	57,920,867.97		
4,306,570,371.12	<b>Total Payments</b>		571,027,606.97		
	<b>Net Cash flow operating activities</b>		6,507,100,775.44		

**Cash flow from Investing activities**

	Purchases of assets				
	Proceeds from sale of Assets				

	Proceeds from sale of investments			
	Purchase of foreign current securities			
	Capital grants			
	<b>Net Cash flow Investing activities</b>			

**Cash flow from financing activities**

	Proceeds from borrowings			
	Repayment of borrowings			
	<b>Net cash flow from financing activities</b>			

Net Increase/(decrease) in cash and cash equivalent	6,507,100,775.44		
Receipts and Cash equivalents at the beginning of the period	0.00		
Cash and Equivalents at the end of the period	6,507,100,775.44		

**E. S. BUKUKU**  
ACCOUNTING OFFICER

STATEMENT OF REVENUE THE YEAR  
ENDED 30<sup>TH</sup> JUNE, 2005

2003/04 Actual Collection	Item	Description	Approved Estimates	Actual Receipts	Vari ance	Variance as per Budget
	<b>SUB-VOTE-1001 ADMINISTRATION &amp; GENERAL</b>					
0	80300	<b>Cash Surplus of Departmental Enterprises</b>				
		80102 - Sales of printing and News				
<b>Sub-Total</b>						
696,039.30	80300	<b>Non Financial Public Enterprises Pents</b>				
		080303 - Rent Govt. Quarter & Offices	1,031,000.00	1,974,055.40	943,055.40	91%
<b>Sub-Total</b>			<b>1,031,000.00</b>	<b>1,974,055.40</b>	<b>943,055.40</b>	<b>91%</b>
	80700	<b>Dividend Other Domestic Property Income</b>				
		080711 - Receipt from Stores	1,000.00	0.00	100.00	100%
<b>Sub-Total</b>			<b>1,000.00</b>	<b>0.00</b>	<b>100.00</b>	<b>100%</b>
	90200	<b>Administration Fees and Changes</b>				
		090241 - Receipts from Recovery of Stores	1,000.00			
<b>Sub-Total</b>			<b>1,000.00</b>			
0	100100	<b>Fines Penalties and Forfeitures</b>				
		100121 - Recovery of Public Money	1,000.00			
<b>Sub-Total</b>			<b>1,000.00</b>			
0	120100	<b>Scrap and Waste Materials</b>				
		120103 - Miscellaneous Receipts	1,000.00		100.00	100%
<b>Sub-Total</b>			<b>1,000.00</b>		<b>100.00</b>	<b>100%</b>
696,039.30		<b>VOTE GRAND TOTAL</b>	<b>1,035,00</b>	<b>1,974,055.40</b>	<b>943,255.40</b>	

E. S. BUKUKU  
ACCOUNTING OFFICER

STATEMENT OF ARREARS OF REVENUE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2005

<b>DUE DATE</b>	<b>BY WHOM DUE</b>	<b>BILL NO. OR PERIOD FOR WHICH DUE</b>	<b>AMOUNT OUTSTANDING (A)</b>	<b>REVENUE COLLECTED OR WRITTEN OFF DURING THE YEAR (B)</b>	<b>BALANCE (A - B)</b>
Nil	Nil	Nil	Nil	Nil	Nil

**E. S. BUKUKU**  
ACCOUNTING OFFICER

**VOTE 66-PRESIDENT'S OFFICE, PLANNING AND PRIVATIZATION  
SUMMARY OF RECURRENT APPROPRIATION ACCOUNT FOR 2004/2005  
BALANCE SHEET AS AT 30TH JUNE, 2005**

Actual expenditure 2003/2004	Sub Vote	Description	Approved Estimates	Actual Expenditure	Variance	Exp. as % of Budget
5,782,580,310.91	1001	Administration and General	5,998,084,200.00	5,997,841,267.31	242,932.69	100.00
192,776,697.31	1002	Finance and accounts	202,821,900.00	202,821,896.34	3.66	100.00
357,108,786.54	1003	Policy Information Development	386,728,100.00	386,728,098.84	1.16	100.00
341,780,499.98	2001	Macro-Economy	425,028,900.00	424,928,899.96	100,000.04	99.98
251,758,199.99	2002	External sector	7,291,359,200.00	7,290,769,199.90	590,000.10	99.99
260,308,299.98	3001	Social service and Human Resource Dev.	260,663,600.00	255,568,417.63	5,095,182.37	98.05
239,696,099.96	5001	Public Investment Planning	203,784,400.00	203,640,532.62	143,867.38	99.93
355,129,800.00	5002	Growth Strategies	325,962,200.00	325,443,805.58	518,394.42	99.84
<b>7,781,138,694.67</b>		<b>TOTAL</b>	<b>15,094,432,500.00</b>	<b>15,087,742,118.18</b>	<b>6,690,381.82</b>	<b>99.96</b>

**E. S. BUKUKU**  
**ACCOUNTING OFFICER**

**VOTE 66: PRESIDENT'S OFFICE - PLANNING & PRIVATISATION**  
**SUMMARY OF DEVELOPMENT EXPENDITURE APPROPRIATION ACCOUNT AS AT 30TH JUNE, 2004**

Actual Exp. 2004/2005	Sub - vote	Description	Approved Estimates		Actual Expenditure		Variance	
			Local	Foreign	Local	Foreign	Local	Foreign
6,084,735,193.30	1001	Administration & General	290,000,000	9,277,237,800	289,776,727.90	2,766,674,318.96	223,272.10	6,510,563,481.04
344,000,000.00	1002	Finance & Accounts	344,000,000	0.00	344,000,000.00	0.00	0.00	0.00
10,000,000.00	2001	Marco Economy	10,000,000	0.00	9,590,000.00	0.00	410,000.00	0.00
86,108,510.00	3001	Social Services & Human Res. Dev	21,000,000	255,530,000	21,000,000.00	160,203,970.00	0.00	95326030
30,000,000.00	5001	Public Investment Planning	35,000,000	0.00	34,939,290.35	0.00	60,709.65	0.00
615,531,000.00	5002	Growth Strategies	0.00	4,565,530,000	0.00	3,260,151,845.00	0.00	1,305,378,155.00
<b>7,170,374,703.30</b>		<b>Total - Vote</b>	<b>700,000,000</b>	<b>14,098,297,800</b>	<b>699,306,018.25</b>	<b>6,187,030,133.96</b>	<b>693,981.75</b>	<b>7,911,267,666.04</b>

E.S.BUKUKU  
ACCOUNTING OFFICER

## STATEMENT OF COMPOSITION OF FUND

Vote	APPROVED ESTIMATES				AMOUNT RELEASED				ACTUAL EXPENDITURE				VARIANCE		
	Foreign		Local	Total	Foreign		Local	Total	Foreign		Local	Total	Foreign	Local	Total
	Name of Donor	Amount			Name of Donor	Amount			Name of Donor	Amount					
66	DFID	751,888,262		751,888,262	DFID	235,200,970.96		235,200,970.96	DFID	235,200,970.96		235,200,970.96	516,687,291.04		516,687,291.04
	WB	8,176,272,538		8,176,272,538	WB	2,531,473,348		2,531,473,348	WB	2,531,473,348		2,531,473,348	5,644,799,190		5,644,799,190
	SIDA	309,077,000		309,077,000	SIDA	0.00		0.00	SIDA	0.00		0.00	309,077,000		309,077,000
	UNFPA	40,000,000		40,000,000	UNFPA	0.00		0.00	UNFPA	0.00		0.00	40,000,000		40,000,000
	TZ		200,000,000	200,000,000	TZ		200,000,000	200,000,000	TZ		199,776,727.90	199,776,727.90		223,277.10	223,277.10
	TZ		40,000,000	40,000,000	TZ		40,000,000	40,000,000	TZ		40,000,000	40,000,000		0.00	0.00
	TZ		50,000,000	50,000,000	TZ		50,000,000	50,000,000	TZ		50,000,000	50,000,000		0.00	0.00
	TZ		344,000,000	344,000,000	TZ		344,000,000	344,000,000	TZ		344,000,000	344,000,000		0.00	0.00
	TZ		10,000,000	10,000,000	TZ		10,000,000	10,000,000	TZ		9,590,000	9,590,000		410,000.00	410,000.00
	TZ		21,000,000	21,000,000	TZ		21,000,000	21,000,000	TZ		21,000,000	21,000,000		0.00	0.00
	UNFPA	255,530,000		255,530,000	UNFPA	160,203,970		160,203,970	UNFPA	160,203,970		160,203,970	95,326030		
	TZ		35,000,000	35,000,000	TZ		35,000,000	35,000,000	TZ		34,939,290.35	34,939,290.35		60,709.65	60,709.65
	JAPAN	245,400,000		245,400,000	JAPAN	0.00		0.00	JAPAN	0.00		0.00	245,400,000		245,400,000
	DANIDA/SIDA/NED/DFID	4,320,130,000		4,320,130,000		3,260,151,845		3,260,151,845		3,260,151,845		3,260,151,845	1,059,978,155		1,059,978,155
	TOTAL	14,098,297,800	700,000,000	14,798,297,800		6,187,030,133.96		6,887,030,133.96		6,187,030,133.96	699,306,018.25	6,886,336,152.21	7,911,267,666.04	693981.75	7,911,267,666.04

**E.S.BUKUKU  
ACCOUNTING OFFICER**

**VOTE 66 - PRESIDENT'S OFFICE - PLANNING & PRIVATIZATION  
STATEMENT OF ASSETS AND LIABILITIES AS AT 30<sup>TH</sup> JUNE, 2005**

Liabilities	Tshs	Assets	Tshs
Deposit with Credit Balance	6,507,100,775.44	Deposit with Debit Balance	0.00
		Cash Book Balance	6,507,100,775.44

### STATEMENT OF LOSSES

Year Which Losses Occur	Loss/Description of Losses	Category of Losses				Total	Action/Efforts Taken to Recover
		Cash	Stores	Abandonment	Adjustment		
1993/1994	Spear Parts and Tyres	584,200.00	Bureau of Statistics		Losses written off of Stores No. EB/AG/270/01/Vol.II/49	584,200.00	Written of by Parliament

## NOTES TO FINANCIAL STATEMENTS

- A. The Financial Statement have been prepared and presented based on the Cash basis of accounting pursuant to Public Finance Regulation 53 and additional details have been include 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.
- B. Accounting policies have been applied consistently throughout the reporting period.
- C. The Procurement of Goods, works consultancy, and non-consultancy services reflected in the financial statements have complied with the Public Procurement Act No. 4 of 2004.
- D. Financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) on financial reporting under the Cash basis of Accounting and they comply with the requirements of the Public Finance Act No. 6 of 2001.
1. This the approved budget for Recurrent for the President's Office, Planning and Privatisation as shown below:

Sub Vote	Description	Approved Estimates
1001	Administration and General	5,998,084,200.00
1002	Finance and accounts	202,821,900.00
1003	Policy Information Development	386,728,100.00
2001	Macro-Economy	425,028,900.00
2002	External sector	7,291,359,200.00
3001	Social service and Human Resource Dev.	260,663,600.00
5001	Public Investment Planning	203,784,400.00
5002	Growth Strategies	325,962,200.00
<b>TOTAL</b>		<b>15,094,432,500.00</b>

2. This is an amount of Recurrent exchequer issues received during the year: 2004/2005 as shown below:

### a) Personal Emoluments

Date	Reference No.	Amounts Tshs.
23 <sup>rd</sup> July, 2004	EB/AG/159/3/22	167,039,926
17 <sup>th</sup> August, 2004	EB/AG/159/3/42	167,120,686
15 <sup>th</sup> September 2004	EB/AG/159/3/87	166,858,834
15 <sup>th</sup> October 2004	EB/AG/159/3/112	175,694,799
16 <sup>th</sup> November, 2004	EB/AG/159/3/161	197,954,294
19 <sup>th</sup> December, 2004	EB/AG/159/3/197	174,581,730
17 <sup>th</sup> January, 2005	EB/AG/159/3/248	173,215,852
15 <sup>th</sup> February, 2005	EB/AG/159/3/283	169,167,504
11 <sup>st</sup> March, 2005	EB/AG/159/3/519	168,484,224

14 <sup>th</sup> April, 2005	EB/AG/159/3/361	170,262,314
13 <sup>th</sup> May, 2005	EB/AG/159/3/408	171,620,834
15 <sup>th</sup> June, 2005	EB/AG/159/3/450	174,157,674
<b>YEAR TOTAL</b>		<b>2,076,158,671</b>

**b) Operating Costs (Other charges)**

Date	Reference	Amount - Tshs.
16 <sup>th</sup> July. 2004	EB/AG/159/3/11	495,189,400
13 <sup>th</sup> August, 2004	EB/AG/159/3/40	294,000,000
17 <sup>th</sup> August, 2004	EB/AG/159/3/53	495,189,400
27 <sup>th</sup> September, 2004	EB/AG/159/3/94	100,000,000
29 <sup>th</sup> September, 2004	EB/AG/159/3/104	395,189,400
20 <sup>th</sup> October, 2004	EB/AG/159/3/119	597,439,400
29 <sup>th</sup> October, 2004	EB/AG/159/3/141	48,862,728
12 <sup>nd</sup> November, 2004	EB/AG/159/3/157	571,189,400
15 <sup>th</sup> December, 2004	EB/AG/159/3/203	687,189,400
30 <sup>th</sup> December, 2004	EB/AG/159/3/227	50,000,000
17 <sup>th</sup> January, 2005	EB/AG/159/3/243	418,003,900
17 <sup>th</sup> February, 2005	EB/AG/159/3/293	2,385,533,900
14 <sup>th</sup> March 2005	EB/AG/159/3/328	358,003,900
12 <sup>nd</sup> April, 2005	EB/AG/159/3/358	56,000,000
25 <sup>th</sup> April, 2005	EB/AG/159/3/374	495,189,400
18 <sup>th</sup> May 2005	EB/AG/159/3/412	1,071,292,700
24 <sup>th</sup> May, 2005	EB/AG/159/3/423	2,000,000,000
21 <sup>st</sup> June, 2005	EB/AG/159/3/466	2,500,000,000
<b>YEAR TOTAL</b>		<b>13,018,272,928</b>

This is the total expenditure recurrent

Personal Emolument	2,076,158,671.00
Other Charges	<u>13,018,272,928.00</u>
<b>Total</b>	<b><u>15,094,431,599.00</u></b>

3. This is the total net expenditure for the Recurrent President's Office, Planning and Privatisation for the financial year ending 30<sup>th</sup> June, 2005 as shown on below:

<b>Sub Vote</b>	<b>Description</b>	<b>Actual Expenditure</b>
1001	Administration and General	5,997,841,267.31
1002	Finance and accounts	202,821,896.34
1003	Policy Information Development	386,728,098.84
2001	Macro-Economy	424,928,899.96
2002	External sector	7,290,769,199.90
	Social service and Human Resource	
3001	Dev.	255,568,417.63
5001	Public Investment Planning	203,640,532.62
5002	Growth Strategies	325,443,805.58
	<b>TOTAL</b>	<b><u>15,087,742,118.18</u></b>

4. This is Unutilised Budget 6,690,381.82 as shown below:

Sub Vote	Description	Variance
1001	Administration and General	242,932.69
1002	Finance and accounts	3.66
1003	Policy Information Development	1.16
2001	Macro-Economy	100,000.04
2002	External sector	590,000.10
3001	Social service and Human Resource Dev.	5,095,182.37
5001	Public Investment Planning	143,867.38
5002	Growth Strategies	<u>518,394.42</u>
<b>TOTAL</b>		<b><u>6,690,381.82</u></b>

5. This the approved budget for Development for President's Office, Planning and Privatisation as shown below:

Sub - vote	Description	Approved Estimates	
		Local	Foreign
1001	Administration & General	290,000,000	9,277,237,800
1002	Finance & Accounts	344,000,000	0.00
2001	Marco Economy	10,000,000	0.00
3001	Social Services & Human Res. Dev	21,000,000	255,530,000
5001	Public Investment Planning	35,000,000	0.00
5002	Growth Strategies	<u>0.00</u>	<u>4,565,530,000</u>
<b>Total - Vote</b>		<b><u>700,000,000</u></b>	<b><u>14,098,297,800</u></b>

6. This is an amount of Development exchequer issues received during the year 2004/2005 as shown below:

a) Capital/Local

Date	Reference	Amount - Tshs.
26 <sup>th</sup> Augsut, 2004	EB/AG/159/3/60	150,000,000
23 <sup>rd</sup> September, 2004	EB/AG/159/3/217	150,000,000
28 <sup>th</sup> January, 2005	EB/AG/159/3/263	150,000,000
29 <sup>th</sup> April, 2005	EB/AG/159/3/384	150,000,000
27 <sup>th</sup> June, 2005	EB/AG/159/3/484	100,000,000
<b>Total</b>		<b>700,000,000</b>

Loan & Grand

2 <sup>nd</sup> February, 2005	EB/AG/159/3/3280	397,000,000.00
14 <sup>th</sup> March, 2005	EB/AG/159/3/332	33,606,200.00
23 <sup>rd</sup> March 2005	EB/AG/159/3/339	1,655,972,400.00
1 <sup>st</sup> June, 2005	EB/AG/159/3/433	42,690,630.00
14 <sup>th</sup> June, 2005	EB/AG/159/3/443	1,112,000,000.00
17 <sup>th</sup> June, 2005	EB/AG/159/3/462	125,046,688.96
<b>Total</b>		<b>3,366,315,918.96</b>

<b>b) DFund</b>		
23 <sup>rd</sup> February, 2005	RW/2004/05/273	2,002,729,554
14 <sup>th</sup> June, 2005	RW/351/2004/05	28,871,271
21 <sup>st</sup> June, 2005	RW/374/2004/05	722,805,216
28 <sup>th</sup> June, 2005	RW/400/2004/05	66,308,174
<b>Total</b>		<b>2,820,714,215</b>
<b>GRAND TOTAL</b>		<b>6,887,030,133.96</b>

7. This is the total expenditure for Development for the year 2004/2005 as shown on (refer note 7).

<b>ACTUAL EXPENDITURE</b>				
<b>Project</b>	<b>Name of Donor</b>	<b>Foreign</b>	<b>Local</b>	<b>Total</b>
PG6227	DFID	235,200,970.96		235,200,970.96
PL6263	WB	2,531,473,348		2,531,473,348.00
PG6380	SIDA	0.00		0.00
	UNFPA	0.00		0.00
PT5722	TZ		199,776,727.90	199,776,727.90
PT5723	TZ		40,000,000.00	40,000,000.00
PT5724	TZ		50,000,000.00	50,000,000.00
PT6206	TZ		344,000,000.00	344,000,000.00
PT6261	TZ		9,590,000.00	9,590,000.00
PT6227	TZ		21,000,000.00	21,000,000.00
PG6227	UNFPA	160,203,970.00		160,203,970.00
PT6431	TZ		34,939,290.35	34,939,290.35
PG6285	JAPAN	0.00		0.00
PG2215		3,260,151,845.00		3,260,151,845
		6,187,030,133.96	699,306,018.25	6,886,336,152.21

**8. REASONS FOR MATERIAL DIFFERENCE BETWEEN ESTIMATES AND EXPENDITURE -**

**(a) RECURRENT ACCOUNT**

Under expenditure of shs 6,690,381.82, funds were received late hence could not be spent.

**(b) DEVELOPMENT ACCOUNT**

**SUB-VOTE - 1001: ADMINISTRATION & GENERAL (PSRC)**

(i) Under expenditure of shs 5,644,799,190.00 is direct to project funds pledged by donors for Domestic training fees & building rehabilitation which was not received during the financial year 2004/05. Funds with PSRC Project are designated procedures for procurement, disbursement and replenishment have to be followed. Also commitments may have been made but payments have to await unit specific Milestones in the execution of the contract are attained.

**SUB-VOTE - 3001: SOCIAL SERVICES AND HUMAN RESOURCES DEVELOPMENT**

Under expenditure of shs 95,326,030 is a direct project for employment allowances, goods and services pledged by donors was not received during the financial year 2004/05. Most of its activities will be implemented in the financial year 2005/06.

**SUB - VOTE 5002: GROWTH STRATEGIES (Implementation of Best Programme)**

Under expenditure of shs 1,305,378,155 direct project for consultancy fees was not received during the financial year 2004/05.

Is a new the project the project was expected to take off from July, 2004 but the memorandum contract signed Dec. 18, 2004. First funds for the project received in February, 2005. Most of its activities will be implemented in financial year 2005/06

9. a) This represents the receipts and exchequer issues received during the year as follows:-

Development Account Exchequer Issues	6,887,030,133.96
Recurrent Account Exchequer Issues	<u>15,094,431,599.00</u>
<b>Total</b>	<b><u>21,981,461,732.96</u></b>

- b) The approved estimates are for Development and Recurrent as follows:-

Recurrent Expenditure	15,094,432,500.00
Development Expenditure	<u>14,798,297,800.00</u>
<b>Total</b>	<b><u>29,892,730,300.00</u></b>

10. These are total receipts for deposit.

Opening Balance	27,429,628.88
Suspense General	110,884,733.55
Unclaimed Salaries	6,233,570.46
Mini Tiger	6,427,382,236.52
Tender Board	4,100,000.00
SASE	502,098,213.00
<b>TOTAL</b>	<b>7,078,128,382.41</b>

11. These are salaries paid to the employees of President's Office, Planning Privatisation.

12. a) These are the goods and services received during the year for the three A/C as follows:-

Development Account	4,192,226,623.21
Deposit Account	513,106,739.00
Recurrent Account	<u>8,503,605,755.34</u>
<b>Total</b>	<b><u>13,208,939,117.55</u></b>

- b) The amount represents the approved budget for goods and services as follows:

Development Expenditure	8,305,464,562.00
Recurrent Expenditure	<u>8,509,809,199.00</u>
<b>Total</b>	<b><u>16,815,273,761.00</u></b>

13. a) The amount represents the transfers to our Institutions and contribution to International Organisation as follows:

Development Accounts	21,000,000.00
Recurrent Accounts	<u>5,091,023,767.86</u>
<b>Total</b>	<b><u>5,112,023,767.86</u></b>

- b) Approved estimates for goods and services are:-

Development Accounts	21,000,000.00
Recurrent Accounts	<u>5,091,130,800.00</u>
<b>Total</b>	<b><u>5,112,130,800.00</u></b>

14. a) The amount represents the other payments as follows:

Deposit A/C	57,920,867.97
Development A/C	2,673,109,529.00
Recurrent A/C	<u>1,005,564,600.00</u>
<b>Total</b>	<b><u>3,736,594,996.97</u></b>

b) Approved Estimates for other payments are:-

Development Expenditure	6,400,216,572.00
Recurrent Expenditure	<u>1,005,564,600.00</u>
<b>Total</b>	<b><u>7,405,781,172.00</u></b>

15. This is the Recurrent exchequer issues received during the year. ( refer note 2.)

16. These are Salaries paid to the employees of The President's Office Planning and Privatization.

17. This represents Recurrent goods and services during the year as follows:-

**Goods & Services**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
260100	290,977,599.98	295,767,600.00	4,790,000.02
260200	24,112,500.00	24,112,500.00	-
260300	63,663,600.00	63,663,600.00	-
260400	14,864,953.97	15,010,000.00	145,046.03
260600	167,035,300.00	167,035,300.00	-
260700	39,264,000.00	39,264,000.00	-
260900	164,319,099.00	164,319,099.00	-
261000	53,819,596.00	54,569,600.00	750,004.00
261100	7,381,114,406.40	7,381,632,800.00	518,393.60
270100	11,816,900.00	11,816,900.00	-
270200	58,314,000.00	58,314,000.00	-
270300	50,415,600.00	50,415,600.00	-
270400	7,942,000.00	7,942,000.00	-
270500	63,307,299.99	63,307,300.00	0.01
280700	4,000,000.00	4,000,000.00	0.00
280800	2,000,000.00	2,000,000.00	0.00
310300	59,676,800.00	59,676,800.00	-
310400	26,362,100.00	26,362,100.00	-
310800	20,600,000.00	20,600,000.00	-
	<b>8,503,605,755.34</b>	<b>8,509,809,199.00</b>	<b>6,203,443.66</b>

18. These are Transfers to the Institutions as follows:

National Productivity Council	132,956,492.00
National Business Council	170,469,700.00
National Bureau of Statistics	2,189,752,200.00
Tanzania Investment Centre	1,314,794,800.00
E.A. Statistical Training Centre	186,437,700.00
Institute of Rural Dev. Planning	1,003,681,875.86
Parastatal Sect. Ref. Comm.	65,231,000.00
IDEP	<u>27,700,000.00</u>
<b>TOTAL</b>	<b><u>5,091,023,767.86</u></b>

19. This is an amount for other payment

	Actual	Approved	Balance
250300	835,250,700	835,250,700	0.00
280600	170,313,900	170,313,900	0.00
<b>TOTAL</b>	<b><u>1,005,564,600</u></b>	<b><u>1,005,564,600</u></b>	<b><u>0.00</u></b>

20. This is an amount of Development exchequer issues received during the year. (refer note6.)

21. This is the amount for goods and services Development.

**Goods and Service:**

	Budget	Actual	Variance
260100	35,137,000	2,800,000.00	32,337,000.00
260300	30,230,000	800,000.00	29,430,000.00
260600	64,667,858	3,423,929.00	61,243,929.00
260700	38,145,000	2,215,000.00	35,930,000.00
261100	6,791,485,680	3,422,574,277.35	3,368,911,402.65
270300	61,960,000	11,846,688.96	50,113,311.04
270500	107,062,024	66,900,000.00	40,162,024.00
310400	47,300,000	46,890,000.00	410,000.00
310700	495,477,000	1,000,000.00	494,477,000.00
310800	290,000,000	289,776,727.90	223,272.10
310900	344,000,000	344,000,000.00	-
	<b>8,305,464,562</b>	<b>4,192,226,623.21</b>	<b>4,113,237,938.79</b>

22. This is the contribution to UNFPA as per agreement. Tshs.21,000,000.00

23. This is an amount for other payments as follows:

	Budget	Actual	Variance
250100	43,956,428	21,978,214.00	21,978,214.00
250300	6,356,260,144	2,648,231,315.00	3,708,028,829.00
260900	56,616,666	2,900,000	53,716,666
<b>TOTAL</b>	<b>6,456,833,238</b>	<b>2,673,109,529</b>	<b>3,783,723,709</b>

24. This is the total receipt for Deposit (refer note 10.)

25. This represents goods and services deposit during the year as follows:

**GOODS & SERVICES**

		ACTUAL EXPENDITURE	RECEIPTS	VARIANCE
69301	Mini-Tiger	0.00	6,427,382,236.52	6,427,382,236.52
69301	Tender Board	11,790,000.00	4,100,000.00	4,374,000.00
69301	SASE	501,316,739.00	502,098,213.00	781,474.00
69301	Tanzania Investment Centre	-	-	566,800.00
<b>TOTAL</b>		<b>513,106,739.00</b>	<b>6,933,580,449.52</b>	<b>6,433,104,510.52</b>

26. This represent other payments deposit during the year as follows:

<b>OTHER PAYMENTS</b>		<b>ACTUAL EXPENDITURE</b>	<b>RECEIPTS</b>	<b>VARIANCE</b>
69301	Suspense General	56,194,700.00	110,884,733.55	63,260,766.04
69301	TCDC	-	-	715,533.00
69301	Unclaimed Salaries	1,726,167.97	6,233,570.46	10,010,555.88
69301	Child Survival	-	-	5,400.00
69301	Regional Profile	-	-	950.00
69301	Social Economic Profile	-	-	3,060.00
<b>TOTAL</b>		<b>57,920,867.97</b>	<b>117,118,304.01</b>	<b>73,996,264.92</b>

27. This is the total of exchequer issues received for Recurrent and Development plus Deposit receipts. (refer Note 9&10)

28. This is the total of Salaries and employment benefits for Recurrent, Development and Deposit:

Recurrent	1,493,112,594.98
Development	2,673,109,529.00
Deposit	<u>1,726,167.97</u>
<b>TOTAL</b>	<b><u>4,167,948,291.95</u></b>

29. This is the total of supplies and consumable for Recurrent, Development and Deposit. (refer Note12)

30. This is the total of transfers for Recurrent and Development. (refer Note 13)

31. This is the total of other payments for Recurrent, Development and Deposit:

Recurrent	0.00
Development	0.00
Deposit	<u>56,194,700.00</u>
<b>TOTAL</b>	<b><u>56,194,700.00</u></b>

32. This is an amount of total Recurrent exchequer issues received. (refer Note 2)

33. This is the total of Salaries and employment benefits for Recurrent:

Salaries	487,547,994.98
Employment benefits	<u>1,005,564,600.00</u>
<b>TOTAL</b>	<b><u>1,493,112,594.98</u></b>

34. This is the Recurrent Supplies and Consumable. (refer Note17)

35. This is the Recurrent transfers. (refer Note18)

36. This is an amount of Development exchequer issues received during the year. (refer note6.)

37. This is the total of Salaries and employment benefits for Development. (refer Note 23)

38. This is the total of Supplies and Consumable for Development. (refer Note21)

39. This is the contribution to UNFPA as per agreement. Tshs.21,000,000.00

40. This is the total of Deposit receipts. (refer Note10)

41. This is the total of Salaries and employment benefits for Deposit Tshs.1,726,167.97

42. This is the total of Supplies and Consumables. (refer Note25)

43. This is the total of other payments Tshs.56,194,700.00

43. This is the list of assets for President's Office, Planning and Privatisation:

- a) Movable Assets
- b) Immovable Assets

### 3.0 AUDIT FINDINGS AND RECOMMENDATIONS

#### 3.1 Status of the Previous year's Findings and Recommendation

Audit findings in respect of the previous audit report for the year ended 30<sup>th</sup> June, 2004 have been cleared.

#### 3.2 Current year's findings

##### 3.2.1 Submission of the Accounts

The Appropriation Accounts and other related statements were submitted for auditing on 23<sup>rd</sup> September, 2005 seven days before the end of the statutory submission time. I strongly encourage POPP management to keep this spirit in the future.

##### 3.2.3 Audit Queries:

As a result of the test examination of the accounts and supporting records for the year 2004/2005, 18 audit queries were raised out of which 15 have been settled and three audit queries are still outstanding. There are no outstanding audit queries relating to the previous year's accounts.

##### Recommendation

The management is requested to take effective measures to settle the remaining audit queries.

##### Management Response

It is true that eighteen (18) audit queries were raised and all were replied, 6 were re-issued and already replied, 3 have been closed.

- **Statement of Revenue**

The Statement of Revenue reflects actual collection of Shs. 1,974,055.40 against approved estimates of Shs. 1,035,000 resulting in over collections of Shs. 939,055.40 or 90.7% above the estimate. The reasons for the overcollection were explained as:

- An increase of fees collected from tendering process during the year under review.
- Continued collection of rents from unsold servant quarters which were planned to be sold during the year.

##### 3.2.5 Questionable Advance Payment to Contractor - Shs. 262,826,849

M/S Tanzania Building Works Ltd of Dar es Salaam entered into a contract with POPP for construction of Post graduate students Hostel Phase 2 at the Institute of Rural Development, Dodoma. Valuation certificate No 1 showed that the advance payment to be paid to contractor should be 15% against the contract sum of Shs. 499,198,722 which amounted to Shs. 74,879,808. However, the contractor was paid Shs. 262,826,849 (337,706,657 - 74,879,808) contrary to the agreement signed between the two parties.

In non compliance with clause 51.1 of the condition of the signed contract we could not authenticate the correctness of the payment made to the contractor.

##### Recommendation

Management should confirm full recovery of the advance from payments due to the contractor and recovery particulars be availed to audit for verification. In

addition, the management should give account on the excess payment of the advance of Shs.262,826,849.

### Management Response

Payment of Tshs. 337,706,675 was made in June 2005 to M/S Tanzania Building Works Ltd. Dar es Salaam after winning the tender for construction of IRDP Student's hostel Dodoma. The advance payment exceeded the 15% of the contract sum because otherwise the funds were to be freezed at the end of the financial year. The contractor submitted the bond as security in case he fails to fulfil the work as per contract.

### Comment

Since construction of the hostel was in line with the planned activities, financing of the project would have continued, otherwise special permit would have been sought from the PMG on the balance to be kept in the deposit account instead of going against the Finance Regulations and the contract agreement.

### 3.2.6 Delay in finalization of Contract

The Ministry entered into a contract No. 4 of 2004/05 signed on 11<sup>th</sup> January, 2005 for rehabilitation of Mipango Building at a contract sum of Shs.177,907,116 including 20% VAT payable as follows:-

(i)	Main Contractor	Shs. 144,487,116.00
(ii)	Subcontractor (for electrical works)	Shs. <u>33,420,000.00</u>
	<b>Total</b>	<b>Shs. <u>177,907,116.00</u></b>

The contract period was 8 weeks from 17<sup>th</sup> January, 2005 to 14<sup>th</sup> March, 2005, as at the time of writing this report in February, 2006, a total amount of Shs.151,652,985.51 was paid in respect of this contract as shown below:-

(i)	Main Contractor	
	Value of Certificate Nos 1-6	Shs. 98,527,482.95
	Add 20% VAT	Shs. <u>19,705,502.56</u>
	<b>Sub Total</b>	<b>Shs. <u>118,232,985.51</u></b>
(ii)	Sub Contractor	
	Value of certificate nos 1-3	Shs. 27,850,000.00
	Add 20% VAT	Shs. <u>5,570,000.00</u>
	<b>Sub Total</b>	<b>Shs. <u>33,420,000.00</u></b>
	<b>G/Total</b>	<b>Shs. <u>151,652,985.51</u></b>

It was noted that additional works worth Shs. 14,907,360 without 20% VAT, were added to the Main Contractor thus raising the contract amount with VAT to Shs.195,795,948

However, the contract which was to be completed on 14<sup>th</sup> March, 2005 was apparently not yet finalized by the end of January, 2006 as payment certificate No. 7 for Shs. 13,282,177.74 was still outstanding and completion and handing over certificates were not available for audit verification.

Therefore, according to sections 49 of the conditions of contract and the contract Data, liquidated damages at the rate of 0.5% of the final contract price per day or the amount not exceeding 10% of the final contract price is recoverable from the contractor.

**Implication**

Delays in construction work may result in additional costs to the government.

**Recommendation**

It is recommended that to avoid delays and possible additional costs, adequate financial resources should be available before engaging a contractor.

**4.0 CONCLUSION**

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

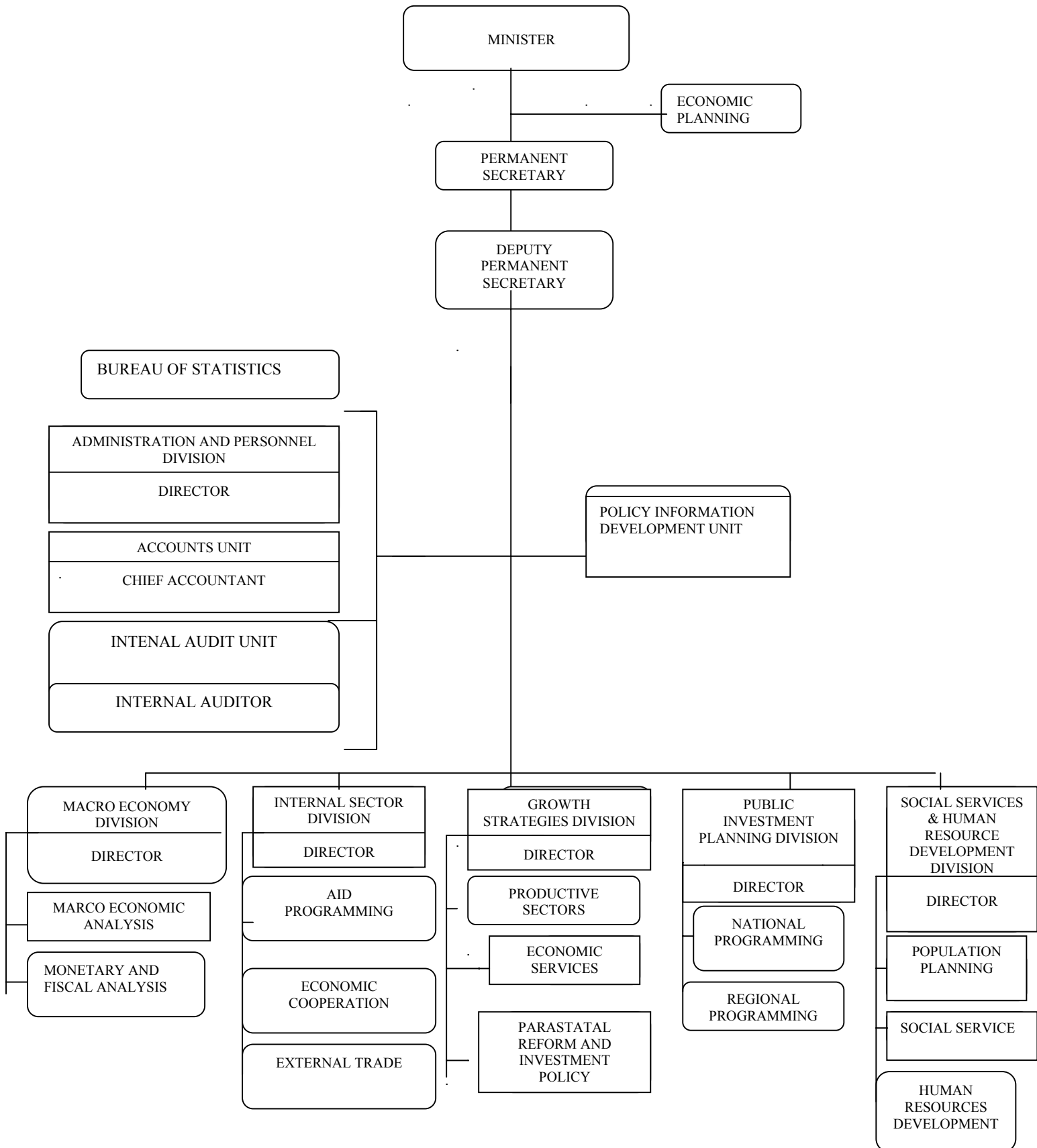
Lastly, I would like to express my appreciation for the co-operation given to the audit team. It is my hope that such good working relationship will be extended during future audits.

Dr. Frank Mosses Hiza Mhilu  
**Ag. CONTROLLER AND AUDITOR GENERAL**

Copy to: 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

**P.I.C APPROVED DETAILED ORGANISATION STRUCTURE:  
PLANNING COMMISSION**



## APPENDIX "I"

DATE	AMOUNT	VEHICLE	PAYEE
16/8	1,097,946		Toyota Tanzania Ltd
19/8	1,045,083		D.T.Dobie
7/9	942,744		Toyota Tanzania
30/9	610,000		-''-
8/10	1,168,878		D.T.Dobie & Comp
13/10	1,966,104	00420925	Toyota Tanzania Ltd
13/10	2,020,440	00420936	-''-
29/10	319,320	0427414	-''-
-''-	399,864	042715	-''-
-''-	268,554	042716	
8/11	1,541,700	00431273	Buhonyi Autowork
-''-	360,450	00431275	-''-
-''-	256,500	00431275	-''-
12/11	575,460	00433878	Nduwimi Auto work
-''-	1,036,794	-''-	Toyota Ltd
21/12	421,254	00450667	-''-
-''-	623,440	0045068	-''-
30/12	2,640,530	0453847	Toyota Tanzania Ltd
-''-	523,400	0043848	-''-
-''-	1,724,100	0045380	-''-
-''-	824,730	00453851	-''-
31/12	1,842,500	00454395	BM Bateja Motors
4/01	641,196.00	00455032	Toyota Tanzania Ltd
6/1	800,400.00	0456259	Bduwini Autho Work
10/1	340,170	00457094	-''-
15/2	132,480	0469902	-''-
18/2	217,350	00469903	-''-
	860,154	00471389	-''-
4/4	579,600	0487806	Nduwini Auto Parts
11/4	579,600	0491385	-''-
15/4	429,180	0493700	-''-
28/4	350,174	0497866	-''-
4/5	3,303,774	00499840	-''-
20/6	1,055,010	00527308	-''-
20/6	213,210	00527309	
23/6	279,450	0532053	-''-
23/6	213,210	00532054	-''-
23/6	410,550	00532055	-''-
<b>Total</b>	<b>32,625,179</b>		

## APPENDIX "II"

1.0	ITEM	STATUS OF COMPLETION	AMOUNT
	1/27C	80%	80,000
	1/28 A	80%	80,000
	1/33A	100%	250,000
2.0	3/2A-B95%	95%	9,993,700
	3/7A-J	25%	1,666,160
	3/12A-E	40%	569,000
3.0	Insurances GS 1A-D		530,000
	GS		300,000
4.0	Sand		60,000
	Cement 20 bags @ 7500		150,000
	Weather guard 4 buckets @ 62,000		248,000
	Washable acryh2 9 buckets @ 44,000		296,000
	Stucco 2 buckets @ 31,500		63,000
	Red oxide 2 gallons @ 6,300		12,000
	Black paint 2gallons @ 5250		10,000
	Vanish clear 7 gallons @6300		44,100
	65 Pcs Mninga H/W 1"X9" @14,000		910,000
	Mninga door frames 7 No. @60,000		420,000
	Aluminium suspended frames & accessories		500,000
	Gypsum 600 x 600mm ceiling board 5 boxes		200,000
			<b>7,340,210</b>

## APPENDIX III

VAT PAID TO UNREGISTERED SUPPLIERS SHS. 14,190,228					
S/NO	PV.NO	CHEQUE NO	AMOUNT	20% VAT	PAYEE
1.	3325/6	00535662	1,322,400	220,400	E.K.Enterprises
2.	3203/06	00532062	4,068,000	678,000	PSC General Trades Co.
3.	3212/06	00532064	864,000	144,000	PSC General Trades Co.
4.	3196/06	005320601	1,800,000	300,000	PSC General Trades Co.
5.	3053/06	00527305	3,128,400	521,400	LOL Supply
6.	3054/06	00527306	3,801,840	663,640	LOL Supply
7.	3029/06	0052334	1,740,000	290,000	E.K. Enterprises
8.	2716/05	?	1,218,000	203,000	E.K. Enterprises
9.	2720/05	?	3,852,240	642,040	LOL Supply
10.	2715/05	?	1,152,000	192,000	LOL Supply
11.	2713/05	?	1,152,000	192,000	LOL Supply
12.	2707/05	?	1,296,767	216,128	E.K. Enterprises
13.	2544/04	?	1,098,000	183,000	LOP Traders
14.	2368/04	?	3,129,800	521,600	LOL Supply
15.	2360/04	?	1,152,000	192,000	LOL Supply
16.	2316/04	?	3,801,840	633,640	LOL Supply
17.	2362/04	?	227,520	37,920	LOL Supply
18.	2010/03	00481261	1,449,600	241,600	PSC General Traders
19.	2008/03	00481257	976,000	162,000	E.K. General Traders
20.	1999/03	00481256	2,370,000	395,000	JO & JO Secretarial Services
21.	1998/02	00481265		395,000	JO & JO Secretarial Services
22.	1818/02	00470484	188,160	31,360	JO & JO Secretarial Services
23.	1817/02	00470487	1,752,000	292,000	PSC General Traders
24.	1861/02	00470486	1,560,000	260,000	E.K. General Traders

25	1091/12	00444437	792,000	132,000	LOL Supply
26	939/11	00435280	1,740,000	290,000	Mselia Investment Ltd
27.	877/11	00432238	3,801,840	633,640	LOL Supply
28.	867/11	00431276	3,801,840	633,640	LOL Supply
29.	1094/12	00444439	2,400,000	400,000	LOP Supply
30.	1095/12	00444438	2,322,000	387,000	LOL Supply
31.	1042/12	00442355	2,520,000	420,000	IBRA Enterprises
32.	1041/12	00442346	1,154,000	192,000	LOL Supply
33.	1136/12	00448789	2,976,000	496,000	Broadway stationary & General supply Enter.
34.	1264/12	00450605	1,812,000	302,000	LOL Supply
35.	1108/12	00446222	1,086,000	181,000	LOP Traders
36.	251/8	00402938	425,400	70,900	E.K. Enterprises
37.	253/8	00402939	1,176,000	196,000	E.K. Enterprises
38.	367/9	00409026	1,420,000	230,000	PSC General Traders
39.	347/9	00407265	4,759,920	793,320	Mselia Investment Ltd
40.	368/9	00409028	1,860,000	310,000	PSC General Traders
41.	369/9	00409028	1,758,000	293,000	PSC General Traders
42.	402/9	00413898	1,896,000	316,000	LOP Traders
43.	403/9	00413899	1,836,000	306,000	LOP Traders