

THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE (NAO)



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF THE REGIONAL ADMINISTRATIVE SECRETARY
KILIMANJARO REGION**

VOTE 75

FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2005

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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 Regional Administration Secretary 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
- Cash Flow Statement for Recurrent Account
- Cash flow statement for Deposit Account
- 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 form 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.

1.0 BACKGROUND INFORMATION TO THE AUDIT

1.1 Introduction

We have completed the audit of the Regional Administrative Secretary Vote 75 for the year ended 30th June 2005. Audit findings arising from the examination of accounting records, appraisal of activities as well as an 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 Establishment

In 1972 Tanzania embarked on decentralization by de-concentration where by the regional administration was established. The development directorates at the District and Region, formed the directorates, which were led by District and Regional Development Directors respectively. The Decision to form Regional Administration resulted into the abolition of Local Government Authorities which were inherited at independence.

In 1984 the Tanzania Government revisited its decision on the decentralization by de-concentration and hence reinstated the Local Government Authorities because it was realized that there was lack of community involvement in decision making. The decision was made vide Act No.7 of 1982 as a result the District Development Directories were abolished.

In 1996 the government decided to further the reforms through streamlining of its functions. It was decided to establish the Regional Secretariat to be led by Regional Administrative Secretary (RAS). The Regional Secretariat composes of sector Technical Advisors. In line with the abolition of Regional Administration the Regional Department heads little were also abolished vide Prime Minister's Circular No.1 of 1996 the Establishment of Regional Secretariat changed the roles of the region from service provision to advisory role (Act 19 of 1997 section 12). The Regional Secretariat as other MDAs Operates its mandated functions in fiscal year basis from 1st July to 30th June, each year.

1.3 Operational Objectives of the Region

The Regional Secretariat was established under the Regional Administrative Act No.19 of 1997 to perform Development and Administrative Functions.

The Development role centres on building capacity within and supporting Local Government Authorities (LGAs) for them to be able to deliver the following.

- Management development services, which focus on local authorities putting together expertise in the area of local Government

Administration and finance, training planning and economic analysis, community Development, legal, labour affair's and Auditing.

- Economic Development services which focus on support for production related actives in the region provided through experts in Agriculture. Trade and Nature Resources.
- Physical Planning and Engineering services which focus on support to Infrastructure and land management activity. This includes support for an regulation of technical designs. Contracting and tendering in the sections of physical planning engineering and land development.
- Social development services which focus on support services and regulation of services development activities related to health, education, water services and local welfare activities (both public and private) in the region.

The administrative role includes:

- To ensure peace and tranquility for all regional inhabitants so as to enable them to pursue their goals.
- To facilitate and assist LGAs in the region to undertake and delivery their responsibilities by providing and recurring the enabling environment for the successful performance of their duties and functions.
- To be the representative of the central government within the region. These roles and functions have been assigned in five clusters.

1.4 Financing of the Regional Secretariat

The RAS like any Regional Secretariat receives funds from Treasury in the form of exchequer issues. During the year under review, a total sum of Shs.29,563,778,200 was released for the operations of the Region as follows:-

<u>Description</u>	<u>Amount(TShs.)</u>
Supply vote	28,923,043,200
Development Vote	640,735,000
Total	<u>29,563,778,200</u>

1.5. Management Structure

The Organizational Structure of the Regional Secretariat and staffing level is shown in annexure 1.

The Region is subdivided into five functional districts namely: Hai, Moshi, Rombo, Mwanga and Same.

Other supporting district relevant for the day-to-day operations include Policy and Planning, Administration & Personnel and Finance & Accounts; each of the above district is headed by a District Administrative

Secretary while the Regional Accountant heads the Accounting and Finance division.

1.6. Brief description of Internal Control system

- **Accounting System**

The Regional Secretariat operates the usual government accounting system based on Central payment office in Sub Treasury using Integrated Financial Management System and Epicor accounting packages. The financial statements are being prepared and presented based on the cash basis of accounting pursuant to Public Finance Act No. 6 of 2001 Regulations 53. To promote understanding and comprehension of the data the Secretariat has included additional details in compliance with the International Public Sector Accounting Standards for the cash basis of accounting.

- **Internal Audit Section**

The Region has not engaged any Internal Audit staff and established an Internal Audit Section. Taking into consideration of the diversity of the Region the need for internal audit function is crucial.

- **Audit committee**

The Region has established an audit committee comprising of three members nominated by the Regional Administrative Secretary and one member from the Treasury. The Committee co-opts 5 other persons within the Region.

- **Regional Tender Board**

The Region has a Tender Committee comprising of 8 members, the chairman of the committee is appointed by the Regional Administrative Secretary while the Regional Stores Officer is the Secretary to this committee. The Region has established a procurement management unit which consists of procurement officers from each department and sections.

1.7 Financial Performance

(i) Revenue

The year's out-turn of revenue collection was TShs.2,086,854 against an approved revenue budget of TShs.2,811,000 whereas Appropriation-in-Aid collected amounted to TShs.773,052.15 compared to approved estimates of TShs.754,000, which resulted in an over collection of TShs.19,052.

Expenditure (Recurrent)

The Supply Vote account during the year under review closed with an apparent saving of TShs.689,228 arising from the net expenditure of TShs.28,922,353,972 against approved estimate of TShs.28,923,043,200.

Whereas, Exchequer issues received during the year amounted to TShs.28,923,797,271 resulting in a real saving of TShs.1,443,299.

Expenditure (Development)

The Development Vote account closed with a net expenditure of TShs.633,572,699 against the net approved estimate of TShs.640,735,000 resulting in a saving of TShs.7,162,301.

1.8 Audit Mandate

The Controller and Auditor General is the statutory auditor of all Public Revenues and Expenditure by virtue of the provisions of Article 143 of the Constitution of the United Republic of Tanzania, and Section 30(1)(d) of the Public Finance Act No. 6 of 2001.

1.9 Audit Objectives

- To enable the Controller and Auditor General to express a professional opinion on the financial Statements of the Region Administrative Secretary for the year ended 30th June, 2005.
- To ensure that receipts and revenue due are properly assessed, and collected.
- To determine whether the Appropriation Accounts and other financial statements are prepared in accordance with Instructions/Guidelines and International Public Sector accounting standards (IPSAS).
- To ascertain whether all necessary documents, books, register, accounts and information have been kept in respect of all transactions.
- To ensure adequate disclosure of assets and liabilities in the appropriation accounts/statements of Assets and Liabilities.
- To verify that payments for goods and services have been made in accordance to the financial regulations.
- To determine whether the Internal Audit Section properly performs its duties with absolute independence and whether the Ministerial Audit committee effectively performs its duties to ensure that the system of internal control is adequate and reliable.
- To determine whether the Internal control structure provides management with a reasonable assurance in regard to the procurement of goods and services to ensure that it is being done in accordance with prescribed procedures and that quality, right quantity and economy, efficiency and effectiveness are being considered in the procurement process.
- To verify whether the Ministerial Tender Board effectively performs its prescribed duties and that proper procurement procedures are being followed in the execution of its duties.
- To determine whether the Region is managing or utilizing its resources in an economical and efficient manner and that the causes

of any inefficiencies or uneconomical practices are promptly identified reported and corrected.

- To determine whether the desired results or benefits are being achieved, whether the objectives established by the parliament or other authorizing bodies are being met, and whether the Ministry has considered alternative ways to ensure the desired results are attained at lower costs.
- To determine whether the Region has taken corrective actions on all matters raised in previous years management audit reports.
- To closely follow-up on the previous year audit findings and recommendations and instructions/directives issued by the Public Accounts Committee (PAC) and to ensure that proper actions have been taken in respect of all matters being raised.
- To ensure that good governance has been enforced in the day-to-day operations of the Region and in carrying out the overall strategy of the Region.
- To determine whether the Region has properly addressed key social problem areas such as HIV AIDS, gender balance, environmental issues etc.

1.10 Scope of Audit

The audit of the Regional Administrative Secretary for the period ended 30th June 2005 was carried in accordance with International Standards on Auditing (ISA) and procedures that are consistent with those recommended by the INTOSAI.

The audit covered the evaluation of the effectiveness of the financial accounting system and internal control over the activities of the RAS, examination and verification of the accompanying financial statements 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 for the purpose of audit were made available to us.

As Auditors we are not specifically required to search for fraud, therefore, our audit cannot be relied upon to disclose all such matters. The responsibility for setting up and maintaining an adequate and reliable system of Internal control rests with the Management of the Ministry. Our audit, however, was planned and carried out in such a way that we would have a reasonable expectation of detecting any material misstatement in the financial statements.

1.11 Audit Methodology

Our audit included such tests of the accounting records, site visits and other procedures in order to satisfy the objective of the audit. Our audit procedures included the following steps:

- Planning the audit to obtain an adequate understanding of the Region, its activities and operations and assessment of the major risk areas.
- Carrying out substantive test of the balances reported by the Regional Administrative Secretary in order to obtain reasonable assurance regarding the amounts and disclosures included in the financial statements.
- Review the adequacy of the Internal control system in place, testing whether it is in compliance with laid down rules, policies, procedures and regulations.
- Conducting Interviews and discussions with some of the employees of the Region and
- Site visits to selected areas or stations.

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 75,
Kilimanjaro Region

Re: Audit Report on the Financial Statements of the Regional
Administrative Secretariat for the year ended 30th June, 2005.

I have audited the financial statements of Regional Administrative Secretariat for the year ended 30th June, 2005 shown on annexure I.

Responsibilities of the Accounting Officer

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

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

Responsibilities of the Controller and Auditor General

My responsibility is to express an independent opinion on the financial statements, and on procurement procedures based on the audit. According to section 30 of the Act 2001 my specific responsibilities are to examine, inquire into, audit and report on the accounts of the RAS.

In addition, section 31 of the Act requires me to satisfy myself that the accounts have been kept in accordance with generally accepted accounting practices; all reasonable precautions have been taken to safeguard the collection of revenue, the receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed, all expenditures of public money have been properly authorized; and to satisfy myself whether the funds appropriated to the RAS, 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 about 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 the Regional Administrative Secretary (Vote 75) 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.

Qualification

In my opinion, except for the matters specified below the financial statements of the Regional Administrative Secretary have been prepared based on the generally accepted accounting standards; and they fairly reflect, in all material respects, the results of its operations and cash-flows for the year ended on 30th June, 2005, and the financial position as at the date.

- Additional Exchequer issues amounting to TShs.37,456,104 received vide Reallocation release warrant No.4 of 24/6/2005 was not accounted for or reflected in the appropriation accounts of the Secretariat as at 30th June, 2005.
- Purchase of 2 motor vehicles made without budgetary provision amounting to TShs.117,466,115.
- Expenditure incurred without proper supporting documents to authenticate Goods, Works and services rendered TShs.1,800,000

Further to my opinion, the procedures for procurement of a motor vehicle (without budgetary provision), which I have tested as part of the audit, have not complied with the requirement of the Public Finance Act No.6 of 2001 and the related Regulations.

Matters of Emphasis

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

Overpayment of TShs.97,636,903 made when disbursing Education Transfer funds to the District Council's has since not been refunded back to the Regional Secretariat.

Unclaimed Salaries of Shs.13,946.20 detailed below have been kept under deposit account for a considerable length of time without paying the respective bonifide payees:-

(i)	RAS - Kilimanjaro	Shs.	12,323,812.95
(ii)	DAS - Rombo	Shs.	682,141.95
(iii)	DAS - Hai	Shs.	<u>980,991.30</u>
		Shs.	<u>13,986,946.20</u>

Dr. Frank Mosses Hiza Mhilu
ACTING 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 Status of the previous year findings and recommendations

During the previous year's findings and audit recommendations were made on some of the key issues, which required necessary action for improvement. While we appreciate that the Regional Secretariat Management Implemented most the recommendations, the status during this current years audit is as follows:-

Serial No.	Para	Findings/Recommendation	Status
5	5	Grants to Local Authorities not acknowledged TShs.75,058,750	Not acknowledged by respective Local Authority
8	8	Overpayment to suppliers not yet recovered (TShs.11,361,700)	Not yet implemented
11.2	11.2	Doubtful purchase of Hydraulic Bed (TShs.16,066,200)	Not yet recovered

Implication

Not much effort is being exerted in attending outstanding matters raised in the previous year's report.

Audit Recommendation

The Regional Secretariat should ensure that all outstanding matters are cleared as required by financial regulations.

Management Response

Out of Shs.75,058,750 a total sum of Shs.37,405,000 has been acknowledged the balance of Shs.37,653,750 is still outstanding. Effort to get the remaining receipts is being made and we expect by 20/2/2006 the receipts will be cleared. As regards of overpayment of Shs.11,361,700/- the Tanzania Building Agencies is responsible for the recovery of the amount RAS will follow up the matter to completion. Furthermore the Hydraulic bed was extremely required by Mawenzi Hospital though purchasing procedures were not followed.

Audit Comment

The Regional Secretariat is advised to adhere to promise made.

3.2 Position of Outstanding Audit Queries

Test check of the accounts statement and related records for the year under review 2004/2005 resulted in the issue of 20 audit queries, the more significant matters of which are referred in the succeeding paragraphs.

At the time of writing this report (January 2006) 11 audit queries relating to the previous years were still outstanding as follows:-

<u>Year</u>	<u>Audit Queries</u>	<u>Audit Queries Closed</u>	<u>Balance</u>
2002/2003	23	16	7
2003/2004	25	21	4
2004/2005	<u>20</u>	<u>NIL</u>	<u>20</u>
TOTAL	<u>68</u>	<u>37</u>	<u>31</u>

Implication

The Regional Secretariat takes a long time to attend queries raised by the Auditors.

Recommendation

The Secretariat should promptly attend to the queries raised for the purpose of rectifying weaknesses noted.

Management Response

The outstanding queries will be dealt with and cleared by 15th April 2006.

Audit Comment

Make follow- up.

3.3 Reallocation Warrant (TShs.37,456,104) not accounted for

We noted that the Regional Administrative Secretary and Accounting Officer of Vote 75 received TShs.37,456,104 vide reallocation warrant No.4 of 24/06/2005 meant for expenditure under code 1001-250010- Civil Servants.

Further, the amount reallocated was apparently not reflected in the final statements hence understating the amount received during the year. No explanations were given for such an omission.

Similarly, the itemized statement of expenditure revealed omissions of funds reallocated to the relevant expenditure items as per Release Warrant No.4 of 27/6/2005 as follows:-

<u>Classification Code</u>	<u>Expenditure Description</u>	<u>Reallocated from (Deduction)</u>	<u>Reallocated to (Addition)</u>
250101-1001	Administration General	105,441,286	
2450101-2001	Administration General		7,562,628
250101-3003	Transitional Personnel		9,443,80
250101-3001	Curative Services		88,404,857
	Balance Total	<u>105,411,286</u>	<u>105,411,286</u>

3.4 Unclaimed Salaries kept under deposit Account (TShs. 12,323,812.95)

The Public Finance Regulation (2001) section 129 stipulate that deposit Accounts may only be opened with the specific approval of the Accountant General and the responsibility for keeping proper accounts for deposits which related solely to the Treasury or which otherwise do not fall within the responsibility of any other department or office, rests with the Accountant General.

However, a general scrutiny of the deposit register kept by the Regional Secretariat revealed that unclaimed Salaries relating the year 2003/2004 totalling TShs.12,323,812.95 have since not been cleared as at 30th June,2005. No explanations have been given.

(i)	RAS	-	Kilimanjaro	12,323,812.95
(ii)	DAS	-	Rombo	682,141.95
(iii)	DAS	-	Hai	980,991.30
				<u>13,986,946.20</u>

Further, there was no approval by the Accountant General for opening and keeping a proper deposit accounts.

Audit Recommendation

- The Regional Secretariat management should ensure that unclaimed salaries are reconciled and cleared or paid to the Treasury DSM.
- The Regional Secretariat management should adhere to the Public Finance Regulation (2001) section 129 regarding opening and keeping deposit accounts.

Management Response

The unclaimed salary item is being reconciled and the unclaimed salaries which are over one year will be paid over to Treasury.

3.5 Overpayment of Education Transfers to the District Councils in Kilimanjaro-Region (TShs.97,636,903)

We noted that a sum of TShs.1,973,888,556 was received by the Regional Administrative Secretariat from the Treasury DSM for onward disbursement to the District Councils as Educational Fund Transfers, Apparently RAS Kilimanjaro disbursed TShs.2,071,525,459 resulting in overpayment of TShs.97,636,903. No explanations have since been given.

Implication

More funds were issued than what was actually received for onward disbursement to the District Council's Education Fund.

Audit Recommendation

The Regional Secretariat management should recover the sum of TShs.97,636,903 overpaid to the councils or explain.

Management Response

The matter should be referred to Ministry of Finance who issued the funds.

Audit Comment

The Regional Secretariat should promptly take action on the matter to finality.

3.6 Questionable payments - TShs.120,982,115

Matters arising from examination of payment vouchers revealed doubtful and questionable expenditures incurred by the Regional Secretariat as follows:-

Serial No.	Description	Amount (TShs)	Remarks
1.	Purchases of 1 Toyota Hilux 2wd, single Cabin without budgetary provision	28,924,740	AQ.No.1 of 2004/2005 LPO No.4000145 of 8.12.2004 refers.
2.	Special imprest issued to an officer of the Secretariat without submitting expenditure/retirement details.	1,800,000	AQ.No.3 of 2004/2005 refers
3.	Payments to M/S. Swift Holdings of P.O. Box 2082 Arusha for extension services on 16 electricity faults of which after audit verification it transpired that there was no electricity faults as alleged.	1,716,000	AQ.No.4 of 2004/2005 refers
4.	Purchase of Toyota Land Cruiser, Station Wagon GX-C for the Regional Commissioner without budgetary provision during the year under review.	88,541,375	AQ.12 of 2004/2005 refers.
	Grand Total	120,982,115	

Audit Recommendation

- The Regional Secretariat management should trace and submit proper supporting documentation to audit for easy verification.
- The Regional Secretariat management should seek for retrospective approval in respect of motor vehicle purchased without budgetary provision.

Management Response

Action has been taken and replies to the queries are being prepared and they will be forwarded to Audit by 15/4/2006.

Audit Comment

The Regional Secretariat should ensure that the above queries are dealt with and recoveries made especially on payment made to M/S Swift Holdings who did not perform the work.

3.7 Operational performance Issues

Performance overview

The Accountant Generals guidelines for the preparation of annual final accounts stipulate that all MDA'S should comment on what has been achieved at each target level, when reporting the current year's performance.

However, a review of physical progress of activities performed by the Regional Secretariat as per performance report incorporated in the final accounts revealed the following:-

The performance report does not indicate/show planned strategic objectives, planned targets/goals, achieved targets and variances as directed in the ACCGEN's guideline.

Further, the format for presenting operational performance has not been followed as prescribed in the guideline.

Implication

Achievements for each target not known.

Audit Recommendation

- The Regional Secretariat Management should comment what has been achieved at the target level.
- The Regional Secretariat Management should follow the prescribed format when preparing the performance report.

Management Response

The anomaly has been noted and care will be taken on preparation of Final Accounts for 2005/2006.

Audit Comment

Noted for verification of the action taken on this irregularity.

3.8 Audit Committee and Internal Audit

The Public Finance Regulation (2001) sections 28,30,32 stipulate that an Accounting Officer shall establish an effective Internal Audit Service Unit for which he is responsible and may be advised by the permanent Secretary to establish an audit Committee.

In view of the above, during the year under review (2004/2005) we attempted to evaluate effectiveness of Internal Audit and Audit Committee services respectively and ascertain any work carried out on which we could place reliance.

We observed that there was no evidence of either Internal Audit or Audit Committee reports on which we could place reliance.

Further, there was no evidence to show or indicate that the Internal Audit existed due to the fact that the Regional Secretariat has not engaged any Internal Audit Staff, despite the requirement and need.

Audit Recommendation

Regional Secretariat should ensure that internal committee and internal audit units are established and functional as per Public Finance Regulation sections 28,30 and 32 respectively.

Management Response

Although the Regional Secretariat does not have Internal Audit Service Unit we have devised a system in which the Regional accountant go through all payment above 100,000/- from Warrant Holders to confirm they adhere to Public Finance Act and its Regulations.

Audit Comment

The Regional Secretariat should ensure that the Internal Audit Service Unit is established regardless or the Internal System devised by the Region to check all payments.

4.0 CONCLUSION

The detailed audit findings presented above have been communicated to management of the Regional Administrative Secretary during exit meeting. The Management 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 cooperation given to the audit team. It is my hope that such good working relationships will be extended during future audits.

Dr. Frank Moses Hiza Mhilu

Ag: CONTROLLER AND AUDITOR GENERAL

Copy to:- The Chief Secretary,
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Dodoma

**ORGANIZATION STRUCTURE
REGIONAL SECRETARIAT - KILIMANJARO**

