



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

**MANAGEMENT LETTER ON THE FINANCIAL STATEMENTS OF
RUKWA REGIONAL SECRETARIAT (VOTE 89) FOR THE
YEAR ENDED 30TH JUNE, 2016**

Controller and Auditor General,
National Audit Office,
16 Samora Machel Avenue,
P.O. Box 9080,
11101 DAR ES SALAAM.
Tel: 255 (022) 2115157/8,
Fax: 255 (022) 2117527,
E-mail ocag@nao.go.tz
Website: www.nao.go.tz

March, 2017

ML/CG. VT. 89/2015/2016



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



The Controller and Auditor General, National Audit Office, 16 Samora Machel Avenue, P.O. Box 9080, 11101 DAR ES SALAAM. Telegram: "Ukaguzi", Telephone: 255(022)2115157/8, Fax: 255 (022)2117527, E-mail: ocag@nao.go.tz, Website: www.nao.go.tz

Ref: ML/VOTE 89/2015/2016

March, 2017

The Accounting Officer,
Rukwa Regional Secretariat,
P. O. Box 128.
RUKWA

**Management Letter on the Financial Statements of Rukwa Regional
Secretariat for the Year Ended 30th June, 2016**

We have completed the audit of Rukwa Regional Secretariat for the year ended 30th June, 2016 and we are pleased to forward to you this Management Letter as per the requirement of Reg. 86 (1) of the Public Audit Regulations of 2009.

This Management Letter serves to bring to your attention the observations and recommendations made during the audit for action. The detailed audit findings presented in this Management Letter were communicated to the management of Rukwa Regional Secretariat during the exit meeting held on 3rd November, 2016 in which the findings were discussed and agreed upon. Management responses have been considered in preparing this Management Letter. During the audit, we also reviewed internal control systems of the Regional Secretariat and conducted relevant audit procedures to obtain reasonable assurance that internal controls within the Regional Secretariat are adequate.

It is our expectation that, management of the Rukwa Regional Secretariat has procedures in place to take appropriate actions in respect of the audit findings and recommendations raised in this Management Letter. We will appreciate to receive written responses and action taken on the observations and recommendations contained herein within 21 days in accordance with the requirements of Reg.93 of the Public Audit Regulations of 2009.

We further wish to express our appreciation to the management of the Rukwa Regional Secretariat for the co-operation and assistance extended to the audit team during the course of audit.

Jasper N.S. Mero
For: CONTROLLER AND AUDITOR GENERAL

cc: The Chief Secretary,
State House,
1 Barack Obama Road
P.O. Box 9120,
11400 DAR ES SALAAM

Permanent Secretary and Paymaster General,
Ministry of Finance and Planning,
1 Madaraka Street
P.O. Box 9111,
11468 DAR ES SALAAM

Permanent Secretary,
President's Office - Regional Administration and Local Government,
P.O. Box 1923,
DODOMA

TABLE OF CONTENTS

| | |
|---|------|
| LIST OF TABLES..... | vi |
| LIST OF APPENDICES | vii |
| DEFINITION OF TERMS, ABBREVIATIONS AND LIST OF TABLES | viii |
| SUMMARY..... | 1 |
| 1.0 STATUS OF THE PRIOR YEARS' AUDIT RECOMMENDATIONS AND PAC DIRECTIVES . | 8 |
| 2.0 CURRENT YEAR'S AUDIT FINDINGS AND RECOMMENDATIONS..... | 9 |
| 3.0 ACKNOWLEDGEMENT | 61 |
| 4.0 APPENDENCES | 62 |

LIST OF TABLES

| | Pages |
|--|-------|
| Table 1: Implementation Status of Prior Year Audit Recommendations | 8 |
| Table 2: Trend of the Recurrent Grants Received | 9 |
| Table 3: Trend of Development Grants Received | 10 |
| Table 4: Trend of Revenue Collection | 10 |
| Table 5: Trend of Financial Performance on Supply Vote Account..... | 11 |
| Table 6: Trend of Financial Performance on the Development Vote | 11 |
| Table 7: Long outstanding payables - age analysis | 14 |
| Table 8: Outstanding Items in Bank Reconciliation Statements | 15 |
| Table 9: Disclosure of Inventory balances noted to differ from Schedules: | 17 |
| Table 10: Inconsistent in Disclosure of Taxpayers Fund | 18 |
| Table 11: Different Disclosure of Property, Plant and Equipment | 19 |
| Table 12: Different Disclosure of Exchequer Revenue | 19 |
| Table 13: Cash Flows Transactions without Analysis | 20 |
| Table 14: Details of Pending Litigation | 21 |
| Table 15: Grounded Motor Cycles and Motor Vehicles | 23 |
| Table 16: Fuel Procured through Imprest not Recorded in Vehicles' Log Books. | 25 |
| Table 17: Employees Claims | 27 |
| Table 18: Salaries Paid to Non-Existing Employees | 28 |
| Table 19: Deductions Remitted to Various Institutions for Employees who are no Longer in Public Service | 29 |
| Table 20: A sample of Payment Vouchers Signed by Unauthorized Payment Officers | 37 |
| Table 21: Payment Vouchers of Recurrent Account not Pre Audited | 40 |
| Table 22: Payments to Suppliers not in the Regional Secretariat's List of Liabilities. | 42 |
| Table 23: Fuel Issued Above the Motor Vehicle Capacity | 43 |
| Table 24: Weakness noted in Recording of Fuels in Stores Ledger | 43 |
| Table 25: Disagreement between Store Ledgers and Log Books by 418 Litres of diesel | 44 |
| Table 26: Missing Acknowledgement Receipt for Exchequer Issue Notifications to LGAs via the Secretariat..... | 45 |
| Table 27: Funds Borrowed from the Deposit Account No Refunded..... | 47 |
| Table 28: List of Missing Payment Vouchers | 48 |
| Table 29: Outstanding Imprests | 50 |
| Table 30: Late Retirement of Imprest | 51 |
| Table 31: Funds Borrowed from the Cost Sharing Account not Refunded | 59 |
| Table 32: Procurement of Medical Supplies without out of Stock | 60 |

LIST OF APPENDICES

| | Pages |
|---|-------|
| Appendix I: Implementation status of prior year audit recommendations | 62 |
| Appendix II: Status of implementation of PAC Directives..... | 82 |
| Appendix III: Deficiency in record Management System | 83 |
| Appendix IV: Payment vouchers paid without being authorized | 88 |
| Appendix V: Payments made to suppliers not supported by fiscal receipts..... | 92 |
| Appendix VI: Payment vouchers made without being authorized | 93 |
| Appendix VII: Expenditure incurred contrary to the Health Services Fund guideline.. | 95 |

DEFINITION OF TERMS, ABBREVIATIONS AND LIST OF TABLES

(i) Definition of Terms

Financial statements comprise of the following:

- (a) Statement of Financial Position;
- (b) Statement of Financial Performance;
- (c) Statement of Changes in Net Assets/Equity;
- (d) Cash Flow Statement;
- (e) Statement of Comparison of Budget and Actual Amounts; and
- (f) Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Notes.

(ii) Abbreviations

| | |
|-----------------|---|
| IPSAS | International Public Sector Accounting Standards |
| ISSAI | International Standards of Supreme Audit Institutions |
| MDA | Ministries, Departments and Agencies |
| PFA | Public Finance Act, 2001 (Revised 2004) |
| PFR | Public Finance Regulations, 2001 |
| PPA | Public Procurement Act No. 7 of 2011 |
| PPR | Public Procurement Regulations, 2013 |
| Regs. | Regulation |
| RS | Regional Secretariat |
| Sect(s). | Sections |

SUMMARY

Mandate, Scope and Methodology

We have completed the audit of the operations and accounts of Rukwa Regional Secretariat for the financial year ended 30th June, 2016. Our audit was conducted in accordance with the requirement of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (Revised 2005) and Sect.10 of the Public Audit Act No. 11 of 2008 as well as the International Standards of Supreme Audit Institutions.

The audit was conducted in order to form an opinion as to whether the Financial Statements were prepared in accordance with the International Public Sector Accounting Standards (IPSAS). In addition, our audit complied with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This included review of the internal controls, accounting systems and procedures to the extent that we considered necessary for the effective performance of our audit. Specific attention was placed on accountability of revenues collected/received, expenditures and related transactions and operations.

Our findings should not be regarded as representing a comprehensive statement of all the weaknesses which exist in the financial and management systems, or as identifying all improvements which could be made to the systems and procedures that were in operation at the RS.

Implementation Status of the Previous Year's Audit Recommendations

We reviewed the progress made in implementing the previous year's recommendations and noted that, out of recommendations made, eighteen (18) recommendations which is equivalent to 30% were fully implemented, while 6 recommendations which is equivalent to 9% were under implementation, and 37 recommendations which is equivalent to 61% were not implemented at all.

Summary of the Current Year's Key Audit Findings

We identified issues which need management consideration to enhance the effectiveness of Rukwa Regional Secretariat operations. The identified issues have been ranked as high, medium or low, based on their significance.

| Paragraph No. | Summary of the Audit Findings and Recommendations | Rating ¹ (High, Medium, Low) | Agreed Implementation Date (not more than two years) |
|---------------|---|--|---|
| 2.2.1 | <p>Progress in the Implementation of IPSAS Accrual Basis of Accounting The Central Government migrated from IPSAS cash basis of accounting to IPSAS accrual from 1st July 2012 and produced its first time IPSAS accrual compliant financial statements as at 30 June 2013.</p> <p>The Regional Secretariat is advised to ensure that Financial Statements are prepared in compliance to prescribed IPSAS requirements.</p> | High | Year |
| 2.2.2 | <p>Long Outstanding Accounts Payable As at 30 June 2016, Rukwa Regional Administrative Secretariat had an outstanding accounts payable balance of TZS 1,804,166,537.</p> <p>The Regional Secretariat's management should review its credit policy and ensure that liabilities are timely settled to avoid unnecessary penalties and potential reputation risk.</p> | High | Year |
| 2.2.4 | <p>Non-disclosure of Development Grant Received out of Exchequer Issues TZS 2,202,821,466. Commentary in the Financial Statements for the year ended 30th June, 2016 shows that, during the financial year under review, Rukwa Regional Secretariat received TZS 2,202,821,466, in</p> | High | Month |

¹ High: Issues which needs to be addressed on urgent basis (such as repeated findings, fraud issues, internal control, etc.).

Medium: Issues which needs to be addressed at the first available opportunity.

Low : Issues which have little impact on the operations but considered industry best practice if implemented

| | | | |
|-------|---|--------|-------|
| | <p>development funds as payment by third parties. However, there was no disclosure for such receipt, in the financial statements</p> <p>Disclosure of revenue from all sources and related expenditures should be made in the financial statements to determine the appropriate performance and financial position of the entity, during the year under review.</p> | | |
| 2.2.5 | <p>Irregular Disclosure of Inventories in Comparison to its Supporting Schedules</p> <p>Disclosure of Inventory balances have been noted to differs. In Note 52 for Inventories, the balance is TZS 170,354,720.00, while stock taking sheets have grand total balance of TZS 115,228,294.67.</p> <p>Financial statements should be adjusted to incorporate proper disclosure of Inventories, justified and supported by appropriate supporting Schedules.</p> | Medium | Month |
| 2.2.6 | <p>Irregular Disclosure noted in the Financial Statements</p> <p>Some irregular disclosures have been noted in financial statements, involving inconsistency in disclosure, omission and others</p> <p>The management is advised to revise the submitted Financial Statements by incorporating suitable disclosures which are supported by appropriate notes and Schedules.</p> | High | Month |
| 2.3.1 | <p>Outstanding Litigation Claims not Disclosed in the Financial Statements</p> <p>During the year under audit, we noted that the Regional Secretariat had one legal claim amounting to TZS 50,000,000. However, the entity did not make provision or disclosure notes (contingent liability or contingent assets).</p> <p>It is recommended to the Management to disclose these matters in the financial statements appropriately.</p> | Medium | Month |

| | | | |
|-------|---|--------|-------|
| 2.5.1 | <p>Irregularities noted on the Call off Order Contracts Agreement between Regional Administrative Secretary and M/s Amazon 12 Group Co. Ltd.</p> <p>The Regional Secretariat Management is advised to review the contract for security provision at Rukwa Referral Hospital by including important conditions mentioned in our observation.</p> | | |
| 2.5.2 | <p>Fuel procured through Imprest not Recorded in Vehicles' Logbooks worth TZS 5,266,762</p> <p>The management is advised to ensure that all fuel issued or procured is recorded in the appropriate vehicles' log books.</p> | Medium | Month |
| 2.6.1 | <p>Regional Secretariats' Employees claims accumulated to the tune of TZS 1,164,521,890</p> <p>The Regional Secretariat management is advised to make a close follow up with Treasury to ensure employees' claims are settled.</p> | High | Year |
| 2.6.2 | <p>Payments to Employees who are no Longer in Service TZS 2,756,903</p> <p>Management is advised to ensure that salaries paid in respect of retired and deceased staffs are recovered from their benefits.</p> | High | Year |
| 2.6.3 | <p>Deductions for Employees who are no Longer in Public Service Remitted to Various Institutions TZS 2,756,906</p> <p>Regional Secretariat in collaboration with Treasury should make follow up to the respective Institutions, for refund of deductions of employees who are no longer in public service. In future effective controls should be instituted by the government to prevent payment of deductions in respect of the employees who are no longer in public service.</p> | High | Year |
| 2.9.1 | Non - Performance of Fraud Assessment | | |

| | | | |
|--------|--|------|---------|
| | <ul style="list-style-type: none"> • RS to establish controls for mitigating risks of errors resulting from fraud and should put in place a mechanism for identifying and responding to fraud. • RS to take appropriate action to establish a documented and approved fraud prevention plan and to perform risk assessment on a regular basis. | High | Year |
| 2.9.2 | <p>Deficiency in Records Management System TZS. 79,159,248</p> <p>Management of Rukwa Regional Secretariat need to take appropriate measures towards curbing the problem of missing supporting documents by maintaining a robust records management system for easy tracing and complying with laws and regulations governing management of records.</p> | High | 2 month |
| 2.9.3 | <p>Payment Vouchers paid without being Authorized TZS 14,254,512.30</p> <p>The Regional secretariat management is advised to strengthen internal control system and make sure that all payment vouchers are authorized by responsible officers before effecting payments.</p> | High | Month |
| 2.9.4 | <p>Payment Vouchers not Signed or Authorized TZS 19,747,410</p> <p>The Regional Secretariat management is advised to strengthen its internal control system which will ensure all payment vouchers are authorized by responsible officers before effecting payments.</p> | High | Month |
| 2.9.7 | <p>Payments to Suppliers not in the Regional Secretariat's list of Liabilities TZS. 5,689,690</p> <p>The Regional Secretariat is advised to record and disclose in financial statements all debts that remain unsettled at the end of each financial year, in order to justify their future settlement.</p> | High | Month |
| 2.11.1 | <p>Missing Acknowledgement Receipt for Exchequer Issue Notifications TZS 74,251,961,931.83</p> <p>The Regional Secretariat management is advised to</p> | High | Month |

| | | | |
|--------|---|--------|-------|
| | ensure that all Exchequer Issue Notification of Warrant of Funds for projects and other activities are receipted. | | |
| 2.11.2 | Un-refunded Amount Borrowed from the Deposit Account TZS 21,325,324.16 The Regional Secretariat management is urged to ensure that borrowed funds are refunded to the miscellaneous deposit account as soon as recurrent funds are disbursed. | High | Year |
| 2.12.1 | Missing Payment Vouchers TZS 5,930,000 Management should trace and submit the missing payment vouchers for audit verification. Further, accounting internal control system should be strengthened. | High | Month |
| 2.12.2 | Payments made to Suppliers not Supported by Electronic Fiscal Devices (EFD's) Receipts TZS 13,397,000. The Regional Secretariat management is advised to obtain EFD receipts on payments made to Suppliers for goods/service rendered. | High | Month |
| 2.13.2 | Late Retirement of Imprests TZS. 6,959,600 Management is advised to ensure that imprests issued are retired within 14 days after completion of the intended activities. For late retired imprest, a surcharge of 5% should be imposed on the imprest holder, on retirement. | Medium | Month |
| 2.14.1 | Delay in Completion of Construction of Government Leaders Residential houses TZS 525,818,961 The Regional Secretariat management is urged to enhance efforts in supervision that will ensure prompt implementation and completion of the Project. The Regional Secretariat management should liaise with Permanent Secretary PO-RALG to make sure that, the required funds for completion are released. | High | Year |
| 2.15.2 | Payment Made without being Authorized TZS 108,363,444.60 | High | Month |

| | | | |
|--------|---|--------|-------|
| | The Regional Secretariat management is advised to strengthen its internal control system and make sure that, all payment vouchers are authorized by responsible officers before payments are effected. | | |
| 2.15.3 | <p>Cost Sharing Fund Incurred to defray unrelated Expenditure Contrary to Health Services Fund Guideline TZS 80,661,099</p> <p>The Regional Hospital management is required to comply with the Health Services Fund guideline of December 1997 second edition, on how to utilize cost sharing fund.</p> | Medium | Month |
| 2.15.5 | <p>Procurement of Medical Supplies from Private Shops without obtaining out of Stock List from Medical Stores Department TZS 9,652,020</p> <p>The management is advised to ensure that procurement of Hospital Equipment for Regional Hospital is strictly made through MSD and where required facilities are out of stock, justification for procuring elsewhere should be facilitated by MSD</p> | Medium | Month |

1.0 STATUS OF THE PRIOR YEARS' AUDIT RECOMMENDATIONS AND PAC DIRECTIVES

1.1 Implementation Status of Audit Recommendations

The implementation status of prior year audit recommendations is as summarized in table 1 below:

Table 1: Implementation Status of Prior Year Audit Recommendations

| Status | High Priority ² | Medium Priority ³ | Low Priority ⁴ | Total |
|----------------------|----------------------------|------------------------------|---------------------------|------------|
| | No | No. | No. | % |
| Implemented | 18 | | | 30 |
| Under implementation | 6 | | | 9 |
| Not Implemented | 37 | | | 61 |
| Overtaken by events | 0 | | | 0 |
| Total | 61 | | | 100 |

Generally, the implementation status is not satisfactory owing to the inadequate management follow-up to address the outstanding audit recommendations. In this regard, management is advised to implement outstanding audit recommendations. Detailed status of the implementation of these recommendations is shown in **Appendix I**.

1.2 Implementation Status of PAC Directives

During the PAC session(s) which was held on 28/04/2015 in Dar es Salaam two (2) directives were issued to the management of Rukwa Secretariat, for implementation. Currently one (1) directive has been fully implemented and one (1) directive is still under implementation as attached in **Appendix II**.

² Higher priority: Issues rated high in the previous year audit

³ Medium priority: Issues rated medium in the previous year audit

⁴ Low Priority: Issues rated low in the previous year audit

2.0 CURRENT YEAR'S AUDIT FINDINGS AND RECOMMENDATIONS

2.1 Review of Financial Performance

Activities of Rukwa Regional Secretariat are financed mainly by grants (Recurrent and Development) from Treasury and other receipts. The approved budget for 2015/16 for Rukwa Regional Secretariat was TZS 14,263,360,419, of which TZS 12,309,452,118.46 (86 Percent) was received. The financial performance for the year 2015/16 was as follows:

2.1.1 Revenue

2.1.1.1 Exchequer Issues (Supply Vote)

During the financial year 2015/16, Rukwa Regional Secretariat received recurrent grants of TZS 6,201,595,460 against the approved estimates of TZS 7,428,501,000, thus resulting into under releases of TZS 1,226,905,540 equivalent to 17%. Out of the exchequer issues received, TZS 1,017,234,000 was for OC while TZS 5,184,361,460 was for personal emoluments. Trend of the recurrent grants received for the past four years is as follows:

Table 2: Trend of the Recurrent Grants Received

| Financial Year | Approved Estimates TZS | Actual Released TZS | Under/over release TZS | Percentage (%) |
|----------------|------------------------|---------------------|------------------------|----------------|
| 2015/2016 | 7,428,501,000 | 6,201,595,460 | (1,226,905,540) | 17 |
| 2014/2015 | 7,404,181,234 | 6,115,743,582 | (1,288,437,652) | 17 |
| 2013/2012 | 6,044,479,794 | 5,623,172,183 | (421,307,611) | 7 |
| 2012/2011 | 5,956,749,662 | 5,291,800,572 | (664,949,090) | 11 |

From the table above, it can be noted that, there was under release of TZS 1,226,905,540 equivalent to 17%.

2.1.1.2 Exchequer Issues (Development vote)

During the financial year 2015/16, the Rukwa Regional Secretariat received development exchequer issues of TZS 501,483,975 against the approved estimates of TZS 1,199,478,419 resulting into under release of TZS 697,994,444, equivalent to 58%.

Trend of the development grants received for the past four years is as follows:

Table 3: Trend of Development Grants Received

| Financial Year | Approved Estimates TZS | Actual Released TZS | Under/over release TZS | Percentage (%) |
|----------------|------------------------|---------------------|------------------------|----------------|
| 2015/2016 | 1,199,478,419 | 501,483,975 | (697,994,444) | 58 |
| 2014/2015 | 1,430,666,000 | 910,002,679 | (520,663,321) | 36 |
| 2013/2014 | 1,329,362,000 | 728,245,310 | (601,116,690) | 45 |
| 2012/2013 | 622,241,415 | 608,021,720 | (14,219,695) | 2 |

From the table above, it can be noted that, there was under release of TZS 697,994,444 Equivalent to 58%.

2.1.1.3 Non-Tax Revenues

An amount of TZS 5,606,372,683.46 was collected from various own sources of revenue including recovery of Public funds and Rent of Government houses against the approved estimates of TZS 5,635,381,000, resulting into under collection of TZS 29,008,316.54 (1%).

Trend of revenue collection for Rukwa Regional Secretariat for the period of four years consecutively from 2012/13 to 2015/16 is as summarized below:

Table 4: Trend of Revenue Collection

| Financial Year | Approved Estimates TZS | Actual Collections TZS | Under/ Over Collections TZS | Percentage (Under/Over Collections) |
|----------------|------------------------|------------------------|-----------------------------|-------------------------------------|
| 2015/16 | 5,635,381,000 | 5,606,372,683 | (29,008,316) | 1 |
| 2014/15 | 5,084,684,000 | 3,514,381,479 | (1,570,302,521) | 31 |
| 2013/14 | 734,000 | 1,813,178 | 1,079,178 | 100+ |
| 2012/13 | 371,248 | 17,040,531 | 16,667,283 | 100+ |

Cause

The approved budget reflected the ability of the Regional Secretariat to plan and collect non -Tax revenue.

Recommendation 1

The Regional administrative Secretariat is advised to expand its Non - Tax revenue bases which in turn will enhance revenue collections from its own source.

2.1.2 Expenditure

2.1.2.1 Supply Vote Account (Out turn)

The table below shows a trend of financial performance overview of the Rukwa Regional Secretariat on the Supply Vote Account for the four consecutive years from 2012/13 to 2015/16:

Table 5: Trend of Financial Performance on Supply Vote Account

| Financial Year | Exchequer Issues received (TZS) | Actual Expenditure (TZS) | Under/ Over expenditure (TZS) | Percentage (%) |
|-----------------------|--|---------------------------------|--------------------------------------|-----------------------|
| 2015/16 | 6,201,595,460 | 6,200,254,300 | 1,341,160 | 0.02 |
| 2014/15 | 6,115,743,582 | 6,109,585,822 | 6,157,760 | 0.1 |
| 2013/12 | 5,623,172,183 | 5,580,570,360 | 42,601,823 | 0.8 |
| 2012/13 | 5,291,800,572 | 5,286,281,893 | 5,518,679 | 0.1 |

From the table above, it can be noted that, there was under expenditure by TZS 1,341,160 equivalent to 0.02%.

2.1.2.2 Development Vote Account

The table below shows the trend of financial performance overview of the Rukwa Regional Secretariat on the Development Vote Account for the four consecutive years from 2012/13 to 2015/16:

Table 6: Trend of Financial Performance on the Development Vote

| Financial Year | Exchequer Issues received (TZS) | Actual Expenditure (TZS) | Under/ Over expenditure (TZS) | Percentage (%) |
|-----------------------|--|---------------------------------|--------------------------------------|-----------------------|
| 2015/16 | 501,483,975 | 498,682,334 | 2,801,641 | 0.6 |
| 2014/15 | 910,002,679 | 909,541,503 | 461,176 | 0.05 |
| 2013/14 | 728,245,310 | 728,049,549 | 195,761 | 0.03 |
| 2012/13 | 608,021,720 | 601,646,058 | 6,375,662 | 1.0 |

From the table above, it can be noted that, there was under expenditure of development funds by TZS 2,801,641 equivalent to 0.6%.

Causes

The Treasury did not release the approved recurrent grants amounting to TZS 1,226,905,540 and development grants amounting to TZS 697,994,444 due to excessive Government expenditures as compared to revenue collections. The entity' spending was limited to the amount of funds released.

Implications

- Some planned Recurrent and Development activities were either partially or not implemented.
- The Regional Secretariat may end up with excessive payables, resulting from inability to meet its obligations, when they fall due, especially creditors' claims.

Recommendation 2

We recommend to the management to include all outstanding amounts due to its suppliers and other creditors in the forthcoming budget, while making efforts to ensure that the current approved estimates are released, to enhance its ability to discharge its obligations.

2.2 Issues Arising from the Audit of Financial Statements

2.2.1 Progress on the Implementation of IPSAS Accrual Basis of Accounting

The Central Government migrated from IPSAS cash basis of accounting to IPSAS accrual from 1st July 2012 and produced its first time IPSAS accrual compliant financial statements as at 30 June 2013.

We reviewed IPSAS implementation roadmap and the accounting policies and noted that while good progress has been made by Rukwa Regional Administrative Secretariat to the most of its planned activities for IPSAS implementation, we noted weaknesses on the following areas;

- Slow implementation of the transition provisions adopted within the specified time
- Lack of IPSAS accrual related trainings
- Non Preparations/updating of assets register
- Non valuation of its assets

- Non Identification of creditors and debtors
- Non valuation of inventories

Cause

Gradual adoption of IPSAS compliant financial Statements and disclosure

Implication

Financial statements might not be IPSAS compliant due to incomplete disclosures.

Recommendation 3

The Regional Secretariat is advised to ensure that Financial Statements are prepared in compliance to prescribed IPSAS requirements.

Management Response

RS Rukwa management is still undertaking valuation exercise and up to the date of this audit, we have valued Regional Hospital, Regional Offices head office, 11 AAS'S Residence, Sumbawanga State House, Sumbawanga District Commissioners' Office and Residence, 7 division officers' offices that is Kasanga, Matai, Mpui, Kipeta, Mtowisa, Mwimbi and Kirando and 14 bare plots (8 in Kalambo and 6 in Sumbawanga Municipal) owned by the Regional Administrative Secretary.

Audit comment

The Management progress made to date in ensuring compliance with IPSAS requirements is appreciated; however a complete valuation report is awaited for verification.

2.2.2 Long outstanding Accounts Payable

As of 30 June 2016, Rukwa Regional Administrative Secretariat had an outstanding accounts payable balance of TZS 1,804,166,537. The aging analysis indicated that TZS 921,375,592 (51 Percent) were outstanding for the periods up to 12 months while TZS 882,790,945 (49 Percent) were outstanding for more than 12 months. We are concerned with liquidity of Rukwa Regional Administrative Secretariat as failure to discharge its obligations as they fall due affects its future plans and reputation.

Table 7: Long outstanding payables - age analysis

| Range | Financial year ended 30 June 2016 | | Financial year ended 30 June 2015 | |
|---------------------|--------------------------------------|------------|--------------------------------------|------------|
| | Amount TZS | Percentage | Amount TZS | Percentage |
| Within 12 months | 921,375,592 | 51 | 587,831,460 | 62 |
| More than 12 months | 882,790,945 | 49 | 360,474,786 | 38 |
| Total | 1,804,166,537 | 100 | 948,306,246 | 100 |

Source: Based on the data of the financial statements

Cause

The Regional Secretariat has inadequate financial ability to settle its liabilities as they fall due.

Implication

The Regional Secretariat may lose its credit worthiness to service providers. In addition, reluctance in settling debts on time may result into litigations, which may subject the Regional Secretariat into fines and penalties.

Recommendation 4

The Regional Secretariat's management should review its credit policy and ensure that liabilities are timely settled to avoid unnecessary penalties.

Management Response

We agree with the auditor's recommendation to review RS credit policy. However, in the financial year 2014/2015, we received funds TZS.197,172,682.00 from Treasury to settle some of the liabilities and also in financial year 2016/2017, we received TZS.335,033,497 for the same purpose, through letter Ref. HD.142/604/03/230 of 25 October, 2016 and Exchequer no. EB/AG/159/16/0477 of 08/11/2016 submitted for your audit verification.

Audit Comment

The revised credit policy and payments details for outstanding liabilities are awaited for verification.

2.2.3 Outstanding Items in Bank Reconciliation Statements

During the year under audit, some outstanding items were noted in the bank reconciliation statements of Rukwa Regional Secretariat.

The bank reconciliation statements as at 30th June, 2016 submitted with final financial statements reflected the following outstanding issues:-

Table 8: Outstanding Items in Bank Reconciliation Statements

| Account | Un presented cheques TZS | Receipt in Bank not in cash book TZS | Stale Cheque TZS | Payment in cash book (Except un-presented cheque) TZS | Payment in bank not in cash book TZS | Receipt in cash not in Bank TZS |
|-------------------|--------------------------|--------------------------------------|------------------|---|--------------------------------------|---------------------------------|
| CSP Recurrent | 160,000 | 1,108,191,500.51 | 148,291,752.66 | 148,698,477.06 | 460,512,134.19 | 964,640,036.38 |
| CSP Development | 0.00 | 86,187,289.90 | 0.00 | 192,761.00 | 111,893,049.94 | 4.26 |
| CSP Misc. Deposit | 8,242,975 | 68,123,279.71 | 0.00 | 59,784.00 | 10,342,975.00 | 147,968,563.35 |

Cause

Delay in completion of banking transactions.

Implications

- Lack of proper follow-up of reconciliation between bank statements and cash book records may lead to concealment of frauds and bank errors.
- Uncompleted Banking transactions could mislead users of the financial statements as far as the balance in the Council's Bank Accounts at the financial year end is concerned.

Recommendation 5

The Secretariat management should take appropriate actions to clear the outstanding items in the bank reconciliation statements.

Management Response

The submitted bank reconciliation was prepared by Rukwa Sub Treasury. It includes all Regional Votes. So, the outstanding items do not involve only Regional Secretariat transactions. The sub Treasury did not provide us with the details which can assist us prepare our statements.

Audit Comment

The Regional Secretariat should collaborate with the Sub Treasury, so as to identify items that relate to the Regional Secretariat to facilitate ease preparation of bank reconciliation Statement for RS Rukwa banking transactions.

2.2.4 Non-Disclosure of Development Grant Received out of Exchequer issue TZS 2,202,821,466

Financial Statements for the year ended 30th June, 2016 showed that, during year under review, Rukwa Regional Secretariat received development funds TZS 2,721,079,388, as payment by third parties; out of which Rukwa Regional Referral Hospital received TZS 2,202,821,466.50 as Health support for HIV/AIDS from PEPFAR (Henry M. Jackson Foundation) and TZS 518,257,922 was received from World Bank for renovation of Warehouse at Kalambo District Council. However, there has been no disclosure of TZS 2,202,821,466 in financial statements (Refer: Commentary No. 4 page 15 of the revised financial Statements for the year ended 30th June, 2016, titled payment by third party).

Cause

Inadequate disclosure in the financial statements

Implication

Financial statements may not reflect a true and fair view of the Regional Secretariat's operations during the financial year under review.

Recommendation 6

- Disclosure of revenue from all sources and related expenditures should be made in the financial statements to show performance and financial position of the RS during the year under review.
- Financial statements should be adjusted to incorporate undisclosed details of Revenue and related expenditures

Management Response

We agree with the audit findings that Rukwa Regional Secretariat received TZS. 2,721,079,388 in the financial year 2015/2016 as Development funds from third parties in which TZS 518,257,922 was accounted for through dummy voucher against exchequer with ref. No.089/RW/1143/2015/2016 of 30-June-2016 and Release warrant No.1143 of 2015/2016 for renovation of warehouses in Kalambo District and the fund was budgeted under LGCDG project, and TZS. 2,202,821,466 was accounted for by the Ministry of Health,

Community Development, Gender, Elderly and Children and we disclosed in Revised Financial Statements of 2015/2016 Para 4.0 on page 15.

Audit comment

- There was no evidence submitted to justify that the TZS. 2,202,821,466 were accounted for by the Ministry of Health, Community Development, Gender, Elderly and Children. As such, financial statements for RAS Rukwa were understated by TZS 2,202,821,466
- Disclosure was supposed to be made in the financial Statements of beneficiary of those funds.
- Note: IPSAS1 states clearly that, assistance received from NGOs, whether in the form of cash donations or third party settlements, will be presented in the financial statements and disclosed by way of notes in accordance with the requirements of Sections 1.1 to 1.9 of Part 1 of this Standard. Also, this matter has reference to IPSAS 23 Par 44 and 106 on disclosure of Revenue from exchange transactions.

2.2.5 Irregular Disclosure of Inventories in Comparison to its Supporting Schedules

Disclosure of Inventory balances have been noted to differ. Inventories balance as per Note 52 was TZS 170,354,720 while grand total as per stock taking sheets was TZS 115,228,294.67. The referred difference (in disclosure) of TZS 115,228,294.67 arose out of the following transactions:

Table 9: Disclosure of Inventory balances noted to differ from Schedules:

| Items | Stock Taking Sheets TZS |
|--|----------------------------|
| Stationery and Equipment - RAS office | 34,345,405.00 |
| Stationery and Equipment - Regional Hospital | 52,857,837.00 |
| Pharmacy - Regional Hospital | 27,306,800.00 |
| DAS Nkasi | 322,860.00 |
| DAS Kalambo | 395,392.67 |
| Total | 115,228,294.67 |

| Items | Note 52 (For Inventory) TZS |
|--------------------|--------------------------------|
| Cleaning materials | 6,690,500.00 |
| Consumables | 11,814,000.00 |
| Medical Supplies | 94,009,600.00 |
| Stationery | 55,231,120.00 |
| Uniforms | 2,609,500.00 |
| Total | 170,354,720.00 |

Cause

Improper disclosure of Inventories in the financial statements.

Implication

Financial statements may not reflect true and fair view of the Regional Secretariat's operations during the financial year under review.

Recommendation 7

Financial statements should be adjusted to incorporate proper disclosure of Inventories, justified and supported by appropriate supporting Schedules.

Management Response

No response

2.2.6 Irregular Disclosure Noted in the Financial Statements

The following irregular disclosures were noted in the financial statements, involving inconsistency in disclosure, omission and other irregularities:

i) Tax - payers' fund

The following inconsistencies in disclosure of Taxpayers fund have been noted:

Table 10: Inconsistent in Disclosure of Taxpayers Fund

| Transaction | Statement of change in Net Assets/Equity for the year ended 30 June, 2016 TZ | Statement of change in Net Assets/Equity for the year ended 30 June, 2015 TZS | Note 90 TZS |
|-------------------------|---|--|------------------|
| Opening Taxpayers' fund | 8,759,427,155.79 | - | 5,412,721,083.84 |
| Opening Taxpayers' fund | - | 7,966,298,715.49 | 5,412,721,083.84 |

ii) Absence of Analysis on Taxpayers Funds Disclosed under Note 90

Taxpayers fund adjustment disclosed on Note 90 to the financial statements of TZS 2,285,952,663.22 for the financial year 2015/2016 and TZS 1,956,756,118.25 lacked analysis to facilitate their verification

iii) Lack of Analysis for Asset Adjustment Disclosed under Note 90

Assets adjustment by TZS 200,000,000 in both the financial years 2015/2016 and 2014/2015 lacked analysis to facilitate their verification.

iv) Irregular Disclosure of Property, Plant and Equipment

Disclosure of transactions falling under Property, Plant and Equipment was noted to differ as indicated below:

Table 11: Different Disclosure of Property, Plant and Equipment

| Transaction | Property, Plant and Equipment (Note 59) TZS | Movement schedule of Property, Plant and Equipment (Pg. 69) TZS |
|--------------------|--|--|
| Computer Equipment | 85,753,632 | 98,774,932 |
| Motor Vehicles | 2,802,018,603.97 | 2,982,018,603.97 |

v) Exchequer Revenue (Note 36)

There are inconsistencies in disclosure of Exchequer Revenue as analysed below:

Table 12: Different Disclosure of Exchequer Revenue

| Transaction | Note 36 (For Statement of Financial Performance) TZS | Statement of Vote Account TZS |
|--------------------------------|---|----------------------------------|
| Development Exchequer Received | 9,678,829,198.60 | 13,093,347,094.01 |
| Recurrent Exchequer Received | | 87,982,332,271.28 |
| OC | 86,003,334,595.79 | |
| PE | 5,184,361,460.00 | |
| Total | 100,866,525,254.39 | 101,075,679,365.29 |

vi) Other expenses (Note 41)

Prepayment adjustment of TZS 34,525,943 disclosed in the Statement of Financial Performance for the year ended 30th June, 2016 had no analysis to support it.

vii) Omission of notes in the Statement of Cash Flow for the Year Ended 30th June, 2016

According to IPSAS 1, a complete set of the financial statements should comprise Notes to the Financial Statements; however the submitted Cash Flow Statement for the year ended 30th June, 2016, did not have related notes and hence, rendering it incomplete.

Due to the lack of notes to the Cash Flow Statement for the year ended 30th June, 2016, the following transactions had no corresponding analysis:

Table 13: Cash Flows Transactions without Analysis

| Transaction | Amount (TZS) |
|---|-------------------|
| Other Receipts | 542,673,362.63 |
| Wages, salaries and employee benefits | 5,524,617,560.00 |
| Supplies and consumable goods | 1,065,263,820.74 |
| Current grants, Transfers and subsidies | 94,372,599,930.29 |
| Other payments | 534,232,736.63 |
| Routine maintenance and repair | 76,655,953.13 |
| Other expenses | 6,768,000.00 |
| Purchase/Construction of non - current Assets | 3,821,300.00 |

viii) Inconsistent Disclosure of Purchase/Construction of Non - Current Assets

Cash Flow Statement for the year ended 30th June, 2016, disclosed purchase/construction of non - current Assets, as being TZS 3,821,300. However, the schedule of movement of Property, Plant and Equipment showed that Non - current Assets acquired in the financial year 2015/2016 had a value of TZS 333,017,844.97, as additions of Property, Plant and Equipment.

Causes

- Irregular disclosure in the financial statements
- Financial statements submitted for audit purposes were inadequately reviewed by the management.

Implication

Improperly prepared Financial Statements may not reflect true and fair view of the Regional Secretariat's operations during the financial year under review.

Recommendation 8

The management is advised to revise the submitted Financial Statements by incorporating suitable disclosures which are supported by appropriate notes and Schedules.

Management Response

Audit recommendations are highly adhered. The financial Statement has been revised and currently the Cash Flow incorporates relevant disclosures

Audit Comment

Financial Statements disclosure should be elaborate and clear to enable better understanding by the users, who ultimately have to make correct decisions.

2.3 Litigation Claims

2.3.1 Pending Litigation Claims not Disclosed in the Financial Statements

Rukwa Regional Secretariat had one pending litigation claim amounting to TZS 50,000,000 during the year under review. However, the Secretariat did not disclose contingent liability in the notes to the financial statements. Related details of the pending litigation are as follow;

Table 14: Details of Pending Litigation

| Case No | Amount involved (TZS) | Description | Status of the Case |
|---------|-----------------------|---|---|
| 3/2009 | 50,000,000 | Mr. Jailos Sambwa Vs Attorney General, Chief Secretary of Ministry of Home Affairs, DED Sumbawanga District, RAS Rukwa and Mr Bahati Ngeleza Matala | Initially the case was ruled against RAS. However, RAS has appealed and the case is now at Mbeya High Court waiting to be decide. |

Cause

The Secretariat did not honour a decision by the court in anticipation that appealing might guarantee them victory.

Implication

The Secretariat is at a risk of having Contingent Liabilities resulting from the above case and might have future financial implications and hence an effect to the financial statements.

Recommendation 9

We recommend to the Management to:

- Make provision in the financial statements for the amount tied up in the pending court case;
- Enhance compliance with laws, rules and regulations in its operations to reduce the likelihood of occurrence of disputes that would end up in the court of law.
- Consider settlement of disputes amicably to alleviate risks of paying compensation, fines/penalties should the ruling comes out not in favour of the RS.

Management Response

- During tribunal the plaintiff Jailos Sobwa won his complaints against the Attorney General, Permanent Secretary, Ministry of Defence and the Regional Administrative Secretary Rukwa.
- Legally, all Compensation against the Government are normally settled by Treasury through Attorney General.
- The Regional Administrative Secretary is the third party defendant and the Contingent Liabilities lies to the Attorney General Chambers

Audit Comment

A copy of case judgment is awaited for audit verification.

2.4 Assets Management

2.4.1 One Motor Cycles and Six Motor Vehicles Grounded without Maintenance

Regulation 254 (1) of the Public Finance Regulations of 2001 makes clear that whenever it is considered that stores, vehicles, plant, or equipment reached the end of their useful life or are beyond economical repair or are unserviceable for any other reason or have become redundant through obsolescence, they must be retained until a sufficient quantity has accumulated to merit the convening of a Board of Condemnation to inspect and report on the items.

During the year under review we noted six (6) Motor Vehicles and one (1) motor cycle that were grounded for a long time. We noted further that there was no evidence of the Regional Secretariat having taken measures to dispose them off as stipulated in the aforementioned Regulations. A list of these items is in the Table 15 below;

Table 15: Grounded Motor Cycles and Motor Vehicles

| S/N | Motor Vehicle/Motor cycle | Registration Number | Department | Date/ Year Grounded | Reason for not Being in Operational |
|-----|---------------------------|---------------------|-------------------------------|---------------------|-------------------------------------|
| 1 | Nissan Diesel | STH 4585 | RS Office | January 2012 | Grounded at TEMESA Rukwa |
| 2 | Honda 110 Motor cycle | STJ 5493 | Kate Division Secretary Nkasi | | Grounded at Kate |
| 3 | Toyota Hard Top | STK 4741 | RS Office | October 2015 | Grounded at TEMESA-Njombe |
| 4 | Suzuki | DFP 4306 | RS Office | | Grounded at TEMESA Rukwa |
| 5 | Toyota Station Wagon | STL 642 | RS Office | March 2016 | Grounded at TEMESA Rukwa |
| 6 | Isuzu Injection | STH 5845 | RS office | 2013 | Ground at SUWASA - SUMBAWANGA |
| 7 | IVECO | STH 5610 | RS Office | 2013 | Ground at SUWASA - SUMBAWANGA |

Cause

System of asset management and disposal of assets at the Regional Secretariat has deficiencies.

Implication

Non-compliance with Regulation 254 of the Public Finance Regulation of 2001 regarding condemnation of assets hence parts of the grounded motor vehicles and motor cycles might be taken by dishonest employees.

Recommendation 10

Management is advised to ensure that all grounded motor vehicles and motor cycles are either repaired or disposed-off.

Management Response

The motor vehicles and Motor Cycles will be included into 2017/2018 Annual Procurement Plan for Disposal.

Audit Comment

Planned disposal procedures are awaited for audit verification.

2.5 Procurement and Contract Management

We reviewed Rukwa Regional Secretariat procurement process including planning, choice of procedures, measures to solicit offers from tenderers, examination and evaluation of those offers, award of contract and contract management and noted the following shortcomings:

2.5.1 Irregularities Noted on the Call off Order Contracts agreement between Regional Administrative Secretary and M/s Amazon 12 Group Co. Ltd

During the year under review, Rukwa Region Secretariat entered into a contract with M/s Amazon 12 Group Co. Ltd for provision of security services at Sumbawanga Referral Hospital. The service provider agreed to provide services at the rate of TZS 280,000 per firearm guard and TZS 200,000 per armless guard per month.

Audit scrutiny of the contract noted the following weakness which needs to be rectified:

- The contract does not mention the number of guards who will be available at the client's premises per day and night as the basis for payments.
- The contract does not mention the duration of the contract (end date of the contract is not mentioned in the agreement).
- The attendance register for the guards was not provided during the audit to justify payment of the services rendered.

Cause

Contract for security provision at Rukwa Referral Hospital was not properly framed and hence important conditions were not included in the agreement.

Implications

- In the absence of specific terms of contract, contract for provision of security services at Rukwa Referral Hospital lacks the minimum requirements for its legality.
- Follow up and evaluation of proper implementation of the contract might be difficult.

Recommendation 11

The Regional Secretariat Management is advised to review the contract for security provision at Rukwa Referral Hospital by including important conditions mentioned in our above observation.

Management Response

The contract to provide security services is between the Regional Secretariat and the M/s Amazon 12 group Co Ltd of which as an expatriate to provide security services located seven guards to provide day and night services, as indicated in the shift Register which is provided for your verification.

In the context of contract period, normally Frame work Agreement through GPSA is designated to cover specific period as indicated in the procurement reference No.AE/005/HQ/2014/2015 - 2016/2017/NC/05 which shows the list of service providers awarded contract and their contract 0002819 for Amazon group.

However, the Regional Secretariat Legal Officer will amend the contract by adding clause on duration of contract and number of guards required in the contract after finishing the existing contract.

Audit comment

Management response noted; we will review the amendment contract for security provision at Rukwa Referral Hospital upon its submission.

2.5.2 Fuel of TZS 5,266,762 Procured through Imprest not Recorded in Vehicles' Log Books

Scrutiny of payment vouchers and motor vehicles' log books noted that Regional Secretariat issued imprests amounting to TZS 5,266,762 to various drivers for procurement of Diesel while they on various official trips. However, we could not verify utilization accountability due to the fact that 2369 litres of fuel worth TZS 5,266,762 were not recorded in the vehicles' log books. Related details are as shown in the schedule below:

Table 16: Fuel Procured through Imprest not Recorded in Vehicles' Log Books.

| Date | PV No. | Acc. | Payee | Litres | Amount (TZS) | Vehicle No. |
|------------|---------------|----------|----------------------|--------|--------------|-------------|
| 18/10/2015 | 089VC15000390 | EXISS-OC | Charles D. Mwakabaja | 33.03 | 60,000 | STK 7875 |
| 22/12/2015 | 089VC15000762 | DEPOSIT | Pascal D. Ndasi | 30 | 59,850 | STK 8511 |
| 21/12/2015 | 089VC15000762 | DEPOSIT | Pascal D. Ndasi | 75 | 149,625 | STK 8511 |
| 28/12/2015 | 089VC15000952 | DEPOSIT | Pascal D. Ndasi | 50 | 105,000 | STK 8511 |
| 28/07/2015 | 089VC15000125 | DEPOSIT | Saad S.Yazidu | 140 | 322,000 | STK 2594 |

| | | | | | | |
|--------------|---------------|----------|----------------------|-------------|------------------|----------|
| 24/07/2015 | 089VC15000125 | DEPOSIT | Saad S. Yazidu | 160 | 368,000 | STK 2594 |
| 11/05/2016 | 089VC15001909 | DEPOSIT | Brighton D. Mapugilo | 40 | 71,520 | STL 964 |
| 27/05/2016 | 089VC15001909 | DEPOSIT | Brighton D. Mapugilo | 122 | 212,280 | STL 964 |
| 22/03/2016 | 089VC15001619 | DEPOSIT | Charles D. Mwakabaja | 100 | 164,000 | DFPA 671 |
| 26/03/2016 | 089VC15001397 | EXISS-OC | Charles D. Mwakabaja | 140 | 229,600 | DFPA 671 |
| 28/03/2016 | 089VC15001397 | EXISS-OC | Charles D. Mwakabaja | | 102,400 | DFPA 671 |
| 31/03/2016 | 089VC15001397 | EXISS-OC | Charles D. Mwakabaja | | 207,800 | DFPA 671 |
| 24/03/2016 | 089VC15001397 | EXISS-OC | Charles D. Mwakabaja | 55.977 | 91,802 | DFPA 671 |
| 30/03/2016 | 089VC15001397 | EXISS-OC | Charles D. Mwakabaja | | 207,200 | DFPA 671 |
| 11/11/2015 | 089VC15000665 | EXISS-OC | Thabit A. Khamisi | 100 | 220,000 | DFP 8958 |
| 11/11/2015 | 089VC15000665 | EXISS-OC | Thabit A. Khamisi | | 216,400 | DFP 8958 |
| 13/11/2015 | 089VC15000665 | EXISS-OC | Thabit A. Khamisi | 83 | 173,885 | DFP 8958 |
| 14/11/2015 | 089VC15000665 | EXISS-OC | Thabit A. Khamisi | 100 | 217,000 | DFP 8958 |
| 12/09/2015 | 089VC15000069 | DEPOSIT | Thabit A. Khamisi | 120 | 247,200 | DFP 8958 |
| 13/09/2015 | 089VC15000069 | DEPOSIT | Thabit A. Khamisi | 20 | 41,200 | DFP 8958 |
| 29/06/2016 | 089VC15002398 | DEPOSIT | Saad S. Yazidu | 1000 | 1,800,000 | STK 2594 |
| Total | | | | 2369 | 5,266,762 | |

Cause

- Inappropriate handling and use of vehicles log books.
- Absence of fuel consumption management tracking mechanism.

Implication

- Fuel consumption by the concerned motor vehicles cannot be traced by management for decision making purposes.
- In the absence of proper fuel consumption record in log books, accountability of the fuel bought by using imprest could not be established.

Recommendation 12

- The management is advised to ensure that all fuel issued or procured is recorded in the appropriate vehicles' log books.
- The Regional Secretariat management is advised to institute fuel consumption tracking mechanism which would precisely pinpoint the rate at which each vehicle is consuming for appropriate economic decision making purposes.

Management Response

The Management will carry out frequent inspection to ensure that the drivers record fuel in the logbook.

Audit comment

Compliance with proper recording of fuels will be verified in the forthcoming audit.

2.6 Human Resources and Payroll Management

Review of Human resource management at Rukwa Regional Secretariat during the year under audit noted the following matters:

2.6.1 Accumulations of Claims for Regional Secretariat's Employees not Settled TZS 1,164,521,890

Review of personal files and other related documents of employees of Rukwa Regional Secretariat noted existence of outstanding claims of staffs in various departments that have not been paid for a long period.

Further, these claims include transfers, leave allowances, training costs, per diem and acting allowances, all amounting to TZS 1,164,521,890 as detailed below:

Table 17: Employees Claims

| S/n | Type of Claim | Amount (TZS) |
|--------------|----------------|----------------------|
| 1 | Salary arrears | 461,164,080 |
| 2 | Other Claims | 703,357,810 |
| Total | | 1,164,521,890 |

Source: Financial Statements

Cause

Under release of recurrent funds in relation to the approved budget

Implication

Long outstanding employees' claims may demotivate them and in the long run diminish their performance.

Recommendation 14

Management of the Regional secretariat is advised to take up the matter with Treasury to ensure that funds for employees' claims are released.

Management Response

The management agrees with the auditor's findings and is making close follow up on these claims and we have submitted them to the respective authority. In the financial year 2014/2015, we received TZS 197,172,682 from Treasury to settle some of the liabilities and also in 2016/2017 we received TZS. 335,033,497 for the same purpose through letter ref.HD.142/604/03/230 of 25 October, 2016 and Exchequer no. EB/AG/159/16/0477 of 08/11/2016 submitted for your audit verification.

Audit Comment

Financial transactions for settlement of staff claims have not been submitted for audit verification.

2.6.2 Payment to employees who were no longer in service TZS 2,756,903

During the year under audit, a total of TZS 2,756,903 was paid to employees who were no longer in service for various reasons including; absconded, retired and death. This was against Order 79(8) of LGFM, 2009. The related details are as follows:

Table 18: Salaries Paid to Non-Existing Employees

| Check Number | Name | Birth Date | Gross Pay (TZS) | Net Pay (TZS) | Check Date |
|--------------|----------------------------|------------|------------------|------------------|------------|
| 6076975 | Leonard Benzethi Chokola | 01-01-56 | 655,000 | 492,387 | 29-02-16 |
| 3435252 | Philipina Kitambi Kapufi | 01-07-56 | 551,000 | 314,968 | 31-07-15 |
| 3427554 | Alois Benedicto Kasaka | 01-07-55 | 655,000 | 492,387 | 31-07-15 |
| 3427554 | Alois Benedicto Kasaka | 01-07-55 | 655,000 | 492,387 | 31-08-15 |
| 3237375 | Joyce Midabo Mvunyi | 01-07-55 | 655,000 | 472,387 | 31-07-15 |
| 3916045 | Apolonia Mwamlima Mwangobe | 24-04-55 | 655,000 | 492,387 | 31-07-15 |
| Total | | | 3,826,000 | 2,756,903 | |

Cause

- Late deletion of data of employees from payroll
- Laxity of RS management in reviewing its employees records on a monthly basis.

Implication

Improper use of public funds by paying salaries to non-existing employees for services not rendered.

Recommendation 15

Management is advised to ensure all salaries paid the retired and deceased staffs are recovered in gross from the respective retired staff's sources of income.

Management Response

The Management wrote a letter to Paymaster General requesting him to deduct the respective amount from beneficiaries' gratuity, with ref. no. RR/PF.12481/3, RR/PF.10550/72, RR/PF.6777/2, RR/PF.4569/2 to Aplonia Mwangobe, Leonard Chokola, Aloisi Kasaka and Joyce Mvunyi respectively. Find attached letters for audit verification.

Audit comment

A copy of the letter was not submitted for audit verification; however, outcome of the action that ACCGEN will take in response to the above referred letters sent to him is awaited.

2.6.3 Deductions Remitted to Various Institutions for Employees who are no Longer in Public Service TZS 2,756,906

During the year under audit, TZS 2,756,905.88 was paid in respect of statutory deductions from staff who were no longer in public services for various reasons, such as retirement, termination, death and abscond from duty. The payment was made to institutions such as; NHIF, TRA, PSPF, LAPF, NSSF, etc. These payments could have been avoided had it been that employees who were no longer in service were promptly omitted from the payroll. The related details are as follows:

Table 19: Deductions Remitted to Various Institutions for Employees who are no Longer in Public Service

| Check Number | Name | Birthdate | Gross Pay TZS | Net Pay TZS | Check Date | Deduction TZS |
|--------------|---------------------------|-----------|---------------|---------------------|------------|---------------------|
| 6076975 | Leonard Benzethi Chokola | 01-01-56 | 655,000.00 | 492,387.50 | 29-02-16 | 162,612.50 |
| 3435252 | Philipina Kitambi Kapufi | 01-07-56 | 551,000.00 | 314,968.38 | 31-07-15 | 236,031.62 |
| 3427554 | Alois Benedicto Kasaka | 01-07-55 | 655,000.00 | 492,387.50 | 31-07-15 | 162,612.50 |
| 3427554 | Alois Benedicto Kasaka | 01-07-55 | 655,000.00 | 492,387.50 | 31-08-15 | 162,612.50 |
| 3237375 | Joyce Midabo Mvunyi | 01-07-55 | 655,000.00 | 472,387.50 | 31-07-15 | 182,612.50 |
| 3916045 | Aplonia Mwamlima Mwangobe | 24-04-55 | 655,000.00 | 492,387.50 | 31-07-15 | 162,612.50 |
| Total | | | | 2,756,905.88 | | 3,308,394.12 |

Cause

There were no effective controls between Treasury and Rukwa Regional Secretariat which would stop payment of salary to retired, terminated, deceased and absconded employees.

Implication

Loss of public money through remittance to financial institutions of deductions from salaries of employees who were no longer in public services.

Recommendation 16

Regional Secretariat in collaboration with Treasury should make follow up to the respective Institutions for refund of the amounts paid to them as deductions. In future, effective controls should be instituted by the government to prevent the weakness noted.

Management Response

The Management wrote a letter to the Paymaster General requesting him to deduct the respective amount from beneficiaries' gratuity, with ref. no. RR/PF.12481/3, RR/PF.10550/72, RR/PF.6777/2, RR/PF.4569/2 to Aplonia Mwangobe, Leonard Chokola, Aloisi Kasaka and Joyce Mvunyi respectively. Find attached letters for audit verification.

Audit comment

A copy of the letter was not submitted for audit verification. However, outcome of the action that ACCGEN will take in response to the above referred letters sent to him is awaited.

2.7 Findings from Assessment of Internal Control System**2.7.1 Weaknesses in Risk Management**

Risk management as a process, is performed continuously and used for decision making in all phases of a project or organization; and to achieve this an organization is required to set strategies, design framework that may lead on identifying potential risks and managing them.

Review of the Secretariat's risk management, revealed the following shortfalls:

- There is no documented formal risk assessments conducted for the year under review.
- The management has not prepared the Controls Monitoring Report, which an the evidence that it performs periodic monitoring of internal controls.
- The Management does not review annually its internal controls and risk management policy and document the same to identify any significant risk facing the Regional Secretariat.

Cause

The Management is not aware on the importance of having sound and operating internal control environment as a factor for averting or minimizing risks.

Implications

- Without proper designated risk management process, the Management may face the risk of not delivering the expected services to the required standards in the society.
- The Management might be prone to excessive uncontrollable risk and inherent risk in the financial statements.

Recommendations 17

The Management is advised to conduct formal risk assessments on a regular basis at least twice a year in order to manage possible risks within the entity.

2.7.2 Weakness in the Computerized Accounting System

Assessment of Rukwa Regional Secretariat's accounting system, noted that the system is not operating fully since it does not facilitate the commitment control and assets management procedures. On the other hand, the Regional Secretariat does not have strong administrative and technical support in case of technical failure and sustainability. When assessing the accounting system the following shortfalls were noted:

- The EPICOR 9.05 system, at the Regional Secretariat is experiencing regular slowdowns and system failures.
- Non operationalisation of the asset management module implying that the Regional Secretariat is using manual computation which might contain errors. Furthermore, this may lead to wastage of time, as manual work is tedious.

Cause

Absence of appropriate and prompt support from PO-RALG, at times of system failures.

Implication

Financial statements prepared on manual basis might contain errors and undetected irregularities.

Recommendation 18

The Regional Secretariat management is advised to communicate with TAMISEMI to address deficiencies noted in EPICOR 9.05

Management Response

The Ministry of Finance and Planning is expecting to upgrade the current EPICOR 9.05 to EPICOR 10 which will take into account the said abnormalities.

Audit comment

An improved version of EPICOR is awaited for verification.

2.8 Governance Issues

2.8.1 Performance of the Audit Committee

Regulation 30 of the Public Finance Regulation, 2001 (PFR) requires each MDA to have an Audit committee. Its membership and functions have been provided in Regs. No 31 and 32 of the PFR respectively. Our review of the existing Audit Committee noted the following shortfalls:

2.8.1.1 Deficiencies Noted on Performance of Audit Committee

Reg. 30 of the Public Finance Regulations 2001, requires the Regional Secretariat to establish Audit Committee and Reg. 31 and 32 (1) a - g and (2) a - c of the Public Finance Regulations 2001 stipulates the functions of this Audit Committee. Regional Administrative Secretariat has established the Audit Committee as per the regulations. However, during audit the following deficiencies were noted:

- Audit Committee did not review financial statements during the year under review.
- Audit Committee did not review the adequacy and effectiveness of the systems of internal and financial control, accounting practices, and auditing processes.
- Audit Committee did not assess the overall risks the entity is facing.
- Audit Committee did not review and approve the scope and implementation of internal audit plan.
- Audit Committee did not submit minutes of the meetings held to the oversight body.
- Chairperson of the Audit Committee is not independent since he is an employee of the RS contrary to Guideline of the Audit Committee issued by PO- RALG in November 2013, which requires a Chairperson to be member from outside the entity.

Cause

- Lack of training program to the members of the Audit Committee which would enable them to efficiently discharge their duties and responsibilities.
- Improper establishment of the Internal Audit Committees

Implication

- The Audit Committee does not work effectively and efficiently in discharging their duties and responsibilities as required by the governing Guideline issued by PO- RALG in November 2013.
- The expected independence of the Audit Committee may not be attained since the Chairperson is an employee of the RS.

Recommendation 19

- The Management should ensure that the Audit Committee discharges their duties and responsibilities efficiently and effectively in strengthening internal controls at the RS.
- The management is advised to comply with the Guideline for Audit Committee issued by PO- RALG in November 2013 in establishing effective and efficient Audit Committee by ensuring its independence.

Management Response

Management has complied with auditor's recommendation by setting up new Audit Committee whose chairperson is an outsider and other two members while having two members from within, as shown on page 8 of the revised Financial Statements 2015/2016.

Audit Comment

Performance of the newly established Audit Committee, will be evaluated in the forthcoming audit.

2.8.1.2 Ineffective Performance of Internal Audit Unit Function

Reg 28 (1) of the Public Finance Regulations, 2001 requires the Accounting Officers to establish effective Internal Audit Unit. The Internal Audit Unit is required to provide assurance on the adequacy and effectiveness of the entity's Internal Control within the Rukwa Regional Administrative Secretariat. Our review noted the following weaknesses:

- The Unit does not have transport facility to ease the Audit Assignments.

- Not all planned audits were finalized due to interference of special assignments and insufficient funds to enable the unit complete its annual audit plan effectively.
- The Internal Audit budget was TZS 9,945,000 to cover operational activities but up to May 2016 only TZS 3,000,000 was released for its operations.
- The Unit lacks working tools such as laptop computers and printers.
- There is no evidence that evaluation of internal controls was done during the year.
- The Unit did not review the reliability and integrity of financial and operating data used to prepare financial statements and other reports.
- Non maintenance of internal audit query register

Cause

- Lack of RS's management support to the internal audit unit.
- The unit lacks adequate resources to properly execute its mandate.

Implication

- Internal audit function is ineffective and therefore its work cannot be relied on by external auditors.
- The RS internal controls may not be adequate due lack of internal audit evaluation and advice for improvement.

Recommendation 20

The Regional Secretariat management should:-

- Ensure that Internal Audit Unit functions in a manner that will assist management to achieve its objectives and enhance internal control system at the Secretariat.
- Ensure that Internal Audit is allocated with sufficient resources in order to manage its functions efficiently and effectively.

Management Responses

Management has been facilitating the internal audit function in implementing its activities as budget released. During the financial year 2015/2016, internal audit received 80% of its budget. The working tools such as computer/laptop and printer are available for audit verification while the targeted activities were not carried out in full due to budget constraints and other unplanned activities that were carried out. The Secretariat has high deficit of transport facilities for almost all departments. We are still making efforts to ensure that we have transport

facilities to facilitate smooth operations of the Secretariat activities if budget allows.

Audit comment

The management efforts will be measured against the Internal Audit department's productivity, in the forthcoming audit.

2.9 Fraud Assessment

2.9.1 Non - Performance of Fraud Assessment

ISA 240, define fraud as an intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage. The prevention and primary responsibility for the prevention and detection of fraud rests with those charged with governance as well as employees of the Regional Secretariat and management. Enquiries made to relevant officials of the Secretariat noted the following;

- The Secretariat has no fraud policy and no management's assessment of the internal control system to prevent and detect fraud has been done.
- Management does not perform regular assessment of internal control systems in place to prevent and detect fraud.
- Management has not identified and documented risk management processes for identifying and responding to the risks of fraud at the RS.
- No management assessment mechanism towards identification of any material weaknesses on internal control system at the Secretariat.
- No specific written evidence has been confirmed by the management which considers appropriate controls or detection of risks or errors resulting from fraud.

Cause

Inadequate awareness on fraud related issues.

Implication

There are possibilities of delaying to address fraud related issues.

Recommendation 21

- Regional Secretariat should establish controls for mitigating fraud risks and put in place mechanisms for identifying and responding to fraud indicators.

- The Regional Secretariat should take appropriate action to establish a documented and approved fraud prevention plan and perform risk assessment a regular basis.

Management Response

The Management is working towards establishment of the fraud policy and will start implementing it in the coming financial year.

Audit Comment

The fraud policy is awaited for audit verification.

2.9.2 Deficiency in Records Management System TZS 79,159,248

Management and custodianship of records of the RS is the responsibility of the Accounting Officer and the entire management of Rukwa Regional Secretariat. According to Regulation 11 of the Public Finance Regulations, 2001, the Accounting Officer of the audited entity is required to establish and maintain an effective system of internal control over the financial and related operations for which he is responsible. Further, Sections 9 and 11 of the records and Archives Management Act No.3 of 2002 require Heads of Public Offices to be responsible for maintaining adequate documentation of the functions and activities of their offices by establishment of good records keeping practices through the appropriate filing systems.

Contrary to the above cited legislations, during the year under review we were not timely provided with supporting documents for expenditure of TZS 79,159,248. Related details are as shown in **Appendix III to this Management Letter**.

Cause

- Management of Rukwa Regional Secretariat is not keen in ensuring records are properly managed and kept in safe custody.
- Weak control over records management.

Implication

- Lack of robust internal control system over management of records might lead to concealment of fraudulent transactions.
- Lack of personnel who deals with records before and after payments are made to bonafide payees.
- Non-compliance with laws and regulations governing management of records.

- In the absence of proper supporting documents, propriety and authenticity of payments made could not be ascertained.

Recommendation 22

- Management of Rukwa Regional Secretariat need to take appropriate measures towards curbing the problem of missing supporting documents by maintaining robust records management system for easy tracing and complying with laws and regulations governing management of records.
- The Regional Administrative Secretariat management is urged to trace and submit all the missing documents, for audit verification.

Management Response

Unsupported payment vouchers of TZS 60,735,154 have been submitted for audit verification out of TZS 124,706,720 remaining with TZS 63,971,566 which are in progress and will be submitted for verification.

Audit comment

After verification, unsupported payments were found to be TZS 79,159,248.11 as indicated in Appendix III, not 63,971,566 as per management response

2.9.3 Payment Vouchers not Signed by Authorizing Officers TZS 14,254,512.30

According to Regulation No 88 (1) of the Public Finance Regulations of 2001, the Accounting Officer is responsible for all disbursements made from the votes under his or her control, but he may designate in writing and by naming specific persons who shall have the authority to sign payment vouchers on his behalf, prescribing the financial limits and other conditions within which this authority may be exercised. However, contrary to the prescribed regulation, review of payment vouchers of Rukwa Region Secretariat noted existence of payments amounting to TZS 14,254,512.30, which were not authorized by the Accounting Officer and there was no evidence provided to the effect that officers who authorized the payments vouchers were given authority in writing by the Accounting Officer of the RS. Related details are as follows:

Table 20: A sample of Payment Vouchers Signed by Unauthorized Payment Officers TZS 14,254,512.30

| No | Date | Payee | Details | Transaction No | Transaction Amount TZS | Authorized Officer |
|----|-----------|----------------|----------------------|----------------|------------------------|--------------------|
| 1 | 5/31/2016 | Magreth Paskal | Uhakiki wa watumishi | 089VC15002084 | 480,000.00 | Veronica Semiono |

| | | | | | | |
|----|-----------|---|-------------------------------|---------------|----------------------|-------------------|
| | | Chipeta | hewa | | | |
| 2 | 5/31/2016 | Simon L Mutabazi | Uhakiki watumishi hewa | 089VC15002083 | 480,000.00 | Veronica Semiono |
| 3 | 5/31/2016 | Ras Rukwa Imprest Account | Posho ya inspekta thomas | 089VC15002082 | 600,000.00 | Veronica Semiono |
| 4 | 5/30/2016 | Rukwa Sub Treasury Misc Deposit Exp Account | Kurejesha fedha amana | 089VC15002067 | 2,100,000.00 | Veronica Semiono |
| 5 | 5/30/2016 | Rukwa Sub Treasury Misc Deposit Exp Account | Marejesho ya fedha amana | 089VC15002066 | 3,840,000.00 | Veronica Semiono |
| 6 | 5/26/2016 | Leonard Teza Mwanansimbi | Pango la nyumba FR leonard | 089VC15002032 | 900,000.00 | Innocent Mgumba |
| 7 | 5/23/2016 | Manager Ttcl Rukwa | Bili za simu nkasi | 089VC15002011 | 304,512.30 | Festo Chonya |
| 8 | 2/23/2016 | TanESCO Collection Account Rukwa | Ununuzi wa Luku Hospital | 089VC15001463 | 4,000,000.00 | Anastazia Ndolobo |
| 9 | 2/18/2016 | Veronica Peter Semiono | Posho ya kujikimu DSM | 089VC15001433 | 830,000.00 | Lusungu M Nyagawa |
| 10 | 2/15/2016 | David E Kilonzo | Posho ya kujikimu jumarua DSM | 089VC15001367 | 720,000.00 | Lusungu M Nyagawa |
| | | TOTAL | | | 14,254,512.30 | |

Cause

RS failed to adhere to the Public Finance Regulations of 2001 regarding to authorisation of payments in the absence of the Accounting Officer.

Implication

- Payments made without being authorized may result to a loss to the RS.
- Inadequate internal control systems over management of public funds.

Recommendation 23

We recommend to the management of the RS to ensure that all payments are authorized by the Accounting Officer or persons with authority in writing from the Accounting officer on his/her absence in the office.

Management Response

The Management has selected officers from respective clusters who will be responsible for signing vouchers. Minute sheet showing respective officers per each cluster have been submitted for audit verification.

Audit comment

Management response has been acknowledged; however adherence to the provision of Public Finance Regulations of 2001 will be in the coming audit.

2.9.4 Payment Vouchers not Signed or Authorized TZS 19,747,410

Review of payment vouchers of Rukwa Regional Secretariat for the financial year 2015/2016 noted that 28 sampled payment vouchers amounting to TZS 19,747,410 were not authorized for payment. This is contrary to Regulation No 88(1) of the Public Finance Regulations of 2001 which require the Accounting Officer or any designated persons to sign/approve all payment vouchers before payment is effected. Details of the unauthorized payment vouchers are shown under Appendix IV:

Cause

- Non-adherence to the provision of Public Finance Regulations of 2001 which guide payment in public office.
- Inadequate internal control system over payment process.

Implication

- Payments made on unauthorized expenditures may result into a loss to the RS or misuse of the RS's funds.
- Lack of robust internal control system over the management of records, might lead to concealment of fraudulent transactions.

Recommendation 24

The Regional Secretariat management is advised to strengthen its internal control system so as to ensure that all payment vouchers are authorized by responsible officers before payment.

Management Response

The audit recommendation is noted. Management will comply with the cited regulations in the coming financial year.

Audit Comment

The proper payment authorization will be verified in the forthcoming audit

2.9.5 Payment Vouchers not Pre-Audited TZS 17,860,254

Payment vouchers amounting TZS 17,860,254 were not pre audited contrary to Regulation No 91(4-6) of the Public Finance regulations. Regulation No 91(4) requires that before any payments are made, an authorized officer must check the authenticity of the payments and attachments. Further, Regulation No 91(6) require an authorising officer to print the payment voucher with words “passed for payment” stamp to allow the payment process to be completed on the given transaction. However, we noted that 23 sampled payment vouchers amounting to TZS 17, 860,254 were not stamped as required by Regulation. The related details are as shown in the following table 22 below:

Table 21: Payment Vouchers of Recurrent Account not Pre Audited

| No | Date | Payee | Details | Transaction No | Transaction Amount TZS |
|----|-----------|--------------------------|---|----------------|---------------------------|
| 1 | 6/27/2016 | Semzango General Traders | Stationary for 1015 and 2006 | 089VC15002479 | 235,120.00 |
| 2 | 6/27/2016 | Semzango General Traders | Purchase cartridge and ink | 089VC15002477 | 500,000.00 |
| 3 | 6/27/2016 | Semzango General Traders | Purchase cartridge and ink | 089VC15002477 | 500,000.00 |
| 4 | 6/27/2016 | Semzango General Traders | Purchase cartridge and ink | 089VC15002477 | 377,040.00 |
| 5 | 4/23/2016 | Paul Michael Mwandumba | Allowance for treatment in Mbeya | 089VC15001833 | 968,000.00 |
| 6 | 4/19/2016 | JADAMO GENERAL SUPPLIES | Stationeries | 089VC15001814 | 1,470,000.00 |
| 7 | 4/19/2016 | Manager GPSA Rukwa | Stationeries | 089VC15001812 | 493,100.00 |
| 8 | 3/16/2016 | BULYAGA ENTERPRISES | Purchase of cartridge das sba | 089VC15001642 | 245,000.00 |
| 9 | 3/4/2016 | Gabriel C Nkoswe | Per diem while in budget activities Dar | 089VC15001575 | 560,000.00 |
| 10 | 3/4/2016 | Gabriel C Nkoswe | while in budget activities in Dar | 089VC15001575 | 240,000.00 |
| 11 | 3/4/2016 | Pius Englibert Mazinge | Refund-brake pads | 089VC15001568 | 235,000.00 |
| 12 | 3/1/2016 | Abubakar A Silungwa | Per diem while in DSM | 089VC15001535 | 1,000,000.00 |
| 13 | 3/1/2016 | Abubakar A Silungwa | Per diem while in DSM | 089VC15001535 | 424,000.00 |
| 14 | 3/1/2016 | Saad S Yazidu | Per diem | 089VC15001531 | 1,000,000.00 |
| 15 | 3/1/2016 | ALBINUS BANDIO MUGONYA | Per diem | 089VC15001530 | 1,024,000.00 |

| | | | | | |
|--------------|------------|--------------------------------|-----------------------|---------------|----------------------|
| 16 | 3/1/2016 | ALBINUS BANDIO MUGONYA | Per diem | 089VC15001530 | 896,000.00 |
| 17 | 3/1/2016 | Chrisanta Onesphory Shayo | Per diem while in DSM | 089VC15001526 | 1,600,000.00 |
| 18 | 1/5/2016 | RMO RUKWA Imprest Account | House rent | 089VC15001028 | 2,400,000.00 |
| 19 | 12/31/2015 | Director Urban Water Authority | Water bill hospital | 089VC15001021 | 1,000,000.00 |
| 20 | 9/14/2015 | MANAGER TTCL RUKWA | Telephone | 089VC15000218 | 392,993.80 |
| 21 | 9/2/2015 | Nilemwa Moses Ndelwa | Medical cost | 089VC15000159 | 700,000.00 |
| 22 | 9/2/2015 | Levina B Mwanakulya | School fees | 089VC15000158 | 1,600,000.00 |
| 23 | 9/2/2015 | Elvira E Malema | School fees | 089VC15000157 | 685,000.00 |
| Total | | | | | 17,860,253.80 |

Cause

Rukwa Regional Secretariat has inadequate internal control system over authorising of payments.

Implication

Lack of a robust internal control system over the management of records might lead to concealment of fraudulent transactions.

Recommendation 25

The Regional Secretariat management is advised to strengthen its internal control system which will in turn ensure that all payment vouchers are checked before payments are effected.

Management Response

Efforts will be made to ensure all payment vouchers are pre- Audited before payment is made.

Audit Comment

Compliance with the prescribed regulation will be evaluated during the coming audit.

2.9.6 Payments of Suppliers not in the RS's List of Liabilities TZS 5,689,690

As good practice, a public entity has to record all unsettled liabilities at the end of a financial year and disclose the same in the financial statements, so as to justify settlements of such debts in the subsequent period. During financial year under review, Rukwa Regional Secretariat paid a total of TZS 5,689,690 to various suppliers who supplied goods and services in the preceding years. These suppliers' debts were not recorded in the Statement of Outstanding Liabilities in the previous financial statements. Related details are as follows:

Table 22: Payments to Suppliers not in the Regional Secretariat's List of Liabilities

| S/N | Payee's Name | Details | Account | Pv No | Amount (TZS) |
|--------------|--|---|---------|---------------|------------------|
| 1 | Tanzahealth Ltd | Service of haematology machine on 18/11/2013 | Deposit | 089VC15000721 | 1,617,000 |
| 2 | TEMESA Rukwa | Maintenance of fire alarm at referral hospital laboratory | Deposit | 089VC15000687 | 1,510,000 |
| 3 | Baitubake Building Contractors & Civil Engineering | Retention for Mpui Division Secretary Office building | Deposit | 089VC15000112 | 2,562,690 |
| Total | | | | | 5,689,690 |

Cause

The Regional Secretariat has inefficient record management system which failed to track and record outstanding liabilities of the previous years.

Implication

Payments to unrecognized creditors might entail duplication, excessive or double payment to suppliers and hence misappropriation of Public funds.

Recommendation 27

The Regional Secretariat is advised to record and disclose in financial statements all debts that remain unsettled at the end of each financial year in order to justify their subsequent settlement.

Management Response

The Auditors recommendation is highly appreciated and we always record and report debts of suppliers and employees whom we receive goods and services respectively without paying money. The questioned payments to suppliers were not included in the RS' list of liabilities because the service was not yet delivered as follows:-

1. Payments to TANZAHEALTH LTD, services of Haematology machine on 18/11/2013 deposit 089vc15000721 Tshs.1,617,000/=
 - The date indicated was the date of installation of machine not services.
 - The service was performed on 14/12/2015. Attachment of complain report for maintenance, maintenance report sheet of that service and attachment of the service when it was under warrant.
2. Payments to Baitubake Building Contractors and Civil Engineering amounting to TZS. 2,562,690 was retention money in respect of construction of Mpui Division Secretary Office building.

Audit Comment

- Bases for prepayment were not established by the management, apart from the fact that, prepayment is contrary to financial regulations guiding operations of public entities.
- Retention money transaction is supposed to be supported by a copy of certificate/inspection report issued by Engineer or request by the contractor, on satisfying conditions for release of such retention money.

2.10 Management of Fuel Consumption in Government Motor Vehicles

2.10.1 Irregularities noted in Recording Fuels Consumptions in the Store Ledgers and Log Books

Regulation number 203(1) of the Public Finance Regulations of 2001 require the entity to maintain stores ledgers in respect of every store, to record for each item in stock, the quantity and in the case of unallocated stores, the value of all receipts, issues and balances. Further, Regulation No 177(1-2) of the Public Finance regulations requires Regular checks to be arranged of all stores records and test comparisons made between the physical stocks on hand and the ledger balances and the report should be submitted to the Accounting Officer. However, audit scrutiny of stores ledgers used to record fuel noted irregularities in management of store ledgers and fuel consumption.

In addition, the audit team noted disagreement between fuels recorded the motor vehicle log books and records of the same in the stores ledger. More details in the Tables below:

Table 23: Fuel Issued Above the Motor Vehicle Capacity

| Date | Vehicle Reg. No | Type | Capacity (Litres) | Issued (Litres) | Excess (Litres) | Issue Voucher No |
|------------|-----------------|----------------|-------------------|-----------------|-----------------|------------------|
| 25/01/2016 | DFP 8958 | Pickup T/Hilux | 100 | 380 | 280 | 001126 |
| 22/02/2016 | STK 8511 | Pickup T/Hilux | 100 | 380 | 280 | 001131 |
| 23/02/2016 | STL 002 | T/L Cruiser | 120 | 300 | 180 | 001131 |

Table 24: Weakness noted in Recording of Fuels in Stores Ledger

| S/N | Name of store ledger | Ledger Folio number | Weaknesses noted | Management Response |
|-----|------------------------|---------------------|---|--|
| 1. | DAS-Nkasi, Fuel Ledger | LF 3 to LF 4 | <ul style="list-style-type: none">• Fues borrowed from the suppliers were recorded as negative figure contrary to accrual concept of recognition of expenses. | <ul style="list-style-type: none">• Fuel borrowed from suppliers was recorded as negative figure implying that the transaction is on credit and will be changed when |

| | | | | |
|--|--|--|---|---|
| | | | <ul style="list-style-type: none"> Record of fuels purchased and issued do not reflect the reality as it contains arithmetic errors on addition or subtractions. | <p>payment is effected. As advised by auditors, we will comply with their recommendation in our future transactions.</p> <ul style="list-style-type: none"> Arithmetic errors in addition and subtraction are hereby rectified and submitted for audit verification. |
|--|--|--|---|---|

Table 25: Disagreement between Store Ledgers and Log Books by 418 Litres of diesel

| Motor Vehicle Number | Date | Ledger No | Ledger Folio | Fuels recorded in store ledger (litres) | Fuels record in log book (litres) | Difference | Management Response |
|----------------------|------------|-----------|--------------|---|-----------------------------------|------------|---|
| STK 7875 | 12.10.2015 | FL 1 | 90 | 60 | 0 | 60 | The fuel was given for the trip of Msandamungano as per Log book No.909206 which is hereby submitted for audit verification |
| STK 7875 | 11.11.2015 | | 116 | 70 | 0 | 70 | The fuel was given for daily office use as per RC Log book No.909209 which is hereby submitted for audit verification |
| STK 5508 | 05.04.2016 | FL 1 | 112 | 30 | 0 | 30 | The fuel was given for daily office use as per Log book No.1165911 which is hereby submitted for audit verification |
| Total | | | | 497 | 79 | 418 | |

Cause

- Lack of close supervision by officers who were responsible for recording entries in the stores ledger.
- Non-performance of regular checks on the stores ledger as required by the Public Finance Regulations of 2001.

Implication

Improper fuel record keeping may result into misuse of fuel and misstatements of the financial statements.

Recommendation 28

- Regional Secretariat management should ensure the process of data entry in the stores ledger is performed under close supervision.
- The Accounting Officer should conduct regular checks of records made from the stores ledger

Management Response

Relevant replies have been submitted and attached to the respective observation

Audit Comment

Management response has been noted. However, errors noted in fuel records will be re-checked during our next audit to see whether there has been any improvement in records keeping.

2.11 Cash Management

2.11.1 Missing Acknowledgement Receipt for Exchequer Issue Notifications of TZS 74,251,961,932 Paid to LGAs through the Regional Secretariat

During the financial year ended 30th June 2016, the Regional Secretariat received a sum of TZS 75,725,984,060 and TZS 13,655,863,183 as Warrant of funds for the recurrent and development activities respectively. However, during the audit, the acknowledgement receipts for the funds paid to LGAs under the Regional Secretariat amounting to TZS 74,251,961,932 were not submitted for audit, contrary to Regulation No 70(1) of the Public Finance Regulations of 2001 which requires receipt to be issued immediately for any public money received. Summary of the funds not acknowledged is given in Table 27 below:

Table 26: Missing Acknowledgement Receipt for Exchequer Issue Notifications to LGAs via the Secretariat

| | Funds received TZS | Funds acknowledged TZS | Funds not Acknowledged TZS |
|-------------------|-------------------------------|---------------------------------------|---------------------------------------|
| Development Funds | 13,655,863,182.83 | 3,171,396,151 | 10,484,467,031.83 |
| Recurrent | 75,725,984,060.00 | 11,958,489,160 | 63,767,494,900.00 |

| | | | |
|--------------|--------------------------|-----------------------|--------------------------|
| funds | | | |
| Total | 89,381,847,242.83 | 15,129,885,311 | 74,251,961,931.83 |

Cause

Rukwa Regional Secretariat has inadequate cash management and control system which failed to ensure acknowledgment receipts are obtained for all payments paid to LGAs under its jurisdiction.

Implication

Confirmation of the funds received by LGAs under Rukwa Regional Secretariat could not be ascertained.

Recommendation 29

The Regional Secretariat management is advised to ensure that all Exchequer Issue Notification to LGAs under its jurisdiction for projects and other activities are acknowledged.

Management Response

On receipt of exchequer amounting to TZS 89,381,847,243, the Regional Secretariat office received TZS 15,129,885,311 according to approved budget for 2015/2016 fiscal year. The remaining amount TZS 74,251,961,932 was remitted and received by the respective LGA's as per their approved budget for 2015/2016.

The said missing acknowledgement receipt for TZS 74,251,961,932 were transited and sent to LGA's, that's why they are not receipted by Regional Secretariat to avoid double receipting. However, for future control the LGA's will be required to submit a copy of receipt against received exchequer remitted to them, through Regional Secretariat.

Audit Comment

Management response noted; however, acknowledgement receipts for the funds received by LGAs under jurisdiction of RAS Rukwa amounting to TZS 74,251,961,931.83 are awaited for audit verification.

2.11.2 Funds Borrowed from the Deposit Account Not Refunded TZS 21,325,324.16

Scrutiny of payments made from the deposit account noted that the Regional Secretariat management utilized retention funds and other funds amounting to TZS 21,325,324.16 from the miscellaneous deposit account to meet

various recurrent activities. However, up to the end of the financial year under review, the borrowed funds had not been refunded. Details of the payments are as shown in table 28 below:

Table 27: Funds Borrowed from the Deposit Account No Refunded

| Date | Transaction No | Payee Name | Transaction Amount (TZS) |
|--------------|-----------------------|---------------------------|---------------------------------|
| 8/3/2015 | 089VC15000004 | Smythies Emmanuel Pangisa | 360,000.00 |
| 8/3/2015 | 089VC15000005 | Killian Y Mwambe | 240,000.00 |
| 8/3/2015 | 089VC15000006 | Mosses Y Ngajilo | 125,000.00 |
| 8/3/2015 | 089VC15000007 | Ocran Bernard Chengula | 300,000.00 |
| 8/3/2015 | 089VC15000008 | Hamza Mvano | 700,000.00 |
| 8/3/2015 | 089VC15000009 | Dende Charles Lonhambi | 700,000.00 |
| 8/3/2015 | 089VC15000010 | Ramadhani B. Mwaliko | 360,000.00 |
| 8/3/2015 | 089VC15000011 | Ras Rukwa Imprest Account | 2,000,000.00 |
| 8/6/2015 | 089VC15000061 | James Kapenulo | 651,000.00 |
| 8/13/2015 | 089VC15000102 | Erasmus T. Rugarabamu | 840,000.00 |
| 8/13/2015 | 089VC15000103 | David E Kilonzo | 840,000.00 |
| 8/13/2015 | 089VC15000104 | Gallus K Ouma | 700,000.00 |
| 8/13/2015 | 089VC15000106 | Erasmus T. Rugarabamu | 400,000.00 |
| 8/13/2015 | 089VC15000108 | Gallus K Ouma | 395,724.16 |
| 8/13/2015 | 089VC15000108 | Gallus K Ouma | 4,275.84 |
| 8/13/2015 | 089VC15000108 | Gallus K Ouma | 395,724.16 |
| 8/18/2015 | 089VC15000113 | Chrisanta Onesphory Shayo | 1,257,000.00 |
| 8/18/2015 | 089VC15000114 | Boniface Clement Kikoti | 1,057,000.00 |
| 8/18/2015 | 089VC15000115 | Smythies Emmanuel Pangisa | 600,000.00 |
| 8/18/2015 | 089VC15000116 | Killian Y Mwambe | 400,000.00 |
| 8/18/2015 | 089VC15000117 | Killian Y Mwambe | 1,329,600.00 |
| 8/18/2015 | 089VC15000118 | Smythies Emmanuel Pangisa | 400,000.00 |
| 8/21/2015 | 089VC15000133 | Erasmus T. Rugarabamu | 480,000.00 |
| 8/21/2015 | 089VC15000134 | Omari J Kapunde | 320,000.00 |
| 6/27/2016 | 089VC15002471 | Ras Rukwa Imprest Account | 6,470,000.00 |
| Total | | | 21,325,324.16 |

Cause

The Regional Secretariat faced a shortage of funds to finance recurrent activities due to under release of approved budget for the financial year 2015/2016.

Implication

The Regional Secretariat management may not be in a position to meet maturing obligations for which the retention funds and other funds were kept in the deposit for that purpose; this will lead to the accumulation of debts.

Recommendation 30

The Regional Secretariat management is urged to ensure that borrowed funds are refunded to the miscellaneous deposit account as soon as the recurrent funds are received.

Management response

The audit recommendation is noted. The borrowed funds TZS 21,325,324.16 will be refunded through Other Charges depending on how the funds will be released by Treasury.

Audit Comment

Details of the refund are awaited for audit verification

2.12 Expenditure Management

2.12.1 Missing Payment Vouchers TZS 5,930,000

Review of accounting documents for the year under review noted that payment vouchers totalling TZS 5,930,000 were missing from their respective batches. However, the Accounting Officer did not inform the Accountant General contrary to Reg. No. 95 (2) of the Public Finance Regulation 2001. Details of the missing payment vouchers are given in Table 29 below:

Table 28: List of Missing Payment Vouchers TZS 5,930,000.

| Date | Payee | Details | Transaction No | Transaction Amount TZS | Account |
|-----------|---------------------------|---------------------------|----------------|---------------------------|-----------------------------|
| 6/24/2016 | RAS Rukwa Imprest Account | Sehemu ya Posho ya Mwenge | 089VC15002394 | 3,650,000 | Rukwa St Rec Exp Electronic |
| 6/21/2016 | Jadamo General Supplies | Rmo Stationaries | 089VC15002297 | 588,000 | Rukwa St Rec Exp Electronic |
| 6/21/2016 | Jadamo General Supplies | Rmo Stationaries | 089VC15002297 | 392,000 | Rukwa St Rec Exp Electronic |
| 2/4/2016 | Theonas Kalyalya | Special Imprest Diesel | 089VC15001331 | 500,000 | Rukwa St Rec Exp Electronic |
| 2/4/2016 | Theonas Kalyalya | Special Imprest Diesel | 089VC15001331 | 300,000 | Rukwa St Rec Exp Electronic |

| | | | | | |
|--------------|-------------------------|-----------------------|---------------|------------------|--------------------------------|
| 1/26/2016 | Cliff Ernest Kinunda | Office Consumables | 089VC15001246 | 500,000 | Rukwa St Rec Exp Electronic |
| Total | | | | 5,930,000 | |

Cause

Rukwa Regional Secretariat has inadequate controls over accountable documents.

Implication

In the absence of the payment vouchers, authenticity of the expenditure incurred could not be established.

Recommendation 31

- Management of RS should trace and submit the missing payment vouchers for audit purposes.
- Management of RS should strengthen its internal control systems over management of documents.

Management Response

We have submitted missing payment vouchers worth TZS 73, 701,975 for audit verification out of TZS 79, 296,015, submission of the remaining payment vouchers worth TZS 5,594,040 is in progress.

Audit comment

After verification, it has been revealed that Payment vouchers for TZS 5,930,000 were still missing, not TZS 5,594,040 as per management response.

2.12.2 Payments Made to Suppliers with no Electronic Fiscal Devices (EFD's) Receipts TZS 13,397,000

Regulation 10 (5) of Value Added Tax (Electronic fiscal devices) Regulations, 2012 requires every user (for this case a Value Added Tax registered supplier) to issue a fiscal receipt or invoice generated by his fiscal device machine for the consideration paid to him for supplies he makes to his customers. During the audit we noted that the RS paid a total of TZS 13,397,000 to several VAT registered suppliers but tax invoice issued in return were not electronically generated as required by VAT Regulation as shown in **Appendix V**.

Cause

Regional Secretariat management has failed to enforce compliance with Value Added Tax Act and its regulations. The situation has also been caused by scarce devices provided by TRA Agents to service providers and some of the machines owned by few suppliers are defective.

Implication

Tax revenue might be evaded thus causing loss of revenue to the Government.

Recommendation 32

- The Regional Secretariat management is advised to obtain Electronic Fiscal receipts on payment to Value Added Tax Registered Suppliers for goods/service rendered.
- The Regional Administrative Secretariat management is urged to trace and submit all the missing documents, for audit verification.

Management Response

We agree with the audit findings; we wrote a letter Ref No.BE.232/261/01/91 of 14/01/2015 to Regional Manager TRA and a letter Ref. No.BE.232/261/01/97 of 31/07/2015 to several service providers as an initiative to enforce compliance with tax regulations.

Audit Comment

Management response has been noted. However, compliance with Value Added Tax (Electronic fiscal devices) Regulations will be assessed in our next audit.

2.13 Imprest Management

2.13.1 Outstanding Imprests of TZS 3,865,000

A sum of TZS 3,865,000 was issued as imprests for various activities was still outstanding as at the date of this audit contrary to the provision of Regulation 103 (1) and (2) of the Public Finance Regulation of 2001. Related details are as shown in table 30 below:

Table 29: Outstanding Imprests of TZS 3,865,000

| Date | Payee | Amount (TZS) | PV Number |
|--------------|---------------------|------------------|---------------|
| 30/09/2015 | Elvira E. Malema | 1,000,000 | 089VC15000370 |
| 02/09/2015 | Elvira E. Malema | 1,600,000 | |
| 06/10/2015 | Veronica P. Simiono | 345,000 | 089VC15000429 |
| 30/09/2015 | Theonas Kalyalya | 920,000 | 089VC15000367 |
| Total | | 3,865,000 | |

Cause

RS has inadequate accounting controls over imprests and non - compliance with Regulation No 103 of the Public Finance Regulation, 2001.

Implication

Failure to retire imprests may facilitate misappropriation of public funds by imprest holders.

Recommendation 33

The Secretariat management is advised to strengthen controls over management of imprests and ensure that all outstanding imprests are retired and retirement particulars submitted for audit verification.

Management Response

No response

2.13.2 Late Retirement of Imprests TZS 6,959,600

A sum of TZS 6,959,600 issued as imprests for various activities was retired late contrary to the provisions of Regulation 103 (1) of the Public Finance Regulation of 2005. Related details are as shown in table 31 below.

Table 30: Late Retirement of Imprest

| Acc. | PV No. | Payee | Amount (TZS) | Date of Issue | Date of retirement | Description |
|----------|---------------|----------------------|--------------|---------------|--------------------|--------------------------------|
| Deposit | 089VC15000125 | Saad S. Yazidu | 690,000 | 20/08/2015 | 26/04/2016 | Fuel for TASAF activity |
| Deposit | 089VC15000106 | Erasmus T. Rugarabau | 400,000 | 13/08/2015 | 19/10/2015 | Tuition fee for TEHAMA meeting |
| Deposit | 089VC15000108 | Galus K. Ouma | 400,000 | 14/08/2015 | 19/10/2015 | Tuition fee for TEHAMA meeting |
| Deposit | 089VC15000107 | David E. Kilonzo | 400,000 | 14/08/2015 | 19/10/2015 | Tuition fee for TEHAMA meeting |
| Deposit | 089VC15000704 | Brighton Mapugilo | 205,000 | 16/11/2015 | 06/01/2015 | Fuel for MIVARF activities |
| Deposit | 089VC15000770 | Thabit A. Khamisi | 820,000 | 07/12/2015 | 09/03/2016 | Fuel |
| Deposit | 089VC15000069 | Thabit A. Khamisi | 270,000 | 11/08/2015 | 29/04/2016 | Fuel |
| Exiss-oc | 089VC15000665 | Thabit A. Khamisi | 809,600 | 10/11/2015 | 04/01/2016 | Fuel |

| Acc. | PV No. | Payee | Amount (TZS) | Date of Issue | Date of retirement | Description |
|--------------|---------------|-------------------|------------------|---------------|--------------------|--------------|
| REC | 089VC15000157 | Elvira E. Malema | 685,000 | 02/09/2015 | 15/01/2016 | Tuition fees |
| REC | 089VC15000371 | Levina Mwanakulya | 780,000 | 30/09/2015 | 14/01/2016 | Tuition fees |
| REC | 089VC15000618 | LevinaMwanakulya | 500,000 | 06/11/2015 | 14/01/2016 | Tuition fees |
| REC | 089VC15000621 | Menganyi Mgya | 500,000 | 06/11/2015 | 26/08/2016 | Tuition fees |
| REC | 089VC15000620 | Scola Mbalila | 500,000 | 06/11/2015 | 25/02/2016 | Tuition fees |
| | | | | | | |
| Total | | | 6,959,600 | | | |

Cause

RS has inadequate internal controls over management of imprests

Implication

The issued imprests might be used for unintended activities.

Recommendation 34

Management of RS is advised to ensure that imprests issued are retired within 14 days after completion of the intended activities as required by Public Finance Regulations of 2001. For late retired imprest, management of RS is required to impose a surcharge of 5% to the imprest holder as required by the Regulation.

Management Response

Auditor's recommendation is noted.

Audit Comment

Management's action over late retired imprests is awaited for audit verification

2.14 Project Management

2.14.1 Delay in Completion of Construction of Government Leaders Residential Houses TZS 525,818,961

Since 3rd May, 2014, Rukwa Regional Secretariat management has been undertaking supervision of the contract for construction of Government Leaders Residential houses at Matai Village, as per contract No ME/022/2013/2014/CR/35, between the Permanent Secretary PO-RALG and Chief Executive Tanzania Building Agency (TBA) signed on 3rd May, 2014.

The revised completion date of the contract was supposed to be 7th December, 2015 as per letter of extension, with reference No CA.51/301/11 dated 14th August, 2015. However, until the date of site visit on 28th October, 2016, the project had not been completed. It was said that the project stopped since 10th December, 2015.





Details of payments until the date of the site visit as follows:

| Date | Certificate No | Amount Paid TZS | Percentage of Contract Executed (%) |
|--------------|------------------------------------|-----------------------|---|
| 26.06.2014 | Certificate-1 (Advance payment) | 200,000,0000.00 | 40 |
| 24.06.2015 | Cerificate-2 | 116,957,183.13 | 23 |
| Total | | 316,957,183.13 | 63 |

However, the following weaknesses were noted from the project: -

- The project was delayed for ten (10) months to the date of the site visit, but liquidation damage was yet to be imposed on the Contractor by the RS.
- Facial boards placed in some buildings were not painted as per the requirement of the Bill of Quantities (BOQ).
- The inner parts of the septic tank was plastered which hinders absorption of sewage.
- Doors frames were not fitted properly and some had started to bend.

Pictures and status of the project are given below:

| Building | Picture | Estimated percentage of completion (%) |
|---|--|--|
| District Commissioner's residential house |  | 24 |
| DAS residence House |  | 63 |
| Senior Officer residential House-1 |  | 63 |
| Senior officer residential House-2 |  | 63 |

Cause

- Lack of development funds from Permanent Secretary PO-RALG for implementation of the project.
- The absence of close supervision from Regional Secretariat management on the defects noted from the project.

Implication

- Project implementation cost might increase due to a possible increase in material costs and overhead expenses.
- Beneficiaries are delayed in getting the expected services from the Project.

Recommendation 35

- The Regional Secretariat management is urged to enhance efforts in supervision that will ensure prompt implementation and completion of the Projects.
- Tanzania Building Agency (TBA) is urged to rectify weaknesses noted on the project and engage with the Permanent Secretary PO-RALG to make sure that the project is completed.
- The Regional Secretariat management is urged to liaise with Permanent Secretary PO-RALG to ensure that the required funds for completion are released to enable the Contractor resume construction activities to completion.

Management Response

Rukwa Regional Secretariat management closely monitored and supervised the project as stated in its role. Regional Secretariat Management communicated with TBA, the defects which were noted before the Permanent Secretary PO-RALG breached the Contract with TBA for rectification via letter with reference No CA. 51/301/08/34 of 14/7/2016. The Permanent Secretary PO - RALG breached the contract with TBA via letter with reference No CBA.2/317/01/88 dated on 30th May, 2016 submitted for more justification.

Regional Secretariat Management received a letter with Ref No.AB.39/156/01E/178 dated 29/09/2016 from PO-RALG with instructions that the breached contract should be accomplished by TBA and arrangements are on process to renew the breached contract between PO-RALG and TBA offices.

Audit Comment

Management response have been noted; however;

- Processes of renewal and completion of the contract are awaited for audit verification.
- The Regional Secretariat management is advised to continue making close supervision and monitoring to the project, as and when it resumes.

2.15 Appraisal of Agencies, Departments Funds, other Institutions and Projects under the Regional Administrative Secretariat

2.15.1 Summary of Findings from Rukwa Regional Hospital

2.15.2 Payment Made Without being Authorized TZS 108,363,445

Review of payment vouchers of Rukwa Regional Referral Hospital for the financial year 2015/2016 noted that fifty five (55) payment vouchers amounting to TZS 108,363,445 were not authorized before payment. This is contrary to regulation No. 88(1) of the public finance regulations which require the Accounting Officer or any designated persons to sign/approve all payment vouchers before payment is done. The details of the unauthorized payment vouchers are shown in **Appendix VI**

Cause

Management of Rukwa Referral Hospital has failed to adhere to the provision of Public Finance Regulations which spell out procedures to be followed in effecting payments from the public funds due to inadequate internal control system in the Hospital.

Implication

- Payments made on unauthorized expenditures may result into a loss to the RS or misuse of its funds.
- Lack of a robust internal control system over the management of records, might lead to the concealment of fraudulent transactions.

Recommendation 36

The Regional Secretariat management is advised to strengthen its internal control system and make sure that all payment vouchers are authorized by responsible officers before payments are effected.

Management Response

Management accepts the advice given, and is working in strengthening its internal control system so that the problem should not arise in future 2016-2017, audit as the attached payment voucher of July -August 2016 proves.

Audit comment

Compliance with proper payments authorization will be verified in the forthcoming audit.

2.15.3 Cost Sharing Fund TZS 80,661,099 utilized Contrary to Health Services Fund Guidelines: Summary of Findings from Agencies and Projects

Health Services Fund Guideline of December 1997 second edition chapter 7 section 2 guides on how funds from the cost sharing account should be utilised. The Funds should be utilized on the following areas;

- i. Purchase of essential medicines and medical equipment.
- ii. Purchase and renovation of essential hospital supplies & equipment for improving service to the patients
- iii. Minor renovation of buildings used for providing health services
- iv. Purchase of office stationeries e.g. Various Patients Cards and Register for record keeping of patients
- v. Cost associated with reports of respective fund.
- vi. Cost for follow up of medicines from Medical Store Department; fuel and respective allowances.
- vii. Expenses for printing revenue receipt from government printer through Ministry of Health.

Precaution

- The fund should not be used for paying; salaries, any other expenses such as electricity, water bills, telephone bills etc., allowances and personal benefits or purchase of office equipment which are not associated with the fund. These expenses should be included in the approved estimates of the GFS codes of the Ministry of Health, Region and District.
- These expenses should be incurred after authorisation by Regional Hospital Board which is formulated for implementation.

During the financial year 2015/2016, we noted that expenditure from the cost sharing account amounting to TZS 80,661,099 was utilised contrary to the requirements of the above cited guideline. Details of the payments are shown in **Appendix VII**.

Cause

- Non - compliance with Health Services Fund guideline of December 1997 second edition on how to utilize cost sharing fund
- Shortage of funds for meeting the hospital's recurrent expenditures.

Implication

Due to the shortage of funds the Regional Hospital has experienced, management may not be in a position to meet expenditure to be covered by the cost sharing fund, as per Health Services Fund guideline of December 1997 second edition.

Recommendation 37

- The Regional Hospital management is advised to comply with the Health Services Fund Guideline of December 1997 second edition, on how to utilize the cost sharing fund.
- The Regional Administrative Secretary management should consider not bearing other Regional Hospital costs which are not covered by cost sharing fund.

Management Response

The Regional Hospital management agrees that consumptions were made out of the cost sharing guideline of 1997 due to shortage of funds to meet all the requirements. Management will work towards decreasing expenditure which does not conform to the requirements of the guideline for cost sharing funds.

Audit Comment

Management response has been noted. However, cost sharing fund utilized contrary to Health Services Fund guideline should be refunded to the respective account.

2.15.4 Funds Borrowed from the Cost Sharing Account not Refunded TZS 3,124,000: Summary of Findings from Agencies and Projects

Scrutiny of payments made from the cost sharing account noted that the Regional Hospital drew TZS 3,124,000 from the cost sharing account for lending to various officials for financing different activities. However, up to the end of the financial year, the borrowed funds were yet to be refunded. Details of the payments are shown on table 32 below:

Table 31: Funds Borrowed from the Cost Sharing Account not Refunded

| Date | Payee | Amount (TZS) | Cheq No. | PV No. | Details |
|--------------|-----------------|------------------|----------|--------|---|
| 03/09/2015 | David Mlongo | 660,000 | 323206 | 9-Feb | Loan to RS office for attending Prime Minister visit. |
| 19/10/2015 | CASH | 300,000 | | | Loan for Vehicle insurance (DFP 6634 & 6391) |
| 19/03/2016 | Magreth Chipeta | 2,164,000 | | 18/3 | Loan for RAS to attend LAAC meetings in DSM |
| Total | | 3,124,000 | | | |

Cause

The Regional Hospital management was not in a position to meet its recurrent expenditure due to budget cuts.

Implication

Non-compliance with Health Services Fund guideline of December 1997 second edition.

Recommendation 38

The Regional Hospital management is required to comply with the Health Services Fund Guideline of December 1997 second edition, on how to utilize cost sharing fund.

Management Response

Management works hard in complying with Health service Fund guideline. The problem occurred due to shortage of fund and late delivery of other sources fund, especially Other Charges although we have already attached some documents for returning the borrowed fund and reminder letter for the remaining amount.

Audit Comment

Cost sharing funds utilized contrary to Health Services Fund guideline will need to be fully refunded.

2.15.5 Procurement of Medical Supplies without out of Stock List from Medical Stores Department TZS 9,652,020

During the year under review, Rukwa Regional Hospital procured medicine and medical equipment worth TZS 9,652,020 from private suppliers, without a list of non-availability of those items from Medical Store Department, contrary to the Government directives. Details for the procurement are shown in table 33 below:

Table 32: Procurement of Medical Supplies without out of Stock

| Date | Supplier | Amount (TZS) | Cheq No. | PV No. |
|--------------|------------------------------------|------------------|----------|--------|
| 08-10-15 | Semiwe Pharmacy LTD | 3,356,500 | | 10/12 |
| 08-10-15 | Kissa Pharmacy | 4,117,470 | | 13/10 |
| 16-05-16 | Kamlab Surgical Equipment Supplies | 2,178,050 | 323471 | 14/5 |
| Total | | 9,652,020 | | |

Cause

- Absence of proper planning and control over the procurement of Hospital equipment.
- Communication gap between MSD and the hospital management.

Implication

The procured medical facilities might cost more than it would have been had they been obtained from MSD

Recommendation 39

- The management should ensure that procurement of Hospital Equipment for Regional Hospital is strictly made through MSD and where required facilities are out of stock, justification for procuring elsewhere should be facilitated by MSD.
- The management should produce documentary evidence to justify that the purchased items were out of stock at MSD at the time of request.
- In case of emergence, authorisation by the Regional Hospital Board/Committee should be sought before undertaking any procurement.

Management Response

Management agrees with the auditor's finding; the management is working hard on the noted weaknesses by strengthening controls, especially by purchasing hospital equipment through MSD and complying with all procurement guideline.

The purchases of some items were made out of MSD as per the Government guidelines due to the following reasons;

- Some equipment purchased were not in MSD catalogue while some were emergency purchases which need to be done to contain a situation which existed by then.

Audit Comment

Management response has been noted. However, justification for procuring medical supplies and equipment worth TZS 9,652,020 was not submitted for audit verification.

3.0 ACKNOWLEDGEMENT

We wish to express our appreciation to the management of Rukwa Regional Secretariat for the co-operation extended to the audit team during the course of audit. It is my hope that, such good working relationship will continue to be extended to my audit teams during future audits.

4.0 APPENDENCES

Appendix I: Implementation status of prior year audit recommendations

| Financial Year | Paragraph | Summary of audit Observation and Recommendations | Management comments (update the comments with reasons of delays in implementing the outstanding issues if applicable) | Status (under implementation, not implemented) |
|----------------|-----------|---|---|---|
| 2009/2010 | 2.2.10.1 | Vouchers for Kilimo Kwanza received by RAS - Rukwa not confirmed. The management should trace and submit issue vouchers for audit verification | | Under Implementation |
| 2009/2010 | 2.2.11.2 | Missing "Pembejeo" books of vouchers TZS 25,000,000 Management should make follow up on the Pembejeo books not received by the councils | | Under Implementation |
| 2012/2013 | 2.8.4 | Extra costs incurred on maintenance and repairs of Motor vehicle TZS 44,394,927 • The management has to institute a well-functioning Asset management Policy for assisting in assessment of cost versus benefit of repair, maintenance, replacement and disposal of non- current Assets owned by the Regional Secretariat. | It is true that there is a huge expenditure on the said vehicle due to shortage of motor vehicle and the referred vehicle has been excessively (used in many routes especially for long distances such as DSM and Dodoma routes) a situation that necessities frequent repair and maintenance. As our effort to solve this problem, give the budget constraints, we budgeted, in financial year 2013/2014 to purchase on Four Wheel drive vehicle that has been now purchase. We hope this measure will reduce significantly expenditure on this vehicle. | Under Implementation |

| | | | | |
|-----------|--------|--|--|----------------------|
| | | | Authenticity of repair costs has to be justified. For instance frequent routes should be supported by a properly filled in log book and repair and maintenance costs may be supported to some extent by recording removed car parts in relevant ledgers and well completed logbook. | |
| 2012/2013 | 2.10.1 | <p>Unclaimed Salaries not surrendered to Treasury TZS 2,228,284.58</p> <p>The Regional Secretariat management is advised to ensure that unclaimed salaries are remitted to Treasury and relevant acknowledgement receipts are submitted for audit verification.</p> | <p>This amount was included in the transfer made in two lots whereby on lot TZS 52,407,424.30 was made on 19th June 2013, and the second one for TZS 57,460,320.84 was made on 26th June 2013. The transfer details are herewith submitted for verification.</p> <p>Supporting acknowledgement receipts for TZS 3,879,907.26 were not submitted for audit verification; hence the recommendation stands still.</p> | Under Implementation |
| 2012/2013 | 2.10.2 | <p>Salary deductions made from unclaimed salaries TZS 10,203,945.11</p> <p>We recommend the management to ensure that, all salary deductions effected and paid to relevant bodies are recovered from respective authorities and Deposited to Treasury account. Evidence of recovery of the said deduction should be made available for our verification.</p> | <p>The said amount refers to such deductions, as PAYE, NHIF etc. that are made at source by Treasury. The situation has been caused by delay in deleting the respective employee from the payroll by PO-PSM. With the introduction of HCMIS whereby the deletion is done by the employer direct through the system immediately after cessation of employment, the situation of continued deductions is not expected to occur.</p> <p>Organization receiving such deductions should also be informed of a need for refunding the amount involved.</p> | Not Implemented |
| 2012/2013 | 2.10.3 | <p>Manpower requirement for 185 Personnel.</p> <p>The RS Management is advised to ensure that, the required number of staff is achieved by communicating with responsible authority.</p> | <p>It is true that, there was a shortage of 185 staff due to centralization of recruitment procedures. However, after the year end the entity has received a total of 61 staff from July 2013.</p> <p>Audit follow up is underway to evaluate how best</p> | Under Implementation |

| | | | | |
|-----------|--------|--|--|-----------------|
| | | | the available resources are utilized in delivery of services to the community and how faster the problem of shortage of staff is going to be solved. | |
| 2012/2013 | 2.11.1 | <p>Non maintenance of records related to maintenance and repairs of motor vehicles</p> <p>The RS management should ensure that all relevant records are maintained accordingly.</p> | <p>The records for repair and maintenance have been kept in the respective motor vehicle files. Furthermore we are in the effort of sending one staff to NIT for further training on transport management.</p> <p>The involved records were not produced for audit verification; hence the above audit recommendation stands still.</p> | Implemented |
| 2012/2013 | 2.11.2 | <p>Grounded Motor vehicles and motor cycles</p> <p>We recommend to the RS Management to ensure that, all assets are safeguarded and all grounded motor vehicles are either repaired or sold in order to avoid wastage of government assets and monies.</p> | <p>Auditor's recommendation is appreciated and will be adhered to. However, the vehicle STJ.9753 is in the process to be loaned to staff who has applied for that and the STH 4585 is at TAMESA garage who have overhauled the engine for major.</p> <p>A report on either repairing or disposal of these grounded motor vehicles is awaited for audit verification.</p> | Not implemented |
| 2012/2013 | 2.11.3 | <p>Unpaid Insurance claims for ten vehicles (DFP 6634; 5215; 8477; 8958; 6391)</p> <p>The Regional Secretariat management should strengthen its control over management of public vehicles by making sure that relevant Motor vehicles are insured.</p> | Formerly the insurance was being paid from the respective projects to which the vehicles were belonging. After being transferred to Regional Secretariat we are making arrangement to pay for insurance. | Implemented |
| 2012/2013 | 2.12.2 | <p>Non submission of Bank Reconciliation Statements for audit.</p> <p>Accounting officer should submit all Bank Reconciliation Statement belonging to the Regional Secretariat's accounts for audit verification</p> | <p>No response</p> <p>The relevant bank reconciliation statements have not been submitted for audit</p> | Implemented |
| | | | | |

| | | | | |
|-----------|-----------|---|--|----------------------|
| | | FINDINGS FROM AUDIT OF FUNDS OF REGIONAL HOSPITAL RUKWA | | |
| 2011/2012 | 2.2.7.2.1 | <p>Goods purchased but not recorded in stores ledger TZS.1,805,000</p> <p>The Hospital Management should ensure that all stores purchased and delivered are accounted for in the ledger immediately before being distributed to the user department.</p> | <p>The stores purchased have been accounted as indicted here below (Appendix XXVI)</p> <p>The mentioned store ledgers were not physically submitted for audit verification. The RS is urged to submit such ledgers for audit verification.</p> | Under Implementation |
| 2011/2012 | 2.2.7.2.2 | <p>Missing stores items TZS.2,601,965</p> <p>Management should strengthen its control to ensure that all store items are properly recorded in respective ledgers at the time of delivery and when they are issued.</p> | <p>It is true that, there was a difference between ledger balance and physical count which was caused by delaying in updating ledgers, after updating the ledger the balances are equal, we are submitting our ledger books for verification (Appendix XXVIII).</p> <p>The whereabouts of missing hospital stores was yet to be confirmed by management.</p> | Not implemented |
| 2011/2012 | 2.2.7.2.4 | <p>Medical Equipment received but not recorded in the stores ledgers and general ledgers</p> <p>The Regional Secretariat management should enhance the recording system related to drugs and medical Equipment in the Pharmacy section and the Hospitals a whole.</p> | <p>No response</p> <p>Medical equipment received were not recorded in stores ledger. The RS is urged to submit related ledgers for audit verification</p> | Not implemented |
| 2012/2013 | 2.13.3 | <p>Shortage of 323 Personnel at Rukwa Regional Hospital</p> <p>The Hospital Management in collaboration with Employment authority (PO-PSM) needs to come up with solution to curb the shortage of staff at Sumbawanga Regional Hospital.</p> | <p>It is true that there was a shortage of personnel. However, during the year 2012/2013, we received a total of 61 personnel from the Ministry of Health and PO-PSM as measure to curb this shortage.</p> <p>Follow up on the implementation will be continued during the next audit.</p> | Under implementation |
| | | Improper management of store ledgers. | This was caused by the delayed up dated of ledger books due to the interaction of duties | |

| | | | | |
|-----------|---------|--|---|----------------------|
| 2012/2013 | 2.13.4 | The hospital management should strengthen the internal controls over assets. | and shortage of staff. The updated records are hereby submitted for your verification. Management response has been noted, however, the above audit recommendation shall remain relevant and therefore call for appropriate management actions. | Implemented |
| | | HEALTH BASKET FUND | | |
| 2013/2014 | 3.2.3.2 | Accounts Payable TZS.840,624,099 The Regional Secretariat's management is advised to review its credit Policy and ensure that liabilities are timely settled, to avoid unnecessary penalties and potential reputation risk. | We agree to the auditor recommendation to review RS credit policy. However, in the financial year 2014/2015 we received funds amounting to Tshs.197,172,682.00 from Treasury to settle some liabilities and also in financial year 2016/2017 we received funds amounting Tshs.335,033,497 for the same purpose through letter ref.HD.142/604/03/230 of 25 October, 2016 and Exchequer no. EB/AG/159/16/0477 of 08/11/2016 submitted for your audit verification. | Under Implementation |
| 2013/2014 | 3.3.1 | Maintenance of Motor Vehicles not recorded into Log books TZS. 5,776,095. We advise the management through the Transport Officer to conduct regular checks on motor Vehicle's Log books, so as to ensure they are being effectively maintained. | Management understands and appreciate the use of logbooks and in our operations we have been insisting the drivers to use them. Furthermore, a circular has been issued to these effects. We regret for the anomalies that have been observed and we are obliged to take remedial actions as recommended by Auditors. The circular to instruct drivers on management of logbooks has been submitted and verified. However, compliance to applicable regulation will be evaluated in the forthcoming audits. We insist the management to conduct regular checks so that the control can be effective. | Not implemented |
| | | Records for Motor Vehicles Maintenance, repairs and replacement not maintained. | The vehicles maintenance and repair register is in place and hereby presented for audit verification. | |

| | | | | |
|-----------|-------|--|---|-----------------|
| 2013/2014 | 3.3.2 | The Accounting Officer is advised to ensure records for maintenance and repair of Motor Vehicles and Motor Cycles are properly maintained for decision making purpose and made available for inspection by the Controller and Auditor General, as and when required. | The vehicle maintenance and repair register was not submitted for audit verification. We urged the management to adhere to auditor's recommendations. | Implemented |
| 2013/2014 | 3.3.3 | Three Motor Cycles and two Motor Vehicles grounded without maintenance. The management is advised to ensure all grounded Motor vehicles and Motor Cycles are either repaired or disclosed. | Vehicle Number STK 5508 has been experiencing Technical problem since its acquisition and now is under repair. By virtue of their age, the other vehicles in question, management remain with no option except to dispose them as repairing them will be uneconomical and the processes to implement disposal are underway. Management response has been noted. The processes to implement disposal of the identified vehicle is awaited for audit verification. | Not implemented |
| 2013/2014 | 3.3.4 | Insurance claims for 9 Vehicles not paid (DFP 6634; 5215; 8477; 8958; 6391) TZS. 1,050,000 The Regional Secretariat is advised to insure DFP Vehicles and make sure claims are settled as they fall due. | The auditor's observation is true that these vehicles are currently lacking insurance protection due to financial difficulties. The process is underway to transfer them to Government ownership. Management response will be verified next audit. | Implemented |
| 2013/2014 | 3.4.1 | Presence of one (1) pending legal case (Muva Building Contractors vs Attorney General and RAS Rukwa TZS.9,000,000 • The Secretariat management is advised to prepare a strong legal defence on matters | It is true that there are two pending legal cases as per auditors' observation. The management is optimistic that according to strong arguments presented the case will be won. All cases are waiting court judgments hence the outcomes of the cases will be reported in the forthcoming audits. However, the management is | Implemented |

| | | | | |
|-----------|---------|--|--|-----------------|
| | | <p>stated, so as to help in reducing the possibility of cases being ruled against the Secretariat.</p> <ul style="list-style-type: none"> The Regional Secretariat has to disclose a contingent liability in the financial statements | insisted to make provisions in the next year's budget | |
| 2013/2014 | 3.5.1.1 | <p>Procurements made without Local Purchasing Orders TZS 12,496,926.</p> <p>The Regional Administrative Secretariat's management is urged to abide with the requirements of the Procurement Regulations and ensure that all purchases are being made after issuing a proper LPO to the Supplier.</p> | <p>The cause for this situation is based on the fact that the Fund delivery from the Treasury, in terms of timing and amount, does not match with the actual requirement/demand. This situation compel us to get the service outside commitment accounting, as at the time of delivery there was no Fund for committing consequently, the system LPO is raised at the time of payments. However, instead we have been using the call off order to fulfil the same requirement. Auditors should discern the situation and take a considerate position.</p> <p>Audit comment Management response has been noted. However, we insist the Regional Secretariat to abide to procurement regulations by making appropriate approvals and issue L.P.O to supplier of goods/services as the document is used as a tool for specifying the items needed from the supplier and it acts as a binding contract.</p> | Not implemented |
| 2013/2014 | 3.6.1 | <p>Unclaimed salaries and deductions not remitted to Treasury TZS. 35,611,364</p> <ul style="list-style-type: none"> The Regional Secretariat is advised to remit | <p>a) The unclaimed salaries were withheld and remitted to the Treasury accordingly. Kindly refer to the remittance details hereby submitted for your reference.</p> <p>In a case of Adrian Robert Siwalima his salaries</p> | Not implemented |

| | | | | |
|-----------|-------|---|--|-------------|
| | | <p>the unclaimed salaries to the Treasury as per letter No. EB/AG/5/03/01/Vol.VI/136 of 31/08/2007</p> <ul style="list-style-type: none"> The Regional Secretariat management is urged to ensure that all salary deductions in question are being recovered from respective authorities and transferred to the Treasury. | <p>were not remitted to Treasury as unclaimed salaries because his request for resignation was directed to the wrong authority and after this abnormally has been rectified and we have already written a letter directing him to refund the amount as required by the law (Letter ref. RR/PF.15180/40 dated 31/12/2014). In response to the letter written to him, he has committed himself to refund the Salaries he received while he was absent from his workstations starting from February 2015 via letter dated 13/01/2015.</p> <p>b) The referred amount relates to the deductions at source. We will liaise with the Treasury Dar es Salaam to alert them on this issue so that they can recoup the same from various institutions, where the amounts were remitted.</p> <p>Audit comment The management response has been verified and found that, the unclaimed salaries remittance particulars were not submitted for audit verification.</p> | |
| 2013/2014 | 3.6.2 | <p>Voluntary resigned employees not deleted from payroll.</p> <p>The management is advised to ensure that employee's requests and disputes are being attended as early as possible.</p> | <p>Initially the request for resignation was directed to the wrong authority. This anomaly has now been rectified and the management has already written a letter to the individual directing him to refund the amount as required by the law. Efforts made by the management through letter Ref No. RR/PF.15180/47 dated 27 July, 2015 to PSPF helped to ensure refund of 12,392,770.88 possible as shown by PSPF letter Ref No. PSPF/CN9790184/89/28 of 18th April 2016.</p> | Implemented |
| | | Income Taxes not deducted from acting allowance payments TZS.32,152,008 | In our understanding acting allowances like other allowances that are payable through OC and not PE are not subject to Tax and that is why are payable | |

| | | | | |
|-----------|---------|---|--|----------------------|
| 2013/2014 | 3.6.3 | <ul style="list-style-type: none"> The management is advised to observe appropriate laws and regulations on payment of employees' allowances and other employment benefits. The management is advised to ensure that accrued Income Tax is paid to TRA and the details for payments are submitted for audit verification. | <p>outside the payroll system where the rates that are applicable are set. Otherwise subjecting those allowances to tax and other deduction would lead to double standard because it is hard to estimate the tax bracket more precisely. Furthermore there is no guideline from PO-PSM regarding to this issue.</p> <p>However, we have written a letter ref: Na. CAC.62/250/01/46 of 08/01/2014 to inquire for clarification on the matter.</p> <p>Audit comment Acting allowances are subject to tax as per Income Tax Act and Finance Act, 2013. Hence the Regional Secretariat management is required to submit unpaid tax on acting allowance and compute amount of tax for outstanding acting allowances. However, the clarification inquired by the management is still awaited for verification</p> | Not implemented |
| 2013/2014 | 3.7.1 | <p>Surprise cash survey not carried out.</p> <p>Periodic surprise cash survey has to be conducted in order to safeguard cash and cash equivalent.</p> | <p>It is true that the auditor was not in a position to perform a surprise cash count, due to diversity of some responsibilities at that point in time. The auditors' observation will be adhered to in future.</p> <p>Audit comment Management compliance to applicable rules and regulations will be evaluated in the forthcoming audits.</p> | Under Implementation |
| 2013/2014 | 3.9.1.1 | <p>Non evaluation of Audit Committee and its member's performance.</p> <p>The Secretariat management is advised to evaluate audit Committee's performance at least once in a year.</p> | <p>The auditor recommendations are highly observed. The Regional Administrative Secretary has established a new audit committee as per guideline issued by PMO-LARG in December 2013 requirement.</p> <p>Audit comments</p> | Implemented |

| | | | | |
|-----------|----------|--|---|-----------------|
| | | | The documentation for newly established audit committee has been submitted and verified. | |
| 2013/2014 | 3.10.1.1 | <p>Improperly Vouched expenditures TZS.26,879,340</p> <p>The Regional Administrative Secretariat Office Management is urged to trace and submit all missing documents for audit verification.</p> | <p>The documents to support the payments were kept in the files instead of keeping them in the respective payment vouchers and are hereby presented for verification.</p> <p>Audit comment Management response has been received. However, supporting documents for TZS 26,879,340 were not submitted for audit verification.</p> | Not implemented |
| 2013/2014 | 3.10.1.2 | <p>Non claim of Fiscal receipts for procurements made TZS. 317,910,623</p> <p>The Regional Administrative Secretariat Office is urged to obtain electronic invoices issued from Electronic Fiscal devices on purchased items from VAT registered members or any supplier whose turnover is at least 14 million per year.</p> | <p>It is true that the above payments were not supported by Electronic Fiscal Receipts because the suppliers, who supplies us on credit terms, declines to give electronic receipts on the account that they do not have machines and others claim that their machines are not working.</p> <p>Furthermore, as we mostly purchase on credit terms and given the fact that we are purchasing from same suppliers, we find ourselves in a situation whereby we are unable to force them to give us electronic receipt and if we confiscated their payments in order to force them to comply, they may declining to give us the services or supplies (given the fact that the number of suppliers in the area is limited and we have no alternatives except to go to same suppliers) a situation which put us on the detrimental side. Auditors should consider this situation more critically.</p> <p>Audit comment Management response has been noted. However, credit purchase is not an excuse for the supplier</p> | Not implemented |

| | | | | |
|-----------|----------|--|---|-----------------|
| | | | not to issue fiscal receipt. The Regional Secretariat has to assist the government in tax administration and collections. Therefore we insist the management to ensure it claims fiscal receipts for every purchase made. | |
| 2013/2014 | 3.10.1.3 | <p>Deferred payments TZS. 1,555,000</p> <ul style="list-style-type: none"> • The accounting Officer is urged to enforce policies and procedures governing excessive expenditure/budget control, to ensure commitment are chargeable to the account of given year. • The Secretariat management should justify that the payments were budgeted for in the year 2012/2013. • The Secretariat management is urged to always record all the claims in the list of creditors in the previous financial year's supporting schedule, in order to justify the payments. | <p>The management has been keen in incorporating the liabilities in the financial statement as per requirement of Accrual IPSAS Financial reporting system.</p> <p>In the year under review, for instance, the amount of TZS 840,624,099.97 was incorporated as outstanding Liabilities (kindly refer Note. 64 on page 29 of the Financial Statements). Because the current accounting system is not customized to capture the Liabilities online, it is possible for this minor anomaly to happen and we regret for its occurrence.</p> <p>Audit comment Management response has been noted. However, we insist the secretariat to submit evidence that this creditor was in the list of genuine creditors for previous year.</p> | Not implemented |
| 2013/2014 | 3.10.1.5 | <p>Existence of huge maintenance expenses for Motor vehicle TZS.75,857,427</p> <p>The management has to institute a well-functioning Asset management Policy for assisting in assessment of cost versus benefit of repair, maintenance, replacement and disposal of non- current Assets owned by the Regional Secretariat. In addition after coming from the Garage the management has to make evaluation of running costs for the vehicle and</p> | <p>It is true that there has been a material expenditure on said vehicle arising from frequent repair and maintenance, keeping into consideration that the vehicle has been subject to frequent travel and formerly had been experiencing technical problems. Currently the Vehicle is at Action Auto garage Ltd-Morogoro who is a Toyota Vehicles Dealer/Agent for intensive maintenance where up to January 17, 2015 the vehicle was on testing according to report on the progress of maintenance issued by respective</p> | Not implemented |

| | | | | |
|-----------|----------|--|---|-----------------|
| | | consider disposing it when the costs remains higher. | <p>Dealer/Agent. However, we concur with the Auditors recommendations and Management will take appropriate steps including disposing the vehicle if it will persist with those anomalies.</p> <p>Audit comment Management response has been noted. We will verify the action taken by the management on the vehicle during our next audit.</p> | |
| 2013/2014 | 3.10.1.7 | <p>Missing payment voucher TZS.3,000,000</p> <p>The management is urged to trace and submit the missing payment voucher for audit verification.</p> | <p>Most of the referred Payment vouchers have been misfiled during the course of audit. They were traced are hereby presented for your verification.</p> <p>Audit comment The payment voucher in question was not availed for audit verification. We urge the management to trace and submit the voucher for verification of authenticity of payments made</p> | Not implemented |
| 2013/2014 | 3.11.1 | <p>Fuel procured through imprest not verified to be recorded in Logbooks TZS. 1,415,500.</p> <ul style="list-style-type: none"> • The management is advised to ensure all fuel issued or procured are being recorded in appropriate log books. • The Regional Secretariat management is advised to institute fuel consumption tracking mechanism which can precisely pinpoint the rate at which each vehicle is consuming fuel for efficient decision making purposes. | <p>Auditor's recommendation is appreciated and Management is promising to take appropriate step on the matter.</p> <p>Audit comment Management response has been noted. The adherence to auditor's recommendations will be verified during our next audit.</p> | Not implemented |
| | | Withholding tax not charged to suppliers TZS.2,632,646 | The instructions from TRA to effect withholding Tax on goods and service was received on 11/11/2013 vide their letter ref: | |

| | | | | |
|-----------|-----------|---|--|-----------------|
| 2013/2014 | 3.12.2 | <p>The Hospital management is advised to adhere to the Finance Act, 2013 by deducting appropriate amount of withholding tax whenever it makes purchases to suppliers.</p> | <p>TRA/RK/DR/WTSDLP/54/154 of 11/11/2013, before this time we had no instructions to this effects and all referred payments were made before that time.</p> <p>Audit comment The letter with reference number TRA/RK/DR/WTSDLP/54/154 of 11/11/2013 was submitted and verified, however effective date of Finance act, 2013 was from 1st July 2013. We urge the management in future to ensure appropriate taxes are being levied and remitted to TRA.</p> | Not implemented |
| 2014/2015 | 3.2.2 | <p>Non-current assets not correctly accounted for TZS.8,695,595,748</p> <p>We recommend to the management to rectify the above shortcomings as a pre-condition for complying with IPSAS Accrual basis of accounting</p> | No response | Not implemented |
| 2014/2015 | 3.2.3 | <p>Absence of updated information on the Regional Secretariat's intention to adapt IPSAS Accounting standards issued as a result of change in accounting policies</p> <p>The Rukwa Regional Administrative Secretariat is advised to update its financial statements notes in relation to time.</p> | No response | Not implemented |
| 2014/2015 | 3.3.3.1.1 | <p>Overdue Accounts payable TZS.948,306,246</p> <p>The Regional Secretariat's management should review its credit policy and ensure that liabilities are timely settled to avoid unnecessary penalties and potential reputation risk.</p> | No response | Not implemented |
| 2014/2015 | 3.4.1 | Three motor cycles and two Motor vehicles grounded without maintenance | All motor vehicles are in the process of being disposed-off. The secretariat management has already received application letters from different staff, who are interested to purchase these | Not implemented |

| | | | | |
|-----------|---------|---|---|----------------------|
| | | <p>Management is advised to ensure that all grounded motor vehicles and motor cycles are either repaired or disposed-off.</p> | <p>vehicles and motor vehicle STK 5508 has already been repaired waiting to be collected after payment of the maintenance cost.</p> <p>Audit comment The processes of disposal of the identified vehicles and cycles and settlement of the outstanding liabilities for the repaired motor vehicle are awaited for audit verification.</p> | |
| 2014/2015 | 3.4.2 | <p>Absence of records for the maintenance, repairs and replacement of the Regional Secretariat's motor vehicle, plants and equipment</p> <p>The Accounting Officer is advised to ensure records of maintenance and Repair of motor vehicles and motorcycles are properly maintained for decision making purposes and made available for inspection by the Controller and Auditor General, as and when required.</p> | <p>Procurement of auto parts for the purpose of motor vehicles maintenance were formerly recorded in the procurement journals and replacement of disposal of motor vehicles were recorded in the fixed assets register; however currently RAS is maintaining separate register No.1 which is available for your verification.</p> <p>Audit comment Register No 1 submitted does not contain repairs, maintenance and replacement of the Regional Secretariat's motor vehicles, plants and equipment related with the year under review. Management should maintain proper records for repairs, maintenance and replacement of its motor vehicle, plants and equipment.</p> | Implemented |
| 2014/2015 | 2.5.1.1 | <p>Stores not recorded in stores ledger TZS 24,200,000</p> <p>The Regional Secretariat management should strengthen the stores management to ensure compliance with Regulation no. 198 of the Public Finance Regulation, to avoid possible losses. Further, management should confirm accountability of the stores paid for.</p> | <p>The identified items have been recorded in the stores ledger and the Auditors are urged to verify the submitted records.</p> <p>Audit comment Stores ledgers submitted do not contain records of stores amounting to TZS 4,949,000.</p> | Under implementation |
| 2014/2015 | 3.6.1 | <p>Unconfirmed 96 employees from Government Master Payroll</p> <p>The Regional Secretariat is advised to make effort to communicate with Treasury and the</p> | <p>The management has taken the initiative to write to the responsible Ministry, so that the system is updated to enable such activities of updating confirmation of employees, through HCMIS' letter</p> | Not implemented |

| | | | | |
|-----------|-------|---|--|-----------------|
| | | Public Service Management to ensure that, data of the employees records are reconciled with those of the Treasury master payroll and correct confirmation dates are adjusted accordingly. | No FA.167/198/01/02 of 15 th November 2015. Audit comment The management's efforts for rectifying the situation will be verified during our next audit. | |
| 2014/2015 | 3.7.1 | Salaries paid to non-existing employees amounting to TZS 6,841,699.67 Management is advised to make follow up on the matter and ensure the amount of salaries paid in respect of retired and deceased staff are recovered in gross from the respective agencies and retired staff's sources of income. | The said employees are ready deleted from the database (Payroll) and the management is making a follow up to beneficiaries for refund of the paid salaries. We have communicated with the Tanzania Police Force (TPF) through our letter Ref No.EA.85/250/01/154 dated 23rd May, 2016 to assist on recovery of the same from Eva Myalla C/N 3403026 and Moshi Chang'a C/N 4276715 while others in the list have started to pay their debts through recovery the same from their retirement benefits entitlements (Transport of family and personal effects) which are supposed to be paid by RAS Rukwa (as their retirement benefit). Audit comment All amounts has been recovered as per verified documents submitted. | Implemented |
| 2014/2015 | 3.7.2 | Deductions remitted to various institutions for employees who are no longer in Public Service TZS 20,488,296 Regional Secretariat in collaboration with Treasury should make follow up to the respective Institutions, in order to get refund of the amounts paid to such financial Institutions. In future effective controls should be instituted by government to prevent the weakness noted, which are likely to increase Government payroll spending unnecessarily. | We have already written to the respective Institutions requesting for the refund. Audit comment Management's efforts to secure refunds from the respective Institutions will be verified in our next audit. | Not implemented |
| 2014/2015 | 3.7.3 | Voluntary resigned employee not deleted from payroll The management is advised to ensure that | No response | Not implemented |

| | | | | |
|-----------|---------|---|--|-----------------|
| | | employee's requests and disputes are attended timely. | | |
| 2014/2015 | 3.7.4 | <p>Acting allowances paid without deducting income tax TZS 36,311,000.</p> <ul style="list-style-type: none"> The Secretariat Management is advised to observe appropriate laws and regulations on payments of employee's allowances and other employment benefits. Management is advised to ensure that accrued Income Tax is paid to TRA and the details for payments submitted for audit verification. | <p>After enquiry from appropriate authorities, we have received a guideline from PO-PSM through their letter. In response to this letter we have already written letters to the beneficiaries to pay the respective taxes, and are waiting for responses.</p> <p>Audit comment Acting allowances are subject to tax as per the Income Tax Act and Finance Act, 2013. Hence, the Regional Secretariat management is required to submit unpaid tax on acting allowance and compute amount of tax for outstanding acting allowances.</p> | Not implemented |
| 2014/2015 | 3.7.5 | <p>Accumulations of claims of Employees amounting to TZS 323,840,300</p> <p>Management of the Regional Secretariat is advised to make a close follow up with the Treasury, to ensure that the amount of outstanding employee's claims is received for settlement.</p> | <p>This was caused by the shrinkage of the budget ceiling and reduction of funds that has been released to our entity from Treasury. However, despite of this financial situation, Management has been making its endeavours to minimize the occurrence of staff liabilities.</p> <p>Audit comment The management is advised to make close follow-up, to ensure that funds are received from Treasury, for settlement of the claims.</p> | Not implemented |
| 2014/2015 | 3.8.1.1 | <p>Ineffective IT Units and Information Technology Environment</p> <ul style="list-style-type: none"> The Management of the Regional Secretariat is advised to put the IT policy in use, to enhance IT development, | <p>The Secretariat ICT strategic plan (2012/2013-2015/2016) was approved by the Regional Consultative Committee at its 24th sitting held on 31st August, 2012 and later on, signed by the Regional Commissioner.</p> <p>The issue of maintaining IT steering committee at the Regional level was discussed at joint</p> | Implemented |

| | | | | |
|-----------|---------|---|--|-----------------|
| | | <p>sustainability and security in order to minimise risks.</p> <ul style="list-style-type: none"> • The management of the Secretariat should make sure that the IT strategic plan is approved and put it into use in order to support the Secretariat's IT requirements. • The Regional Secretariat is advised to establish an IT steering committee to assist in the governance of IT resources. | <p>stakeholders meeting held on 5th February, 2013 at the CAGs office between CAGs officers and PO-PSM officers and was ruled out that there is no need of maintaining IT steering committees, at the IT units of the various MDAs/ Organizations. The IT guidelines item 8.8 directs that every government institution must maintain IT units and that in-charge of the unit will report direct to the Head of Institution. Thus in charge of IT unit will participate in all Management meetings for deliberations and decision making hence no need of a separate committee for IT.</p> <p>The submitted management responses have been verified and the matter is cleared</p> | |
| 2014/2015 | 3.8.2 | <p>Weaknesses Identified in Internal Control System</p> <p>Management should make regular assessments of the controls to ensure that they serve the intended objectives.</p> | <p>The Regional Secretariat has guidelines for developing and implementing fraud risk management framework in the Public Sector for April 2015 and guidelines for enhancing internal control frameworks in the public Sector.</p> <p>Audit comment The management response did not provide evidence to justify that weaknesses identified have been rectified.</p> | Implemented |
| 2014/2015 | 3.8.3.1 | <p>Non-performance of Risk Assessment</p> <p>The Secretariat is advised to establish a Risk Management Policy, as per requirement of guideline issued by the Ministry of Finance in December 2012 and perform risk assessment processes to identify risks incidences as they arise.</p> | <p>The Secretariat Management agreed with Auditors recommendations. RAS has appointed the Risk Management coordinator and Risk Management team who will work close to make sure the risk management is updated and used by 30 January 2016.</p> <p>Audit comment Management response noted the updated risk management policy will be verified in forthcoming</p> | Not implemented |

| | | | | |
|-----------|---------|---|---|-----------------|
| | | | audit. | |
| 2014/2015 | 3.8.4.1 | <p>Inefficiencies noted in the Internal Audit Unit</p> <p>Secretariat management should ensure that the Internal Audit Unit is adequately resourced in terms of staff, transport and funds, so as to discharge its functions effectively.</p> | <p>It is true that the Internal Auditor did not perform and finalize the entire planned audit work effectively for the financial year. We are pleased to inform you that your observations and useful recommendation were taken into account and the internal audit unit will make sure that all planned audit are done accordingly in the financial year 2015/2016, by supporting the internal Audit unit with adequate resources based on the funds received through exchequer issues notification from the Ministry of Finance.</p> <p>Audit comment Efficiency in Internal Audit work will be assessed in our next audit and we insist management to provide the internal audit unit, with adequate resources that will facilitate and enhance the expected performance.</p> | Not implemented |
| 2014/2015 | 3.8.5.1 | <p>Inefficient performance of Audit Committee</p> <p>Management should ensure that the Audit Committee discharges its duties and responsibilities efficiently and effectively in strengthening the internal control systems of the Secretariat.</p> | <ul style="list-style-type: none"> Recently the guidelines were received and assessments were conducted in September 2015 and the committee is now processing a questionnaire to get a report. It is true that the chairperson of the audit committee should be appointed from outside the institution as per guideline issued by PMO-LARG in December 2013. However, this is contrary to the Public Finance Act 2001 (revised 2004), together with its regulations. The Audit Committee chairperson will make sure that all members participate fully in all scheduled meeting. <p>Audit comment</p> | Not implemented |

| | | | | |
|-----------|---------|---|--|-----------------|
| | | | We acknowledge receipt of the management response. However, there is contradiction between requirement of the Public Finance Act 2001, (revised 2004) and guidelines issued by PMO-LARG in December 2013 in regard to the composition of the Audit Committee. The Regional Secretariat in collaboration with PMO-LARG should address contradiction of the aforementioned law and guidelines. | |
| 2014/2015 | 3.8.6.1 | Fuel procured through imprests not verified to have been recorded in logbooks TZS 4,017,225 The management is advised to ensure that all fuel issued or procured is recorded in the appropriate driver's log books. | The copies of logbooks have been submitted for your verification. Audit comment Logbooks for fuel used worth TZS 4,017,225 were not submitted for audit verifications. | Not implemented |
| 2014/2015 | 3.8.7.1 | Non submission of Bank Reconciliation Statements for audit The Accounting Officer should submit all Bank Reconciliation Statement belonging to the Regional Secretariat's accounts for audit verification. | NO response | Not implemented |
| 2014/2015 | 3.9.1 | Deficiency in record Management System TZS 53,519,765 Management of Rukwa Regional Secretariat have to take appropriate measures towards curbing the problem of missing supporting documents by maintaining robust records management system for easy tracing and complying with laws and regulations governing management of records. | The supplier is declining to issue EFD receipt to avoid double taxation as payments are being delayed for a long time and missing supporting documents are attached for verification. Audit comment The Regional Secretariat should assist the Government in tax administration and collection by ensuring EFD receipts are issued by service providers whenever payments are made. However, implementation of the secretariat response will be verified in our next audit. | Not implemented |
| 2014/2015 | 3.9.2 | Un-refunded amount borrowed from the deposit account TZS 76,720,100 | Amount borrowed from deposit was refunded to deposit account which amounts to TZS. 15,919,380/= with ERV 38433454 and ERV 38433455 of 29/07/2015 while other amount TZS. | Implemented |

| | | | | |
|-----------|--------|---|---|-----------------|
| | | The Regional Secretariat management is urged to ensure that, the borrowed funds are refunded to the miscellaneous deposit account as soon as recurrent funds are received. | 35,290,720/=spend was for investment conference and TZS. 25,510,000/= was used for Intended purposes. The supporting documents are submitted for your audit verification. All documents was submitted and verified | |
| 2014/2015 | 3.10.1 | Outstanding Imprests TZS 7,889,790 The Secretariat management is advised to strengthen controls over imprests management and ensure that all outstanding imprests are retired and all related retirement particulars should be submitted for audit verification. | All imprests have been retired but the retirement documents were kept in a separate file for easy of traceability, instead of being kept in the Payment voucher files and are hereby presented for verification. All retirement particulars were submitted and verified. | Implemented |
| 2014/2015 | 3.11.1 | Renovation of the Regional block building done without a Formal Binding Contract TZS 131,841,000 The Regional Secretariat is advised to make sure that, all building contracts and related works are based on a formally vetted and dully signed contract for smooth implementation of the intended works. | It is true that the regional Secretariat awarded contract No. RK/BC/2014/2015/91 to SUMA JKT worth of TZS.131,841,000/= for renovation of the Regional block building phase II and the contract was signed on 18th June, 2015 while before awarding the contract document was sent to the Attorney General for Vetting. We hereby submit the contract which has been vetted on 18th January 2016 for your verification. The contract submitted for verification was vetted as per documents submitted. | Implemented |
| 2014/2015 | 3.11.2 | Uncompleted contract for construction of Government leaders Residence houses TZS 525,818,961 The Regional Secretariat management is urged to enhance efforts in supervision that will ensure prompt implementation and completion of the houses. | Non response | Not implemented |
| | | | | |
| | | FINDINGS FROM RUKWA REGIONAL HOSPITAL | | |

| | | | | |
|-----------|----------|---|---|-----------------|
| 2014/2015 | 3.12.1.1 | <p>Revenue not confirmed to have been receipted by the accountant TZS.12,221,548</p> <p>The management of the regional hospital is advised to strengthen its system of record keeping in regard to revenue collected from the cost sharing scheme.</p> | <p>ERV for the amount collected are listed here under and have been submitted for your verification.</p> <p>ERV together with banking details for TZS 12,221,548 was submitted and verified</p> | Implemented |
| 2014/2015 | 3.12.1.2 | <p>Under reimbursement made by the National Health Insurance Fund (NHIF) to Rukwa Regional Hospital TZS 8,025,411.</p> <p>The Regional Hospital Management should establish an efficient system of dealing with NHIF to avoid unnecessary delay in receiving refunds. Further, management to ensure that claim forms are filled, reviewed and submitted on time to NHIF</p> | <p>It is true that there have been some errors arising from compilation of the reports, due to lack of sufficient skilled staff, involved in the compilation exercises. Management has already written a letter with ref: GHS/M.10/25/73 dated 07.09.2015, asking NHIF to conduct orientation programs that will assist in minimizing these anomalies and we are waiting for their responses.</p> <p>Audit comment The Management should exert more efforts in solving problem of under-payment of its claims from NHIF to avoid unnecessary losses.</p> | Not implemented |
| 2014/2015 | 3.13.1 | <p>Non repayment of Loans to Higher Education Student's Loans Boards by the Regional Secretariat Employees TZS 72,060,407.36</p> <p>The Regional Secretariat management is advised to arrange with beneficiary employees on repayment of loans through deductions from their monthly salaries as soon as possible, just after employee's first appointment.</p> | <p>The management has started to effect deductions to the respective staff as an initiative of refunding loans with effect from April 2016 direct from each employee's salary (from Treasury), and supportive evidence submitted for audit verification.</p> <p>All documents has been submitted and verified. The matter is cleared</p> | Implemented |

Appendix II: Status of implementation of PAC Directives

| S/N | Summary of the directives | Status of Implementation | Management Response | Audit Comment |
|-----|---|---------------------------------------|---------------------|---------------|
| 1 | The Public Audit Committee directed the Rukwa Administrative Secretary to keep on making follow up, on the results of investigations made by Prevention and Combating of Corruption Bureau (PCCB) and progressing cases, related to the issue of loss of “Pembejeo” voucher books, valued at TZS 25,000,000 occurred in financial year 2009/2010 | Under implementation | | |
| 2 | The Public Audit Committee directed the Rukwa Administrative Secretary to give the Controller and Auditor General, a maximum co-operation in undertaking special verification of three audit queries, issued in financial year 2012/2013. The referred audit queries were as follows: | | | |
| | i) Query No. 2.8.4: Extra cost incurred on maintenance and repair of Motor Vehicle No STK 5508 ii) Query No. 2.11.3: Unpaid Insurance claims for 10 Motor Vehicles belonging to Rukwa Regional Secretariat. (These motor vehicles were eventually loaned to some staff. Transparency and accuracy of Procedure adopted during the process of disposing such Motor Vehicles were to be re - examined and verified) | Implemented Implementation | | |

Appendix III: Deficiency in record Management System TZS 79,159,248

(a) Recurrent Account TZS 51,529,574

| No | Date | Payee | Transaction No | Transaction Amount TZS | Missing Documents |
|----|-----------|---|----------------|------------------------|--|
| 8 | 6/24/2016 | Rukwa Sub Treasury Misc Deposit Exp Account | 089VC15002403 | 2,210,000.00 | Missing attachments to the extent of payment voucher |
| 9 | 6/23/2016 | Jadamo General Supplies | 089VC15002375 | 980,000.00 | Missing Receipt |
| 11 | 6/15/2016 | Ras Rukwa Imprest Account | 089VC15002268 | 1,580,000.00 | Not supported to the extent of payment voucher |
| 12 | 6/15/2016 | Rmo Rukwa Imprest Account | 089VC15002233 | 900,000.00 | Pay sheet not signed, |
| 13 | 6/15/2016 | Temesa Regional Manager Rukwa | 089VC15002232 | 1,026,160.00 | Not supported |
| 14 | 6/9/2016 | Veronica Peter Semiono | 089VC15002169 | 900,000.00 | Tickets worth TZS 210,000 not attached |
| 15 | 5/30/2016 | Manager TTCL Rukwa | 089VC15002043 | 300,000.00 | Not attached to the extent of payment voucher |
| 16 | 5/23/2016 | Tawaqal and Co Ltd | 089VC15002016 | 700,700.00 | Missing receipt, |
| 18 | 5/23/2016 | Rmo Rukwa Imprest Account | 089VC15002004 | 300,000.00 | Missing signed pay sheet |
| 19 | 5/17/2016 | Christina Joseph Majaliwa | 089VC15001976 | 710,000.00 | Missing tickets amounting to TZS 110,000 |
| 20 | 5/17/2016 | Ras Rukwa Imprest Account | 089VC15001975 | 966,000.00 | Missing tickets amounting to TZS 146,000 |
| 21 | 5/11/2016 | Levina B Mwanakulya | 089VC15001939 | 500,000.00 | Payment of tuition fees by cash to institution, Missing acknowledgement receipt |
| 22 | 5/9/2016 | Richard Nicholauslobulu | 089VC15001917 | 320,000.00 | Allowance claim form not approved |
| 23 | 5/9/2016 | Ras Rukwa Imprest Account | 089VC15001916 | 320,000.00 | Allowance claim form not approved |

| No | Date | Payee | Transaction No | Transaction Amount TZS | Missing Documents |
|----|-----------|--|----------------|------------------------|---|
| 24 | 5/9/2016 | Mosses Y Ngajilo | 089VC15001915 | 240,000.00 | Allowance claim form not approved |
| 25 | 5/9/2016 | Killian Y Mwambe | 089VC15001914 | 240,000.00 | Allowance claim form not approved |
| 26 | 5/9/2016 | Amazon 12 Croup Company Ltd | 089VC15001911 | 760,000.00 | missing receipt |
| 27 | 4/22/2016 | Brighton D Mapugilo | 089VC15001827 | 240,000.00 | missing attachments to the extent of payment voucher |
| 28 | 4/20/2016 | Maulidselemanpande | 089VC15001818 | 350,000.00 | Missing tickets amounting to TZS 110,000 |
| 29 | 4/19/2016 | Jadamo General Supplies | 089VC15001814 | 1,470,000.00 | Missing receipt |
| 30 | 4/14/2016 | Emmanuel A Mogha | 089VC15001784 | 500,000.00 | Missing ticket amounting to TZS 92,000 |
| 31 | 3/18/2016 | Maulid Seleman Pande | 089VC15001645 | 350,000.00 | Missing ticket amounting to TZS 110,000 |
| 32 | 3/16/2016 | Pius Englibert Mazinge | 089VC15001634 | 235,000.00 | missing attachments to the extent of payment voucher |
| 33 | 3/11/2016 | Ras Rukwa Imprest Account | 089VC15001603 | 1,500,000.00 | missing attachments to the extent of payment voucher |
| 35 | 2/29/2016 | Manager Ttcl Rukwa | 089VC15001500 | 1,548,852.11 | Missing supporting documents to the extent of payment voucher |
| 38 | 2/11/2016 | Pius Englibert Mazinge | 089VC15001357 | 225,000.00 | Missing attachment to the extent of payment voucher |
| 39 | 2/11/2016 | Killian Y Mwambe | 089VC15001354 | 400,000.00 | Allowance claim not approved by head of department |
| 41 | 1/25/2016 | Lighthouse Enterprises Ltd Trading As Lake Shore | 089VC15001224 | 468,440.00 | Missing attachments to the extent of payment voucher |
| 42 | 1/5/2016 | Rmo Rukwa Imprest Account | 089VC15001028 | 2,400,000.00 | Pay sheet not attached |

| No | Date | Payee | Transaction No | Transaction Amount TZS | Missing Documents |
|----|------------|--------------------------------|----------------|------------------------|---|
| 43 | 12/30/2015 | Ras Rukwa Imprest Account | 089VC15000994 | 300,000.00 | Missing attachments to the extent of PV |
| 44 | 12/16/2015 | Jadamo General Supplies | 089VC15000916 | 1,000,000.00 | Framework agreement not fully filled |
| 45 | 12/16/2015 | Jadamo General Supplies | 089VC15000916 | 960,000.00 | Framework agreement not filled, |
| 47 | 11/17/2015 | Julius Julius Akilimali | 089VC15000706 | 3,822,000.00 | Incomplete framework agreement, missing receipts |
| 48 | 11/13/2015 | Maulid Seleman Pande | 089VC15000689 | 552,000.00 | missing ticket amounting to 72,000 |
| 50 | 11/6/2015 | Menganyimgaya | 089VC15000621 | 500,000.00 | Missing attachments to the extent of payment voucher, evidence if the student is studying is required, justification of the claim not submitted |
| 51 | 11/6/2015 | Schola F Mbalila | 089VC15000620 | 500,000.00 | Missing attachments to the extent of payment voucher, evidence if the student is studying is required, justification of the claim not submitted |
| 52 | 11/6/2015 | Levina B Mwanakulya | 089VC15000618 | 500,000.00 | Missing attachments to the extent of payment voucher, evidence if the student is studying is required |
| 55 | 10/29/2015 | Veronica Peter Semiono | 089VC15000522 | 985,000.00 | Missing tickets amounting to Shs 185,000 |
| 56 | 10/27/2015 | Jadamo General Supplies | 089VC15000516 | 1,000,000.00 | Missing attachments to the extent of payment voucher |
| 57 | 10/20/2015 | RAS RUKWA Imprest Account | 089VC15000505 | 720,000.00 | Safari Imprest form not approved, missing tickets amounting to 120,000 |
| 58 | 10/16/2015 | FAST CHOICE TANZANIA LTD | 089VC15000501 | 584,080.00 | Missing attachments to the extent of payment voucher |
| 59 | 10/16/2015 | Director Urban Water Authority | 089VC15000500 | 2,000,000.00 | Missing attachments to the extent of payment voucher |
| 61 | 10/16/2015 | Janina Enterprises | 089VC15000493 | 930,000.00 | Missing receipt |
| 62 | 10/16/2015 | Janina Enterprises | 089VC15000493 | 778,746.00 | Missing receipt |
| 63 | 10/9/2015 | RAS RUKWA Imprest Account | 089VC15000485 | 420,000.00 | Missing attachments to extent of payment voucher |
| 64 | 10/8/2015 | MARCO VERDIAN RWAMUHURU | 089VC15000480 | 776,000.00 | Missing attachments to extent of payment voucher |

| No | Date | Payee | Transaction No | Transaction Amount TZS | Missing Documents |
|--------------|------------|---|----------------|------------------------|--|
| 65 | 10/8/2015 | CHRISTINA MWAKANYAMALE | 089VC15000460 | 257,000.00 | Missing referral letter |
| 66 | 10/8/2015 | Joyce Kitaule | 089VC15000456 | 212,000.00 | Missing attachment to the extent of payment voucher |
| 67 | 10/6/2015 | ERASMUS T. RUGARABAMU | 089VC15000420 | 240,000.00 | Missing invitation letter |
| 72 | 9/30/2015 | VERONICA PETER SEMIONO | 089VC15000368 | 575,000.00 | Missing tickets amounting to Shs 100,000 |
| 73 | 9/29/2015 | Chrisanta Onesphory Shayo | 089VC15000292 | 500,000.00 | Missing attachments to the extent of payment voucher |
| 75 | 9/11/2015 | Manager GPSA Rukwa | 089VC15000211 | 3,054,096.00 | Missing receipt |
| 76 | 9/9/2015 | Chrisanta Onesphory Shayo | 089VC15000208 | 1,766,000.00 | Missing attachment to the extent of payment voucher |
| 77 | 9/4/2015 | RUKWA SUB TREASURY MISC DEPOSIT EXP ACCOUNT | 089VC15000183 | 2,300,000.00 | Minute sheet not attached |
| 78 | 9/4/2015 | TANESCO COLLECTION ACCOUNT RUKWA | 089VC15000167 | 850,000.00 | Missing attachment to the extent of payment voucher. |
| 79 | 9/2/2015 | Levina B Mwanakulya | 089VC15000158 | 1,600,000.00 | Missing attachment to the extent of payment voucher. |
| 80 | 9/2/2015 | Elvira E Malema | 089VC15000157 | 685,000.00 | No attachments, receipt of tuition fees |
| 82 | 21/06/2016 | Jadamo General Supplies | 089VC15002297 | 0.0 | Missing Invoice and acknowledgement receipts |
| 83 | 25/06/2016 | Amazon 12 Group Company Ltd | 089VC15002433 | 522,500 | Missing acknowledgement receipts |
| Total | | | | 51,529,574.11 | |

(b) Other Accounts TZS 27,629,674

| Date | Payee | Pay No. | Amount TZS | Account | Document Missing |
|------|-------|---------|------------|---------|------------------|
|------|-------|---------|------------|---------|------------------|

| | | | | | |
|--------------|---------------------------|---------------|-------------------|---------|--|
| 11-04-16 | Michael Mongomongo | 089VC15001764 | 280,000.00 | DEV | Per Diem Claim Form |
| 28-09-15 | Thabit A. Khamisi | 089VC15000275 | 280,001.00 | OC | Referral Letter, Per Diem Claim Form, Minute Sheet |
| 25-06-16 | NSSF | 089VC15002418 | 5,342,600.00 | PE | Acknowledgement |
| 01-03-16 | Semzango General Traders | 089VC15001525 | 918,065.00 | DEV | No invoice, Delivery note and receipt |
| 16-10-15 | RAS Rukwa Imprest A/C | 089VC15000503 | 210,000.00 | Deposit | Extra duty claim form |
| 15-11-15 | RMO Rukwa Imprest Account | 089VC15000696 | 578,028.00 | Deposit | Pay sheet |
| 20-12-15 | Maziku G. Stephen | 089VC15000936 | 392,980.00 | OC | Invoice, d/note, receipt |
| 21-12-15 | Joyce M. Mvunyi | 089VC15000944 | 1,036,000.00 | OC | Payment claim |
| 21-01-16 | Magalula S. Magalula | 089VC15001156 | 9,296,000.00 | OC | Children's birth certificates, TZS. 1731,000 not justified |
| 21-01-16 | Stella M. Manyanya | 089VC15001156 | 9,296,000.00 | OC | Children's birth certificates, TZS. 1731,000 not justified |
| Total | | | 27,629,674 | | |
| | | | | | |

Appendix IV: Payment vouchers paid without being authorized TZS 19,747,410

| No | Date | Payee | Details | Transaction No | Transaction Amount TZS | Account |
|----|-----------|--------------------------------|-----------------------------|----------------|------------------------|-----------------------------|
| 1 | 6/15/2016 | Rmo Rukwa Imprest Account | House rent | 089VC15002233 | 900,000.00 | Rukwa St Rec Exp Electronic |
| 2 | 6/9/2016 | Veronica Peter Semiono | Posho kupeleka majalada | 089VC15002169 | 900,000.00 | Rukwa St Rec Exp Electronic |
| 3 | 6/9/2016 | Director Urban Water Authority | Water bill rmo | 089VC15002168 | 1,000,000.00 | Rukwa St Rec Exp Electronic |
| 4 | 6/8/2016 | Tanzania Agricultural Society | Mchango wa ras rukwa | 089VC15002159 | 500,000.00 | Rukwa St Rec Exp Electronic |
| 5 | 6/6/2016 | Cliff Ernest Kinunda | Ununuzi wa shajara | 089VC15002148 | 250,000.00 | Rukwa St Rec Exp Electronic |
| 6 | 6/6/2016 | Thabit A Khamisi | Posho matibabu muhimbili | 089VC15002132 | 530,000.00 | Rukwa St Rec Exp Electronic |
| 7 | 6/3/2016 | Cliff Ernest Kinunda | Ununuzi wa wino das kalambo | 089VC15002129 | 245,000.00 | Rukwa St Rec Exp Electronic |
| 8 | 6/2/2016 | Donald T Gondwe | Marejesho ununuzi wa tonner | 089VC15002098 | 600,000.00 | Rukwa St Rec Exp Electronic |

| | | | | | | |
|----|-----------|-----------------------------------|---------------------------|---------------|--------------|-----------------------------|
| 9 | 6/2/2016 | Cliff Ernest Kinunda | Ununuzi tonner | 089VC15002096 | 500,000.00 | Rukwa St Rec Exp Electronic |
| 10 | 6/2/2016 | Cliff Ernest Kinunda | Ununuzi tonner | 089VC15002096 | 235,000.00 | Rukwa St Rec Exp Electronic |
| 11 | 3/8/2016 | John C Mulenga | Chakula kikao cha rrr | 089VC15001587 | 637,000.00 | Rukwa St Rec Exp Electronic |
| 12 | 3/2/2016 | Pascal D Ndasi | Posho ukaguzi mashamba | 089VC15001547 | 420,000.00 | Rukwa St Rec Exp Electronic |
| 13 | 3/2/2016 | Rogate Ikundwila Malabeja | Posho ya kukagua mashamba | 089VC15001546 | 660,000.00 | Rukwa St Rec Exp Electronic |
| 14 | 3/2/2016 | Misasi N Marco | Posho ukaguzi wa mashamba | 089VC15001545 | 540,000.00 | Rukwa St Rec Exp Electronic |
| 15 | 3/2/2016 | Kelvin John Mahundi | Posho ukaguzi wa mashamba | 089VC15001544 | 540,000.00 | Rukwa St Rec Exp Electronic |
| 16 | 3/2/2016 | Ocran Bernard Chengula | Posho ukaguzi wa mashamba | 089VC15001543 | 540,000.00 | Rukwa St Rec Exp Electronic |
| 17 | 1/5/2016 | Rmo Rukwa Imprest Account | House rent | 089VC15001028 | 2,400,000.00 | Rukwa St Rec Exp Electronic |
| 18 | 12/9/2015 | Commissioner For Domestic Revenue | Withholding tax | 089VC15000787 | 928,816.00 | Rukwa St Rec Exp Electronic |
| 19 | 11/6/2015 | Manager Gpsa Rukwa | Diesel-das sba | 089VC15000622 | 1,052,000.00 | Rukwa St Rec Exp Electronic |

| | | | | | | |
|--------------|-----------|---|----------------------|---------------|-------------------|-----------------------------|
| 20 | 10/8/2015 | Christina Mwakanyamale | Matibabu | 089VC15000460 | 257,000.00 | Rukwa St Rec Exp Electronic |
| 21 | 9/18/2015 | Jadamo General Supplies | Stationary uhasibu | 089VC15000246 | 803,600.00 | Rukwa St Rec Exp Electronic |
| 22 | 9/14/2015 | Manager Ttcl Rukwa | Telephone | 089VC15000218 | 392,993.80 | Rukwa St Rec Exp Electronic |
| 23 | 9/9/2015 | Chrisanta Onesphory Shayo | Perdiem | 089VC15000208 | 1,766,000.00 | Rukwa St Rec Exp Electronic |
| 24 | 9/4/2015 | Rukwa Sub Treasury Misc Deposit Exp Account | Refund to deposit | 089VC15000183 | 2,300,000.00 | Rukwa St Rec Exp Electronic |
| 25 | 9/4/2015 | Tanesco Collection Account Rukwa | Ununzi wa umeme luku | 089VC15000167 | 850,000.00 | Rukwa St Rec Exp Electronic |
| 26 | 9/2/2015 | Nilemwa Moses Ndelwa | Gharama za matibabu | 089VC15000159 | 700,000.00 | Rukwa St Rec Exp Electronic |
| 27 | 9/2/2015 | Levina B Mwanakulya | Gharama za masomo | 089VC15000158 | 1,600,000.00 | Rukwa St Rec Exp Electronic |
| 28 | 9/2/2015 | Elvira E Malema | Gharama za masomo | 089VC15000157 | 685,000.00 | Rukwa St Rec Exp Electronic |
| Total | | | | | 19,747,410 | |

Appendix V: Payments made to suppliers not supported by fiscal receipts

| No | Date | Payee | Details | Transaction No | Transaction Amount TZS |
|--------------|------------|--------------------------------|------------------------------|----------------|---------------------------|
| 1 | 6/27/2016 | Semzango General Traders | Stationary for 1015 and 2006 | 089VC15002479 | 235,120 |
| 2 | 6/27/2016 | Semzango General Traders | Ununuzi wa catridge na ink | 089VC15002477 | 500,000 |
| 3 | 6/27/2016 | Semzango General Traders | Ununuzi wa catridge na ink | 089VC15002477 | 500,000 |
| 4 | 6/27/2016 | Semzango General Traders | Ununuzi wa catridge na ink | 089VC15002477 | 377,040 |
| 5 | 6/6/2016 | AMAZON 12 CROUP COMPANY LTD | Security service in Jan 16 | 089VC15002130 | 1,330,000 |
| 6 | 5/23/2016 | TAWAQAL AND CO LTD | Diesel in Nkasi | 089VC15002016 | 700,700 |
| 7 | 3/4/2016 | BULYAGA ENTERPRISES | Ununuzi wa catridge Das SBA | 089VC15001577 | 294,000 |
| 8 | 3/4/2016 | Pius Englibert Mazinge | Refund-brake pads | 089VC15001568 | 235,000 |
| 9 | 3/1/2016 | Gabriel Maziku Stephen | Food and refreshment | 089VC15001521 | 1,300,000 |
| 10 | 3/1/2016 | Gabriel Maziku Stephen | Food and refreshment | 089VC15001521 | 600,000 |
| 11 | 2/24/2016 | CLIFF ERNEST KINUNDA | Stationers | 089VC15001481 | 2,000,000 |
| 12 | 2/24/2016 | TAWAQAL AND CO LTD | Diesel ya das nkasi | 089VC15001476 | 875,140 |
| 13 | 2/23/2016 | CLIFF ERNEST KINUNDA | Ununuzi wa shajara | 089VC15001465 | 1,000,000 |
| 14 | 2/23/2016 | CLIFF ERNEST KINUNDA | Ununuzi wa shajara | 089VC15001465 | 500,000.00 |
| 15 | 2/23/2016 | CLIFF ERNEST KINUNDA | Ununuzi wa shajara | 089VC15001465 | 250,000 |
| 16 | 1/21/2016 | ARUSHA OFFICE MACHINE SERVICES | Sehemu ya malipo ya madai | 089VC15001189 | 1,200,000 |
| 17 | 1/21/2016 | ARUSHA OFFICE MACHINE SERVICES | Sehemu ya malipo ya madai | 089VC15001189 | 500,000 |
| 18 | 12/16/2015 | JADAMO GENERAL SUPPLIES | Shajara | 089VC15000916 | 1,000,000 |
| 19 | 12/16/2015 | JADAMO GENERAL SUPPLIES | Shajara | 089VC15000916 | 960,000 |
| 20 | 12/11/2015 | JADAMO GENERAL SUPPLIES | Marking utensils std iv 2015 | 089VC15000800 | 6,052,480 |
| 21 | 11/4/2015 | JADAMO GENERAL SUPPLIES | Stationeries | 089VC15000582 | 1,000,000 |
| 22 | 11/4/2015 | JADAMO GENERAL SUPPLIES | Stationers | 089VC15000580 | 1,960,000 |
| 23 | 9/18/2015 | JADAMO GENERAL SUPPLIES | Stationary uhasibu | 089VC15000246 | 803,600 |
| Total | | | | | 13,397,000 |

Appendix VI: Payment vouchers made without being authorized

| S/N | Date | Payee | Amount (TZS) | Cheq No. | Pv No. |
|-----|------------|--|--------------|----------|--------|
| 1. | 30/06/2015 | Gabriel Maziku Stephen | 162,680 | | 24/9 |
| 2. | 02/10/2015 | Cliff E. Kinunda | 1,225,000 | | 2/10 |
| 3. | 08/10/2015 | Kamlab Surgical Equipment Supplies | 5,194,000 | 323240 | 10/10 |
| 4. | 08/10/2015 | Amez Lab & Hospital Equipment Supplier | 4,826,500 | 323241 | 11/10 |
| 5. | 08/10/2015 | Semiwe Pharmacy LTD | 3,356,500 | 323242 | 12/10 |
| 6. | 08/10/2015 | Kissa Pharmacy | 4,117,470 | 323243 | 13/10 |
| 7. | 08/10/2015 | Rukwa Pharmacy | 1,470,000 | 323244 | 14/10 |
| 8. | 09/10/2015 | Misweku General Enterprises | 504,700 | 323246 | 16/10 |
| 9. | 13/10/2015 | TTCL | 100,000 | 323248 | 18/10 |
| 10. | 28/10/2015 | Titus P. Kihwili | 600,000 | | 23/10 |
| 11. | 02/11/2015 | Manager TANESCO | 1,000,000 | | 3/11 |
| 12. | 03/11/2015 | Mbwila General Ent | 505,000 | 323260 | 4/11 |
| 13. | 03/11/2015 | Cash (RMO) | 1,023,000 | | 5/11 |
| 14. | 12/11/2015 | Grace Gunze | 60,000 | | 10/11 |
| 15. | 12/11/2015 | Grace Gunze | 79,200 | | 9/11 |
| 16. | 12/11/2015 | Grace Gunze | 93,000 | | 11/11 |
| 17. | 12/11/2015 | Manyika Stationary | 390,040 | | 17/11 |
| 18. | 12/11/2015 | Simbila (2003) General Enterprises | 4,704,000 | 323271 | 18/11 |
| 19. | 03/12/2015 | Cash (RMO) | 300,000 | | 4/12 |
| 20. | 15/12/2015 | Cash | 475,000 | | 11/12 |
| 21. | 22/12/2015 | Lightness Sedyai | 200,000 | | 16/12 |
| 22. | 22/12/2015 | Wilbrod P. Mayombo | 160,000 | | 17/12 |
| 23. | 22/12/2015 | MSD | 10,000,000 | | 18/12 |
| 24. | 22/12/2015 | Asha Mapondela | 119,700 | | 19/12 |
| 25. | 23/12/2015 | Mbwila General Enterprises | 1,519,000 | | 25/12 |
| 26. | 23/12/2015 | Mbila (2003) General Ent | 2,548,000 | 323308 | 27/12 |
| 27. | 30/12/2015 | Kissa Pharmacy | 7,513,993 | 323313 | 33/12 |
| 28. | 30/12/2015 | Sumbawanga Printing Station | 3,920,000 | | 34/12 |

| S/N | Date | Payee | Amount (TZS) | Cheq No. | Pv No. |
|--------------|------------|--|--------------------|----------|--------|
| 29. | 30/12/2015 | Cash (RMO) | 1,023,000 | | 35/12 |
| 30. | 14/01/2016 | Ramadhani Makala | 582,500 | | 13/1 |
| 31. | 26/12/2015 | Sivero Medical Engineering and General Trading LTD | 3,970,587.60 | | 26/1 |
| 32. | 26/01/2016 | Subira Simon Smith | 343,000 | 323345 | 27/1 |
| 33. | 26/01/2016 | Mbwila General Ent. | 940,800 | | 28/1 |
| 34. | 04/02/2016 | GS General Enterprises | 450,800 | 323361 | 6/2 |
| 35. | 11/02/2016 | Lightness Sedyai | 436,000 | | 10/2 |
| 36. | 11/02/2016 | TUCTA | 200,000 | 323366 | 11/2 |
| 37. | 12/02/2016 | GS General Enterprises | 2,450,000 | 323368 | 13/2 |
| 38. | 16/02/2016 | John Lawi | 966,000 | | 15/2 |
| 39. | 25/02/2016 | Hildegalda Andrea | 160,000 | | 29/2 |
| 40. | 24/03/2016 | G's General Enterprises | 4,704,000 | | 26/3 |
| 41. | 26/03/2016 | Kissa Pharmacy | 4,210,276 | 323412 | 27/3 |
| 42. | 26/03/2016 | Amez Lab & Hospital Equipment | 3,332,000 | | 28/3 |
| 43. | 30/03/2016 | Mbwila General Enterprise | 1,960,000 | 323414 | 29/3 |
| 44. | 30/03/2016 | Bulyaga Enterprises | 1,266,160 | 323415 | 30/3 |
| 45. | 30/02/2016 | Lamira Service & Supply Co. LTD | 5,469,380 | | 32/3 |
| 46. | 31/03/2016 | Commissioner for Domestic Revenue | 1,201,913 | | 33/3 |
| 47. | 31/03/2016 | Lightness M. Sedyai | 536,000 | | 36/3 |
| 48. | 09/04/2016 | MSD | 10,000,000 | | 7/4 |
| 49. | 14/04/2016 | Sarah Nicolaus Nyagwa | 573,325 | 323435 | 13/4 |
| 50. | 15/04/2016 | Manyika Stationary | 588,000 | 323438 | 16/4 |
| 51. | 15/04/2016 | Mbwila General Enterprises | 2,573,120 | 323439 | 17/4 |
| 52. | 11/04/2016 | GPSA | 1,706,400 | 323440 | 9/9 |
| 53. | 30/04/2016 | CASH | 490,000 | | 35/4 |
| 54. | 6/06/2016 | G's General Enterprises | 735,000 | 323502 | 10/6 |
| 55. | 06/06/2016 | GPSA | 1,328,400 | 323505 | 13/6 |
| Total | | | 108,363,445 | | |

Appendix VII: Expenditure incurred contrary to the Health Services Fund guideline

| Date | Payee | Amount (TZS) | Cheq No. | Pv No. | Details |
|------------|--------------------------|--------------|----------|--------|---|
| 26/08/2015 | Asha Mapondela | 210,000 | | 17/9 | Food for HMT meeting |
| 09/09/2015 | Tawaqal & Co. LTD | 1,960,000 | 323217 | 13/9 | Purchase of Diesel |
| 07/09/2015 | Gabriel Maziku Stephen | 1,293,600 | | 8/9 | Purchase of Sugar for hospital workers |
| 07/10/2015 | Asha Mapondela | 1,596,000 | | 4/10 | Food for 5s-KAIZEN seminar |
| 09/10/2015 | Musa Ndumbaro | 193,000 | | 15/10 | Purchase of vehicle spares |
| 20/10/2015 | Misasi Marco | 841,000 | | 22/10 | Follow up on re-allocation fund of SWASH/NCS together with submitting quarterly report to DSM and TAMISEMI Dodoma |
| 28/10/2015 | Titus P. Kihwili | 600,000 | | 23/10 | Part of School cost and Study expenses |
| 29/10/2015 | Asha Mapondela | 1,662,500 | | 25/10 | Food services |
| 02/11/2015 | Manager TANESCO | 1,000,000 | | 3/11 | Electricity token (LUKU) |
| 11/11/2015 | Experious Mwanandenje | 300,000 | | 9/11 | Electricity token (LUKU) |
| 12/11/2015 | Elias Jonas | 305,760 | 323269 | 15/11 | Refreshments |
| 13/11/2015 | Experious Mwanandenje | 300,000 | | 25/11 | Electricity token (LUKU) |
| 04/12/2015 | Cash (RMO) | 6,823,570 | | 6/12 | Payments for preparing HOSPITAL STRATEGIC PLAN 2016-2020 |
| 04/12/2015 | Alois Mwakwenda | 1,260,000 | | 7/12 | Training for use of safety protection from Radiation |
| 04/12/2015 | Anthony Martine Hollo | 2,992,500 | | 8/7 | Purchase of tables for hospital meeting hall. |
| 04/12/2015 | John C. Mlenga | 684,000 | 323290 | 9/12 | Food service |
| 15/12/2015 | Cash | 475,000 | | 11/12 | Electricity token(LUKU) & cut out |
| 15/12/2015 | Incar Tanzania LTD | 2,021,389 | | 13/12 | Purchase of vehicle spares |
| 15/12/2015 | Regional Manager GPSA | 5,000,000 | | 15/12 | Diesel litre 2505 |
| 22/12/2015 | Asha Mapondela | 119,700 | | 19/12 | Food service for unspecified activity |
| 07/01/2016 | Gabriel Maziku Stephen | 1,381,800 | 323320 | 3/1 | Purchase of sugar and tea. |
| 14/01/2016 | Cash (RMO) | 1,080,000 | | 11/1 | Hospital strategic plan |
| 14/01/2016 | Cash (RMO) | 300,000 | | 12/1 | Electricity token (LUKU) |
| 19/01/2016 | Cash (RMO) | 600,000 | | 17/1 | Electricity token (LUKU) |
| 20/01/2016 | Regional Manager TANESCO | 1,500,000 | | 19/1 | Electricity tokens (LUKU) |
| 02/02/2016 | Chuo cha ufundi Mbalizi. | 842,000 | | 2/2 | Car service (STK 7880) |

| Date | Payee | Amount (TZS) | Cheq No. | Pv No. | Details |
|------------|--------------------------|--------------|----------|--------|---|
| 11/02/2016 | TUCTA | 200,000 | 323366 | 11/2 | TUCTA workers day ceremony contribution. |
| 20/02/2016 | Tawaqal & Co. LTD | 686,000 | | 23/2 | Diesel litre 400 |
| 22/02/2016 | Asha Mapondela | 623,000 | | 25/2 | Food service for unspecified activity |
| 23/02/2016 | RMO | 7,220,000 | | 27/2 | CHOP 2016/2017 preparations |
| 23/02/2016 | RMO | 2,560,000 | | 26/2 | CHOP meeting 2016/2017 |
| 11/03/2016 | TEMESA | 525,780 | | 12/3 | Generator Service |
| 11/03/2016 | GPSA | 170,000 | | 13/3 | Purchase of President Photos |
| 19/03/2016 | Regional Manager GPSA | 995,400 | 323402 | 19/3 | Purchase of Diesel 600 litres |
| 24/03/2016 | Manager TANESCO | 1,000,000 | | 23/3 | Electricity token (LUKU) |
| 31/03/2016 | Regional Manager TANESCO | 1,000,000 | | 34/3 | Electricity token (LUKU) |
| 31/03/2016 | Jackson Mosha | 706,000 | | 37/3 | Allowance for attending seminar in Moshi |
| 08/04/2016 | Leah Mwangungulu | 120,000 | | 1/4 | Mobile Air time |
| 09/04/2016 | John D. Lawi | 952,000 | | 8/4 | Allowance for attending short course on health management |
| 09/04/2016 | Gerald Kampamba | 320,000 | | 9/4 | Night Allowance |
| 11/01/2016 | GPSA | 1,689,000 | 323432 | 10/4 | Diesel litre 1000 |
| 14/04/2016 | Gabriel Maziku Stephen | 1,411,200 | 323436 | 14/4 | Purchase of sugar and tea. |
| 14/04/2016 | Gabriel Maziku Stephen | 896,700 | | 11/4 | Refreshments |
| 19/04/2016 | CASH | 230,000 | | 19/4 | President's photo frames repair |
| 27/04/2016 | GPSA | 1,689,000 | 323449 | 27/4 | Diesel litre 1000 |
| 28/04/2016 | Manager TANESCO | 2,500,000 | | 28/4 | Electricity token (LUKU) |
| 30/04/2016 | Prosper Massawe | 250,000 | | 34/4 | Fare to attend May Mosi ceremony |
| 09/05/2016 | Manager GPSA | 1,774,000 | 323460 | 3/5 | Diesel litre 1000 |
| 11/05/2016 | Titus Kihwili | 600,000 | | 7/5 | Tuition fee |
| 11/05/2016 | Chacha Gore | 600,000 | | 8/5 | Tuition fee |
| 11/05/2016 | Leah Mwangungulu | 200,000 | | 9/5 | Bi Florence day anniversary |
| 18/05/2016 | Manager TANESCO | 2,500,000 | 323477 | 20/5 | Electricity token (LUKU) |
| 25/05/2016 | Emmanuel Robert Shao | 156,000 | 323484 | 27/5 | Food service |
| 31/05/2016 | GPSA | 1,895,000 | 3234491 | 34/5 | Diesel litre 1000 & 10 logbooks |
| 03/06/2016 | Regional Manager TANESCO | 1,500,000 | 323496 | 4/6 | Electricity token (LUKU) |
| 06/06/2016 | Asha Mapondela | 179,550 | 323503 | 11/6 | Food service |

| Date | Payee | Amount (TZS) | Cheq No. | Pv No. | Details |
|--------------|----------------------------|-------------------|----------|--------|--------------------------|
| 11/06/2016 | TANESCO collection account | 1,500,000 | 323506 | 14/6 | Electricity token (LUKU) |
| 24/06/2016 | Leah Mwangungulu | 626,000 | 323517 | 24/6 | Night Allowance |
| 24/06/2016 | Regional Manager TANESCO | 2,000,000 | 323518 | 25/6 | Electricity token |
| 01/07/2015 | Regional Manager TEMESA | 1,031,240 | 323172 | 2/7 | Vehicle service |
| 11/08/2015 | Jadamo General Supplies | 2,013,410 | 323185 | 11/8 | Food service |
| 28/08/2015 | Regional Manager TANESCO | 3,000,000 | 323201 | 23/8 | Electricity token (LUKU) |
| Total | | 80,661,099 | | | |