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**UNIVERSITY OF DODOMA ACADEMIC STAFF ASSOCIATION (UDOMASA)
SPECIAL INVESTIGATIVE AUDIT REPORT FOR THE PERIOD FROM 1ST
DECEMBER 2014 TO 31 DECEMBER 2016.**



The Chairperson,

UDOMASA Special Committee,

University of Dodoma Academic Staff Association (UDOMASA),

P.O.Box 259, UDOM,

Dodoma, Tanzania,

30th January 2017.

Dear Sir

Ref: Special Investigative Audit for UDOMASA for the period from December 2014 to December 2016.

We have completed the special investigative Audit for UDOMASA for the period of December 2014 to December 2016 and now present to you the results of our audit for submission to the UDOMASA General Meeting (GM). The audit was performed in accordance with Terms of Reference provided by UDOMASA Special committee and our audit plan of December 2016. We intend not to issue any opinion on the financial statements as our scope was not for issuance of Audit opinion rather investigating the activities of UDOMASA as prescribed in the Terms of Reference (ToR).

In planning and performing our audit of the Association, we also considered internal control in order to determine our auditing procedure. Our consideration of internal control would not necessary disclose all matters in internal control that might be significant deficiencies in internal control or deficiencies in design or operation of internal controls.

We noted several matters involving the system of internal control of UDOMASA and its operation and we are submitting them for your consideration related observations and recommendations designed to help the Association improve the system of internal controls.

This report is intended solely for the information and use of UDOMASA Special Committee and UDOMASA General Meeting (GM) and is not intended to be and should not be used by anyone other than these specified parties. If you would like any further information or would like to discuss any of the issues raised, please do not hesitate to contact Nivex Assurance.

Yours Faithfully

Nivex Assurance

Certified Public Accountants in Public Practice.

INTRODUCTION

BACKGROUND INFORMATION

UDOMASA is a not for profit association, formed by Academic Staff Members of the University of Dodoma and Part Time Instructors working with the University . The main source of revenue is members' subscription which is TZS 5,000.00 per member per month.

Objectives and functions of the UDOMASA are;

- To stimulate and promote discussion on matters of academic interest
- To promote educational and social activities for the benefit of the academic staff of the University of Dodoma
- To support and promote the basic principles relating to academic freedom and social responsibility of the academicians
- To sponsor social functions for the purpose of enriching the intellectual and cultural development of the University of Dodoma
- To discuss any other matter relating to the general welfare of the academic members of the staff of the University of Dodoma
- To cooperate with other organs of the University of Dodoma on matters of general interest to The University of Dodoma Community
- To deliberate on any other issue which may from time to time be referred to it by the Convocation

Objective of special investigative audit;

According to the Constitution of UDOMASA a change of leadership takes place after every two years and annual audit is supposed to be conducted every year but none has been done since formation of the association in the year 2008. During the Annual General Meeting of UDOMASA it was directed that special audit should be conducted before election and a Special Committee was established to organize the general election of the Association and special Audit.

Nivex assurance, hereafter "the auditor" has been contracted by UDOMASA special committee to offer special investigative audit services involving the review of all UDOMASA transactions for the period from 1st December 2014 to 31st December 2016. The audit service is guarded by the terms of references which forms part of the contract of this service.

SCOPE OF WORK

As per ToR and engagement letter, the agreed deliverables for this special audit are;

- To provide a separate opinion on UDOMASA Expenditures for previous two years from December 2014 to December 2016
- To provide a separate opinion on UDOMASA Revenue Collections for previous two years from December 2014 to December 2016
- To provide a separate opinion on Compliance to different adhered rules and procedures
- Comments on any practice of Frauds and/or Corruption noticed
- Comment on economy, efficiency and effectiveness in the use of UDOMASA resources
- Comment on achievement of planned Association results
- Comment on legal and financial obligations and commitments of the UDOMASA
- Comment on other activities/matters on which an auditor may consider appropriate to report and advice

UDOMASA MANAGEMENT WORKING TOOLS

During our Audit we have noted that UDOMASA management lacks important working tools approved by the UDOMASA General Meeting (GM). The available working tools obtained was:

1. UDOMASA Constitution
2. Annual work plan for the year 2015
3. ASAs Constitution
4. Universities Act 2005.

We have not been able to obtain important working documents which guide UDOMASA management in the daily running of the office. The documents not in place includes:

- A. UDOMASA Financial Manual/regulation
- B. UDOMASA Operational manual
- C. UDOMASA travel policy

Risks

Lack of working tools i.e. Financial Manual, operational manual and travel policy might result to misuse of funds by UDOMASA Management.

Recommendations

UDOMASA Management to prepare necessary working tools for the Association which must be approved by the UDOMASA General Meeting to guide all operations of the Association.

REVENUE

The sources of the income of the association are;

- Member's subscription fee
- Subventions from the University of Dodoma
- Donations and gifts
- Income from activities of the association

Currently the only source of income is members' subscription fee which is collected monthly at a rate of TZS 5,000.00 per member.

Membership fee is deducted from members' accounts and deposited to the UDOMASA account at a fee of TZS 1,500.00 per member per transaction. To reduce the burden of transaction fee the deduction is done for two months or three months because the transaction fee remains the same (**No written documentation for this**). The deduction process is initiated by the UDOMASA management by sending the list of members, their bank accounts and the amount to be deducted.

Below tables show the amount deposited in the UDOMASA bank account as membership fees for the years under audit (i.e. 2015 and 2016).

Table 1.

Year 2015		
Date	Description	Amount (TZS)
06/01/2015	Members fees arrears for September 2014	45,000.00
30/03/2015	Membership fees for two months January and February 2015	3,790,000.00
27/04/2015	Membership fees for two months March and April 2015	3,780,000.00
13/05/2015	Emmanuel Isaya for two months March and April 2015	10,000.00
25/06/2015	Membership fees for two months May and June 2015	3,790,000.00
23/10/2015	Membership fees for four months July, August, September and October 2015	7,460,000.00
TOTAL		18,875,000.00

Table 2.

Year 2016		
Date	Description	Amount (TZS)
25/01/2016	Membership fees for two months December 2015 and January 2016	3,730,000.00
26/03/2016	Membership fees for two months February and March 2016	4,480,000.00
25/05/2016	Membership fees for two months April and May 2016	4,500,000.00
23/07/2016	Membership fees for two months June and July 2016	4,500,000.00
25/10/2016	Membership fees for three months August, September and October 2016	6,750,000.00
TOTAL		23,960,000.00

AUDIT FINDINGS

i) No uniformity of periods for deduction of members fee

We noted that there is no specific period for which the membership fees are collected. This is evidenced by the amount of money credited in the UDOMASA accounts, whereby the collections were for two months, three months and four months with no consistency.

Risk

There is a possibility of missing collections of membership fees for some months because of lack of specific period which is followed for membership fees collection.

Recommendations;

UDOMASA General Meeting should establish clear cut-off period for membership fees collection to avoid missing revenue for the Association.

ii) Lack of reconciliation between amount credited in UDOMASA account and members' list sent to bank

There was no reconciliation done between the amount credited in UDOMASA account and the expected amount to be collected as per members' list available for a particular period.

Risk

There is a risk that amount credited by the bank into the UDOMASA account is different from the amount expected from the actual number of members available for the period for which collections relates.

Recommendations

UDOMASA executive committee should make periodic reconciliations of amount credited by Bank into UDOMASA accounts and actual active members available in the particular period. This will help UDOMASA to identify missing revenue collection and non-active members of the association.

iii) Some members are not deducted membership fee

Members of UDOMASA who maintain their bank accounts with other banks than CRDB which is UDOMASA banker, their membership fees were not collected. As at 31 December 2016 there were twenty four (24) members who do not contribute to the association because of banking with other banks. This denies the right of the association to collect a total of TZS 1,440,000.00 from its members. The list of members who use different bank to the association's banker is as below.

S/N	NAME	BANK
1	Elieza Tumbwene Mwansisya	NMB
2	Hamed Salum Soud	NBC
3	KATUMA RICHARD CHARLES	NMB
4	Kisanga Abel John	NMB
5	LUANDA AMOS COSMAS	NMB
6	Magembe Yohana Kitwima	NMB
7	Mgumia Mary Peter	NMB
8	MOKO LAIBOR KALANGA	NMB
9	MPONDO FAITH THOMAS	NMB
10	Msoffe Modesta Jeremia	NMB

11	Mtenga Deodata Vincent	NMB
12	MUSUGURI JOSEPH NYAMUHURI	NMB
13	Nyangusi Jacob Paul	NMB
14	Nzali Anton CASSIAN	NMB
15	Olengeile Lilian Edson	NMB
16	S Samwel Jacob	TPB
17	SAFARI Mathias Marge	NMB
18	Silele Endrick Yohana	NMB
19	Siwa Frank MIKA	NMB
20	Francis Lwesya	NBC
21	Yonas Samwel Idala	NMB
22	Marry John Nyonyi	NMB
23	Hence J Sanga	NBC
24	Nyanda Ntugwa	NMB

Risk

These members whose membership fees were not collected could be disqualified from membership of the association due to failure to fulfill their obligation of paying annual subscription fee as per article 7.2(b) of UDOMASA constitution.

Recommendations

UDOMASA executive committee should ensure all UDOMASA members contribute their monthly fee as per the UDOMASA Constitution. Strictly follow-up on membership fees should be done and proper arrangements by other banks should also be established the use of mobile money transfer to UDOMASA account my members maybe introduced. Timely reconciliation of number of members and contributions made should be done monthly.

iv) Membership fee for November 2015 not collected

Bank statement shows that on 23 October 2015 TZS 7,460,000.00 was credited to UDOMASA account as membership fees for four months of July, August, September and October 2015 for 379 members. The subsequent deposit was TZS 3,730,000.00 done on 25 January 2016, which is expected to be collection of two months of December 2015 and January 2016 for 373 members. In this instance we failed to see the amount deposited into UDOMASA account relating to November 2015 membership fee.

Risk

Total amount of TZS 1,895,000.00 for 379 members for month of November 2015 was not collected and UDOMASA management was not aware of that. This means there is no specific control relating to collection of membership fee and this could affect smooth running of associations' activities due to lack of funds while there are uncollected fees.

Recommendations

UDOMASA executive committee should ensure all UDOMASA members contribute their monthly fee as per the UDOMASA Constitution. Strictly follow-up on membership fees should be done and proper arrangements by other banks should also be established the use of mobile money transfer to UDOMASA account my members

maybe introduced. Timely reconciliation of number of members and contributions made should be done monthly.

v) Lack of alternative sources of Income

Currently the association depends solely on members' annual fee as the only source of funds. We have seen in the work plan for the year 2015 there were plans to increase other sources of funds whereby it was planned that UDOMASA activities like provision of trainings, t-shirt printing and UDOMASA social club to be alternative source of income, but none of them were implemented.

Risk

The Association sustainability is not certain as it only depends on membership fees for its operations.

Recommendations

The Association should make effective use of available resources and implement the planned activities indicated in 2015 Association annual work plan. UDOMASA General Meeting should establish Target to executive committee to fasten the implementation of approved work plan.

vi) T-shirt printing Income

Petty cash records available shows that the total amount TZS 94,000 was used for printing sample t-shirts for UDOMASA on 12th December 2015. We have not been able to obtain supporting documents for this expenditure also no income records for sale of T-shirt was seen either through bank statement/receipt book. We also noted in the UDOMASA Management report that a total of TZS 1,030,000 was used for printing of T-shirt and TZS 147,000 was recorded by Management as income from T-shirt. There is no written documentation which shows why the project did not succeed and how TZS 1,030,000 reported by Management was drawn in the UDOMASA account.

Risk

There is the risk of misuse of the project funds by Management as can be seen in the discrepancies of TZS 936,000 between the amount per petty cash voucher number 0002 of 12th December 2015 and the UDOMASA Management report.

Recommendations

UDOMASA Management should provide explanation of T-shirt project and how TZS 1,030,000 was drawn for printing of those T-shirt. Also the income reported of TZS 147,000 in management reported should be declared when was it deposited in the UDOMASA bank account. Management to provide inventory of T-shirt printed, sold and available in the store.

vii) Difference between amount credited in the bank account as revenue and the amount reported as revenue in the management report.

According to bank records a total of TZS 42,835,000 (TZS 18,875,000: 2015 and TZS 23,960,000: 2016) was credited into UDOMASA bank account as membership fees for two years excluding membership fees for November 2015 which was not seen by Auditors, but the amount reported in the management report is only TZS 41,095,512. There is a difference of TZS 1,739,488.

Risk

Understatement of revenue collected by Associations may leads to fraudulent transactions to hide the unreported revenue by UDOMASA Management.

Recommendations

Management to provide explanations on the revenue of TZS 41,095,512 reported in their management report which is different from Actual members fee as per bank statement.

UDOMASA Management to ensure monthly reconciliation is done between bank account and UDOMASA records. Any discrepancies should be resolved timely.

viii) Difference between opening balance for cash at bank reported in management report and the opening balance as per bank statement

The opening bank balance of TZS 2,045,512 reported in the management report is different from the balance available in the bank statement of TZS 5,591,000. There is a difference of TZS 3,545,488 between the amounts reported in the management report and the bank statement.

Risk

Lack of proper reconciliations between bank balance and UDOMASA records might result into misuse of Association funds for unintended purposes.

Recommendations

Management should provide explanation on the difference between opening balances of TZS 3,545,488. Also monthly bank reconciliation should be carried by UDOMASA management and any discrepancies resolved timely.

OPINION ON REVENUE

In our opinion, there were control weaknesses on revenue collections. No reconciliations were made to verify bank deposits verses expected amounts as per active members list for the particular period. Also failure of UDOMASA management to identify membership fee collection for November 2015.

The fact that some members are not paying their annual membership fees just because they have different bankers from UDOMASA banker and management has not done any effort to collect the same, our opinion is that management focus on revenue collection is very low, significant improvements need to be made.

Moreover, UDOMASA management has done little to increasing revenue collection and has not been able to create alternative sources of income; since its inception in the year 2008 to date the association depends only on membership fees.

EXPENDITURE

The organization's expenditures are mainly on meetings, per diems, travel costs and other daily activities. Assets acquired during the period under audit were printer bought at TZS 435,000.00 and office curtains bought at TZS 100,000.00.

In total, amount spent for the year 2015 and 2016 as per available documentations are as per below tables:

Expenditure for year 2015

S/N	Date	Cheque number	Drawer Name	Cash Disbursement Voucher no.	Amount (TZS)	Descriptions
1	14/01/2015	015855	Paul Loisulie	01	630,000.00	ASA meeting for 2 leaders and EXCOM activities
2	22/01/2015	015856	Paul Loisulie	02	650,000.00	EXCOM activities
3	03/02/2015	015857	Paul Loisulie	03	200,000.00	EXCOM activities
4	25/02/2015	015859	Paul Loisulie	04	900,000.00	ASA activities and EXCOM activities
5	24/03/2015	015860	Paul Loisulie	05	320,000.00	EXCOM activities (meetings and other activities)
6	14/04/2015	015861	Paul Loisulie	06	1,200,000.00	ASA meeting for 2 leaders and EXCOM activities
7	21/05/2015	015862	Paul Loisulie	07	550,000.00	EXCOM activities (meetings and other activities)
8	25/05/2015	015863	ID No.0232	08	600,000.00	EXCOM activities (meetings and other activities)
9	03/06/2015	015864	Paul Loisulie	09	320,000.00	EXCOM activities (meetings and other activities)
10	04/07/2015	015858	Paul Loisulie	10	200,000.00	EXCOM activities (meetings and other activities)
11	06/07/2015	015865	Paul Loisulie	11	700,000.00	EXCOM activities (meetings and other activities)
12	20/07/2015	015866	Paul Loisulie	12	1,060,000.00	ASA activities and EXCOM activities
13	27/07/2015	015867	Paul Loisulie	13	250,000.00	EXCOM activities (meetings and other activities)
14	11/08/2015	015868	Paul Loisulie	14	890,000.00	Follow up of HS to Dar
15	17/08/2015	015869	Paul Loisulie	15	430,000.00	EXCOM activities (meetings and other activities)
16	04/09/2015	015870	Paul Loisulie	16	1,007,000.00	ASA activities and EXCOM activities
17	19/09/2015	015871	Paul Loisulie	17	455,000.00	EXCOM activities (meetings and other activities)
18	23/09/2015	015872	Paul Loisulie	18	900,000.00	ASA activities and EXCOM activities
19	01/10/2015	015873	Paul Loisulie	19	600,000.00	ASA activities and EXCOM activities

Expenditure for year 2015 (continued)

S/N	Date	Cheque number	Drawer Name	Cash Disbursement Voucher no	Amount (TZS)	Descriptions
20	21/10/2015	015874	Paul Loisulie	20	1,670,000.00	ASA activities and EXCOM activities
21	07/11/2015	015875	Paul Loisulie	21	2,000,000.00	Follow up of HS and EXCOM activities
22	23/11/2015	015876	Paul Loisulie	22	600,000.00	UDOM best student prize and EXCOM activities
23	14/12/2015	015877	Paul Loisulie	23	1,000,000.00	Follow up of HS and EXCOM activities
24	28/12/2015	015878	Paul Loisulie	24	1,000,000.00	Follow up of HS and EXCOM activities
					18,132,000.00	

Expenditure in the year 2016

S/N	Date	Cheque number	Drawer Name	Cash Disbursement Voucher no	Amount (Tshs)	Descriptions
1	20/01/2016	015879	Edson	25	2,000,000.00	Follow up of HS and EXCOM activities
2	17/03/2016	015880	Paul Loisulie	26	2,500,000.00	EXCOM activities (meetings and other activities)
3	04/04/2016	015881	Paul Loisulie	27	500,000.00	ASA activities and EXCOM activities
4	19/04/2016	015882	Paul Loisulie	28	2,000,000.00	Public talk and EXCOM activities
5	27/04/2016	015883	Edson	29	2,000,000.00	Public talk and EXCOM activities
6	09/05/2016	015884	Paul Loisulie	30	870,000.00	ASA activities
7	20/05/2016	015885	Paul Loisulie	31	750,000.00	ASA activities and EXCOM activities
8	02/06/2016	015886	Paul Loisulie	32	500,000.00	ASA activities and EXCOM activities
9	27/06/2016	015887	Paul Loisulie	33	1,320,000.00	ASA activities
10	04/08/2016	015888	Paul Loisulie	34	2,178,000.00	ASA activities and EXCOM activities
11	25/08/2016	015889	Paul Loisulie	35	440,000.00	EXCOM activities (meetings and other activities)
12	16/09/2016	015890	Paul Loisulie	36	540,000.00	Kagera disaster donation and EXCOM activities
13	04/10/2016	015891	Paul Loisulie	37	1,170,000.00	ASA activities
14	22/11/2016	015892	Paul Loisulie	38	340,000.00	UDOM best student prize
15	28/11/2016	015893	Paul Loisulie	39	320,000.00	ASA activities
16	07/12/2016	015894	Paul Loisulie	40	350,000.00	EXCOM activities (meetings and other activities)
17	13/12/2016	015895	Paul Loisulie	41	1,338,000.00	
					19,116,000.00	

i) Cash disbursement voucher not supported

All cash disbursement vouchers provided were not supported by receipts, invoices, agreements, meeting invitation letters, etc. Therefore it was very difficult to verify whether the amount expended was used for intended purpose shown on the face of the cash disbursement voucher. The receipts and meeting attendance sheets were maintained differently from the cash disbursement vouchers, we managed to verify all the available receipts and meeting attendance sheets. Only expenditure amount of **TZS 6,829,000** were supported by the available records out of total expenditure of **TZS 37,248,000** as per cash disbursed through cash disbursement vouchers for years 2015 and 2016.

Risk

There is risk of misuse of associations' money as there is no enough evidence to support the use of funds

Recommendations

- i). Management to provide explanations of unsupported expenditures of TZS 37,248,000.
- ii). UDOMASA Management should establish financial policies and regulations to guide financial management of the association.
- iii). UDOMASA Constitution should include a clause of establishing Audit committee to oversee the actions of the Management on the use of Association funds.

ii) All cash disbursement voucher produced on the single day

From the cash disbursement voucher provided, it seems all vouchers were written on a single day as all the writings were fresh while the vouchers were for period running from December 2014 to December 2016. This shows that management did not use cash disbursement voucher properly as required, funds were used without cash disbursement vouchers and later the same were produced.

Risk

There is risk of misuse of associations' money as there is no enough evidence to support the use of funds

Recommendations

- i). UDOMASA Management to adhere to best accounting practices and fund should be used only when there is proper requisitions, approval and authorization.
- ii). UDOMASA should establish Audit committee which among other thing will have quarterly/half yearly review of all payments done by UDOMASA Management to avoid fraudulent use of Association funds.

iii) Cash disbursement not reviewed by EXCOM member

In the cash disbursement voucher there is space to be signed by one EXCOM member who review the same and sign after being satisfied that the disbursements to be done and transactions to be carried out are

genuine. All cash disbursement were not signed by one EXCOM member as required, meaning that these transactions were not reviewed by EXCOM member.

Risk

There is risk of misuse of associations' money as there is no evidence to support the use of funds

Recommendations

UDOMASA Management should ensure all the payment procedures are properly followed and necessary approvals are obtained from authorized persons.

iv) Lack of attendance Sheet/register for Participants of Meetings.

During our review of the meetings done by UDOMASA we have noted that in most of the meetings the participants were not signing the attendance sheets to evidence the existence of such the meeting, failure to sign the attendance register might lead to ghost meetings being made and leads to loss of UDOMASA funds.

Below are some of the meetings done with no attendance register were availed to Auditors:

Date	Name of Meeting	Venue
4-Jan-15	EXCOM	Gold Coin Hotel
19-Jan-15	EXCOM	Gold Coin Hotel
20-Jan-15	Maandalizi ya Tamko la UDOMASA	Gold Coin Hotel
21-Jan-15	EXCOM	Gold Coin Hotel
24-Jan-15	EXCOM	Gold Coin Hotel

Risks

Lack of attendance register for participants in the meetings might result into fraudulent/ghost meeting being created and leads to loss of Association funds.

Recommendations

UDOMASA Management should make sure in all meetings conducted, participants sign the attendance register indicating name, date, venue, signature and mobile number of each participant

v) Payments made to participants in the meetings without payee signature/supporting documents

During our review of the payments made to members of UDOMASA meetings are fare refunds/allowance, we noted that most of the payments were made without recipients' signature/acknowledgement of receiving of such money. There is a risk that the money indicated as paid to members might have been misused for other purposes. Below is some example of the meetings and payments made to members without evidence of their signatures/acknowledgment of receipts of such allowances.

Date	Name of Meeting	Venue	Payee	Amount (TZS)	Remarks
4-Jan-15	EXCOM	Gold Coin Hotel	Paul Loisulie	5,000.00	No signature
4-Jan-15	EXCOM	Gold Coin Hotel	John Rugarabamu	5,000.00	No signature
19-Jan-15	EXCOM	Gold Coin Hotel	Gloriana Monko	5,000.00	No signature
19-Jan-15	EXCOM	Gold Coin Hotel	Melchior Baltazary	5,000.00	No signature
20-Jan-15	Maandalizi ya Tamko la UDOMASA	Gold Coin Hotel	Allen Mhagama	20,000.00	No signature
20-Jan-15	Maandalizi ya Tamko la UDOMASA	Gold Coin Hotel	Yohana Emmanuel	20,000.00	No signature
24-Jan-15	EXCOM	Gold Coin Hotel	Edson Baradyana	5,000.00	No signature
27-Dec-15	EXCOM	Gold Coin Hotel	Edson Baradyana	10,000.00	No signature
27-Dec-15	EXCOM	Gold Coin Hotel	Joyce Elisadiki	10,000.00	No signature
27-Dec-15	EXCOM	Gold Coin Hotel	Gerald Shija	10,000.00	No signature

Risks

Lack of payee signature in the payment sheet might results to payments being made to wrong person.

Recommendations

UDOMASA Management should provide explanation on why the money was drawn without evidence of the payee signature. The funds drawn as shown in the table above should be returned back to UDOMASA bank account by Management.

vi) Use of UDOMASA funds to buy alcohol drinks during EXCOM Meetings

We also noted that during some EXCOM meetings, refreshment for participants includes alcoholic drinks. This is against the best practices and good governance. Also the proper use of funds does not allow purchase of alcohol drinks. UDOMASA should establish strictly policies on the use of members funds and alcohol drinks should not be allowed during UDOMASA meetings. Below are some meetings were drinks bought includes Alcohol (beer).

Date	Name of Meeting	Venue	Receipts #	Amount (TZS)
20-Jan-15	Maandalizi ya Tamko la UDOMASA	Gold Coin Hotel	629	13,000.00
5-May-16	EXCOM	Gold Coin Hotel	3025	30,000.00

Recommendations

UDOMASA to stop payment for Alcohol during meetings and necessary disciplinary actions should be taken.

vii) Changes In Transport Allowance Rate without proper authorization

During our review of the transport refund to participants of the EXCOM meetings, we noted that TZS 5,000.00 per person per day was the approved rate for all members of the meetings. We also noted that during some meetings members were paid TZS 10,000.00 and TZS 20,000.00 without any approval from UDOMASA members. This might leads to misuse of UDOMASA funds in the areas not approved in the annual work plan of the organization. Below are some of the meetings where transport allowance/refunds rate differs. Written approval should be obtained from UDOMASA for any changes in payments rate to EXCOM members.

Date	Name of Meeting	Venue	Amount paid per person
20-Jan-15	Maandalizi ya Tamko la UDOMASA	Gold Coin Hotel	20,000.00
22-May-15	EXCOM & THTU	Gold Coin Hotel	10,000.00
15-May-16	EXCOM	Gold Coin Hotel	10,000.00

Risks

Absence of proper approval on Management meeting allowance rate might leads to misuse of Association funds.

Recommendations

- i). *Management should explain and provide approval from General Meeting which increased the Transport rate from TZS 5,000 per person per day to TZS 10,000 per person per day. Also approval should be availed to Auditors on payment of TZS 20,000 per person in some meetings.*
- ii). *Failure to produce the above authorization from General Meeting, The excess funds taken should be returned back to UDOMASA Bank Account.*

viii) Use of UDOMASA funds TZS 18,895,000.00 for Payments of ASAs Meetings

During the review of payments made to facilitate ASAs meeting for UDOMASA members and ASA's Chairperson, we noted that TZS 18,895,000.00 was paid for ASA's activities and meetings. The payments made were not properly supported by bus fare receipts, Meetings reports and attendance sheet to evidence existence of such meetings. The cost of ASA's Chairperson of TZS 8,075,000.00 was incurred by UDOMASA from contributions from members without any refund from ASA's. According to section 34 (a)(i) of ASA constitution there is membership fee paid annually which amount to 5% of the total membership subscription fee collected by each Academic Staff Association from its members annually. Therefore ASA has its own source of funds for its activities, We were not able to obtain written clause from ASAs constitution/any agreement in members meetings include UDOMASA General Meeting that approved UDOMASA to incur cost on behalf of ASA chairperson.

Risk

There is risk of loss of funds due to double payments to ASAs chairperson for the same meetings attended.

Recommendations

- i). *UDOMASA Management to provide written approval from General Meeting authorizing such huge expenditure to ASAs Chairperson.*
- ii). *If no approval granted from UDOMASA General Meeting TZS 8m paid to ASAs chairperson should be refund back to UDOMASA Bank Account.*

ix) **Difference in amount written on cash disbursement voucher no. 26 and the amount withdrawn from bank through cheque no.015880**

The amount written on cash disbursement voucher number 26 dated 17/3/2016 of TZS 250,000.00 for EXCOM activities was different from the amount withdrawn using the cheque no.015880 of 17/3/2016 amounted to TZS 2,500,000.00.

Risk

The mismatch between the cash disbursement voucher and cheque amount could result in misuse of associations' funds if not well controlled.

Recommendations

The Management should provide explanation on the discrepancies between actual amount drawn from bank and cash disbursement voucher. Proper supporting documents for how this money was spent were not obtained by Auditors.

x) Fuel cost for UDOMASA leaders

During our review we noted that UDOMASA leaders are paid through petty cash TZS 20,000 as fuel cost per trip, while the agreed transport allowance is TZS 5,000. We did not receive any documentation which guide the rate of charging fuel cost when leaders use their personal cars for UDOMASA activities, therefore charging a rate of TZS 20,000.00 is not proper. Moreover fuel costs were not supported by receipts from petrol stations.

S/N	Date	Petty Cash Voucher	Amount (TZS)	Descriptions	Supporting
1	23/11/2015	0003	30,000.00	Fuel cost	Not supported
2	22/02/2016	0016	30,000.00	Fuel cost and food for attending budget meeting held at UDOM head office (fuel Tsh 20,000 and food Tsh 10,000)	Not supported
3	25/02/2016	0018	30,000.00	Fuel cost and food for attending council meeting (fuel Tsh 20,000 and food Tsh 10,000)	Not supported
4	15/03/2016	Not indicated	30,000.00	Fuel cost and food for attending meeting with CHAS principal (fuel Tsh 20,000 and food Tsh 10,000)	Not supported
5	24/02/2016	0017	30,000.00	Fuel cost and food for attending PEFC meeting (fuel Tsh 20,000 and food Tsh 10,000)	Not supported
6	18/02/16	0019	20,000.00	Fuel cost for attending UDOMASA COES meeting by chairperson	Not supported
7	11/12/2015	0006	40,000.00	Fuel cost for Chairperson and Deputy secretary during follow up HSS	Not supported
8	16/12/2015	0015	40,000.00	Fuel cost for distribution of letter for CNMS and CoES meeting	Not supported
9	09/02/2015	0014	20,000.00	Fuel cost for sending letter of the UDOMASA AFYA meeting	Not supported
10	14/12/2015	0007	20,000.00	Fuel cost for trip to bank to draw cash	Not supported

Risk

There is risk of loss of Association funds for the payments not approved by General Meeting (GM)

Recommendations

Management to provide written approval from UDOMASA for unsupported fuel costs beyond approved transport allowance of TZS 5,000.

- xi) Difference between expenditure report issued by UDOMASA management and total amount of cheque withdrawn and available cash disbursement vouchers**

According to the bank records and available cash disbursement vouchers, a total of **TZS 37,248,000** (2015: TZS 18,132,000 and 2016: TZS 19,116,000) was spent for the two years 2015 and 2016, but the expenditure report issued by the management shows a total of **TZS 32,297,000**. There is a difference of **TZS 4,951,000** which need to be explained by the management.

Risk

There is risk of misstatement in financial records which might affect UDOMASA General Meeting decision making process. Also the difference might leads to fraudulent actions by Management.

Recommendations

- i). Management should provide explanations of the difference between actual expenditure per bank records and available cash disbursements vouchers and their annual report.*
- ii). UDOMASA General Meeting should establish Audit committee to assist reviewing Management reports periodically.*

OPINION ON EXPENDITURE

Based on our review, the expenditures incurred were not well supported and the records are poorly kept. When expenditures are not well supported there is risk of misuse of funds of the association. In our opinion expenditures incurred during the period under audit were not properly accounted for.

COMPLIANCE

UDOMASA was established as per section 48(b) of Universities Act, 2015. During our review nothing has come to our attention to signify any breach of the law under which the organisation was formed.

FRAUDULENT/CORRUPT PRACTICE

In our review we did not actually see transactions which are fraudulent in nature but we noted some instances where we feel we need explanations from UDOMASA leadership to explain what happened in those transactions.

i) Cheque not used in normal sequence according to the cheque book

In our review we noted that cheque no. 015858 was not used according to the cheque book sequence, this cheque was supposed to be used subsequent to cheque no.015857 as per cheque book but the same was used subsequent to cheque no.015864. On this occasion, UDOMASA management should provide explanation regarding what happened with cheque.

S/N	Date	Cheque no	Drawer Name	CD Voucher no	Amount (TZS)	Descriptions
1	14/01/2015	015855	Paul Loisulie	01	630,000.00	ASA meeting for 2 leaders and EXCOM activities
2	22/01/2015	015856	Paul Loisulie	02	650,000.00	EXCOM activities
3	03/02/2015	015857	Paul Loisulie	03	200,000.00	EXCOM activities
4	25/02/2015	015859	Paul Loisulie	04	900,000.00	ASA activities and EXCOM activities
5	24/03/2015	015860	Paul Loisulie	05	320,000.00	EXCOM activities (meetings and other activities)
6	14/04/2015	015861	Paul Loisulie	06	1,200,000.00	ASA meeting for 2 leaders and EXCOM activities
7	21/05/2015	015862	Paul Loisulie	07	550,000.00	EXCOM activities (meetings and other activities)
S/N	Date	Cheque no	Drawer Name	CD Voucher no	Amount (TZS)	Descriptions
8	25/05/2015	015863	ID No.0232	08	600,000.00	EXCOM activities (meetings and other activities)
9	03/06/2015	015864	Paul Loisulie	09	320,000.00	EXCOM activities (meetings and other activities)
10	4/7/2015	015858	Paul Loisulie	10	200,000.00	EXCOM activities (meetings and other activities)
11	06/07/2015	015865	Paul Loisulie	11	700,000.00	EXCOM activities (meetings and other activities)

Note:

This chq series should have been issued Feb

ii) Differences in amount written on cash disbursement voucher no. 26 and the amount withdrawn from bank through cheque no.015880

The amount written on cash disbursement voucher number 26 dated 17/03/2016 of TZS 250,000.00 for EXCOM activities was different from the amount withdrawn using the related cheque no.015880 which was used to withdraw TZS 2,500,000.00. This is not good indicator of the proper use of the association moneys and UDOMASA management need to provide explanation on this.

ECONOMY, EFFICIENCY AND EFFECTIVENESS ON USE OF RESOURCES

i) Use of UDOMASA funds for ASA activities

During the review for payments made to facilitate ASAs meeting for UDOMASA members and ASAs Chairperson, we have noted that TZS 18,895,000.00 was paid for ASAs activities and meetings. The payments made were not properly supported by bus fare receipts, Meetings reports and attendance sheet to evident existence of such meetings. The cost of ASAs Chairperson of TZS 8,075,000.00 was incurred by UDOMASA from contributions from members without any refund from ASAs. According to section 34 (a)(i) of ASA constitution there is membership fee paid annually and which amount to 5% of the total membership subscription fee collected by each Academic Staff Association from its members annually. Therefore ASA has its own source of funds for its activities, why UDOMASA should bear the cost of ASA chairperson. In this case we feel that the resources of the association are not being used efficiently and effectively.

ii) EXCOM meetings

We noted that there are many EXCOM meetings and the same involve use of money in form of drinks and transport allowance. The frequency of the meeting should be reduced if possible so that the association's funds can be saved and used in other more productive activities.

ACHIEVEMENT OF PLANNED RESULTS

We were able to see the work plan only for the year 2015, and no feedback report to analyse the implementation and the achieved results. From the planned activities meetings and MDAHLO were implemented, number of members was increased from 361 in December 2014 to 379 in December 2015. The plan of printing association's constitution was implemented as planned in the working plan.

For the year 2016, no working plan was availed to us, this is bad indication for the organisation not to have plan for the year which acts as a road map for running various activities of the association.

LEGAL AND FINANCIAL OBLIGATIONS AND COMMITMENTS

The only financial obligation that UDOMASA has to date is the commission on the transfers of deductions from members' bank accounts to UDOMASA bank account at CRDB bank for the year 2016. In the year 2015, a total of bank charges was TZS 2,473,800.00 including commission on transfer of deductions amounting to TZS 2,271,000.00. But in the year 2016, bank charges are only TZS 220,878.00 because commission on transfers of deduction not yet charged by the bank unless the bank has decided not to charge these commission, therefore UDOMASA management should make follow up with their banker to understand what happened because the liability will keep on increasing.

Bank charges in the year 2015

Date	Description	Amount (TZS)
06/01/2015	Monthly maintenance fee	12,500.00
14/01/2015	Service fee	2,200.00
22/01/2015	Service fee	2,200.00
03/02/2015	Service fee	2,200.00
03/02/2015	Monthly maintenance fee	12,500.00
25/02/2015	Service fee	2,200.00
24/03/2015	Service fee	2,200.00
28/03/2015	Monthly maintenance fee	12,500.00
30/03/2015	Staff deduction commission for 383 staff	574,500.00
14/04/2015	Service fee	2,200.00
18/04/2015	Monthly maintenance fee	12,500.00
04/05/2015	Staff deduction commission	568,500.00
21/05/2015	Service fee	2,200.00
25/05/2015	Service fee	2,200.00
30/05/2015	Monthly maintenance fee	12,500.00
03/06/2015	Service fee	2,200.00
20/06/2015	Monthly maintenance fee	12,500.00
04/07/2015	Service fee	2,200.00
06/07/2015	Service fee	2,200.00
16/07/2015	Staff deduction commission	568,500.00
19/07/2015	Monthly maintenance fee	12,500.00
20/07/2015	Service fee	2,200.00

Bank charges in the year 2015 (continued)

Date	Description	Amount (TZS)
27/07/2015	Service fee	2,200.00
11/08/2015	Service fee	2,200.00
17/08/2005	Service fee	2,200.00
22/08/2015	Monthly maintenance fee	12,500.00
04/09/2015	Service fee	2,200.00
13/09/2015	Monthly maintenance fee	12,500.00
19/09/2015	Service fee	2,200.00
23/09/2015	Service fee	2,200.00
1/10/2015	Service fee	2,200.00
17/10/2015	Monthly maintenance fee	12,500.00
21/10/2015	Service fee	2,200.00
23/10/2015	Staff deduction commission	559,500.00
7/11/2015	Service fee	2,200.00
14/11/2015	Monthly maintenance fee	12,500.00
24/11/2015	Service fee	2,200.00
9/12/2015	Monthly maintenance fee	12,500.00
15/12/2015	Service fee	2,200.00
28/12/2015	Service fee	2,200.00
	Total	2,473,800.00

Bank charges in the year 2016

Date	Description	Amount (TZS)
09/01/2016	Monthly maintenance fee	12,500.00
20/01/2016	Service fee	2,200.00
06/02/2016	Monthly maintenance fee	12,500.00
05/03/2016	Monthly maintenance fee	12,500.00
26/03/2016	Service fee	2,200.00
04/04/2016	Service fee	2,200.00
10/04/2016	Monthly maintenance fee	12,500.00
19/04/2016	Service fee	2,200.00
27/04/2016	Service fee	2,200.00
07/05/2016	Monthly maintenance fee	12,500.00
09/05/2016	Service fee	2,200.00
20/05/2016	Service fee	2,200.00
31/05/2016	Monthly maintenance fee	12,500.00
30/06/2016	Monthly maintenance fee	12,500.00
14/07/2016	Cash withdrawal charges	7,318.00
06/08/2016	Monthly maintenance fee	12,500.00
30/08/2016	Monthly maintenance fee	12,500.00
30/09/2016	Monthly maintenance fee	12,500.00
04/10/2016	Cash withdrawal charges	3,540.00
26/10/2016	Monthly maintenance fee	14,750.00
25/11/2016	Monthly maintenance fee	14,750.00
29/11/2016	Cash withdrawal charges	7,080.00
07/12/2016	Cash withdrawal charges	3,540.00
13/12/2016	Interim statement charge	29,500.00
	Total	220,878.00

i) Bank signatories are retired UDOMASA leaders

During our review, we noted that one of the bank signatories is the retired chairperson of UDOMASA meaning that the signatories were not changed as required by article 14.7 of the UDOMASA constitution which requires that signatories should be a treasury, secretary and a member of EXCOM and the transactions shall be authorised by the chairperson.

Since the Current Leaders including Chairperson are not signatories, the retired Chairperson Mr. Paul Loisulie is still an active signatory of UDOMASA Bank Account. This is control weakness on the management of associations' funds as the persons who authorize the transactions (the chairperson, treasury and secretary) have no control of the bank account because they are not signatories.

ii) Cheque list not maintained

No cheque list maintained with bank to ensure that all the cheques withdrawn are genuine and well controlled by UDOMASA management. By not maintaining the cheque list with the bank, there is risk of fraud through ghost cheques or unauthorized withdraw of money from the associations' account.

iii) Per diem rate used

Currently the per diem rate used is according to the government treasury rate which is TZS 120,000.00 per day plus transit of half per diem for trip of more than 6 hours. So UDOMASA is incurring TZS 180,000.00 per person per day for leaders' trip to attend various meetings conducted outside Dodoma. Given the level of funds of the association and the number of meetings, we feel that it could be good for the best interest of the association for the members to review and agree the rate of per diem to be paid.

iv) Imprest retirement

We noted that cash is drawn from bank for a certain activity but after the end of the activity no retirement of imprest to show how the money given has been used.

Management should establish imprest system where funds advanced to UDOMASA leaders/members should be retired within 3 to 5 days upon finalization of the activity for which the funds were advanced.

v) Petty cash

We note some instances where petty cash was used to make payment, According to explanation given by the Chairperson; the balance used in petty cash is amount which is left after the end of certain activities for which cash was drawn from bank. The amount left after activity is kept by the secretary and then used as petty cash. When there are no specific guidelines to govern the use of petty cash, there is huge risk of misuse of funds. Moreover, the amount used through petty cash was not properly supported by supporting document such as receipts, invoices and acknowledgments. We managed to get only the receipts for printer and curtains as per below table.

S/N	Date	Patty Cash Voucher	Amount (TZS)	Descriptions	Supporting
1	10/11/2015	0001	70,000	Follow up of payment of CHSS to PFA on 10/11/2015 and 12/11/2015. Follow up on furniture office and cost to carry furniture	Not supported
2	12/11/2015	0002	94,000	UDOMASA T-shirt cost	Not supported
3	23/11/2015	0003	300,000	UDOMASA prizes for 6 best students @ TZS 50,000 each	
4	23/11/2015	0003	30,000	Fuel cost	Not supported
5	30/11/2015	0004	15,000.00	Food for CC during follow up of HSS letter TZS 3,500.00 @ 4	Not supported
6	1/12/2015	0005	20,500.00	Food and drinks for 6 EXCOM members during extra ordinary meeting	Not supported
7	11/12/2015	0006	40,000.00	Fuel cost for Chairperson and Deputy secretary during follow up HSS	Not supported
8	14/12/2015	0007	20,000.00	Fuel cost for trip to bank to draw cash	Not supported
9	18/12/2015	0008	100,000.00	Purchase of curtains	Receipt no.23052 of 18/12/2015, amount TZS 70,000. TZS 30,000 not supported
10	18/12/2015	0009	60,000.00	Cost for Chairperson and secretary during follow up of HS letter	Not supported
11	16/12/2015	0010	440,000.00	Purchase of printer	Receipt no.99 of 17/12/2015. amount TZS 435,000. TZS 5,000 not supported
12	4/11/2015	0011	20,000.00	Follow up of uploading on HS status	Not supported
13	21/1/2015	0012	20,000.00	UDOMASA meeting and transport cost for members	Not supported
14	8/2/2015	0013	20,000.00	Follow up of HS for those who were not included	Not supported
15	9/2/2015	0014	20,000.00	Fuel cost for sending letter of the UDOMASA AFYA meeting	Not supported
16	16/12/2015	0015	40,000.00	Fuel cost for distribution of letter for CNMS and CoES meeting	Not supported
17	22/2/2016	0016	30,000.00	Fuel cost and food for attending budget meeting held at UDOM head office (fuel TZS 20,000.00 and food TZS 10,000.00)	Not supported
18	24/2/2016	0017	30,000.00	Fuel cost and food for attending PEFC meeting (fuel TZS 20,000 and food TZS 10,000.00)	Not supported
19	25/2/2016	0018	30,000.00	Fuel cost and food for attending council meeting (fuel TZS 20,000.00 and food TZS 10,000.00)	Not supported
20	18/2/16	0019	20,000.00	Fuel cost for attending UDOMASA COES meeting by chairperson	Not supported
21	9/3/2016	Not indicated	554,000.00	Cost for travelling to Dar by Chairperson for follow up on HS (per diem TZS 120,000@4, fare TZS 44,000.00 round trip and TZS 30,000.00 local transport)	Transport cost not supported
22	15/3/2016	Not indicated	30,000.00	Fuel cost and food for attending meeting with CHAS principal (fuel TZS 20,000.00 and food TZS 10,000.00)	Not supported
			2,003,500.00		

