

28. MPWAPWA DISTRICT COUNCIL FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE, 2004

1. REVENUE

1.1 Unproduced receipt books

Four (4) revenue earning receipt books (not quantified) were not produced when called for audit examination. As a result revenues collected on them could not be verified to have been accounted for in the books of accounts and banked.

1.2 Shortfall in revenue collection

The council planned to collect Shs.130,799,066 from own sources of revenues during the period from January to June, 2004. However, the council managed to collect Sh.104,486,193, equivalent to 79.8% of the total budgeted revenue. The figure included Sh.82,500,547 being revenue compensation for revenue sources abolished by the government. Therefore the council actually collected only Sh.21,985,646 against Sh.44,532,000 estimated, then a short-fall of Sh.22,546,354 equivalent to 50.6% of Sh.44,532,000.

2. EXPENDITURE

The following irregularities were noted in the expenditure transactions:

Details	Amount (Shs)
Missing supporting documents	405,000
Payments not confirmed as received by payees	2,091,347
Stores not taken on ledger charge	1,266,350
Outstanding imprests	2,578,000
Fuel utilization details not shown	<u>2,967,987</u>
Total	<u>9,308,684</u>

3. FINAL FINANCIAL STATEMENTS

3.1 Consolidated statement of income and expenditure

Total expenditure recorded in the statement of income and expenditure was Sh.2,123,465,431. According to the consolidated trial balance the total expenditure amounted to Sh.2,116,520,932 after deducting a total of Sh.3,311,487,658 being total value of non-revenue expenditures out of Sh.5,428,008,590 being total balance of revenue and non-revenue expenditures. This resulted in a difference of Sh.6,944,499 being amount overstated in the total balance reflected in the Income and Expenditure statement.

3.2 Consolidated balance sheet as at 30th June 2004

3.2.1 Fixed Assets Shs.2,702,721,331

Fixed Assets are reported in the balance sheet at a total value of Sh.2,702,721,331 which included Sh.16,705,250 being book value of one Isuzu lorry FSR which remained grounded for almost three years for engine defaults. Measures to repair/service or to dispose of the same is called for before the vehicle loses more of its value through natural and human actions.

3.2.2 Outstanding Debtors and Creditors

Examination of the balance sheet disclosed the following position of current assets and liabilities.

Details	Balances as at 31 st Dec, 03 (Shs)	Balances as at 30 th June,04 (Shs)	Increase or Decrease (Shs)
Loans and advances	13,357,995 (100%)	1,673,700	11,684,295 (87.5%-Decrease)
Imprests	15,756,408 (100%)	10,815,401 (68.6%)	4,941,007 (31.4%-Decrease)
Subtotals	29,114,403 (100%)	12,489,101 (42.9%)	16,625,302 (57.1% Decrease)
Sundry creditors	79,848,569 (100%)	125,583,239 (157.3%)	45,734,570 (57.3%-Increase)
Loans From LGLB	12,385,097 (100%)	6,731,988 (54.4%)	5,653,109 (45.6%- Decrease)

From the above details more efforts are called for to clear the outstanding balances.

4. AUDIT CERTIFICATE

In my opinion, the balance sheet and the summary statement of income and expenditure present fairly the financial position of the Mpwapwa District council as at 30th June 2004.