

**45. HAI DISTRICT COUNCIL FOR THE SIX MONTHS PERIOD
ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Revenue Collection Performance

The Hai District Council planned to collect a total of Shs. 235,919,150 as revenue from own sources during the six months period ended 30th June 2004. However, the actual collection was Shs. 70,202,755 registering a collection deficit of Shs. 165,716,395 or 70% of the total revenue estimates. In the circumstances, it is suggested that the Council should review the revenue sources and introduce a sound collection system and controls so as to generate more income to meet its obligations.

2. EXPENDITURE

2.1 Questionable payments Shs. 14,610,000

2.1.1 A sum of Shs. 4,710,000 was paid to a supplier of text books based in Dar es Salaam without competitive quotations. The quantity of the books purchased and the distribution list to the intended schools were not made available for audit inspection.

2.1.2 The Council bought various books, valued at Shs. 7,500,000 for resale to primary schools at an unspecified rates. However, the sales proceeds and the distribution list were not produced to audit.

2.1.3 A sum of Shs. 2,400,000 paid to the District Executive Director, Hai as wages to casual labourers was not supported by the receipted master roll and/or pay list.

2.2 Stores not taken on ledger charge 1,438,334

Stores valued at Shs. 1,438,334 ordered and paid for were not taken on ledger charge.

2.3 Unvouched and Improperly Vouched Expenditure – Shs. 14,837,841

Payment vouchers of Shs. 7,498,350 were not produced for audit inspection while expenditure totaling Shs. 7,339,491 had no supporting documents.

2.4 Transfer of funds on loan from one account to another

Not Reimbursed Shs. 2,500,000

A sum of Shs. 2,500,000 transferred from Education Account to General Fund Account for meeting expenditure of recurrent in nature was yet to be reimbursed.

3. FINAL FINANCIAL STATEMENTS

3.1 Consolidated Balance Sheet as at 30th June, 2004

3.1.1 Council Debtors Shs. 3,064,213

The Balance Sheet as at 30th June 2004 disclosed the following outstanding debtors:-

Category	Amount (Shs)
Sundry Debtors	348,000
Advances	<u>2,716,213</u>
Total	<u>3,064,213</u>

Prompt clearance is required.

3.1.2 Deposits Shs. 278,310,825

The Deposit balance reflected in the Balance sheet refers to seven accounts. However, note number 7 submitted in support of this balance was for deposits of Shs. 214,108,843 only. The difference Shs. 64,201,982 has not been explained.

AUDIT CERTIFICATE

In my opinion, the Consolidated Balance Sheet and the Summary Statement of Income and Expenditure present fairly the financial position of the Hai District Council as at 30th June, 2004.