

**123. TANGA MUNICIPAL COUNCIL FOR THE SIX MONTHS  
PERIOD ENDED 30<sup>TH</sup> JUNE, 2004**

**1. REVENUE**

**1.1 Revenue collection performance.**

As against Shs 384, 098,000 estimated to be collected by the Council during the period January, 2004 to June, 2004 from own sources, the actual collection was Shs 448,178,413 reflecting an over collection of Shs 64,080,413 equivalent to 17% of the total estimates.

**2. EXPENDITURE**

Examination of payment vouchers disclosed the following anomalies:-

- 2.1 Payments to contractors for road works included VAT component which was exempted Shs. 2,348,421.
- 2.2 Additional payments made to four contractors for road works Shs. 20,881,390 were not supported by signed contracts.
- 2.3 Inadequately supported payments Shs. 11,087,805
- 2.4 Stores not taken on ledger charge Shs. 16,741,063.
- 2.5 Purchases of building materials using special imp rests contrary to laid down regulations Shs. 1,588,000.
- 2.6 Building materials worth Shs. 4,297,300 purchased for the construction of Nguvumali Secondary School were not taken on ledger charge and the site ledgers were not maintained. In addition, the Municipal Engineer's completion certificates for the works executed were not produced when called for scrutiny.

**3. FINAL FINANCIAL STATEMENTS**

**3.1 Consolidated Balance sheet as at 30<sup>th</sup> June, 2004**

The Balance Sheet disclosed the following outstanding balances:-

### 3.1.1 Outstanding Debtors Shs. 277,625,017

Category	Amount Shs.
Imprests	5,786,800
Staff Loans	7,007,347
Salary Advances	3,921,144
Revenue Debtors	<u>260,909,726</u>
	<u><b>277,625,017</b></u>

A sum of Shs. 4,002,674 has so far been recovered against a total of Shs.10,928,491 in respect of staff loans and salary advances

### 3.1.2 Creditors Shs. 188,562,732:

Category	Amount Shs.
Creditors for goods and services	126,685,739
Statutory Deductions	<u>61,876,993</u>
<b>Total</b>	<u><b>188,562,732</b></u>

Prompt clearance action is required.

## 4. BANK RECONCILIATION STATEMENTS AS AT 30<sup>TH</sup> JUNE, 2004

### 4.1 Uncleared Items:

Scrutiny of the Bank Reconciliation Statements disclosed uncleared items as follows:-

Item	No. of Accounts	Position as at 30 <sup>th</sup> June, 2004	Present Position
Receipt in cash book not in Bank statement	5	4,645,602	25,700

Immediate action is recommended for clearance of the above outstanding balance.

### 4.2 Overdraw Accounts Shs. 25,450,750

Contrary to the Local Authority Financial Memorandum (1997), three accounts of the Council closed with an overdraft of Shs.25,450,750 mainly attributed to

unpresented cheques disclosed in the bank reconciliation statements as at 30<sup>th</sup> June, 2004.

**5. AUDIT CERTIFICATE**

In my opinion, the Consolidated Balance Sheet and the Consolidated Statement of Income and Expenditure present fairly the financial position of the Tanga Municipal Council as at 30<sup>th</sup> June 2004.

Dr. F. M. H. Mhilo  
**Ag. CONTROLLER AND AUDITOR GENERAL**  
National Audit Office  
Dar es Salaam  
November, 2005