

**76. KILOSA DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Revenue collection trend for three years

Year	Budget (Shs)	Actual Collection (Shs)	Percentage on Collection
2002	457,560,000	386,902,843	85%
2003	513,581,100	425,395,738	82%
2004 (six months)	81,055,511	61,269,152	75%

The above table indicates that, the trend of revenue collection performance was declining every year since actual collection had never been achieved as compared to approved revenue estimates.

2. EXPENDITURE

2.1 Missing Payment Vouchers Shs.5,092,040

Payment vouchers for Shs.5,092,040 as extracted from the cash books were not produced for audit scrutiny. Thus the nature of expenditure charged in the Council's Accounts and its propriety could not be confirmed.

2.2 Missing Supporting Documents Shs.20,952,802

Payments totalling Shs.20,952,802 were not supported by acknowledgement receipts. Thus the expenditure incurred could not be confirmed to have correctly been made to the bonafide payees.

2.3 Unclaimed Salaries Shs.10,801,825

Staff salaries totalling Shs.10,801,825 paid through National Micro Finance Bank – Kilosa were noted to be unclaimed by respective staff, and the same were remitted to the Council by Bank Manager. However, the Council could not establish the existstance of respective staff and take immediate action to delete them from the computer payroll as detailed below:-

Month	Number of the Staff	Amount (Shs)	GRR issued	Date
March, 2004	23	1,426,300	338578	30/6/2004
April, 2004	22	1,320,600	338579	" - "
May, 2004	22	1,321,000	338580	" - "
June, 2004	22	1,320,600	338581	" - "
July, 2004	22	1,471,700	347007	18/9/2004
Aug. 2004	22	1,608,000	347008	" - "
Sept. 2004	22	1,641,500	347037 & 38	18/10/2004
Oct. 2004	8	<u>692,125</u>	347050	24/11/2004
	Total	<u>10,801,825</u>		

2.4 Payment made without Quotations or Contract Agreement Forms – Shs.3,490,505

A payment of Shs.3,490,505 was made to M/s Asteria B.M. in respect of renovation of Bora Building. However, neither minor works contract agreement forms nor quotations were made available to support the payment contrary to order No.278 of the Local Authority Financial Memorandum (1997).

3. FINAL FINANCIAL STATEMENTS

3.1 Sundry Debtors Shs.101,992,852

The Balance Sheet as at 30th June, 2004 disclosed outstanding debtors totalling Shs.101,992,852 as analysed below:-

Category	Amount (Shs)
Imprests	59,689,262
Salary advances	24,088,190
Unpaid House Rent	<u>18,215,400</u>
Total	<u>101,992,852</u>

Effort to clear the outstanding imprests, Salary Advances and to collect the unpaid House rent is called for.

3.2 Creditors Shs.115,113,406

The Consolidated Balance Sheet as at 30th June, 2004 disclosed outstanding creditors amounting to Shs.115,113,406 as follows:-

Account	Total (Shs)
General Fund	97,030,353
Works Fund	105,550
Education Fund	10,002,818
Health Fund	7,922,654
Water Fund	<u>52,031</u>
Total Shs.	<u>115,113,406</u>

Effort to clear the outstanding creditors is called for:

3.3 Unclaimed Salaries Shs.18,340,000

The figure reported in the Consolidated Balance Sheet as at 30th June, 2004 was Shs.18,340,000 However, the list appear to include names of people who are no longer in the Public Service.

4. AUDIT CERTIFICATE

In my opinion, except for the matters specified in paragraphs 1 through 3 above the Consolidated Balance Sheet and Income and Expenditure Statement present fairly the financial position of Kilosa District Council as at 30th June, 2004.