

**77. MOROGORO DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Revenue Collection Trend for three years.

The revenue collection performance for the last three years was as follows:-

Year	Approved Estimates (Shs)	Actual Collections (Shs)	Percentage on Collection
2002	534,059,024	363,797,400	68%
2003	297,528,700	296,775,907	99.7%
2004 (six months)	246,798,225	76,787,584	31%

The table above indicates that, the revenue collection performance was declining every year.

The Revenue Collection from own source made during the six months period under review was Shs.76,787,584 and revenue compensation received from Central government was Shs.109,269,685 making overall Collection performance for the period to Shs.186,057,269.

1.2 Missing revenue earning receipt books

11 General Revenue Receipt books (not quantified) and 752 Plying Licence worth Shs.5,525,000 were not produced to audit for verification. In the event, revenue collected on them could not be confirmed to have been properly collected and brought to account.

2. EXPENDITURE

2.1 Irregular and questionable payment Shs. 4,500,000 (Education Account)

A payment of Shs.4,500.000 was made to the supplier for supplying 5,000 boxes of chalks for various primary schools in the district. However the following anomalies were noted.

2.1.1 The payment was based on copy of LPO No.06312 dated 9th July, 1995 and also supported by delivery notes No.0134, 0137 and 0138 dated 14th July, 1995. Hence, the payment was delayed for ten years.

2.1.2 The Finance Committees' Authority was not confirmed.

2.2 Unvouched and Improperly Vouched Expenditure – Shs.23,356,936

Examination of payment vouchers and the related records for the period of 1st January, to 30th June, 2004 disclosed unvouched and improperly vouched expenditure totalling Shs. 23,356,936 as detailed below:-

Category		Total (Shs)
• Unvouched Expenditure		4,188,750
• Improperly Vouched Expenditure:-		
- Missing Acknowledgement Receipts	16,996,186	
- Missing Paylist	2,172,000	<u>19,168,186</u>
	Total	<u>23,356,936</u>

In the absence of the missing documents, expenditure of Shs.23,356,936 could not be justified.

3. FINAL FINANCIAL STATEMENTS

3.1 Outstanding Debtors and Creditors

The Balance Sheet as at 30th June 2004 disclosed Outstanding Debtors and Creditors amounting to Shs.250,392,065 and Shs.337,463,406 respectively as shown below:-

	Amount (Shs)	Total (Shs)
• Debtors		
- Sundry Debtors	208,421,729	
- Staff Imprests	21,036,344	
- Salary Advances	<u>20,933,992</u>	
		250,392,065
• Creditors:-		
- Sundry Creditors	323,003,570	
- Unclaimed Salaries	11,081,939	
- Stale cheques	<u>3,377,897</u>	
		337,463,406

Clearance of outstanding Debtors and Creditors is awaited.

4. BANK RECONCILIATION STATEMENTS

The Bank Reconciliation Statements as at 30th June, 2004 disclosed Receipts in Cash Books not Credited in Bank Statements amounting to Shs.47,408,952 pertaining to ten (10) accounts. The amount remained to be cleared to date.

Clearance action of outstanding item is called for.

5. AUDIT CERTIFICATE

In my opinion, except for the matters specified in paragraph s 1 through 4 above the Consolidated Balance Sheet and Income and Expenditure Statement present fairly the financial position of Morogoro District Council as at 30th June, 2004.