

**12. BAGAMOYO DISTRICT COUNCIL FOR THE SIX MONTHS  
PERIOD ENDED 30<sup>TH</sup> JUNE, 2004**

**1. FOLLOW-UP ON THE OUTSTANDING MATTERS FOR PREVIOUS YEARS:**

**2002 Accounts**

**1.1 Para 2.2.1 Revenue collections not accounted for Shs. 1,502,100**

The amount has not yet been reported to have been accounted for.

**1.2 Para 2.2.3 Missing Receipt Books**

Fifty one (51) receipt books have not been traced and produced for audit inspection as follows: -

<b>Type of books</b>	<b>No. of books</b>	<b>Value (Shs)</b>
General Receipt books (open)	09	Not quantified
Development Levy Books	06	900,000
Market Dues books	22	220,000
Fruit Levy Books	09	120,000
Charcoal Fees Books	<u>08</u>	<u>320,000</u>
<b>Total</b>	<b><u>51 books</u></b>	<b><u>1,560,000</u></b>

**1.3 Para 3.1 Missing payment vouchers – Shs. 499,762,417**

Paid payment vouchers amounting to shs. 23,874,294 are still missing.

**1.4 Para 3.2 Payments made without supporting documents – Shs. 479,433,999**

Supporting documents for Shs. 287,707,900 are still missing.

**1.5 Para 5.0 Irregular and Questionable payments Shs. 19,120,413**

An amount of Shs. 5,624,800 has been settled leaving a balance of Shs. 13,495,613.

**1.6 The following matters are still outstanding pending PCB investigation**

Para 6.1 Doubtful payments of salaries – Shs. 40,107,100

- Para 6.2 Unclaimed salaries acknowledged not banked Shs.  
10,770,700
- Para 6.3 Suspected misappropriation of unclaimed salaries – Shs.  
7,714,000.
- Para 6.5 Missing computer payrolls.

## **MATTERS ARISING FROM 2004 ACCOUNTS.**

### **2. INTERNAL CONTROL**

#### **2.1 Custody of documents**

Accountable documents were not properly kept under safe custody as a result some revenue earning receipt books, payment vouchers and supporting documents were missing during audit inspection contrary to order No. 96 – 102 of the LAFM (1997).

#### **2.2 Banking of Revenue**

No reference of GRRS were made in the banking pay in slips on which collections were lodged into bank.

### **3. REVENUE**

#### **3.1 Revenue collection performance**

As against Shs. 263,390,852 estimated to be collected by the Council during the six months period ended 30<sup>th</sup> June, 2004 from the councils' own sources, and amount of Shs. Shs. 181,579,736 was realized registering a collection shortfall of Shs. 81,811,116 or 31% of the estimated revenue. Included in income collected were grants of Shs. 107,360,327 in lieu of the abolished revenue sources.

### **4. EXPENDITURE**

#### **4.1 Unvouched and Improperly Vouched Expenditure Shs. 2,165,342**

Test check of payments disclosed Unvouched Expenditure of Shs.200,000 and Improperly Vouched Expenditure of Shs. 1,965,342.

### **5. FINAL FINANCIAL STATEMENTS**

#### **5.1 Debtors Shs. 751,489,486**

The consolidated Balance Sheet disclosed outstanding debtors amounting to Shs. 751,489,486 consisting of the following balances:

<b>Category</b>	<b>Amount (shs)</b>
General Deposit Debtors	444,677,070
Sundry debtors	24,650,277
Departmental advances	142,783,933
Salary advances	6,228,177
Imprests	128,562,459
Other advances	<u>4,587,570</u>
<b>Total</b>	<b><u>751,489,486</u></b>

Serious efforts should be taken to clear the amounts.

## **5.2 Creditors Shs. 976,710,836**

The Consolidated Balance Sheet disclosed outstanding creditors amounting to shs. 976,710,836 as analyzed here under: -

<b>Category</b>	<b>Amount (shs)</b>
General creditors	4,000,000
Salary creditors	205,246,033
Other creditors	512,226,823
Departmental advances	255,237,980
<b>Total</b>	<b><u>976,710,836</u></b>

The situation is serious taking into consideration the problems which may face the council in case these creditors opt for legal measures against the council.

## **6. AUDIT CERTIFICATE**

In my opinion, except for the matters reported under paragraphs 1 through 5 the Consolidated Balance Sheet and Summary Statement of Income and Expenditure present fairly the financial position of Bagamoyo District Council as at 30<sup>th</sup> June, 2004.