

**21. KINONDONI MUNICIPAL COUNCIL FOR SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. AUDIT QUERIES

In the course of transactional audit carried out on the year's accounts 30 audit queries were issued seeking remedial measures on various irregularities observed during the audit of which none has been replied and settled at the time of writing. In addition, one audit query for the year 2002 accounts is still outstanding.

2. EXPENDITURE:

2.1 Unretired special imprests Shs.67,464,387

Special imprests involving Shs.67,464,387 issued during the period under review were observed to have not been retired. Nine queries issued on the subject are yet to be replied.

**2.2 Unvouched and Improperly Vouched Expenditure
Shs.151,876,707**

A test check on payment vouchers and related records of the Municipality revealed unvouched and improperly vouched expenditure to the tune of Shs.151,876,707 summarised as follows:-

Category	Amount (Shs.)
Missing payment vouchers	67,065,758,
Proforma invoice payments	18,658,640
Uncertified payments	10,801,320
Missing acknowledgement receipts	47,962,748
Missing invoices etc.	7,388,241
Total	151,876,707

2.3 Questionable payment Shs.4,723,000

The Municipal Council paid a sum of Shs.4,723,200 against Shs.5,677,800 claimed by refuse collector namely Environmental protection Ltd. The Contractor had over invoiced the claim by Shs.954,600 and the relevant vehicles involved in refuse Collection were not indicated to authenticate the expenditure.

2.4 Construction of Kawe Poultry Building Shs.3,735,045

The project Commenced in May 2003 and was Completed in July 2003. The purpose of the project was to improve poultry farming by providing 200 Parent stock of exotic pure breed (Rhodes Island Red).

However, audit scrutiny disclosed the following shortcomings.

- 1) Up to the time of writing this report (January, 2005) the project has not started operating due to non availability of the required poultry.
- 2) Poor workmanship of the building was noted during the site visit as evidenced by cracks.

3. FINAL FINANCIAL STATEMENTS

3.1 Revenue Budget Performance

The Council planned to collect a total of Shs.2,255,173,923 as revenue from own sources for the period January – June, 2004. However, the Council Managed to Collect Shs.1,694,193,647 registering a budget deficit of Shs.560,980,276 or 24% of the total budget.

3.2 Consolidated Balance Sheet as at 30th June, 2004

3.2.1 Debtors outstanding Shs.788,967,820

The Consolidated Balance sheet disclosed outstanding debtors as at 30th June, 2004 totaling Shs.788,967,820 comprising of the following.

<u>Categories</u>	<u>Amount (Shs.)</u>
Sundry debtors	189,802,596
Staff advances	4,534,500
Imprests	19,765,000
Women and Youth Loans	276,122,616
Advance payments to Suppliers	298,743,108
Total	<u>788,967,820</u>

More efforts should be made to have these debtors cleared.

3.2.2 Creditors outstanding Shs.821,533,793

The above figure as shown in the Consolidated balance sheet for the period ended 30th June, 2004 comprised of:-

Category	Amount (Shs.)
Sundry Creditors	71,479,181
Stale Cheque	212,505,814
Miscellaneous Depositors	<u>537,548,798</u>
Total	<u>821,533,793</u>

4. AUDIT CERTIFICATE

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