

**52. LINDI DISTRICT COUNCIL FOR THE PERIOD  
ENDED 30<sup>TH</sup> JUNE, 2004**

**1. REVENUE**

**1.1 Revenue Collection Performance**

As against Shs.86,205,850 estimated to be collected by Lindi District Council during the 1<sup>st</sup> January to 30<sup>th</sup> June,2004 from own sources, an amount of Shs.38,524,055 was realized registering a deficit of Shs.47,681,795 equivalent to 55% of the estimated revenue.

The Council's revenue trend analyses for the past three years is as follows:-

<b>Year</b>	<b>Approved estimates (Shs)</b>	<b>Actual Collection (Shs)</b>	<b>Percentage on collection (Shs)</b>
2001	426,491,400	234,430,653	55%
2002	249,371,260	148,435,648	59.5%
2003	234,482,614	139,880,433	59.7%

**1.2 Revenue Receipt Books not produces**

A total of thirty five earning receipt books (Open) were not produced to audit. Thus it council not be confirmed whether revenue collected on them brought to account.

**2. EXPENDITURE**

Examination of payment vouchers and related records disclosed the following irregularities:-

- 2.1 Payment vouchers of Shs.9,660,039 were found missing.
- 2.2 Payment vouchers aggregating to Shs.30,766,759 were not supported
- 2.3 Funds totaling Shs.8,794,600 were transferred interms of loans without approval of relevant authorities and no recoveries were made.

**3. FINAL FINANCIAL STATEMENTS**

**3.1 Financial Performance**

The consolidated Income and Expenditure Statement for the period under review, reported that the year's accounts ended with a deficit balance of

Shs.5,108,372 arising from total expenditure of Shs.1,728,342,128 against total income of Shs.1,723,233,756 received during the period.

### 3.2 Itemized Statements Missing

The council did not prepare and submit to me itemized comparative Income and Expenditure Statements for the period under review. In the of these vital statements it could not be established in audit how the council performed in revenue collection on individual budgeted revenue items. This is a serious omission on the part of the council.

### 3.3 Missing Explanatory Notes

Explanatory notes in support of the various items of accounts reported in the consolidated Income and Expenditure Statement were not reflected. The omission is contrary to regulation number 85 of the Local Authority Financial Memorandum, (1997).

### 3.4 Outstanding Debtors and Creditors

The Balance Sheet reported the following outstanding balances.

<u>Debtors</u>	<u>Balance (Shs)</u>	<u>Remarks</u>
Imprests	16,335,336	Understated by Shs.2,499,685
Advances	5,176,230	-
Vijana Account	<u>2,200,000</u>	-
	<b><u>23,711,566</u></b>	
<u>Creditors</u>		
LAPF	63,878,184	-
PSPF	26,191,024	-
Minimum Compulsory Reserve	2,298,400	-
Local Governments Loans board	7,930,000	-
Interest & Penalty on Loan	3,108,148	-
Bills payable (Health Account)	107,100	-
NMB Loan Recovery	2,400,000	-
Unclaimed Salaries	251,930	-
Deposit General	<u>94,148,994</u>	-
<b>Grand Total</b>	<b><u>200,313,780</u></b>	

## 4. AUDIT CERTIFICATE

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