

**99. TUNDURU DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. FOLLOW UP ON OUTSTANDING MATTERS FROM PREVIOUS YEARS

2000 Accounts

1.1 Para 3.1 Unreimbursed loans Shs.6,561,950

Balance as per LAAC Session 28/06/2003 Shs.	Amount cleared Shs.	Amount outstanding Shs.
4,902,830	1,337,350	3,565,480

2002 Accounts

1.2 Para 3 Examination of payment vouchers

Para	Description	Amount queried Shs.	Amount cleared Shs.	Amount outstanding Shs.
(i)	Missing payment vouchers	19,173,274	18,760,892	412,382
(iv)	Suspected theft of public funds by forgery	4,890,000	NIL	4,890,000
(viii)	Payment of salaries to ghost workers	287,900	NIL	287,900
Total				5,590,282

MATTERS ARISING FROM 2004 ACCOUNTS

2. REVENUE

2.1 Earning receipt books not produced

18 general revenue earning receipt books (not quantified) issued to revenue collectors were not produced for audit inspection. Hence, revenue collected on them could not be confirmed to have been accounted for.

2.2 Outstanding stall rent Shs.2,925,550

A scrutiny of the stall rent registers at the market and bus stand disclosed outstanding rent amounting to Shs.2,925,550.

3. EXPENDITURE

Audit examination of payment vouchers and related records for the period under review revealed the following irregularities:-

- (i) Missing acknowledgement receipts Shs.12,334,991
- (ii) Unsupported payments Shs.5,464,445
- (iii) Stores purchased and paid for but not accounted for Shs.10,485,210
- (iv) Outstanding loans Shs.13,910,000
- (v) Liquidated damages not collected Shs.3,428,491
- (vi) Annual implementation (Financial and physical) reports not produced for the following:-

Name of Project	Fund Received
Road Fund	118,648,315
Basket Fund	66,435,406
TACAIDS	135,500,000
Development Fund	55,000,000

4. FINAL FINANCIAL STATEMENTS

4.1 Revenue collection performance

The Council managed to collect Shs.141,991,997 from own sources as against the approved estimates of Shs.120,636,975 thus registering an over collection of Shs.21,355,022.

The Council also received grants of Shs.74,617,228 from the Central Government in lieu of the abolished revenue sources.

The impressive revenue collection performance reflected the Council's ability to generate more income to the council. More collection effort should be exerted on revenue items where the performance was noted to be poor i.e. on items 050703 (Fees – forest produce and 051009 fees (machinjio)).

4.2 Out-Turn

The year's council accounts closed with a deficit balance of shs.156,595,224 arising from total expenditure of Shs.2,144,964,623 against total income of Shs.1,988,369,399.

4.3 Consolidated Balance Sheet as at 30th June, 2004

4.3.1 Outstanding Imprests and Advances Shs.26,899,906

The balance sheet reflected outstanding imprests and advances amounting to Shs.26,899,906 as shown below:-

Type	Amount (Shs.)
Imprests	16,496,326
Advances	10,403,580
Total	26,899,906

However, the analysed schedules submitted in support of these balances did not indicate clearance action taken or intended to be taken on individual debtors.

An age wise detailed analysis of the outstanding balances should be compiled so as to enable the council management take necessary clearance action on the debtors.

4.3.2 Deposits Shs.26,201,348

The deposit balance of Shs.26,201,348 reported in the Balance sheet related to 21 uncleared deposit items.

Clearance action taken is awaited.

5. AUDIT CERTIFICATE

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