

**98. SONGEA TOWN COUNCIL FOR THE SIX MONTHS  
PERIOD ENDED 30<sup>TH</sup> JUNE, 2004**

**1. FOLLOW UP ON OUTSTANDING MATTERS FROM  
PREVIOUS YEARS**

**2002 Accounts**

**1.1 Para 2.2 Missing-revenue earning receipt books**

<b>Category</b>	<b>Queried</b>	<b>Produced</b>	<b>Still missing</b>
GRR (Open)	58	44	14

**1.2 Para 2.3 Loss of revenue collections by fraudulent means  
Shs.838,800**

<b>Amount queried</b>	<b>Amount cleared Shs.</b>	<b>Outstanding balance Shs.</b>
838,800	178,015	660,785

**1.3 Para 3.1 Examination of payment vouchers**

<b>Description</b>	<b>Amount queried (Shs.)</b>	<b>Amount cleared (Shs.)</b>	<b>Amount outstanding (Shs.)</b>
(i) Missing payment vouchers	149,569,654	147,677,944	1,891,710
(ii) Un supported expenditures	393,358,911	390,510,642	2,848,269
(iii) Questionable purchase of school materials	23,716,430	15,696,430	8,020,000
(iv) Suspected theft of public funds by forgery	5,296,300	3,529,800	1,766,500
<b>Total</b>			<b>14,526,479</b>

**MATTERS ARISING FROM 2004 ACCOUNTS**

**2. REVENUE**

**2.1 Revenue Collection Performance**

The Council managed to collect a total sum of Shs.67,819,893 as revenue from own sources against estimated revenue of

Shs.144,440,646, thus registering a shortfall of Shs.76,620,753 or 53% of estimated revenue.

## **2.2 Uncollected revenue Shs.6,951,860**

Revenue due for collection during the period under review amounting to Shs.6,951,860 had not been collected as follows:-

<b>Revenue type</b>	<b>Amount (Shs.)</b>
Stall rent	3,762,000
Workshop fees	<u>3,189,860</u>
<b>Total</b>	<b><u>6,951,860</u></b>

## **3. EXPENDITURE**

Audit examination of Payment Vouchers revealed the following irregularities:-

<b>Details</b>	<b>Amount Shs.</b>
(i) Unsupported payments	12,419,546
(ii) Missing acknowledgement receipts	10,525,696
(iii) Payments of salaries not supported by payrolls Education A/C	32,858,601
(iv) Irregular issues of imprests	13,420,300
(v) Questionable payments of desks	2,000,000
(vi) Outstanding loans	12,418,000

## **4. FINAL FINANCIAL STATEMENTS**

### **4.1 Out-Turn**

The year's accounts closed with a surplus of Shs.2,428,090 arising from total expenditure of Shs.1,270,118,510 against total income of Shs.1,272,546,600.

### **4.2 Missing explanatory notes to support the consolidated income and expenditure statement**

The Consolidated Income and Expenditure Statement for the period ended 30<sup>th</sup> June, 2004 did not reflect explanatory notes

in support of the various revenue and expenditure summary items reported in the statement. This implies violation of regulation number 85 of the Local Authority Financial Memorandum (1997)

#### **4.3 Consolidated Balance Sheet as at 30<sup>th</sup> June, 2004**

##### **4.3.1 Outstanding Debtors and Creditors**

The Consolidated Balance Sheet as at 30<sup>th</sup> June, 2004 reflected the following uncleared Debtors and Creditors:-

##### **Debtors Shs.8,743,210**

<b>Type</b>	<b>Balance</b>	<b>Remarks</b>
Imprests	5,458,960	The balance according to the register was Shs.19,997,760
Advances	3,284,250	The Advance register was not being maintained.
<b>Total</b>	<b>8,743,210</b>	

##### **Creditors Shs.34,087,975**

Clearance action taken on these trade creditors and above debtors is awaited.

#### **5. AUDIT CERTIFICATE**

In my opinion, except for the matters specified in paragraphs 1 through 4 above, the Balance Sheet and Summary Statements of Income and Expenditure present fairly the financial position of the Songea Town Council as at 30<sup>th</sup> June, 2004.