

**96. MBINGA DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Unproduced receipt books

23 revenue earning receipt books GRR (not quantified) were not produced for audit inspection when called for. It could not be established therefore that the revenue collected on them was properly accounted for.

2. EXPENDITURE

A scrutiny of the payment vouchers and other related records revealed the following:-

- (i) Missing Acknowledgement Receipts Shs.14,968,076
- (ii) Unsupported payments Shs.11,615,080
- (iii) Outstanding loans Shs.11,800,000
- (iv) Annual project implementation reports in respect of Road Fund, PEDP, Basket Fund and Development A/C No. 2 were not prepared and submitted for audit examination.

3. FINAL FINANCIAL STATEMENTS

3.1 Statement of revenue collection

(a) The Council had managed to collect a sum of Shs.42,713,000 as revenue from own source against estimated revenue of Shs.149,822,000 thus registering a shortfall of Shs.107,109,000 or 71% of the estimated income. The Council also received grants of Shs.107,736,407 from the central Government in lieu of the abolished revenue sources.

(b) High under collection noted

High under collections were noted on revenue items 050713, 040501 and 090406 where the collection performance was below 50% on each item.

3.2 Consolidated Balance Sheet as at 30th June, 2004

(i) **Outstanding Debtors Shs.34,672,187**

The balance sheet as at 30th June, 2004 reflected sundry debtors of Shs.34,672,187 viz:

Type	Amount (Shs.)
Account Receivable	1,620,000
Loan	288,000
Salary advances	1,115,000
Debtors – others	<u>31,649,187</u>
Total	<u>34,672,187</u>

(ii) **Outstanding Creditors Shs.178,044,611**

The balance sheet as at 30th June, 2004 reflected sundry creditors of Shs.178,044,611 viz:

Type	Amount (Shs.)
Account payable	21,608,029
Deposit Account	91,436,582
Loan TAMISEMI	<u>65,000,000</u>
Total	<u>178,044,611</u>

Clearance action taken is awaited.

4. AUDIT CERTIFICATE

In my opinion, except for the matters specified in items 1 through 3 above, the Balance Sheet and Summary Statements of Income and Expenditure present fairly the financial position of the Mbinga District Council as at 30th June, 2004.