

**30. IRINGA MUNICIPAL COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Revenue collection performance

During the period under review the council collected a total of Shs.121,697,030 from own sources as against the estimates of Shs.264,098,054 registering a collection shortfall of Shs.142,401,024. The council also receive grants of Shs.10,139,903 from the Government in lieu of the abolished revenue sources.

1.2 Under collections noted

According to the itemized income statement, the following items recorded under collection as detailed below:-

Code	Item	Estimates (Shs.)	Actual Collection (Shs.)
80309	House rent	2,038,042	1,633,000
51067	Dispensary charges	400,000	75,900
51010	Bill board fees	15,000,000	10,874,330
51020	Bus fee	24,030,000	14,798,860
40108	Property Tax	20,200,771	8,145,324
51038	Plant & Trunk hire	25,000,000	7,344,000

The Council should exert more effort on revenue collection.

1.3 Unproduced receipt books

The underlisted revenue earning receipt books (open) were not produced for audit examination.

Type of receipt	Quantity
Sub-Treasury	8
Property Tax	<u>3</u>
Total	<u>11</u>

1.4 Payments effected from Revenue Shs.4,766,940

Revenue collection amounting to Shs.4,766,940 collected from councils revenue centers was observed to have been used to meet cash payment

before banking. This implies violation of directives issued on financial controls.

2. EXPENDITURE

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

- 2.1 A sum of Shs.9,843,000 was transferred from one account to another without proper authority. Refund of the amount to the giving account if any was not evidenced.
- 2.2 Stores worth Shs.14,238,450 were not taken on ledger charge.
- 2.3 Payment vouchers involving Shs.76,807,504.92 were not supported by the relevant documents.
- 2.4 Payments of Shs.1,857,300 were effected on the strength of Proforma invoices.

3. FINAL FINANCIAL STATEMENTS

3.1 Missing statement

Contrary to the Local Authority Financial Memorandum (1997) (Regulation No. 84V) the Council did not submit the Capital Expenditure statement and its financing.

3.2 Missing Explanatory notes

Contrary to regulation No. 85 of the Local Authority Financial Memorandum (1997) both the Consolidated Balance Sheet and the Consolidated Income and Expenditure Statement submitted for the six months accounts did not provide explanatory notes to support the various summary items of the accounts reported therein.

3.3 Out-Turn

The six months accounts as reflected in the financial statements closed with a surplus balance of Shs.25,608,842 arising from total expenditure of Shs.1,235,501,361 against total income of Shs.1,261,110,203 received during the period under review.

3.4 Consolidated Balance Sheet as at 30/06/2004

3.4.1 Long term capital outlay Shs.1,902,840,409

This balance appearing in the Balance Sheet was not analysed and supported.

3.4.2 Outstanding debtors Shs.103,214,595

Outstanding debtors reported in the Balance Sheet as at 30th June, 2004 consisted the following:-

Category	Amount (Shs.)
Revenue debtors	55,949,468
Salary Advances	4,389,230
Imprests	33,968,570
Withdrawals deposits	8,907,327

Clearance of these balances is called for.

3.4.3 Outstanding creditors Shs.103,608,531

Creditors disclosed in the Balance Sheet as at 30th June, 2004 aggregated to Shs.103,608,531 consisting the following:-

Category	Amount (Shs.)
Sundry creditors	89,389,108
L.A.P.F.	3,692,835
Unclaimed Salaries	9,386,588
Interdepartmental Advances	1,140,000

Clearance of these balances is awaited.

4. ANNUAL PROCUREMENT REPORT FOR THE YEAR ENDED 30TH JUNE, 2004

The annual procurement report for the goods, works and services was not prepared and submitted for audit examination as required by Section 19(2) of the Public Procurement Act. No.3 of 2001 and the Local Government Procurement of Goods and Works Regulation No. 32 of 2003.

5. AUDIT CERTIFICATE

In my opinion, except for the matters specified in paragraphs 1 through 4 above the Consolidated Balance Sheet and Income and Expenditure Statements present fairly the Financial position of Iringa Municipal Council as at 30th June, 2004.