

**34. NJOMBE DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Revenue collection Performance

During the period under review, the Council's collection from own sources stood at Shs.263,449,236 which included grants of Shs.156,068,008 received from the Central Government in lieu of the abolished revenue sources. The estimated revenue for collection excluding grants was Shs.170,742,676. The under collected revenue amounted to Shs.63,361,448.

1.2 Missing Revenue Earning Receipt Books

50 Revenue earning receipt books comprising 33 fixed fee and 17 General Revenue receipt were not produced for audit inspection. Accountability of collection made on them could not be confirmed.

2. EXPENDITURE

Examination of payment vouchers and related records disclosed the following.

- 2.1 Payments totaling Shs.60,042,454 was not supported by relevant documents.
- 2.2. Stores worth Shs.8,878,290 ordered and paid for were not accounted for in the stores ledgers.

3. FINAL FINANCIAL STATEMENTS

3.1 Out – Turn

The six months Council accounts ended with a surplus balance of Shs.239,016,788 arising from total expenditure of Shs.2,905,838,653 against total income of Shs.3,144,855,441 received during audit.

3.2 Missing Explanatory Notes

The Consolidated Balance Sheet as at 30th June, 2004 and Consolidated Income and Expenditure statement for the period under review did not reflect explanatory notes in support of the various revenue, expenditure

and balance sheet summary items of accounts reported. Regulation No. 85 of the Local Authority Financial memorandum was therefore violated.

3.3 Depreciation not charged in the Accounts

Depreciation expenses for council's fixed Assets wear and tear for the period under review were not expensed in the accounts hence not reflected in the expenditure statement. The Depreciation for the period totalled Shs.594,765,642.

3.4 Consolidated Balance Sheet as at 30th June, 2004

Examination of the Balance sheet as at 30th June, 2004 disclosed the following outstanding balances:-

Debtors	Balances (Shs.)
Imprests	3,807,944
Salary Advances	263,700
Debtors Sundry	<u>1,660,970</u>
Total	<u>5,732,614</u>

Creditors

Creditors of Shs.11,281,679 were also still outstanding. Please confirm clearance of these balances.

4. AUDIT CERTIFICATE

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