

**71. MBEYA DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Unproduced revenue earning receipt books

15 revenue earning receipt books issued to revenue collectors during the period under – review were not produced as detailed below:-

Type of receipt	Quantity
General Revenue Receipt (Open)	6
Livestock levy	1
Market dues	3
Cost sharing	5
Total	15

Hence any revenue collected on them could not be confirmed to have been brought to account.

2. EXPENDITURE

2.1 Deferred payments Shs.12,823,629

Payments aggregating to Shs.12,823,629 properly chargeable in the year 2003 accounts were instead met during the period under review.

3. FINAL FINANCIAL STATEMENTS

3.1 Adoption of Final Financial Statements

Contrary to regulation number 87 of the Local Authority Financial Memorandum (1997) the Council's accounts and statements for the period ended 30th June, 2004 submitted to the National Audit Office for examination appeared to have not been presented to the Finance Committee for adoption.

3.2 Consolidated Balance Sheet

(a) Fixed assets Shs.2,975,228,400

The Balance Sheet as at 30th June, 2004 reflected fixed assets valued at Shs.2,975,228,400 against Shs.3,109,628,400 (audit figure). The difference of Shs.134,400,000 was an under casting error made when preparing the statement.

(b) Outstanding Imprests and advances Shs.30,399,887

Outstanding imprests and advances reflected in the balance sheet as at 30th June, 2004 amounted to Shs.30,399,887 as analysed below:-

Category	Amount (Shs.)
Imprests	28,268,607
Advances	2,131,280
Total	30,399,887

The analysed schedules did not indicate clearance action taken or intended to be taken on these outstanding balances.

(c) Outstanding debtors Shs.107,934,442

The Balance Sheet as at 30th June, 2004 showed outstanding debtors totalling Shs.107,934,442.

This balance consisted mainly of Inter account transfers Shs.80,437,379 and amount not recovered from SACCOS Shs.22,000,000. Under normal circumstances, inter account transfers are self canceling and hence cannot be reflected in the balance sheet. The council should elaborate more on this type of uncleared balance.

(d) Liabilities Shs.147,134,187

The current liabilities reflected in the Balance Sheet as at 30th June, 2004 amounted to Shs.147,134,187 consisting of the following:-

Category	Amount (Shs.)
Sundry Creditors	66,314,171
Unclaimed salaries	26,727,508
Deposits	54,092,508
Total	147,134,187

The creditors balance of Shs.66,314,171 was in respect of inter – account transfers, trade creditors, stale cheques etc.

Clearance action taken is awaited.

4. AUDIT CERTIFICATE

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