

114. TABORA DISTRICT COUNCIL FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE, 2004

1. REVENUE

1.1 Revenue budget performance

As against Shs.111,985,777 estimated to be collected by the Council during the six months period ended 30th June, 2004 from own sources, Shs.180,650,480 was realized registering a collection surplus of Shs.68,664,703 or 38% of the revenue target. The collection made included grants of Shs.72,594,818 received in lieu of the abolished revenue sources.

2. EXPENDITURE

2.1 Unsupported payments Shs.6,073,300

Payrolls for Shs.6,073,300 were not made available to audit though called for. Without the documents expenditure incurred cannot be accepted as proper.

3. FINAL FINANCIAL STATEMENTS

3.1 Financial Performance

The out-turn of the year's accounts was a surplus balance of Shs.140,835,911 arising from total expenditure of Shs.1,417,659,848 against total income of Shs.1,558,495,759.

3.2 Consolidated Balance Sheet as at 30th June, 2004

3.2.1 Fixed Assets Shs.2,523,067,129

In April, 2004 the Council purchased a Honda Motor Cycle Model XL 125, for Shs.4,828,500. This asset was not included in the schedule of fixed assets, hence omitted in the consolidated balance sheet as at 30th June, 2004. Therefore, the value of fixed assets as at 30th June, 2004 was understated by the same amount.

3.2.2 Debtors and Creditors outstanding

According to the consolidated balance sheet as at 30th Jun, 2004 the position of the outstanding debtors and creditors was as follows:-

Debtors	Amount (Shs)
- Staff Imprests	69,734,136
- Salary Advances	2,347,611
- Advances and Deposits	<u>84,205,617</u>
Total	<u>156,287,364</u>
Creditors	
- Unclaimed Salaries	8,546,027
- L.A.P.F	2,195,993
- Creditors	9,807,618
- Imprests/Advances refund	164,480
- Stale cheques	312,969
-TALGWU	<u>3,666,256</u>
Total	<u>24,693,343</u>

Clearance of the outstanding debtors and creditors is called for.

3.2.3 Cash flow statement as at 30th June, 2004

According to the schedule of fixed assets as at 30th June, 2004 there were additional assets pertaining to buildings and Motor Vehicles/Cycles worth Shs.771,610,000 and Shs.3,780,000 respectively. In addition, there was an adjustment of Shs.82,810,000 being value of previous year's assets understated. The following irregularities were noted in the course of audit:-

- Shs.771,610,000 being value of the additional buildings and Shs.82,810,000 being adjusted value which was understated against the previous year's assets were not taken into account when preparing the cashflow statement, hence omitted from the statement.
- Shs.3,780,000 being value of additional Motor Vehicle/Cycles was wrongly included in the cash flow statement as an increase instead of a decrease.

In the circumstance it cannot be ruled out that the cashflow statement was correctly presented.

3.3 Capital Expenditure Statement

A statement of capital expenditure and its financing disclosed that the council received a total of Shs.169,235,293 from the central government to enable implementation of various development activities. However, as at 30th June, 2004 the council utilized a total of Shs.111,383,187, leaving a balance of Shs.49,852,106 or 29.5% of the total funds received but unutilized. Reasons for not utilizing the funds were not given by the

management. In addition, the council received a total of Shs.350,284, 787 through Primary Education Development Programme to be utilized for construction of primary school classrooms. During the audit it was detected that a total of Shs.249,380,781 had actually been transferred to various primary schools to be spent as planned. A balance of shs.100,904,006 not transferred could not be explained. As such a question of the balance having being misused cannot be ruled out.

4. AUDIT CERTIFICATE

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