

**93. NKASI DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. FOLLOW UP ON OUTSTANDING MATTERS FOR PREVIOUS YEAR

2003 Accounts

- 1.1 Para 2.1 Questionable payments Shs.2,975,000
Shs.1,425,000 is still outstanding**
- 1.2 Para 2.4 Salary payments to Ghost Workers Shs.736,240.
The Item is still outstanding.**
- 1.3 Para 3.1 (i) Debtors Shs.44,980,972
Shs.16,688,491 in respect of Imprests is still outstanding.**

MATTERS ARISING FROM 2004 ACCOUNTS

2. REVENUE

2.1 Revenue Collection Performance

The Council collected a total of Shs.195,182,195 under General Fund Account. Included was a sum of Shs.136,733,505 being levy compensation from Central Government for the abolished revenue Sources.

3. EXPENDITURE

3.1 Payment made on strength of proforma invoice Shs.8,000,000

Payment of Shs.8,000,000 was made to a suppliers of goods and services on the strength of proforma invoice. There was no evidence to confirm that the goods paid for in advances were received and accounted for.

3.2 Payment of Loan made to non-Council employee Shs.1,830,000

A sum of Shs.1,830,000 made to non-council employees and ALAT (R) Being loans, the same amount has not been reimbursed to date.

4. FINAL FINANCIAL STATEMENTS

4.1 Adoption of the annual accounts and statements

The annual accounts and statements for the period ended 30th June,2004 submitted for examination had not been presented to the finance

Committee for adoption contrary to the Local Authority Financial Memorandum (1997) para 87.

4.2 Explanatory Notes to the financial statements missing

The consolidated balance sheet and income and expenditure statement were not supported by explanatory notes to support various summary items of the accounts reported therein as required by regulation number 85 of Local Authority Financial Memorandum (1997)

4.3 Directors Notes not furnished

The council's financial statements for the period ended 30th June,2004 submitted for audit examination excluded the Directors Notes contrary to the requirements of the Tanzania Financial Accounting Standards (TFAs) No.12. The Directors' notes are essentially meant to present an overview of the council activities, operating results and its financial position as at the end of the financial year.

4.4 Comparative itemized Revenue Statement Missing

The council did not prepare and submit to audit an itemized revenue comparative statement for year under review. Hence it could not be established in audit the revenue collection performance based on individual revenue items.

4.5 Missing statements

The council did not prepare and submit to audit individual Balance Sheets as at 30th June,2004 for each account.

4.6 TASAF Accounts excluded

The Final Financial statements of the council submitted to audit on 29th September,2004 excluded TASAF transactions for the period under review.

4.7 Consolidated Income and Expenditure statement for the period ended 30th June,2004

4.7.1 Total grants received Shs.1,122,983,021

The reported total government grants received of Shs.1,122,983,021 appear to be wrong due to the omission of Shs.136,733,505 being levy compensation received from the central government.

4.8 Consolidated Balance Sheet as at 30th June,2004

4.8.1 The Balance Sheet prepared as at 30th June,2004 reflected the outstanding Debtors of Shs.16,688,191 being unretired imprests clearance action is awaited.

4.8.2 Creditors Shs.7,046,594

The council liabilities reflected in the consolidated Balance Sheet comprised of the following:-

<u>Details</u>	<u>Amount (Shs)</u>
WADU	60,000
Saving and Credit	38,500
NSSF	500,000
TUGHE	305,196
SACCOS	1,653,000
NIC	2,115,013
CWT	100,620
TALGWU	1,029,857
Medical Staff claims	<u>1,244,408</u>
Total	<u>7,046,594</u>

5. AUDIT CERTIFICATE

In my opinion except for the matters reported in Para 1 through 4 above, the consolidated Balance Sheet and the consolidated statement of Income and Expenditure present fairly the financial position of the Nkasi District Council as at 30th June,2004.