

44. **KIGOMA/UJIJI TOWN COUNCIL FOR THE SIX MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE,2004**

**1. REVENUE**

**1.1 Revenue Collection Performance**

The Council estimated to collect revenues amounting to Shs.127,339,384 from own sources for the period of six months ended 30<sup>th</sup> June,2004. However it collected Shs.119,757,109 resulting to a deficit of Shs.7,582,275 or 5.9% of the estimated revenues.

**1.2 Revenue Collections not banked Shs.2,845,547**

Revenue collections amounting Shs.2,845,547 were not banked by the main cashier. Efforts should be made by the Council to ensure that the money is banked or appropriate action be taken.

**2. EXPENDITURE**

Audit examination of payment vouchers and related records revealed the following anomalies:-

2.1 Unauthorised transfer of funds from the Development Account	12,465,600
2.2 Missing payment vouchers	74,803,494
2.3 Unsupported payments	178,348,021
2.4 Questionable payment for trips of morrum, aggregates and stones	<u>4,703,000</u>
<b>Total</b>	<b><u>270,320,115</u></b>

**3. DEVELOPMENT PROJECT NOT IMPLEMENTED SHS.45,000,000**

During the period ending 30<sup>th</sup> June,2004, the Town Council received development grants of Shs.45,000,000 from the Central Government for implementing two projects i.e. Construction of Dispensary at Mwanga Msufini Shs.20,000,000 and construction of 3 teacher's houses at Mlole, Mwasenga and Uhuru Primary School Shs.25,000,000 Audit visit to the projects sites revealed that the projects were not in progress despite expenditure incurred amounting to Shs.29,957,460 for which the relevant payment vouchers were not produced.

**4. FINAL FINANCIAL STATEMENTS**

**4.1 Late Rendition of the Annual Accounts**

The final financial statements for the period ended 30<sup>th</sup> June,2004 were submitted to me for audit on 22<sup>nd</sup> November,2004 that is 52 days beyond the statutory due date. (30<sup>th</sup> September,2004).

## 4.2 Missing Cash Flow Statement

Contrary to the Local Auditor Financial Memorandum (1997) para 84 the council did not prepare and submit for audit the consolidated cashflow statement. Therefore the financial statements were incomplete.

## 4.3 Inter-Transfers Shs.42,350,250

The individual ledger accounts indicate that Shs.42,350,250 was transferred from one account to another. However, there was no confirmation that the funds transferred were paid back.

## 4.4 Capital Expenditure statement Shs.131,082,153

An amount of Shs.131,082,153 as reflected in the statement of capital expenditure ought to have been incurred for projects under the Councils jurisdiction. However, the sum excluded Shs.205,124,660 incurred by the Council on PEDP. The correct amount should therefore be Shs.336,206,813. We call for the necessary adjustment.

## 4.5 Consolidated Balance Sheet as at 30<sup>th</sup> June,2004

### 4.5.1 Debtors Outstanding Shs.36,898,178

The financial statements for the period ended 30<sup>th</sup> June,2004 disclosed debtors of Shs.36,898,178 while the correct figure as extracted from the register was Shs.40,779,501. The difference of Shs.3,881,323 needs to be adjusted in the accounts. Details are as follows:-

<u>Category</u>	<u>Amount per Statement</u>	<u>Amount per Register</u>	<u>Difference</u>
Imprests	640,000	640,000	-
Advances	1,726,280	1,441,680	(284,600)
Other Debtors	<u>34,531,898</u>	<u>38,697,821</u>	<u>4,165,923</u>
	<u><b>36,898,178</b></u>	<u><b>40,779,501</b></u>	<u><b>3,881,323</b></u>

In addition, prompt clearance of outstanding amounts is called for.

### 4.5.2 Outstanding Creditors Shs.247,891,170

The creditors balance of Shs.247,489,170 as shown in the consolidated balance sheet as at 30<sup>th</sup> June,2004 differed from that shown in the register by Shs.48,281,833. According to the register the total balance outstanding amounted to Shs.296,173,003.

The difference needs to be reconciled.

**5. COMPUTERISED SALARIES**

During the period of six months, (Jan-June,2004) the Council received exchequer issues totaling Shs.556,153,872 as government grants on accounts of personal emoluments. The actual expenditure which include deductions amounted to Shs.520,601,391. The difference of Shs.35,552,481 received by the Council but not utilized could not be explained.

**6. AUDIT CERTIFICATE**

In my opinion, due to the significance of the matters specified in paragraphs 1 through 5 above the Balance Sheet and summary statement of Income and Expenditure do not present fairly the financial position of the Kigoma/Ujiji Town Council as at 30<sup>th</sup> as at 30<sup>th</sup> June,2004.