

87. **MAGU DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. **FOLLOW UP ON OUTSTANDING MATTERS FROM PREVIOUS YEARS**

2000 Accounts

- 1.1 **Para 3-4 Advances granted to Women and Youth Development
Groups not recovered Shs. 17,400,000.**

An amount of Shs.3,038,950 is still outstanding.

2001 Accounts

- 1.2 **Para 2.2 Interest not collected from Agents (Wakala)
TShs.1,290,000**

Shs.1,290,000 is not yet collected from Council Agents.

2002 Accounts

- 1.3 **Para 2.1.2 Monthly Revenue Collection from Council Agents not
Remitted Shs.13,541,800**

Shs.2,603,000 has not been collected and remitted tot eh
Council.

- 1.4 **Para 2.1.3 Missing Revenue receipt books**

3 GRRs books and 7 development levy books (2202)
worth Shs.4,200,000 are still missing.

- 1.5 **Missing Payrolls Shs.1,438,877,700**

Payrolls involving Shs.334,002,000 are still missing as detailed below:-

<u>Pv. No.</u>	<u>Amount (Shs)</u>
50/4/2002	199,965,000
74/9/2002	134,037,000
	<u>334,002,000</u>

MATTERS ARISING FROM 2004 ACCOUNTS

2. REVENUE

2.1 Missing Revenue Receipt Books

A total of 12 revenue earning receipt books (open) were not made available for audit examination, Revenue collected on them could not therefore be confirmed to have been correctly received and accounted for.

3. EXPENDITURE

3.1 Unvouched and Improperly vouched expenditure Shs.18,460,889

A test check of payments disclosed unvouched expenditure of Shs.10,782,789 and improperly vouched expenditure of Shs.7,678,100 respectively.

3.2 Payments of Recurrent Nature met from Deposit Account Shs.11,363,800

Payments totaling Shs.11,363,800 were made from deposit account to meet expenditure of recurrent nature. However no refunds were confirmed to have been made from the respective accounts.

3.3 Stores not taken on ledger charge Shs.7,746,500

Stores worth Shs.7,746,500 ordered and paid during the period under review were neither taken on ledger charge nor were their utilization records produced for audit verification.

3.4 Unauthorised payments from Women Development funds Shs.7,000,000

It was noted that a sum of Shs.7,000,000 was paid out of the WDF Accounts for settlement of TANESCO bills and allowance to two officers. The amount has not been refunded to WDF Account.

4. FINAL FINANCIAL STATEMENTS

4.1 Imprests omitted Shs.2,867,200

The balance sheet reflected a total sum of Shs.39,294,153 in respect of imprests outstanding as 30th June,2004. This figure excluded other imprests of 2,867,200 which were omitted in the schedule of imprests submitted along with the financial statements.

4.2 Sundry Debtors Shs.49,410,227

The Balance Sheet as at 30th June,2004 reflected an outstanding amount of Shs.49,410,227 in respect of sundry debtors which comprised of the following:-

<u>Category</u>	<u>Amount (Shs)</u>
Advances	8,935,144
Imprests	39,294,153
Other debtors (Cotton cess)	<u>1,180,930</u>
	<u>49,410,227</u>

Prompt action is called for, to clear these balances.

4.3 Sundry Creditors Shs..97,983,737

The Balance Sheet reflected creditors of Shs.97,983,737 outstanding as at 30th June,2004 as follows:-

<u>Category</u>	<u>Outstanding Amount</u>
Sundry Creditors	26,232,353
LAPF	3,469,648
Uchaguzi	255,403
Government Grants	9,116,664
Unclaimed Salaries	39,076,432
Vyandarua	2,373,500
Maombi ya Zabuni	1,423,250
Deposit General	6,128,624
Transfer from No.9	5,000,000
Semina madiwani	1,692,888
Mahindi ya Njaa	<u>3,214,975</u>
	<u>97,983,737</u>

Early clearance of these balances is awaited.

5. AUDIT CERTIFICATE

In my opinion except for the matters specified in paragraph 1 through 4 above the consolidated Balance Sheet and consolidated summary statement of Income and expenditure present fairly the financial position of Magu District Council as at 30th June,2004.