

**89. MWANZA CITY COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

**1. FOLLOW UP ON OUTSTANDING MATTERS FOR THE PREVIOUS
YEARS**

1998 ACCOUNTS

1.1 Para 1.3 Missing receipt books Shs.6,260,000

Recovery of Shs.1,633,800 for the terminal benefits have been effected.

1.2 Para 2.4 Revenue not collected from Agencies Shs.71,752,500

The balance of Shs.52,211,500 is still outstanding.

2000 ACCOUNTS

1.3 Para 5.1 Land and Buildings Shs.204,652,190

Title deed are yet to be produced.

1.4 Para 5.3 Investments

The matter has not yet been resolved.

2001 ACCOUNTS

**1.5 Para 2.1.2 Outstanding revenue from Councils agents
Shs.130,740,000**

The balance of Shs.124,597,000 is still outstanding.

MATTERS ARISING FROM 204 ACCOUNTS

2. REVENUE

2.1 Revenue collection performance

As against Shs.1,149,969,101 estimated to be collected during the period of January – June, 2004 from the Council's own sources of revenue, only Shs.931,282,901 was collected registering a shortfall of Shs.218,686,200 equivalent to 19% of the targeted revenue collection.

2.2 Missing Revenue Receipts

18 Revenue earning receipt books comprising of 8 fixed fees receipt books valued at Shs.2,250,000 and 10 General receipt books (Not quantified) were not produced for audit examination.

2.3 Revenue not collected from agents Shs.286,045,300

Revenue amounting to Shs.286,045,300 due from Council collecting agents has not been collected and remitted to the Council.

2.4 Outstanding Service Levy Shs.39,472,233

Scrutiny of service levy register maintained by the Council revealed that revenue amounting to Shs.39,472,233 has not been collected and remitted to the Council.

3. EXPENDITURE

3.1 Imprest Retirement Particulars not Produced Shs.46,819,937

Retirement particulars in respect of special imprests issued to various Council officers were not produced for audit verification.

3.2 Unvouched and Improperly vouched expenditure Shs.35,531,874

Examination of the payment vouchers from the period under audit disclosed the existence of unvouched and improperly vouched expenditure as shown below:-

<u>Category</u>	<u>Amount(Shs)</u>
Unvouched expenditure	23,554,270
Missing supporting documents	<u>11,977,604</u>
	<u>35,531,874</u>

3.3 Stores purchased and paid for but not taken on charge Shs.18,338,600

Stores worth as Shs.18,338,600. Purchased and paid for were neither evidenced as having been received and taken on ledger charge nor physically produced to audit.

3.4 Loan to Women Groups Shs.20,000,000

A sum of Shs.20,000,000 issued to various Women groups has not been recovered.

3.5 Advance payment for purchase of Ambulance Shs.45,082,915

A total sum of Shs.45,082,915 was paid to M/S. Toyota Tanzania Ltd DSM for purchase of one unit Toyota Land Cruiser Hard Top Ambulance vide Pv. No.163/2004 cheque 046831 Shs.3,516,255. However at the time of writing this report in December,2004 the vehicle had not been delivered to the City Council.

4. FINAL FINANCIAL STATEMENTS

Outstanding Debtors and Creditors

The consolidated Balance Sheet revealed the existence of Debtors and creditors amounting to Shs.550,243,562 and Shs.227,113,298 respectively as analysed below;-

(i) Debtors

<u>Category</u>	<u>Shs.</u>
Receivable for Council Revenue	350,340,161
Salary advances	16,082,508
Staff Loan	1,075,200
Advances of Youth Groups	8,737,000
Advances to Women Groups	24,385,930
Outstanding Imprests	<u>149,622,763</u>
Total	<u>550,243,562</u>

(ii) Creditors

Trade Creditors	79,480,672
Unclaimed Salaries	11,905,070
Other Creditors	<u>135,727,556</u>
Total	<u>227,113,298</u>

5. AUDIT CERTIFICATE

In my opinion except for the matters specified in paragraph 1 through 4 above, the consolidated balance sheet and statement of income and expenditure present fairly the financial position of Mwanza City Council as at 30th June,2004.