

**90. SENGHEREMA DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE,2004**

**1. FOLLOW – UP ON OUSTANDING MATTERS FOR THE PREVIOUS
YEARS**

1999 Accounts

1.1 Para 2.2 Missing Receipt books

The case has not yet been finalized by the court

2000 Accounts

1.2 Para 2.2 Missing Receipts Books

2 books worth Shs.1,200,000 are still missing.

1.3 Para 2.4 Unpaid revenue by Council Agents Shs.2,318,000

2,318,800 has not yet been settled.

MATTERS ARISING FROM 2004 ACCOUNTS

2. REVENUE

2.1 Un produced receipt books

One general revenue receipt books (Open) with serial No.0025651-700 was not produced for audit examination when called for.

2.2 Outstanding Revenue Collection from Council Agents Shs.14,629,000

Scrutiny of Revenue collection agent register from Jan-June,2004 revealed that Shs.14,629,000 was not collected from the agents.

3. EXPENDITURE

Audit review of the payment vouchers and other related records for the year 2004 disclosed the following anomalies.

3.1 Payments made without supporting documents Shs.5,583,979

Payments amounting to Shs.5,583,979 were not supported by the relevant documents. Submission of the relevant supporting documents for scrutiny is called for.

3.2 Stores not accounted for 4,112,600

Stores worth Shs.4,112,600 ordered and paid for during the period under review were neither taken on ledger nor their utilization accounts produced for audit inspection.

3.3 Outstanding Loans Granted to Women Groups Shs.4,496,950

A total sum of Shs.4,496,950 was granted as loans to various women groups. The loans have not paid back by the groups contrary to loans agreement.

**3.4 Non Delivery of Motor cycle and water pumps (Honda)
Shs.12,485,490**

1 Set of motorcycle and 10 PCS water pumps (Honda type) worth Shs.12,485,490 were purchased from M/S QUALITY MOTORS vide LPO. No.0001546 and 0001547 of 12/05/2004 respectively. However the items purchased had not been delivered as at the time of audit inspection.

3.5 Transfer of funds Shs.18,800,000

A total sum of Shs.18,800,000 was transferred from one account to another without explicit sanction of competent authority.

However, the money appears to have not been refunded to the relevant accounts.

4. FINAL FINANCIAL STATEMENTS

4.1 Consolidated Balance Sheet as at 30th June,2004

4.2 Debtors Shs.32,162,528

The balance of 32,162,528 reflected in the Balance Sheet consisted of

<u>Category</u>	<u>Balance (Shs)</u>
Imprests	7,681,584
Sundry Debtors (Loans)	<u>24,480,944</u>
Total	<u>32,162,528</u>

No action appeared to have been taken to clear the outstanding balances.

4.3 Outstanding Creditors Shs.216,063,846

The final financial statements reflect the existence of outstanding creditors amounting to Shs.216,063,846. The outstanding liabilities need clearance.

5. AUDIT CERTIFICATE

In my opinion, except for the matters specified under paragraphs 1 through 4 above, the consolidated balance sheet and summary statement of income and expenditure present fairly the financial position of the Sengerema District Council as at 30th June,2004.