

## **88. MISSUNGWI DISTRICT COUNCIL FOR THE SIX MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE,2004**

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

#### **2002 Accounts**

#### **1.1 Para 3.2 Missing receipt Books**

- Seven (7) books of Development Levy 2002 worth Shs.4,500,000 are still missing.

#### **1.2 Para 3.3 Short Remittance of revenue to Head Office Shs.33,793,080**

Still outstanding

#### **1.3 Para 4.1 Improperly Vouched Expenditure Shs.37,740,586**

The documents for Shs,340,186.00 are still missing to date.

#### **1.4 Para 4.5 Outstanding Loans Granted to Women Groups Shs.8,160,000**

Shs.4,807,000 is still outstanding.

#### **1.5 Para 5.0 Internal Control**

- The vehicles STJ.6195 is still lying in a private garage.

#### **1.6 Para 5.2 104 Bicycle not put into use since 2000 The bicycles are not yet distributed.**

### **MATTERS ARISING FROM 2004 ACCOUNTS**

## **2. REVENUE**

### **2.1 Shortfall in Revenue Collection**

As against Shs.36,033,000 estimated to be collected during the financial year 2004 from the own sources only Shs.29,048,073 was collected registering as shortfall of Shs.6,984,927 which is equivalent to 19% of the

targeted income. The council also received grants of Shs.82,365,965 in lieu of the abolished revenue sources.

## **2.2 Unproduced Receipt Books**

A total of 54 earning receipt books (open) were not produced for audit examination when called for.

## **3. EXPENDITURE**

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

### **3.1 Missing payment vouchers 83,380,195**

Payment vouchers for Shs.83,380,195 were not made available for audit examination when called for. In the even the validity of the expenditure incurred could not be confirmed.

### **3.2 Payment made without supporting documents Shs.44,208,920**

Payments totaling Shs.44,208,920 were not supported by the relevant documents.

### **3.3 Stores not accounted for TShs.7,401,120**

Stores worth Shs.7,401,120 ordered and paid for during the year 2004 were neither taken on ledger charge nor their utilization accounts produced for audit inspection.

### **3.4 Transfer of funds Shs.91,960,201.00**

A total of Shs.91,960,201 was transferred from one account to another without proper authority. The amount had not been refunded to the fiving account as at the date of writing this report.

### **3.5 Imprests and Advances not recorded in the Register Shs.5,412,700**

A sum of Shs.3,072,700 and Shs.2,340,000 paid as imprests and salary advance respectively were not recorded in the respective registers. Hence follow up of the recoveries and retirements of these amounts could not be made.

### **3.6 Salaries wrongly Transferred to Education Account Shs.14,181,600**

A sum of Shs.14,181,600 was transferred from subventions account to Education account for the payment of temporary employed teachers.

The refund of money to the subvention account was not evidenced in audit.

## **4. FINAL FINANCIAL STATEMENTS**

Outstanding Debtors and Creditors

The balance Sheet as at 30<sup>th</sup> June,2004 disclosed the following outstanding balances:-

### **(i) Debtors Shs.138,684,118**

<u>Category</u>	<u>Amount (Shs)</u>
Imprests	80,184,668
Advances	22,870,600
Loans	18,769,500
Inter-transfers	<u>16,859,350</u>
	<b><u>138,684,118</u></b>

### **(ii) Liabilities not Liquidated Shs.87,633,557**

<u>Category</u>	<u>Amount (Shs)</u>
LGLB	14,599,200
Pension	38,944,089
LAPF	16,864,558
TALGWI	630,000
Sundry Creditors	<u>16,595,710</u>
	<b><u>87,633,557</u></b>

## **5. AUDIT CERTIFICATE**

In my opinion except for the matters specified in paragraph 1 through 4 above, the consolidated balance sheet, and Income and Expenditure statements, present fairly the financial positions of the Missungwi District Council as at 30<sup>th</sup> June,2004.