

## 66. TARIME DISTRICT COUNCIL FOR THE SIX MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE, 2004

### 1. REVENUE

#### 1.1 Accrued Revenue SHS.3,774,000

Revenue due to the council aggregating to Shs.3,774,000 payable by Sundry House tenants was not collected by the council.

### 2. EXPENDITURE

#### 2.1 Examination of accounts records, payment vouchers and their related supporting documents for the year under review disclosed the following irregularities:-

<u>Category</u>	<u>Amount (Shs)</u>
Unvouched and Improperly vouched expenditure	12,387,343
Payments made without being pre-audited	12,413,897
Imprests not recorded	13,936,050
Stores purchased and paid for not accounted for	25,377,549
Allowance payments not receipted	1,150,000
Payment made to various schools not acknowledged by receipts	6,905,000
Unclaimed (cancelled/deleted) salaries not accounted for	11,085,000
irregular and/or questionable expenditure (Involving 4 cases each on its own merit)	<u>48,436,810</u>
	<b>Total <u>131,691,649</u></b>

### 3. FINAL FINANCIAL STATEMENTS

#### 3.1 Revenue Collection Performance

As against TShs.169,083,100 estimated to be collected by the council for the year ended 30<sup>th</sup> June,2004 from own revenue sources; the actual collection was TShs.126,603,493 registering a collection shortfall of Shs.42,479,607 equivalent to 25% of the targeted collection. A sum of Shs.152,564,539 was received from the Central Government in lieu of the abolished revenue sources. The council should review its revenue estimates/sources with a view of increasing revenue of the Council.

#### 3.2 Consolidated Income and Expenditure Statement for the year ended 30<sup>th</sup> June,2004

The statement reported total income of Shs.4,952,826,603 against total expenditure of Shs.4,952,826,603. The total expenditure figure reflected

in the statement was however found to be incorrect since it wrongly included ledger payments of Shs.676,430,367.

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

#### **3.3.1 Fixed Assets Shs.10,264,359,572**

The Balance Sheet as at 30<sup>th</sup> June,2004 reflected Fixed Assets worth Shs.10,264,359,272 which were not confirmed during the audit due to the following reasons:-

- Analysed schedules in support of the figure were not produced.
- Assets valuation certificates were not submitted for audit purposes.
- No depreciation was charged on these assets.

#### **3.3.2 Creditors outstanding Shs.222,161,821**

The Balance Sheet as at 30<sup>th</sup> June,2004 reflected a total sum of Shs.222,161,821 in respect of sundry creditors outstanding which comprised:-

<u>Category</u>	<u>Amount (Shs)</u>
Statutory Deductions payable to 9 Agencies	58,752,124
Computer Bills	15,574,960
Salaries of WEO's and VEO's	115,561,289
25% Mfuko wa Kata	12,865,495
20% Mfuko wa Vijiji	9,484,369
Other creditors	<u>9,923,584</u>
<b>Total</b>	<b><u>222,161,821</u></b>

Early clearance of these balances is awaited.

#### **3.3.3 Outstanding Debtors Shs.29,701,000**

The Balance Sheet as at 30<sup>th</sup> June,2004 reflected outstanding Debtors totaling Shs.29,701,000/-.

Early clearance action is called for.

### **3.4 Advances and Imprests Outstanding Shs.68,220,094**

The Balance Sheet reflected a total sum of Shs.68,220,094 in respect of Advances and Imprests outstanding as at 30<sup>th</sup> June,2004. This figure excluded other imprests of Shs.13,936,050 which were not recorded in the imprest register. In this regard, the imprest figure reflected was understated by Shs.13,936,050.

#### **4. AUDIT CERTIFICATE**

In my opinion, except for the matters specified in paragraphs 1 through 3 above the Balance Sheet and Summary statement of Income and Expenditure present fairly the financial position of the Tarime District Council as at 30<sup>th</sup> June, 2004.