

**63. MUSOMA DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Revenue Collection Performance

As against approved estimates of Shs.69,704,890/- from the Council's own sources, the actual collection was Shs.90,055,950 registering a collection excess of Shs.20,351,060.

Further, the Council received a total sum of Shs.124,708,757 being grants released by the central Government in lieu of the abolished revenue sources.

2. EXPENDITURE

Examination of accounts records, payment vouchers and their related records for the six months ended 30th June,2004 disclosed the following irregularities:-

<u>Category</u>	<u>Amount (SHS)</u>
2.1 Unvouched and improperly vouched expenditure	17,057,000
2.2 Payments made to various institutions but acknowledgement Receipts missing	10,643,500
2.3 Stores purchased and paid for but not taken on ledger charge	6,929,300
2.4 Allowance Payments not receipted	18,261,298
2.5 Imprests not recorded in registers	18,108,400
2.6 Unclaimed Salaries not accounted for	1,906,400
2.7 Irregular and/or questionable expenditure	<u>5,177,450</u>
Total	<u>78,083,348</u>

3. FINAL FINANCIAL STATEMENTS

3.1 Out - Turn

The consolidated income and expenditure statement for the period ended 30th June,2004 showed that the Council's accounts closed with a surplus balance of Shs.427,444,269 arising from total expenditure of Shs.3,264,724,577 against total income of Shs.3,692,168,846 received during the period.

However it was noted in audit that no depreciation charges had been expensed in the accounts in respect of the Council's fixed assets for the period under review. This is contrary to the best accounting practice. The

omission thus affected the correctness of the year's surplus balance reported.

3.2 Outstanding Salary Advances and Imprests Shs.54,669,046

The Balance sheet reflected a sum of Shs.54,669,046 in respect of Advances and imprests outstanding as at 30th June, 2004. This figure excluded other Imprests of Shs.18,108,400/- which were not recorded in the imprest register. The omission is yet to be resolved

3.3 Debtors outstanding Shs.46,529,558

The balance sheet as at 30th June,2004 reflected an amount of Shs.46,529,558 outstanding in respect of sundry debtors which comprised of the following:-

• Loans to Women and Youth Groups	Shs.	31,717,110
• Other debtors	Shs.	<u>14,812,448</u>
		<u>46,529,558</u>

The above figure has increased from Shs.6,781,310 from the previous year (2003) to Shs.39,748,248, an increase of 17%.

3.4 Creditors Outstanding Shs.61,369,554

The Balance Sheet reflected a total sum of Shs.61,369,554 outstanding as at 30th June,2004 in respect of sundry creditors as detailed below:-

<u>Type</u>	<u>Amount (Shs)</u>
• Outstanding salaries of WEOs & VEOs	52,133,361
• Salaries of Retrenched officers	2,859,293
• MUDEF	2,500,000
• Tenders	<u>3,876,900</u>
Total	<u>61,369,554</u>

Early clearance of these balances is called for.

4. AUDIT CERTIFICATE

In my opinion, the Balance Sheet, Income and Expenditure Statement present fairly the financial position of the Musoma District Council as at 30th June,2004.