

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE (NAO)



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF DODOMA MUNICIPAL COUNCIL
FOR THE YEAR ENDED 30TH JUNE, 2005**

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AR/LG/018/2005

Office of the Controller and Auditor General

The National Audit Office,
United Republic of Tanzania

(Established under Article 143 of the Constitution of the URT).

The statutory duties and responsibilities of the Controller and Auditor General are given in the Public Finance Act No. 6 of 2001.

Our Vision

We aspire to be an organization that fosters a culture of financial discipline, transparency and accountability within the Government of Tanzania.

Our Mission

We are the Supreme Audit Institution in Tanzania, which strives to provide timely and high quality audit services to all our clients in order to enhance public sector financial performance by educating key stakeholders on the effective management of public finances; providing value added services and functioning independently and impartially in auditing and reporting on public accounts.

Therefore, our Core Values are:-

- ✓ We strive to achieve and maintain objectivity in providing impartial audit services so as to promote our independence
- ✓ We pursue excellence in the provision of our audit services
- ✓ We exercise professional integrity by demonstrating high ethical standards
- ✓ We focus on people and have great respect to our stakeholders
- ✓ We encourage and promote innovation amongst our members of staff; and
- ✓ We ensure best resource utilization at national as well as individual public entity level.

We do this by:-

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
 - Helping to improve the quality of public services by supporting innovation on the use of public resources;
 - Providing technical advice to our clients on operational gaps in their operating systems;
 - Systematically involve our clients in the audit process and audit cycles; and
 - Providing audit staff with adequate working tools and facilities that promote independence.
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ABBREVIATIONS AND DEFINITION OF TERMS

CAG	Controller and Auditor General
CD	Council Director
DED	District Executive Director
DPs	Development Partners
LAAM	Local Authority Accounting Manual
GDP	Gross Domestic Product
LAFM	Local Authority Financial Memorandum
GOT	Government of Tanzania
GAAS	Generally Accepted accounting Standards
IFMS	Integrated Financial Management System
IG	Investment Grant
LGA	Local Government Authorities
LGRP	Local Government Reform Programme
M&E	Monitoring and Evaluation
NGO	Non-governmental Organisation
MoF	Ministry of Finance
OCAG	Office of the Controller and Auditor General
PER	Public Expenditure Review
ISA	International Standards on Auditing
PMO-RALG	Prime Minister's Office - Regional Administration and Local Government
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
PSRP	Public Service Reform Programme
RAS	Regional Administrative Secretary
RS	Regional Secretariat

Financial Statements means:

The Consolidated Balance Sheet, Consolidated Income and expenditure Statement, Consolidated Cash-flow Statement, Notes and related schedules of Ddodoma Municipal Council for the year ended 30th June 2005.

Council means - Dodoma Municipal Council, both as Councilors as well as an operating entity.

1.0 BACKGROUND INFORMATION TO THE AUDIT

1.1 Introduction:

I have completed the audit of Dodoma Municipal Council for the year ended 30th June 2005. Audit findings arising from examination of accounting records, appraisal of activities and evaluation of the internal control system which require Management attention and action are set out under part three of this report.

1.2 Brief history of client establishment

The Dodoma Municipal Council was established in 1984 in accordance with the provisions of sections 5 and 6 of the Local Government Act (Urban Authorities) No.8 of 1982. Besides the Act, the council operates within the framework of the following instruments.

- Local Authority Financial Memorandum 1997.
- Public Procurement Act No.21 of 2004.
- Local Government Finances Act No 9 of 1982.

1.3 Operational objectives

According to section III (1) of the Local Government (Urban Authorities) Act and the Local Authority financial Memorandum, the Municipal Council of Dodoma has the following objectives:

- (a) To maintain and facilitate maintenance of peace, order and good governance within its area of jurisdiction.
- (b) To promote the social welfare and economic well being of all persons within its area of jurisdiction.
- (c) Subject to the national policy and plans for Rural and Urban Development, to further the social and economic development of its area of jurisdiction.
- (d) To take necessary measures to protect and enhance the environment in order to promote sustainable development.
- (e) To give effect to the meaningful decentralizations in political, financial and administrative matters relating to functions, power responsibilities and services of all levels of Local Government Authorities.
- (f) To promote and ensure democratic participation in and control of decision making by people concerned and;
- (g) To establish and maintain reliable sources of revenue and other resources enabling Local Government Authorities to perform other financial accountability of Local Government Authority, their members and employees.

1.4 Financing

The Council has two sources of funds; which are own source and external source. The internal source includes collection of Public funds through taxes, fees, licenses and charges. On the other hand, external source

includes subsidies from central government as well as grants and loans from donor community. From these sources, total Income during the year was Shs.4,423,584,939 made up of Shs.325,686,937 from own sources, Shs.4,097,898,002 from government grants and donors funds.

1.5 Management

The Dodoma Municipal Council operates under directives of the Full Council, which is a supreme body for legislative responsibilities. The Chief Executive for the Municipal Council is the Municipal Director who is responsible for the day-to-day activities. The structure has positions of Internal Auditor and Legal and security Officer with responsibilities of advising the Director on matters falling under their jurisdiction.

In addition, the structure provides for functional departments namely: Administration, Finance and Trade, Health and waste management, Education, Works, Fire, Water and Environment, Planning, Statistics and Monitoring and Agriculture, Livestock and Co-operatives, Social Welfare as well as Community Development.

The pictorial management structure of the District Council is shown as appendix to this report.

1.6 Brief description of Internal Control System

A system of internal control that should be adopted by Councils is given under Order 9 through 11 of the Local Authority Financial Memorandum; 1997. The Order requires the Finance Committee to adopt written procedures for proper control of finances. In addition, the Director and the Treasurer should ensure there is assignment of specific responsibilities to individual officers, an organization chart of the Finance Department, division of responsibilities and periodic rotation of duties. Accountability of all areas of operations by the Director or his designated representative to check effectiveness of the control system is also mandatory. The Council is further required to employ its own Internal Auditor who reports directly to the Director. Similarly, the Public Procurement Act No.21 of 2004, Section 28 (1) requires the Council to establish a Tender Board and Sect.34 (1) provides for Establishment of Procurement Management Unit.

The Internal Control set up of Dodoma Municipal Council complies with this order and Procurement Act. Weaknesses arising from review of internal control system are included under part 3 of this report.

1.7 Financial Performance Issues

Revenue

The District Council collected an amount of Shs.325,686,937 from own sources against the internal revenue budget of Shs.467,920,600 reflecting a collection shortfall of Shs.142,233,663 or 30.4%. The large

difference between the actual revenue collection and estimates was not explained but would appear to be a result of unrealistic revenue budget. In addition, the Council received grants amounting to Shs.4,097,898,002 making total revenue of Shs.4,423,584,939 during the year.

Expenditure

The Council spent Shs.4,977,043,434 during the year against total income of Shs.4,423,584,939 or 112.5% of total revenue, resulting into overspent of Shs.553,458,495. However, performance against budget could not be assessed since budget figures were not disclosed in the financial statements.

A comparison of the internal revenue of Shs.325,686,937 against expenditure of Shs.4,977,043,043,434 (net of depreciation) is only 6.5% implying that the Municipal Council cannot sustain either its recurrent or development expenditure without depending on grants.

1.8 Audit Mandate

By virtue of the provisions of Article 143 of the Constitution of the United Republic of Tanzania, and Section 45 of the Local Government Finances Act No.9 of 1982, (revised, 2000); the Controller and Auditor General is the auditor of all government revenues and expenditures, including the revenues and expenditures of this Municipal Council.

1.9 Audit objectives

The main objective of carrying out the audit is to enable me to express an independent opinion on the financial statements of the Municipal Council for the year ended 30th June, 2005 and in particular:-

- To determine whether transactions were executed in accordance with the financial regulations, and recorded properly in the books of account for easy preparation of the financial statements.
- To determine whether the revenues due have been collected and used to meet expenses as per approved budget and governing regulations.
- To ascertain whether all supporting documents, records and accounts have been properly kept in respect of all Municipal Council activities.
- To verify whether goods and services bought were acquired through laid down procedures.
- To perform compliance tests to confirm whether management complied in all material respects with regulations.
- To evaluate whether the internal control procedures instituted are effective to provide relevant and reasonable information to the management, for implementing and monitoring activities and that the assets of the authority are adequately safeguarded against losses from unauthorized use or disposition.
- To verify whether the Council has implemented audit recommendations made in previous audits.

1.10 Audit Scope

The audit was carried out in accordance with the International Standards on Auditing. The audit covered the evaluation of effectiveness of the financial accounting system and Internal Control over the activities of the Town Council, examination and verification of the accompanying financial statements and other auditing procedures as was considered necessary for the purpose of forming an opinion on the financial statements. The audit was conducted on a test check basis; therefore the findings are confined to the extent that records and information requested for the purpose of the audit were made available to us.

As an auditor I am not required to search specifically for fraud; therefore my audit cannot be relied upon to disclose all such matters. However, my audit was planned so that we would have a reasonable expectation of detecting material misstatement in the financial statements resulting from irregularities or fraud. The responsibility for detection and prevention of irregularities and fraud, rests with the Council management who are responsible for setting up and maintaining an adequate and effective system of internal control.

1.11 Audit Methodology

In examining the financial statements together with the underlying records the following audit steps were followed;

- A review of the council's regulations, guidelines and other Authority's documents as was deemed necessary under the circumstances.
- Examination of receipts and payments to confirm compliance with existing legislation, financial regulations and other instructions or directives.
- A review of the internal control structure by assessing significant policies and procedures and establish its adequacy.
- Review of financial statements, progress reports, various implementation reports and other associated information.
- Conduct compliance tests on the system of awarding contracts and their execution.
- Interview and discussion with some of the staff and other key stakeholders in the implementation of various activities.
- Conduct local inspection to verify physical implementation of planned activities as well as assessing the progress made.
- Hold entrance and exit meetings with the auditee to discuss the audit objectives and results of the audit, respectively.

1.12 Presentation of audit findings

The audit was carried out according to the mandate stated above, applying professional standards and audit procedures that were considered appropriate in each situation.

The audit findings are divided into two parts. The first part comprises the opinion on the critical examination of the financial statements submitted for audit and the circumstances surrounding their preparation and presentation.

The second part comprises the detailed findings on the gaps and shortfalls in the internal control system and compliance, which if rectified on time, will greatly improve the effectiveness of the internal control system applied.

2.0 AUDIT REPORT ON THE FINANCIAL STATEMENTS

To: Hon. Mizengo Pinda (MP),
Minister, PMO-RALG.

The Regional Commissioner,
Dodoma Region.

Council Director and Accounting Officer,
Dodoma Municipal Council.

RE: INDEPENDENT AUDIT REPORT ON THE FINANCIAL STATEMENTS OF DODOMA MUNICIPAL COUNCIL FOR THE YEAR ENDED ON 30TH JUNE 2005

I have audited the Consolidated Balance Sheet, Consolidated Statement of Income and Expenditure, Consolidated Cash-flow Statement and the related notes and schedules of the Dodoma Municipal Council shown on annexure I of this report for the financial year ended on 30th June 2005.

Responsibility of Council Management on the financial statements

These financial statements are the responsibility of the management of Dodoma Municipal Council.

Order Nos. 9 through 16 of the LAFM requires the Council to establish and support a sound system of Internal Control within the Council. Order No. 53 places responsibility on the Council Management to prepare the financial statements based on Generally Accepted Accounting Standards. Further, section 40 of the Act requires the Accounting Officer to keep and maintain accounts and prepare financial statements in respect of the Council operations in a manner that promotes transparency, accountability and comparability.

Responsibility of the Controller and Auditor General

My responsibility is to express an independent opinion based on the audit. I am also required to satisfy myself whether the funds contributed to the Council were used exclusively and judiciously to meet eligible expenditures with due regard to economy and efficiency, whether the accounts have been kept in accordance with Generally Accepted Accounting Standards, and whether they do comply with the requirements of the Local Government Finances Act No. 9 of 1982 and the Local Authorities Financial Memorandum of 1997.

Basis of opinion

The audit was conducted in accordance with International Standards on Auditing and included such other audit procedures I considered

necessary in the circumstances. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the significant estimates and judgments made in the preparation of the financial statements, assessing whether the internal control system and the accounting policies are appropriate to the circumstances of the Dodoma Municipal Council, consistently applied and adequately disclosed, evaluating the overall financial statement presentation, and assessing the extent of compliance with the statutory requirements. I believe the audit provides a reasonable basis for my opinion.

Qualification

In my opinion except for material matters pointed out below, the financial statements fairly reflect, in all material respects, the financial position of Dodoma Municipal Council as at 30th June 2005 and the results of its operations and cash flows for the year then ended, in accordance with the International Financial Reporting Standards.

1. Revenue amounting to Shs.26,934,700 was not yet remitted by revenue collecting agents as at 30th June 2005.
2. A total of 14 receipt books issued to revenue collectors were not available for audit examination.
3. Payment vouchers and supporting documents in respect of payments totalling Shs.56,592,480 were not produced for audit examination.
4. There was cash book deficit balances amounting to Shs.113,793,127

Dr. Frank Mosses Hiza Mhilu
Ag. CONTROLLER AND AUDITOR GENERAL

Office of the Controller and Auditor General
The National Audit Office
DAR ES SALAAM.

31 March 2006.

3.0 AUDIT FINDINGS AND RECOMMENDATIONS

3.1 Follow up of previous year's audit findings.

Replies to previous year's audit findings have not been received.

3.1.1 Revenue receipt books not produced

Four (4) receipt books (Not quantified) are yet to be produced for audit out of 19 books queried during the accounting period ended 30th June 2004. It is not known if the books are still with the revenue collectors to whom they were issued.

Implication

The total amount of revenue collected on the four unproduced books could not be ascertained and verified as having been brought to account.

Recommendation

The Municipal Council should:

- (i) Exert more controls on the receipt books issued to the revenue collectors so that they are easily traced when called for audit reasons.
- (ii) Investigate to find out that all the revenues collected on the books have been brought to account.
- (iii) In the meantime trace the books and submit them for audit.

3.2 Current year's Audit findings

3.2.1 Revenue not remitted by revenue collecting agents Shs.26,934,700

Revenue amounting to Shs.26,934,700 out of a total amount of Shs.66,500,000 collected by revenue collecting agents was not yet remitted to the Council as at 30th June 2005.

Implication

Delay in remitting revenue collection might lead to misappropriation or loss of cash.

Recommendation

Management should follow up and ensure that the outstanding revenue is remitted to the Council and submit receipt particulars for verification.

3.2.2 Receipt books not produced

A total of fourteen (14) receipt books issued to various revenue collectors were not produced for audit.

Implication

Revenue collected using the missing books could not be verified to have been brought to account.

Recommendation

Management should confirm that the revenue collected using the missing books have been brought to account and should trace the books and submit them for audit examination. In addition, the management should put more controls on the books issued to various revenue collectors.

3.2.3 Unvouched and improperly vouched expenditure Shs.56,592,480

Payment vouchers and supporting documents were not made available to support payments amounting to Shs.56,592,480.14 as follows:

Unvouched expenditure (Missing payment vouchers)	Shs.	3,635,000.00
Unvouched expenditure (Unsupported and unreceipted payments)	Shs.	52,957,480.14
Total	Shs.	56,592,480.14

Implication

Propriety and regularity of the expenditure incurred could not be ascertained.

Recommendation

The Council management should trace the missing payment vouchers, supporting documents and obtain receipts from various payees, and submit them for audit examination.

3.2.4 Outstanding imprests Shs.2,992,000

Special imprests amounting to Shs.2,992,000 were issued as shown below to an official of the Council to enable him meet expenses on road spot maintenance:

PV Nos.	CHQ No.	AMOUNT PAID (SH)	CODE Nos.
12/5/2005	104122	460,000	50103 - works
11/5/2005	104121	1,610,000	50103 - works
8/2/2005	104848	<u>922,000</u>	50103 - works
	Total	<u>2,992,000</u>	

Retirement particulars were not produced to audit to show that the imprests were retired after the purpose for which the imprests were issued.

Implication

Proper utilization of the imprests issued could not be confirmed.

Recommendation

Management should ensure that the imprests are retired and give retirement particulars for verification.

3.2.5 Transfer of funds Shs.32,805,494

Transfer of funds between accounts was noted as follows:-

Education Account

Pv 77/9/2004 Chq 074573	Shs.	5,922,120	Transfer from education to deposit account.
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Pv 56/10/2004 Chq 07468	Shs.	10,329,974	Transfer from education to deposit account.
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Development Account

Pv 5/8/2004 Chq 07566	Shs.	10,035,500	Transfers form Development Account to NAEP II Account.
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Pv 1/9/2004 Chq 075568	Shs.	<u>6,517,900</u>	
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Total	Shs.	<u>32,805,494</u>	
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Implication

Activities for which the funds transferred were budgeted could not be performed in time.

Recommendation

The transferred funds should be refunded to the respective accounts from which they were transferred.

3.2.6 Schedule of fixed assets and depreciation - land and buildings

• Livestock Dips

The council adopted a diminishing method in depreciation of fixed assets based on net book values. Land and buildings were depreciated at 2%. The net book value for livestock dips was Shs.4,112,142.20 as at 30th June 2004. Therefore, the amount of depreciation as at 30th June 2005 for the dips would read Shs.82,242.84 and not Shs.82,242,844 as reported.

Implication

The amount of depreciation as at 30th June 2005 was overstated by Shs.82,160,601.16 for the livestock dips.

Recommendation

The schedule of land and buildings and all affected statements should be revised, after effecting the necessary adjustments.

3.2.7 Total expenditure

Examination of the statement of income and expenditure disclosed that total expenditure for the financial year was to be reported as Shs.4,901,364,887.45 and not Shs.4,977,043.94 as reflected in the statement as detailed below:-

Departments	Expenditure reported	Expenditure per unit	Variance
Health, Economic and Education.	3,469,732,994.66	3,476,215,049.40	(6,482,054.74)
Town plan and Environment	217,353,985.60	217,353,985.60	-
Depreciation	189,804,094.62	107,643,493.39	82,160,601.23
Total	3,876,891,074.88	3,801,212,528.39	75,678,546.49

Implication

The total expenditure was overstated by Shs.75,678,546.46.

Recommendation

Management should revise the statement after effecting the necessary adjustments.

3.2.8 Surplus/deficit balance

A deficit of Shs.227,771,557.28 was reported in the consolidated statement of income and expenditure. According to audit the deficit would have been reported as Shs.151,115,610.79 as detailed below:

Details	Total (Shs)
Total Income reported in the statement	4,749,271,876.66
Total Expenditure reported in the statement	4,977,043,433.94
Deficit reported	227,771,557.28

Details	Total (Shs)
Total Income, Audit figure	4,750,249,276.66
Total Expenditure, Audit figure	4,901,364,887.45
Deficit per Audit	151,115,610.79

Implication

The deficit shown in the statement would appear to be incorrect.

Recommendation

Management should revise the statement after effecting the necessary adjustments.

3.2.9 Consolidated cash flow statement as at 30th June 2005

Examination of the consolidated cashflow statement disclosed the following anomalies:-

Details	Reported figure (Shs)	Audit figure (Shs)
Deficit balance	(227,771,557.28)	(151,115,610)
Depreciation (Non cash item)	189,804,094.62	107,643,493.39
Increase/decrease in loans (outstanding)	(8,322,255.76)	(14,137,832.76)

Implication

The cash flow statements do not show the correct figures.

Recommendation

The cash flow statement should be revised after the necessary adjustments.

3.2.10 Fund balances Shs.155,929,931.67

According to the consolidated trial balance the total fund balances amounted to Shs.155,929,931.67. This amount included Shs.21,710,976.40 being fund balance in respect of the deposit account. However, the individual trial balance for the financial year ended 30th June 2005 indicates that the fund balance carried down from the accounting period ended 30th June 2004 was Shs.31,758,361 (Cr) deposit account.

Implication

The correct fund balance among the two could not be ascertained.

Recommendation

The Council management should ascertain which of the two balances is the correct balance and revise the statement.

3.2.11 Consolidated balance sheet as at 30th June 2005**Fixed Assets**

Total net fixed assets value as at 30th June 2005 was reported at Shs.2,410,743,645.19 after deducting an amount of Shs.790,053,275.21 being accumulated depreciation. Due to arithmetical errors the accumulated depreciation value was wrongly reported as Shs.790,053,275.21 instead of Shs.707,892,673.98. According to audit

the correct net fixed assets (outlays not included) would read Shs.2,492,904,246.35 instead of Shs.2,410,743,645.19.

Implication

The net total value of fixed assets (outlays disclosed) was understated by Shs.82,160,601.16.

Recommendation

The balance sheet should be adjusted accordingly.

3.2.12 Current assets and liabilities

Examination of the current assets and liabilities revealed that the amounts of current assets and current liabilities increased by Shs.78,418,222.67 or 116.69% and decreased by Shs.82,664,209.48 respectively, during the year 2004/2005 as follows:

Details	Balance as at 30 th June 2004	Balance as at 30 th June 2005 (Shs)	Decrease of increase (Shs)
Debtors	67,199,727.40	145,617,950.07	78,418,222.67 (116.69%)
Sundry Creditors	385,018,841.75	302,354,632.27	82,664,209.48 (21.47%)

In addition, there are over recoveries of debts amounting to Shs.16,185,478.25 which stand as outstanding creditors as follows:

Details	Amounts over recovered (Shs)
Loan recoveries	8,206,417.00
Advances recoveries	7,789,851.20
Unclaimed salaries	189,210.05
Total	16,185,478.25

This means that the total amount of creditors outstanding as at 30th June 2005 was Shs.318,540,110.52 i.e Shs.302,354,632.27 + 16,185,478.25.

Implication

It appears that there is an inadequate control in management of debtors. In addition, upon payments to creditors the expenditure budget is likely to be disturbed if payments of such debts are not budgeted for.

Recommendation

Management should exert more efforts to have the outstanding debtors recovered. In addition, the year's next budget should include provision for settlement of outstanding creditors.

3.2.13 Unauthorised Expenditure

A total of Shs.435,668,209 was overspent against the budget as detailed below:-

Codes	Budget	Actual Expenditure	Amounts Overspent
A05 - 2611209 (Bank charges)	600,000	7,352,450	6,752,450
C02 - 261210 (PEDP)	423,800,000	843,990,427	420,190,427
A00 - 501040 (Loan to other accounts)	NIL	8,037,832	8,037,832
A00-291129	NIL	687,500	687,500
TOTAL	424,400,000	860,068,209	435,668,209

Implication

Expenditure was incurred without budgetary provision, thus violating budgetary controls.

Recommendation

The Council management should ensure that expenditure is incurred in accordance with budget provision.

3.2.14 Deficit Cash Book Balance

Cash books in respect of the following accounts closed with deficit balances totaling Shs.113,793,127.58 as shown below:

Account Names	Amount of Deficit
Development	3,015,564.10
General Fund	25,954,547.56
Education	38,636,907.93
Road Fund	28,620,694.38
Health	17,565,413.56
Total	113,793,127.56

Implication

More payment were made than the amount of funds available in the accounts.

Recommendation

Management should ensure that in future payments are limited to the amount of funds available. In addition, the deficit cash book balances should be investigated and cleared.

3.2.15 Bank reconciliation statements as at 30th June 2005

The following items were not cleared in the bank reconciliation statements as at 30th June 2005.

Account Names	Unpresented cheques (Shs)	Payments in bank statement not in cash book (Shs)	Receipts in cash books not in bank statements (Shs)
Works Account	3,288,408.27	-	-
Road Toll Account	124,462,380.00	-	-
Education	147,946,986.99	2,370,177.81	12,600.00
Water Account	2,439,580.35	-	-
Perms Account	11,000,000.00	-	4,082,157.32
General Fund Account 256,000	45,576,477.89	-	-
Development Account	6,649,467.40	-	-
Dovap Account	46,500	-	-
Health Account	35,458,886.12	-	-
Deposit Account	432,639,157.88	-	228,266,966.44
Total	809,507,844.90	2,370,177.81	232,617,723.76

Implication

Misposted, and wrong transactions cannot be adjusted in time if the outstanding items are delayed to be cleared.

Recommendation

Management should follow up and ensure that the outstanding items are cleared.

4.0 CONCLUSION

The detailed audit findings presented above have been communicated to the management of the Dodoma Municipal Council during exit meeting. The Management of Dodoma Municipal Council has promised to take appropriate action with a view to rectify the situation. I shall appreciate to receive formally the action taken in this respect.

Lastly, I would like to express my appreciation for the co-operation given to the audit team. It is my hope that such good working relationship will be extended during future audits.

Dr. Frank Mosses Hiza Mhilu
Ag. CONTROLLER AND AUDITOR GENERAL

CC: The Permanent Secretary,
Prime Minister's Office,
Regional Administration and Local Government,
P.O Box 1923,
DODOMA.

The Permanent Secretary and Paymaster General,
Ministry of Finance,
P.O Box 9111,
DAR ES SALAAM.

The Regional Commissioner,
Dodoma Region,
P.O Box
DODOMA.

5.0 ANNEXURES

- Financial Statements and notes to the financial statements - annexure I
- Organization structure of Dodoma Municipal Council - annexure II

FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS.

ORGANIZATION STRUCTURE OF DODOMA MUNICIPAL COUNCIL

