

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE (NAO)



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

The Controller and Auditor General
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March, 2006

AR/LG/024/2005

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

- 1 contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- 2 helping to improve the quality of public services by supporting innovation on the use of public resources;
- 3 providing technical advice to our clients on operational gaps in their operating systems;
- 4 systematically involve our clients in the audit process and audit cycles; and
- 5 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
DPs	Development Partners
GAAS	Generally Accepted Accounting Standards
GDP	Gross Domestic Product
GOT	Government of Tanzania
IFMS	Integrated Financial Management System
ISA	International Standard on Auditing
LAAM	Local Authority Accounting Manual
LAFM	Local Authority Financial Memorandum
LGA	Local Government Authorities
LGRP	Local Government Reform Programme
MoF	Ministry of Finance
M&E	Monitoring and Evaluation
OCAG	Office of the Controller and Auditor General
PER	Public Expenditure Review
PMO-RALG	Prime Minister's Office - Regional Administration and Local Government
PS	Permanent Secretary
Act means	Local Government Finance Act No. 9 of 1982

Financial Statements means:

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

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

1.0 BACKGROUND INFORMATION TO THE AUDIT

I have completed the audit of the Accounts and Final Financial Statements of the Iringa Municipal Council for the year ended 30th June 2005. Audit findings arising from examination of accounting records, appraisal of the Council's activities as well as an evaluation of internal control system which require management attention and action are set out under paragraphs 3 of this letter.

1.1 Introduction

1.2 Brief history of client establishment

Iringa Municipal Council was established in 1984 in terms of the provision of Sections 8 and 9 of the Local Government Act (Urban Authorities) 1982. Besides the Act, the Council operates within the framework of the following instruments:

- Local Government Finances Act No.7 of 1982
- Local Authority Financial Memorandum 1997
- Public Procurement Act No.21 of 2004

1.3 Operational objectives

- (a) To maintain and facilitate maintenance of peace, order and good governance within its area of jurisdiction.
- (b) To improve the standard of education and reduce the number of illiterates in the Council and promote sports and cultural activities
- (c) To improve health and social welfare of the Council's residents.
- (d) To improve road services, building and other infrastructure of the Council
- (e) To contribute to the increase in income and food security by the year 2005/06 to the Council's community.
- (f) To ensure sustainable Municipal growth through town planning, urban land management, surveying, valuation and improve management of natural resources.

1.4 Financing

During the year under review, Iringa Municipal Council received revenues from various sources as follows:-

Sources	Approved Budget (TShs.)	Actual Collection (TShs)	Percentage %
Own Source	4,036,408,944	3,314,986,692	82
Grants & Donation	2,808,605,610	2,808,605,610	100
	<u>6,845,014,554</u> =====	<u>6,123,592,302</u> =====	89

1.5 Management Structure

The following chart represents the approved Organization Structure of the Iringa Municipality. The Council is headed by a Director who is accountable to the Finance and Administration Committee and Full Council for its operations. The Council is administered under the Chairmanship of the Hon. Mayor Daudi Feruzi and Municipal Director A.D.Midello.

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 Iringa Municipal Council complies with this order and Procurement Act, but is lacking an internal auditor and Weaknesses arising from review of internal control.

1.7 Financial Performance Issues

Revenue

The Iringa Municipal Council collected an amount of Shs.3,314,986,692 from own sources against the internal revenue budget of Shs.4,036,408,944 reflecting a collection shortfall of Shs.721,422,252 or 18%. 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.2,808,605,610.88 making total revenue of Shs.6,123,592,302 during the year.

Expenditure

The Council spent Shs.3,160,545,643.48 during the year against total income of Shs.3,085,587,177.59 or 102% of total revenue, reflecting over expenditure amount of Shs.74,958,465.89. 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.276,981,569 against expenditure of Shs.3,160,547,643.48 (net of depreciation) is only 8.7% implying that the Council cannot sustain either its recurrent or development expenditure without depending on grants.

1.8 Audit mandate

By virtue of the provision of Article 143 of the Constitution of the United Republic of Tanzania, and Sections 30 (1) and 37 (1) of the Public Finance Act No. 6 of 2001, the Controller and Auditor General is the appointed Auditor of all Local Authorities including Iringa Municipal Council.

1.9 Audit objectives

The main objective of conducting the audit is to enable the auditor to express a professional opinion on the Financial Statements of the Council for the period ended 30th June 2005 and in particular: -

- To determine whether transactions were executed in accordance with management authorization and recorded properly in the books of accounts to permit the preparation of the Financial Statements in accordance with the international accounting principles and requirements of Section 41 (2) and 49 of the Local Government Finance Act No. 9 of 1982 and the Generally Accepted Accounting Standards as provided for in the local Authority Accounting Manual (LAAM) of April, 1973 and NBAA.
- To determine where funds have been collected properly and used exclusively to meet eligible expenses, as per approved budget and regulations governing government expenditure.
- To ascertain whether all relevant supporting documents records and accounts have been kept in respect of all Municipal Councils' activities.
- To verify whether goods and services bought were acquired through laid down procurement procedures as stipulated in Public procurement Act of 2005 and regulations.
- To perform compliance tests to determine whether the Council's management complied in all material respects.
- 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 Municipality are adequately safeguarded against losses from unauthorized use or disposition.

- To determine whether the management of the Municipal Council has taken adequate corrective action on the previous years audit recommendations.

1.10 Audit scope

The audit of Iringa Municipal Council for the period ended 30th June 2005 was carried out in accordance with International Organizations of Supreme Audit Institutions (INTOSAI). The audit covered the evaluation of the effectiveness of the financial accounting system and internal control over the activities of the Municipal Council, examination and verification of the accompanying financial statements and performance reports submitted for audit and other auditing procedures as was considered necessary under the circumstances for the purpose of forming an opinion on the financial statements. The audit was carried out on a test check basis; therefore, the audit findings are confined to the extent that records, documents and information, which were requested and made available to us for audit purposes.

As auditors we are not required to search specifically for fraud; therefore our audit cannot be relied upon to disclose all such matters. However, our audit was planned as that we would have a reasonable expectation of detecting material misstatements in the financial statement, including those resulting from fraud or irregularities. The responsibility for detection and prevention of fraud and irregularities rests with the Municipal Council Management who are responsible for setting up and maintaining an adequate 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

Municipal Director and Accounting Officer,
Iringa Municipal Council.

**RE: AUDIT REPORT ON THE FINANCIAL STATEMENTS OF THE IRINGA
MUNICIPAL COUNCIL FOR THE YEAR ENDED 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 Iringa Municipal Council shown on annexure 1 of this report for the financial year ended on 30 June 2005.

Responsibility of Council Management on the financial statements

These financial statements are the responsibility of the management of Iringa 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 procedures that are consistent with those recommended by International Organization of Supreme Audit Institutions. 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 Iringa Municipal Council consistently applied and adequately disclosed, evaluating the overall financial statement presentation and assessing the extent of compliance with the relevant statutory requirements. I believe the audit provides a reasonable basis for my opinion.

Qualification

In my opinion, except for the material matters pointed out below, the financial statements fairly reflect, in all material respect, the financial position of Iringa Municipal Council as at 30th June 2005 and the results of the operations and cash flows for the year then ended, in accordance with part IV of the Local Government Finances act No.9 of 1982.

Matters which require rectifications

There are outstanding matters relating to the financial year 2003/2004 as follows:

1. Unsupported payments Shs.74,002,935.

Matters arising from 2004/2005 annual accounts

1. Twenty five receipt books comprising of fixed fee receipt books and four (4) health receipt book were not produced for audit verification.
2. Cash payments from revenue collection shs.4,009,025
3. Stores not taken on ledger charges Shs.9,316,366.
4. outstanding advances and imprests Shs.24,709,110
5. Missing payment vouchers Shs.23,451,523.
6. Unutilized grants shs.52,455,536.
7. Outstanding debtors Shs.36,230,208.
8. Outstanding creditors Shs.50,238,085.
9. Payments made on proforma invoices Shs.6,385,540.

The details of these matters are given under part 3 of this report.

Without prejudice to the qualified opinion given above, the procurement of office supplies and services were generally done in accordance with the requirements of the Public Procurement Act No.21 of 2004 and the related Regulations.

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 Status of previous audit recommendations

During the previous year's audit, recommendations were made on some of the key issues which require necessary action for improvement. However, as at this reporting date (January 2006), the following outstanding features have not been fully implemented as follows: -

Period	Para	Description	Amount queried (Shs)	Amount outstanding
2003/2004	6.5	Unsupported payments	78,807,505	74,002,935

Implication

Laxity in implementations of audit recommendation

Recommendation

The management attention is drawn to the advantages of acting promptly on audit recommendation with a view to securing Public accountability by arresting financial and accounting control deficiencies.

3.2 Position of audit queries

A test check of the accounts statements and related records for the year under review (2004/2005) resulted in the issue of audit queries, the more significant of which form the basis of this report. As at this reporting date (January 2006) 61 queries have been replied satisfactory.

F/Y	No. of queries raised	No. of queries closed	No. of queries outstanding
2003			
2003/04	7	6	1
2004/05	8	-	8
Total	15	6	9

3.2.1 Current audit findings

3.2.2 Sundry debtors Shs.36,230,208

The consolidated balance sheet for the year under review disclosed revenue debtors amounting to Shs.36,230,208 as follows:

Category	Amount (Shs.)
Property tax	34,496,208
National housing rent	1,734,000
Total	36,230,208

However, the relevant general ledger in respect of property tax was not available for audit verification.

Implication

The huge amounts of debtors indicate revenue not collected hence depriving the Council in meeting its desired work plans and operations.

Recommendation

Management should ensure that of the outstanding balances are recovered and control measures taken on an increase in debtors list.

3.2.3 Sundry Creditors Shs.50,238,609

A review of sundry creditors as reflected in the balance sheet as at 30th June, 2005 disclosed outstanding creditors as follows:-

Implication

Failure to make clearance of the outstanding creditors resulting in huge budget outstanding balances in the council books of account.

Recommendation

The Council management should ensure that the balances due to creditors are cleared and results communicated to audit

3.2.4 Grants unspent balance 52,455,536.4

The consolidated income and expenditure statement for the year under review (2004/05) reflected a total sum of Shs.52,455,536.4 being funds received for financing road funds activities. However, expenditure details revealed that Shs.52,455,536.4 were not utilised as follows: -

Grant	Total receipts (Shs)	Total Expenditure (Shs)	Unspent balance (Shs)
Road fund	277,602,151.93	225,146,615.48	52,455,536.46

Implication

Planned activities were partially/not implemented.

Recommendation

Management should ensure that during the year, all planned activities are implemented so as to achieve the intended objectives for which funds were allocated and approved.

3.2.5 Outstanding advances and imprests Shs.24,709,110

The balance sheet as at 30th June 2005 indicated outstanding advances Shs.4,439,330 and imprests Shs.20,269,780. However, the submitted schedules did not indicate clearance of these balances.

Implication

Outstanding advances and imprests are not cleared in time.

Recommendation

The Council management should ensure that all outstanding imprests and advances are recovered from the holders.

3.2.6 Withdrawals not Supported by schedules Shs.54,818,085

The total current assets as reported in the balance sheet as at 30th June 2005 was Shs.54,818,085 classified as withdraws deposits. However, no supporting schedules were made available to audit.

Implication

Laxity in documentation of withdrawals could read to the misstatements of withdrawals.

Recommendation

The Councils management should ensure that all withdrawals are supported by schedules of payments and results communicated to audit.

3.2.7 Payments made on proforma invoices Shs.6,385,540

During the year under review we have noted that payments amounting to Shs.6,385,540 were made on the basis of proforma invoices. It was not possible to verify receipts and accountability of the goods/services purchased .

PV No	A/N	Payee	Amount Shs.
12/11/2004	III	Miomboni Auto parts	890,000
13/2/2005	IV	Miomboni Auto parts	124,000
56/7/2004	I	Hi-tech Auto part	116,040
77/8/2004	I	Miomboni Auto parts	239,000
14/3/2005	VI	Miomboni Auto parts	3,200,000
22/4/2005	VI	Miomboni Auto parts	660,000
3/3/2005	VI	Miomboni Auto parts	1,156,500
Total			6,385,540

Implication

In the absence receipts goods all and services purchased could not be confirmed to have been received and accounted for. Further, proforma invoices cannot be regarded as official documents to effect payments for goods and service purchased.

Recommendation

The Council management should confirm receipts of goods/services purchased and their accountability in the books of accounts.

3.2.8 Missing payment vouchers Shs.23,451,536.78

Paid payment vouchers amounting to Shs.23,451,536.78 were not made available for audit verification when demanded. We could not confirm the validity of the expenditure incurred.

A/C NO	PV NO	Payee	Amount	
03	6/7/2004	M/S Chegamila investment	1,358,400.00	046900
03	8/7/2004	M/S Paran Traders	180,000.00	05302
03	29/7/2004	M/S Iringa Service Station	574,500.00	05302
03	28/8/2004	M/S Paran Traders	180,000.00	05359
01	22/7/2004	Hena Business-Iringa	122,500.00	035751
04 (works)	2/2/2005	The Commissioner of I/Tax	30,108.50	041202
04 (works)	7/2/2005	Iringa Urban Water	285,000.00	041207
04 (works)	8/2/2005	Iringa Urban water	76,687.65	041208
04 (works)	9/2/2005	TANESCO Iringa	10,500.00	041209
04 (works)	15/2/2005	Iringa Urban H \$ Sewe. Auth.	1,573,612.42	041216
04 (works)	17/3/2005	Manager NMB Mkwawa	58,527.61	041235
04 (works)	18/3/2005	TTCL Regional Manager	30,000.00	041236
04 (works)	5/5/2005	PM Mrosso	647,820.00	041248
04 (works)	7/5/2005	M/S Pan Traders	560,000.00	041251
04 (works)	7/6/2005	Bearus V. Msovella	135,000.00	041260
04 (works)	11/6/2005	M/S Assade Spares	940,000.00	041264
04 (works)	6/5/2005	Ester Mwakalile	1,030,055.50	041784
08	2/5/05	Hi-tech Autoparts	578,400.00	05425
08	3/5/05	Hi-tech Authoparts	444,000.00	05426
08	2/6/05	M/S Paran Gen. Trade	323,000.00	05428
01	44/8/04	M/S Masumini Traders	150,000,00	035829
01	46/8/04	IMC-Cash	51,000.00	035831
01	54/8/04	IMC-Cash	40,000.00	035837
01	64/8/04	IMC-Cash	13,044,000.00	035849
01	71/8/04	Basil Mkwata	500,000.00	035853
01	72/8/04	IMC Cash	25,000.00	035854
01	73/8/04	IMC Cash	120,000.00	035855
01	32/8/04	Signifrid Kaunara	300,000.00	035820
01	6/2/05	The Commissioner of I/tax	8,625.60	046738
11	2/11/04	Paran General traders	78,800.00	164137
		Total Shs.	23,451,536.78	

Implication

The nature and validity of the payments could not be established in audit

Recommendation

The management should trace missing vouchers and ensure that all are available for audit verification.

3.2.9 Missing receipt books

The Local Authority financial memorandum (1997) Order No. 101 stipulates that all Officers issued with receipt books must render a return of un used receipts at the end of every month in the prescribed form. Further, Order no.102 stipulates that all losses of accountable documents must be reported immediately to the proper officer. A copy of the report should be forwarded to the Controller and Auditor General.

During the year under review (2004/05) we have noted that 25 receipt books issued to various revenue collectors were not made available for audit verification as follows:

Date of issued	S/No.	Rate	Amount	Name
21.12.2004	15601-700	200	20,000	F. Kalinga
21.12.2004	15701-800	200	20,000	F. Kalinga
16.11.2004	13601-700	200	20,000	J. Maningu
14.12.2004	13201-300	200	20,000	S. Mhingile
12.11.2004	12301-400	200	20,000	J.Jonas
1.11.2004	10301-400	200	20,000	D.Kihanga
30.7.2004	08601-700	200	20,000	Ayubu
23.11.2004	08001-100	200	20,000	M. Lwalo
9.11.2004	11501-600	200	180,000	Kiloyi "A"
G.R.R.Books				
14.2.200	90701-750		Mshikamano	P Sivala
28.5.2005	89451-500		J.J.Mungai	A. Kibasa
24.5.2005	89401-450		Ukombozi	R. Maginga
18.5.2005	89351-400		Maendeleo	C. Alfani
14.5.2005	89301-350		Jitegemee	
14.5.2005	89251-300		Lugalo	Am. Maginga
10.6.2005	118251-300		WEO Mshindo	H. Mfalingudi
6.10.2004	120201-250		Mwangata	S.Saidi
3.11.2004	120551-600		Msako	A. Kiloyi
26.11.2004	12001-050		Security	Semawie
3.12.2004	121101-150		Mseke	A. Kiloyi
16.6.2005	124351-400		Mvinjeni	V. Gimba
Health receipts	Receipt No	Rate	Amount	
21.9.2005	92001-92100	500	50,000	Zaituni Msigala
31.5.2005	82701-800	500	50,000	Rahel Richard
7.9.2005	91701-800	500	50,000	A. Gwalo
22.2.2005	80101-200	500	200,000	F. Gimba

Implication

Revenue collected from these receipts could not be confirmed to have been properly received and banked.

Recommendation

The Council management should ensure that the above receipt books which were noted to have been missing are produced to confirm actual revenues collected and their accountability.

3.2.10 Payment made on cash bases out of revenue collection

Shs.4,009,025.00

The Local Authority financial memorandum (1997) Orders no.8 stipulates that any officer appointed to authorise payments expenditures shall be responsible for ensuring that such expenditures are properly authorized.

We have noted that during the year under review (2004/2005) payments amounting to Shs.4,009,025 were made from revenue collections contrary to financial regulation.

S/N	Name	A/C	PV/No.	Amount
1.	Cash	I	49/7	300,000.00
2.	Mustapha O. Mustapha	I	22/5	17,000.00
3.	Cash	I	Voucher	282,500.00
4.	Cash	I	Voucher	461,600.00
5.	Cash	I	Voucher	570,700.00
6.	Shingi Thomas	18/II	18/1	124,735.00
7.	Cash (Madiwani)	P/Tax	3/10	255,00.00
8.	Cash	VI	39/6	150,000.00
9.	Cash	I	45/10	241,450.00
10.	Cash	I	39-40/9	650,000.00
11.	Cash	I	7-9/9	608,040.00
12.	Cash	I	46/9	230,000.00
13.	M. kihwele	I	37/10	118,00.00

Implication

Violation of financial Regulations

Recommendation

Iringa Municipal Council management should ensure that revenues collected are banked promptly and no cash payments are made from revenue collections.

3.2.11 Stores not taken on ledger charge Shs.9,316,366.00

During the year under review we have noted that stores worth Shs.9,316,360.00 ordered and paid for could not be traced to have been taken on ledger charge contrary to procurement procedures.

Implication

Accountability of stores purchased could not be established.

Recommendation

The Council should confirm receipt of the stores purchased and their accountability.

4.0 CONCLUSION

The detailed audit findings presented above have been communicated to the management of the Irinag Municipal Council during exit meeting. The Management of Iringa Municipal Council has promised to take appropriate action with a view to rectify the situation. We 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: Permanent Secretary,
Prime Minister's Office,
Regional Administration and Local Government,
Box 1923,
DODOMA.

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

Region Commissioner,
Iringa Region
P.O. Box 858,
IRINGA

5.0

ANNEXURES

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

FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS.

ORGANIZATION STRUCTURE OF IRINGA MUNICIPAL COUNCIL

