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## **LIST OF ABBREVIATION AND ACRONYMS**

QAIP	–	Quality Assurance and Improvement Program
LAFM	–	Local Authority Financial Memorandum
IIA	–	Institute of Internal General
LGA	–	Local Government Authority
IAS	–	International Auditing standards
FPAC	–	Finance, Planning and Administration Committee
IAU	–	Internal Auditor Unit
IAGD	–	Internal Audit General Division
TASAF	–	Tanzania Social Action Fund
LAAC	–	Local Authority Accounting Committee
ARBIAP	–	Annual Risk Based Internal Audit Plan
RAS	-	Regional Administrative Secretary
FC	-	Full Council
TD	-	Town Executive Director
HoD's	-	Head of Departments
LAAM	-	Local Authority Accounting Manual
LAFM	-	Local Authority Financial Memorandum
LGCBG	-	Local Government Capacity Building Grant
LGCDG	-	Local Government Development Grant
CHF	-	Community Health Fund
NHIF	-	National Health Insurance Fund
ISA	-	International Standard of Auditing

IPPF	-	International Professional Practice Framework
HIV	-	Human Immunodeficiency Virus
TACAIDS	-	Tanzania commission of AIDS
IAG	-	Internal Auditor General
CAG	-	Controller and Auditor General
IA	-	Internal Auditor
PPA	-	Public Procurement Act
LAPF	-	Local Authority Provident Fund
NSSF	-	National Social Security Fund
PE	-	Personal Emoluments
MTEF	-	Medium Term Expenditure Frame Work
ASDP	-	Agricultural Sector Development Programme
DADPS	-	District Agricultural Development programme Sector
CBG	-	Capacity Building Grants

## Definition of key Terms and its Application

### 1. Corporate Governance

**Definition** – A high level overview covering IFTC's key corporate systems.

**Application** – Corporate level review will be conducted at least once during the lifetime of the plan

### 2. Systems Audit

**Definition** – A 'full' audit in which every aspect and stage of the audited area is fully considered. It will include review of both the design operation of controls.

**Application** – All critical and high risk systems will be subject to full systems audit at least once during the lifetime of the plan.

### 3. Compliance audit

**Definition** – A summary review which tests compliance with established control within a system.

**Application** – Certain high risk systems that have been subject to a full system review during the period and where compliance failures would materially affect IFTC's risk management, control and Government Control and Governance arrangements.

### 4. Key Controls Audit

**Definition** – A limited review which tests compliance with key control within System

**Application** – Certain high or medium risk systems that a have been subject to a full system review during the period and where non compliance in key aspects would materially affect IFTC's risk management, control and government arrangements.

### 5. Systems Development

**Definition** – Review of development plans and designs for new systems and processes aimed at identifying potential weaknesses in control before the plans and design are fully implemented.

**Application** – Development ni IFTC's information systems or significant charges to working practices will be subject to this kind of review.

### 6. Analytical Review

**Definition** – This type of review is employed to complement systems audits. It follows up on the critical controls identified in the system audit and supplements this with a critical look at data and data relationships.

**Application** – usually used in areas where there is high volume of transaction processing and allows a cross organization view of critical controls.

### 7. Follow up

**Definition** – Short review designed to revisit areas previously subject to audit. It provides assurance that accepted recommendations in IAS reports have been implemented effectively resulting in improvements in the management of identified risks.

**Application** – All reviews conducted during the plan period will be subject to regular, appropriate follow up action.

## **IFAKARA TOWN COUNCIL VISION**

***Improved Social welfare and economic well being of community with access to better Services and infrastructures that are sustainable.***

## **IFAKARA TOWN COUNCIL MISSION**

***The mission of Ifakara Town Council is to further the social and economic development of the community through democratic participation of all stake holders in the development process.***

## **PREFACE FROM THE COUNCIL INTERNAL AUDITOR**

I am pleased to present our one-year Risk Based Audit Plan.

This document has been developed by the Office of the Council Internal Auditor with partners, in careful accordance with the requirements of Ifakara Town Council, Regional Secretariat –Internal Audit Section and the Office of the Internal Auditor General. We have consulted widely, particularly with senior management of our Department, the Offices of the Internal Auditor General and Controller and Auditor General.

It also offers an objective assessment of audit requirements, and our capacity to complete the one year Risk-based Audit Plan.

It is important to note that this assessment led to the identification of additional priority audit projects to be completed in 2017-2018, which were considered critical to the Council.

One of the key requirements of the Ifakara Town Council on Internal Audit is for the Council Internal Auditor to provide an annual overview assurance report on the state of departmental risk management, control and governance processes. The results of our audit work to date, and our recommendations for future audits as described in this refreshed Plan, will be central to our assurance report.

I have appreciated the wide co-operation and joint effort in the planning and preparation of our one year Risk based audit program for the Ifakara Town Council.

**Council Internal Auditor**

Ifakara Town Council

## **Acknowledgement**

I am pleased to extend my sincerely appreciation to the below mentioned persons for their direct and indirect contributions they positively provided to emanate this document to be done.

First and foremost appreciation is given to the Town Executive Director of Ifakara Town Council . He provided the Unit with a great support during the preparation of this plan.

Secondly, we would like to express our thanks to our fellow staff and CMT Members for their support and Co – operation in the preparation. Great thanks to Our driver who supported us during our movement to ensure a completion of this program.

## EXECUTIVE SUMMARY

This document describes the risk-based annual audit plan and selection of the Departments of Ifakara Town Council internal audits for the year of 2017/ 2018. This updated version of the Risk-based Audit plan has been prepared in accordance with Order No 14(1) of the Local Authority Financial Memorandum 2009, which require an Auditor to prepare Annual Audit Plan.

The Audit Plan was prepared following an analysis of the Ifakara Town Council, interviews with senior management of the Departments, and a final ranking exercise which took into consideration materiality, risk, relevance and value-added criteria.

Selection of audit projects for 2017-2018 also took into consideration “in reserve” audits (re: audit engagements not undertaken in 2016-2017) as well as coverage of audit subject matters by external auditors i.e, the Office of the Controller and Auditor General from the Sister Council. Finally, senior management suggested specific management issues which they sensed merited audit attention, such as Remittances of funds especially for the CDG’s projects to the ward and village levels, School Capitation Grant Funds, Collection, Remittance and utilization of CHF contribution etc following the President’s slogan **“Hapa kazi tu”** . These suggestions were also considered in developing our Audit Plan.



## **CHAPTER ONE**

### **1.0 Introduction**

This chapter covers the Historical Background, Audit scope, Audit methodologies, and objective of Ifakara Town Council, guides to internal auditors, internal Auditing function and Organization Structure.

### **1.1 Historical Background**

Internal Audit Unit is established in Ifakara Town Council (IFTC) based on Section 48 of the Local Government Finance Act of 1982 which states that, the Council shall employ its own Internal Auditors who shall work closely with the Heads of Departments and shall report directly to the accounting officer. Also, according to section 14 (1) of Local Authority Financial Memorandum (2009), Council Chief Internal Auditor (CCIA) should prepare Annual Audit Work Plan.

The objective of preparing the Internal Audit Annual Plan and Annual Audit programme is to assist the Management in identifying and managing risks in the financial and non financial operations of the Council.

In the preparation of this plan most risk areas have been identified based on departmental experiences with the operations of the council, past Internal and external auditor's observations, recommendations of the Audit Committee of the Council and instructions given by the Local Authority Accounting Committee (LAAC).

We gathered various inputs from various sources including Council's meeting i.e Full Council, the Finance Administration and Planning and Council Management Team Meetings.

To ensure that the objectives of this plan are achieved, important finding and recommendations will be discussed with the Heads of Departments for smooth implementations.

### **1.2 Audit Scope**

The audit is planned such that the revenues and accomplishments of the Council's activities are affected in accordance with pre -set objectives and guidelines. Therefore the appropriate auditing guidelines should be used in order to ensure financial compliance is adhered to. Moreover audit of the Primary & Secondary Schools, Health Centre, Dispensaries, Projects, Revenues and Expenditure should be done accordingly.

However the above scope may be limited in case the following will not be taken into consideration:-

- Timely submission of documents for audit work. Late submission leads to limitation of Audit scope.

- Response to all audit findings and their recommendations. Unless audit finding and its recommendations are acted upon internal Audit will not add value.

### 1.3 Audit Objective

With a population of 106,424 according to the 2012 census, Ifakara Town Council aimed at achieving the following objectives:

- 1.3.1 To bring sustainable development socially and economically to Ifakara Town Council Community through good Governance.
- 1.3.2 To attain self sufficiency in food increase, cash crops production, Livestock production as well as to promote and increase in bee-keeping production.
- 1.3.3 To improve primary education through teaching and learning environment, Pre-primary and primary schools.
- 1.3.4 To improve Secondary education through teaching and learning environment.
- 1.3.5 Improvement health facilities and hence to deliver quality service to the Ifakara Town Council Community.
- 1.3.6 To improve Roads network in the District so as to enable Ifakara Town Council community to have easy access to the social and economic service, like Schools, Hospital, Trading centres and market for Farm products and Livestock products.
- 1.3.7 To improve and increase the supply of clean and safe water in the Town to Standard as directed by the National policy, that every household should reach at a distance of 400 meters.
- 1.3.8 To increase revenue collection and improve staff capability performance at all levels.
- 1.3.9 Other Audit objective will be to review, appraise and report upon:-
  - 1.3.9.1 The soundness, adequacy and application of internal controls within the Ifakara Town Council.
  - 1.3.9.2 The extent to which the council's assets and interests are accounted for and safeguarded from losses of all kinds arising there from:-
    - (i) Fraud and other offenses
    - (ii) Waste, extravagance and inefficient administration, poor value for money or other causes.
- 1.3.10 The suitability and reliability of financial and other management data developed from the Council's operations.

## **1.4 Audit Methodologies**

The Annual Internal Audit Strategic plan will be implemented in accordance with the generally accepted Auditing Standard and other statutory equipments, as may be appropriate to provide reasonable assurance to the Accounting Officer in discharging his/her responsibilities.

During auditing the financial transactions together with related records also will apply the following technique:-

- i) Carrying substantive testing after testing system of internal control.
- ii) Reviewing Legal documents like various contracts.
- iii) Examining payment vouchers and their supporting documents.
- iv) Reviewing acknowledgement of fund transferred to Wards and villages whether acknowledged or not.
- v) Reviewing and examining stores records, ledger of movable and immovable fixed assets
- vi) Performing budget compliance audit. This will also include checking whether development projects are timely implemented once funds are received.
- vii) Performing value for money Audit through reviewing of periodic reports and Physical verification of various activities and projects implementation.
- viii) Making some interviews with the responsible officers for clarity of some of the issues including communicate audit results through exit meetings.

## **1.5 Guides to Internal Auditors:**

Work performance of Internal Auditors will be guided by the following:

- 1.5.1 Local Authority Accounting manual (LAAM 2009)
- 1.5.2 Local Authority Financial memorandum (LAFM 2009)
- 1.5.3 Public Procurement Act 2011.
- 1.5.4 Local Authority Procurement Act 1982.
- 1.5.5 Local Authority Procurement Regulations 2013.
- 1.5.6 Internal Audit manual 2013
- 1.5.7 International Standards on Auditing (ISA).
- 1.5.8 Internal Audit Handbook and AID - 2011
- 1.5.9. International Professional Practices Framework (IPPF)
- 1.5.10. Quality Assurance and Improvement Program (QAIP)

## **1.6 Internal Audit Function**

- 1.6.1 The internal Auditor shall prepare an annual work plan for internal section and have a copy sent to the Office of the controller and Auditor General (CAG), Internal Auditor General (IAG) and Regional commissioner by not later than 15 of July of the year.
- The internal Auditor shall prepare the annual risk based internal audit plan and submit to the Audit committee and accounting officer for approval.
- 1.6.2 The Internal Auditor shall not conduct and audit or investigation without a written audit programme which must show clearly at lease the following:
- a) Title of the audit programme
  - b) Objective of the audit and
  - c) The audit procedures in logical sequential flow.
- 1.6.3 The Internal Auditor shall appraise the soundness and application of application of accounting, financial and operational Control and particular
- a) Review and report on proper control over the receipts, custody and utilization of all financial resources of the Council
  - b) Review and report on compliance with financial and operational procedures laid down in any written law, instruction and good accounting practice as defined by the Minister from time to time in order to ensure sound financial practices;
  - c) Review and report on the correct classification and allocation of revenue and expenditure account
  - d) Review and report on the reliability and Integrity of financial and operating data in order to allow for the preparation of accurate financial statements and other reports, and
  - e) Review and report on the systems in place which are used to safeguard assets
- 1.6.4 The Internal Auditor shall keep a register of work done showing date of field work, date of final report, date and nature of the responses received in respect of queries and indication of proposed follow up activity.
- 1.6.5 The internal Auditor shall prepare and submit dated report and submit dated reports direct to the accounting officer for action and onward transmission to the Finance committee. The accounting officer will send a copy to the controller and Auditor General (CAG), Internal Auditor General (IAG) and RAS within 15 working days from the date of receiving the report.
- 1.6.6 The Internal Auditor shall prepare and submit two reports to the accounting officer.
- a) A quarterly report shall be submitted o the accounting officer within 15 days after the end of the quarter, and
  - b) Annual report to be submitted to the accounting officer within 15 days after the end of the year.
- 1.6.7 After Audit reports have been prepare and signed by internal auditor will be submitted to the accounting officer, copied of such reports shall be send to the

Controller and Auditor General Permanent Secretary of Ministry responsible for local government and RAS with a covering letter.

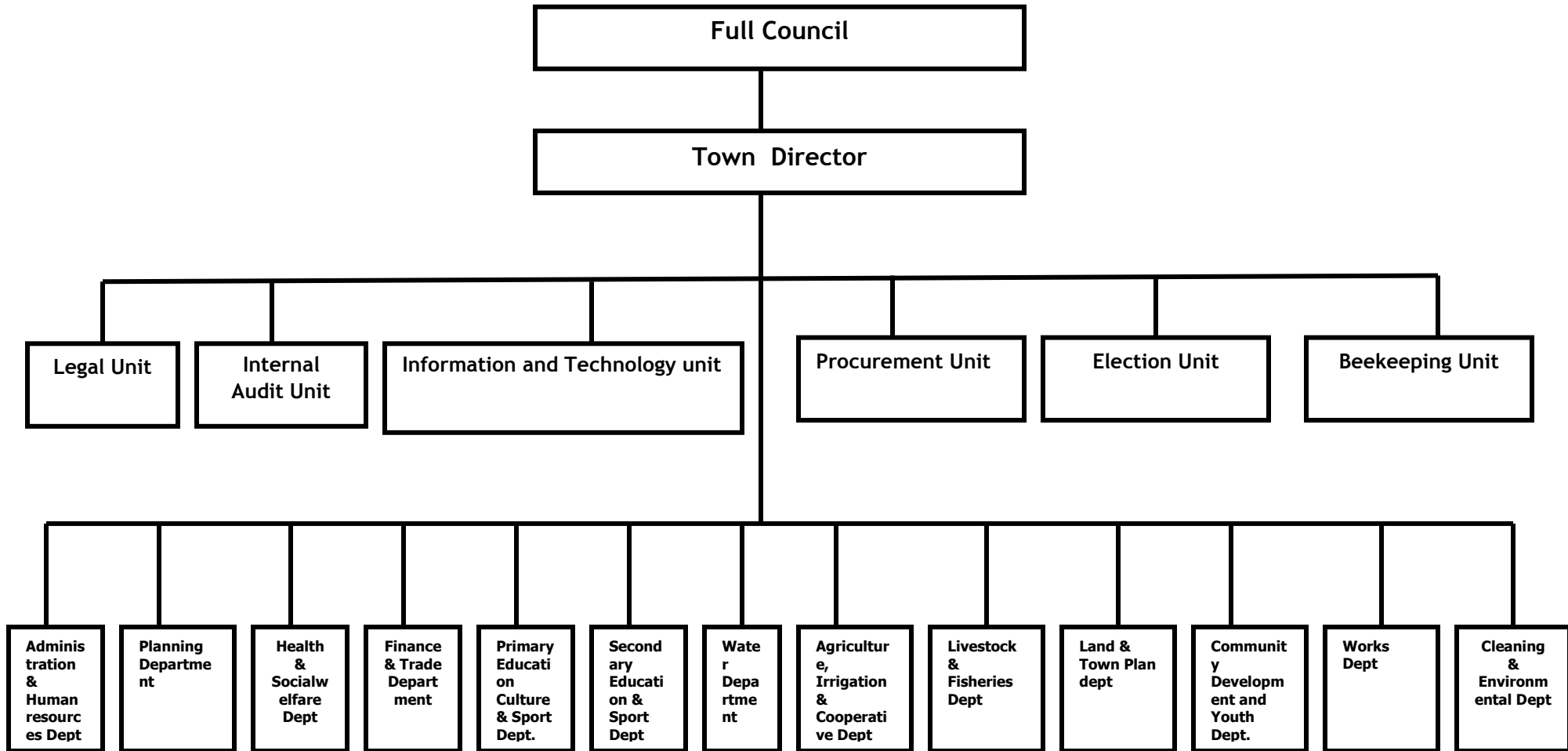
- 1.6.8 The Internal Auditor shall not give or provide information to a person who has no entitlement to the information possessed.
- 1.6.9 The Internal Auditor shall always perform his duties professional and any comments, observations must be based in adequately searched facts and directed to the right official and place, failure to observe professional ethics shall render the auditor personally responsible for any faulty conclusions arising from that audit.
- 1.6.10 The Internal Auditor shall attend various management meetings conducted within the District Council.

## **1.7 Organization Structure**

In order to perform the assigned roles the Ifakara Town Council has the following Organization structure.

- 1. Finance and Trade Department
- 2. Human resources Dept
- 3. Planning Dept.
- 4. Agriculture, Irrigation and Cooperative Dept,
- 5. Health & Social Welfare Dept
- 6. Works Dept,
- 7. Land and Town Planning
- 8. Community Development and Youth Dept.
- 9. Primary Education, culture and sports Dept.
- 10. Secondary Education Dept
- 11. Water Dept.
- 12. Livestock and Fisheries Dept.
- 13. Environmental and Sanitation Dept
- 14. Legal Unit.
- 15. Internal audit Unit.
- 16. Procurement Unit.
- 17. Beekeeping Unit
- 18. Election unit
- 19. Information and Technology unit

## ORGANIZATION STRUCTURE SCHEDULE OF IFAKARA TOWN COUNCIL



## **CHAPTER TWO**

### **2.0 TOTAL ESTABLISHMENT**

#### **2.1. Overview of Planning**

##### **a) Consultations**

In preparing its plan for 2017-2018, Internal Audit considered:

- Audits which would assist in implementing the recommendations of the Financial Resource Management, Risk Assessment and Audit of Resource Allocation. In this context, the Internal Audit Unit will consider all technical Audits for the Technical projects to hire Internal and External Professional staff to complement the Audit work before issuing an opinion.
- Views, as well as planned audits, of external auditors and other providers of assurance. In 2016-2017, the resources of the CIA will work with external auditors (CAG) and Internal Auditor General (IAG) in an assessment of Ifakara Town Council.

##### **b) Risk Assessment**

The assessment of risk in this review has benefited from CIAs increased knowledge of Ifakara Town Council programs. This has been achieved through audits we have conducted in the previous year of the Plan, the further development of Ifakara Town Council Corporate Risk Profile, and the role of the CIA in reviewing the Department's changing priorities.

The final ranking of recommended audit projects for 2017-2018 was achieved following:-

- A review by Internal Audit, of the initial risk assessment presented in the 2016-2017 Risk-Based Audit Plan, to validate risk information against any changes in Ifakara Town council program structure and priorities. This exercise emphasized the need to continue audit work that contributes to strengthening the Department's resource management regime.
- An assessment of areas of significance (for the entity/topic examined). Consideration was given to audit projects which examine those areas of the department where there is greater financial significance or considerable resources have been directed, and which support directly and substantially departmental objectives and priorities.

##### **c) Risk Factors.**

Risk factors are the criteria used to identify the relative significance of and likelihood that conditions and/or events may occur that could adversely affect the organization. Risk factors in different type of organization may include but not limited to the following:

- Ethical climate and pressure on management to meet objectives
- Competence, adequacy, and integrity of personnel
- Asset size, liquidity, or transaction volume
- Financial and economic conditions
- Complexity or volatility of activities
- Impact of new and existing Government Regulations.
- Degree of computerized information systems
- Geographic dispersion of operations
- Adequacy and effectiveness of the system of internal control
- Management judgments and accounting estimates.
- Acceptance of audit findings by the Management for corrective actions.
- Duration of and results of previous audits
- Political and economic interference
- Instruction from higher authorities



## d) Identified Risk Areas

Following the direct or indirect contributions of some of the HoDs on the areas of high risk to be considered for audit in 2017/2018, and in accordance with Order No 14(1) of the Local Authority Financial Memorandum 2009, on audit plan for Internal Audit Unit the risk areas for audit to concentrate are many but due to various limitations including shortage of staff for this financial year 2017/2018 the following areas have been considered for audit.

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
1.	Computerized accounting system	Effective and maintenance of financial transactions and records in the computerized accounting system.	<ul style="list-style-type: none"> <li>➤ Errors in bookkeeping and records.</li> <li>➤ Inadequate data processing.</li> <li>➤ Breakdown of the International check system.</li> <li>➤ Interruption to the activities and loss of records due to computer failure.</li> <li>➤ Frequently power breakdown.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Providing wrong information to management for decision making</li> <li>➤ High cost of computer maintenance</li> <li>➤ Minimal knowledge of Epicor system to the staff</li> </ul>				
		Assessing the Security of the Data and user Network  Assessing the Computer System	<ul style="list-style-type: none"> <li>➤ User share password among themselves and passwords are changed occasionally.</li> <li>➤ User of the System individually been trained on the security.</li> <li>➤ User logged on Person actually is not carried out the work.</li> <li>➤ Key Actors violating Don'ts in the system.</li> <li>➤ System Administrator enters or approves transaction.</li> <li>➤ Operators approve transaction</li> <li>➤ Key Actors does know the division of work among them.</li> </ul>	<ul style="list-style-type: none"> <li>➤ System administrator may enter transaction and approve it.</li> <li>➤ Providing wrong information to management for decision making.</li> <li>➤ High cost of computer maintenances.</li> <li>➤ Low knowledge of</li> </ul>				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
2.	Revenue Collection and Identification of new sources of Revenue	<ul style="list-style-type: none"> <li>➤ To assess revenue sources and evaluate their adequacy in terms of receipts and accountability</li> <li>➤ Ensure that all sources and potentials of tax and non-tax revenues are explored to enhance domestic revenue collection</li> <li>➤ To develop comprehensive strategies for revenue</li> </ul>	<ul style="list-style-type: none"> <li>➤ Failure to collect revenue.</li> <li>➤ Wrong record of revenue data (business licenses).</li> <li>➤ Delay in hand over of revenue collection to the cashier in the head office.</li> <li>➤ Revenue collected are not Banked intact.</li> <li>➤ Revenue collected are not Banked in appropriate accounts.</li> <li>➤ Failure to identify new sources of revenue.</li> <li>➤ Revenue collected spent cash instead of Banked,</li> </ul>	<p>Epicor System to the accounts staff</p> <ul style="list-style-type: none"> <li>➤ Sharing password may cause fraud in the system</li> <li>➤ System administrator may enter transaction and approve it.</li> <li>➤ One system Actor performs more than one work.eg Voucher entry and Voucher generation.</li> <li>➤ User log on the system by using other person password.</li> <li>➤ Understatement of revenue and giving rise to arrears of revenue.</li> <li>➤ Misuse of Council collected revenue.</li> <li>➤ Under collection of Council revenue.</li> </ul>				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
		collection with realistic projections.	<ul style="list-style-type: none"> <li>➤ Use of forged receipts on revenue collection.</li> <li>➤ Improper utilization of receipts</li> </ul>					
3.	Controls over bank, cash and cash balances.	<ul style="list-style-type: none"> <li>• To assess the effectiveness of cash management, Control and banking.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Falsification of cash receipts.</li> <li>➤ Under Banking.</li> <li>➤ Teeming and lading</li> <li>➤ Outright theft of cash</li> <li>➤ Possibility of holding of bulk cash in the till box.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Reducing the liquidity or cash position of the Council.</li> </ul>				
		<ul style="list-style-type: none"> <li>• Maintenance of Cash book.</li> <li>• Control over cheque books and Cheque signatories.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Cash book are not proper balanced at the end of each month, analysis not posted in general ledger and are not mathematical correct.</li> <li>➤ No sequence of cheque number.</li> <li>➤ The cheque returned from the Bank details may differ from details in the cash book, signatures are not correct and the cheques are not crossed.</li> <li>➤ The Spoiled Cheques are not properly cancelled.</li> <li>➤ The Council misuse Governments grand or other funds by transferring from the projects accounts to the General funds account.</li> <li>➤ Cheque books as a countable may not be kept in safe custody</li> <li>➤ Register for Cheque books are not maintained</li> <li>➤ Cheque books are misused.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Failure to prepare final accounts at the end of financial year.</li> <li>➤ Cheques may lost</li> <li>➤ The spoiled cheque if not proper cancelled can be paid to the Bank.</li> <li>➤ Council failure to complete their projects.</li> <li>➤ Cheque returned from Bank may be transferred to third parties.</li> <li>➤ Lose of cheque books and forgeries to the Council money.</li> <li>➤ Misuse of Council</li> </ul>				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
4	Management of Expenditure	<ul style="list-style-type: none"> <li>➤ Approval of payments and compliance with the budget provisions by head of Department.</li> <li>➤ To ensure that goods and services paid for have been actually received.</li> <li>➤ To ensure that all vouchers has been attached by required supporting documents</li> <li>➤ To ensure that payment has been acknowledged by accepted receipts /receiving signatures</li> <li>➤ Audit of sitting allowance</li> <li>➤ To ensure that members only present in the meeting are paid.</li> <li>➤ To ensure that the approval was granted for meeting extending beyond the approved</li> </ul>	<ul style="list-style-type: none"> <li>➤ Signatories are not approved by Council resolution.</li> <li>➤ Signatories are signing without filling specimen signature Card.</li> <li>➤ Incurring unauthorized (unbudgeted) expenditure.</li> <li>➤ Unapproved Internal reallocation of funds.</li> <li>➤ Incurring over expenditure.</li> <li>➤ Payments made without proper Authorization and without document being prepared.</li> <li>➤ Liabilities and payments may not be recorded in appropriate books of accounts.</li> <li>➤ Asset purchased not kept in safe custody.</li> <li>➤ Fund received from the Government or other third parties may not be used for intended purpose.</li> </ul>	<p>money.</p> <ul style="list-style-type: none"> <li>➤ The council will not get value for money.</li> <li>➤ The council will not meet its targets.</li> <li>➤ Misuse of Government funds.</li> <li>➤ Council Asset may lose.</li> </ul>				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
		period. ➤ To ensure that all scheduled meetings are carried out as approved. ➤ To ensure that resolutions made by the meetings have been implemented						
5	Procurement process and documentation.	➤ To assess the existence of adequate Internal Controls over purchases both in terms of existence and use. ➤ To assess whether all purchases have been recorded in inventory records and all payments on account of purchases represent values of items purchased and taken into inventory. ➤ To evaluate tender and tendering process ➤ To ensure that there is contract register that all contracts awarded are recorded in the register.	➤ Some budgeted item are not covered in the procurement plain ➤ Pricing system used is not adhered with Procurement budget. ➤ Quarterly procurement cash requirement not match with Council cash flow. ➤ Invitation for bids not have the Approval of Council Tender Board. ➤ Lack of fairness of treatment to all parties in the processing Tender document. ➤ The Council Procurement plain will not lead to the Council obtains the best value for money interims of price, quality and quantity. ➤ Invitation to bids are not accorded the minimum period allowed. ➤ Tender evaluating without following regulations. ➤ Applying the wrong procurement methods. ➤ Ceiling has been exceeding and	➤ Procuring items contrary to Procurement Act of 2011. ➤ Creation of Council Debtors. ➤ Attracting penalties specified in the PPA 2011. ➤ The council will not get the benefits of value for money from its procurement activities. ➤ Council may be taken to the Court by other bidders who will not agree with the evaluation report. ➤ Procuring items contrary to				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
			<p>procurements lots broken down to avoid need for tendering.</p> <p>➤ Variation orders are not booked in a register and necessary approval has not been sought.</p>	<p>Procurement Act of 2011.</p> <p>➤ Director and Head of Department procurer goods and services without following their ceiling which is contrary to Procurement act of 2011.</p> <p>➤ Violating the PPA 2011.</p>				
6	Payroll Accounting and Management	<p>➤ Accounting for all unclaimed salaries on monthly basis and ensure further the sum is returned to Treasury through depositing the same in designated bank account.</p> <p>➤ To ensure that salaries are paid to eligible employees</p> <p>➤ To assess whether all computations of earnings, arrears, employee benefits, voluntary/involuntary deductions and employees taxes are</p>	<p>➤ Terminated employees continue receiving salaries through their bank account</p> <p>➤ Inclusion of ghost employees in the payroll.</p> <p>➤ Penalties arising from late payment of PAYE, NSSF, LPF etc.</p> <p>➤ Misuse of unclaimed salaries.</p>	<p>➤ Over expenditure to the Government revenue</p>				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
		<p>accurate, complete and timely computed</p> <ul style="list-style-type: none"> <li>➤ To ensure constant validation of payrolls and Human Resource information by the respective accounting officers and effective scrutinization of payrolls before the payment of salaries every month.</li> <li>➤ To ensure that deceased/retired employees are timely removed from the government payroll</li> <li>➤ To evaluate the degree of compliance to Treasure Circular No. 2 of 2010 to Accounting Officers on accountability and control on management of salary expenditure.</li> <li>➤ To ensure Accounting Officers conduct regular staff and payroll inspections to ascertain their proper utilization and payroll</li> </ul>						

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
		accuracy and integrity respectively. ➤ To ensure salary adjustments are promptly effected to avoid accumulation of salary arrears.						
7.	Vehicles repair and maintenance.		➤ Repairs actually not undertaken paid for. ➤ Frequent repair and maintenance due to careless driving.					
8.	District Assets Management	➤ To assess if all government assets are properly recorded, valued, coded and their locations are instantly known.	➤ Improper recording of asset ➤ Miss location of asset	➤ Loss of asset				
		➤ To assess if the receipts of additional government assets and disposal of the existing assets are accurately recorded.	➤ Improper recording of asset ➤ Miss location of asset	➤ Loss of asset				
		➤ To confirm if government assets additions do exist physically and allocated accordingly. ➤ To evaluate if the ownership of the recorded government assets and all movement of those	➤ Possibility of having fictitious asset  ➤ Improper recording of asset ➤ Miss location of asset	➤ Loss of asset  ➤ Loss of asset				



S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
		assets are being controlled and have prior approval.						
9	Budget Execution Audit	<ul style="list-style-type: none"> <li>➤ To assess whether that policies, procedures, practices and internal controls regarding government assets management are adequate, effective and operating in conformance with established laws, regulations and guidelines.</li> <li>➤ Confirm preparation of action plan, cash flow plan, and procurement plan for implementation of revenue, recurrent and development budgets</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improper recording of asset</li> <li>➤ Miss location of asset</li> <li>➤ Implementation of unbudgeted expenditure</li> </ul>	<ul style="list-style-type: none"> <li>➤ Loss of asset</li> </ul>				
		<ul style="list-style-type: none"> <li>➤ Assess if budget is executed as planned; avoid budget deviation resulting from reallocating funds to non-contingent activities.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Budget deviation</li> </ul>	<ul style="list-style-type: none"> <li>➤ Failure to meet planned objective</li> </ul>				
		<ul style="list-style-type: none"> <li>➤ Confirm proper management of resources at District level and address weaknesses as pointed out in the CAG reports.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Possibility of repetition of audit queries</li> </ul>	<ul style="list-style-type: none"> <li>➤ expected of adverse/qualified audit opinions</li> </ul>				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
		➤ Evaluate if monitoring, evaluation and performance reporting are conducted on regular basis as a tool for enforcing accountability and control.	➤ Possibility of preparing false report					
10	Planning Department al Performanc e Audit	➤ To ensure that the department discharges its core functions effectively and efficiently.	➤ Unattainable of departmental goals	➤ Under completion of the mission				
		➤ To assess the implementation of MTEF	➤ Deviation expenditure from the MTEF	➤ Under completion of the objective				
		➤ To assess the effectiveness of implementation of client service charter.	➤ Increasing of complain from customers	➤ Client losing confidence over the service provided by the department				
11	Good Governance Practices Audit	➤ To review and strengthen capacity of various Committees within the council and ensure they operate as expected.	➤ Non accountability and low performance of the council	➤ Loss of good governance ➤ Citizens loss of confidence to the Government				
		➤ To confirm existence of council efforts to curb corruption. ➤ To check Openness and Integrity	➤ Infringing of rights	➤ Citizens loss of confidence to the Government				
12	Review and analyze final	➤ To determine the reliability of final account	➤ Non adherence of accounting standards in preparing of final accounts.	➤ Possibility of having adverse standards				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
	accounts before sent to external auditor							
13	Review and evaluate Council internal controls.	<ul style="list-style-type: none"> <li>➤ To ascertain the relevance and effectiveness of the controls</li> <li>➤ To confirm that cash limits of safari or special imprest to an officer have been approved by the accounting officer.</li> <li>➤ To confirm that application for imprest are made on the described form.</li> <li>➤ To confirm that a safari imprest are retired within two week after the officer has returned from the journey or after finalization of the activity</li> <li>➤ To assess if additional imprest are not issued prior to the clearance of the previous imprest.</li> <li>➤ To assess if imprest outstanding beyond one month a surcharge has been levied upon.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Occurring of theft and disasters.</li> <li>➤ Unretired imprest</li> <li>➤ Un intended commitment on the use of imprest.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Unattainable of intended objective</li> <li>➤ Increase of council debtors.</li> </ul>				
14	Review the	➤ To verify the cash books	➤ Theft of Council fund through bank	➤ Loss of Councils fund				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
15.	bank reconciliation statements To audit council Development projects	balance with those on the bank statement  ➤ To evaluate if implementation of projects are effected in accordance with time frame. ➤ To confirm that the project supervised by Council Engineer has been done before payment <ul style="list-style-type: none"> <li>○ Basket Fund</li> <li>○ Water projects</li> <li>○ ASDP/DADPS</li> <li>○ LGCDG</li> <li>○ LGCBG</li> <li>○ TASAF</li> </ul>	➤ Implementation of project fund without adhering guidelines.	control  ➤ Unattainable of intended objectives				
16	To conduct audit of Secondary School	➤ To assess if monies received are utilized accordingly.	➤ Utilization of fund for un intended purpose	➤ Unattainable of intended objective				
17	To audit Primary and Special Schools	➤ To check procurement of food procedures as per PPA.	➤ Utilization of fund for un intended purpose	➤ Unattainable of intended objective				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
18.	Audit of village/Mtaa accounts (Local Govt. Capital Grant)	<ul style="list-style-type: none"> <li>➤ To assess if the funds transferred to the village/Mtaa are utilized for the intended purposes.</li> <li>➤ To verify community participation(contribution ) <ul style="list-style-type: none"> <li>○ To evaluate how participation are on project implementation.</li> <li>○ To check financial management.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Collection of council revenue without passing through the system.</li> <li>➤ Utilization of fund before banking.</li> </ul>	➤ Unattainable of intended objective				
19.	Controls over stores and inventories.	<ul style="list-style-type: none"> <li>➤ To assess if store are classified into two categories <ul style="list-style-type: none"> <li>○ Allocated stores</li> <li>○ Unallocated stores.</li> </ul> </li> <li>➤ To confirm that stores are properly recorded and accounted for.</li> <li>➤ To confirm goods received are inspected and tested.</li> <li>➤ To evaluate that there is proper Authority of issue of stores</li> <li>➤ To assess whether inventories are</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improper recording of inventories</li> <li>➤ Miss location of inventories</li> </ul>	➤ Loss of inventories				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
		maintained by all departments. ➤ To confirm that stocktaking is conducted at the end of each year financial year.						
20	Conduct value for money audit	➤ To check efficiency, effectiveness and economy in the utilization of financial resources.	➤ Project to be implemented below standard ➤ Under utilization of/unutilized property	➤ Unattainable of intended objective				
21.	Audit of community Water users.	➤ To check value for money 3 E'S ➤ To check financial Management.	➤ Utilization of fund before banking. ➤ Utilization of fund for un intended purpose	➤ Unattainable of intended objective				
22.	Audit of CHF at District hospital , Health centres and Dispensaries	➤ To assess if returns are done properly ➤ To verify utilization of funds collected	➤ Possibility of fund not or delayed being remitted to the council	➤ Insufficiency supply of drug to the District hospital				
23	Audit of National Health Insurance Fund (NHIF) at District hospital , Health centres and	➤ To assess if returns are remitted properly. ➤ To verify utilization of funds collected.	➤ Possibility of fund not or delayed being remitted to the council	➤ Insufficiency supply of drug to the District hospital, Health centres and Dispensaries.				

S/n o	Audit Activity	Audit Objective	Identified risk	Implication	Q1	Q2	Q3	Q4
	Dispensaries							
24.	Environmental management audit	➤ To verify environmental factors keeping the human habitat conformability.	➤ Possibility of spread of infection disease	➤ Unexpected death				
25.	To conduct special audit	➤ Special management request						
26	Report write and submission to the respective authorities.	➤ To provide assurance and consultancy to management and councillors	➤ Management and councillor lacking assurance over district affairs					

## 2.2. IFAKARA TOWN COUNCIL RISK PROFILE 2017 – 2018

<b>RISK CATEGORY</b>	<b>RISK STATEMENT</b>
Political:	Those associated with failure to deliver either local or central government policy, or meet the local administration's manifest to commitments.
Economic:	Those affecting the ability of the Council to meet its financial commitments. These include internal budgetary pressures, the failure to purchase adequate insurance cover, external macro level economic changes and the consequences of proposed investment decisions.
Social:	Those relating to the effects of changes in demographic, residential or socio-economic trends on the Council's ability to deliver its objectives.
Technological:	Those associated with the capacity of the Council to deal with the scale of technological change, or its ability to use technology to address changing demands. They may also include the consequences of internal technological failures on the Council's ability to deliver its objectives.
Legislative:	those associated with current or potential changes in national Law (e.g. Local Financial Memorandum, Financial Act and Regulations etc )
Environmental:	Those relating to the environmental consequences of progressing the Council's strategic objectives (e.g. in terms of energy efficiency, pollution, recycling, landfill requirements, emissions etc).
Competitive:	Those affecting the competitiveness of the service (in terms of cost or quality) and or its ability to deliver best value.
Customer/ Citizen:	Those associated with failure to meet the current and changing needs and expectations of customers and citizens.



## 2.3 RANKING

S/no	Audit Activity	Status of risk	Asset size, liquidity, or transaction volume	Financial and economic conditions	Complexity or volatility of activities	Duration of and results of previous audits	Political interference	Instruction from higher authority	Duration of work (days)	Total score
1.	Computerized accounting system	M	1	1	1	2	3	2	3	13
2.	Revenue Collection and Identification of new sources of Revenue	H	1	1	1	1	1	1	1	7
3.	Controls over bank, cash and cash equivalent.	M	1	1	1	3	3	3	2	14
4	Management of Expenditure	H	1	1	1	1	1	3	1	9
5	Procurement process and documentation.	H	1	1	1	1	1	1	1	7
6	Payroll Accounting and Management	H	1	1	1	1	1	1	1	7
7.	Vehicles repair and maintenance.	L	3	3	3	3	3	3	2	20
8.	District Assets Management	L	3	3	3	3	3	3	3	21
9	Budget Execution Audit	L	2	2	3	2	3	3	3	18
10	Planning Departmental Performance Audit	L	3	3	3	3	3	3	3	21
11	Good Governance Practices Audit	L	3	3	3	3	3	3	3	21
12	Review and analyze final accounts before sent to external auditor	L	3	3	1	2	3	3	3	18
13	Review and evaluate Council internal controls.	M	1	1	1	3	3	3	1	13
14.	Review of safari and special	L	3	3	3	3	3	3	3	21

S/no	Audit Activity	Status of risk	Asset size, liquidity, or transaction volume	Financial and economic conditions	Complexity or volatility of activities	Duration of and results of previous audits	Political interference	Instruction from higher authority	Duration of work (days)	Total score
	imprest									
15	Review the bank reconciliation statement	L	2	1	2	2	3	3	3	16
16	To audit council Development projects	H	1	1	2	1	1	2	1	9
17	To conduct audit of Secondary School	H	1	1	1	1	2	2	1	8
18.	To audit Primary and Special Schools	H	1	1	1	1	2	1	2	9
19.	Audit of village accounts (Local Govt. Capital Grant)	L	3	2	3	3	2	3	2	18
20	Controls over stores and inventories.	M	1	2	1	3	3	3	2	15
21.	Conduct value for money audit	H	1	1	1	1	1	3	1	9
22.	Audit of community Water users, cattle trough	L	3	3	3	3	3	3	3	21
23	Audit of CHF at District hospital , Health centres and Dispensaries	M	3	3	3	3	3	3	3	21
24.	Audit of National Health Insurance Fund (NHIF) at District hospital , Health centres and Dispensaries	M	1	1	1	3	3	3	3	15
25.	Environmental management audit	L	3	3	3	3	3	3	3	21
26	To conduct special audit	L	3	3	3	3	3	3	3	21

**NOTE:****Total Risk ranks**

0 - 9

10 - 15

16 - 21

**Status of risk**

High (H)

Medium (M)

Low (L)

**3.0 RISK BASED ANNUAL INTERNAL AUDIT PLAN FOR IFAKARA TOWN COUNCIL FROM JULY 1<sup>ST</sup> 2017 TO JUNE 30<sup>TH</sup> 2018.**

S/no	Audit Activity	Stat us of risk	Days	1 <sup>ST</sup> QUARTER			2 <sup>ND</sup> QUARTER			3 <sup>RD</sup> QUARTER			4 <sup>TH</sup> QUARTER		
				July 2017	Aug. 2017	Sep. 2017	Oct. 2017	Nov 2017	Dec 2017	Jan. 2018	Feb. 2018	Mar 2018	Apr. 2018	May 2018	Jun 2018
1.	Computerized accounting system	M	4	1	-	-	2	-	-	-	-	1	-	-	-
2.	Revenue Collection and Identification of new sources of Revenue	M	9	3	-	1	-	-	-	2	-	-	-	3	-
3.	Controls over bank, cash and cash equivalent.	M	7	-	-	1	-	-	1	-	2	-	3	-	-
4	Management of Expenditure	H	21	4	-	2	2	-	3	2	1	3	-	4	-
5	Procurement process and documentation.	H	14	4	-	2	-	-	2	2	-	-	-	4	-
6	Payroll Accounting and Management	H	11	4	-	-	-	-	2	-	2	-	-	-	3
7.	Vehicles repair and maintenance.	L	4	-	-	-	3	-	-	-	1	-	-	-	-
8.	District Assets Management	L	5	1	-	-	2	-	-	-	-	-	2	-	-

S/no	Audit Activity	Stat us of risk	Days	1 <sup>ST</sup> QUARTER			2 <sup>ND</sup> QUARTER			3 <sup>RD</sup> QUARTER			4 <sup>TH</sup> QUARTER		
				July 2017	Aug. 2017	Sep. 2017	Oct. 2017	Nov 2017	Dec 2017	Jan. 2018	Feb. 2018	Mar 2018	Apr. 2018	May 2018	Jun 2018
9	Budget Execution Audit	L	7	3	-	-	2	-	-	-	-	-	2	-	-
10	Planning Departmental Performance Audit	M	4	-	-	2	-	-	-	-	1	-	-	1	-
11	Good Governance Practices Audit	M	4	-	-	2	-	-	-	-	1	-	-	1	-
12	Review and analyze final accounts before sent to external auditor	M	10	-	10	-	-	-	-	-	-	-	-	-	-
13	Review and evaluate Council internal controls.	H	7	2	-	-	2	-	-	2	-	-	-	1	-
14.	Review of safari and special imprest	H	5	-	-	2	-	-	-	-	2	-	-	1	-
15	Review the bank reconciliation statements	H	6	-	2	-	-	1	-	-	-	2	-	1	-
16	To audit council Development projects	H	29	-	5	5	-	-	6	-	-	5	-	3	5
17	To conduct audit of Secondary School	H	10	-	5	-	-	-	-	-	5	-	-	-	-
18.	To audit Primary and Special Schools	H	9	-	-	4	-	-	-	-	5	-	-	-	-
19.	Audit of village accounts (Local Govt. Capital Grant)	H	7	-	-	-	-	2	-	-	-	3	-	2	-
20	Controls over stores and inventories.	M	10	1	-	-	3	-	-	2	-	-	-	-	4

S/no	Audit Activity	Stat us of risk	Days	1 <sup>ST</sup> QUARTER			2 <sup>ND</sup> QUARTER			3 <sup>RD</sup> QUARTER			4 <sup>TH</sup> QUARTER		
				July 2017	Aug. 2017	Sep. 2017	Oct. 2017	Nov 2017	Dec 2017	Jan. 2018	Feb. 2018	Mar 2018	Apr. 2018	May 2018	Jun 2018
21.	Conduct value for money audit	H	26	-	-	-	-	7	3	3	-	3	5	-	5
22.	Audit of community Water users, cattle trough,:	L	4	-	-	-	2	-	-	1	-	-	-	1	-
23	Audit of CHF at District hospital , Health centres and Dispensaries	M	9	-	-	-	-	5	-	-	-	2	-	-	2
24.	Audit of National Health Insurance Fund (NHIF) at District hospital , Health centres and Dispensaries	M	12	-	-	-	-	6	-	-	-	3	-	-	3
25.	Environmental management audit	M	7	-	-	-	-	4	-	4	-	-	-	-	-
26	To conduct special audit	M	6	-	-	-	-	-	3	-	-	-	3	-	-
27	Report write and submission		18	-	-	-	7	-	-	7	-	-	7	-	-
	<b>Total</b>		<b>274</b>	<b>23</b>	<b>22</b>	<b>21</b>	<b>25</b>	<b>25</b>	<b>23</b>	<b>25</b>	<b>20</b>	<b>22</b>	<b>24</b>	<b>22</b>	<b>22</b>

#### 4.0 OPERATIONAL PLAN FOR FINANCIAL YEAR 2017-2018

No	Description	Rate	Sub - total	Total
1	<b>Per diem</b>			
	CIA per day for 45 days	120,000	5,400,000	
	IA Persons per day for 30 days	100,000	3,000,000	
	Driver per day for 14 days	80,000	1,100,000	
<b>Sub - total</b>				9,500,000
2	Diesel 1,700Ltrs	2,200	3,740,000	
<b>Sub - total</b>				3,740,000
3	<b>Motor Vehicle Services</b>			
	Outsource maintenance contract services-lumpsum		2,032,000	
<b>Sub - total</b>				2,032,000
5	<b>Training</b>			
	CIA per day for 3 days x 2 trainings	120,000	720,000	
	IA Persons per day for 3 days x 2 trainings	100,000	600,000	
	Fees for 2 officers on trainings	600,000	1,200,000	
<b>Sub - total</b>				2,418,000
6	Printing and Stationery - Lump sum		934,127	934,127
7	Furniture in kind		9,340,000	9,340,000
8	Rent for Internal Auditors House	600,000	7,200,000	7,200,000
9	Leave Travel for 1 staff	304,000	304,000	304,000
10	Ground travel(bus,railway etc)-lumpsum		989,324	989,324
11	Moving expenses	2,461,449	2,461,449	2,461,449
<b>GRAND TOTAL</b>				<b>36,457,451</b>

#### 4.1. TRAINING PROGRAMME FOR FINANCIAL YEAR 2017/2018

No	Date & time	Institution	Seminal Contents	Place	Fees
1	13-15,July ,2016	IIA	Local government Internal Audit Workshop	Dodoma	300,000.00
2	12-16,Dec. 2016	IIA	Special internal Audit seminar	Mbeya	900,000.00
3	1 <sup>st</sup> -3 <sup>rd</sup> ,Dec,2016	NBAA	Accountants Annual conference	Dar es Salaam	600,00.00.
<b>JUMLA</b>					<b>1,800,000.00</b>

## 4.2 Routine Activities:

The following specific and routine audit assignments will be conducted within period under review.

S/No	Activity	Objectives
1.	Review present Accounting Internal Controls.	To ascertain the adequacy relevance and effectiveness of the Internal control in place.
2.	Review Financial records keeping of the Ifakara Town Council (ITC)	To determine whether transactions are being recorded correctly are completely.
3.	Review of payment approval systems.	To determine the extent of compliance with the financial regulations.
4.	Review the Internal Audit Reports for the just ended quarter in line with the imposed recommendations of the same.	To determine whether the recommendations given over the past quarterly report have been implemented accordingly.
5.	Review and analyze final accounts of the just ended financial year before submitting the same to the External Auditor(CAG)	To determine the reliability of these Financial Accounts before they have been submitted.
6.	Conduct value for money audit for some of development funds received by ITC as well as in the projects.	To check efficiency, effectiveness and economy in the utilization of these development funds.
7.	Conduct quality review audit and goods and service providers	To determine whether agreements contracts between goods and services providers and the IFTC are complied with as per the procurement Act No.21 of 2011 and its regulations 2013.
8.	Review Semi - Annual progress report of ITC	To determine whether the operations of IFTC are going in line with the Action Plan and the available resources.
9.	Review the stock taking exercise report and procedures.	To ensure that the exercise have been carried properly and correctly.
10.	Review MTEF of ITC to ascertain the completeness and achievement of the targets and activities for the year under review	To ensure that the objection at the beginning of the period under review were dully achieved if resources were available in place for improvement in the next financial year.
11.	Monitoring and supervision of all projects.	To ensure that all project are implementing according to approval budget.(Value for Money)



## **5.1 INTERNAL AUDIT STAFF (PRESENT & REQUIREMENTS)**

The annual internal audit plan will be implemented by the internal audit personnel whom stand as follows:

### **5.1.1 James Chilale – Principal Internal Auditor II**

He is Head of the Internal Audit Unit (Council Chief Internal Auditor – CIA) and reports administratively to the Town Director (TD), and functionally to the Audit Committee.

The CIA provides advice (Assurance and consulting) to the Accounting Officer and other members of Top Management on financial and non-financial matters, which would assist them in making rational decisions in achieving the Council's objectives.

### **5.1.2 Internal Auditor I –(Vacant 2 post)**

Performs duties assigned to him by the Council Internal Auditor and undertakes routine audit.

### **5.1.3 Internal Auditor II (Vacancy 2 post)**

Performs duties assigned to him by the Council Internal Auditor and undertakes routine audit.

### **5.1.4 Audit Assistant (Vacant 3 post).**

Performs duties assigned to him by the Council Internal Auditor/ Internal Auditor and undertakes routine audit.

.....  
James A.Chilale  
Council Internal Auditor.  
**Ifakara Town Council**

**Reference:**

- i. Ministry of Finance Internal audit Manual for Local Government Authorities (Revised Version) July-2013.
- ii. Local Authority Financial Memorandum (LAFM 2009)
- iii. Local Authority Accounting Manual (LAAM 2009)
- iv. Internal Audit Handbook (October 2011)
- v. Internal Audit Handbook-Aid (updated December ,2011)

**Ifakara Town Council Risk based annual Internal audit plan for financial year 2017/2018.**

**Internal Audit Unit.**

**Prepared by;**

**Name: James A.Chilale      Date.....**  
**Council Internal Auditor (CIA)**

**Approved by;**

**Name: Francis K.Ndulane      Date.....**  
**Town Director (TD)**

**Authorised by;**

**Name: Mariam M. Nnauye      Date.....**  
**Chairperson of Audit Committee**