

**50. SAME DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Revenue Collection Performance

The Same District Council planned to collect a total of Shs. 94,879,561 as revenue from own sources during the six months period ended 30th June 2004. However, the actual collection was Shs. 93,927,970 registering a collection deficit of Shs. 951,591 equivalent to 1% of the total revenue budget. The collection made included grant of shs.63,844,909 received in lieu of the abolished revenue items.

2. EXPENDITURE

Audit examination of payment vouchers and related records for the period under audit noted the underlisted anomalies:-

2.1	Unsupported payments	Shs. 3,639,512
2.2	Stores not accounted for	Shs. 3,467,480
2.3	Questionable payments for building materials	Shs. 3,554,100
2.4	Unconfirmed utilization of materials intended for Mferejini and Ngama Primary Schools	Shs. 2,838,400
2.5	Irregular salary payments	Shs. 3,106,163

3. FINAL FINANCIAL STATEMENTS

3.1 Out-Turn

The accounts are reported to have closed with a surplus balance of shs.138,582,886 arising from total expenditure of shs. 3,331,420,227 against total income of Shs. 3,470,003,113 realized during the period.

However, the surplus balance reported appeared to be incorrect due to the following.

- (a) Fixed assets depreciation expenses for the period of Shs. 99,993,753 (as per fixed assets analysis) appeared to have not been expensed in the

year's accounts and hence understating the total expenditure for the period.

- (b) Capital expenditures relating to Road Fund Development A/C No. 2 etc. were noted to have been treated as recurrent revenue expenditure and hence not capitalized for inclusion in the Balance sheet. The implication on this anomaly is overstatement of both income and expenditure figures in the statement.

3.2 Explanatory notes not disclosed

Both the consolidated Balance sheet and consolidated Income and Expenditure statement submitted did not contain explanatory Notes to support the various summary item of the accounts reported therein. The omission was therefore violation of regulation number 85 of the Local Authority Financial Memorandum.

3.3 Consolidated Balance Sheet as at 30th June, 2004

The Balance Sheet disclosed the following outstanding balances:-

Category	Amount (Shs)
Advances	17,002,608
Imprests	3,124,295
Creditors	9,840,000
Deposits	16,055,450

Clearance action is called for.

4. AUDIT CERTIFICATE

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