

**79. ULANGA DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Revenue collection performance

The Following data represents the trend of revenue Collection Performance for consecutive three years as shown below:-

Year	Approved Estimates (Shs)	Actual (Shs)	Percentage on collection
2002	227,705,225	135,961,111	59.7%
2003	232,321,225	87,956,451	37.9%
2004 (six months)	46,750,000	34,034,056	72.8%

**1.2 Miscellaneous deposit revenue receipts not posted in the
Cash Book – Shs.3,328,800**

Revenue in respect of Sales of Maize (food relief) to various Villagers were observed to have been collected and banked accordingly, However, the same were not posted in the cash book contrary to accounting principles.

2. EXPENDITURE

2.1 Missing payment vouchers Shs.24,127,050

Payment Vouchers involving Shs.24,127,050 as extracted from cash books were noted to be missing. Hence it is Unvouched Expenditure charged to the Council accounts.

2.2 Unreceipted Pay sheets/Lists Shs.5,494,000

The Council paid Shs.5,494,000 as allowances to various officers who were undertaking various official activities. However, the relevant paylists duly signed by bonafide payees were not produced to audit. Thus the propriety of expenditure of the amount involved could not be ascertained.

2.3 Imprests Payments not Booked Shs.20,789,200

Imprests totalling Shs.20,789,200 issued from the underlisted accounts during the period under review were noted to have not been recorded in the imprest registers. Their retirement could therefore not be confirmed viz:-

Accounts	Amount (Shs)
General Fund	950,000
Education	13,607,400
Works	784,800
Health	<u>5,447,000</u>
Total	<u>20,789,200</u>

2.4 Inter account transfers Shs.4,147,000

An amount of Shs.4,147,000 was transferred from Deposit Account to General Fund Account in terms of Loan for conducting UDDP meeting.

Reimbursement of the amount would appear to have not been made to the paying account to date.

2.5 Stores not Accounted for Shs.7,656,356

Stores worth Shs.7,656,356 ordered and paid for were noted to have not been delivered to date.

Recovery of the amount involved is awaited.

3. FINAL FINANCIAL STATEMENTS

3.1 Investments without supporting Certificate of Ownership Shs.5,072,800

The Consolidated Balance Sheet disclosed the following investments:-

	Amount (Shs)
The Local Government Loan Board (LGRB)	4,072,800
MORETCO	<u>1,000,000</u>
	<u>5,072,800</u>

However, Certificates of Ownership for the above Investments were not made available on demand.

3.2 Outstanding Debtors and Creditors

The Consolidated Balance Sheet as at 30th June, 2004 disclosed the existing Debtors and Creditors amounting to Shs 32,978,508 and Shs.92,401,267 respectively as shown below:-

	Amount (Shs)	Total (Shs)
• Debtors:-		
- Staff debtors	27,991,500	
- Other Debtors (Land fees)	<u>4,987,008</u>	32,978,508
• Creditors:-		
- Unclaimed Salaries	9,105,250	
- Trade Creditors	<u>27,983,830</u>	37,089,080
• Accruals:-		
(i) LAPF (2001)	45,182,367	
(ii) LAPF (2002)	589,304	
(iii) NIC	2,088,658	
(iv) TALGWU	5,201,200	
(v) Teachers SACCOS	331,360	
(vi) CIT – UDECO	1,919,298	55,312,187

However, analysis for Other Debtors, and Accruals figures of Shs.4,987,008 and Shs.55,312,187 respectively have not been produced to audit.

Action taken to clear the outstanding amounts is called for.

3.3 Unexplained Deposit Balance Shs.476,918,479

The Balance Sheet as at 30th June, 2004 reflected a balance of Shs.476,918,479 under General Deposit Account. The amount could not be verified in the absence of the supporting schedules.

4. AUDIT CERTIFICATE

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