

**54. LIWALE DISTRICT COUNCIL FOR THE SIX MONTHS  
PERIOD ENDED 30<sup>TH</sup> JUNE, 2004**

**1. REVENUE**

**1.1 Revenue Collection Performance**

As against revenue estimates of Shs.107,979,409 from own revenue source a total of Shs.68,705,856 was collected during the period from 1<sup>st</sup> January to 30<sup>th</sup> June,2004 registering a collection deficit of Shs.39,273,553 of 36% of the budgeted revenue.

The revenue collection trend for the last three years is as shown below:-

<u>Year</u>	<u>Approved Estimates (Shs)</u>	<u>Actual Collection (Shs)</u>	<u>Percentage on Collection</u>
2001	427,055,100	206,005,533	48.2%
2002	247,173,000	154,737,457	62.6%
2003	238,268,942	209,081,822	87.8%

**1.2 Missing Revenue Earning Open Receipts (18 Books)**

Eighteen General receipts books were not produced for audit inspection as a result revenue collected on them could not be confirmed to have been correctly accounted for in the books of the council and/or lodged to bank.

**1.3 Unclaimed salaries not refunded to Treasury Shs.2,211,000**

Unclaimed salaries of Shs.2,211,000 in respect of officers who are no longer in the Public Service was noted to have not been refunded to Treasury.

**1.4 Unreceipted Remittances from sale of Hunver Food Shs.16,896,525**

The District received hunger food Assistance from the Prime Minister's Officer for resale at the reduced Price and remits the proceeds to the Prime Minister's Office.

Remittance of Shs.16,896,525 made to the Prime Minister's Office was not acknowledged receipt.

Comment on the anomaly noted is called for.

## 2. EXPENDITURE

Examination of payment vouchers and related supporting documents for the year under review disclosed the following irregularities:-

- 2.1 Missing payment vouchers Shs.5,290,300
- 2.2 Inadequately or improperly vouched expenditure Shs.3,412,714
- 2.3 Unauthorized Transfer of Funds Shs.6,207,730
- 2.4 Questionable payments Shs.2,268,000
- 2.5 Statutory payments not supported by acknowledgement receipts of payees Shs.9,463,212

## 3. FINAL FINANCIAL STATEMENTS

### 3.1 Missing notes to the Financial Statements

The annual financial statements for the period ended 30<sup>th</sup> June,2004 were not accompanied by accounting "NOTES" contrary to regulation 85 of the Local Authority Financial Memorandum,1997.

### 3.2 Outstanding Debtors and Creditors

The consolidated Balance Sheet reflected the following outstanding debtors and creditors.

#### **Debtors Shs.85,210,550**

<b><u>Category</u></b>	<b><u>Balance (Shs)</u></b>
Imprests	8,369,830
Staff advances	1,500,458
W. D. F. Loans	12,956,250
Inter –Account Loan Transfer	57,589,312
LGLB	4,794,700
<b>Total</b>	<b>85,210,550</b>

#### **Creditors Shs.60,425,106**

Sundry Creditors	24,633,652
Deposits	736,678
Unclaimed Salaries	5,392,150
Inter Account transfers	29,518,542
LAPF Refund	144,084
<b>Total</b>	<b><u>60,425,106</u></b>

Clearance action taken on these balance is awaited.

#### **4. AUDIT CERTIFICATE**

In my opinion, except for the matters specified in paragraphs 1 through 3 above the Consolidated balance Sheet and summary statement of Income and Expenditure present fairly the financial position of the Liwale District Council as at 30<sup>th</sup> June,2004.