

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

**1. REVENUE**

**1.1 Unproduced revenue earning receipt books**

32 General Revenue Receipt books (Open) issued to revenue collectors during the period under review were not produced for audit examination. Revenue collected on these receipts could not therefore be confirmed to have been properly collected and brought account.

**2. EXPENDITURE**

**2.1 Unsupported payments Shs.17,848,521**

A test check of payments for the period under review disclosed unsupported payments of Shs.17,848,521.

**2.2 Deferred payments Shs.28,467,148**

Payments aggregating to Shs.28,467,148 properly chargeable in the years 2000 to 2003 accounts were instead met in the year 2004.

**2.3 Loan to Women Development Groups not recorded in the register  
Shs.7,900,000**

A total amount of Shs.7,900,000 was in respect of loans issued to women development groups. The loans issued were not recorded in the register for control purposes recovery of the Loans has not been evidenced.

**3. FINAL FINANCIAL STATEMENTS**

**3.1 Adoption of Final Financial Statements**

Contrary to regulation number 87 of the Local Authority Financial Memorandum (1997), the Council's accounts and Statements for the period ended 30<sup>th</sup> June, 2004 submitted to the National Audit Office for examination appeared to have not been presented to the Finance Committee for adoption.

**3.2. Revenue Collection Performance**

During the period under review the Council collected total revenue of Shs.159,032,254 from own sources against the estimated income of

Shs.278,674,508, resulting in a deficit of Shs.119,642,254. The collection included Shs.89,865,916 received from the Central Government in lieu of the abolished revenue sources.

### **3.3 Missing explanatory notes**

The council did not prepare and submit the explanatory notes in support of various summary items of accounts reported in the Balance sheet and Income and Expenditure Statement. This is contrary to regulation No. 85 of the Local Authority Financial Memorandum (1997).

### **3.4 Outstanding imprests Shs.12,330,155**

The balance sheet as at 30<sup>th</sup> June, 2004 reflected outstanding imprests totaling to Shs.12,330,155. The situation implies that no vigorous action appeared to be taken to have these imprests retired within the stipulated period. The Council management should ensure that these imprests are retired.

### **3.5 Liabilities Shs.44,288,967**

The current liabilities reflected in the Balance Sheet for the period under review amounted to Shs.44,288,967 consisting of the following:-

<b>Category</b>	<b>Amount (Shs.)</b>
Creditors	42,344,777
Deposits	<u>1,944,190</u>
<b>Total</b>	<b><u>44,288,967</u></b>

The situation suggests that no vigorous action appears to have been taken to settle these liabilities.

## **4. AUDIT CERTIFICATE**

In my opinion due to the significance of the matters specified in paragraphs 1 through 3 plus fundamental errors in the accounts as pointed out in the Management Audit Report dated 10<sup>th</sup> February, 2005, the Consolidated Balance Sheet and the Consolidated Income and Expenditure statement do not present fairly the financial position of Chunya District Council as at 30<sup>th</sup> June, 2004.