

107. IRAMBA DISTRICT COUNCIL FOR THE SIX MONTHS PERIOD ENDED 30th JUNE, 2004

1. REVENUE

1.1 Revenue collection performance:

As against the estimated income of 39,977,600, Shs.20,643,722 was collected by the council from own revenue sources during January-June 2004, hence registering a deficit of Shs.19,333,878 or 48% of the revenue estimates for the period. In addition, the council does not maintain a tax payer's register, hence resulting in weak controls in revenue collections. Unrealistic budgeting and less efforts exerted in revenue collection could be the cause of a deficit budget.

1.2 Revenue earning receipt books not produced

Revenue earning receipt books as summarized below were not produced for audit examination.

Type of books	Quantity	Value
GRR (open)	4	Open
CHF.OPD @ 1,000	<u>7</u>	<u>700,000</u>
Total	<u>11 Books</u>	<u>700,000</u>

As such revenues collected on them could not be confirmed to have been accounted for properly.

1.3 Revenue collected not accounted for Shs.1,863,000

A total of Shs.1,863,000 being revenues collected from land survey fees was not brought to account. Follow up action to ensure remittance of the money appears to be very minimal. As such a question of a loss of the money cannot be ruled out.

2. EXPENDITURE

2.1 Missing acknowledgement receipts Shs. 52,966,318

Acknowledgement receipts for Shs.52,966,318 being statutory deductions paid to various institutions were not produced for audit in order to confirm that the payments had been received by the proper payees. Instances have occurred that such payments had fallen in wrong hands.

2.2 Anomalies in Expenditure

The following anomalies were noted during the audit:

	Shs.
2.2.1 Missing paylists/payrolls	33,347,950
2.2.2 Stores not taken on ledger charge	11,655,950
2.2.3 Unreceipted allowances	5,900,000
2.2.4 Missing payment vouchers	<u>430,000</u>
Total	<u>51,333,900</u>

Without the missing documents and confirmation that the stores not taken on ledger charge were delivered, accounted for in stores ledgers, and utilized as planned after having been issued, the total expenditure incurred cannot be accepted as a proper charge to the public funds.

3. FINAL FINANCIAL STATEMENTS

3.1 Debtors Shs.68,432,286

The balance sheet as at 30th June, 2004 disclosed the existence of debtors totaling Shs.68,432,286 as indicated below:-

Category	Amount (Shs)
Special imprests	3,063,432
Salary advances	1,280,720
Advances General	42,427,600
Debtors & WDF	<u>21,660,534</u>
Total	<u>68,432,286</u>

Immediate clearance of the balances is called for.

3.2 Creditors Shs.103,009,134

The council owed Shs.103,009,134.00 to various creditors as reflected in the balance Sheet as follows:-

Category	Amount (Shs)
Deposits	35,672,756
Accruals	10,266,731
Creditors – Sundry	50,640,946
Bank overdraft	<u>6,428,701</u>
Total	<u>103,009,134</u>

Clearance of the balances is called for before the creditors opt for legal measures.

4. AUDIT CERTIFICATE

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