

111. IGUNGA DISTRICT COUNCIL FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE, 2004

1. REVENUE

1.1 Revenue collection status

Out of Shs.208,425,347 estimated to be collected by the council from own sources for the period of January, to June, 2004, Shs.232,447,998 was actually collected, registering a surplus of Shs.24,022,651 or 12% of the total budget for the period. The income collected included grants of Shs.138,905,491 received in lieu of the abolished revenue sources.

2. EXPENDITURE

A test check of payment vouchers and the related records for the period ended 30th June, 2004, disclosed the following anomalies:-

2.1	Payments not supported by acknowledgement receipts	284,892,126
2.2	Purchases of materials/services without making questions	15,331,538
2.3	Missing payment vouchers	183,231,982
2.4	Salary advances not recorded into register	8,705,119
2.5	Payments not supported by receipt paylists	6,606,000
2.6	Payments not supported by expenditure documents	11,134,000
2.7	Payments partly supported by supporting documents	4,400,000
2.8	Overpayments for photocopy services	<u>307,800</u>
	Total	<u>514,608,565</u>

This indicates some weaknesses in the expenditure controls and lack of follow up to ensure that payments made were actually received by them and not by wrong hands.

3. FINAL FINANCIAL STATEMENTS

3.1 Errors in the income statement

Total income for other charges from Treasury for the Education and Health departments were overstated in the statement of income and expenditure as follows:-

Account	Receipt No.	Amount as per receipt	Amount as per statement	Difference
ELIMU	232476 -16/2/2004	86,857,649	285,982,454	124,287,454
	237266 -13/5/2004	74,839,351		
Sub total		161,697,000	285,982,454	124,287,454
AFYA	234958 -16/2/2004	21,817,822	59,937,000	8,150,678
	237266-13/5/2004	29,968,500		
Sub total		51,786,322	59,937,000	8,150,678
Grand total		213,483,322	345,921,454	132,438,132

Unless the differences are cleared the statement of income and expenditure cannot be ruled out as correctly presented.

3.2 Debtors and Creditors outstanding

The positions of outstanding debtors and creditors as at 30th June, 2004 as reflected in the balance sheet were as follows:-

	Details	Balance (Shs)
(i)	Debtors	
	Imprest	26,608,932
	Salary Advances	10,553,451
	Sundry Debtors	32,533,704
	Advances General	12,343,890
	Total	<u>82,039,977</u>
(ii)	Creditors	
	Total	<u>58,262,400</u>

In addition, debtors balances of Shs.905,119 against the general fund account were omitted from the list of debtors reported. We call for clearance of the balances.

4. AUDIT CERTIFICATE

In my opinion, except for the matters specified in paragraphs 1 through 3 above, the Balance Sheet and the Income and Expenditure Statements present fairly the financial position of the Igunga District Council as at 30th June, 2004.