

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

**1. REVENUE**

**1.1 Revenue collection performance**

During the period of six months from 1<sup>st</sup> January,2004 up to 30<sup>th</sup> June,2004 the council collected a total of Shs.52,416,524 from own sources out of Shs.54,595,000 expected to be collected registering a deficit of Shs.2,178,476 or 3.9% of the estimated revenue.

**1.2 Comparative itemized revenue Statement Missing**

The council did not prepare and submit to audit an itemized revenue comparative statement for the year under review. Hence it could not be established in audit the revenue collection performance based on individual revenue items.

**2. EXPENDITURE**

A test check on the years accounts revealed the following irregularities:-

**2.1** Unconfirmed utilization of fuel Shs.13,151,200

**2.2** Unsupported payments Shs.40,525,534

**3. FINAL FINANCIAL STATEMENTS**

**3.1 Out – turn**

The consolidated income and expenditure statement for the period under review closed with surplus of Shs.33,310,515 arising from total expenditure of Shs.2,332,087,165 against total income of Shs.2,365,397,680 realized during the period.

**3.2 Fixed Assets Shs.4,124,097,513**

The consolidated balance sheet as at 30/06/2004 disclosed fixed assets valued at Shs.4,124,097,512. The correctness of this balance could not be confirmed as the relevant fixed assets register was not updated, an anomaly reported in paragraph 6.4 of my previous management letter for the financial year ending 31/12/2003.

### 3.3 Debtors outstanding Shs.178,280,685

The consolidated Balance Sheet as at 30<sup>th</sup> June,2004 reflected debtors of Shs.178,280,685. However, audit examination of the debtors register reflected the following balances.

Transfers	Shs.	26,280,563
Imprests	Shs.	82,760,428
Advances	Shs.	3,327,489
Vat	Shs.	10,038,318
Loans	Shs.	<u>22,155,150</u>
<b>Total</b>	<b>Shs.</b>	<b><u>144,561,948</u></b>

The result is a difference of Shs.33,718,737 to be reconciled. Clearance of these debtors is called for.

### 3.4 Creditors outstanding Shs.73,541,184

The balance sheet reported council creditors of Shs.73,541,184 as at the year end on 30<sup>th</sup> June,2004. However audit scrutiny of council records revealed that the total creditors stood at Shs.343,925,186 worked out as follows:-

<u>Category</u>	<u>Balance Shs.</u>
LAPF	51,013,284
TALGWU	3,242,082
NIC	4,280,086
WADU	547,100
Other creditors	15,359,622
Teachers liabilities (2000-04)	151,161,931
Teachers liabilities (1995-1999)	5,444,589
Other employees liabilities (2000-04)	9,891,562
Other liabilities (1995-1999)	<u>102,984,930</u>
<b>Total</b>	<b><u>343,925,186</u></b>

In addition to clearance of the creditors, the difference has to be reconciled.

## 4. AUDIT CERTIFICATE

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