

**104. MEATU DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1. REVENUE

1.1 Revenue collection performance

During the period January to June, 2004 the council collected revenue totalling shs.96,971,612 from its own sources as against the estimated income of shs.117,319,000 registering a collection deficit of shs.20,347,388 which is equivalent to 17.4% of the years revenue budget.

1.2 Arrears of Revenue shs.48,430,953

A sum of shs.48,430,950 being property tax shs.1,032,098, cotton cess shs.46,095,222, Hotel levy shs.1,048,633 and sundry revenues unremitted by the Agent (M/s Samola Saida) shs.255,000 for the period January to June, 2004 remained uncollected.

2. EXPENDITURE

2.1 Unreimbursed funds transferred without authority shs.24,567,000

A total of shs.11,997,000 was transferred from Education A/C shs.10,147,000 and Women and Youth A/C shs.1,850,000 to General Fund Account without proper authority.

Further more a sum of shs.12,570,000 was paid out of Development Account to meet expenditure of a recurrent nature contrary to financial regulations.

2.2 Compensation grants transferred in excess Shs.17,714,640

Audit scrutiny of the deposit account revealed that a total amount of Shs.63,853,685 was received from the central Government being grants in lieu of the abolished revenue sources. Further scrutiny of the expenditure documents noted that the amount transferred to General Fund in respect of this grant was shs.81,568,325 hence the account was overdrawn to the tune of Shs.17,714,640.

2.3 Unclaimed Salaries not refunded shs.1,749,200

Unclaimed salaries totalling Shs.1,749,200 relating to the period of July, 2002 to May, 2003 for six officers who are no longer in Government services were not paid back to Treasury.

2.4 Double payment of Salaries Shs.3,534,300

Scrutiny of computer payrolls of Education Account revealed that new recruited teachers were issued with two check numbers as a result two salaries were paid to them, the total of which amounted to shs.3,534,300.

3. FINAL FINANCIAL STATEMENTS

Examination of final financial statements for the six months period ended 30th June, 2004 disclosed the following:-

3.1 Consolidated Balance Sheet as at 30th June, 2004

3.1.1 Outstanding Debtors shs.97,829,641

Category	Amount (shs)
• Salary Advances	2,952,137
• Staff Imprests	12,274,624
• Other Debtors	<u>82,602,880</u>
Total	<u>97,829,641</u>

3.1.2 Outstanding Creditors shs.207,098,062

Category	Amount (shs)
• Statutory deduction	53,603,252
• Net Salary payable	89,525,513
• Unclaimed Salaries	3,001,411
• Other Creditors	<u>60,967,886</u>
Total	<u>207,098,062</u>

Action to clear the same is called for.

4. AUDIT CERTIFICATE

In my opinion the balance sheet and statement of income and expenditure present fairly the financial position of Meatu District Council as at 30th June, 2004.