

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

**1. REVENUE**

**1.1 The Out-turn on Revenue Collection**

The six months outturn on revenue collections was Shs.159,214,144 as against estimated revenue of Shs.238,689,614 resulting in an apparent shortfall of Shs.79,475,470 or 33.29% of the revenue collection target.

The collection made included grants of Shs.81,300,774 received in lieu of the abolished revenue sources.

**1.2 Missing Revenue Earning Receipt Books**

5 Revenue Earning receipt Books (Not quantified) were not produced for audit inspection. Hence revenue collected on them could not be confirmed to have been accounted for.

**1.3 Revenue Collections not Brought to Account Shs.2,678,950**

Revenue collection made by various collectors during the period from January to June,2004 was not brought to account at the District Council's Treasury. Immediate action towards recovery of the same is called for.

**2. EXPENDITURE**

Examination of payment vouchers and other related records disclosed the following irregularities:-

<b>2.1</b>	Payments not acknowledged by payees	Shs. 2,150,925
<b>2.2</b>	Irregular and/or Questionable payments	Shs. 3,448,000
<b>2.3</b>	Salary advance not posted in the Register	Shs. 506,309
<b>2.4</b>	Special Imprests not recorded in the books of accounts	Shs. 1,637,700
<b>2.5</b>	Stores purchased and paid for but not accounted for	Shs. 6,954,500
<b>2.6</b>	Unclaimed Salaries not accounted for	Shs. 423.871

**3. FINAL FINANCIAL STATEMENTS**

**3.1 Financial Performance**

The consolidated Income and Expenditure Statement for the six months indicated that the accounts closed with a surplus balance of Shs.307,707,393 arising from total expenditure of Shs.2,544,257,536 against total income of Shs.2,851,964,929 received during the period.

However, the surplus balance reflected in the statement appeared to be incorrect due to the following:-

- (a) The total expenditure figure of Shs.1,817,554,216 for recurrent expenses included in the grand expenditure figure of Shs.2,544,257,536 (i.e. excluding capital expenditure of Shs.726,703,320) differed from the total expenditure of Shs.1,743,539,649 reported in the itemized expenditure statement submitted.
- (b) The figure for the total expenditure wrongly included capital expenditure of Shs.726,703,320 which ought to have been capitalized.
- (c) Fixed assets depreciation expenses for the period under review appeared to have not been expensed in the accounts and hence omitted in the consolidated statement.

### **3.2 Outstanding Debtors and Creditors**

Examination of the balance sheet as at 30<sup>th</sup> June,2004 disclosed the following un-cleared balances.

• Debtors	Shs. 16,726,330
• Advances	Shs. 9,330,431
• Deposits	Shs. 100,062,495
• Creditors	Shs. 16,174,894

Immediate action towards clearance of the outstanding balances is called for.

## **4. AUDIT CERTIFICATE**

In my opinion, the consolidated Balance Sheet and consolidated summary, statement of Income and Expenditure present fairly the Financial position of Muleba District Council as at 30<sup>th</sup> June,2004.