

**35. BIHARAMULO DISTRICT COUNCIL FOR SIX MONTHS  
PERIOD ENDED 30<sup>TH</sup> JUNE,2004**

**1. REVENUE**

**1.1 Revenue Collection Performance**

As against Shs.238,509,636 estimated to be collected by the council during the period from January 2004 to June,2004 from own sources, only Shs.163,631,236 was collected registering a shortfall of Shs.74,878,400 being 31 percent of estimated revenue.

The collection made includes Shs.117,845,005 being grants received in lieu of the abolished revenue sources.

**1.2 Unproduced revenue Earning Receipt Books**

A total of 11 Open receipt books (not quantified) were not made available for audit examination when called for, hence revenue collected on them could not be confirmed to have been accounted for.

**2. EXPENDITURE**

Examination of payment vouchers and related records for the period under audit revealed the following irregularities:-

<b>2.1</b>	Payment not acknowledged	Shs.	10,715,260
<b>2.2</b>	Stores purchased and paid for but not delivered	Shs.	11,600,000
<b>2.3</b>	Improperly vouched Expenditure	Shs.	20,087,144
<b>2.4</b>	Deffered payments	Shs.	1,912,320
<b>2.5</b>	Stores not taken on ledger charge	Shs.	4,878,000

**3. FINAL FINANCIAL STATEMENTS**

**3.1 Out – Turn**

The consolidated income and expenditure statement for the period ended 30<sup>th</sup> June,2004 showed that the Council's accounts closed with a deficit balance of Shs.328,127,276 arising from total expenditure of Shs.2,783,593,471 against total income of Shs.2,455,466,195 received during the period.

However it was noted in audit that no charges had been expensed in the accounts in respect of the council's fixed assets depreciation charges for the period under review. This is contrary to the best accounting practice. The omission thus affected the correctness of the year's surplus reported.

### 3.2 Missing Explanatory Notes

Contrary to regulation number 85 of the Local Authority Financial Memorandum (1997), the consolidated Balance Sheet, Income and Expenditure statement for the six months period ended 30<sup>th</sup> June,2004, submitted to me for examination did not contain accounts notes to support the various summary items of the accounts reported therein.

### 3.3 Outstanding Debtors and Creditors

The balance sheet reflected the following balances:-

<u>Category</u>	<u>Amount Involved (Shs.)</u>
Loans	147,524,263
Salary Advance	9,823,720
Safari Imprests	6,025,484
Creditors	47,111,318

### 3.4 Overdrawn Deposits Shs.81,179,536

Audit examination of the deposit account revealed 14 deposit items involving Shs.81,179,536 which had been overdrawn.

## 4. AUDIT CERTIFICATE

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