

**40. NGARA DISTRICT COUNCIL FOR THE SIX MONTHS
PERIOD ENDED 30TH JUNE, 2004**

1 REVENUE

1.1 Revenue Collection Performance

As against Shs.38,116,190 estimated revenue to be collected by the Council during the period of January,2004 to June,2004 under general fund account, only Shs.27,354,686 was collected registering a collection deficit of Shs.10,761,504 or 28% of the estimates.

Further, the council received grants of Shs.58,643,188 in lieu of the abolished revenue sources.

1.2 Missing receipt Books

A total of 39 Revenue Earning Receipt Books comprising of 29 Fixed Fee receipt book and 10 open receipt books were not produced for audit though called for viz:-

<u>Type</u>	<u>Quantity</u>	<u>Value</u>
General Receipt HW5	10 (Open receipt)	-
Cost sharing receipts	29@ Shs.500/-	725,000
Total	39	725,000

Revenue collected on them, if any, could not therefore be confirmed to have been correctly received and brought to account.

2. EXPENDITURE

A test check of the six months accounts and related records noted the following anomalies:-

<u>Category</u>	<u>Amount (Shs)</u>
2.1 Payments not supported by acknowledgement receipts	6,600,000
2.2 Purchases made without competitive quotations	16,110,000
2.3 Undelivered Hospital materials	927,056
2.4 Contract agreement not produced	22,750,000
Total	46,477,056

3. FINAL FINANCIAL STATEMENTS

3.1 Out-Turn

The council accounts for the period of six months closed with a surplus balance of Shs.27,466,052 arising from total expenditure of Shs.1,845,615,640 against total income of income of Shs.1,873,081,692.

3.2 Consolidated Balance Sheet

Examination of the consolidated balance sheet as at 30th June,2004 disclosed the following outstanding balances:-

(i)	Debtors		
	Imprests	Shs.	2,137,545
(ii)	Liabilities		
	Total liabilities	Shs.	794,162,694

Since the balance sheet was not supported by explanatory notes to the items reported therein, it was not possible to ascertain the breakdown or analysis of the huge balance of the total liabilities Shs.794,162,694 reported in the balance sheet.

4. AUDIT CERTIFICATE

In my opinion, the Consolidated Balance Sheet and consolidated Summary statement of Income and Expenditure present fairly the financial position of the Ngara District Council as at 30th June,2004.