

62. BUNDA DISTRICT COUNCIL FOR THE SIX MONTHS PERIOD ENDED 30TH JUNE,2004

1. REVENUE

1.1 Revenue Collection Performance

As against Shs.86,032,395 estimated to be collected by the council for the year ended 30th June,2004 from own revenue sources, the actual collection was Shs.81,401,944 registering a collection performance level of 95% of the estimates.

1.2 Missing Receipt Books

Fifteen General Receipt Books (Open) not quantified were not produced to audit when called for. Hence revenue collected on them could not be confirmed.

1.3 Contract Agreements not produced

Between January 23rd-25th year,2004 the Council awarded tenders to several business agencies to collect revenue on behalf of the Council from its own revenue sources. The total revenue payable monthly was Shs.3,470,000. However, vital documents such as signed contract agreements were not made available to audit on request. Further still, the Council did not maintain registers of sums due from the said agencies which account for tax defaulters and revenue accruals.

2. EXPENDITURE

Examination of account records, Payments Vouchers and related supporting documents for the year under review disclosed the following irregularities:-

<u>Category</u>	<u>Amount</u>
2.1 Unclaimed salaries not accounted for	1,425,100
2.2 Accountable documents not produced for audit	59,990,770
2.3 Unvouched and improperly vouched Expenditure	11,022,812
2.4 Payments to various Institutions not acknowledged	31,442,426
2.5 Food Stuff not accounted for	5,482,225
2.6 Irregular and/or questionable Expenditure	<u>19,750,000</u>
Total	<u>129,113,333</u>

3. FINAL FINANCIAL STATEMENTS

3.1 Out - Turn

The year's accounts closed with a deficit balance of Shs.21,311,472 arising from total expenditure of Shs.2,346,643,633 against total income of Shs.2,325,332,161 received during the year under review.

3.2 Consolidated Balance Sheet as at 30th June,2004

3.2.1 Debtors Outstanding Shs.49,304,596

The Consolidated Balance Sheet as at 30th June,2004 disclosed the following uncleared debtors:-

<u>Type</u>	<u>Amount (Shs)</u>
Advances	1,711,096
Imprests	673,500
Viran T (Ltd)	18,165,000
Kilawila Camp	<u>28,755,000</u>
Total	<u>49,304,596</u>

Clearance action taken is awaited.

3.2.2 Creditors outstanding Shs.93,187,952

Creditors disclosed in the Balance Sheet as at 30th June,2004 aggregated to Shs.93,187,952 comprised of the following:-

<u>Category</u>	<u>Amount (shs)</u>
• Outstanding salaries of WEOs & VEOs	25,941,820
• LAPF	64,446,132
• Minimum compulsory Reserve Fund	<u>2,800,000</u>
Total	<u>93,187,952</u>

Early clearance of these balances is awaited.

3.2.3 Deposits – Government Grants Shs.58,193,153

The balance related to grants credited in the Deposit Account which at the year end of the period under review had not been transferred to relevant user accounts. No reasons were given for non-transferring of these funds.

4. AUDIT CERTIFICATE

In my opinion, the Balance Sheet and the consolidated summary statement of income and Expenditure present fairly the financial position of the Bunda District Council as at 30th June,2004.