



REPUBLIC OF GHANA

## Our Vision

Our Vision is to become a world-class Supreme Audit Institution delivering professional, excellent and cost-effective services.



**REPORT OF THE AUDITOR GENERAL  
ON THE  
ACCOUNTS OF DISTRICT ASSEMBLIES  
FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2019**

**This report has been prepared under Section 11  
of the Audit Service Act, 2000 for presentation  
to Parliament in accordance with  
Section 20 of the Act.**

**Johnson Akuamoah Asiedu  
Acting Auditor General  
Ghana Audit Service  
21 October 2020**

**This report can be found on the Ghana Audit Service  
website: [www.ghaudit.org](http://www.ghaudit.org)**

**For further information about the  
Ghana Audit Service, please contact:**

**The Director, Communication Unit  
Ghana Audit Service Headquarters  
Post Office Box MB 96,  
Accra.**

**Tel: 0302 664928/29/20  
Fax: 0302 662493/675496  
E-mail: [info@ghaudit.org](mailto:info@ghaudit.org)  
Location: Ministries Block 'O'**

**© Ghana Audit Service 2020**

## TRANSMITTAL LETTER

Ref. No.: AG//01/109/Vol.2/144

Office of the Auditor General

P.O. Box MB 96

Accra

GA/110/8787

21 October 2020

Tel: (0302) 662493

Fax: (0302) 675496

Dear Rt. Honourable Speaker,

### REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF DISTRICT ASSEMBLIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

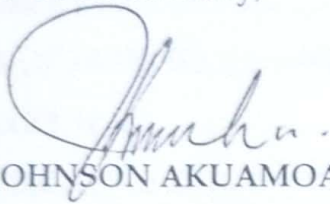
I have the honour, in accordance with Article 187(5) of the Constitution to present my Report on the audit of the accounts of District Assemblies for the financial year ended 31 December 2019, to be laid before Parliament.

2. The Report is a consolidation of the significant findings and recommendations made during our routine audits, which have been formally communicated in management letters and annual audit reports to the Assemblies. The findings herein contained are the significant unresolved issues after taking into consideration verified management responses. The report is presented in three parts. Part I outlines our mandate, scope and objectives for the audit, while Part II provides an executive summary of the results of the audit and our recommendations. Part III deals with the details of the significant findings and recommendations.

3. The report also highlights recurring irregularities which are caused by absence of sanctions against financial and administrative indiscipline, and low level of commitment by Coordinating Directors and Finance Officers towards enforcing the provisions of relevant legislation and administrative instructions.

4. I gratefully acknowledge the cooperation and assistance provided by the Chief Executives of the Assemblies and their staff during the audits. I also acknowledge and commend my staff for their invaluable contributions towards the production of this report.

5. Yours faithfully,



JOHNSON AKUAMOAH ASIEDU  
ACTING AUDITOR GENERAL

THE RT. HON. SPEAKER  
OFFICE OF PARLIAMENT  
PARLIAMENT HOUSE, ACCRA

## Table of Contents

ACRONYMS .....	4
<b>PART I</b> .....	5
MANDATE, SCOPE AND AUDIT OBJECTIVES .....	5
<b>PART II</b> .....	7
EXECUTIVE SUMMARY .....	7
<b>PART III</b> .....	14
DETAILS OF FINDINGS AND RECOMMENDATIONS .....	14
AHAFO REGION .....	14
ASHANTI REGION .....	27
BONO REGION.....	46
BONO EAST REGION.....	53
CENTRAL REGION.....	66
EASTERN REGION .....	83
GREATER ACCRA REGION .....	96
NORTH EAST REGION .....	112
NORTHERN REGION .....	115
OTI REGION .....	125
SAVANNAH REGION.....	131
UPPER EAST REGION.....	136
UPPER WEST REGION.....	144
VOLTA REGION.....	150
WESTERN REGION .....	167
WESTERN NORTH REGION .....	186

## PART III

### DETAILS OF FINDINGS AND RECOMMENDATIONS

#### AHAFO REGION

##### Introduction

41. The Ahafo region was created by C.I. 114 after it was carved out of the erstwhile Brong Ahafo Region with effect from February 2019. This report is therefore the first to be presented by the Auditor-General on the Municipal and District Assemblies under the Ahafo Region.

42. The Ahafo Region had 6 Assemblies in 2019, made up of three Municipals and three Districts. All the six Assemblies have been audited. The list of Assemblies, their legislative instruments, district capitals and status are provided as Appendix A.

##### Financial Reporting

##### Submission of annual financial statements

43. All the six Assemblies [Appendix A] submitted their 2019 financial statements for audit in compliance with Section 80 of the Public Financial Management Act, 2016 (Act 921). We also issued our opinions on the financial statements of all the six Assemblies.

##### Sources of Income

44. The six Assemblies operated with a total income of GH¢43,154,075.61 (Appendix B) during the year. This was made up of Internally Generated Funds (IGF), allocations of the District Assemblies Common Fund, Government Salary Grant and support from Ghana's Development Partners.

45. The total income of GH¢43,154,075.61 represented an increase of GH¢6,929,478.59 or 19.1% as compared to 2018 figure of GH¢36,224,597.02.

##### Internally Generated Funds

46. The six Assemblies collected total IGF revenue of GH¢8,092,038.34 (Appendix C) during the year. This represented an increase of GH¢181,323.89 as compared to the 2018 figure of GH¢7,910,714.45. Two out of the six Assemblies with increases were, Tano North Municipal (GH¢244,644.29), Tano

South Municipal (GH¢61,063.24). The other four Assemblies recorded reductions in IGF with Asunafo North Municipal and Asutifi North of GH¢61,109.41 and GH¢28,962.21, respectively.

47. The Assemblies collected IGF from, property rates, fees, licences, royalties and other miscellaneous sources for their recurrent expenditure. Ineffective collection strategies, absence of comprehensive records on properties and businesses, award of easily collectible revenues to private firms who were paid up to 30% of amounts collected as commission, all contributed to the Assemblies' reliance on external incomes from Government and Development Partners.

#### **Expenditure and Operational Results**

48. The total expenditure incurred by the six Assemblies amounted to GH¢40,343,724.85 which was less than their total income of GH¢43,154,075.61 resulting in a surplus of GH¢2,810,350.76 (Appendix D). Asutifi North and Asutifi South recorded the highest surpluses of GH¢990,244.27 and GH¢606,275.15 respectively.

#### **Assets and Liabilities**

49. Total assets of the six Assemblies as at 31 December 2019 was GH¢3,782,996.24. These comprised of Cash/Bank balances (GH¢3,727,332.74) Investment (GH¢19,850.00) and Debtors of (GH¢35,813.50). All the six Assemblies had positive cash balances with Asunafo South ending the year with the least balance of GH¢294,647.15.

50. Four Assemblies recorded liabilities totaling GH¢48,149.25 with Asunafo North reporting the highest liabilities of GH¢35,241.00

51. The bank balances, Investments, debtors and creditors in the books of the six Assemblies are attached as Appendix E.

75. We recommended that, underperforming collectors should be sanctioned. Also, the Finance Officer and Head of Revenue Unit should increase their supervision over the collectors and revenue targets set for them as a benchmark for assessing their performance.

**Misappropriation of revenue-GH¢85,760.00**

76. Regulation 46 of the Public Financial Management Regulations, 2019 (LI 2378) requires a Principal Spending Officer to ensure that Non-tax Revenue is efficiently collected and that Non-tax Revenue is immediately lodged in gross within twenty-four hours into the designated Consolidated Fund Transit bank accounts except in the case of internally generated funds retained under an enactment.

77. We noted that, two departments of two Assemblies misappropriated a total revenue of GH¢85,760.00 collected during the year under review. Details are provided below:

Assembly	Department	Nature of revenue	Amount (GH¢)
Asutifi North District	Works	Sale of tender documents	5,700.00
	Environmental Health	Screening of 1,227 food vendors	36,810.00
Asutifi South District	Environmental Health	Screening of 1,730 food vendors	43,250.00
<b>Total</b>			<b>85,760.00</b>

78. The irregularity was due to ineffective supervision over the revenue collection function of the departments by the Chief Revenue Superintendents and the Finance Officers.

79. The irregularity has denied the Assemblies of the needed revenue for their operations.

80. We recommended the recovery of GH¢85,760.00 from the Heads of Works and Environmental Health Department, failure of which the

Coordinating Directors and Finance Officers should be held liable to refund the amount.

**Unrecovered rent/fees- GH¢510,570.56**

81. Regulation 46 of the Public Financial Management Regulation, 2019 (L.I. 2378) enjoins a Principal Spending Officer to ensure that non-tax revenue is efficiently collected.

82. We noted that, four Assemblies failed to collect total rent and fees of GH¢510,570.56 from 91 individuals and organizations. Details are shown below.

Assembly	Revenue type	No. of defaulters	Amount (GH¢)
Asunafo South District	Rent	15	18,900.00
Asutifi North District	Property rate	56	461,029.03
Asutifi South District	Fees	4	24,041.53
Tano North Municipal	Fees	16	6,600.00
<b>Total</b>		<b>91</b>	<b>510,570.56</b>

83. This lapse occurred as a result of ineffective supervision on the part of the Heads of Revenue Units and Finance Officers to perform their functions as required. The situation has denied the Assemblies of funds for their operations.

84. We recommended that, legal action should be taken against the defaulters for the recovery of the amount. Furthermore, management should strengthen the revenue collection machinery of the Assemblies.

**Contract Irregularities**

**Payment for contract not fully executed - GH¢21,409.68**

85. Regulation 78 of the Public Financial Management Regulations 2019, (LI2378) states that, "A Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, that evidence of services received, certificates for work done and any other supporting documents exists".

86. We noted that, the Asutifi North Assembly paid GH¢222,028.73 to two contractors, including GH¢21,409.68 for portions of works not executed. Details are shown below.

Contract	Payee	Contract sum (GH¢)	Items not provided	Amount (GH¢)
Mechanical pushing of refuse at Kenyase No. 1&2	M/S Aggass Engineering Co. Ltd.	46,182.08	Place and spread imported laterite of 255mm thick to cover cleared surface.	14,439.68
Construction of 10-seater water closet toilet block and 10 bathrooms	M/S Bissazako Co. Ltd.	175,846.65	Naco louvres, hand wash basin (2), aprons, Concrete grade 15 kerb footing/ dwarf wall foundation and 75mm thick apron.	6,970.00
<b>Total</b>		<b>222,028.73</b>		<b>21,409.68</b>

87. The irregularity occurred because the works engineer, environmental health officer and the monitoring team negligently submitted payment certificates of satisfactory work done for payment to be made.

88. We recommended to the District Coordinating Director to recover the amounts from the Contractors or in default the works engineer, environmental health officer and the monitoring team should be jointly held responsible for the loss.

#### **Completed projects not in use-GH¢1,072,429.07**

89. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires Coordinating Directors as the Principal Spending Officers to institute proper control systems to prevent losses and wastage.

90. We noted that, Asutifi South District Assembly expended a total amount of GH¢1,072,429.07 out of a total contract sum of GH¢1,335,224.10 on three

projects but failed to put them into use after completion since January 2017 and October 2018 respectively. Details are provided below:

Project	Location	Date completed	Idle Period	Contract sum (Gh¢)	Payments to date (Gh¢)
Construction of maternity ward with mechanized borehole	Mehame	January 2017	36 months	551,273.20	478,773.20
Construction of 1No. 1 Rural Clinic with mechanized borehole	Worammuso	January 2017	36 months	534,187.40	461,687.40
Construction of 1NO. unit maternity block	Dadiesoaba	October 2018	15 months	249,763.50	131,968.47
<b>Total</b>				<b>1,335,224.10</b>	<b>1,072,429.07</b>

91. Management indicated that, the Assembly has not fully paid the contractors the sum of GH¢262,795.03 due to lack of funds. As a result, the contractors have decided not to handover the projects until the Assembly settled the outstanding amounts.

92. It is however our view that, the Assembly did not include the projects among its priority projects so as to allocate funds for the final payments of the balance due over the 36 months.

93. Whiles the beneficiary communities have been deprived of the use of the facilities, the installed equipment is also deteriorating which could result in cost overruns.

94. We recommended that, management of the Assembly should ensure that the projects are completed on time before new ones are embarked on.