

**AMANSIE CENTRAL DISTRICT
ASSEMBLY- JACOBU**

**INTERNAL AUDIT REPORT ON
TRANSPORT AND FUEL MANAGEMENT
FOR THE FOURTH (4TH) QUARTER**

2020

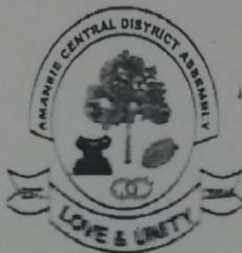
AMANSIE CENTRAL DISTRICT ASSEMBLY

In case of reply the number and date of this letter should be quoted

TEL:

Our Ref: *ACDA/S.4/12/16/01/75*

Your Ref:



CENTRAL ADMINISTRATION

OFFICE OF THE DISTRICT ASSEMBLY
POST OFFICE BOX 7
JACOBUS-ASHANTI
GHANA-W/A

19TH JANUARY, 2021

THE AUDIT COMMITTEE CHAIRMAN
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUS-ASHANTI

**SUBMISSION OF INTERNAL AUDIT REPORT ON TRANSPORT AND FUEL
MANAGEMENT FOR THE FOURTH (4TH) QUARTER 2020,**

Please find attached the Internal Audit 4th Quarter report on transport and fuel management your necessary action.

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For: THE DIST. CHIEF EXECUTIVE
(CHARLES ATTAH-MENSAH)
DISTRICT COORDINATING DIRECTOR

Cc: OFFICE OF HEAD OF LOCAL GOVERNMENT SERVICE
ACCRA.

THE HON. REGIONAL MINISTER
REGIONAL CO-ORDINATING COUNCIL
KUMASI.

THE DISTRICT CHIEF EXECUTIVE OFFICER
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUS.

THE DIRECTOR GENERAL
INTERNAL AUDIT AGENCY
PMB31 MINISTRIES
ACCRA

THE DISTRICT AUDITOR
DISTRICT "C"
KUMASI

THE PRESIDING MEMBER
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUS-ASHANTI

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1.0 EXECUTIVE SUMMARY

This report presents findings from an audit of all transport activities and the policies and procedures relating to fuel and transport management of Amansie Central District Assembly.

It fulfills the Internal Auditors role of ensuring value for money on public expenditure and the compliance of enactments, policies, standards systems and procedures of the District Assembly.

The findings and recommendations which form part of the basis of this report were discussed with the key personnel at the time of the audit. The responses received from these key personnel have been taken into account in writing this report.

1.1 SUMMARY OF FINDINGS AND RECOMMENDATIONS

Finding I: Failure to establish preventive maintenance programme

The audit revealed that the Assembly does not have any programme that prevents the vehicles from breaking down frequently.

Recommendation I

We recommended to management the establishment of a preventive maintenance programme to prevent frequent break down and motor accidents.

Finding II: Failure to maintain safety equipment on Assembly vehicles

The audit revealed that almost all the Assembly vehicles do not have safety equipments on them.

Recommendation II

The Transport Officer is urged to ensure that all safety items are on board as a matter of urgency.

Finding III: Inadequate records keeping of maintenance and servicing of Assembly's vehicles.

The audit found out that there was no system in place to record the history of repairs and maintenance undertaken on each vehicle, including the nature and results of

maintenance work done, associated cost and most importantly mileage to be covered before scheduling vehicles for the next appointment.

The audit found no records about the maintenance of Vehicle history chart at the Assembly.

Recommendation III

Management is urged to maintain a vehicle maintenance register to serve as a “one stop shop” where data on vehicles can easily be assessed.

2.0 INTRODUCTION

2.1 Background

The Amansie Central District Assembly Was established by Legislative Instrument (LI) 1774, 2004. It was carved out of the then erstwhile Amansie East District in 2004 to deepen decentralization and make local governance more effective and efficient in terms of service delivery.

This report is compiled from the various audit conducted in the course of the year according to the annual audit plan and various assignment requested by Management and the Assembly.

The report is in fulfillment of the requirements of section 175 subsection 4(b) of the Local Governance Act, 2016(Act 936). The Internal Audit Unit was given full Corporation in the course of conducting all assignments during the course of the year.

3.0 GENERAL OBJECTIVE

The Objectives of the audit were to assess the adequacy and effectiveness of Amansie Central District Assembly Internal Controls over Transport and Fuel Management and also to determine compliance with Transport and Fuel related regulations, rules and standard operating procedures.

3.1 SPECIFIC OBJECTIVES

- To determine whether the Transport Unit tracks maintenance of vehicles to ensure that maintenance is being performed on a car by car basis at regular intervals.
- To determine whether preventive maintenance programs are established by the Transport Unit.
- To identify any other weaknesses in the internal controls for transport and fuel allocation.

4.0 SCOPE AND METHODOLOGY

4.1 Scope of work

The audit scope included a review of the Transport Unit's operations for the period January to December 2020 and covered vehicle establishment, use, monitoring, maintenance and fuel management.

4.2 METHODOLOGY

The audit methodology comprised a review of policies and procedures, analysis of data and interviews with key personnel. Inspections of vehicles and documents were also made.

5.0 DETAILS OF SIGNIFICANT FINDINGS AND RECOMMENDATIONS

5.1.0 Failure to establish preventive maintenance programme

5.1.1 Criteria

Best practice requires regular servicing of vehicles at regular intervals either at a certain mileage undertaken by the vehicle or period.

5.1.2 Condition

The audit revealed that the Assembly does not have any programme that prevents the vehicles from breaking down frequently.

5.1.3 Cause

The cause was due to the failure by management to adhere to best practice concerning vehicle maintenance.

5.1.4 Effect

This could lead to accidents, frequent maintenance on the vehicles and consequently an increase in maintenance cost.

5.1.5 Recommendation

We urged management to establish such a programme to prevent frequent break down and motor accidents.

5.1.6 Management response

Management will ensure that a preventive programme is established in order to avoid frequent maintenance on Assembly vehicles.

5.2.0 Failure to maintain safety equipment on Assembly vehicles

5.2.1 Criteria

Ghana's traffic laws require safety equipments to be kept in vehicles at all times. These include;

- Two standard advance warning triangles
- First aid box with basic components
- Fire extinguisher (recharge after every 6 months)
- Spare tyres in good condition
- Reflectors
- Lamps or Torch
- Toolbox with basic components

5.2.2 Condition

The audit revealed that almost all the Assembly vehicles do not have these safety equipments in them. See Appendix 1.

5.2.3 Cause

This could be due to disregard of the above quoted law.

5.2.4 Effect

The safety of our drivers and staff on the road is not guaranteed with the absence of these safety equipments.

5.2.5 Recommendation

The Transport Officer is urged to ensure that all safety items are on board as a matter of urgency.

5.2.6 Management's Response

The necessary steps will be taken to ensure that safety items are on board in all Assembly vehicles.

5.3.0 Inadequate records keeping of maintenance and servicing of Assembly's vehicles.

5.3.1 Criteria

To ensure that servicing and maintenance work are performed on a car by car basis at regular intervals, best practice requires organisations to maintain a comprehensive maintenance register that keeps accurate records of vehicles that are sent to the garage. The register will assist management in:

- Measuring the efficiency of the Workshops, in this case Automobile Center and Kwaku Asante Fitting shop.
- Highlighting recurring issues with a vehicle which may lead to a change in the maintenance schedule.
- Ensuring effective inventory control particularly replaced vehicle parts returned from the garage.
- Identifying old vehicles that require disposal.

5.3.2 Condition

The audit found out that there was no system in place to record the history of repairs and maintenance undertaken on each vehicle, including the nature and results of maintenance work done, associated cost and most importantly mileage to be covered before scheduling vehicles for the next appointment.

5.3.3 Cause

This could be due to disregard of the above quoted law.

5.3.4 Effect

Failure to track servicing and maintenance could result in;

- Loss of funds as vehicles that are sent for maintenance might not be actually serviced or maintained.
- Difficulty in ascertaining whether mileage travelled really necessitates maintenance and servicing of vehicles.
- Situations where servicing for vehicles are delayed leading to costly repairs.

5.3.5 Recommendation

Management is urged to maintain a vehicle maintenance register to serve as a "one stop shop" where data on vehicles can easily be assessed.

5.3.6 Management's Response

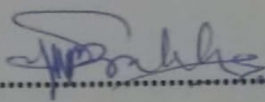
There are documentations in place regarding vehicle maintenance but are not easily accessible as they are not kept in a particular document.

6.0 CONCLUSION

The audit assessed the adequacy and effectiveness of Amansie Central District Assembly's Internal Controls over Transport and Fuel Management and also determined compliance with Transport and Fuel related regulations, rules and standard operating procedures.

There were lapses on the part of management in ensuring that the Assembly vehicles are serviced on a regular basis. Another issue raised included inadequate records keeping for the servicing and maintenance of vehicles.

We urge management to ensure strict adherence to the various laws, rules and regulations as discussed in the report.


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Brako Anthony
(Head, Internal Audit Unit)

19/01/2021

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Date

SAFETY EQUIPMENT ON ASSEMBLY VEHICLES

List of Assembly Vehicles	GN 2271-11	GW 6674-W	AW 382-W	GT 9242-X	GE 3119-Y	GV 2046-X	GV 1025-Y
Two standard advance warning triangles	X	X	X	X	X	X	X
First aid box with basic components	X	X	X	X	X	X	X
Fire extinguisher (recharge after every 6 months)	X	X	X	X	X	X	X
Spare tyres in good condition	√	X	X	X	X	X	X
Reflectors	X	X	X	X	X	X	X
Lamps or Torch	X	X	X	X	X	X	X
Toolbox with basic components	X	X	X	X	X	X	X

KEY

√ - Exist

X – Does not exist

AUDIT TITLE: TRANSPORT AND FUEL MANAGEMENT

MANAGEMENT ACTION PLAN

AMANSIE CENTRAL DISTRICT ASSEMBLY

ACTION PLAN						
S/N	Findings	Recommendation	Risk Rating of Finding	Management Comment	Implementation Date	Officer Responsible
1.	Failure to establish preventive maintenance programme	Management should establish effective maintenance & preventive programme to reduce frequent breakdowns & accidents	Medium	Management Accepted the recommendation	By 15 th of February, 2021	Transport officer
2.	Failure to Maintain Safety equipment on Assembly vehicles	Management should ensure that safety items like First aid boxes etc. are provided for all the Assembly Vehicles	High	Management Accepted the recommendation	By 31 st March, 2021	Transport officer
3.	Inadequate records keeping of Maintenance and servicing of Assembly vehicles	Management should ensure that vehicle maintenance register is maintained for all the vehicles.	Medium	Management Accepted the recommendation	By 15 th of February, 2021	Transport officer