



AMANSIE CENTRAL DISTRICT ASSEMBLY

P. O. BOX 07, JACOBUS-AKHANTI
DIGITAL ADDRESS: AV- 0030-6015



Date: 20TH OCTOBER, 2021

MEMORANDUM

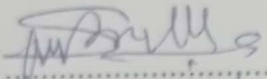
FROM: Head of Internal Audit Unit

TO: DCD

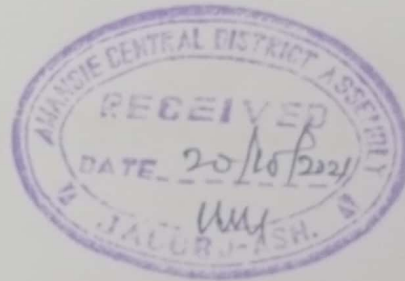
SUBJECT: Submission of Final Internal Audit Report for 3rd Quarter 2021

Please find attached Internal Audit Final Report for 3rd Quarter 2021 for your attention and necessary action.

Thank you.


.....
Anthony Brako

fevns
pls file
final
20th Oct. 2021



**AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUS-ASHANTI**

FINAL

**INTERNAL AUDIT REPORT FOR THE THIRD
QUARTER**

ON

CASH MANAGEMENT (IGF)

OCTOBER, 2021



AMANSIE CENTRAL DISTRICT ASSEMBLY



P. O. BOX 07, JACOBUS-ASHANTI
DIGITAL ADDRESS: AV- 0030-6015
Kindly quote this number and date on all correspondence

My Ref. No. SL-12/16/013/94

Your Ref. No.
Date: 20th October 2021

THE AUDIT COMMITTEE CHAIRMAN
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUS – ASHANTI

**SUBMISSION OF 3RD QUARTER 2021 INTERNAL AUDIT REPORT OF
AMANSIE CENTRAL DISTRICT ASSEMBLY.**

Please find attached the Internal Audit Report of Amansie Central District Assembly for the Third (3rd) Quarter 2021 for your necessary action.

Thank you

For: THE DIST. CHIEF EXECUTIVE
JUSTICE AMOAH
(DISTRICT COORDINATING DIRECTOR)

Cc: OFFICE OF HEAD OF LOCAL GOVERNMENT SERVICE
ACCRA.

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

THE DISTRICT CHIEF EXECUTIVE OFFICER
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUS-ASHANTI.

THE DISTRICT COORDINATING DIRECTOR
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUS-ASHANTI.

INTERNAL AUDIT AGENCY
PMB31 MINISTRIES
ACCRA

THE DISTRICT AUDITOR
DISTRICT "C"
KUMASI-ASHANTI

THE PRESIDING MEMBER
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUS-ASHANTI

THE PRESIDING MEMBER
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUS-ASHANTI

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1.0 EXECUTIVE SUMMARY

This report presents findings from an audit or assessment of all expenditure and revenue made on the Internally Generated Fund of Amansie Central District Assembly as at 30th September 2021.

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: Unretired Payment vouchers -GHC 8,208.50

The audit revealed that eight (8) payment vouchers with a value of GH¢8,205.50 were not fully retired to authenticate the payment.

Recommendation I

We urged management to properly retire all the said payment vouchers for Audit that fuel purchased amounted to GH¢450.00 were not recorded in the respective verification.

Finding II: Fuel Purchased but not recorded in vehicle log book GHC450.00

The audit revealed vehicle log books.

Recommendation II

We urged management to ensure that all fuel purchased are duly recorded in the vehicle log book to ensure transparency of fuel usage.

Finding III: Tax deducted without evidence of Tax receipt or remitted to Ghana Revenue Authority- GHC2,026.56

Management has withheld a tax amount of GHC2026.56 but there was no evidence in the form of receipts from Ghana Revenue Authority to confirm the payment.

Recommendation III

We urged management to ensure that the various tax receipts are made available to the Audit team to confirm the payments.

Finding IV: Payment without Signed Payment Sheet/ Honour Certificate- GHC1,848.00

At the end of the audit exercise we realised that a total amount of GHC1,848.00 paid to some officers without evidence of signed paid sheet or honour certificate signed by the payees.

Recommendation IV

We recommended to management to ensure that all the payees are made to sign the payment sheet to authenticate the payment.

Finding V: Payment without official receipt-GHC950.00

During the course of the audit exercise it was realised that three payment vouchers totalling GH¢950.00 were without official receipt to authenticate the payments.

Recommendation V:

We recommended to management to ensure that the receipts are obtained for audit verification.

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.

2.2 Objectives (IGF)

The objectives of the audit were:

- To ascertain whether payments are properly supported by original invoices and/or relevant documents.
- To ascertain whether payments are approved in accordance with Authority Limits and are accurately and completely recorded in the cash accounting records.
- To ascertain whether all revenue collected has been accounted for and recorded in the cash accounting records.

2.3 Scope of the Audit

The Internal Audit Unit has completed audit of the Assembly's Internally Generated Fund for the period 1st January, 2021 to 30th September, 2021.

2.5 Methodology

The audit methodology is in accordance with the standards for the Professional Practice of Internal Auditing, applicable laws and regulations and consisted of analysis of relevant documentation, process and reviews. Individual interviews were held with key personnel about their financial and administrative duties and responsibilities.

3.0 Details of the Significant Findings and Recommendations

3.1 Unretired Payment Vouchers – GHC8,208.50

3.1.1 Criteria

Section 78(1) of the public financial management regulation state that A principal spending officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity and sub-section;

- (a) state that evidence of service received, certificate for work done and any other supporting documents exists.

3.1.2. Condition

During the course of the audit exercise, it was established that eight (8) payment vouchers with a value of GH8, 205.50 were not fully retired to authenticate the payment details attached in Appendix I.

3.1.3 Cause

This was due to the laxity and disregard to the provision quoted above on the part of the officer's responsibility for its retirement.

3.1.4 Effect

The practice can lead to misuse of the scares Assembly's financial resources.

3.1.5 Recommendations

We urged management to properly retire all the said payment vouchers for Audit verification.

3.1.6 Management Response

Management agreed to ensure that all the affected payment vouchers are fully retired for audit verification.

3.2.0 Fuel Purchased but not recorded in Vehicles log Book: GH¢450.00

3.2.1 Criteria

Part xii Section 59 and 60 of the financial memoranda for MMDCA's requires a log book to be maintained for each vehicle. The driver shall enter in the log book:

- I. Full particulars of the receipts of petrol and oil and persons undertaking the journeys.
- II. Kilometer recording at all beginning and the end of each journey,
- III. The signature of the officer authorizing the use of the vehicle.

3.2.2 Condition

We noted during the course of the audit that fuel purchased amounted to GH¢450.00 were not recorded in the respective vehicle log books. Details attached in appendix II.

3.2.3 Cause

This is as a result of the transport officer and drivers concerned failure to adhere to the provisions quoted above.

3.2.4 Effect

This practice, if allowed to continue, officials of the Assembly could take advantage of the inadequate internal controls to procure fuel receipts to cover up transactions that have not occurred.

3.2.5 Recommendations

We urged management to ensure that all fuel purchased are duly recorded in the vehicle log book to ensure transparency of fuel usage.

3.2.6 Management Response

Management responded that they have provided log book for all the vehicles and will ensure that the said fuel purchased are properly logged for audit verification.

3.3.0 Tax Deduction without evidence of tax receipt or remitted to GRA- GH¢2,026.56

3.3.1 Criteria

Section 116 and 117 of the Income Tax Act, 2015 (Act 896) requires a withholding agent to deduct tax and pay to the commissioner a tax that has been withheld within

15 days after the end of the month in which the payment subject to withholding tax was made.

3.3.2 Condition

It came to light after the end of the audit exercise, that management has withhold a tax totalling GH02026.56 but there was no evidence in the form of receipts from Ghana Revenue Authority to confirm the payment. Details attached in appendix III.

3.3.3 Cause

This is as a result of the District Finance Officer failure to produce the tax receipts to confirm the payment.

3.3.4 Effect

Failure to remit withheld tax to GRA on time could attract penalties which can put financial burden on the Assembly and also denied the government the necessary tax revenue for its developmental agenda.

3.3.5 Recommendation

We urged management to ensure that the various tax receipts are made available to the Audit team to confirm the payments.

3.3.6 Management Response

Management responded that they will produce the receipt from GRA to confirm the payments.

3.4.0 Payment without Signed Payment Sheets/Honour Certificate GH¢1,848.00

3.4.1 Criteria

Part ix (21) of the financial memoranda for MMDAs 2004, state that all vouchers in respect of claims for the refund of transport and other expenses for which receipts cannot be obtained shall bear the certificate signed by the payee.

3.4.2 Condition

At the end of the audit exercise we realised that total amount of GH01848.00 paid to some officers were without evidence of signed paid sheet or honour certificate signed by the payees. Details attached in appendix IV.

3.4.3 Cause

This is as a result of disregard for the provisions quoted above.

3.4.4 Effect

This practice made it difficult to authenticate the payment.

3.4.5 Recommendations

We recommended to management to ensure that all the payees are made to sign the payment sheet to authenticate the payment.

3.4.6 Management Response

Management responded that they will ensure that the officers signed the payment sheets for audit inspection.

3.5.0 Payment without Official Receipts GH¢950.00

3.5.1 Criteria

Section 78(1)a of the public financial management regulations state that, a principal spending officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity.

3.5.2 Condition

During the course of the audit exercise it was realised that three payment vouchers totalling GH¢950.00 were without official receipts to authenticate the payments.

3.5.3 Cause

This is a result of non-adherence to section 78(i) of the public financial management regulations.

3.5.4 Effect

This practice could lead to misappropriation of funds.

3.5.5 Recommendation

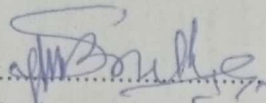
We recommended to management to ensure that the receipts are obtained for audit verification.

3.5.6 Management Response

Management responded that the receipts would be obtained for audit inspection and attached to the payment voucher.

4.0 Conclusion

We are grateful to management for their cooperation and support during the entire exercise. We also entreat management to ensure that the agreed management action plan of full implement of the recommendations is strictly adhere to.


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Brako Anthony
(Head of Internal Audit Unit)

20TH OCTOBER, 2024
.....
Date

**Amansie Central District Assembly
Management Action Plan
Internally Generated Fund (3RD Quarter, 2021 Audit)**

S/N	Findings	Recommendation	Risk Rating of Finding (High, Medium, Low)	Management Comment	Implementation Date	Officer Responsible
1.	Unretired Payment vouchers- GH¢8,208.00	We urged management to properly retire all the said payment vouchers for Audit that fuel purchased amounted to GH¢450.00 were not recorded in the respective verification.	High	Management agreed to retire all the Payment vouchers for Audit Inspection.	By 20 th November 2021	District Finance Officer
2.	Fuel Purchased but not recorded in vehicle log book- GH¢450.00	We urged management to ensure that all fuel purchased are duly recorded in the vehicle log book to ensure transparency of fuel usage.	Medium	Management said all the vehicles have log books and will ensure that fuel purchased are recorded	By 22 nd November ,2021	District Finance Officer
3.	Tax deducted but not remitted to Ghana Revenue Authority	We urged management to ensure that the various tax receipts are made available to the Audit team to confirm the payments.	High	Management assured the Auditors to produce the receipts to confirm the payment.	By 20 th November ,2021	District Coordinating Director/District Finance Officer

4.	Payment without signed Pay Sheet GHC1,848.00	We recommended to management to ensure that all the payees are made to sign the payment sheet to authenticate the payment.	High	Management agreed to let the officers sign the payment sheet.	By 20 th November, 2021	District Finance Officer
5.	Payment without official receipt GHC950.00	We recommended to management to ensure that the receipts are obtained for audit verification.	High	Management agreed to provide the receipts	By 20 th November, 2021	District Finance Officer



Justice Amoah

(District Coordinating Director)

AMANSIE CENTRAL DISTRICT ASSEMBLY
STATUS OF IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATION-THIRD QUARTER 2021

NO	Audit Findings	Recommendations	Responsible Officer	Implementation Status	Timeline	Remarks
1.	Unretired Payment vouchers - GHC 8,208.50	We urged management to properly retire all the said payment vouchers for Audit that fuel purchased amounted to GH¢450.00 were not recorded in the respective verification.	DFO	The necessary documents have been obtained and attached to the payment vouchers.	Two(2) weeks from date of report	No further action required
2.	Fuel Purchased but not recorded in vehicle log book GHC450.00	We urged management to ensure that all fuel purchased are duly recorded in the vehicle log book to ensure transparency of fuel usage.	DFO	The log book has not been updated	Three(3) weeks from date of report	Pending
3.	Tax deducted without evidence of Tax receipt or remitted to Ghana Revenue Authority- GHC2,026.56	We recommend that all items purchased must pass through store records for verification by Auditors.	DCD/DFO	The withholding tax has been paid to the Ghana Revenue Authority.	Two(2) weeks from date of report	No further action required
4.	Payment without Signed Payment Sheet/ Honour Certificate-GHC1,848.00	We recommended to management to ensure that all the payees are made to sign the payment sheet to authenticate the payment.	DFO	The payment sheet has been signed by the Payees	Three(3) weeks from date of report	No further action required