



AMANSIE CENTRAL DISTRICT ASSEMBLY

JACOBU-ASHANTI

FINAL

INTERNAL AUDIT REPORT FOR THE
FIRST QUARTER 2021

ON

CASH MANAGEMENT

31ST MARCH 2021

AMANSIE CENTRAL DISTRICT ASSEMBLY

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

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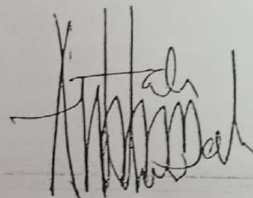
26TH April, 2021

THE AUDIT COMMITTEE CHAIRMAN
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUSHANTI

SUBMISSION OF 1ST QUARTER 2021 INTERNAL AUDIT REPORT OF AMANSIE CENTRAL DISTRICT ASSEMBLY

Please find attached the final Internal Audit Report of Amansie Central District Assembly for the first (1st) Quarter 2021 for your necessary Action.

Thank you



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 COORDINATING COUNCIL
KUMASI-ASHANTI

THE DISTRICT CHIEF EXECUTIVE
AMANSIE CENTRAL DISTRICT ASSEMBLY
JACOBUSHANTI
THE DIRECTOR GENERAL

INTERNAL AUDIT AGENCY
PMB31 MINISTRIES
ACCRA

THE DISTRICT AUDITOR
DISTRICT "C"
KUMASI-ASHANTI

AMANSIE CENTRAL DISTRICT ASSEMBLY

(INTERNAL AUDIT UNIT)

FINAL INTERNAL AUDIT REPORT OF

AMANSIE CENTRAL DISTRICT

ASSEMBLY

FOR FIRST QUARTER 2021

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1.0 EXECUTIVE SUMMARY

We have reviewed the cash management and other control processes of Amansie Central District Assembly for the first Quarter 2021 based on the approved annual risk based Internal Audit Plan for 2021

The audit identified five main findings together with their appropriate respective recommendations as follows;

- Unpresented payment voucher: During our review, it was discovered that one payment voucher covering an amount of GH¢7,000.00 was not presented for audit. We recommended to management to produce the said payment voucher for our verification.
- Payment without monitoring report: The audit also revealed that there was one particular payment voucher without monitoring report. We urged management to ensure that monitoring report is attached to the said payment voucher within the stipulated time.
- Insufficient acquaintance payment vouchers: The audit revealed that some payment vouchers totaling GH¢36,650.00 were not fully acquitted. We urged management to fully acquit all the affected payment vouchers within the agreed stipulated time.
- Payment without supporting documents: In our review, it was found that payment vouchers with a total value of GH¢6,000.00 were without the appropriate attachments. We urged management to attach all the necessary supporting documents within the agreed stipulated time.
- Market Stores rent in arrears GH¢38,230.00. We recommended to Management to support the Revenue Unit with the requisite resources to retrieve on the arrears before the year ends.

2.0 GENERAL INTRODUCTION

We have examined the cash management and other Internal Control processes of Amansie Central District Assembly for the period 1st January 2021 to 31st March 2021. This is in accordance with Section 83 of the public financial management Act of 2016 (Act 921). We have discussed our audit observations with the key management personnel of the Assembly and also included in this report management responses and comments before coming out with this final report.

2.1 Background

The Internal Audit report of Amansie Central District Assembly was carried out as part of the Internal Audit risk based Internal Audit plan for 2021. Amansie Central District Assembly is one of forty-three Administrative Districts in Ashanti Region with its headquarters at Jacobu.

The Amansie Central District Assembly exist to improve the living standards of the people in the District through the creative exploitation of our human and natural resources as well as collaboration with relevant stakeholders to implement programmes and project relating to human development, income generation, employable skills and infrastructural development. During our previous audits on cash management and Internal Controls management took the necessary steps to implement all recommendations made without any outstanding issue. It is our fervent hope that management will take the needed steps to address all the issue raised in this report

2.2 Scope

The audit included a review of cash management of all the Assembly accounts and Internal Control process for the period 1st January 2021 to 31st March 2021.

2.3 Objectives

The main objectives of the audit were;

- i. To ascertain whether the Internal Control processes put in place by management are working and also adequate.
- ii. To ensure that disbursement and procurement conformed to existing rule and regulations.
- iii. To ascertain whether all stores received and issued were properly documented.

2.4 Audit Methodology

The audit methodology consisted of analysis of relevant documentations, process review and verifications. Individual interviews were held with the units and departmental heads concern. The five fundamental attributes of criteria, conditions, effects, cause and recommendation were considered. Management responses where appropriate were also included in this report.

2.5 Audit Team

<u>Name</u>	<u>Position</u>
1 Mr. Anthony Brako	Principal Internal Auditor
2 Mr. Owusu Afriyie	Internal Auditor
3 Mr. Douglas Ogyam Duffour	Assistant Internal Auditor

3.0 DETAILED AUDIT FINDINGS

3.1 Finding I: Unpresented Payment Voucher GH¢7,000.00

Criteria

Regulation 78 (a to c) of Public Financial Management Regulation 2019 L.I 2378 states “A Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy and legality of the claim for the payment; that evidence of services received, certificates for work done and any other supporting documents exists; that the commitment for the payment has been approved in accordance with these Regulation through the Local Finance Management Information System.”

Condition

In our review we noted that a payment voucher with total amount of GH¢7,000.00 from the DACF account was not presented for audit. See appendix 1.

Cause

The lapse was as a result of the Accountant’s failure to produce these payment vouchers for audit.

Effect

In the absence of the payment vouchers, we could not confirm whether those transactions actually took place and value for money derived.

Recommendation

We recommended to management to produce this payment vouchers for our inspection or refund the amount to the Assembly’s Account.

Management Response

Management agreed to look for the said missing payment voucher and produce for audit inspection.

3.2 Finding II: Payment without monitoring report

Criteria

Regulation 80 (1-2a, b) of Public Financial Management Regulation 2019 L.I 2378 states "A Principal Spending Officer shall as a condition for certifying completion of works and large supply of goods, inspect the physical output of works and supplies in the field.

Inspection of completion of works and large scale supplies shall be carried out

- (a) before a progress payment required under a contract is made, in order to certify progress of works and supplies required for the progress payment; and
- (b) when works and supplies are fully completed.

Condition

On the contrary, we observed during the audit that the Assembly made payments to a contractor for work done without the Assembly's monitoring report. See appendix 1.

Cause

This is as a result of non-adherence to the above quoted Financial Memoranda.

Effect

The absence of a monitoring report undermines the objective for which the monitoring team was set up. We could not ascertain whether the projects were executed in accordance with specifications and whether or not there was value for money.

Recommendation

We urged management to ensure that all payments are supported with monitoring report before payments are made.

Management Response

Management agreed to attach the affected payment vouchers with the monitoring reports

3.3 Finding III: Insufficient acquitted Payment Vouchers

Criteria

Regulation 82[2a and c] of Public Financial Management Regulation 2019 (L.I 2378) states "A Spending Officer and the head of account shall ensure the validity, accuracy and legality of the claim for payment and that an invoice, a certificate statement and a complete set of supporting documents have been recorded in the Ghana Integrated Financial Information System.

Condition

In our review we noted that expenditure supporting documents valued at GH¢36,652.50 were not fully acquitted. Out of the total amount of GH¢36,652.50 supporting documents for GH¢30,206.50 were attached to the payment voucher, thereby leaving a balance of GH¢6,446.00 yet to be accounted for such as distribution list, Invoices, estimates were not provided to authenticate payments on paid vouchers. See appendix 2.

Cause

The lapse was as a result of financial indiscipline on the part of the District Assembly

Effect

The practice could be an indication that monies had been paid for unauthorized purposes or create avenue for misappropriation of funds and fraud.

Recommendation

We recommended to management to authenticate the payments or the officers should refund the total amount of GH¢6,446.00.

Management Response

Management agreed to acquit all the payment vouchers and produce them for audit inspection.

3.4 Finding IV: Payment without supporting documents

Criteria

Regulation 78 (a to c) of Public Financial Management Regulation 2019 L.I 2378 states "A Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy and legality of the claim for the payment; that evidence of services received, certificates for work done and any other supporting documents exists; that the commitment for the payment has been approved in accordance with these Regulation through the Local Finance Management Information System."

Condition

In our review we noted that payment vouchers with a total value of GH¢6,000.00 for the payment of various expenses were without the relevant supporting documents mandating the District Finance Officer to effect payment. See appendix 1 and 2.

Cause

This is as a result of the failure on the part of the Finance Officer to ensure that all payment vouchers are properly supported before payment is made.

Effect

The transaction could therefore not be authenticated and this could result in loss of funds to the Assembly.

Recommendation

We recommended to management to authenticate the payments or the officers should be made to refund the total amount of GH¢6,000.00.

Management Response

Management assured the audit team that all the necessary documents will be provided within the agree time

3.5 Finding V: Default in Market Stores Rent GH¢ 38,230.00

Criteria

Bye-law No. 5 of the Amansie Central District Assembly states that , “ All rents shall be payable monthly, weekly or daily in advance and in the case of monthly or weekly occupants shall expire on the last day of the month or week in which rent have been paid.”

Condition

In our review we noted that some occupants of the stores in the market owed the Assembly an amount of GH¢ 38,230.00 in arrears. See appendix 3.

Cause

This is as a result of management failure to apply and enforce the Assembly’s Bye-laws.

Effect

This can affect management ability to achieve their revenue targets for 2021 as projected in the budget.

Recommendation


We recommended that the District Co-ordinating Director should support the revenue Unit with the requisite resources to enforce bye-laws and enable them achieve their revenue targets for the year.

Management Response

Management agreed to assist the Revenue Unit to retrieve the said arrears

4.4 CONCLUSION

The overall internal controls at the Assembly are fairly good. We however observed the above mentioned controls weakness as outlined in the report. We urged management to assure compliance to the regulations and consider the recommendations made so as to ensure the effective controls are put in place to reduce risk to acceptable level.


Peter Anthony
Head, Internal Audit Unit

26/09/2021
Date

Appendix 1

DISTRICT ASSEMBLY COMMON FUND

Unpresented Payment Voucher

Date	PV No.	Payee	Details	Amount ₵
04/02/2021		DCD	Payment of new year school	7,000.00
		Total		7,000.00

Payment without monitoring report

Date	PV No.	Payee	Details	Amount ₵
25/02/2021		Asupal Company Ltd.	Pavement of DCE'S residence	11,860.00
		Total		11,860.00

Appendix 2

Payment without supporting documents -IGF

Date	PV No.	Payee	Details	Amount ₵
10/03/21	02/02/21A	DCD	DCE's accountable imprest	1,000.00
16/03/21	05/03/21	DCD	Hosting of official guest from Accra and Kumasi	4,000.00
25/02/21	37/02/21	DCD	Hosting of officials from Common Fund secretariat	1,000.00
		Total		6,000.00

Insufficient acquitted Payment Vouchers-DACF

Date	PV No.	Payee	Details	Amount ₵	Amount ₵
02/02/21	13/02/21	DCD	Filling of pot holes	4,050.00	1,150.00
17/02/21	17/02/21	DCD	Public Health Emergency meeting	1,480.00	400.00
17/02/21	25/02/21	DCD	Fuel and Lunch for revenue generation	3,630.00	650.00
17/02/21	30/02/21	DCD	Purchase of cash book	2,668.00	489.00
17/02/21	31/02/21		Inauguration of area councils	23,918.00	3,557.00
24/02/21	31/02/21	DCD	GIFMIS workshop	906.50	200.00
		Total		36,652.50	6,446.00

KKKKAppendix 3

NO	STORE NO.	NAME	RECEIPT NO.	DATE	NO. OF MONTH OWNED	RENT PER-MONTH (GH¢)	ADV. RE-PAYMENT /MONTH (GH¢)	RENT OWNED TO DATE	ADV.RENT PAID TO DATE (GH¢)	TOTAL (GH¢)
	DOWN LS									
1	ACDA/LS/01/12	NANA FOSU KWADWE ABIRI	NO ADVANCE PAID	01/2014-12/2018 01/2019 - 05/2021	60 29	15.00 50.00		900.00 1,450.00		2,350.00
2	ACDA/LS/02/12	FRANCIS ARKO KWAKU	3476241	07/2015 - 12/2018 01/2019 - 05/2021	39 29	15.00 50.00		585.00 1,450.00		2,035.00
3	ACDA/LS/03/12	ROSE ADJEI	3476240	02/2019 - 05/2021	28	50.00		1,400.00		1,400.00
4	ACDA/LS/04/12	COMFORT ASARE	14/9368139	03/2019 - 05/2021	27	50.00		1,350.00		1,350.00
5	ACDA/LS/05/12	AKWASI BOAKYE	3475908 14/9370603	03/2019 - 05/2021	26	50.00		1,300.00		1,300.00
6	ACDA/LS/06/12	NANA TWUMASI ANKRAH	3476235	02/2017-12/2018 01/2019 - 05/2021	23 29	15.00 50.00		345.00 1,450.00		1,795.00
7	ACDA/LS/07/12	JOHNSON KWAKYE	3476235 14/9372398	01/2017-12/2018 01/2019 - 05/2021	23 29	15.00 50.00		345.00 1,450.00		1,795.00
8	ACDA/LS/15/12	COMFORT APPIAH	14/5179673 14/9372387	02/2019 - 05/2021	28	50.00		1,400.00		1,400.00

9	ACDA/LS/16/12	RICHARD BOADI	3476242 14/9370664	09/2015 - 12/2018	40	15.00			600.00		2,050.00
10	ACDA/LS/17/12	DEDE APPIAH EMMANUEL	3476237 14/5180742	01/2019 - 05/2021	29	50.00			1,450.00		1,450.00
11	ACDA/LS/18/12	VERONICA ASANTE	3476244	01/2014- 12/2018 01/2019 - 05/2021	60	15.00	5.00		900.00		2,350.00
12	ACDA/LS/19/12	CHRISTIANA FRIMPONG	3476236	05/2017 - 12/2018 01/2019 - 05/2021	20	15.00			300.00		1,750.00
13	ACDA/LS/20/12	COMFORT ADDAI	3476236 14/9370660	02/2017- 12/2018 01/2019 - 05/2021	23	15.00			345.00		1,795.00
14	ACDA/LS/21/12	NANA KONADU YIADUM		05/2019 - 05/2021	25	50.00			1,450.00		1,250.00
	TOP										
15	ACDA/LS/08/12	APPIAH ATOPRA	3476243 14/9370604	01/2019 - 05/2021	17	40.00			680.00		680.00
16	ACDA/LS/09/12	SMALL SCALE MINERS	3475906	01/2014 - 12/2018 01/2019 - 05/2021	60	10.00			600.00		1,760.00
17	ACDA/LS/10/12	SMALL SCALE MINERS	3475906	01/2014 - 12/2018	60	10.00			600.00		1,760.00

AUDIT TITLE: CASH MANAGEMENT

MANAGEMENT ACTION PLANS

AMANSIE CENTRAL DISTRICT ASSEMBLY

ACTION PLAN						
S/N	Findings	Recommendation	Risk Rating of Finding	Management Comment	Implementation date	Officer Responsible
1	Unpresented payment voucher	We recommended to management to produce the payment voucher for audit inspection	High	Management agreed to provide the payment voucher	By ending of June 2021	District Officer Finance
2	Payment without monitoring Report	We urged management to ensure that payments that are supposed to be attached with monitoring reports are attached to PV	Medium	Management agreed to attach monitoring report to payment voucher	By May ending 2021	The monitoring Team
3	Insufficient a of payment vouchers (IGF and MP common fund)	We recommended to management to ensure that the payment vouchers are produced with the necessary documents to authenticate the payment	High	Management agreed to acquit all the payment vouchers for audit inspection	By 15 th June 2021	District Officer Finance
4	Market stores defaulters ¢38,230.00	We recommended to management to provide logistic support to revenue unit to ensure that all the arrears are retrieved without delay	Medium	Management agreed to support the Revenue unit with the appropriate logistic to retrieve all the arrears	By end of November 2021	Revenue Head