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The Presiding Member
Asante Akim Central Municipal Assembly
Konongo

ANNUAL AUDIT REPORT ON THE ACCOUNTS OF ASANTE AKIM CENTRAL MUNICIPAL ASSEMBLY FOR THE YEAR ENDED 31 DECEMBER 2019

This report relates to the annual audited accounts of the Asante Akim Central Municipal Assembly for the year ended 31 December 2019. Attached to this report are thefollowing financial statements:-

- a. Revenue and Expenditure accounts for the year ended 31 December 2019;
- b. Statement of Accumulated Reserves for the year ended 31 December 2019;
- c. Balance Sheet as at 31 December 2019;
- d. The Cash Flow for the year ended 31 December 2019; and the
- e. Notes to the Financial Statements.

Audit Objective.

2. The audit was to express an opinion on the accounts for the fiscal year ended 31 December 2019. To achieve this, we carried out test checks on the Balance Sheet figures to ensure accuracy and completeness. We also carried out other audit procedures and tests in accordance with generally accepted auditing and accounting standards.

State of Accounts

3. The accounts of the Assembly were properly prepared. The accounts for the year were presented in 6 February 2020, in compliance with Part VII, Section 78 of the Financial Memoranda (FM) for MMDA (2004).

Estimates

4. Estimates for the year 2019 were prepared and approved by the General Assembly in accordance with Part I Section II of the Local Government Act, 1993 (Act 462).

Internal Control

5. The internal control systems in operation were generally adequate. We however, noted few weaknesses during our interim audit and these have been incorporated in our management letter for remedial action.

Financial Operations

Revenue and Expenditure

Revenue

6. The Assembly projected a total revenue GHC10,600,513.74 during the 2019 financial year. The projected figure of GHC10,600,513.74 however, include GOG for personal emoluments totaling GHC2,265,413.28 which, hitherto, had been included in the estimates of the respective Assemblies from which the staff were transferred and paid. Thus, the real estimated figure stood at GHC10,600,513.74 out of which the actual receipt amounted to a total sum of GHC6,704,925.01. A breakdown of the pattern is shown below:-

Account	Estimated Revenue (GH¢)	Actual Revenue GH¢	Variance (GH¢)
IGF	1,182,137.20	1,087,566.22	(94,570.98)
DACF	4,653,358.65	2,375,537.14	(2,277,821.51)
GOG	3,377,497.20	2,278,763.11	(1,098,734.09)
DDF & DPAT	976,219.00	776,808.27	(199,410.73)
Others	172,948.68	186,250.27	(13,301.59)
Total	10,600,513.74	6,7004,925.01	(3,895,588.73)

Revenue Performance

- 7. The Assembly generated a total of GH¢1,087,566.22 from its Internally Generated Fund (IGF) of the total revenue of GH¢6,704,925.01 received during the year. A total amount of GH¢2,375,537. 14 was also received as the Assembly's share of the Common Fund allocation for the year.
- 8. We recommended that the Assembly should intensify its revenue mobilization to generate more revenue from its traditional sources and avoid the over reliance on Central Government and the donor partners.

Expenditure

9. Similarly, the Assembly estimated to incur an expenditure of GHC10,600,513 for both recurrent and capital expenditure which also included GOG personal emolument of GHc3,267,450.00. Actual expenditure incurred for the period under review amounted to GHc6,224,700.21 resulting in a favourable budget surplus of GHc480,224.80. We encouraged management to spend within the budgeted amount. A breakdown of the expenditure pattern is shown below: -

Account	Estimated	Actual	Variance GH©
	Expenditure GH©	Expenditure GH¢	
IGF	1,182,137.20	985,319.38	196,817.82
DACF	4,653,358.40	2,231,409.61	2,421 ,948.79
DDE & UDC}	976,219.00	522,422.15	453,796.85
GOG	3,377,497.20	2,313,172.96	1,064,324.24
Others	172, 948.68	172,376.1 1	572.57
Total	10,600,513.49	6,224,700.21	4,375,813.28

Operational Results

10. Actual revenue realized by the Assembly for the year 2019 was GH¢6,704,925.01 as against a corresponding expenditure of GH¢6,224,700.21 thus resulting in a surplus of GH¢480,224.80. The amount has been transferred to the Accumulated Fund. Details are provided as follows: -

Account	Revenue GHC	Expenditure `		Surplus/Deficit GHC
IGF	1,087,566.22	-	985,319.38	102,246.84
DACF	2,375,537.14	2	2,231,409.61	144,127.53
GOG	2,278,763.1 1		2,313,172.96	(34,409.85)

Total		6,224,700.21	172,370.11	480,224.80
Others	186,250.27		172,376.11	13,874.16
DDF&UDG	776,808.27		522,422.15	254,386.12

Balance Sheet as at 31 December 2019

Current Assets - *GHC1*,179,924.13

- 11. Total assets for the Assembly during the year stood at GH¢1,179,924.45 as at 31 December, 2019.
- 12. The assets consisted of cash in hand & bank of GHcI,1 16,859.68 and receivables of GHc1,750.00 for the year under consideration.

Non-Current Assets

13. Total Non-Current Assets off Equity investment for the period stood at GHc61,314.45

Liabilities

14. There was no liability as at 31 December, 2019.

Liquidity Position

15. The year's liquidity position of the Assembly as at 31December, 2019 was adequate as the Assembly did not incur any liability.

Accumulated Fund - GH&1,179,924.13

16. The Assembly's opening reserves of GH¢699,699.33 was increased to GH¢1,179,924.13 due to excess of GH¢480,224.80 recorded at the end of the current year.

Audit Queries

17. Issues that required further action were embodied in the management letter for resolution.

Acknowledgement

18. The co-operation and assistance extended by the Assembly to the Audit Team members during the period of the audit are grateful acknowledged.

ALHASSAN ZIBLILA MAHAMA ASSISTANT AUDITOR-GENERAL For:- AUDITOR-GENERAL

Cc:- The Auditor-General (2)
Audit Service
Acera

The Regional Co-ordinating Director Regional Co-ordinating Council Kumasi

The Chief Director
Ministry of Local Government & Rural Development
Accra

The Municipal Chief Executive
Asante Akim Central Municipal Assembly
Asante - Akim

The Municipal Co-ordinating Director Asante Akim Central Municipal Assembly Asante - Akim

The Municipal Finance Officer

Asante Akim Central Municipal Assembly

Asante - Akim

The District Auditor Audit Service Konongo

The Regional Auditor Audit Service Kumasi

AUDITORS' OPINION REPORT

We have audited the financial statements of ASANTE AKIM CENTRAL MUNICIPAL ASSEMBLY on pages 1 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of managers and auditors

The Managers of the ASANTE AKIM CENTRAL MUNICIPAL ASSEMBLY are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions issued by INTOSAI. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the managers in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Assembly's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements whether caused by fraud or by other irregularity or error. In forming our opinion we have evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of **ASANTE AKIM CENTRAL MUNICIPAL ASSEMBLY** as at 31 December 2019 and its operational results and cash flow for the year then ended and have been properly prepared in accordance with the Public Financial Management Act, 2016 (Act 921).

ALHASSAN ZIBLILA MAHAMA ASSISTANT AUDITOR-GENERAL or:- AUDITOR-GENERAL