

AWUTU SENYA EAST MUNICIPAL ASSEMBLY

2024

AUDIT COMMITTEE'S REPORT



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ANNUAL REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 2024

Statement by the Chairman of the Audit Committee

The following areas should be included in the Chairman's Statement.

Functionality of the AC

The Audit Committee of the Awutu Senya East Municipal Assembly during the year 2024 carried out its functions based on the guidelines for Audit Committees and the PFM Act 2016 (Act 921). During the year under review, the Committee held three (3) regular meetings.

Summary of audit findings and recommendations,

- **Unretired impress was identified.** It was recommended that the officers involved provide receipts and other supporting documents to retire the impress. If this is not done, the amount should be adjusted to their personal advance account, as stipulated by the regulation. Management has responded that the imprest is now being retired and the supporting evidence is ready for verification and confirmation.
- **Payments were made without adequate supporting documents.**

It was recommended that to ensure transparency and accountability, the Municipal Chief Executive direct the Municipal Coordinating Director and Municipal Finance Officer to Provide a signed distribution list of beneficiaries for verification and ensure that all future payment vouchers are supported by relevant expenditure documents. Management has confirmed that the necessary documentation is available for verification and has committed to attaching supporting documents to all future payment vouchers.

- **Payment vouchers were processed without purchase orders.**

It was recommended that the Municipal Coordinating Director restructure the procurement process to ensure that all purchases are preceded by purchase orders. This would serve as a basis for receiving supplies into stores, and officers would be held accountable for any costs associated with non-compliant supplies. Management has not implemented this recommendation.

- **Payments were made without using the GIFMIS platform.**

It was recommended that appropriate sanctions be applied to the Municipal Chief Executive, Municipal Coordinating Director, and Municipal Finance Officer for non-compliance with the Public Financial Management (PFM) Act.

Management in response explained that they were unable to process transactions on the GIFMIS platform due to technical issues. They have written to the GIFMIS Secretariat to rectify the anomalies but are still awaiting feedback. Management intends to rely on the GIFMIS Secretariat's support to resolve payment issues during system downtime.

- **Non-remittance of withheld taxes**

It was realized that some taxes withheld were not remitted. It was recommended that the unremitted taxes should be paid to the Domestic Tax Revenue Department of the Ghana Revenue Authority immediately, and evidence of payment should be provided for audit verification

In response, Management mentioned that taxes have been fully remitted, and the evidence is ready for verification and confirmation.

- **Failure to allocate resources to substructures**

It was discovered that the Assembly was unable to allocate resources as required to the various substructures to function effectively. It was directed that Management should ensure compliance with District Assembly's Common Fund guidelines and transfer all required allocations to respective substructures for operations. Management Accepted the recommendation and assured future compliance

- **Non-functioning of Zonal Councils**

It was discovered that the various Zonal Councils are not functioning effectively. It was directed that Management should ensure all six Zonal Councils are resourced to function effectively and efficiently to enhance governance at the zonal council level. Management accepted the recommendation and outline steps to resource the Zonal Councils properly.

- **Delayed or abandoned projects**

It was realized that the completion of some Common Fund Projects were delayed or abandoned. Management was directed to ensure that all projects are completed before new ones are awarded.

Management in respond accepted the recommendation and outline a plan to prioritize project completion.

- **Taxes withheld not remitted**

Unremitted taxes were identified, the Committee recommended Management to pay unremitted taxes to Domestic Tax Revenue Division (DTRD) of Ghana Revenue Authority (GRA) immediately and provide evidence for audit verification

Management responded that action was taken on the above, taxes were repaid to DTRD of GRA immediately.

- **Cash payments to third parties**

Non-compliance with payment regulations was identified. Management was directed to apply sanctions under PFM Act to the Municipal Chief Executive, Municipal Coordinating Director, and the Municipal Finance Officer (MFO). Management assured that they will make third-party payments by check or bank transfer going forward. Action was taken to address the issue.

- **Unjustified payment**

It was identified that some payment were not properly justified. Municipal Coordinating Director (MCD) should ensure Municipal Finance Officer (MFO) complies with regulations. Management in response stated that when Common Funds are released, funds would be reversed back to PWD funds.

- **Unaccounted payments**

Some payments were not properly accounted for. It was directed that Management should obtain signed distribution list of beneficiaries for verification and attach relevant expenditure supporting documents to all future payment vouchers. Management responded that beneficiaries' receipts were available and ready for audit and verification.

- **Wrong classification of expenditure**

It was identified that some expenditures were not properly classified. Management was directed to ensure proper classification and reporting of expenditures.

Management accepted the recommendation and will rectify the issue, and ensure future compliance.

- **Delayed/Abandoned Projects**

It was identified that some Common Fund projects were not completed.

Complete existing projects before awarding new ones

Management accepted the recommendation and agreed to work on it

- **Unlawful Use of COVID-19 Funds**

It was indicated that there were some irregular transactions in some funds allocated to COVID-19 which was not really used in that purpose

- **Upon discussion, the Committee directed management to ensure that transactions are valid before making payments**

Management accepted the recommendation and outline steps to ensure valid transactions

- **Ongoing project delays**

Risk of contract variation, challenges, and cost overrun must be avoided therefore the Committee was directed to strictly supervise and monitor the project to ensure timely completion. Management took the recommendation into consideration and will work on it.

- **Unaccounted revenue by third-party contractor (Road Safety Management Services)**

It was recovered that some service provided were owing the Assembly. It was recommended that the Assembly recover the amount from Road Safety Management Services, pay the amount back to the assembly's bank account, provide evidence of bank statement for audit verification and review and abrogate the revenue collection contract. Management gave assurance of reconciliation of records with the revenue collecting company and stated that the actual amount to be recovered is being determined and is lower than initially thought therefore, Management will discover the exact amount:

- **Failure to Gazette Rates and Fee Fixing Resolution**

It was discovered that the Rate and Fee Fixing Resolution of the Assembly 2023 was not gazette. The Committee directed the gazette and publishing of Fee Fixing Resolution and bylaws to make them legally enforceable. Management accepted the recommendation, and will ensure the gazette subsequent Fee Fixing Resolutions.

- **Payment of undisclosed liability**

It was discovered that there was an unauthorized payment to some beneficiaries that became liabilities due to financial constraints. It was recommended for Management to recover the amount from beneficiaries and Pay back to the assembly's account with the Provision of evidence for Audit review.

Management responded to outline steps to recover the amount and provide evidence and will ensure compliance by maintaining a creditor's ledger to track liabilities.

- **Payment not processed through GIFMIS**

This was findings to non-compliance with financial regulations

It was directed that sanctions under PFM Act should be applied to the Municipal Chief Executive, Municipal Coordinating Director and the Municipal Finance Officer. Management responded that there were anomalies in budget lines hindered GIFMIS usage, they wrote to GIFMIS secretariat twice without feedback therefore, management decided to ensure full utilization of GIFMIS in future despite challenges

- **Failure to publish approved budgets since 2021**

This was matters with Non-compliance with financial regulations

It was recommended that sanctions under PFM Act should be apply to: Municipal Chief Executive, Municipal Coordinating Director and the Municipal Budget Officer. Management responded that they have submitted the proposed budget to Regional

Budget Analyst for onward submission to the Ministry but the Ministry failed to publish the budget on their website

- **Award of contracts to unqualified third-party revenue companies**

This was due to Non-compliance with PPA Act pre-qualification requirements

Management was directed Sanction officers who awarded contracts, as per PPA Act 2003 (Act 663) as amended. Management responded that the Assembly used the right process to engage contractors with records available for inspection

Support to Management

The Audit Committee supported the Management of the Awutu Senya East Municipal Assembly to improve controls and compliance with significant laws by reviewing the reports of the Internal Auditor and Management Letters verifying the various measures to improve on internal Controls.

Achievements

One notable achievement of the Audit Committee is the successful advocacy for the implementation of key recommendations on Public Projects. Through rigorous discussions and deliberations in our meetings, we identify critical issues affecting project completion, land ownership and the gazette of the Rate and Fee Fixing resolutions among others. The recommendations led to the revival of the abandoned project and the establishment of Zonal Councils Structures. This outcome demonstrates the effectiveness of the Committee's oversight role and the management's commitment to implementing our recommendation, ultimately enhancing service delivery and revenue mobilization within the organization.

Assessment of Results

A team from the Internal Audit Agency(IAA) conducted an assessment on the Committee's activities and performance during the period under review. The team commended the Committee on the information provided and on the status of implementation of recommendations.

1. Acknowledgement

I would like to extend my sincere gratitude to the members of the Audit Committee, the Internal Audit Unit Staff, the Finance Department and the Management of the Awutu Senya East Municipal Assembly for their invaluable contributions to the effective functioning of the Audit Committee. Despite the challenges encountered, their dedication and commitment have been instrumental in driving progress.

1. Report Distribution

This report is prepared in accordance with section 88(1) (b) of the Public Financial Management (PFM) Act, 2016 (Act 921); and is to be distributed in line with Section 88(2)(c) of the PFM Act, and paragraph 17 of the Guidelines for Effective Functioning of Audit Committee (Guidelines) issued by the Minister for Finance in 2023, to the following institutions and officers after endorsement by the Honorable Minister for Local Government, Chieftaincy and Religious Affairs:

- The Office of the President
- Parliament
- The Minister for Finance
- The Director General, Internal Audit Agency
- The Auditor-General
- Principal Account Holder
- Sector Minister
- Governing Board/ Council (where applicable)

2. Background and Overview

We are pleased to present the report of the Audit Committee (AC) Awutu Senya East Municipal Assembly] for the financial year ended 31st December 2024.

The AC assists the Management and the Internal Audit Unit (IAU) of the Awutu Senya East Municipal Assembly in carrying out its responsibilities as they relate to the establishment of internal controls, risk management and governance, ensuring compliance with laws, regulations and ethical standards and the review of such controls and procedures.

This report is prepared pursuant to Section 88 (1b) of the PFM Act and covers the activities of the AC (Awutu Senya East Municipal Assembly) for the year January to December 2024. The report gives the background, the formation, objectives and key activities carried out by the Committee. It also highlights the meetings and attendance, external and internal audit reports reviewed and status of implementation of audit recommendations.

2.1 Establishment and Inauguration of the Audit Committee

The Audit Committee of the Awutu Senya East Municipal Assembly was established in accordance with Section 86(1) of the Public Financial Management Act 2016, (Act 921) and Regulations 223(1) of the Public Financial Management Regulations, 2019 (L.I.2378). The Committee was constituted in line with Section 87 of the Public Financial Management Act 2016, (Act 921) with membership drawn from the Internal Audit Agency, Instituted of Chartered Accountants, Ghana and selected Assembly Members.

Details of the Committee's Inauguration include the following:

- The Audit Committee of the Awutu Senya East Municipal Assembly was inaugurated on Friday, 10th June, 2022 at the Central Regional Coordinating Council (CRCC) Banquet Hall.

- **Nathan Yankey** a representative from the Internal Audit Agency (IAA) under the direction of the director general of the Internal Audit Agency inaugurated the committee and administered the oaths of office and secrecy to members.
- The former Municipal Chief Executive (Hon. Anita Love-Obo Amissah) was present at the inauguration.
- Were the roles of the Audit Committee under the PFM Act and Guidelines (mandatory and advisory) explained? The roles of the Audit Committee under the PFM Act and guidelines that include the mandatory, advisory and support roles were clearly explained to members.
- Members of the committee were advised to collaborate effectively with the Heads of Covered Entities and Heads of Department in discharging their duties as a Committee.
- The tenure (two years) of the membership of the committee ended in June, 2024.
- Mr. Francis Obeng and Mr. Kwame Boakye were re-nominated to represent the Institutes of Chartered Accountants, Ghana (ICAG) while Mr. Martin Twumasi was also re-nominated to represent the Internal Audit Agency (IAA) on the committee.
- The Assembly was able to elect Presiding Member who was also selected and inaugurated to serve on the committee during the period under review.
- Mr. Shadrach Boakye Yiadoman Assembly Member and the chairman for Finance and Administration Committee was also nominated to serve on the committee starting from 9th August, 2024.

2.2 Reporting Responsibilities of the Head of Covered Entity

Section 85 (1) of the Public Financial Management Act, 2016 (Act 921) requires that a Principal Spending Officer shall, on an annual basis, submit the following to the Minister and Auditor-General:

- a) a report on the status of implementation of recommendations made by the Audit-General in respect of that covered entity; and
- b) a report on the status of implementation of recommendations made by Parliament in respect of that covered entity.

Section 88 (1) (a) of the Public Financial Management Act, 2016 (Act 921) requires the Municipal Chief Executive of Awutu Senya East Municipal Assembly to

- a) pursue the implementation of recommendations contained in audit reports listed in item 2.3.1 below.

- b) Prepare an annual statement showing the status of implementation of any recommendation contained in audit reports.

2.3 Roles and Responsibilities of the Audit Committee

The roles and responsibilities of the Audit Committee are provided under the Public Financial Management Act, 2016 (Act 921) and Guidelines for Effective Functioning of Audit Committees (2023) issued by the Minister for Finance.

These are categorized into:

- Mandatory Roles and Responsibilities
- Advisory Roles and Responsibilities

2.3.1 Mandatory Roles and Responsibilities

Section 88 (1) (a) of the Public Financial Management Act, 2016 (Act 921) requires the Audit Committee to ensure that the Municipal Chief Executive of Awutu Senya East Municipal Assembly pursues the implementation of recommendations contained in

- a) an Internal Audit Report.
- b) Parliament's decision on Audit-General's Report
- c) Audit General's Management Letter; and
- d) The report of an internal monitoring unit in the Awutu Senya East Municipal Assembly particularly, in relation to financial matters raised.

Section 88 (1) (b) of the Act 921 also requires the Audit Committee to ensure that the Municipal Chief Executive prepares an annual statement showing the status of implementation of any recommendation contained in

- a) an Internal Audit Report
- b) Parliament's decision on Auditor-General's Report.
- c) Auditor General's Management Letter; and
- d) The report on financial matters raised in an internal monitoring unit of the Awutu Senya East Municipal Assembly and
- e) Any other related directive of Parliament.

Section 88 (2) of Act 921 further requires that the report shall:

- a) Indicate the remedial action taken or proposed to be taken to avoid or minimize the recurrence of an undesirable feature in the accounts and operations of the Awutu Senya East Municipal Assembly
- b) Indicate the period for the completion of the remedial; and
- c) Be endorsed by the relevant sector Minister and forwarded to the Minister, Parliament, Office of the President and the Auditor-General within six months after end of each financial year.

The Audit Committee liaised with the IAA and ensured that the appointing authority complied with Regulation 220 of the Public Financial Management Regulations, 2019 (L.I.2378) in deciding on a request from management to transfer the Head of the Internal Audit Unit.

2.3.2 Advisory Roles and Responsibilities

Paragraph 10.2 of the Guidelines for Effective Functioning of Audit Committees (2023) identified the following advisory roles and responsibilities of Audit Committees.

- a) Providing advice on sound, transparent and reliable financial management practices,
- b) Ensuring the risk management process is comprehensive and effective.
- c) Helping achieve organization-wide strong and effective internal controls in the covered entity.
- d) Reviewing corporate policies relating to compliance with laws and regulations, ethics, conflicts of interest, and investigations of misconduct and fraud.
- e) Reviewing current and pending corporate governance related litigation or regulatory proceedings to which the covered entity is a party.
- f) Ensuring the internal auditors' access to the Audit Committee, encouraging communication beyond scheduled Committee meetings.
- g) Reviewing internal audit work plans, internal audit charters, risk (including fiscal risk) assessment reports.
- h) Ensuring the development, approval and update of the code of conduct. The Committee should also ensure that all employees receive the code of conduct, understand it, and obtain appropriate training regarding it.
- i) Follow up on significant issues, investigations, and disciplinary actions.
- j) Collaborating with the Internal Audit Agency to initiate investigation into matters involving fraud or misuse of public funds by the Principal Spending Officer.
- k) Reviewing audit reports for assurance on efficiency, effectiveness and economy in the administration of programmes and operations of the covered entity.

2.4 Compliance and Ethics

During the year under review, the Audit Committee ensured that Awutu Senya East Municipal Assembly operated within the legal and ethical framework, adhering to applicable regulations and industry guidelines. The committee members reviewed compliance programmes that came to their attention to assess their effectiveness and identify any gaps or areas of improvement.

3. Composition of the Audit Committee

For the period 1st January 2024 to 31st December 2024 and in line Section 87 of the PFM Act, 2016, the membership of the AC comprised the following 5 members, as shown below:

Table 1: Composition of the Audit Committee

#	Name	Designation	Institution Represented	Number of Meetings Attended
1	Francis Obeng	Chairman	ICAG	2
2	Kwame Boakye	Member	ICAG	3
3	Martin Twumasi	Member	IAA	3
4	Jones Darko Kwarteng	Member	ASEMA	3
5	Shadrack Boakye Yaidom	Member	ASEMA	2
6	Bless Aforve	Secretary	ASEMA	3

Table 2: Officers that Supported the work of the Audit Committee (Members in attendance/Co-opted Members).

#	Name	Designation
1	Hon. Anita Love Obo Amissah	Municipal Chief Executive
2	Mr. Siegfried kwame Addo	Municipal Coordinating Director
3	Mr. Kwaku Owusu Antwi	Internal Audit Unit
4	Mr. Michael Ebo Allotey	Municipal Finance Officer

The Chairperson was elected from among the independent members in line with Section 87 (4) of the Act. The Secretary to the Committee was **Bless Aforve (Assistant Director IIB)**. During the year and in accordance with paragraph 6 of the Guidelines for Effective Functioning of Audit Committee issued by the Minister for Finance (2023), the work of the AC was assisted by the following officers.

4. Activities Carried out over the Period Under Review

During the period covered by this report 1st January 2024 to 31st December 2024, the AC continued to operate under the roles and responsibilities as spelt out in the PFM Act, PFMR and AC Guidelines issued by the Minister for Finance.

4.1 Audit Committee Meetings

During the year under review, and in line with paragraph 12 of the Guideline for Effective Functioning of Audit Committee, quarterly meetings were planned to review both internal and external audit reports of Awutu Senya East Municipal Assembly as well as any monitoring reports. The Audit Committee met three (3) times in the year as follows:

Table 3: Meetings of the Audit Committee

#	Meetings	Meeting Attendance					
		Date	Chairman	Member	Member	Member	Member

	Name		Francis Obeng	Kwame Boakye	Martin Twumasi	Jones D Kwarteng	Shadrack Boakye Yiadom	Bless Aforve
1	1st Meeting	26/03 /2024	Present	Present	Present	Present	Absent	Present
2	2nd Meeting	09/08 /2024	Absent	Present	Present	Present	Present	Present
3	3rd Meeting	23/12 /2024	Present	Present	Present	Present	Present	Present
4	4th Meeting	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Special Meeting	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Special Meeting	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	Review	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4.2 Issues Reviewed by Audit Committee; Internally Generated Fund (IGF)

- **Unaccounted revenue by third-party contractor (Road Safety Management Services)**

It was recovered that some service provided were owing the Assembly. It was recommended that the Assembly recover the amount from Road Safety Management Services, pay the amount back to the assembly's bank account, provide evidence of bank statement for audit verification and review and abrogate the revenue collection contract. Management gave assurance of reconciliation of records with the revenue collecting company and stated that the actual amount to be recovered is being determined and is lower than initially thought therefore, Management will discover the exact amount:

- **Failure to Gazette Rates and Fee Fixing Resolution**

It was discovered that the Rate and Fee Fixing Resolution of the Assembly 2023 was not gazette. The Committee directed the gazette and publishing of Fee Fixing Resolution and bylaws to make them legally enforceable. Management

accepted the recommendation, and will ensure the gazette subsequent Fee Fixing Resolutions.

- **Payment of undisclosed liability**

It was discovered that there was an unauthorized payment to some beneficiaries that became liabilities due to financial constraints. It was recommended for Management to recover the amount from beneficiaries and Pay back to the assembly's account with the Provision of evidence for Audit review.

Management responded to outline steps to recover the amount and provide evidence and will ensure compliance by maintaining a creditor's ledger to track liabilities.

- **Payment not processed through GIFMIS**

This was findings to non-compliance with financial regulations

It was directed that sanctions under PFM Act should be applied to the Municipal Chief Executive, Municipal Coordinating Director and the Municipal Finance Officer. Management responded that there were anomalies in budget lines hindered GIFMIS usage, they wrote to GIFMIS secretariat twice without feedback therefore, management decided to ensure full utilization of GIFMIS in future despite challenges

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- **Award of contracts to unqualified third-party revenue companies**

This was due to Non-compliance with PPA Act pre-qualification requirements

Management was directed Sanction officers who awarded contracts, as per PPA Act 2003 (Act 663) as amended. Management responded that the Assembly used the right process to engage contractors with records available for inspection

4.2.1 Mandatory Roles

4.2.1.1 Report on the Implementation of Internal Audit Recommendations(DACF)

- **Unretired impress was identified.** It was recommended that the officers involved provide receipts and other supporting documents to retire the impress. If this is not done, the amount should be adjusted to their personal advance account, as stipulated by the regulation. Management has responded that the imprest is now being retired and the supporting evidence is ready for verification and confirmation.
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- **Upon discussion, the Committee directed management to ensure that transactions are valid before making payments**

Management accepted the recommendation and outline steps to ensure valid transactions

- **Ongoing project delays**

Risk of contract variation, challenges, and cost overrun must be avoided therefore the Committee was directed to strictly supervise and monitor the project to ensure timely completion. Management took the recommendation into consideration and will work on it.

4.2.1.2 Auditor-General's Management Letter

- **Failure to Gazette Rates and Fee Fixing Resolution**

It was discovered that the Rate and Fee Fixing Resolution of the Assembly 2023 was not gazette. The Committee directed the gazette and publishing of Fee Fixing Resolution and bylaws to make them legally enforceable. Management accepted the recommendation, and will ensure the gazette subsequent Fee Fixing Resolutions.

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Management was directed Sanction officers who awarded contracts, as per PPA Act 2003 (Act 663) as amended. Management responded that the Assembly used the right process to engage contractors with records available for inspection

4.2.1.3 Report on the Implementation of Recommendations from Public Accounts Committee

The Public Account Committee (PAC) identified two key issues which are;

- ✓ Uncompleted Common Fund bungalow Project around the Municipal Coordinating Directors residence
- ✓ Uncompleted Zonal Council structure at Ofaakor within the Municipality

The PAC recommended that Management complete this projects as soon as possible.

Management Responses

In response, Management assured that plans were underway, and funds have been budgeted for implementation within the current year.

4.2.1.4 Report on Financial Matters Raised in an Internal Monitoring Unit (where applicable)

N/A

4.2.2 Advisory Roles

Report on the Audit Committee's advice to Management on the following:

4.2.2.1 Risk Management

The Audit Committee advised that Management should provide financial support and logistics for the Internal Audit Unit to function effectively. Also to strengthen the Assembly's Risk management framework by conducting regular risk assessment to identify and evaluate potential risks and implementing proactive risk mitigation strategies.

4.2.2.2 Internal Control

The Committee continued to dwell on the assurance of Management to make sure and strengthen the control of the organization to safeguard resources of the Assembly.

4.2.2.3 Compliance with laws, regulations and ethical standards

The Audit Committee urged Management to ensure full compliance with all applicable laws, regulations, and internal policies. Also, implement regular compliance audit and timely adequate actions.

4.2.2.4 Support to Internal Audit and other Monitoring Units as well as External Scrutiny

The Audit Committee recommend Management to support Internal Audit Unit on capacity building trainings

4.2.3 Any Other Matters

N/A

4.2.4 Statement Showing the Status of Implementation of Recommendations Made in All Audit Reports as well as Parliament's Decision on the Auditor-General's Reports

The table below summarizes the total findings and recommendations made in all audit reports as well as Parliament's Decision on the Auditor-General's Reports.

Table 4: Status of Implementation of Recommendations Made in All Audit Reports

Report Type	Quarter	Title(s) of Report	Number of Findings in Reports	Related Areas of Infractions	Number of Recommendations Made	Implementation of Recommendation			Remarks
						Fully	Partially	Not	
Internal Audit Report	Q1	First Quarter Report 2024(January to March 2024)	5	Cash Management	5	✓	✓		
	Q2	Second Quarter Report 2024 (April to June 2024)	4	<ul style="list-style-type: none"> • Procurement Audit • Payroll/E SPV Audit 	4	✓			
	Q3	Third Quarter Report 2024(July to Sept 2024)	3	Transport Audit	3	✓			
	Q4	Fourth Quarter Report (October to December 2024)	5	Performance Audit Cash Management	5	✓			
	Auditor-General's Management Letter		Management Letter 2023 (DACF/IGF)						
Auditor-General's Report		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PAC Report		Public Account Committee Report	2	DACF Projects	1		✓		

Internal Monitoring Report		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recommendations from Previous Years									

During the First Quarter Report 2024, there were Five (5) audit findings with Five (5) recommendation related to Cash Management
 In the Second Quarter Report 2024, the audit findings were Four (4) with Four (4) recommendation related to Procurement and Stores Audit and Payroll/ESPV Audit
 The third Quarter Report 2024 consist of three (3) audit findings and three (3) recommendation related to transport Audit, Cash Management
 Also, the fourth Quarter Report has Five (5) audit findings with Five (5) recommendation related to Performance Audit, Cash Management etc
 The Management Letter for 2023 has Seventeen (17) DACF audit findings and Seven (7) IGF findings

The annual statements prepared by Head of Entity showing the status of implementation of audit recommendations is attached as appendices 1 to 3 to this report.

5. Savings from pursuit of implementation of recommendations

N/A

6. Challenges

N/A

7. Recommendations

The Audit Committee recommended that Management should ensure that there is a special monitoring visits to project site.

8. Conclusion

The Audit Committee of the Awutu Senya East Municipal Assembly during the year 2024, carried out its functions based on the guidelines for Audit Committee and the PFM Act 2016 (ACT 921). During the year under review, the Committee held three (3) regular meetings. The scope of work covered the discussion of the Internal Audit Reports and Management letters as well as the review of External Auditors recommendations to ensure compliance and other matters

9. Acknowledgements

(Provide narrative to include the Board/Commission/General Assembly etc, Management and Staff)



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NAME: FRANCIS OBENG
CHAIRMAN



.....

NAME: BLESS AFORVE
SECRETARY

TO: A.S. 10. V. 10

Name of Institution:

Awutu Senya East Municipal Assembly

Name of Head of Covered Entity:

SETH SABAH SEKWOONOO-BANINAI

Designation of Head of Covered Entity:

MUNICIPAL CHIEF EXECUTIVE

Signature:



Date:

23/06/25

Endorsed by Sector Minister, Ministry of Local Government, Chieftaincy And Religious Affairs

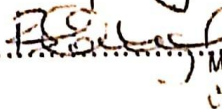
Name of Minister:

Hon. Rita Klara Odoley - Saah

Designation:

Deputy Minister

Signature:



HON. DEPUTY MINISTER
MINISTRY OF LOCAL GOVERNMENT
CHIEFTAINCY & RELIGIOUS AFFAIRS

Date:

30/06/25

11. Appendices

Appendix 1: Status of Implementation of Recommendations Contained in the Internal Auditor's Report

NAME OF PUBLIC INSTITUTION: PERIOD: JANUARY 2024 TO DECEMBER 2024												
REPORT TYPE: Internal Recommendation 1 st to 4 th Quarter 2024						NAME OF AUDIT: 2024 Internal Audit Report						
					Management Commitment Established				Remedial Action Taken			
Ref. No.	(a) Category of Audit finding /Observation	(b) Title/short description of the audit finding /Observation	(c) Amount (GH¢) (if applicable)	(d) Auditors Recommendation	(e) Category of audit Recommendation	(f) Management action	(g) Timeline	(i) Responsible Officer (Designation of the person)	(J) Remedial Action Implemented (Evidence provided) and date	(k) Confirmation of evidence and date	(l) Amount recovered (GH¢) (where applicable)	Status of Implementation and Remarks (if any)
2	Internal Control weakness	Failure to prepare Bank Reconciliation Statement		Preparation of bank reconciliation statements are a must for every entity. Such a serious document cannot be	Administrative process improvement.	Bank Reconciliation Statements have been prepared and can be verified		Finance Officer		Evidence reviewed and confirmed by Internal Audit.	N/A	Fully implemented

				left to chance								
3	Internal Control weakness	Abandoned Vehicles		Immediate repair action is needed to bring them back to the pool of vehicles and to help in refuse collection exercises	Improvement of internal controls	One NISSAN PATROL is currently under refurbishment. Refuse compactor has been repaired. TOYOTA HILUX has been repaired		Mavis Wilson Kuuburo Transport Officer		Evidence reviewed and confirmed by Internal Audit.	N/A	Fully implemented
4	Contract Irregularities	Failure to update Contract Register		The contract register must be updated	Administrative process Improvement.			Daniel Mensah		Evidence reviewed and confirmed by Internal Audit.	N/A	Fully implemented
5	Ineligible expenditure	Non-Gazette of 2024 Fee Fixing Resolution			Administrative process Improvement.			Budget		Evidence reviewed and confirmed by Internal Audit.	N/A	Not implemented

6	Cash Irregularity	Cash on Hand	GHC 150,189.00	The MCE should ensure that all cash collected is banked intact and on time as required by Part XIII Paragraph 1, 5 and 6 of the Financial Memoranda for District Assemblies 2004	Administrative process Improvement.			Account		Evidence reviewed and confirmed by Internal Audit.	N/A	Fully implemented
7	Cash Irregularity	Transactions without GIFMIS PVs	GhC342,504.37	MCE should ensure that all payments are preceded by the preparation of Payment Vouchers from GIFMIS	Administrative process Improvement.			Account			N/A	Fully implemented

				platform attached as required by the PFM Act, its Regulations.								
8	Cash Irregularity	No GIFMIS Warrants used for payment	GhC 575,574.74	MCE should ensure that all Payment Vouchers have warrants prepared from GIFMIS platform attached to them as required by the PFM Act, its Regulations	Administrative process improvement.	Management would ensure that all payments have warrants and are routed through the GIFMIS Financial platform		Account		Evidence reviewed and confirmed by Internal Audit.	N/A	Fully implemented
9	Cash Irregularity	Payment Vouchers not	GHC 373,029.48	MCE should ensure that	Administrative process	Management would ensure that all		Account		Evidence reviewed and	N/A	Fully implemented

		received / partially received		all payment vouchers are supported with verifiable receipts and other attachments to show that amounts are due and payable as stipulated by Part IX paragraph 13 (b) of the Financial Memoranda for District Assemblies 2004 and Regulation 78 (1a&1b) of Public Financial Management Regulation,	Improve ment.	payment vouchers are fully acquitted with valid receipts and made ready for verification by IAU					confirmed by Internal Audit.		
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				2019 (L.I.2378)								
10	Cash Irregularity	Payment Vouchers not receipted / partially receipted	GHC 39,733.88	MCE should ensure that all payment vouchers are supported with verifiable receipts and other attachments to show that amounts are due and payable as stipulated by Part IX paragraph 13 (b) of the Financial Memoranda for District Assemblies 2004 and Regulation	Administrative process improvement.	All receipts have been attached for your verification		Account		Evidence reviewed and confirmed by Internal Audit.	N/A	Fully implemented

				78 (1a&1b) of Public Financial Management Regulation, 2019 (L.I.2378)								
11	Cash Irregularity	Payment Vouchers not acknowledged by Receiver	GHC 137,280.96	MCE should ensure that all Payment Vouchers have been signed by persons named on the Payment Voucher as required by Part IX Paragraph 17 of the financial memoranda for District Assemblies 2004	Administrative process Improvement			Account		Evidence reviewed and confirmed by Internal Audit.	N/A	Fully implemented

12	Cash Irregularity	Non-Review of Payments by IAU	GHC 122,252.23	The MCE should ensure that all payment vouchers with all appropriate attachments are submitted to Internal Audit Unit before payments are made as required by Part XIII Paragraph 1, 5 and 6 of the Financial Memoranda for District Assemblies 2004	Administrative process Improvement	Management would take immediate action to ensure that all payment vouchers are endorsed by receivers.		Account		Evidence reviewed and confirmed by Internal Audit.	N/A	Fully implemented

13	Cash Irregularity	PVs not acknowledged by Receiver	Gh¢ 27,665.66	Persons named on payment vouchers must be made to sign after collecting money	Administrative process Improvement			Account		Evidence reviewed and confirmed by Internal Audit.	N/A	
14	Cash Irregularity	PVs not acquitted with receipts	Gh¢ 63,041.82	MCE should ensure that all payment vouchers are supported with verifiable receipts and other attachments to show that amounts are due and payable as stipulated by Part IX paragraph 13 (b) of the Financial	Administrative process Improvement	Management would ensure that the said payment vouchers are receipted and attached.		Account		Evidence reviewed and confirmed by Internal Audit.	N/A	

				Memoranda for District Assemblies 2004 and Regulation 78 (1a&1b) of Public Financial Management Regulation, 2019 (L.I.2378)								
15	Cash Irregularity	Payment Without Supporting Documents	Gh¢ 33,705.00	The MCE should urge the MCD and MFO to produce a signed distribution list of beneficiaries for verification, failing which the amount involved should be recovered	Administrative process Improvement			Account		Evidence reviewed and confirmed by Internal Audit.	N/A	

				from the authorizing and approved Officials who effected the payment. We also urged management to ensure that relevant expenditure-supporting documents are attached to all future payment vouchers.								
16	Cash Irregularity	Unpresented Payment Vouchers	GH¢ 23,560.00	MCE should ensure that all payment vouchers are entered onto cashbooks	Administrative process Improvement			Account		Evidence reviewed and confirmed by Internal Audit.	N/A	

				and kept on file for subsequent future inspection and scrutiny as required by Laws, Rules and Regulations.								
17	Cash Irregularity	Payment not Accounted for	GH¢ 13,500.00	To ensure transparency and accountability, the Principal Account Holder (Municipal Chief Executive) should urge the Municipal Coordinating Director and the	Administrative process Improvement	Action taken and payment sheets attached for verification		Account		Evidence reviewed and confirmed by Internal Audit.	N/A	

				<p>Municipal Finance Officer to produce the supporting documents for our verification, failing which the amounts involved should be recovered from the authorizing and approving officials who effected the payments. We also urged management to ensure that relevant expenditure supporting documents</p>								
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				are attached to all future payment vouchers.								

NB: To be used by public institutions for audit follow-up and to submit annual statement as required by Secs. 83(5)(e) and 88(1)(b) of Public Financial Management Act, 2016 (Act 921)

Appendix 2: Status of Implementation of Recommendations Contained in Auditor-General's / External Auditor's Management Letter

NAME OF PUBLIC INSTITUTION: AWUTU SENYA EAST MUNICIPAL ASSEMBLY												
PERIOD: JANUARY 2023 TO DECEMBER 2023												
REPORT TYPE: MANAGEMENT LETTER 2023						NAME OF AUDIT: DACF and IGF Audit						
						Date: 2023						
					Management Commitment Established				Remedial Action Taken			
Ref. No.	(a) Category of Audit finding /observation	(b) Title/short description of the audit finding /observation	(c) Amount (GH¢) (if applicable)	(d) Auditors Recommendation	(e) Category of audit Recommendation	(f) Management action	(g) Timeline	(i) Responsible Officer (Designation of the person)	(J) Remedial Action Implemented (Evidence provided) and date	(k) Confirmation of evidence and date	(l) Amount recovered (GH¢) (where applicable)	Status of Implementation and Remarks (if any)

1	Cash Irregularities	Unaccounted Revenue by 3 rd Party Revenue Contractor – Road Safety Management Services	GH¢45,900.00	The MCD is to ensure that the MFO recovers the amount of GHC 45,900.00 from Road Safety Management Services, same paid into the Assembly's bank account individually and the evidence of the bank statement presented	Administrative process.	Management responded that they had acted by writing to the contractor to refund the monies to the Assembly and ensure that all available means to retrieve the monies would be applied. They further stated that the contractor was no more in business with the Assembly		Finance Officer	Management wishes to state that a reconciliation of records between the audit team and the revenue collecting company indicates that the actual amount to be recovered is GH¢16,352.00 . Management is yet to recover the amount.	Evidence reviewed and confirmed by Internal Audit.		Partially implemented
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				<p>for audit verification. Also, the Assembly should review and abrogate the revenue collection contract with the above-named company .</p> <p>are replaced by the ECG to safeguard assets and properties .</p>		<p>and hence they would review and officially abrogate the contract.</p>						
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2	Internal Control weaknesses	Failure to gazette fees fixing resolution for 2023 rate collection	N/A	Management should ensure that the fee fixing resolution and by-laws of the Assembly are gazetted and publicized to make it legally enforceable.		Management responded that they have accepted our recommendation and would ensure that they gazette the subsequent fee fixing resolution		MFO/MBA	Gazetting of the 2023 Fee fixing Resolution is still in progress.			Not Implemented
3	Cash Irregularities	Payments Of Undisclosed Liabilities	GHC 245,282.25	In view of the above, we recommend that the amount GHC		Management responded that the payment was for genuine activities undertaken			Management wishes to state that the audit finding is about non-maintenance of Creditors Ledger. With the full			

				<p>245,282.25 should be recovered from the beneficiaries and paid back into the Assembly's account and the evidence presented for audit review.</p>		<p>by the assembly which, due to financial constraints could not be paid in the year of implementation and hence became liabilities to the Assembly. They promised to ensure compliance by ensuring that a creditors ledger is kept catering for all the Assembly's liabilities.</p>		<p>implementation of the IPSASs, all outstanding payables have been captured and a creditors ledger is now being maintained.</p> <p>This was verified by the IAU</p>			
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4	Cash Irregularities	Payments not processed through GIFMIS	GH¢ 222,676.55	Recommended that the appropriate sanctions under PFM ACTS should be emitted out to the MCE, MCD and the MFO for non-compliance.	Management responded that their attention was drawn to anomalies (negatives) in most of the budget lines by some municipal officers. These anomalies hindered the preparation of some payment orders, store receipts advices and payment vouchers. Management wrote		Verified and confirm that Management has written to GIFMIS Secretariat for assistance dated 06/02/24 Ref. on No. ASEMA/A.03/10/14/05			Issues resolvedA
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						<p>twice to the GIFMIS Secretariat on the issue but have not received feedback till date. Copies of letters were attached. Management resorted to calls, but could not solve the issue. Management then decided that since government machinery could not resolve. Notwithstanding the above</p>						
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						challenges, management would ensure that in future, GIFMIS would be fully utilized						
5	Internal Control weaknesses	Failure to submit for publication the approved budget of the assembly since 2021	N/A	Recommended that, the appropriate sanctions under the PFM ACTS should be emitted out to MCE, MCD and MBO for non-compliance.		Management responded that they submitted their proposed budget to the Regional Budget Analyst, for onward submission to the Ministry			Budget was submitted to ministry for publication but the ministry failed to publish it at the website			The Assembly's approved budget is currently on the ministry of finance website

6		Award of contract to unqualified 3 rd party revenue companies as per pre-qualification requirement of PPA act.	N/A	Recommended that officers of the assembly who avoided the contract be sanctioned in accordance with sanctions as prescribed by the PPA act 2003 (act 663) as amended.		Management responded that the assembly use the right process to engage the contractors and records are available for your inspection			The issues are resolved and can be verified.		The Internal Audit Unit (IAU) discovered that some revenue generating companies failed to register under the Public Procurement Authority (PPA) Act. Upon investigation, they found six companies with only two properly registered. The Committee instructed the IAU to notify Non-Compliance Companies requesting registration
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													and maintain records by keeping a copy of the notification on file
7	Contract Irregularities	Delayed/Abandoned projects	GHC 118,929.14	Recommended to management of the Assembly to ensure that the projects are completed before new ones are awarded		Management accepted our recommendation			Management wishes to state that in the previous year of 2022 the collection of property rate was coded to the GRA, this therefore decrease IGF of the Assembly. However, with the reversal of that decision by government, the Assembly has made				

									provision in the 2024 budget to ensure that the project is completed on schedule before any other projects are initiated from the IGF.			
8	Cash Irregularities	Unretired imprest	GHC149,644.10	We recommended that the officers involved should be made to provide receipts and other supporting documents to retire the imprest		Management responded that the imprest has now been retired and that the supporting evidence was ready for verification and confirmation.						

				failure of which the amount should be adjusted to their personal advance accounts as stipulated by the regulation stated above.								
9	Cash Irregularities	Payment without Supporting documents	GHC44,180.00	To ensure transparency and accountability, the principal account holder (MCE) should urge the MCD		Management responded that they have been fully supported and the evidence was ready for verification.			All amount has been accounted for.			

				<p>and the MFO to produce a signed distribution list of beneficiaries for verification, failing which the amounts involved should be recovered from the authorizing and approving officials who effected the payments. We also urged</p>								
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				management to ensure that relevant expenditure supporting documents are attached to all future payment vouchers.								
10	Cash Irregularities	Payment voucher without purchase order	GHC187,242.10	We recommended that the MCD should restructure the procurement processes to ensure that purchase		Management failed to provide response to this observation						

				s are proceeded with purchase orders as basis for receipts of supplies into stores or risk being surcharged with any cost associated with the supply of substandard goods or variations								
11	Cash Irregularities	Payment with the use of GIFMIS	GHC34,622.10	We recommended that the		Management responded that it was						

				appropriate sanction under the PFM act should be meted out to the MCE, MCD and MFO for non-compliance		unable to process these transactions on the GIFMIS platform and therefore took steps by writing to the GIFMIS Secretariat to help rectify these anomalies but has yet to receive feedback.						
12	Tax Irregularities	Taxes withheld not remitted	GHC9,429.50	We recommended that the unremitted of 9,429.50 should be		Management responded that taxes have been fully remitted and the						

				paid to domestic tax revenue department of the GRA immediately and provide evidence of payment for audit verification		evidence was ready for verification and conformation.						
13		Failure to allocate resources to substructures	GHC19,748.07	We recommended to management of the assembly to ensure compliance with district assemblies common		Management accepted our recommendation and assured us of future compliance .			Management responded that rent for the various Zonal Council had been paid for and added that, currently, an office is being built for them. The Committee			

				fund guidelines and transfer the required allocations to the respect substructures for the operations					emphasized that the Assembly plays a vital role in supporting the various Zonal Councils but to enhance autonomy and initiatives, all entitled funds to the zonal councils should be transferred to their Accounts to enable them make independent decisions on resource allocation to drive local development and growth			
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14	Internal Control weaknesses	Non-functioning zonal council	N/A	We recommended that they ensure that all six zonal councils are resourced to function effectively and efficiently to enhance governance at the zonal council level.					The zonal councils without office accommodation will be provided for them with office logistics. We will ensure Ofaakor zonal council will be completed. Finally, will seed viable revenue items to the zonal council to enable them meet their financial obligation			
15	Contract irregularities	Delayed/Abandoned Projects	GHC880,482.69	We recommended that the management of the Assembly					Two projects completed and in use while the other two projects are still delayed			

				y ensure that the projects are completed before new ones are awarded.								
16	Tax Irregularities	Taxes withheld not remitted	GHC4,900	We recommended that unremitted taxes of 4,900 should be paid to DTRD of the GRA immediately to provide evidence of payment for audit verification								Issues resolved

17	Cash Irregularities	Cash payment to third parties	GHC12,063.69	We recommended that the appropriate sanctions under the PFM act should be meted out to the MCE, MCD and the MFO for non-compliance		Management responded that they would ensure that henceforth all third-party payments would be made by cheque or bank transfer						Management has worked on the issue. Payment have been made
18	Cash Irregularities	Unjustified payment	GHC3,000	We recommended that the MCD should ensure that the MFO comply with the					When the common fund is paid, the money will be reversed back to the PWD funds			This was rather revealed to be a misapplication of funds, but it was rectified.

				above quoted								
19	Cash Irregularities	Payment not accounted for	GHC60,936.31	To ensure transparency and accountability, the principal account holder (MCE) should urge the MCD and the MFO to produce a signed distribution list of beneficiaries for verification, failing which the amounts		Management responded that the beneficiaries have provided receipt and these are ready for audit verification						

				<p>involved should be recovered from the authorizing and approving officials who effected the payments . We also urged management to ensure that relevant expenditure supporting documents are attached to all future</p>									
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				payment vouchers								
20	Ineligible expenditure	Wrong classification of expenditure	GHC66,375	To ensure transparency and accountability, the principal account holder (MCE) should urge the MCD, the Municipal Budget Analyst and the MFO to ensure that expenditures are properly classified		Management accepted our recommendation and assured us that the anomaly would be rectified and would also ensure future compliance.			The issue has been corrected and is available for verification			

				and reported.								
21	Contract Irregularities	Award of contract to contractor without valid documents	N/A	We recommend that officers of the assembly would award the contract be sanctioned in accordance with sanctions as prescribed by the PPA (2003) act (663) as amended should		Management responded that the contractor had been written to provide the requisite documentation, which will be made available to the audit team for verification						

				not be applied								
22	Contract Irregularities	Delayed/Abandoned projects	GHC1,419,230.94	We recommended that the management of the Assembly ensure that the projects are completed before new ones are awarded.						Management confirms that Two projects are in use		
23	Cash Irregularities	Unlawful use of covid-19 funds	GHC10,000	We urged the MCD and the MFO to ensure that transactions are valid		Management responded that it was treated under agriculture research and demonstrati						

				before payment are made.		on because that was where the activity was budgeted for.						
24		Ongoing projects	GHC41,707,684.70	We would like to urge management to strictly supervise and monitor the ongoing project in order to ensure that it is completed on time to avoid contract variations and								

				<p>other challenges that might arise as a result of a delay in its completion. To avoid cost overrun</p>									
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Appendix 3: Status of Implementation of Recommendations Contained in PAC

AWUTU SENYA EAST MUNICIPAL ASSEMBLY PERIOD: JANUARY 2024 TO DECEMBER 2024												
REPORT TYPE: PAC Recommendation					NAME OF AUDIT: Project Contract Date:							
					Management Commitment Established				Remedial Action Taken			
Ref. No.	(a) Category of Audit finding /observation	(b) Title/short description of the audit finding /observation	(c) Amount (GH¢) (if applicable)	(d) Auditors Recommendation	(e) Category of audit Recommendation	(f) Management action	(g) Timeline	(i) Responsible Officer (Designation of the person)	(J) Remedial Action Implemented (Evidence provided) and date	(k) Confirmation of evidence and date	(l) Amount recovered (GH¢) (where applicable)	Status of Implementation and Remarks (if any)
1	Project Contract		GHS0.00		Improvement of internal controls	In response, Management assured that plans were underway, and funds have been budgeted for implementation within the current year.						Partially implemented

Appendix 4: Categorization of Audit Findings/Observations

Category of Audit finding/observation	Audit findings/observations		Recommendations					
	Number	Amount (if applicable)	Number partially implemented	% of total	Number Fully implemented	% of total	Number not implemented	% of total
<i>1. Cash Irregularities</i>	8	1,740,564.66						
<i>2. Contract irregularities</i>	1	N/A						
<i>3. Inaccurate Financial Reporting</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>4. Ineligible expenditure</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>5. Internal control weakness</i>	1	-	-		1	100%	-	-
<i>6. Outstanding debtors/advances</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>7. Outstanding Loan</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>11. Payroll Irregularities</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<i>12. Rent payment Irregularities</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix 5 : - Audit Recommendations Implementation Status

Nation-wide – Audit Issues resolved								
	Audit Issues		Resolution					
<i>Category of Recommendation</i>	<i>Number</i>	<i>Amount (if applicable)</i>	<i>Number Not resolved</i>	<i>Amount (if applicable)</i>	<i>Number Partially resolved</i>	<i>Amount (if applicable)</i>	<i>Number Fully resolved</i>	<i>Amount (if applicable)</i>
<i>1.Recovery of funds/assets</i>								
<i>2.Administrative process improvement</i>								
<i>3.Fine/penalty imposed on public officers</i>								
<i>4.Submission of audit evidence</i>								
<i>5.Improvement in disclosures and timeliness of financial reports</i>								
<i>6.Referral to the Anti-Corruption Bodies</i>								
<i>7.Improvement of internal controls</i>								
<i>8.Sanctions against procedural lapses</i>								
<i>9. Others</i>								

Please refer to the tables below for guidance

Table 5: Category of Audit Finding/Observation

Category of Audit Finding/Observation	Definition/Interpretation
<i>a. Cash Irregularities</i>	<i>Cash irregularities refer to all cash management and treasury-related audit findings/observations identified in the audit report. The infractions under this category include un-acquitted payment vouchers (PVs), and payments made without appropriate and sufficient audit evidence among others.</i>
<i>b. Contract irregularities</i>	<i>This category involves infractions relating to contract management. This includes failure to enforce contract terms and undertaking unauthorized contracts among others.</i>
<i>c. Inaccurate Financial Reporting</i>	<i>This includes the preparation of financial reports not in line with the Public Financial Management Act, its regulations and IPSAS as adopted by the Controller and Accountant-General. It includes non-disclosure and improper reporting of material financial transactions, events, and balances among others.</i>
<i>d. Ineligible expenditure</i>	<i>An ineligible expenditure is an expenditure not in accordance with the public institution's approved budget, work plan, programme of work, financing agreement or applicable laws and regulations governing the activities of that institution.</i>
<i>e. Internal control weakness</i>	<i>These infractions bother internal control not addressing the risk for which it was designed and ineffectiveness such as poor supervision, lack of segregation of duties, poor access controls, and lack of review and reconciliation of transactions among others.</i>
<i>f. Outstanding advances/receivables</i>	<i>This comprises unrecovered advances made by public institutions to their staff as well as overdue debts from other institutions. It also includes advances without bank guarantees given to contractors who have abandoned work, or advances with a bank guarantee for which the guarantee could not be enforced.</i>
<i>g. Outstanding Loans</i>	<i>This comprises audit findings/observations related to overdue loans procured by public institutions. The infractions under this category include overdue payments to suppliers among others.</i>
<i>h. Payroll Irregularities</i>	<i>This refers to irregularities in the payment of salaries or compensations to employees whether in active employment or retired.</i>

<i>i. Rent payment Irregularities</i>	<i>This refers to irregularities relating to the rental and management of properties in respect of the work of public institutions. It includes outstanding rent due from staff; non-deduction of rent from staff income among others.</i>
<i>j. Stores/Procurement irregularities</i>	<i>This refers to irregularities in the procurement and management of goods, works, services and stores. It includes sidestepping procurement procedures, use of inappropriate procurement methods, inappropriate custody of goods, and stores management irregularities among others.</i>
<i>k. Tax Irregularities</i>	<i>Tax irregularities refer to all tax-related audit findings/observations identified in the audit report. The infractions under this category include outstanding withholding taxes; failure to withhold taxes; failure to charge VAT on taxable supplies; application of wrong tax rates among others.</i>

Table 6: Category of Audit Recommendation

Category of Audit Recommendation	Definition/Interpretation
<i>a.Administrative process improvement</i>	<i>These are recommendations relating to the request for administrative action or advice for process improvement</i>
<i>b.Fine/penalty imposed on public officers</i>	<i>These are recommendations relating to the payment of money or imprisonment as a punishment for an offence.</i>
<i>c.Improvement of internal controls</i>	<i>These are recommendations relating to the correction or enhancement of existing internal controls such as segregation of duties, improvement in supervision and authorisation among others.</i>
<i>d.Improvement in disclosures and timeliness of financial reports</i>	<i>These are recommendations relating to proper financial reporting in compliance with the Public Financial Management Act, 2016 (Act 921) and its regulations, IPSAS and other standards adopted by CAGD.</i>
<i>e.Recovery of funds/assets</i>	<i>These are recommendations relating to the request for a person to return an asset or money as a refund or retrieval</i>
<i>f.Referral to Anti-Corruption Bodies</i>	<i>These are recommendations relating to corruption and corruption-related offences referred to the appropriate bodies such as OSP, EOCO, CHRAJ, and NIB among others</i>
<i>g.Sanctions against procedural lapses</i>	<i>These are recommendations relating to the application of sanctions or punishment.</i>
<i>h.Submission of audit evidence</i>	<i>These are recommendations relating to the timely submission of requested documents and responses during an audit.</i>
<i>i.Others</i>	<i>These are recommendations not mentioned in any category above.</i>