In case of reply the
number and date of the
letter should be quoted
ABK/GV/LA/15/31
My Ref. No: ....

Your Ref. No: ....

Tel: 233 (0) 302 664920/28/29
Fax: 233 (0) 302 6751495
Website: www.ghaudit.org

Ⓡ

AUDIT SERVICE
GHANA
Good Governance and Accountability

BOSOME FREHO DISTRICT ASSEMBLY
RECEIVED
DATE 05-04-22
BOX 365, KONONGO-ASH.

P. O. Box ....76....
Bekwai-Ashanti
23 March, 20 22

The District Chief Executive
Bosome Freho District Assembly
Asiwa- Ashanti

MANAGEMENT LETTER ON THE AUDIT OF THE ACCOUNTS OF BOSOME FREHO DISTRICT ASSEMBLY – INTERNALLY GENERATED FUNDS AND OTHER SPECIAL FUNDS FOR THE PERIOD 01 JANUARY TO 31 DECEMBER 2021

Introduction

We have, in accordance with the statutory mandate in Article 187(2) of the Constitution and section 11 (1) of Act 584 (Audit Service Act, 2000), conducted our audit on the accounts and other related records of the Bosome Freho District Assembly- Internally Generated Funds and Other Special Funds for the Period 01 January to 31 December 2021.

2. We submit, for your comments and necessary action, the following observations made during the audit. The observations were discussed with management whose responses were considered in writing this report.

3. Further, in line with Section 29(1) of the Audit Service Act, 2000, we look forward to receiving your reply within 30 days on your receipt of this report.

4. Your failure to provide responses to this management letter within 30 days will compel the Auditor-General to withhold your emoluments and allowances in accordance with Section 29(2) of Act 584.

Key Management personnel

5. The following personalities were responsible for the administration and the financial operations of the Assembly during the audit period:

Name	Designation	Period
Hon. Yaw Danso	District Chief Executive	01/01/21 - 31/12/21
Mr. Kyei-Baffour Frimpong	Dist. Co-ordinating Director	01/01/21- 31/12/21

Mr. Ewuntomah Issah	District Finance Officer	01/01/21 - 31/03/21
Mr. Anthony Yiyugsah	District Finance Officer	01/04/21- 31/12/21
Mr. James Boafo	District Planning Officer	01/01/21 - 31/12/21
Mr. Jesse A. Ampong	District Budget Analyst	01/01/21 - 31/12/21
Mr. Terry Budu	District Works Engineer	01/01/21 - 31/12/21
Mr. Frederick Akuffo	District Internal Auditor	01/01/21 - 31/12/21
Mr. Smith Sitsofe Tsevi	Dist. Procurement Officer	01/01/21 - 31/12/21

Audit Objectives

6. The accounts were examined to ascertain whether:

a) The accounts have been properly kept,

b) All public moneys have been fully accounted for, and the rules and procedures applicable are sufficient to secure an effective check on the assessment and collection.

c) Essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public property.

Scope of Audit

7. The scope of audit was financial and operational in nature and covered the period from 01 January 2021 to 31 December 2021. The audit was performed to ensure that financial data was properly recorded and adequate operational procedures exist in the cash receipt function. Our audit includes cash management, procurement, contract, and project management as well as validation of financial statements.

Methodology

8. The methodology adopted was in accordance with the standards for an applicable laws and regulations and include reviewing and documenting relevant systems to establish the design and operation, effectiveness of procedures.

9. We evaluated the adequacy and appropriateness of accounting procedures and practices to ascertain whether accounting transactions were accurate, complete, and fully disclosed in the record of the Assembly.

10. We also interviewed officers involved in the financial and administration functions of the Assembly to gather our audit evidence.

Audit criteria

11. We derived our audit criteria, norms, and standards from sources such as the Local Governance Act, 2016 (Act, 936), Financial Memoranda (FM) for MMDAS, Value Added Tax Act 2012 (Act 870), Public Procurement (Amendment) Act (PPA), 2016 (Act, 914) Income Tax Act 2015, (Act 896) Public Financial Management Act, 2016 (Act, 921), Public Financial Management Regulation, 2009 (LI 2378), Ministry of Finance Store Regulations (SR), 1984 and Generally Accepted Accounting Principles (GAAP). We also relied on the Audit Service Act, 2000 (Act, 584), Audit Service Financial and Risk Based Audit Manual, INTOSAI and International Standards on Auditing (ISA).

Limitation of responsibility

12. We reviewed the systems and controls operated by key management Personnel over the Internally Generated Funds and other Special Funds only to the extent we considered necessary for the effective performance of the audit. As a result, our review may not have detected all weaknesses that exist or improvements that could be made.

13. We have prepared this report solely for use by management of Bosome Freho District Assembly and for use by Parliament, the Ministry of Local Government and Rural Development and the Local Government Service Secretariat. Its contents should not be disclosed to any other party without our consent. We shall not accept any responsibility for reliance the other party might place upon it.

Internal Control

14. Controls instituted were quite adequate except some few lapses that have been identified in the subsequent paragraphs.

Summary of Significant Findings and Recommendations

15. Management manually processed thirty (30) expenditures totaling **GH₵**149,822.50 outside the GIFMIS Platform, contrary to Section 25(6) of the Public Financial Management Act, 2016 (Act 921). We recommended to the District Co-ordinating Director, Mr. Kyei Baffour Frimpong to ensure that expenditures are made through the GIFMIS Platform to promote a better financial management.

16. The District Spatial Planning Committee and the Technical Sub-Committee did not meet for the period 1 January to 31 December 2021, resulting in the non-preparation of the Assembly's district spatial planning framework contrary to Section 38 of the Local Governance Act 2019, (Act 925). We recommended to District Co-ordinating Director, Mr. Kyei Baffour Frimpong to ensure the committee meets regularly to prepare the district spatial planning framework for a sustained physical development within the District.

17. The Assembly did not have a substantive Supply Officer/Storekeeper to perform store functions contrary to Section 7(2) of the Public Financial Management Act, 2016 (Act 921). We urged the DCD, Mr. Frimpong Kyei Baffour to ensure that a storekeeper is posted to the Assembly to handle the stores functions.

18. Our review of payment vouchers disclosed that the District Co-ordinating Director, Mr. Kyei Baffour Frimpong could not account for GH₵ 7509.12 out of a total amount of GH₵40,500.88 disbursed to undertake various activities on behalf of the Assembly. We recommended a recovery of GH₵7,509.12 from the DCD, Mr. Frimpong Kyei Baffour in accordance with Section 17 of the Audit Service Act, 2000 (Act 584) in absence of a complete accounting records.

19. Contrary to Regulation 32(a) of the Public Financial Management Regulations, 2019 (L.I 2378), management could not collect an amount of GH₵15,645.00 from residential property owners. We urged the DCD, Mr. Frimpong Kyei-Baffour to institute pragmatic measures to recover the outstanding rates of GH₵15,645.00 within 30 days of this report.

20. Revenue amounting to GH₵15,673.00 collected between May and December 2021, was not fully accounted for by revenue collectors and other officers of the Assembly contrary to Regulation 46 of the Public Financial Management Regulation, 2019 (L.I 2378). We recommended to the DCD, Mr. Kyei-Baffour to retrieve the amount GH₵15,673.00 from the affected revenue collectors immediately.

21. We noted that, the Assembly did not have a functioning Rates Assessment Committee contrary to Section 153 of the Local Governance Act, 2016 (Act 936). We recommended that the District Co-ordinating Director, Mr. Kyei Baffour Frimpong should make appropriate recommendations to the Regional Minister for the appointment of members to the Committee.

22. Management failed to maintain database for industrial and commercial properties to enhance the Assembly's revenue generation effort, contrary to Regulation 32(2a) of the Public Financial Management Regulations, 2019 (L.I 2378). We recommended that the DCD, Mr. Kyei Baffour Frimpong should ensure the preparation of a comprehensive data or records on the revenue items especially, non-residential properties for the Assembly.

23. Our review of revenue records indicated that, a company (Matphijoe) contracted to collect institutional properties, collected an amount of GH₵10,046.25 representing 24% of the revenue projection of GH₵43,000.00 (in the composite budget of the Assembly) resulting in a negative variance or uncollectible amount of GH₵32,953.75. We recommended to management to ensure that the company

collects the outstanding revenue and take further steps to enforce performance in the ensuring year or discontinue the agreement after the expiration of the current contract.

24. Management paid nine (9) casual workers, a daily minimum wage of GH¢11.82 instead of GH¢ 12.53 resulting in underpayment of wages amounting to GH¢690.12. We recommended that, management should comply with the national minimum wage rate and pay the arrears due the affected workers.

25. Contrary to Regulation 90 of the Public Financial Management Regulations, 2019 (LI.2378), management did not update the Electronic Salary Payment Voucher (E-SPV) with the names of two (2) staff transferred out of the management unit of the Assembly. We recommended that the DCD, Mr. Kyei Baffour Frimpong should declare the two staff "unknown" whilst he takes further steps to suspend them from the Assembly's payroll (E-SPV).

Details of Significant Findings and Recommendations

FUND ACCOUNTABILITY AND BUDGET PERFORMANCE:

26. During the year under review, a total amount of GH¢1,978,300.97 accounting for 86.16% of the total budgeted figure of GH¢2,296,192.60 was received by the Assembly.

27. Conversely, the Assembly incurred a total expenditure of GH¢ 1,963,453.92 or 85.51% of the annual expenditures of GH¢2,296.192.60. The table below has details:

Details	**Budget Estimate**	**Actual Amount**	**Budget Performance (per cent)**
Revenue	GH¢	GH¢	
GOG Fund-Grants (Salaries & Wages)	1,579,105.60	1,515,989.62	96%
Internally Generated Fund (IGF) Retained	400,020.00	234,482.43	58.62%
Donor Fund-Programme (MAG)	226,526.00	175,537.32	77.49%
Other Funds	90,541.00	52,291.60	57.75%
Total Revenue	2,296,192.60	1,978,300.97	86.16%
GOG Fund Expenditure (salaries & wages)	1,579,105.60	1,515,989.62	88.78%
Internally Generated Fund (IGF) Expenditure	400,020.00	218,577.75	54.64%
Donor Fund-Programme (MAG)	226,526.00	176,633.67	77.97%
Other Funds	90,541.00	52,252.88	57.71%
Total Expenditure	**2,296,192.60**	**1,963,453.92**	**85.51%**

28. The significant findings in respect of the receipt and utilization of these funds are furnished in the succeeding paragraph.

SYSTEM OF ACCOUNTING AND INTERNAL CONTROL:

Payments outside the GIFMIS platform

29. Section 25 (6) of the Public Financial Management Act, 2016 (Act 921) provides that where a covered entity enters a contract or any other arrangement that commits or purports to commit Government to make a payment, the contract or arrangement shall be approved by the Principal Spending Officer of that covered entity and the Principal Spending Officer shall enter the contract or arrangement into the Ghana Integrated Financial Management Information System (GIFMIS).

30. On the contrary, we noted that management manually processed thirty (30) expenditures totalling GH¢149,822.50 outside the GIFMIS Platform. The table below has summary of the transaction:

No.	MMDA	Period of operation outside GIFMIS	No. of PVs	Fund Source	Total Amount	Reason for non-compliance
1	-do-	May-Dec 2021	23	IGF	72,539.31	Network challenges
2	-do-	Jun-Sep 2021	3	UNICEF	29,776.00	
7	-do-	September	4	GOG	47,507.19	
		Total	**30**		**149,822.50**	

31. Managements attributed this infraction to network challenges.

32. Consequently, the manual system could lead to expenditure or budget overruns, appropriation without recourse to the composite budget and inaccurate financial reporting to users or stakeholders.

33. We recommended to the District Co-ordinating Director, Mr. Kyei Baffour Frimpong to ensure that expenditures are processed through the GIFMIS Platform to promote a better financial management.

34. Management stated that the situation was due to network connectivity challenges.

Dysfunctional Spatial Planning Committee

35. Section 41 of the Land Use and Spatial Planning Act, 2016 (Act 925) requires the District Spatial Planning Committee and the Technical Sub-Committee to meet as and when required to perform the functions stated under the Act but shall in any event meet at least once a month.

36. Notwithstanding this provision, our review of the governance structures of the Assembly revealed that, the District Spatial Planning Committee and the Technical Sub-Committee did not meet or has not undertaken any activity between January and December 2021, and as a result, the district spatial planning framework was not prepared. We noted that the District has an enormous and a rapid physical development, and this lapse, would negatively affect the performance of the Assembly.

37. This irregularity occurred because the District Chief Executive, who is the Chairman of the Committee reneged on his duty to convene meetings or for ensuring that the committee functions as required.

38. The physical planning unit of the Assembly on the other hand, reneged on its function of promoting a sustainable, spatially integrated, and orderly development of human settlements, undertaking feasibility studies on physical, social, economic, and environmental characteristics among others.

39. The situation could lead to unapproved and unplanned structures within the Bosome Freho District and expected revenue in the form of permit fees, and building permits would elude the Assembly.

40. We recommended to the DCE, Hon. Yaw Danso to ensure that the committee is capacitated to function so that, the district wide spatial planning framework would be prepared to ensure conformity of physical development to the district approved schemes or layout

41. Management stated that the recommendation has been noted for implementation.

Absence of a Substantive Storekeeper

42. Section 7(2) of the Public Financial Management Act, 2016 (Act 921) mandates a Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

43. Contrary to the above provision, we noted that, the Assembly did not have a substantive Supply Officer/Storekeeper to perform store functions, and this practice, made the procurement officer, Mr. Smith Sitsofe Tsevi, to perform store function of receiving and issuing for the Assembly.

44. Mr. Smith Sitsofe Tsevi intimated that, the substantive storekeeper travelled abroad for maternity leave and further studies but has since, not been replaced.

45. Lack of segregation of duties under the current situation, exposes the Assembly to the risks of improper accounting and diversion of store items for personal gain.
46. We urged the DCD, Mr. Frimpong Kyei Baffour to ensure that a Storekeeper or other officers who are not related to the procurement function are posted or assigned to handle the store functions.

47. Management agreed to our recommendation for implementation.

CASH MANAGEMENT

Unaccounted payments-GH₵7,509.12

48. Regulation 78 of the Public Financial Management Regulations, 2019 (L.I. 2378) states that, "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 and evidence of services received, certificates for work done and any other supporting documents exists".

49. Our review of four (4) payment vouchers however disclosed that, the District Co-ordinating Director, Mr. Kyei Baffour Frimpong received a total amount of GH₵40,500.88 to undertake activities on behalf of the Assembly but could not account for the amount of GH₵7,509.12 out of the amount advanced. Details are shown in the table below:

Date	PV No.	Details	Payee	Amount GH₵	Unaccounted Amount GH₵	Remark
23/07/21	MAG-GOG-2021	Payment to undertake GOG activities such as promote food security, dissemination of technology and education on climate change	DCD	4,745.69	1,745.69	No receipt for office running (post office, electricity etc.) and field demonstration attached.
04/09/21	GOG-02/09	Payment for the cost of procuring items and maintenance cost to enable smooth operations of the works department	DCD-head of works	10,400.00	2,000.00	Empty receipt was attached.
07/09/21	GOG-03/09	Payment for the cost of procuring office equipment to social welfare & community	Dotsey 93 Enterprise	17,773.00	0	Provide the receipt covering the payment of office equipment

		Development Department				
28/09/21	GOG-04/09	Payment to undertake physical planning activities	DCD	7,582.19	3,763.43	No receipt from Oliver Mountain Enterprise. Amount not equally captured in the Creditors Ledger.
Total				**40,500.88**	**7,509.12**	

50. Management could not provide any reason for this lapse.

51. The amount of GH₵7,509.12 remains unaccounted, and this accountability gap, could be exploited to misappropriate the financial resources of the Assembly for personal gain.

52. We recommended a recovery of the unsupported payment of GH₵7,509.12 from the DCD Mr. Kyei Baffour should he fail to fully corroborate the payments with relevant expenditure records within 30 days of this report.

53. Management stated that the relevant payment particulars and supporting documents have been provided, however, they could not support this assertion with any evidence.

REVENUE:

54. During the accounting year under review, the Assembly generated a total amount of GH¢234,482.43 from rates, land and royalties, licences, fees, fines and penalties, miscellaneous and rent. This amount represents 68.61% of the total budgeted figure of GH¢400,020.00. See the table below for details.

Items	Budgeted Amount GH₵	Actual Amount GH₵	Variance GH₵
Rates	38,900.00	26,529.63	12,370.37
Lands & Royalties	118,000.00	74,891.25	43,108.75
Rent of Lands, Building & Houses	106,300.00	68,520.00	37,780.00
Licenses	65,620.00	27,124.11	38,495.89
Fees	68,200.00	27,815.50	40,384.50
Fine, Penalties & Forfeits	2,000.00	0.00	2,000.00
Miscellaneous and Unidentified Revenue	1,000.00	9,601.94	8,601.94
Total	**400,020.00**	**234,482.43**	**182,741.45**

55. The observations noted during the year in respect of the receipt and appropriation of the Internally Generate Funds have been clearly discussed in the succeeding paragraphs.

Residential Property Rate Indebtedness-GHȻ15,645.00

56. Regulation 32 (2a) of the Public Financial Management Regulations, 2019 (L.I. 2378) states that the Principal Spending Officer of each covered entity shall take effective and appropriate steps to collect money due to that covered entity.

57. Contrary to this provision, our review of the Assembly's records disclosed that management failed to collect an outstanding property rate revenue of GHȻ15,645.00 from 874 residential property rate payers. The table below has a summary of the indebtedness.

S/N	Community	No. of properties	Total Revenue Due GHȻ	Amount Paid GHȻ	Amount Owed GHȻ
1	Asiwa	298	11,970.00	5,650.00	6,320.00
2	Bobiam	133	3,585.00	835.00	2,750.00
3	Dajnso	117	2,515.00	755.00	1,760.00
4	Dannso	326	5,890.00	1,075.00	4,815.00
	Total	**874**	**23,960.00**	**8,315.00**	**15,645.00**

58. Management attributed this irregularity to the refusal of property owners to pay the amount assessed on them despite the formation of a revenue taskforce. Further to this, management's failure to take court action against the defaulters for the revenue recoveries accounted for the lapse.

59. The situation has resulted in low revenue generation leading management's overreliance on the Assembly's Common Fund for its operational activities.

60. We urged the DCD, Mr. Frimpong Kyei-Baffour and the DFO, Mr. Yiyugsah to institute pragmatic measures to recover the outstanding rates of GHȻ15,645.00 from the defaulting property owners within 30 days of this report.

61. Management responded that the Assembly's prosecutor has been tasked to institute a court process to recover amount from the property rate defaulters.

Unaccounted Revenue-GHȻ15,673.00

62, Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires a Principal Spending Officer to ensure that non-tax revenue is efficiently collected and immediately lodged in gross within twenty-four hours.

63. Contrary to this provision, eleven (11) revenue collectors and other officers of the Assembly did not fully account for revenue amounting to GH₵15,673.00 collected between May and December 2021. Details are shown at appendix B:

64. The District Finance Officer, Mr. Yiyugsah asserted that control weakness accounted for this irregularity, however, the revenue shortfall was detected later and the affected collectors were asked to refund the amounts involved.

65. The amount of GH₵15,673.00 remains unaccounted, a situation that could inhibit the planned programmes and activities of the Assembly.

66. We recommended to the DCD, Mr. Kyei Baffour to retrieve the unaccounted amount of GH₵15,673.00 from the affected revenue collectors immediately.

67. Management responded that the amount has now seen accounted for in January and February 2022, meanwhile, the evidence provided was deficit and did not support management's assertion.

Non-existence of Rate Assessment Committee

68. Section 153 of the Local Governance Act, 2016 (Act 936) stipulates that there shall be a Rate Assessment Committee for each district appointed by the Regional Minister on the recommendation of the District Assembly concerned.
Memoranda 6 under the Subject Rates, of the Financial Memoranda for MMDAs also states that where property rating is in force a Valuation list shall be maintained and revised regularly in accordance with the Local Governance Act.

69. Contrary to this provision, management did not constitute a functioning Rates Assessment Committee to address concerns of rate payers regarding valuation of properties for assessing rate payable to the Assembly.

70. We noted further that the Assembly could not prepare any valuation list to aid in the assessment and determination of property rates or revenue payable thereof by property rate owners.

71. The absence of this statutory committee within the governance structures of the Assembly, has limited the avenue for resolving dispute of aggrieved person in respect of the ratable value of premises or rate imposed by the Assembly.

72. Consequently, rates payers would not have the opportunity of resolving any disputed claims thereby embodying them not to pay the amount assessed on them.

73. We recommended that, the District Co-ordinating Director, Mr. Kyei Baffour Frimpong should make appropriate recommendations regarding the membership or names to the Regional Minister for the constitution of this Committee. We asked management to prepare a validation database of all properties within the jurisdiction of the Assembly.

74. Management agreed to our recommendation for implementation.

Rateable Property Rate Register or Ledger not maintained

75. Regulation 32 (2a) of the Public Financial Management Regulations, 2019 (L.I. 2378) states that the Principal Spending Officer of each covered entity shall take effective and appropriate steps to collect money due to that covered entity.

76. Contrary to the above provision, management failed to maintain comprehensive records, such as demand notices, records of payment, and other records establishing indebtedness of the property owners within the jurisdiction of the Assembly.

77. Lack of commitment by management stemming from lack of funds to build a comprehensive record system accounted for this lapse.

78. In effect, revenue leakages, non-performance by the revenue collectors and actual indebtedness of rateable non-residential properties owners would be difficult to ascertain, thereby, crippling managements effort to pursue actions to retrieve the amount owed the Assembly.

79. This omission has led to low revenue performance and unrealistic projection of collectible revenue.

80. To this end, we recommended that management should maintain a comprehensive record in form of demand notices, appropriate ledgers, and value books, regularly updated with rateable properties within the jurisdiction of the Assembly.

81. Management responded that there is an on-going exercise for data collection for all residential and non-residential properties, from which, the required records would be maintained as recommended within the district.

Failure by Matphijoe Consult and Business Services Limited to Collect

Institutional Property Rate- GH₵ 32,953.75

82. We noted that, the District Chief Executive, Hon. Yaw Danso on behalf of the Assembly outsourced revenue collections in respect of Property rate and business

operating fees for telecommunication companies, Cocoa Board, and any other identified corporate organizations within the Bosome Freho District Assembly to Matphijoe Consult and Business Services Limited.

83. Our review of revenue records, however, indicated that the company collected a total of GH₵10,046.25 representing 24% of the estimated amount or a projection of GH₵43,000.00 contained in the composite budget of the Assembly, resulting in a negative variance of GH₵32,953.75.

84. Management, however, did not institute any measure for the recovery of the uncollected revenue amount from the defaulting institutional property rate payers.

85. This irregularity contradicts Regulation 32 (2a) of the Public Financial Management Regulations, 2019 (L.I. 2378) which states that the principal spending officer of each covered entity shall take effective and appropriate steps to collect money due to that covered entity.

86. The District Finance Officer, Mr. Anthony Yiyugsah stated that lack of cooperation in payment of revenue by the Telecommunication Companies accounted for this lapse.

87. This infraction has led to a revenue shortage of GH₵32,953.75 due from telecommunication mass permits.

88. We recommended that the DCE, Hon. Danso and DCD, Mr. Kyei Baffour rimpong should recover the unpaid amount of GH₵32,953.75 from the defaulting rate payers and take further steps to ensure the revenue collector performs the terms in the contract agreement or the agreement should be discontinued for non-performance.

89. Management agreed to our recommendation for implementation.

Payment of Salary to Casual Workers below the National Minimum Wage - GH₵690.12

90. Section 113(1a) of the Labour Act 2003, (Act 651) mandates the National Tripartite Committee to determine the National daily minimum wage. In line with this mandate, the National Tripartite Committee announced an increment of 6% for the national daily minimum wage effective 4/06/2021. This brought the minimum wage of GH¢11.82 to GH¢12.53 which should be binding on all employers as the least amount payable to employees daily.

91. Contrary to this provision, management paid nine (9) casual workers below daily minimum wage of GH¢12.53 resulting in underpayment of wages amounting to GH¢690.12. Details are in the table below:

Date	PV No.	Particulars	Payee	Amount Paid GHȻ	Minimum wage payable	Diff
26/10/2021	31/10	casual workers salary and tier 2 contribution for the month of June 2021	Bosome Freho Rural Bank	2,872.26	3,044.79	172.53
8/12/2021	7/12	casual workers salary and tier 2 contribution for the month of July2021	DCD	2,872.26	3,044.79	172.53
no date	17/12	casual workers salary for the month of August and September 2021	Bosome Freho Rural Bank	5,744.52	6089.58	345.06
Total				**11,489.04**	**12,179.16**	**690.12**

92. Management's delay to approve and implement the new minimum wage as announced by the Government account for this lapse.

93. Apart from depriving the affected staff their economic rights, the Assembly could be sanctioned for flouting the provisions of the labour law.

94. We recommended that the DCD, Mr. Kyei Baffour should ensure the affected staff are paid national minimum wage rate immediately including arrears totaling GHȻ 690.12.

95. Management responded that the staff would be paid the approved national minimum wage rate including arrears.

HUMAN RESOURCE MANAGEMENT

Failure to update the Electronic Salary Payment Vouchers with only Staff of the Assembly.

96. Section 90 of the Public Financial Management Regulation, 2019 (LI.2378) enjoins a Principal Spending Officer or the head of the Management Unit within a covered entity or a designated officer of the Human Resource Unit of the covered entity to validate the electronic Salary Payment Voucher (e-SPV) to ensure that only employees belonging to the Unit are on the salary payment vouchers:

a) in the case of employees who are on transfer out of the office, the name is declared unknown for steps to be taken to suspend the employees from the payroll,

b) employees who are at post but whose names are not found on the salary payment voucher, are declared missing for steps to be taken to reinstate the name of the employee concerned onto the payroll.

97. Contrary to this provision, management failed to update the electronic salary payment voucher, and as a result, two (2) staff transferred out of the Assembly during the period under review, were validated and paid salaries totaling GH₵36,995.67 for periods between 5 to 11 months.

98. We noted further that management could not give any justification evidencing the staff attendance to work or records of work done for their continuous validation on the payroll of the Assembly.

99. In another development, we noted that management unjustifiably declared unknown staff (Ms. Lynette Koomson with staff ID No. 982788) missing from the ESPV who was not a staff of Bosome Freho District Assembly.
Details are tabulated below:

Names	**Staff Id**	**Rank**	**New Station**	**Date of transfer**	**Total months**	**Validated salary (GH₵)**
Peter Larbi	789387	Assistant social Development Officer	Obuasi East District Assembly	5/08/21	5	12,931.30
Pokua Florence	713494	Stenographer	Greater Accra RCC	2/2/21	11	24,064.37
Total						**36,995.67**

100. The Human Resource Officer, Mr. Daniel Karikari explained that the affected persons were validated base upon their request because their new stations have not been validating them.

101. This situation could lead to payment of unearned salary, especially, when management would be able to determine their attendance to work.

102. We recommended that the DCD, Mr. Kyei Baffour and the HRM should provide evidence of work done by the affected persons before validating them and take immediate steps to update the ESPV with only staff of the Assembly.

103. Management has not responded to this observation.

Follow-up on Previous Audit

104. We noted that management of the Assembly do not take audit issues seriously and as a result, the same observations have been reoccurring yearly in our management letters. Kindly refer to the table below for the outstanding issues contained in our previous audit reports referencing ABK/GV/LA/15/65 dated 25 February, 2021, ABK/GV/LA/16/48 dated 19 March, 2020 and ABK/GV/LA/16/44 of 11 March, 2019.

Reference No. & Date	Para. No.	Findings
ABK/GV/LA/15/65 dated 25 February 2021	23-28	Accounting Transactions processed Manually without Recourse to Ghana Integrated Financial Management System-GH₵78,831.50
ABK/GV/LA/15/65 dated 25 February 2021	29-36	Evidence of Receipt/Utilisation of Goods and Services Procured not provided-GH₵41,834.74
ABK/GV/LA/15/65 dated 25 February 2021	37-43	Payment for Screening of Food Vendors Devoid of Relevant Expenditure Records-GH₵22,351.36
ABK/GV/LA/15/65 dated 25 February 2021	44-50	Suppression of nine (9) Value Books for Audit
ABK/GV/LA/15/65 dated 25 February 2021	51-58	Fuel Purchases and Usage not Accounted for-GH₵8,240.00
ABK/GV/LA/15/65 dated 25 February 2021	59-64	District Development Project Completed not in Use- GH₵483,470.78
ABK/GV//LA/16/48 dated 19 March, 2020	45-51	Misapplication of Social Investment Funds (SIF)- GH¢16,500.00
ABK/GV//LA/16/48 dated 19 March, 2020	52-56	Payment without Relevant Supporting Documents- GH¢3,700.00
ABK/GV//LA/16/48 dated 19 March, 2020	57-62	Misappropriation of Revenue Collected-GH¢3,381.50
ABK/GV//LA/16/48 dated 19 March, 2020	67-74	Outsourced Revenue Collection without Contract & Justification- GH¢18,319.23
ABK/GV//LA/16/48 dated 19 March, 2020	75-80	Absence of Rate Assessment Committee
ABK/GV//LA/16/48 dated 19 March, 2020	81-86	Assembly Lands and Vehicles without Ownership Documents
ABK/GV//LA/16/48 dated 19 March, 2020	93-98	Declaration of Assets and Liabilities
ABK/GV//LA/16/44 dated 11 March, 2019	9.5	Absence of Risk Management Policy

105. We asked management to expedite action to address the fourteen (14) issues immediately.

Acknowledgement

106. We thank management and the entire staff for their assistance and co-operation accorded the audit team during the audit.

EMMANUEL MYLES MILLS
DISTRICT AUDITOR
BEKWAI-ASHANTI

Cc:

The Auditor-General
Audit Service
Accra

The Regional Auditor
Audit Service
Kumasi-Ashanti

The Regional Minister
Regional Coordinating Council
Kumasi-Ashanti

Appendix "B"

Unaccounted Revenue- GH₵15,673.00

Date	GCR Range	Name of Revenue Collector	Amount Collected (GH₵)	Amount accounted for (GH₵)	Amount not accounted for (GH₵)
24/06/2021	862929-862934	Task force	145.00	130.00	15.00
11/08/2021	8693559-8693574	Task force	371.00	341.00	30.00
09/08/2021	8693158	Office use	810.00	0	810.00
09/11/2021-29/12/2021	8695601-8695620	Task force	1880.00	0	1,880.00
01/12/2021-24/12/2021	8695523-8695538	Revenue Head	7,975.00	0	7,975.00
12/08/2021	8693575-8693596	Task force	490.0	0	490.00
06/05/2021-21/08/2021	8695001-8695100	Gideon Opoku	2,600.00	400.00	2,200.00
31/08/2021-20/01/22	8693701-8693714	Daniel Tweneboah	280.00	0	280.00
08/07/21-09/07/21	5563829-5563852	Winnifred Asante	305.00	0	305.00
16/11/21-13/12/21	8693614-8693617	-do-	45.00	0	45.00
01/12/2021	18037840	Ebenezer K. Badu	50.00	0	50.00
15/10/21-29/11/21	5562362-5562366	Akwasi Antwi	380.00	0	380.00
22/10/2021-29/10/21	5562840-5562841	Peter Agyei	15.00	0	15.00
-do-	10632301-10632800	-do-	250.00	0	250.00
22/12/2021-15/01/2022	5563720-5563729	Emmanuel Cudjoe	120.00	0	120.00
27/12/2021	5902131-5902135	Yaw Tenkorang	28.00	0	28.00
31/8/2021-29/10/2021	8693701-8693714	Daniel Tweneboah	280.00	0	280.00
31/12/2021	8692731	Mary Yeboah	30.00	0	30.00
04/10/2021-30/11/2021	8694701-8694727	Kwame Tuffour	390.00	0	390.00
28/11/2021	5563972	Samuel Anokye	20.00	0	20.00
02/12/2021-20/12/2021	8695801-8695803	-do-	80.00	0	80.00
Total			**16,544.00**	**871.00**	**15,673.00**