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Good Governance
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Koforidua

7 July 2020 20

The Presiding Member
Birim Central Municipal Assembly
Akim oda

Dear Sir,

ANNUAL AUDIT REPORT ON THE ACCOUNTS OF BIRIM CENTRAL MUNICIPAL ASSEMBLY, AKIM ODA FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Introduction

We have audited the Accounts of Birim Central Municipal Assembly, Akim Oda for the financial year ended 31 December 2019. Attached to this report are the following financial statements:

- (a) Consolidated Comparative Statement of financial position as at 31 December 2019;
- (b) Statement of Consolidated Revenue and Expenditure for the year ended 31 December, 2019;
- (c) Comparative Statement of Cash Flows for the year ended 31 December, 2019 and
- (d) Notes to the accounts.

Manner in which the accounts were kept and presented for audit

2. The books of accounts were satisfactorily kept. The related Accounts and Financial Statements were submitted for validation and certification on 19th February, 2020 in accordance with Section 80 subsection 1-3 of the Public Financial Management Act, 2016 (Act 921).

Fund Accountability

Revenue

3. The Assembly budgeted for a total revenue of GH¢18,484,282.30 for the year 2019. This comprises Internally Generated Funds, Government grants and other donor grants. The actual receipts for the year however amounted to GH¢8,584,259.86, which represents 46.44% of the annual total budget. The huge shortfall in the revenue gap emanated mainly from short released of project grants.

4. The actual total grants received amounted to GH¢7,037,474.04 representing 81.98% of the total revenue for the year, while Internally Generated Fund raked in GH¢1,546,785.82, representing 18.02% of total revenue. This is indicative of a poor performance in revenue mobilization signifying that the Assembly's operation was solely financed by Government and Donor Funding. The Assembly's IGF of GH¢1,546,785.82 realized for the year under review however fell short of the target set by GH¢105,263.18 which represents 12.74%. Details are provided below.

No	Revenue Heads	Estimates 2019 (GH¢)	Actual 2019 (GH¢)	Variance (GH¢)
1	Internally Generated Fund (IGF)	1,652,049.00	1,546,785.82	(105,263.18)
2	Compensation for employees (GOG)	3,086,426.10	3,215,736.54	12,310.44
3	DACF-Assembly	3,525,679.24	2,254,548.33	(1,271,130.90)
4	MP's Common Fund	660,000.00	340,746.12	(319,253.88)
5	MP's SIP			
6	People with Disability	148,410.90	133,298.52	(15,112.38)
7	HIV/AIDS	10,366.04	12,750.55	2,384.51
8	District Development Fund (DDF)	1,161,179.00	706,025.89	(455,153.11)
9	GSCSP-Capital Development	8,064,000.00	257,002.22	(7,806,997.780)
10	Other Grants	104,780.00	104,780.09	0
11	Goods & Services – Decentralized Dept.	71,392.00	12,585.78	(58,806.22)
	Total	18,484,282.30	8,584,259.86	9,900,022.44

Expenditure control

5. The Assembly's annual budgeted expenditure for the year ended 31 December, 2019 was GH¢18,484,282.30 while actual expenditure incurred for the same period amounted to GH¢8,221,154.44 constituting 44.48% of the annual budgeted expenditure. The Assembly's annual expenditure incurred was therefore within its approved annual estimates. Details provided below:-

No	Expenditure Heads	Estimates 2019 (GHe)	Actual 2019 (GHe)	Variance (GHe)
1	IGF	1,652,049.00	1,503,345.38	148,703.62
2	Compensation for Employees (GOG)	3,086,426.10	3,215,736.54	(129,310.44)
3	DACF	3,525,679.24	2,006,373.43	1,519,305.81
4	MP's Common Fund	660,000.00	316,643.50	343,356.50
5	MP's SIP			
6	People with Disability	148,410.90	136,776.74	34,910.66
7	MSHAP (HIV/AIDS)	10,366.04	12,720.14	2,354.10
8	DDF/DPAT	1,161,179.00	697,572.65	463,606.35
9	GSCSP-Capital Development	8,064,000.00	237,257.32	7,826,742.68
10	Other Grants	104,780.00	104,780.07	(.07)
11	GOG- Gods & Service Decentralized Dept.	71,392.00	12,225.17	59,166.83
	Total	18,484,282.30	8,221,154.44	10,263,127.60

Operational Results

6. The actual total revenue for the year was GH¢8,584,259.86 as against total expenditure of GH¢8,221,154.44 for the same period. This resulted in a surplus of GH¢363,105.42 which was transferred to the Accumulated Fund. A summary of operational result is shown below:

No	Description	Revenue GHe	Expenditure GHe	Surplus/ Deficit GHe
1	IGF	1,546,785.82	1,503,345.38	42,440.44
2	Compensation for Employees (GOG)	3,215,736.54	3,215,736.54	0
3	DACF	2,254,548.33	2,006,373.43	248,174.90
4	MP's Common Fund	340,746.12	317,643.50	23,102.62
5	MP's SIP			
6	People with Disability	133,298.52	136,776.74	19,798.28
7	MSHAP (HIV/AIDS)	12,750.55	12,720.14	30.41
8	District Development Fund	706,025.89	697,572.65	8,453.24
9	GSCSP-Capital Development	257,002.22	237,257.32	19,744.90
10	Other Grants	104,780.09	104,780.07	.02
11	GOG- Gods & Service Decentralized Dept.	12,585.78	12,225.17	360.61
	Total	8,584,259.86	8,221,154.44	363,105.42

Statement of Financial position as at 31 December, 2019

Assets:

7. **Cash and Cash Equivalents-GH¢470,348.32:-**The Cash and bank balances were made up of cash on hand of GH¢2,383.00 and bank balances totaling GH¢467,965.32 in 25 bank accounts maintained by the Assembly as at 31 December 2019. Note 18 attached to this accounts provides the details. We verified all the balances and reconciled them with the relevant bank statements and certificates and found them to be correct.

Liabilities

8. **Accumulated/Rate Fund – GH¢470,348.32:-**The Accumulated Fund balance of GH¢343,223.10 brought forward from the previous year was increased to GH¢470,348.32 as a result of a surplus of GH¢363,105.42 realized on the Consolidated Revenue and Expenditure Statements during the 2019 financial year. The Assembly also wrote off investment (Poverty Alleviation Fund) and advances of GH¢235,980.20 which were in the 2018 Financial statement due to the difficulties in recovering such funds. This was prior years adjusted made before arriving at the Accumulated Fund balance of GH¢470,348.32. Refer to Note 17 for details:


Audit Observations

9. Audit observations issued on irregularities and control weaknesses during the review of the accounts were embodied in a Management Letter addressed to the Municipal Chief Executive for redress.

Acknowledgement

10. We are grateful to the Municipal Chief Executive and his staff for the assistance and co-operation accorded the inspecting team during the audit.

Yours faithfully,


(JUSTICE S. BAVERE)
ASSISTANT AUDITOR-GENERAL
for: AUDITOR-GENERAL

cc: The Auditor-General (2)
Audit Service
Accra

The Regional Co-ordinating Director
P.O Box 303
Koforidua

The Municipal Chief Executive
Birim Central Municipal Assembly
Akim Oda

The Municipal Coordinating Director
Birim Central Municipal Assembly
Akim Oda

The Municipal Finance Officer
Birim Central Municipal Assembly
Akim Oda

The District Auditor
Audit Service
Akim Oda

AUDIT OPINION

11. We have audited the attached financial statements of Birim Central Municipal Assembly, Akim Oda which have been prepared under the historical cost convention. We have obtained all the information and explanations we required.

Responsibility of Management

12. The keeping of proper books of accounts and preparation of the financial statements two months immediately after end of the financial year is the responsibility of management and in accordance with section 80 (1) of the Public Financial Management Act, 2016 (Act 921).

Responsibility of Auditor-General

13. Section 11 of the Audit Service Act, 2000 (Act 584) requires the Auditor-General to Audit and report on the accounts of all public institutions of Ghana. It is therefore the responsibility of the Auditor-General to express an independent opinion on the financial statements based on our audit


Basis of Opinion

14. We conducted our audit in accordance with Generally Accepted Accounting Standards and Auditing Standards of International Organization of Supreme Audit Institutions (INTOSAI) These standards require that, we plan and perform our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatements, errors and frauds. The audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements, income and expenditure have been applied to the purpose intended by Parliament. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation. We believe that our audit provides a reasonable basis for our audit opinion.

Opinion

15. In our opinion, except for a total amount of GH¢235,980.20 being investment and advances written off without approval, proper books of accounts have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the Birim Central Municipal Assembly, Akim Oda as at 31 December, 2019 and the result of its operations for the year then ended.

DATED THIS 7TH DAY OF JULY 2020



**(JUSTICE S. BAVERE)
ASSISTANT AUDITOR-GENERAL
for: AUDITOR-GENERAL**