

AUDIT SERVICE



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21 JULY..... 20

**THE PRESIDING MEMBER,
AYAWASO NORTH MUNICIPAL ASSEMBLY,
ACCRA NEWTOWN.**

Dear Sir,

**ANNUAL AUDIT REPORT ON THE ACCOUNTS OF THE AYAWASO
NORTH MUNICIPAL ASSEMBLY FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER, 2019.**

Accounts

The accounts of the **Ayawaso North Municipal Assembly, Accra Newtown** for the financial year ended 31 December 2019 have been examined.

2. The following financial statements and accounts are attached to this report:

- i. Balance Sheet as at 31 December, 2019;
- ii. Statement of Revenue and Expenditure for the financial year ended, 31 December, 2019
- iii. Statement of Income and Expenditure for the fiscal year ended 31 December 2019;
- iv. Analysis of Bank balances as at 31 December 2019;
- v. Cash Flow statement as at 31 December 2019;
- vi. Notes to the accounts for the financial year ended, 31 December 2019;
- vii. Statement of accumulated Fund as at Balance sheet date

Manner in Which the Accounts Were Kept and Rendered For Audit

3. The accounts were properly maintained. The Financial Statements and accounts for the year under review were submitted to this office for validation and examination on 14 February 2020 as required by Section 80 (1) of the Public Financial Management Act 2016.

Internal Control

4. Internal control systems in operation at the Assembly during the year under review were adequate and effective. There were, however, few lapses noted during our routine audit, which have been embodied in management letter addressed to management for rectification.

Estimates

5. The Assembly's estimates were approved on 25 October 2018 before the commencement of the year under review.

Revenue

6. Total revenue realized by the Assembly during the financial year as detailed below was GH¢6,029,318.58 as against an estimated figure of GH¢11,271,221.00 thus resulting in a negative variance of GH¢5,241,902.42. Out of the total revenue of GH¢5,285,885.05 collected, Internally Generated Revenue was GH¢1,178,575.34 or 10.46% of the estimated revenue while Government grants of GH¢4,850,743.24 constituted 80.45% of revenue realized.

Year	Budget GH¢	Actual GH¢	Variance GH¢
2019	11,271,221.00	6,029,318.58	5,241,902.42

7. Total Grants received from Central Government amounted to GH¢4,850,743.24. Details are provided below:

Type	Amount GH¢
DACF – Assembly	3,819,011.43
MP Common Fund	258,498.59
Goods and Services Decentralised Department	8,603.02
DDF Capacity Building	536,595.25
People with disability (PWD)	166,966.19
HIV/AIDS	24,527.84
MAG/CIDA	36,540.92
Grand Total	4,850,743.24

8. The management of the Assembly was urged to strengthen its revenue collection machinery to increase its internally generated revenue to enable it undertake more development projects in its area of operation to improve upon the lives of the people.

Expenditure

9. Total Expenditure incurred by the Assembly for the period under review was GH¢5,935,138.40 as against a budgeted amount of GH¢11,271,221.00 as detailed below:

Year	Budget GH¢	Actual GH¢	Variance GH¢
2019	11,271,208.00	5,935,138.40	5,336,069.60

Operational Results

10. The Assembly's operational results for the period under review are provided below:-

Year	Revenue GH¢	Expenditure GH¢	Surplus GH¢
2019	6,029,318.58	5,935,138.40	94,180.18

Expenditure Control

11. Control exercised by the Assembly over expenditure was adequate as it spent within its budget estimates. Expenditure was also within revenue generated thus resulting in the surplus realized during the period under review.

Development Projects

12. A total amount of GH¢2,638,445.67 or 43.76% of total revenue of GH¢6,029,318.58 realized during the period was used for development projects as against the budgeted figure of GH¢4,477,209.00.

Financial Position As At 31 December 2019.

Assets

Cash at Bank – GH¢767,681.83

13. The bank balances were reconciled with the relevant Bank Statements and Bank Certificates. Details are attached.

Liabilities

14. There were no liabilities for the Assembly

Accumulated Fund – GH¢767,681.83

15. The favorable balance of GH¢673,501.65 as at 1 January 2019 was increased to GH¢767,681.83 at the end of 31 December 2019 as a result of a surplus of GH¢94,180.18 recorded during the year under review.

Acknowledgment

16. The cooperation and assistance accorded to the Audit Team by the Municipal Chief Executive and Staff is duly acknowledged.

Yours faithfully,



**For: Auditor – General
Robert K. Fiadzo
Assistant Auditor – General
Regional Auditor/GAR**

Cc: The Auditor – General (2),
Audit Service,
Accra.

The Regional Co-ordinating Director,
Regional Co-ordinating Council,
Accra.

The Municipal Chief Executive,
Ayawaso North Municipal Assembly,
Accra Newtown.

The Municipal Co-ordinating Director,
Ayawaso North Municipal Assembly,
Accra Newtown.

The Municipal Finance Officer,
Ayawaso North Municipal Assembly,
Accra Newtown.

The District Auditor/AMA,
Audit Service,
Accra.

OPINION OF THE AUDITOR – GENERAL ON THE FINANCIAL STATEMENTS

Introduction

We have in accordance with Section 80 (1) of Public Financial Management Act 2016, Act 921, Section 121 of the Local Government Act, 2003 (Act 462) and Section 11 of the Audit Service Act 2000 (Act 584) audited the Financial Statements of **Ayawaso North Municipal Assembly, Accra Newtown** for the year ended 31 December 2019.

Responsibility of Management

Section 90 of the Local Government Act, 2003 (Act 462) requires the Assembly to keep proper accounts and records in relation to them and shall immediately after the end of each financial year, prepare a statement of its accounts in such form as the Auditor – General may direct, submitting them for audit.

Auditor – General’s Responsibility

Section 80 (1) of Public Financial Management Act 2016, Act 921, Section 121 (1) Local Government Act, (Act 462) and Section 11 of the Auditor Service Act 2000 (Act 584) require the Auditor – General to audit and report on the accounts of the Metropolitan, Municipal and District Assemblies of Ghana. It is, therefore, the responsibility of the Auditor – General or his representatives to express an independent opinion on the financial statements of the Assembly.

Basis of Opinion

We conducted the audit in accordance with Generally Accepted Auditing standards and Auditing Standards of International Organization of Supreme Audit Institutions (INTOSAI). An audit includes examination on a test basis of evidence relevant to the accounts, disclosures and regularity of financial transactions included in the financial statements.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud or any other irregularity and that, the expenditure and income have been applied to the purpose intended by Parliament and the financial transactions conform to the authorities which govern them. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Audit Opinion

In our opinion, the Financial Statements present fairly the financial position of the Assembly as at 31 December 2019 and the results of its operations for the year ended and that the transactions were in accordance with the Financial Law, Regulations and Ministerial guidelines.



**For: Auditor – General
Robert K. Fiadzo
Assistant Auditor – General
Regional Auditor/GAR**

DATED THIS: 21st DAY OF July 2020 ACCRA.