

AUDIT SERVICE

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Good Governance
and Accountability

P. O. Box 407
Kumasi
June 20²⁰

The Presiding Member
Suame Municipal Assembly
Kumasi



ANNUAL AUDIT REPORT ON THE ACCOUNTS OF SUAME MUNICIPAL ASSEMBLY, FOR THE YEAR ENDED 31 DECEMBER 2019

The following financial statements and accounts are attached to the report:

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

Manner in which the accounts were kept and rendered for audit

2. The accounts were satisfactorily kept. The financial statements were also submitted on 26 February 2020 for validation in line with Financial Memoranda for Metropolitan, Municipal and District Assemblies Part VII Section 78.

Estimates

3. The Assembly's annual estimates of Revenue and Expenditure for the year 2019 were prepared and laid before the General Assembly for approval as required by Part

VII Section 92 of the Local Government Act 1993, Act 462 and Part V Section 40 of the Financial Memoranda for District Assemblies.

Internal Controls

4. The Internal control measures put in place by management to regulate the administration and financial activities of the District Assembly were found to be quite adequate.

Revenue and Expenditure

Revenue

5. The Assembly budgeted for a total revenue of GH¢28,702,285.81 for the 2019 financial year. However, the actual revenue realized was GH¢10,313,965.87 falling short of GH¢18,388,319.94 or 35.93%.

A summary of the Revenue Performance is shown below:

<i>Type of Revenue</i>	<i>Budgeted (GH¢)</i>	<i>Actual (GH¢)</i>	<i>Variance (GH¢)</i>
Grants	26,509,597.04	8,295,004.09	(17,481,592.95)
Lands & Royalties	644,264.77	605,494.32	(148,770.45)
Rent of Lands and Buildings	20,000.00	11,715.50	(8,284.50)
Licences	897,569.00	730,582.96	(465,986.04)
Fees	555,250.00	605,040.00	(262,210.00)
Fines and Penalties	70,000.00	64,539.00	(5,461.00)
Misc. Unidentified Revenue	5,605.00	1,590.00	(16,015.00)
Total	<u>28,702,285.81</u>	<u>10,313,965.81</u>	<u>18,388,319.94</u>

Expenditure

The Assembly budgeted to expend a total amount of GH¢28,702,285.81 but the actual expenditure incurred during the year was GH¢9,796,540.38 resulting in a positive variance of GH¢18,905,745.43

A summary of the Expenditure performance is shown below:

<i>Type of Expenditure</i>	<i>Budgeted (GH¢)</i>	<i>Actual (GH¢)</i>	<i>Variance (GH¢)</i>
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Compensation of Employees	2,877,257.94	3,893,165.71	
Goods and Services	1,690,963.50	1,390,890.31	
Grants	23,762,331.37	4,318,241.05	
Other Expenses	125,733.00	79,976.80	
Non-Financial Assets	246,000.00	114,266.51	
Total	<u>28,702,285.81</u>	<u>9,796,540.38</u>	

Operational Results

The total revenue of GH¢10,313,965.87 exceeded the total expenditure of GH¢9,796,540.38 by GH¢517,425.49. the resultant surplus of GH¢517,425.49 was transferred to the Accumulated Fund.

Balance Sheet as at 31st December 2019

Current Assets

Cash and Bank Balances – GH¢1,055,644.56

The amount of GH¢1,055,644.56 represents the total balances of seven (7) accounts operated by the Assembly. These balances were reconciled with the relevant bank statements. Note provide details.

Current Liabilities

Deposits and Other Trust Monies – GH¢287,885.71

The amount of GH¢287,885.71 represents deposits and other trust monies. Schedule 'C' provide details.

Reserve – GH¢767,758.85

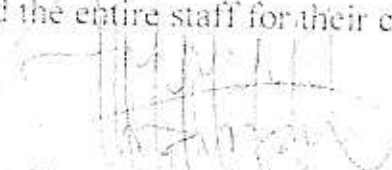
10. The reserve balance at the beginning of the year was GH¢250,333.36. The Assembly recorded a surplus of GH¢517,425.49 during the year to closed the year with an accumulated reserve balance of GH¢767,758.85. Note provide details.

Audit Queries

11. Audit observations made during the interim audit has been addressed to management for remedial action.

Acknowledgement

12. The audit team is grateful to the District Chief Executive, the Co-ordinating Director and the entire staff for their co-operation and assistance.



ALHASSAN ZIBLLILA MAHAMA
ASSISTANT AUDITOR-GENERAL

For:- AUDITOR-GENERAL

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

The Chief Director
Ministry of Local Gov't & Rural Development
Accra

The Regional Auditor
Audit Service
Kumasi

The Regional Minister
Regional Co-ordinating Council
Kumasi

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

The Municipal Chief Executive
Suame Municipal Assembly
Kumasi

The District Auditor
District 'D'
Kumasi

The Municipal Co-ordinating Director ✓
Suame Municipal Assembly
Kumasi

The Municipal Finance Officer
Suame Municipal Assembly
Kumasi

AUDITORS' OPINION REPORT

We have audited the financial statements of SUAME MUNICIPAL ASSEMBLY on pages 2 to 26, which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of managers and auditors

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


Basis of Opinion

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

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

Opinion

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


ALHASSAN ZIBLILA MAHAMA
ASSISTANT AUDITOR-GENERAL

For:- AUDITOR-GENERAL