



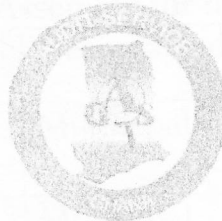
AUDIT SERVICE

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*Good Governance
and Accountability*

P. O. BOX 407
KUMASI.

17th March 2026

The Municipal Coordinating Director
Suame Municipal Assembly
Kumasi.

MANAGEMENT LETTER ON THE AUDIT OF THE DISTRICT ASSEMBLY'S COMMON FUND (DACF) AND OTHER STATUTORY FUNDS OF THE SUAME MUNICIPAL ASSEMBLY FOR THE PERIOD 1 JANUARY 2025 TO 31 DECEMBER 2025.

We have audited the accounts and other related records of the Suame Municipal Assembly's share of District Assemblies Common Fund (DACF) and other statutory funds covering the period 1st January 2025 to 31st December 2025 in accordance with Article 187(2) of the 1992 Constitution and Audit Service Act 2000, (Act 584) Section 11(1).

2. We wish to bring to your attention the following observation, comments and recommendations made during the audit. Our findings were discussed with key personnel concerned whose comments and responses where appropriate, have been considered in preparing this management letter.
3. We shall be grateful to have your response within 30 days on receipt of this report in consonance with Section 29(1) of the Audit Service Act 2000, (Act 584) and 29(2) which states that a person who fails or refuses to reply to the audit observations within the 30 days shall if the Auditor General so directs, have his emolument and allowances withheld for so long as the person fails to comply.

Management team

4. The officials mentioned below handled the financial and administrative affairs of the Municipal Assembly for the period under review.

Name of Officer	Staff ID	Designation	Period
Frank Owusu Ansah	-	Municipal Chief Executive	1/06/2025 -31/12/ 2025
Ndinga Nborinyi	68395	Municipal Coordinating Director	1/10/2025 - 1/12/2025
William W. Akpaglo	683656	Municipal Finance Officer	01/01/2025-31/12/2025
Belinda Oppong-Mensah	971461	Human Resource Manager	01/01/2025-31/12/2025
Kwaku Opare Asamoah	812663	Municipal Budget Officer	01/01/2025-31/12/2025
Samuel Sowah Adjetei	917854	Municipal Works Engineer	01/01/2025-31/12/2025
Collins Adu Poku	696734	Municipal Internal Auditor	01/01/2025-31/12/2025
Abdallah Mohammed	923741	Municipal Procurement Officer	01/01/2025-31/12/2025

Audit Objectives

5. The audit was carried out to determine whether;
- The Assembly's share of District Assembly Common Fund (DACF), Member of Parliament's share of Common Fund (MP) and District Development Fund (DDF) were fully accounted for and properly disclosed in the books;
 - The relevant legislation, Financial Rules and other Financial Administration Instructions issued by the Ministry of Finance and Economic Planning and Ministry of Local Government and Rural Development were complied with in the utilization of the DACF;
 - Award of contracts were made in accordance with the Public Procurement Act, 2003 (Act 663); and PPA (amendment) Act, 2016 Act 914.
 - Disbursement of funds were authorized and approved by the authorities concerned and were within the approved budget.

- The financial statements fairly represent the Assembly's activities for the period to 1 January 2025 to 31 December 2025.

Scope of Audit

6. The audit covered the Assembly's operations and generally, involved receipts and disbursements in respect of the following;
 - a) Releases of the funds
 - b) Funds accountability and budgetary performance
 - c) System of accounting and internal controls
 - d) Cash Management
 - e) Procurement of works, goods and services
 - f) Utilization of DACF, MP and DDF
 - g) Review of contracts and project
 - h) Asset Management.
 - i) Payroll Management

Applicable laws, Regulation and Standards

7. We also ensured compliance with the rules and regulations contained in the following laws and regulations;
 - a. The 1992 Constitution of the Republic of Ghana,
 - b. Financial Memoranda for MMDA's, 2004
 - c. Public Financial Management Act 2016 act, 921
 - d. Public Procurement Act, 2003 (Act 663) and PPA (amendment) Act, 2016 Act 914
 - e. Income tax Act 2015, Act 896
 - f. Public Financial Management Regulation (PFMR), 2019(LI 2378),
 - g. the Local Governance Act 2016 (Act 936)
 - h. Audit Service Act 2000, (Act 584)
 - i INTOSAI auditing standards.

Methodology/Approach Adopted

8. We adopted the Risk Based Audit Approach in conducting the audit. We interviewed officers involved in the financial and administrative functions of the Assembly to gather audit evidence. We concluded substantive Test of transactions undertaken by the Assembly to ascertain whether the accounting records contained misstatements. Compliance tests were

conducted to ascertain whether the Assembly's business was carried out in accordance with rules and regulations.

Issuance of observations and matters arising

9. In the course of the audit, we issued observations as and when raised and indicated specific dates Management was required to submit the responses. However, most of the responses were submitted within the specified timelines.

Limitation of Responsibility

10. We reviewed the systems and management controls operated by the Suame Municipal Assembly, only to the extent we considered necessary for the effective performance of this audit. We sampled transactions and performed substantive test on the transactions sampled. As a result, our review may not have detected all weaknesses that exist or all improvements that could be made. We have prepared this report solely for your use within your Assembly. Its contents should not be disclosed to any third parties without our consent. We would not accept any responsibility for any reliance the third party might place upon it.

Conclusion

11. The Internal Control Mechanisms put in place by Management for the efficient running of the Assembly was found to be satisfactory. However, some weaknesses were identified which have been captured in this Management letter.

12. Summary of Significant findings

- i. The Assembly made taxable payments to the tune of GH¢456,105.00, requiring withholding tax deductions of GH¢23,483.25, but the actual tax deducted and paid to GRA was GH¢13,545.25, resulting in under-charged tax difference of GH¢9,938.00. We recommended that Management of the Assembly should retrieve the outstanding amount

from the payees and pay same into the Auditor General Recovery Account at Bank of Ghana.

- ii. Mr. Johnson Nyarko, the former MCD, withdrew cash of GH¢350,000.00 from the Assembly's DACF and paid to Chiefs as compensation and documentation for acquisition of land at Bremang UGC. However, there was no agreement between the Assembly and Chiefs in that regard. We recommended that Management should ensure that the written agreement is signed.
- iii. The Environmental Officer of the Assembly failed to keep records of details and write reports on chemical used in the fumigation activities undertaken by Zoomlion Ltd of which an amount of GH¢104,650.00 was paid to the company. We urged the Municipal Environmental Officer to monitor the works of Zoomlion and keep records on the materials used for the exercise. We also recommended that a comprehensive report should be kept on the fumigation works carried out by Zoomlion.
- iv. Our review of the DACF expenditure documents revealed that the Assembly acquired land at three different locations at a total cost of GH¢3,300,000.00 without obtaining land ownership documents. We recommended that Management should take immediate steps to effect the change of ownership and all documentation necessary to secure the land.
- v. Six(6) former staff of the Assembly terminated their contract of employment by way of resignation but failed to give one-month prior notice to the employer as required. Their respective notice periods were less than one month resulting in total salaries of GH¢38,170.68 being recoverable. We recommended that the total amount be recovered from the beneficiaries and paid into the Auditor-General recoveries account.
- vi. We noted that the sanitation problems and challenges common to communities in the Municipality is haphazard dumping of refuse causing choked gutters and flooding. We recommended to the Governing Authority and the Management to establish pragmatic measures to instill environmental discipline in the Municipality. We also

recommend that proactive measures should be taken such as demolishing of buildings located on waterways.

- vii. Our review of the Contract Register showed that the MFO had not updated the records to reflect the contract commitment totaling GH¢2,287,057.80. We recommended that the MFO should update the register immediately;

Details of Finding and Recommendations

Under deduction of taxes GH¢9,938.00

13. Section 116 of the Income Tax Act 2015 (Act 896) requires a resident person, other than an individual, to withhold tax on the gross amount of the payment at the rate specified in the First Schedule when the person makes a payment to another resident who does not fall within subsection (1) or section 114 for the supply or use of goods, works and services.
14. Also, Section 117(3) of the Income Tax Act, 2015 (Act 896) stipulates that a withholding agent who fails to withhold tax in accordance with this Division shall pay the tax that should have been withheld in the same manner and at the same time as tax that is withheld.
15. The Assembly made taxable payments totaling GH¢456,105.00, requiring withholding tax deductions of GH¢23,483.25. However, the actual tax deducted and paid to Ghana Revenue Authority (GRA) was GH¢13,545.25, resulting in an under-charged tax difference of GH¢9,938.00. Details attached as appendix "A".
16. The anomaly was caused by the Municipal Finance Officer who failed to apply the appropriate tax rate or compute the tax on the full taxable amounts.
17. The irregularity had denied the state tax revenue of GH¢9,938.00 and calls for recognition to be made as tax payable in the Financial statements.

18. We recommended that Management of the Assembly should retrieve the outstanding amount from the payees and pay same into the Auditor General Recovery Account at Bank of Ghana.

19. Management asserted that the taxes were appropriately deducted and remitted to GRA but no evidence was provided to substantiate the claim.

Part payment of land purchase without agreement GH¢350,000.00

20. Regulation 78(1a & b) of the Public Financial Management regulations, 2019 (L.I 2378) states that the 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 that evidence of services received, certificates for work done and any other supporting documents exists.

21. We noted that Mr. Johnson Nyarko, the former MCD, withdrew GH¢350,000.00 from the Assembly's DACF account with National Investment Bank(NIB) Account No. 1145090219102 on 24/10/2025. The memo stated the withdrawal was for compensation to chiefs and documentation for land acquisition at Bremang UGC. This payment represented part payment of the total amount but there was no agreement between the Assembly and the Chief to enable us determine the agreed amount and the terms of the arrangement between the two parties. See details below:

PV. NO.	DATE	CHEQUE	PAYEE	DESCRIPTION OF EXPENDITURE	GROSS GH¢
12/10/25	23/10/25	003506	MCD	Acquisition of land at Bremang UGC	350,000.00

22. Payment of such amount without a properly signed agreement exposed the Assembly to possible overpayment and risk of loss of funds.

23. We recommended that Management should ensure that a written agreement is signed between the Chiefs and the Assembly and presented to the audit team for verification.

24. Management accepted to comply.

Lapses in the accountability of Zoomlion fumigation works GH¢104,650.00

25. Regulation 78(1a & b) of the Public Financial Management regulations, 2019 (L.I 2378) states that the 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 that evidence of services received, certificates for work done and any other supporting documents exists.

26. However, the audit team noted during our audit that the Assembly paid GH¢104,650.00 to Zoomlion Ghana Ltd. for fumigation works carried out within the municipality. Further testing to ascertain the details of chemicals used revealed no records of chemicals used. The Municipal Environmental Health Officer also failed to provide a comprehensive narrative report detailing the works undertaken. Payment details are provided below:

PV No.	Date	Cheque no.	payee	Description	Amount
18/12/25	23/12/25	003569	Zoomlion Ltd.	2 nd quarter disinfection and fumigation	104,650.00

27. The Municipal Environmental Health Officer's failure to write report caused the infraction.

28. Though our visit to some of the fumigated sites confirmed that the exercise was carried out, we were unable to confirm that the right quantity and quality of chemicals were used. This could result in sub-standard work at the detriment of the Assembly.

29. We urged the Municipal Environmental Officer to monitor the works of Zoomlion and keep records on the materials used for the exercise. We also

recommended that a comprehensive report should be kept on the fumigation works carried out by Zoomlion.

30. Management stated that the recommendation would be implemented.

Acquisition of land without obtaining title documents GH¢3,300,000.00

31. Section 52(1a) of the Public Financial Management Act, 2016 (Act 921) states that a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the asserts of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets to ensure that preventive mechanisms are in place to eliminate theft, loss, wastage and misuse.

32. Our review of the DACF expenditure documents revealed that the Assembly acquired land at three different locations at a total cost of GH¢3,300,000 without obtaining land ownership documents. Details of the land are provided below:

No.	Details	Location	Price	Payee
1	Purchase of 2.39 acres of land for Hospital	Anomangye	2,500,000.00	Gifty Agyei-Boateng
2	Acquisition of land	Bremang-UGC	350,000.00	MCD
3	Acquisition of land	Kwapra	250,000.00	Kwaku Fosu
4	Acquisition of land for Health Center	Nkwantwuma	200,000.00	Adu Agyei Derkyi
	TOTAL		3,300,000.00	

33. The MCD explained that the documentation delayed because the process for its acquisition takes time.

34. Considering the nature of the area and the possible litigation that may arise on the land, we recommended that Management should take immediate steps to effect the change of ownership and all documentation necessary to secure the land.

35. Management assured that the title documents would be secured.

Recovery of salaries in lieu of inadequate notice of resignation GH¢38,170.68

36. Section 17(1a) of the Labour Act, 2003 (Act 651) states that a contract of employment may be terminated at any time by either party giving to the other party, in the case of a contract of three years or more, one month notice or one month pay in lieu of notice.

37. Six(6) former staff of the Assembly terminated their contract of employment by way of resignation but failed to give one-month prior notice to the employer as required. Their respective notice periods were less than one month resulting in total salaries of GH¢38,170.68 being recoverable.

Name of staff	Rank	Staff ID	Reason for separation	Effective date of resignation	Date of notice	Required date of notice	Salary in lieu of notice to be recovered
Ernest Agyei Asare	Snr. Social Dev. Officer	920092	Resignation	17/12/24	23/12/24	17/11/24	7,561.52
Pokua Asante Priscilla	Asst. Statistician.	1427365	Resignation	15/08/25	15/08/25	15/07/25	6,245.20
Pamela Ohemaa Dwomoh	HRM	1273571	Resignation	06/01/25	06/01/25	06/12/25	6,832.20
Bertha Opoku Fofie	Asst. Dir. I	916520	Resignation	04/04/25	24/03/25	04/03/25	7,561.52
Richard Danso Yeboah	Env. Health Asst.	1288329	Resignation	01/01/25	16/12/24	16/11/24	3,725.04
Richard Nii Lartey Akrong	Asst. Budget Analyst	1406244	Resignation	01/09/25	25/08/25	25/07/25	6,245.20
TOTAL							38,170.68

38. Non-timely notice of resignation by the affected persons caused the infraction.

39. The effect of not given sufficient notice could make it difficult for Management to find their replacement, especially key staff and staff in management position.

40. We recommended that the total amount of GH¢38,170.68 should be recovered from the beneficiaries and paid into the Auditor-General recoveries account.

41. Management responded that the one-month notice is to afford the employer to look for replacement and has nothing to do with the salary of the affected staff which we disagreed.

Sanitation and environmental challenges within the Municipality

42. We carried out sanitation and environmental audit of some selected communities within the Municipality and observed the following general situation:
- Dumping of rubbish in gutters making them getting choked.
 - Buildings were sited on water ways
43. The situation was common in communities such as Suame, Anomangye, Kwapra, Bremang, Kronum and Magazine.
44. According to the Municipal Environmental Officer, Agyei Kofi, he is not a member of the Spatial Planning Committee to enable him offer technical advice to the committee.
45. The MCD blamed the situation on recalcitrant community members who dispose of rubbish haphazardly.
46. The environmental situation gets worse in the raining season causing flooding, posing threat to lives and property. It also puts financial burden on the Assembly by way of desilting and dredging of choked gutters.
47. We recommended to the Governing Authority and the Management to establish pragmatic measures to instill environmental discipline in the Municipality. We also recommend that proactive measures should be taken such as demolishing of buildings located on waterways.
48. Management noted the recommendation for compliance.

Failure to update Contract Register GH¢2,287,057.80

49. In accordance with Chapter 6 point 6.8.2.4(5) and 8.3.3(4) of the Government of Ghana Accounting Manual for covered entities issued by the Controller and Accountant-General in March 2018, Contract Register is required to be

maintain for the proper and effective accountability and management of contracts payments.

50. Our review of the Contract Register showed that the MFO had not updated the records to reflect the payment of GH¢99,675.08 to Divine Destiny for the construction of Ambulance Bay. Similarly, contract payments totaling GH¢2,187,382.72 were also not recorded, putting the total unrecorded contract commitments to GH¢2,287,057.80 as detailed below

PV NUMBER	DATE PAID	NAME OF PAYEE	DETAILS OF PAYMENT	AMOUNT PAID GH¢
12/1/25	23/01/23	Adehyeman Star Ventures	Painting of 1 no. 2 storey clinic facility at Suame magazine.	80,292.00
15/1/25	29/1/25	Adehyeman Star Ventures	Painting of 1 No. 2 storey clinic facility at Suame	69,669.00
1/2/25	04/2/25	Divine Destiny Ltd	Certificate no. 4 for the construction of ambulance bay	99,675.08
04/05/25	09/05/25	Kaaba Co. Ltd	Construction of 0.6 U-drain at Anomangye Pentecost	35,207.00
9/7/25	21/7/25	Kaoba Ventures	Gravelling of Bremang West roads	21,165.00
7/8/25	7/8/25	Kaoba Co. Ltd	Dredging activities	89,100.00
10/08/25	08/08/25	Blarab Ent.	Paving of Suame market	199,296.00
1/9/25	02/09/25	Jobe Excel Venture	Construction of urinal and paving of road	150,883.03
13-13A/9/25	25/9/24	Kaoba Co. Ltd	Clearing and removal of weeds and unsuitable materials on the road median on the main dual carriage way	54,743.80
23/9/25	23/9/25	Jobex Excel Ventures	Gravelling of emergency access roads at magazine.	150,902.80
11/10/25	23/10/25	Blavad Ent.	Safety enhancement and beautification of median road at kronum	102,525.00

8/11/25	14/10/25	Adehyeman Star Ventures	Destiling of trains	46,693.60
9/11/25	14/11/25	Kaoba Company Ltd.	Spot improvement on some selected spot on the main dual carriage	39,842.00
10/11/28	19/11/25	Jobex Excel Ventures	Evacuation of refuse dump at Nkontwima	199,441.79
11/11/25		Kaoba Company Ltd.	810 square meter terminal and construction of 2No. 7meter reinforced concrete slab	57,200.00
2/12/25	1/12/25	Zoomlion Ghana Limited	Second quarter 2026 sensitization improvement package	130,812.50
5/12/25	1/12/25	1305 Engineering and Construction Co. Ltd.	Gravelling of Abuohia road. Behind the market	105,322.20
6/12/25	11/12/95	-do-	Construction of reinforced precast concrete slab at Kronum, Trapezoidal drain with stone pitching at Suame market & 0.6 pipe culvert at Adongo junction	171,042.00
7/12/25	11/12/25	B-mobile Ltd.	Maintenance of streetlights	199,820.00
13/12/25	19/12/25	Jobex Excel Ventures	Maintenance of streetlights	198,180.00
17/12/25	22/12/25	MCD	Evacuation of refuse at Anomangye	51,480.00
18/12/25	22/12/25	Soninke Ventures/ C.A.P. 20 Ent.	Distilling of choked drain at Breman.	33,765.00
			TOTAL	2,287,057.80

51. The MFO attributed it to an oversight.

52. The situation made payments tracking difficult. It also made it difficult to easily determine the unpaid balances for the purpose of liability recognition

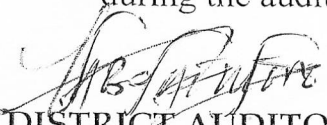
in the financial statements. It can also result in overpayment without noticing.

53. We recommended that the MFO should update the register immediately;

54. Response received was that the update would be effected.

ACKNOWLEDGEMENT

55. The Audit team is grateful to the Municipal Chief Executive, Municipal coordinating Director, and the entire staff for their assistance and co-operation during the audit.


DISTRICT AUDITOR
DISTRICT 'D' KUMASI
(NANA FOSUAH ADU REXFORD)
DIRECTOR OF AUDIT

Cc: The Auditor-General
Audit Service
Accra.

The Regional Auditor
Audit Service
Kumasi

The Chief Director
Ministry of Local Government & Rural Development
Accra

The Regional Coordinating Director
Regional Co-ordinating Council
Kumasi

The Chief Executive
Suame Municipal Assembly
Kumasi

The Presiding Member
Suame Municipal Assembly
Kumasi

The Municipal Finance Officer
Suame Municipal Assembly
Kumasi

Under-deduction of taxes GH¢9,938.00

APPENDIX 'A'

PV. NO.	Date	Payee	Details	Gross	Taxable amount	Tax deductible	Tax due	Tax under charge	Explanation
4/04/25	08/4/25	MCD	Clean up exercise. Refreshment, allowances and others	34,775.00	27,200.00	608.25	1,446.00	837.75	3% tax of GH¢546 on refreshment items of GH¢18,200 was due. 10% tax of GH¢900 on allowances of GH¢9,000 was due, but actual tax deducted was GH¢608.25 leading to tax undercharge of GH¢843.75
10/05/25	30/05/25	MCD	Preparation for 2026-2029 medium term development plan	130,000.00	90,000.00	6,500.00	9,000.00	2,500.00	10% tax of GH¢9,000 on allowances paid was due for deduction but actual deduction was GH¢6,500 leading to tax under charge of GH¢2,500
27/8/25	22/8/25	MCE	Thank you tour expenses	11,580.00	9,000	193.50	690.00	496.50	10% tax of GH¢600 on allowance of GH¢6,000
10-10A/9/25	12/9/25	MCD	2025 second quarter monitoring.	20,000.00	13,500.00	1,040.00	1,350.00	310.00	10% tax of GH¢1,350 on allowance of GH¢13,500 instead of GH¢1,040 tax deducted on the transaction
29/9/25	29/9/25	MCD	Expenses on Vice presidents visit.	77,500.00	40,000.00	1,350.00	2350.00	1,000.00	10% of GH¢1,000 on allowance of GH¢10,000 paid to Johnson Nyarko. 3% of GH¢600 on refreshment items of GH¢20,000 from Nana's catering services.

									7.5% tax of GH¢750 on rental services GH¢10,000 rendered by Amazing rental services. Total tax of GH¢2350 due instead of GH¢1,350 deducted
1/11/25	06/11/25	Kofi Agyei	Stakeholders forum on environmental	51,200.00	42,800.00	726.00	2,754.00	2,028.00	10% tax of GH¢2,100 on allowance of GH¢21,000. 3% tax of GH¢654 on refreshment items of GH¢21,800. Total tax GH¢2,754 instead of GH¢726 deducted
2/11/25	06/11/25	MCD/ Nana Ama's Catering services and others	Organising of two group fixtures: allowances and others	25,500.00	16,800.00	465.00	1,050.00	585.00	10% tax of GH¢780 on allowance of GH¢7,800. 3% tax of GH¢270 on cost of food of and hiring of PA system GH¢9,000. Total tax due was GH¢1,050 but tax deducted was GH¢465 leading to difference of GH¢585
03//11/25	6/11/25	Municipal Environmental Officer and others	Clean up exercise	29,725.00	18,950.00	548.25	1,160.00	611.75	10% tax of GH¢845 on allowance of GH¢8,450. 3% tax of GH¢315 on refreshment items of GH¢10,500 procured from Nana Ama's Catering. However, tax deducted was GH¢548.25 resulting in tax difference of GH¢611.75
9/12/25	11/12/25	MCD/ Nana	Inter-town matches.	55,800.00	43,000.00	1,875.00	2,550.00	675.00	10% tax of GH¢1,800 on allowance of GH¢18,000. 3% tax of GH¢750 on items of