



AUDIT SERVICE

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My Ref No: AR/DD/MA.II/21

Your Ref No:



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 INTERNALLY GENERATED FUND (IGF) OF SUAME MUNICIPAL ASSEMBLY, KUMASI 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 Internally Generated 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 Adjetey	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 accounts have been properly kept,
 - all resources have been fully accounted for, and rules and procedures applicable are sufficient to ensure an effective check on assessment, collection and proper accounting of revenue,
 - monies have been expended for the purpose for which they were appropriated and the expenditure have been made as authorized,
 - essential records are maintained and rules and procedures applied are sufficient to safeguard and control the Assembly's properties, and
 - programmes and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilized, and results achieved.

Scope of Audit

6. The audit covered the Assembly's operations and generally, involved receipts and disbursements in respect of the following;
- Releases of the funds
 - Funds accountability and budgetary performance

- c) System of accounting and internal controls
- d) Cash Management
- e) Procurement of works, goods and services
- f) Review of contracts and project
- g) Asset 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 time lines. This delayed the finalization of the draft report.

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 and 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. We conducted revenue performance analysis on the permanent revenue collectors and observed that six of them were not efficient when their actual revenue collected were matched against the salaries paid to them. We recommended that Management should ensure that punitive measures are in place to whip up the performance of non-performing revenue collectors.
- ii. We noted that out of an annual revenue target of GH¢300,000.00 set for six permanent revenue collectors, only a total of GH¢179,646.00 was collected resulting in a shortfall of GH¢120,354.00 or 40.12 per cent. We urged management to implement effective strategies to enhance the productivity of revenue collectors.
- iii. One payment voucher with face value of GH¢13,561.25 was not presented for audit upon several request. We recommended that the MFO should present the payment voucher for audit scrutiny, otherwise, the amount of GH¢13,561.25 should be recovered from the MFO and same paid into the Auditor General Recovery Account

Details of Finding and Recommendations

Inefficient performance of Assembly's Revenue Collectors GH¢106,521.82

13. Section 7 of the PFM Act, 2016 (Act 921) states that, 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.

14. Regulation 46(a) of the Public Financial Management Regulations, 2019 (L.I. 2378) states that a Principal Spending Officer shall ensure that non-tax revenue is efficiently collected.

15. However, during our analysis of revenue performance, we observed that six mechanized revenue collectors of the Assembly received a total salary of GH¢286,167.82 for the 2025 financial year whereas the total actual revenue collected was GH¢179,646.00 resulting in inefficiency of GH¢106,521.82 (37.22 percentage) to the Assembly. Below is an analysis of their performance relative to their annual salary.

Name of collector	Rank	Staff ID	Total salary GH¢	Actual revenue Collected GH¢	Diff. per salary GH¢	% diff.
Regina Konadu	Higher Rev. Inspector	646466	55,397.44	13,735.00	(41,662.44)	(75.21)
Helena Adjei	Revenue Inspector	646329	41,542.56	23,000.00	(18,542.56)	(44.63)
Kwabena Amoh	Higher Revenue Inspector	683968	45,195.96	8,250.00	(36,945.96)	(81.75)
Janet Achiaa	Higher Revenue Inspector	900074	44,440.44	52,781.00	8,340.56	18.77
Vida Asante	Revenue Supt.	891128	62,258.16	62,310.00	51.84	0.083
Evelyn Asantewaa	Revenue Inspector	929906	37,333.26	19,570.00	(17,763.26)	(47.58)
	TOTAL		286,167.82	179,646.00	(106,521.82)	(37.22)

14. According to the MCD, the influx of road construction on the main high way and other areas within the Municipality had displaced traders, causing the low revenue performance.

15. In our view, the revenue collectors were relaxed because their earning were not tied to their performance. Whether they perform or not, it does not have any effect on their salaries.

16. Consequently, revenue collected by each of the collectors for the period could not even compensate for the salaries paid them. Thus, the Assembly and in extension the Sate did not derive value or benefit from the salaries of GH¢286,167.82 paid to the six collectors.

17. We recommended that Management should ensure that punitive measures are in place to whip up the performance of non-performing revenue collectors.

18. Management responded that measures are in place to improve the collectors' performance

Failure to meet revenue collection targets - GH¢120,354.00

19. Regulation 46(a) of the Public Financial Management Regulations, 2019 (L.I. 2378) states that a Principal Spending Officer shall ensure that non-tax revenue is efficiently collected.

20. Our audit revealed that out of an annual revenue target of GH¢300,000.00 set for six permanent revenue collectors, only a total of GH¢179,646.00 was collected resulting in a shortfall of GH¢120,354.00 or 40.12 per cent. None of the revenue collectors achieved their revenue targets. Details shown below:

Name of collector	Rank	Staff ID	Target	Actual revenue	Difference Per target	% diff.
			GH¢	GH¢	GH¢	
Regina Konadu	Higher Rev. Inspector	646466	50,000.00	13,735.00	(36,265.00)	(72.5)
Helena Adjei	Revenue Inspector	646329	40,000.00	23,000.00	(17,000.00)	(42.5)
Kwabena Amoh	Higher Rev. Inspector	683968	40,000.00	8,250.00	(31,750.00)	(79.3)

Janet Achiaa	Higher Rev. Inspector	900074	60,000.00	52,781.00	(7,219.00)	(12.03)
Vida Asante	Revenue Supt.	891128	70,000.00	62,310.00	(7,690.00)	(10.99)
Evelyn Asantewaa	Revenue Inspector	929906	40,000.00	19,570.00	(20,430.00)	(51.08)
	TOTAL		300,000.00	179,646.00	(120,354.00)	(40.12)

21. The MCD asserted that influx of road construction contributed to the low revenue performance.

22. This has adversely impacted the overall IGF revenue performance required to finance planned programmes and activities for the year, thereby resulting in overreliance on District Assembly Common fund administrative expenditure.

23. We urged management to implement effective strategies to enhance the productivity of revenue collectors.

24. Management stated in its response that measures are underway to improve performance.

Unpresented payment voucher - GH¢13,561.25

25. Audit Service Act, Act 2000, Section 33(1a) states "Any person who (a) fails to produce for inspection by the Auditor-General or otherwise fails to give the Auditor-General access to any book, record, return or other document relating or relevant to any account to be audited by the Auditor-General, when so requested by the Auditor-General; commits an offence and is liable on summary conviction to a fine not less than 500 penalty units or to imprisonment for a term not exceeding 2 years or to both."

26. Regulation 82 of the PFMR, 2019 (L.I. 2378) requires that payment by a covered entity should be accompanied with a payment voucher, authorized by the head of accounts and approved by the Principal Spending Officer.

27. We however noted that one payment voucher with face value of GH¢13,561.25 was not presented for audit upon several requests. Details provided below:

DATE	PV'S NO.	CHEQUE NO.	PAYEE	AMOUNT GH¢
5/2/2025	IGF/FEB25/03	235143	MCD	13,561.25

28. This happened because the voucher was mixed up with other documents.

29. The payment voucher may contain irregularities that could result in non-compliance issue or misstatement.

30. We recommended that the MFO should present the payment voucher for audit scrutiny, otherwise, the amount of GH¢13,561.25 should be recovered from the MFO and same paid into the Auditor General Recovery Account

31. Management stated that the Payment voucher is available but when we called for it, it was still not presented.

ACKNOWLEDGEMENT

32. 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