23

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Good Governance
and Accountability

P. O. Box 407
Kumasi
11 March, 2022.

The Co-ordinating Director
Old Tafo Municipal Assembly
kumasi

MANAGEMENT LETTER ON THE AUDIT OF THE DISTRICT ASSEMBLY COMMON FUND (DACF) AND OTHER FUNDS OF OLD TAFO MUNICIPAL ASSEMBLY FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2021

Introduction

The accounts and other related records of the Old Tafo Municipal Assembly, have been audited in accordance with our statutory requirements of Article 187 clause 2 of the 1992 Constitution and Section 11 (1) of the Audit Service Act, 2000 (Act 584).

2. We wish to bring to your attention the following observations and comments made during the audit. These observations had been discussed with Management and where appropriate their comments have been taken into consideration while preparing this letter.

OLD TAFO MUNICIPAL ASSEMBLY
RECEIVED

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Details of findings and Recommendation

Fund accountability and budgetary performance

10. During the period under review, the Assembly received a total amount of GH¢ 14,635,513.35 out of the total annual budget estimates of GH¢30,807,024.71 for the District Assembly Common Fund (DACF) and other statutory funds representing 47.51 percent of the total annual budget estimates. Actual Income received fell short of GH¢16,171,511.36 to undertake various projects.

11. In analyzing the expenditure, we observed that out of a budget of GH¢**30,807,024.71,** actual expenditure made was GH¢**10,108,102.32** resulting in a difference of GH¢**20,698,922.39**. Details are provided below:

Revenue:

S/n	Revenue	Annual budget GH¢	Actual GH¢	Variance GH¢
1.	DACF (Main, PWD & MSHAP) – Assembly	8,294,745.06	2,682,955.21	(5,611,789.85)
2.	DACF – MP & SIF	800,000.00	374,280.17	(425,719.83)
3.	DACF - RFG	828,665.00	1,109,615.00	280,950.00
4.	Ghana Sec. City Sup. Prog. (GSCSP)	18,550,300.86	8,185,467.88	(10,364,832.98)
5.	CIDA/MAG	76,762.00	72,148.14	(4,613.86)

6.	G&S-Decentralised Department	50,888.00	36,018.06	(14,869.94)
7.	GOG Salaries	2,205,663.79	2,175,028.89	(30,634.90)
	Total	**30,807,024.71**	**14,635,513.35**	**(16,171,511.36)**

Expenditure:

S/n	**Expenditure**	**Annual budget GH¢**	**Actual GH¢**	**Variance GH¢**
1	DACF (Main, PWD & HIV) – Assembly	8,294,745.06	3,150,005.13	5,144,739.93
2	DACF – MP & SIF	800,000.00	300,698.92	499,301.08
3	DACF- RFG	828,665.00	471,038.00	357,627.00
4	Ghana Sec. City Sup. Prog. (GSCSP)	18,550,300.86	3,917,636.74	14,632,664.12
5	CIDA/MAG	76,762.00	**71843.64**	4,918.36
6	G&S-Decentralised Department	50,888,00	21,851.00	29,037.00
7	GOG Salaries	2,205,663.79	2,175,028.89	30,634.90
	Total	**30,807,024.71**	**10,108,102.32**	**20,698,922.39**

Source: Financial Statement/ Cash books

12. The state of affairs was due to erratic and insufficient central government funding.

13. We consequently recommended to management to impress on the Administrator of DACF and DPAT Secretariat for the release of the requisite funds while expenditure control measures are strengthened.

Payments outside GIFMIS Platform- GH¢ 39,963.51

14. Section 25 of the Public Financial Management Act. 921 of 2016 states that, where a covered entity enters into a contract or any other arrangement that commits or purports to commit Government to make a payment, the contract or the arrangement shall be approved by the Principal Spending Officer of that covered entity and the Principal Spending Officer shall enter the contract or arrangement into the Ghana Integrated Finance Management System.

15. However, we noted that, Old Tafo Municipal Assembly made a total payment of GH¢39,963.51 from DACF Account on six payment vouchers without the use of the GIFMIS system contrary to the Act. Details are provided below;

DATE	PV NO.	CHEQUE NO.	DETAILS	PAYEE	AMOUNT GHS
1/12/21	14/DACF/12/21	913	Hiring wheel loader for spreading filling material at Boawene	Mabunia Ent.	3,000.00
2/12/21	15-19/DACF/12/21	918	Expenses on annual Internal Auditors Conference	MIA/MCD	23,110.00