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AUDIT SERVICE

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Good Governance and Accountability

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

THE MUNICIPAL CO-ORDINATING DIRECTOR
OLD TAFO MUNICIPAL ASSEMBLY
KUMASI

MANAGEMENT LETTER ON THE INTERNALLY GENERATED FUND (I.G.F.) ACCOUNTS OF OLD TAFO MUNICIPAL ASSEMBLY FOR THE PERIOD JANUARY 2021 TO 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.

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Internal Control

9. In our view, the internal controls instituted by Management were generally adequate and fairly effective to provide assurance that assets are safe. However, certain lapses were noted to have existed and enumerated for your comments.

Conclusion

10. We have discussed the weaknesses identified, their implications and the factual accuracy of the contents of this letter with management. Our observations and detailed recommendations, together with management responses, therefore, are set out in paragraphs 11 to 42.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

11.a. We noted that three payment vouchers with a face value of **GH¢17,769.00** paid were not supported with necessary documents like official receipts, activity report, attendance register, distribution list and others as a prerequisite for payment. We recommended to the MFO to ensure that the relevant expenditure details are obtained from the payees to authenticate the payments failing, the authorising officers should be held to refund the amount involved.

b. Our payroll audit revealed that, Miss Agnes Nyarko (Staff ID: 699349) of Old Tafo Municipal Assembly's nominal roll as Higher Revenue Inspector was placed at Revenue Superintendent (Inspector) grade higher than her actual grade hence paid unearned salary of **GH₵12,024.19.** Management should recover the total unearned salaries of GH₵12,024.19 and pay same into the Controller and Accountant General's suspense account. We also urged the Municipal Coordinating Director to contact the validators of KMA to declare Agnes Nyarko unknown in order for Old Tafo to add her to their management unit.

c. Management failed to procure goods and services valued GH₵30,442.01 with a VAT component of GH¢**1,125.36** from a VAT registered entities. We directed that the Spending Officers should recover the VAT amount of GH¢ **1,125.36** and pay same to GRA immediately.

d. We noted during the examination of the revenue collector's cashbook and their lodgments, reveals that two permanent revenue collectors and 15 commission collectors perform poorly in generating revenue for the Assembly. We therefore urged management to institute stringent measures against the collectors to enhance effective revenue generation. Meanwhile, the undeforming collectors should be sanctioned.

DETAILS OF SIGNIFICANT FINDINGS AND RECOMMENDATIONS

A. FUND ACCOUNTABILITY AND BUDGET PERFORMANCE

12. During the period under review, the Assembly received a total amount of GH¢ 1,293,580.72 out of the total annual budget estimates of GH¢1,616,000.00 representing 80.05 percent of the total annual budget estimates. Actual Income received fell short of GH¢322,419.28 to undertake various projects.

13. In analyzing the expenditure, we observed that out of a budget of GH¢1,616,000.00 actual expenditure made was GH¢1,270,083.04 resulting in a favourable variance of GH¢345,916.96. Details are provided below:

S/No.	ACTIVITIES	BUDGETED (GH¢)	ACTUAL (GH¢)	VARIANCE (GH¢)
	REVENUE			
1	Lands and Royalties	110,000.00	70,010.80	-39,989.20
2	Rates	550,000.00	299,274.68	-250,725.32
3	Rent on Land, Building & House	42,000.00	32,973.00	-9,027.00
4	Licences	502,500.00	489,144.58	-13,355.42
5	Fees	378,500.00	371,931.50	-6,568.50
6	Fines, Penalties and Forfeit	15,000.00	12,700.00	-2,300.00
7	Miscellaneous	18,000.00	17,546.16	-453.84
	Total	1,616,000.00	1,293,580.72	-322,419.28