

SUHUM MUNICIPAL ASSEMBLY



In case of reply, the Number and date of this letter should be quoted.

Our Ref:
Your Ref.....



Office of the Municipal Administration
P. O. Box 186
Tel: 0858-22363
Suhum
Digital Address: ES-0030-1162

29TH January, 2025

SUBMISSION OF INTERNAL AUDIT REPORT FOR THE FOURTH QUARTER 2024

I submit herewith the Internal Audit Report for the fourth quarter 2024 for your perusal and necessary action, please

Thank you.

ABDULAI ALIWU
(AG. MUN. CO-ORDINATING DIRECTOR)
FOR: MUNICIPAL CHIEF EXECUTIVE

THE CHAIRMAN
AUDIT COMMITTEE
SUHUM MUNICIPAL ASSEMBLY
SUHUM

THE MUNICIPAL CO-ORDINATING DIRECTOR
SUHUM MUNICIPAL ASSEMBLY
SUHUM

cc: The Director General
Internal Audit Agency
Parliamentary Enclave
State Protocol Department
Osu Accra

The Regional Minister
Eastern Regional Coordinating Council
Koforidua

The Head of Service
Office of the Head of Local Government Service
Accra.

The Presiding Member
Suhum Municipal Assembly
Suhum

The District Auditor
Ghana Audit Service
Nsawam

The Municipal Chief Executive
Suhum Municipal Assembly
Suhum

SUHUM MUNICIPAL ASSEMBLY



FOURTH QUARTER INTERNAL AUDIT REPORT FOR 2024 ON HANDING OVER NOTES, 2024 FINANCIAL PERFORMANCE AND COMPLIANCE WITH AUDIT COMMITTEE GUIDELINES

*Suhum Municipal Assembly
P. O. Box 186
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**INTERNAL AUDIT REPORT FOR THE PERIOD FOURTH QUARTER
2024 ON HANDING OVER NOTES, 2024 FINANCIAL PERFORMANCE,
AND COMPLIANCE WITH AUDIT COMMITTEE GUIDELINES FOR
THE PERIOD 1ST OCTOBER, 2024 TO 31ST DECEMBER, 2024**

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1.0. EXECUTIVE SUMMARY

This report gives an overview of audit carried out on compliance with audit committee guidelines (2023), handing over notes, and the financial performance of the Suhum Municipal Assembly for the Fourth Quarter, 2024 as per the Annual Audit Plan.

The Report focuses on the discovery of shortfalls and improvements in these specified areas, with review and recommendations being provided based on Financial Laws (PFM) and Regulations of the State.

The Audit was conducted to assess the adequacy of the internal controls and procedures which have been implemented to mitigate risks relating to handing over notes, payment of rent, non-compliance with audit committee guidelines and financial performance. Also whether Management operates under sound business principles and complies with the applicable laws, regulations, terms and conditions.

The scope of the Audit covered the internal controls on handing over notes, financial performance, and compliance with audit committee guidelines, for the period of 1st October to 31st December, 2024.

Methods used in the Audit include verifications, examination, interview and substantive test.

2.0. SUMMARY OF FINDINGS AND RECOMMENDATIONS:

▪ FINANCIAL PERFORMANCE FOR THE YEAR 2024

1. 86.4% Budgeted revenue achieved during the period under review

The Assembly budgeted for a revenue amount of GH¢1,673,944.00 of which an amount of GH¢1,446,527.95 was the actual revenue generated which represent 86.4%.

We recommend to Management to put in internal control measures that will help to generate more revenue and achieve their budget for the year.

2. Budgeted expenditure underrun during the period under review

We realized that Management was able to spend within their budgeted expenditure for the year under review.

We urge Management to ensure that expenditure always remains within the budget and adhere to prudent use of public funds.

3. Handing over note

We realized that the handing over not of the Hon. MCE have been adequately prepared and handed over to the Ag. Municipal Coordinating Director

We commend Management for putting in much effort and ensuring that the handing notes was prepared as required by the presidential transition act.

3.0 INTRODUCTION

3.1. Location and Size

The Suhum Municipal Assembly is one of the 261 Metropolitan, Municipal and District Assemblies in Ghana and forms part of the thirty-three (33) Municipalities and Districts in the Eastern Region.

It was established and elevated to a municipality status in July 2012 by Legislative Instrument (L.I.) 2048 and Suhum is the municipal capital and major town.

It is bounded the New Juaben South Municipality to the North-East, East Akim Municipality to the North, Ayensuano District to the West and South, and Akuapem North Municipality to the East.

It is situated in the South Eastern part of the Eastern Region between latitude 0 0 56 1 N and Latitude 6 0 08 N and longitude 0 0 33 1w and Long 0 0 16 1w and covers a land area of about 359 square kilometres.

3.2. Population Structure

The population of the Municipality according to 2021 Population and Housing Census stands at 126,403 with 61,226 males and 65,177 females.

The municipality was part of the defunct Suhum-Kraboia Coaltar District until the Ayensuano District was carved out of it in July 2012. The Municipality has Three Zonal Councils – Suhum, Akorabo and Nankese. The Municipality is located approximately 60km from Accra, the national capital.

Some of the largest settlements in the Municipality are as follows: Suhum, Nankese, Akorabo, Okorase, Brong Densuso, Obretema, Omenako, Adarkwa, Okanta, Abenabo No 2, Kofigya, Ayisaa, Akote, Aponoapono, Amanhia, Supresu, Otwe and Densuso.

3.3. Vision

The Suhum Municipal Assembly aspires to become an environmentally friendly and economically viable with adequate and accessible amenities for the people to actualize their dreams and enjoy peaceful coexistence.

3.4. Mission Statement

The Suhum Municipal Assembly exists to constantly upgrade the quality of life of the people in the Municipality through efficient mobilization and utilization of resources within an effective participatory Local Government framework.

3.5. Core Values

Accountability, Client-oriented, Diligence, Equity, Integrity, Innovativeness, Team work, Timeliness and Transparency.

3.6. Developmental Goal

The basic goal of the Medium-Term Plan (2022-2025) is to address poverty and improve the provision of social services.

This report was compiled from the various audits conducted in the course of the fourth quarter according to the annual audit plan. It stated the various types of audit or reviews undertaken in the course of the year including the following thrust areas were audited National Anti-corruption Action Plan Activities, compliance with audit committee guidelines(2023), the emergency management guidelines, internally generated fund, human resources management/Payroll, building permits and development control and estates and rent.

3.7 Background

The Internal Audit Unit of the Suhum Municipal Assembly carried out an Audit on compliance with audit committee guidelines, handing over notes, rent and financial performance with the aim of identifying weakness in internal controls, assessing risk and suggesting mitigating measures to ensure effective, efficient and economic use of resources.

3.8. Audit Perspective

The audit exercise was conducted by Gordon Mensah Owusu, (IA), Kermah Amoah (AIA), Erica N.A. Acheampong, (AIA), Mary Sekyere (AIA), Agnes Ankomah (AIA), Samuel Agyei Appiah (AIA), Charles Salas Okine (AIAT), under the supervision of Korbla Ganyo Akpablie (SIA).

The standards for the professional practices of Internal Auditing, Public Financial Management Regulations, 2019, and the Public Financial Management Act, 2016, Internal Audit Agency Act were applied in the audit.

3.9. Scope and Objectives

The audit looked at the financial performance of the Assembly for the year 2024, Handing over notes of the Municipal Chief Executive, compliance with audit committee guidelines of the Assembly, and The audit also evaluated the adequacy of the recording and keeping of accounting books and other related records for the period 1st January to 31st December, 2024 for the thrust areas. This was conducted within 21 days from 1st January, 2025 to 31st January, 2025.

The objectives of the audit were as follows:

- To verify the handing over notes of the immediate past MCE

- To evaluate the financial performance for the 2024
- To ensure compliance of the audit committee guidelines
- To ascertain whether Assembly's resources have been used judiciously.

4.0. METHODOLOGY

The audit was conducted on risk-based audit approach in carrying out the exercise. This includes walk through test, verification, examination, interviews and substantive test.

As a result, the team developed the audit findings based on the five fundamental attributes thus; criteria, condition, cause, effect as well as recommendation. Responses from Audit Client, where appropriate are also incorporated in the report.

5.0 DETAILED FINDINGS AND RECOMMENDATIONS

1. 86.4% BUDGETED REVENUE ACHIEVED DURING THE PERIOD UNDER REVIEW

CRITERIA:

Public Financial Management Regulation, 2019 section 46(a) stipulate that 'A Principal Spending Officer shall

- a. Ensure that non-tax revenue is efficiently collected

CONDITION:

The Assembly budgeted a revenue amount of GH¢1,673,944.00 of which an amount of GH¢1,446,527.95 actual revenue was generated which represent 86.4%. Refer to appendix (1) for details.

Causes:

Due to pragmatic measures instituted by the Municipal Finance Officer and his team.

Effects:

1. The Assembly would be able to meet its revenue target.
2. The Assembly would be able to execute its planned projects
3. In this effect, the Assembly would be able to fulfil the IGF requirement.

Recommendation:

We urge management to continue with the good work and ensure that all revenue staffs are considered in the Assembly's training workshop.

Management's Response:

Management wishes to say that your recommendation is well noted for compliance

2. BUDGETED EXPENDITURE UNDERRUN DURING THE PERIOD UNDER REVIEW

CRITERIA

Financial Management Regulations, 2019 Section 61, subsection 1 state that “A commitment for the following expenditure and payment of a covered entity shall be made in the Ghana Integrated Financial Management Information System within a commitment ceiling issued according to budget availability.”

CONDITION:

We realized that Management was able to spend within their budgeted expenditure for the year under review.

Refer to appendix (II) for details

Causes:

Due to adherence of laid down control.

Due to control of expenditure by Chief Executive

Effects:

1. There would be no budget overrun.
2. The Assembly would be able to execute its planned projects

Recommendation:

We urge management to ensure that expenditure always remains within the budget and adhere to prudent use of public funds.

Management respond:

Management ensured that during the year under review, expenditure was made strictly within the Assembly's budgetary ceiling.

3. HANDING OVER NOTES

CRITERIA: Section 6 (1& 2a, 2b) of the presidential transition Act 2012, states that,

“The office of the President shall prepare a set of comprehensive handing-over notes covering the term of office of the President as executive authority under article 58 of the constitution”.

The notes prepared under subsection (1) shall include

- a. The handing over notes received by the President and the Ministers on assuming office and
- b. Notes on the activities of
 - i. The office of the President and the office of the vice president, and the agencies under the portfolios of the president and the vice president
 - ii. The ministries, departments and the agencies and
 - iii. The regional ministers and the district chief executives

CONDITION:

The team observed that handing over notes of the Municipal Chief Executive has been prepared and submitted to the Co-ordinating Director as required by the law

CAUSES:

Due to adherence of laid down control

EFFECTS:

1. It ensures accountability and transparency.

RECOMMENDATION:

We commend management for putting in measures in preparing a successful handing over note.

MANAGEMENT RESPONSE

Management wishes to say that your recommendation is well noted and pragmatic measures have been put in place and a well-documented handing over notes are on file for your inspection.

INTERNAL AUDIT OPINION

In our opinion, we found the financial transactions, operational procedures and internal controls to be averagely adequate for the period under review. We have identified opportunities to improve the efficiency and effectiveness of certain operating procedures in the areas audited as discussed in this audit report.

6.0. CONCLUSION

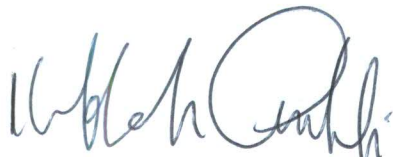
The audit was carried out by the Internal Audit Unit to identify and highlight critical areas requiring urgent Management attention to help achieve governance objectives.

We would like to state that we were not able to do all the trust areas as indicated in the annual audit plan because most of the documents were with the external auditors for their annual audit report.

Management complied with audit committee guidelines. However, as compared to 2023, Management generated excess revenue of Gh¢ 207,321.52 more than what we generated in 2024. We therefore recommend to Management to put in more measures to be able to raise more revenue for the development of the Municipality.

7.0. ACKNOWLEDGEMENT

The Internal Audit Unit wishes to immensely acknowledge the effective cooperation of Management and Staff of the Assembly during the audit.



KORBLA GANYO AKPABLIE

(HEAD, INTERNAL AUDIT UNIT)

The Chairman
Audit Committee
Suhum Municipal Assembly
SUHUM

CC:

The Director General
Internal Audit Agency
ACCRA

The Municipal Chief Executive
Suhum Municipal Assembly
SUHUM

The Municipal Coordinating Director
Suhum Municipal Assembly
SUHUM

The Hon. Minister
Eastern Regional Coordinating Council
KOFORIDUA

The Head of Service
Office of the Head of Local Government Service
ACCRA

The Presiding Member
Suhum Municipal Assembly
SUHUM

The District Auditor
Ghana Audit Service
NSAWAM

APPENDIX

1. BUDGETED REVENUE REALIZED DURING THE PERIOD UNDER REVIEW

NO	DETAILS	BUDGETED REVENUE 2024	ACTUALS 2024	VARIANCE	%	BUDGETED REVENUE 2023	ACTUALS 2023	VARIANCE	%
1	Rates	200,220	168,112.14	32,107.86	16.05A	980,753.15	149,825.96	730,630.79	84.72A
2.	Lands and royalties	215,630.	144,240.00	71,390.00	33.12A	330,000.00	170,284.50	159,715.50	48.4A
3	Rent, land, building and houses	218,000.	138,121.00	79,879.00	36.68A	190,200.00	362,816.03	172,616.03	90.76F
4	Licence	522,977.	454,389.00	68,588.00	13.8A	332,800.00	520,772.02	187,972.2	56.48F
5	Fees	502,951.	517,628.30	14,677.30	2.9F	519,220.00	437,896.60	81,323.4	15.6A
6.	Fines, penalties	14,166.	24,037.51	9,871.51	69.78F	90,220.00	125,823.00	35,603.00	39.46F
7	Grant								
	TOTALS	1,673,944.00	1,446,527.95	227,416.05	13.5%	2,353,973.15	1,653,849.47	700,123.68	29.74A

2. BUDGETED EXPENDITURE DURING THE PERIOD UNDER REVIEW

NO	DETAILS	BUDGETED EXPENDITURE 2024	ACTUALS 2024	VARIANCE	%	BUDGETED EXPENDITURE 2023	ACTUALS 2023	VARIANCE	%
1	Established post	5,220,555.59	9,296,510.44	4,075,954.85	78.16 A	5,707,556.17	5,922,616.21	215,060.04	3.77 A
2.	Non-established post	460,550.53	322,442.74	138,107.79	29.98 F	225,550.53	222,129.89	3,420.64	1.52 F
3	Other allowances	94,000	109,456.82	15,456.82	16.48 A	150,000	87,582.94	62,417.06	41.61 F
4	Compensation	80,000	62,608.58	17,391.42	21.76 F	104,000	32,107.35	71,892.65	69.13 F
5	Materials	71,000	100,854.95	29,854.95	42 A				
6.	Utilities	26,000	57,570.00	31,570	12.1A	11,000.00	41,514.21	30,514.21	277.40 A
7	General cleaning	2,000	545.00	1,455.00	72.8F	30,000.00	23,400.00	6,600.00	22F
8	Rentals	3,000.00	2,680.00	320	10.68 F	40,000.00		40,000.00	100A
9	Travel and transp	167,000	238,545.46	71,545.46	42 A	126,000.00	212,473.32	86,473.32	68.63 A

	ort								
10	Repair s and maint enanc e	45,000. 00	37,742.50	7,257.5	16 F	115,000	25,223.0 0	89,777.00	78.07F
11	Semin ars and confre nces	216,00 0.00	306,605.01	90,605.0 0	41 A	805,200.00	344,704. 47	460,495.5 3	57.19
12	Consu lting servic es	15,000. 00	10,000.00	5,000.00	33 F	150,000.00	-		
13	Specia l servic es	93,504. 67	71,208	22,296.6 7	23. 8F	255,122.62	150,645. 38	104,477.2 4	40.95F
14	Emplo yer social benefi ts	4000	12,736.45	8,736.45		50,000	5,868.83	44,131.17	88.26F
15	Other charge s	600	5,048.78	4,448.78	7.4 1A	60,000.00	679.75	59,320.25	98.87F
16	Gener al expen ses	61,500. 00	102,376.00	40,876.0 0	66 A	75,000.00	136,642. 90	61,642.90	82.19A
	TOT ALS	6,559,7 10.79	10,736,930 .73	4,177,21 9.94	63. 6A	2,159,422. 62	1,203,13 0.07	956,292.5 5	44.29F

MANAGEMENT ACTION PLAN

NAME OF COVERED ENTITY: SUHUM MUNICIPAL ASSEMBLY

TITLE OF AUDITOR: PRINCIPAL INTERNAL AUDITOR

FOURTH QUARTER 2024

ACTION PLAN						
S/N	FINDINGS	RECOMMENDATION	RISK RATING OF FINDING (HIGH, MEDIUM, LOW)	MANAGEMENT COMMENT	IMPLEMENTATION DATE	OFFICER
1.	86.4% Budgeted revenue achieved during the period under review	We recommend to Management to put in internal control measures that will help to generate more revenue and achieve their budget for the year.	Medium	Management wishes to say that your recommendation is well noted for compliance.	17 th February, 2024	MCD/MFO

2.	Budgeted expenditure underrun during the period under review	We urge management to ensure that expenditure always remains within the budget and adhere to prudent use of public funds.	Low	Management ensured that during the year under review, expenditure was made strictly within the Assembly's budgetary ceiling.	17 th January, 2025	MFO/MCD
3.	Handing over notes	We commend management for putting in measures in preparing a successful handing over note.	Medium	Management wishes to say that your recommendation is well noted and pragmatic measures have been put in place and a well-documented handing over notes are on file for your inspection	17 th January, 2025	MCD

ABDULLAI ALIWU

MUN. AG. CO-ORDINATING DIRECTOR

29TH JANUARY, 2024