

# SUHUM MUNICIPAL ASSEMBLY



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Our Ref:  
Your Ref.....



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

30<sup>th</sup> July, 2025

## SUBMISSION OF INTERNAL AUDIT REPORT FOR THE SECOND QUARTER 2025

I submit herewith the Internal Audit Report for the Second Quarter, 2025 for your perusal.

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  
Accra

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

The Regional Minister  
Eastern Regional Coordinating Council  
**Koforidua**

The Municipal Chief Executive  
Suhum Municipal Assembly  
**Suhum**

The District Auditor  
Ghana Audit Service  
**Nsawam**

# SUHUM MUNICIPAL ASSEMBLY



## SECOND QUARTER INTERNAL AUDIT REPORT FOR 2025 ON

INTERNALLY GENERATED FUND, REVENUE MOBILIZATION, HUMAN RESOURCE MANAGEMENT AND  
PAYROLL, COMPLIANCE WITH AUDIT COMMITTEE GUIDELINES AND AUDIT COMMITTEE  
RECOMMENDATION, PROVISION OF ADVISORY AND SUPPORT TO THE ASSEMBLY TOWARDS  
PUBLICATION OF PFM COMMITTEE AND CONTROL

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## EXECUTIVE SUMMARY

This report gives an overview of audit carried out on Internally Generated Fund, Revenue mobilization, Human Resource Management and Payroll, Compliance with Audit Committee guidelines and Audit Committee recommendation, Provision of Advisory and Support to the Assembly towards publication of PFM committee and control of the Suhum Municipal Assembly for the second Quarter, 2025 as per the Risk Based Annual Audit Plan.

The Report focuses on the discovery of shortfalls 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 verify and validate all transaction and commitment of the assembly, to ascertain if all financial transactions are conducted with regards to the Public Financial Management and Regulation, to review cash book and trial balance, to ascertain if IGF are properly collected, and promptly lodged at the bank, to ascertain if all staff report to work and proper records of staff are kept and to verify if the audit committee guidelines are properly compiled with and the audit committee is functional.. 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 Internally Generated Fund, Human Resource Management, Monitoring report and compliance with Audit Committee guidelines and recommendation for the period of 1<sup>st</sup> April to 30<sup>th</sup> June 2025.

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

### THE FOLLOWING ARE SUMMARY OF FINDINGS AND RECOMMENDATIONS RAISED DURING THE AUDIT:

1. FIVE (5) PAYMENT VOUCHERS NOT PROCESS THROUGH GIFMIS AMOUNTING TO GH¢18, 805.00.

We recommend to Management should insist payments that all payments are process through the GIFMIS by involving the Budget Officers and all other Financial Management Line Officers before final payments done.

**2. NINE (9) PAYMENTS WERE NOT FULLY ACCOUNTED FOR AMOUNTING TO GH¢40,372.00.**

We recommend that Management ensures that all the necessary receipts and signed lists from Payees and payment recipients to properly acquit the payment vouchers.

**3. SEVEN (7) PAYMENTS WERE MADE WITHOUT ACCOMPANYING VOUCHER AMOUNTING TO GH¢30,957.00.**

We recommend to management to ensure the necessary payment vouchers be made available for our review. Also, the Internal Audit Unit should be involved in preparation of payments to avoid these lapses.

**4. FOUR (4) PAYMENTS WERE MADE WITHOUT EXPENDITURE WARRANT AMOUNTING TO GH¢19,210.00.**

We recommend that Management should strictly abide by the laws in the PFM Act and the PFMR and ensure that warrants are generated and attached to all payment vouchers as a guarantee that all transactions are made from the budgeted funds.

**5. TWO (2) OVERPAYMENTS OF ALLOWANCE WERE MADE AMOUNTING TO GH¢240.00.**

We recommend to Management to ask the Officers involved refunding the overpaid allowances and presenting the pay-in slip for our verification.

**6. SOME PERSONAL RECORDS OF STAFFS SHOULD BE UPDATED AND ATTENDANCE CHECKED**

After scanning through the Attendance Register it was observed that most staff does not record their attendance in the register. Also, the absenteeism rate is too rampant. We would like management to enforce the rules of absenteeism to the latter.

Upon observation the Audit team released that the clock-in-machine has been outmoded and thus not function well. We would like to recommend that a modern one be procured to help obtain accurate data for verification and validation.

We recommend that management ensures that the Human Resource Department task individual to bring documents needed on their personal files to update the records appropriately.

**7. UNAUTHORISED WITHDRAWAL FROM MP'S COMMOND FUND ACCOUNT GH¢ 50,000.00**

We recommend to Management that the said amount be refunded from either IGF or DACF Accounts back to the MPs to avoid any further suspicions. Further, permission should be sorted from appropriate Authority.

## 1.0 INTRODUCTION

### 1.1 Background

The Internal Audit Unit of the Suhum Municipal Assembly carried out an audit on Internally Generated Fund, Revenue mobilization, Human Resources Management and Payroll, Compliance with Audit committee guidelines and Audit committee recommendations, Provision of Advisory and support to the Assembly towards publication of PFM committee, control and compliance league table. with the aim of identifying eight weaknesses in internal controls, assessing risk, and suggesting mitigating measures to ensure effective, efficient, and economic use of resources.

### 21.2 Audit Perspective

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

A walk-through test on operating procedures around Internally Generated Fund was conducted to ascertain whether operations are in adherence to laid down rules and regulations. The standards for the professional practices of Internal Auditing, Public Financial Management Regulations, 2019, and the Public Financial Management Act, 2016 were applied in the audit.

### 18.3 Scope and Objectives

The audit looked at Internally Generated Fund, Revenue mobilization, Human Resources Management and Payroll, Compliance with Audit committee guidelines and Audit 8committee recommendations, Provision of Advisory and support to the Assembly towards publication of PFM committee, control and compliance league table for the period 1<sup>st</sup> April 2025 to 30<sup>th</sup> June 2025 for the thrust areas. This was conducted within 21 days from 2<sup>nd</sup> April 2025 to 30<sup>th</sup> April 2025.

The objectives of the audit were as follows:

- Verify and validate all transactions and commitment of the Assembly!
- To ascertain if all financial transactions are conducted about the Public Financial Management and Regulation
- To review cash book and trial balance to ascertain if IGF are properly collected and promptly lodged at the Bank.

- To ascertain if all staff report to work and proper records of staff are kept.
- To verify if the audit committee guidelines are properly compiled with.

## 1.4 METHODOLOGY

The audit was conducted based on risk-based audit approach in conducting 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.

## DETAILED FINDINGS AND RECOMMENDATIONS

### 1. FIVE (5) PAYMENT VOUCHERS NOT PROCESS THROUGH GIFMIS AMOUNTING TO GH¢18, 805.00.

#### CRITERIA:

Section 25 (6) of the Public Financial Management Act, 2016 (Act 921), Regulation 78 (2) of the PFMR, 2019 (L.I.2378).

Where a covered entity enters a contract or any other arrangement that commits or purports to commit government to make payment, the contract or arrangement shall be approved by the principal spending officer of that covered entity and the principal spending officer shall enter the contract or the arrangement into the GIFMIS.

All covered entities shall use the Ghana Integrated Financial Management Information System from the commencement of the procurement process through to payment.

#### CONDITION

The audit team observed that the Assembly made payments on five (5) vouchers totalling GH¢ 18,805.00 outside the GIFMIS system. **Refer to appendix 1.**

#### CAUSES

Failure on the part of the Scheduled Officers to process the GIFMIS occasioned these lapses, most of the payment vouchers did not pass through the Budget Unit for warrant processing before.

## EFFECTS

This could lead to double payments to recipients and may result to the Assembly losing money.

## RECOMMENDATION

We recommend to Management should insist payments that all payments are process through the GIFMIS by involving the Budget Officers and all other Financial Management Line Officers before final payments are done.

## MANAGEMENT RESPONSE

Recommendation noted. The GIFMIS production encounter technical challenges at the national level which made it impossible to book and print warrants, hence those transactions were made outside the GIFMIS Platform. This had been resolved, expenditure warrants and payment vouchers are printed and attached for your verification.

## 2. NINE (9) PAYMENTS WERE NOT FULLY ACCOUNTED FOR AMOUNTING TO GH¢40,372.00.

### CRITERIA

Part IX section 13 of the Financial Memoranda states that “all payment vouchers shall be received in one of the following ways:

- a. By a written acknowledgement in ink on the payment voucher by the payee where an official receipt is not supplied or
- b. By the attachment to the payment voucher of the payee’s official receipt. Facsimile, signature, and stamps shall not be used.

### CONDITION:

The audit revealed that, nine (9) payments amounting GH¢40,372.00 has not been fully accounted. **Refer to appendix 2.**

### CAUSES:

The Scheduled Officer did not ensure that recipients attach receipts to the payment voucher after having received payments.

## EFFECTS

- a. There will not be evidence of payment in case there is litigation over payment by a recipient who may deny having been paid.
- b. When disbursements are not supported with necessary documents, it makes the payment doubtful hence becoming difficult to certify the genuineness of the transaction.

## RECOMMENDATION:

We recommend that Management ensures that all the necessary receipts and signed lists from Payees and payment recipients to properly acquit the payment vouchers.

## MANAGEMENT RESPONSE

Management noted your recommendation, the payment vouchers have been fully accounted for, and the documents are on file for your verification.

### **3. SEVEN (7) PAYMENTS WITHOUT ACCOMPANYING PAYMENT VOUCHERS AMOUNTING TO GH¢30,957.00.**

## CRITERIA

Regulation eighty-two of PFMR, 2019 (L.I 2378)

A payment by a covered entity shall be accompanied with a payment voucher.

Authorised by the head of accounts, and which is approved by the Principal Spending Officer on the Ghana Integrated Financial Management Information System (GIFMIS)

## CONDITION

Seven (7) Payments made amounting GH¢30,957.00 were without either Payment Vouchers or required MEMO and supporting documents attached. **Refer to appendix 3.**

## CAUSE2

The Scheduled Officers failed to enforce clear policies and procedures for preparing all documentation before payment.

## EFFECT

This could lead to monetary loss to the Assembly and leads to multiple payment to clients.

## RECOMMENDATION

We recommend to management to ensure the necessary payment vouchers be made available for our review. Also, the Internal Audit Unit should be involved in preparation of payments to avoid these lapses.

## MANAGEMENT RESPONSE

Recommendation noted. The original documents were parts of those sent for regularization at the budget and procurement units after the restoration of the GIFMIS production. These has been resolved and are printed on file for your inspection.

### **4. FOUR (4) PAYMENTS WERE MADE WITHOUT EXPENDITURE WARRANT AMOUNTING TO GH¢ 19,210.00.**

#### CRITERIA:

Regulation sixty-five of the PFMR, 2019 (L.I2378)

A warrant shall be required for expenditure and payments of covered entity.

For the purposes of Subsection (3) of section 25 of the Act, a warrant shall be required for expenditure and payments of covered entities but not for public corporations and state-owned enterprises regardless of the funding source.

#### CONDITION

Payments were made on four (4) payment vouchers amounting to **GH¢ 19,210.00** without expenditure warrants. **Refer to appendix 4.**

#### CAUSES

Managements supervision and monitoring of the scheduled officer where relaxed and documents were not checked required procedures before payment.

#### EFFECTS

Failure to generate warrants by the Budget Unit as a check could result in incurring unbudgeted expenditure.

## RECOMMENDATION

We recommend that Management should strictly abide by the laws in the PFM Act and the PFMR and ensure that warrants are generated and attached to all payment vouchers as a guarantee that all transactions are made from the budgeted funds.

## MANAGEMENT RESPONSE

Recommendation noted. The GIFMIS production encounter technical challenges at the national level which made it impossible to book and print warrants, hence those transactions were made outside the GIFMIS Platform. This had been resolved, expenditure warrants and payment vouchers are printed and attached for your verification.

### **5. TWO (2) OVERPAYMENTS OF ALLOWANCE WERE MADE AMOUNTING TO GH¢240.00.**

#### CRITERIA

Paragraph 2 (g) of the standardized revised rates of categories two & three allowance for public officers 2020 issued by the ministry of finance with reference number BD/CMU/09/19/SAL on 10<sup>th</sup> September 2019. The night/out of station allowance for a senior officer is GH¢280 per night all-inclusive and a day trip allowance for senior officers is GH 145.00 but where accommodation or meals are provided, the rate abated by one-third (1/3)

#### CONDITION

We observed from our audit that some Officers stated below undertook a day trip assignment and took out- of- station allowance instead of a day trip allowance Ghc145.00. **Refer to appendix 5.**

#### CAUSE

Failure on the part of Spending Officer to verify and distinguish between the assignments undertaken before approval.

#### EFFECT

This will lead to excessive payments of allowances and eventually result into over expenditure.

#### RECOMMENDATION

We recommend to Management to ask the Officers involved to refund the overpaid allowances and present the pay-in slip for our verification.

## MANAGEMENT RESPONSE

Recommendation noted. The officer explained that he stayed overnight to purchase the value books because the books were in short supply and which were made available the next day hence the claim for night allowance instead of day trip.

## **7. PERSONAL RECORDS OF STAFF SHOULD BE UPDATED AND ATTENDANCE CHECKED**

### **CRITERIA:**

Part 2, paragraph 2.6.10 of Human resource manual 2013 states “it is the policy of the service to maintain personal records for applicant, employees and past employees in order to document employment-related decision, evaluate and assess policies and comply with government recordkeeping and reporting requirement”.

Also, regulation 89(1) of public Financial Management Regulation, 2019 (L.I.2378) requires a principal spending officer and the head of the management unit of a covered entity to ensure that before payroll runs, the personal records of staff are updated.

### **CONDITION**

Out of some personal files sampled we observed that, fourteen of the personal files was not updated with the necessary document. **Refer to appendix 6.**

### **CAUSES**

Failure on the part of the Scheduled Officers and the individuals to update personal files.

### **EFFECT**

Records of employees may not be available in times of need and if they vacate post the government could continue to pay him or her.

### **RECOMMENDATION**

We recommend that management ensures that the Human Resource Department task individual to bring documents needed on their personal files to update the records appropriately.

After scanning through the Attendance Register it was observed that most staff do not record their attendance on the register. Also, the absenteeism rate is too rampant. We would like management to enforce the rules of absenteeism to the latter.

### **MANAGEMENT RESPONSE**

Recommendation noted for compliance.

## **8. MP'S COMMON FUND**

### **UNAUTHORISED WITHDRAWAL FROM MP'S COMMOND FUND ACCOUNT**

#### **CRITERIA**

Section 7 of the PFM Act, 2016 (921)

A principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity and with regards to the 2023 DACF guidelines for MMDAs.

#### **CONDITION**

On the contrary, it was observed from the audit that an amount of **GH¢50,000.00** was borrowed from the MP'S Common Fund account for the election of the Presiding Member and the confirmation of the Municipal Chief Executive.

We noted that the amount has not been refunded back to the M. P's account without proper authorization.

#### **CUASE**

This is due to the Spending Officer acting as the Municipal Chief Executive deciding to undertake transactions without authorization from the Regional Minister before taking that action.

#### **EFFECT**

This raises suspicion of unlawful transactions carried out in the absent of substantive Municipal Chief Executive and make accounting for the MPs Common Fund expenses in doubt.

#### **RECOMMENDATION**

We recommend to Management that the said amount be refunded from either IGF or DACF Accounts back to the MPs to avoid any further suspicions.

#### **MANAGEMENT RESPONSE**

Recommendation noted, the said amount was borrowed on emergency to finance the confirmation of the Hon. Municipal Chief Executive and the election of the Presiding Member of Parliament. The amount will soon be refunded back to the account.

#### **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 Management provided us with necessary documents requested to perform our audit in Internally Generated Fund (IGF) (Revenue Mobilization), Human Resource Management and Payroll, compliance with Audit Committee guidelines and recommendations, Provision of advisory and support to the Assembly towards publication of the PFM Commitment Control, and Compliance League table. (DACF, GOG, and PWD), as indicated in the annual audit plan. However, we realized some irregularities such as Unaccounted Revenue by Revenue Collectors and Failure to produce Revenue records for audit, payment not fully accounted for, Unsubstantiated payment, Payment without the accompanying voucher We therefore urge Management to institute strict internal control measures to minimize the occurrence to such irregularities, and to produce the requested documents for our next audit assignment.

#### **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 OF INTERNAL AUDIT)**

## APPENDICES

### Appendix 1

**FIVE (5) PAYMENT VOUCHERS NOT PROCESS THROUGH GIFMIS  
AMOUNTING TO GH¢18, 805.00.**

No.	PAYEE	DATE	PV. No.	PATICULARS	AMOUNT GHC	CHEQUE No.
1	CAGD	3/4/2024	3/4	Payment to purchase value books for the Assembly	8,650.00	559475
2	MCD2	3/4/2025	5/4	Payment to undertake maintenance of vehicle GN-1791-11	940.00	
3	MCD	30/4/2025	21/4	Payment of fuel to convey a heap at refuse dump	2,340.00	559492
4	MCD	8/5/2025	11/5	Payment for feeding labours engaged to perform duties for the Assembly	2,000.00	559260
5	MCD	13/5/2025	16/5	Payment for reshaping 1.0 km town roads in the Suhum Municipality	4,875.00	559264
					<b>18,805.00</b>	

Appendix 2

Nine (9) PAYMENTS WERE NOT FULLY ACCOUNTED FOR AMOUNTING TO GH¢41, 572.00.

No.	PAYEE	DATE	PV. No.	PATICULARS	AMOUNT GHC	CHEQUE No.
1	MCD	3/4/2025	2/4	Payment for Finance, Information and Budget department to conduct revenue education on public sensitive rate payment	800.00	922057
2	MCD	19/4/2	29/5/25	Payment to support security operations at illegal mining site	400.00	922020
2	MCD	8/5/2025	4/5	Payment for the election of P M. and confirmation of MCE	9,492.00	554711
3	MCD	8/5/2025	12/5	Being payment to attend national data validation account	5,000.00	559258
4	MCD	12/5/2025	15/5	Payment of supplementary expense in	300.00	554713

				respect of presiding member election and MCEs confirmation			
5	MCD	8/5/25	3/5	Payment of Sundry expenses	1,500.00	559498	
6	MCD	13/5/25		Payment of preliminary activities towards the confirmation of Presiding Member and MCE	4,800.00	559265	
7	MCD	21/5/25	27/5	Payment to cater for security operations at some communities	10,070.00	559283	
8	MCD	39/6/25	3/6	Payment to convene municipal security council meeting	710.00	559290	
9	MCD	27/6/25	11/6	Payment for the maiden meeting of the sanitation planning committee	7,300.00	2210510/2210113	Signing sheet
				<b>TOTAL</b>	<b>40,372.00</b>		

### Appendix 3

**SEVEN (7) PAYMENTS WERE MADE WITHOUT ACCOMPANYING VOUCHER AMOUNTING TO GH¢30,957.**

No.	PAYEE	DATE	PV. No.	PATICULARS	AMOUNT GHC	CHEQUE No.
1	MCD	16/5/25	22/5	Being payment for replacement of faulty plumbing accessories	1,277.00	559269
2	MCD			Amount was used to purchase fuel	5,000.00	
3	MCD	3/6/25	2/6	Payment to support Tertiary Education fair with Second cycle schools, and Donation to Chief's	9,200.00	559289
4	MCD		8/6	Purchasing of Ceiling fan	640.00	559297
5	MCD		9/6	Prepaid for the month of June	2,500.00	559298
6	MCD		10/6	Payment of 2025 DACF budget hearing	5,640.00	559299
7	MCD		11/6	From the cash book	6,700.00	
				<b>TOTAL</b>	<b>30,957.00</b>	

### Appendix 4

**FOUR (4) PAYMENTS WERE MADE WITHOUT EXPENDITURE WARRANT AMOUNTING TO GH¢ 19, 210.00.**

No.	PAYEE	DATE	PV. No.	PATICULARS	AMOUNT	CHEQUE No.
1	MCD	30/4/25	21/4	Payment of fuel to convey heaps of refuse dump	2,340.00	559492
2	MCD	8/5/2025	11/5	Payment for feeding	2,000.00	559260

				labourers engaged to perform duties for the Assembly		
3	MCD	13/5/2025		Payment for preliminary activities towards the confirmation of MCE	4,800.00	559265
4	MCD	21/5/2025	27/5	Payment to cater for security operations at some communities	10,070.00	559283
				<b>TOTAL</b>	<b>19,210.00</b>	

#### Appendix 5

**TWO (2) OVERPAYMENTS OF ALLOWANCE WERE MADE AMOUNTING TO GH¢240.00.**

S/N	NAME	AUTHORISED AMOUNT	AMOUNT PAID	DIFFERNCE
1	Evans Sakyi Stephens	145.00	280.00	135
2	Benjamin Asare	105.00	210.00	105.00
		TOTAL	490	<b>240.0</b>

**Appendix 6****PERSONAL RECORD OF STAFF NOT UPDATED**

S/N	NAME	GRADE	DOCUMENT YET TO BE FILED
1	Martha O. Takyi	Asst. Director 11B	Assumption of duty
2.	Eric Eyiah Donkor	Snr. Budget Analyst	Release letter
3.	Anita Ntesi Kittoe	Asst. Human Resource	Release letter
4.	Dziwornu Delight Koenya	Procurement	Bio data
5.	Alice Agbesi	Birth & Death	Release letter
6.	Samuel Anum	Senior Engineer	Release letter
7.	Samuel Nana Asiamah	Engineer	Bio data
8.	Barbara N.Y. Amartefio	Social Development	Release letter Bio - data
9.	Mohammed Shirazu	Accounts	Release letter Bio data
10.	Frederick Adjei	Accountant	Release letter Certificate Bio data
11.	Bless Ohenewaa Kumi	Accounts	Posting letter Release letter Certificate Bio - Data