

1.0 EXECUTIVE SUMMARY OF SIGNIFICANCE FINDINGS

The report highlights significant weakness in the Cash Management and Procurement of the Assembly during the period under review. The findings herein contained are the unresolved significant issues after taking into consideration verified Management responses. The area of non-compliance with the; Public Financial Management Regulation, 2019, L.I 2378, Financial Memoranda 2004 for MMDAs, Accounting Manual for MMDAs and Procurement and Stores Regulation, were as follows;

- I. Our audit work revealed a total of three (3) payments into the face value of Four Thousand, Two Hundred and Twenty Ghana Cedis, (**GHC4,240.00**) lacked the relevant expenditure justification documents like receipts, invoices, claims or statement of payment.

The Internal Auditors urged Management to see to it that relevant supporting documents are provided for the payment vouchers in question for audit examination and certification.

- II. Total payment of GH¢13,045.00 on three payment vouchers were made to some officers to perform official duties but accounted for only GH¢10,705.00 leaving balance of **GHC2,340.00** not fully accounted for.

We recommended that the responsible officers should be made to account for the difference or be made to refund the amount of **GHC2,340.00**.

2.0 INTRODUCTION

In accordance with Section 83 of the Public Financial Management Act, 2016 (Act 921) and the Audit Agency Act, 2003 (Act 568), the Internal Audit Unit has audited the Cash Management, and Procurement of the Mpohor District Assembly on the account of PWD and IGF for Fourth Quarter, 2021.

The objective of the audit was to provide assurance that adequate controls exist over the cash management and procurement process to ensure the safeguarding of assets, the effectiveness and efficiency of operations, compliance with applicable laws, and the reliability and integrity of financial and operational information. The issues raised during the audit were forwarded for Management attention and those issues have been discussed with the key officers involved with all responses included in the final audit report.

2.1 BACKGROUND

In pursuance of our Annual Internal Audit Work Plan for 2021, we have reviewed the internal control systems over Cash expenditure and Procurement process on the account of People with Disability (PWD), and Internally Generated Fund (IGF) of Mpohor District Assembly for the Fourth Quarter of 2021.

The audit was performed to ensure that policies, procedures and practices are in line with the financial regulations and other relevant financial and operating laws. The audit was also meant to ensure that there is the existence of adequate recordings and operating directives in the area of cash functions in the Assembly and to improve on performance.

3.0 SCOPE AND OBJECTIVES

The scope of the audit was financial and operational in nature and covered the period from 1st October, 2021 to 31st December, 2021 for IGF and 1st January, 2021 – 31st December, 2021 for PWD.

The audit was conducted in accordance with the Standards for the Professional Practice of Internal Auditing and the Applicable Standards. The last day of the field work was 21st December, 2021.

The specific objectives of the audit are as follows:

- To ensure that payments are properly supported by original invoices and /or relevant documents.
- Payments are not made for purposes outside the ordinary course of the Assembly and are approved in accordance with authority limits and are accurately and completely recorded in the cash accounting records.
- That procurement procedures are being complied with.
- Existing controls are working properly and being complied with.

4.0 METHODOLOGY

The audit adopted a risk-based approach complemented by the use of system audit procedures. The methods used include examination of all records of payment made within the period under review (cashbooks, payment vouchers, cheque, bank statement, stores and procurements records), observation, review of existing control systems, compliance and analytical review procedures. References were also made to the relevant financial regulations and other laws including the Public

Financial Management Regulation, 2019, L.I 2378, Financial Memoranda, 2004 for MMDAs, Accounting Manual for MMDAs, Income Tax Act 2015, Procurement Act 2016 (Act 914) and Stores Regulation, 1984.

5.0 AUDIT TEAM

This assignment was conducted by Rachael Dede Anim - Internal Auditor and assisted by Armiyaw Abu Yahaya – Asst. Internal Auditor.

6.0 KEY PERSONNEL

The following were responsible for the Administration and the financial functions of the District Assembly during the period under review;

NO.	Names	Designation	Date
1	Hon. Ignatius Asaah Mensah	District Chief Executive	01/01/2021-31/12/2021
2	Evans Mark Andoh	District Coord. Director	01/01/2021-31/12/2021
3	Juliana B. Mensah	District Finance Officer	01/01/2021-31/12/2021
4	Hammond K. Blankson	District Budget Analyst	01/01/2021-31/12/2021
5	Nyampong Ernest	District Works Engineer	01/01/2021-31/12/2021
6	Ayisha M. Matuamo	District Planning Officer	01/01/2021-31/12/2021
7	Millicent Owusu	District Procurement Officer	01/01/2021-31/12/2021
8	Portia N. Sam	District Human Resource Officer	01/01/2021-31/12/2021
9	Prosper Donkor	Dist. Environmental Health Officer	01/01/2021-31/12/2021

7.0 DETAILED FINDINGS AND RECOMMENDATIONS

7.1 UNSUPPORTED PAYMENT - GHC 4,240.00

CRITERIA

- Section 7 (1) of the Public Financial Management Act 2016, (ACT 921) requires that a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity.
- Part IX paragraph 7, 13(b), and 14 of the Financial Memoranda 2004, for MMDAs requires “Officers of the Assembly to substantiate payment by attaching requisite expenditure documents such as invoices, receipts of payees and statements etc. to payment voucher for authentication.”

CONDITION

We noted during the examination of the payment vouchers that, three (3) payments into the face value of Four Thousand, Two Hundred and Twenty Ghana Cedis, (**GHC 4,240.00**) lacked the relevant expenditure justification documents like receipts, invoices, claims or statement of payment. *Find attached details on Appendix A on page 8.*

CAUSE

This situation could be attributed to the Schedule Officer’s failure to pursue the payees to retire their payment.

EFFECT

Failure to attach relevant documents to the payment vouchers makes it difficult to authenticate the transactions.

RECOMMENDATION

We recommend that, Management should justify the payments with adequate supporting documents for our audit verification.

MANAGEMENT RESPONSE

The relevant documents that is, receipt, claim sheet and invoices have been attached to the payment vouchers for your verification.

7.2 PARTLY ACQUITTED PAYMENT VOUCHERS - GH¢2,340.00

CRITERIA

- Section 102 (1) of the PFM Regulation 2019, L.I. 2378 state that, “Principal Spending Officer shall ensure that a special imprest, issued for making a particular payment, or group of payments shall be fully retired within ten days after completion of the activity”.
- Part IX, paragraph 13(a & b) of the Financial Memoranda 2004, for MMDAs directs that; “All payment vouchers shall be receipted 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 of the payment voucher of the payee’s official receipt.

CONDITION

Our audit examination of payment vouchers shows that, payment of GH¢13,045.00 on three payment vouchers made to some officers to perform official duties but accounted for only GH¢10,705.00 leaving balance of **GH¢2,340.00** not accounted for. *Find attached details on Appendix B on page 9.*

CAUSE

The anomaly occurred because of the payees’ failure to fully retire their imprest as required by the law.

EFFECT

There is inherent danger that, the moneys expended would not be used for the intended purposes and could lead to the loss of Assembly fund to individuals.

RECOMMENDATION

We recommend to Management to ensure that all affected Officers are made solely responsible for retiring all imprest that is given to them for our audit verification.

MANAGEMENT RESPONSE

The affected officers have fully retired the imprest given to them and have receipts been attached to the payment vouchers for your verification.

8.0 CONCLUSION

Based on the audit work performed, we conclude that generally, adequate controls exist over cash management and procurement process to ensure the safeguarding of assets, the effectiveness and efficiency of operations, and compliance with applicable laws.

Overall, the internal controls are satisfactory but they need constant monitoring to strengthen them. Implementation of the recommendations above will help strengthen the internal controls of the Mpohor District Assembly.

The Internal Audit Unit appreciate the courtesy and cooperation received from the Management and staff of the Assembly.

RACHAEL DEDE ANIM
(HEAD OF IAU)

9.0 MANAGEMENT ACTION PLAN

ISSUE REF.	ISSUE	RECOMMENDATION	RISK RATING	AGREED ACTION	ACTION DATE	RESPONSIBLE OFFICER
7.1	Unsupported payments - GHC4,240.00	We recommended to Management to see to it that the affected officers substantiate the payment with adequate supporting documents for our audit verification.	Low	Management agreed to task the Schedule Officer to pursue the payees for the necessary receipts of the payments.	16/02/2022	DFO
7.2	Partly acquitted payment vouchers - GHC2,340.00	We recommended to Management to ensure that all imprest holders are made to retire all imprest that is given them for our audit verification.	Low	Management agreed to task all responsible officers to fully retire their imprest with the necessary documents.	16/02/2022	DFO

10.0 APPENDIX A**UNSUPPORTED PAYMENT - GHC4,240.00**

NO.	DATE	PV. NO.	CHEQUE NO.	DETAILS	PAYEE	AMOUNT GHC
1	2/11/21	2210511	000617	Being payment for submission of list suppliers to PPA	DPO	200.00
2	2/11/21	2210709	000616	Final payment for ESPV workshop	HRM	3,040.00
3	12/05/21			Fund release as payment of school fees for Norberta Atta-Mensah	TTU	1,000.00
				TOTAL		4,240.00

APPENDIX B**PARTLY ACQUITTED PAYMENT VOUCHERS - GH¢2,340.00**

NO.	DATE	PV NO.	CHEQUE NO.	DETAILS	PAYEE	TOTAL AMOUNT (GH¢)	AMOUNT ACQUITTED (GH¢)	AMOUNT UN- ACQUITTED (GH¢)
1	15/12/21	PWD/03/12/21	000157	Fund release for business set up and apprenticeship fees etc.	DFMC	6,550.00	5,250.00	1,300.00
2	22/6/21		000149	Fund release to organise District Ghana Federation of the Disable executive meeting.	SDO	1,275.00	1,115.00	160.00
3	14/6/21	GOG/01/7/21/04		Fund release to organize Technical Committee meeting	PPO	5,220.00	4,340.00	880.00
				TOTAL		13,045.00	10,705.00	2,340.00