

AUDIT SERVICE

In case of reply the number and date of the letter should be quoted

My Ref. No: **BAR/LA/CONF/77/VOL.2/11**

Your Ref. No:

Tel: 233 (0) 302 664920/28/29

Fax: 233 (0) 302 6751495

Website: www.ghaudit.org



Good Governance
and Accountability

P. O. Box **44**

..... **Sunyani**

..... **22 May** **20 21**

The Presiding Member

Jaman South Municipal Assembly

Drobo



ANNUAL AUDIT REPORT ON THE ACCOUNTS OF JAMAN SOUTH MUNICIPAL ASSEMBLY, DROBO FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Introduction

We have audited the accounts and Financial Statements of the Jaman South Municipal Assembly, Drobo for the financial year ended 31 December 2020. Attached to this report are the following financial statements and accounts for the financial year ended 31 December, 2020.

- i) Statement of Financial Position as at 31 December 2020;
- (ii) Statement of Revenue and Expenditure for the year ended 31 December 2020;
- (iii) Statement of Changes in Reserves for the year ended 31 December 2020;
- (iv) Statement Cash flows for the year ended 31 December 2020; and
- (v) Notes to the 2020 Financial Statements

Audit objectives

2. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our report that includes our opinion on the financial statements for the financial year ended 31 December 2020. To achieve this, we carried out test checks on the financial statements to ensure that they are correctly stated. We also carried out other audit procedures and tests in accordance with Generally Accepted Auditing and Accounting Standards.

② ACEO
pls file appropriately
the 30/6/2021

Manner in which the accounts were kept and rendered for audit

3. The accounts were satisfactorily kept. The financial statements and accounts enumerated above were submitted to this office for audit certification on 23 February 2021, in compliance with Section 80(1) of the Public Financial Management Act, 2016 Act 921.

Approved Estimates

4. Revenue and expenditure for the year ended 31 December 2020 were supported by approved and supplementary Estimates. The Estimates were approved by the General Assembly on 24 September 2019.

Internal controls

5. Internal controls instituted by management for the administration of the Assembly were found to be adequate.

Budget Vrs Actual

6. The Assembly budgeted for a total revenue of GH¢9,693,308.46 during the 2020 financial year. However, they realized total revenue of GH¢8,044,506.47 representing 82.99% as a result of a negative variance of GH¢1,648,801.99. Details are shown below;

Source of Funds	Budget	Actual	Variance	%Received
GOG - Fund Grants	3,530,579.00	3,662,170.59	131,591.59	103.73
IGF	835,038.60	822,816.97	(12,221.63)	98.54
DACT	3,818,822.04	2,924,214.19	(894,607.85)	76.57
Donor Fund – Projects	1,427,055.95	571,123.34	(855,932.61)	40.02
Others Funds	81,812.87	64,181.38	(17,631.49)	78.45
Total	9,693,308.46	8,044,506.47	(1,648,801.99)	82.99

7. The shortfall in the revenue target was partly due to delay in release of DACF and reduction of Donor inflows. The Assembly depended heavily on Government grants and other Donor interventions to undertake most of its developmental activities. We recommended to management to expand its traditional revenue base so as to reduce its over reliance on the Central Government and Donors. Meanwhile, the ADACF should ensure timely release of funds.

Financial Position

8. The Assembly's financial position as at 31 December, 2020 is shown in the table below:

	2020 (GH¢)	2019 (GH¢)	% Change
Current Assets	348,647.09	998,071.10	(65.07)
Current Liabilities	0	0	0
Net Assets	348,647.09	998,071.10	(65.07)
Represented by: Accumulated Fund	348,647.09	998,071.10	(65.07)
Current ratio	348,647.09:1	998,071.10:1	

Assets

Cash at Bank – GH¢286,136.37

9. This represents the total balances of 17 bank accounts operated by the Assembly as at 31 December 2020 which were reconciled with the relevant certified bank statements. Note 14 to the accounts provide the details of the balances.

Debtors – GH¢3,390.72

10. The amount represents outstanding salary advance of GH¢2,150.00 granted to two staff of the Assembly and unrecovered miscellaneous advances balance of GH¢1,240.72 to PWD as at 31 December 2020. The advances date as far back as 2015 and 2017. We recommended to management to pursue recovery of the amount.

Investment, Poverty Alleviation Fund-GH¢59,120.00

11. An amount of GH¢58,800.00 has been running in the books of the Assembly as poverty alleviation for over ten years and has become unrecoverable. However GH¢320.00 has been invested.

in treasury bills. Note 18 provide details. We recommended to management to seek approval to write off the amount since it has become unrecoverable.

Liabilities

12. There were no liabilities as at the end of the period.

Accumulated Fund – GH¢180,232.31

13. The positive balance of GH¢998,071.10 carried over from the previous year, reduced to GH¢348,649.09 due to current year's deficit of GH¢649,424.01. This is analyzed in the Statement of Accumulated Fund/Reserves attached to the financial statements.

Cash Flow

14. The cash balance of GH¢935560.38 at the beginning of the year decreased to GH¢268,136.37 at the year end, resulting in a net cash inflow/outflow of GH¢649,424.01 during the year. The decrease in Cash and Cash equivalents is partly/fully attributable to the non-release of 30% of DDF Fund and the COVID-19 Pandemic during the year.

Acknowledgement

15. We gratefully acknowledge the co-operation of the management and staff of the Assembly during the audit.



DAVID K. SEGBENYA
ASST. AUDITOR-GENERAL
for: AUDITOR-GENERAL

**OPINION OF THE AUDITOR- GENERAL ON THE
FINANCIAL STATEMENTS OF JAMAN SOUTH MUNICIPAL ASSEMBLY
DROBO FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

We have in accordance with Section 84 of the Public Financial Management Act, 2016 (Act, 921) and Section 11 of the Audit Service Act, 2000 (Act 584) and other applicable laws, audited the accounts and financial statements of Jaman South Municipal Assembly -for the year ended 31 December, 2020.

Audit Opinion

We have examined the financial statements, the accounts and the supporting schedules of the Assembly – which were prepared on Modified Cash basis for the year ended 31 December, 2020.

In our opinion, the financial statements present fairly in all material respects fairly, the financial position of the Assembly as at 31 December, 2020 and the result of its operations for the year then ended and that the transactions were in accordance with the Financial Regulations and Ministerial Guidelines.

Basis of Opinion

We conducted the audit in accordance with Generally Accepted Auditing Standards and International Standards of Supreme Audit Institutions (ISSAIs). An audit includes examination on a test basis of evidence relevant to the accounts, disclosures and regularity of financial transactions included in the financial statements.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud or any other irregularity and that, in all material respects, the expenditure and income have been applied to the purpose intended by Parliament, and the financial transactions conform to the authorities which govern them. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Responsibility of management

Section 80(1) of the Public Financial Act 2016 (Act 921) requires a Principal Spending Officer of a covered entity shall, within two months after the end of each financial year, prepare and submit to the Auditor-General and Accountant – General, the accounts and information set out in the Schedule.

Auditor-General's Responsibility

Section 11 of the Audit Service Act, 2000 (Act 584); Section 176 of the Local Governance Act 2016 (Act 936) require the Auditor-General to audit and report on the accounts of public institutions of Ghana. It is therefore the responsibility of the Auditor-General or his representative to express an independent opinion on the financial statements of the Jaman South Municipal Assembly.



DAVID K. SEGBENYA
ASST. AUDITOR-GENERAL
for: AUDITOR-GENERAL

DATED THIS 22 DAY OF MAY 2021

Cc:

The Auditor-General (2)

Audit Service

Accra

The District Auditor

Audit Service

Drobo

The Regional Coordinating Director

Bono Regional Coordinating Council

Sunyani

The Municipal Coordinating Director ✓
Jamaica South Municipal Assembly
Drobo

The Municipal Chief Executive
Jamaica South Municipal Assembly
Drobo

The Municipal Finance Officer
Jamaica South Municipal Assembly
Drobo