

BOSOMTWE DISTRICT ASSEMBLY INTERNAL AUDIT UNIT

SECOND QUARTER INTERNAL AUDIT REPORT, 2025

ON THE CASH MANAGEMENT AND PROJECT MANAGEMENT

Submitted on: JULY 30, 2025

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1.0 EXECUTIVE SUMMARY

The Office Administration Block Annex, faces structural issues with recurring leaks during rainfall, while administrative challenges include delays in retiring and processing payment vouchers, impacting project timelines and financial management.

1.1 INTRODUCTION

The Office Administration Block Annex is plagued by recurring leaks during rainfall, compromising its functionality and integrity, while delays in retiring and processing payment vouchers pose significant administrative challenges, hindering project progress and financial efficiency. As part of our quality assurance to management in accordance with:

- a) Section 120 of the Local Government Act, 2016 (Act, 936)
- b) Section 16(3) of the Internal Audit Agency Act 2003 (Act 658) and the financial Memoranda, we carried out our audit review in line with auditing standards and best practice.

1.2 BACKGROUND

The Office Administration Block Annex, has been experiencing recurring leaks during rainfall for some time, resulting in damage to property, disruption of work, and potential safety hazards. Additionally, the retirement and processing of payment vouchers related to the repair and maintenance of the Annex have been delayed, leading to administrative bottlenecks and financial challenges.

1.3 MANAGEMENT RESPONSIBILITY

In accordance with the Internal Audit Charter and in line with auditing standards, it is the responsibility of management to formulate policies, set objectives and procedures, and design appropriate and effective internal

control systems, implement and monitor policies and procedures to achieve the objectives of the Assembly.

1.4 INTERNAL AUDITORS' RESPONSIBILITY

It is the responsibility of the internal auditors to carry out an independent objective assurance service designed to add value to the Assembly's activities. We would like to draw management's attention to the fact that due to the inherent limitations of audit, this exercise might not be able to identify all internal control weaknesses in the system but all those that have come to our attention, have been recorded in this report and that there might be others that have escaped our detection.

The purpose of the audit is to give an independent view of the state of affairs of the Assembly and to provide quality assurance on the efficiency and effectiveness of the economy in the administration for the programs and operations of the Assembly.

1.5 SCOPE OF WORK

The audit was conducted to cover project encompasses assessing and repairing the Office Administration Block Annex's structural issues, developing a comprehensive renovation plan, streamlining payment voucher retirement and processing procedures, and implementing the plan with budget and timeline. The period of review was from 1st April to 30th June, 2025.

1.6 AUDIT TEAM

Stephen K. Amedahevi	:	Internal Auditor (Head of Unit)
Richard Gyamfi	:	Assistant Internal Auditor
Daniel Amofa Siaw	:	Assistant Internal Auditor (Trainee)
Martin Agyei	:	Assistant Internal Auditor (Trainee)

1.7 OBJECTIVES OF THE AUDIT

Our audit objectives were: -

- i. To assess and identify the root causes of the leaks in the Office Administration Block Annex.
- ii. To develop a comprehensive repair and renovation plan to address the structural issue.
- iii. To prevent future occurrences of leakages and ensure a safe working environment.
- iv. To streamline the payment voucher retirement and processing procedures.
- v. Value for money was considered as the basis for all transactions;
- vi. To ensure transparency and accountability in financial management.
- vii. To follow up on the previous audit reports.

1.8 MANAGEMENT PERSONNEL

The key management personnel during the time of the audit were:

<u>NAME</u>	<u>POSITION</u>
Hon. Ing. Abdullah Hamidu	District Chief Executive
Mrs. Margaret Owusu Mensah	District Co-ord. Director
Mr. Iddrisu Sumaila	District Finance Officer
Mr. Eric Frimpong	District Assist. Engineer

1.9 METHODOLOGY

The audit was conducted using the risk-based approach which included inspection of projects in the district, enquiries into maintenance culture and performing walkthrough test. In the course of the audit, control weaknesses which came to our attention were discussed with management. Accordingly, the audit findings were developed based on the five attributes of criteria, condition, cause, effect and recommendation. Responses from management were appropriate incorporated in this report.

2.0 SUMMARY OF AUDIT FINDINGS

a. Leakages of office administration block annex

RECOMMENDATION

We urge management to conduct regular inspections and repair or replace damaged roofing materials.

b. Collection and lodgement of non-tax revenue

RECOMMENDATION

We advised management to organise training and capacity-building and to intensify frequent monitoring to ensure efficient, accurate, and transparent revenue and management.

c. Failure to submit value book for audit inspection

RECOMMENDATION

Management to take precautionary measures to retrieve the value book from the respective revenue collector and submit it for audit inspection.

2.1 DETAILS OF AUDIT FINDINGS

(a) Leakages of office administration block annex

CRITERIA

Section 52 (1 &2a,2b) of Public Financial Management Act, 2016 (Act 921) stipulates that Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. (2) A control system specified in subsection (1) shall be capable of ensuring that (a) preventive mechanisms are in place to eliminate theft, loss, wastage and misuse; and (b) processes, whether manual or electronic, and procedures are in place for the effective, efficient, economical and transparent use of the assets.

CONDITION

During our audit review we noted that the office administration block annex is experiencing recurring leakages during rainfall. This compromising it functionality and integrity. Details below



CAUSE

The leakages are caused by construction defects, poor maintenance or, and deterioration of material.

EFFECT

The leakages are resulting in damage to equipment and documents, disruption to work, health and safety risks, and decreased employee morale.

RECOMMENDATION

We urged management to task the Estate Officer of the Bosomtwe District Assembly to assess the cause of leakages and submit a reasonable estimate for repair work to be done as early possible to ensure a safe and productive working environment.

MANAGEMENT RESPONSE

Management has taken note it and promised to task Estate Officer to bring a budget for repairing work be done.

(b) Collection and lodgement of non-tax revenue

CRITERIA

Regulation 46 (a) and (b) of the Public Financial Regulations, 2019, L.I 2378 states that A Principal Spending Officer shall (a) ensure that non-tax revenue is efficiently collected (b) ensure that non-tax revenue is immediately lodged in gross within twenty-four hours in the designated Consolidated Fund Transit bank accounts except in the case of internally-generated funds retained under an enactment.

CONDITION

Contrary to this Act, we noted that two (2) revenue officers collected an amount of two thousand six hundred thirty Ghana cedis (Gh¢2,630.00) and have not been able to deposit the said amount to the government coffers for evidence. Detailed attached;

Details below:

No	Name	Revenue station	GCR No.	Amount
1	Stephen Gyasi	Aputuogya	5678726 - 5678739	950.00
2	Stephen Acheampong	Esereso	8924968 - 8924990	1,680.00
				2,630.00

CAUSE

The cause may be insufficient capacity building, or frequent monitoring.

EFFECT

The effects may include revenue loss, inaccurate financial reporting, inefficient use of resources, and compromised transparency and accountability.

RECOMMENDATION

We advised management to intensify monitoring to ensure efficient, accurate and transparent revenue collection.

MANAGEMENT RESPONSE

Management asked the officers involved to pay the said amount immediately to the Assembly's coffers and show evidence of receipts.

(c) Failure to submit value book for audit inspection

CRITERIA

Part VIII Section (1) of the Financial Memoranda for District Assemblies required Finance Officer to supervise and enforce the punctual collection and accounting of revenue and other receipts collected on behalf of the Assembly.

CONDITION

We noted during our review that (1) revenue officer failed to submit her General Counterfoil Receipt Book for audit inspection. Detailed attached:

No	Name	Revenue station	Value books
1	Nancy Osei Yeboah	Sewua	8142001-81242100

CAUSE

The revenue officer's failure to submit value books for inspection may be due to neglect, loss, misplacement or intentional concealment.

EFFECT

The failure to submit value books for audit inspection may lead to revenue loss, inaccurate financial reporting, suspicion of corruption, and compromised accountability.

RECOMMENDATION

We advised management to take precautionary measures to retrieve the value book from the respective revenue collector and submit it for audit inspection.

MANAGEMENT RESPONSE

Management agreed with the recommendation and called the revenue officer to submit her value book for audit inspection.

2.2 ACKNOWLEDGEMENT

We wish to express our gratitude to DCD and the entire committee member for the co-operation

2.3 CONCLUSION:

Although there are enough controls system in place, the major problem is the non compliance with them and other Financial Regulations. We also realise that there should be frequent monitoring to intensify control system.

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(STEPHEN K. AMEDAHEVI)
DISTRICT INTERNAL AUDITOR
BOSOMTWE DISTRICT ASSEMBLY KUNTANASE

