

# AUDIT SERVICE

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Good Governance  
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**TEMA**

**23 APRIL**

**21**

**20** .....

**THE PRESIDING MEMBER,  
LA DADE-KOTOPON MUNICIPAL ASSEMBLY,  
I.A.**



Dear Sir,

**ANNUAL AUDIT REPORT ON THE ACCOUNTS OF THE LA  
DADE – KOTOPON MUNICIPAL ASSEMBLY FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2020.**

## **Accounts**

The Financial Statements of the **LA Dade-Kotopon Municipal Assembly, LA** for the financial year ended 31 December 2020 have been examined.

2. The following Financial Statements and accounts are attached to the report:
  - i. Statement of Financial Position as at 31 December 2020;
  - ii. Revenue and Expenditure statement for the year ended 31 December 2020;
  - iii. Comparative statement of Revenue and Expenditure for the year ended 31 December 2020;
  - iv. Analysis of Bank balances as at 31 December 2020;
  - v. Cash Flow Statement as at 31 December 2020;
  - vi. Schedule to the Accounts for the financial year ended 31 December 2020; and
  - vii. Statement of Accumulated Fund as at Statement of Financial Position date.

## **Manner in which the accounts were kept and presented for audit**

3. The accounts were properly maintained. The Financial Statements and accounts for the year under review were submitted to this office for validation and issue on 23 February 2021 as required by Section 80 (1) of the Public Financial Management Act 2016, Act 921 and Memorandum 78 of the Financial Memoranda for MMDAs.

### Internal Control

4. The Internal Control systems in operation at the Assembly during the year under review were adequate and effective. The few lapses which were weak Internal Controls that we noted during our audit were submitted to management in management letters for necessary action.

### Estimates

5. The Assembly's Estimates were approved on the 5 October 2019 by the General Assembly before the commencement of the year under review.

### Revenue

6. Total revenue realized by the Assembly during the financial year under review was GH¢16,255,836.76 as against an estimated figure of GH¢27,000,000.00, thus, resulting in an unfavorable variance of GH¢10,744,163.24. Management was able to collect IGF of GH¢7,533,568.51 or 27.90% of estimated revenue and 46.34% of total revenue realised.

7. Total Grants received from Central Government and Donors amounted to GH¢8,722,268.25.

### Details of Grants Received

Type	(GH¢)
Salaries GOG	4,005,459.38
C & S Decentralized Dept.	20,000.00
IACF – Capital Dev. Project	3,615,612.90
DACF – MPS	321,412.27
DDF – Capital Dev. Project	515,356.51
Disability Fund	130,527.04
CIDA	96,539.87
HIV AIDS	17,360.28
<b>Total</b>	<b>8,722,268.25</b>

8. The management of the Assembly was urged to strengthen its revenue collection machinery to increase its internally generated revenue to enable it undertake more development projects in its area of operation to improve upon the lives of the people.

### Expenditure

9. Total Expenditure incurred by the Assembly for the period under review was GH¢18,502,756.69 as against a budgeted amount of GH¢27,000,000.00, resulting in an unfavorable variance of GH¢8,497,243.31.



### **Operational results**

10. The management of the assembly spent GH¢18,502,756.69 out of total revenue of GH¢16,255,836.76 resulting in a deficit of GH¢2,246,919.93

### **Expenditure Control**

11. Control exercised over expenditure was satisfactory as management spent within its budgetary estimates.

### **Development Projects**

12. A total amount of GH¢6,138,528.56 or 37.76% of total revenue of GH¢16,255,836.76 was used for development projects as against an estimated figure of GH¢12,427,335.00

### **Statement of Financial Position as at 31 December 2020**

#### **Assets**

#### **Cash at Bank – GH¢2,629,781.16**

13. The figure represents account balances at various banks as at 31 December 2020, which were reconciled with their bank statements and certificates.

#### **Debtors – GH¢33,838.00**

14. This figure represents the staff indebtedness to the Assembly. Management was advised to implement effective measures to recover the debts to enable smooth running of its operations.

#### **Liabilities**

15. There were no liabilities during the year under review.

#### **Accumulated Fund – GH¢2,663,619.16**

16. The favorable balance of GH¢4,910,539.09 as at 1 January 2020 was decreased to GH¢2,663,619.16 at the end of 31 December 2020 because of a deficit of GH¢2,246,919.93 recorded during the year under review.

### **Acknowledgement**

17. The co-operation and assistance accorded the Audit Team by the Municipal Chief Executive and staff of the Assembly during the validation and examination of the financial statements and accounts are gratefully acknowledged.

Yours faithfully,



**For: Ag. Auditor – General  
Robert K. Fiadzo  
Assistant Auditor – General  
Regional Auditor/GAR**

**Cc:** The Auditor – General,  
Audit Service,  
Accra.

The DAG/DAD,  
Audit Service,  
Accra.

The District Auditor GAR/AMA,  
Audit Service,  
Accra.

The Regional Co-ordinating Director,  
Regional Co-ordinating Council,  
Accra.

The Municipal Co-ordinating Director,  
La Dade-Kotopon Municipal Assembly,  
La.

The Municipal Chief Executive,  
La Dade-Kotopon Municipal Assembly,  
La.

The Municipal Finance Officer,  
La Dade-Kotopon Municipal Assembly,  
La. ✓

## **OPINION OF THE AUDITOR – GENERAL ON THE FINANCIAL STATEMENTS**

### **Introduction**

We have in accordance with Section 80 of Public Financial Management Act 2016, Act 921, Section 121 of the Local Government Act, 2003 (Act 462) and Section 11 of the Audit Service Act 2000 (Act 584) audited the Financial Statements of **La Dade – Kotopon Municipal Assembly, La** for the year ended 31 December 2020.

### **Responsibility of Management**

Section 90 of the Local Government Act, 2003 (Act 462) requires the Assembly to keep proper accounts and records in relation to them and shall immediately after the end of each financial year, prepare a statement of its accounts in such form as the Auditor – General may direct, submitting them for audit.

### **Auditor – General’s Responsibility**

Section 80 of Public Financial Management Act 2016, Act 921, Section 121 (1) Local Government Act, (Act 462) and Section 11 of the Auditor Service Act 2000 (Act 584) require the Auditor – General to audit and report on the accounts of the Metropolitan, Municipal and District Assemblies of Ghana. It is, therefore, the responsibility of the Auditor – General or his representatives to express an independent opinion on the financial statements of the Assembly.

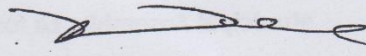
### **Basis of Opinion**

We conducted the audit in accordance with Generally Accepted Auditing standards and Auditing Standards of International Organization of Supreme Audit Institutions (INTOSAI). 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, 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.

**Audit Opinion**

In our opinion, the Financial Statements present fairly the financial position of the Assembly as at 31 December 2020 and the results of its operations for the year ended and that the transactions were in accordance with the Financial Law, Regulations and Ministerial guidelines.



**For: Ag. Auditor – General  
Robert K. Fiadzo  
Assistant Auditor – General  
Regional Auditor/GAR**

DATED THIS: ..... 23<sup>rd</sup> ..... DAY OF ..... April ..... 2021 ACCRA.