

## AUDIT SERVICE

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TEMA

15 JULY 2020



THE PRESIDING MEMBER,  
LA DADE-KOTOPON MUNICIPAL ASSEMBLY,  
LA.

Dear Sir,

**ANNUAL AUDIT REPORT ON THE ACCOUNTS OF THE LA DADE-KOTOPON MUNICIPAL ASSEMBLY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019.**

**Accounts**

The Financial Statements of the LA DADE-KOTOPON Municipal Assembly, LA for the financial year ended 31 December 2019 have been examined.

2. The following Financial Statements and accounts are attached to the report:
- Statement of Financial Position as at 31 December 2019;
  - Revenue and Expenditure statement for the year ended 31 December 2019;
  - Comparative statement of Revenue and Expenditure for the year ended 31 December 2019;
  - Analysis of Bank balances as at 31 December 2019;
  - Cash Flow Statement as at 31 December 2019;
  - Schedule to the Accounts for the financial year ended 31 December 2019; and
  - 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 25 February 2020 as required by Section 80 (1) of the Public Financial Management Act 2016, Act 921.

**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 7 September 2018 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¢18,538,074.01 as against an estimated figure of GH¢25,000,000.00, thus, resulting in an unfavorable variance of GH¢6,461,925.99. Out of the total revenue of GH¢18,538,074.01 collected, Internally Generated Revenue was GH¢7,360,324.22 or 39.70% of the total revenue while grants from the Central Government and Donors amounted to GH¢11,177,749.79 or 60.29% of the total revenue.

Year	Estimated (GH¢)	Actual (GH¢)	Variance (GH¢)
2019	25,000,000.00	18,538,074.01	6,461,925.99

7. Total Grants received from Central Government and Donors during the year under review totaled GH¢11,177,749.79. Details are provided below:

Type	Amount (GH¢)
Salaries GOG	3,168,004.73
G & S Decent. Dept.	14,629.74
DACF	5,876,700.01
DACF - MPS	339,387.68
DDF	464,430.11
GAMA PROJECT	1,050,000.00
PWDS	131,409.34
CIDA	100,314.04
HIV AIDS	32,874.14
<b>Total</b>	<b>11,177,749.79</b>

8. We advised management to widen its revenue base and increase supervision over the work of revenue collectors to enable the Assembly collect sufficient revenue for Traditional Sources.

#### Expenditure

9. The Assembly incurred expenditure of GH¢15,805,286.32 as against an estimated figure of GH¢25,000,000.00 as indicated below:

Year	Estimated (GH¢)	Actual (GH¢)	Variance (GH¢)
2019	25,000,000.00	15,805,286.32	9,194,713.68

#### Operational results

10. The operational results of the Assembly indicated that total Expenditure of GH¢15,805,286.32 was less than total Revenue of Gh¢18,538,074.01 resulting in a surplus of GH¢2,732,787.69 as shown below:

Year	Revenue (GH¢)	Expenditure (GH¢)	Surplus (GH¢)
2019	18,538,074.01	15,805,286.32	2,732,787.69

#### Expenditure Control

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

#### Development Projects

12. A total amount of GH¢5,119,222.29 or 27.61% of total revenue of GH¢18,538,074.01 was used for development projects as against an estimated figure of GH¢12,438,000.00.

#### Statement of Financial Position as at 31 December 2019

##### Assets

#### Cash at Bank – GH¢4,887,709.09

13. The figure represents account balances at various banks as at 31 December 2019, which were reconciled with their bank statements and certificates.

#### Debtors – GH¢22,830.00

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 for the Assembly.


#### Accumulated Fund –: GH¢4,910,539.09

16. The favorable balance of GH¢2,177,751.40 as at 1 January 2019 was increased to GH¢4,910,539.09 at the end of 31 December 2019 as a result of a surplus of GH¢2,732,787.69 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: Auditor – General  
Robert K. Fiadzo  
Assistant Auditor – General  
Regional Auditor/GAR

Cc: The Auditor – General (2),  
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.

The District Auditor,  
Audit Service /GAR "A.M.A",  
Accra.

## 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 2019.

### 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 2019 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: Auditor – General  
Robert K. Fiadzo  
Assistant Auditor – General  
Regional Auditor/GAR

DATED THIS: 15<sup>th</sup> DAY OF July 2020 ACCRA.

**LA DADE-KOTOPON MUNICIPAL  
ASSEMBLY**



**2019 ANNUAL ACCOUNTS**



**LA DADE-KOTOPON**  
MUNICIPAL ASSEMBLY (LaDMA)



Our Ref: LaDMA/FIN/2020/02

20<sup>th</sup> FEBRUARY, 2020

**SUBMISSION OF 2019 ANNUAL ACCOUNTS**

We submit here for your necessary action, the Annual Accounts for the Year ended 31<sup>st</sup> December, 2019.

This report includes

- The Statement of Financial Position
- Cashflow Statement
- Statement of Revenue & Expenditure
- Trial Balance
- Bank Reconciliation
- Notes to the Account

  
**JOSEPHINE AWUA**  
MUNICIPAL FINANCE OFFICER

  
**DANIEL NKUMAH**  
MUNICIPAL COORDINATING DIRECTOR

Cc. The Controller & Accountant General  
The Regional Auditor  
The District Auditor

LA DADE-KOTOPON MUNICIPAL ASSEMBLY

Statement Of Financial Position As At The End Of December, 2019

	2019	2018
FIXED ASSETS		
INVESTMENTS		
CURRENT ASSETS		
IMPREST		
CASH AT BANK	4,887,709.09	2,169,031.40
ADVANCES(STAFF)	22,830.00	8,720.00
CASH ACCOUNT	4,910,539.09	2,177,751.40
LESS:		
CURRENT LIABILITIES		
CREDITORS		
DEPOSITS		
INCOME TAX		
ACCRUED EXPENSES		
WORKING CAPITAL	4,910,539.09	2,177,751.40
TOTAL NET ASSETS	4,910,539.09	2,177,751.40
REPRESENTED BY:		
RATE FUND:		
ACCUMULATED RESERVE	2,177,751.40	2,861,975.73
SURPLUS(DEFICIT) OF REVENUE OVER EXPENDITURE	2,732,787.69	(684,224.33)
TOTAL RATE FUND	4,910,539.09	2,177,751.40

LA DADE-KOTOPON MUNICIPAL ASSEMBLY

COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDING DECEMBER 2019

Code	EXPENDITURE	2018		2019		Code	REVENUE	2018		2019	
		ESTIMATE	ACTUAL					ESTIMATE	ACTUAL		
2100000	Compensation of Emp	5,556,364.85	5,553,485.44	6,088,000.00	5,930,534.63	1131000	Rates	1,500,000.00	1,297,419.42	1,850,000.00	1,555,140.23
2200000	Goods and Services	6,123,472.00	5,152,725.24	5,700,000.00	4,050,382.26	1412000	Land & Concession	2,162,000.00	2,352,746.90	2,342,000.00	2,769,362.91
2300000	Assets	8,024,163.15	4,601,865.58	12,438,000.00	5,119,222.29	1423000	Fees & Fines	1,808,690.00	1,391,735.53	1,746,350.00	1,003,356.85
2400000	Interest					1422000	Licenses	1,729,310.00	1,606,417.42	1,990,511.00	2,032,464.23
2600000	Grants					1415000	Rent				
2700000	Social Benefits	118,000.00	67,564.20	50,000.00	39,288.05	1331000	Grants	12,900,000.00	8,226,938.91	17,071,139.00	11,177,749.79
2800000	Other Expenses	278,000.00	204,753.05	724,000.00	665,859.09		Investment Income				
						1450000	Miscellaneous		20,911.00		
	SUB TOTAL	20,100,000.00	15,580,393.51	25,000,000.00	15,805,286.32			20,100,000.00	14,896,169.18	25,000,000.00	18,538,074.01
	EXCESS/DEFECIT		(684,224.33)		2,732,787.69						
	TOTAL	20,100,000.00	14,896,169.18	25,000,000.00	18,538,074.01			20,100,000.00	14,896,169.18	25,000,000.00	18,538,074.01

LA DADE-KOTOPON MUNICIPAL ASSEMBLY

TRIAL BALANCE FOR THE YEAR ENDING DECEMBER 2019

	DEBIT	CREDIT
Rates		1,555,140.23
Land & Concession		2,769,362.91
Fees & Fines		1,003,356.85
Licenses		2,032,464.23
Grants		11,177,749.79
Rent		
Investment Income		
Miscellaneous Revenue		
Compensation of Employees	5,930,534.63	



Goods and Services	4,050,382.26	
Assets	5,119,222.29	
Grants		
Interest		
Social Benefits	39,288.05	
Other Expenses	665,859.09	
Bank	4,887,709.09	
Advances	22,830.00	
Accumulated Fund		2,177,751.40
TOTAL	20,715,825.41	20,715,825.41

LA DADE-KOTOPON MUNICIPAL ASSEMBLY

**SUMMARY OF REVENUE FOR THE YEAR ENDING DECEMBER 2019**

	2018		2019	
REVENUE ITEM	BUDGETED	ACTUAL	BUDGETED	ACTUAL
Rates	1,500,000.00	1,297,419.42	1,850,000.00	1,555,140.23
Land & Concession	2,162,000.00	2,352,746.90	2,342,000.00	2,769,362.91
Fees & Fines	1,808,690.00	1,391,735.53	1,746,350.00	1,003,356.85
Licenses	1,729,310.00	1,606,417.42	1,990,511.00	2,032,464.23
Rent				
Grants	12,900,000.00	8,226,938.91	17,071,139.00	11,177,749.79
Investment Income				
Miscellaneous		20,911.00		
<b>TOTAL</b>	<b>20,100,000.00</b>	<b>14,896,169.18</b>	<b>25,000,000.00</b>	<b>18,538,074.01</b>

LA DADE-KOTOPON MUNICIPAL ASSEMBLY				
SUMMARY OF EXPENDITURE FOR THE YEAR ENDING DECEMBER 2019				
EXPENDITURE HEAD	2018		2019	
	BUDGETED	ACTUAL	BUDGETED	ACTUAL
Compensation of Employees	5,556,364.85	5,553,485.44	6,088,000.00	5,930,534.63
Goods and Services	6,123,472.00	5,152,725.24	5,700,000.00	4,050,382.26
Assets	8,024,163.15	4,601,865.58	12,438,000.00	5,119,222.29
Interest				
Grants				
Social Benefits	118,000.00	67,564.20	50,000.00	39,288.05
Other Expenses	278,000.00	204,753.05	724,000.00	665,859.09
<b>TOTAL</b>	<b>20,100,000.00</b>	<b>15,580,393.51</b>	<b>25,000,000.00</b>	<b>15,805,286.32</b>

LA DADE-KOTOPON MUNICIPAL ASSEMBLY				
SUMMARY OF EXPENDITURE FOR THE YEAR ENDING DECEMBER 2019				
EXPENDITURE HEAD	2018		2019	
	BUDGETED	ACTUAL	BUDGETED	ACTUAL
Compensation of Employees	5,556,364.85	5,553,485.44	6,088,000.00	5,930,534.63
Goods and Services	6,123,472.00	5,152,725.24	5,700,000.00	4,050,382.26
Assets	8,024,163.15	4,601,865.58	12,438,000.00	5,119,222.29

Interest				
Grants				
Social Benefits	118,000.00	67,564.20	50,000.00	39,288.05
Other Expenses	278,000.00	204,753.05	724,000.00	665,859.09
<b>TOTAL</b>	<b>20,100,000.00</b>	<b>15,580,393.51</b>	<b>25,000,000.00</b>	<b>15,805,286.32</b>

**LA DADE-KOTOPON MUNICIPAL ASSEMBLY**

**CASH FLOW STATEMENT FOR THE YEAR ENDING DECEMBER 2019**

	GH¢	GH¢
<b>OPENING BALANCE</b>		<b>2,169,031.40</b>
<b>CASH INFLOWS</b>		
<b>IGF</b>		
Rates	1,555,140.23	
Land & Concession	2,769,362.91	
Fees & Fines	1,003,356.85	
Licenses	2,032,464.23	
Rent		
Investment Income		
Miscellaneous		
<b>TOTAL IGF</b>	<b>7,360,324.22</b>	

<b>GRANTS</b>	<b>11,177,749.79</b>	
<b>TOTAL</b>		<b>18,538,074.01</b>
<b>CASH OUTFLOW</b>		
Compensation of Employees	5,930,534.63	
Goods and Services	4,050,382.26	
Assets	5,119,222.29	
Interest		
Grants		
Social Benefits	39,288.05	
Other Expenses	665,859.09	
<b>TOTAL</b>		<b>15,805,286.32</b>
<b>Recovery from Advances</b>		<b>14,110.00</b>
<b>CLOSING BALANCE</b>		<b>4,887,709.09</b>

**CLASSIFICATION OF EXPENDITURE BY FUND SOURCES FOR THE YEAR ENDING DECEMBER 2019**

	<b>COMP OF EMPLOYEES</b>	<b>GOODS &amp; SERVICES</b>	<b>SOCIAL BENEFIT</b>	<b>OTHER EXPENSES</b>	<b>CAPITAL EXPENDITURE</b>	<b>TOTAL</b>
<b>IGF</b>	2,762,529.90	3,213,742.11	39,288.05	201,488.00	1,182,952.63	<b>7,400,000.69</b>
<b>DACF</b>		659,182.10		238,308.90	2,529,341.37	<b>3,426,832.37</b>
<b>GOG</b>	3,168,004.73	6,655.00			5,600.00	<b>3,180,259.73</b>
<b>PWD</b>		11,957.00		120,367.25		<b>132,324.25</b>
<b>MPCF</b>		409.66		105,694.94	104,696.50	<b>210,801.10</b>
<b>GAMA</b>		20,039.18			963,082.94	<b>983,122.12</b>
<b>HIV</b>		33,056.00				<b>33,056.00</b>
<b>DDF</b>					315,548.85	<b>315,548.85</b>
<b>CIDA</b>		105,341.21			18,000.00	<b>123,341.21</b>
<b>TOTAL</b>	<b>5,930,534.63</b>	<b>4,050,382.26</b>	<b>39,288.05</b>	<b>665,859.09</b>	<b>5,119,222.29</b>	<b>15,805,286.32</b>

