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P. O. Box.....31.....

.....Takoradi.....
27 June.....2018.....

The Presiding Member
Sekondi Takoradi Metropolitan Assembly
P.O. Box 74
Sekondi

Dear Sir,

AUDIT REPORT ON THE ANNUAL ACCOUNTS OF SEKONDI-TAKORADI METROPOLITAN ASSEMBLY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

Accounts

We have audited the Accounts and Financial Statements of the Sekondi-Takoradi Metropolitan Assembly, Sekondi, for the financial year ended 31 December 2017. Attached to this Report are the following Annual Accounts and Financial Statements.

- (a) Balance Sheet as at 31 December 2017;
- (b) Revenue and Expenditure Statement for the financial year ended 31 December 2017;
- (c) Statement of Cash Flow for the year ended 31 December 2017;
- (d) Comparative Statement of Revenue and Expenditure for the financial year ended 31 December 2017;
- (e) Schedule of Analysis of outstanding Advances as at 31 December 2017 and
- (f) Notes to the Accounts and Financial Statements for the year ended 31 December 2017.

Manner in which the accounts were kept and presented for audit

2. The books of account were satisfactorily kept. However, the related Accounts and Financial Statements were belatedly submitted for validation on 7 March 2018 contrary to the requirements of Section 80 (1) of the Public Financial Management Act, 2016 (Act 921) and Section 172 of the Local Governance Act, 2016, (Act 936)

Estimates

3. The Assembly's 2017 budget was duly approved by the General Assembly on 27 October 2016

Revenue

4. Out of the budgeted figure of GH¢37,900,424.38, the Assembly received a total of GH¢23,100,116.16. The Assembly therefore achieved 60.94% of its total estimated revenue.

Details are as follows:

No.	Year	Approved Budget (GH¢)	Actual GH¢	Variance GH¢	Percentage Achieved %
1	2017	37,900,424.38	23,100,116.16	14,800,308.22	60.95

5. Revenue from Internally Generated Funds (IGFs) was GH¢8,233,601.23 representing 35.6% of total revenue. Out of the total revenue, Government Grants and receipts, including Common Fund, DDF, UDG and GUMPP amounted to GH¢14,866,514.93 or 64.4%. Details are as follows:

No	Item	Amount GH¢	%
1	Government and other Grants	14,866,514.93	64.4
2	Internally Generated Fund	8,233,601.23	35.6
	Total	23,100,116.16	100

6. During the year under review, the Assembly continued to rely heavily on Government Grants as its main source of income. We once again urged management to step up its revenue mobilization drive to supplement Government Grants to enable the Assembly achieve its development plans.

Expenditure

7. The estimated expenditure for the year under review was GH¢19,541,219.30 while the actual disbursement amounted to GH¢17,767,331.80 representing 90.92% of the budget. Details are as follows:

No.	Year	Approved Estimates GH¢	Actual GH¢	Variance GH¢	Percentage Variance %
1	2017	19,541,219.30	17,767,331.80	1,773,887.50	90.92

Operational results

8. The comparative financial operations of the Assembly for the two year period of 2016 and 2017 are summarized below:

No.	Item	2017 GH¢	2016 GH¢	Variance GH¢	Percentage Variance %
1	Revenue	23,100,116.16	29,858,291.74	(6,758,175.58)	22.63
2	Expenditure	17,767,331.80	15,782,336.04	1,984,995.76	12.57
3	Surplus/Deficit	5,332,784.36	14,075,955.70	-	-

9. The financial operations of the year under review resulted in an income surplus of GH¢5,332,784.36.

Balance Sheet as at 31 December 2017

Assets

10. **Fixed Assets – Completed & WIP GH¢42,695,128.73:** - This figure represents completed projects of GH¢15,102,523.45 and uncompleted projects of GH¢27,592,605.28 as at 31 December 2017.

11. **Advances – GH¢180,321.54:** - This figure includes Poverty Alleviation Fund of GH¢111,108.20 and GH¢69,213.34 as Salary Advances as at 31 December 2017. Details are provided as Schedule C.

12. **Other Receivables: - GH¢1,200.00:** - This figure represents an amount collected on behalf of the Assembly by BADREC Ghana Limited from M.I. Media, an outdoor advertiser but failed to account for the amount to the Assembly. Details are provided as Schedule D.

13. **Cash at bank GH¢1,324,129.62:** - This figure represents the bank balances of the various accounts held by the Assembly as at 31 December 2017. The balances were reconciled with the related bank statements.

14. **Cash on hand – GH¢14,606.00:** - This figure represents cash on hand as at 31 December 2017. There was however no Board of Survey report to confirm the amount.

Liabilities

15. **Short Term Deposit - GH¢247,507.19:** - This figure represents the total amount deposited for Urban Sanitation Project (W/R) of GH¢126,771.93 and Sekondi Takoradi School Desk project of GH¢120,735.26. Details are provided as Schedule (F).

16. **Accumulated Fund – GH¢43,967,878.70:** - The surplus of GH¢5,332,784.36 realised from the operations of the Assembly during the financial year increased the fund which stood at GH¢38,635,094.34 on 1 January 2017 to GH¢43,967,878.70 as at 31 December 2017.

Acknowledgement

17. We gratefully acknowledge assistance and co-operation extended by management and the entire staff of the Assembly to the Audit Team during the period of audit.

OPINION OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS

Introduction

18. We have in accordance with Section 80 (4) of the Public Financial Management Act, 2016 (Act 921) and Section 11 of the Audit Service Act 2000 (Act 584) audited the Accounts and Financial Statements of Sekondi-Takoradi Metropolitan Assembly for the year ended 31 December 2017.

Responsibility of Management

19. Section 172 of Act 936 requires the Assembly to keep proper accounts and proper records in relation to them and to immediately after the end of each financial year prepare and submit for audit a statement of its accounts in such form as the Auditor-General may direct.

Auditor-General's responsibility

20. Section 176 of the Local Governance Act, 2016 (Act 936) and Section 11 of the Audit 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 on his representative to express an opinion on the Financial Statements of the Assembly.

Basis of Opinion

21. We conducted the audit in accordance with generally accepted auditing standards and auditing standards of International Organization of Supreme Audit Institutions (INTOSAI). An audit included examination, on a test basis, of evidence relevant to the accounts, disclosures and regularity of financial transactions included in the financial statements.

22. 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 expenditures and incomes have been applied to the purpose intended by Parliament, and the financial transactions conform to the authorities which govern them.

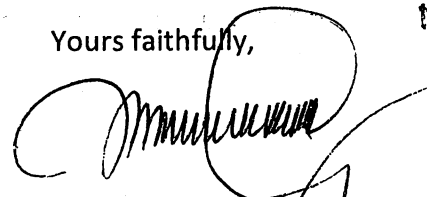
23. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Audit Opinion

24. We have examined the Accounts, Financial Statements, and the supporting schedules of Sekondi-Takoradi Assembly under the modified cash basis convention for the year ended 31 December 2017.

25. In our opinion, except for the delayed submission of the Accounts and Financial Statement for audit contrary to Section 80 of PFMA, the Financial Statements present fairly the financial position of the Assembly as at 31 December 2017 and the result of its operations for the year ended and that the transaction were in accordance with the Financial Regulations and Ministerial guidelines.

Yours faithfully,



for: AUDITOR-GENERAL
(HENRY BRUCE-TAGOE)
ASSISTANT AUDITOR-GENERAL

cc: The Auditor-General (2)
Audit Service
Accra

The Regional Co-ordinating Director
Western Regional Co-ordinating Council
Sekondi

The Metropolitan Chief Executive
Sekondi Takoradi Metropolitan Assembly
Sekondi

The Metropolitan Finance Officer ✓
Sekondi-Takoradi Metropolitan Assembly
Sekondi

The District Auditor
Audit Service
Sekondi District 'B'

ML.