

AUDIT SERVICE

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



My Ref. No.: WR/LA/DA.4^A/V.III/15

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.....31.....

.....Tarkwa.....

.....28 June.....20.19.....



The Presiding Member
Tarkwa Nsuaem Municipal Assembly
Tarkwa

Dear Sir,

AUDIT REPORT ON THE ANNUAL ACCOUNTS OF THE TARKWA NSUAEM MUNICIPAL ASSEMBLY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Introduction

We have examined the accounts of the Tarkwa Nsuaem Municipal Assembly for the financial year ended 31 December 2018 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).

Accounts

2. The following accounts and annual financial statements are attached to this report:
 - a. Comparative statement of the financial position as at 31 December 2018, and Cash flow statements.
 - b. Comparative statement of Receipts and Payments account for the financial year ended 31 December 2018.
 - c. Comparative statement of Revenue and Expenditure account for the financial year ended 31 December 2018;
 - d. Comparative statement of Revenue for the financial year ended 31 December 2018;
 - e. Comparative statement of Expenditure for the financial year ended 31 December 2018;
 - f. Comparative statement of Accumulated Fund and
 - g. Notes and Schedules to the accounts as at 31 December 2018.

Manner in which the accounts were prepared and rendered for audit

3. The books of accounts were well kept. The financial statements were submitted for validation on the 12th February, 2019.

OPINION OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS

Responsibility of management

Section 80 of the Public Financial Management Act, 2016, (Act 921) requires that the Assembly shall, immediately after the end of the financial year, prepare financial statements of its accounts in such form as the Auditor-General may direct, and submit such statements to the Auditor-General or his representative for audit.

Auditor-General's responsibility

Section 84 of the Public Financial Management Act, 2016, (Act 921) and Section II of the Audit Service Act 2000, (Act 584) require the Auditor-General to audit and report on the accounts of Metropolitan, Municipal and District Assemblies of Ghana. It is, therefore, the responsibility of the Auditor-General to express an independent opinion on the financial statements of the Assemblies.

Basis of opinion

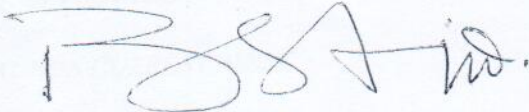
We conducted the audit in accordance with Generally Accepted Auditing Standards and the auditing standards of the International Organization of Supreme Audit Instructions (INTOSAI). An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial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

We planned and performed our audit so as to obtain all the information and explanation 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 revenue and expenditure have been applied for the purposes 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. We believe that our audit provide a reasonable basis for the audit opinion.

Opinion

We have examined the financial statements and the supporting schedules of the **TARKWA NSUAEM MUNICIPAL ASSEMBLY** under the historical cost convention for the financial year ended 31 December 2018.

In our opinion, the financial statements present fairly the financial position of the Assembly as at 31 December 2018 and the result of the operations for the year ended and that the transactions were in accordance with the Financial Laws.

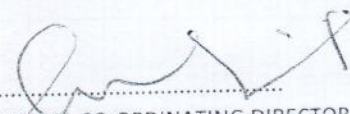


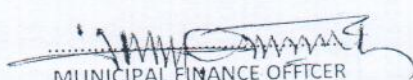
for: AUDITOR-GENERAL
BESTMAN HAMLET NTOW
ASSISTANT AUDITOR-GENERAL

DATED THIS.....28.....DAY OF.....JUNE..... 2019

TARKWA NSUAEM MUNICIPAL ASSEMBLY
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018

| | NOTES | 2018 | 2017 |
|------------------------------|---------|---------------------|---------------------|
| ASSETS | | | |
| <i>NON CURRENT ASSETS</i> | | | |
| FIXED DEPOSIT | (33). | | - |
| INFRASTRUC. , PLANT & EQUIP. | | 4,770,717.86 | 5,222,835.14 |
| WORK-IN-PROGRESS | | 167,140.31 | - |
| TOTAL NON CURRENT ASSET | | 4,937,858.17 | 5,222,835.14 |
| <i>CURRENT ASSETS</i> | | | |
| CASH AND CASH EQUIVALENT | (37&38) | 786,000.51 | 1,471,794.21 |
| RECEIVABLES | (35). | 11,920.00 | 12,220.00 |
| PREPAYMENTS | | - | - |
| TOTAL CURRENT ASSETS | | <u>797,920.51</u> | <u>1,484,014.21</u> |
| TOTAL ASSETS | | <u>5,735,778.68</u> | <u>6,706,849.35</u> |
| LIABILITIES | | | |
| <i>CURRENT LIABILITIES</i> | | | |
| PAYABLES | | - | - |
| DEPOSITS AND OTHER MONIES | (40). | 420,122.66 | 1,275,063.13 |
| SHORT-TERM BORROWINGS | | - | - |
| TOTAL CURRENT LIABILITIES | | <u>420,122.66</u> | <u>1,275,063.13</u> |
| TOTAL LIABILITIES | | <u>420,122.66</u> | <u>1,275,063.13</u> |
| NET ASSETS | | <u>5,315,656.02</u> | <u>5,431,786.22</u> |
| <i>CONTRIBUTED BY</i> | | | |
| SURPLUSES/(DEFICITS) | | 168,846.77 | (1,056,317.65) |
| ACCUMULATED FUND | | 5,146,809.25 | 6,488,103.87 |
| NET WORTH | | <u>5,315,656.02</u> | <u>5,431,786.22</u> |


 MUNICIPAL CO-ORDINATING DIRECTOR
MUNICIPAL CO-ORDINATING DIRECTOR
Tarkwa-Nsuaem Municipal Assembly
TARKWA


 MUNICIPAL FINANCE OFFICER
Municipal Finance Officer
Tarkwa-Nsuaem Municipal Assembly
Tarkwa

TARKWA - NSUAEM MUNICIPAL ASSEMBLY
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER, 2018

| MAIN HEAD REVENUE | ANNUAL ESTIMATE 2018 | | ACCUMULATED TOTAL 2018 | | ANNUAL ESTIMATE 2017 | | ACCUMULATED TOTAL 2017 | |
|---|-----------------------------|----------------------|------------------------|----------------------|----------------------|--|------------------------|--|
| | | | | | | | | |
| 1331000 | GRANTS-DISTRICTS | 7,168,246.58 | 5,309,945.79 | 10,084,877.45 | 6,785,808.24 | | | |
| 1412000 | LANDS & ROYALTIES | 8,580,682.40 | 6,510,482.00 | 6,421,000.00 | 4,509,255.36 | | | |
| 1415000 | RENTS OF LAND, BULD. & HSE | 30,000.00 | 25,679.00 | 23,500.00 | 30,317.60 | | | |
| 1422000 | LICENSES | 922,710.00 | 880,676.15 | 853,150.00 | 803,149.50 | | | |
| 1423000 | FEES | 335,500.00 | 245,595.00 | 338,100.00 | 257,811.00 | | | |
| 1430000 | FINES, PENALTIES & FORFEITS | 142,000.00 | 161,323.04 | 143,200.00 | 119,127.00 | | | |
| 1450000 | MISC. AND UNSPECIFIED REV. | 3,000.00 | 1,748.50 | 3,000.00 | 411.75 | | | |
| TOTAL | | 17,182,138.98 | 13,135,449.48 | 17,866,827.45 | 12,505,880.45 | | | |
| EXPENDITURE | | | | | | | | |
| 2111000 | ESTABLISHED POSITIONS | 2,989,958.18 | 2,505,479.57 | 2,876,299.96 | 3,065,272.95 | | | |
| 2111100 | NON-ESTABLISHED POST | 500,000.00 | 544,820.20 | 500,000.00 | 376,124.87 | | | |
| 2112200 | OTHER ALLOWANCES | 110,000.00 | 81,348.39 | 264,000.00 | 233,231.64 | | | |
| 2121300 | NATIONAL PENSION CONT. | 67,500.00 | 44,258.94 | 69,998.60 | 44,402.31 | | | |
| 2210100 | MATERIAL & OFFICE CONSUM. | 178,537.00 | 165,551.36 | 255,000.00 | 262,444.13 | | | |
| 2210200 | UTILITIES | 136,900.00 | 89,777.95 | 189,000.00 | 131,998.67 | | | |
| 2210300 | GENERAL CLEANING | 2,000.00 | 1,760.00 | 0.00 | 0.00 | | | |
| 2210400 | RENTALS | 8,000.00 | 7,975.15 | 8,000.00 | - | | | |
| 2210500 | TRAVEL & TRANSPORT | 1,486,182.00 | 1,485,595.27 | 1,900,000.00 | 1,735,693.56 | | | |
| 2210600 | REPAIRS & MAINTENANCE | 636,503.51 | 523,939.16 | 578,754.83 | 610,520.68 | | | |
| 2210700 | TRAINING, SEMINARS & CONF. | 372,000.00 | 325,882.97 | 420,937.24 | 396,145.53 | | | |
| 2210800 | CONSULTANING SERVICES | 300,000.00 | 507,176.79 | 300,000.00 | 296,991.51 | | | |
| 2210900 | SPECIAL SERVICES | 350,000.00 | 349,917.11 | 442,000.00 | 389,926.75 | | | |
| 2211100 | OTHER CHARGES & FEES | 20,000.00 | 13,962.70 | 20,000.00 | 12,138.25 | | | |
| 2600000 | OTHER GRANTS | 492,425.95 | 788,545.06 | 485,614.95 | 276,986.00 | | | |
| 2731100 | EMPLOYER SOCIAL BENEFITS | 5,000.00 | 3,645.00 | 2,000.00 | 950.00 | | | |
| 2821100 | GENERAL EXPENSES | 724,917.00 | 589,108.92 | 535,000.00 | 506,536.11 | | | |
| 3111100 | CAPITAL EXPENDITURE | 8,802,215.34 | 4,937,858.17 | 9,020,221.87 | 5,222,835.14 | | | |
| TOTAL | | 17,182,138.98 | 12,966,602.71 | 17,866,827.45 | 13,562,198.10 | | | |
| EXCESS OF REVENUE OVER EXPENDITURE | | | 2,215,536.27 | | 3,294,689.35 | | | |

TARKWA NSUAEM MUNICIPAL ASSEMBLY

COMPARATIVE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2018

| DESCRIPTION | NOTES | 2018 | 2017 |
|--|-------|----------------------|----------------------|
| CASH RECEIPTS FROM OPERATING ACTIVITIES | | | |
| GRANTS | 4 | 5,309,945.79 | 6,785,808.24 |
| OTHER REVENUE | 05-11 | 7,825,503.69 | 5,720,072.21 |
| NET CASH RECEIPTS FROM OPERATING ACTIVITIES | | 13,135,449.48 | 12,505,880.45 |
| CASH PAYMENT FROM OPERATING ACTIVITIES | | | |
| COMPENSATION OF EMPLOYEES | 12 | 3,175,907.10 | 3,719,031.77 |
| GOODS AND SERVICES | 17-25 | 3,471,538.46 | 3,835,859.08 |
| INTEREST | | - | - |
| GRANTS | 30 | 788,545.06 | 276,986.00 |
| SOCIAL BENEFITS | 26 | 3,645.00 | 950.00 |
| OTHER EXPENSES | 28 | 589,108.92 | 506,536.11 |
| | | 8,028,744.54 | 8,339,362.96 |
| NET CHANGE IN WORKING CAPITAL | | | |
| (INCREASE)/DECREASE IN ACCOUNT RECEIVABLE | | 300.00 | (7,943.00) |
| INCREASE/(DECREASE) IN ACCOUNT PAYABLES | | (854,940.47) | 566,514.21 |
| | | (854,640.47) | 558,571.21 |
| NET CASH PAYMENT FROM OPERATING ACTIVITIES | | 8,883,385.01 | 7,780,791.75 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | | 4,252,064.47 | 4,725,088.70 |
| PURCHASE/GRANTING OF NON-FINANCIAL ASSETS | | | |
| NON-FINANCIAL ASSETS | 31 | 4,770,717.86 | 5,222,835.14 |
| INVENTORY | | - | - |
| WIP | | 167,140.31 | - |
| CASH FLOW FROM INVESTING IN NON-FINANCIAL ASSETS | | 4,937,858.17 | 5,222,835.14 |
| SALE/RECOVERY OF NON-FINANCIAL ASSETS | | | |
| NON-FINANCIAL ASSETS | | - | - |
| INVENTORY | | - | - |
| WIP | | - | - |
| CASH FLOW FROM SALES OF NON-FINANCIAL ASSETS | | - | - |
| NET CASH FLOW FROM INVESTMENT IN FINANCIAL ASSETS | | 4,937,858.17 | 5,222,835.14 |
| CASH FLOW FROM FINANCIAL ACTIVITY | | | |
| DOMESTIC | | | |
| INFLOWS | | - | - |
| OUTFLOWS | | - | - |
| NET INCURRENCE OF DOMESTIC LIABILITY | | - | - |
| FOREIGN | | | |
| INFLOWS | | - | - |
| OUTFLOWS | | - | - |
| NET INCURRENCE OF FOREIGN LIABILITY | | - | - |
| NET CHANGES IN STOCK OF CASH | | (685,793.70) | (497,746.44) |
| CASH AND CASH EQUIVALENT - OPENING | 37&38 | 1,471,794.21 | 1,969,540.65 |
| CASH AND CASH EQUIVALENT - CLOSING | | 786,000.51 | 1,471,794.21 |

NOTES TO THE ACCOUNTS

1) REPORTING ENTITY

The reporting entity is Tarkwa-Nsuaem Municipal Assembly (T.N.M.A.). The financial report is for activities that took place during the 2018 fiscal year. The entity is non-profit organization operating under the ministry of Local Government and Rural Development.

OUR MISSION

The Tarkwa-Nsuaem Municipal Assembly exists to improve the quality of life of its inhabitants through the provision of effective and efficient socio-economic services in collaboration with other stakeholders.

OUR VISION

To become a world class Municipality providing excellent socio-economic services for inhabitants.

2) BASIS OF PREPARATION

a) Statement Of Compliance

The financial statement of the Assembly have been prepared in accordance with the accounting policies of the Government of Ghana to comply with the Public Financial Management (PFM) Act, 2016 (ACT 921), Financial Administration Regulation, 2004 (LI 1802) (FAR) Financial Memoranda for District Assembly 2004, Accounting Manuals and other Legislative and standard accounting documents developed and approved by Controller and Accountant General's Department in consultation with the Auditor-General and Ministry of Local Government and Rural Development.

b) Basis of Preparation

The annual financial statements have been prepared on modified cash basis. The accounting policies adopted in preparing the financial statement have been consistency applied throughout all periods presented unless otherwise stated.

c) Functional and Presentation Currency

The functional currency is the currency that best reflects the primary economic environment in which the entity operates. The financial statements have been presented in Ghana Cedis (GHC) which is the functional and presentation currency of the entity.

d) Cash Accounting

The Assembly operates cash accounting system in line with provision in the Public Financial Management Act. Etc.

e) Revenue

The Assembly generates its revenue from the following sources which are used for the implementation of developmental projects and programmes. To this end income or revenue is recognized as and when it is received.

- I. Internally Generated Fund (IGF) consisting:

- I. Land and Royalties
 - II. Rent of Lands, Buildings and Houses
 - III. Licenses
 - IV. Fees
 - V. Fines, penalties and Forfeits
 - VI. Miscellaneous and Unspecified Receipts
- II. The District Assemblies and MP's Common Funds
 - III. Other Donor Grants
 - i. Urban Development Grants
 - ii. Capacity Support Fund
 - iii. District Development Facilities
 - iv. CWSA (IDA)
 - v. CIDA etc.

f) *Expenditure*

The Municipal Assembly's expenditure has been categorized as follows:

- i. Compensation of Employees
- ii. Use of Goods and Services
- iii. Grants
- iv. Social Benefits
- v. Other Expenses
- vi. Capital Expenditure.