

AUDIT SERVICE

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Tel: 233 (0) 302 664920/28/29

Fax: 233 (0) 302 6751493

Web: www.ghaudit.org



and Governance
and Accountability

P. O. Box 31

Tarkwa

11 May 20

20

The Presiding Member
Tarkwa Nsuaem Municipal Assembly
Tarkwa

Dear Sir,



ANNUAL AUDIT REPORT ON THE ACCOUNTS OF THE TARKWA NSUAEM MUNICIPAL ASSEMBLY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Introduction

We have examined the accounts of the Tarkwa Nsuaem Municipal Assembly for the financial year ended 31 December 2019 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 2019, and Cash flow statements.
 - b. Comparative statement of Receipts and Payments account for the financial year ended 31 December 2019.
 - c. Comparative statement of Revenue and Expenditure account for the financial year ended 31 December 2019;
 - d. Comparative statement of Revenue for the financial year ended 31 December 2019.
 - e. Comparative statement of Expenditure for the financial year ended 31 December 2019.
 - f. Comparative statement of Accumulated Fund and
 - g. Notes and Schedules to the accounts as at 31 December 2019.

Manner in which the accounts were prepared and rendered for audit

3. The books of accounts were well kept. The financial statements were submitted on the 31 January, 2020.

Estimates

4. The annual estimates of the Assembly for the fiscal year 2019 were submitted to the Regional Coordinating Council Sekondi, Western Region and approved by the General Assembly in accordance with Section 123 (2) of the Local Governance Act, 2016 (Act 936).

Internal control

5. Internal controls established by management of the Assembly during the 2019 fiscal year were satisfactory, though inadequate. The lapses and weaknesses noted during our audit were incorporated in our management letter for remedial action.

Revenue and Expenditure

Revenue

6. The total revenue of the Assembly increased from GH¢13,135,449.48 in 2018 to GH¢16,029,881.96 in 2019 which represent a growth of GH¢2,894,432.48 or 22.05% over the previous year's. The Assembly however achieved 79.34% of the revenue target of GH¢20,202,828.44 resulting in a shortfall of GH¢4,172,946.48 during the period under review as shown below:

Accounts	Estimated Revenue GH¢	Actual Revenue GH¢	Variance GH¢
Internally Generated Fund	11,855,914.02	10,809,664.22	1,046,249.80
Grants	8,346,914.42	5,220,217.74	3,126,696.68
Total	20,202,828.44	16,029,881.96	4,172,946.48

7. The District Assembly Common Fund and Other Funds contributed 32.57% to the total revenue of the Assembly during the period under review.

Expenditure

8. The expenditure also increased from GH¢8,28,744.54 in 2018 to GH¢9,523,048.68 in 2019 representing a growth of GH¢1,494,304.14 over the previous year figure.

The Assembly's expenditure of GH¢9,523,048.68 was within the approved estimates of GH¢11,209,529.53 resulting in savings of GH¢1,686,480.85 as shown below;

Accounts	Estimated Expenditure GH¢	Actual Expenditure GH¢	Variance GH¢
Compensation of Employees	4,037,121.89	2,584,550.78	1,452,571.11
Goods and Services	6,426,269.71	6,250,263.22	176,006.49
Other Expenses	746,137.93	688,234.68	57,903.25
Total	11,209,529.53	9,523,048.68	1,686,480.85

Operational Results

9. The financial operations of the Assembly resulted in a surplus of GH¢6,506,833.28 which shows an increase of GH¢1,400,128.34 over the previous year's surplus of GH¢5,106,704.94.

Item	2019 GH¢	2018 GH¢	Increase/Decrease GH¢
Revenue	16,029,881.96	13,135,449.48	2,894,432.48
Expenditure	9,523,048.68	8,028,744.54	1,494,304.14
Surplus/(Deficit)	6,506,833.28	5,106,704.94	1,400,128.34

Financial Position

Assets

10. **Cash & Cash Equivalent - GH¢2,867,198.13:-** This figure represents the balances of the 25 bank accounts of the assembly as at 31 December 2019 (Note 2).

11. **Receivables GH¢52,197.76**

This amount consists of unrecovered staff advances granted to Officers of the Assembly (Note 3).

12. Infrastructure, Plant & Equipment - GHe8,152,964.99

These comprise capital expenditure incurred on buildings, motor vehicles, and office equipment as at 31 December, 2019 (Note 1).

13. Works in progress - GHe1,144,251.98

These are the expenditure on various uncompleted projects as at 31 December, 2019 (Note 2).

Liabilities

14. Deposits - GHe100.00

This consists of GHe339,313.38 due suppliers and contractors, retention monies of GHe100.00 due to contractors and a deposit of GH100.00 as at 31 December, 2019 (Note 6).

15. Retention - GHe80,709.28

This is the amount withheld from payment to Contractors within the defect liability period.

16. Creditors - GHe313,313.38

This represents amount due contractors and suppliers as at 31 December 2019 (Note 5).

17. Accumulated Fund - GHe11,822,489.30:

The favorable balance of GHe5,315,656.02 brought forward at the beginning of the financial year increased to GHe11,822,489.30 as a result of a surplus of GHe6,506,833.28 declared during the financial operations during the year under review.

43,700.00

Yours faithfully,



Dr. AUDITOR-GENERAL
(BESTMAN HAMLENTON)
ASSISTANT AUDITOR-GENERAL

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 11 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 Institutions (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 TARKWANSI AEM MUNICIPAL ASSEMBLY under the historical cost convention for the financial year ended 31 December 2019.

In our opinion, the financial statements present fairly the financial position of the Assessee as at 31 December 2019 and the result of the operations for the year ended and that the transactions were in accordance with the Financial Laws.



Mr. AUDITOR-GENERAL
BESTMAN HAMLET MOW
ASSISTANT AUDITOR-GENERAL

DATED THIS11..... DAY OF.....MAY.....2020

TARKWA - NSUAFEM MUNICIPAL ASSEMBLY



P. O. Box 1
Tarkwa- Ghana
Tel: 0312320526
Fax: 0312320209
0312320514

My Ref. No. AA/42

Your Ref. No. _____

REPUBLIC OF GHANA

31ST JAN., 2020

ANNUAL FINANCIAL STATEMENTS AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

I submit for your information and necessary action twelve (12) copies of Annual Financial Statements and Account for the year ended 31st December, 2019 comprising the following:

- A. Statement of Financial position as at 31st December, 2019
- B. Statement of Revenue and Expenditure Account for the period ended 31st December, 2019
- C. Statement of Cash Flow for the period ended as at 31st December, 2019
- D. Schedule of Receipts and Payments for the period ended as at 31st December, 2019
- E. Statement of Revenue for the period ended 31st December, 2019
- F. Statement of Expenditure for the period ended 31st December, 2019
- G. Schedule of Cash at Bank as at 31st December, 2019
- H. Schedule of Retention and Payables as at 31st December, 2019

ISAAC KWAKYE

For: MUNICIPAL CHIEF EXECUTIVE
(MUNICIPAL CO-ORDINATING DIRECTOR)

THE DISTRICT AUDITOR
AUDIT SERVICE
P.O.BOX 328
TARKWA

CC: THE HON. MINISTER
MINISTRY OF LOCAL GOVERNMENT
AND RURAL DEVELOPMENT
ACCRA

CONTROLLER AND ACCOUNTANT
GENERAL'S DEPARTMENT
ACCRA

THE REGIONAL DIRECTOR
CONTROLLER AND ACCOUNTANT
GENERAL'S DEPARTMENT.
SEKONDI, W/R

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TARKWA NSUAEM MUNICIPAL ASSEMBLY
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2019

	NOTES	2019	2018
ASSETS			
<i>NON CURRENT ASSETS</i>			
<i>FIXED DEPOSIT</i>			
<i>INFRASTRUC. PLANT & EQUIP.</i>	1	8,152,964.09	4,770,717.86
<i>WORK-IN-PROGRESS</i>	1	1,144,251.98	167,140.31
<i>TOTAL NON CURRENT ASSET</i>		<u>9,297,216.07</u>	<u>4,937,858.17</u>
<i>CURRENT ASSETS</i>			
<i>CASH AND BANK</i>	2	2,867,198.13	786,000.31
<i>RECEIVABLES</i>	3	52,197.76	11,920.00
<i>PREPAYMENTS</i>			
<i>TOTAL CURRENT ASSETS</i>		<u>2,919,395.89</u>	<u>797,920.51</u>
TOTAL ASSETS		<u>12,216,611.96</u>	<u>5,735,778.68</u>
LIABILITIES			
<i>CURRENT LIABILITIES</i>			
<i>RETENTION</i>	4	80,709.28	80,709.28
<i>CREDITORS</i>	5	313,313.38	339,313.38
<i>DEPOSITS AND OTHER MONIES</i>	6	100.00	100.00
<i>SHORT-TERM BORROWINGS</i>			
<i>TOTAL CURRENT LIABILITIES</i>		<u>394,122.66</u>	<u>420,122.66</u>
TOTAL LIABILITIES		<u>394,122.66</u>	<u>420,122.66</u>
NET ASSETS		<u>11,822,489.30</u>	<u>5,315,656.02</u>
CONTRIBUTED BY			
<i>SURPLUSES/(DEFICITS)</i>	7	6,506,833.28	168,846.77
<i>ACCUMULATED SURPLUSES B/F</i>	7	5,315,656.02	5,146,809.25
NET WORTH		<u>11,822,489.30</u>	<u>5,315,656.02</u>

MUNICIPAL CO-ORDINATING DIRECTOR

MUNICIPAL CO-ORDINATING DIRECTOR
TARKWA NSUAEM MUNICIPAL ASSEMBLY

MUNICIPAL FINANCE OFFICER

Municipal Finance Officer
Tarkwa Nsuaem Municipal Assembly

TARKWA NSUAEM MUNICIPAL ASSEMBLY

COMPARATIVE STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED DECEMBER, 2019

RECEIPT	ANNUAL ESTIMATE 2019	ACCUMULATED TOTAL 2019	ANNUAL ESTIMATE 2018	ACCUMULATED TOTAL 2018
RATES	2,864,600.00	2,712,422.00	2,512,000.00	2,063,638.30
LAND AND CONCESSIONS	7,165,014.02	6,322,139.96	5,968,682.40	4,222,260.00
FEES AND FINES	524,800.00	419,757.50	477,500.00	406,918.04
LICENCES	1,253,500.00	1,345,101.24	922,710.00	1,105,259.85
RENT	40,000.00	48,847.50	30,000.00	25,679.00
GRANTS	8,346,914.42	5,220,217.74	7,168,246.58	5,309,945.79
INVESTMENT INCOME	5,000.00	-	-	-
MISCELLANEOUS	3,000.00	600.00	3,000.00	1,748.50
TOTAL RECEIPTS	20,202,828.44	16,069,085.94	17,182,138.98	13,135,449.48
PAYMENT				
COMPENSATION OF EMPLOYEES	4,037,121.89	2,584,550.78	3,667,458.18	3,175,907.10
GOODS AND SERVICES	6,426,269.71	6,250,263.22	3,490,122.51	3,471,538.46
INTEREST	-	-	-	-
OTHER GRANTS	-	-	492,425.95	788,545.06
SOCIAL BENEFITS	5,000.00	-	5,000.00	3,645.00
OTHER EXPENSES	741,137.93	688,234.68	724,917.00	589,108.92
NON-FINANCIAL ASSETS	1,083,090.00	2,930,853.38	8,529,915.94	4,770,717.86
OTHER PAYMENTS (WIP)	7,910,208.91	1,428,504.52	272,299.40	167,140.31
TOTAL PAYMENTS	20,202,828.44	13,882,406.58	17,182,138.98	12,966,602.71

EXCESS RECEIPTS OVER PAYMENTS

2,186,679.36

168,846.77

COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED DECEMBER, 2019

MAIN HEAD REVENUE	ANNUAL ESTIMATE 2019	ACCUMULATED TOTAL 2019	ANNUAL ESTIMATE 2018	ACCUMULATED TOTAL 2018
RATES	2,864,600.00	2,673,218.02	2,612,000.00	2,063,638.30
LAND AND CONCESSIONS	7,165,014.02	6,322,139.96	5,968,682.40	4,222,260.00
FEES AND FINES	524,800.00	419,757.50	477,500.00	406,918.04
LICENCES	1,253,500.00	1,345,101.24	922,710.00	1,105,259.85
RENT	40,000.00	48,847.50	30,000.00	25,679.00
GRANTS	8,346,914.42	5,220,217.74	7,168,246.58	5,309,945.79
INVESTMENT INCOME	5,000.00	-	-	-
MISCELLANEOUS	3,000.00	600.00	3,000.00	1,748.50
TOTAL REVENUE	20,202,828.44	16,029,881.96	17,182,138.98	13,135,449.48
EXPENDITURE				
COMPENSATION OF EMPLOYEES	4,037,121.89	2,584,550.78	3,667,458.18	3,175,907.10
GOODS AND SERVICES	6,426,269.71	6,250,263.22	3,490,122.51	3,471,538.46
INTEREST	-	-	-	-
OTHER GRANTS	-	-	492,425.95	788,545.06
SOCIAL BENEFITS	5,000.00	-	5,000.00	3,645.00
OTHER EXPENSES	741,137.93	688,234.68	724,917.00	589,108.92
TOTAL EXPENDITURE	11,209,529.53	9,523,048.68	8,379,923.64	8,028,744.54

SURPLUS/(DEFICIT)

6,506,833.28

5,106,704.94

TARKWA NSUAEM MUNICIPAL ASSEMBLY
COMPARATIVE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2019

DESCRIPTION	2019	2018
CASH RECEIPTS FROM OPERATING ACTIVITIES		
GRANTS	5,220,217.74	5,309,945.79
RATES	2,712,422.00	2,063,638.30
OTHER REVENUE	8,136,446.20	5,761,865.39
NET CASH RECEIPTS FROM OPERATING ACTIVITIES	16,069,085.94	13,135,449.48
CASH PAYMENT FROM OPERATING ACTIVITIES		
COMPENSATION OF EMPLOYEES	2,584,550.78	3,175,907.10
GOODS AND SERVICES	6,250,263.22	3,471,538.46
INTEREST	-	-
GRANTS	-	788,545.06
SOCIAL BENEFITS	-	3,645.00
OTHER EXPENSES	688,234.68	589,108.92
	9,523,048.68	8,028,744.54
NET CHANGE IN WORKING CAPITAL		
(INCREASE)/DECREASE IN ACCOUNT RECEIVABLE	11,920.00	300.00
INCREASE/(DECREASE) IN ACCOUNT PAYABLES	-	(854,940.47)
	11,920.00	(854,640.47)
NET CASH PAYMENT FROM OPERATING ACTIVITIES	9,523,048.68	8,883,385.01
NET CASH FLOW FROM OPERATING ACTIVITIES	6,546,037.26	4,252,064.47
PURCHASE/GRANTING OF NON-FINANCIAL ASSETS		
NON-FINANCIAL ASSETS	2,930,853.38	4,770,717.86
INVENTORY	-	-
WIP	1,428,504.52	167,140.31
CASH FLOW FROM INVESTING IN NON-FINANCIAL ASSETS	4,359,357.90	4,937,858.17
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	4,359,357.90	4,937,858.17
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	2,081,197.62	(685,793.70)
CASH AND CASH EQUIVALENT - OPENING	786,000.51	1,471,794.21
CASH AND CASH EQUIVALENT - CLOSING	2,867,198.13	786,000.51

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 2019 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) ACCOUNTING POLICIES

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 accrual 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) 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 earned.

- I. Internally Generated Fund (IGF) consisting:
 - I. Rates
 - II. Land and Concessions
 - III. Fees and Fines

- IV. Licenses
- V. Rent
- VI. Investment Income
- VII. Miscellaneous
- 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.

e) *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.