AUDIT SERVICE

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Good Governance and Accountability

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P. O. Box 1
Zebilla
23 March 20 20

The Presiding Member
Tempane District Assembly
Tempane

MANAGEMENT LETTER ON THE AUDIT OF THE INTERNALLY GENERATED FUNDS (IGF) ACCOUNTS OF THE TEMPANE DISTRICT ASSEMBLY FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER, 2019.

We have audited the Internally Generated Fund (IGF) accounts of the Tempane District Assembly, for the period 1 January 2019 to 31 December, 2019 in accordance with our mandate under Article 187 (2), of the 1992 Constitution of the Republic of Ghana and Section 11 (1) of the Audit Service Act, Act 584 of 2000. We wish to bring to your attention and for necessary action the following observations and recommendations made during the audit. We have discussed these matters with the key personnel concerned whose comments and responses where appropriate have been taken into account while preparing this letter.

2. We shall be grateful for a reply within 30 days after receipt of this letter, as stipulated in Section 29 of the Audit Service Act, 2000 (Act 584). ,"... a person who fails or refuses to reply to the audit observations within the period specified in subsection (1) shall, if the Auditor General so directs have his emoluments and allowances withheld so long as the person fails to comply".

Key Personnel

3. During the period under review, the following officials were responsible for the administrative and financial affairs of the Tempane District Assembly.

Name	Rank	ATAFF ID	Period
Hon. Abugri Paul Azumah	District Chief Executive	136279	01/01/2019- 31/12/2019
Mr. Yakah Abdul-Razak	District Coordinating Director	135263	01/01/2019- 26/06/2019
Aborigo Maxwell	Ag District Coordinating Director	915825	27/06/2019-09/12/2019
Sumani Seidu	District Coordinating Director	515198	10/12/2019-31/12/2019
Mr. Nantomah Fuseini	District Finance Officer	927542	01/01/2019-31/12 /2019
Mr. Iddrisu Kelly	District Planning Officer	915644	01/01/2019-31/12 /2019
Mr. Akologo Azoogo Abednego	District Works Engineer	869309	01/01/2019-31/12 /2019
Mr. Abdul Rahim Zakaria	District Budget Analyst	323110	01/01/2019-31/12 /2019
Mr. Iddrisu Kelly	Ag. District Procurement Officer	915644	01/01/2019-31/12 /2019

Scope of audit

4 Our audit covered a review of internal control, cash management, procurement, payroll, projects/contract management, programmed activities, expendable and non-expendable property, activities of the sub-structures and sub-committees of the Assembly.

Audit targets:

5 The targets of the audit were to ensure that;

i. The operations of the Assembly are in compliance with laid down rules and regulations.

ii. To determine whether internal controls over value books, receipt, deposit and recording of revenue are adequate to ensure that revenue due to the Assembly is duly collected, adequately safeguarded, promptly and fully deposited and properly recorded in the accounts.

iii. The awards of contracts are made through the Tender committee and in compliance with the relevant rules and regulations and the Public Procurement Act, 2003 (Act 663).

iv. The relevant rules and regulations were complied with and effective supervisory control was exercised on the financial and accounting activities of the Assembly.

v. Effective control was exercised over assets and other properties of the Assembly.

vi. The Assembly's operations are conducted with due regard to economy, efficiency and effectiveness.

vii. Expenditures were made as authorized and in accordance with applicable rules and regulations to enable us express an opinion on the annual accounts of the Assembly.

Audit methodology

6 The audit methodology included:-

i. A review of the systems of internal control to ascertain their adequacy in ensuring that the accounts accurately reflect the underlying transactions and that the assets of Tempane District Assembly, including cash and other properties are adequately safeguarded;

ii. Examination of transactions to ensure that the relevant rules and regulations as well as the established procedures have been complied with;

iii. Checking the books of accounts and their supporting documents to ensure their agreement with the underlying records.

7. To ascertain the facts and determine our audit criteria, we gathered audit evidence from Assembly's documents, interviewed officers and reviewed records on the utilization of the Internally Generated Funds of the Assembly. We derived our audit criteria, norms and standards from sources such as the Audit Service Act 2000, (Act 584), Public Procurement Act 2003 (Act 663), Public Financial Management Act 2016 (Act 921), Public Financial Management Regulations 2019 (L.I 2378).

Limitation of responsibility

8. We reviewed the systems and management controls operated in the Assembly only to the extent we considered necessary for the effective performance of the audit. As a result, our review may not detect all weaknesses that exist or all improvements that could be made. We have prepared this report solely for your use and use within your Assembly. Its contents should not be disclosed to any third parties without our consent. We would not accept any responsibility for any reliance the third party might place upon it.

Summary of significant findings and recommendations:

9. Below is a summary of our significant audit findings and recommendations:

I. Bashiru Sulemana who was in charge of issuing receipts for the revenue taskforce operations of Tempane District Assembly failed to account for revenue collected amounting to GH¢770.00 for the period 10th June - 31st December 2019. We recommended for the recovery of the amount from the collector concerned. Management should also take disciplinary action against him.

II. Our examination of stock register of the Tempane District Assembly disclosed that Awuni Inusah, a revenue collector failed to present one (1) General Counterfoil Receipt (GCRs) book (with no fixed value), which was used to collect various types of revenue for audit inspection. We recommended that the GCR booklet be retrieved for the purpose of our examination to ensure that total revenue realized from the receipt book is fully accounted for.

III. We noted that Samson Alabilla, a Revenue collector of Tempane District Assembly failed to account for revenue collected amounting to GH¢ 739.00 for the period 27th May - 31st October 2019. We recommended to the DCD and District Chief Executive to recover the amount from the collector and provid evidence for our verification. Disciplinary actions should also be taken against Samson Alabilla.

INTERNALLY GENERATED FUND PERFORMANCE AS AT 31/12/2019

10. The Assembly collected total revenue of GH₵112,510.09 (84.66%) as against GH₵132,901.09 budgeted revenue for 2019. Detail as below;

REVENUE ITEM	**APPROVED BUDGET FOR 2019 (GH¢)**	**ACTUAL FOR 2019 (GH¢)**	**% ACTUAL**
Taxes and Property	5,050.00	100.00	1.98
Lands and Royalties	14,500.00	8,177.63	56.40
Property Income-Rent	3,000.00	600.00	20.00
Sale of Goods and Service	39,050.00	29,258.00	74.92
Fees	48,941.05	68,021.80	138.99
Fines, Penalties and Forfeit	5,300.00	330.00	6.23
Misc. and Unidentified Rev.	17,060.04	6,022.66	35.30
Total	**132,901.09**	**112,510.09**	**84.66**

Details of findings and recommendations

CASH MANAGEMENT

FAILURE TO ACCOUNT FOR REVENUE-GH¢770.00

11. Regulation 50 (1) of the Public Financial Management Regulations 2019 (L.I. 2378) make it mandatory that all Public money collected shall be paid in gross into the Public Funds account and a disbursement shall not be made from the moneys collected except as provided by an enactment.

12. We however noted that Bashiru Sulemana who was in charge of issuing receipts for the revenue taskforce operations of Tempane District Assembly failed to account for revenue collected amounting to GH¢770.00 for the period 10th June - 31st December 2019. Below are the details:

Date	Name of collector	GCR Number	Amount GH¢
19/11/2019	Taskforce (Sulemana Bashiru)	19457701-800	635.00
19/11/2019	Taskforce(Sulemana Bashiru)	19457901-8000	615.00
19/11/2019	Taskforce(Sulemana Bashiru)	19457801-900	650.00
20/11/2019	Taskforce(Sulemana Bashiru)	17853101-200	640.00
20th-25th /11/2019	**Taskforce**(Sulemana Bashiru)	17853301-382/01/20	485.00
	TOTAL		**3,025.00**
Less Amount accounted for			
19/11/2019	Taskforce(Sulemana Bashiru)	19456958	360.00
27/11/2019	Taskforce(Sulemana Bashiru)	19456968	650.00
27/11/2019	Taskforce (Sulemana Bashiru)	19456964	595.00
27/11/2019	Taskforce (Sulemana Bashiru)	19456966	650.00
	TOTAL		**2,255.00**
Revenue not accounted for			**770.00**

13. We attributed this lapse to lack of adequate supervision over the activities of the revenue collector by the District Finance Officer.

14. This misconduct on the part of the collectors denied the Assembly the revenue required to meet some of its developmental programs.
15. We recommended for the recovery of the amount from the collector concerned. Management should also take disciplinary action against him.

FAILURE TO PRESENT VALUE BOOK FOR AUDIT

16. Section 11(2) of the Audit Service Act 2000 Act 584 requires that the Auditor-General or any person authorized or appointed by the Auditor-General for the purpose of an audit, shall have access to all books ,records, returns and other documents including documents in computerized and electronic form relating to or relevant to those accounts.

17. Our examination of stock register of the Tempane District Assembly disclosed that Awuni Inusah, a revenue collector failed to present one (1) General Counterfoil Receipt (GCRs) book (with no fixed value), which was used to collect various types of revenue for audit inspection. Details are shown below.

Date	Serial Number (GCR)	Name of Collector	Location
21/05/2018	12339201-12339300	Awini Inusah	Kpikpira Area Council

18. Failure by the District Finance Officer to ensure that all money collected was checked each day and promptly paid into designated bank accounts contributed to this lapse.
19. The Assembly had been denied revenue for its development activities.
20. This could lead to loss of revenue to the Assembly through misappropriation.

21. We recommended that the GCR booklet be retrieved for the purpose of our examination to ensure that total revenue realized from the receipt book is fully accounted for. The Internal Control System must be strengthened to forestall such occurrence in future.

FAILURE TO ACCOUNT FOR REVENUE -GH¢739.00

22. Regulation 50 (1) of the Public Financial Management Regulations 2019 (L.I. 2378) makes it mandatory that all Public money collected shall be paid in gross into the Public Funds account and a disbursement shall not be made from the moneys collected except as provided by an enactment.

23. We however noted that Samson Alabilla, a Revenue collector of Tempane District Assembly failed to account for revenue collected amounting to GH¢739.00 for the period 27th May - 31st October 2019.Details are indicated below:

Date	Name of collector	GCR Number	Amount GH¢
30/7-2/10/2019	Sampson Alabilla	19454949-19454988	366.00
27/1-21/06/2019	Sampson Alabilla	15877801-15877900	373.00
	TOTAL		**739.00**

24. We attributed this lapse to lack of adequate supervision over the activities of the revenue collector by the District Finance Officer.

25. This misconduct on the part of the collector denied the Assembly the revenue required to meet some of its developmental programs.

26. We recommended for the recovery of the amount from the collector and evidence provided for our verification. Disciplinary actions should also be taken against him by the District Chief Executive.

Follow- up on prior year issues

27. Follow-up on management's implementation of recommendations in our prior year's management letter reference number BWD/MMDA/C5/VOL.1/03 dated 1st February 2019 is attached as appendix "A".

Acknowledgement

28. We are grateful for the co-operation of management and staff of the Assembly during the audit.

Joseph J. E. Attipoe
Ag District Auditor
Zebilla

Cc:

The Auditor General (2)
Audit Service
Accra

The Regional Auditor
Audit Service
Bolgatanga

The District Chief Executive

Tempane District Assembly

Tempane

The Regional Minister

Upper East Region

Bolgatanga

The Regional Coordinating Director

Regional Coordinating Council

Upper East Region

Bolgatanga

The District Coordinating Director

Tempane District Assembly

Tempane

The District Finance Officer

Tempane District Assembly

Tempane

APPENDIX " A". FOLLOW UP ON PRIOR YEAR ISSUES ON MANAGEMENT LETTER NUMBER BWD/MMDA/A1/VOL1/16 (DACF and other funds)

Para. No.	Audit Findings	Audit Recommendation	Management's Response	Action taken by Management/ Audit Committee	Auditor's comments on evidence gathered
11-15	VAT loss (GH₵676.80)	Management was asked to pay the VAT loss to GRA and present receipts for our verification	Management agreed to pay the VAT loss	Management has made part payment of GH₵109.8 via VAT receipt number VR2/0541602 dated 15/1/2019	

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letter should be quoted

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Good Governance and Accountability

P. O. Box 1
Zebilla
23 March 20 20

The Presiding Member
Tempane District Assembly
Tempane

MANAGEMENT LETTER ON AUDIT OF COMMON FUND (CF) AND OTHER FUNDS ACCOUNTS OF THE TEMPANE DISTRICT ASSEMBLY FOR THE PERIOD 1 JANUARY 2019 TO 31 DECEMBER, 2019.

We have audited the District Assemblies Common Fund and Other Funds accounts of the Tempane District Assembly, for the period 1 January 2019 to 31 December, 2019 in accordance with our mandate under Article 187 (2), of the l992 Constitution of the Republic of Ghana and Section 11(1) of the Audit Service Act, Act 584 of 2000. We wish to bring to your attention and for necessary action the following observations and recommendations made during the audit. We have discussed these matters with the key personnel concerned whose comments and responses where appropriate have been taken into account while preparing this letter.

2. We shall be grateful for a reply within 30 days after receipt of this letter, as stipulated in Section 29 of the Audit Service Act, 2000 (Act 584). ,"... a person who fails or refuses to reply to the audit observations within the period specified in subsection (1) shall, if the Auditor General so directs have his emoluments and allowances withheld so long as the person fails to comply".

Key Personnel

3. During the period under review, the following officials were responsible for the administrative and financial affairs of the Tempane District Assembly.

Table 1-Key personnel

Name	Rank	STAFF ID	Period
Hon. Abugri Paul Azumah	District Chief Executive	136279	01/01/2019- 31/12/2019
Mr. Yakah Abdul-Razak	District Coordinating Director	135263	01/01/2019- 26/06/2019
Aborigo Maxwell	Ag District Coordinating Director	915825	27/06/2019-09/12/2019
Sumani Seidu	District Coordinating Director	515198	10/12/2019-31/12/2019
Mr. Nantomah Fuseini	District Finance Officer	927542	01/01/2019-31/12 /2019
Mr. Iddrisu Kelly	District Planning Officer	915644	01/01/2019-31/12 /2019
Mr. Akologo Azoogo Abednego	District Works Engineer	869309	01/01/2019-31/12 /2019
Mr. Abdul Rahim Zakaria	District Budget Analyst	323110	01/01/2019-31/12 /2019
Mr. Iddrisu Kelly	Ag. District Procurement Officer	915644	01/01/2019-31/12 /2019

Scope of audit

4 Our audit covered a review of internal control, cash management, procurement, payroll, projects/contract management, programmed activities,

expendable and non-expendable property, activities of the sub-structures and sub-committees of the Assembly.

Audit targets:

5 The targets of the audit were to ensure that;

i. The operations of the Assembly are in compliance with laid down rules and regulations.

ii. To determine whether internal controls over value books, receipt, deposit and recording of revenue are adequate to ensure that revenue due to the Assembly is duly collected, adequately safeguarded, promptly and fully deposited and properly recorded in the accounts.

iii. The awards of contracts are made through the Tender committee and in compliance with the relevant rules and regulations and the Public Procurement Act, 2003 (Act 663).

iv. The relevant rules and regulations were complied with and effective supervisory control was exercised on the financial and accounting activities of the Assembly.

v. Effective control was exercised over assets and other properties of the Assembly.

vi. The Assembly's operations are conducted with due regard to economy, efficiency and effectiveness.

vii. Expenditures were made as authorized and in accordance with applicable rules and regulations to enable us express an opinion on the annual accounts of the Assembly.

Audit methodology

6 The audit methodology included:-

i. A review of the systems of internal control to ascertain their adequacy in ensuring that the accounts accurately reflect the underlying transactions and that the assets of Tempane District Assembly, including cash and other properties are adequately safeguarded;

ii. Examination of transactions to ensure that the relevant rules and regulations as well as the established procedures have been complied with;

iii. Checking the books of accounts and their supporting documents to ensure their agreement with the underlying records.

7. To ascertain the facts and determine our audit criteria, we gathered audit evidence from Assembly's documents, interviewed officers and reviewed records on the utilization of funds of the various accounts of the Assembly. We derived our audit criteria, norms and standards from sources such as the Financial Administration Regulation 2004, LI 1802, the Audit Service Act, Act 584 of 2000, Public Procurement Act 2003 Act 663, the Financial Memoranda for MMDA's, Public Financial Management Act, 2016 Act 921, Public Financial Management Regulations 2019 (L.I. 2378), Stores Regulations 1984 and generally accepted accounting principles.

Limitation of responsibility

8. We reviewed the systems and management controls operated in the Assembly only to the extent we considered necessary for the effective performance of the audit. As a result, our review may not detect all weaknesses that exist or all improvements that could be made. We have prepared this report solely for your use and use within your Assembly. Its contents should not be disclosed to any third parties without our consent. We would not accept any responsibility for any reliance the third party might place upon it.

Summary of significant findings and recommendations:

9. Below is a summary of our significant audit findings and recommendations:

I. Our review of contract register and payment voucher number 01/5 revealed that the District Finance Officer made over payment amounting to GH¢6,196.50 to Baba-Billa Enterprise for the rehabilitation of 1 No 6-unit classroom block, 1 No 3-unit KG block and a CHPS compound at Nagani. We recommended an immediate recovery of the amount from the contractor and evidence provided for our verification. Failure to do so, the DCD and the District Finance Officer should refund the amount.

II. Our review of Common Fund release letters for the four quarters of 2018 which were received by the Assembly in 2019 and first and second quarters of 2019 revealed that an amount of GH₵496,800 comprising GH₵241,500 for fumigation and GH₵255,300 for Sanitation Improvement Package was deducted from the Assembly`s share of the common fund for no work done. We recommended that the District Chief Executive takes steps to ensure that the money is paid back to the Assembly and provide evidence for our verification.

III. Our review of payment vouchers numbers 01/11 and 01/11/DPT revealed that the Assembly made advance mobilization payment of GH₵78,234.88 to Atuvas Construction and General Merchant and Magtheobed Enterprise Ltd without a bank guarantee. We recommended that the District Chief Executive ensures that the bank guarantees are provided by the contractors to protect the interest of the Assembly without further delay.

IV. Our review of Common Fund release letters for the four quarters of 2018 and first and second quarters of 2019 of the Tempane District Assembly and interview with the District Chief Executive revealed that an amount of GH₵496,800.00 comprising GH₵241,500.00 for fumigation and GH₵255,300.00 for Sanitation Improvement Package was deducted from the Assembly`s share of the common fund paid to Zoomlion Ghana Limited for no work done. We recommended to Zoomlion Ghana Limited to refund the total amount of 496,800.00 to the Tempane District Assembly.

V. Nine (9) core staff of the Assembly failed to declare their assets and liabilities as required law.

VI. Our review of two service agreements between Zoomlion Ghana Limited and the Tempane District Assembly on Sanitation Improvement Package and Disinfestation and Fumigation services revealed that the Assembly engaged Zoomlion Ghana Limited for the above services at a quarterly fee of GH¢51,060.00 and GH¢40,250.00 respectively without going through any procurement process. The amount would be subject to disallowance and the District chief executive Mr. Paul Azumah Abugri and the District Coordinating Director Mr Abdul- Razak Yakah would be surcharged by the Auditor General.

10. **FUND BALANCES**

FUND BALANCES AS AT 31 DECEMBER, 2019

ACCOUNTS	DACF	MP	DPAT	RFG	PWD	UNICEF	TOTAL
	GH₵	GH₵	GH₵	GH₵	GH₵	GH₵	GH₵
Opening Balance	(14,798.51)	1,591.86	-	-	4,178.52	73,715.46	64,687.33
Total Income	1,866,637.18	379,407.68	239,936.00	319,896.30	328,514.52	-	3,134,391.68
Total Expenditure	1,610,135.02	317,742.00	147,738.00	47,041.80	238,463.80	-	2,361,120.62
Closing Balance	**241,703.65**	**63,257.54**	**92,198.00**	**272,854.50**	**94,229.24**	**73,715.46**	**837,958.39**

Details of findings and recommendations

OVERPAYMENT OF CONTRACT GH₵6,196.50

11. Regulation 78 (1a) of the Public Financial Management Regulation 2019, L I 2378 states, "a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity the validity, accuracy and legality of the claim for the payment".

12. Our review of contract register and payment voucher number 01/05 revealed that the District Finance Officer made over payment amounting to GH₵6,196.50 to Baba-Billa Ent for the rehabilitation of 1 No 6-unit classroom block, 1 No 3-unit KG block and a CHPS compound at Nagani. Details are indicated below

OVER PAYMENT OF CONTRACT GH₵6,196.50

DATE	PV NO	PAYEE	ACCOUNT	DETAILS	AMOUNT DUE GH₵	AMOUNT PAID GH₵	OVER PAYMENT GH₵
21-05-19	01/5	Baba-Billa Ent	M P Common Fund	rehabilitation of 1 No 6-unit classroom block, 1 No 3-unit KG block and a CHPS compound at Nagani	146,942.10	153,138.60	6,196.50
				TOTAL	**146,942.10**	**153,138.60**	**6,196.50**

13. The anomaly occurred because of lack of due diligence by staff of the finance department.
14. The Assembly has been denied of GH₵6,196.50 to support it developmental agenda.
15. We recommended an immediate recovery of the amount from the contractor and evidence provided for our verification. Failure to do so, the DCD and the District Finance Officer must refund the amount.
16. Management responded that it was Garu District Assembly that made the over payment and not Tempane District Assembly.

DEDUCTIONS AT SOURCE FOR NO WORK DONE ON FUMIGATION AND SANITATION IMPROVEMENT PACKAGE GH₵496,800

17. Regulation 78 (1a) of the Public Financial Management Regulation 2019, L I 2378 states, "a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity the validity, accuracy and legality of the claim for the payment".

18. Our review of Common Fund release letters for the four quarters of 2018 which were received by the Assembly in 2019 and first and second quarters of 2019 revealed that an amount of GH₵496,800 comprising GH₵241,500 for fumigation and GH₵255,300 for Sanitation Improvement Package (SIP) was deducted from the Assembly`s share of the common fund for no work done. The Assembly did not enter into any contract agreement with any service provider in 2018 as we were told by the former District Coordinating Director Mr. Abdul-Razak Yakah during the 2018 audit. We were therefore taken aback when we came for 2019 audit and noticed that such an amount was deducted from the Assembly`s share of the common fund for the SIP and Fumigation without recourse to the Assembly. The District Chief Executive also told us that the only time Zoomlion Ghana Limited came to do fumigation was in November 2018 after he assumed office on the 7th of August 2018. This was confirmed by Muniru, the District Environmental Health Officer. The District Chief Executive also failed to take action after noticing such a huge deduction on the 28th March 2019 and 3rd December 2019. No complain whatsoever was made to the Administrator of the District Assemblies Common Fund for explanation. Details are indicated below.

DEDUCTIONS AT SOURCE FOR NO WORK DONE GH₵496,800.00

QUARTERS	FUMUGATION	SANITATION IMPROVEMENT PACKAGE	TOTAL AMOUNT
	GH₵	**GH₵**	**GH₵**
I ST QUARTER 2018	40,250.00	42,550.00	82,800.00
2 ND QUARTER			

2018	40,250.00	42,550.00	82,800.00
3 RD QUARTER 2018	40,250.00	42,550.00	82,800.00
4 TH QUARTER 2018	40,250.00	42,550.00	82,800.00
I ST QUARTER 2019	40,250.00	42,550.00	82,800.00
2 ND QUARTER 2019	40,250.00	42,550.00	82,800.00
TOTAL	**241,500.00**	**255,300.00**	**496,800.00**

19. The District Chief Executive could not readily give us reasons for the irregularity. The District Chief Executive also failed to take action after noticing such a huge deduction on the 28th March 2019 and 3rd December 2019. No complain whatsoever was made to the Administrator of the District Assemblies Common Fund for explanation.

20. The Assembly has been denied the needed resources to execute its developmental agenda.

21. We recommended that the District Chief Executive takes steps to ensure that the money is paid back to the Assembly and provide evidence for our verification.

22. Management agreed with us that Zoomlion Company Limited is not entitled to the money and has written to the administrator of the District Assemblies Common Fund to pay the money back to the Assembly.

23. However, copies of the observations which was served on the Chief Executive of Zoom Lion Ghana Limited through the District Coordinator and Regional Director of the company on 18/1/2020 and 20/1/2020 respectively has not been responded to.

PAYMENT OF ADVANCE MOBILIZATION TO A CONTRACTOR WITHOUT A BANK GUARANTEE GH₵78,234.88

24. Regulation 113(1) of the Public Financial Management Regulation 2019 (L I 2378) makes it mandatory for every covered entity making advance payment for goods, services or civil works to obtain a bank guarantee from the supplier or contractor. The financial institution providing the guarantee shall be licensed by the Bank of Ghana or subject to the regulations of a foreign central bank.

25. Our review of two payment vouchers with numbers 01/11 and 01/11/DPT revealed that the Assembly made advance mobilization payment of GH₵78,234.88 to Atuvas Construction and General Merchant and Magtheobed Ent Ltd for the construction of a police station and the construction of cattle Kraal, revenue office, summer hut and drilling of a borehole at woriyanga respectively without a bank guarantee. Insurance bonds were rather provided. Details are indicated below;

PAYMENT OF ADVANCE MOBILIZATION TO A CONTRACTOR WITHOUT A BANK GUARANTEE GH₵78,234.08

DATE	PV NO	PAYEE	ACCOUNT	DETAILS	AMOUNT
					GH₵
13-11-19	01/11	Atuvas Construction and General Mechant	DDF	Payment of advance mobilization for the construction of District Police Station at	47,041.80

				Woriyanga	
13-11-19	01/11/DPT	Magtheobed Ent Ltd	DPAT	Payment of advance mobilization for the construction of a cattle Kraal, revenue office, summer hut and drilling of a borehole at Woriyanga	31,193.08
				TOTAL	**78,234.88**

26. The anomaly occurred because the District Finance Officer was unaware of the requirement of the law for a bank guarantee.

27. The Assembly will be at a loss if the contractors fail to execute the contract as required by the contract agreements.

28. We recommended that Assembly gets the bank guarantees from the contractors to protect its interest without further delay.

29. Management responded that they have written to the two contractors to provide the bank guarantees.

FAILURE TO DECLARE ASSETS AND LIABILITIES BEFORE ASUMING OFFICE

30. Article 286 of the 1992 Constitution and the Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550) provides that a person who holds a public office mentioned in clause (5) of this article shall submit to the Auditor-General a written declaration of all properties or assets owned by, or liabilities owned by him whether directly or indirectly:

(a) before taking office
(b) at the end of every four years
(c) at the end of his term of office

31. Our interview with the following officers revealed that they did not declare their assets and liabilities as required by law before assuming office;

FAILURE TO DECLARE ASSETS AND LIABILITIES

Name	Staff ID	Title	Declaration
Hon. Paul Azumah Abugri	136279	District Chief Executive	Not Declared
Sumani Seidu	515198	District Coordinating Director	Not Declared
Nantomah Fuseini	927542	District Finance Officer	Not Declared
Zakaria Abdul-Rahim	323110	District Budget Analyst	Not Declared
Iddrisu Kelly	915644	District Planning Officer	Not Declared
Akologo Abednego	869309	Ag. District Works Engineer	Not Declared
Iddrisu Kelly	915644	Ag. District Procurement Officer	Not Declared
Abodiba Halidu Nguotib	914409	Internal Auditor	Not Declared
Aborigo Maxwell	915825	Assistant Director	Not Declared
Samson Asaana Amiwin		Presiding Member	Not Declared

32. This is in violation of the provision in the 1992 Constitution and the Public Office Holders Act, 1998 (Act 550)
33. In their response, they acknowledged the anomaly and promised to declare their assets and liabilities as required by law.

ENGAGEMENT OF ZOOMLION GHANA LIMITED ON SANITATION IMPROVEMENT PACKAGE AND DISINFESTATION AND FUMIGATIONS SERVICES WITHOUT GOING THROUGH THE PROCUREMENT PROCESS-GH¢331,200.00

34. Section 15 (3 and 4) of the Public Procurement Act 2003, Act 663 states,
"(3) Procurement decisions of an entity shall be taken in a corporate manner and any internal units concerned shall *contribute* to the decision making process.

(4) The head of an entity is responsible to ensure that provisions of this Act are complied with; and concurrent approval by any Tender Review Board shall not absolve the head of entity from accountability for a contract that may be determined to have been procured in a manner that is inconsistent with the provisions of this Act".

35. Our review of two service agreements between Zoomlion Ghana Limited and the Tempane District Assembly on Sanitation Improvement Package and Disinfestation and Fumigation services revealed that the Assembly engaged Zoomlion Ghana Limited for the above services at a quarterly fee of GH¢51,060.00 and GH¢40,250.00 respectively without going through any procurement process. The Sanitation Improvement Package contract was signed on the 3rd September, 2018 and took effect from 2nd April, 2018 while the Disinfestation and Fumigation contract was also signed on 3rd September, 2018 but took effect on 3rd September, 2018. Both contracts are for a five year period.

36. The District chief executive Mr. Paul Azumah Abugri signed on behalf of the Tempane District Assembly and witnessed by Abdul- Razak Yakah, the District Coordinating Director. Details of 2018 deductions at source in favour of Zoomlion Ghana Limited are indicated below:

QUARTERS	FUMUGATION	SANITATION IMPROVEMENT PACKAGE	TOTAL AMOUNT
	GH₵	**GH₵**	**GH₵**
I ST QUARTER 2018	40,250.00	42,550.00	82,800.00
2 ND QUARTER 2018	40,250.00	42,550.00	82,800.00
3 RD QUARTER 2018	40,250.00	42,550.00	82,800.00
4 TH QUARTER 2018	40,250.00	42,550.00	82,800.00
TOTAL	**161,000.00**	**170,200.00**	**331,200.00**

37. Failure by the District Chief Executive to adhere to the procurement law caused the anomaly

38. We are of the opinion that there was no transparency in the award of the contract and this could compromise value for money.

39. The amount would be subject to disallowance and the District chief executive Mr. Paul Azumah Abugri and the District Coordinating Director Mr Abdul- Razak Yakah would be surcharged by the Auditor General.

Sub-structures of the Assembly

40. The four area councils of the Assembly are in operation and functioning properly in terms of revenue collection and meetings as at 31/12/2019:

- Bugri Area Council
- Woriyanga Area Council
- Basyonde Area Council
- Gagbiri Area Council

Sub-Committees of the Executive Committee

41. The following sub-committees were also functional in 2019:

- Finance and Administration sub committee
- Social Services Sub committee
- Development Planning Sub committee
- Works Sub committee
- Justice and Security Sub committee
- Public Relations and Complaints Sub committee

Follow- up on prior year issues

40. Follow-up on management's implementation of recommendations in our prior year's management letter reference number BWD/MMDA/06/VOL.1/16 dated 1st February 2019 is attached as appendix "A".

Acknowledgement

41. We are grateful for the co-operation of management and staff of the Assembly during the audit.

Joseph J. E. Attipoe

Ag District Auditor

Zebilla

Cc:

The Auditor General (2)
Audit Service
Accra

The Regional Auditor
Audit Service
Bolgatanga

The District Chief Executive

Tempane District Assembly

Tempane

The Regional Minister

Upper East Region

Bolgatanga

The Regional Coordinating Director

Regional Coordinating Council

Upper East Region

Bolgatanga

The District Coordinating Director

Tempane District Assembly

Tempane

The District Finance Officer

Tempane District Assembly

Tempane

APPENDIX " A". FOLLOW UP ON PRIOR YEAR ISSUES ON MANAGEMENT LETTER NUMBER BWD/MMDA/A1/VOL1/16 (DACF and other funds)

Para. No	Audit Findings	Audit Recommendation	Management's Response	Action taken by Management/ Audit Committee	Auditor's comments on evidence gathered
11-15	VAT loss (GH₵676.80)	Management was asked to pay the VAT loss to GRA and present receipts for our verification	Management agreed to pay the VAT loss	Management has made part payment of GH₵109.8 via VAT receipt number VR2/0541602 dated 15/1/2019	
16-20	Overpayment of transfer grant and night allowance GH₵3,324.20	Officers who benefited from the overpayment were asked to refund the amount	Management agreed to implement our recommendation	Management recovered the overpayment of transfer grant of GH₵663.3 and GH₵960.90 from Iddrisu Haruna Agholisi and Abdul-Razak Yakah respectively via receipt numbers 14/1515876903 and 14/15876904 dated 18/2/2019	
21-25	Renting of residential accommodation and procurement of 7 mattresses for some staff (GH₵20,414.15)	We recommended that the amount be treated as advance to the staff and time lines set for refund in to the DACF account and evidence provided for our verification	Management agreed to implement our recommendation	No action has been taken on this matter apart from writing letters to affected staff informing them that the rent has been converted to advance in their names	

26-30	Failure to set criteria in request for quotations (GH₵122,290.50)	Recommended sanctions against the Acting Procurement Officer as defined in Section 51(a) of the public procurement (Amendment) Act, 2016 (Act 914)	Management has not responded to this issue	No action has been taken by management	
9 (iv)	Failure to obtain approval from the Controller and Accountant General before opening a bank account at GN bank leading to lock up of GH₵73,715.46	We asked management to immediately retrieve the money from GN bank and pay in to an approved bank account and close the unapproved account	Management accepted our recommendations	Management has taken GN Bank to court after several efforts to retrieve the money failed.	