

# AUDIT SERVICE



Good Governance  
and Accountability



P. O. Box ..... 31  
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17 June 20 21

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

Fax: 233 (0) 302 6751495

Website: [www.gaudit.org](http://www.gaudit.org)

The Presiding Member  
Nzema East Municipal Assembly  
Axim

Dear Sir,

## ANNUAL AUDIT REPORT ON THE ACCOUNTS OF THE NZEMA EAST MUNICIPAL ASSEMBLY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### Introduction

We have examined the accounts of the Nzema East Municipal Assembly for the financial year ended 31 December 2020 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 Financial Position as at 31 December 2020, and Cash Flow statements;
  - b. Comparative Statement of Receipts and Payments Account for the financial year ended 31 December 2020;
  - c. Comparative Statement of Revenue and Expenditure Account for the financial year ended 31 December 2020;
  - d. Comparative Statement of Revenue for the financial year ended 31 December 2020;
  - e. Comparative Statement of Expenditure for the financial year ended 31 December 2020;
  - f. Comparative Statement of Accumulated Fund and
  - g. Notes and Schedules to the Accounts as at 31 December 2020.



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 17<sup>th</sup> January, 2021 in accordance with Section 80 (1) of the Public Financial Management Act, 2016 (Act 921).

#### Estimates

4. The annual estimates of the Assembly for the fiscal year 2020 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 2020 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¢5,613,447.41 in 2019 to GH¢6,311,994.69 in 2020 which represents a growth of GH¢698,547.28 or 12.44% over the previous years. The Assembly however achieved 85.93% of its revenue target of GH¢7,345,127.89 resulting in a shortfall of GH¢1,033,133.20 during the period under review as shown below;

	2020 Budget GH¢	2020 Actual GH¢	2020 Variance GH¢
Revenue Head			74,010.67
Internally Generated Fund	565,541.62	639,552.29	(1,107,143.87)
Grants	6,779,586.27	5,672,442.40	(1,033,133.20)
Total	7,345,127.89	6,311,994.69	

7. The District Assembly Common Fund and Other Funds contributed 89.87% to the total revenue of the Assembly during the period under review

##### Expenditure

8. The expenditure also increased from GH¢5,607,110.56 in 2019 to GH¢6,669,487.50 in 2020 representing 18.95% over the 2019 figure. The Assembly's expenditure of GH¢6,669,487.50 was within the approved estimates of GH¢7,345,127.85 resulting in savings of GH¢675,640.35 as shown



	2020 Budget GH¢	2020 Actual GH¢	2020 Variance GH¢
<b>Expenditure Head</b>			946,867.79
Compensation of Employees	5,714,578.72	4,767,710.93	(57,830.80)
Goods and Services	1,231,332.02	1,289,162.82	(213,396.64)
Other Expenses	399,217.11	612,613.75	675,640.35
<b>Total</b>	<b>7,345,127.85</b>	<b>6,669,487.50</b>	

### Operational Results

9. The financial operations of the Assembly resulted in a deficit of GH¢357,492.81 compared with the surplus of GH¢6,336.85 in the previous year.

	2020 Actual GH¢	2019 Actual GH¢	Increase/Decrease GH¢
<b>Head</b>			698,547.28
Revenue	6,311,994.69	5,613,447.41	1,062,376.94
Expenditure	6,669,487.50	5,607,110.56	(363,829.66)
<b>Surplus/(Deficit)</b>	<b>(357,492.81)</b>	<b>6,336.85</b>	

### Statement of Financial Position

#### Assets

#### 10. Cash and Cash Equivalent - GH¢330,770.40

This figure represents the balances of the twenty (20) bank accounts held by the Assembly at the balance sheet date as detailed in Note 3 and Schedule 'C'. All the balances were duly verified with the relevant Bank Certificates and Statements and found to be correct.

#### 11. Receivables: GH¢244,000.00

This figure represents amount due from Rusaben Waste Management as at 31 December 2020 as detailed in Note 5 and Schedule 'D'.

#### 12. Infrastructure, Plant & Equipment - GH¢3,541,120.99

These comprise capital expenditure incurred on buildings and office equipment as at 31 December, 2020 as per Note 8.

#### Liabilities

#### 13. Payables - GH¢384,262.41

The figure shows the unpaid amount of GH¢384,262.41 due contractors, suppliers and institutions for various goods and services rendered to the Assembly as at 31 December, 2020 as detailed in Note 10.



14. **Accumulated Fund – GH¢3,731,628.98:**

The favorable balance of GH¢4,089,121.79 brought forward at the beginning of the financial year, decreased to GH¢3,731,628.98 as at 31 December 2020 as a result of a deficit of GH¢357,492.81 realised from the financial operations during the year under review.

15. **Acknowledgement**

We are grateful to the Municipal Chief Executive and the entire Management for their cooperation and assistance.

Yours faithfully



for: AUDITOR-GENERAL  
(COUNT ANUKWARE AKPELOO)  
ASSISTANT AUDITOR-GENERAL

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

Head of Service  
Local Government Service  
Accra

The Regional Coordinating Director  
Regional Coordinating Council  
Sekondi

The Municipal Coordinating Director  
Nzema East Municipal Assembly  
Axim

The Municipal Finance Officer ✓  
Nzema East Municipal Assembly  
Axim

The District Auditor  
Audit Service  
Axim



## OPINION OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS

### Introduction

We have, in accordance with Section 11 of the Audit Service Act, 2000 (Act 584), audited the accounts and financial statements of **NZEMA EAST MUNICIPAL ASSEMBLY** for the year ended 31 December, 2020.

### 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 Instructions (INTOSAI). Our 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 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



information in the financial statements. We believe that our audit provide a reasonable basis for the audit opinion.

### Audit Opinion

We have examined the financial statements and the supporting schedules of the **NZEMA EAST MUNICIPAL ASSEMBLY** under the historical cost convention for the financial year ended 31 December 2020.

In our opinion, the financial statements present fairly the financial position of the Assembly as at 31 December 2020 and the result of its operations for the year ended and that the transactions were in accordance with the Financial Laws.



for: AUDITOR-GENERAL  
COUNT ANUKWARE AKPELOO  
ASST. AUDITOR-GENERAL

DATED THIS.....17.....DAY OF.....JUNE..... 2021.



# NZEMA EAST MUNICIPAL ASSEMBLY

In case of reply, the number  
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should be quoted:

Our Ref: NEMA/LG 4/Vol2/76

Year Ref: .....




P.O. Box 25  
Axim-Western Region  
Tel: 0342- 22209/22284  
GPS add: WN-001-6226  
[info.nzemaeast@gmail.com](mailto:info.nzemaeast@gmail.com)  
<https://nzemaeastmunicipal.com>

Date: 27<sup>th</sup> JANUARY, 2021

## SUBMISSION OF ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2020

We hereby submit twelve (12) copies of Annual Financial Statement for the year ended 31<sup>st</sup> December 2020 for Nzema East Municipal Assembly for further action.

  
.....  
MUNICIPAL CO-ORDINATING DIRECTOR  
(DANIEL BENTUM ESSEL)  
*For:* MUNICIPAL CHIEF EXECUTIVE

THE MUNICIPAL AUDITOR  
GHANA AUDIT SERVICE  
AXIM

Cc: THE MINISTER  
MIN. OF LOCAL GOVERNMENT  
Accra

THE CONTROLLER & ACCT. GEN.  
CONTROLLER & ACCT. GEN. DEPT  
ACCRA

THE REGIONAL CO-ORDINATING DIRECTOR  
REGIONAL CO-ORDINATING COUNCIL  
SEKONDI

REGIONAL DIRECTOR – C.A.G.D.  
W/R Directorate – **Sekondi**

THE PRESIDING MEMBER  
N.E.M.A  
AXIM

THE MUNICIPAL CHIEF EXECUTIVE  
N.E.M.A  
AXIM

THE CHAIRMAN  
F&A CHAIRMAN  
AXIM



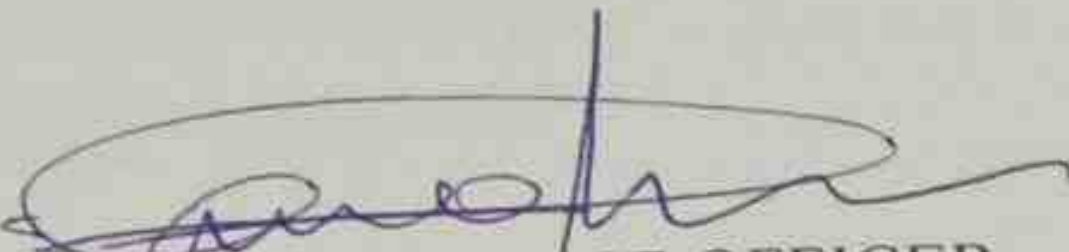
# NZEMA EAST MUNICIPAL ASSEMBLY

## CERTIFICATION STATEMENT


The accompanying financial statement for the financial year ended 31<sup>st</sup> December 2020 represents faithful presentation of the financial position and performance of the Assembly for the financial year ended 31<sup>st</sup> December 2020.

The financial statement comprises of the following:

1. Comparative Statement of Financial Position,
2. Comparative Cash Flow Statement,
3. Comparative Revenue and Expenditure Statement,
4. Comparative Receipt and Payment Details,
5. Notes, Adjustments and Schedules to the Account,
6. Statement of Accumulated Fund,
7. Comparative Trial Balance Details, and
8. Advances and other Payables for the year ended 31<sup>st</sup> December 2020.

  
MUNICIPAL FINANCE OFFICER  
HAJIA CAROLINE LARDI BAIGI

**Municipal Finance Officer**  
**Nzema East Mun. Assembly**  
A X I M

  
MUNICIPAL CO-ORDINATING DIRECTOR  
(DANIEL BENTUM ESSEL)

**Municipal Co-ordinating Director**  
**Nzema East Mun. Assembly**  
A X I M



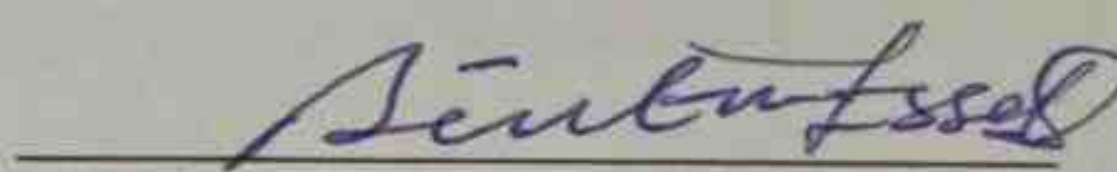
-0103200- NZEMA EAST MUNICIPAL ASSEMBLY - W/R -  
ANNUAL STATEMENT OF FINANCIAL POSITION FOR THE YEAR  
31st DECEMBER, 2020

**ASSETS**

CURRENT ASSETS	NOTE	VARIANCE (GH¢)	2020 (GH¢)	2019 (GH¢)
Cash and Cash Equivalents	3	(357,492.81)	330,770.40	688,263.21
Prepayments	4	-	-	-
<b>TOTAL CURRENT ASSET</b>		<b>(357,492.81)</b>	<b>330,770.40</b>	<b>688,263.21</b>
<b>NON CURRENT ASSETS</b>				
Receivables	5	96,000.00	244,000.00	148,000.00
Advances / Imprest	6	-	-	-
Equity Investments	7	-	3,541,120.99	3,541,120.99
Infrastructurere, Plant and Equipment	8	-	-	-
Work In-Progress	9	-	-	-
<b>TOTAL NON CURRENT ASSET</b>		<b>96,000.00</b>	<b>3,785,120.99</b>	<b>3,689,120.99</b>
<b>TOTAL ASSETS</b>		<b>(261,492.81)</b>	<b>4,115,891.39</b>	<b>4,377,384.20</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Payables	10	96,000.00	384,262.41	288,262.41
Deposite and Other Trust Monies	11	-	-	-
Short-term borrowings		-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>96,000.00</b>	<b>384,262.41</b>	<b>288,262.41</b>
<b>NON-CURRENT LIABILITIES</b>				
Domestic	12	-	-	-
External	13	-	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>96,000.00</b>	<b>384,262.41</b>	<b>288,262.41</b>
<b>NET ASSETS</b>		<b>(357,492.81)</b>	<b>3,731,628.98</b>	<b>4,089,121.79</b>
<b>CONTRIBUTION BY</b>				
Surpluses / (Deficits)		(363,829.66)	(357,492.81)	6,336.85
Accumulated Fund	14	6,336.85	4,089,121.79	4,082,784.94
<b>NET WORTH</b>		<b>(357,492.81)</b>	<b>3,731,628.98</b>	<b>4,089,121.79</b>

  
(MUNICIPAL FINANCE OFFICER)

**Municipal Finance Officer**  
**Nzema East Mun. Assembly**  
**A X I M**

  
(MUNICIPAL COORDINATING DIRECTOR)

**Municipal Co-ordinating Director**  
**Nzema East Mun. Assembly**  
**A X I M**



-0103200 - NZEMA EAST MUNICIPAL ASSEMBLY - W/R -  
ANNUAL STATEMENT OF CASH FLOW FOR THE YEAR ENDED  
31st DECEMBER, 2020

**CASH FLOW FROM OPERATING ACTIVITIES**

	NOTE	VARIANCE (GH¢)	2020 (GH¢)	2019 (GH¢)
<b>Cash Receipts From Operating Activities</b>				
Taxes	15	(37,378.03)	85,783.29	123,181.32
Grants	16	855,002.27	5,672,442.40	4,817,440.13
Other Revenue	17,18,19,20a,20b,21	(119,076.46)	653,789.00	872,885.46
Other Receipts / Recoveries				
<b>Total</b>		<b>698,547.78</b>	<b>6,311,994.69</b>	<b>5,813,446.91</b>
<b>Cash Payments From Operating Activities</b>				
Compensation of Employees	22	658,611.31	2,905,804.98	2,247,193.87
Goods and Services	23	214,961.38	1,289,162.82	1,074,201.44
Interest	24	(150,000.00)	-	150,000.00
Grant	25	(53,357.00)	112,737.00	166,094.00
Social Benefits	26	529,603.75	612,613.75	83,010.00
Other Expenses				
Other Payments				
<b>Total</b>		<b>1,199,819.44</b>	<b>4,920,318.55</b>	<b>3,720,499.11</b>
<b>Net Cash Flow From Operating Activities</b>		<b>(501,271.66)</b>	<b>1,391,676.14</b>	<b>1,892,947.80</b>

**CASH FLOW FROM INVESTING ACTIVITIES**

<b>Purchase / Granting Of Non-Financial Assets</b>				
Non-Financial Assets	27	(389,306.85)	1,497,304.60	1,886,611.45
Inventory	28	251,864.35	251,864.35	-
Work In-Progress				
<b>Cash Outflow From Investing In Non-Financial Assets</b>		<b>(137,442.50)</b>	<b>1,749,168.95</b>	<b>1,886,611.45</b>
<b>Sale / Recovery Of Non-Financial Assets</b>				
Non-Financial Assets		-	-	-
Inventory		-	-	-
Work In-Progress		-	-	-
<b>Cash Inflow From Sale of Non-Financial Assets</b>		<b>137,442.50</b>	<b>(1,749,168.95)</b>	<b>(1,886,611.45)</b>
<b>Net Cash Flow From Investment In Financial Assets</b>				

**CASH FLOW FROM FINANCING ACTIVITY**

**DOMESTIC**

INFLOWS  
OUTFLOWS

**Net Incurrence of Domestic Liability**

**FOREIGN**

INFLOWS  
OUTFLOWS

**Net Incurrence of Foreign Liability**

<b>NET CHANGE IN STOCK OF CASH</b>		<b>(363,829.16)</b>	<b>(357,492.81)</b>	<b>6,336.35</b>
Cash and Cash Equivalent @ Beginning		6,336.35	688,263.21	681,926.86
<b>CASH AND CASH EQUIVALENT @ CLOSE</b>		<b>(357,492.81)</b>	<b>330,770.40</b>	<b>688,263.21</b>



**NZEMA EAST MUNICIPAL ASSEMBLY**  
**COMPARATIVE REVENUE AND EXPENDITURE SUMMARY STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2020**

REVENUE						
MAIN HEAD		NOTE	2020 BUDGET GH¢	2020 ACTUAL GH¢	2019 BUDGET GH¢	2019 ACTUAL GH¢
1100000	TAXES	15	146,264.15	85,763.29	90,382.02	123,141.82
1300000	DONORS GRANTS & RELIEFS	16	6,779,586.27	5,672,442.40	4,975,929.43	4,817,440.13
1400000	OTHER REVENUE	17 - 21	419,277.47	553,789.00	296,527.98	572,865.46
	<b>TOTAL</b>		<b>7,345,127.89</b>	<b>6,311,994.69</b>	<b>5,363,839.43</b>	<b>5,613,447.41</b>
EXPENDITURE						
MAIN HEAD		NOTE				
2100000	COMPENSATION OF EMP	22	2,148,683.67	2,905,804.98	1,652,022.00	2,247,193.67
2200000	USE OF GOODS & SERVICE	23	1,231,332.02	1,289,162.82	1,249,979.00	1,074,201.44
2300000	CONSUMPTION OF FIXED CAPITAL		-	-	-	-
2400000	INTEREST (GFS)		-	-	50,000.00	150,000.00
2600000	GRANTS	24	60,000.00	-	-	166,094.00
2700000	SOCIAL BENEFITS (GFS)	25	-	112,737.00	-	-
2800000	OTHER EXPENSES	26	399,217.11	612,613.75	81,000.00	83,010.00
3110000	NON-FINANCIAL ASSETS	27	3,119,858.23	1,497,304.60	2,135,867.00	1,886,611.45
3122000	WORK - IN - PROGRESS	28	386,036.82	251,864.35	-	-
	<b>TOTAL</b>		<b>7,345,127.85</b>	<b>6,669,487.50</b>	<b>5,168,868.00</b>	<b>5,607,110.56</b>
	<b>EXCESS OF REVENUE OVER EXPENDITURE</b>		<b>0.04</b>	<b>-357,492.81</b>	<b>194,971.43</b>	<b>6,336.85</b>



**NZEMA EAST MUNICIPAL ASSEMBLY**  
**COMPARATIVE RECEIPT AND PAYMENT DETAILS FOR THE YEAR ENDED 31ST DECEMBER 2020**

RECEIPT:		NOTE	2020 BUDGETS	2020 ACTUALS	2019 ACTUALS
MAIN HEAD			GH¢	GH¢	GH¢
				85,763.29	123,141.82
1131000	RATES	15	146,264.15	5,672,442.40	4,817,440.13
1331000	GRANTS - DISTRICTS	16	6,779,586.27	34,270.00	70,400.00
1412000	LANDS & ROYALTIES	17	105,500.00	17,249.00	12,190.50
1415000	RENTS OF LAND & BUILDING	18	84,821.47	159,927.00	121,979.03
1422000	LICENSES	19	106,875.00	52,446.00	66,868.50
1423000	FEES	20a	104,363.00	1,620.00	1,290.00
1430000	FINES, PENAL & FORFEITS	20b	800.00	288,277.00	400,137.43
1450000	MISC. AND UNSPEC. REV.	21	16,918.00	6,311,994.69	5,613,447.41
	<b>TOTAL REVENUE</b>		<b>7,345,127.89</b>		
PAYMENT:		NOTE	2020 BUDGETS	2020 ACTUALS	2019 ACTUALS
MAIN HEAD			GH¢	GH¢	GH¢
				2,632,882.62	2,048,093.78
2111000	ESTABLISHED POSITIONS	22a	1,871,503.56	93,912.96	54,119.03
2111100	NON-ESTABLISHED POST	22b	222,180.11	113,442.30	141,820.94
2112200	OTHER ALLOWANCES	22c	55,000.00	65,567.10	3,159.92
2121300	NATIONAL PENSION CONT.	22d	-	172,597.23	143,777.80
2210100	MAT. & OFF. CONSUM.	23a	217,008.49	14,047.14	72,196.12
2210200	UTILITIES	23b	23,600.00	-	4,300.00
2210300	GENERAL CLEANING	23c	-	1,300.00	16,066.00
2210400	RENTALS	23d	-	320,589.89	329,223.87
2210500	TRAVEL & TRANSPORT	23e	357,219.97	151,985.00	137,596.38
2210600	REPAIRS & M'TCE	23f	169,077.38	373,661.30	199,798.86
2210700	TRAINING, SEM. & CONF.	23g	263,226.18	-	-
2210800	CONSULTANCY EXP.	23h	-	236,042.50	146,856.00
2210900	SPECIAL SERVICES	23i	155,700.00	12,636.76	1,875.41
2211100	OTHER CHARGES & FEES	23j	500.00	6,303.00	22,511.00
2211200	EMERGENCY SERVICES	23k	30,000.00	-	-
2211300	INSURANCE	23l	15,000.00	-	-
2311100	CONSUMPTION OF FIXED CAPITAL		-	-	-
2400000	INTEREST		-	-	150,000.00
2631100	GRANTS CURRENT	24	60,000.00	112,737.00	166,094.00
2731100	EMPLOYER SOCIAL BENEFITS	25	-	612,613.75	83,010.00
2821100	OTHER GENERAL EXPENSES	26	399,217.11	1,749,168.95	1,886,611.45
3110000	NON-FINANCIAL ASSETS	27 - 28	3,505,895.05	6,669,487.50	5,607,110.56
	<b>TOTAL</b>		<b>7,345,127.85</b>		
	<b>EXCESS OF RECEIPT OVER PAYMENT</b>		<b>0.04</b>	<b>-357,492.81</b>	<b>6,336.85</b>