

# NANTON DISTRICT ASSEMBLY

In case of reply the  
Number and date of this  
Letter should be quoted

(Office of the Nanton District Assembly)

P. O. Box TL 713  
Tamale-N/R

*Our Ref:* ..NDA-05/10/04/10.....

*Your Ref:* .....



REPUBLIC OF GHANA

28<sup>TH</sup> April, 2025.

The Chairman Audit Committee  
Nanton District Assembly  
Nanton.

## SUBMISSION OF INTERNAL AUDIT REPORT FOR FIRST QUARTER, 2025.

We submit herewith the Internal Audit report on Cash and Expenditure Management, Procurement and Contract Management, Transport and Fuel, Audit on Assets and liabilities Declaration, Implementation of Activities under the National Anti-corruption Action plan (NACAP) for First Quarter of 2025.

Attached also is the Management Action Plan and Status of Implementation for Fourth Quarter 2024 and Report on Arrears and outstanding liabilities as at 31<sup>st</sup> December, 2024, for your attention and necessary action.

Counting on your usual cooperation.

Thank you.

FOR: DISTRICT CHIEF EXECUTIVE  
(ALHAJI MOHAMMED SHAIBU)  
DISTRICT COORDINATING DIRECTOR

cc:

The Director General  
Internal Audit Agency  
Accra

The Minister  
Ministry of Local Government  
And Rural Development  
Accra

The District Auditor  
Ghana Audit Service  
Nanton

The Regional Minister  
Northern Regional Coordinating Council  
Tamale

The Presiding Member  
Nanton District Assembly  
Nanton

The District chief Executive/the  
District Coordinating Director  
Nanton District Assembly

NANTON DISTRICT ASSEMBLY

INTERNAL AUDIT REPORT

FOR

FIRST QUARTER, 2025

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**Attached are:**

Management Action Plan

Status of Implementation of Fourth Quarter Internal Audit Report for 2024.

Report on Arrears and Outstanding Liabilities as at 31<sup>st</sup> December, 2024.

## **INTRODUCTION**

### **Background**

The audit was conducted as part of the internal audit 2025 Annual RBIA plan and section 16(4) of Internal Audit Agency Act 2003 which mandates all MDAs MMDA's to prepare and submit quarterly reports.

The audit findings were based on Internal Audit Agency Act 2003, Internal Audit Standards, The Local Governance Act, 2016 (Act 936,) the Financial Memoranda of the Local Government, Public Financial Management Act, 2016 the Public Financial Management Regulation and the 1992 constitution of Ghana. The audit reviewed the internal procedures and control system of Cash and Expenditure Management, Procurement and Contract Management, Transport and Fuel Management, Audit on Assets and liabilities Declaration and Implementation of Activities under the National Anti-corruption plan (NACAP) and Auditing on Arrears, Outstanding and Liabilities for the period 1<sup>st</sup> January to 31 March, 2025. The audit was carried out by the following auditors;

### **Audit team**

- |                               |  |
|-------------------------------|--|
| 1. Kpan-Nateg Jennifer        | Head / IAU - Supervisor / Reviewer             |
| 2. Alhassan KoJo Ayisheitu    | Senior Internal Auditor - Team Leader          |
| 3. Ndaugo Patrick Anaba       | Internal Auditor - Team member                 |
| 4. Mahamadu Fusheini          | Assistant Internal Auditor - Team member       |
| 5. Mohammed Muktaru Fusheini  | Assistant Internal Auditor - Team member       |
| 6. Mahama Zuweira             | Assistant Internal Auditor - Team member       |
| 7. Umar Fawzia                | Assistant Internal Auditor - Team member       |
| 8. Sumaila Basit Sulemana     | Assistant Internal Auditor - Team member       |
| 9. Dorgbetor Grace            | Assistant Internal Auditor                     |
| 10. Alhassan Rafia Chentiwuni | Assistant Internal Auditor Trainee Team member |

## **ACKNOWLEDGEMENT**

We wish to state that the assistance and co-operation extended by Management is highly appreciated.

## **ESTABLISHMENT OF SCOPE**

The audit is for the period of 1<sup>st</sup> January to 31<sup>st</sup> March, 2025 and covered the following thrust areas: Cash and Expenditure Management, Procurement and Contract Management, Transport and Fuel, Audit on Assets and liabilities Declaration and Implementation of Activities under the National Anti-corruption plan (NACAP) and Auditing on Arrears, Outstanding and Liabilities

The audit was financial and operational. System audit was also followed in the conduct of the audit. The audit checked whether proper internal control methods exist and are strictly adhered to. Compliance in operations and procedures were also reviewed. The audit was done based on the Internal Audit Agency Act 2003, Internal Audit Standards, Public Financial Management Regulation, Financial Memoranda for MMDAs, Local Governance Act, 2016 (Act 936) and Public Financial Management Act, 2016.

## **Establishment of Methodology**

The team used the risk-based audit approach in carrying out the exercise. This included substantive test, conduct of interviews and verification.

As a result, the team developed the audit findings base on the five fundamental attributes of criteria, condition, cause, effect as well as recommendation. Responses from Audit clients, where appropriate and are also incorporated in this report.

## **OBJECTIVES**

The objectives of the audit were to:

### **Cash and Expenditure Management**

1. Ascertain whether transactions for which payments are made were done in line with the Public Financial Management Act 921, 2016.
2. To find out whether payments are properly supported by original invoices, receipts and all relevant documents.
3. Ensure that cash and cash advances are properly accounted for

### **Procurement and Contract Management**

4. Ascertain whether transactions for which payments are made were done in line with the Public Financial Management Act 921, 2016.
2. To ensure that the right procedures are followed in acquisition, maintenance and disposal of government assets.
3. To determine if management has complied with applicable laws and regulations Procurement Management

### **Transport and Fuel Management**

1. Determine if The Transport Unit tracks maintenance of vehicles to ensure that maintenance is being performed on a car by car basis at regular intervals
2. Ensure that the Assembly's vehicular fleet is properly maintained, and the usage is authorized for the discharging the Assembly's business.
3. To verify the existence and usage of a fuel policy
4. To ensure that relevant provisions on management of transport are complied with.
5. To ensure that the fuel purchased by the assembly is used in the ordinary cause of business of the assembly

### **Assets and Liabilities Declaration**

1. To check if all department/unity heads and procurement entity tender members has declared their assets.

### **Assets and Liabilities declaration and implementation of activities under the National Anti-corruption.**

To check if the Assembly has implemented activities under the National Anti-corruption plan and reported

### **Auditing on Arrears, Outstanding and Liabilities**

## **EXECUTIVE SUMMARY**

### **Purpose & Limitation**

The audit was carried out in accordance with the powers conferred on the internal auditors of the Assembly by Part VI section 175(4b) of the Local Governance Act, 2016 (Act 936); Section 83 of the Public Financial Management Act, 2016 (921) and Part II section 16 of the Internal audit Agency Act, 2003 (Act 658). The audit covered the period 1<sup>st</sup> October, to 31<sup>st</sup> December, 2024. The audit aimed at reviewing the internal control procedures of the Assembly.

The audit sought to ascertain and review the efficient management of Cash and Expenditure Management, Procurement and Contract Management, Transport and Fuel, Audit on Assets and liabilities Declaration, Auditing on Arrears, Outstanding and Liabilities and Implementation of Activities under the National Anti-corruption plan (NACAP) and To determine whether the Assembly is operating with respect to laid down regulations, procedures and the disbursement guide lines amongst others and ascertaining whether records of accounts were kept in accordance with financial laws and regulations.

## **SUMMARY OF FINDINGS AND RECOMMENDATIONS**

### **Cash and Expenditure Management**

#### **Finding 1.**

**Failure to obtain official receipts from Payees (Ghc 385,779.83)**

#### **RECOMMENDATIONS**

The District Coordinating Director and the District Finance Officer should ensure that the relevant receipts are retrieved from the payees for audit verification.

#### **Finding 2.**

**Payment for monitoring activities not supported with monitoring reports  
GH¢159,528.00)**

#### **Recommendation**

The various implementing Officers should ensure that monitoring activity reports are prepared and duly signed for audit inspection.

#### **Finding 3.**

**Failure to procure through Ghana Electronic Procurement System (GHANEPS)**

#### **Recommendation**

The District Coordinating Director and the District Procurement Officer should ensure that procurement are done through Ghana Electronic Procurement System (GHANEPS) as required by law.

#### **Finding 4.**

**Failure to prepare evaluation report.**

#### **Recommendation:**

Management should ensure that evaluation reports are prepares timely for all procurement of goods, works and services.

#### **Finding 5.**

**Failure develop an Anti – Corruption Action Plan for the Assembly.**

#### **Recommendation**

Management should ensure that an Anti – corruption Action plan is developed for the Assembly as required by the National Anti –Corruption Plan.

## Management Personnel

The management personnel at the time the audit was carried out were;

<b>Personnel</b>	<b>Title</b>
Hon. Abdulai Murtada	District Chief Executive
Alhaji Mohammed Shaibu	District Coordinating Director
Mr. Adam Muazu Seidu	District Finance Officer
Mr. Issah Abdulai Jimba	District Works Engineer
Mrs Alhassan Hamdallatu	District Budget Analyst
Mr Abdul Razak Alhassan	Dist. Human Resource Manager
Mr. Zakari N. Abdul-Basit	District Procurement Officer
Mr, Ibrahim Salifu	District Records Officer
Mr. Alhassan Haruna Osman	District Social Welfare Officer
Mr. Yakubu Abdulai	District Environmental Health Officer
Mrs. Alhassan Ayisheitu	District Planning Officer
Mr. Mohammed Hardi	District Statistics Officer
Mr. Yassar –Arafat Zakaria	District physical Planning Officer

**INTERNAL AUDIT OPINION**

In our opinion, we found out that internal controls are adequately provided for Cash and Expenditure Management, Procurement and Contract Management, Transport and Fuel, Audit on Assets and liabilities Declaration and Implementation of Activities under the National Anti-corruption plan (NACAP) but its operations are ineffective.

Therefore there is the need to improve on the controls system on Cash and Expenditure Management, Procurement and Contract Management, Transport and Fuel, Audit on Assets and liabilities Declaration and Implementation of Activities under the National Anti-corruption plan (NACAP) where quite a number of internal controls identified are been ineffective as reported.



\_\_\_\_\_  
AUDITOR-IN-CHARGE

28/04/25

\_\_\_\_\_  
DATE



\_\_\_\_\_  
INTERNAL AUDITOR

28/04/2025

\_\_\_\_\_  
DATE

## DETAILS AUDIT FINDINGS AND RECOMMENDATIONS.

### CASH AND EXPENDITURE MANAGEMENT

#### 5.1.1. Failure to obtain official receipts from payees (Ghc 16,000.00 )

##### Criteria

Part IX, paragraph 13 (a) and (b) of Financial Memoranda for MMDAs, states: "All payment vouchers shall be receipted in one of the following ways: (a) by a written acknowledgement in ink on the payment voucher by the payee where an official receipt is not supplied; or (b) By the attachment to the Payment Voucher of the payee's official receipt. Facsimile signature stamps shall not be used.

##### Condition

It was discovered through our audit review that some of the Assembly's Payment vouchers amounting to **Sixteen Thousand Ghana Cedis ((Ghc16,000.00))** did not have all the relevant official receipts attached. **See details in the table below.**

DATE	CHEQUE/PV NO.	PAYEE	DETAILS	AMOUNT GHC
01/03/25	464321	NYOGLO GHANA LTD	Payment of retention for the construction 5NO. Boreholes for selected communities	16,000.00
			<b>TOTAL</b>	<b>16,000.00</b>

##### Cause

The finance department failed to obtain the relevant receipts from payees after two weeks of receipts of the funds.

##### Effects

This may make it difficult to authenticate the transactions.

##### Recommendation

The District Finance Officer should comply with the above provisions and ensure that all payment vouchers are supported with the accompanying official receipts.

##### Management Responses

The recommendation is noted and the receipts will be obtain and attach to the payment voucher for your verification.

**5.1.2. Payment for monitoring activities not supported with monitoring reports GHC 350,910.86)**

**Criteria:**

Regulation 78 (1a&1b) of the PFM Regulation 2019 (L.I 2378 (1) A Principal Spending Officer of a covered entity is responsible for ensuring in respect of each payment of that covered entity (a) the validity, accuracy and legality of the claim for the payment (b) that evidence of service received, certificate of work done and any other documents exist.

**Condition:**

The audit team noted that payment vouchers submitted for audit were not supported by relevant monitoring or activity reports totaling Three Hundred and Fifty Thousand, Nine Hundred and Ten Ghana Cedis. **Ghc 350,910.86) See details in the table below.**

DATE	PV NO. / CHEQ. NO	PAYEE GPSNP	DETAILS	AMOUNT GHC
12/02/25	03/	Kpatali Enterprise	Payment for the construction of Nanton Kurugu Dam	159,528.00
		MPCF		
02/01/25	02/ 464309	MOOSHIE LTD	Procurement and Servicing of street light bulbs	77,882.86
25/02/25		NYOGLO GHANA LTD	Payment for the procurement of 750NO. plastic chairs	97,500.00
01/03/25	464321	NYOGLO GHANA LTD	Payment of retention for the construction 5NO. Boreholes for selected communities	16,000.00
			<b>Total</b>	<b>350,910.86</b>

**Cause:**

The officers failed to prepare and attached monitoring or activities reports.

**Effect:**

1. Payments may not be adequately substantiated without monitoring reports.
2. Payment may therefore be made for work not done, thus, undermining the achievement of the Assembly objectives.

**Recommendation:**

The various Officers should ensure that monitoring activity reports are prepared and duly signed for audit inspection.

**Management response:**

Management will ensure that the monitoring reports are prepared and attach to the payment vouchers for your verification.

### **5.1.3. Failure to procure through Ghana Electronic Procurement System (GHANEPS)**

#### **Criteria:**

The Minister of Finance in November, 2023 issued a directive for the mandatory use of the Ghana Electronic Procurement system (GHANEPS) for government Procurement by all government institution as required by the Public Procurement law.

#### **Condition:**

Our audit of the Assembly Procurement and Contract documents revealed that the Assembly are not procuring through the Ghana Electronic Procurement System (GHANEPS) as required by the public procurement law. All the Assembly procurement and contracting are done outside the Ghana Electronic Procurement System (GHANEPS).

#### **Cause:**

The District Coordinating Director, the District Finance Officer and District procurement Officer disregarded the above provision the public procurement law.

#### **Effect:**

The Assembly may not get value for money in the goods and services procured.

#### **Recommendation**

The District Coordinating Director, District Finance Officer and the District Procurement Officer should ensure that procurement are done through Ghana Electronic Procurement System (GHANEPS) as required by law.

#### **Management response**

The Assembly is not yet connected in to the GHANEPS Platform even the Procurement Officer have written to the PPA on the issue but yet to responses.

**5.1.4. Failure to prepare evaluation report before awarding contracts  
(Ghc 218,250.86)**

**Criteria**

According Section 18(2 &3) of the Public Procurement Regulation 2022

2. An evaluation panel shall prepare a report for each evaluation conducted.
3. Each member of the evaluation panel who participated in the conduct of the evaluation shall sign the evaluation report prepared.

**Condition:**

During our review of the assembly procurement documents, it was discovered that some contract were awarded without evaluation reports amounting to ( Ghc **218,250.86**) see **details** in the table below.

DATE	PV NO. / CHEQ. NO	PAYEE GPSNP	DETAILS	AMOUNT GHC
25/02/25		NYOGLO GHANA LTD	Payment for the drilling of 1No. Borehole at Tinkurugu	26,868.00
		MPCF		
02/01/25	02/464309	MOOSHIE LTD	Procurement and Servicing of street light bulbs	77,882.86
25/02/25		NYOGLO GHANA LTD	Payment for the procurement of 750NO. plastic chairs	97,500.00
01/03/25	464321	NYOGLO GHANA LTD	Payment of retention for the construction 5NO. Boreholes for selected communities	16,000.00
			<b>TOTAL</b>	<b>218,250.86</b>

**Cause:**

There was no evidence of a panel been constituted to evaluate the above contracts?

**Effects:**

1. It may lead to awarding the contract to unqualified contractor.
2. The assembly may not achieve value for money objective.

**Recommendation:**

Management should ensure that evaluation reports are prepares timely for all procurement of goods, works and services

**Management Response**

Management noted the recommendation and wish to state that the evaluation reports available and will be attach to the payment voucher for your verification.

### **5.1.5. Failure develop an Anti – Corruption Action Plan for the Assembly.**

#### **Criteria**

To promote and mainstream the values of integrity, transparency and accountability in all sectors of society and ensure effective enforcement of anti-corruption laws in Ghana through prevention, education and capacity-building, and investigation and enforcement

NACAP seeks, among others, to increase awareness of the linkage between human rights and corruption as well as draw attention to the importance of gender in anti-corruption programming and unregulated discretion in the use of public authority. The Action Plan also seeks to strengthen partnerships with civil society and other non-state actors, including the private sector

#### **Condition:**

It was revealed during our audit that the Assembly do not have an anti-corruption action Plan to guide it operations as required by the National Anti-corruption Plan.

#### **Cause:**

Laxity on the part of management.

#### **Effects:**

Issues of Transparency and Corruption in the Assembly may be over look in the operation of the Assembly.

#### **Recommendation**

Management should ensure that an Anti – corruption Action plan is developed for the Assembly.

#### **Management Response:**

Management has developed the National Anti-corruption Action Plan for the Assembly and are about to start it implementation.

## **CONCLUSION**

We wish to state that the audit exercise was conducted in a free and fair manner devoid of any form of bias and personal conflicts. .

On the audit of Assets and Liabilities Declaration we observed that management have secured the forms for all affected Officers to process for submission.

### **Other matters**

1. We appeal to management to expedite action on Internal Audit Responses to meet reporting time lines
2. We appeal to management to implement our previous audit findings and give us the status of implementation.
3. We appeal to management to get the Internal Audit Unit a Laptop to facilitate our work and also aid the launch of the GIFMIS system to enable the Internal Audit Unit preview since the only Laptop of the unit is not function well.

**NANTON DISTRICT ASSEMBLY  
MANAGEMENT ACTION PLAN FOR FIRST QUARTER 2025 INTERNAL AUDIT REPORT**

<b>S/N</b>	<b>Findings</b>	<b>Recommendation</b>	<b>Risk Rating of Finding (High, Medium, Low)</b>	<b>Management Comment</b>	<b>Implementation Date</b>	<b>Officer Responsible</b>
<b>1</b>	Failure to obtain official receipts from Payees (Ghc 385,779.83)	The District Coordinating Director and the District Finance Officer should ensure that the relevant receipts are retrieved from the payees for audit verification.	<b>High</b>	The recommendation is noted and the receipts will be obtained and attach to the payment voucher for your verification.	<b>30/06/25</b>	<b>District Finance Officer/schedule Accounts Officer</b>
<b>2</b>	Payment for monitoring activities not supported with monitoring reports (GH¢159,528.00)	The various implementing Officers should ensure that monitoring activity reports are prepared and duly signed for audit inspection	<b>High</b>	Management will ensure that the monitoring reports are prepared and attach to the payment vouchers for your verification	<b>30/06/25</b>	<b>District Finance Officer</b>
<b>3</b>	Failure to procure through Ghana Electronic Procurement System (GHANEPS)	The District Coordinating Director and the District Procurement Officer should ensure that procurement are done through Ghana Electronic Procurement System (GHANEPS) as required by law	<b>High</b>	The Assembly is not yet connected in to the GHANEPS Platform even the Procurement Officer have written to the PPA on the issue but yet to responses.	<b>30/06/25</b>	<b>District Procurement Officer</b>

4	Failure to prepare evaluation report	Management should ensure that evaluation reports are prepared timely for all procurement of goods, works and services.	High	Management noted the recommendation and wish to state that the evaluation reports available and will be attach to the payment voucher for your verification.	30/06/25	District Procurement Officer
5	Failure develop an Anti – Corruption Action Plan for the Assembly	Management should ensure that an Anti – corruption Action plan is developed for the Assembly as required by the National Anti – Corruption Plan.	High	Management has developed the National Anti-corruption Action Plan for the Assembly and are about to start it implementation.	30/06/25	District Coordinating Director

**STATUS OF IMPLEMENTATION FOR INTERNAL AUDIT REPORT**

**NAME OF ORGANIZATION: NANTON DISTRICT ASSEMBLY, NORTHERN REGION**

**TITLE OF REPORT: INTERNAL AUDIT REPORT FOR FIRST QUARTER, 2025**

**PERIOD OF REPORT: 1<sup>ST</sup> OCTOBER, 2024-31<sup>TH</sup> MARCH, 2024.**

<b>S/N</b>	<b>FINDING</b>	<b>RECOMMENDATION</b>	<b>STATUS OF IMPLEMENTATION</b>	<b>ACTION TAKEN/PROPOSED TO BE TAKEN</b>	<b>TIMELINES</b>	<b>RESPONSIBLE OFFICER</b>	<b>REMARKS</b>
<b>1</b>	Procured Motorbikes not routed through stores	Management should ensure that all items procured passes through stores and received before issuing out for use	<b>Implemented</b>	Management noted the observation and will ask the store-keeper to ensure that the Motorbikes are received into stores and re-issue to the user departments	10/02/25	Store-keeper	No further action required
<b>2</b>	Failure to conduct stock-taking of the Assembly of Fixed Assets.	Management should ensure that at least stock-taking is done annually of the Assembly Fixed Assets	<b>Not implemented</b>	The store-keeper has been task together with the relevant officers to take stock of all the Assembly fixed Assets half yearly	31/03/25	Store-keeper	Further action required
<b>3</b>	Failure to emboss motorbikes with identification numbers	The District Coordinating Director and District Acting Store Keeper should immediately ensure that all assets of the Assembly are emboss with identification numbers.	<b>Implemented</b>	Management will ensure that affected fixed assets are emboss with identification numbers immediately	10/02/25	Store-keeper	Further action required

<b>4</b>	Failure to declared assets by affected officers	Management should ensure that all affected Officers declare their assets as required by law	<b>In process</b>	Management have agreed to write a letter to Audit Service requesting for the forms for affected officers to declare their assets	31/03/25	Heads of Department/unit	No further action required	
<b>5</b>	Non-maintenance of Employee's Files	The District Coordinating Director and Human Resources manager should ensure that all employees have personal files.	<b>Implemented</b>	Management have agreed to procure personal files for HR unit to ensure that personal files are maintain for all staff	31/03/25	Human resource Manager	No further action required	
<b>6</b>	Incomplete data kept for employees.	The District Coordinating Director and Human Resources manager should ensure that staff personal files contain all essential data/information without further delays	<b>Implemented</b>	The Human Resource unit will contact the staff involves to bring the necessary documents for their files.	31/03/25	Human resource Manager	No further action required	

**REPORT ON ARREARS AND OUTSTANDING LIABILITIES (COMMITMENTS) OF THE ASSEMBLY  
AS AT THE END OF 31<sup>ST</sup> DECEMBER, 2024.**

<b>DATE</b>	<b>PAYEE</b>	<b>DETAILS</b>	<b>AMOUNT GHC</b>
31/12/24	DCD/RAFIQ ZULKA	Being payment to service DISEC Meeting	4,320.00
31/12/24	DCD/ ALHASSAN HAMDALLATU	Being participation fees for 2025 composite Budget Workshop	4,120.00
31/12/24	DATA PRO COMPUTER and ACCESSORIES LTD	Being procurement of stationary and other printing materials	5,499.58
31/12/24	TOTAL ENERGIES	Being procurement of fuel for official use	50,000.00
14/08/24	DCD/DCE	Being request for fund to organize Budget committee meeting on 2025 fee fixing resolution	4,360.00
14/08/24	DCD/DCE	Being request for fund to organize Sub- committee meeting on 2025 fee fixing resolution	3,820.00
23/09/24	DCD/DCE	Request for funds to organize management meeting	4,800.00
05/06/24	DCD/DCE	Request for funds to organize District Education Oversight Committee meeting	1,600.00
15/01/24	DCD/DCE	Request for funds to service DCE vehicle	1,560.00
04/11/24	NYOGLO GHANA LTD	Procurement of Grinding mills	49,000.00
		<b>TOTAL</b>	<b>129,079.58</b>