

NANTON DISTRICT ASSEMBLY

(Office of the Nanton District Assembly)

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

Our Ref: NDAOS/10/04/11

Your Ref:



REPUBLIC OF GHANA

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

24TH July, 2025.

The Chairman Audit Committee
Nanton District Assembly
Nanton.

SUBMISSION OF INTERNAL AUDIT REPORT FOR SECOND QUARTER OF THE YEAR 2025.

We submit herewith the Internal Audit report on Fixed Assets / Stores Management, Payroll and Human Resources, Functionality of Substructures, Commitment Control Compliance Checklist (CCCC) and Review of statue of Migration onto Integrated Personnel and Payroll Data (IPPD) for the period 1st April to 30 June, 2025.

Attached also is the Management Action Plan and Status of Implementation for First Quarter 2025 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 Chieftaincy and Religious Affairs
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

SECOND QUARTER, 2025

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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 Fixed Assets Management/ Stores, Payroll and Human Resources, Functionality of Substructures, Conduct Quarterly Commitment Control Compliance (CCCC) and Review of statue of Migration onto Integrated Personnel and Payroll Data (IPPD) for the period 1st April to 30 June, 2025.

The audit was carried out by the following auditors;

Audit team

- | | |
|------------------------------|--|
| 1. Kpan-Nateg Jennifer | Head / IAU -Supervisor / Reviewer |
| 2. Alhassan Kojo Ayishetu | 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- 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 1st April to 30 June, 2025 and covered the following thrust areas: Fixed Assets/ Stores Management, Payroll and Human Resources Management, Functionality of Substructures, Conduct Quarterly Commitment Control Compliance Checklist (CCCC) and Review of status of Migration onto Integrated Personnel and Payroll Data (IPPD).

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 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:

Fixed Assets Management/ Stores

To ascertain that management has put in place measures to ensure.

- i) Government assets are properly safeguarded.
- ii) That the right procedures are followed in acquisition, maintenance and disposal of government assets.

Payroll and Human Resources

- i) To confirm that the payroll function is properly controlled and operating efficiently.
- ii) To ensure that authority for all pay entitlement is clearly defined and effectively exercised.
- iii) To ensure that employees on the payroll are valid and that leavers do not remain on the payroll.

Conduct Quarterly Commitment Control Compliance (CCCC)

To review the quarterly commitment control compliance checklist in the Nanton District Assembly.

Review of status of Migration onto Integrated Personnel and Payroll Data (IPPD)

To ensure that payroll data of all assembly staff are migrated onto Integrated and payroll data (IPPD)

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 1st April, to 30th June, 2025. The audit aimed at reviewing the internal control procedures of the Assembly.

The audit sought to ascertain and review the efficient management of Fixed Assets / Stores, Payroll and Human Resources Management, Functionality of Substructures, Conduct Quarterly Commitment Control Compliance Checklist (CCCC) and Review of statue of Migration onto Integrated Personnel and Payroll Data (IPPD) 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.

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SUMMARY OF FINDINGS AND RECOMMENDATIONS

Fixed Assets Management/ Stores

Finding 1:

Failure to maintain register of the Assembly lands

Recommendation:

Management should as a matter of urgency maintain a register of the Assembly lands which is about 60 acres on which all government structures are located and all government school lands in the district.

Finding 2:

Failure to obtain title deeds for Assembly lands

Recommendation:

The District Chief Executive and the District Coordinating Director should as a matter of urgency ensure that the Assembly lands have the necessary documentations of ownership and title deeds should be obtained.

Finding 3:

Poor maintenance culture at the Assembly

Recommendation:

Management should ensure a proactive maintenance practice of the Assembly properties and put in place a maintenance policy.

Payroll and Human Resources

Finding 4:

Validation of staff on payroll without recourse to daily attendance register

Recommendation:

The District Coordinating Director and the Human Resource Manager should ensure that only deserving staff are validated and immediately stop further validation of such staff until they return to work.

Management Personnel

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

Personnel	Title
Alhaji Mohammed Shaibu	DCE/ DCD
Hajia Sumayatu Abdallah	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 Fixed Assets / Stores Management, Payroll and Human Resources, Functionality of Substructures, Conduct Quarterly Commitment Control Compliance Checklist (CCCC) and Review of statue of Migration onto Integrated Personnel and Payroll Data (IPPD) but it operations are ineffective.

Therefore, there is the need to improve on the controls systems on the above trust areas wh ere quite a number of internal controls identified are been ineffective as reported.



AUDITOR-IN-CHARGE

24-7-2025

DATE



INTERNAL AUDITOR

24/07/2025

DATE

DETAILS AUDIT FINDINGS AND RECOMMENDATIONS.

Fixed Assets Management/ Stores

Finding 1:

Failure to maintain register of the Assembly lands

CRITERIA:

section 52(1) of the Public Financial Management Act 2016 Act 921 states: A Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.

(3) A Principal Spending Officer shall maintain a register of (a) lands and buildings under the control or possession of that Principal Spending Officer; and (b) all other assets under the control or possession of the Principal Spending Officer.

(4) The register referred to in subsection (3) (a) shall contain a record of the details of each parcel of land and each building and the terms on which the land or building is held, with reference to the conveyance, address, area, date of acquisition, disposal or major change in use, cost, lease terms, maintenance contracts and other pertinent management details.

CONDITION:

Our audit of the Assembly assets revealed that the Assembly has no register for its lands.

CAUSE:

The District Chief Executive and the District Coordinating Director are reluctant of maintaining a register for the Assembly lands.

EFFECTS:

This may lead to litigation and loss of the Assembly lands to encroachers.

RECOMMENDATION:

Management should as a matter of urgency maintain a register of the Assembly lands which is about 60 acres on which all government structures are located and all government school lands in the district.

MANAGEMENT RESPONSE

Management has started the process of getting a register for the Assembly lands.

Finding 2:

Failure to obtain title deeds for Assembly lands

CRITERIA:

section 52(1) of the Public Financial Management Act 2016 Act 921 states: A Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.

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CONDITION:

The audit of the Assembly fixed Assets revealed that lands belonging to the Assembly do not have the necessary ownership documentation and title deeds.

CAUSE:

This anomaly is due to administrative lapses on the part of management.

EFFECTS:

This may lead to loss of lands through litigations

RECOMMENDATION:

The District Chief Executive and the District Coordinating Director should as a matter of urgency ensure that the Assembly lands have the necessary documentations of ownership and title deeds should be obtained.

MANAGEMENT RESPONSE

This is due to the chieftaincy issues in the district but management is working on acquiring all the necessary documentation for all assembly lands.

Finding 3:

Poor maintenance culture at the Assembly

CRITERIA:

section 52(1) of the Public Financial Management Act 2016 Act 921 states: A Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.

(2) A control system specified in subsection (1) shall be capable of ensuring that
(a) Preventive mechanisms are in place to eliminate theft, loss, wastage and misuse; and
(b) Processes, whether manual or electronic, and procedures are in place for the effective, efficient, economical and transparent use of the assets

CONDITION:

The audit team observed that the Assembly have a poor maintenance culture of its office equipment and building such as broken door at the registry department and louver blades in most of the offices in the Assembly.

CAUSE:

Lack of preventive maintenance practice in the Assembly.

EFFECTS

The cost of maintenance may become capital intensive

RECOMMENDATION:

Management should ensure a proactive maintenance practice of the Assembly properties and put in place a maintenance policy.

MANAGEMENT RESPONSE

Management has started the process undertaken maintenance works on affected offices and also institute proactive maintenance culture in the Assembly.

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. .

The trust area concerning the sub-structures, we observed that management have made some progress and is now pending inauguration of the unit committee members.

Nanton District Assembly have not committed funds to execute on either works, goods or services from January to June 2025 and as a results the Internal Audit Unit would not be able to report on the Commitment Control Compliance Checklist (CCCC).

Review of statue of Migration onto Integrated Personnel and Payroll Data (IPPD)
The reviewed of the payroll documents of the Assembly by audit team revealed that all staffs paid through the Controller and Accountant General Department (CAGD) are migrated onto the Integrated Personnel and Payroll Data (IPPD)

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 and cannot support the operation of the GIFMIS system

**NANTON DISTRICT ASSEMBLY
MANAGEMENT ACTION PLAN FOR SECOND QUARTER OF THE 2025 INTERNAL AUDIT REPORT**

S/N	Findings	Recommendation	Risk Rating of Finding (High, Medium, Low)	Management Comment	Implementation Date	Officer Responsible
1	Failure to maintain register of the Assembly lands	Management should as a matter of urgency maintain a register of the Assembly lands which is about 60 acres on which all government structures are located and all government school lands in the district	High	Management has started the process of getting a register for the Assembly lands	31/12/25	District Chief Executive, District Coordinating Director and Physical planning Officer
2	Failure to obtain title deeds for Assembly lands	The District Chief Executive and the District Coordinating Director should as a matter of urgency ensure that the Assembly lands have the necessary documentations of ownership and title deeds should be obtained.	High	This is due to the chieftaincy issues in the district but management is working on acquiring all the necessary documentation for all assembly lands.	31/12/25	District Chief Executive, District Coordinating Director and Physical planning Officer
3	Poor maintenance culture at the Assembly	Management should ensure a proactive maintenance practice of the Assembly properties and put in place a maintenance policy.	High	Management has started the process to undertaken maintenance works on affected offices.	31/12/25	District Coordinating Director and District Works Engineer
4						

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: 1ST JANUARY, 2025-31TH MARCH, 2025.

S/N	FINDING	RECOMMENDATION	STATUS OF IMPLEMENTATION	ACTION TAKEN/PROPOSED TO BE TAKEN	TIMELINES	RESPONSIBLE OFFICER	REMARKS
1	Failure to obtain official receipts from payees (Ghc 16,000.00)	The District Finance Officer should comply with the above provisions and ensure that all payment vouchers are supported with the accompanying official receipts.	Implemented	The recommendation is noted and the receipts will be retrieved and attach to the payment voucher for your verification	30/06/25	<i>District Finance Officer/schedule Accounts Officer</i>	<i>No further action required</i>
2	Payment for monitoring activities not supported with monitoring reports GH¢ 350,910.86)	The District Planning Officer should ensure that monitoring activities reports are prepared and duly signed for audit inspection	Implemented	Management will ensure that the monitoring reports are retrieved and attach to the payment vouchers for your verification	30/06/25	<i>District Finance Officer</i>	<i>No further action required</i>
3	Failure to procure through Ghana Electronic Procurement	The District Coordinating Director, District Finance Officer and the District Procurement Officer should ensure that procurement are done through	For future implementation	The Assembly is not connected in to the GHANEPS Platform The Procurement Officer wrote to the PPA on the	30/06/25	<i>District Procurement Officer</i>	<i>No further action required</i>

	System (GHANEPS)	Ghana Electronic Procurement System (GHANEPS) as required by law		issue but have not received responses.				
4	Failure to prepare evaluation report before awarding contracts (Ghc 218,250.86)	Management should ensure that evaluation reports are prepared timely for all procurement of goods, works and services	Implemented	Management noted the recommendation and wish to state that the evaluation reports are available and will be attach to the payment voucher for your verification	30/06/25	District Procurement Officer	No further action required	
5	Failure to develop an Anti – Corruption Action Plan for the Assembly.	Management should ensure that an Anti – corruption Action plan is developed for the Assembly	In process	Management have developed the National Anti-corruption Action Plan for the Assembly and have started its implementation	30/06/25	District Coordinating Director	Further action required	