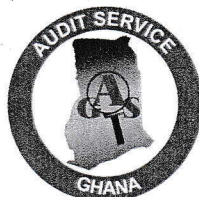


AUDIT SERVICE

In case of reply the
number and date of the
letter should be quoted



Good Governance
and Accountability

My Ref. No:WR/LA/DA.39^A/V.II/08

Your Ref. No:

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

Fax: 233 (0) 302 6751495

Website: www.ghaudit.org

P. O. Box31

Takoradi

17 June 20 21

The Presiding Member
Shama District Assembly
Shama

Dear Sir,

**ANNUAL AUDIT REPORT ON THE ACCOUNTS OF SHAMA
DISTRICT ASSEMBLY FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2020**

Introduction

We have examined the accounts of the Shama District 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;
 - b. Comparative Statements of Revenue and Expenditure for the year ended 31 December 2020;
 - c. Comparative Statement of Revenue for the year ended 31 December 2020;
 - d. Comparative Statement of Expenditure for the year ended 31 December 2020;
 - e. Statement of Cash Flow for the year ended 31 December 2020;
 - f. Schedule of Accumulated Surplus for the year ended 31 December 2020 and
 - g. Schedule and Notes to the Accounts for the year ended 31 December 2020.

Manner in which the accounts were kept and rendered for audit

3. The accounts were satisfactorily maintained and were submitted on 17 February 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 Assembly's total revenue increased by GH¢63,852.43 from GH¢6,617,163.17 in 2019 to GH¢6,681,015.60 in 2020. The Assembly however achieved 59.27% of its revenue target of GH¢11,271,430.00 resulting in a shortfall of GH¢4,590,414.40 during the period under review as shown below;

	2020	2020	
Revenue Head	Budget GH¢	Actual GH¢	Variance GH¢
Internally Generated Fund	3,201,111.00	1,669,284.25	(1,531,826.75)
Grants	8,070,319.00	5,011,731.35	(3,058,587.65)
Total	11,271,430.00	6,681,015.60	(4,590,414.40)

7. The District Assembly Common Fund and other Funds continued to be the major source of revenue to the Assembly, as they contributed 75.01% to the total income of the Assembly in 2020 financial year.

Expenditure

8. The total expenditure also increased from GH¢5,166,619.29 in 2019 to GH¢9,881,819.00 in 2020 representing a growth of GH¢4,715,199.71 over the previous year. The expenditure control was undermined as the Assembly spent GH¢1,120,245.00 in excess of the approved estimates of GH¢8,761,574.00 as shown below;

	2020	2020	
Expenditure Head	Budget GH¢	Actual GH¢	Variance GH¢
Compensation of Employees	2,387,696.00	3,497,939.00	(1,110,243.00)
Goods & Services	4,894,365.00	5,423,040.00	(528,675.00)
Other Expenses	1,479,513.00	960,840.00	518,673.00
Total	8,761,574.00	9,881,819.00	(1,120,245.00)

Operational Results

9. The financial operations of the Assembly resulted in a deficit of GH¢3,200,803.40 compared with the previous year's surplus of GH¢1,450,543.88 as shown below:

	2020	2019	
Head	Actual GH¢	Actual GH¢	Increase/(Decrease) GH¢
Revenue	6,681,015.60	6,617,163.17	63,852.43
Expenditure	9,881,819.00	5,166,619.29	4,715,199.71
Total	(3,200,803.40)	1,450,543.88	(4,651,347.28)

Statement of Financial Position as at 31 December 2020

Assets

10. **Cash and Cash Equivalent - GH¢399,469.29:** - This represents bank balances in the various bank accounts held by the Assembly as at 31 December 2020.

11. **Advances - GH¢163,069.24:** These are unrecovered salary advances granted to officers of the Assembly.

12. **Infrastructure, Plant and Equipment - GH¢4,591,080.19:**

This figure represents the value of completed projects during the year under review.

13. **Work - in- Progress - GH¢3,575,761.35:**

The amount represents total amount spent on ongoing projects during the year.

Liabilities

14. **Sundry Payables - GH¢1,167,787.79:** This represent amount due contractors and suppliers as at 31 December 2020.

15. **Accumulated Fund - GH¢7,235,453.80:**

The favourable balance of GH¢10,436,257.67 brought forward at the beginning of the year decreased to GH¢7,235,454.27 as a result of a deficit of GH¢3,200,803.40 realised during the year under review.

Acknowledgement

16. We are grateful to the District 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 District Coordinating Director
Shama District Assembly
Shama

The District Finance Officer ✓
Shama District Assembly
Shama

The District Auditor
Takoradi District 'A'
Takoradi

OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENT

Introduction

We have, in accordance with Section 11 of the Audit Service Act, 2000 (Act 584), audited the accounts and financial statements of **SHAMA DISTRICT 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.

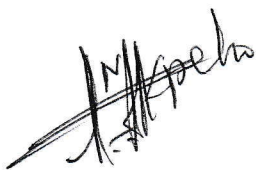
We planned and performed our audit so as to obtain all the information and explanation which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud or any other irregularity 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 govern them. In forming our opinion, we also evaluated the overall adequacy of the presentation of

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

Audit Opinion

We have examined the financial statements and the supporting schedules of the **SHAMA DISTRICT 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

SHAMA DISTRICT ASSEMBLY
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

		2019 GH¢	2020 GH¢
ASSETS	Notes		
CURRENT ASSETS			
Cash and Cash Equivalents	10	932,756.26	399,469.29
Advances	11	-	(163,069.24)
		<u>932,756.26</u>	<u>236,400.05</u>
TOTAL CURRENT ASSET			
NON CURRENT ASSETS			
Receivables		-	-
Equity Investments		-	-
Infrastructure, plant and Equipment	13	4,014,779.24	4,591,080.19
Work In-Progress	15	3,476,573.30	3,575,761.35
		<u>7,491,352.54</u>	<u>8,166,841.54</u>
TOTAL NON-CURRENT ASSET			
		<u>8,424,108.80</u>	<u>8,403,241.59</u>
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
Sundry Payables	16	1,365,283.05	1,167,787.79
Other Payables		-	-
Deposits and Other Trust Monies		-	-
Short-term borrowings		-	-
		<u>1,365,283.05</u>	<u>1,167,787.79</u>
TOTAL CURRENT LIABILITIES			
NON- CURRENT LIABILITIES			
Domestic (Retension)		-	-
		<u>-</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES			
		<u>1,365,283.05</u>	<u>1,167,787.79</u>
TOTAL LIABILITIES			
		<u>7,058,825.75</u>	<u>7,235,453.80</u>
NET ASSETS			
CONTRIBUTED BY			
Surpluses / (Deficits) For the year		1,450,543.88	(3,200,803.87)
Accumulated Surpluses /(Deficits) B/F	30	5,608,281.87	10,436,257.67
NETWORK		<u>7,058,825.75</u>	<u>7,235,453.80</u>

RICHARD KWAME BLEVI
DISTRICT COORDINATING DIRECTOR

ASARE THOMAS OHENE DWIRA
DISTRICT FINANCE OFFICER

SHAMA DISTRICT ASSEMBLY
STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

REVENUE HEAD	NOTE	2019		2020	
		ANNUAL BUDGET GH¢	ACTUAL GH¢	ANNUAL BUDGET GH¢	ACTUAL GH¢
RECEIPTS	2				
Rates	3	416,200.00	390,332.20	590,146.00	542,690.00
Land and Concessions	4	50,000.00	21,680.00	1,030,000.00	6,357.00
Fees and Fines	5	195,300.00	223,951.30	176,175.00	133,753.00
Licenses	6	1,125,760.00	699,363.34	1,345,290.00	979,762.00
Rent	7	5,500.00	678.00	59,500.00	6,768.00
Grants	8	9,494,083.12	5,278,582.83	8,070,319.00	3,176,584.00
Investment Income	9		1.00		
Miscellaneous		500.00	2,574.50		
TOTAL RECEIPTS		11,287,343.12	6,617,163.17	11,271,430.00	4,845,914.00
PAYMENTS	10				
Compensation of Employees	11	2,047,779.09	1,939,255.18	2,387,696.00	151,605.00
Goods and Services	12	3,629,871.00	2,805,575.91	4,894,365.00	3,496,469.84
Interest	13		1.00		
Grants	14		5,500.00	66,742.00	2,050.00
Social Benefits	15	60,000.00	416,287.20	1,422,771.00	958,790.00
Other Expenses	16	435,000.00	382,917.04	2,056,694.00	483,056.78
Non-Financial Assets	17	4,333,988.22	305,802.80	1,194,894.00	287,229.35
Other Payments (W/P)	18	780,704.81			
TOTAL PAYMENTS		11,287,343.12	5,855,339.13	12,023,162.00	5,379,200.97
Net Receipts/Payments			761,824.04	(751,732.00)	(533,286.97)
Cash and Bank Balances at Beginning			170,932.22		932,756.26
Cash and Bank Balances at Close			932,756.26		399,469.29

RICHARD KWAME BLEVI
DISTRICT COORDINATING DIRECTOR

ASARE THOMAS OHENE DWIRA
DISTRICT FINANCE OFFICER

SHAMA DISTRICT ASSEMBLY
STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2020

REVENUE HEAD	RECEIPTS	NOTE	2019		2020	
			ANNUAL BUDGET GH¢	ACTUAL GH¢	ANNUAL BUDGET GH¢	ACTUAL GH¢
Rates	2		416,200.00	390,332.20	590,146.00	542,690.00
Land and Concessions	3		50,000.00	21,680.00	1,030,000.00	6,357.00
Fees and Fines	4		195,300.00	223,951.30	176,175.00	133,707.46
Licenses	5		1,125,760.00	699,363.34	1,345,290.00	979,761.79
Rent	6		5,500.00	678.00	59,500.00	6,768.00
Grants	7		9,494,083.12	5,278,582.83	8,070,319.00	5,011,731.35
Investment Income	8		-	1.00	-	-
Miscellaneous	9		500.00	2,574.50	-	-
TOTAL RECEIPTS			11,287,343.12	6,617,163.17	11,271,430.00	6,681,015.60

PAYMENTS						
Compensation of Employee:	10		2,047,779.09	1,939,255.18	2,387,696.00	3,497,939.00
Goods and Services	11		3,629,871.00	2,805,575.91	4,894,365.00	5,423,040.00
Interest	13		-	-	-	-
Grants	14		-	1.00	-	-
Social Benefits	15		60,000.00	5,500.00	56,742.00	2,050.00
Other Expenses	16		435,000.00	416,287.20	1,422,771.00	958,790.00

TOTAL RECEIPTS

6,172,650.09	5,166,619.29	8,761,574.00	9,881,819.00
--------------	--------------	--------------	--------------

SURPLUS/DEFICIT

1,450,543.88	-	2,509,856.00	(3,200,803.40)
--------------	---	--------------	----------------

RICHARD KWAME BLEVI
DISTRICT COORDINATING DIRECTOR

ASARE THOMAS OHENE DWIRAH
DISTRICT FINANCE OFFICER

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2020

CASH FLOW FROM OPERATING ACTIVITIES	NOTES	2020 GH¢	2019 GH¢
Cash Receipts From Operating Activities			
Grants		3,176,584.00	5,278,582.83
Other Revenue		<u>1,669,330.00</u>	<u>1,338,580.34</u>
		<u>4,845,914.00</u>	<u>6,617,163.17</u>
Cash Payments From Operating Activities			
Compensation of Employees		(151,605.00)	(1,939,255.18)
Goods and Services		(3,496,469.84)	(2,805,575.91)
Interest		-	(1.00)
Grant		(2,050.00)	(5,500.00)
Social Benefits		<u>(958,790.00)</u>	<u>(416,287.20)</u>
Other Expenses		<u>(4,608,914.84)</u>	<u>(5,166,619.29)</u>
Net cash flow from operating activities		<u>236,999.16</u>	<u>1,450,543.88</u>
 CASH FLOW FROM INVESTING ACTIVITIES			
Purchase/Granting of non-financial assets			
Non-Financial Assets		(483,056.78)	(382,917.04)
Inventory		-	-
W I P		<u>(287,229.35)</u>	<u>(305,802.80)</u>
Cash outflow from investing in non-financial assets		<u>(770,286.13)</u>	<u>(688,719.84)</u>
 Sale/Recovery of non-financial assets			
Non-Financial Assets			
Inventory			
W I P			
Cash inflow from sale of non-financial assets		<u>-</u>	<u>-</u>
Net cash flow from investment in Financial assets		<u>(770,286.13)</u>	<u>(688,719.84)</u>
 CASH FLOW FROM FINANCING ACTIVITY			
DOMESTIC			
INFLOWS			
OUTFLOWS			
Net incurrence of domestic liability			
FOREIGN			
INFLOWS			
OUTFLOWS			
Net incurrence of foreign liability			
NET CHANGE IN STOCK OF CASH		<u>(533,286.97)</u>	<u>761,824.04</u>
Cash and cash equivalent @ beginning		<u>932,756.26</u>	<u>170,932.22</u>
Cash and cash equivalent @ close		<u>399,469.29</u>	<u>932,756.26</u>