

**QUARTERLY INTERNAL AUDIT
REPORT**

INTERNAL AUDIT UNIT

A03



KWABRE EAST MUNICIPAL ASSEMBLY



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**THIRD QUARTER INTERNAL AUDIT REPORT
2025**

FOR THE QUARTER ENDING 30TH SEPTEMBER 2025

INTERNAL AUDIT REPORT 30/09/2025



KWABRE EAST MUNICIPAL ASSEMBLY



Republic of Ghana

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SUBMISSION OF INTERNAL AUDIT REPORT FOR THE THIRD QUARTER ENDING 30TH SEPTEMBER, 2025

I submit herewith the attached Internal Audit Report for the Third Quarter ending 30th September, 2025 for your information and necessary action, please.

for: MUNICIPAL CHIEF EXECUTIVE
(RANSFORD NYARKO)

Ag. MUNICIPAL CO-ORD. DIRECTOR

**THE AUDIT COMMITTEE CHAIRMAN
KWABRE EAST MUNICIPAL ASSEMBLY
MAMPONTENG**

Cc: The Director General
Internal Audit Agency.
PMB 31
Accra

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Office of the Head of Local Gov't Service
Accra

The Minister
Ministry of Local Gov't, and Chieftancy
and Religious Affairs
Accra

The Regional Minister
Ashanti Regional Coordinating Council
Kumasi

The Auditor General
Ghana Audit Service
Accra

The Presiding Member
Kwabre East Municipal Assembly
Mampong-Ashanti

The Municipal Chief Executive
Kwabre East Municipal Assembly
Manpong -Ashanti

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INTERNAL AUDIT REPORT REFERENCE No. KEMA/IA/QR/03/25**TYPE OF REPORT: FINAL REPORT****DEPARTMENT/ SECTIONS/UNITS/KEY FUNCTIONAL AREAS COVERED**

S/No	SECTION	FUNCTIONAL AREAS	AUDIT TEAM
1	CORPORATE GOVERNANCE.	SUBCOMMITTEE FILES, REPORTS AND DOCUMENTS	JOHN K. N. OKRAH STEPHEN PAMBOUR A. ADU SARFO PHILIP JOSEPHINE SARFOWAA K.
2	FUEL AND TRANSPORT MANAGEMENT	VEHICLE LOG BOOKS, FUEL STOCK BOOKS, VEHICLE SERVICING SCHEDULE, INSURANCE POLICIES, HISTORY CHART	
3.	REVENUE MANAGEMENT	VALUE BOOKS, REVENUE CASH BOOK, PAY IN SLIPS	

DISTRIBUTION OF REPORT

S/NO	TITLE OF RECIPIENT	INSTITUTION
1	THE CHAIRMAN	AUDIT COMMITTEE- KEMA
2	THE DIRECTOR GENERAL	INTERNAL AUDIT AGENCY- ACCRA
3	THE HEAD OF SERVICE	OFFICE OF THE HEAD OF LOCAL GOV'T SERVICE- ACCRA
4	THE HON. MINISTER	MINISTRY OF LOCAL GOV'T, CHIEFTAINCY AND RELIGIOUS AFFAIRS – ACCRA
5	THE HON. MINISTER	ASHANTI REGIONAL CO-ORD. COUNCIL – KUMASI
6	THE AUDITOR GENERAL	GHANA AUDIT SERVICE – ACCRA
7	THE MUNICIPAL CHIEF EXECUTIVE	KWABRE EAST MUNICIPAL ASSEMBLY- MAMPONTENG
8	THE MUNICIPAL CO-ORD. DIRECTOR	KWABRE EAST MUNICIPAL ASSEMBLY- MAMPONTENG

INTRODUCTION

The Internal Audit Unit (IAU) of Kwabre East Municipal Assembly conducted audit review of Corporate Governance, Fuel and Transport Management and Cash Management in compliance with Section 16 Subsection 3 and 4 under Part II of the Internal Audit Agency Act, 2003, (ACT 658), Section 83 Subsection 7 of the Public Financial Management Act, 2016 (ACT. 921) and Section 175 Subsection 4 (b) of the Local Governance Act, 2016 (ACT 936).

The purpose of the audit was to provide an independent, objective assurance and consulting services to add value for the improvement of the effectiveness and efficiency of risk management, governance and internal control processes to improve upon the overall operations of the Assembly.

BACKGROUND

Kwabre East Municipal Assembly exists to create wealth and development through effective and efficient service provision to ensure that Assets and Resources were safeguarded for sustainable development. The Internal Audit Unit was to provide an independent, objective assurance and consulting services design to add value for the improvement of the effectiveness and efficiency of risk management, governance and internal control processes to improve upon the overall operations of the Assembly.

The thrust areas audited was in accordance with the approved Risk-Based Internal Audit Annual Work Plan and Budget for the year 2025.

EXECUTIVE SUMMARY

This section was intended to provide audit perspective, and highlights on a summarized basis the significant findings as follows; Rent Defaulters, non-functioning of Public Relations and Complaints Committee, Failure to put in place Municipal Education Oversight committee, Non-functioning of Sub-structures, Unaccounted of fuel through vehicle log books and stores, Failure to keep tools list on vehicles.

SCOPE OF WORK

The scope of audit included the review and assessment of all records and processes relevant to Kwabre East Municipal Assembly's Corporate Governance, Fuel and Transport Management for the period 1st January to 30th September, 2025.

We also reviewed how well the internal control measures put in place were complied with by management.

AUDIT OBJECTIVES

The objectives of the audit were to assess the adequacy of the internal controls, policies, regulations and procedures implemented by management to mitigate risk relating to Corporate Governance, Fuel and Transport Management and cash management as follows;

1. To ascertain whether all required systems and governance structure exist and operating effectively to ensure effective execution of the mandate of the Assembly.
2. To evaluate the effectiveness and efficiency of the Assembly's corporate governance, fuel and transport management process.
3. To ensure that fuel purchased is used in the ordinary course of business of the Assembly an
4. To ensure that Assembly's Vehicular Fleet is properly maintained and the usage is authorized for the discharging of the Assembly's business.
5. To determine the level of compliance with applicable laws, regulations and policies related to corporate governance, fuel and transport management.
6. To verify that rent due from bungalow occupants are regularly and promptly collected.

APPROACH AND METHODOLOGY

The audit was conducted using the risk-based approach where the riskiest areas were considered to include;

1. Vouching of documents
2. Assessment of corporate governance structures
4. Interviews of key personnel.

Accordingly, the audit findings were developed based on the five attributes of criteria, condition, cause, effect as well as recommendation. Responses from management, where appropriate were incorporated in this report.

The audit was conducted in accordance with the Global Standards for the professional practice of Internal Auditing and the applicable laws and regulations of Ghana.

KEY MANAGEMENT PERSONNEL

S/No	NAME	DESIGNITION	PERIOD IN OFFICE
1.	HON. JOSEPH AMANKWAH	MUNICIPAL CHIEF EXECUTIVE	7 APRIL. 2025 TO DATE
2	MR. FRANCIS KYEI	MUNICIPAL CO-ORD. DIRECTOR	5 JUNE 2024 TO DATE
3	MR, DANIEL K. AGYEMANG	MUNICIPAL FINANCE OFFICER	28 FEB. 2022 TO DATE
4	MR. JOSHUAH AGYEI BOATENG	MUNICIPAL BUDGET ANALYST	11 MAR.2024 TO DATE
5	ABIGAIL MAGTI	MUNICIPAL PLANNING OFFICER	18 FEB. 2021 TO DATE
6	ERIC OPPONG AGYEMANG	MUNICIPAL WORKS ENGINEER	2 JAN. 2019 TO DATE
7	ABDUL RAHIM ALHASSAN	MUNICIPAL TRANSPORT OFFICER	16 MAY 2017 TO DATE
8	JOSEPH AWUSI	MUNICIPAL PROCUREMENT OFFICER	28 DEC.2023 TO DATE
9	MOHAMMED ABDUL-AZIZ	MUNICIPAL H.R. MANAGER	16 MAR.2021 TO DATE
10	VICTOR ADDEI	PROCUREMENT OFFICER	AUGUST, 2025 TO DATE

AUDIT TEAM

The following Auditors conducted the third quarter of 2025 audit:

1. Agyemang Pambour Stephen -Senior Internal Auditor (Team Leader)
2. Josephine Sarfowaa Kyei - Assistant Internal Auditor (Member)
3. Adu Sarfo Philip - Assistant Internal Audit Trainee (Member)

The report was reviewed by John K. N. Okrah, Director of Internal Audit.

SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS

1. Rent Defaulters

We recommended to management to ensure that the affected individuals pay the amount of rent owed to the assembly from the beginning of the year up to date including any arrears from the previous years.

2. Non-functioning of Public Relations and Complaints Committee

We recommended that as matter of urgency the Municipal Co-ordinating Director should put things together to ensure that the Assembly Public Relations and Complaints Committee in place for the dissemination of information and resolution of grievances in the municipality.

3. Failure to implement Municipal Education Oversight committee (MEOC)

We recommended to the Municipal Co-ordinating Director and Management of the Assembly to ensure the establishment of Municipal Education Oversight Committee to execute their mandate in the municipality

4. Non-functioning of Sub-structures

We recommended that management of the Assembly should as matter of urgency ensure proper functioning of the Assembly sub-structures in order to boost its revenue generating capabilities.

5. Unaccounted of fuel through vehicle log books and stores

We recommended that henceforth any fuel issue to a vehicle must be recorded in the vehicle log books to ensure proper accountability and good fleet management.

6. Failure to keep tools list on vehicles

Management should take immediate action to provide each vehicle with the relevant safety equipment and tools.

DETAILED FINDINGS AND RECOMMENDATION

Finding 1 Rent Defaulters =GH¢ 2,280.00

Criteria

Part 1 paragraph 2(b) of Financial Memoranda for MMDA's; it shall be the quarterly financial duty of the finance and administration sub-committee; (b) To examine the advances accounts to see that repayments are being made regularly, and to take any action necessary if they are not.

Condition

During our audit it was revealed that some of the Assembly staff who occupied the bungalows owes rent to the Assembly. Below is the details of individuals and the amount of rent owes to the Assembly from 1st January, 2025 to 30th September, 2025.

SN	NAME OF OCCUPANT	MONTHLY RATE	MONTHS DEFAULTED	AMOUNT GH¢
1	Eric Oppong Agyemang	60	8	480.00
2	Joshua Adjei Boateng	60	9	540.00
3	Collins Owusu Ansah	40	3	120.00
4	Abdul-Aziz Mohammed	40	9	360.00
5	Seth Owusu	40	4	160.00
6	Justice Boateng	20	4	80.00
7	George Duah	20	6	120.00
8	Anthony Senyah	20	3	60.00
9	Stephen Attah Gyamfi	40	9	360.00
	TOTAL			<u>2,280.00</u>

Cause

This is as result of the negligence on the part of individual involved towards their responsibilities to pay their rent to the assembly.

Effect

This deny the Assembly the needed revenues or funds for the developmental projects and programs in the municipality.

Recommendation

We recommended to management to ensure that the affected individuals pay the amount of rent owed to the Assembly from the beginning of the year up to date including any arrears from the previous years.

Management Response

Recommendation well noted. However, Management has checked with the Revenue Head, who indicated that some members of staff have paid up to the end of 2025. Nevertheless, Management has instructed the Revenue Head to ensure that defaulters are reminded to pay and submit a list of those who have refused to pay, for the necessary action to be taken against them.

Finding 2 Non-functioning of Public Relations and Complaints Committee

Criteria

Local Governance Act 2016, ACT 936 Section 26 & 27 requires that:

26 (1) A District Assembly shall have a public relations and complaints committee.

27 (1) the public relations and complaints committee shall

- (a) Educate the members of the public on the activities of the District assembly;
- (b) Promote transparency, probity and accountability in the dealings of the District Assembly to the public
- (c) Investigate complaints or allegations made against the conduct of the District Chief Executive, members of the District Assembly, staff of the District Assembly and staff of the department of the District Assembly.

Condition

Public relations and complaints committee plays a crucial role in modern government by facilitating the exchange of information and engagement with citizens, stakeholders, and the media. Our audit review revealed that the Assembly's public relations and complaints committee is functioning as no single meeting minutes was sighted.

Cause

This is as a result of lack of good corporate governance of the Assembly to ensure the dissemination of information across the municipality about the government policies, projects and programs.

Effect

The effect of lacking Public Relations and Complaints Committee is a loss of trust, poor communication and unresolved public grievances in the municipality.

Recommendation

We recommended that as matter of urgency the Municipal Co-ordinating Director should put things together to ensure that the public relations and complaints committee discharge their duties for the dissemination of information and resolution of grievances in the municipality.

Management Response

Management wishes to clarify that the Public Relations and Complaints Committee is functional. However, its activities were temporarily delayed due to the incomplete composition of the Assembly, which required the inclusion of government appointees to make a full complement. The PRCC meeting is scheduled on 23rd October, 2025. The invitation letter is attached to the response.

Finding 3 Failure to put in place Municipal Education Oversight committee

Criteria

Education Act 2008 (Act 778) Section 22(6); the District Assembly shall appoint a District education oversight committee consisting of

- (a) The District Chief Executive, as the chairman, or in the absence of the district chief executive, the chairman of the subcommittee responsible for education shall preside at the meeting of the oversight committee.
- (b) The chairman of the subcommittee responsible for education
- (c) The district director of education, who shall also be the secretary of the oversight committee
- (d) The District Director of health etc.

Condition

During our audit reviewed it was discovered that the Assembly do not have Municipal Education Oversight Committee in place to oversee, monitor and improves educational standards within the municipality by addressing key issues like school infrastructure, teacher welfare and student performance.

Cause

This is due to lack of adherence to governance structures on the part of the Municipal Co-ordinating Director to ensure that the Assembly have one of such committee in place.

Effect

The lack of a municipal education oversight committee can lead to a decline in educational quality due to non-supervision and checks on the schools.

Recommendation

We recommended to the Municipal Co-ordinating Director and Management of the Assembly to ensure the establishment of Municipal Education Oversight Committee to function well.

Management Response

The MEOC was reconstituted on 16th March, 2023. However, the committee is unable to hold its quarterly meeting as it should. Measures would be put in place to ensure regular meetings are held. A copy of the invitation letter to the inaugural meeting is attached to the response.

Finding 4 Non-functioning of Sub-structures

Criteria

Part 1 section 2(1) of Local government Act, 2016 (Act 936), the areas of authority of the Sub-metropolitan District councils, Urban councils, Town councils, Area councils and Unit committees in existence before this act shall continue to exist.

Condition

During our audit we found out that the substructures of the Assembly are six (6) in number but only two (2) are functioning properly whilst the rest are not functioning as required by good corporate governance practice.

Cause

The non-functioning of the substructures is as a result of factors such as inadequate funding, lack of office space and logistics.

Effect

The nonfunctioning of the substructure affect the local government participation and decision making, and revenue generation in electoral areas in the municipality.

Recommendation

We recommended that management of the Assembly should as matter of urgency ensure proper functioning of the substructures in order to boost its revenue generating capabilities and for local level participation in governance.

Management Response

Management acknowledges the concern raised regarding the functionality of the substructures. We wish to clarify that the substructures are operational; however, currently, only two are functioning as required.

Staff have been assigned to the respective substructures, but their effectiveness has been limited due to logistical challenges. Measures would be put in place to ensure that the others function efficiently and effectively.

Finding 5 Unaccounted of fuel through vehicle log books and stores=GH¢ 32,400.00

Criteria

Regulation 1604 of stores regulations 1984; A vehicle log book shall be maintained for each vehicle and shall always be carried on the vehicle. Journeys undertaken shall be recorded and full particulars of receipts of fuel, oil and lubricants shall be entered up daily in the log book by the driver. Recordings in the

log book shall be made in duplicate. All journeys recorded in the log book shall be certified by the officer using the vehicle.

Condition

During our audit it was revealed that there were fuel issued to Official vehicles which were not accounted for in the vehicle log books and stores.

Details bellow

S/No	VEHICLE NO	REPONSIBLE OFFICER	AMOUNT	REMARKS
1	Toyota Hilux	MCE	12,000.00	
2	GC 2234-19	MCD	8,000.00	
3	GV 973-19	REVENUE OFFICER	3,200.00	
4	GN 8265-18	WORKS DEPT	3,200.00	
5	GV 733-19	POOL	3,200.00	
6	GN2278-11	POOL	<u>2,800.00</u>	
	TOTAL		<u>32,400.00</u>	

Cause

Inaccurate or incomplete vehicle log books are a major source of discrepancies, leading to an inability to track fuel usage and whether the fuel was used for the ordinary business of the Assembly.

Effect

Unaccounted fuel in vehicle logbooks and stores lead to financial losses, decreased operational efficiency and a higher risk of fuel theft and corruption. The assembly suffer from increased costs, reduced vehicle performance and inaccurate data for fleet management.

Recommendation

We recommended that henceforth any fuel issue to a vehicle must be recorded in the vehicle log books to ensure proper accountability and good fleet management.

Management Response

Your recommendation is well noted. However, checks on the drivers' log books indicate that some of them have logged up to date, while others have arrears. Eg., vehicle No. GV 733-19 is up to date. Nevertheless, Management has instructed the Transport Officer to supervise the drivers to ensure regular logging of fuel consumed.

Finding 6 Failure to keep tools list on vehicles

Criteria

Regulation 1619 of stores regulation 1984; A tool list shall be kept on the vehicle.

Condition

During our audit we found out that the Assembly official vehicles do not have safety equipment and tool list of the vehicles such as jack, wheel spinner, fire extinguisher, first aid box etc.

Cause

This is as a result of gross negligent of responsibilities on the part of the Transport Officer and Drivers.

Effect

Without these safety equipment and tools there is a high risk of injury and damage in case of fire to users of these vehicles.

Recommendation

Management should take immediate action to provide each vehicle with the relevant safety equipment and tools.

Management Response

Recommendation well taken. Management has instructed the Transport Officer to initiate the procurement process to purchase the tool list for all official vehicles.

CONCLUSION

The Assembly has generally effective Corporate Governance system and Fuel Management system in place, with some opportunities for improvement. Our audit revealed that, the Assembly has implemented adequate controls over corporate governance and fuel management. However, we identified some areas that require the attention of Management to enhance the efficiency, effectiveness and compliance of corporate governance and fuel management processes

We therefore urge management to implement all the above recommendations to ensure the efficient and effective running of the Assembly.

ACKNOWLEDGEMENT

We wish to express our sincere gratitude to Management and staff of Kwabre East Municipal Assembly for their support and co-operation they accorded the audit team throughout our audit.

JOHN K. N. OKRAH
(DIRECTOR OF INTERNAL AUDIT)