

BONO REGION

Introduction

178. In 2020, total DACF allocations to the 12 Assemblies in the Region was GH¢20,675,128.04. A total of GH¢5,889,726.05 was deducted at source from the DACF allocations in favour of the Assemblies' Service Providers leaving net cash transfers of GH¢14,785,401.99 representing 71.51 percent of the total allocations shown in Appendix 'A'.

Cash irregularities

Unsupported payments - GH¢238,001.44

179. Regulation 78 of the PFMR, 2019 (L.I. 2378) provides, among other things, that a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of the covered entity, the validity, accuracy and legality of the claim for the payment and that evidence of services received, certificates for work done and any other supporting document exists.

180. However, we noted that, management of three Assemblies failed to properly substantiate 11 payment vouchers with receipts and invoices in respect of goods and services procured. Details are provided below:

Assembly	Account	Particulars	No. of PVs	Amount
Berekum East	DACF	Documentary on projects, support to amour training school-Sunyani and election security.	3	25,900.00
Tain	MPs Fund	Supply of cement, iron rods, sugar and rice for Ramadan etc.	7	149,101.44
Wenchi	MPs Fund	Supply of disaster relief items	1	63,000.00
Total			11	238,001.44

181. We could therefore not confirm the authenticity of the payments.

182. We recommended that the amount of GH¢238,001.44 should be recovered from the Co-ordinating Directors and Finance Officers.

Acquisition of Land for lorry terminal without Title Deeds - GH¢30,000.00

183. Section 52 of PFMA, 2016 (Act 921) states that 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 system exist for the custody and management of the assets.

184. Our audit of Dormaa Central Municipal Assembly disclosed that, a total amount of GH¢30,000.00 was paid to Dormaa Traditional Council for acquisition of a 6.2-acre land for construction of Lorry Terminal. However, there was no indenture, cadastral plan and approval from Lands Commission, Sunyani, to authenticate the payments and confer title to the Assembly.

185. Management's failure to secure the land documents could result in encroachment and litigation which would subsequently result in loss of the Assembly's funds.

186. We recommended to management, to obtain the necessary documents to establish ownership in the land.

Misapplication of DACF on Administration - GH¢206,230.89

187. Guidelines for the Utilisation of District Assembly's Common Fund (DACF), for 2019 fiscal year requires up to 20 percent to be spent on Administration.

188. Contrary to the above provisions in the guidelines, we noted that out of a total DACF expenditure of GH¢2,524,245.91, the Dormaa East District Assembly expended GH¢711,244.74 representing 28.17 percent on Administration. The Assembly therefore misapplied 8.17 percent (GH¢206,230.89) in excess of the approved 20 percent.

189. The practice of misapplying Common fund has the tendency of stifling funds earmarked for development projects.

190. We recommended to management to recover the amount from the IGF account into the DACF account and to step up their revenue mobilisation effort to generate more IGF.

Payment outside approved budget-GH¢1,259,676.96

191. Section 170 of the Local Governance Act, 2016 (Act 936) requires Assemblies to incur expenditures within their approved budgets for the relevant year.

192. Contrary to the above requirements, management of four Assemblies incurred expenditure of GH¢1,259,676.96 for which no provision was made in the annual approved budgets. Details are provided below:

Assembly	Particulars	Amount
Jaman South	Drilling of four boreholes in selected markets.	128,000.00
Dormaa East	Procurement of goods and works.	750,948.46
Wenchi	Procurement of stationery and maintenance of boreholes.	243,867.74
Tain	Protocols, Donations, Conferences, seminars, monitoring etc.	136,860.76
Total		1,259,676.96

193. This act of poor budgetary control could result in diversion of funds meant for planned projects.

194. We recommended that, management should operate within approved budgets in order not to stall any planned programmes of the Assemblies.

Contract irregularities

Payment for unexecuted portions of a contract - GH¢28,100.00

195. We noted during project inspection at Banda District Assembly that, portions of contract valued at GH¢28,100.00 on a completed 22 lockable market stores at Bongase was not done but paid for and handed over for use. This contravened Regulation 78 of the PFMR, 2019 (L.I. 2378), Details are provided below:

Project	Contractor	Contract Sum	Payment to date	Unexecuted Works	Cost of Unexecuted Works
22 lockable market stores at Bongase	Kambol Co. Ltd	199,325.00	172,216.80	Plywood ceiling and external works	28,100.00

196. Management could not give reason for the lapse. The inaction could result in loss of funds to the Assembly.

197. We recommended that, the Works Engineer should notify the contractor to return to site to complete the remaining works at no cost otherwise the Engineer should refund the GH¢28,100.00 into the Assembly's Account.

Completed projects not in use - GH¢1,393,774.16

198. Contrary to Section 52 of the PFMA, 2016 (Act 921), we noted that 10 projects completed between July 2015 and July 2020 by six Assemblies at a total cost of GH¢1,393,774.16 had not been put to use. Details are provided below:

Assembly	Project	Funding	Date of Completion	Amount	Reasons for non-use
Jaman South District	Completion of 1 No. CHPS Compound at Atuna	DACF	9/3/2020	85,955.00	No water
Jaman South District	Construction of Durbar ground at Adamsu	MP's Fund	30/6/2019	320,563.50	The MP is yet to handover the project to nananom
Sunyani West Municipal	Construction and paving of Chiraa lorry Terminal	DACF	August 2018	72,455.00	Not yet handed over due to closeness to a main electricity power line
Sunyani Municipal	12-seater water closet facility at Ridge experimental school	DACF	20/3/2020	89,000.00	The Assembly owe the contractor 96,256.20, hence he has refused to hand over the keys for use of the facility
Banda District Assembly	Construction of police post at Banda Boasi	DACF	29/6/2016	97,352.00	Police officers are yet to be posted there
Tain District Assembly	Construction of 1No. 20-Seater Aquah Privy KVIP at Nkonakwaagya	DACF	December 2017	149,978.60	The works engineer could not give any reason for the non-use
Banda District	Construction of 10 No lockable Market Stores with office and Restaurant at Banda -Ahenkro	MP's Common fund	6/7/2015	134,896.00	No reason was given

	Construction of 22 No lockable Market Stores with office and Restaurant at Banda -Ahenkro	MP's Common fund	6/7/2015	171,655.69	No reason was given
	Construction of 5 No. single storey ground floor lockable Market Stores at Banda-Ahenkro	MP/SIP	24/6/18	99,701.57	In use but occupants are not known to the Assembly
	Completion of 22 No lockable Market Stores at Bongase	MP/SIP	20/7/2020	172,216.80	No reason was given
Total				1,393,774.16	

199. This could lead to deterioration of the facilities and deny the users the benefits of the projects resulting in wasteful expenditure.

200. We recommended to management of the affected Assemblies, to address all the challenges preventing the use of the projects and put the them to use.

Abandoned/delayed projects - GH¢1,678,579.68

201. Section 52 of the PFMA, 2016 (Act 921) requires Coordinating Directors as the Principal Spending Officers to institute proper control systems to prevent losses and wastage.

202. However, we noted during our review of projects that, seven Assemblies expended a total amount of GH¢1,678,579.68 on 13 projects which had either been delayed or abandoned. Details are provided below:

Assembly	Project	Date of completion	Amount Paid	Remarks
Dormaa Central	Construction of 1No. 2 44 Storey unit lockable market stores	13/6/17	631,806.25	Delayed
Berekum West	Construction of 1No. Police station	10/2/2020	5,084.00	Abandoned

Berekum	1No. 3-Unit classroom block and ancillary facilities	20/12/19	64,610.00	Abandoned
Sunyani West	1No. 5-Seater WC. At Ayakomaso	24/4/2020	28,247.00	Delayed
	3-Unit Classroom block	24/11/2020	30,000.00	Delayed
Banda	1No.2unit KG block, office and store at Dorbor	31/12/2019	54,010.62	Abandoned
Wenchi municipal	1No. 4 Pavilion classroom at Imama Seidu School	18/11/2018	16,371.00	Abandoned
	1No. Theatre at ST. Joseph Clinic-Koase	27/2/2020	50,000.00	Delayed
	Drilling of 10 bore holes fitted with hand pump at selected communities	27/11/2020	102,744.00	Delayed
	1No. 3-Unit Classroom block and 2-seater KVIP at Nwoase	13/2/2020	56,411.46	Delayed
Tain District	Construction of 1No. CHPS Compound at Tainso -Seikwa	February 2016	200,957.00	Abandoned
	Construction of 1No. 20-seater aquah privy KVIP at Brodi (MPs Fund)	October 2017	190,962.60	Abandoned
	Construction of 1No. Community Durbar grounds at Seikwa MPs fund	May 2018	247,375.75	Delayed
Total			1,678,579.68	

203. Delayed or abandoned projects could lead to cost overruns to the detriment of other development projects of the Assemblies.

204. We recommended to management of the Assemblies to be proactive in their planning to mitigate the incidence of delayed/abandoned projects and also ensure that priority is given to such projects before new ones are awarded.

Payment for reshaping of selected feeder roads without evidence of work done- GH¢27,767.05

205. Regulation 78 of the PFMR, 2019(L.I. 2378) requires a Principal Spending Officer of a covered entity to be personally responsible for ensuring that each payment of that covered entity, that there is validity, accuracy and legality of claims for payment and that any other supporting documents exists.

206. Contrary to the above Regulation, management of Wenchi Municipal Assembly allegedly bought fuel in February and November 2020 for reshaping and rehabilitation of selected roads within the Municipality to the tune of GH¢27,767.05.

207. However, we could only sight bulk fuel receipts attached to the two payment vouchers for the period. We could not sight any evidence of work done nor confirm that the said activities occurred.

208. We were of the view that payments had been made for no work done resulting in the loss of GH¢27,767.05 to the Assembly.

209. We recommended that, the total amount of GH¢27,767.05 should be recovered from the MCD, MFO and the Works Engineer.

Procurement and Stores Irregularities

Expired contract on Sanitation Improvement Package (SIP) – GH¢414,000.00

210. A review of the contract agreement of the Sanitation Improvement Package (SIP) and Fumigation between the Jaman North District Assembly and Zoomlion Ghana Ltd. disclosed that the agreement had expired on 31 August 2018, yet a total amount of GH¢414,000.00 was deducted in three quarters (from 1st quarter to 3rd quarter 2019) in favour of the company for the period under review.

211. Management intimated that; it had written series of letters to the company to sign a new contract but to no avail. Under such circumstance the service provider is not bound by any agreement and this may lead to losses by the Assembly in times of disputes.

212. We recommended to the management to either, discontinue the engagement of the services of Zoomlion Ghana Ltd. or sign a new contract with the Company without further delay.

Payment for services not rendered - GH¢201,250.00

213. Contrary to Section 78 of the PFMR, 2019 (L.I. 2378), we noted that the Administrator of DACF deducted and paid to Zoomlion Ghana Ltd.; an amount of GH¢201,250.00 from Jaman North District Assembly's DACF allocation in respect of fumigation at GH¢50,312.50 per quarter for the 4th quarter 2019 to 3rd quarter 2020.

214. However, the Environmental Health Officer, of the Assembly intimated that Zoomlion Ghana Ltd. did not carry out any fumigation in the district.

215. We recommended that management of Jaman North Assembly's should notify the Administrator of non-performance of the services so that the amount of GH¢201,250.00 is recovered from Zoomlion Ghana Ltd and paid into the Assembly's account. We further recommended that the Administrator of DACF should only pay Zoomlion Ghana Ltd. upon confirmation from the Assemblies.

Sanitation equipment not supplied - GH¢36,000.00

216. Section 7 of the PFMA, 2016 (Act 921) states among other things that a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity.

217. We noted during our review of Service Agreement of SIP contract between two Assemblies that Zoomlion Ghana Limited (ZGL) failed to supply four skip containers whose value could not be ascertained to Banda District Assembly and refuse truck to Sunyani West District Assembly for which quarterly deduction of GH¢36,000.00 have been made.

218. The non-delivery of the equipment has negatively affected the management of solid waste and final disposal in the two Assemblies.

219. We recommended to management of the Assemblies to report the short-supplied containers and refuse truck to the Administrator for the appropriate recoveries to be made from Zoomlion Ghana Ltd.

Unaccounted stores - GH¢315,240.60

220. Contrary to Section 52 of the PFMA, 2016 (Act 921), three Assemblies purchased store items valued at GH¢315,240.60 but failed to provide records of usage or evidence of distribution. Details are provided below:

Assembly	Particulars	Amount GH¢
Jaman South Municipal	Rice, Items for farmers day, sanitary items, electrical items etc.	102,059.10
Dormaa East	Items for farmers day.	78,721.50
Wenchi Municipal	Roofing sheets, cement, sugar, rice etc.	134,460.00
Total		315,240.60

221. Non-maintenance of store records and distribution list could result in diversion of stores for personal use.

222. We recommended to the Coordinating Directors and the Finance Officers to refund the total amount of GH¢315,240.60 to the Assemblies.