BODI DISTRICT ASSEMBLY

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Our Ref: BDA/IAU/CM/Q2/2025
Your Ref....................

DATE: 24th JULY, 2025

THE CHAIRMAN
AUDIT COMMITTEE
BODI DISTRICT ASSEMBLY

SUBMISSION OF SECOND QUARTER INTERNAL AUDIT REPORT FOR 2025

We submit to your outfit the Second Quarter Internal Audit Report on Afere Water and Sanitation System of Bodi District Assembly for your attention and necessary action.

CHARLES CHRISTIAN LARTEY
DISTRICT CO-ORDINATING DIRECTOR
For: HON. DISTRICT CHIEF EXECUTIVE

THIS REPORT WOULD BE DISTRIBUTED AS FOLLOWS

1	The Hon. District Chief Executive	Bodi District Assembly, Sefwi Bodi
2	The Hon. Regional Minister	Western North Regional Coordinating Council, Sefwi Wiawso
3	The Head of Service	Local Government Service Secretariat-Accra
4	The Director-General	Internal Audit Agency – Ghana House, GNTC Building 5th Floor -Accra
5	The Auditor-General	Ghana Audit Service - Sefwi Wiawso
6	The Hon. Minister	Min. of Local Gov't, Decent. and Rural Dev't. , Ministries, Accra
7.	The Hon. Presiding Member	Bodi District Assembly, Sefwi Bodi

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INTERNAL AUDIT REPORT ON AFERE WATER SYSTEM AND SANITATION MANAGEMENT SYSTEM FOR THE PERIOD OF 1ST JANUARY 2024 TO JULY, 2025

1.0 EXECUTIVE SUMMARY

This report covered Cash and Operational Management of Afere Community Water and Sanitation System and highlighted significant weaknesses identified herewith.

1.1 SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS

FINDING 1

Failure to Rout Items Through Stores-GHC 20,918.00

Recommendation

We recommend management to desist from such practices and also ensure that all items purchased are routed through stores and evidence made available.

FINDING 2

Failure to undertake water testing

Recommendation

We recommend to management and board to as a matter of urgency undergo water testing. This would lead to good hygiene and water purification.

FINDING 3

Failure to pay outstanding electricity Bills-GHC 17,626.69

Recommendation

We recommend to management as a matter of urgency takes steps to pay the bills for continuous and sustainable operation of the water system.

We urged management to ensure that withholding taxes are correctly calculated, deducted and paid to GRA as and when necessary.

FINDING 4

Unsubstantiated payments- GH¢11,173.00

RECOMMENDATION

We urged management to ensure that appropriate invoices relating to purchases made are attached to their respective payment vouchers for audit review.

2.0 INTRODUCTION

The Internal Audit Unit of Bodi District Assembly has a mandate to report on the financial and operational activities of the Afere Community water and Sanitation System on an annual basis.

In pursuant of this mandate, the Audit Unit has identified Cash and operational Management as an auditable area for the second quarter of 2025.

The report covered Cash and Operational Management for the second quarter of the year 2025.

We found out that the controls as established by PFM Act 2016 and PFM Regulations 2019, L.I 2378, were adequate but management did not utilize all since most activities were not in line with laws herein and best international financial reporting practices.

The report discovered:

1. Failure to rout items through stores.
2. Failure to undertake water testing and treatment.
3. Failure to pay outstanding ECG Bills.
4. Failure to attach invoices to payment vouchers.

3.0 BACKGROUND

In pursuant with the requirements of Section 175 of the Local Government Act, 2016 (Act 936), Section 11(4) of the Audit Service Act, 2000, (Act 584), Section 16 (3-4) of the Internal Audit Agency Act, 2003 (Act 658), Regulations 39(c) , 42 (2) of Internal Audit Regulation 2011 (L.I. 1994), section 83(7) of the Public Financial Management (PFM) Act 2016 (Act 921), and Regulation 221(e) of the PFMR 2019 (L.I. 2378), PPA Act 2016, Act 2016(Amended) and Fixed asset management operational and accounting guideline, August 2018 the Internal Audit Unit (IAU) of Bodi District Assembly has conducted Cash and Operational . The specific aim was to ascertain compliance to the relevant legal frameworks, and provide management with the necessary assurance that financial and operational systems put in place are working effectively or otherwise and recommend the way forward.

4.0 KEY PERSONNEL AT POST

During the period under review, the following key personnel were at post.

STEPHEN BAIDOO	DISTRICT CHIEF EXECUTIVE
CHARLES CHRISTIAN LARTEY	DISTRICT COORDINATING DIRECTOR
SALIFU IMORO	DISTRICT FINANCE OFFICER
LAWRENCE KWABENA AMESHIAH	DISTRICT BUDGET ANALYST
PATRICK KWOFIE	DISTRICT PROCUREMENT OFFICER
NYAN KOFI JAVAN	DISTRICT WORKS ENGINEER
JEFFERY SCOUT OWUSU	DISTRICT PLANNING OFFICER
DAVID DESMOND CHAMME	HUMAN RESOURCE MANAGER

5.0 AUDIT TEAM	DESIGNATION
Isaac Kwaku Nartey Kisseih	Senior Internal Auditor
Henry Kwame Anku	Assistant Internal Auditor
Frank Elloin	Assistant Internal Auditor
Theophilus Owusu Sarpong	Assistant Internal Auditor Trainee
Jonathan Moses Impraim	Assistant Internal Auditor

6.0 OBJECTIVES

The specific objectives of the audit were as follows:

1. To ascertain compliance to the relevant legal frameworks, policies and procedures.
2. To ensure the receipt of fixed asset are in good condition and in proper order.
3. To ensure fixed asset additions and disposal are accurately recorded and properly authorized.
4. To ensure that the movement of fixed asset is controlled and has prior approval.

7.0 SCOPE

The scope of the audit was financial and operational in nature and covered the period from 1st January to 30th June, 2025.

The Audit was concentrated on areas such as cash management, maintenance of asset, records management and assets security.

8.0 METHODOLOGY

The methodology adopted was risk-based approach. Interviewed key personnel on policies, procedures, and processes relevant to the areas being reviewed.

We conducted specific audit procedures such as walkthroughs test, interviews and document inspections.

The findings were based on the five fundamental principles / attributes of audit – criteria, condition, cause, effect and recommendations. Responses from management where appropriate will be incorporated in the report.

9.0 LIMITATIONS

The scope of the Second quarter internal audit was programmed to audit cash management, asset management and maintenance and debt stock of the Water System. The Auditors were given adequate support in terms of information from the Board, notwithstanding that, the auditors encountered the following challenge that hindered their activities, hence they could not obtain adequate evidence to be able to come out with an independent opinion on the effective management of the Board. One of the **challenge** was;

1. Some documents were untimely released for scrutiny

The Internal Audit Unit Recommends that;

1. The Board should endeavor to recruit at least one more staff to assist the accountant with store records and also for internal control purposes.
2. The staff of the Afere Community Water and Sanitation should be taken through some level of technical training periodically for effective and efficient operation and management.
3. The Management team should maintain proper stores records and asset register.

10.0 DETAILED AUDIT FINDINGS AND RECOMMENDATIONS

10.1 Finding: **Failure to rout items through stores-GHC 20,918.00**

Criteria

Regulation 0522 of 1984 requires Store Receipt Voucher (SRV) to be prepared to record all goods received into the stores and subsequently be recorded into the store ledgers.

Condition

It was revealed during our audit that, items purchased amounting to Ghc 20,918.00 were not routed through stores. Details Shown in Appendix A.

Cause

Management failed to adhere to the above regulations caused the glitch. And also the Water Board does not have stores system in place to undertake stores duties.

Effect

Items bought could be diverted and used for personal purposes.

Recommendation

We recommend to management to create a stores section to undertake stores duties and also ensure that all procured items are routed through stores and evidence be made for our review.

Management Response

Your recommendation is noted. However, Afere Community Water and Sanitation Management Team has no store keeper due to financial constraint. Management will ensure that the accountant routes all items purchased through stores from now onwards.

10.2 Finding: **Failure to undertake water quality testing and treatment.**

Criteria

Community Water and Sanitation Agency Regulations, 2011(L.I. 2007) states in

"17(1) The operator of water facility shall

(a) carry out water quality testing at least twice in each year for the period of

(i) the rainy season; and

(ii) the dry season; and

(b) comply with the parameters for the physical and bacteriological monitoring, determined by the Standard Authority.

(2) the monitoring for chemical parameters by an operator of a water facility shall depend on local conditions.

(3) Testing for water quality shall be conducted in accordance with the standard prescribed by the Standard Authority.

(4) A District Assembly is responsible for ensuring the safety of the water provided through testing for water quality.

(5) The Agency shall ensure that the testing for water quality is done by the respective District Assembly."

Condition

We discovered during our audit that Afere Community Water and Sanitation Board has not undertaken water testing and treatment for the period under review.

Cause

Management's failure to ensure the periodic water testing and treatment caused the above anomaly.

Effect

This can lead to consumption of unhygienic water and thus outbreak of waterborne diseases in the community.

Recommendation

We recommend to management and the Board of Afere Community Water and Sanitation to urgently take steps to undertake water quality testing and treatment and make evidence available for review.

Management Response

We have noted your observation for compliance. We would like to inform you that sample is sent for testing. Evidence will be made available for your verification.

10.3 Finding: **Failure to pay outstanding ECG Bills-GHC 17,626.69**

Criteria

Section 7 of the PFM Act,2016(Act 921) states that a principal spending officer of a covered entity shall ensure the regularity, and proper use of money appropriated in that covered entity and establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

Conditions

It came to light during our audit that Afere Community Water and Sanitation Board has an outstanding bill of GHC 17,626.69.

Cause

The management of Afere water system failed to effect payment monthly on their subscription to electricity for water production and distribution.

Effect

If payment is not effected soon, electricity would be disconnected and this would affect water production and supply to the community.

Recommendations

We recommend, as a matter of urgency, that management take steps to pay this debt and make evidence available for our review.

Management Response

Outstanding ECG bill as at July, 2025 is GH¢12,626.69. GH¢5,000.00 payment made in June, 2024 has not reflected. Receipt of payment is available for your review.

10.5 Findings: **Unsubstantiated payments- GHC 11,173.00**

Criteria

Regulation 78(1a&1b) of the Public Financial Management Regulations 2019, (L.I 2378) state that a principal spending officer of a covered entity is personally 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`e received, certificates for the work done and any other supporting documents exist.

Condition

It was revealed during our audit that payments made amounting to GH₵11,173.00 were made without attaching invoices to payment vouchers. *Below is the details.*

[illegible] - GH₵ 11,173.00

DATE	PAYEE	DETAILS	PV NO.	CHEQUE NO	AMOUNT
2/4/2024	Accountant	purchase of materials for repairs and A4 sheets			780.00
4/4/2024	Accountant	Announcement, detergent, padlocks,etc			840.00
9/19/2024	Accountant	payment for plumbing materials			820.00
9/1/2024	Accountant	payment for materials			520.00
10/1/2024	Accountant	Being payment of funds for light controller, weeding and others			2,575.00
10/1/2024	Accountant	Being release of funds for purchasing materials for repairs.			2,255.00
11/10/2024	Accountant	Being payment for purchasing materials for repairs			500.00
11/10/2024	Accountant	Being payment for purchasing materials for repairs			1,090.00
5/1/2025	Accountant	funds for the purchase of materials for repairs			962.00
5/15/2025	Accountant	funds for the purchase of A4 sheets			75.00
5/24/2025	Accountant	funds released for donation to manager for father's funeral			500.00
5/24/2025	Accountant	funds released for emergency meeting			256.00
Total					**11,173.00**

CAUSE

Failure to adhere strictly to the requirement caused the anomaly.

Effect

Expenses may be overstated or understated and may lead to financial mismanagement and misuse of resources.

Recommendation

We urged management to ensure that appropriate invoices relating to purchases made are attached to their respective payment vouchers for audit review.

Management response
Management has noted your observation for compliance. We wish to state that all invoices have been attached to payment vouchers and are available for your verification.

11. MANAGEMENT ACTION PLAN TO IMPLEMENT RECOMMENDATONS

MANAGEMENT IMPLEMENTATION ACTION PLAN						
S/N	**Findings**	**Recommendation**	**Risk Rating of Finding (High, Medium, Low)**	**Management Response/ comments**	**Implementation Date**	**Officer Responsible**
1	**Failure to rout items through stores-GHC 20,918.00**	We recommend to management to create a stores section to undertake stores duties and also ensure that all procured items are routed through stores and evidence be made for our review.	Medium	Your recommendation is noted. However, Afere Community Water and Sanitation Management Team has no store keeper due to financial constraint. Management will ensure that the accountant routes all items purchased through stores from now onwards.	Not Implemented	Accountant, Afere Water and Sanitation Management Team.
2	**Failure to undergo water testing and treatment.**	We recommend to management and the Board of Afere Community Water and Sanitation to urgently take steps to undertake water testing and treatment and make evidence available for review.	High	We have noted your observation for compliance. We would like to inform you that sample is sent for testing. Evidence will be made available for your verification.	Not implemented	Management Team.

3	**Failure to pay outstanding ECG Bills-GHC 17,626.69**	We recommend, as a matter of urgency, that management take steps to pay this debt and make evidence available for our review.	High	Outstanding ECG bill as at July, 2025 is GH¢12,626.69. GH¢5,000.00 payment made in June, 2024 has not reflected. Receipt of payment is available for your review.	Internal Auditors are yet to verify	Management Team
4	**Unsubstantiated payments- GHC 11,173.00**	We urged management to ensure that appropriate invoices relating to purchases made are attached to their respective payment vouchers for audit review.	Medium	Management has noted your observation for compliance. We wish to state that all invoices have been attached to payment vouchers and are available for your verification.	Internal Auditors are yet to verify	Accountant

12. CONCLUSION

The Overall Audit Rating is **"Satisfactory"**. The Audit highlights areas of significant weaknesses or non-compliance in the framework of governance, risk management and internal control systems that hinder the achievement of the organizational objectives for corrections in this report and therefore recommends the full implementation of the recommendations as agreed by management.

13. ACKNOWLEDGEMENT

The Internal Audit Unit is very grateful to Management/Board and to all the Audit Clients for the cooperation extended to us in the course of the audit.

[ISAAC KWAKU NARTEY KISSEIH] DATE

HEAD OF INTERNAL AUDIT UNIT **24th July, 2025**

14. APPENDICES

APPENDIX "A"

Failure to rout items through stores -20,918.00					
DATE	PAYEE	DETAILS	PV NO.	CHEQUE NO	AMOUNT
5/2/2024	Accountant	fuel, announcement, padlocks,			265.00
2/3/2024	Accountant	motor tyre & fuel			430.00
3/3/2024	Accountant	materials for repairs			1,320.00
6/3/2024	Accountant	Desilting of soak away, padlocks, funeral donation(500)			780.00
2/4/2024	Accountant	purchase of materials for repairs and A4 sheets			780.00
4/4/2024	Accountant	Announcement, detergent, padlocks,etc			840.00
5/1/2024	Accountant	Weeding, fuel, desilting of gutters and detergents			1,250.00
5/31/2024	Accountant	purchase of plumbing materials			1,800.00
9/19/2024	Accountant	payment for plumbing materials			820.00
9/1/2024	Accountant	payment for materials			520.00
10/1/2024	Accountant	Being payment of funds for light controller, weeding and others			785.00
10/1/2024	Accountant	Being release of funds for purchasing materials for repairs.			2,255.00

11/30/2024	Accountant	Being payment for expenses incurred			820.00
11/10/2024	Accountant	Being payment for purchasing materials for repairs			500.00
11/10/2024	Accountant	Being payment for purchasing materials for repairs			1,090.00
4/2/2025	Accountant	funds released for the payment of materials for repairs			827.00
4/8/2025	Accountant	funds released for the payment of materials for repairs			748.00
3/1/2025	Accountant	funds released for the payment of materials for repairs			767.00
3/12/2025	Accountant	funds for the purchase of 63am breaker/ stop clock			385.00
3/8/2025	Accountant	funds for the purchase of new meters			450.00
5/1/2025	Accountant	funds for the purchase of materials for repairs			962.00
5/5/2025	Accountant	funds for the purchase of tap lock			25.00
5/28/2025	Accountant	funds for the purchase of new meters			800.00
6/5/2025	Accountant	funds released for the purchase of pen drive			50.00
6/15/2025	Accountant	funds released to pay for padlocks			60.00
6/30/2025	Accountant	funds released to pay for new meters for domestic			600.00
6/1/2025	Accountant	funds released to pay for materials for repairs			989.00
Total					**20,918.00**

CamScanner