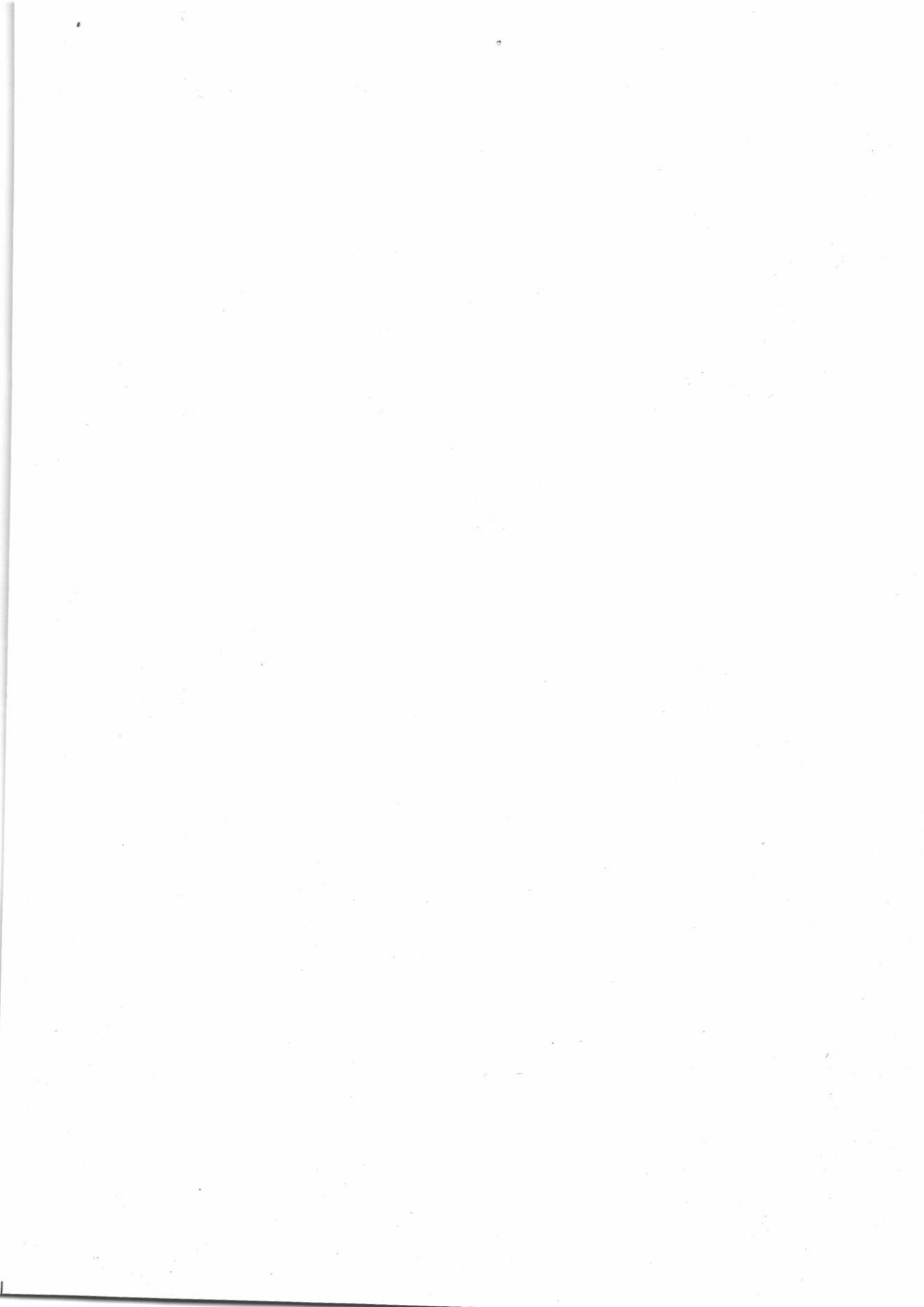


**CONSOLIDATED REPORT OF THE  
AUDITOR-GENERAL ON SPECIAL AUDITS INTO THE  
OPERATIONS OF DISTRICT ASSEMBLIES  
FOR THE PERIOD 2001-2004**

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## TRANSMITTAL LETTER

Ref. No. AG.01/109/Vol.2

Office of the Auditor-General  
Ministries Block 'O'  
P.O. Box MB 96  
Accra

Tel. (021) 662493  
Fax (021) 662496

August 2008

Dear Sir,

**CONSOLIDATED REPORT OF THE AUDITOR-GENERAL ON  
SPECIAL AUDITS INTO THE OPERATIONS OF DISTRICT  
ASSEMBLIES FOR THE PERIOD 2001-2004**

I have the honour to submit to you, for consideration by your Ministry, a consolidated report on key findings and recommendations arising out of special audits carried out, under my direction, into the operations of District Assemblies for the four-year period 2001 to 2004.

2. The report is a synopsis of auditing issues contained in management letters, which were prepared by my office and released to the individual District Assemblies and your Ministry in 2006, following the completion of the audit. The auditing issues raised in these letters covered the management and utilisation of internally generated funds of the Assemblies as well as statutory and other earmarked funds, including the District Assemblies Common Fund (DACF), Highly Indebted Poor Countries (HIPC) funds, the AIDS Fund among others.

3. The report portrays financial management lapses, breaches of internal controls and departures from the legislative framework, policies and guidelines established for the administration of the District Assemblies. These have, in no small measure, contributed to irregularities with financial

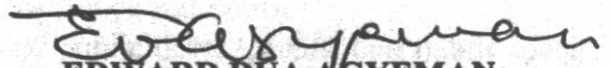
value of more than ₵237 billion appearing in this report which have been included in my annual report to Parliament.

4. The lapses and other weaknesses noted in the management of the resources of the Assemblies will continue to plague the operations of the Assemblies if resolute and more purposeful measures including stronger commitment to accountability, implementation of audit recommendations as well as the application of sanctions are not employed at the ministerial and Assembly levels to deal with these matters, most of which have reflected in past audit reports.

5. It is therefore the expectation of my office that the synopsis will provide a focus to the Ministry to ensure that appropriate remedial measures are introduced and implemented towards a more transparent, effective and efficient management of the resources of the Assemblies in order to accelerate and sustain the development of areas covered by the Assemblies.

6. I would like to express my appreciation to the District Chief Executives and their staff or their co-operation and assistance given to my officers during the audits. I wish to thank the Ministry of Finance and Economic Planning for providing funds for this audit.

7. I would also like to acknowledge the invaluable contribution made by my staff towards the production of this report.

  
**EDWARD DUA AGYEMAN**  
**AUDITOR-GENERAL**

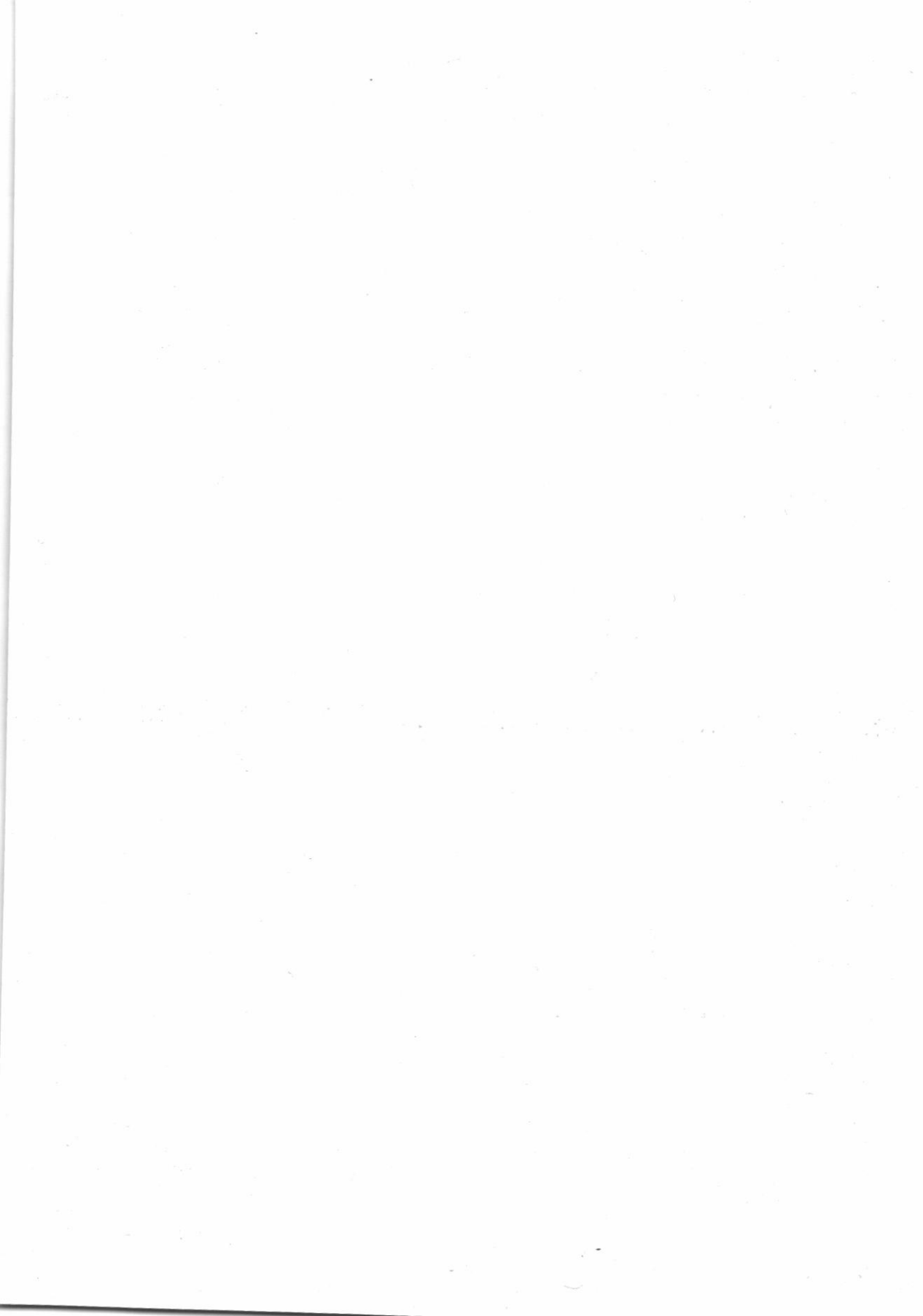
**THE HON. MINISTER**  
**MINISTRY OF LOCAL GOVERNMENT,**  
**RURAL DEVELOPMENT & ENVIRONMENT**  
**ACCRA**

cc: Hon. Minister  
Ministry of Finance and  
Economic Planning  
Accra

The Deputy Minister  
Ministry of Finance and  
Economic Planning  
Accra

The Hon. Minister of State  
Ministry of Finance and  
Economic Planning  
Accra

Hon. Deputy Minister  
Ministry of Local Government,  
Rural Development and  
Environment  
Accra



**CONSOLIDATED REPORT OF THE AUDITOR-GENERAL ON  
SPECIAL AUDITS INTO THE OPERATION OF  
DISTRICT ASSEMBLIES  
FOR THE PERIOD 2001-2004**

**PART I**

**Introduction**

Under my direction, a special audit was carried out in 2006 by the Audit Service into the operations of the District Assemblies of the country. The audit, covering the period 2001 to 2004, was funded by the Ministry of Finance and Economic Planning which released ₦6,136,110,870 to the Audit Service for this purpose.

2. The findings and recommendations arising from the special audit were conveyed in management letters issued by my office to the individual Assemblies and copied to your Ministry. Key issues in the management letters have been summarised and consolidated into this report to provide a focus for administrative action or policy initiatives required to deal with the identified lapses.