



AKWAPIM SOUTH MUNICIPAL ASSEMBLY



E-mail: asmatreasuryoffice@gmail.com
BANKERS: GCB BANK LTD

P. O. Box 124,
ABURI – AKWAPIM

NATIONAL INVESTMENT BANK

TEL: +233 342 0900 11

Our Ref: ASMA03/10/04
Your Ref:

30TH JUNE, 2023

**FWD: SUBMISSION OF THE ANNUAL AUDIT REPORT OF THE
FINANCIAL STATEMENTS OF AKWAPIM SOUTH MUNICIPAL
ASSEMBLY FOR THE YEAR ENDED 31 DECEMBER 2022**

I forward herewith the annual audit report of the financial statements of Akwapim South Municipal Assembly for the financial year ended 2022 for your necessary consideration and action.

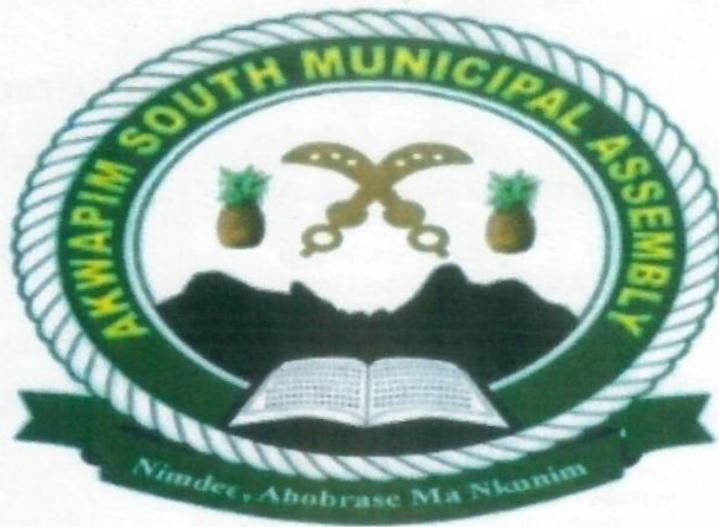
Thank you.

LYDIA AKUETE

(MUNICIPAL CO-ORDINATING DIRECTOR)

TO: THE PRESIDING MEMBER
AKWAPIM SOUTH MUNICIPAL ASSEMBLY
ABURI

THE AUDIT COMMITTEE CHAIRMAN
AKWAPIM SOUTH MUNICIPAL ASSEMBLY
ABURI



**AKWAPIM SOUTH MUNICIPAL
ASSEMBLY AUDITED FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2022**

GENERAL INFORMATION

MUNICIPAL CHIEF EXECUTIVE

Hon. Frank Aidoo
Period Appointed: May 2017 to date

PRESIDING MEMBER

Hon. Michael Ahwireng
Period Elected: January 2022 to date

EXECUTIVE MANAGEMENT COMMITTEE

Hon. Frank Aidoo - Chairman

Hon. Michael Osae -Member
Hon. Michael Mensah - Member
Hon. Paul Mensah bampoe - Member
Hon. Nana Osei Tea Serebour - Member
Hon. Prince Kwame Boafo- Member
Joseph Odartey - Member

MANAGEMENT

Hon. Frank Aidoo (MCE)
Lydia Akueteh (MCD)
Nartey Tei Alfred (MFO)
James Atambilla Abugre (MPO)
Frank Ntiamoah (MWE)
Rosina Darkwaah (Proc)
Deborah Papafio (HRM)
Lois Asantewaa (MBO)

BRIEF PROFILE OF AKWAPIM SOUTH MUNICIPAL ASSEMBLY

The Akwapim South Municipal Assembly (ASMA) is one of the thirty-three districts in the Eastern Region, Ghana. It was elevated to the status of a Municipality by Legislative Instrument L.I. 2396 of 2020 on 12 February, 2020. ASMA, (then a District before 2020) was established on 6 March, 2012 under L.I. 2040, Act 1742. It was carved out of the Nsawam Adoagyiri Municipal. Agriculture and Tourism remains the main economic activities of the municipality. ASMA is an important food basket involved in the cultivation of pineapples and other citrus fruits for both domestic and foreign markets. The population of the municipality is projected at 76,922 of which 37,101 are males and 39,821 are females. The municipality covers a land area of 224,13km². ASMA shares boundaries with the Nsawam Adoagyire municipal to the west, South-East by Kpone-Katamanso District, to the South by Ga East Municipal and to the North-East by the Akwapim north Municipal.

ADDRESS

Akwapim South Municipal Assembly
P.O. Box 124
Aburi Akwapim
Eastern Region, Ghana.

AUDITORS

Audit Service

BANKERS

Bank of Ghana
National Investment Bank (NIB)

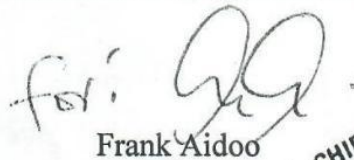
STATEMENT OF MANAGEMENT RESPONSIBILITIES

The Financial Report of Akwapim South Municipal Assembly (ASMA) provides the financial information on a transparent and accessible basis as well as an important element in the overall framework of accountability and financial integrity of ASMA.

The financial statements and associated disclosures have been drawn up in accordance with, the Public Financial Management Act, 2016 Act 921, the Public Financial Management Regulations, 2019 L.I. 2378, the Local Governance Act, 2016 Act 936, as amended by Act 940, the International Public Sector Accounting Standards (IPSAS) and the relevant resolutions adopted by ASMA. Contributions from governments and other sources have been used solely for the purposes for which these were specifically designated. All transactions have been properly documented.

The system of internal control relating to financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the public financial management legal frameworks. This system includes relevant policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements and that receipts and expenditures are executed in accordance with authorisations of management in compliance with the public financial management legal frameworks; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use or disposition of ASMA's assets.

To the best of our knowledge, the financial statements fairly present ASMA's financial position at 31 December 2022. During the external audit process, Management provided the Audit Service with all relevant information and access as agreed in the terms of the audit engagement.



Frank Aidoo

Municipal Chief Executive

MUNICIPAL CHIEF EXECUTIVE
AKWAPIM SOUTH MUNICIPAL ASSEMBLY
ABURI



Lydia Akuetch

Municipal Coordinating Director,

MUNICIPAL COORDINATING DIRECTOR
AKWAPIM SOUTH MUNICIPAL ASSEMBLY
ABURI



Narteh Tei Alfred

Municipal Finance Officer

MUNICIPAL FINANCE OFFICER
AKWAPIM SOUTH MUNICIPAL ASSEMBLY
ABURI

OPINION OF THE EXTERNAL AUDITOR

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



My Ref. No: ER/DC/54/VOL.II/11
Tel: 223 (0) 302 664920/28/29
Fax: 233 (0) 302 6751495
Website: www.ghaudit.org

P.O. Box 409
Koforidua

25 April 2023

INDEPENDENT AUDITOR'S REPORT

**THE PRESIDING MEMBER
AKUAPEM SOUTH MUNICIPAL ASSEMBLY
ABURI-AKUAPEM**

AUDIT REPORT ON THE FINANCIAL STATEMENTS OF AKUAPEM SOUTH MUNICIPAL ASSEMBLY

Report on the financial statements

We have audited the accompanying financial statements of the Akwapim South Municipal Assembly (ASMA) which comprise the Statement of Financial Position as at 31 December 2022, the Statement of Financial Performance, the Statement of Changes in Net Assets, the Statement of Cash Flows and the Statement of Comparison of Budget and Actual amounts for the year then ended, and the Notes to the Financial Statements, including a summary of significant accounting policies and supporting schedules.

Opinion

In our opinion, except for the MP's Common Fund account balance of GH¢251,089.71 which was not presented as trust money in the financial position, the accompanying financial statements present fairly, in all material respects, the financial position of ASMA as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS) as adopted by the Government of Ghana.

Basis of Opinion

We conducted our audit in accordance with the International Standards of Supreme Auditing Institutions (ISSAIs). Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of ASMA in accordance with the ethical requirements relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

The Municipal Chief Executive (MCE) is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as the MCE determines to be necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

Those charged with governance are responsible for overseeing the financial reporting process of ASMA.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit, in accordance with the ISSAIs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- b. Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;

- c. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of ASMA
- d. All public monies have been expended for the purposes for which they were appropriated and expenditures have been made as authorised;
- e. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the MCE; and
- f. Programmes and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilised and results achieved.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls and compliance with other public legal frameworks that we identified during our audit in a separate audit Management Letter.



**for: AUDITOR-GENERAL
(COUNT ANUKWARE AKPELOO)
ASSISTANT AUDITOR-GENERAL
EASTERN REGION**

**Cc: The Auditor-General(2)
Audit Service
Accra.**

**The Regional Co-ordinating Director
Eastern Regional Coordinating Council
Koforidua**

**The Municipal Chief Executive
Akuapem South Municipal Assembly
Aburi-Akuapem**

**The Municipal Finance Officer
Akuapem South Municipal Assembly
Aburi-Akuapem**

**The District Auditor
Audit Service
Akropong**

FINANCIAL HIGHLIGHTS

The Financial Statements for 2022 was presented in accordance with the public financial legislative requirements and other statutes and the format required under IPSAS. The financial statements also include supplementary information that further explains and supports the information in the financial statements.

The summary highlights and analysis of the Financial Statements of ASMA for the year ended 31 December, 2022 are presented below:

Budget Performance

a. Budgeted receipts

In 2022, the total receipt of GH¢9,678,903.74 was substantially lower than the approved budget of GH¢13,566,285.33. The total receipt of GH¢9,678,903.74 for 2022 compared with GH¢7,608,122.90 received in 2021 showed a decrease of GH¢2,070,780.84 or 27.22 per cent.

b. Budgeted payments

During the period under review, the ASMA approved budget was GH¢13,566,285.33 to spend on approved activities. However, actual payments came to GH¢9,266,082.87 which was also substantially lower than the approved budget. The total payment of GH¢9,266,082.87 compared with GH¢7,577,120.43 recorded in 2021 shows an increase in payment of GH¢1,688,962.44 or 22.29 per cent.

Financial Performance

Revenue

During the period under review, total revenue received by the ASMA amounted to GH¢9,678,903.74 compared with GH¢7,608,122.90 received in the previous year, showing an increase of GH¢2,070,780.84 representing 27.22 per cent. This increase is attributable to Internally Generated Funds and donor funded grants.

Expenses

Total Expenses incurred by the ASMA in 2022 amounted to GH¢8,795,608.10 as against GH¢7,577.120.43 for the previous year, showing an increase of GH¢1,218,487.68, thus 16.08 per cent. Except for Goods and Services all other expenditure items registered increases when compared with those of the previous year.

Operational results

During the year under review, ASMA recorded a surplus of GH¢883,295.64 from its operations as compared to the reported surplus of GH¢31,002.47 in 2021. The increase in the surplus recorded was primarily due to marginal increases in GoG subventions, IGF and DCAF in the year 2022. The net operational results was accordingly transferred to the Accumulated Fund Balance.

Financial Position

Asset

As at 31 December, 2022, total assets of ASMA stood at GH¢8,571,772.66 as against GH¢7,995,396.25 recorded in the previous year, representing an increase of GH¢576,376.41 or 7.21 per cent. Cash and cash equivalent amounting to GH¢575,138.25 constituted 6.70 per cent of the total assets.

Liabilities

Total liabilities stood at GH¢3,268,918.28 at the end of the year, compared with GH¢3,575,837.51 for the previous year, a decrease of GH¢306,919.23 or 8.60 per cent. The total liabilities of GH¢3,268,918.28 represent current liabilities owed to suppliers. At a current ratio of 0.20:1, our analysis showed that the ASMA does not have enough liquid assets to meet its short-term obligations when they fall due.

Fund Balances

The ASMA's Fund Balances stood at GH¢5,302,854.38 as at 31 December 2022, compared with GH¢4,419,558.74 as at 31 December 2021, registering an increase of GH¢883,296.00 translating to 20 per cent.

NAME OF MDA: AKWAPIM SOUTH MUNICIPAL ASSEMBLY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD
ENDED DECEMBER 2022

REVENUE	NOTE	ANNUAL BUDGET GH¢	PERIOD BUDGET GH¢	ACTUAL CURRENT GH¢	ACTUAL PREVIOUS GH¢
GoG Subvention	3	3,056,486.57	3,056,486.57	4,220,843.56	3,393,808.63
Internally Generated Fund	4	2,282,506.82	2,282,506.82	1,726,473.52	1,550,997.77
Donor	5	8,227,291.94	8,227,291.94	3,731,586.66	2,663,316.50
Other Receipts					
TOTAL REVENUE		13,566,285.33	13,566,285.33	9,678,903.74	7,608,122.90
EXPENDITURE					
Compensation of Employees	6	3,512,086.57	3,512,086.57	4,516,485.45	3,810,083.44
Goods and Services	7	8,837,106.39	8,837,106.39	2,737,556.93	3,011,693.25
Other Expenses	8	1,217,092.37	1,217,092.37	1,082,788.36	755,343.74
Consumption of Fixed Asset	9			458,777.36	-
TOTAL EXPENDITURE		13,566,285.33	13,566,285.33	8,795,608.10	7,577,120.43
SURPLUS/(DEFICIT)				883,295.64	31,002.47

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	NOTES	CURRENT	PREVIOUS
ASSETS			
Current Assets			
Cash and Cash Equivalents	10	575,138.25	162,317.38
Receivables	11	83,814.00	83,814.00
Inventories		0.00	72,350.00
Total		658,952.25	318,481.38
Non-Current Assets			
Investment		0.00	0.00
Property, plant and Equipment	12	3,728,242.52	4,442,829.66
Work-In-Progress	13	4,099,577.89	3,234,085.21
Land	14	85,000.00	0.00
Non-Current Assets		7,912,820.41	7,676,914.87
Total ASSETS		8,571,772.66	7,995,396.25
LIABILITIES			
Current Liabilities			
Accounts Payables	15	3,268,918.28	3,575,837.51
Total		3,268,918.28	3,575,837.51
NON-CURRENT LIABILITIES			
Total Non-Current Liabilities		0.00	0.00
TOTAL LIABILITIES		3,268,918.28	3,575,837.51
NET ASSETS/(LIABILITIES)		5,302,854.38	4,419,558.74
FINANCED BY:			
Accumulated fund b/f		4,419,558.74	4,388,556.27
Surplus/ (deficit) for the year		883,295.64	31,002.47
NET WORTH		5,302,854.38	4,419,558.74

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31
DECEMBER 2022**

	NOTES	CURRENT GH¢	PREVIOUS GH¢
CASH FLOW FROM OPERATING ACTIVITIES			
Cash Receipt From Operating Activities			
GOG Subvention	3	4,220,843.56	-
IGF REVENUE	4	1,726,473.52	1,550,997.77
Grant	5	3,731,586.66	6,057,125.13
Other Receipts			-
Total Receipt		9,678,903.74	7,608,122.90
Cash Payment For Operating Activities			
Compensation of Employees	6	(4,516,485.45)	(3,810,083.44)
Goods and Services	7	(2,687,963.38)	(3,011,693.25)
Interest		-	-
Government Subsidies		-	-
Social Benefit		-	-
Other Expenses	8	(1,082,788.36)	(755,343.74)
Other Payments			-
Total Payment		8,287,237.19	(7,577,120.43)
NET CASHFLOW FROM OPERATING ACTIVITIES		1,391,666.55	31,002.47
CASHFLOW FROM INVESTING ACTIVITIES			
Cash Receipt From Investing Activities			
Disposal of Non-Financial Asset		-	-
Total Receipt		-	-

Cash Payment For Investing Activities				
Issue of Loans		-		-
Purchase of Investment		-		-
Issue of Advances		-		-
Total Payment		(978,845.68)		-
NET CASHFLOW FROM INVESTING ACTIVITIES		(978,845.68)		-
CASHFLOW FROM FINANCING ACTIVITIES				
Cash Receipt From Financing Activities				
Proceeds from Domestic Borrowing		-		-
Proceeds from External Borrowing		-		-
Total Receipt		-		-
Cash Payment For Financing Activities				
Repayment of Domestic Borrowing		-		-
Repayment of External Borrowing		-		-
Dividend Paid		-		-
Total Payment		-		-
CASHFLOW FROM FINANCING ACTIVITY		-		-
NET CHANGE IN STOCK OF CASH		412,820.87		31,002.47
CASH AND CASH EQUIVALENT AT BEGINNING		162,317.38		131,314.91
CASH AND CASH EQUIVALENT AT CLOSE		575,138.25		162,317.38
		-		-
CASH AND CASH EQUIVALENT CLOSE		575,138.25		162,317.38

STATEMENT OF CHANGES IN NET ASSETS AND EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	CURRENT GH¢	PREVIOUS GH¢
Accumulated surplus as previous reported	4,419,558.74	131,314.91
Adjustments during the year		
Fixed assets (PPE)		4,442,829.66
WIP		3,234,085.21
Receivables		83,814.00
Inventories		72,350.00
Payables		<u>(3,575,837.51)</u>
Opening Accumulated surplus restated	<u>4,419,558.74</u>	<u>4,388,556.27</u>
Surplus/Deficit for the year	883295.64	31,002.47
Net worth	<u>5,302,854.38</u>	<u>4,419,558.74</u>

NOTE 1: GENERAL STATEMENT

Reporting Entity

The Akwapim South Municipal Assembly (ASMA) is one of the thirty-three districts in the Eastern Region, Ghana. It was elevated to the status of a Municipality by Legislative Instrument L.I. 2396 of 2020 on 12 February, 2020. Agriculture and Tourism remains the main economic activities of the municipality. ASMA is an important food basket involved in the cultivation of pineapples and other citrus fruits for both domestic and foreign markets. The population of the municipality is projected at 76,922 of which 37,101 are males and 39,821 are females. The municipality covers a land area of 224,13km².

1. In preparing the Financial Statements, Management of ASMA takes cognisance of the 1992 Constitution, the Public Financial Management Act 2016 (Act 921) and the Public Financial Management Regulations 2019 (LI 2378), the Local Governance Act, 2016 (Act 936) and as amended by Act 940, as well as any other relevant subsidiary legislations. The 2021 financial statements have been prepared on General Government based on the Appropriation Act 2021 (Act 1069), the resolutions approving the Composite Budget of the Metropolitan, Municipal and District Assemblies (MMDAs), pursuant to Article 179 (2) (a) of the 1992 Constitution of the Republic of Ghana.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Policy Statement on IPSAS adoption

2. The adoption of IPSAS in Ghana was launched by the then Minister of Finance and a formal declaration was made in the 2015 budget and economic policy presented to Parliament in November, 2014. An implementation plan for IPSAS (Accrual basis) was launched on 24th November, 2018 in line with the Public Financial Management Act 2016 (Act 921).

3. The general Government of Ghana financial statement with the aim towards full accrual adopted and approved is the Modified Accrual Basis of accounting.

Basis of preparation

4. The financial statements and accompanying schedules and notes are prepared on the Modified Accrual basis of accounting, in accordance with the IPSAS.

5. The preparation of financial statements in conformity with IPSAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

6. The statements, accompanying notes and appendices consolidate the administrative and operational activities of ASMA, unless otherwise stated.

7. The Financial Statements are presented in Ghana Cedis and all values are rounded to the nearest Ghana Cedi.

Measurement base

8. The accounting principles adopted for the measurement and reporting of the financial performance and financial position on a modified accrual basis use historical costs or fair values, as appropriate, in the preparation of these statements.

9. The following specific accounting policies that materially affect the measurement of financial performance and the financial position are applied.

Revenue

10. The ASMA reports revenue in the period in which they are earned. Revenues from non-exchange transactions, such as direct and indirect taxes are recognized when earned. Non-exchange transaction is one in which the reporting entity receives something of value without

directly giving value in exchange. However, exchange transactions are those in which the entities sell goods or services in exchange for a consideration. Revenue comprises the fair value of consideration received or receivable for the sale of goods or services.

11. The reported revenue in the Statement of financial performance is the principal sources, comprising the Decentralised Transfers, Internally Generated Funds, Donations and Grants as provided in Section 124 of the Local Governance Act, 2016 (Act 936).

Expenditure

12. The reported expenditure in the financial performance is recognised when incurred and are recognized on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment.

13. Compensation of employees include international, national and general temporary staff salaries of public sector employees. The allowances and benefits include other staff entitlements, such as pension contributions and payments and other salary related allowances.

14. Use of Goods and services comprise of recurrent expenses incurred as a result of goods received and services rendered to public entities.

15. Interest expenses are finance costs incurred on loans acquired on domestic and external debts for the period.

16. Social benefits are expenses incurred as a result of social interventions carried out to benefit certain persons, communities and class of people in the society.

17. Other expenditure includes contributions, professional fees, donations, court expenses, scholarships, bursaries, awards and rewards

Foreign currency transactions

18. All transactions occurring in other currencies are translated into Ghana cedis using the exchange rates prevailing at the date of the transaction. Both realized and unrealized gains and losses resulting from the settlement of such transactions and from the currency translation at the reporting date are recognised in the financial statements.

Cash and cash equivalents

19. Cash and cash equivalents include cash on hand and deposits held at call with banks for periods of less than 90 days. As a rule, cash is held in the ASMA controlled accounts to maximize the interest-earning potential. Interest earned is credited to the appropriate source of revenue.

Short-term investments

20. Financial assets recognition and measurement, including cash, short-term deposits and investments are classified as fair value through surplus or deficit and measured at fair value as at the reporting date. Realized and unrealized gains or losses arising from the change of market value of investments and revenue from interest and dividends are recognized in the consolidated statement of financial performance in the period in which they arise. The interest earned is credited to the appropriate source of revenue. Financial assets with maturities of more than 12 months or not expected to be realized within 12 months at the reporting date are categorized as non-current assets.

Receivables

21. Receivables are recorded at their estimated realisable value after providing for doubtful and uncollectible debts. A provision for doubtful receivables related to is determined and where a request is made to Parliament for write off. Amounts due for more than 12 months after the reporting date in accordance with payment plans are classified as non-current receivables.

22. Any advances (or down payments) paid to suppliers, implementing partners, staff and others are recorded as receivables to ASMA until the goods are received, services performed, or the amounts repaid, as appropriate.

Inventory

23. The cost of inventory is valued at the lower of cost or current replacement cost.

Property, plant and equipment

24. Property, plant and equipment acquired during the year are capitalised and shown in the Statement of Financial Performance and depreciation is not charged in the year of acquisition and disposal. The fixed assets capitalized must have been depreciated using the straight-line method with the approved depreciation policy rates.

25. Depreciation of assets (other than land) is calculated on a straight-line (i.e. even) basis over their estimated useful lives, as shown in the table below:

Asset class	Estimated useful life
Land	No depreciation
Buildings	50 years
Other Structures – Lorry Park/Drainage/Roads	20 years
Vehicles	5 years
Office Equipment/Communications and IT	7 years
Furniture and fixtures	10 years
Computer Software/Accessories	5 years
Other Machinery & Equipment- Plants/Earthmoving machinery and equipment	10 years

Investment Property

26. Investment property is property (land or a building – or part of a building – or both) held to earn rentals or for capital appreciation, or both, rather than for:

- (a) Use in the production or supply of goods or services, or for administrative purposes; or
- (b) Sale in the ordinary course of operations.

27. Therefore, investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from other land or buildings controlled by Central Government entities, including owner-occupied property. The production or supply of goods or services (or the use of property for administrative purposes) can also generate cash flows.

28. Investment property should be recognized as an asset when and only when:

- (a) it is probable that the future economic benefits will flow to ASMA; and
- (b) the cost or fair value of the investment property can be measured reliably.

29. Investment property should be measured initially at cost (which includes transaction costs). Where an investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition.

Intangible assets

30. Intangible assets principally consist of purchased computer software, which is capitalized if the total cost of acquisition is GHC5,000 or more, and internally developed software, which is capitalized if the total development cost is GHC100,000 or more. Intangible assets have been recognized prospectively as of 1 January 2012 in accordance with the transition provisions in IPSAS. Costs incurred prior to this date were previously expensed.

31. Intangible assets are carried at cost less accumulated amortization and impairment. Donated intangible assets, if any, are recognized at cost, using the fair value at acquisition date.

32. Amortization is calculated on a straight-line basis over the estimated useful lives of the intangible assets, as shown in the table below.

Asset class	Estimated useful life
Purchased software	7 years
Internally developed software	7 years
Software under development	Not amortized

33. Amortization is calculated from the date of acquisition for purchased software and from the date of roll-out for internally developed software. Gains or losses on disposal, determined by comparing the proceeds, if any, with the carrying amounts, are recognized in the Statement of financial performance.

Payables to suppliers

34. As a rule, ASMA pays for goods and services after the goods are received and services provided. They are recorded simultaneously as an expense and an obligation payable to the supplier. This payable category includes accrued expense provisions raised for material consumption-based services (e.g. communications and utilities costs) for which the billing is received beyond 31 December and the costs can be reliably estimated based on recent supplier billings.

Work-in-Progress

35. Work-in progress (WIP) and preliminary expenditure is the accumulated historical cost of various capital related projects. The interim completion certificates prepared to confirm progress of work at predetermined and paid shall be recognise as the WIP cost and upon completion of the asset it is transferred to property, plant and equipment.

Borrowings

36. Borrowings Loans are recognised when received and interests are accrued as per the terms and conditions of the loan. Domestic loans are classified into short term (less than one year), medium term (more than one year but less or equal to four years) and long term (more than four years) according to the date of maturity or repayment.

Heritage assets

37. Heritage assets are recognized in the financial statements, but significant heritage asset transactions are disclosed in the notes thereto. Assets are categorized as heritage assets because of their cultural, educational, religious or historical significance. The Government of Ghana heritage assets comprise but not limited to works of art, culture, historical monuments, books and a statue. They were acquired over many years by various means, including purchase, donation and bequest. The heritage assets are not used in the delivery of services relating to the Government of Ghana's institutes or programmes; in accordance with the accounting policy of government, heritage assets are recognized and presented separately on the statement of financial position when the appropriate valuation can be ascertained.

Advance receipts and other liabilities

38. Advance receipts and other liabilities consist of payments received in advance relating to exchange transactions, liabilities for conditional funding arrangements and other deferred revenue. For example, trust funds, donor or grant funds with conditions.

NOTES TO THE ACCOUNTS			
		CURRENT	PREVIOUS
		YEAR	YEAR
		GH¢	GH¢
3	GoG Subvention		
	Compensation of Employees	4,220,843.56	
	Goods and Services /Asset	0.00	
	TOTAL REVENUE	0.00	0.00
	<i>LESS:</i>		
	Untransferred warrants	0.00	
	Centralised Paid Salaries	0.00	
	TOTAL RECEIPT (BTA)	0.00	0.00
4	IGF Receipt		
	Lands and Royalties	1,260,274.00	955,800.00
	Rates	221,921.52	249,116.00
	Rents of Land, Buildings and Houses	13,200.00	69,600.00
	Licenses	127,985.00	165,511.00
	Fee	88,648.00	100,800.00
	Fines, penalties, and forfeits	14,445.00	4,884.00
	Miscellaneous revenue		5,100.00
	TOTAL	1,726,473.52	1,550,997.00
	<i>LESS:</i>		
	Unreceived IGF	0.00	
	TOTAL REVENUE	1,726,473.52	1,550,997.00
5	Grants		
	Central Government	3,731,586.66	3,393,800.00
	Non Central Government	0.00	2,663,316.00
	TOTAL	3,731,586.66	6,057,116.00
	IGF EXPENDITURE		
6	COMPENSATION OF EMPLOYEES		

	Established Position	4,220,843.56		3,393,808.00
	Non Established Post	241,415.28		257,000.00
	Allowances	16,000.00		102,207.00
	13% SSF Employer Contribution	38,226.61		42,000.00
	Gratuity	0.00		0.00
	Pension	0.00		0.00
	End of Service Benefit (ESB)	0.00		15,000.00
	TOTAL	4,516,485.45		3,810,000.00
	<i>LESS:</i>			
	Unpaid Compensation	4,220,843.56		0.00
	TOTAL PAYMENT	295,641.89		3,810,000.00
7	GOODS AND SERVICES			
	Materials and Office Consumables	842,773.36		213,362.00
	Utilities	87,520.00		81,400.00
	General Cleaning	12,495.60		3,035.00
	Rentals	0.00		0.00
	Travel and Transport	525,446.91		274,552.00
	Repairs and Maintenance	53,598.95		36,400.00
	Training, Seminar and Conference	728,918.83		2,197,885.00
	Contract Appointment	136,612.06		0.00
	Special Services	305,275.81		76,700.00
	Other Charges and Fees	7,795.65		3,675.00
	Emergency Services	15,000.00		81,000.00
	Extra Works			0.00
	Accommodation	22,119.76		43,400.00
	TOTAL	2,737,556.93		3,011,693.00
	<i>LESS:</i>			
	Unpaid Goods & Services	49,593.55		0.00
	TOTAL PAYMENT	2,687,963.38		3,011,693.00
8	OTHER EXPENSES			
	Insurance and compensation	3,550.01		0.00
	Professional fees	0.00		0.00

	Customs Duties	0.00		0.00
	Court Expenses	0.00		0.00
	Awards & Rewards	0.00		0.00
	Donations	978,342.42		735,342.42
	Contributions	0.00		0.00
	Tuition Fees	0.00		0.00
	Special Operations	0.00		0.00
	Refuse Lifting Expenses	0.00		0.00
	Civic Numbering/Street Naming	0.00		0.00
	Scholarship & Bursaries	58,485.00		0.00
	Grants to Employees & Households	0.00		0.00
	Duty Refund	0.00		0.00
	Emergency Works	42,410.93		20,000.00
	TOTAL	1,082,788.36		755,342.42
	<i>LESS:</i>			
	Unpaid Other Expenses	0.00		0.00
	TOTAL PAYMENT	1,082,788.36		755,342.42
9	NON-FINANCIAL ASSETS			
	Fixed asset	28,353.00		0.00
	Work In Progress	865,492.68		0.00
	Intangible Assets	0.00		0.00
	Inventory	0.00		0.00
	Land	85,000.00		0.00
	TOTAL	978,845.68		0.00
	<i>LESS:</i>			
	Unpaid Non-Financial Asset	0.00		0.00
	TOTAL PAYMENT	0.00		0.00
10	Cash and Cash Equivalent			
	Cash Book Accounts 1 (IGF)	- 69,285.23		- 8,000.00

	Cash Book Accounts 1 (MP)	251,089.71	922.0
	Cash Book Accounts 2 (CF)	10,387.46	85,113.0
	Cash Book Accounts 3 (PWD)	82,500.14	72,307.0
	Cash Book Accounts 3 (HIV/AIDS)	3,515.05	1,500.0
	Cash Book Accounts 3 (DPAT)	7,288.48	7,288.48
	Cash on Hand	- 16.94	-
	Cash Book Accounts 4 (SUB CF)	289,659.58	3,293.0
	TOTAL	575,138.25	162,317.0
11	Receivables	83,814.00	83,814.00
	TOTAL	83,814.00	83,814.00
12	Property, Plant and Equipment		
	Dwellings	0.00	0.00
	Non-Residential Buildings	1,173,333.33	1,173,333.33
	Other structures	1,076,813.87	1,076,813.87
	Transport Equipment	1,678,141.76	1,678,141.76
	Other machinery and equipment	258,730.92	140,615.00
	Infrastructure Assets	0.00	89,762.00
	TOTAL	4,187,019.88	4,158,615.00
	LESS:		

	Current year Depreciation	458,777.36		0.0
	Accumulated Depreciation	0.00		0.0
	NET BOOK VALUE	3,728,242.52		4,158,660.5
13	Work - In - Progress			
	Dwellings	0.00		0.0
	Non-Residential Buildings	2,266,542.30		1,350,000
	Other structures	1,666,440.47		1,138,160
	Transport Equipment	0.00		950,085.0
	Other machinery and equipm	0.00		40,000.0
	Infrastructure Assets	166,595.50		40,000.0
	TOTAL	4,099,578.27		3,518,247.0
14	Land	85,000.00		0.0
15	Accounts Payable			
	Supplier Liability	3,268,918.28		3,575,837.0
	Withholding	0.00		
	TOTAL	3,268,918.28		3,575,837.0