

INTERNAL AUDIT AGENCY

TRAINING OF AUDIT COMMITTEE MEMBERS

UNDERSTANDING THE LOCAL GOVERNANCE SYSTEM

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OBJECTIVES OF THE MODULE

This module will introduce participants to the structure and operation of Ghana's Local Governance System.

PRESENTATION OUTLINE

1. Introduction to Decentralization
2. Functions of District Assemblies
3. Six Policy Thrust Areas of Decentralization
4. Fiscal Decentralization
5. Ongoing LGFM Initiatives
6. Structure of An Assembly
7. Financial Management Indicators (DPAT)
8. PFM Cycle
9. Conclusion

INTRODUCTION TO DECENTRALIZATION

- **1992 Constitution of Ghana**
- **Public Financial Management Act, 2016 (Act 921)**
- **The Local Governance Act 2016 (Act 936)**
- **The Coordinated Programme for Economic and Social Development (2017-2024)**

All these laws provided for, and made decentralization a must in Ghana

INTRODUCTION TO DECENTRALIZATION

The term decentralization used in public administration **involves** transfer of:

- Responsibilities,
- Power,
- Competences, and
- Resources

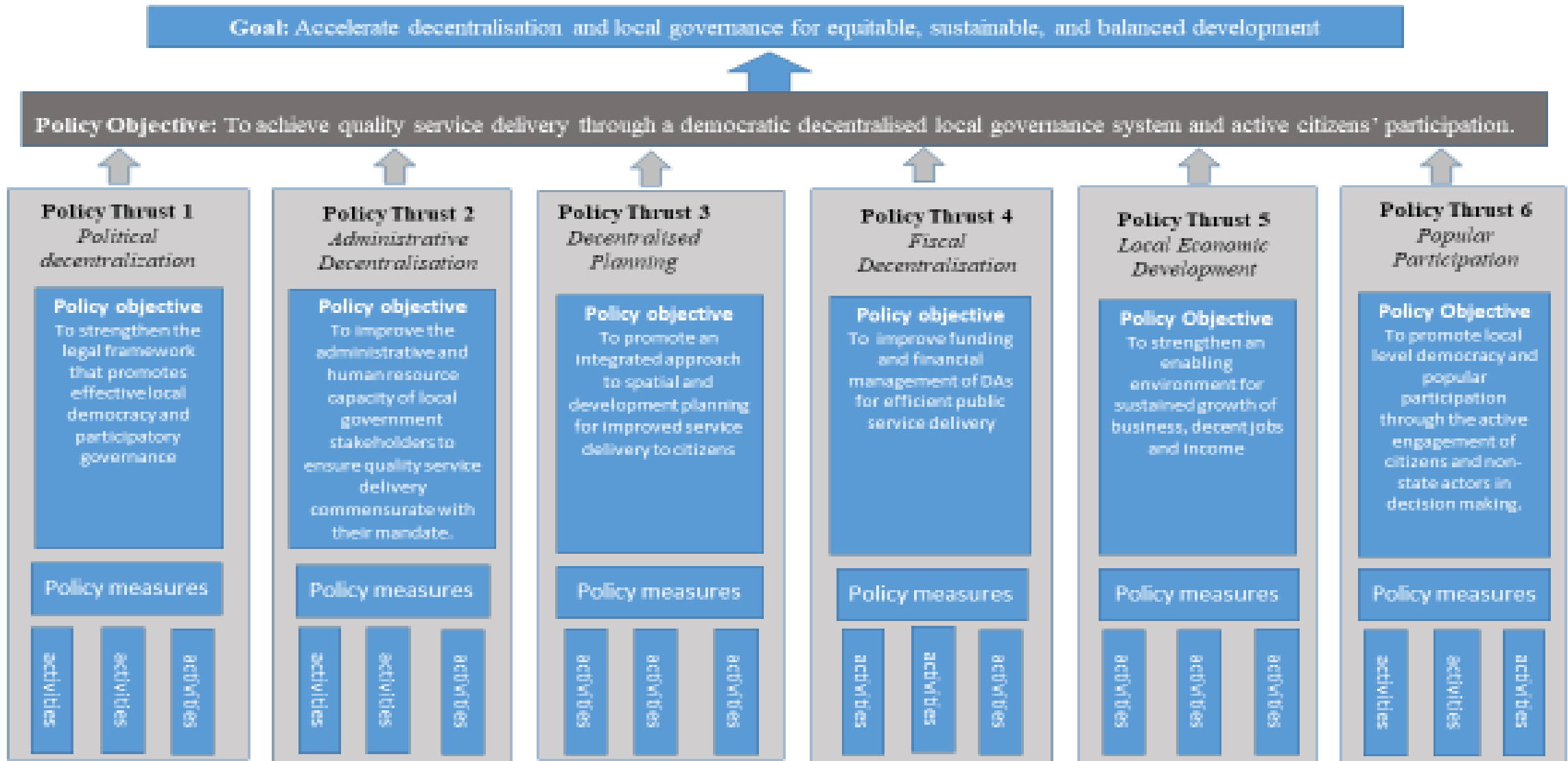
from a higher to a lower level of government, leading to an increased **autonomy and responsibilities** for such sub-national governments.

FUNCTIONS OF DISTRICT ASSEMBLIES

Section 12 of the Local Governance Act, 2016, (Act 936) provides for the functions of the District Assemblies. They:

- Are the **political and administrative authority** over the districts (the **primary function of District Assemblies**).
- Formulate and execute plans, programs and strategies for the effective mobilization of resources necessary for the overall development of the district.
- Promote and support productive activities and social development in the district and remove any obstacles to initiative and development.

Decentralization Policy & Strategy - Six Policy Thrust Areas



Source: National Decentralization Policy and Strategy (2020 – 2024)

FISCAL DECENTRALIZATION

Policy Objective: To improve funding and financial management of MMDAs for efficient service delivery.

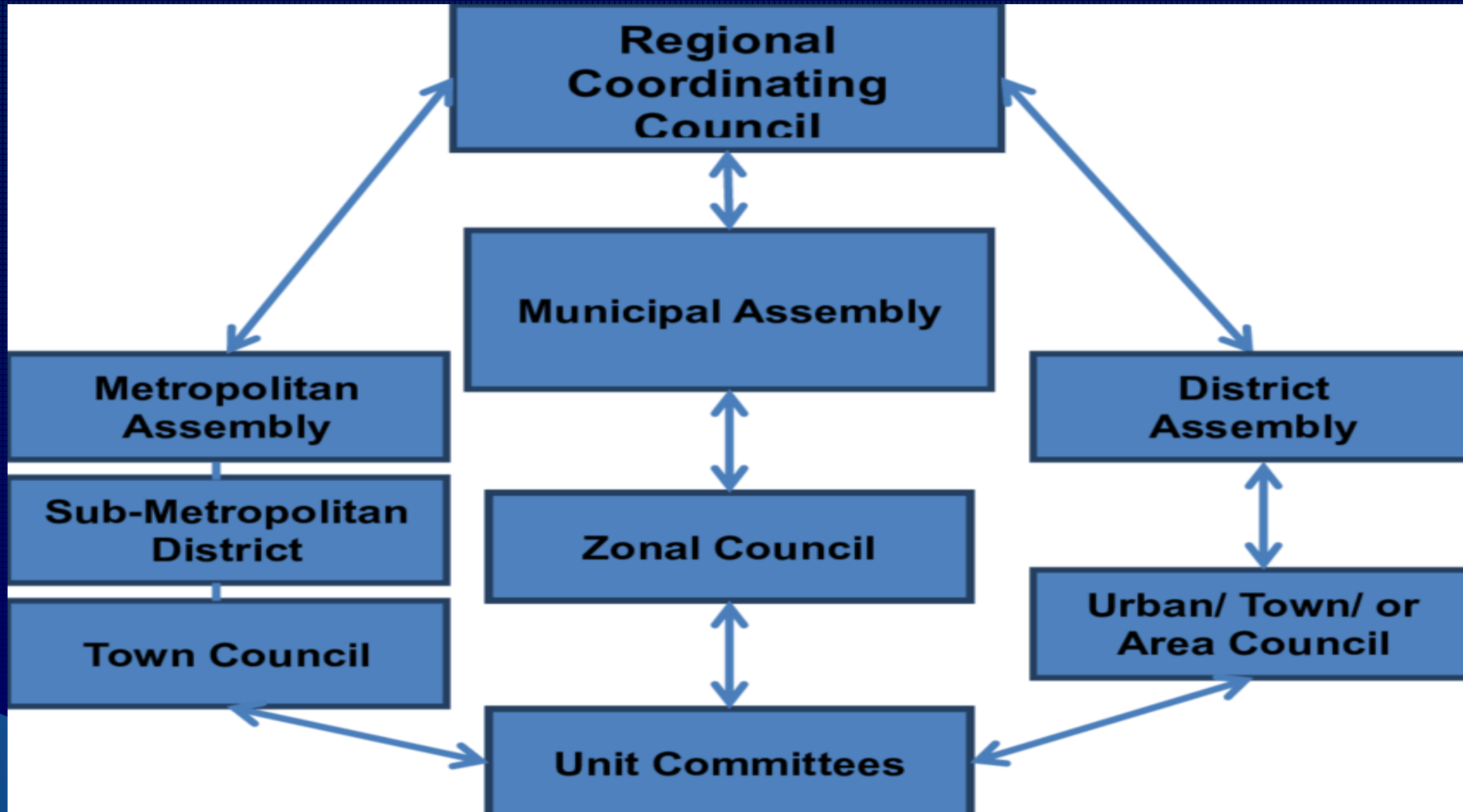
It has Two(2) Main Policy Measures:

- Ensure the development and implementation of an updated Inter-Governmental Fiscal Framework;
- Strengthen PFM coordination and capacity within MMDAs on one hand and between central government and local governments to improve efficiency and accountability.

ONGOING LGFM INITIATIVES

- Review of the PFM Legal and Regulatory Framework:
 - Implementation of the PFM Act & Regulations
 - Continues usage of the GIFMIS
 - Practice of Programme Based Budgeting (PBB);
- The Treasury Single Account (TSA);
- The adoption of the International Public Sector Accounting Standards (IPSAS)

STRUCTURE OF THE LOCAL GOV SYSTEM



SECOND SCHEDULE (SECTIONS 78 of the Local Governance Act, 2016, Act 936)

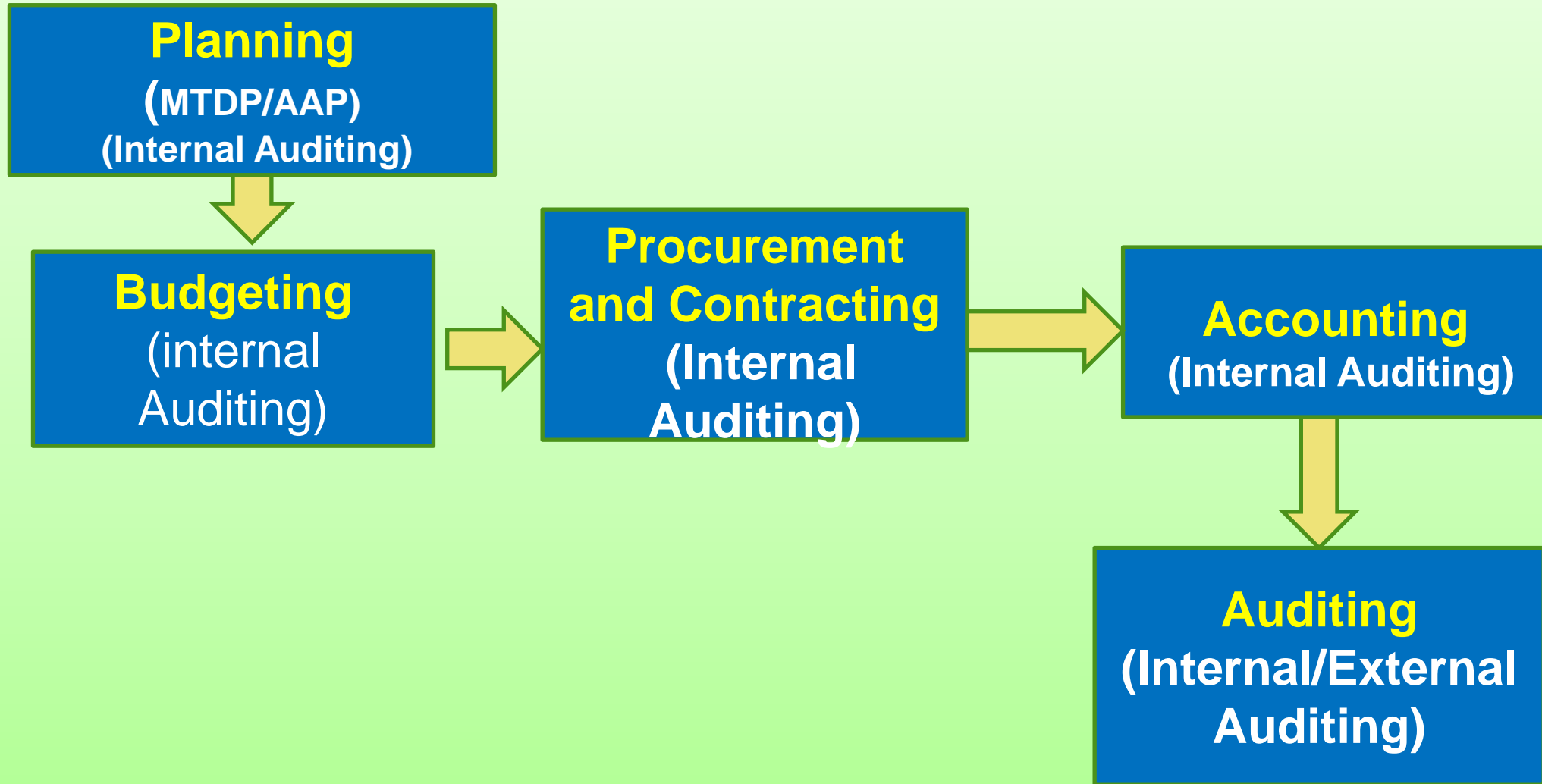
EXISTING DEPARTMENTS UNDER DISTRICT, MUNICIPAL AND METROPOLITAN ASSEMBLIES

#	Metropolitan Assembly	#	Municipal Assembly	#	District Assembly
1	Central Administration Department	1	Central Administration Department	1	Central Administration Department
2	Finance Department	2	Finance Department	2	Finance Department
3	Education, Youth and Sports Department	3	Education, Youth and Sports Department	3	Education, Youth and Sports Department
4	Metropolitan Health Department	4	Municipal Health Department	4	District Health Department
5	Agriculture Department	5	Agriculture Department	5	Agriculture Department
6	Physical Planning Department	6	Physical Planning Department	6	Physical Planning Department
7	Social Welfare and Community Development Department	7	Social Welfare and Community Development Department	7	Social Welfare and Community Development Department
8	Works Department	8	Works Department	8	Works Department
9	Trade and Industry Department	9	Trade and Industry Department	9	Trade and Industry Department
10	Natural Resources Conservation, Forestry and Game and Wildlife Department	10	Natural Resources Conservation, Forestry and Game and Wildlife Department	10	Natural Resources Conservation, Forestry and Game and Wildlife Department
11	Disaster Prevention Department	11	Disaster Prevention Department	11	Disaster Prevention Department
12	Roads Department	12	Roads Department	12	Statistical Department
13	Transport Department	13	Transport Department	13	Human Resource Department
14	Waste Management Department	14	Statistical Department		-
15	Budget and Rating Department	15	Human Resource Department		-
16	Legal Department		-		-
17	Statistical Department				
18	Human Resource Department				

FINANCIAL MANAGEMENT INDICATORS (DPAT)

- ❖ Functionality of the IAU.
- ❖ Functionality of the Audit Committee
- ❖ Preparation and submission of monthly financial reports
- ❖ Presentation of the Auditor-General Report to the General Assembly
- ❖ Timely submission of the Internal Audit Annual Audit Work Plan
- ❖ Timely response to Internal Audit Reports and Management Letters
- ❖ Adverse audit findings in the AG's Reports

PFM PROCESS



CONCLUSION

Understanding of the local Governance systems in Ghana would help Audit Committees and the various stakeholders to work in achieving the objective of the District Assemblies.

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THANK YOU!

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