IN THE FIRST SESSION OF THE EIGHTH PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA – PUBLIC BOARDS, CORPORATIONS AND OTHER STATUTORY INSTITUTIONS FOR THE YEAR ENDED 31ST DECEMBER, 2017

1.0 INTRODUCTION

The Reports of the Auditor-General on the Public Accounts of Ghana – Public Boards, Corporations and other Statutory Institutions for the year ended 31st December 2017 was laid in Parliament in accordance with Article 187(2) of the 1992 Constitution of the Republic of Ghana.

Pursuant to order 165 (2) of the Standing Orders of the Parliament of Ghana, the Report was referred to the Public Accounts Committee (PAC) for consideration and report.

2.0 PROCEDURE

To examine the report, the Committee met with sector Ministers and heads of Public Boards, Corporations and Statutory Institutions cited by the Auditor-General for irregularities to appear before it as witnesses to respond to issues raised in the report. In all, the committee met with Sector Ministers and officials from forty-one (41) Public Boards, Corporations and Statutory Institutions.

On appearing before the committee, the witnesses subscribed to the oath of a witness and answered questions relating to the issues raised in the Auditor-General's Report.

The Committee's Report covers the under-listed Public Boards, Corporations and Statutory Institutions whose queries were outstanding at the time of the Committee's settings:

1. Petroleum Commission
2. Ghana National Petroleum Corporation
3. National Electrification Scheme
4. Northern Electricity Distribution Company Limited (NEDCO)
5. Ghana Cocoa Board
6. Venture Capital Trust Fund
7. Bank of Ghana
8. Ghana Investment Fund for Electronic Communication (GIFEC)
9. Ghana Education Trust Fund (GETFUND)
10. Cocoa Marketing Company(Ghana) Limited
11. Public Procurement Authority
12. Ghana Institute of Journalism
13. Ghana Academy of Arts and Sciences
14. National Council for Tertiary Education
15. University of Ghana
16. University of Mines and Technology (UMAT)
17. University of Cape Coast
18. Songhor Salt Project
19. GIHOC Distilleries Company Limited
20. Export Trade, Agricultural and Industrial Development Fund (EDAIF)
21. Ghana Free Zones Board
22. (CSIR)-Science and Technology Policy Research Institute
23. Animal Research Institute (CSIR)
24. Forestry Research Institute (CSIR)
25. CSIR-Oil Palm Research Institute (OPRI)
26. Water Research Institute (CSIR)
27. Plant Genetic Resource Research Institute (CSIR)
28. Soil Research Institution (CSIR)
29. Ghana Aids Commission
30. Nursing and Midwifery Council
31. Government Technical Training Centre
32. Ghana Maritime Authority
33. Ghana Civil Aviation Authority (GCAA)
34. Ghana Ports and Habours Authority
35. Ghana Airport Company Limited (GACL)
36. Graphic Communications Group Limited
37. Data Protection Commission
38. G-Pak Limited
39. Lands Commission
40. National Population Council
41. National Media Commission

3.0 ACKNOWLEDGEMENT

The Committee expresses its gratitude to the Ministers, Deputy Ministers, the Auditor-General, staff the Audit Service and officials from the various Public Board, Corporations and Other Statutory Agencies for the immense assistance rendered to the Committee throughout its deliberations on the Report.

The Committee is also grateful to other witnesses who appeared before it to assist the deliberations.

The Committee further extends its appreciation Ghana Broadcasting Corporation (GBC - GTV) and other media houses for the live broadcast of the proceedings of the Committee.

4.0 REFERENCE

The Committee referred to the following additional documents during its deliberations:

i. The 1992 Constitution of the Republic of Ghana
ii. The Standing Orders of the Parliament of Ghana
iii. The Public Financial Management Act, 2016 (Act 921)
iv. The Public Procurement Act, (Act 663)
v. The Audit Service Act, 2000 (Act 584)
vi. The Internal Audit Agency Act, 2003 (Act 658)
vii. The Value Added Tax Act, 2013 (Act 870)
viii. The Income Tax Act, 2015 (Act 896)
ix. The Financial Administration Regulations, 2004 (L.I 1802)
x. The Stores Regulation, 1984

5.0 PURPOSE OF THE AUDIT

The purpose of the audit was for the Auditor-General to examine and express an opinion on the audited accounts of each Public Board, Corporation and other Statutory Institution. The audit was also to evaluate the adequacy of the system of Internal Controls, compliance with relevant legislations, accounting policies, applicable financial rules and regulations of these organizations.

6.0 SUMMARY OF SIGNIFICANT FINDINGS

The significant findings of the Auditor-General in his Report bordered on Outstanding Debts/Loans Recoverable, Cash irregularities, Payroll irregularities, Procurement Irregularities, Tax Irregularities, Stores irregularities and Contract Irregularities. The Committee noted that the irregularities increased significantly from an amount of GH¢718,085,208 in the 2016 report to GH¢12,002,880,339 recorded in 2017 representing 1,572% increase in irregularities. The detail analysis of the 2015, 2016 and 2017 irregularities are presented in table 1 below:

Table 1: An analysis of 2017, 2016 and 2015 Irregularities

SN	Type of Irregularity	2015 (GH¢) A	2016 (GH¢) B	2017 (GH¢) C	VARIANCE (C-B)	%
1	Outstanding Debt / Loans Recoverable	2,705,086,348	302,233,654	11,813,109,116	11,510,875,462	3,808.6
2	Cash Irregularities	222,227,944	246,407,355	149,208,182	(97,199,173	39.4
3	Payroll Irregularities	1,424,941	393,365	2,540,432	2,147,067	545.8
4	Procurement Irregularities	568,322	91,506,091	6,431,451	(85,074,640)	93.0
5	Tax Irregularities	377,410,669	24,291,448	6,394,113	(17,897,335)	73.7
6	Stores Irregularities	58,845	47,830,661	8,946,359	(38,884,302	81.3
7	Contract Irregularities	5,186,245	5,782,634	16,250,686	10,468,052	181
	Total	**3,311,963,314**	**718,445,208**	**12,002,880,339**	**11,289,202,831**	**1,572**

6.1 CAUSES OF THE VARIOUS IRREGULARITIES AND RECOMMENDATIONS BY THE AUDITOR-GENERAL

6.1.1 Outstanding Debts/ Loans Recoverable - GH¢11,813,109,116

These irregularities represent trade debtors, staff debtors and outstanding loans. The Auditor-General attributed the irregularities to Lack of debt collection policies, the absence of credit controllers to retrieve the debts and management's laxity towards loan recovery as the factors that contributed significantly to these anomalies. Also, improper maintenance of records on debtors, the absence of debtors' ageing analyses, non-documentation of agreements stipulating the terms and conditions of loans, failure to ensure that loans are repaid and management's noncompliance with rules and regulations accounted for these irregularities.

In this regard, the Auditor-General recommended that management of Public Boards, Corporations and other Statutory Institutions should strictly adhere to rules and regulations in respect of debt management. They should put in place proper policies on the granting of loans and ensure that loans are repaid on due dates to avoid or mitigate the occurrence of bad debts.

6.1.2 Cash Irregularities - GH¢149,208,182

Cash irregularities identified by the Auditor-General mostly related to the misapplication of funds, outstanding retirement of imprest, payments not authenticated, payment of Board Allowances to Council Members without Ministerial approval and outright cash shortages. He attributed these irregularities to poor oversight responsibility, lack of control and the failure of Paying Officers to demand receipts for payments made. Failure of Accountants' to properly file and keep records, management's failure to ensure the security and safety of vital documents, non-maintenance of returned cheque registers and management's inertia in complying with procedures stipulated in the Financial Administration Act coupled with poor accounting systems also accounted for these irregularities.

To avert the reoccurrence of these irregularities, the Auditor-General urged management of the Public Boards, Corporations and other Statutory Institutions to strengthen supervisory controls over their Accountants and ensure that they adhere to the stipulations of the Public Financial Management Act. He also recommend the authentication of all payment vouchers, prompt payment to bank and retirement of imprest on due dates.

6.1.3 Payroll Irregularities - GH¢2,540,432

Payroll lapses were largely attributed to the failure of management to exercise due diligence and the failure of officers in charge of payroll to review payment vouchers to ensure salaries were paid to only those who were entitled. These irregularities were also caused by management's failure to notify banks to stop the payment of unearned salaries. The Controller and Accountants General Department also failed to delete names of separated staff promptly when notified to do so. Additionally, management failed to obtain financial clearance from Ministry of Finance before employing new staff.

In this regard, the Auditor-General advised management of the affected Institutions to promptly notify the bankers of the separated staff to withhold and pay to chest all unearned salaries. He also recommend that officers in charge of payroll should exercise due care in the discharge of their duties.

6.1.4 Procurement Irregularities-GH¢6,431,451

Procurement irregularities identified by the Auditor-General were as a result of management procuring goods and services without recourse to the procurement committees of the various Institutions, splitting procurements into lots and procuring above entity's threshold, in contravention of the provisions of the Public Procurement Act.

In this regard, the Auditor-General recommended that the management of the various Institutions should transact procurement dealings strictly in accordance with the provisions of the Public Procurement Act, 2003 (Act 663).

6.1.5 Tax Irregularities - GH¢6,394,113

The Tax irregularities related to failure to pay statutory deductions on due dates, non-deduction of tax due and non-adherence to the provisions in the tax laws. They also relate to transaction of business with non VAT registered persons.

The Auditor-General recommended that the Finance Officers should strictly adhere to tax laws to ensure that all tax revenues are promptly collected and paid to the responsible revenue agencies.

6.1.6 Stores Irregularities - GH¢8,946,359

These irregularities include non-documentation of store items and unaccounted fuel, resulting from the absence of store ledgers, lack of awareness of officers assigned to store duties, inadequate supervision, use of deficient and non-reconciliation of fuel purchases at dumps and management's failure to ensure maintenance of log books.

To avert the recurrence of the situation, the Auditor-General recommended to management of institutions concerned to strengthen controls over store items, improve supervision and the procurement of store ledgers for effective record keeping. He also recommended strict adherence to the store regulations and the Financial Administration Regulations.

6.1.7 Contracts Irregularities– GH¢16,250,686

Contact irregularities identified by the Auditor-General during the period relates to overpayment of contract sum, absence of the signing of contract agreements, failure to comply with tendering procedures, delay in construction, ineffective control over contracts and the absence of transparency in the disbursement of funds, non-recovery of mobilisation and irregular additions to existing contracts.

He therefore urged management of the institutions concerned to strengthen controls over contracts and comply with tendering procedures. He also recommend that officers responsible for the overpayment of contract sums be surcharged with the difference.

6.2. SUMMARY OF FINANCIAL IRREGULARITIES FOR THE PERIODS ENDED 31ST DECEMBER, 2017

In general, the audit revealed about GH₵12,002,880,339 worth of irregularities in the Public Boards and Corporation. The irregularities occurred under seven (7) different headings; Outstanding Debtors/Loans Receivable Charges (98.42%), Cash Irregularities (1.24%), Payroll Irregularities (0.02%), Procurement Irregularities (0.05%), Tax Irregularities (0.05%), Stores Irregularities (0.07%), and Contract Irregularities (0.14%).

In spite of the irregularities recorded, the Auditor-General was satisfied that, most of the financial Statements submitted for validation represent fair financial information in accordance with statutory provision and most of the agencies prepared their financial statement in line with generally accepted accounting principles and their financial statement complied with the Ghana Accounting Standards and relevant legislations. With the exception of Government Technical Training Center which did not prepare financial statement and the National Media Commission whose financial statements were referred back for correction, all the financial statements examined presented a true and fair view of the financial position and performance of the organisations.

Table 2: Summary of audit Irregularities

SN	Type of Irregularity	%	Amount (GH¢)	Amount (USD)	Amount (€)	Total (GH¢)
1	**Outstanding Debt/Loan Recoverable**	98.42	11,809,202,798	884,643	-	**11,813,109,166**
2	**Cash Irregularities**	1.24	128,774,967	3,807,791	683,323	**149,208,182**
3	**Payroll Irregularities**	0.02	2,540,432	-	-	**2,540,432**
4	**Procurement Irregularities**	0.05	5,557,545	-	165,000	**6,431,451**
5	**Tax Irregularities**	0.05	6,394,113	-	-	**6,394,113**
6	**Stores Irregularities**	0.07	8,946,359	-	-	8,946,359
7	**Contract Irregularities**	0.14	16,250,686	-	-	16,250,686
	Total	**100**	**11,977,666,900**	**4,692,434**	**848,323**	**12,002,880,339**

Source: Auditor General's Report on Public Boards and Corporation 2017 (US$ and Euro components converted at the prevailing interest rates of GH¢4.4157 to US$1 and GH¢5.2964 to €1 as at 29/12/2017).

7.0 COMMITTEE OBSERVATIONS

7.1 MINISTRY OF ENERGY

7.1.1 *PETROLEUM COMMISSION, GHANA*

Reporting Requirement not included in the Consultants Contract

The Auditor-General identified that the Petroleum Commission engaged seven consultants to monitor staff of the Commission without a provision in the job description of the consultants for periodic reporting contrary to best business practices.

During the Committee sitting, the Petroleum Commission presented documents to support the claim that the contract with the seven consultant have been amended to include the submission of periodic reports in line with the recommendation of the Auditor-General. The Commission also indicated that, all the consultants have been phased out leaving only one on site.

Non Compliance of directive on transfer of IGF - GH¢1,776,576.92

The audit disclosed that the Commission made transfers totalling GH¢1,776,576.92 into the Ministry of Petroleum's Project Account at the Agricultural Development Bank (ADB) instead of through a dedicated account at Bank of Ghana (BoG) or Ghana Commercial Bank (GCB) as directed by the MoF guidelines on ceding 15% of the Departments retained Internally Generated Fund collection to their sector Ministries. The audit recommended to Management to ensure that all payments are made in accordance with Policy directives and guidelines.

Management explained that in addition to the two dedicated accounts, the Ministry of Finance also provided information on a third account at ADB into which founds could be transferred. The Commission simply complied with the information and transferred founds into the designated account at ADB. The Committee upon advice from the audit Service confirmed that MoF provided information on the said account into which the Funds were transferred.

Non Existence of Composite Risk Register

A review of the risk management process of the Commission disclosed that, only Health, Safety, Social and Environment (HSSE) and the Information Technology Departments documented their risk management processes. Other departments have not formalized their risk management processes. The Commission also failed to maintain a composite Risk Register or logs to proactively identify assess and effectively manage all the Commission's risk exposures. The auditor-General urged Management to properly identify, assess, manage and document all the Commission's risk exposures.

The Committee noted that in compliance with the recommendation of the Auditor-General. The Commission developed a composite risk management manual to guide all operational areas of the Commission.

Failure to update Procurement Plan

The audit identified that the Procurement Officer of the Commission did not prepare and submit a quarterly update on the commissions procurement plan in contravention of Section 21(3) of the Public Procurement Act, 2003 (Act 663). The Auditor-General recommended to Management to strictly adhere to the provisions in the PPA. The Committee noted that, a follow up verification conducted by the Audit Service revealed that, the Commission is in compliance with Section 21(3) of the PPA. Documentary evidence to that effect was made available to the Committee.

Failure to approve the Transport Policy

The audit disclosed that the management of the Commission failed to present Transport Policy Manual which was developed in 2013 by the transport unit to the Board for approval contrary to best industry practices. The continuous use of an unapproved Transport Policy may lead to abuse and misuse of the vehicles. This could also impede the effective performance of the Transport Officer and reduce

Management's demand of accountability from him. The auditors advised Management to review the Policy and submit it to the Board for approval for effective management and monitoring of the Commission's vehicles.

Management has since complied with the recommendation of the Auditor-General.

Inadequate Staffing at the Commission

A review of the human resources requirement of the Commission revealed inadequacies in staffing position at the Commission. The situation caused the Human Resource Officer to double up as the Transport Officer; in the absence of the Internal Auditor, there was no one to discharge his work. The Trainee Accountant who prepares the payment vouchers also plays the role of a Cashier and Storekeeper. The situation could result in errors and break down the internal control systems.

The audit recommended that Management should plan and recruit more staff in order to augment its staff strength. The Committee noted that management has since complied with the recommendation of the auditor-general and recruited the full complement of staff require for effective running of the Commission.

GHANA NATIONAL PETROLEUM CORPORATION

Loss from BOST Transactions – GHS68,852,760

The audit established that GNPC in collaboration with BOST imported petroleum products for National Strategic Stocks Programme. The transaction involving the importation of seven (7) cargoes between 2014 and 2015 turned out to be a loss making venture and the reconciliation with BOST to agree and finalise the actual losses has been difficult. The auditors urged management to expedite reconciliation efforts to determine the actual amount of the loss.

GNPC explained to the Committee that, in compliance with the recommendation of the Auditor-General, the reconciliation has been done and the total loss position in the transaction has been determine. Consequently government is expected to reimburse GNPC with the sum of US$21,773,757.76 as its share of the loss incurred through the transaction. The Committee urged the Ministry of Finance to reimburse GNPC for the loss incurred through the transactions.

Recoverability of receivables from Government of Ghana and its related agencies - GH¢778,565,761

The audit revealed that Government of Ghana and its related parties owed the Corporation an amount of GH¢778,565,761 as at 31 December 2015. Currently, there is no evidence of a repayment plan. Management was advised to intensify efforts in either collecting these overdue balances or negotiate a convenient repayment plan with the Government.

The Committee noted that the amount remain unrecovered. The Committee noted that the failure of government to pay the amount is adversely affecting the cashflow position of the Corporation. The settlement of the amount will allow GNPC to meet some key obligations. GNPC was hopeful that the amount will be recovered when the cash water fall is fully operational. The Committee recommends to the Ministry of Finance to ensure that the indebtedness to GNPC is settled under the cash waterfall program.

Long Outstanding Payable and Receivable Balances

The audit discovered that there was no movement on the account balances of significant account payables and receivables of the Corporation some as far back as 1992. There is the risk of the accounts payable and receivable balances being materially overstated. Management explained that they could not reconcile the balances with some of the departments. Some of the payables has been outstanding since 1992. Management expressed its intention to write off some of the outstanding debts. The Committee urged management to take the necessary steps to clean its books of the balances so that the accounts are not overstated.

Recoverability of advance to Broadcasting Corporation-US$1,248,000

The audit noted that a payment of US$1,248,000 made on behalf of Ghana Broadcasting Corporation (GBC) to the Confederation of African Football (CAF) in January 2015 was not included in the approved budget. Again, an amount of US$948,000 included in the US$1,248,000 and indicated as an advance to GBC has not been recovered. The auditors urged management to ensure payments are made out of approved budgets and take steps to recover the funds advanced as soon as practicable.

The Committee noted that the amount advanced to GBC remains unrecovered. Management expressed the difficulty involved in receiving the payment. The Board has subsequently approved the amount as sponsorship for the GBC.

Absence of Title Deeds

The audit discovered that the Corporation did not have title deeds for a number of landed properties including Petroleum House (GNPC Headquarters), GNPC Clubhouse at Tema Community 3, GNPC Nursery Block at Community 3, EX8 Residence at Community 3, Bungalows No. A2 & A3, Plots No. 35/12 & 13 at Redco, Madina and Tema Light Industrial Area respectively. The auditors advised management to take immediate steps to obtain title deeds for the Corporation's properties to avoid possible ownership litigations in future.

GNPC informed the Committee that steps are underway to obtain title deed for all landed properties of the corporation in compliance with the recommendation of the auditor-General.

NATIONAL ELECTRIFICATION SCHEME

Delays in remitting Levies Collected to the National Electrification Fund - GH¢24,986,762

A review of the 2015 account of the National Electrification Scheme revealed that, a total amount of GH¢24,986,762 stood as receivables due to delays in remitting levies collected to the National Electrification Fund. The auditors recommended that Management intensify its efforts at retrieving protracted debts through the involvement of the Sector Minister.

NORTHERN ELECTRICITY DISTRIBUTION COMPANY LIMITED (NEDCO)

Problems Associated with ORACLE software

The audit of NEDCO revealed that the Area Office uses Oracle software to manage its inventory. This is a perpetual inventory system which could provide only the total units and quantities received into store without being able to capture items issued out of the store. The Consultant for the ORACLE software must be contacted with the issue for them to come out with a solution such that the manual intervention will be eliminated. The Committee noted that following the audit observation, the contractor was called in and the problems have been rectified.

7.2 MINISTRY OF FINANCE AND ECONOMIC PLANNING

GHANA COCOA BOARD.

Damaged Swaraj Tractors - GH¢28,175

The audit revealed that Ghana Cocoa Board purchased a Swaraj tractor with registration number GT 7862 Z from Rana Motors in June 2008, which developed a fault within six (6) months and was sent back to the supplier but had not been replaced or repaired after 5 years. The auditors advised management as a matter of urgency, to pursue Rana Motors for replacement in accordance with the warranty agreement.

The Committee noted that following the audit recommendation, management engaged the suppliers and the Tractor has since been replaced in compliance with the recommendation of the auditor-General.

Trade debtors overdue

A review of the financial assets revealed that, COCOBOD does not have formal documented policies that provide guidance on assessing overdue debts of local customers contrary to the International Financial Reporting Standards (IFRS). Additionally, there was no evidence of formal plans or guidelines to provide guidance on the frequency and basis of determining impairment allowances required for overdue debts. The auditor-General urged management to put rigorous system and processes in place to provide guidance on the assessment of financial assets to ensure these assets are disclosed at their fair and/or recoverable amounts.

The Committee noted that Cocoa Board has instituted measure to improve debt collection.

Bank Balances excluded from financial statement

The audit revealed that the National Investment Bank created an intermediary account (Special Call Account) without notifying COCOBOD for its inclusion in the accounting records. It was also noted that, the balances of two bank accounts which had become dormant were also not recorded in Cocoa Research Institute of Ghana (CRIG's) financial records. The exclusion of these account balances could mean that bank balances in the financial statement may be misstated.

The auditor-General recommended that management must adhere to laid down procedures in relation to account closure and ensure all accounts balances are reconciled at the end of each month.

The Committee noted that management has taken remedial actions and updated its financial records to include the balances in the Special account. Additionally, the dormant account has been closed.

Deteriorating inventory of motorbikes

The audit revealed that 84 motorbikes purchased to be sold to operational staff under a loan scheme through which cost of the motorbikes are to be recovered from beneficiaries remained unsold and had been parked and their conditions continue to deteriorate. The auditors recommended to management to dispose of the 84 motor bikes to prevent further damages.

Management explained to the Committee that the motorbikes were rejected by the targeted beneficiaries because it did not meet their specifications. The Committee noted that management has since disposed the 84 motorbikes in compliance with the recommendations of the Auditor-General.

VENTURE CAPITAL TRUST FUND

Wrongful payment of property situated at North Ridge - US$839,134

The audit revealed that the Venture Capital Trust Fund paid the sum of US$839,134 to Nana Kwame Adusei and Dr. Prince Blankson, representatives of Bethany Church, in relation to a property situated at North Ridge being procured without a power of attorney from the trustees of the Church authorising the two individuals to collect monies on their behalf. The audit recommended to management to ensure that they recover the sum of US$839,134 from Nana Kwame Adusei and Dr. Prince Blankson, failing which management would be surcharged in accordance with Section 18(1b) of the Audit Service Act, 2000 (Act 584).

Management explained that the matter was reported to EOCO for recovery. The Committee noted that an amount of US$190,000 paid to Nana Edusei remains unrecovered. Again Dr. Prince Blankson however refunded US$610,000 leaving a balance of US$4,134.00 unrecovered.

The Committee expressed dissatisfaction at efforts been made to recover the outstanding amount of US$194,134 from the two persons. The Committee recommend to the Fund to vigorously pursue recovery of the amount. Additionally, the Committee urges the Auditor-General to exercise his power of surcharge in accordance with Article 187 (7) (b) of the Constitution and Section 18(1b) of the Audit Service Act, 2000 (Act 584) and retrieve the amount from officers whose negligent resulted in the wrongful payment.

Wrongful Payment of Gratuity to Board of Trustees - GH¢114,360

The audit revealed that management of the Venture Capital Trust Fund paid gratuity amounting to GH¢114,360 to six (6) Board of Trustees without approval from the Finance Minister in contravention of the Venture Capital Trust Fund Act, 2004, (Act 680). The Auditor-General recommended to management of the Fund to retrieve the sum of GH¢114,360 paid to the Board of Trustees.

The Committee noted that an amount of GH¢15,872 paid to Mr. Daniel A.K Mensah has been refunded leaving a balance of GH¢98,488.00 unrecovered. The unrecovered balance is in the name of the following ex trustees:

No	Name of Trustee	Amount Outstanding (GH¢)
1	Mr. J.H.O Acheampong (Deceased)	35,000.00
2	Mr. Laud Baidoo	15,872.00
3	Mr. Richard Lassey	15,872.00
4	Mrs. Susan Okeene	15,872.00
5	Mr. Daniel Duku	15,872.00
	Total	**98,488.00**

The Committee noted that, management failed to pursue recovery of the unlawful payment to the five former trustees. The Committee recommend to the Attorney-General to pursue recovery of the sum of GH¢98,488.00 from the five individuals or their next of kin together with interest.

Over payment of engagement for business valuation services-- GH¢86,625

The audit revealed that the Fund engaged a consultant, MSR to estimate the fair value of the 45 companies within its portfolio as at 31 December, 2015 at a unit cost of GH¢5,775 which summed up to GH¢259,875. However a review of the valuation reports showed that the actual number of companies valued were 30 totalling GH¢173,250. However, an amount of GH¢259,875 was paid to MSR based on the initial estimate, resulting in an overpayment of GH¢86,625 to the consultant. This resulted in loss of money to the Fund. The auditors urged management to retrieve the excess payment of GH¢86,625 from MSR.

Management however insisted that, the payment was for the evaluation of 44 companies to which the reports are available for verification. The Committee urged the Auditors to inspect the report and reconcile available reports with payments.

Granting loans without sufficient information on borrower's location-GH¢914,654
The audit revealed that the Fund granted loans to 79 companies and individuals without documentation on the location and registered offices of the borrowers. The situation would make it difficult for the fund to monitor and evaluate the performance of the borrowers which may result in bad debt. The audit recommended to management to update the files of the affected borrowers and ensure that the total amount of GH¢914,654 debts are collected.

Management admitted the difficulties encountered in updating the profiles of borrowers. Additionally, many of the beneficiaries failed to pay back the loans and it is also difficult to track them. The Committee blamed the situation on insufficient information on borrowers prior to the extension of credit. The Committee recommends to the Fund to pursue recovery and also restructure its credit operations to improve recovery.

BANK OF GHANA

Government borrowing in Excess of the limits Imposed by the Bank of Ghana
The audit revealed that Contrary to Section 16 of the Bank of Ghana (Amendment) Act, 2016 (Act 918), we observed that the Government net credit for the period under review was GH¢12,295,100,000 which implied that the Government had borrowed in excess of 737.78% of the threshold of GH¢1,467,582,600. The auditors recommended to management to immediately comply with the provisions of the Act.

The governor of the Bank of Ghana explained to the Committee that, Central Bank funding to government exceeded 5% ceiling before the effective date of the Act. Additionally, section 16 of Act 918 is not clear as to whether the existing stock should be factored into the determination of the 5% cap. The Committee noted that the ambiguity in the determination of the 5% limit makes it difficult to determine the exact financing in each financial year. The Committee recommends to the Bank of Ghana and the Ministry of Finance to ring fence the existing stock of debt and agree on a program to bring it down to the regulatory limit of 5% over time. Additionally, the Bank of Ghana Act must be amended to bring clarity on the determination of the 5% financing limit.

GHANA INVESTMENT FUND FOR ELECTRONIC COMMUNICATIONS (GIFEC)

Non-Functional Payphones
Per the terms of the Warranty agreement, Clause 3(iii) between GIFEC and Ghana Telecommunications Company Limited, suppliers of Vodafone payphone provides that, The purchaser shall promptly in any event not later than 14 days of becoming aware of any defect notify the supplier in writing of any claims arising under this warranty and the supplier shall readily remedy those defect at no extra cost to GIFEC in all beneficiary institutions within the warranty period. The audit team visited ten (10) beneficiary Senior High Schools. A sample of 10 beneficiary Senior High Schools under the Vodafone payphone revealed that 15 out of the 37 Vodafone

payphones and 11 MTN payphones were not operational. The auditors attributed this to the failure of management to enforce their rights under the warranty agreement provided under Clause 3(iii) of the Agreement between GIFEC and Ghana Telecommunications Company Limited. The auditors recommended to Management of the Fund to enforce the warranty Clause in the Agreement.

Management explained to the Committee that, the responsibility for the repair of payphones rely solely on the phone operators. They explained that, the payphone have become obsolete due to the proliferation of mobile phones across the country. The Service providers therefore do not see the deployment and maintenance of existing payphones as a profitable venture.

Non Functioning Desktop Computers (Faulty Hard Disk Drives)

The Auditor-General noted during the audit that every batch of desktop computers supplied by GIFEC had defects with the hard drive. Particularly, the John Evans Atta-Mills SHS had 18 defective desktop computers out of the 30 delivered. The auditors recommended to Management of the Fund to enforce the warranty clause provision to ensure defective computers are replaced by the suppliers.

The Committee noted that, in compliance with the audit recommendations, GIFEC invoked the warranty clause in the suppliers Agreement and the supplier made to either replace or fix all the defective computers.

GHANA EDUCATION TRUST FUND (GETFUND)

Non Tagging of Fixed Assets - GH¢474,156

The auditors noted during physical verification of fixed Assets of the Secretariat that additional assets acquired amounting to GH¢474,156 during the year were not embossed. They recommended that management, as matter of urgency, ensure that all fixed assets purchased are embossed.

The Committee noted that, the fix asset have since been embossed in compliance with the recommendation of the Auditor-General.

COCOA MARKETING COMPANY (GHANA) LIMITED

Long outstanding items on Ghana International Bank Account No. 01155119 Reconciliation

A review of the bank reconciliation statements revealed that a number of transactions totalling €54,290.73 had not been credited since 30 September 2015. Also, an amount of €27,827.79 was wrongly debited to the Ghana International Bank (GIB) Account Number 01155119. The auditors recommended that, Management should investigate these transactions in collaboration with the banks to correct the anomalies.

The Committee noted that management has taken action by notifying the Bank to correct the anomaly.

Ex Staff Debtors Balances - GH¢280,332.04

The audit revealed that a list of ex-staff debtor balances amounting to GH¢280,332.04, which dated as far back as 2002, had no corresponding names but remains in the books of the company. The auditors urged management to find the defaulting ex-staff and retrieve the total amount involved failing which officers responsible shall be surcharged with the amount.

Staff Imprest unrecovered - GH¢378,154.07

The audit established that contrary to Regulation 288 (2) of the Financial Administration Regulations (FAR) 2004, an amount of GH¢378,154.07 disbursed to twenty-one (21) staff as accountable imprest dating from 2013 to 2015 still remained un-retired. The auditors therefore recommended that Management should take full responsibility for the recovery of the GH¢378,154.07 failing which officers whose negligence or misconduct led to this loss shall be surcharged.

Management explained that activities for which the imprest were granted were not completed at the time of the audit. Following the audit recommendations and the completion of the various activities by the officers involve, the entire amount of GH¢378,154.07 has been retired.

PUBLIC PROCUREMENT AUTHORITY

Withholding Taxes Not Remitted- GH¢48,589

The audit disclosed that contrary to Section 117(1) of the Income Tax Act, 2015, (Act 896) the Authority withheld taxes amounting to GH¢48,589 but failed to remit it within the stipulated period. The Auditor-General recommended that all the outstanding withholding taxes must be remitted to GRA.

The Committee noted that, all the taxes amounting to GH¢48,589 were remitted to GRA in compliance with the recommendation of the Auditor-General. The Committee however noted that, the Commissioner did not compute the interest for delay payment. The Committee recommends that, the Commissioner-General must comply with the law by computing penalty on delayed payments failure of which tax officers who failed to compute the penalty for delay payment must be held liable for the payment of the penalties on any delayed taxes.

Staff Debtors - GH¢32,452

The auditors observed that the Authority granted newly employed staff short term loans totalling GH¢32,452 as at 31 December 2016 for which no payment has been made. They urged the Authority to have a policy concerning repayment of loans and salary advances and should liaise with the Controller and Accountant General's Department for the necessary deduction to be made at source without further delay.

The Committee noted that the amount were granted to newly recruited officers pending the processing of their salaries. The amounts involved has since been recovered from the officers involved. The authority explained that, in compliance with the recommendation of the Auditor-General. Management has developed a new policy to guide the granting of loans to staff members.

7.3 MINISTRY OF EDUCATION

GHANA INSTITUTE OF JOURNALISM

Payment in Excess of Certificate - GH¢13,500.00

The audit revealed that, an Interim Certificate number 2 dated 21 March 2013 amounting to GH¢682,127.15 was over paid by GH¢13,500.00 due to Management's failure to exercise due diligence. The auditors recommended that Management should inform the project consultant and ensure the amount is retrieved from the contractor immediately or management shall be surcharged with the amount.

Management of GIJ explained to the Committee that, the amount was deducted from the contractor's subsequent certificates that he raised on the project. The entire amount has therefore been refunded through an offset arrangement. The Committee urged officials to be circumspect in financial dealing to avoid the recurrence of such an event.

Variation of Contract without Approved Variation Order - GH¢529,621.37

The audit identified that additional works valued at GH¢529,621.37, which exceeded 15% of the contract sum, was executed without approval by the appropriate Tender Review Board, contrary to Section 87 of the Public Procurement Act, 2003 (Act 663) and the variation clause in the contract agreement. The auditors recommended that the additional work exceeding 15% of the contact cost should be referred to the Tender Review Board for review and approval.

The Committee noted that management submitted the contract variation work to the Tender Review Board for retrospect approval in compliance with the recommendations of the Auditor-General.

Inconsistency between Attendance Sheet and Lecture Claim Sheet

The audit found that due to the absence of attendance sheets to support payment of Lecturer's claims of GH¢987,591.51 during 2014/2015, the auditors were unable to establish the authenticity of the payment. They therefore recommended that the attendance sheet forming the basis for the preparation of the claims should be provided for examination failure which the Authorising and Paying Officers shall be surcharged with the total amount involved.

Management has since presented the attendance sheet to the auditors for verification.

Failure to Withhold Rent Tax - GH¢3,456

The audit disclosed that management failed to withhold a rent tax of GH¢3,456.00 from an amount of GH¢43,200.00 paid to a Landlord. The Auditor-General recommended that the Landlord should be informed about the existence of the law and 8% of the rent amount recovered and paid to the Commissioner, Domestic Tax Revenue Division (DTRD) of Ghana Revenue Authority (GRA).

The Committee noted that, management has since deducted the rent from subsequent rent payment to the Landlord in compliance with the recommendation of the Auditor-General.

Recovery of Loans Granted Staff

The audit revealed that Nineteen staff (19) of the Institute, who owed salary advances amounting to GH¢37,082.77 for previous years, refunded only GH¢1,242.30 or 3.3% during the year leaving an amount of GH¢35,840.47 unrecovered. The audit recommended to management to take measures to recover all over due salary advances from staff.

The Committee noted that management has since recovered all the outstanding loans from staff.

GHANA ACADEMY OF ARTS AND SCIENCES

Ten Sponsored Employees not Bonded

The audit revealed that the Ghana Academy of Arts and Sciences sponsored ten officers of the Academy for various programmes in the country with a total amount of GH¢60,550.04 from the 2014/2015 GETFund Sponsorship under Staff Development Fund. Management however, failed to ensure they were bonded to serve the Academy after completion. The auditors recommended that Management should ensure strict compliance with the regulation by bonding the staff under GETFund sponsorship.

The Committee noted that Management has since bonded all staff under sponsorship in compliance with the recommendation of the Auditor-General.

Items Paid for not Supplied - GH¢6,000.00

The audit revealed that Pagelinks Ltd who was awarded a contract to print three different publications valued at GH¢20,700.00 and paid under a GETFund Project, failed to supply 1000 copies of one of the books titled (Academy Red Book) costing GH¢6,000.00. The audit recommended that Management should ensure that the books are supplied, failing which the authorising and paying officers would be surcharged with the amount of GH¢6,000.00.

Management explained that the contract was paid for directly by the GETFund making the enforcement of performance difficult. However, following the audit observations, the supplier has since supplied the addition 1,000 copies of the book in compliance with the recommendation of the Auditor-General.

Absence of Internal Audit Unit and Audit Report Implementation Unit.

The audit revealed that the Academy has not established an Internal Audit Unit to ensure effective and efficient internal control systems contrary to Section 16(1) of the Internal Audit Agency Act 2005, (Act 658). Additionally, management also failed to establish an Audit Report Implementation Committee (ARIC) contravention of Section 30 of the Audit Act 2000, (Act 584). The Auditor-General recommended to management to set up an Internal Audit Unit and also establish a functional Audit Committee.

The Committee noted that in compliance with the audit recommendations the Academy established and inaugurated a functioning Audit Committee and also established an Internal Audit Unit.

Fuel Not Accounted For - GH¢30,467.00

Fuel purchases made by the Academy in 2014 and 2015 amounting to GH¢30,467.00 were not recorded in the vehicle and generator log books to account for them. The Auditor-General recommended to Management to ensure that the drivers account for the usage of fuel or refund the money involved. Also, Management should ensure that the drivers are given adequate training on the maintenance of the vehicle and generator log books.

The Committee noted that management failed to account for the usage of the fuel. The Committee therefore recommend that the drivers and transport officer should refund the sum of GH¢30,467.00 being the unaccounted fuel.

Auditorium Store Items not recorded - GH¢24,059.80

The audit established that contrary to Stores Regulations, 1984, various purchases amounting to GH¢24,059.80 were not receipted on Store Receipt Voucher (SRV) and recorded in Store ledgers. The auditors recommended that the items should be accounted for, failing which the Purchasing Officer whose inaction caused the anomaly would be surcharged.

Management explained that the items were duly delivered but were not receipted on Store Receipt Voucher. Following the audit observations, the SRV was updated to reflect the receipt of the items.

UNIVERSITY OF GHANA

Non Deduction of Taxes on Staff Allowances - GH¢4,272,382

The audit disclosed that contrary to Section 4 of the Income Tax Act, 2015 (Act 896), management failed to subject allowances such as vehicle maintenance, fuel, off-campus and electricity paid as part of staff employment income amounting to

GH¢4,272,382 to tax. The audit recommended that management should ensure that taxes are withheld at the appropriate rate on total taxable emoluments of staff.

The Committee noted that management has since included the allowances into the determination of the total emolument of staff for the purposes of determining the tax liabilities of staff in compliance with the recommendations of the Auditor-General.

Control deficiencies over cash and bank balances

The audit disclosed that the Accountant failed to prepare bank reconciliation statements for seven (7) different bank accounts in contravention of Section 51 Sub-Section 6 of the Public Financial Management Act, 2016 (Act 921). Consequently a total amount of GH¢500,000 cancelled cheques, were not cancelled in the IT System. Also, duplicate transactions totalling GH¢7,979,606, which should have been corrected, still showed as uncredited lodgements on the 31 December 2016 bank reconciliation statements. The Auditor-General attributed the lapse to lack of supervision on the work of the Head of Accounts and recommended that, Management implements a robust process that reviews bank transactions that can identify all discrepancies and resolve them.

Management admitted that the situation was as a result of insufficient supervision on the work of the schedule officer. The University has since ensure regular reconciliation of its bank statements.

Misapplication of Internally Generated Funds- GH¢10,957,079

The audit disclosed that the University of Ghana without approval contracted salary loans to finance the payment of staff salaries which resulted in the payments of GH¢10,957,079 interest paid from I.G.F of the University in contravention of Section 5 (a) and (c) of the Retention of Funds Act, 2007, (Act 735). The auditors recommended to management to discuss the impact of the late release of emolument subvention with Ministry of Education and seek workable solution to the problem.

Management explained that the University was compelled to go for the facility in order to meet the payment of emoluments to staff as a result of delays in the release of funds from the Ministry of Finance for compensation of staff. The Committee urged the Ministry of Finance to ensure regular release of compensation allocations to the Universities to forestall the excessive expenditure on interest payments.

UNIVERSITY OF MINES AND TECHNOLOGY (UMAT)

Unretired Imprest - GH¢18,777.50

The audit disclosed that contrary to Regulation 288(1) of Financial Administration Regulations, 2004, (L.I.1802), the Auditor-General noted that out of a total of GH¢18,800 imprest granted by the University of Mines and Technology, only GH¢10,222.50 had been accounted for leaving a balance of GH¢8,577.50 to be retired by the former Registrar, Mr E. K. Bedai for the registration of lands and buildings acquired by the University. Also, there were no official receipts covering the reported GH¢10,222.50. The Auditor-General recommended that Mr E.K. Bedai should properly account for the total amount of GH¢8,577.50, failure of which he shall be surcharged. The Committee noted that, the registrar failed to account for an amount of GH¢8,577.50 imprest granted him. The Committee recommends that the registrar should refund the unaccounted amount of GH¢8,577.50 to chest.

Payment for Unsupported Claims - GH¢6,177.87

The audit disclosed that UMAT included an amount of GH¢6,177.87 as price fluctuations in Certificate Number 2 for payment to Arch-Team 4, a consultant engaged for the construction of residential accommodation under GetFund but there were no documentary evidence supporting the payment by way of detailing the computation. The auditors recommended that the Consultant Arch-Team 4 and the Contractor refund the GH¢6,177.87 to the GETFund Secretariat or be surcharged.

The Committee noted that notwithstanding the audit recommendations, the amount remains unrecovered. The Committee recommend that the works engineer and the Finance Officer should be held responsible to refund the sum of GH¢6,177.87 to GETFund for failure to pre audit the certificate before recommending payment.

Delayed Lodgements - GH¢26,245

Contrary to Regulation 15(1) of the Financial Administration Regulations, 2004 (L.I. 1802), the audit disclosed that cash collections were delayed for between 7 and 157 days before payment to Bank. The auditor-General attributed the anomaly to poor supervision of the work of the accountant by Management. The auditors advised management to ensure that total collections are promptly lodged.

The Committee noted that, following the audit discovery, the Account officer responsible for the delayed payments was sanctioned and his schedule changed. Management assured the Committee that measures have been instituted to ensure prompt payment of all cash collections into bank.

UNIVERSITY OF CAPE COAST

Real Time Update on Sandwich Fees

The audit disclosed that the University does not have a real time information on the fees paid by the sandwich students unlike other students of the University. The auditors urged management to move the sandwich students onto the main payment platform.

Management explained that sandwich student have now been migrated onto the students payment platform to avert the risk of recalcitrant students presenting forged pay-in slips as evidence of payment in compliance with the recommendation of the Auditor-General.

Bank Reconciliation Statement - GH¢10,963.90

The Auditor-General identified during the audit that the bank reconciliation statement of ADB Bank had four (4) uncredited cheques and two (2) wrong debits totalling GH¢10,005.90 and GH¢738 respectively. These have been outstanding from as far back as 2011 and 2012 in contravention of Regulation 2(g) of the FAR, 2004. The situation persisted despite several written notices by the University to the bank. The Auditor-General recommended to management to ensure that the Bank corrects the errors.

Management informed the Committee that, the Bank failed to correct the errors despite several written notices to the Bank. In protest to the irresponsiveness of the Bank, the University has stopped operating the account. The anomaly however persist and has not been rectified by the Bank.

No Fund Manager for SSNIT Second Tier - GH¢35,265.32

The audit disclosed that Contrary to Section 1 of the National Pensions Act, 2008 (Act 766), Management of the University is yet to engage a fund manager to manage the second-tier pension of employees amounting to GH¢35,265.32. Management was urged to speed up efforts to engage a fund manager to manage the second-tier contributions of the employees immediately.

Following the audit observation, management has engaged Pen Trust Tier -2 MTOPS to manage the tier two pension contributions of staff.

Uncredited cheques

The Auditor-General noted that the Ghana Baptist University College (GBUC) deposited US$6,000.00 into the GCB Forex Dollar Account of the University of Cape Coast (UCC) on the 13th April, 2016 in payment of an affiliation fees. This amount is still standing as an uncredited cheque in the bank reconciliation statement of UCC though GBUC confirms the payment by a charge of the amount on their bank ~~statement which they made available to UCC. The auditors recommended that~~ the management of UCC must investigate the transfer and get its account credited.

The Committee noted that, the amount remains uncredited to the account of UCC. The Committee recommends to management to as a matter of urgency investigate the matter failure which the Auditor-General must exercise his power of surcharge on the Head of Finance of the University.

Assets not included in the Asset Register-GH¢2,176,725.33

The audit disclosed that 4 vehicles valued at GH¢1,445,138 and two generators value at GH¢731,587.33 acquired by the University were not included in the asset Register of the University in contravention of Regulation 2 (n) of FAR, 2004. The anomaly was as a result of management's failure to exercise control over recording of asset in the asset register. The Auditor-General recommends to management to update the asset register immediately to include the assets.

The Committee noted that management has updated the register to take account of the four (4) vehicles and the two generators.

Fixed Assets not embossed

During a physical verification of assets purchased in 2016, the auditors noted that a number of asset procured at a total cost of GH¢2,317,319.99 were not embossed with identification marks in contravention of Section 21 of the Financial and Stores Regulations of the University. The Auditors recommended to management to ensure that all the items are embossed to reduce the risk of theft.

The Committee noted that management has since complied with the recommendation of the Auditors and embossed all the items.

Ownership of Motor Vehicles

DVLA regulation requires that whenever the ownership of vehicle changes, the new owner must take steps to effect change of ownership within fourteen (14) days. Contrary to this provision, the audit established that twenty-eight (28) vehicles purchased for College of Distance Education by the University as far back as 2006 have the ownership title still in the name of the vendors. This situation occurred because Management does not have an effective monitoring system in place to ensure that transfer of ownership of vehicles purchased is effected promptly. The auditors advised Management to ensure that, ownership of these vehicles are transferred to the University. Management should also institute an effective monitoring system to ensure that titles to all assets acquired are promptly transferred to the University.

The Committee noted that, management has taken steps to register all the vehicles in the name of the University in compliance with the recommendation of the Auditor-General.

Contract Modifications not approved - GH¢8,073,111

The audit observed that the University of Cape Coast made modifications, variations, extension to four contract exceeding 10% of the original value of the contract but failed to refer the contract to the Tender Review Board for Approval in contravention of Section 87 (1) of the Public Procurement Act, 2003 (Act 663). The auditor-General recommended that modifications to contract sums, be it variations, additional works or fluctuations which exceeded the limits set by Section 87 (1) of the Public Procurement Act, 2003 (Act 663) should be approved by the appropriate Tender Review Board.

The Committee noted that the failure on the part of management to ensure that the above provision is adhered to may lead to fraudulent overstatement of original contract sum. The Committee recommends that the officer(s) involved should be sanctioned for violating Section 87 of the Public procurement Act.

7.4 MINISTRY OF TRADE AND INDUSTRY

SONGHOR SALT PROJECT

Penalty for Late Payment of Statutory Deductions - GH¢61,628.20

The audit observed that as a result of liquidity challenge Sanghor Salt Project delayed in statutory payment of PAYE, employee SSF and withholding taxes amounting to GH¢93,876.72 resulting in a total penalty payments of GH¢61,628.20. The auditors recommended to management to ensure that statutory payments are made on due dates to avoid penalty payments.

Management further reiterate the liquidity challenges facing the operation of the company. The Committee is pleased to note that management has since desisted from accumulating statutory arrears to avoid the payment of penalties.

Ecobank Forex Account Balance - GH¢2,218.40

The audit identified that an amount of GH¢2,218.40 in the Ecobank Forex Account has been standing in the books of the company since 2010. The auditors recommended to management to provide the bank statement for audit verification and if possible consider closing the account and the amount transferred to an active account.

The Committee was informed that the account remain dormant since 2010, however, in compliance with the recommendations of the Auditor-General, management had closed the account and the balance of GH¢2,218.40 transferred to the company's cedi account at Ecobank.

Lack of Protective Working Gear

The audit disclosed that staff of the company working with heavy electrical and mechanical equipment are not provided with protective working gears thereby compromising the safety and health of the employees. The auditors recommended to management to provide the needed safety equipment to the employees.

Management informed the Committee that, the company was in financial distress at the time and all workers were willing to sacrifice to turn the fortunes of the company. They assured the Committee that the health and safety of their employees is of paramount importance to the company. As a result, the requisite safety equipment have been provided to all employees in compliance with the recommendation of the Auditor-General.

Legal Status of Songhor Salt Project

The audit disclosed that the ability of the Project to manage its operations has been adversely affected because of the problem with its legal status that has persisted, several years after its creation. There is no any evidence of registration or incorporation from the Registrar-General's Department even though PNDC Law 287 vested interest in the project in the state. The corporate governance structures are also not sufficient. The Project has no Board but managed by a management committee. The Auditor-General recommended that the relevant authorities should resolve the issue.

The Deputy Minister for Trade and Industry in acknowledging the challenge informed the Committee that the absence of legal backing has over the years affected the ability of the company to attract investment. It has also affected the project's relationship with its banking partners. He assured the Committee that efforts are underway to resolve issues about the legal status of the company. Progress however is been delayed by the ability to secure funds to compensate the original owners of the company. He assured that Government is in the process of agreeing on compensation payment to the original owners to allow it engage investors on the project. He indicated that, the viability of the project is not in doubt and many investors have expressed interest in the project.

The Committee recommends that the Minister of Trade and Industry should engage the Ministry of Finance to expedite action on compensation payment to the original owners to pave way for the regularization of the legal status of Songhor.

Unregistered Land Purchased

The audit established that Songhor Salt Project has not acquired Land title for five (5) plots of land purchased at Sege township in 2012 at a cost of GH¢25,950 for the construction of staff quarters. The auditors recommended that efforts should be made to obtain title to the land.

The Committee noted that in compliance with the audit recommendations, management commenced processes to secure title for the five plots of Land. The process is ongoing and the Company is awaiting final title deed from the Lands Commission.

GIHOC DISTILLERIES COMPANY LIMITED

Absence of Accounting Manual

The auditors noted that the Company has no accounting manual to guide particularly the accounting staff in their day to day activities. There is no written travel policy to inform accounts staff on the authorised amounts for both domestic and international travels. Management was tasked to develop an accounting manual for the Company to streamline all accounting processes and procedures.

The Committee observed that in compliance with the recommendations of the Auditor-General, GIHOC has since developed an accounting manual and other operational manuals to guide its staff in decision making.

EXPORT TRADE, AGRICULTURAL AND INDUSTRIAL DEVELOPMENT FUND (EDAIF) (NOW EXIM BANK)

Non Payment of Loans by Beneficiaries – GH¢93,372,254

The audit discovered that out of a total loan portfolio of GH¢174,5462,197, a staggering amount of GH¢93,372,254 remains outstanding as at 1st January, 2015. All the loans were due for repayment but remain outstanding. The Auditor-General recommended that management should follow up with the Designated Financial Institutions (DFIs) to ensure that all outstanding loans are repaid. Where beneficiaries are unable to repay the loans, the amount should be retrieved from the DFIs in line with the agreement signed with them.

The Committee noted that, an amount of GH¢33,038,418 out of the GH¢93,372,254 had been recovered leaving a balance of GH¢60,333,836 outstanding. Management explained that, in an effort to reduce the Bank's alarming NPL rate, the Risk and Recovery Department were established to improve Credit Risk Analysis and to focus much attention on loan recovery. The Bank also engaged the designated Financial Institutions through which the loans were disbursed to compel them to improve recovery of outstanding loans. These actions contributed largely to the increased recovery rate.

The Committee noted that the Exim Bank entered into a tripartite Agreement with the Bank of Ghana and Designated Financial Institutions. The Agreement among others gave authority to the Bank of Ghana to recover all outstanding loans through the operational accounts of the DFI's maintained with Bank of Ghana. The Committee recommends that Exim Bank should activate the Agreement and recover the outstanding balance of GH¢60,333,836 from the DFI's through their operational accounts at Bank of Ghana.

Variance between EDAIF Reported Loan Balances and Balances Confirmed by the DFI's - GH¢4,714,171

The audit noted differences of GH¢4,714,171 between the loan balance as per the EDAIF records (GH¢175,520,712) and confirmed balance by DFI (GH¢170,806,541) as at 31 December 2015. The Auditor-General recommended that management should ensure that reports on loan balances are received from the DFIs promptly, and regularly reconcile.

Management explained that the differences arises as a result of delayed transfer receipts from customers, fees and charges applied to loans by the DFI's among other factors. The differences are however identified through regular reconciliations. The Committee noted that Exim Bank has since reconciled its books with the books of DFI's thereby eliminating the differences in reported loan balances.

Management Fee Charged by GRA not in accordance with EDAIF Act –

Management fees charged by GRA not in accordance with EDAIF Act 872. Section 29(3) and (4) of Act 872 indicate that the EDAIF levy shall be collected by the Customs

Division of the Ghana Revenue Authority from the importer at the port of entry. The Commissioner responsible for Customs Division of the Ghana Revenue Authority shall pay the levy collected into an account specified by the Board. Section 30 of the Act, also states that, "The Custom Excise and Preventive Service Act, 1993 (PNDCL 330) shall apply for the purposes of the collection of the levy imposed by this Act."

The audit discovered that in 2015, GRA began charging EDAIF 'service fees' for collection of levies on behalf of the latter. Without notifying EDAIF, GRA retains 9% of levies collected and transferred 91% of levies collected to EDAIF's Bank of Ghana Transit Account in contravention of the Act. The deduction constitutes a breach of the Export Trade, Agricultural and Industrial Development Act, 2013 (Act 872). The Auditor-General urged management to engage the Commissioner of the Customs Division of the Ghana Revenue Authority to refund all levies withheld as service fees to date and discontinue the practice of charging the fee.

The Committee noted that notwithstanding the recommendation of the Auditor-General GRA continue to retain 9% of all levies collected on behalf of EDAIF. GRA indicated that the amount is to enable them defray their operational cost of the automated system put in place for the collection of the levies,

The Committee disagreed with GRA because the operational cost of GRA is already a charge on the consolidated Fund to which annual budget allocations are made. The Committee recommends to the Ministry of Finance to ensure that GRA discontinue practice and transfer 100% of all funds collected on behalf of EDAIF into the transit account at Bank of Ghana.

Grant not Adequately Accounted for by the Beneficiaries.

The auditors noted that some of the grantees had not submitted financial returns to EDAIF as required by the grant agreement making it difficult for management to ascertain whether the funds are being used for the intended purposes. The auditors recommended that management should ensure that grantees submit financial report and third party supporting documentation evidencing the use of grants disbursed.

Management admitted that there were weaknesses in the monitoring of grants which led to some projects performing below expectations. To address these weaknesses, the grant disbursement processes has been reviewed to ensure that projects are consistently monitored to ensure funding is applied directly to projects for which funds were approved.

GHANA FREE ZONES BOARD

Poor Debt Collection on Ground Rent, Premium on Land and License Renewals

The audit observed that debt collection strategies of the Ghana Free Zones Board have not been effective. As a result, a total debt of US$884,642.82 and GH¢271,600.82 have been outstanding since December 2015. The auditors urged management to put in place effective debt collection and recovery systems to ensure early collection of all debts.

Management has since improve its debt collection strategies in compliance with the recommendation of the audit.

Unavailability of Suppliers' Official Receipts

The auditor discovered that four payments totalling GH¢169,700.00 were not supported by official receipts from suppliers for the supplies of goods and services. We recommended that Management obtains official receipts from the suppliers as an evidence of payment else they will be held accountable.

The Committee noted that management has since obtained receipts from the four suppliers to authenticate the payments.

7.5 MINISTRY OF ENVIRONMENT, SCIENCE AND TECHNOLOGY (CSIR)-SCIENCE AND TECHNOLOGY POLICY RESEARCH INSTITUTE

Un-insured Building

The auditor-General observed that the Science and Technology Institute, the Forestry Research Institute, Soil Research Institute and the Oil Palm Research Institute's buildings had not been insured and some of the fire extinguishers had expired in contravention of Section 184 (1&2) of the Insurance Act, 2006, Act 724. The Auditor-General attributed the anomaly to Management's apathy with regards to risk management. He advised management to take necessary steps to insure the building without further delay.

The Committee noted that management failed to comply with the audit recommendations. Management explained that the assets of the Institutes need to be revalued to determine their true insurable value. However, the institutes does not have the funds for the revaluation and also for the payment of insurance premium on the properties. In the case of the Forestry research institute, the properties have been valuated and sent to the Ministry for payment of insurance premium but that was not done due to lack of funding.

Un-reconciled differences in stock GH¢36,197.03

A review of stock value of the Institute showed that there was discrepancy between the stock values per the system generated tally card and the stock ledgers. The tally card showed a balance of GH¢39,614.39 while the stock ledgers was GH¢75,811.42 resulting in a difference of GH¢36,197.03. The auditors urged management to investigate the differences in the stock valued and also ensure regular reconciliation of stock values.

The Committee noted that the stock differences have been reconciled. Management blamed the anomaly on malfunctioning accounting system which has since been resolved.

Non Deduction of Salary Advance - GH¢10,493.26
The auditor-General observed that deductions of salary advances given to staff in general are not regular as required contrary to Regulation 114(1&2) of the FAR, 2004 (LI 1902). Management was advised to put in place steps to ensure all salary advances are recovered from staff regularly.

The Committee noted that management has since recovered all the salary advances amounting to GH¢10,493.26 granted staff.

Unretired Imprest - GH¢101,425.21
The audit disclosed that a total amount of GH¢101,425.21 accountable imprest taken by seven staff to undertake a number of activities and also for fuel had not been accounted for by the end of 2016. The auditors also noted that, most of the imprest retirement forms were not verified, certified or approved by responsible officers as required. They advised that the amount involved should be adjusted to the personal advance account in the names of the officers involved in accordance with Regulation 288 of the FAR.

Management explained that, they are unable to adjusted imprests to the personal advance account of the officers because the projects to which the imprest were granted were not concluded at the time of the audit. The Committee noted that all the imprest and fuel have been accounted for.

Payment Not Accounted for - GH¢10,210.00
Contrary to Regulation 39 (2c) of the Financial Administration Regulations, 2004 (L.I. 1802), we noted that four (4) payments totalling GH¢10,210.00 were not properly accounted for. The auditors recommended that in the absence of any official receipts to authenticate these payments Management shall be surcharged with the total amount of GH¢10,210.00.

The Committee noted that all the necessary documents has been presented to authenticate the payments.

Abandoned Motor Vehicles
The auditors noted that three (3) apparently fairly good vehicles of the Institute have been abandoned and left to the mercy of the weather since 2014. The three vehicles inspected were in fairly good condition and could have been easily repaired and put to use. The audit recommended that the Institute should seek for funds to repair the vehicles. In the absence of funding, the Institute should liaise with its head office to have these vehicles auctioned to avoid further deterioration.

The Committee noted that the vehicles remain un-serviced contrary to the recommendation of the Auditor-General. The Committee recommends to the Institute to take steps to auction the vehicles in accordance with Section 29 of the Auction Sales Law.

FORESTRY RESEARCH INSTITUTE (CSIR)

Failure to label Fixed Assets

The audit revealed that the Institute had not labelled Fixed Assets procured for its Guest Houses during the period under review. The lapse was attributed to failure on the part of management to act on the recommendation of the Internal Auditors on the above subject. The audit recommended that management should ensure that all Fixed Assets procured by the Institute are labelled to prevent misuse, stolen or being swapped.

The Committee noted that all the fixed assets of the institute have been labelled in compliance with the recommendation of the Auditor-General. The Committee recommends that management should pay more attention to the recommendations of the internal auditor to ensure compliance with applicable financial regulations.

Re-demarcation of Institute's Land at the Northern Enclave

The audit found that the Institute's lands located at Koka, near the Red Volta and Bawku had not been properly demarcated to secure its boundaries. The auditors recommended to management to take the necessary steps and get the land properly demarcated by liaising with the appropriate authorities to assist with the process.

PLANT GENETIC RESOURCE RESEARCH INSTITUTE (CSIR)

Assets not labelled

Contrary to Regulation 2(h) the audit noted that assets procured amounting to GH¢94,101 were not labelled with the Institute's identification code. The auditors recommended that management must ensure that all assets are labelled with unique identification codes.

The Committee noted that management has since complied with the recommendation of the Auditor-General.

7.6 MINISTRY OF HEALTH

GHANA AIDS COMMISSION

Expenditure without Receipt - GH¢482,253.29 and US$1,597,346.20

A review of payments with the view to establish the genuineness and propriety of expenditure made during the audit period and revealed that, 18 payment vouchers totalling GH¢482,253.29 besides six payment vouchers totalling US$1,597,346.20 being payments made for various expenditure were not covered by receipts to authenticate the payments. The Accountant's failure to effectively supervise the Cashier to ensure receipts are obtained as an acknowledgement of payment as well as lack of post transaction review by the Internal Audit Unit contributed to the omission. The audit recommended that in the absence of valid receipts to authenticate the payments, the payments should be disallowed and the paying officer surcharged with the amount involved.

Following the audit observations, management provided the relevant invoices and attachments to authenticate the payments in compliance with the recommendations of the Auditor-General.

Purchases from non VAT Registered Persons - GH¢8,090.89

The audit disclosed that contrary to Regulation 183(4) of the Financial Administration Regulation (FAR), 2004 (L.I. 1802), the Commission procured goods and services worth GH¢46,233.65 from non-VAT registered entities causing the State to loss VAT/NHIL revenue amounting to GH¢8,090.89. The auditors advised management to endeavour to comply with the provisions of the Regulation in future procurement transactions.

The Committee noted that the Commission has since desisted from the practice in compliance with the recommendation of the Auditor-General. The Committee recommends that, officers involved should be sanctioned for breach of Regulation 183(4).

Non Deduction of Withholding Tax - GH¢17,405.11

Contrary to Section 84 (2) (a) of the Internal Revenue Act, 2000 (Act 592) as amended, management failed to withhold taxes totalling GH¢17,489.75 on payments made for works, goods and services. The audit recommended that, management should immediately comply with Section 88(1) of Act 592 by remitting the amount to the Commissioner of the Ghana Revenue Authority and take steps to recover same from the payees.

The Committee noted that management has recovered the tax from the payees and remitted same to the Commissioner-General in compliance with the recommendations of the Auditor-General.

Absence of Ownership Document for 13 Official Vehicles

The audit found that fourteen official Vehicles of the Ghana AIDS Commission did not have ownership documents covering them. To safeguard the assets of the Commission, we recommended that management should obtain the documents of ownership for the affected vehicles as a matter of urgency.

Management has since obtained ownership documentation for the 13 official vehicles in compliance with the recommendation of the Auditor-General.

NURSING AND MIDWIFERY COUNCIL

Accident involving Nissan Navara (GV2198-14)

The audit observed that one of the Council's vehicles, a Nissan Navara with registration number GV 2198-14 driven by Randy Kudahor was involved in an accident with a commercial Hyundai Mini-Bus H100 with registration number WR 4765-12 on Friday, 17 October 2014. A three (3) member Committee was constituted by management to investigate the accident and make appropriate recommendations.

The Committee concluded that, the driver could have avoided the accident. It recommended that the appointment of the Driver, Mr Randy Kudahor be terminated to serve as deterrent to others and be made to pay for the cost of repairs on the vehicle. We noted that, no official Police Report had since been obtained on the accident 18 months after the accident in contravention of Regulation 1616 of the Stores Regulations, 1984 and Regulation 1617 of the Stores Regulations, 1984. The auditor recommended that, efforts should be made to obtain the Police report as early as practicable for any further necessary action. Management should also ensure that the GH¢19,709.85 spent on the affected vehicle is recovered from the driver.

Management however failed to obtain police report neither did they recover the amount of GH¢19,709.85 spent on repairs from Mr. Randy Kudahor. The Committee however failed to understand the basis for the dismissal of Mr. Randy Kudahor in the absence of a Police report. The Committee recommend to the Council to follow up and procure police report on the accident to determine the culpability or otherwise of the driver. In the Absence of a police report incriminating him, Mr. Randy Kudahor should be reinstated.

Disbursement not Accounted For - GH¢109,229.53

The audit disclosed that the Council made payment on 9 payment vouchers with face value totalling GH¢109,229.53 but the PVs were not supported with official receipts to authenticate the payments in contravention of Regulation 39(2c) of the FAR, 2004. The Auditor-General recommended that management should produce supporting receipts to account for the payments or the authorising officer shall be surcharged with the amount of GH¢109,229.53.

Management in compliance with the recommendation of the Auditor-General provided the necessary supporting documents to authenticate the payments.

Non Deduction of 5% Withholding Tax - GH¢33,629.00

The audit disclosed that management failed to withhold 5% tax on payments made for works and goods totalling GH¢33,629.00. The auditors advised that management should comply with the relevant provisions of Act 592 to avoid penalties.

The Committee noted that, failure of management to withhold the tax deprive the State of revenue. The Committee recommend to management to recover the sum of GH¢33,629.00 from the payees and paid same to the Commissioner General.

Failure to Recover Loans/Advances Granted to Staff.

The audit revealed that management granted a total amount of GH¢19,900.00 as advances to seven staff members but failed to effect deductions from the salaries of the beneficiaries. The auditors recommended that Management recovers the advances without further delay or be held accountable.

The Committee noted at its sitting that management recovered all the advances in compliance with the recommendation of the Auditor-General.

Failure to Obtain Three Quotations for Goods and Services - GH¢68,026.10
The audit disclosed that management procured goods and services worth GH¢68,026.10 without requesting for at least three different quotations or seeking approval from the PPA for sole sourcing. The Auditor-General advised management to adhere to the requirements of the PPA.

The Committee noted that the action of management is in breach of Sections 40(2) and 43(1) of the Public Procurement Act. The Committee therefore recommends that the Council should comply with the Public Procurement Act.

Purchases from Unregistered VAT entities and FAILURE TO Obtain VAT Invoice
The audit found that management procured printing services and goods amounting to GH¢23,122.35 from a non-VAT registered entity in contravention of Regulation 183(4) of the FAR, 2004 (L.I 1802). The auditors recommended that Management should deal with VAT registered entities only.

The Committee noted that management is complying with the recommendation of the Auditor-General.

Absence of Ownership Documents for Six Nissan Navara Pick-ups
An examination of vehicle files showed that Six (6) vehicles procured through the Ministry of Health Car Revolving Fund and two (2) of the vehicles which were outright purchase at a total cost of GH¢262,230.22 are still not in the name of the N&MC even though the vehicles have been fully paid for. Four (4) of the vehicles are being paid for over a three year period at a cost of GH¢191,161.76 each, i.e. 36 monthly instalments of GH¢4,894.27. The Council stands the risk of losing the vehicles if documents that give the right of ownership are not in its name. The Auditor-General attributed the anomaly to laxity by management in pursuing the ownership documents of especially, the two (2) vehicles which had been fully paid for, as well as the additional four (4) which are currently being paid for by monthly instalments. The Auditor-General recommended that management should pursue transfer of ownership of the two vehicles fully paid for

The Committee noted that management has complied with the recommendation of the Auditor-General and obtained title ownership of the vehicles.

7.7 MINISTRY OF TRANSPORTATION
GOVERNMENT TECHNICAL TRAINING CENTRE
Misappropriation of funds - GH¢65,368.68
The audit established that cash collections of GH¢9,749.00, generated from repair works was not recorded in the main cash book and accounted for in contravention

Regulation 18 of the FAR, 2004 (L.I. 1802). In addition, cash collections from Internally Generated Funds (IGF) was not fully banked resulting in unbanked cash of GH¢55,619.68.

The Committee noted that the Auditor-General has commenced the process to surcharge responsible officers with the full amount of GH¢65,368.68. The Committee noted that GH¢35,168.68 of the amount was disbursed directly and the remaining GH¢30,200 refunded by responsible officers. The Hon. Minister of Transport explained that, the situation arose because the Center has no internal audit unit. The Committee recommends that the Center must establish a functioning internal audit unit to improve internal control. Additionally, the officers involved should also be disciplined as prescribed by Regulation 8 of the Financial Administration Regulations (FAR), 2004 (L.I.1802).

Delay lodgement of cash collection

The audit disclosed that the Centre failed to promptly lodge cash collections into the Centre's bank account as required by Regulation 15 (1) of the Financial Administration Regulations (FAR) 2004, (L.I. 1802) leading to excessive cash holdings at various points in time. The Auditor-General recommended that management must ensure all cash collections are lodged into the bank account in gross within 24 hours to prevent misappropriation and other financial losses.

The Committee noted that, the Center has since complied with the recommendation of the Auditor-General by paying all cash collections into Bank account within the stipulated time.

Printing of Receipt Books without Authority

The audit noted that even though the Centre had General Counterfoil Receipt books (GCR) which they use in the collection of fees, they in addition, printed 100 copies of customized receipt books without approval from the Controller and Accountant General (CAG). The Auditor-General recommended that management should seek approval from CAG for the printing of the receipt books and stick to the use of approved receipt books for collection of all IGF in order to ensure proper accountability of the collections.

The Committee noted that the center has since discontinued the practice of printing of customised receipt books.

Failure to Prepare Financial Statement

The audit disclosed that the Centre failed to prepare and submit financial statement to the appropriate stakeholders for the three years under review. In order not to stifle effective planning and decision making, management must ensure that, the financial statements for the three years are prepared as soon as possible and submitted for audit. Also the account section must be strengthened with the right calibre of staff.

The Committee noted that, failure to submit financial Statement contravenes Regulations 145, 146 and 147 of the FAR 2004, (L.I. 1802). The Committee further noted that the Center failed to submit account for five years in a roll. This did not allow the Auditor-General to express his opinion on the financial Statement of the Center. The Committee recommends that officers who failed to ensure that the accounts are prepared and submitted for audit are sanctioned in accordance with Regulation 8 of the FAR and the Audit Service Act. The Committee further recommends to the Auditor-General to conduct a forensic audit into the operations of the Center.

Unapproved Fees

The audit disclosed that trainee user fee of GH¢30.00 was increased to GH¢50.00 during the 2014 academic year without approval from Parliament as required. The auditors also did not obtain any evidence of approval from the Ministry of Transport or Parents-Teacher Associations for the collection of monies for the supply of various items in addition to the trainee user fee. Management was advised to work through the Ministry of Transport to seek parliamentary approval for the new fees being charged.

In compliance with the recommendation of the Auditor-General the new fees were approved by Parliament as part of Fees and Charges.

Payment Voucher without Adequate Supporting Documents - GH¢55,789.26

The Audit disclosed that payments totalling GH¢55,789.26 were without adequate supporting documents such as signed statement of claims, memos, invoices and receipts to properly acquit the payments. The audit advised management to ensure that the payments are properly acquitted otherwise; the amount involved should be recovered from the officers involved.

The Committee noted management failed to provide supporting documents to authenticate the payment vouchers. The Committee recommends to the Auditor-General to disallow the expenditure and exercise his power of surcharge in Accordance with Article 187 (7) (b) and Section 18 of the Audit Service Act to recover the sum of GH¢55,789.26 from the officers involved through the issuance of surcharge.

Improper Management of Revenue Generated from Part Time

The audit disclosed that income generated from part time classes was not accounted to the Centre even though the Centre's facilities were used to organize the classes. The Auditor-General recommended that management must introduce a policy detailing modalities in the sharing of fees obtain from the part time programme.

The Committee noted that practice has since been stopped in compliance with the recommendation of the Auditor-General.

Lack of Control Measures over Repair Works Activities

The audit established that the center failed to put in place control procedures to be followed by the training officers as well as the owners of the vehicles being repaired at the Centre to ensure that Non Tax revenue is efficiently collected in contravention of Regulation 17 (a) of the FAR. In order to ensure that the revenue due from the repair works is efficiently collected, Management was advised to ensure that vehicles to be repaired are registered at the gate of the Centre, charges of the various jobs determined by the training officers, and approved by Management.

The Committee noted that following the audit observations, management has put in place measures to ensure the efficient revenue collection and accounting at the Centre.

Absence of Audit Report Implementation Committee

The audit revealed that the Centre failed to establish an Audit Report Implementation Committee in contravention of Section 86 of the Pubic Financial Management Act, 2016 (Act 921) and the Internal Audit Agency Act. In order to ensure the implementation of recommendations in audit and other monitoring reports, management was advised to establish the Audit Committee in accordance with Section 86 of the Pubic Financial Management Act, 2016 (Act 921).

The Committee noted that management failed to establish an Audit Committee as recommended by the Auditor-General. Management explained that, there are challenges in the determination of the Membership of the Committee. As an interim measure, the Centre relies on the Audit Committee of the Ministry of Transportation to help in the implementation of audit recommendations. The Committee urges management to as a matter of urgency establish its own Audit Committee in accordance with Section 86 of the Pubic Financial Management Act, 2016 (Act 921)

Employment without Job Description

The auditors observed that the Centre employed an Administrative Officer and a Night Watchman during the period under review without specifying the duties/work schedules to be performed by the two officers due to the absence of scheme of service. Management was urged to either adopt the Ministry of Transport's scheme of service or draw up one for the Centre as soon as possible.

The Committee noted that management has since developed a scheme of Service for all category of employees at the Center in compliance with the recommendation of the Auditor-General.

Absence of Ownership Document for Two Vehicles and Uninsured Vehicles

The audit established that two vehicles acquired in 2003 and 2013 were still registered in the name of Ministry of Transport. Management was advised to pursue the change of ownership and ensure that the four vehicles are insured to safeguard the Centre's vehicles.

The ownership of the vehicles have now been transferred to the name of the Centre and two out of the four (4) vehicles have been insured in compliance with the recommendation of the Auditor-General. The other two vehicles are unserviceable and are presently not in use.

GHANA MARITIME AUTHORITY

Outstanding Withholding Taxes - GH¢106,015.09

The auditors noted that Contrary to Section 87 (1) of the Internal Revenue Act, 2000, Act 592, the Authority had an outstanding withholding tax of GH¢106,015.09 based on a tax audit conducted by Ghana Revenue Authority for 2014 and 2015 financial years. The Auditor-General urged management to settle the outstanding taxes.

The Committee noted that following the GRA audit, GMA paid the tax liability of GH¢106,015.09 in addition with a penalty of GH¢34,588.58 in compliance with the recommendation of the Auditor-General.

GHANA CIVIL AVIATION AUTHORITY (GCAA)

Differences in Confirmation Response from Ghana Airport Company Limited (GACL)

The Auditor-General noted a difference of US$31,552.81 in the Ghana Airport Company Limited (GACL) – Airport Passenger Service Charge (APSC) Account and US$85,758.34 in the GACL's – Current Account between the confirmation letter received and the amounts stated in the trial balance. He recommended that a reconciliation is done between the two companies in order to arrive at the correct balance.

The Committee noted that following the recommendation from the Auditor-General, a reconciliation was undertaken to correct the discrepancies.

Error in the Revenue Logbook

Contrary to Regulation 1 (a) of the FAR, 2004 (L.I 1802), the Auditor-General noted that, there were errors identified in the flight details captured on the revenue log book used in billing clients for landing and en-route charges. The auditors recommended a rigorous review of the revenue logbook by an authorised official who will be able to determine these errors and have them corrected.

The Committee was informed that the errors were as a result of manual lodgement of details of flights. To address the challenge, the manual system has since been replaced with an automatic lodging system and the problem no longer persists.

Obsolete Inventory - GH¢284,802.82

The audit disclosed that contrary to Regulation 1101 of the Stores Regulations 1984, obsolete inventory worth GH¢284,802.82 was included in the closing inventory in the financial statements. The Auditor-General advised management to write off the obsolete stock to prevent the total inventory balance from being overstated.

In compliance with the recommendation of the Auditor-General, management has identified the obsolete inventory and separated them from the rest of the stock. The obsolete inventory had also been disposed.

GHANA PORTS AND HABOURS AUTHORITY

No Report on Distribution of Cloths Purchased for Staff - GH¢1,303,221

Contrary to Regulation 1 of the Financial Administration Regulations (FAR), 2004, the Authority failed to keep adequate records on distribution of clothes purchased amounting to GH¢1,303,221 for staff. The auditors advised management to prepare the distribution report to aid in determining the amount to be expensed and recovered from the staff.

The Committee noted that the entire amount of GH¢1,303,221 remained unrecovered contrary to the recommendation of the Auditor-General. The Committee recommends to management to implement the recommendation of the Auditor-General and recover the amount from staff.

Staff with Account Balances in both Headquarters and Tema Port.

The audit disclosed that contrary to Regulation 115(1a) of the FAR, 2004, the Authority failed to keep adequate records on loans advanced to staff. The audit also observed that, 17 staff at the Tema Port had more than one staff debtor's accounts which contains different balances. The Auditor-General recommended that management should reconcile and merge all these multiple staff account balances into a single account. Also, the existing accounting system should be redesigned to be able to easily migrate a staff debtor account from one Unit to the other or from one position to the other.

Management explained that, a new system has been introduced to reconcile staff debtors account. The Committee recommends to the Auditor-General to conduct a follow up audit to ascertain if the new system deployed has rectified the anomaly.

Inventory items issued but not recorded on the respective bin cards-GH¢104,780.30

Regulation 617 of the Stores Regulations states 'all issues shall be entered on the tally cards on the same day on which the issues are made. Issues shall be entered on the day ledger sheets or stock control cards within 24 working hours of the issues. Contrary to this provision, the Auditor-General noted that some store items amounting to GH¢104,780.30 issued from stores were not recorded on the bin cards. He advised management to strengthen the control of supervision in order to ensure that items issued from stores are appropriately recorded on the respective bin cards in a timely manner.

The Committee was informed that management has improved supervision to ensure that the anomaly does not reoccur.

Booking some payments without creating liability on the vendor account - GH¢476,609.10

The audit discovered that the Takoradi Port made payments totalling GH¢476,609.10 to three vendors for services (stevedore) rendered without liability being established prior to the payment to the vendors. Management was advised to ensure that proper review is performed prior to the payment to the vendors to ensure that the liability relating to the payment has been incurred. Management should also recover the GH¢476,609.10 from the three vendors involved.

Management failed to recover the amount from the three vendors involved. They explained that upon a careful scrutiny of the transactions, it was realised that the payments were proper. and payments relate to services rendered by the three vendors.

The Committee satisfied itself that the three vendors were paid for services rendered to the company.

Pilot launch boat partly paid for but not delivered - €165,000

A follow up audit of the Head Office prepayment accounts revealed that, the GPHA advanced an amount of €165,000 to Scheepsbouw Noord in 2011 for the construction and delivery of Pilot Launch Boat but the Company failed to deliver the boat since 2011. Management was advised to take the necessary steps to recover the money paid to the Company in line with the provisions of the contract.

The Committee noted that the Authority has not been able to recover the amount as recommended by the Auditor-General. Management explained that, strenuous efforts have been put in place to recover the amount but to no avail. The cost of recovery is nearly exceeding the sum to be recovered. In view of this, management felt it is not economically prudent to pursue recovery. The Committee however agreed with management. The Committee recommends that management should take steps to write of the debt as the cost of collection would exceed the actual debt owe by Scheepsbouw Noord.

Inventory items received for more than six months but not captured in the accounting system – GH¢77,905.17

An examination of the inventory records revealed that the inventory items worth GH¢77,905.17 received has not been captured in the existing accounting system. The Auditor-General recommended that, management should account for the items and capture them in the existing accounting system

The items identified have been accounted for and entered in the existing accounting system in compliance with the recommendation of the Auditor-General.

Difference in ADB bank (main) bank reconciliation statement-GH¢418,752.28

The audit identified that the bank reconciliation statement for the month of December 2015 did not reconcile with the cash book balance. The reconciliation statement revealed a difference of GH¢96,100.00 The Auditor-General recommended to management to critically review the difference identified in the bank reconciliation statement to unravel where the difference was emanating from and the appropriate action taken in a timely manner. Management however failed to implement the recommendation of the Auditor-General. A follow up audit conducted in 2016 indicates that the difference had increased from GH¢96,100.00 to GH¢418,752.28.

Management has since written a number of correspondence with the affected bank and the statement has been reconciled in compliance with the recommendation of the Auditor-General

GHANA AIRPORT COMPANY LIMITED (GACL)

Long Overdue Balances

The audit revealed that seven (7) major customers had been owing the Ghana Aiport Company various sums amounting to GH¢2,013,284.63 over a long period. The Audit-General recommended that an ageing analysis be maintained to help the company determine the credit worthiness of its customers in order to reduce the risk of bad debts.

The Committee noted that the debt has since increased to GH¢2,353,284.70 out of which GH¢35,703.53 which stands in the name of Un Cote D'voire was recovered. The balance of GH¢2,317,581.17 remain uncollected. The outstanding debt is in the names of the following companies:

Alliance Media	-	GH¢347,632.84
Meridian Airways	-	GH¢505,980.66
Antrak	-	GH¢1,123,967.70
West Africa Gold Refinery	-	GH¢399,999.97
Total	-	**GH¢2,317,581.17**

The Committee noted that, GACL obtained judgement against Antrak and Meridian Airways but the companies have folded up. All attempts to locate their properties has also failed. GACL is however in possession of some properties of Alliance Media and West Africa Gold Refinery which will be used to offset the debts.

The Committee noted that, failure of GACL to demand performance bond partly contributed to the problem. The Committee recommend that, GACL must demand for performance bond and insurance from all entities it allocate space at the airport and all airlines seeking to operate at its airports across the country. This will provide a source of guarantee that GACL could fall on in case the companies fold up without settling their liabilities with GACL.

7.8 MINISTRY OF INFORMATION

GRAPHIC COMMUNICATIONS GROUP LIMITED - GH¢7,312,674

The audit discovered that a total amount of GH¢7,312,674 worth of various newspapers produced in 2015 were not sold. The auditors recommended that management should improve circulation of the Company's products. Also, the "Graphic App" should be well marketed to the customers to reduce the hard copies printed and circulated.

Management explained that there is a decline in the sale of printed newspaper worldwide due to a change in consumer media consumption habits with the advent of digital media that provide free and real time news to consumers. There is also a challenge of daily radio and newspaper review programs that discuss the entire content of news items to listeners makes the need to buy printed newspapers unattractive. The Challenge is that the copyright of published newspaper is vested in the state rendering the publisher incapable of enforcing any copyright.

To improve circulation and sales, management has introduced a number of measures including door to door sales, vendor promotions content marketing initiatives among others. GCGL has also introduced a digital version of the newspapers to promote sale of the newspaper. The Committee recommends to management to be measured in the quantity of newspapers printed having in mind the falling demand for hard copy newspapers to reduce the volume of unsold newspapers.

Delay in Settlement of Debt

The auditors noted during the audit that government institutions, advertising agencies and vendors have been abusing the credit terms granted by the Company. They recommended that management should ensure that follow-ups are made on all clients for recovery.

The Committee was informed that government institutions, MDAs and MMDAs are indebted to GCGL in excess of GH¢10,000,000.00. All efforts to retrieve this amount yielded little result. To improve its debt collection, the Company constituted internal debt mobilization teams and also engaged the services of two debt collection agencies to assist in debt recovery. To reduce debt accumulation, new advertising deals are now signed on upfront payment terms. They noted that, the failure of state institutions to pay their debt to GCGL is having a serious effect on the cash flow of the company. The Committee recommends to the Ministry of Finance to consider a centralise payment for all state institutions that subscribe for newspapers from GCGL. Additional, State Interest and Governance Authority should intervened to ensure that all SOEs settle their indebtedness to GCGL promptly.

7.9 MINISTRY OF COMMUNICATION

DATA PROTECTION COMMISSION

Wasteful Expenditure - GH¢15,558.21

The audit noted that the Commission spent an amount of GH¢15,558.21 on airfare for a Board member who is a resident in Nigeria to attend Board meetings in contravention of Regulation 39(1) of the FAR, 2004 (LI 1802) AND Section 20 (2)(h) of the Audit Service Act, 2000, Act 584. The Auditor-General recommended to management to confer with the appointing authority for the appointment of a member resident in Ghana to save cost.

Management explained that, the tenure of the Board Member has since elapsed and he was not re-nominated in compliance with the recommendation of the Auditor-General.

Failure to Depreciate Non-Current Asset

The audit disclosed that the Commission failed to provide depreciation for its non-current assets contrary to Good accounting practices. The auditors recommended to management to liaise with the Board to determine rate of depreciation to be applied on its assets.

Management explained that the situation arose due to the inability of the Board to meet to agree on a depreciation rate to be applied to its assets. The Committee finds managements explanation unacceptable. This is because, even if the Board could not agree on a depreciation rate, management could continue to use the depreciation rate agreed by the previous Board for the preparation of its accounts pending the change in accounting policy. The Committee noted that following the audit observation, the Board has determine the depreciation rate to be applied to its assets.

Unearned allowances -

The audit revealed that contrary to Regulation 39 (2) c of the FAR, 2004 L.I 1802 a Board member Mr Paarock Van Percy was absent from a Board meeting held on the 9th December 2015 but was paid a sitting allowance of GH¢400.00, per PV No DPC/071/15 dated 08 December 2015. The audit recommended to management to recover the amount wrongfully paid to the Board member or the Accountant whose inaction caused the anomaly should be surcharged with the amount involved.

The Committee noted that in compliance with the recommendation of the Auditor-General, the Board Member, Mr Paarock Van Percy has refunded an amount of GH¢400 wrongfully paid to him.

Inadequate staffing

The Auditor-General observed the Commission which started operating from the later part of 2013 did not have adequate staff to execute its mandate. The Commission had only two permanent staff, made up of the Executive Director and a Principal Accountant seconded from the Controller and Accountant General's Department. The additional staff were six National Service personnel who have been retained after their service and receiving allowances. The Commission did not also have an Internal Audit Unit to facilitate efficient operation. This situation could compromise the proper internal controls due to improper internal checks and impede effective performance of the Commission's programs. The auditors recommended to the Ministry of Communication and the Public Service Commission to ensure that the Commission is appropriately staffed with the necessary qualified personnel to be able to execute its mandate.

The Committee was informed that, in compliance with the recommendation of the Auditor-General, the Ministry initiated the process and the required staff have been recruited to enable the Commission perform its functions effectively.

G-PAK LIMITED

Failure to PAY Withholding Tax on Back-Pay – GH¢8,582

The Auditor-General noted that an amount of GH¢8,582 was withheld as tax on payment of salary arrears to Contract and Regular Staff of the Company but was not paid to Ghana Revenue Authority in contravention of Section 117(1) of the Income Tax Act, 2015 (Act 896). He urged Management to quickly remit the GH¢8,582 to the Ghana Revenue Authority and also ensure prompt and regular payments in future.
The Committee noted that, contrary to the audit recommendations, management failed to remit the withheld taxes to the Ghana Revenue Authority. The Committee recommends that the Accountant should refund the unremitted tax of GH¢8,582 plus all penalties for late payment as determined by GRA.

Use of Wrong Withholding Tax rate on Board's Allowances

The audit observed that, allowances paid to Board of Directors from January to August 2016 were wrongly taxed by 10% instead of 20% contrary to Section 116(1)(a)(i) and paragraph 8 (c) (i) of the Income Tax Act 2015, (Act 896). Management was advised to ensure that tax on allowances are computed using the appropriate rate and also recover the difference from the affected Board members and remit same to the Ghana Revenue Authority (GRA).
The Committee was informed that, following the audit observation, all Board Allowances are taxed at the appropriate rate. Additionally, the difference in tax liability as a result of the use of a lower tax rate has been recovered from the affected Board Members in compliance with the recommendation of the Auditor-General.

Failure to Charge VAT on Printing Contracts -GH¢13,288.63

The audit disclosed that contrary to Section 1 (1&2) of the Value Added Tax, 2013 (Act 860) as amended, 17.5% or GH¢13,288.63 Value Added Tax was not charged on eight (8) sales invoices totalling GH¢75,935. Management was advised to ensure that VAT is charged on all taxable transactions.

Management explained that, in compliance with the audit recommendations, all taxable clients have been subsequently issued with VAT invoice. The VAT component have been paid from the companies own resources and efforts commence to retrieve it from the respective clients. The Committee urge the management to expedite action to retrieve the taxes from the companies involved.

7.10 MINISTRY OF LANDS, FORESTRY AND MINES

LANDS COMMISSION

Outstanding ground rent as at 31 December, 2015 - GH¢1,655,840.00

A review of five (5) out of the 33 ledgers maintained for ground areas showed that 483 lessees/assignees owed ground rent totalling GH¢1,655,840.00 for the period December 1975 to December 2015 Regulation 17(a) of the Financial Administration Regulations, 2004 (L.I. 1802). The Auditor-General recommended that, Management of the Ground Unit should activate the necessary strategy and measures to retrieve the outstanding debt of GH¢1,655,840.00 from the five ground areas and other debt from the other ground areas without further delay.
The Committee noted that the rent remains unrecovered contrary to the recommendation of the Auditor-General. The Minister explained to the Committee

that, the issue of unpaid rent has become a challenge to the Land Commission. The Committee noted that the extremely low rent rates makes it uneconomical to pursue collection as the cost of collection will actually exceed the rents due. The Committee therefore recommends to the Minister of Lands and Natural Resources to initiate steps to review the rates. Additionally, the Minister should consider the option of privatizing rent collection to improve efficiency.

Improper Record Keeping on Ground Rent Collection.
The auditors noted a number of flaws in record keeping on the Ground Rent collections that contravenes Regulation I (c) of the FAR2004. These include non-updated ledger for easy referencing. They recommended to Management to ensure that the rent ledger is redesigned to show the required classifications for easy referencing, and more transparent to third parties.
Management explained that following the audit observation, the record system has been improved through the deployment of technology. The inadequacies in the system have been corrected.

Payments without official receipts – GH¢766,337.36
The audit disclosed that Management of the Commission failed to obtain official receipts totalling GH¢766,337.36 from the various corporate organisations that rendered services to the Commission in contravention of Regulation 39 (c) of the FAR, 2004. The Auditor-General recommended that payment of GH¢766,337.36 should be acknowledged with official receipts to authenticate it, or the paying officer refunds the amount of GH¢766,337.36 to chest.
The Committee noted that the appropriate receipts have been obtained to authenticate the payments. The Committee further noted that the action of the paying officer is a breach of financial discipline. He should therefore be sanctioned in accordance with Regulation 8 of the FAR, 2004.

Failure to transact business with VAT registered entities - GH¢40,026.00
The audit found that Management of the Commission failed to procure goods and services amounting to GH¢40,026.00 in 2015 from VAT registered suppliers causing a revenue loss of GH¢7,004.55 to the state in contravention of Regulation 183(4) of the Financial Administration Regulations (FAR), 2004 (L.I. 1802). The Auditor-General recommended that, Management of the Commission should in future deal with only VAT registered entities in its procurement activities.

Management has since complied with the recommendation of the Auditor-General. The Committee noted that, though management is now complying with Regulation 183(4) of the (FAR) failure to procure from VAT registered entities is an offence under L.I. 1802. The Committee recommends that officers involved should be sanctioned by the Head of the Commission in accordance with the FAR.

Inconsistencies in award of contract - GH¢84,135.00
The audit noticed that Management of the Commission was inconsistent with the Public Procurement Act (PPA) required procedures in awarding the contract for the purchase and the installation of air conditions. They recommended to Management to strengthen internal control systems in procuring goods and services, and ensure

that in future, awarding of contracts follow the required PPA procedures. Meanwhile the amount of GH¢10,500.00 being the difference between the tender price and the actual payment should be recovered from the supplier, or the officers responsible for the overpayment should be surcharged.

The excess payment has been recovered from the supplier in compliance with the recommendation of the Auditor-General

Absence of contract register

The audit disclosed that Commission, during the period under review, failed to keep a contract register to record vital information on construction and refurbishment of offices of the Commission costing GH¢6,139,177.23 in contravention of Section 1.10.2 of the Public Procurement Authority Manuals on the Public Procurement Act 2003 (Act 663). The Auditor-General recommended that a contract register should be procured and updated with all contracts awarded by the Commission, specifying all the required information, and our office informed for verification.

The Committee noted that in compliance with the audit recommendations, the Commission has procured a contract register and updated same with all contract information as required by law.

Mingling of Internally Generated Funds (IGF) and Government of Ghana (GoG) funds

The audit disclosed that Management of the Commission kept the internally generated fund (IGF) and the Government of Ghana (GoG) funds in the same accounts. Again, no proper records and reconciliations were kept on both funds, in order to ensure accurate budgetary returns to Ministry of Finance. The auditors recommended that proper records for the GoG and the IGF funds should be kept and reconciliation done on regular basis for both funds.

The Commission has complied with the recommendation of the Auditor-General.

Fuel not Accounted for - GH¢18,930.00

The audit disclosed that Management of the Commission failed to account for fuel coupons amounting to GH¢18,930.00 in contravention to Regulation 183(3) of Financial Administration Regulations (FAR), 2004. The Auditor-General recommended that the Transport Officer should keep a ledger to record all fuel coupons issued to him by the accounts sections, and fuel coupons issued from him to the drivers. The drivers should also be educated on the importance of keeping a log book. Meanwhile, the Transport Officer should be made to account for the fuel coupons amounting to GH¢18,930.00 or refund same to chest and our office informed for verification.

Following the audit observations relevant entries were made in the vehicle log book to account for the use of the fuel coupons supplied.

Asset Register Not updated

The audit revealed that the Commission, though maintained fixed asset register in accordance with Section 52 of the PFM Act 2016, the asset register did not meet the standardised assets register, and has also not been updated with all the assets of the

Commission. The auditors recommended that the Head of Estate and Administration should ensure the asset register is updated with all the assets of the Commission including the regional offices, and in conformity with the standardised asset register for audit verification.

The Committee noted from the audit verification report that, the Commission has updated the asset register in compliance with the recommendation of the Auditor-General.

Poor Maintenance of Unserviceable Items

Contrary to Chapter 1101 and 1104 of Stores Regulations, 1984, the Commission did not maintain an unserviceable ledger to record and ensure accountability of unserviceable items. The Auditor-General recommended that Management should keep an unserviceable ledger to record items, and take the necessary steps to dispose of the unserviceable stores in accordance with the existing Stores Regulations, 1984.

Management has complied with the audit recommendations.

Unapproved Policies of the Commission

The auditors noted that, the Human Resource Policy, Information Technology Policy and the Risk Management Policy of the Commission are still in draft. The auditors recommended that these policies should be finalized and implemented without further delay.

The Committee noted that management has finalized all the policies and are implementing them in compliance with the audit recommendations.

Survey and Mapping Division

Non- Payment of Withholding Tax of - GH¢25,442.07

The Auditor-General noticed during the audit that the Survey and Mapping Division of the Lands Commission withheld tax of GH¢10,966.80 and GH¢14,475.27 for 2014 and 2015 financial years respectively. The Division however, failed to remit the amounts to the Ghana Revenue Authority (GRA) in contravention of Section 87(1) of the Internal Revenue Act 2000, Act 592. He recommended to Management to pay these amounts to the GRA as a matter of urgency and furnish auditors with the receipts for verification.

The issue remains unresolved. The Committee directed the Audit Service to verify a document in possession of the officials and report to the Committee in subsequent reports of the Auditor-General.

Unpresented Payment Vouchers - GH¢102,613.30

The audit disclosed that ten (10) payment vouchers amounting to GH¢102,613.30 were not submitted for audit examination in contravention of Regulation 202 of the Financial Administration Regulation (FAR). The Auditor-General recommended to Management to provide the payment vouchers together with the supporting documents for our examination, or the amount be recovered from the authorising and paying Officers.

The ten payment vouchers with a total face value of GH¢102,613.30 have been submitted and verified in compliance with audit recommendations. The Committee recommends that the paying officers should be sanctioned in accordance with Regulation 8 of the FAR.

Official Vehicles not Insured

The auditor noticed that six (6) vehicles owned by the Division were not covered by any insurance policy in contravention of Section 3(1) of the Motor Vehicle (Third Party Insurance) Act 1958. They urged Management to insure all vehicles and notify the auditor for verification.

The Committee noted that the vehicles have been insured and verified by the Audit Service in compliance with the recommendation of the Auditor-General.

Improper management of the vehicle log books

A critical review of Vehicle Log Books of the pool cars disclosed a number of flaws in keeping the books contrary to Regulation 1604 of Stores Regulation 1984. The auditors recommended to Management to train drivers and the Transport Officer on how to effectively keep log books.

Assets Not Embossed

Physical verification of the Division's assets showed that 105 items in various locations had not been embossed in contravention of Section 1511 and 1513 of the Store Regulations. Management was advised to ensure that all assets belonging to the Division are embossed.

Failure to dispose of unserviceable/ obsolete items

The Auditor-General observed that, the Commission failed to dispose of 56 unserviceable or not functioning items in various locations in contravention of Sections 83(1) and Section 83(2) of the Public Procurement Act 2003 (Act 663). Management was advised to follow due process for the items to be repaired or disposed of to avoid any further deterioration and congestion.

The Committee noted that the Commission has taken steps to improve the capacity of the drivers on the use of log books. Additionally, all the items in the store have been embossed and obsolete equipment disposed of in compliance with the recommendations of the Auditor-General.

Ghana School of Surveying and Mapping

Absence of a Strategic Plan and Absence of Board of Directors

Contrary to Good Corporate Governance practices, the Auditors noticed that Ghana School of Surveying and Mapping has no Corporate Strategic Plan, Accounting Policies and Human Resource Management Policies to govern and direct the affairs of the School since its establishment in 1921. Additionally, the School has no governing Board or Council to formulate policies, and direct the state of affairs for effective management and smooth running of the School since August 2014. The auditors advised Management, as a matter of urgency, to develop a strategic plan and Human Resource Management policy for the School, to serve as a guide for staff and other stakeholders. Management was also tasked to consult the appropriate authority to constitute a Board as soon as possible, for the smooth and effective running of the School.

The Committee noted that following the audit observation, the School has develop Corporate Strategic Plan and other policies to guide management decision making in the organisation. The Board has also be constituted.

No Legal Framework and Expiration of the School's Accreditation Since 2008
The audit revealed that Ghana School of Surveying and Mapping has been operating and offering Higher National Diploma (HND) and Certificate courses without accreditation ever since the old accreditation expired in 2008. Additionally, the school continue to operate without any legal framework or regulations. Management was advised as a matter of urgency, to put the necessary structures in place to enable the School renew its accreditation and pursue the passage of the bill to regularize the existence of the school.

The Committee noted that the School has not received accreditation for the programs it is running. Additionally, there is no legal basis for the existence of the School. Management informed the Committee that they are in the process of reviewing a draft Bill for onwards transmission to the Ministry of Land and Natural Resources. The Committee recommends to the Minister of Education to suspend the issuance of certificates by the School pending the granting of accreditation. The Minister for Lands and Natural Resources must also liaise with the National Accreditation Board to expedite action on accreditation for the HND program of the School.

Absence of Key Management Personnel
The Auditor-General noted that key positions like, Registrar and Internal Auditor were not created and filled with the requisite personnel, since the establishment of the School in 1921. He recommended that Management should take steps to create and fill the above mentioned positions, as a matter of urgency, to improve the effective and smooth running of the School.

Management has established the posts and recruited staff for an effective management of the school in compliance with the recommendation of the Auditor-General.

Absence of Audit Report Implementation Committee (ARIC)
The auditors noted that Management had not established an Audit Report Implementation Committee (ARIC) for the School ever since it was established contrary to Section 30 (1)(2)(a) of the Audit Service Act 2000, Act 584. Management was therefore advised to establish the Audit Committee in accordance with Sections 86 and 87 of the Public Financial Management Act, 2016 (Act 921).

The Committee noted that the School has a functioning Audit Committee in accordance with the Public Financial Management Act in compliance with the recommendation of the Auditor-General.

Twenty-three employees not bonded

The audit disclosed that Management of the School failed to bond 23 officers who were sponsored by the Commission for various programmes at the Ghana School of Surveying and Mapping contrary to Section 8.10(b) of the Conditions of Service for the Commission. The auditors recommended that Management should bond the officers, for them to serve the Commission for the period specified by the Condition of Service of the Commission.

Management informed the Committee that the officers were bonded in compliance with the audit recommendations. The Committee noted that all the officers have also completed their various programs of study and have returned to post.

Non- availability of Store records

The audit discovered that contrary to Section 30(1) of the Financial Administration Act, 2003 (Act 654), Management of Ghana School of Surveying and Mapping failed to keep the relevant store records to enable stores audit. The auditors urged Management to assign a permanent supply officer to the school to manage the stores. Management should also ensure that the store keeper maintains the relevant store records as required by Section

Management inform the Committee that the School's store is managed by the Head of Stores at the Commission. There is therefore no permanent store officer stationed at the school. The school has requested for a permanent store officer to head the stores unit to prevent reoccurrence. Due to the absence of a stations supply officer, the school failed to compile the relevant store records for audit inspection and verification in compliance with the recommendations of the Auditor-General.

Non Maintenance of Assets Register

The audit disclosed that Management of Ghana School of Surveying and Mapping failed to maintain asset register to control the Equipment and other office facilities in contravention of Regulation 2(n) of Financial Administration Regulations (FAR), 2004. The auditors recommended that, Management should prepare and maintain an Assets Register which contains the required information, to ensure proper control of the School's assets.

The Committee noted that management now has an asset register in compliance with the recommendation of the Auditor-General.

Land Valuation Division

Unpresented Payment Vouchers GH¢11,075.07

The audit disclosed that Sixteen (16) payment vouchers amounting to GH¢11,075.07 were not presented for audit in contravention of Regulation 1 of the Financial Administration Regulations, 2004 (L.I. 1802). The auditors recommended that, Management present the payment vouchers for audit or responsible officers shall be surcharged with the total amount of GH¢11,075.07. 155.

The Committee noted that management has presented the 16 PVs for audit in compliance with the recommendation of the Auditor-General.

Items Not Routed Through Stores - GH¢41,104.47
The audit disclosed that Contrary to Regulation 0315 to 0316 of the Stores Regulations 1984, purchases made during the years under review amounting to GH¢41,104.47 were not routed through stores. The auditors urged Management to account for the items. Management was also advised to ensure that all future purchases are routed through stores.

Management explained to the Committee that the items in question were obsolete items sent to stores in preparation for final disposal. However, following the audit recommendations, all items are routed though stores and entered in the store ledger in compliance with the recommendation of the Auditor-General.

Fuel Not Accounted for - GH¢43,400.00
An audit of fuel records of seven (7) pool vehicles of the Division revealed that, out of a total amount of GH¢43,400.00 of fuel issued to the drivers of the vehicles during the periods under review, only GH¢300 was accounted for in their log books, leaving a balance of GH¢43,100.00 unaccounted for in contravention of Section 1604 of Stores Regulation 1984. The auditors recommended that the drivers of these vehicles be made to account for the fuel (GH¢43,100.00), or the amount be adjusted to personal advance account in the name of the respective drivers.

Management explained that the anomaly occurred due to the failure of drivers to correctly enter information on the vehicle usage into the log books. To avert future occurrence, management has provided additional training to drivers. The Committee noted the transport division has retrospectively entered the travel information in the log books. The Committee is however unable to authenticate the transactions and therefore recommend that the amount of GH¢43,100.00 should be recovered from the drivers and the transport officer.

Public & Vested Lands Management Division (PVLMD)
Missing of funds released to the Division – GH¢98,240.00
The audit disclosed that releases from Corporate Division amounting to GH¢98,240.00, which were received by two Officers of the PVLMD were neither recorded in the books of accounts nor lodged at the bank. We recommended to Management to take immediate steps to retrieve the above stated amount from the Officers involved and present the receipts for our verification failing which officers responsible shall be surcharged.

The Committee noted that the entire amount of the GH¢98,240.00 has been retrieved from the two officers in compliance with the recommendation of the Auditor-General. The Committee recommends to management to improve internal controls and supervision over the accounts unit to forestall reoccurrence.

Receipts Not Issued for Cheques Received - GH¢431,992.00

The auditors observed that receipts were not issued for funds received from the Corporate Division and other third parties amounting to GH¢431,992.00 for 2015 financial year in contravention of Regulation 28 (1) of the Financial Administration Regulations (FAR) 2004, (L.I. 1802). The auditors advised Management to ensure the Accounts Unit complies with the Financial Administration Regulations, 2004 by issuing receipts for all income received, to prevent possible loss of funds to the Division and the state.

The Committee noted that, this anomaly is also as a result of ineffective control and supervision over the accounts unit. All the amounts involved have been receipted in compliance with the recommendation of the Auditor-General. The Committee urged management to strengthen internal controls and supervision over account officers to ensure compliance with relevant financial management regulations.

Unsubstantiated Debits & Credits in Bank Statement

Contrary to Regulation 1(1) of the Financial Administration Regulations (FAR), 2004 (L.I. 1802) the audit discovered that a deposit of GH¢117,393.09, and payments amounting to GH¢106,000.00 appearing in the bank account No. 1018632146086, had no supporting documents. The auditors attributed the anomaly to improper handing over by the previous Accountant contrary to Regulation 1(3) of the FAR. The auditors recommended to Management to call upon the previous Accountant to provide the relevant supporting documents and notify our office. This would enable us certify the transactions in the bank statement, otherwise, the authorising/approving Officer(s) should be made to account for the referred amounts in the bank account of the Division.

The relevant supporting documents were obtained from the previous accountant and duly verified by the auditors.

Procurement Divided into Parts - GH¢31,866.00

The audit disclosed that procurements amounting to GH¢31,866.00 made during the period under review were divided into parts, in order to avoid the lawful process of competitive tendering in contravention of Section 21(1) of the Public Procurement Act 2003, (Act 663). The audit recommended to Management to put an immediate stop to the above practice and ensure compliance with the Procurement Act.

Management explained that the situation arose due to the absence of a procurement unit at the time. Additionally, the Division did not have space to store items in large quantities. Following the audit observation, management attention was drawn to the situation and the division has since desisted from the practice in compliance with the recommendations of the Auditor-General. The Committee however opined that, the violation of the Procurement Act has occurred and as such officers involved in the practiced must be sanctioned in accordance with the Public Procurement Act.

Unearned Salaries – GH¢12,282.92

The auditors observed that the names of four (4) former officers of the Division appeared in the salary payment vouchers, after their separation from the establishment through retirement, resignation and death contrary to Regulation 297 of Financial Administration Regulations, (L.I. 1802). This resulted in payment of unearned salaries amounting to GH¢12,282.92. Management was advised to recover the total unearned salaries of GH¢12,282.92 from the four separated staff.

The Committee noted that the entire amount of GH¢12,282.92 was recovered from the four officers in compliance with the recommendation of the Auditor-General.

Land Registration Division

Failure to Refund GH¢100,000.00 Borrowed from Advert Fund Account.

The audit disclosed that Management was unable to pay back a loan of GH¢100,000.00 taken from client's advert fund kept by the Division. The situation could affect prompt payment of cost of adverts on behalf of clients. The auditors recommended that the loan should be paid back into the advert fund account as early as possible.

Management indicated that the amount was utilised to meet some operational expenses when as a result of delayed release of the Division's operational budget. Refund into the Advert account delayed due to cash flow challenges. The Committee noted that the amount has been refunded in full to the client advert fund in compliance with the recommendations of the Auditor-General.

Fragmentation of Procurement Orders – GH¢71,690.50

The audit disclosed that Procurement packages were divided into smaller units in order to avoid Public Procurement Act procedures in outright breach of Section 21(5) of Public Procurement Act (PPA) 2003 (Act 663). As a result of the breach, the auditors could not ascertain whether there was transparency in the procurement and if value for money was attained in these transactions. They recommended that Management should comply with the Public Procurement Act, 2003 (Act 663) in future procurements.

Management indicated that the absence of a procurement unit and procurement officer at the division accounted for the breach. To remedy the situation all issues of procurement have been centralised at the head office of the Commission. The Committee noted that, the Commission has desisted from the practice in compliance with the recommendation of the Auditor-General. The Committee however recommends to the Head of Land Commission to sanction officers involved in the bulk breaking in accordance with the Public Procurement Act.

Unearned Salary - GH¢5,409.84

The audit revealed that Management failed to promptly delete the name of a separated staff from the payroll resulting in the payment of unearned salary of GH¢5,409.84 in contravention of Regulation 298 of the Financial Administration Regulations (FAR), 2004, (L.I. 1802). The auditors recommended that Management retrieve the unearned salary from the officer and pay same to chest.

The Committee noted that Management has recovered the unearned salary in compliance to the recommendation of the Auditor-General

Omission of GH¢195,265.00 IGF Financial Statement

The audit disclosed that an amount of GH¢93,200.00 and GH¢102,065.00 being IGF generated from the Kumasi Office of the Division in 2014 and 2015 respectively were not disclosed in the Division's financial statements. The amounts were rather, paid directly to the Corporate Division (Head Office). The audit recommended to Management to ensure that, IGFs from the Regional offices are captured in the Division's Financial Statements.

The correction has been done in the Financial Statement of the Division as recommended by the Auditor-General.

Non-Existence of Strategic Policies

Policies are essential documents which are developed to reflect entities core objectives and guide both employers and employees in performance of their tasks and duties towards the achievement of pre-determined objectives and strategic goals. The audit discovered that the Division has not developed the essential strategic policies to help identify its core mandate and give a general direction to the organisation in achieving its mandate. The auditors recommended that, Management, should develop appropriate strategic policies to direct activities of the Division

Management explained that some of the policies including the Human Resource Strategy has been developed and submitted to the Public Services Commission for approval. Other Policies have been developed in compliance with the audit recommendations.

7.11 EXTRA MINISTERIAL AGENCIES

NATIONAL POPULATION COUNCIL

Imprest not accounted for – GH¢8,000.00

Contrary to Regulation 288 (1 & 2) of the Financial Administration Regulations (FAR), 2004 (L.I. 1802), the audit found that a total amount of GH¢8,000.00 advanced to eight Regions in 2015 had not been appropriately accounted for. We recommended that Management should ensure that the regions provide relevant documents to retire their imprest, failing which the amounts should be adjusted to the personal advance account of the imprest holders.

Management of the Commission explained to the Committee that officials were unable to account for the imprest due to the difficulties involve in collecting information from the regions on the use of the funds advanced. However, after the audit period, the Commission was able to collate the necessary information to account for the imprest advanced to the regions. All the imprest has been accounted for in accordance with the audit recommendations.

Payment without adequate supporting documents - GH¢7,120.00
The Accountant failed to provide adequate supporting documents for five payments totalling GH¢7,120.00 in contravention of Regulation 39 (2 c) of L.I. 1802 (FAR) of 2004 167. The auditors recommended to Management to provide the relevant supporting documents to authenticate the payments failing which the amount involved shall be surcharged to the paying officers.

The supporting document have been presented and duly verified by the auditors to authenticate the payments in compliance with the audit recommendations.

Overdue staff debtors - GH¢8,850.00
The Council granted advances totalling GH¢8,850.00 to 18 officers between 31 May 2008 to 30 November 2012 but failed to recover the loans from the salaries of the beneficiaries contrary to Regulation 104 (c) of the F.A.R, 2004. Management was advised to ensure full recovery of the unpaid advances directly from the salaries of the officers involved through CAGD.

Management attributed its inability to recover the advances to the fact that the officers are paid directly by controller. They explained that, they had to rely on benefits that accrue to the officer to defray the debt. The advances have been fully recovered in compliance with the recommendation of the Auditor-General.

Non deduction of 10% withholding tax
Contrary to Section 84 (1b) of the Internal Revenue Act, 2000, Act 592 The Council failed to deduct the required 10% tax from allowances of GH¢9,850.00 paid to beneficiaries, thereby denying the state of tax revenue of GH¢985.00. The auditors advised management to ensure that the GH¢985.00 is recovered from the beneficiaries' subsequent allowances and remitted to the GRA.

The Committee noted that management has deducted the taxes from subsequent payments to the beneficiaries and remitted same to the GRA in compliance with the audit recommendations.

Unrecorded project items - GH¢44,996.30
The auditors noted that store items valued at GH¢44,996.30 purchased by the Council for various projects were not recorded in the store ledger in contravention of Section 35(1 & 2) of the Financial Administration Act (FAA), 2003 (Act 654). The auditors were therefore, unable to verify the receipt and usage of the items. They recommended that the items should be properly accounted for otherwise the full cost shall be surcharged to the approving and authorising.

Management assured the Committee that the items were used for the various projects and were visibly available for inspection. The anomaly arose due to the inability to enter the items into the store receipt ledger. The various eateries have been done and the anomaly rectified.

Overdue period of acting positions

Five Management staff, appointed to act in various positions, had continued to act for periods ranging between 16 and 61 months contrary to Section 4.13.1&.5 of Human Resource Management Policy framework and manual for the Ghana Public Services. In order to motivate the staff to give out their best, the auditors advised the newly constituted governing Board to rectify the anomaly.

The Committee noted that the appointment of the five officers have been confirmed in compliance with the recommendations of the Auditor-General.

Unrevised Strategic Plan

The auditors noted that the strategic plan for the Council had not been renewed since the old one expired in 2008. They advised Management to develop a strategic plan for the Council. The Committee noted that management has developed a new strategic plan in compliance with the recommendation of the Auditor-General.

Absence of Audit Report Implementation Committee

Management had not established an Audit Report Implementation Committee (ARIC) since the Audit Service Act, 2000 (Act 584) was promulgated. Management was advised to establish the ARIC as early as possible to see to the implementation of audit and other reports.

The Committee noted that, ARIC was replaced with Audit Committee under the PFMA. Following the coming into force of the PFMA, the Council has established the Audit Committee for the implementation of Audit Reports in compliance with the audit recommendations.

Non maintenance of asset register

The Council did not maintain an assets register to record its assets with the related information. As at the time of our audit, no assets register has been compiled. The auditors recommended that management should introduce and maintain an assets register which contains the required information to ensure proper control of the Council's assets.

The Committee noted that in response to the audit recommendation, management is now maintaining an asset register for recording all assets of the Council.

Assets not embossed

Physical verification of the Council's assets indicated that 27 items in various locations had not been embossed contrary to Section 1511 and 1513 of the Store Regulations 1984. Management was advised to ensure that all assets belonging to the Council are embossed.

All the assets are now embossed in compliance with the recommendation of the audit.

Official vehicles not insured
The audit disclosed that eight of the Council's vehicles and one motor bike had no insurance policy and road worthy certificates contrary to Section 3(1) of the Motor Vehicle (third Party Insurance) Act 1958. The auditors urged management to insure and obtain road worthy certificates for all official vehicles.

The Committee noted that due to financial challenges, the Council had taken a third party insurance for its official vehicles. The Committee urge the Council to budget for a comprehensive insurance coverage for its vehicles.

NATIONAL MEDIA COMMISSION
Failure to sign Validated Financial Statements for 2013-2015
Though Management presented draft Financial Statements for the years under review and was validated, Management refused to sign the statements to enable the auditors express opinion on it. The Auditor-General recommended that the head of the Commission who failed to sign and submit the audited Financial Statements should be sanctioned for breach of financial discipline as defined in Regulation 8(1) of the Financial Administration Regulations (FAR), 2004 (LI. 1802).

The Committee noted that the head of the Commission was not sanctioned as recommended by the Auditor-General. The Committee was convinced that the failure of the Head of the Commission to sign the Financial Statement upon advice from the Auditor-General is a reflection of how some heads of agencies treat the audit process with disdain. The Committee urged the appointing authority to sanction the Executive Secretary of the Commission in accordance with the recommendation of the Auditor-General.

Payments made by Cash GH¢85,260.26
The audit discovered that the accounts office made cash payments totalling GH¢85,260.26 to management and staff for various claims as well as a number of suppliers for the procurement of goods and services instead of cheques, in contravention of Regulation 48(1) of the Financial Administration Regulations (FAR), 2004 (L.I. 1802). The auditors advised management to ensure compliance with the provisions in the FAR by establishing cash levels beyond which cheques should be paid.

Management failed to explain the reasons for the huge cash payments. The Committee noted however that the Commission has stopped the practice in compliance with the recommendation of the Auditor-General. The Committee however noted that, huge cash payments is a breach of financial discipline and recommends to the Board to sanction the officers involved in the practice in accordance with Regulation 8(1) of the Financial Administrations Regulations.

Undue delay in lodgement of revenue GH¢27,650.00
The audit noted that owing to poor supervision, the Accounts Officer in charge of lodgement delayed the lodgement of cash received totalling GH¢27,650 for periods ranging between 4 and 9 days in violation of Regulation 15(1) of the FAR, 2004. The

auditors recommended that management should improve on its supervisory role to prevent any misappropriation of cash.

Management indicated that, the poor supervision of accounts staff was as a result of inadequate human resource capacity at the Commission. To improve supervision, a principal accounts officer has been engaged in compliance with the audit recommendations. As a result, all cash collections are paid into bank on time.

Unclaimed Allowances – GH¢3,300.00

The audit disclosed that allowances totalling GH¢3,300.00 allegedly paid to ten staff were not signed by the recipients thereby denying assurance of claim in contravention of Regulation 43 of FAR, 2004 (L.I. 1802). They recommended that members of staff named as beneficiaries on the claim sheet should properly acknowledge the amount received or the total amount recovered from the paying officer.

The Committee noted that, in compliance with the recommendations of the Auditor-General, all the officers involved have signed to authenticate the payment.

Absence of internal audit unit

The audit revealed that the National Media Commission did not have an Internal Audit Unit to enhance effective and efficient internal controls in the Commission contrary to Section 16(1) of the Internal Audit Agency Act, 2003 (Act 658). The Auditor-General recommended that management should establish an Internal Audit Unit in accordance with the Internal Audit Agency Act, 2003 (Act 658) to strengthen internal controls in the Commission.

The Committee noted that, the Commission has failed to establish an internal audit unit in compliance with the recommendations of the Auditor-General and the Section 16(1) of the Internal Audit Agency Act, 2003 (Act 658). Management explained that, it is pursuing the issue with the Internal Audit Agency. The Agency however complained of the failure of Ministry of Finance to grant warrant for the recruitment of additional internal audit officer to be posted to MDAs. The Executive Secretary assures the Committee that, due to the delays, the Commission intends to recruit its own internal audit staff. In the interim, the Commission is relying on accounts officers for internal audit functions.

The Committee noted that the use of accounts officers for internal audit functions does not ensure proper internal control systems. The Committee recommends to the Commission to employ its own internal audit staff to help strengthen internal controls in the Commission.

8.0 CONCLUSION

The Committee after a careful examination of the Report of the Auditor-General recommends to the House to adopt its Report on the Report of the Auditor-General on the Public Accounts of Ghana – Public Boards, Corporations and Other Statutory

Institutions for the period ended 31st December 2017 with its recommendations in accordance with Order 165(3) of the Standing Orders of the House.

Respectfully submitted.

HON. DR. JAMES KLUTSE AVEDZI (MP)
CHAIRMAN, PUBLIC ACCOUNTS COMMITTEE

INUSAH MOHAMMED (MR.)
CLERK, PUBLIC ACCOUNTS COMMITTEE

JULY, 2021