

IN THE SECOND 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 -  
MINISTRIES, DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE  
FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018**

**1.0. INTRODUCTION**

The Report of the Auditor-General on the Public Accounts of Ghana - Ministries, Departments and Other Agencies (MDAs) for the financial year ended 31<sup>st</sup> December 2018 was *presented* to the House in accordance with article 187(5) of the 1992 Constitution of the Republic of Ghana.

The Report was *referred* to the Public Accounts Committee (PAC) for examination and report pursuant to Order 165(2) of the Standing Orders of the Parliament of Ghana.

**2.0. PROCEDURE**

To examine the Report, the Committee held public hearings on the Report and was assisted in its work by the relevant Ministers, Deputy Ministers and/or officials of the relevant MDAs that were audited and cited in the Report.

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All witnesses who appeared before the Committee took the Oath of a Witness and answered questions relating to the issues/queries raised by the Auditor-General in his Report and on issues of general public interest.

### **3.0. ACKNOWLEDGEMENT**

The Committee expresses its appreciation to the Ministers, Deputy Ministers and officials from the Ministries, Departments and Agencies (MDAs) and the Auditor-General and his staff for their assistance.

The Committee also extends its profound gratitude to Ghana Broadcasting Corporation, (GBC - TV) and other media houses for the live telecast of the Committee's sittings. The Committee is equally grateful to the Parliamentary Press Corp for helping to disseminate the work of the Committee to the public.

### **4.0. REFERENCE DOCUMENTS**

The Committee referred to and/or was guided by the following documents during its deliberations:

- a. The 1992 Constitution of the Republic of Ghana.
- b. The Standing Orders of the Parliament of Ghana.
- c. The Financial Administration Regulation, 2004 (L.I. 1802).
- d. The Audit Service Act, 2000 (Act 584).
- e. The Public Procurement Act 2003 (Act 663)
- f. The Internal Audit Agency Act, 2003 (Act 658)
- g. The Public Financial Management Act, 2016 (Act 921)
- h. Public Financial Management Regulations, 2019 (L.I. 2378)
- i. National Health Insurance Regulations, 2004 (L.I. 1804)
- j. The Value Added Tax Act, 2013 (Act 870)
- k. The Income Tax Act, 2015 (Act 896)
- l. The Stores Regulation, 1984

## **5.0. PURPOSE OF THE AUDIT**

The Auditor-General conducted an audit on the Public Accounts of Ghana: Ministries, Departments and Agencies (MDAs) for the year ended 31<sup>st</sup> December 2018 in accordance with section 13 of the Audit Service Act, 2000 (Act 584).

The purpose of the audit was for the Auditor-General to ascertain whether all MDAs maintained proper records and books, whether accounts were properly kept and all public monies due were fully accounted for. The audit also sought to determine if the rules and procedures applicable were sufficient to ensure an effective check on the assessment, collection and proper allocation of revenues and whether monies were expended for the purposes for which they were appropriated and the expenditures made as authorized.

## **5.1. OUTCOMES/BENEFITS OF THE AUDIT**

The general and relevant outcomes or benefits to the audited entity and all stakeholders that are expected to be associated with the audits include the following:

- The audit leads to Accountability.
- There is enforcement of financial discipline.
- The audit leads to detection and prevention of fraud, waste and abuse.
- The process promotes best practice.
- The audit process assists in achieving good governance and check or safeguard against loss, misuse and damage to properties.

## 6.0. SUMMARY OF AUDIT FINDINGS

The significant findings of the Auditor-General in his Report bordered on Tax irregularities, Cash irregularities, Outstanding Loans/Advances, Payroll irregularities, Stores/Procurement irregularities, Rent and Contract irregularities. The overall impact of the irregularities amounted to GH¢5,196,043,399.94. The Committee noted that the irregularities rose significantly from GH¢892,396,375.19 recorded in the 2017 Report to GH¢5,196,043,399.94 recorded in the 2018, thus representing 482.26% increase in the financial value of irregularities. A summary of the 2016, 2017 and 2018 irregularities are presented in table 1 below:

Table 1: An analysis of 2016, 2017 and 2018 Irregularities

| SN | Type of Irregularity              | 2016<br>(GH¢) Million   | 2017<br>(GH¢) Million | 2018<br>(GH¢) Million   |
|----|-----------------------------------|-------------------------|-----------------------|-------------------------|
| 1  | Tax Irregularities                | 42,866,490.70           | 655,599,736.33        | 4,788,284,799.00        |
| 2  | Cash Irregularities               | 2,053,622,215.68        | 190,560,990.86        | 388,925,019.94          |
| 3  | Loans/ Advances                   | 6,775,974.47            | 2,695,601.00          | 594,889.00              |
| 4  | Payroll Irregularities            | 4,381,994.51            | 1,776,893.00          | 1,875,347.00            |
| 5  | Stores/Procurement Irregularities | 35,940,445.43           | 41,668,682.00         | 6,823,337.00            |
| 6  | Rent Irregularities               | 9,049,219.49            | 94,472.00             | 3,941,756.00            |
| 7  | Contract Irregularities           | 13,006,034.86           | -                     | 5,598,252.00            |
|    | <b>Total</b>                      | <b>2,165,642,375.14</b> | <b>892,396,375.19</b> | <b>5,196,043,399.94</b> |

## 6.1. HEADS OF IRREGULARITIES

### 6.1.1. Tax irregularities - GH¢4,788,284,799.00 (92.15%)

Tax irregularities formed 92.15% of the total financial infraction reported. Included in this tax irregularity was GH¢33,675,044 due from ten oil marketing companies who failed to pay taxes on petroleum products lifted at TOR between November 2016 and November 2017. 17.



These irregularities were attributed mainly to failure on the part of the Ghana Revenue Authority to collect tax revenue and also apply measures and sanctions against defaulters.

The Auditor-General recommended that Management of GRA strengthens its monitoring and supervision of its staff. The Auditor-General further recommended that GRA takes steps to improve efficiency in tax administration, collection and follow up on overdue taxes while applying sanctions as prescribed by the tax laws.

#### **6.1.2. Cash Irregularities - GH¢388,925,019.94 (7.48%)**

Cash irregularities identified by the Auditor-General were mostly related to unapproved disbursements, unauthorised use of IGF, dishonoured cheques, revenues unaccounted for, unsupported payments, unrepresented payment vouchers, unauthorized transfer of funds, uncredited payments, payment of public funds into private bank accounts and misapplication of funds.

Included in the total cash irregularity of GH¢388,925,019.94 was an amount of GH¢312,235,683 disbursed from the General Refund Account of GRA for non-tax refund activities.

The Auditor-General attributed these irregularities to poor oversight, 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 and management's inertia in complying with procedures stipulated in the Public Financial Management Act, 2016 (Act 921).

To avert the reoccurrence of these irregularities, the Auditor-General urged the heads of MDAs to continue to strengthen their controls over the collection and disbursement of cash and other funds and also ensure strict adherence to the provisions of the PFMA, 2016, Act 921 and the FAR, 2004 (L.I. 1802).

The Auditor-General also recommended that GRA and Ministry of Finance should avoid making payments which are not tax refunds from the General Refund Account as per Section 57(2) of the VAT Act, 2013, (Act 870).

**6.1.3. Outstanding Loans/Advances GH¢594,889.00 (0.01%)**

These irregularities represent trade debtors, staff debtors and outstanding loans that remained unpaid at the time of the audit.

A significant amount of this irregularity was GH¢191,000.00 advances granted some staff at Tapa Nursing and Midwifery Training College but remained unrecovered.

The Auditor-General recommended the institution of stringent measures including legal action to recover the outstanding debts.

**6.1.4. Payroll Irregularities - GH¢1,875,347.00 (0.04%)**

Payroll lapses were largely attributed to the payment of unearned salaries to separated staff as a result of delays in deleting their names from the payroll and the delays by banks in transferring unclaimed pensions and salaries to government chest. The Auditor-General recommended an improved collaboration between Finance and Human Resource Units within MDAs in their responsibility for payroll management and the recovery of unearned salaries paid to unauthorised personnel.

**6.1.5. Stores /Procurement Irregularities - GH¢6,823,337.00 (0.13%)**

Stores and Procurement Irregularities noted during the period amounted to GH¢6,823,337.00. Included in this irregularity was GH¢3,539,858.00 relating to value books printed by CAGD on behalf of MDAs most of which were not collected for use.

This was as a result of the absence of effective collaboration between the CAGD and MDAs regarding the printing and management of value books. The irregularity is also due to lack of commitment on the part of entity heads to ensure compliance with established internal control measures, administrative rules and legislations governing the procurement process.

The Auditor-General recommended the strengthening of supervision and monitoring by heads of MDAs as well as ensuring strict compliance with the provisions of the Public Procurement Act 2003, (Act 663) *as amended* and other rules governing public procurement. He also called for effective collaboration between the Controller and Accountant-General and entity heads in the procurement of value books.

#### **6.1.6 Rent Irregularities - GH¢3,941,756.00 (0.08%)**

The total rent irregularity was GH¢3,941,756.00. Included in the rent irregularity was GH¢3,426,423.00 due from 39 tenants of the UNDP flats, Cantonments who defaulted in the payment of rent between 2015 and 2017. The irregularity was due mainly to absence of adequate data on occupants and non-availability of tenancy agreements as well as failure of the Estate officer at Ministry of Works and Housing to ensure that tenants pay their rents

The Auditor-General recommended to entity heads to ensure prompt collection of rent from officers occupying government bungalows.

#### **6.1.7 Contract Irregularities - GH¢5,598,252.00 (0.11%)**

The total contract irregularities reported was GH¢5,598,252.00. Included in the total contract irregularities was GH¢4,890,000 which was paid to Kroll Associates in 2017 by the Ministry of Finance to recover government assets in the possession of private individuals.

The Auditor-General recommended that the contract be abrogated and any moneys paid to the company recovered.



## **7.0 . COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee noted that most of the institutions had complied with the recommendations of the Auditor-General in respect of the irregularities cited against them.

The Committee observed however that the irregularities that remained unresolved relate to the following Ministries, Departments and Agencies:

## **8.0 . MINISTRY OF FINANCE**

### **8.1. Payment for work not done - GH¢4,890,000.00**

Regulation 39(2c) of Financial Administration Regulation 2004 states that the head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

The audit disclosed that the Ministry of Finance procured the services of Kroll Associates in 2017 to recover assets from identified wrong doers; investigate allegations of wrong doing; provide evidence for assets recoveries; build capacity for the transfer of skills; advice on preventative techniques and structures to prevent and detect future corruption.

The Auditor-General noted that, the Ministry in 2018 paid an amount of US\$1 million (equivalent of GH¢4,890,000.00) to the company though the Auditor-General could not find evidence of work done. Again, the Auditor-General stated that, there were inconsistencies in some of the documentations.

According to the Audit Report, management in response to this observation stated that they would make the records available to the auditors later.

Responding to this finding, the Chief Director of the Ministry of Finance explained to the Committee that at the time of the audit, the Auditors' concern was that the report on the work done by the company had not been provided for auditing. Subsequently, the said report was submitted to the auditors and the matter has been resolved.

The representative of the Auditor-General at the Committee informed the Committee that the matter became contested in court and the ruling thereon has become part of the working papers of the auditors. He confirmed to the Committee that, the matter had indeed been resolved and there is no further action required.

## **8.2. Inefficient use of GoG ICT Infrastructure**

The Ministry has a responsibility under Section 7(2) of the Public Financial Management Act 2016, (Act 921) to establish an effective system of risk management and internal control in respect of resources and transactions. The GoG under the smart workspace authorised National Information Technology Agency (NITA) and ESolution to facilitate the corporate internet portal which has the ability to track correspondence, documentations as well as overall workflow management processes.

The Auditor-General however noted that, notwithstanding the existing infrastructure provided by NITA for management of documentations, the Ministry in February 2018 engaged Rhema Systems to develop and implement a similar system at a contract sum of US\$1,388,814.00.

Management of the Ministry informed the Auditor-General that, the procurement was in relation to a 'bespoke' system to meet specific peculiar needs of the Ministry.

On appearing before the Committee, officials of the Ministry explained that the Ministry is working closely with NITA to ensure that Government ICT infrastructure are efficiently synergised and effectively utilised.

### **8.3. CONTROLLER AND ACCOUNTANT GENERAL'S DEPARTMENT (CAGD)**

#### **8.3.1. Inefficient management of value books - GH¢3,539,858, 139.**

Regulation 211(3) of the Financial Administration Regulations, 2004 entreats the Controller and Accountant General in consultation with the head of a department to establish stock levels of Value Books to be printed for the use of the department.

The Auditor-General's review of the administration of Value Books by Controller and Accountant General Department (CAGD) showed structural deficiencies in revenue mobilisation. The audit examination revealed that, though Value Books were printed by CAGD on behalf of MDAs, most of the books are not collected for use. For instance, CAGD upon the request of eight institutions procured Value Books totalling GH¢3,539,858.00, most of which are still in the custody of CAGD.

The Auditor-General expressed concern that the Value Books procured "may be wasteful".

The Controller and Accountant General responded to this observation and explained to the Committee that, some of the agencies involved switched to digital platforms so could not use the Value Books.

In order to ensure that the books did not go waste, they were being redeployed by the CAGD to other agencies. Again, stocks of Value Books have now been efficiently reduced to one-year stocks only.

#### **8.4. GHANA REVENUE AUTHORITY**

##### **AUCTION UNIT - GRA CUSTOMS HEAD OFFICE**

#### **8.4.1. 1,719 auctioned vehicles unaccounted for - GH¢25,500,000.00**

The Audit disclosed that out of 2,388 sampled gazetted vehicles, 1,719 vehicles with an estimated total value of GH¢25,500,000.00 were not accounted for, whilst the remaining 669 vehicles were disposed of at GH¢8,894,187.00 per the GCNet impromptu system.

Of the 669 vehicles auctioned for a total revenue of GH¢8,894,187.00, GRA failed to provide the Auditor-General with the relevant documents such as the Reserve Price list, Auction Sales Reports and Internal Audit Reports.

Again, GRA could not account for a total of 1,719 vehicles auctioned between 2015 and 2017.

Responding to this finding, officials of the GRA informed the Committee that when GRA was moving from GCNet to ICUMS, there was a challenge with data transfer until recently when the impasse with GCNet was amicably settled. It was intimated to the Committee that, most of the vehicles have now been accounted for leaving a balance of 97 vehicles yet to be accounted for.

The Committee recommends to GRA to ensure a rigorous implementation of the electronic verification of vehicles and auction processes to ensure all auctioned vehicles are accounted for.

#### **8.4.2. Disbursement from GRA - General Refund Account - GH¢312,235,683.93**

Section 2 (1) of Value Added Tax (VAT) Act, 2015 (No.2 Amendment) Act 904 and Section 57(2) of VAT Act, 2013 (Act 870) state inter alia that the Minister shall, set aside an amount of not more than six percent of the total revenue collected by the

Commissioner-General, in an account designated (General Refund Account), from which proven over payment of tax, payment made by non-taxable persons and payments made on non-taxable supply can be refunded.

Contrary to the above provision, the audit revealed that between February to December 2017 a total amount of GH¢312,235,683.00 was transferred from the General Refund Account for payments in respect of activities other than tax refunds.

On appearing before the Committee, the Commissioner-General disclosed that an amount of GH¢110 million was transferred to the Consolidated Fund whilst the rest of the money was used for various revenue mobilisation activities.

The Committee recommends that GRA applies funds in the General Refund Account towards the intended purposes, so as to avoid a situation where genuine applicants for refunds are denied timely payment due to lack of funds in the account.

## **9.0. MINISTRY OF EDUCATION**

### **9.1. Payment of unearned salaries - GH¢469,839 160.**

The audit revealed that contrary to Regulation 297 of the Financial Administration Regulations 2004, Management failed to delete names of officers when they separated from institutions under the Ministry. The audit showed that the names of 92 officers who had separated between 2013 and 2017 were still on the payroll and received unearned salaries totalling GH¢469,839.00.

Weak human resource management of the institutions in the view of the Auditor-General largely accounted for the payment of the unearned salaries.

As at the time for Committee's sitting, officials of the Audit Service confirmed to the Committee, all the moneys have been recovered except for an amount of GH¢13,397.00 owed by Sarah Ama Mason (Deceased) of the District Education Office Kwabeng and GH¢1,099.32 owed by another staff of the Municipal Education Office, Akropong.

The Committee recommends that Management explores the possibility of recovering the outstanding amount from the estate of the deceased, failing which the headmistress, Millicent Kpeni Ablakwa who knowingly validated the payment after the death of the officer should be made to refund the amount.

In the case of the serving officer of the Municipal Education Office at Akropong, the Committee recommends that the agreed deduction of GH¢100.00 per month from his salary be religiously pursued to ensure that the entire outstanding amount is recovered to Government chest.

## 9.2.0. GHANA LIBRARY AUTHORITY

### 9.2.1. Library books and journals not accounted for - GH¢646,192

The audit disclosed that between August 2013 and August 2016, the Authority procured a total of 90,568 assorted library books and Journals for distribution to the Regional Libraries and other branches under the Ghana Library Authority.

Out of the books and journals procured, only 9,055 representing about 10% were issued out leaving a difference of 81,513 amounting to GH¢646,192 unaccounted for as detailed in the table below:

| No           | Description of Books                           | Period of Procurement    | Qty Procured  | Qty Accounted for | Qty Outstanding | Value of Outstanding Books |
|--------------|--|--------------------------|---------------|-------------------|-----------------|----------------------------|
| 1            | Assorted Library Books                         | August 2013- August 2016 | 73,895        | -                 | 73,895          | 529,240.00                 |
| 2            | Periodicals (Journals) from EPP Books Services | October 2013             | 6,823         | 3,226             | 3,597           | 93,522                     |
| 3            | Assorted Library books partly accounted for    | May 2013- February 2016  | 9,850         | 5,829             | 4,021           | 23,429.50                  |
| <b>TOTAL</b> |  |                          | <b>90,568</b> | <b>9,055</b>      | <b>81,513</b>   | <b>646,191.50</b>          |



The Committee notes that the Authority has lost a total of 81,513 assorted library books and journals valued at GH¢646,192.

Management explained that due to lack of space at the head office to keep the books, the books procured were immediately dispatched to the Regions which led to the lapses in the records keeping. However, the Management followed up to the various Regions after the audit and obtained the necessary records but these records were yet to be submitted for audit review.

The Committee bemoans the lax in supervision leading to such significant loss of books and journals procured by the Authority.

The Committee endorses the recommendations by the auditors and reiterated that should the authority fail to properly account for the books and journals, Management and the storekeeper, Mr. Godwin Asamani, responsible for the infraction, be surcharged to refund the amount of GH¢646,192.00 in line with Article 187 of the 1992 Constitution.

**9.3. Ghana Education Service - Ada East District Education Office - GetFund Transferred to the MP's Common Fund Account - GH¢40,000**

Regulation 39 of the Financial Administration Regulations, 2004 provides among others that a head of department shall ensure that moneys are utilised in a manner that secures both optimum value for money and the intention of Parliament and that transactions are properly authenticated to show that amounts are due and payable.

The audit noted that the GetFund Administrators (District Education Officers) use their funds to grant loans. During the period under review for instance, an amount of GH¢40,000 was granted by Ghana Education Service - Ada East District Education Office as loan vide PV No. 01/03/15 to the MP's Common Fund in March, 2015.

The Committee finds this practice to be inimical to the core function of GetFund which is towards the development of educational infrastructure.

The Committee, however observed that the Member of Parliament concerned had completely refunded the money to chest.

**9.4. Ghana Education Service - Nkawkaw - Part payment of contingency sum without justification - GH¢8,019.**

Regulation 39 of the Financial Administration Regulations, 2004 requires that the head of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

Contrary to the above, however, the Auditor-General observed that management of the **Ghana Education Service, Nkawkaw** released an amount of GH¢8,019.00 out of a total sum of GH¢8,907.00 provided as contingency in the contract to **Nafak Company Ltd** for a construction of 3 Unit Classroom Block at **Nkawkaw Methodist Complex School** without properly justifying payment. We also noted that the contractor did not apply for extra fund let alone indicating that additional work carried out to warrant such a payment.

The Committee was informed that the contractor involved is also the owner of Life FM, Nkawkaw. Out of the total amount of GH¢8,019, the contractor is said to have refunded GH¢2,000.00 leaving a balance of GH¢6,019 still outstanding.

The Committee recommends to the management of the **Ghana Education Service, Nkawkaw** to pursue and recover the outstanding amount from the contractor.

#### **9.5. Ghana Education Service - Tepa, GH¢18,634.85**

The audit noted that the Management of Ghana education Service, Tepa failed to delete the name of an officer when the officer separated from the institution, leading to the payment of unearned salaries amounting to GH¢18,634.85

As to what had been done about the matter, the Committee was informed that an amount of GH¢9,500 has so far been retrieved from the officer involved with an arrangement for the remaining amount to be repaid in monthly instalments over 2 years.

#### **9.6. GES Ve-Golokuati - Double payment for 3 motor Bikes**

The audit revealed that GES Ve-Golokuati made a double payment for 3 motor Bikes purchased.

The Auditor General therefore disallowed the payments and urged the Ministry to ensure the recovery of the amount from Management failing which the Management would be surcharged.

Management explained to the Committee that the issue occurred because the first cheque that was issued to the supplier was returned as dishonoured and so a second one was issued to discharge the payment to the supplier. However, it later transpired

that the returned cheque amount had been debited from the GCB Bank Plc account of the Institution.

The Committee recommends that the District Director of Education gets in touch with the GCB Bank Plc, Hohoe to ensure a reversal of the wrongful debit.

#### **9.7. Ghana Library Authority - Tax withheld not remitted to GRA - GH¢15,196**

Section 87 of the Ghana Revenue Authority Act, 2000 (Act 592), requires that all taxes withheld should be paid to the Ghana Revenue Authority not later than the 15th day of the month following the month in respect of which the deduction was made.

The audit of records of the Authority disclosed that between January 2013 and October 2017 the accountant withheld taxes totalling GH¢15,196 from payments to suppliers for goods and services rendered to the Authority but failed to remit same to the Commissioner General, Ghana Revenue Authority contrary to Section 87 of the Ghana Revenue Authority Act, 2000 (Act 592).

Management was said to have informed the auditors that the taxes withheld were used for administrative expenses due to lack of remittances from GoG.

Upon receiving the PAC's invitation to attend upon the Committee, management remitted the moneys to the GRA on the morning of the Committee's scheduled sitting on the matter.

#### **9.8. Ghana Library Authority - Revenue not Accounted for - GH¢40,161.00**

The audit review of General Counterfoil Receipts (GCRs) for revenue collected and the Bank Statement of the Ghana Library Authority Headquarters, revealed that the cashier made a part deposit of GH¢127,189.00 out of a total collection of GH¢159,608.00 received. This resulted in an outstanding accumulated cash of GH¢32,419.00 as at 31 December 2017. Though he explained that the cash on hand was spent on office expenses, no evidence was provided to that effect.

Similarly, between January 2013 and December 2017, Mosses Asigbe of George Padmore Research Library collected IGF totalling GH¢46,992.00. The audit however noted that out of the total amount generated, GH¢39,250.00 was accounted for leaving a difference of GH¢7,741.60 outstanding.

Officials of the Authority informed the Committee that this infraction has still not been resolved because the officer under whose watch the infractions occurred is now seriously ill and hence unable to assist in the matter.

#### **9.9. Ghana Library Authority Head Office - Unsubstantiated - GH¢453,377.45**

The audit disclosed that 42 payment vouchers amounting to **GH¢453,377.45** were not presented for audit.

As to what had accounted for the anomaly, Management informed the Committee that there was a weekend renovation work at the offices of the Authority and that by the time staff returned the following week, documents had been mixed up and scattered all over the place, making it difficult to trace them.

Management pleaded with the Committee for time as all efforts were being made to trace the relevant documents for audit verification.

#### **10.0. MINISTRY OF HEALTH**

##### **10.1. Nursing and Midwifery Training College, Pantang - Outstanding school fees - GH¢39,735**

Regulation 17 of the Financial Administration Regulations, 2004 demands that a head of department shall ensure that all Non-Tax Revenue is efficiently collected.

The Auditor-General however noted during the examination of the students' ledgers that school fees amounting to GH¢49,155.00 was outstanding as at 31 December 2017. Out of the total amount owed, 11 students paid GH¢9,420.00 leaving an outstanding amount of GH¢25,940.00 representing 17 students while the remaining amount of GH¢13,795.00 stood in the name of 13 students who exited the school.

It was noted that the College has since recovered a substantial part of the money, leaving a balance of GH¢2,830 presently outstanding.

The Committee urges the Principal of the College to pursue the defaulting students to settle their indebtedness.

##### **10.2. Nursing and Midwifery Training College, Pantang - General Counterfoil Receipt Book not accounted for - GH¢33,835.**

Regulation 15 of the Financial Administration Regulations, 2004 requires that any public officer or revenue collector who collects or receives public and trust moneys shall issue official receipts for them and pay same into the relevant Public Fund Bank

Account within twenty four hours of receipt except in exceptional circumstances to be identified by the Minister.

The audit however revealed that General Counterfoil Receipt (GCR) book number 04418501-04418600 issued to Mr. Bernard Ankamah on 5 May 2017 for collection of school fees and other revenue was not presented for examination. Further, this GCR was not recorded in the cashbook. Upon enquiry Management provided evidence of a Police report, publication in the Daily Graphic and warrant for his arrest.

However, after the publication, Management indicated that relatives of Bernard presented the stolen GCR at the Police station and accepted to settle the amount embezzled. An examination of the said GCR disclosed that 84 receipts were used to collect an amount of GH¢78,575.00 which had only GH¢55,210.00 banked, leaving an outstanding amount of GH¢23,365.00.

Upon enquiry, management informed the Committee that the gentleman involved has been jailed by the law courts so the school is engaging with his family to find a way to retrieve the money.

The committee recommends that the school contacts EOCO for assistance to retrieve the money from any property that the convict may have.

### **10.3. Nursing and Midwifery Training College, Pantang - Unearned Salary - GH¢82,542.92**

Regulation, 297 of the Financial Administration Regulations 2004 states, a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty without leave for a stipulated period, on leave without pay, resigned, retired, or died.

The audit review of the payroll administration of the Ministry revealed that contrary to Regulation, 297 of the Financial Administration Regulations 2004, management of the College failed in ensuring the deletion of names of separated staff from the payroll. Two (2) staff, a lady and a gentleman, who separated from the College received unearned salaries totalling GH¢82,542.92.

The Auditor-General was of the view that poor validation on the CAGD ESPV accounted for the payment of the unearned salaries.

The Committee was informed that the two individuals involved have been contacted by management and came to an understanding on how to pay back the money.

So far, GH¢10,000 has been paid by one of the culprits known as Afua Nyarkoa who is now out of the jurisdiction, leaving her unpaid balance standing at GH¢59,000.00.

The other culprit who owes about GH¢13,542.92 is said to have brazenly informed management of the College that he does not have money to repay the outstanding amount.

The Committee recommends that management contracts Interpol to help track down Afua Nyarkoa who is believed to be residing in the United States of America in order to recover the outstanding indebtedness of GH¢59,000 from her.

Management is also to report the gentleman who claims not to have any money to the police for dishonestly appropriating the amount standing in his name.

In the event that the moneys become irrecoverable from the two individuals, then Mr. Bertrand Yabane, the then administrator who approved the PVs for the payment of the unearned salaries should be surcharged with the outstanding amount.

#### **10.4. Teshie Nursing and Midwifery Training College - Outstanding Students Indebtedness - GH¢31,499**

The audit revealed that contrary to Regulations 17 of the FAR 2004 which requires that a head of department shall ensure that all Non-Tax Revenue is efficiently collected, 125 students were indebted to the tune of GH¢119,529 of which an amount of GH¢77,260 had been recovered leaving an outstanding balance of GH¢42,269 in the name of 43 students. Out of the total amount outstanding, GH¢10,770 is in respect of six students who had stopped schooling and remained irrecoverable.

The Auditor-General recommended that the Head of the Institution should recover the outstanding debt of GH¢31,499 from the 37 affected students and seek ministerial approval to write off the irrecoverable debts owed by the six students who had exited the school.

At the sitting of the Committee, the accountant of the school informed the Committee that the school had received a letter of approval from the Ministry of Health to write off the part of the debt which is deemed irrecoverable by the Auditor-General whilst efforts are being made to recover the recoverable debt. So far, the Committee could not ascertain that any recoveries have been made.



**10.5. Korle-Bu Teaching Hospital - Stores Purchases not accounted for - GH¢249,900.12**

Contrary to Regulation 183 of the Financial Administration Regulations, 2004 the audit review of the store records at the Ministry disclosed weaknesses in internal control regarding acquisition, custody and utilisation of stores. The audit examination of the store records of Korle Bu Teaching Hospital showed that items purchased amounting to GH¢249,900.12 were not routed through Stores

The Committee finds that this practice could negatively affect the finances of the hospital as well as the provision of effective health delivery at the facility.

The Committee recommends that Management of the Hospital takes steps to have the necessary entries done to route the purchases involved through stores, failing which the Management of the Hospital and the heads of the unit involved should be held jointly responsible to refund the amount involved to the state.

**10.6. Ga South Municipal Health Directorate - Unearned Salaries - GH¢55,246.18**

The audit discovered that an amount of GH¢55,246.18 was paid to 8 separated staff of the Ga South Municipal Health Directorate.

As to what management had done about the issue, the Committee was informed that 4 of the affected former staff have settled their respective amounts, leaving an amount of 39,682.29 standing against the remaining 4 persons. Management explained that they had sent letters to the Ghana Police Service and the Municipal NIB (National Intelligence Bureau) for assistance to trace the culprits.

**10.7. Mampong Center for Plant Medicine Research - Unearned Salaries - GH¢11,067.17**

The audit discovered that an amount of GH¢11,067.17 was paid to 8 separated staff of the Mampong Center for Plant Medicine Research.

As to what management had done about the issue, the Committee was informed that only an amount of GH¢2,510.00 had been retrieved leaving the remainder outstanding. The Center has written to the banks of the culprits to help retrieve the unearned salaries but is yet to receive any funds from the banks. Management of the Center was said to have also written to the families of the affected persons who are now deceased to help in paying back the moneys to chest.

#### **10.8. Kaneshie Polyclinic - Uncredited revenue - GH¢70,751**

Regulation 22 of the Financial Administration Regulations 2004, requires that all public moneys collected shall be paid in gross into the Public Funds Accounts and no disbursement shall be made from the moneys collected except as provided by an enactment.

The audit noted that Zenith Bank provides onsite banking on behalf of the Polyclinic. Reconciliation of the records of the Polyclinic and the Bank revealed an uncredited amount of GH¢70,751.00 in favour of the Polyclinic between December 2016 and December 2017.

Management of the Polyclinic informed the Committee that a reconciliation exercise on the matter started towards the end of 2019 with the involvement of the Ghana Health Service Headquarters. After a lot of back and forth, a roadmap was said to have now been agreed with the bank to conclude the matter by the end of June, 2022.

The Committee was informed that since June 2020, the Polyclinic engages in daily reconciliation with the bank to avoid the recurrence of the problem.

#### **10.9. Tema Metro Health Directorate - Revenue not accounted for - GH¢10,537.00**

A review of revenue collections by the auditors showed that some Budget Management Centres (BMCs) do not comply with Regulation 15 of the FAR. In 2018 for instance, the audit noted that a total revenue of GH¢10,537.00 collected by the Tema Metro Health Directorate was un-accounted for by Daniel Agyekum and Monica Torsu who were the accountants at the Directorate.

Management of the Directorate however informed the Committee that Monica Torsu has since refunded an amount of GH¢300 standing to her name, leaving the balance standing in the name of Daniel Agyekum.

On appearing before the Committee, Daniel Agyekum informed the Committee that one Eugene Simpi Zuokpli who was a National Service Person at the Directorate embezzled the funds and that he (Agyekum) was asked to refund the money because he failed to exercise the necessary supervision over the said NSS personnel. The matter was said to have been reported to the police to help apprehend Eugene Simpi Zuokpli.

The Committee recommends that all efforts be made by management to apprehend the said Eugene Simpi Zuokpli to enable him face the law.

#### **10.10. National Health Insurance Authority - Dzodze**

##### **Revenue not accounted for - GH¢70,129.25**

The audit review of revenue collections showed that some BMCs do not comply with Regulation 15 of the FAR which requires public officers who receive public moneys to issue official receipts for them and pay them into the relevant Public Fund Bank Account within twenty-four hours of receipt. An audit visit to National Health Insurance Authority, Dzodze in 2018 for instance revealed that total revenue of GH¢70,129.25 collected was un-accounted for.

Management of the National Health Insurance Authority (NHIA) informed the Committee that the Authority has now deployed e-receipting and mobile phone renewal platform which have significantly reduced the handling of cash at the district scheme level, thus curtailing the embezzlement of cash in large amounts.

The Committee recommends that the Scheme Manager and the Accountants should refund the money failure of which they will be surcharged.

#### **10.11. National Health Insurance Authority - Kibi**

##### **Stolen Vehicle-GV 2535-14**

Regulation 183 (3) of the Financial Administration Regulations, 2004 states that, a head of department shall be accountable for the proper care, custody and use of Government stores from the time of acquisition until they have been used or otherwise disposed of in accordance with this regulation.

The audit revealed that a Toyota Hilux with registration number GV 2535-14 belonging to the NHIA, Kibi had been missing since January 2017. The Manager informed the audit team that the case had been reported to the Police.

On appearing before the Committee, management pleaded for more time to follow up with the police for an update on the matter.

The Committee recommends that management should rigorously pursue the matter with the police for the retrieval of the vehicle failing which the manager at post at the time of the loss of the vehicle should be surcharged.

## **11.0. MINISTRY OF FISHERIES AND AQUACULTURE DEVELOPMENT (MOFAD)**

### **11.1. Failure to account for foreign travel expenses - GH¢183,360 379.**

The audit review noted that a total amount of US\$38,200 (GH¢183,360) expended on foreign travels in respect of accommodation expenses and Accountable Imprest were not supported with relevant documents to authenticate the payments.

The Auditor-General disallowed the payments and requested the officers to refund the amount involved to chest failure of which they would be surcharged.

The Committee was informed that after the disallowance, the Ministry has received receipts covering an amount of US\$20,803.04 from the officers concerned. The other officers who could not find their receipts provided other credible evidence of their travel and participation in the programme.

The Committee recommends that the balance of the money should be refunded by the officers involved within two (2) weeks.

The Committee was assured by the sector Minister that the current Management of the Ministry has put in place effective internal controls to prevent such lapses from recurring.

## **12.0. MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION**

### **12.1. Algiers Mission - Revenue not accounted for - €18,940 (GH¢92,617)**

The audit examination of records on Honorary Consulate Tunis revealed that contrary to Regulation 15 of the Financial Administration Regulations, 2004 the Honorary Consul, Kamel Ben Yaghlane, failed to account for consular fees amounting to €18,938.55 collected between March 2012 and March 2017.

The Auditor-General recommended that the total amount of €18,938.55 be recovered from the Honorary Consul, Kamel Ben Yaghlane without further delay.

The Committee was informed by officials of the Ministry of Foreign Affairs and Regional Integration that the Honorary Consul Kamel Ben Yaghlane insisted that he

had used the cash to undertake expenses on the official running of the consulate. In view of the infraction, the contract of the said Honorary Consul has been terminated. So far, the Ministry has recovered an amount of US\$3,757. The Ministry is working with the Ghana Mission in Algiers and the Tunisian Ministry of Foreign Affairs to recover the money from the culprit who is said to be uncooperative in the matter.

#### **12.2. Riyadh Mission - Fictitious Payment to Glinco Construction Engineering Ltd US\$60,000 (GH¢293,400.00)**

The Auditor-General revealed that contrary to Regulation 39 of the Financial Administration Regulations, 2004, H. E. Alhaji Said Sinare and the Head of Chancery, Mr. Martin Adu Ago of the Ghana Mission in Riyadh paid an amount of US\$60,000 vide PV No. 0591921 on 3<sup>rd</sup> January 2017 into Account No. 0850415167915 with the Royal Bank Limited in Accra.

This payment according to the audit was in favour of Glinco Construction Engineering Ltd for consultancy services in respect of the construction of the Residency.

It was further revealed that although there was no evidence of work done, the Mission paid the amount to the company.

The Auditor-General's follow-up at the Registrar-General's Department revealed that the company (Glinco Construction Engineering Ltd) was incorporated on the 7 January 2017, three days after the payment. Documents were produced to reveal that the Ministry gave approval for the payment. The Ministry promised to return to the Committee after verification of the documents but failed to do so.

The Committee recommends to the Ministry of Foreign Affairs and Regional Integration to ensure that evidence for the work done is produced failure of which the management of the Riyadh Mission is surcharged.

**12.3. Dubai Mission - Payment above telephone ceiling - \$28,472 (GH¢139,228)**The Auditor-General in his report disclosed that the Ministry of Foreign Affairs and Regional Integration (MoFARI) in May 2017 gave approval to the Dubai Consulate to adopt the Foreign Service Allowance applicable to the Tehran Mission effective 1 January 2017.

The audit revealed that the Consulate paid telephone ceilings using rates applicable to the Tehran Mission which resulted in an over payment of \$28,472.00 to four home-based staff.

The Auditor- General in the report recommended to management to recover the payment from the affected staff since in the opinion of the Auditor-General, the approval granted by MoFARI did not cover the telephone ceilings applicable to the Tehran Mission.

Officials from the Ministry explained to the Committee that these telephone allowance payments were in order once the Dubai consulate was granted approval to use the Tehran rates for the payment of allowances.

The committee observed that the ministry has further given a specific approval (retrospective) to cover those paid telephone allowance.

The Committee recommends that the MoFARI should consider recruiting Ghanaians in Ghana to run a Ghana-based remote call center to assist Ghanaian missions abroad so as to cut down on the payment of expensive telephone allowances abroad.

**12.4. New Delhi Mission - Imprest not accounted for - US\$3,906 (GH¢19,100)**

Section 79 of Foreign Service Accounting Instructions requires an imprest holder, to fully retire an imprest immediately on completion of an assignment for which an imprest has been granted.

Contrary to the above however, the audit disclosed that the High Commissioner, H. E. Samuel P. Yalleh was granted an accountable imprest of INR250,000 to attend an official programme. Though audit checks showed that the programme did not take place, the imprest was not retired.

Though the Auditor General urged management to retrieve the amount of US\$3,906.25 from H. E. Samuel P. Yalleh without further delay, the amount has not been recovered till date.



As to what had been done about the issue, the Committee was informed that the Ministry has been pursuing Ambassador Sam. P Yalley to recover the money to state coffers but had not yet been successful.

A Member of the Committee intimated to the Committee that Ambassador Sam. P Yalley was indisposed at the time of the Committee's sitting and hence his inability to appear before the Committee.

The Committee recommends that the amount of INR250,000 be recovered from Ambassador Sam. P Yalley (in Rupees) without any further delay.

### 13.0. MINISTRY OF FOOD AND AGRICULTURE

#### 13.1. MOFA Finance Directorate- Unsupported payments - GH¢508,469 353.

Contrary to Regulation 39 of the Financial Administration Regulations, 2004, the audit review of records disclosed that 35 paid vouchers processed and paid by two Agric Institutions with a total face value of GH¢336,838 were not acquitted with the relevant supporting documents. In view of this, we were unable to authenticate the payments. The table below provides the details:

| No           | Institution                            | District            | No. of PVs | Amount GH¢        |
|--------------|--|---------------------|------------|-------------------|
| 1            | Finance Directorate                    | Hqtrs               | 12         | 135,105.00        |
| 2            | Regional Agric.<br>Development Unit    | Tamale              | 23         | 201,733.00        |
| 3            | MOFA                                   | Akim Ofoase         | -          | 12,750.00         |
| 4            | MOFA                                   | Agotime - Ziope     | -          | 12,767.18         |
| 5            | MOFA, Regional Office                  | Cape Coast          | -          | 80,365.96         |
| 6            | Cocoa Health and<br>Extension Division | Codapec -<br>Dunkwa | -          | 65,748.25         |
| <b>Total</b> |  |                     |            | <b>508,469.39</b> |

PARLIAMENT OF GHANA LIBRARY

Officials of the Ministry explained to the Committee that the audit finding was wrongfully attributed to the MOFA and that apart from one (1) PV that was used to release an amount of GH¢135,105 to the head of Plant Protection Directorate (Fall Army Worm), the other institutions cited are decentralised agencies under the Ministry of Local Government, Rural Development and Decentralisation.

It was further explained to the Committee that the Ministry of Food and Agriculture has contacted the various agencies for answers but the documents received are yet to be verified by the auditors.

### **13.2. Outstanding Debt on Planting for Food and Jobs - GH¢2,889,289 364.**

Under the Planting for Food and Jobs (PFJ), farmers are provided with farm inputs, the farmers are required to make an upfront payment of 50% of the farm inputs before the farming season and the remaining 50% (loan) payable after the farming season.

The audit revealed poor recovery of the loans from the farmers after the farming seasons. In nineteen (19) offices visited, the auditors observed that out of a total of GH¢5,575,736 granted, GH¢2,686,453.53 was recovered leaving an outstanding amount of GH¢2,889,282.47.

Management informed the committee that the audit finding relates to 2017, at the inception of the PFJ campaign. Farmers were required to pay 25% upfront and the balance of 25% paid after the farming season as there was 50% subsidy on the inputs.

The committee was informed that some payments were made, and some defaulted.

The committee was again informed that the Ministry has collected the phone contacts of the persons involved (some of whom are on retirements) to help the ministry in tracing the beneficiary farmers.

An amount of GH¢117,000 has so far been recovered from 12 out of 19 Districts.

The Committee notes that since the Planting for Food and Jobs (PFJ) is a nationwide programme, there is likely to be indebtedness in other districts aside the 19 cited in the report.

The Committee was informed that the credit facility programme has been discontinued and a more successful method now instituted. The Committee therefore recommends to the Auditor-General to conduct a special audit of the PFJ programme to determine the total debt outstanding.

### **13.3. Fertilizers not Accounted For (1,689 bags) - GH¢98,025**

The audit observed inefficiencies in the management of stores in respect of fertilizer supplied to the Directorate under the Planting for Food and Jobs Programme.

It was noted during stock taking at Agricultural Directorates in both **Paga** and **Wechaiu** that a total of 1,689 bags of fertilizers valued at GH¢98,025 could not be accounted for. Out of the total of 1,689 bags of fertilizers unaccounted for in 2017, Paga was responsible for 165 bags whilst Wa West was responsible for 1,524 bags.

The two Directorates informed the auditors that their stores were broken into and the fertilizers stolen.

Officials from the MOFA informed the Committee that the Ministry has not been able to take direct punitive measures against the relevant officers of the two Directorates as the culprits belong to decentralized departments under the Ministry of Local Government, Rural Development and Decentralization.

The Committee iterates the need for control systems including preventive mechanisms to eliminate theft, loss, wastage and misuse.

The Committee recommends that the MOFA liaises with the Ministry of Local Government, Rural Development and Decentralisation to mete out the appropriate sanctions against the culprits.

## **14.0. MINISTRY OF WORKS AND HOUSING**

### **14.1. Use of Internally Generated Fund (IGF) without Parliamentary approval - GH¢2,033,860**

Regulation 22 of the Financial Administration Regulations, 2004 states that all public moneys collected shall be paid in gross into the Public Funds Accounts and no disbursement shall be made from the moneys collected except as provided by an enactment.

Any person who makes payment from moneys collected in contravention of sub regulation (1) is in breach of financial discipline as defined in Regulation 8(1).

Contrary to the above Regulations, the audit examination showed that IGF of GH¢5,227,690.00 collected in 2017 was not lodged into the Public Funds Accounts. The audit also noted that the Ministry without authorization disbursed GH¢2,033,860.00 out of the total amount collected within the period, January to December 2017.

The Committee was informed by officials of the Ministry that the Ministry in consonance with the audit report, has ceased and desisted from using unapproved IGFs. They assured the Committee that once budgetary releases are made from GoG, the amount will be refunded to the Consolidated Fund.

The Committee is however of the view that refunding the money from budgetary releases back to the Consolidated Fund will not amount to anything. The Committee rather recommends that the Ministry desist from such practice of spending from IGF without Parliamentary approval.

#### **14.2. Rent arrears of UNDP flats occupants - GH¢3,426,423**

Contrary to Regulation 17 of Financial Administration Regulations, 2004 which states that a head of Department shall ensure that all non-tax revenue are efficiently collected and lodged into the Consolidated Fund, the audit found that management did not collect rent amounting to US\$700,700.00 from 39 tenants of the UNDP flats for the period 2015 to 2017.

The Committee was however informed by officials of the Ministry that the occupants of the flats were "illegal" occupants, mainly security operatives who just took occupancy of the property without proper authorization by the Ministry.

It was intimated to the Committee that the Ministry has plans to redevelop that property which was originally intended for rental to diplomats for other purposes as there are currently other commercially run property available to diplomats in the area.

### **14.3. Rent Control Department - Single Source Procurement without Approval - GH¢276,150**

Section 40 (1a) Part IV of the Public Procurement Authority states that a procurement entity may engage in single-source procurement under section 40 with the approval of the Board, (a) where goods, works or services are only available from a particular supplier or contractor, or if a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists.

The audit, however, noted management in 2017 awarded a single source contract to Langtaar Ent. Ltd for the construction of a one-storey District Office at Jirapa without approval of Public Procurement Authority. The contract sum was GH¢276,150.00 and as at the close of audit a total amount of GH¢61,183.83 had been paid to the contractor.

The Committee was informed that though the audit was done in 2017, the transaction actually took place in 2014-2015 and that the officer who supervised the award of the contract has regrettably passed away.

The Committee finds that such uncompetitive procurement could prevent the entity from obtaining value for money to the detriment of the State.

The Committee recommends that the Department takes the necessary steps to obtain the requisite approvals for the contract.

## **15.0. MINISTRY OF GENDER, CHILDREN AND SOCIAL PROTECTION**

### **15.1. Social Welfare Girls Vocational School, Cape Coast - Unaccounted Revenue - GH¢10,334.**

The audit review of the accounting records of the school showed that school fees amounting to GH¢10,334 had not been recorded in the cash book as receipt and equally not accounted for.

The Committee endorses the Auditor-General's recommendation that the Headmistress should refund the amount of GH¢10,334 failure of which she should be surcharged.

## **16.0. MINISTRY OF COMMUNICATIONS AND DIGITALIZATION**

### **16.1. Ghana-India Kofi Annan Centre of Excellence in ICT – Unauthorized disbursement of Internally Generated Fund (IGF) - GH¢2,094,002**

A review of records at the Center by the auditors showed that out of a total IGF of GH¢2,494,002.07 collected between January and December 2017, GH¢400,000.00 representing 16% was paid into the Consolidated Fund account whiles GH¢2,094,002.07 representing 84% was retained and utilised without seeking Parliamentary approval.

Management in response indicated that they utilised that part of the Internally Generated Fund due to inadequate budgetary allocation.

Management of the Center informed the Committee that the infraction took place in 2017 when due to the introduction of the capping policy, the Center didn't receive enough funds from GoG.

It was explained that after the audit finding was raised, the Centre has been put on 66% retention of IGF which they regularly receive upon making gross lodgement of collections to the designated holding account.

Management expressed its inability to refund the money to government chest as the funds were spent to properly support activities in line with the mandate of the Centre.

The Committee accepted management explanation with a caution of not repeating same in the future.

## **17.0. MINISTRY OF TRADE AND INDUSTRY**

### **7.1. Payment of judgement debt - GH¢458,000**

Regulation 170(2) of the Financial Administration Regulations (FAR) 2004 states, Expenditure of a Department/Ministry shall not exceed the expenditure estimates in the budget approved by Parliament.

The Ministry of Trade and Industry (MOTI) incurred judgement debt of GH¢458,000.00 on three persons which were not budgeted for but paid in the year 2017. The unbudgeted expenditure included payment of judgment debts in favour of Esther D. Ofori (GH¢100,000.00 for failure to pay ESB and Trip Allowance), Ebusuapanyin Joseph Kweku Eshun (GH¢58,000.00 for default in rent payments) and Seth K. Dotse (GH¢300,000.00 for wrongful dismissal).



It was explained to the Committee that the cases date back to the year 2013 and once judgments were variously obtained by the Judgment Creditors, the Ministry's Headquarters stepped in to make the payments to avoid the critical assets of the relevant Agencies from being auctioned to satisfy the judgment debts.

The Committee noted that the Ministry has subsequently been strictly complying with the audit recommendation to spend within its approved budget.

## **18.0. MINISTRY OF INFORMATION**

### **18.1. IOUs not accounted for - GH¢23,280**

Regulation 111 of the Financial Administration Regulations, 2004 states that a head of department, who is an administering authority for any class of advances, shall keep accounts at the departmental headquarters that show all advances and recoveries made.

The audit revealed that between July 2016 and November 2017, six officers who were granted a total IOU of GH¢23,280 had not refunded the amount as detailed below:

| <b>No</b>    | <b>Period</b>        | <b>Name</b>    | <b>Amount GH¢</b> |
|--------------|----------------------|----------------|-------------------|
| 1            | 06/04/17 to 28/11/17 | William Sarbah | 14,085.00         |
| 2            | 23/09/16 to 03/11/16 | Efua Essel     | 4,300.00          |
| 3            | 07/07/16             | Ebenezer Asare | 570.00            |
| 4            |                      | Amoah          | 470.00            |
| 5            |                      | Frank Asiedu   | 855.00            |
| 6            |                      | Richard Attah  | 3,000.00          |
| <b>TOTAL</b> |                      |                | <b>23,280.00</b>  |

The Committee was informed that Amoah cannot be identified, William Sarbah passed away whilst Ebenezer Asare has travelled out of the jurisdiction.

The Committee was further informed that the Information Services Department of the Ministry is working with the auditors to verify the transactions and to put in place mechanisms to recover the moneys.

### **18.2. Unsubstantiated payment - GH¢1,313,821**

It is a requirement under Regulation 39 of the Financial Administration Regulations 2004 that the head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to

show that amounts are due and payable and any order for disbursement that does not meet these requirements is rejected.

Contrary to this requirement however, the audit examination of the cashbook revealed that between January 2017 and October 2017 management made withdrawals amounting to GH¢1,313,821 without payment vouchers and other supporting documents to authenticate the transactions.

As to what had been done about this finding, the Committee was informed that the new management of the Information Services Department (ISD) wrote to the former director for source documents on the payments. It however transpired that both the former director and the former accountant who made the payments have both passed away.

In the circumstances, the ISD has written to the Auditor-General's office to assist with copies of the necessary source documents.

The Committee recommends that the ISD should apply for the relevant bank statements to enable the Department to know the beneficiaries of those cheques for decision to be made since the two officers have passed away.

### **18.3. Revenue not banked - GH¢52,267, 560.00**

The Auditor-General's report noted that contrary to Regulation 15 of the Financial Administration Regulations, 2004, Ms. Samelia Appiah (Senior Accountant) and Mr. William Sarbah, the Head of Accounts, could not account for an amount of GH¢68,845.00 being revenue collected between April 2016 and October 2017. However, At the instance of the audit, Ms. Samelia Appiah refunded an amount of GH¢16,578 leaving GH¢52,267 unaccounted for.

In the view of the auditors, ineffective supervision over the activities of the Accounting Personnel by management resulted in the revenue loss.

The Auditor-General advised management to recover the amount of GH¢52,267 from Ms. Samelia Appiah (Senior Accountant) and Mr. William Sarbah failure of which they would be surcharged.

The Committee was informed that a further scrutiny by management showed that an amount of GH¢23,422 was properly approved legitimate expenditure, thus leaving an amount of GH¢28,845 unaccounted for.

It was intimated to the Committee that the former accountant promised to pay the remaining balance of GH¢28,845 but he unfortunately died before he could do so.

## **19.0. MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT**

### **19.1. Births and Deaths Registry - Head Quarters**

#### **Non-establishment of data backups at an off-site location**

The audit observed that the Births and Deaths Registry runs a computerized registering system for the generation of countrywide information on births and deaths. It was noted however, that the data backups of the Registry were stored on external hard drives, which were kept in the office of the Head of IT instead of an off-site location. The Registry thus lacks an off-site data backup, tested periodically to prevent data corruption or destruction.

The Committee was informed that the Ministry has engaged with the Kofi Annan ICT Center of Excellence, the Ministry of Communications, National Information Technology Institute (NITA) for help to procure a data back-up system.

For now, the Regional Offices of the Registry are being used as back-up away from the National Headquarters.

It was intimated to the Committee that a bill of US\$627,000 has been submitted by the Kofi Annan ICT Center of Excellence to help establish a proper back-up center for the Registry.

To avert arsons targeted at the destruction of vital data, the Committee recommends that Government considers "cloud" storage of data so as to make it impossible for data to be destroyed by physical arsonists.

## **20.0. MINISTRY OF CHIEFTANCY AND RELIGIOUS AFFAIRS**

### **20.1. Central Regional House of Chiefs - Embezzlement of funds - GH¢33,400.00**

The audit noted that contrary to Regulation 22 of the Financial Administration Regulations 2004, the former Treasurer, Mr. Kweku Sheburah in 2016 embezzled an amount of GH¢45,000.00.

It was noted further that the Treasurer had refunded GH¢11,600.00 of the amount as at the time of audit leaving a difference of GH¢33,400.00 not refunded.

The Auditor-General recommended that Mr. Kweku Sheburah should be arrested and made to refund the amount of GH¢33,400.00 with interest.

Management informed the Committee that pursuant to the audit finding, the said Mr. Sheburah was arrested and he made the GH¢11,600.00 refund aforesaid. An arrangement was then put in place where he promised to make monthly payments of GH¢300.00 from his monthly pensions but he has since defaulted with the explanation that he was experiencing health challenges.

The Committee recommends that the recovery arrangements be formalized with the ex-officer for the recovery of the outstanding amount.

## **21.0. MINISTRY OF JUSTICE AND ATTORNEY GENERAL'S DEPARTMENT (MOJAG) ACCRA**

### **21.1. Failure to Transfer Proceeds From Criminal Case into Consolidated Fund Account - GH¢4,740,635**

The Auditor-General reported that the Ministry of Justice and Attorney General's Department (MoJAG) maintains a US Dollar Account with Bank of Ghana into which lodgment of royalties are made. Our review of the account disclosed a balance of US\$969,455.50 which had not been transferred into the Consolidated Fund Account since 2016.

The Chief Accountant explained that, the balance on the account was from proceeds realized from a court case involving the Republic vrs Flamingo Foods, in the year 2016.

A Deputy Attorney-General, Alfred Tuah Yeboah Esq explained to the Committee that in 1999, one Raymond Amankwah was convicted by a Regional Tribunal in Accra which ordered his 41% shares in a company to be confiscated. In 2013, the 41% shares were valued and liquidated and 20% of the amount was transferred to NACOB as per the court order. The remaining 80% which is US\$969,455.50 was with the Attorney-General's Department.

In 2016, the then Minister for Justice and Attorney-General wrote to the Ministry of Finance for authorization to use the money to purchase vehicles.

In 2018, the new Minister for Justice and Attorney-General followed up on her predecessor's letter, obtained approval from the Ministry of Finance and used the money to procure vehicles for the Ministry of Justice.

The Hon. Deputy Minister of Justice assured the Committee that going forward, this course of action will not be repeated and that all funds would be transferred to the Consolidated Fund as required by law.

## **21.2. Registrar General's Department**

### **Unauthorized Procurement of Value Books - GH¢72,600**

The Controller and Accountant-General is responsible for approving the form and content of Value Books, ordering supplies from the printers and in consultation with the head of a department establish stock levels of Value Books to be printed for the use of the department.

The audit however found that, procurement of 180,000 booklets of value books amounting to GH¢72,600.00 from Camelot Ghana Ltd per PV No. RGD/IGF/10/8/17 and dated 07/08/17 were made without the prior approval of the Controller and Accountant- General.

Though the Director, F&A explained that the procurement was made due to the shortage of value books, the auditors disagreed with that position considering the risk associated with the procurement of such valued items.

The Auditor-General urged management to ensure that value books are always procured from the Controller and Accountant-General.

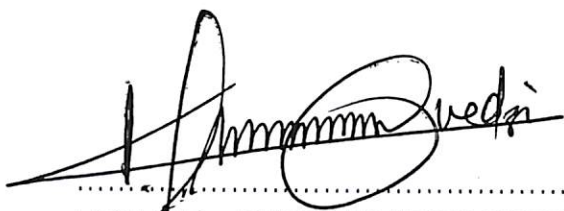
The Committee was informed that in accordance with the audit recommendation, value books have since been consistently procured from the Controller and Accountant General.

## **22.0. CONCLUSION**

The Committee has carefully considered the Report and finds that the Auditor General duly prepared same by examining the accounts submitted and expressing his opinion thereon pursuant to article 187 of the 1992 Constitution and Section 80(4) of the Public Financial Management Act, 2016 (Act 921).

The Committee recommends to the House, in view of the foregoing, to adopt this report and approve the Report of the Auditor-General on the Public Accounts of Ghana - Ministries, Departments and other Agencies (MDAS) for the Financial Year Ended 31<sup>st</sup> December, 2018.

Respectfully submitted.



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HON. DR. JAMES KLUTSE AVEDZI  
CHAIRMAN, PUBLIC ACCOUNTS COMMITTEE



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JOANA A.S. ADJEI (MRS)  
CLERK, PUBLIC ACCOUNTS COMMITTEE

Tuesday, 7<sup>TH</sup> JUNE 2022