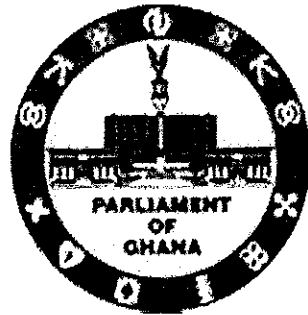


IN THE SECOND SESSION OF THE EIGHTH PARLIAMENT OF  
THE FOURTH REPUBLIC OF GHANA



**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE  
REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF  
DISTRICT ASSEMBLIES FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>  
DECEMBER 2018**

**1.0. INTRODUCTION**

The Report of the Auditor-General on the Accounts of District Assemblies for the financial year ended 31<sup>st</sup> December, 2018 was presented to the House by the Majority Chief Whip, Hon. Frank Annoh Dompren on behalf of the Majority Leader, on Wednesday, 2<sup>nd</sup> February, 2022 and was referred to the Public Accounts Committee (PAC) for examination and report to the House in accordance with Order 165(2) of the Standing Orders of the Parliament of Ghana.

The audit was undertaken in accordance with Article 187 of the 1992 Constitution of the Republic of Ghana, which mandates the Auditor-General to audit the Public Accounts of Ghana and all public offices, institutions, and organizations and report to Parliament.

## **2.0. ACKNOWLEDGEMENT**

To consider the Report, the Committee met with the Chief Executive Officers of all the MMDAs and their technical staff as well as officials of the Audit Service. The Committee is grateful to them for their enormous inputs and support.

## **3.0. REFERENCE**

The Committee was guided in its deliberations by the following legal Instruments:

- i. The Constitution of the Republic of Ghana, 1992
- ii. The Standing Orders of the Parliament of Ghana
- iii. The Public Financial Management Act, 2016 (Act 921)
- iv. The Public Procurement Act 2003 (Act 663)
- v. The Public Procurement (Amendment) Act 2016 (Act 914)
- vi. The Audit Service Act, 2000 (Act 584)
- vii. The Internal Audit Agency Act, 2003 (Act 658)
- viii. The Income Tax Act 2015 (Act 896)
- ix. The Value Added Tax Act, 2013 (Act 870)
- x. Local Government Act, 1993 (Act 462)
- xi. The Financial Administration Regulations 2004 (L.I. 1802)
- xii. Financial Memoranda for District Assemblies
- xiii. Guidelines on the Utilisation of Internally Generated Funds

## **4.0. PURPOSE OF THE AUDIT**

The purpose of the audit was for the Auditor-General to express his opinion on whether the financial statements of MMDAs is a true and fair reflection of their financial positions and whether expenditures were done in line with existing public financial management legislations.

The Auditor-General also sought to ascertain the extent of compliance with applicable laws and guidelines regulating public financial management in general and the utilisation of the Internally Generated Funds of the various, Metropolitan, Municipal and District Assemblies in particular.

## **5.0. METHODOLOGY**

In undertaking this exercise, the Committee received both oral and written submissions from the officials of all the MMDAs indicted by the Auditor-General. Status Report on the findings and implementation of the recommendations of the Auditor-General was also presented to the Committee by Officials of the Audit Service from the Regional and District Offices of the Auditor-General.

## **6.0. SUMMARY OF AUDITOR-GENERAL'S REPORT**

The Auditor-General in pursuit of his mandate under Article 187 (2) of the 1992 Constitution of Ghana and Section 84 of the Public Financial Management Act, 2016 (Act 921), the Audit Service has audited the accounts of the 240 Metropolitan, Municipal and District Assemblies for the financial year ended, 31<sup>st</sup> December, 2018.

Twelve (12) Assemblies were unable to submit their financial statements by the statutory deadline of 28<sup>th</sup> February, 2018. The Auditor-General, therefore, relied on the accounting records of the twelve Assemblies for the audit.

The Auditor-General conducted audits on the accounting records and operations of 240 Assemblies. Two (2) newly created Assemblies, Ahafo Ano South East and Juabeng, in the Ashanti Region were not audited during the period under review.

The Auditor-General was guided by International Standards of Auditing including the International Organisation of Supreme Audit Institutions (INTOSAI) and English-Speaking Sub-Group of the African branch of International Standards of Auditing as well as International Organisation of Supreme Audit Institutions (AFROSAI-E) auditing standards. The Auditor-General also followed the Section 13 of the Audit Service Act, 2000 (Act 584). The Auditor-General set out to ascertain whether:

- a. the accounts of all MMDAs have been properly kept;
- b. all public monies collected have been fully accounted for, and rules, regulations and procedures are sufficient to provide effective check on the assessment, collection and proper allocation of revenue;
- c. monies have been expended for the purposes for which they were appropriated and expenditures made as authorised;
- d. essential records were maintained and the rules and procedures applied were sufficient to safeguard and control public assets;
- e. programmes and activities of the Assembly have been undertaken with due regard to Economy, Efficiency and Effectiveness in relation to the resources used and the results achieved; and
- f. to ascertain the extent of compliance with applicable laws regulating public Financial Management in Ghana.

At the end of the audit, the Auditor-General identified extensive weaknesses and deficiencies in the internal controls in the operations of the Assemblies. There is also pervasive non-compliance with existing Legislative Instrument and Frameworks, Managerial lapses and Weak monitoring procedures at both ministerial, managerial and legislative levels of the Assemblies. The lapses were identified under Cash Irregularities, Contract, Procurement and Stores, and Tax Irregularities.

These deficiencies created avenues for some officials to mismanage resources of the Assemblies to a financial value of **GH¢29,737,230.17**. A summary of the irregularities is presented in Table 1.

**Table 1. Summary of Irregularities**

Type of Irregularity	No. of MMDAs Involved	Cash Value (GH¢)	% of Irregularity
Cash Irregularity	207	26,397,410.07	88.77
Procurement and Store Irregularities	18	573,915.10	1.93
Payroll Irregularities	26	327,005.44	1.09
Statutory Tax and Deduction Irregularities	41	807,525.92	2.71
Contract Irregularities	4	1,631,646.64	5.48
Unaccounted GCRs/Other value Books	23		
<b>Total</b>	<b>319</b>	<b>29,737,230.17</b>	<b>100</b>

The Auditor-General attributed the pervasive infractions to the failure of the Ministry of Local Government, Rural Development and Decentralisation to implement the admonitions and recommendations in the previous reports of the Auditor-General. He urged the Minister to ensure that all the recommendations in this report are implemented to improve upon and raise the standard of financial administration in the Assemblies.

To address the issue of Cash Irregularities, the Auditor-General recommended that, in the absence of supporting documents to authenticate the propriety of payment vouchers, the District Coordinating Directors and District Finance Officers involved should account for the funds involved. All unretired imprests should be treated as advances to the imprest holders and recovered accordingly.

On Contract Irregularities, the Auditor-General recommended that the Assemblies should immediately address the issue of abandoned projects, ensure that payments are made only based on certificates which have been duly certified by engineers and supported by Monitoring Reports. He also recommended that any official found culpable for contract irregularities that have occasioned loss to the Assembly must be surcharged.

To control Procurement Irregularities, it was recommended that strict compliance with relevant regulations on procurement and stores management should be applied. The Auditor-General also urged strict compliance with the Public Financial Management rules to avoid penalties for delay in the remittance of taxes and failure to withhold taxes. He further recommended that any official whose actions or inactions cause a tax penalty to the Assemblies should be surcharged with the amount.

## **7.0. ERRORS AND OVERSTATEMENT**

The Committee noted that the total value of irregularities in the Auditor-General's report was overstated by GH¢47,040.00. This brings the total infraction down to GH¢29,690,190.17 from GH¢**29,737,230.17** as stated in the Auditor General's report. The overstatement is in the following areas.

**Table 2: Overstatement in the 2018 Auditor-Generals Report**

<b>MMDA</b>	<b>Nature of Irregularity</b>	<b>Value of Irregularity in the Auditor-General's Report (GH¢)</b>	<b>Actual Value of Irregularity (GH¢)</b>	<b>Overstatement / Under Statement (GH¢)</b>
Akuapem South District Assembly	Unpaid Rent	7,040.00	0.00	7,040.00
Akatsi South District Assembly	Unaccounted Value Book	40,000.00	0.00	40,000.00
<b>Total</b>		<b>47,040.00</b>	<b>0.00</b>	<b>47,040.00</b>

The error affected the value of irregularities regarding unpaid rent and unaccounted value Books as identified by the Auditor-General. The adjusted irregularities are as follows:

Table 3: Adjusted Summary of Irregularities in the 2018 Report of the Auditor-General on the Accounts of MMDAs.

S N	Type of Irregularity	Value per Auditor- General's Report 2018 (GH¢)	Overstatem ent (GH¢)	Adjusted Irregularitie s (GH¢)
1	Cash Irregularities	26,397,410.07	47,040.00	26,350,370. 07
2	Stores/Procure ment Irregularities	573,915.10	0.00	573,915.10
3	Payroll Irregularities	327,005.44	0.00	327,005.44
4	Tax Irregularities	807,525.92	0.00	807,525.92
5	Contract Irregularities	1,631,646.64	0.00	1,631,646.6 4
	<b>Total</b>	<b>29,737,230.17</b>	47,040.00	29,690,190. 17

#### 8.0. STATUS OF IMPLEMENTATION OF AUDITOR-GENERAL'S RECOMMENDATIONS

The Committee noted that a number of the infractions uncovered by the Auditor-General had been addressed by the Assemblies prior to appearance before the Committee.



At the time of Committee sitting, affected Assemblies had either regularised the transactions or refunded monies expended without due regard to laid down regulations. A total amount of GH¢28,386,771.40 or 95.61% out of a total infraction of GH¢29,690,190.17 was resolved leaving a balance of GH¢1,303,418.77 or 4.39%) unresolved. Table 2 show a summary of resolved and outstanding issues at the time of Committee sittings.

**Table 4: Resolved and Outstanding Irregularities**

Type of Irregularity	Cash Value (GH¢)	Amount Resolved (GH¢)	Amount Outstanding (GH¢)	% of Irregularities Resolved
Cash Irregularity	26,350,370.07	25,817,267.01	533,103.06	97.94
Procurement and Store Irregularities	573,915.10	468,522.14	105,392.96	81.64
Payroll Irregularities	327,005.44	194,992.74	132,012.70	59.64
Statutory Tax and Deduction Irregularities	807,525.92	736,853.00	70,672.92	91.25
Contract Irregularities	1,631,646.64	1,169,409.51	462,237.13	71.67
Unaccounted GCRs/Other value Books	1,035 GCRs	898 GCRs	137 GCRs	86.76
<b>Total</b>	<b>29,690,190.17</b>	<b>28,386,771.40</b>	<b>1,303,418.77</b>	<b>95.61</b>

**NB: GCR means General Counterfoil Receipt**

The Committee further noted that the infractions were resolved through direct cash refunds/payments, presentation of supporting documents to authenticate payments and general compliance with financial management rules and regulations as recommended by the Auditor-General.

The Committee recommended that outstanding amounts should be recovered from the officers involved. The Committee also recommends sanctions for officers whose actions or inactions resulted in the malfeasance notwithstanding whether the malfeasance was rectified or not in accordance with Regulation 8(4) of the Financial Administration Regulations. The unresolved irregularities relates to the following MMDAs:

#### **9.0. UNRESOLVED AUDIT ISSUES, COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

At the end of the Committee sitting the following issues remains unresolved:

##### **10.1. Unsupported Payments - GH¢2,188,207.61**

Forty-eight (48) Metropolitan, Municipal and District Assemblies (MMDAs) made payments totaling GH¢2,188,207.61 but failed to support the expenditure with requisite documents such as invoices and receipts to authenticate the payments. The Auditor-General recommended a recovery of the amount involved from the District Coordinating Directors and Finance Officers.

However, the Committee was informed during its Sitting that, the payments vouchers amounting to GH¢2,094,476.41 had been supported with the relevant documents to authenticate the payments leaving an outstanding amount of GH¢93,731.20 in the name of the following Assemblies:

1. Ga East Municipal Assembly	-	GH¢14,950.00
2. Shama District Assembly	-	GH¢1,120.00
3. Suaman District Assembly	-	GH¢8,620.00
4. Wasa Amenfi Central District Assembly	-	GH¢501.00
5. Zabzugu District Assembly	-	GH¢10,207.20
6. Bole District Assembly	-	GH¢58,333.00
<b>Total</b>	<b>-</b>	<b>GH¢93,731.20</b>

The Committee recommended the recovery of the outstanding amounts from the Coordinating Directors and Finance Officers of the respective Assemblies.

#### **10.2. Rent Arrears -GH¢644,621.79**

Nineteen (19) Assemblies failed to recover rent amounting to GH¢644,621.79 in contravention of Regulation 2 of the Financial Administration Regulations, 2004 (L.I. 1802)

The Auditor-General recommended the recovery of the rent arrears at source from the salaries and other cash entitlements of the defaulters. At the time of the committee sitting, an amount of GH¢514,203.00 was recovered by fifteen (15) Assemblies leaving an outstanding amount of GH¢130,418.79 in the name of the following Assemblies:

**Table 5: Outstanding Rent Arrears**

<b>ASSEMBLY</b>	<b>AMOUNT (GH¢)</b>	<b>Recovery (GH¢)</b>	<b>OUTSTANDING AMOUNT (GH¢)</b>
Kasena Nankana Municipal Assembly	119,240.00	85,430.00	33,810.00
Adansi Asokwa District Assembly	54,608.79	9,430.00	45,178.79
Kpando Municipal Assembly	22,810.00	10,000.00	12,810.00
Abura, Asebu-Kwamankese District Assembly	44,820.00	6,200.00	38,620.00
<b>Total</b>	<b>241,478.79</b>	<b>111,060.00</b>	<b>130,418.79</b>

The Committee recommended that, the outstanding rent should be recovered from salaries of the defaulters. The Committee further urges the Ministry of Local Government, Rural Development and Decentralisation (MLGRD) to take steps to ensure source deduction of rent from salaries of staff of MMDAs who occupy official bungalows and enable the Assemblies accrue enough income to maintain the buildings.

### **10.3. Failure to Collect Revenue Due GH¢7,402,566.58**

Contrary to Regulations 2 and 17 of the Financial Administration Act (FAR), 2004 and Section 96 of the Public Administration Management (PFM), Act, 2016), Twenty-Seven (27) MMDAs failed to collect revenue due to a tune of GH¢7,402,566.58. The Auditor-General recommended a full recovery of the outstanding amount from the defaulters.

At the Committee Sitting, revenue amounting to GH¢7,177,535.80 was recovered by twenty-two MMDAs leaving an outstanding amount of GH¢225,030.78 in the name of:

1. Atebubu Amantin Municipal Assembly	-	GH¢ 19,890.00
2. Shama District Assembly	-	GH¢116,060.72
3. Nzema East Municipal Assembly	-	GH¢ 42,000.00
4. Akatsi South District Assembly	-	GH¢ 5,818.76
5. Ketu North Municipal Assembly	-	GH¢ 41,261.30
<b>Total</b>	<b>-</b>	<b>GH¢ 225,030.78</b>

The Committee recommended that the outstanding amount should be recovered from the defaulters by the Assemblies involved without delay.

#### **10.4. Unaccounted Revenue - GH¢1,069,788.61**

It was revealed at the end of the Audit that 30 MMDAs could not account for revenue to a tune of GH¢1,069,788.61, which is in contravention of the Regulation 15 of the Financial Administration Regulation, 2004 (L.I. 1802). However, the Committee noted during the hearing that in compliance with the Auditor-General's recommendations, a total amount of GH¢1,006,656.61 has been recovered leaving an outstanding amount of GH¢63,132.00 in the name of the following Assemblies:

1. Asante Akim Central Municipal Assembly	-	GH¢32,656.00
2. Ahafo Ano South West District Assembly	-	GH¢1,325.00
3. Tain District Assembly	-	GH¢14,102.00
4. South Tongu District Assembly	-	GH¢2,566.00
5. Keta Municipal Assembly	-	GH¢ 1,256.00
6. Ellembele District Assembly	-	GH¢11,227.00
<b>Total</b>	<b>-</b>	<b>GH¢63,132.00</b>

The Committee recommended that the outstanding amount be recovered by the Coordinating Directors and Finance Officers of the Assemblies involved from the Officers involved.

#### **10.5. Unpresented Payment Voucher- GH¢151,736.52**

The audit disclosed that management of Ten (10) MMDAs failed to present 123 Payment Vouchers with a total face value of GH¢151,736.52 for audit in contravention of Section 11 of the Audit Service Act, 2004 (Act 584). The Auditor-General attributed the anomaly to the deliberate attempt by Finance Officers to suppress funds of the Assembly. He recommended that the amount should be recovered from the Coordinating Directors and the Finance Officers of the respective Assemblies.

The Committee noted that 109 Payment Vouchers amounting to GH¢130,945.51 were presented for audit leaving 14 PVs with face value of GH¢ GH¢20,791.01 in the names of Nzema East Municipal Assembly (12 PVs with face value of GH¢10,791.01) and Ahafo Annor South District Assembly (2 PVs with face value of 10,000) unpresented.

The Committee recommends that the face value of the PVs should be recovered from the Coordinating Directors and the Finance Officers who supervised the transactions and authorised the payments.

#### **10.6. Unpresented /Unaccounted Value Books GH¢95,850.00**

The audit disclosed that Twenty-Three (23) Assemblies failed to account for four hundred and Sixty-Seven (467) value books, Five Hundred and Thirty-Nine (539) market tickets and Twenty-Nine lorry park tickets in contravention of Regulation 15 of FAR, 2004 (L.I. 1802). The Auditor-General recommended the recovery of the face value of the General Counterfoil Receipts (GCRs) and market tickets from the Revenue Collectors.

The Committee was informed during the Sitting that, Four Hundred and Nineteen (419) GCRs have been recovered in compliance with the recommendation of the Auditor-General, leaving Forty-Eight (48) GCRs and Eighty-Nine Market tickets in the names of the following Assemblies outstanding:

**Table 6: Outstanding Unpresented Value Books**

Assembly	No. of GCRs	No. of Market Ticket	Responsible Officer
Ellembele District Assembly	13	-	Mr. Samuel Quaicoe
Sekondi Takoradi Municipal Assembly	3		
North Dayi District Assembly	7		
Birim South District Assembly	14		
Tain District Assembly	11	89	
<b>Total</b>	<b>48</b>	<b>89</b>	

The Committee recommends the recovery of the face value of the 48 GCRs and 89 Market tickets from the Finance Officers and the Revenue Collectors responsible.

### 10.7. Abandoned Projects-GH¢1,293,038.77

The audit revealed that three Assemblies made payments totalling GH¢1,293,038.77 to various contractors for seven (7) projects awarded between 2011 and 2012 but the projects remained abandoned. However, the Auditors confirmed during the Committee hearing that three (3) of the projects have been completed leaving the following four (4) projects outstanding in the name of the Kumasi Metropolitan Assembly at various levels of completion:

**Table 7: Outstanding Abandoned Projects**

PROJECT DESCRIPTION	AMOUNT (GH¢)	LEVEL OF COMPLETION
Construction of 1No. 3-unit KG Block with auxiliary facilities at Apramang M/A/Primary at Apram	85,006.93	On-going
Construction of 1 No. 6-unit classroom Block with auxiliary facilities at Fankyenebra Basic School	162,000.00	On-going
Construction of 1 <sup>st</sup> Phase (ground floor) of 1 No.2 storey Library Complex at State Experimental at Redge Nhyiaeso	79,675.00	On-going
Construction of 1 No. 6-Units Classroom Block at Abrepo	135,555.20	On-going



In a related development Four (4) projects awarded by Ellembele District Assembly, and Jaman North District (1 project) for which a total contract sum of GH¢338,607.87 was paid to be completed between 2015 and 2016, were still not uncompleted at the time of the audit.

However, at the time of the Committee Sitting, it was noted that three (3) of the projects have been completed leaving one project (Construction of administration block at Nkroful) uncompleted in the name of Ellembele District Assembly. The Committee was informed that the delay was due to lack of funds and the failure of the Assembly to ensure that existing projects were completed before new ones were awarded.

The Committee recommended to Management to prioritise the projects of the Assemblies (Ellembele District and the Kumasi Metropolitan Assemblies) to allocate funds to complete the abandoned and delayed projects before awarding new projects.

#### **10.9. Unearned Salary - GH¢327,005.44**

The audit disclosed that Twenty-six (26) MMDAs failed to recover unearned salaries from separated staff amounting to GH¢327,005.44 in contravention of Regulation 297 of the Financial Administration Regulations (FAR), 2004 (L.I. 1802). The Auditor-General recommended that the unearned salary should be recovered from the separated staff and receiving banks or in default, the Coordinating Directors, the Finance Officers and the Validators should be made to refund the amount.

However, it was noted during the hearing that a total amount of GH¢203,992.74 had been recovered in compliance with the recommendation of the Auditor-General, leaving an outstanding amount of GH¢123,012.70 in the name of the following Assemblies and individuals:

**Table 8: Outstanding Unearned Salaries**

MMDA	NAME OF SEPARATED STAFF	AMOUNT (GH¢)	AMOUNT RECOVERED (GH¢)	OUTSTANDING (GH¢)
Nkoranza	Agyei Yaw Nana	3,533.07	0.00	3,533.07
South District	Martin Wiafe	1,768.52	0.00	1,768.52
Tain District	Mutala Wakaso	11,865.78	0.00	11,865.78
Wenchi Municipal	Eric Asiedu	5,587.35	0.00	5,587.35
Twifo Atti Morkwa District	3 unidentified Staff	34,588.01	0.00	34,588.01
New Juaben South Municipal	3 unidentified Staaff	16,234.93	0.00	16,234.93
Keta Municipal	Regina A. Faidor	9,898.20	0.00	9,898.20
	Agnes A. Amedeka	7,808.88	0.00	7,808.88
	Gakpleazi Kabu-Tetteh	2,646.16	0.00	2,646.16
	Felix Zavor	2,053.47	0.00	2,053.47

	Johnson Agbematsor	3,774.96	0.00	3,774.96
	Emily Tamakloe	1,778.32	0.00	1,778.32
	Matthew K. Adafleagbe	6,955.41	0.00	6,955.41
	Albert T. K. Amewovi	5,591.56	0.00	5,591.56
	Promise Kwaku Adjetey	6,103.58	0.00	6,103.58
	Delanyo Quist	1,424.50	0.00	1,424.50
Mpohor District	1 Unidentified Staff	1,750.00	350.00	1,400.00
<b>Total</b>		<b>123,362.70</b>	<b>350.00</b>	<b>123,012.70</b>

The occurrence of unearned salaries implies that Validation Officers are not performing their functions effectively. Additionally, the Committee noted instances of delays and laxity on the part of the Officials of Controller and Accountant General's Department to act timeously to delete names of separated staff upon notification.

The Committee recommends to the Coordinating Directors and the Finance Officers of the MMDAs involved to recover all outstanding amounts from the officers concerned, failing which the Spending officers should be surcharged.

Furthermore, all beneficiaries who failed to refund the unearned salaries should be reported to the police for prosecution. Compliance of this directive should be made through the Status Report to the Committee through the Auditor-General.

### **10.11. Uncompetitive Procurement-GH¢105,455.96**

Five (5) Metropolitan, Municipal and District Assemblies (MMDAs) procured goods and services totalling GH¢105,455.96 without sourcing for alternative quotations from different sources in contravention of Section 20 of the Public Procurement (Amendment) Act, 2016, (Act 914). The Auditor-General, in addition to urging MMDAs to ensure strict compliance with the Public Procurement Act, also recommended that the Coordinating Directors and the Finance Officers who supervised the transactions should be sanctioned in accordance with Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914).

The Committee is of the view that, most corruptions in the public sector are procurement related and that the state loses substantial resources through the breach of the procurement laws. The Committee recommended that, the officers who supervised the transactions in the Assemblies should be sanctioned in accordance with the sanctions regime as stipulated in the Public Procurement Act to serve as deterrent to other public officers. In this regard, the Committee recommends to the Attorney-General to take frantic steps to prosecute the officers who supervised the procurement activities in these institutions in accordance with Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914).

**Table 9: List of Assemblies Recommended for Prosecution for Procurement Breaches**

S/N	ASSEMBLY	AMOUNT (GH₵)
1.	Bekwai Municipal	33,800.00
2.	Asunafo South District	6,295.53
3.	Sunyani Municipal	25,003.42
4.	Tano North Municipal	10,664.76
5.	Bawku Municipal	29,629.25
<b>Total</b>		<b>105,392.96</b>

**10.12. Failure to Withhold and Remit Taxes - GH₵293,049.59**

Section 117 of the Income Tax Act, 2015, Act 896 states, among others, that a withholding agent who fails to withhold tax in accordance with this provision shall pay the tax that should have been withheld in the same manner and at the same time as tax that is withheld. Contrary to this provision of the Regulations, the Committee noted that fourteen (14) Assemblies failed to withhold taxes amounting to GH₵193,605.21.

In a related development, eight (8) Assemblies failed to remit taxes amounting to GH₵99,444.38 to the Commissioner General of the Ghana Revenue Authority in contravention of Section 116 and 117 of the Income Tax Act, 2015 (Act 896).

The Auditor-General recommended that the Coordinating Directors and the Finance Officers of the Assemblies involved should take steps to recover the taxes from the suppliers and remit the unremitted taxes to the Commissioner General failing which they should be held personally liable for the recovery of the taxes lost.

The Committee observed at its sitting that thirteen (13) of the Assemblies have recovered a total of GH¢173,565.70 from the suppliers and remitted same to the Commission-General in compliance with the recommendations of the Auditor-General leaving a balance of GH¢20,039.51 in the name of Ellembele District Assembly. Additionally, except an amount of GH¢11,077.59 outstanding Unremitted Taxes in the name of Ellembele District Assembly, all the Assemblies cited for this infraction have taken steps to remit the taxes to the Commissioner-General in accordance with the audit recommendations.

The Committee recommends that the Coordinating Director and the District Finance Officer of the Assembly be personally held liable to remit the outstanding taxes not deducted and taxes not remitted amounting to GH¢31,117.10 to the Commission.

#### **10.13. Non-payment of SSNIT Contribution Payroll- GH¢436,369.94**

The Audit disclosed that thirteen (13) MMDAs failed to remit a total amount of GH¢436,369.94 being casual worker's Social Security Fund (SSF) contribution to Social Security and National Insurance Trust (SSNIT), in contravention of Sections 63 and 64 of the Pensions Act, 2008 (Act, 766). As a result, three Assemblies paid a penalty of GH¢3,279.17 to SSNIT. The Auditor - General recommended that the Assemblies involved should pay the worker's SSF contributions to SSNIT and the Coordinating Directors and Finance Officers should refund the penalty charges of GH¢3,279.17 to the respective Assemblies.

The Committee noted that a total amount of GH¢420,132.80 has been paid as worker's SSF to SSNIT leaving a balance of GH¢16,237.14 in the names of Wasa Amenfi West (GH¢12,008.57) and Mpohor (GH¢4,228.57) District Assemblies.

Additionally, the penalty paid for delayed payment of SSF contribution of employees were not refunded by the Coordinating Directors and Finance Officers of the following Assemblies involved as recommended by the Report:

1. Bia East District Assembly	-	GH¢373.83
2. Bibiani /Anhwiaso/Bekwai	-	GH¢2,092.37
3. Nzema East District Assembly	-	GH¢812.97
<b>Total</b>	-	<b>GH¢3,279.17</b>

The Committee recommends that the Coordinating Directors and Finance Officers of the three Assemblies should personally refund the penalties to the Assemblies in compliance with the recommendations of the Auditor General.

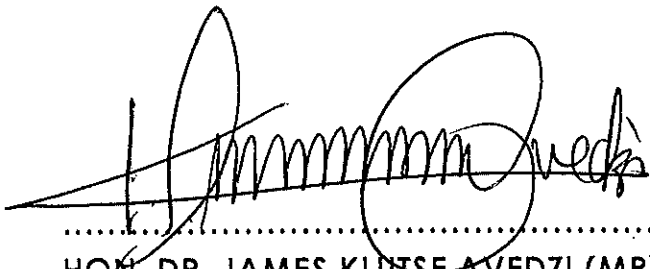
## **11.0. CONCLUSION**

The Auditor-General's Report and Committee deliberations revealed persistent weak internal control systems in many Assemblies resulting in the failure of accounts officers to adhere to financial management rules and regulations.

The Committee recommends to the management of MMDAs to implement all the recommendations captured in the Auditor-General's Report and the Committee's Report and report to Parliament in accordance with Section 88 of the Public Financial Management Act 2016, (Act 921).

The Committee therefore recommends to the House to adopt its Report on the Report of the Auditor-General on the Public Accounts of Ghana on the Account of District Assemblies for the year ended 31<sup>st</sup> December, 2018 with its recommendations in accordance with Order 165(3) of the Standing Orders of the House.

Respectfully submitted.



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

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COMMISSIONER GENERAL OF  
PARLIAMENT HOUSE  
OSU - ACCRA  
.....



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**JOANA ABENA SAKYI ADJEI (MRS.)**  
**CLERK, PUBLIC ACCOUNTS COMMITTEE**

22<sup>ND</sup> JUNE, 2022