

**IN THE FIRST SESSION OF THE SIXTH PARLIAMENT  
OF THE FOURTH REPUBLIC OF GHANA**

**REPORT OF THE SPECIAL BUDGET COMMITTEE ON  
THE 2014 ANNUAL BUDGET ESTIMATES OF THE  
PUBLIC SERVICES COMMISSION**

**1.0 INTRODUCTION**

In accordance with article 179 of the 1992 Constitution, the Hon. Minister for Finance, Mr. Seth Terkper presented the Budget Statement and Economic Policy of the Government for the year ending 31<sup>st</sup> December, 2014 to Parliament on Tuesday, 19<sup>th</sup> November 2013.

Pursuant to Order 140(4) of the Standing Orders of the House, the Rt. Hon. Speaker referred the Annual Budget Estimates of the Public Services Commission (PSC) to the Special Budget Committee for consideration and report.

**2.0 DELIBERATIONS**

The Committee met with the Vice-Chairman of the PSC, Dr. Lawrence A. Kannae, officials of the PSC and the Ministry of Finance on Tuesday, 3<sup>rd</sup> December 2013 and considered the referral.

The Committee extends its appreciation to the Vice-Chairman of the PSC and all officials present at the Committee's sitting for their input.

### **3.0 REFERENCE DOCUMENTS**

The following Committee made reference to 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 Budget Statement and Economic Policy of the Government of Ghana for the 2013 Financial Year.
- d. The Public Services Commission Act, 1994 (Act 482).
- e. Report of the Special Budget Committee on the 2013 Annual Budget Estimates of the Public Services Commission.

### **4.0 MANDATE OF THE PUBLIC SERVICES COMMISSION**

The mandate of the PSC is to safeguard and promote integrity, accountability and competence in the Public Services in Ghana through the rendering of advisory, consultative, regulatory and supervisory services. In pursuit of its mandate, the PSC envisions to be a Commission whose guidelines and advice result in a well managed workforce capable of and committed to delivering high quality services for accelerated growth and development.

### **5.0 FUNCTIONS OF THE PUBLIC SERVICES COMMISSION**

As provided for in section 4 of the Public Services Commission Act, 1994 (Act 482), the functions of the PSC include the following:

- i. to advise Government on the criteria for appointment to public offices as well as persons to hold or act in public offices;

- ii. to prescribe appropriate systems and procedures for the management of personnel records with the Public Services;
- iii. to identify, explore and promote the recruitment of suitable personnel into the Public Services, acting in collaboration with educational institutions; and
- iv. to undertake planning of the manpower requirements of the Public Services using data from the educational institutions and other sources.

#### 6.0 **POLICY OBJECTIVES OF THE PUBLIC SERVICES COMMISSION**

The PSC's Broad Sectoral Policy Objectives for the 2014 - 2017 Medium Term are as follows:

- a. enhance supervision and productivity in the Public Service;
- b. establish a reliable Public Service Human Resource Management Information System;
- c. promote excellence in people management;
- d. strengthen public sector management and oversight;
- e. improve the working environment and conditions; and
- f. ensure the promotion of HIV/AIDS/STI/TB transmission, its proper management and promote healthy lifestyle.

#### 7.0 **REVIEW OF 2013 BUDGETARY ALLOCATION**

7.1 For year 2013, an amount of **Five Million, Fifty-two Thousand, Five Hundred and Fifty-Nine Cedis (GH¢5,052,559.00)** was

allocated to the PSC for its programmes and activities. The breakdown of the amount was as follows:

	<b>GH¢</b>
Government of Ghana (GoG)	- <b>2,182,197.00</b>
Internally Generated Fund (IGF)	- <b>28,411.00</b>
Donor support	- <b><u>2,841,951.00</u></b>
<b>T O T A L</b>	<b><u>5,052,559.00</u></b>

7.2 Out of the GoG allocation of GH¢2,182,197.00, the Committee noted that as at October 2013, the Ministry of Finance had released a total amount of GH¢3,424,648.05 to the PSC. The releases by the Ministry of Finance as against the approved GoG allocation and actual expenditure of the PSC is shown in Table 1.

Table 1

**DISBURSEMENT OF FUNDS APPROVED AND ACTUAL EXPENDITURE  
(JANUARY - OCTOBER 2013)**

<b>Item</b>	<b>Approved Budget GH¢</b>	<b>Amount Released GH¢</b>	<b>Actual Expenditure GH¢</b>	<b>Variance GH¢</b>
Compensation of Employees	788,569.00	2,914,800.17	2,914,800.17	(1,987,293.17)
Goods and Services	757,128.00	273,479.88	487,637.55	269,490.45
Assets	636,500.00	236,368.00	236,368.00	636,500.00
<b>T O T A L</b>	<b>2,182,197.00</b>	<b>3,424,648.05</b>	<b>836,684.00</b>	<b>867,145.95</b>

7.3 As shown in Table 1, with the exception of Compensation of Employees, releases for the other items of expenditure fell below target.

The approved budget for Compensation of Employees of the PSC for 2013 was GH¢788,569.00. As at October 2013, releases made to the PSC and actual expenditure amounted to GH¢2,914,800.17. According to the Vice-Chairman of the PSC, the over expenditure on compensation of employees was due to payment of salary arrears of article 71 office holders from January 2009 to January 2013.

For Goods and Services, the approved GoG allocation was GH¢757,128.00. As at October 2013, an amount of GH¢273,479.88 had been disbursed to the PSC. Officials of the PSC informed the Committee that in addition to the amount of GH¢273,479.88 released to the PSC for its expenditure on Goods and Services, the Commission committed an amount of GH¢214,157.67 to some of its activities as a matter of expediency to ensure that the smooth running of the programmes of the PSC is not adversely affected. Thus, actual expenditure for Goods and Services as at October 2013 amounted to GH¢487,637.55.

With regard to Assets, an amount of GH¢236,368.00 had been released to the PSC as at October 2013 as against the approved budget of GH¢636,500.00. Officials of the Commission informed the Committee that the amount released to it has not been utilised but has been committed to the rehabilitation of its elevator and the offices on the second floor of its office building.

7.4 On the whole, the Committee noted that total releases made to the PSC adversely affected the implementation of some of its programmes and activities outlined for the year 2013. That notwithstanding, the PSC did not relent on its oars in achieving its objectives for year 2013. A few of the achievements of the PSC for year 2013 are as follows:

- i. the PSC developed a Human Resource Policy Framework and Manual for the Public Services;
- ii. the Commission developed and rolled out a new Performance Management Policy and Appraisal System (staff performance review appraisal form and Manual) to all Public Service Organisations;
- iii. a Performance Agreement Model was developed, validated and circulated to all Chief Executives by the PSC;
- iv. a Performance Management System for the Public Service was developed and due for submission to Cabinet for approval;
- v. fifty-two (52) staff of the PSC were trained in various management competency courses at the Civil Service Training Centre and Post-graduate Certificate course in Public Administration at GIMPA; and
- vi. three (3) Public Service Qualifying Examinations for 1,994 candidates in twelve (12) Public Service Institutions were conducted by the PSC. The PSC also conducted recruitment/promotion interviews for 151 top executive personnel of Public Service Institutions.

## 8.0 **OUTLOOK FOR 2014**

For year 2014, the Commission would undertake the following programmes among others:

- a. pursue the training of Human Resource Managers in public service organisations and operationalise the Human Resource Management Policy Framework and Manual in the Public Services;
- b. facilitate the establishment of the Human Resource Management Information System (HRMIS) in pilot Ministries, Departments and Agencies (MDAs) and Metropolitan, Municipal and District Assemblies (MMDAs).
- c. conduct manpower audits of additional fifty (50) public service organisations to identify excess labour for deployment to organisations in deficit and in need of such categories of staff;
- d. establish the actual manpower size of public service organisations and re-introduce manpower ceilings/establishment and schedules/levels for organisations;
- e. commence the review of organisational structure of public service organisations to determine how the functions and responsibilities of the various units relate to the achievement of their mandates and missions; and
- f. commence the development of standard schemes of service and job descriptions for all public service organisations.

9.0 **2014 BUDGETARY ALLOCATION**

9.1 For the 2014 fiscal year, the PSC has been allocated an amount of **Three Million, Four Hundred and Eighty-Three Thousand, Eight Hundred and Five Ghana Cedis (GH¢3,483,805.00)** for the implementation of its programmes. The breakdown by item of expenditure is as follows:

1. Compensation of Employees	1,957,485.00
2. Goods and Services	1,255,928.00
3. Assets	<u>270,392.00</u>
<b>T O T A L</b>	<b><u>3,483,805.00</u></b>

9.2 The breakdown of the total budgetary allocation for 2014 in comparison with approved budget for 2013 and actual releases for 2013 is shown in table 2:

Table 2

**2013 Approved Budget and Releases/2014 Budgetary Allocation**

<b>Budget Item</b>	<b>Approved Budget for Year 2013 GH¢</b>	<b>Releases as at October 2013 GH¢</b>	<b>Budgetary Allocation for Year 2014 GH¢</b>
Compensation Of Employees	788,569.00	2,914,800.17	1,957,485.00
Goods and Services	757,128.00	273,479.88	1,255,928.00
Assets	636,500.00	236,368.00	270,392.00
<b>T O T A L</b>	<b>2,182,197.00</b>	<b>3,424,648.05</b>	<b>3,483,805.00</b>



## 10.0 OBSERVATIONS AND RECOMMENDATIONS

### 10.1 2014 Budgetary Allocation

The Committee observed that for year 2014, the budgetary allocation to the PSC has increased as compared to the amount allocated to it in year 2013. As Shown in table 2, GoG allocation to the PSC for its programmes in year 2013 was **GH¢2,182,197.00**. For 2014, the Commission has been allocated an amount of **GH¢3,483,805.00** for the implementation of its programmes.

For 2014, an amount of **GH¢1,957,485.00** has been allocated to the PSC for the compensation of its employees as against a budgetary allocation of **GH¢788,569.00** for 2013. As indicated earlier, the rise in releases to the PSC for compensation of employees was as a result of payment of salary arrears of article 71 office holders from January 2009 to January 2013. The Committee noted that the budgetary requirement of the PSC for compensation of employees in 2013 was **GH¢1,437,000** excluding the payment of salary arrears. Thus, the allocation made to the PSC for 2014 in the opinion of the Committee is in the right direction.

As indicated to the Committee by the Vice-Chairman of the Commission, the budgetary requirement of the PSC for its expenditure on Goods and Services for year 2014 is **GH¢2,461,989.00**. However, the PSC has been allocated an amount of **GH¢1,255,928.00**. Thus, creating a shortfall of **GH¢1,206,061.00**. Inasmuch as the allocation for 2014 is higher than the approved budget **GH¢757,128.00** for 2013, the Committee noted that the shortfall would adversely affect the

smooth rolling out of the Commission's critical programmes such as the Human Resource Policy Framework, the Performance Appraisal Manual and the HRMIS to public service organisations in 2014.

An amount of **GH¢270,393.00** has been allocated to the PSC for its Assets in 2014 as against an approved budget of **GH¢636,500.00** for 2013. The Committee noted that the slash in the allocation for Assets for the PSC in 2014 would affect the much need rehabilitation works on the office building of the Commission.

Considering the mandate of the PSC, the Committee considers the total allocation to the PSC for 2014 as inadequate if the PSC is to achieve its set targets. The Committee therefore recommends that the total budgetary allocation to the PSC especially ceilings for Goods and Services and Assets should be critically reviewed by the Ministry of Finance to adequately cater for the needs of the PSC should there be a supplementary budget.

#### 10.2 Internally Generated Funds (IGF)

The PSC generates funds internally from space rental on its rooftop to MTN, canteen rentals and examination fees. For 2014, the PSC's projected IGF amounts to GH¢40,600.00. The breakdown is as follows:

	<b>GH¢</b>
i. Space rental on rooftop	17,000.00
ii. Canteen rentals	3,600.00
iii. Examination Fees	<u>20,000.00</u>
<b>T O T A L</b>	<b><u>40,600.00</u></b>

The Committee observed that although the PSC projects to generate some funds internally in 2014, it was not granted any percentage of the funds it will generate to augment the allocation granted it by Government for its programmes. For 2013 however, the PSC was granted the right to retain an amount of GH¢28,411.00 from its IGF to take care of expenditure relating to Goods and Services. For 2012 on the other hand, the PSC was not granted any percentage of its IGF.

The situation brings to the fore, the need for the Ministry of Finance to regularise the percentage of IGF to be retained by the PSC. The Committee therefore urges the Ministry of Finance to put measures in place to regularise the percentage of IGF to be retained by the PSC in order to give the Commission access to additional funds to augment its financial resources.

### 10.3 Inadequate Technical Staff

The Committee noted that for 2014, the PSC intends to conduct manpower audits in fifty (50) public service organisations in order to identify excess labour for deployment to organisations in deficit and in need of such categories of staff.

The Committee noted that this activity commenced in 2012 but unfortunately has not been fully realised due to the PSC's lack of technical staff to undertake the manpower audit. It is worthy to note that inadequate staffing needs of institutions retards development process and impacts negatively on the performance of set targets. The Committee therefore considers the augmentation of staff for the PSC as critical if it is to achieve its responsibility of

human resource management and effective functioning of the Public Services.

The Committee therefore reiterates its recommendation in its Report on the 2013 Annual Budget Estimates of the Public Services Commission that Government should collaborate with the PSC to ensure that its staffing needs are met.

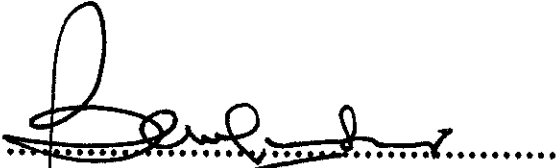
#### 11.0 **CONCLUSION**

The important role of the PSC in promoting a well managed public workforce capable of and committed to delivering high quality services for accelerated growth cannot be overemphasised. It is therefore necessary that the PSC is adequately resourced to enable it live up to its expectation.

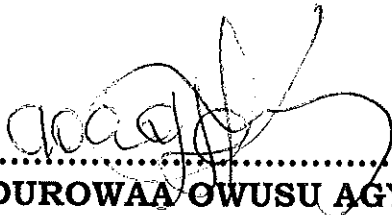
Unfortunately, the amount allocated to the PSC for its programmes for year 2014 is inadequate to bring into fruition, a public workforce capable of and committed to delivering high quality services for accelerated growth. The Committee is mindful of the constraints on the national purse but however urges the Ministry of Finance to ensure that the PSC is provided additional funds should there be a Supplementary Budget. It further urges the Ministry of Finance to ensure that the PSC is adequately catered for in future budgetary allocations.

In the light of the above, the Committee recommends to the House for approval, the sum of **Three Million, Four Hundred and Eighty-Three Thousand, Eight Hundred and Five Ghana Cedis (GH¢3,483,805.00)** for the implementation of the programmes of the Public Services Commission for the 2014 financial year.

Respectfully submitted.



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**HON. BENJAMIN KUNBUOR (DR.)**  
**(MAJORITY LEADER & CHAIRMAN,**  
**SPECIAL BUDGET COMMITTEE)**



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**AKUA DUROWAA OWUSU AGYEKUM (MRS)**  
**(CLERK TO THE COMMITTEE)**

DECEMBER 2013.