

**IN THE SECOND SESSION OF THE THIRD
PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA**

**REPORT OF THE FINANCE COMMITTEE
ON THE 2002 BUDGET ESTIMATES
OF THE MINISTRY OF FINANCE**

1.0 INTRODUCTION

The 2002 Annual Estimates of the Ministry of Finance was laid in the House and referred to the Finance Committee for consideration and report in accordance with Article 179 of the Constitution and Articles 140(5) and 169 of the Standing Orders, following the presentation of the financial policy of the Government for the year ending 31st December 2002.

The Committee met with Hon. Yaw Osafo-Maafa, the Minister for Finance, the Director of Budget and a technical team comprising officers from the following Departments and Agencies to discuss the Estimates:

- Ministry of Finance;
- National Revenue Agencies Governing Board;
- Controller and Accountant-General's Department;
- Statistical Service;
- Central Systems Development Unit;

A summary of the total budgetary provisions for the Department and Agencies under the Ministry is attached as **APPENDIX A**. The breakdown is as follows:

3.1 FINANCE HEADQUARTERS

An amount of **¢45.999 BILLION**, of which **¢26.884 BILLION** is from **Donor Funds**, has been allocated to the Ministry of Finance Headquarters for its activities during the 2002 financial year. The Donor Funds are to go towards administrative expenses. The total amount for the Ministry represents allocations to the following Departments, Divisions and Agencies as follows:

General Administration	-	¢33.611 billion
Budget Division	-	¢ 2.149 billion
Research Division	-	¢ 0.554 billion
I.E.R.D.	-	¢ 1.196 billion
P.S. & F.I.	-	¢ 0.405 billion
Inst. Of Acct. Trg.	-	¢ 2.037 billion
National Oncho Secretariat	-	¢ 0.650 billion
Incomes Policy Division	-	¢ 0.701 billion
NORRIP	-	¢ 0.864 billion
CERIDEP	-	¢ 1.787 billion
Secs. & Ex. Commission	-	¢ 2.045 billion

3.2 National Revenue Agencies Governing Board (Head 341)

The sum of **¢1.704 BILLION** has been allocated to the National Revenue Agencies Governing Board for its activities and is to be disbursed as follows:

Personnel Emoluments	-	¢ 0.653 billion
Administration Expenses	-	¢ 0.530 billion
Service Expenses	-	¢ 0.502 billion
Investment Expenses	-	¢ 0.018 billion
TOTAL	-	¢ 1.704 BILLION

3.3 Controller and Accountant-General's Department (Head 342)

An amount of **¢36.017 BILLION** has been set aside for the controller and Accountant-General's Department to be disbursed as follows:

Personal Emoluments	-	¢28.445 billion
Administration Expenses	-	¢ 5.779 billion
Service Expenses	-	¢ 1.474 billion
Investment Expenses	-	¢ 0.319 billion
TOTAL	-	¢36.017 BILLION

3.3 Central Systems Development Unit (CSDU) Head 346

A total budgetary provision of ₦0.515 BILLION has been allocated to the unit to be disbursed as follows:

Personal Emoluments	-	₦ 0.152 billion
Administration Expenses	-	₦ 0.096 billion
Service Expenses	-	₦ 0.148 billion
Investment Expenses	-	₦ 0.120 billion
TOTAL	-	₦ 0.515 BILLION

3.5 Customs, Excise and Preventive Service (CEPS) Head 347

An amount of ₦50.302 BILLION been allocated to CEPS to discharge its obligations this financial year and is to be disbursed as follows:

Personal Emoluments	-	₦36.489 billion
Administration Expenses	-	₦ 8.028 billion
Service Expenses	-	₦ 4.275 billion
Investment Expenses	-	₦ 1.510 billion
TOTAL	-	₦50.302 BILLION

3.6 Internal Revenue Service (IRS) Head 348

A total of ₦72.068 BILLION has been allocated to the Internal Revenue Service to meet its obligations for the 2002 financial

year. Of this amount **¢24.592 BILLION** is from Donor Funds, which are to go towards investment expenditure.

The breakdown is as follows:

Personnel Emoluments	-	¢34.376 billion
Administrative Expenses	-	¢ 9.888 billion
Service Expenses	-	¢ 2.309 billion
Investment Expenses	-	¢25.494 billion
TOTAL	-	¢72.068 BILLION

3.7 Value Added Tax Service (Head 349)

A total of **¢17.357 BILLION** is allocated to the VAT Service to meet its obligations for the 2001 financial year.

The breakdown is as follows:

Personnel Emoluments	-	¢ 8.998 billion
Administration Expenses	-	¢ 5.036 billion
Service Expenses	-	¢ 3.049 billion
Investment Expenses	-	¢ 0.274 billion
TOTAL	-	¢17.357 BILLION

3.8 STATISTICAL SERVICE

A total of **¢10.708 BILLION** is allocated to the Statistical Service to meet its obligations for the 2002 financial year. **¢1.977 BILLION** of this amount is from Donor Funds and are to support service expenditure.

The breakdown is as follows:

Personnel Emoluments	-	¢ 4.441 billion
Administration Expenses	-	¢ 3.053 billion
Service Expenses	-	¢ 2.822 billion
Investment Expenses	-	¢ 0.392 billion
TOTAL	-	¢10.708 BILLION

4.0 OBSERVATIONS AND RECOMMENDATIONS

Having carefully considered the 2002 Budget Estimates of the Ministry of Finance; its Departments and Agencies, the Committee wishes to make the following observations and recommendations:

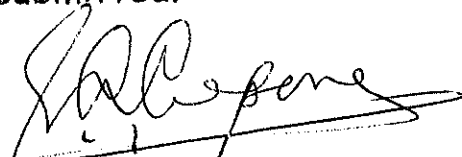
- The Committee observed that all the Revenue Collection Agencies are to be paid up to 3% of their collection to cover their budget. The Committee welcomed this idea and urged the Minister for Finance to, as a matter of urgency, bring a Bill to the House to incorporate it in the Revenue Agencies Act.
- The Committee also noted that the VAT Service does not have regular accommodation and are therefore operating in rented offices, which goes to increase its cost of operation.

- A general observation about all the Revenue Collection Agencies is the poor state of their vehicles. Most of these vehicles are almost ten years old and therefore have very high maintenance and running costs.

4.0 CONCLUSION

Finally, the Committee deems it fully justified that the sum of **¢234.669 BILLION** allocated for the operation of the Ministry of Finance and its Agencies for the 2002 financial year under heads and recommends the approval of same by the House.

Respectfully submitted.



**HON. EUGENE ATTA AGYEPONG
(CHAIRMAN)**



**ALHAJI IBRAHIM GOMBILLA
(CLERK)**

Friday, March 15, 2002

APPENDIX A

2002 ESTIMATES

(in Million Cedis)

SUMMARY OF EXPENDITURE BY FUNCTION AND PROGRAMME

	G			D			N			R			Grand Total			
	P.E.	Admin.	Service	P.E.	Admin.	Service	Investm.	Total	P.E.	Admin.	Service	Investm.	Total	2001 Total	2002 Total	
340 Finance Headquarters	5,093	8,146	4,320	1,554	19,114	10,363	0	26,884	0	0	0	0	26,884	4,084	14,447	45,999
010 General Administration	971	3,959	1,116	680	6,727	3,503	0	26,884	0	0	0	0	26,884	3,284	6,787	33,611
020 Budget Division	538	247	1,336	28	2,149	711	0	0	0	0	0	0	0	0	711	2,149
030 Research Division	137	136	272	9	554	183	0	0	0	0	0	0	0	0	183	554
040 International Econ. Relations Dept.	439	175	523	58	1,196	411	0	0	0	0	0	0	0	0	411	1,196
060 Private Sector & Financial Institutions	39	96	243	28	405	128	0	0	0	0	0	0	0	0	128	405
070 Institute of Accountancy Training	194	1,157	174	512	2,037	1,252	0	0	0	0	0	0	0	0	1,252	2,037
080 National Orcho Secretariat	115	303	196	37	650	326	0	0	0	0	0	0	0	0	326	650
09S Incomes Policy Division	506	178	13	5	701	512	0	0	0	0	0	0	0	0	512	701
10S NORRIP	482	233	140	8	864	427	0	0	0	0	0	0	0	0	427	864
11S CERIDEP	824	694	179	90	1,787	1,067	0	0	0	0	0	0	0	800	1,868	1,787
12S Securities Exchange Commission	850	968	127	100	2,045	1,843	0	0	0	0	0	0	0	0	1,843	2,045
341 National Revenue Agencies Governing Board	653	530	502	18	1,704	685	0	0	0	0	0	0	0	0	685	1,704
01S NRAGB	653	530	502	18	1,704	685	0	0	0	0	0	0	0	0	685	1,704
342 Controller and Acct. General's Dept.	28,445	5,779	1,474	319	36,017	19,488	0	0	0	0	0	0	0	0	19,488	36,017
010 General Administration	28,445	5,242	312	0	34,000	19,488	0	0	0	0	0	0	0	0	19,488	34,000
020 Operations Unit	0	0	117	149	266	0	0	0	0	0	0	0	0	0	0	266
030 Financial Management Services	0	0	1,025	170	1,195	0	0	0	0	0	0	0	0	0	0	1,195
040 Foreign Missions	0	536	19	0	555	0	0	0	0	0	0	0	0	0	0	555
345 Statistical Service	4,441	3,053	845	392	8,731	6,895	0	0	1,977	0	1,977	0	1,977	2,990	9,885	10,708
01S General Administration	4,441	2,053	845	392	8,731	6,895	0	0	1,977	0	1,977	0	1,977	2,990	9,885	10,708
346 Central Systems Development Unit	152	96	148	120	515	389	0	0	0	0	0	0	0	0	389	515
010 General Administration	152	96	148	120	515	389	0	0	0	0	0	0	0	0	389	515
347 Customs, Excise & Preventive Service	36,489	8,028	4,275	1,510	50,302	39,466	0	0	0	0	0	0	0	0	39,466	50,302
01S General Administration	36,489	8,028	4,275	1,510	50,302	39,466	0	0	0	0	0	0	0	0	39,466	50,302
348 Internal Revenue Service	34,376	9,888	2,309	902	47,476	40,179	0	0	0	0	24,592	24,592	24,592	1,194	41,373	72,068
01S General Administration	34,376	9,888	2,309	902	47,476	40,179	0	0	0	0	24,592	24,592	24,592	1,194	41,373	72,068
349 VAT Service	8,998	5,036	3,049	274	17,357	10,627	0	0	0	0	0	0	0	0	10,627	17,357

2002 ESTIMATES

(in Million Cedris)

SUMMARY OF EXPENDITURE BY FUNCTION AND PROGRAMME

	G		O		G		2002		2001		D P. E.	O Admin.	N Service	O R.	R. Investm.	2002 Total	2001 Total	Grand Total	
	P. E.	Investm.	Admin.	Service	Investm.	Total	Total	Total	2001	2002									
120 Riyadh	2,514	41	723	45	41	3,323	3,736	0	0	0	0	0	0	0	0	0	3,736	3,323	
130 Seoul	3,900	38	606	54	38	4,598	3,400	0	0	0	0	0	0	0	0	0	3,400	4,598	
140 Tel Aviv	3,331	22	1,456	57	22	4,866	4,844	0	0	0	0	0	0	0	0	0	4,844	4,866	