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IN THE SECOND SESSION OF THE SEVENTH 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 (POLYTECHNICS AND TECHNICAL**  
**UNIVERSITIES) FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup>**  
**DECEMBER 2015**

**1.0 INTRODUCTION**

The Report of the Auditor-General on Polytechnics and Technical Universities of Ghana for the year Ended 31<sup>st</sup> December, 2015 was presented to Parliament on Tuesday, 14<sup>th</sup> March, 2017, in accordance with article 187 (2) and (5) of the 1992 Constitution of the Republic of Ghana and section 23(1) of the Audit Service Act, 2000 (Act 584). Pursuant to Order 165(2) of the Standing Orders of Parliament of Ghana, the Rt. Hon Speaker referred the Report to the Public Accounts Committee for Examination and Report.

**2.0 DELIBERATION**

The Committee met with officials of each of the Ten (10) Polytechnics/Technical Universities in Ghana and examined the Report. The meetings to consider this report and other Auditor-General Reports took place in Tamale, Sunyani, Takoradi, Ho and Accra from the 12<sup>th</sup> of February, to 12<sup>th</sup> of May, 2018.

### 3.0 ACKNOWLEDGEMENT

- ❖ The Committee is grateful to the Hon. Ministers for the Northern, Western, Brong Ahafo and Volta Regions for the warm reception accorded the Committee during the visits and for participating in the Committee's sittings.
- ❖ The Committee expresses its appreciation to the Rectors and Vice Chancellors of the Polytechnics and Technical Universities and all other witnesses who assisted the Committee in its deliberations.
- ❖ The Committee again is grateful to the Auditor-General and his technical Team for their immense assistance to the Committee throughout its deliberations on the report.
- ❖ Finally, the Committee extends its profound appreciation to the German Development Cooperation (GIZ) for supporting the activities of the Committee; and the media (print and electronic) for broadcasting its proceedings

### 4.0 REFERENCE DOCUMENTS

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 Financial Administration Act, 2003 (Act 654)
- iv. The Public Procurement Act 2003 (Act 663)
- v. The Audit Service Act, 2000 (Act 584)
- vi. The Internal Audit Agency Act, 2003 (Act 658)
- vii. Public Financial Management Act, 2016 Act 921
- viii. The Financial Administration Regulations 2004 (L.I. 1802)
- ix. Accounting Instructions for Educational Institutions by the Ghana Education Service

### 5.0 PURPOSE OF THE AUDIT

The purpose of the audit was for the Auditor-General to express his opinion on whether the financial statements of the Polytechnic and Technical Universities gives a true and fair view of their financial positions for the period ended 31<sup>st</sup> December, 2015.

## **6.0 METHODOLOGY**

In undertaking this exercise, the Committee zoned the country into five:

- Zone 1 – Northern, Upper East and Upper West Regions;
- Zone 2 – Ashanti and Brong –Ahafo Regions;
  
- Zone 3 – Western and Central Regions
- Zone 4 – Volta and Eastern Regions; and
- Zone 5 – Greater Accra Region

Sittings for zone 1 and 2 were held in Tamale and Sunyani respectively whereas sittings in respect of zone 3, zone 4 and zone 5 were held in Takoradi, Ho and Accra respectively.

The Committee invited the under-listed officials of Polytechnics (Technical Universities) cited by the Auditor-General in his Reports to appear before the Committee to respond to the queries and issues raised by the Auditor-General:

- i. Acting Vice Chancellors;
- ii. Registrars
- iii. Directors of Finance of the Technical Universities
- iv. Internal Auditors and;
- v. Other officers who were cited in the Reports of the Auditor-General for acts and omissions mentioned in the Report.

On appearing before the Committee, the witnesses subscribed to the oath of a witness and answered questions relating to the issues raised in the Report of the Auditor-General as well as other issues of national interest.

The Deputy Auditor-General, Mr. Odame Agyekum and a technical team from the Audit Service were also present at the Committee's sittings to offer clarifications on the queries and issues raised by the Auditor-General.

## **7.0 SUMMARY OF FINANCIAL IRREGULARITIES**

Significant findings of the Auditor-General in the Report bordered on outstanding debtors/loans and recoverable, cash, payroll, procurement, tax, stores and contract irregularities.

The total irregularities identified by the Auditor-General totaled GH¢27,419,502. This included US\$1,000 converted into Cedis at the prevailing exchange rate of GH¢3.7925 to the US\$1 as at 31 December 2015, €8,500 converted into Cedis at the prevailing exchange rate of GH¢4.1499 to the €1 as at 31 December 2015 and CFA1,500,000 converted at CFA157.96 to the cedi as at 31 December 2015.

In general, cash irregularities constitute (50%) and contract irregularities (45%) constitute a chunk of the irregularities that occurred identified by the Auditor-General during the period.

Table 1 below is a summary of the irregularities in monetary terms while Table 2 provides a summary of irregularities committed by each institution during the 2015 financial year.

**TABLE 1: Summary of financial irregularities**

NO.	Type irregularities	Amount (GH¢)	Amount (US\$)	Amount (€)	Amount (CFA)	Tot.Amount (GH)	%
1	Outstanding Debtors /Loan Recoverable charges	179,431	–	–	–	179,431	<b>0.65</b>
2	Cash Irregularities	13,674,994	1,000	8,500	1,500,000	13,723,557	<b>50.05</b>
3	Payroll Irregularities	382,002	–	–	–	382,002	<b>1.39</b>
4	Procurement Irregularities	461,002	–	–	–	461,002	<b>1.68</b>
5	Tax Irregularities	166,445	–	–	–	166,445	<b>0.61</b>
6	Stores Irregularities	82,916				82,916	<b>0.30</b>
7	Contract Irregularities	12,424,149	–	–	–	12,424,149	<b>45.31</b>
	<b>Total</b>	<b>27,370,939</b>	<b>1,000</b>	<b>8,500</b>	<b>1,500,000</b>	<b>27,419,502</b>	<b>100</b>

Refer to page 2 of report of Auditor-General on Public Accounts of Ghana, polytechnics for the period ended 31<sup>st</sup> December 2015.

**Table 2. Summary of financial irregularities by each Polytechnic for the year 2015.**

Name of Institutions	Irregularities									Outstanding Debtors/ Loans Recoverable Charges
	Cash				Payroll	Procurement	Tax	Stores	Contract	
	GH¢	US\$	€	CFA	GH¢	GH¢	GH¢	GH¢	GH¢	
Ho Polytechnic	381,332				19,030					
Tamale Polytechnic	658,021				89,688	461,002			3,283,352	
Accra Polytechnic	265,836									52,914
Kumasi Polytechnic	6,085,685								257,151	
Sunyani Polytechnic	49,847			1,500,000			166,445		6,309,917	
Takoradi Polytechnic	406,813	1,000	8,500					82,916	87,322	
Wa Polytechnic	1,217,689				18,149				107,774	
Bolgatanga Polytechnic	117,806				54,069				1,347,701	16,415
Cape coast Polytechnic	305,379									100,101
Koforidua Polytechnic	4,186,587				201,066				1,030,932	10,000
<b>Total</b>	<b>13,674,994</b>	<b>1,000</b>	<b>8,500</b>	<b>1,500,000</b>	<b>382,002</b>	<b>461,002</b>	<b>166,445</b>	<b>82,916</b>	<b>12,424,149</b>	<b>179,431</b>

Refer to page 3 of report of Auditor-General, The Public Accounts of Ghana, and Polytechnics for the year end 2015

A Total of GH¢ 223,051.94 was recovered during the public sitting of the Public Accounts Committee.

## **8.0 OBSERVATIONS AND RECOMMENDATIONS**

### **TAMALE POLYTECHNIC/TECHNICAL UNIVERSITY**

#### **8.1 Wrong Calculation of Interest Payment GH¢172,966.00**

In violation of Regulation 39 (c) of FAR, 2004 and Regulation 31 (1) of FAR, Management of Tamale Polytechnic failed to properly authenticate interest accrued on delay payment. The Committee observed that due to delay in GETFund's payment for a Toyota Land Cruiser costing GH¢ 196,869.00 procured from M/s Auto Mall Ghana, an accumulated interest of GH¢ 172,966.00, was levied which mistakenly included VAT/NHIL component of GH¢ 28,279,26 from 29<sup>th</sup> January, 2013 to 2<sup>nd</sup> December, 2014. The Committee however, noticed that the interest should have been GH¢144,686.74, but was calculated as Gh¢172,966.00 due to Management's failure to authenticate the amount.

With respect to the overpayment, the University indicated that, they have written two (2) letters to Auto Mall to refund the difference and provide prove that the amount has been refunded.

The Committee again noted in its deliberations that interest of the delayed payment was paid from the IGF because GETFund refused to pay the Amount.

#### **Recommendation**

The Committee recommends to management of the Polytechnic to pursue the GETfund for the money.

#### **8.2 Splitting of Contracts into Lots in violation of Procurement Act**

The Committee observed that procurement of furniture and fittings, and computers were broken down into 18 and 17 lots and procured by the university in violation of section 21(5) of the procurement Act 2003, (Act 663). The University planned to procure GH¢150,000.00 and GH¢360,000.00 worth of furniture & fittings and computers & accessories respectively during the year 2015, using the National Competitive tendering process.

The University in its response indicated that, they could not make bulk procurement for furniture and fittings because purchases were made as and when the request came in. In the case of the computers, the University indicated that, they had no space to store the computers hence the splitting of the purchase into bits and pieces. The university also revealed that, they bought the items from different suppliers and at different dates.

#### **Recommendation**

The Committee recommends that next time, Management should maintain their procurement plan to comply with the purchase plan.

### **8.3 Procurements not in the procurement plan-GH¢152,946.63**

The Committee observed that Tamale polytechnic procured items worth GH¢152,946.63 which were not in their procurement plan. The Committee did not take kind to the anomaly and warned management to desist from practices which contravenes Section 21(1) of part 111 of the Public procurement Act, (Act 663). Management assured the Committee that the practice has since ceased to be the case.

#### **Recommendation**

The Committee accordingly recommends that, the University should do their procurement in accordance with the provision of the Procurement Act, and always ensure that all procurements are planned and pursued accordingly.

### **8.4 Improper contract Management**

In contravention to FAR 2004, LI 1802 (1 a-c) and 2, the Polytechnic made the following anomalies:

- a. Overpayments totaling GH¢57,668.74 on four of five projects
- b. Variations ranging between GH¢805.00 (1.7%) to GH¢29,206.90 (59.9%) without justifications. The Committee further noted that these anomalies were in respect of
  1. construction of market phase I
  2. Construction of main entrance gate
  3. Construction of Machine Shop
  4. Construction of underground reservoir

The Committee however noted in its deliberations that all the relevant documents related to these issues were provided, verified and cleared by Auditors at the time of public sitting.

### **8.5 Retired Staff Occupying Government Bungalows**

The Audit revealed that seven former employees of the Polytechnic occupied the Polytechnic bungalows without paying rent in contravention of Article 32.2c of TEWU Conditions of Service.

The Committee noted that the occupants refused to vacate the bungalows after a decision by Ministry of Works and Housing to reverse the sale of the bungalows to staff of Ghana Education Service who were occupying the bungalows at the time. The former employees living in the bungalow therefore sued the GES to compel it sell the property to them.

The Committee noted that the matter is before a court of competent jurisdiction but opined that Management's failure to ensure that retired officers do not exceed the three months' mandatory stay was the cause of the anomaly.

## **Recommendation**

The Committee accordingly recommends that Management should pursue the matter to its logical conclusion.

### **8.6 Non-payment of rent by staff -GH¢52,688.92**

Though Article 14 of POTAG condition of service, 2006, states that "an employee shall be provided with accommodation if available, and shall be required to pay rent at the prevailing government rate", the Committee observed that 31 members of staff occupying the Polytechnic's bungalows failed to pay rent for the year under review totaling GH¢52,688.92. This was caused by the failure of the estate officer to notify the payroll office of occupants of bungalows to prepare the necessary inputs for rent deductions to be effected.

The Auditor-General urged Management of the University to take immediate action to recover the rent from the officers staying in the polytechnic bungalows failing which the amount of GH¢52,688.92 be surcharged to the estate officer.

Management indicated that the Housing and Estate Committee, of the University has reviewed the rent and details of affected staff have been forwarded to the Controller and Accountant General's Department for deduction to commence. So far a total of GH¢9,440.00 has been deducted by CAGD. Copies of the said deductions were presented to the Committee and verified by the Auditor-General.

### **8.7 Payment of Council allowances without Ministerial Approval.**

Section 12 of Polytechnics Act, 2007 (Act 745) requires that "members of the Council and Members of its subcommittee of the Council shall be paid allowances approved by the Minister of Finance."

Contrary to the above the Committee observed that the Polytechnic's Management paid total amounts of GH¢130,744.40 and GH¢209,623.85 as sitting and quarterly allowance to Governing Council members and sitting allowance to other members of Management Committees respectively without approval from the Minister of Finance. Subsequently, Management of the polytechnics sought permission from the Minister of Finance, but no approval has been given.

The Auditor-General recommended that the quarterly allowances paid to Audit Report Implementation Committee Members totaling GH¢33,120.00 should be recovered from the beneficiaries.

In response, the Management of the Polytechnic, indicated that it is currently paying old and existing allowances and has since desist from paying unapproved allowances. Evidence to the effect of this payment were made available for the perusal by the Committee and Auditor-General. However, the unapproved allowances were not recovered as recommended by the Auditor-General.



### **Committee recommendation**

The Committee recommended to Management to recover the sum of GH¢33,120.00 from the beneficiaries.

### **8.8 GET Fund Projects abandoned by contractors – GH¢3,210,769.23**

Even though Regulation 2 (c) Of FAR 2004 states that "the head of government department shall ensure the efficient and effective use of appropriations under departmental control within the ambit of government policy and in compliance with any enactment, regulations or instructions issued under the authority of any enactment"

The Committee observed that five projects awarded by the Tamale Polytechnic since 2004 valued at GH¢5,649,207.18 have been abandoned. Payments made to date amounted to GH¢3,308,348.80 and per Management's estimation, cost of outstanding works is estimated at GH¢3,210,769.23. Management intimated that, the abandoned projects were being funded by GETFund for which funds were not made available for payment to contractors for work done.

In response Management of the Polytechnic indicated that GETFund projects have been abandoned by the Contractors because of difficulties in getting payments for their certificates for work-done. Management has also written to AESL to terminate some of the contracts to allow the University reward them to other contractors.

### **Recommendation**

The Committee recommends that, the Management of the Polytechnic should liaise with their Sector Ministry and National Council for Tertiary Education to press upon GETFund for the release of funds in order to complete the projects.

## **9.0 WA POLYTECHNIC**

### **9.1 Payments not properly authenticated– GH¢45,569.36.**

The audit revealed that management of Wa Polytechnic disbursed funds totaling GH¢45,569.36 without the necessary documents to authenticate payment in contravention of Regulation 39 2(c) of L.I. 1802 (FAR) of 2004.

The Committee noted that weak internal control measures on the part of management accounted for the irregularity. Management agreed with the Committees observation indicating that the irregularity occurred between 2014 and 2015 when there were some management challenges in the institution. The Committee noted that management instituted measures that resolved the internal challenges. All the relevant receipts have been attached to the payment vouchers and presented to the Auditors for verification.

## **9.2 Non-adherence to Sponsorship condition by beneficiaries**

Clause five of the conditions for sponsorship of educational programmes of the Wa Polytechnic require beneficiaries to serve the Polytechnic for specific number of years after the programme, failing which the beneficiary was to refund any amount spent on him or her together with 15% interest.

In spite of this requirements, the Committee noted that Mr Daniel Afedor, a Civil Engineering Lecturer requested for study leave with pay from 1<sup>st</sup> August 2012 to 31<sup>st</sup> July 2014 to pursue MSC Programme in Water Resources at Katholieke University, Leuven- Belgium. Management later granted Mr. Afedor's request for one-year extension. He however vacated his post after Management declined granting him another one-year extension request.

It was also noted that, Mr. Salifu Yakubu, former Ag. Development Officer, was granted study leave with pay, and sponsorship package of 50% of the tuition fee to offer MSC Infrastructure Planning programme at University of Stuttgart in Germany from 1<sup>st</sup> September 2010 – 30 October 2012. After the programme, Mr. Yakubu reported but later went on leave and resumed on 28 May 2013 after which he vacated his post when he had not served the three-year bond period.

The Committee further noted that Mr. Afedor was supported with GH¢10,000.00 from GETFund sponsorship, in addition to monthly salary for the period. Mr. Yakubu also benefited €8,500.00 as 50% of the tuition fees approved by Management, which was paid by GETFund, in addition to monthly salary for the period. However, Management had not yet redeemed any of the cost of educational investment made on the officers.

Management of the polytechnic indicated that, the polytechnic has pursued the persons involved. The first person (Daniel Afedor) has still not return from his studies abroad. The school has however resorted to EOCO to cause the arrest Mr. Yakubu. Management of the polytechnic has also indicated that the school has since revised its policy on staff seeking study leave. Currently every request for study leave must provide a guarantor who stands surety to repay any investment made on a staff on study leave should the beneficiary fail to abide by the terms of the study leave.

### **Recommendation**

The Committee recommends that Management should pursue the beneficiaries or the guarantors for the sums of money expended on them together with the 15% interest as early as possible. Additionally, Management should strengthen the bond form to ensure that guarantors whose liability could be easily accessible, are the only eligible persons who can with the beneficiary's commitment to serve the Polytechnic after the completion of the sponsorship programme

### **9.3 Abandoned project and unrecovered mobilization fee - GH¢107,773.72**

Best contract Management requires that projects initiated must be completed within the stipulated period for it to serve the intended purpose as well as avoiding unnecessary variations. It is therefore appropriate to properly budget, to ensure that funds will be available to facilitate the completion of the project.

The Committee however observed that, Management awarded a contract to M/s Myturn Ltd in January 2008 for the Construction of Hall of Residence (students Hostel) with the approval of the Central Tender Review Board (CTRB). The Project which was to be completed in 24 months (not later than January 2010) with initial contract sum of GH¢5,228,416.14 had been abandoned, after the contractor had completed only 30% of the project. The project was being funded through GETFund. A further check disclosed that, Management terminated the contract in October 2010 after realizing that the contractor lack technical and financial capabilities leading to unsatisfactory performance.

Mobilization fee of 20% of the contract sum amounting to GH¢1,025,283.23 was paid to the contractor with an agreement that it would be deducted from the contractor's certificates within the 24 months' period. However, at the time of terminating the contract, only GH¢917,509.51 had been refunded through deductions made from the certificates presented (GH¢768,962.42) and retention from certificates (GH¢148,547.09) leaving a balance of unrecovered GH¢107,773.72.

In response, Management indicated to the Committee that, the school was responsible for the internal evaluation of the tendering process. The school chose China State Company but the Central Tender Review Board (CTRB) changed it and chose MyTurn Company. No reason was however given for the decision by the CTRB to replace the contractor. The school has since engaged a lawyer to assist recover the monies from MyTurn. The Committee noted also that, SIC insurance provided a bond security for the contract.

#### **Recommendation**

The Committee recommends to management to pursue SIC Insurance to redeem the bond security to offset the contractor's liability.

### **9.4 Awarding contracts without considering budget allocations**

The Committee observed that, in spite of Regulation 170(2) of Financial Administration Regulation, 2004. L.I. 1802 "Expenditure of a department shall not exceed the expenditure estimate in the budget approved by parliament". The Polytechnic awarded 40 units staff accommodation in 10 lots to ten contractors in 2008, and were to be completed in 2010 with lot costing between GH¢295,100.00 and GH¢298,673.36 initially. Within the same period, Library, and a hall of Residence (student Hostel) construction works were on-going with initial cost of GH¢1,600,090.90 and GH¢5,228,416.14 respectively. Management again

awarded another contract for the construction of 2-Storey Residence for Rector at the initial cost of GH¢506,329.51. All the projects were expected to be funded by GETFund.

The situation where projects have been awarded simultaneously and moving at a slow pace, could have been avoided if Management had prioritized the projects in accordance with the GETFund yearly allocations.

Management of the Polytechnic in its response indicated that the said contracts were tendered in 2008, based on allocations by GETFund. However, at the time of the audit and of meeting of the Committee, the contracts were still at various stages of completion. Efforts are being made by Management to seek the approval of the Polytechnic Council to pursue contractors who are delaying completion of projects through legal means.

### **Recommendation**

The Committee agrees with the recommendation of the Auditor-General that Management of the University should in future consider GETFund, IGF and GOG budget allocations before any investment activity is initiated. Management should also appeal to GETFund through NCTE for additional allocation to speed up the completion of the projects to avoid further upwards price adjustments

### **9.5 Non maintenance of existing building facilities.**

Regulation 2(h) of the Financial Administration Regulation 2004 requires heads of government department to preserve in good order and secure the economical use of all equipment and stores used by the department.

Contrary to the above Regulation, the Committee observed that two out of eight bungalows and the top floor of the block 8 flats belonging to the Polytechnic are not being occupied due to roofing leakages and plumbing defects. The ceilings have been damaged due to the leakages. Garages attached to the block 8 flats which got burnt due to fire outbreak had also not been renovated. The Estate Officer and Internal Auditor had commented on the issue in their 2012, 2013 and 2014 management reports but management failed to take action.

It was also observed that, in the 2015 budget, government through NCTE approved GH¢215,674 from the Polytechnic's IGF for maintenance and renovation. The Committee also noted that the budget allocated for maintenance had been invested by the Polytechnic.

### **Recommendation**

The Committee therefore agrees with the Auditor –Generals recommendation that Management should de-invest the funds and use same to re novate the flats and put them to usage.

#### **9.6 . Unearned salary - GH¢18,149.18**

The Committee observed that that contrary to Regulation 298 and Regulation 305 of the FAR, 2004, L.I. 1802 five separated officers of the University were paid unearned salaries totaling GH¢18,149.18 for the period ranging from one to five months. The Auditor-General attributed the anomaly to Management's failure to write to the bankers of the affected staff to stop paying salaries into their accounts and return same to chest.

The Auditor-General recommends that Management should recover the amount from the officer failing which the Finance Officer should be held liable for the refund.

The Polytechnic indicated that they reported the matter to EOCO, which has been able to retrieve some of the monies and paid into the Consolidated Fund with receipts showed to Management However, one of the staff, Sanche Noella has taken the issue to court.

#### **Recommendation**

The Committee recommends that Management should provide copies of the receipts to the district Auditor for verification.

### **10.0 BOLGATANGA POLYTECHNIC**

#### **10.1 Un-acquitted payment vouchers - GH¢33,265.00**

Regulation 39(2) of the Financial Administration Regulation 2004 L.I 1802 requires that the head of department shall ensure value for money in the utilization of funds whilst the head of accounts section shall control the disbursement of funds to ensure transactions are properly authenticated.

Notwithstanding this provision, the Committee noted that two payment vouchers totaling GH¢33,265.00 during the period under review were without adequate supporting documents.

The Auditor-General recommended that the authorizing officer and Finance Officer should ensure that the supporting documents are made available for audit scrutiny or be surcharged with the amount of GH¢33,265.00

At the time of the Committee Siting, all the necessary documents were made available and verified by the Auditors.

#### **10.2 Misuse of Government Resources - GH¢12,090.00**

Regulation 182(1) of the Financial Administration Regulations, 2004 L. I 1802 states that "any officer responsible for the financial Management of a department shall ensure that acquisition of government stores are made and applied to public purpose in the most economical way".

However, the Committee observed that an amount of GH¢12,090.00 was spent to procure sachet water packaging machine and a laptop in 2014 but were never put to use.

Management of the Polytechnic indicated that they had purchased the Sachet Water packaging machine to produce water for sale but it was never utilized. They however assured the Committee that plans are far advance to put the equipment to use. With respect to the laptops, management informed the Committee that the laptops were in use at the store.

### **Recommendation**

The Committee recommends that the Polytechnic should take immediate action to put the machine to use, for the benefit of the students and the Polytechnic as a whole.

### **10.3 Payment of staff loans from internally generated funds - GH¢31,500.00**

Section 5(c) of the Retention of Fund Act, (Act 735) of 2007 stipulates that "Internally Generated Funds shall not be used for the payment of salaries, staff benefits and other allowances except where the allowances are directly related to increased revenue.

In spite of this provision, the Committee noted that, Management of the Polytechnic granted staff advances amounting to GH¢31,500.00 from IGF to six officers during the period under review. The Committee further noted that two of the staff members refunded the money while the remaining two have not settled their debts. Management explained that the two defaulting officers namely, Mr Adansi and Dinah have not been able to access their salaries from the government hence their inability to repay the advances granted.

### **Recommendation**

The Committee recommends that Management should pursue the recovery of the amount owed by the two officers failure of which the authorizing officer and the Finance Officer will be surcharged.

### **10.4 Engagement of retired officers without financial clearance - GH¢54,069.20**

The Committee observed that the University engaged two officers on contract without financial clearance from the Ministry of Finance and paid them the sum of GH¢54,069.20. Mr. A. S. Ayei-Ahig a retired administrative assistant was engaged on contract and paid a total salary of GH¢40,295.00 for the period December 2013 to November 2015 when his name was deleted from the payroll. Additionally, Peter Ayorogo a lecturer was engaged on 4 April 2015 after his retirement. He was paid a total of GH¢13,774.20 as salary as his name continued to appear on the mechanized PV even though there was no financial clearance obtained for his engagement. The Auditor-General attributed the situation to blatant disregard for laid down processes of engagement.

Management explained that, the two officers were disengaged when their attention was drawn to the anomaly.

### **Recommendation**

The Committee recommends that Management should seek retrospective clearance from the Ministry of Finance to justify the payments made so far failure of which the authorizing officer will be surcharged.

## **11 KUMASI TECHNICAL UNIVERSITY**

### **11.1 Internal Control weaknesses in joint venture agreements**

Best practice requires that the management of public institutions should establish suitable systems of internal controls within the ambit of government policy to enhance the efficient and effective running of their organization. Contrary to this, Management of Kumasi Technical University signed separate joint venture agreements without seeking technical advice and approval from the appropriate institutions including the legal unit of the Polytechnic.

The Committee further noted that Management did not only fail to exercise due diligence in entering the contractual agreement resulting in a number of discrepancies but the agreement also lack transparency. Management also deviated from their core mandate of teaching and imparting knowledge by venturing into commercial engagement. Management admitted responsibility to the irregularity.

### **Recommendation**

The Committee accordingly recommends to management to abrogate the contract with the following companies; Song Tech, BS Africa, Universal Eye Agency Limited and Prudential Solutions Limited and stick to their core mandate of teaching and imparting knowledge.

### **11.2 Song Tech Contribution to Joint Venture**

The Committee observed that, Kumasi Technical University entered into a joint venture agreement with Song Tech to assemble and market electronic products without the necessary authorization and clearance from the Ministry of Finance. Further to this, the Committee noted the following;

That Kumasi Technical University transferred an amount of GH¢10,884,334.18 from its IGF to Song Tech's bank account and an additional GH¢320,747.00 as compensation to occupiers of the land acquired for the company.

That the University used their fixed deposit totaling **GH¢1,504,473.76** as collateral whereas the joint partner failed to contribute its share of the funding to the project. There was however a disagreement between the University and the private partner on the actual

contribution of each partner into the business. The disagreement stalled work on the project thereby threatening to render investment made so far by the University unrecoverable.

### **Recommendation**

The Committee recommends to Management of Kumasi Technical University to demand for a forensic audit in order to reconcile their books and report back to the Committee. The Committee further urges the University to employ any means possible to ensure that funds invested in the joint venture are not lost to the State.

### **11.3 Payment made after expiration of contract - GH¢220,000.00**

The Committee observed that, Management of the University paid an amount of GH¢220,000.00 to XIT Company Limited in 2015 for a contract which was abrogated as far back in April, 2012. The Committee further noted that management failed to provide documents to substantiate the payments made.

### **Recommendation**

The Committee recommends that Management of the University should recover the amount paid to the contractor, XIT Company Limited failure of which the authorizing officer and Finance Officer will be surcharged.

## **12 SUNYANI POLYTECHNIC**

### **12.1 Contracting Loan to complete GETFund Project - GH¢3,500,000.00**

The Audit revealed that a contract for remodeling of the HCIM block into a lecture hall complex for Sunyani Polytechnic was awarded to M/S Berock Ventures Limited on 29 June 2011 at a Contract sum of GH¢2,886,049 which was reviewed upwards to GH¢7,259,078.78 in May 2015 to take care of variation of GH¢4,373,029.73.

The Committee observed that, the Polytechnic contracted a credit facility from GCB in the sum of GH¢3,500,000.00 without authority from the Minister of Education and Minister of Finance. The Committee noted that an amount of GH¢3,328,398.64 has so far been disbursed from the facility. Further to this the Polytechnic paid out of its IGF accumulating interest cost of GH¢218,935.00 on the loan. Management conceded that they aired by this act.

### **Recommendation**

The Committee recommends that management should seek retrospective authorization from the Ministry of Finance to cover the commitment so far, while they pursue GETFund to refund the loan to the Polytechnic. The Committee further recommends that management of the Polytechnic be sanctioned in accordance with Regulation 8(4) of the FAR 2004 (LI1802)



### 12.2 Deserted GETFund Bungalow

The Committee observed that between 2005 and 2006 the GETFund constructed a 5-bedroom bungalow with accompanying boys' quarters as the official duty post of the Polytechnic's Rector. As at the time of audit the bungalow still remained unoccupied. The Audit revealed that, the bungalow could not be occupied after completion because of its proximity to the GRIDCO Pylon (High tension line).

In response management of the polytechnic indicated that the school was not required to obtain a building permit as at the time the building was being put up. However at the time of the construction work, VRA was extending electricity to Kenyasi for Newmont Ghana Limited, and the high tension cables passed over the building. Management indicated that, the school has since alerted VRA and they were preparing to pay the school some compensation,

#### Recommendation

The Committee recommends that, Management should expedite action to ensure that appropriate compensation due the school is paid by VRA. Further to this Management should get expert advice with the necessary permits before undertaking any project.

### 12.3 Failure to deduct 5% withholding tax on contract payment – GH¢166,444.92

The Committee observed that in contravention of Section 126 of Financial Administration Act 2004 (LI1802) the Acting Finance Officer Mr. Daniel Hinneh failed to deduct the statutory 5% withholding tax from total payment of GH¢3,328,898.64 made to Messrs. Berock Ventures Limited. Details of the payments are shown in Table 3 below.

**Table 3: Un-Accounted 5%withholding Tax.**

Date	Cheq. No.	Amount GH¢	5% Tax Due GH¢	Amount Deducted
30/08/15	Direct Transfer	1,500,000.00	75,000.00	Nil
04/11/15	-do-	325,736.36	16,286.81	Nil
17/12/15	-do-	151,840.18	7,592.00	Nil
13/03/15	-do-	733,711.42	36,685.57	Nil
24/03/15	-do-	617,610.68	30,880.83	Nil
<b>Total</b>		<b>3,328,898.64</b>	<b>166,444.92</b>	

Ref :Page 65 of Report of AG The public Accounts of Ghana: Politechnics for the period end3d 31<sup>st</sup> December 2105

#### Recommendation

The Committee recommends to management and all public institution to desist from financing projects using IGF without the necessary authorization from the Ministry of Finance.

The Committee again recommends to management to recover the statutory 5% withholding tax from the contractor with interest and pay same to the Ghana Revenue Authority failing which they will be surcharged.

#### **12.4 Delay in completion of GETFund Project - GH¢2,753,705.**

The Committee observed that, construction of Science Park Complex Building was awarded to M/s ASIB Ltd on 1 February 2007 at contract sum of GH¢6,623,713.22 but was abandoned in September 2012 until 14<sup>th</sup> May 2015 resulting in a cost overrun of over 34% over the initial sum.

#### **Recommendation**

The Committee recommends to GETFund, to as matter of urgency identify and complete all existing uncompleted projects nationwide before approving funds for new projects. This the Committee believes will reduce the increased cost associated with delayed projects.

#### **12.5 Excess payment on contract work - GH¢46,211.79**

The Committee noted that, M/S Nyagyemens Enterprise was paid an amount of GH¢387,125.00 instead of GH¢340,913.21 of work certified resulting in overpayment of GH¢46,211.79. The Committee noted that the failure of management to ensure that contract payments were properly captured in the payment certificates and works inspected by delegated officers before effecting payments contributed to the anomaly.

#### **Recommendation**

The Committee recommended that management of the Polytechnic should recover the excess amount of GH¢46,211.79 from the contractor and ensure that the contractor completes the project.

Management of the Polytechnic should also be sanctioned in accordance with Regulation 8(4) of FAR 2004(LI1802) for failing to keep proper books of accounts for accounting purposes.

### **13. KOFORIDUA POLYTECHNIC**

#### **13.1 Opening of Bank Account without approval by C& AGD**

The Audit revealed that Koforidua Polytechnic opened an account with Agricultural Development Bank without approval from C&AGD in contravention of Regulation 47(3) of the Financial Administration Regulations, 2004 (L.I. 1802).

#### **Recommendation.**

The Committee recommends to management to close the said account and seek approval from the Controller and Accountant General Department in line with the Public financial Management Act , 2016( Act 921). The Committee also urges the Controller and

Accountant General to make the process of granting approval for the opening of accounts by government organizations less cumbersome.

### **13.2. Employment of Staff with fake Certificate**

The Committee noted that Koforidua Polytechnic engaged Mr. Richmond Kweku Frempong as a lecturer with a fake Master's Degree certificate purported to be obtained from Coventry University and paid him GH¢201,065.92 as salary for the nine years five months in the school.

In response Management admitted the irregularly and explained that the officer was dismissed upon the confirmation that he presented fake certificate to the University. No action however was taken against the Human Resource Officer whose negligence resulted in the anomaly contrary to the recommendation of the AG report.

#### **Recommendation**

The Committee noted that the action of the officer is criminal in nature. The Committee recommends that in addition to his dismissal Mr. Richmond Kweku Frempong should refund the sum GH¢201,065.92 wrongly paid to him during the period. Additionally, disciplinary action should be taken against the Human Resource Officer for negligence of duty in accordance with the recommendation of the Auditor-General.

### **13.3 No Value for Money Obtained for Expenditure GHC 33,354.00**

Contrary to Regulation 39(1) of the FAR, 2004, L.I. 1802, and the Committee noted that the Polytechnic spent GH¢33,354.00 on air fare and per diem for three staff members who went to Nigeria to advertise the University in Nigeria. Meanwhile, not a single student came for admission as a result of that trip.

In response, the Vice Chancellor indicated to the Committee that the visit was an awareness creation venture to ensure that the school is sold to the Nigerian Market. He was hopeful that though there was no immediate response, the awareness has the potential of attracting foreign students in the near future.

#### **Recommendation**

The Committee is of the view that Management should carry out due diligence to determine the viability of any such ventures before any commitment is made in the future.

### **13.4 Abandoned IGF Project**

Regulation 38 (1) of the FAR, 2004, L.I. 1802 requires a head of department to prioritize the department activities to ensure that related expenditures are within the budget ceiling. However, it was observed that Management of the Polytechnic awarded a contract for the construction of a four-storey, 27 unit block of flats to a contractor M/s Wilkado

Construction Works Ltd at a cost of GH¢1,454,732.85, to be completed in September, 2011. In 2012, the project was abandoned due to lack of funds, after the Polytechnic had spent GH¢981,819.85 of its Internally Generated Funds (IGF) on the project.

According to Management, the project was not abandoned but rather suspended, because the funds meant for its completion were expended on classrooms to enable the University accommodate increased student numbers for the 2012/2013 academic year. Management further informed the Committee that the University is in the process of securing a loan facility to complete the project at an estimated cost of GH¢2,000,000.00.

The Committee noted that as a result of the delay in completing the project there is an additional cost of GH¢1.5 million which can be saved.

### **Recommendation**

The Committee endorsed the recommendation of the Auditor-General that Management should ensure that proper planning is made before the commitment of additional resources to the project to avoid unnecessary cost overruns.

## **14.0 HO TECHNICAL UNIVERSITY**

### **14.1 Advance granted from IGF to GETFund Contractor GH¢ 300,000.00**

The Committee observed that Management of Ho polytechnic submitted a proposal to Council seeking approval for financial support of GH¢300,000.00 from IGF to enable Proko Ghana Limited working on the construction of a Classroom Block Complex for the Faculty of Art and Design (a GETfund project) to roof and complete the washrooms of the building. The amount however remain unpaid by the Contractor.

The Auditor-General advised Management to pursue the recovery of the GH¢300,000.00 advanced to the contractor from the GETFund as soon as possible and pay same into the IGF.

Management explained that the action was taken to enable the contractor complete a GETFund project. This became necessary because the school at the time had difficulties in getting enough classroom for its students. There was therefore the urgent need for the project to be completed to help solve the acute shortage of classroom in the school to avoid overcrowding. Consequently, a proposal was submitted to Council for approval to advance the funds to the Contractor.

The Committee noted that, though the purpose of the advance was for the contractor to roof the facility, roofing remain undone even though the contractor has done some additional works after receiving the amount. As at the time of the Committee sitting,

Management indicated that the contractor has submitted certificate to GETFund for payment which were yet to be honored by GETFund.

#### **Recommendation**

The Committee recommends that Management should appeal to GETFund to pay the certificates submitted by the contractor to enable the Contractor refund the amount to the School's IGF account.

#### **14.2 Staff Loans granted from IGF GH¢ 81,332.00**

The Committee noted that Management granted staff advances amounting to GH¢81,332.00 from IGF to 13 officers of the Polytechnic without budgeting for it in contravention of Section 5 (a) of the Retention of funds Act, 2007 (Act 735).

Management explained that staff condition of service includes access to advances and loans. However, to avert the continuous breach, the University has written to the Ministry of Finance seeking approval to establish a revolving fund to enable them advance monies to support staff when it is required.

#### **Recommendation**

The Committee therefore recommends that the school should budget annually for staff advances to avoid using IGF to advance staff when they request for it. Additionally, the University should pursue the establishment of a revolving Fund from which staff advances can be granted.

### **15.0 . CAPE COAST TECHNICAL UNIVERSITY**

#### **15.1 Failure to present payment vouchers for audit GH¢157,177.12**

Contrary to Regulation 1 of the FAR, the Accountant of Cape Coast Polytechnic failed to make available for audit 27 payment vouchers with a face value of GH¢157,177.12. The Auditor-General recommended that the Accountant should be surcharged with the said amount should he fail to produce the vouchers for examination.

The Committee noted that, subsequent to the audit, 24 payment vouchers were submitted for audit verification leaving three (3) outstanding. At the time of the public sitting, the remaining three (3) vouchers were presented to the Committee.

The Committee noted that improper record keeping by accounts officers accounted for the irregularity.

### **Recommendation**

The Committee recommends that the Auditor-General should follow up to verify and authenticate the genuineness of the three (3) Payment Vouchers and report to the Committee.

#### **15.2 Failure to obtain official receipts GH¢115,261.97**

Notwithstanding Regulation 28 of the Financial Administration Regulation, 2004, the Finance Officer of the Cape Coast Polytechnic failed to obtain official receipts for payments made to institutions and individuals totaling GH¢115,261.97.

The Auditor-General urged the Finance Officer to ensure that the official receipts are obtained and attached to the payment vouchers, failing which the amount involved should be surcharged to the Finance Officer

In their response, Management of the School, indicated that the said recipients issued a single receipt covering two payments therefore making it difficult to segregate the receipts into the two payments. The relevant receipts were presented to the Committee and copies submitted to the Auditor-General for verification.

#### **15.3 Inadequate recovery of staff advances GH¢100,161.46**

The Committee noted that an amount GH¢100,161.46 granted to sixty-six (66) staff of Cape Coast Polytechnic as salary advance, some dating as far back as 2013 remained outstanding in disregard of Regulation 110 of the FAR, 2004.

Management of the school in response indicated that steps have been taken to recover the advances from staff involved. So far an amount of GH¢50,000.00 has been recovered leaving a balance of GH¢50,161.46.

The Committee noted that, to avert the reoccurrence, management is currently developing a policy to guide staff advances in the Polytechnic.

### **Recommendation**

The Committee recommends that every available legitimate means should be used by Management to retrieve the advances.

#### **15.4 Honorarium for Council Members**

Section 12 of the Polytechnic Act 2007, Act 745 states that, "members of a council and members of a Committee of a council shall be paid allowances approved by the Minister in consultation with the Minister responsible for finance". In spite of this, the Committee noted that an amount of GH¢33,000.00 was paid to the Council Members as honorarium without approval from the Ministers. The Auditor-General recommended to Management to seek approval from the Minister of Finance or recover the amount from Council Members.

Management explained that, an approval request was submitted to the Minister of Education but there was no reply.

The Committee noted that, the absence of a reply from the Minister of Education does not constitute an approval. The Committee therefore recommends that, in the absence of the approval, the amount of GH¢33,000.00 should be recovered from the Council Members failure of which authorizing officer and the accountant should be surcharged with the amount.

#### **15.5 Opening of Bank Account without Authorization**

The Committee noted that Management of Cape Coast Polytechnic opened bank accounts with Unibank without approval from the C&AGD in contravention of Regulation 47(3) of the FAR, 2004.

In response, the Accountant conceded the error and promised to close the account immediately.

#### **Recommendation**

The Committee urges the Accountant to obtain permission from C&AGD or close down the accounts immediately.

### **16.0. TAKORADI TECHNICAL UNIVERSITY**

#### **16.1 Payment of Unearned Sitting Allowances - GH¢50,300.00**

The Committee observed that the University paid the sum of GH¢50,300.00 to Council Members without related Council Minutes to confirm that the meetings actually took place in contravention of Regulation 39(1) of the Financial Administration Regulation, 2004 L.I. 1802. The Auditor-General recommended that in the absence of the related minutes, the Finance officer should be surcharge and the monies recovered from the Council Members.

Subsequent to the audit, the relevant council minutes were provided to authenticate the payment of the allowances. All relevant minutes were submitted to the Committee and duly authenticated by the Auditor-General.

#### **16.2 Payment of quarterly Allowances - GH¢32,304.75**

The Committee noted that the Council of Takoradi Technical University at its 78th Regular Council meeting held on 27th February, 2015 approved the payment of quarterly allowances to four Committees of the Council namely the ARIC, Entity Tender Committee, Finance Committee and the Development Committee in addition to its sitting allowances in contravention of Section 12 of the Polytechnic Act, 2007 Act 745 and Ministry of Finance

Circular No. B/CEU/2014/05. Consequently, members of the Committees were paid a total amount of GH¢32,304.75 during the period under review.

Management explained that, upon the audit observation, the payment of the quarterly allowances was discontinued. They indicated that payments were in respect of an earlier letter dated 9<sup>th</sup> July, 2014 which specified the payment to Boards, and council category 2. The university felt that on the basis of the letter the subcommittees deserved the allowances.

The Committee is of the view that, management should pursue the regularization of the payment. Failure of which the amounts wrongly paid must be recovered from the officers involved.

### **16.3 Payment of Book allowance with IGF - GH¢ 17,949.28**

The Retention of Funds Act 2007, Act 735 Section 5(c) states "Internally Generated Funds shall not be used for the payment of salaries, staff benefits and other allowances except where the allowances are directly related to increased revenue."

In spite of this, the Committee observed that four lecturers were paid a total of GH¢17,949.28 from the Polytechnic's Internally Generated Funds as their book and research allowances in December 2015.

In their response, Management admitted the error and indicated that the names of the four lecturers were omitted from the list of lecturers entitled to benefit from book and research allowance as submitted to the Ministry of Finance. There was therefore the need to pay the amount from IGF to minimize agitations and ensure conducive work environment.

The Committee advised that Management should treat the amount as an advance to the affected lecturers and pursue payment from the Ministry of Finance to reimburse the IGF account.

### **16.4 Inappropriate Payment to three Medical Officers- GH¢151,260.00**

The Committee observed that Management awarded a contract to the Takoradi Hospital in an award letter referenced WR/TPOLY/M-E/0002/2015 to conduct a medical examination for estimated number of first year students for which an amount of GH¢143,500.00 was paid. It was noted that, the Management of the University paid an additional GH¢151,260.00 to three (3) Medical Doctors of the same Takoradi hospital. The amount was also captioned as payment for medical examination conducted on first year students of the University.

Management indicated that the contract to the Hospital excluded interpretation of the lab results. There was therefore the need to engage the three doctors to interpret the results of the medical examination.



The Management presented a report on the work of the medical officers to testify that the three officers were paid for work actually done. The Committee however noted that, the arrangement will not ensure prudent use of the University's resources. The Committee therefore recommends to management to desist from the practice and ensure that a single contract is awarded for the two activities in the future.

**16.5 Inability to inspect Nissan Teana, saloon Car GH¢ 82,916.46**

*Section 1608 of the Stores Regulation, 1984 states "Government vehicles shall be parked in garages provided for them at close of work. Vehicles on duty outside their stations shall be parked at the nearest Police Station or such other safe place as may be ordered by the officer using it. Government vehicles, except those assigned to Duty Post Officers shall on no account be kept at private residences."*

It was noted that a Nissan Teana saloon car with registration number GT 7869-12 costing GH¢82,916.46 allocated to the former Rector, Rev Prof. Daniel A. Nyarko was not available for inspection. Further enquiries revealed that the former Rector did not return the vehicle after retirement.

Management indicated that subsequent to the audit the said car was sold to the former Rector as part of his condition of service and the relevant documents submitted to the auditors for verification.

**16.6 Use of IGF to pre-finance GETFund projects GH¢90,000.00**

The Committee noted that, the University awarded a GETFund project contract to EUNTRACK Services limited for the construction of an Entrance Canopy with a contract sum of GH¢148,288.36 in 2015. Subsequently, a total amount of GH¢90,000.00 was granted from IGF to the contractor for the execution of the project in contravention of Section 16 (1a) of Financial Administration Act, 2003 (Act 654).

In response Management informed the Committee that, the funds were advanced to the Contractor to help complete the project on time to avoid unnecessary cost variations following the delays in payment by the GETFund. The Committee noted that, the University has since recovered the amount from the contractor and the IGF account reimbursed.

**16.7 Support to staff not properly accounted GH¢ 64,990.00 and US \$1,000.00**

### **16.7 Support to staff not properly accounted GH¢ 64,990.00 and US \$1,000.00**

The Condition of Service for senior staff in its appendix captioned "schedules of allowances paid to staff" stated in item 11 that "all institutional expenses shall be borne by the Polytechnic. The employee shall draw full salary."

The Committee however noted that payments totaling GH¢138,537.31 & US\$1,000 made to staff captured as school fees incurred were not properly authenticated. The staff failed to present receipts from the various Institutions as evidence of payment.

Management indicated that the US\$1,000.00 was in respect of imprest for the Rector's trip to China, and the receipts were in Chinese which has all been interpreted. In respect of the school fees for staff, beneficiaries pay directly into the school's accounts.

The Committee noted that, pay-in slips submitted were rejected by the Auditors because they were not stamped by the cash office of the recipient Universities. The stamped pay-in slips were tendered at the Public Sitting of the Committee. The Committee recommends that the Auditor-General should re-examine the pay-in-slips to authenticate them. Additionally, in the absence of authentic receipts, the amounts should be recovered from the officers involved.

### **16.8 Delay in project execution GH¢ 87,321.89**

The Committee noted that contracts awarded for the construction of Rector's residence and an entrance canopy on the Polytechnic's main campus with an up to date payment of GH¢87,321.89 which were expected to be completed by July 2009 and September 2015 respectively are still on-going after expiration of the agreed date of completion.

In response Management explained that the project of the Rector's residence is at a standstill because of the failure of GETFund to pay the contractor for certificates submitted nine (9) years after the award of the contract.

### **Recommendation**

The Committee recommends that Management should through their Minister write to GETFund to resume payment so that the projects can be completed.

## **17.0. ACCRA POLYTECHNIC**

### **17.1 Wrong Payment of Quarterly Allowance GH¢219,510.00**

The Committee noted that five Management staff members who have been co-opted to attend council meetings by virtue of their positions were paid quarterly remuneration amounting to GH¢25,920.00 in addition to the sitting allowances. The Committee further noted that Sub Council (Committee) members were also paid quarterly remuneration amounting to GH¢193,590.00 contrary to Sections 8 and 12 of the Polytechnic Act.

The Committee further noted that even though the Auditor-General recommended to Management to stop the practice and recover the amount wrongly paid to the co-opted council Members and sub-Committee members, no efforts has been made by Management to recover the money.

The Committee recommends that Management should enforce the recommendation of the Auditor-General and recover the amount from the beneficiaries. Failure of which the authorizing officer and head of accounts should be surcharged by the Auditor-General to refund the amount.

### **17.2 Unrecovered Loans-GH¢52,914.47**

The Committee observed that Management granted salary advances and special loans amounting to GH¢65,327.72 for the years 2013, 2014, and 2015 to members of staff which were to be recovered within 12 months but failed to recover the amount in contravention of Regulation 111 and 112 of the Financial Administration Regulation, 2004.

The Committee noted that, following the audit observation Management recovered all the outstanding amounts. Management explained that the management adopted a dual approach of withholding staff benefits, and direct deduction from C&AGD to recover the amounts.

### **17.3 Failure to review tenancy agreement**

The Residence and Health Service Committee of the Academic Board of the Polytechnic on behalf of Management approved the allocation of shops on the Polytechnic Campus to eight (8) operator's reference to their letter No. AP/REG/RHSC/VOL 1 dated June 30, 2009 for monthly charges as follows:

Rent	GH¢50.00
Electricity	GH¢10.00
Water	GH¢5.00

The Committee observed that there has not been any adjustment to the above monthly charges since the inception of the agreement; consequently, the shop operators are still paying the old charges.

In their response Management indicated that in accordance with the recommendation of the Auditor General, the rents have been reviewed and the new rates is GH¢130 covering rent and water while electricity is paid by the tenants.

## **18.0 CONCLUSION**

The Committee is of the considered view that the observations and recommendations of the Auditor-General represent the true state of financial transactions that took place in the Polytechnics and Technical Universities for the 2015 financial year. The Committee therefore recommend to the House to adopt its Report on the Report of the Auditor-General on the Public Accounts of Ghana (Polytechnics and Technical Universities) for the financial year ended 31 December 2015 with its recommendations in accordance with Order 165(3) of the Standing Orders of the Parliament of Ghana.

Respectfully submitted.



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



**EPHRAIM AMU (MR.)**  
**FOR CLERK, PUBLIC ACCOUNTS COMMITTEE**

July 2019