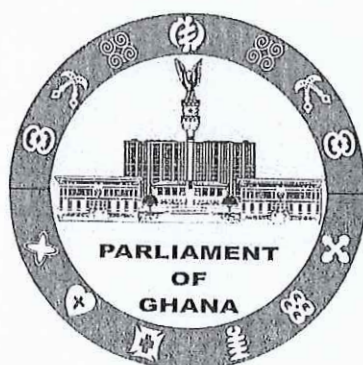


**IN THE THIRD SESSION OF THE EIGHTH PARLIAMENT OF THE  
FOURTH REPUBLIC OF GHANA**



**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORT  
OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA  
- PUBLIC BOARDS, CORPORATIONS AND OTHER STATUTORY  
INSTITUTIONS FOR THE PERIOD ENDED 31ST DECEMBER, 2021**

**5<sup>TH</sup> DECEMBER, 2023**

**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE  
AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA - PUBLIC BOARDS,  
CORPORATIONS AND OTHER STATUTORY INSTITUTIONS FOR THE PERIOD ENDED  
31ST DECEMBER, 2021**

**1.0. INTRODUCTION**

The Report of the Auditor-General on the Public Accounts of Ghana - Public Boards, Corporations and Other Statutory Institutions for the period ended 31<sup>st</sup> December, 2021 was presented to the House by the Majority Chief Whip Hon. Frank Annoh-Dompreh on 12<sup>th</sup> July, 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.

Pursuant to the referral the Committee met with the sector Ministers and Heads of Public Boards, Corporations and Statutory Institutions indicted by the Auditor-General for anomalies and breaches during the audit and hereby submits this Report.

**2.0. ACKNOWLEDGMENT**

The Committee is very grateful to all the Ministers, Deputy Ministers, representatives from the various Public Boards, Corporations and Statutory Institutions for their cooperation and support. A lot of gratitude also goes to the officials of the Audit Service for the enormous support and clarity provided to enhance the deliberations of the Committee.

The Committee further extends its gratitude to the Ghana Broadcasting Corporation (GBC – GTV) the Parliamentary Press Corps and all the media houses for the live coverage and broadcast of the proceedings of the Committee.

**3.0. METHODOLOGY**

The Committee met with the Ministers including heads and management of the seventeen (17) Ministries cited in the Report by the Auditor-General.



#### **4.0. REFERENCES**

The Committee was guided by the following legal documents during the deliberations:

- i. The 1992 Constitution of the Republic of Ghana
- ii. The Standing Orders of the Parliament of Ghana
- iii. The Public Financial Management Act, 2016 (Act 921)
- iv. The Revenue Administration Act, 2016 (Act 915)
- v. The Public Procurement Act, (Act 663) and 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 Value Added Tax Act, 2013 (Act 870)
- ix. The Income Tax Act, 2015 (Act 896)
- x. The Public Financial Management Regulations, 2019 (C.I. 2378)
- xi. The Local Content and Participation Regulations, 2017 (L.I. 2354)
- xii. The Stores Regulation, 1984
- xiii. The Labour Act, 2003 (Act 651)
- xiv. The National Pension Act 2008, (Act 766)
- xv. The Ghana Broadcasting Corporation Act, 1968 (N.L.C.D. 226)
- xvi. The Public Accounts of Ghana - Public Boards, Corporations and Other Statutory Institutions for the period ended 31<sup>st</sup> December, 2020
- xvii. Report of the Public Accounts Committee on the Public Accounts of Ghana - Public Boards, Corporations and Other Statutory Institutions for the period ended 31<sup>st</sup> December, 2020

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

The Auditor-General is mandated by Article 187 of the 1992 Constitution of the Republic of Ghana to audit and to express an opinion on whether the final accounts of the Public Boards, Corporations and Other Statutory Institutions concerned, accurately represent their financial situations and report to Parliament.

The Auditor-General therefore examined and evaluated the adequacy of the system of Internal Controls and Compliance with the applicable legislations, financial rules including the relevant accounting policies

and expressed opinion on the audited accounts, management as well as regulations of each Public Boards, Corporations and other Statutory Institutions.

## 6.0. SUMMARY OF FINDINGS

The Report disclosed that about GH¢17,483,483,539.25 worth of irregularities occurred in the management of these state institutions for the period ended 31<sup>st</sup> December, 2021. The Irregularities were classified under eight (8) different headings namely; Outstanding Debtors/Loans Receivable (58.98%), Dues from Customers for power sales (COVID - 19 & Others) (34.56%), Cash (2.89%), Payroll (0.05%), Procurement (1.75%), Tax (0.13%), and Contract Irregularities (1.62%).

The Report further revealed that the total Irregularities increased from **GH¢12,856,172,626 in 2020 to GH¢17,483,483,539.25 in 2021**, representing an increase of 36.0% from the 2020 Irregularities uncovered. This was occasioned mainly by credit power sales of GH¢6,043,083,274.01 by VRA and NEDCo. Table below shows detailed analysis of the 2019, 2020 and 2021 Irregularities.

**TABLE 1: AN ANALYSIS OF 2019, 2020 AND 2021 IRREGULARITIES**

Types of Irregularity	2019 (GH¢) A	2020 (GH¢) B	2021 (GH¢) C	VARIANCE (C-B)	% increase
Outstanding Debts/Loans Recoverable	4,859,727,984	10,067,170,560	10,312,061,794.43	244,891,234.43	2.43
Dues from Customers for power sales (Covid - 19 & others)	-	-	6,043,083,274.01	6,043,083,274.01	100



Cash	215,025,782	1,802,692,515	505,800,397	(1,296,892,118)	(71.94)
Payroll	66,248,946	9,574,765	8,243,954	(1,330,811)	(13.89)
Procurement	37,342,867	846,134,269	306,769,261	(539,365,008)	(63)
Tax	199,651,868	29,201,677	23,572,832	(5,628,845)	(19.27)
Stores	2,748,551	11,591,519	173,954	(11,417,565)	(98.49)
Contract	87,652,433	89,807,321	283,778,072	193,970,751	215.98
<b>Total</b>	<b>5,468,398,431</b>	<b>12,856,172,626</b>	<b>17,483,483,539.25</b>	<b>4,627,310,913.25</b>	<b>35.99</b>

#### **6.1.0. CAUSES OF THE IRREGULARITIES AND RECOMMENDATIONS BY THE AUDITOR - GENERAL**

The Auditor-General classified the Irregularities into eight (8) main categories, as follows:

##### **6.1.1. OUTSTANDING DEBTS/LOAN RECOVERABLES AND CREDIT POWER SALES - GH¢16,355,145,068**

These Irregularities includes trade debtors, staff debtors, unpaid loans and funds tied up in nonperforming investments. The Auditor-General attributed the Irregularities or anomaly to the absence of effective debt collection strategies, the absence of credit controls to recover debts and indifferent attitudes of Management towards loan recovery.

Similarly, improper records management of debtors, the absence of ageing analyses of debtors, non-documentation of Terms and Conditions of Loan Agreements, failure to ensure that loans are repaid and non-compliance by Management of the rules and regulations accounted for these Irregularities.

The Auditor-General in this respect, recommended that the Management of the public boards, corporations and other statutory institutions involved should strictly adhere to the rules and regulations on debt management to ensure that loans and debts are repaid on time in order to reduce or totally avoid the emergence of bad debts.

### **6.1.2. POWER SALES (COVID - 19 & OTHERS) - GH¢6,043,083,274.01**

This Irregularity represents debts accumulated through power supplies in respect of Forex Power Sales, Local Power Sales, Mine Power Sales, Power Sold to Government (MDAs) and GoG COVID - 19 Power Relief as at 31<sup>st</sup> December, 2020. Out of this amount, a total of GH¢4,764,760,731.41 is owed by the customers of Volta River Authority (VRA) whilst the remaining amount of GH¢1,278,322,542.60 is also owed by the customers of Northern Electricity Distribution Company (NEDCo).

### **6.1.3. CASH IRREGULARITIES - GH¢505,800,397**

Cash Irregularities identified by the Auditor-General mostly relates to misapplication of funds, budget overruns, payments not authenticated and payment of Board Allowances to Council Members without Ministerial approval. Out of the total amount of GH¢505,800,397, GH¢230,700,424.38 represented unbudgeted expenditure by Ghana Cocoa Board on the principal repayment of a ten-year loan with the Bank of Ghana (BoG) which was not factored in the approved budget for 2019/2020 financial year.

The Report revealed that cash irregularities were as a result of poor oversight responsibility and non-existent of controls, finance officers' failure to properly file and keep records, failure and inaction by Management to ensure compliance with procedures stipulated in the Public Financial Management Act and poor accounting systems to protect the security and safety of vital documents and improper management of returned cheque registers.

To control the situation and prevent reoccurrence of these anomalies, the Auditor-General recommended to the Management of the Public Boards, Corporations, and other Statutory Institutions to strengthen supervision of their finance officers and ensure that they adhere to the provisions of the Public Financial Management Act, 2016 (Act 921).



#### **6.1.4. PAYROLL IRREGULARITIES - GH¢8,243,954**

The Payroll Irregularities occurred due to failure of Management to exercise due diligence and proper supervision over the officers in charge of payroll validation of payment vouchers to ensure salaries were paid only to officers who were entitled and to report or notify the banks to stop the payment of unearned salaries as well as delays on the part of the Controller and Accountant-General's Department to promptly delete names of separated staff when notified.

Again, the Report attributed Payroll Irregularities amounting to GH¢2,992,444 in respect of Ghana Broadcasting Corporation (GBC) to payment of pending Judgement Debts relating to termination of appointment of a former Director-General, outstanding long service award to employees, payment of unearned salaries and late payment of 1<sup>st</sup> and 2<sup>nd</sup> tier pension contributions.

The Auditor-General recommended that the officers in charge of payroll should exercise due diligence in the discharge of their duties and ensure that 1<sup>st</sup> and 2<sup>nd</sup> Tier contributions of employees are promptly and regularly transferred to the various pension schemes. He further urged the governing bodies of the various institutions to exercise due diligence regarding decisions on the termination of appointments.

#### **6.1.5. PROCUREMENT IRREGULARITIES - GH¢306,769,261**

The Irregularities under procurement occurred due to non-compliance with the provisions of the Public Procurement Act, 2003 (Act 663) by Management. A total amount of GH¢ 219,350,277.98 out of the total procurement irregularities represented items procured without recourse to the Public Procurement Authority (PPA) by the Electricity Company of Ghana.

The Auditor-General recommended that Managements of the various Institutions should undertake procurement transactions seriously and strictly in accordance with the provisions of the Public Procurement Act as amended.

#### **6.1.6. TAX IRREGULARITIES - GH¢23,572,832**

Failure to honour payment of statutory tax deductions on due dates and non-deduction of applicable taxes and transacting business with non-VAT registered persons or entities resulted in tax irregularities amounting to GH¢23,572,832, out of which a total of GH¢23,196,270.05 was attributed to Electricity Company of Ghana (ECG) for non-deduction of withholding taxes, withholding VAT and delayed remittance of P.A.Y.E and withholding taxes.

The Auditor-General urged the Management to take keen interest in the activities of the Finance Officers to ensure they strictly adhere to the tax laws to reduce or totally avoid the high tax irregularities recorded in the Report.

#### **6.1.7. STORES IRREGULARITIES - GH¢173,954**

These Irregularities included improper documentation of store items and inadequate supervision of the keepers. Included in the sum of GH¢173,954 is an amount of GH¢58,698.63 worth of unused conductor cables not recovered from Contractors into the Stores of the Electricity Company of Ghana.

The Auditor-General therefore urged the Management of the institutions to strengthen controls over store management and further reiterated his recommendation that Management should enforce strict adherence to the rules and Regulations that govern the conduct of public financial business.

#### **6.1.8. CONTRACT IRREGULARITIES - GH¢283,778,072**

These are mainly related to the payment for projects not constructed by various Public Boards, Corporations and other Statutory Institutions. Included in the total figure of GH¢283,778,072 is an amount of US\$36,890,553.79 (GH¢221,568,355) paid by the Social Security and National Insurance Trust (SSNIT) to a contractor in excess of work performed on a project.



The Auditor-General therefore urged the Managements to strengthen controls over contracts and ensure that funds are available for the speedy completion of earmarked projects for prompt payments for work done.

#### **6.2.0. AUDIT OPINION**

The Auditor-General indicated that the financial statements submitted for validation by the institutions generally complied with the applicable accounting policies of the Government and with acceptable accounting standards.

Again, the Auditor-General was generally satisfied with the financial performance of the organizations for the period ended 31 December 2021. However, the Auditor was not impressed with the performance of the Divestiture Implementation Committee for the year between 1<sup>st</sup> January, 2009 to 30<sup>th</sup> June, 2019 and urged the Committee to take measures to improve its financial performance in the subsequent years.

#### **7.0. GENERAL OBSERVATIONS AND RECOMMENDATIONS BY THE COMMITTEE**

The Committee having carefully examined the Report of the Auditor-General on the Public Accounts of Ghana, Public Boards Corporation and Other Statutory Institution made the following observations and recommendations:

##### **7.1.0. Overstatement of the Amount of the Irregularities**

The Committee observed that the total monetary value of Irregularities in the Report was overstated by an amount of ~~GH¢538,969.40~~. In other words, the actual value of infractions recorded was **GH¢17,482,944,569.85** as against the amount of **GH¢17,483,483,539.25** stated in the Report. This overstatement affected the amount of Procurement Irregularities captured under the Electricity Company of Ghana. The adjusted figures for the irregularities are therefore presented as follows:

**Table 2: Summary of Adjusted Financial Irregularities for the Period Ended 31<sup>st</sup> December, 2021**

Type of Irregularity	Total Irregularity Recorded (GH¢)	Overstatement (GH¢)	Adjusted Irregularity (GH¢)	(Adjusted) %
Outstanding Debtors/Loans Recoverable	10,312,061,794.43	0.00	10,312,061,794.43	58.98
Power Sales (Covid19 & Others)	6,043,083,274.01	0.00	6,043,083,274.01	34.56
Cash Irregularities	505,800,397.26	0.00	505,800,397.26	2.89
Payroll Irregularities	8,243,954.31	0.00	8,243,954.31	0.05
Procurement Irregularities	306,769,261.45	538,969.40	306,230,292.05	1.75
Tax Irregularities	23,572,831.78	0.00	23,572,831.78	0.13
Stores Irregularities	173,953.63	0.00	173,953.63	0.02
Contract Irregularities	283,778,072.38	0.00	283,778,072.38	1.62
<b>Total</b>	<b>17,482,483,539.25</b>	<b>538,969.40</b>	<b>17,482,944,569.85</b>	<b>100</b>

#### **7.1.1. STATUS OF 2021 IRREGULARITIES**

The Committee noted that some Institutions had implemented the recommendations of the Auditor-General in respect of the infractions identified in their operations, however, a significant proportion of the Irregularities remain unresolved. Out of the total value of **GH¢17,482,944,569.85** of Irregularities recorded in the Report, Irregularities amounting to **GH¢3,409,072,840.10**, representing **19.5%** had been resolved leaving an amount of **GH¢14,073,871,729.75** or **80.5%** unresolved. The Summary of the status of implementation is presented in Table 3 below.



**Table 3: Status of 2021 Irregularities**

Types of Irregularities	Value of Irregularity in the Report (GH¢)	Irregularities Resolved (GH¢)	Outstanding (GH¢)	% Resolved
Outstanding Debts/Loans Recoverable	10,312,061,794.43	2,560,564,353.88	7,751,497,440.55	24.83
Power Sales (Covid-19 & Others)	6,043,083,274.01	364,238,143.29	5,678,845,130.72	6.03
Cash Irregularities	505,800,397.26	261,002,737.05	244,797,660.21	51.60
Payroll Irregularities	8,243,954.31	5,380,129.78	2,863,824.53	65.26
Procurement Irregularities	306,230,292.05	65,044,302.33	241,185,989.72	21.24
Tax Irregularities	23,572,831.78	23,359,138.86	213,692.92	99.09
Stores Irregularities	173,953.63	173,953.63	00.00	100
Contract Irregularities	283,778,072.38	129,310,081.28	154,467,991.10	45.57
<b>Total</b>	<b>17,482,944,569.85</b>	<b>3,409,072,840.10</b>	<b>14,073,871,729.75</b>	<b>19.50</b>

## 8.0. OUTSTANDING IRREGULARITIES

The Committee noted that the unresolved irregularities amounting to **GH¢14,073,871,729.75** or **80.5%** stood in the names of the following institutions:

## 9.0. MINISTRY OF ENERGY

### 9.1. ELECTRICITY COMPANY OF GHANA (ECG)

#### i. Procurement with no Consideration for Value for Money - **US\$2,861,793.00**

The Audit revealed that contrary to Section 7(1a) of the Public Financial Management Act, 2016 (Act 921) {PFM Act, 2016 (Act 921)} and Regulation 8 (1) of the Local Content and Local Participation Regulations, 2017 (L.I. 2354), the Management of ECG procured goods worth US\$6,671,100.00 in 2018 and 2019 from a foreign manufacturer through a local supplier and incurred extra cost of US\$2,861,793.00, but failed to disclose the information.

The Committee was informed that procurement was done in accordance with the procurement regulations of the Company on the advice of the Attorney-General. The Committee however, agreed with the Auditor-General that the ECG is a state institution and is required to strictly comply with the provisions of the Public Procurement Act.

The Committee therefore reiterated the recommendation of the Auditor-General that the Management of the company should follow the PPA and deal directly with the foreign manufacturers as much as possible to achieve value for money, unless the items can be produced and supplied by the local suppliers.

**ii. Single Sourcing Procurement Without Recourse to Public Procurement (Amendment) Act - GH¢221,152,473.98**

Contrary to Section 40 of the Public Procurement (Amendment) Act, 2016, (Act 914), a reviewing receipts of Eighty - Five (85) for foreign and local orders of goods revealed that the ECG procured goods amounting to US\$33,864,855.98, €945,742.17, £729,161.38 and GH¢5,373,100.00 (total Cedi equivalent of GH¢221,152,473.98) under single source arrangement without recourse to the Public Procurement Authority (PPA).

The Committee agreed with the observations by the Auditor-General that the infraction was an act of total disregard of the procurement laws by the Management and recommended that Management should strictly adhere to and comply with the Procurement laws which is superior to the opinion of the Attorney-General.

**9.2. Ashanti Region Strategic Business Unit (SBU) of ECG**

**i. Uncompetitive Procurement - GH¢588,157.23**

Contrary to Section 43(1) of the Public Procurement (Amendment) Act, 2016 (Act 914) the Audit revealed that Management made twenty-eight (28) payments totalling GH¢588,157.23 for goods and services without the three (3) alternative quotations and without authorization from the Public Procurement Authority for single-sourcing procurement.



The Committee in agreement with the recommendation of the Auditor-General recommends to the Management to ensure that procurements are always subjected to competition to obtain value for money.

**ii. Need to Step up Investigations on Stolen Official Vehicle**

The Report revealed that ECG lost an amount of GH¢516,799.22 between June, 2018 and May, 2020. This amount represents the estimated value of three (3) pickup trucks with Registration Numbers: GW 3624 -18, GN 6300 -18 and GV 19 -16 snatched from some officers from the Ashanti Region Strategic Business Unit (SBU) of ECG in the year 2020. Contrary to Paragraph 5.18(i) of Transport Policy Guidelines however, Management of the Company failed to take steps to retrieve the missing vehicles.

The Committee was informed during the deliberations that Management in compliance with the recommendations of the Audit, had formally reported the incident to the police and an investigation had commenced. In addition to this, the Company had installed tracking devices on all the official vehicles to monitor and ensure the movement and security of the vehicles.

**9.3. Greater Accra Region**

**Accra East Region - Uncompetitive Procurement - GH¢332,220.58**

Contrary to Section 43(1) of the Public Procurement (Amendment) Act, 2016 (Act 914), the audit revealed that the Management of the Accra East Region of ECG procured goods and services totalling GH¢332,220.58 without the three alternative quotations as required by PPA for approval for Single-Source Procurement.

The Committee however, emphasised the recommendation made by the Auditor-General and further directed that Management of the Region and the Company should comply with the procurements directives as enshrined in the PPA to avoid sanctions in the future.

#### **9.4. Accra West Region**

##### **Uncompetitive Procurement - GH¢276,679.24**

It was discovered during the audit that contrary to Section 43(1) of the Public Procurement (Amendment) Act, 2016 (Act 914) Management of the Accra West Region of ECG made 36 payments for goods and services totalling GH¢276,679.24 without three alternative quotations nor approval by the Public Procurement Authority for Single-source procurement. The Auditor-General reiterated its recommendations regarding uncompetitive procurements.

Management again, attributed the infraction to an opinion provided by the Attorney - General that the Company is not a covered entity under the PPA.

#### **9.5. NORTHERN ELECTRICITY DISTRIBUTION COMPANY (NEDCo)**

##### **i. Non-Lodgement of Revenue Collections - GH¢155,122.82**

The Audit revealed that contrary to Regulation 50 of the Public Financial Management Regulations, 2019, (L.I. 2378), three (3) cashiers at Sawla and Bole offices of the Company failed to lodge an amount of GH¢155,122.82 in respect of revenue collected from the customers. The infraction was attributed to an inadequate supervision, coupled with an ineffective review of bank reconciliation statements by the area Finance Officer over the work of the accounts officers.

The Committee noted that an amount of GH¢33,041.10 has been recovered from the three officers leaving a balance of GH¢120,081.72 in compliance with the recommendations of the Auditor-General. The Committee was informed that one of the culprits, Mr. Daniel Zinisunga after making initial payment has since absconded and is being pursued by the police. The outstanding amount is listed in the names of the officers as follows:



**Table 4: Outstanding Amount Non-Lodgement**

No.	Name of officer	Amount (GH¢)	Amount recovered (GH¢)	Amount outstanding (GH¢)
1	Mr. Titus Yirtgee	29,601.11	22,100.00	5,501.11
2.	Mr. Salis Issahaku Basiru	5,941.10	5,941.10	0
3.	Mr. Daniel Zinisunga	119,580.61	5,000	114,580.61
	<b>Total</b>	<b>155,122.82</b>	<b>33,041.10</b>	<b>120,081.72</b>

The Committee urged Management to continue to pursue the case against Mr. Daniel Zinisunga and also hasten steps including disciplinary measures to recover the outstanding balance from the remaining two officers.

**ii. Outstanding Power Sales Receivable - GH¢1,278,322,542.60**

Contrary to Section 91 of the Public Financial Management Act, 2016 (Act 921) the Auditors revealed that Management of ECG failed to recover a total receivable of GH¢1,278,322,542.60 from power consumers as at 31 December, 2020 thereby affecting the cash flow position of the Company.

The Committee observed that an amount of GH¢364,238,143.29 had been recovered from a number of Ministries, Department and Agencies (MDAs) leaving a balance of GH¢914,084,399.31 and therefore urges Management to deploy effective mechanisms as recommended by the Auditor-General to recover the outstanding receivables.

**9.6. VOLTA RIVER AUTHORITY (VRA)**

**Outstanding Power and Related Power Receivables - GH¢4,764,760,731.41**

The Report disclosed that in breach of Section 91 of the Public Financial Management Act, 2016 (Act 921) the Management of the Volta River Authority

(VRA) failed to recover an amount of GH¢4,764,760,731.41 being payment or dues for power consumed by customers as at 31<sup>st</sup> December, 2020.

The Committee observed that the total amount remained unrecovered as recommended in the Report, however, the Management of VRA has taken steps, in compliance with the recommendation and had set up Inter-Utility Debt Matrix System to clean up the debts. The Committee therefore urges the management to hasten efforts to recover the amount from the customers to improve the financial position of the Authority.

## **9.7. GHANA CYLINDER MANUFACTURING COMPANY (GCMC)**

### **i. Indebtedness of Customers - GH¢1,329,626.07**

The Audit revealed that GCMC failed to recover a total amount of GH¢1,329,626.07 owed by various customers in contravention of Section 91(1) of the Public Financial Management Act 2016, (Act 921) and recommended that Management should strengthen the debt recovery processes including legal procedures to recover the debts to avoid bad debts.

The Committee was informed that the Company had recovered an amount of GH¢358,544.36 leaving a balance of GH¢971,081.71. The Committee therefore reiterates the recommendations by the Auditor-General and further urges Management to intensify the recovery efforts to ensure all the outstanding amount have been cleared.

### **ii. Bank Loans and Other Liabilities - GH¢22,867,858.26 26**

It was disclosed during the Audit that GCMC failed to meet its financial obligations amounting to GH¢22,867,858.26 26 as at 31<sup>st</sup> December, 2020 to various institutions as and when they fall due resulting in Ansum Trading Enterprise taking legal action to recover an amount of GH¢5,164,752.88 from the Company. The Auditor-General recommended that Management should restructure the operations of the Company and renegotiate all its liabilities for favourable payment terms.



The Committee noted that even though the Management had been able to settle its loans and liabilities to GCB and SSNIT Tier 1 totalling GH¢10,886,419.38 leaving a balance of GH¢36,426,487.79, this is still not enough to keep the company on its feet and therefore urges the Ministry of Energy to ensure the takeover processes of the Company by Ghana Gas Company is completed as quickly as possible to allow for the restructuring of some of the liabilities of the Company to bring it back to profitability.

#### **9.8. BULK OIL STORAGE & TRANSPORTATION COMPANY LIMITED (BOST)**

##### **Payment of Avoidable Judgement Debts to Contractors -**

**GH¢9,169,884.48 and US\$3,057,096.00**

The Audit revealed that contrary to Section 52 of the Public Financial Management Act, 2016 (Act 921) the Management of BOST paid an avoidable judgement debt in respect of cost and interest amounting to GH¢9,169,884.48 and US\$3,057,096.00 to three contractors for breach of contract and undue delays in the payment of legitimate contract sums.

The Committee was informed that the Management of BOST had resolved the Judgment Debts in respect of Hask Oil Company for the importation of petroleum products and West African Petroleum Company Ltd (WAPCO) for various transactions dating back to October 2006, leaving the Generation Investment Co. Ltd in respect of acquisition of land at Tema Industrial Area in 2015.

The Committee reiterated the recommendation by the Auditor-General that Management should heed the contractual terms and hasten steps to resolve the outstanding issue, and further desist from committing to projects without sufficient funds to avoid the occurrence of Judgement Debt in future.

## **9.9. BUI POWER AUTHORITY (BPA)**

### **Failure of Wenchi Rural Bank to Disburse Funds to Livelihood Empowerment Programme Phase 2 - GH¢684,670.36**

In breach of Section 7 of the Public Financial Management Act, 2016 (Act 921), the Audit disclosed that the Management released an amount of GH¢904,670.36 to Wenchi Rural Bank in April, 2019 for distribution to 244 Project Affected Persons (PAPs) under the Livelihood Empowerment Programme Phase 2. The Bank, however, failed to disburse the funds to the beneficiaries and also failed to refund the amount. The Authority, as a result reached out to the Zenith Bank as an alternative measure to distribute the funds and compensated the affected persons but failed to recognise the amount in its books as a liability.

The Committee observed that Management had complied with the audit recommendations and recovered a total amount of GH¢457,842.00 leaving an outstanding amount of GH¢446,828.36. The Committee therefore, recommends that Management should expedite legal actions against the Wenchi Rural Bank Ltd to recover the balance and report to the Committee through the Auditor-General as soon as possible.

## **9.10. GHANA NATIONAL PETROLEUM CORPORATION (GNPC)**

### **i. Long Outstanding Receivables - US\$8,150,128.32**

In contravention of Section 91 of the Public Financial Management Act, 2016 (Act 921), the Audit found that there were no activities in some account receivable balances of GNPC totalling US\$8,150,128.32 which has been in the books of the Corporation for several years contrary to the accounting practices which requires that receivable balances proven to be bad ought to be written off.

The Auditor-General recommended to Management to take appropriate steps to recover the amount involved.



The Committee was informed that the Petroleum Agreements between GNPC and the companies involved had been terminated and the necessary steps had been taken to seek approvals to write off the receivable balances. The Committee therefore urges Management to hasten its steps to appropriately write off the receivables in compliance with the best accounting practices.

**ii. Long Outstanding Debts - US\$208,313,034**

The Audit identified significant receivables amounting to US\$208,313,034 in the name of the Government of Ghana (GoG) and other government related agencies, some of which have been outstanding for more than 5 years with no indication of repayment contrary to Section 91 of the Public Financial Management Act, 2016 (Act 921).

The Committee observed that the debts of GoG, Tema Oil Refinery (TOR) and Ghana National Gas Company (GNGC) remain outstanding. The Management of the Corporation and the Ministry of Finance (MoF) have been engaged to write off its portion of the debt amounting to US\$50,000,000 leaving an outstanding debt of US\$158,313,034.

The Committee however, reiterated the audit recommendations and directed GNPC to keep proper documentation of the discussions with MoF and further intensify the necessary steps to recover the entire amount of US\$208,313,034 from the debtors.

**iii. Unconfirmed Debtors' Balances - US\$34,963,729.30**

The Audit disclosed that contrary to Section 91 of the Public Financial Management Act, 2016 (Act 921), 10 institutions owe the Corporation a total amount of US\$34,963,729.30 and have failed to pay the respective debts.

**TABLE 5: Details of Amount Outstanding**

No.	Name of Debtor	Balance (US\$)	Age of Debts
1.	Swiss African Oil Company Ltd	5,581,981.22	2016-2019
2.	CAMAC Energy	4,103,755.98	2015-2019
3.	Heritage Exploration & Production Ltd	2,495,731.71	2015-2019
4.	UB Resources Limited	7,500,000.00	2015-2019
5.	Britannia-U Ghana Limited	3,228,767.12	2015-2019
	<b>Total</b>	<b>22,910,236.03</b>	

The Committee during its deliberation noted that the contract agreement between the Corporation and these ten institutions had been terminated, however, the debts owed by Tullow Oil Ghana, Kosmos Energy Ghana HC, Eni Ghana E&P LTD, A-Z Petroleum Ghana Ltd and ECG (Karpower) amounting to US\$12,053,493.27 had been validated for payment leaving a balance of US\$22,910,236.03 for the remaining five institutions stated in Table 5 above.

The outstanding debt amounting to US\$22,910,236.03 owed by the five other institutions on the other hand could not be validated and therefore the necessary steps are underway to write it off.

The Committee recommends that the Management should recover the debts that are recoverable and initiate the necessary steps to write off the bad debts from the books of the Corporation.



## **10.0. MINISTRY OF FINANCE**

### **10.1. FINANCIAL INTELLIGENCE CENTRE (FIC)**

#### **No Off-Site Backup System**

The Audit disclosed that contrary to Section 7 of the Public Financial Management (PFM) Act, 2016 (Act 921) the Management of FIC had not established any effective system of risk management in respect of the resources and transactions of a covered entity and had no off-site backup system to retrieve its data and information if the in-house storage system gets damaged.

The Committee however, observed that discussions are underway to procure a backup system and urges the Management to speed up the processes to safeguard vital data under the custody of the Centre.

### **10.2. GHANA INFRASTRUCTURE INVESTMENT FUND (GIIF)**

#### **i. Investment in Ai Sky Train Consortium Holdings - US\$2,000,000**

The audit revealed that, contrary to Section 90 and Section 7 of the Public Financial Management Act, 2016 (Act 921), GIIF invested an amount of US\$2,000,000 as full consideration for ten (10) ordinary shares at Ai Sky Train Consortium Holdings, a Special Purpose Vehicle (SPV) incorporated by African Investor Holdings Limited for the Development of Accra Sky Train Project.

The Audit further revealed that the Ai Sky Train Consortium Holdings had neither obtained the required license to operate the Sky Train in the country, concluded any project feasibility studies nor had received both executive and Parliamentary approval to undertake the project.

The Auditor-General expressed concern that the investment in the SPV would not be recovered if the Accra Sky Train Project failed to acquire the necessary licence and the required approvals and urged Management to continue to monitor and review the feasibility and the recoverability of the investment in the SPV and make the necessary provisions based on the outcomes of the studies.

The Committee noted that the project has since been put on hold whilst the other partner, Africa Investor Holding Limited has not invested any funds in the SPV. The Committee expressed serious concerns at the decision of the Management of GIIF to invest state funds in an entity that is not licenced and not granted the necessary approvals to conduct business in the country.

The Committee therefore strongly recommends that GIIF should take steps to immediately recover the entire funds invested in the SPV failing which management of GIIF must refund the money to the State.

**ii. Equity Stake on Investments not Determined as at 31<sup>st</sup> December, 2020 - GH¢146,600,000**

The Audit revealed that contrary to Sections 7 and 52 of the Public Financial Management Act, 2016 (Act 921) GIIF invested an amount of GH¢146,600,000 in three (3) Companies namely; Marinus Energy Limited, Platinum Properties and Spectrum Fibre Company Limited as its equity participation. The Report further revealed that as at 31<sup>st</sup> December, 2020, the equity interest in these investments had not been determined to enable the Fund to receive the Certificates of ownership in respect of its equity interests and recommended to Management to obtain the appropriate certificate for its investments.

The Committee noted that the Management had completed and received certificates for Platinum Properties and Spectrum Fibre Company Limited, however, the third project, the Marinus Energy Limited remains outstanding as the Government has halted all new power projects while a contractual Agreement has been established to create a binding obligation on both parties. The Committee therefore urges the Fund to speed up the negotiations to authenticate the Agreement.



## **11.0. MINISTRY OF EDUCATION**

### **11.1. KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY (KNUST)**

#### **i. Running of Expired and Unaccredited Programmes**

The Audit uncovered that in contravention of Sections 8(3) and 23 (b) of the National Accreditation Board Act, 2007 (Act 744) two hundred and ninety-one (291) academic programmes offered by the Colleges and the Institutes of the University were not accredited by the National Accreditation Board.

The Committee was informed by the Management that the delay in the accreditation for new and expired programmes is due to the laborious processes which most cases result in the inability of the Universities to complete the registration within the stipulated one-year period.

The Committee however noted that 140 programmes had since been reaccredited leaving 151 programmes which are at the various stages of accreditation as recommended by the Auditor-General. The Committee therefore urges Management of the University and GTEC to review the accreditation processes especially for existing programmes to reduce the incidence of Universities running unaccredited programmes.

#### **ii. Payment of Double Salary - GH¢488,868.69**

It was reported that four (4) officers of the University were granted sabbatical leave salaries in accordance with the conditions of Services for senior Officers of the University. These officers were however, noted to have taken up various appointments in other government institutions where they are being paid full salaries monthly (basic salary and other allowances) resulting in double payment of salaries to the officers from the government chest.

The Committee was informed that the affected staff had been requested to refund the salaries though one of them, Prof. Peter Twumasi in a response to the communication from the University has indicated that he has not been paid any salary from his current place of work.

The Committee therefore, reiterated the recommendations by the Auditor-General that the University should consolidate the salaries for the period and ensure that the entire amount is refunded to Government by the staff failing which the Management would be surcharged in addition to the payment of the unearned salary.

**iii. Overdue Receivables - GH¢294,123.00**

It was noted in the Report that contrary to Regulations 46 of the Public Financial Management Regulation 2019, (L.I. 2378) the Management of the University failed to collect overdue receivables amounting to GH¢294,123.00 from fourteen (14) customers since 2016 and recommended that the Management should institute debt collection strategy to ensure early recovery of the debt and minimize future default rate.

The Committee expressed its disappointment at the slow approach in the recovery of the debts however, it was observed during the deliberation that the Management had developed and implemented a debt collection strategy in line with the recommendations of the audit and had recovered a total amount of GH¢64,773 from thirteen (13) customers leaving a balance of GH¢229,350.00 in the name of the University of Energy and Natural Resources.

The Committee therefore urges management to hasten steps to recover the outstanding receivables

**11.2. NATIONAL COUNCIL FOR TERTIARY EDUCATION (NCTE)**

**i. Failure to Recover Salary in Lieu of Notice - GH¢49,997.58**

The Audit reported that contrary to Article 20(a) of the General Conditions of Service for Senior Members of the Council, the former Head of Corporate Affairs, Mr Nii Adotei Abraham resigned from the Council but failed to give six months' notice prior to his resignation and received full salaries for the in lieu of the notice.



The Auditor-General recommended that the Executive Secretary and the Accountant should recover the total amount from Mr Nii Adotei Abrahams or use his entitlement (if any) to defray the amount.

The Committee noted that in compliance with the Audit recommendations, an amount of GH¢14,493.00 had been recovered from Mr. Nii Adotei Abraham leaving a balance of GH¢35,504.58.

The Committee however, noted inconsistencies in the Condition of Service of the Institution and the provision under Section 17 (1) of the Labour Act, 2003 (Act 651) which states that a contract of employment may be terminated at any time by either party giving one month's prior notice to the other party, in the case the contract is three (3) months or more.

The Committee therefore urges Management to refund any payment in excess of a month's salary to Mr Nii Adotei Abrahams in compliance with Section 17 (1) of the Labour Act, Act 651.

## **ii. Unrecovered Overdue Staff Advances - GH¢10,106.66**

The Audit revealed that the Management of the University failed to recover salary advances amounting to GH¢10,106.66 granted to six (6) officers for more than one year in contravention of Regulation 32 of the Public Financial Management Regulations, 2019 (L.I. 2378) and recommended full recovery of the amount whilst urging the University to develop a strategy for the recovery of the staff advances including performance of critical assessment of officers before granting advances.

The Committee noted that an amount of GH¢8,873.38 has been recovered leaving a balance of GH¢1,233.28 and therefore emphasised the recommendations by the Auditor-General that Management should improve the debt recovery strategy which is currently in use to speed up the recovery of the outstanding advances.

### **iii. Failure to Declare Assets and Liabilities**

The Audit disclosed that Seven (7) Office Holders failed to declare their assets and liabilities upon assumption of office in violation of Article 286 of the 1992 Constitution of the Republic and Section 1 of the Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550).

It was reported by the Management of the Council that four (4) officers had complied with the recommendations whilst the remaining three (3) officers failed to. The Committee recommends to Management to take interest and ensure that officers holding Public Offices declare their Assets and liabilities in accordance with the law and apply the necessary sanctions to the defaulting officers in accordance with the law.

## **11.3. UNIVERSITY OF GHANA**

### **i. Overdue Rental Receivable - GH¢1,109,473.82**

The Report revealed that contrary to paragraph 10 of Policy Number 1401 of the University of Ghana Financial Regulations and Governance (UGFRG), Management failed to collect overdue rental receivables amounting to GH¢1,109,473.82 from fourteen (14) clients and recommended that the Director for Finance (DoF) should recover all the outstanding receivables and institute appropriate measures to charge interest on all outstanding indebtedness.

The Committee noted that rent receivables amounting to GH¢941,439.24 had been recovered and invoice to the tune of GH¢92,294.78 had been cancelled leaving a balance of GH¢75,739.80 to be recovered. The Committee urges Management to institute measures to recover the outstanding amount and also to avoid further rent defaulting.

### **ii. Failure to Recover Outstanding Imprest - GH¢3,563,167.78**

The Audit disclosed that the Management of the University failed to recover loans granted to staff totalling GH¢3,563,167.78 in contravention of Regulation 102 of the Public Financial Management Regulations, 2019 (L.I. 2378) and therefore recommended,



that the Director of Finance should recover the imprest from the salaries of the affected persons and institute measures, going forward, to ensure that staff who fail to retire imprest after the reasonable ten days' period should not be granted subsequent imprest.

The Committee noted that a total of GH¢3,254,910.46 has been recovered from the affected staff leaving a balance of GH¢308,257.32. The Committee therefore, urges the Management to recover the outstanding imprest from the salaries and allowances of the beneficiary staff.

### **iii. Absence of Ownership Title on UG Lands**

Contrary to Section 52 of the Public Financial Management Act, 2016 (Act 921) the Audit revealed that out of the thirty-eight (38) parcels of land owned by the University, only eleven (11) were duly supported with Land Title/Conveyance Deeds leaving twenty-seven (27) outstanding.

The Auditors recommended that the Registrar should ensure that the Director of Physical Development and Municipal Services Directorate (PDMSD) is provided with financial resources to register all the assigned lands of the University.

The Committee observed that out of the 27 properties, the Title Deeds have been acquired for only six (6) and therefore urges Management to speed up the process to acquire the Titles for the remaining twenty-one (21) parcels of land.

## **11.4. REGIONAL LEARNING CENTRES**

### **i. Encroachment of UG Landed Properties**

The Audit revealed that contrary to Section 52 of the Public Financial Management Act 2016, (Act 921) the Management of the university failed to protect its lands leading to continuous encroachment. In a related development, the University failed to maintain staff accommodation at the regional learning centres leading to deterioration of the properties.

The Auditors recommended that the Management of the University should establish an Infrastructure Fund and solicit external funding to augment the University's internal financial resources to ensure a dedicated source of funding for routine maintenance of the University's properties.

The Committee was informed that Management had taken the necessary steps to secure the landed properties. Some of the properties have been secured and processes are ongoing to maintain the rest. The Management also disclosed that funds are now allocated annually to the Physical Development and Municipal Service Directorate (PDMSD) to maintain the landed properties of the University.

## **ii. Inadequate Teaching and Learning Facilities**

Although Priority Two of the University of Ghana (UG) Strategic Plan emphasizes that the University shall promote academic excellence using highest international standards of teaching, learning and leadership development, the Audit however, revealed that the University of Ghana Learning Centres in Cape Coast, Bolgatanga, Kumasi and Wa woefully lacked some facilities to fulfil the objective of the Strategic Plan.

The Committee observed that the Centres in Cape Coast, Bolgatanga and Kumasi have been fully equipped whilst Wa Center is yet to be furnished to aid effective teaching and learning as recommended by the audit. The Committee therefore, urges the Management to speed up the refurbishment of Wa Campus and further assess the current state of the Regional Learning Centres to develop a strategy or an action plan to revamp these Centres to ensure effective teaching and learning.

## **iii. Funds Locked-up in Investment - GH¢1,234,767.59**

The Audit disclosed that contrary to the Policy No. 1301 of the University of Ghana Financial Regulations and Governance (UGFRG), Management of the Office of Research Innovation and Development



(ORID) failed to recover a sum of GH¢1,234,767.59 with interest from matured investments placed with NDK Financial Services.

The Auditors recommended that Management of the Office of Research Innovation and Development should ensure strict adherence to the Investment Policy of the University in all investment decisions and activities.

The Committee noted that the entire amount remains unrecovered and therefore reiterated the recommendation that Management should adhere to the Investment Policy of the University and also continue with the legal action the University Counsel has commenced against the NDK Financial Services.

#### **iv. Need to Take Up Professional Indemnity Insurance Policy for Medical Staff**

The Audit disclosed that contrary to Section 52 of the Public Financial Management Act, 2016 (Act 921) the University Council approved the payment of compensation amounting to GH¢6,000,000 to a patient for a surgery complication she suffered at the University of Ghana Hospital.

The Committee observed that following the recommendations of the Auditor-General, the Management has instituted measures to clear the outstanding liability of GH¢6,000,000 whilst processes are ongoing to acquire a Professional Insurance Policy for all medical staff of the Hospital to prevent payment of claims in the event of injury/harm caused by staff in line of duty.

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#### **v. Unaccredited Programmes**

The Audits discovered that the accreditation for about 374 academic programmes offered by the University had expired contrary to Section 36 of the Education Regulatory Bodies Act, 2020 (Act 1023) and Section 18 of the University of Ghana Act, 2010 (Act 806) and the Auditor-General recommended that Management should expedite processes to obtain accreditation for all academic programmes.

The Committee noted that accreditation has been obtained for 132 programs, processes are far advanced to complete some 122 academic programs, 35 academic programs are under review while accreditation for 36 programs remains expired. The remaining 50 academic programs have been discontinued hence there was no need for reaccreditation.

The Committee expresses dissatisfaction with the inability of the Management to renew accreditation for the academic programs being offered by the University and recommends to the Ghana Accreditation Authority to liaise with the Universities including all stakeholders to find solution to the delays in the accreditation processes.

**vi. Non-Recovery of Unearned Salary - GH¢65,815.00**

Contrary to Regulation 92 of the Public Financial Management Regulations, 2019 (L.I 2378), the Audit revealed that Dr. Ann Nancy Mills-Thompson resigned from the University without serving 22 months' bond for a study leave with pay granted to her between 2013 to 2016 resulting in unearned salary of GH¢65,815.00. The Auditors recommended to Management to recover the amount from the officer.

The Committee noted that the amount remains unrecovered and recommends to Management to adhere to the Audit recommendation to recover the amount from Dr. Ann Nancy Mills-Thompson failing which the amount should be charged on any benefit or severance package entitled to her.

**11.5. GHANA INSTITUTE OF LANGUAGES**

**Unrecovered Staff Debts - GH¢157,195.66**

Contrary to Sections 91(1) and (2) and 53(1) of the Public Financial Management Act, 2016 (Act 921) the Auditor-General reported that the Management of the Institution granted staff advances and rent loans to fifty-four (54) officers totalling GH¢157,195.66 which remained unrecovered since 2017.



The Committee noted that a total of GH¢56,575.41 has been recovered from some staff and GH¢54,029.39 written off leaving a balance of GH¢46,590.86 and urges Management to recover the outstanding amount from any benefits or entitlements due the officers involve as recommended by the Auditor-General.

## **11.6. GHANA INSTITUTE OF MANAGEMENT AND PUBLIC ADMINISTRATION (GIMPA)**

### **Outstanding Debts of Two (2) Former Staff Sponsored - GH¢692,878.05**

It was revealed in the Report that contrary to Section 7 of the Public Financial Management Act, 2016 (Act 921), Management of the GIMPA granted sponsorship to the tune of GH¢692,878.05 to two officers, Dr. Dominic Dagbanja and Mr. Seth Akonnor Adjei to study abroad, however upon completion of their programmes in 2018 the officers failed to return to the institution to serve their bond.

The Committee observed that an amount of GH¢662,657.50 has been recovered leaving a balance of GH¢30,220.55 in the name of Mr. Seth Akonnor Adjei. The Committee commended the effort by the Management in the recovery process and further urge them to ensure the recovery of the outstanding amount without delay.

## **12.0. MINISTRY OF HEALTH**

### **12.1. NATIONAL HEALTH INSURANCE AUTHORITY (NHIA)**

#### **i. Manhyia District Office - Abandoned Building Acquired in 2008**

The Manhyia District of the National Health Insurance Authority acquired a house (No. 6, Block 5) located at Dichemso-Kumasi on September 4, 2008, at a cost of GH¢148,000 for use as office accommodation. The District however, failed to put the building to use as at 31<sup>st</sup> December, 2018 but rather operated from a rented apartment at a fee due to structural defect and weaknesses making the building uninhabitable.

The Committee noted that Management had commenced processes to demolish the structure to pave way for the construction of a new office complex.

The Committee therefore recommends to Management to ensure adequate funds are allocated for the completion of the project on time to avoid the huge rent payments which is a drain on the resources of the Authority.

**ii. Akatsi South District-Akatsi**

**Non-existence of Cash Balance - GH¢60,014.15**

The Audit disclosed that revenue collected amounting to GH¢60,014.15 was misappropriated by Mr. Joseph W. Ahadjie (Manager), Mr. Christian Dordi (PRO), Mr. Richard Combey (MIS Officer) and Ms. Alice Agumenu (Accountant).

The Auditors recommended the recovery of the amount of GH¢60,014.15 from the Municipal Manager, Municipal Accountant, Municipal MIS and the Municipal PRO who were in charge of affairs during the period.

The Committee noted that the amount of GH¢13,000 has been recovered leaving a balance of GH¢47,014.15 and disciplinary processes have been initiated against the officers involved.

The Committee, in addition to the recommendations of the Auditor-General recommends that Management should recover the outstanding amount from the officers with interest at the prevailing Bank of Ghana rate. Again, any officer found culpable after the disciplinary procedure should be sanctioned in accordance with the law and Code of Ethics of employees of the National Health Insurance Authority as contained in the Collective Bargaining Agreement.



## 12.2. GHANA RED CROSS SOCIETY

### i. Failure of the management Board to implement the recommendations of an Audit report on the Internally Generated Funds (IGF) and Other Project Funds

A review of an Internal Investigative Report disclosed that cheques meant for the Society were lodged into an unauthorised bank account leading to a loss of GH¢787,600.00 to the Society. The Report also revealed that the Society also entered into credit sales agreement with Japan Motors Company Limited for the purchase of FOTON 6 TONS TRUCK Vehicles at a cost of US\$32,766.20 and funds withdrawn from the bank accounts of the Society at the Access Bank and Abokobi Rural Bank totaling GH¢89,871.00 as part payment for the truck. However, the truck was not registered in the name of the society.

The Report of the Investigative Committee recommended among other things that the signatories to these bank accounts should be made to refund the amount lost. The Auditor-General therefore urged Management to fully implement the recommendations in the Investigative Report.

The Committee observed that Management had failed to comply fully with the recommendations by the Auditor-General and that the loss of GH¢787,600.00 remains unrecovered. The Committee however, noted that disciplinary measures were instituted leading to the dismissal of the Regional Manager, Dr. Eric Asamoah Darko, the Deputy Regional Manager, Ms. Catherine Adasu and Mr. David Nana Osei and the FOTON 6 TONS TRUCK vehicle has also been procured and is in use by the Society.

The Committee therefore recommends to Management to take the necessary steps to ensure that the ownership of the FOTON 6 TONS TRUCK vehicle is transferred into the name of the Society and also take steps to involve the Police to recover the lost fund of GH¢787,600.00 from the Regional Manager, Dr. Eric Asamoah Darko, the Deputy Regional Manager, Ms. Catherine Adasu and Mr. David Nana Osei.

## **ii. Procurement Irregularities in the MasterCard Foundation Project**

Contrary to Section 92 of the Public Procurement Act 2003, (Act 663), the Auditor-General identified procurement irregularities in the execution of the National Red Cross Society's COVID-19 response programme which was done in partnership with the MasterCard Foundation leading to a loss of GH¢522,901.20 in terms of relief items not supplied and monies wrongly disbursed. The Auditor-General therefore recommended to Management to ensure that all lost funds are fully recovered as per the recommendations of the Investigative Reports.

The Committee was informed that Management had recovered GH¢41,000 from the suppliers leaving an outstanding amount of GH¢481,901.20 while the matter is under investigation. Management is therefore urged to speed up the investigation to be able to close the discussion on this matter.

## **iii. Uncompetitive Procurement - GH¢321,679.81**

Contrary to Section 43 of the Public Procurement Act 2003, (Act 663) the Audit discovered that the Management of the Red Cross Society made purchases amounting to GH¢321,679.81 without obtaining alternative quotations thereby defeating the purpose of value for Money.

The Committee recommended to Management to streamline its procurement procedures to align with the procurement law to ensure value for money going forward.

## **12.3. GHANA COLLEGE OF PHYSICIANS AND SURGEONS**

### **Uncollected Trainees Fees - GH¢18,577,544.36**

The Audit revealed that balances of Trainees' fees in the sum of GH¢18,577,544.36 to be collected from the Trainees of various institutions remain uncollected since 2017. A further review of the pattern of collection of the fees disclosed deterioration of the collection mode annually, leaving a huge balance to be brought forward as uncollected fees.



The Auditor-General recommended to Management to recover the outstanding amount owed by the Trainees to improve the financial position of the College.

The Committee was informed that the entire amount which remains unrecovered is owed by trainees from the public health institutions under the Ministry of Health (MoH) and that demand notices have been communicated to the Heads of the institutions and facilities involved for settlement.

The Committee recommends to the Ministry of Health to intervene and ensure that the institutions involved settle their indebtedness to the College.

### **13.0. MINISTRY OF LANDS AND NATURAL RESOURCES (MLNR)**

#### **13.1. OFFICE OF THE ADMINISTRATOR OF STOOL LANDS**

##### **i. Regional Offices Issues: Undisbursed Revenue - GH¢21,897,680.03**

The Audit disclosed that four (4) Regions (Ashanti, Central, Eastern and Greater Accra Regions) failed to disburse stool land revenues totaling GH¢21,897,680.03 to the stakeholders in contravention of Article 267 of the 1992 Constitution. The Auditor-General recommended to Management of the affected Regions to disburse the outstanding revenue in accordance with the recommended proportions to the stakeholders without further delay.

The Committee was informed that the delays occurred as a result of families/stools disputes among the beneficiaries however an amount of GH¢1,203,441.39 has been disbursed to the rightful beneficiaries leaving a balance of GH¢20,694,238.64.

Again, the Committee was informed that the Management of the Eastern Regional Office upon the advice of the Attorney-General and with the approval from the Akyem Kotoku Traditional Council has invested an amount of GH¢ 5,000,000.00 in Treasury Bills for and on behalf of the Council at a coupon rate of 14.4% per annum for 182 days beginning 15<sup>th</sup> March, 2022, while processes are ongoing to determine the true beneficiaries.

**ii. Nkawie: Rent Defaulters - GH¢10,500.00**

Contrary to Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) the Audit revealed that 83 landlords at Atwima Nwabiagya South owed ground rent totaling GH¢10,500 for the year 2020.

The Committee however, noted during the review that an amount of GH¢2,990.00 has been recovered leaving a balance of GH¢7,510.00 and urges Management to put in place adequate and effective debt control measures to forestall further accumulation of debt as recommended by the Auditor-General in the Report.

**13.2. FORESTRY COMMISSION**

**13.2.1. Forestry Services Division (FSD) Head Office**

**Long Outstanding Debtors - GH¢6,161,502**

The Audit disclosed that the Forestry Services Division of the Forestry Commission had long outstanding receivables from contractors totaling GH¢6,161,502 contrary to Regulation 46 of the Public Financial Management Regulations, 2019 (L. I. 2378).

The Committee noted that an amount of GH¢3,205,776.00 had been recovered from the active contractors leaving an outstanding balance of GH¢2,955,726.00 in compliance with the advice of the Auditor-General that Management should vigorously pursue the over-aged debtors to recover the funds.

**14.0. MINISTRY OF FOOD AND AGRICULTURE**

**14.1. GHANA COCOA BOARD**

**i. Increasing Debts Burden of COCOBOD - GH¢12.30 billion**

Contrary to Section 90 of the Public Financial Management Act, 2016 (Act 921) the Auditor-General noted that Ghana Cocoa Boards has been burdened with a high debt portfolio totaling GH¢12,301,211,685.40 as at the end of the 2019/2020 financial year.



The Auditor-General urged Management to deploy and implement effective plans and strategies that would lead to the reduction of indebtedness within the medium to long term.

The Committee noted that the Cocoa Board could not reduce its debt position as recommended by the Auditor-General, however, the Board has currently deployed measures to restructure the debt portfolio to reduce the debt burden. For instance, as part of the exercise, an amount of US\$3.0 Billion held in Cocoa Bills have been exchanged for 5 Years Bond with very competitive rates to reduce the debt burden whilst Management has further initiated a process of getting the Ministry of Finance to write off Baeda Loan amounting to GH¢174,295.32 standing in the books as well as the Bank of Ghana to restructure and extend the maturity of the ten-year Bank of Ghana loan amounting to GH¢1,389,393,213.95. The AFDB Loan of US\$600,000,000 however, is a self-liquidating facility which is expected to be repaid with the expected increase in cocoa production.

The Committee therefore, urges the Board to ensure the terms of the restructuring programme are fully implemented to clean the books of the Board.

**ii. Receivables from the Government of Ghana - GH¢2,251,364,855.22**

The Audit revealed that the Government of Ghana (GoG) as at 30<sup>th</sup> September, 2020 owed Ghana Cocoa Board an amount of GH¢2,251,364,855.22 from the supply of cocoa beans to Genertec International Corporation (GIC), the Government's revenue support on producer price of cocoa and excess export duties paid by the Board for GIC on cocoa beans exported amongst others.

Pursuant to the recommendations of the Auditor-General, the Committee noted that the Government of Ghana (GoG) acting through the Ministry of Finance has made payment in the sum of GH¢1,478,496,825.81 as part payment of the debt owed Cocoa Board leaving a balance of GH¢1,976,427,269.89.

The Committee therefore, urges the Board to continue its engagement with the Ministry of Finance to ensure settlement of the debt to avoid liquidity challenges confronting the Board.

**iii. Unrecovered Seed and Interest Fund - GH¢136,646,962.65**

A review of the recovery of Seed Funds from License Buying Companies (LBCs) disclosed that Management could not recover the funds and accrued interest totaling GH¢47,024,911.28 from the LBCs for more than four cocoa seasons contrary to Section 4 of the Ghana Cocoa Board (Amendment) Law, 1991 (PNDCL 265).

Additionally, LBCs who were vibrant for the 2019/2020 crop season had outstanding obligations totaling GH¢89,622,051.37.

The Auditor-General urged Management to recover the amount from the banks that guaranteed these facilities for the companies failing which the Board should pray the court to lift the veils of incorporation of these defaulting companies to demand the total indebtedness from the Directors and personalities behind these companies.

The Committee noted that the Board had recovered an amount of GH¢101,372,300.60 of the funds leaving a balance of GH¢35,274,662.05 outstanding in the names of ten (10) LBCs who are presently in court disputing the amount.

The Committee urges Management to recover the outstanding amount together with the appropriate interest from the defaulting LBCs when the court processes are over and the amounts involved are confirmed.

**iv. Non-Recovery of Vehicles from Separated Staff**

The Audit discovered that three (3) Management staff who retired from COCOBOD still have in their possession vehicles belonging to the Board, contrary to Section 52 of the Public Financial Management Act, 2016 (Act 921) and recommended to Management to recover the vehicle from these retired staff.



The Committee was informed that two (2) of the vehicles have been retrieved leaving a Nissan Sentra with Registration Number GR 4339-15 which is in possession of Mr. Joseph Dadson and recommends that Management should take immediate steps to retrieve the vehicle from Mr. Joseph Dadson and ensure that any damages to the vehicle are surcharged on him. Additionally, Management should treat the vehicle as a rental and calculate the cost for any additional day that the vehicle has been in his possession and recover the same from him.

#### **14.2. COCOA MARKETING COMPANY (CMC)**

##### **Over Aged Debtors - US\$179,572,915.48**

Contrary to Section 91 of the Public Financial Management Act, 2016 (Act 921) and Sections 11 and 13 of the Appendices to Cocoa Sales Agreements, the Audit disclosed that a total of US\$179,572,915.48 debt for the sale of cocoa beans was overdue as at 30<sup>th</sup> September, 2020 and recommended to Management to institute innovative measures to collect the debt.

The Committee was informed that an amount of US\$57,5654,053.59 had been recovered leaving a balance US\$122,007,861.89, however, part of the outstanding debt amounting to US\$101,069,126.3 had been converted into equity leaving a balance of US\$20,938,735.59. Out of this, an amount of US\$2,240,000.00 currently being processed at the High Court for the recovery whilst the rest is also being pursued through various means to ensure full recovery.

The Committee urged the Management to improve its debt recovery strategies to reduce the large sums of recoverables which could create liquidity challenges for the Company.

#### **14.3. COCOA RESEARCH INSTITUTE OF GHANA (CRID)**

##### **Unremitted SSF Contributions to SSNIT/FUND Manager - GH¢882,027.98**

In contravention of Section 3 of the National Pensions Act, 2008 (Act 766), the Audit showed that Management of CRID failed to remit Social Security Funds (SSF) contributions of temporary and casual workers amounting to GH¢882,027.98 to SSNIT and designated Fund Manager

recommended to Management of the Institute to ensure strict compliance with the National Pensions Act, 2008 (Act 766) and remit the outstanding SSF contributions to the SSNIT/Fund Manager to avoid future litigation and payment of penalties.

The Committee observed that a total contribution of GH¢832,287.59 representing 94% has been duly remitted to SSNIT/Fund Managers leaving an outstanding amount of GH¢49,740.29 representing 6%. Management informed the Committee that the outstanding relates to those who have separated from the Institution and could not be traced to confirm the SSNIT Numbers provided. The Committee urges the Management to continue the search for the staff involved to avoid future litigation.

#### **14.5. COCOA CLINIC**

- **Indebtedness of Corporate Clients to Cocoa Clinic - GH¢19,018,763.91**
- Contrary to Regulation 51 of the Public Financial Management Regulations, 2019 (L.I. 2378) the Audit disclosed that 175 corporate clients owed Cocoa Clinic an amount of GH¢19,018,763.91. A total of GH¢7,382,293.61 is owed by corporate clients whilst an amount of GH¢11,636,470.30 stands in the name of the Ghana Cocoa Board and its Subsidiaries and Divisions in respect of health services rendered to their staff as at 30<sup>th</sup> September, 2020.

The Committee however, noted that a total amount of GH¢16,057,219.96 representing 84% of the total indebtedness has been recovered fully as at 30<sup>th</sup> June, 2023 from both Cocoa Board and its Subsidiaries/Divisions (GH¢11,636,470.30) and the corporate clients (GH¢4,420,749.66) whilst the outstanding amount of GH¢2,961,543.98 represents the debt owed the defunct companies which have cease operations.



The Committee urges Management to adhere to the Auditor-Generals recommendation to ensure timely recovery of the remaining debt and further renegotiate its Service Agreement with its corporate clients and ensure the deposit of a bond or a bank guarantee to minimize losses when corporate clients become bankrupt.

## **15.0. MINISTRY OF JUSTICE AND ATTORNEY-GENERAL**

### **15.1. COPYRIGHT OFFICE**

#### **Challenges with the Mandate of the Copyright Office**

The Audit noted that inadequate budgetary allocation, understaffing, inadequate office accommodation and logistics across the country continue to threaten the ability of the Copyright Office to effectively execute its mandate as contained in Section 66 of the Copyright Act, 2005 (Act 690).

The Committee noted that the budgetary constraints coupled with low income generation by the Office and the capping policy of the government has further compounded the challenges confronting the Office to effectively discharge its mandate.

The Committee recommends that the Ministry of Justice and Attorney-General's Department to liaise with the Ministry of Finance to consider the request of the Management and exempt the Copyright Office from the capping policy so as to free some IGF to fund the operations of the Office.

### **15.2. LEGAL AID COMMISSION**

#### **i. Expenditure without Supporting Documents - GH¢25,168.05**

The Audit revealed that the Legal Aid Commission failed to support payment vouchers amounting to GH¢25,168.05 with the relevant supporting documents in contravention of Regulation 78 of Public Financial Management Regulations, 2019 (L.I. 2378).

The Committee was however, furnished with documentation supporting an amount of GH¢2,720.00 leaving a balance of GH¢22,448.05. The Committee therefore, reiterated the recommendations by the Auditor-General that the Head of Accounts should recover the amount failing which the officer should be surcharged.

**ii. Un-Receipted allowances - GH¢47,618.18**

The Audit revealed that an amount of GH¢47,618.18 purported to have been paid to the Regional Officers of the Commission has not been acknowledged by recipients contrary to Section 7 of the Public Financial Management Act, 2016 (Act 921).

The Auditor-General recommended that the Principal Accountant should strengthen his supervisory role over the activities of the cashier and ensure that the payments are duly acknowledged by the officers involved or the total amount of GH¢47,618.18 should be recovered from the approving and authorizing officers.

It was observed that an amount of GH¢47,168.18 has been duly acknowledged leaving an outstanding amount of GH¢450.00. The Committee recommends the recovery of the outstanding amount of GH¢ 450.00 from the approving and authorizing officers as recommended by the Auditor-General.

**16.0. MINISTRY OF COMMUNICATION AND DIGITISATION (MCD)**

**16.1. ACCRA DIGITAL CENTRE**

**i. Increasing Outstanding Trade Receivables - GH¢1,568,246.00**

Contrary to Regulation 46 of the Public Financial Management Regulations, 2029 (L.I. 2378), the Auditor-General reveals that rent outstanding for the 4 years continued to increase by an average of 90% resulting in the accumulation of trade receivables amounting to GH¢1,568,246.00 between 2017 and 2020.



The Auditor-General recommended that the Management should institute a more workable rent payment regime and further liaise with the Ministry of Finance to get Parliamentary approval for the write-off of the uncollectible debt.

The Committee noted that Management had recovered an amount of GH¢1,100,000.00 leaving a balance of GH¢468,246.00 and further set up a Commercial Unit to assist with debt recovery efforts with more stringent measures to avoid an accumulation of trade receivables.

**ii. Unauthorised Write-off of Accounts Receivables - GH¢1,087,601.92**

In contravention of Section 53 of the Public Financial Management Act, 2016 (Act 921), the Audit disclosed irregular write-offs and discounts of account receivables totaling GH¢1,087,601.92 by Management without proper justification and approvals from the Board, the Ministry of Communication, Ministry of Finance or Parliament as required by law.

The Auditor-General recommended that Management should provide justification for the total account receivable write-offs of GH¢1,087,601.92.

The Committee was informed that these debts had become irrecoverable as the companies involved have folded up, however the Committee directed Management to reinstate the debts and pursue recovery until due processes are followed for the write-offs.

**16.2. GHANA POST COMPANY LIMITED**

**i. Unused Lands - 106.49 Acres**

The Audit disclosed that Ghana Post Company Ltd has several acres of lands without any legal titles, located across different parts of the country which are not being put to any economic use or utilised for the purpose of their acquisition, in contravention of Regulation 160(1) of the Public Financial Management Regulations, 2019, (L.I. 2378). For instance, properties belonging to the Ahinsan Post Office in Kumasi, the Ejisu Post Office and the Akropong Akwapim Post Offices have virtually been abandoned with squatters taking over the facilities.

The Auditor-General recommended to Management to put the facility to economic use failing which the Minister responsible for the sector should transfer the properties to other agencies who have need for them in line with Regulation 160(1) of the Public Financial Management Regulations, 2019, (L.I. 2378).

The Chief Executive Officer of the Company disclosed that registration of the Company Lands is progressively ongoing to acquire cadastral plans from the lands Commission, however, steps are underway to leverage these assets through Public/Private Partnership arrangements as the Company is not abundantly resourced to redevelop these properties in their present state.

The Committee therefore, urges Management to speed up these arrangements secure the properties to avoid encroachment and to avoid future litigation.

#### **ii. Absence of Scheme of Service**

The Report indicated that the Board of the Company had not developed any Scheme of Service to effectively and efficiently harmonise the activities and progress of the employees of the Company in contravention of Section 90 of the Public Financial Management Act, 2016 (Act 921).

The Committee noted that Management had complied with the recommendations of the Auditor-General and had submitted a draft version of the scheme of service to the board of the Company for further review and approval. The Committee therefore recommends to Management to ensure that the scheme of service is finalised and approved before the end of the year, 2023.

#### **iii. Company Guest House in a State of Disrepair**

The Audit reported that the Company's Guest House at Anaji has been abandoned beyond repairs in contravention of Section 52 of the Public Financial Management Act, 2016 (Act 921).



The Auditor-General urged Management to liaise with the Head Office for assistance to put the property into good shape.

Following the recommendation of the Auditor-General, the Management commenced processes to refurbish the facility and has recently procured some items to replace obsolete ones and further submitted a request to the Board for funds to speed up the refurbishment of all the other Guest Houses of the Company across the country.

The Committee urges Management to ensure the refurbishment of the facility is completed to avoid further deterioration.

### **16.3. POSTAL & COURIER SERVICES REGULATORY COMMISSION**

#### **Non-Retirement of Accountable Imprest**

Contrary to Regulation 102(1-3) of the Public Financial Management Regulations, 2019 (L.I 2378), the Audit disclosed that a total amount of US\$2,750.00 and GH¢7,630.00 granted as accountable imprest to the former Executive Secretary of the Company and his driver for foreign and local travels were not accounted for.

Contrary to the audit recommendation, the Committee observed that the Management had not been able to recover the amount from Mr. Isaac A. Riverson, the former Executive Secretary of the Company, upon request served on him (Letter No: PCSRC/MoCD/09/01) to provide the relevant documentation to retire the imprest of US\$2,750.00 and GH¢7,630.00.

The Committee therefore reiterated the Audit recommendations that Management should use every means including legal actions to recover the money from him and further ensure that staff properly retire imprest in accordance with the Regulations.

#### **16.4. DATA PROTECTION COMMISSION (DPC)**

##### **Commission's Indebtedness to a Service Provider - GH¢823,156.28**

Contrary to Section 30 of the Public Financial Management Act, 2016 (Act 921), the Audit disclosed that the Data Protection Commission engaged the Activate Africa for an amount of GH¢823,156.28 to provide a service during the Commission's 2019 Conference and had not paid for the services provided. It was further noted that this activity was not budgeted for in the annual budget of the Commission hence no funds were available to clear the indebtedness.

The Committee noted during the deliberations that the Commission has made a payment of GH¢100,000.00 leaving a balance of GH¢723,156.28, however, a payment plan has been agreed upon with the Company (Activate Africa) to settle the outstanding debt.

The Auditor-General recommended to Management to initiate steps to pay the outstanding amount.

The Committee recommends to the Ministry of Communication and Digitisation to ensure that future expenditures are in accordance with planned activities in the approved annual budget statement of the Commission.

#### **16.5. NATIONAL COMMUNICATIONS AUTHORITY (NCA)**

##### **Outstanding Revenue - GH¢11,033,925.50**

Contrary to Section 91 of the Public Financial Management Act, 2016 (Act 921), the Audit discovered that government revenue amounting to GH¢11,033,925.50 has accrued as a result of varied activities and services including, licenses for 'Numbering', 1% Annual Regulatory Fees, Microwave and other services undertaken by the NCA for various telecommunication companies to operate within Ghana's Telecommunications Space.



Following the recommendation in the Report, the Committee noted that Management has recovered GH¢3,940,884.45 leaving a balance of GH¢7,093,041.05 outstanding and the necessary steps are being taken to ensure the balance is recovered. The Committee therefore urges the Management to increase supervision and tighten control measures in revenue management and accounting to avert the likelihood of the above anomaly repeating itself.

## **17.0. MINISTRY OF TOURISM, CREATIVE ARTS AND CULTURE**

### **17.1. GHANA MUSEUMS AND MONUMENTS BOARD**

#### **Procurement Without Alternative Quotations - GH¢397,351.25**

The Auditor-General noted that the Board of the Authority had breached Section 20 of the Public Procurement (Amendment) Act, 2016 (Act 914), by engaging in a Single Source procurement of goods and services totaling GH¢397,351.25 without approval during the periods under review.

The Auditor-General recommended that Management should provide justification for the decision, failing which sanctions as outlined in Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914) shall be enforced against the Procurement and authorizing officers.

Having regard to the potential revenue loss that could arise as a result of non-competitiveness of the procurement, the Committee recommends to the Attorney-General to sanction officers of the Ghana Museums and Monuments Board who supervised the transaction in accordance with Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of the Public Procurement Amendment Act, 2016 (Act 914).

## 18.0. MINISTRY OF INTERIOR

### 18.1. National Disaster Management Organisation (NADMO)

#### Unearned Salaries - GH¢104,997.41

Contrary to Regulation 92 of the Public Financial Management Regulations, 2019 (L.I 2378), the Management of Ashanti Regional NADMO Office paid salaries amounting to GH¢99,764.41 to five (5) separated staff and one (1) staff at the Konongo office, Mr. Bartholomew K. Ayitey who retired in June, 2018 with an amount of GH¢5,233.00, resulting in a total unearned salary of GH¢104,997.41.

The Auditor-General recommended that the total amount of GH¢104,997.41 should be recovered from the respective staff and paid to the government chest, failing which the salary validators should be held liable to refund the amount involved.

The Committee noted that three officers namely: Clara Acheampong, Adonteng Duah Boateng and Esther Owusu, duly earned the salary amounting to GH¢63,343.09 for the period under review. Additionally, an of amount GH¢10,484.00 was recovered leaving a balance of GH¢31,170.32. The Outstanding balance is in the names of the following officers:

1. Osman Jamila	-	GH¢12,604.00
2. Bernard Tagoe	-	GH¢13,333.32
3. Bartholomew K. Ayitey	-	GH¢5,233.00
<b>Total</b>	-	<b>GH¢31,170.32</b>

The Committee therefore, recommends to Management of NADMO to ensure the recovery of the outstanding amount of GH¢31,170.32 from the officers failing which the amount should be recovered from the following salary validators as follows:

Name of validator(s)	Amount
1. Ms. Angelina Anna Asokwa/ Kwabena Boateng Frimpong	- GH¢12,604.00
2. Mr. Nicholas Mefudzo/Senya Agboada	- GH¢13,333.32
3. Mr. Jones Osei Asamoah	- GH¢5,233.00
<b>Total</b>	- <b>GH¢31,170.32</b>



## **19.0. MINISTRY OF EMPLOYMENT AND LABOR RELATIONS**

### **19.1. NATIONAL VOCATIONAL TRAINING INSTITUTE**

#### **Delay in Executing Youth in Trade and Vocation Project**

Contrary to Section 13(e) of the Audit Service Act, 2000 (Act 584), the Audit revealed that the Institute received GH¢1,320,000.00 from the Youth Employment Authority (YEA) for the training of 5,000 trainees in all the 10 regions within 10 skill trade areas in 2016. It was however, noted that from 2016 to 2020 Management trained trainers and developed a curriculum for the programme at a total cost of GH¢560,835.90 but could not train the trainees who were the primary focus of the project.

The Auditor-General attributed the situation to the inability of the Management of the Institute and the Youth Employment Authority to raise the needed funds to ensure the execution of the proposed project on the scheduled date.

The Auditor-General recommended to Management to ensure that YEA fulfils its part of the Agreement by releasing the funds or NVTI uses the money released to train a number of the trainees in some of the trade areas.

The Committee was informed that office space has been allocated to YEA to provide the Institute with the trainers required for the training to be carried out in compliance with the audit recommendation.

### **19.2. SOCIAL SECURITY AND NATIONAL INSURANCE TRUST (SSNIT)**

#### **i. Arrears of Contribution from GoG Employees Not Fully Settled -**

**~~GH¢4,334,387,226.39~~**

The Audit disclosed that the Controller and Accountant-General Department (CAGD) as at 31<sup>st</sup> December, 2020 owed SSNIT an amount of GH¢1,124,568,970.17 in respect of the employee's SSNIT contribution from the Government of Ghana (GOG) in contravention of Section 91 of the Public Financial Management Act, 2016 (Act 921).

Additionally, in compliance with Section 64(1) of the National Pensions Act, 2008 (Act 766), the Trust has imposed a penalty of 3% on delayed payments by CAGD over the years to the tune of GH¢3,209,818,256.22 bringing the total indebtedness of CAGD to GH¢4,334,387,226.39.

The Committee observed that in compliance with the Audit recommendations, the principal amount of GH¢1,124,568,970.17 had been remitted to SSNIT whilst payment plan has been agreed with the Ministry of Finance for the settlement of the outstanding penalty amount of GH¢3,209,818,256.22. The Committee therefore urges the Controller and Accountant-General to ensure timely payment in accordance with the payment plan to avoid huge penalties accumulation.

#### **ii. Unlisted Equities Without Dividend Payments**

The Audit revealed that contrary to Section 90 of the Public Financial Management Act, 2016 (Act 921), ten (10) out of the forty-five (45) companies with total investment of an amount of GH¢150,307,700.00 have not been paying dividends to the Trust for the past 10 years. A further review disclosed that only four (4) out of the forty-five (45) Companies have had capital appreciation over their investment value whilst the rest have their individual values less than the amount invested.

The Committee observed that the amount is still outstanding and therefore recommends to Management to adopt a shift in policy to create value for members and pensioners and also desist from engaging in unprofitable investments with contributions of SSNIT beneficiaries.

#### **iii. Failure to charge penalty for Non delivery of the 84 flats by Trust F-Line - US\$6.720,000**

The Audit disclosed that contrary to Section 7 of the Public Financial Management Act, 2016 (Act 921), SSNIT entered into a 'Sales and Purchase Agreement' with F-Line Ltd on 5<sup>th</sup> December, 2019 for the purchase of eighty-four (84) Flats at a discounted price.



Clause 15.1 & 2 of the Agreement stipulates that failure to deliver the 84 Flats at the end of the Eighteenth (18) month F-Line Ltd after signing the Agreement, shall attract a penalty of Fifteen Thousand United States Dollars (US\$15,000.00) every week for three (3) months. The Audit further revealed that as at 30<sup>th</sup> June, 2021 F-Line was unable to deliver the 84 flats to SSNIT leading to a trigger of the penalty clause contained in the Agreement.

The Committee at the time of the Public Hearing observed that 40 of the housing units were completed and handed over to SSNIT, 16 flats had been completed and were ready to be handed over, 16 other flats were undergoing correction defects after the inspections leaving 12 flats undelivered.

The Auditor-General recommended that Management should institute rigorous cost reviews in similar transactions and take steps to reduce its exposure in the F-Line transactions.

The Committee reiterated the audit recommendation that the Trust should take steps to ensure that the 12 housing units are delivered and further ensure strict compliance with Clause 15.1 & 2 of the Agreement to obtain value for every expenditure in the Joint Venture.

### **iii. Payment in Excess of Work Performed - US\$36,890,553.79**

The Audit revealed that SSNIT had entered into a GH¢600,053,746.06 Loan Agreement with RSS Ltd to develop houses for sale. RSS therefore made payments to its contractor, Regimanuel Gray Ltd. however, the contractor as at 2015 could not undertake the construction works to the tune of US\$36,890,553.79. Again, it was noted that the General Counsel Division of SSNIT has since June, 2020 sued RSS Developers Ltd including the Board members seeking several reliefs.

The Audit further disclosed that SSNIT in an attempt to recover the debt from RSS, has completed a swap of all the completed RSS housing units as part payment of the debt in breach of Section 7(1) of the Public Financial Management Act, 2016 (Act 921).

The anomaly was attributed to lack of effective supervision by the Management of the Trust to ensure that RSS designs systems that funds were disbursed to the contractor on the basis of work performance.

The Committee noted that the project is currently ongoing and is expected to be completed by January, 2025 with a copy of the revised Program of Work including the legal action enforcing the reviewed program. The Committee therefore recommends to Management to supervise the projects to ensure they are completed on the agreed deadline.

#### **iv. SSNIT's Non-Performing Loans - GH¢858,380,662.10**

The Audit uncovered that seven (7) companies were not servicing a total loan facility of GH¢473,138,686.98 granted to them by SSNIT in contravention of Section 91 of the Public Financial Management Act 2016, (Act 921).

The Auditor-General recommended that Management should review the loan portfolios with the respective companies and put in place measures to recover the amount. He further recommended that Management should take possession of the underlying assets of the defaulting companies to defray parts of the loans and or seek redress at the law court to recover the loans.

The Committee observed that SSNIT has completed a Debt/Assets swap of all the completed apartments/housing units of RSS Developers Limited with part of the company's indebtedness to SSNIT. However, the agreement is yet to be executed. The Committee therefore recommends to Management to take the necessary steps to ensure the full execution and enforcement of the swap Agreement to avert a potential loss of funds.

#### **v. Locked up Funds in Four (4) Joint Venture Projects**

The Audit disclosed that the Trust has over US\$206 million of its investible funds locked up in 4 joint venture projects contrary to Section 7 of the Public Financial Management Act, 2016 (Act 921) and Section 2 (2.64)



of the Investment Policy and Guidelines (IPG) 2019 of Trust. These projects which are estimated at US\$240,000,000 included: RSS, Switchback, Trust F-Line and West Hills Ridge project.

The Auditor-General asserted that the Board of SSNIT did not exercise effective controls over the Funds of the Trust whilst Management reneged on its supervisory role to monitor its investment portfolio to ensure the gains were being made, especially when the investment in the RSS/F-Line were not completed or yielded returns within 5 to 6 years, but went ahead with a similar investment with Switchback and West Hill Ridge Ltd in 2014.

The Committee observed that the Trust has entered into an Asset-Liability Swap Agreement with the company and the First Phase of the Agreement is at the final stage based on an independent valuation of the completed properties of the company with the legal processes being prepared for the execution of the swap arrangement.

Again, the Committee was informed that the Second Phase of the Swap, which includes the uncompleted properties, commonly used infrastructure and vacant lands of RSS is underway for the execution of the Agreement in due course. The Committee therefore recommends to Management to ensure the full execution of the Agreement to ensure the recovery of the locked up funds.

## **20.0. MINISTRY OF TRANSPORT**

### **20.1. GHANA SHIPPERS' AUTHORITY (GSA)**

#### **Default in Rent Payment GH¢3,692,457.71**

The Audit disclosed that eight (8) tenants occupying portions of Accra Shippers House and Takoradi Shippers Centre owed rent to the tune of GH¢3,692,457.71 as at 31<sup>st</sup> December, 2020 contrary to Ghana Shippers' Authority's Lease agreement.

The Committee however, observed that an amount of GH¢3,535,857.71 had been recovered whilst court judgement dated 17<sup>th</sup> February, 2023 against Movis Ghana Limited to retrieve the outstanding rent amount of GH¢156,600.00.

The Committee reiterated the recommendation of the Auditor-General that Management should pursue the court judgement to ensure the amount is paid.

## **20.2. GHANA PORTS AND HARBOURS AUTHORITY (GPHA)**

### **Long outstanding receivables GH¢260,350.00**

The Audit disclosed that contrary to Section 91 of the Public Financial Management Act, 2016 (Act 921), Amber Quality Food Limited is indebted to the Authority to the tune of GH¢260,350.00 since 2016.

The Committee noted that the entire amount remains unrecovered contrary to the recommendation of the Auditor-General and recommends to Management to take immediate steps to recover the amount from Amber Quality Food Limited without any further delay.

## **21.0. MINISTRY OF TRADE AND INDUSTRY (MoTI)**

### **21.1. GHANA TRADE FAIR COMPANY LIMITED (GTFCL)**

#### **i. Arrears to SSNIT and Other Fund Manager - GH¢98,740.65**

Contrary to Section 63 (1) and (3) of the National Pension Act, 2008 (Act 766) and Section 64 (1) of the same Act, the Audit revealed that the Ghana Trade Fair Company Limited owed SSNIT and other Fund Managers statutory payments amounting to GH¢98,740.65 as at 31<sup>st</sup> December, 2020.

The Auditor-General urged Management to take the appropriate steps to settle the outstanding statutory obligations to avoid further penalties and other sanctions as required by the Pension Act.

The Committee noted that an amount of GH¢42,761.31 has been remitted to SSNIT and 2<sup>nd</sup> and 3<sup>rd</sup> Tier Pension schemes, leaving a balance of GH¢55,979.34 outstanding due to limited cash flows into the



Company. The Committee therefore urges Management to avoid the accumulation of new arrears while urgent steps should be taken to settle the outstanding balance to avoid huge penalties.

**ii. Non-Payment of End of Service Benefits - GH¢1,695,731.71**

The Audit disclosed that the Company owes twenty-two (22) former employees End of Service Benefits amounting to GH¢1,695,731.71 as at 31<sup>st</sup> May, 2020 due to the unlawful termination of the service of the affected employees in contravention of Articles 38 and 39 of the Collective Bargaining Agreement between the Ghana Trade Fair Company Limited and the Public Services Workers Union of GTUC.

The Committee observed the matter is currently before arbitration with the National Labour Commission (NLC) and emphasizes the Audit recommendation that the Board should rather seek an out-of-court settlement and pay the amount to the deserving employees to avoid prolonged legal battles.

**22.0. MINISTRY OF INFORMATION**

**22.1. GHANA NEWS AGENCY (GNA)**

**i. Study Leave with Pay to Mr. Ebenezer Tackie - GH¢57,673.27**

The Audit revealed that Mr. Ebenezer Tackie who was granted a two-year study leave with pay to pursue a Master of Science programme in Global Human Resources Management at the University of Roehampton, London and received a salary amounting to GH¢57,673.27 for the period but refused to submit progress report on his academic work, contrary to Article 16(c) of the Collective Bargaining Agreement (CBA) of the Ghana News Agency.

The Committee observed that the amount is still outstanding against the recommendation by the Auditor-General and recommends to Management to pursue the Guarantors of Mr. Tackie for the recovery of the amount.

**ii. Failure to Fully Transfer the Non-Tax Revenue into the Consolidated Fund Account - GH¢65,575.27**

Contrary to Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378), the Audit disclosed that the Ghana News Agency (GNA) failed to transfer Internally Generated Fund (IGF) totaling GH¢65,575.27 into the Consolidated Fund account during the period under review.

In compliance with the Audit recommendation, an amount of GH¢38,585.27 has been remitted leaving an outstanding amount of GH¢26,990.00. The Committee therefore recommends that Management should remit the arrears into the Consolidated Fund accounts and rather seek approval from the Ministry of Finance for the retention of its IGF to support its operations.

**iii. Maintenance of the Properties of the Agency**

Contrary to Section 52(1) of the Public Financial Management Act, 2016 (Act 921), the Audit showed that properties belonging to the Agency in four selected regions; Eastern, Volta, Northern and Upper East Regional Offices have deteriorated with severe structural defects with an urgent need for maintenance and renovation.

The Committee therefore urges the Ministry of Finance to allow the Agency to retain part of its IGF to support the repair and maintenance of the properties to attract standard rent rates for the properties as recommended by the Auditor-General.

**iv. Delay in Collection of Rent - GH¢24,000.00**

The Audit revealed that a tenant (Swap Restaurant) rented at the Upper East Regional Office of the Agency but has not signed the Tenancy Agreement for the period leaving an accumulated rent amount of GH¢24,000.00 for the period 1<sup>st</sup> January, 2018 to 31<sup>st</sup> December, 2019 from a monthly rent of GH¢1,000.00 in arrears.

PARLIAMENT OF GHANA LIBRARY



It was further disclosed that the tenant has gone ahead to make modifications to the property amounting to GH¢60,000.00 to put the property into good use which is in contravention of Regulation 46(a) of the Public Financial Management Regulations, 2019 (L.I.2378).

The Committee observed that an amount of GH¢20,000.00 had been recovered leaving an outstanding amount of GH¢4,000.00 and therefore recommends that Management should beef up efforts to recover the arrears and refurbish the property to be able to attract reasonable charges.

## **22.2. GRAPHIC COMMUNICATIONS GROUP LIMITED (GCGL)**

### **i. Purchases without Alternative Quotation - GH¢588,929.64**

The Audit disclosed that the Company procured store items and services worth GH¢584,929.64 with no reference to Section 43 of the Public Procurement Act, 2003 (Act 663) as amended.

The Auditor-General recommended to Management to strictly comply with the provisions of the Public Procurement Act, 2003 (Act 663) as amended to promote competition and transparency to obtain maximum value for money in all future procurements.

### **ii. Locked-up Investment - GH¢155,128**

Contrary to Section 91 of the Public Financial Management Act, 2016 (Act 921), the Audit disclosed that Graphic Communications Group Limited (GCGL) invested a total amount of GH¢135,227 with Gold Coast Securities, between 16<sup>th</sup> June, 2017 to 16<sup>th</sup> June, 2018 to earn interest of GH¢19,901 to a maturity value of GH¢155,128, however, GCGL could not retrieve the invested amount plus the accrued interest.

The Committee was informed during the meeting that an amount of GH¢50,000.00 has been retrieved with a balance of GH¢121,728.90 remaining. The Committee urges Management to intensify its efforts to recover the outstanding amount of GH¢121,728.90 from the defunct Company as recommended by the Auditor-General.

## **22.3. GHANA BROADCASTING CORPORATION (GBC)**

### **i. Judgement Debt Arising Out of Failure to Pay Long Service Awards - GH¢184,136.11**

The Audit disclosed that pursuant to Article 61 of the GBC Collective Bargaining Agreement (1<sup>st</sup> January, 2006), the Corporation was saddled with the payment of overdue Long Service Award (LSA) emanating from unsustainable provisions in the Agreement of the Corporation leading to a judgement debt of GH¢184,136.11 to beneficiaries. The Auditor-General noted the Corporation is confronted with liquidity challenges and therefore payment of LSA from the IGF is not sustainable which may lead to multiplicity of lawsuits against the Corporation for nonpayment of LSA.

The Committee however, noted that an amount of GH¢158,593.74 has been paid leaving a balance of GH¢25,542.37 and further recommends that the Board of the Corporation should review the Agreement as early as practicable to avert unnecessary accrual of LSAs and its resultant judgement debt as recommended in the Audit Report.

### **ii. Long Outstanding Trade Receivables - GH¢3,239,278.00 at the Regional Offices**

Contrary to Section 91(1&2) and 53 (1b) of the Public Financial Management Act, 2016 (Act 921), the Audit disclosed the existence of over aged receivables amounting to GH¢3,239,278.00 in the Books of GBC, between 3 and 10 years and had adversely affected the cash flow position of the Corporation.

The Auditor-General recommended that Management should carry out a reconciliation of the ledger balances and introduce a pragmatic debt recovery strategy, including the use of legal means to avoid or mitigate the occurrence of bad debts. Management should in line with Section 53 (1) (b) of the Public Financial Management Act, 2016 (Act 921) begin the process of writing off debts that have become unrecoverable.



The Committee observed that an amount of GH¢1,130,776 had been recovered leaving a balance of GH¢2,108,502. The Committee urges Management to recover the outstanding debt and take steps to write off debts that are unrecoverable.

### **iii. Absence of Substantive Officers for Key Positions in GBC**

The Audit disclosed that six (6) key Director Positions which are currently occupied by non-substantive officers have been vacant for a period ranging between 6 months and 6 years in contravention of Article 17 (a)(v) of the Collective Bargaining Agreement between GBC and Public Service Workers Union of TUC (GH) 2006. The anomaly resulted from Management's disregard for policies and required procedures.

The Auditor-General recommended that Management and the Governing Board of GBC should take steps to ensure that either the acting officers are confirmed or substantive officers are appointed in accordance with Section 6 of the GBC Act, 1968 and Article 17 (a)(v) of the GBC Collective Agreement to ensure the smooth running of the Corporation.

The Committee noted that the appointments were not done contrary to the recommendation of the Auditor-General however the Committee was informed that the Governing Board of GBC and the Management are currently reviewing the Organogram and Scheme of Service (SOS) of the Corporation to make it more responsive to present trends before necessary appointments are made. The Committee urges Management to engage the union in the process to avoid implementation challenges.

### **iv. Avoidable Pending Judgement Debt - Termination of Appointment of William Ampem-Darko - GH¢2,492,566.43**

The Audit disclosed that National Media Commission (NMC) signed a contract and appointed Mr. William Ampem Darko as the Director-General of GBC for Six (6) years from 2<sup>nd</sup> July, 2007 to July, 2013, however, the Contract was terminated by H.E. Kabral Blay-Amihere, the then Chairman of NMC, twenty-seven months before the expiration of the

contract. Mr. William Ampem-Darko in 2011 sued NMC and GBC and obtained a court judgement of GH¢2,492,566.43 in his favor to be paid by the Corporation.

The Committee observed the matter is still pending at the Appeal Court. The Committee therefore urges NMC and GBC, as recommended by the Auditor-General to ensure speedy resolution of the matter.

**v. Unearned Salary - GH¢88,094.08**

Contrary to Regulation 92 of the Public Financial Management Regulations 2019 (L.I 2378), the Audit disclosed that between 2015 and 2018 Management of the Corporation validated and approved the payment of a total salary of GH¢88,094.08 to fifteen (15) separated staff and recommended the total amount should be recovered from the beneficiaries, failure of which the authorizing officers should be surcharged.

The Committee observed that an amount of GH¢40,791.85 has been recovered leaving a balance of GH¢47,302.23, however, Management assured the Committee that the amount will be recovered from the long service award and other entitlement of the separated staff. The Committee on the other hand, recommends that Management should surcharge the validating and authorizing officers with the outstanding amount.

**vi. Failure to Refund Unearned Salary - Peggy Amofa Sowah - GH¢55,734.89**

It was disclosed in the Report that contrary to Regulation 92 of the Public Financial Management Regulations 2019 (L.I 2378), Peggy Amofa Sowah, a former staff of the Corporation was granted leave with pay effective as of 5<sup>th</sup> September, 2016 to 29<sup>th</sup> May, 2020. The officer however, resigned from the Corporation on 8<sup>th</sup> August, 2018 without completing the course but took a salary totaling GH¢55,734.89 for the period.

The Auditor-General recommended that Management should go ahead and enforce the conditions contained in the Bond Agreement between



the Corporation and Peggy Amofa Sowah and recover the amount from Peggy Amofa Sowah.

The Committee noted that an amount of GH¢10,000 has been recovered leaving a balance of GH¢45,734.89 in compliance with the Audit recommendation. Again, the Management had agreed on a payment plan in addition to a GH¢6,425.81 provident fund of Ms. Peggy Amofa Sowah to enable her to settle the amount. The Committee therefore, recommends to Management to recover the amount within 12<sup>th</sup> months after the Public Hearing.

#### **vii. Challenges with the Objects of the Corporation at the Regional Level**

The Audit revealed that GBC stands the risk of losing its relevance in the media space in the near future if pragmatic steps are not taken to address the challenges associated with the implementation of Section 2 of the Ghana Broadcasting Corporation Act, 1968 (N.L.C.D 226).

The Auditor-General recommended that Management should take pragmatic steps to resolve the current challenges GBC is confronted with to allay public fears about the eventual collapse of the national broadcaster. He further recommended that the Board of the Corporation together with the National Media Commission should come out with a comprehensive and holistic plan for transforming GBC into a viable and sustainable public service broadcaster.

The Committee observed that the issues involved borders on policy and should be addressed to the NMC/Ministry of Information and therefore urges two bodies to reform the Corporation to meet the current trend in the media space and to also make profit.

#### **viii. Encroachment on GBC Lands**

The Audit disclosed that 74 out of 90 parcels of land owned by GBC were not fenced and were being encroached by squatters due to inadequate budgetary allocation. The Committee reiterated the Auditor-General recommendation that Management should take steps to evict the squatters and put up a fence wall around the parcels of land.

### **viii. Absence of Title Documents for GBC Lands**

Contrary to Section 52 of the Public Financial Management Act, 2016 (Act 921), the Audit disclosed that eight (8) out of the ninety (90) parcels of land owned by the Corporation had no legal titles covering them making the properties susceptible to disputes over the ownership.

The Committee was informed that the Board through the Adhoc Committee is working to obtain the land titles for those lands and urges the Management to speed up the process to secure the land titles as early as possible to forestall any disputes over the ownership of the property.

### **ix. Unpaid Rent - GH¢34,484.67**

The Audit disclosed that 55 staff occupying GBC Bungalows since 2014 continued to receive rent allowances without any deduction of 10% from their salaries in breach of Circular Number 133385/05/06/NTRCADG of 15/5/2006 by the Ministry of Finance, thus deprived the Corporation of the opportunity to use the GH¢34,484.67 outstanding rent to refurbish its bungalows and to also add on more housing units to the existing units.

The Committee observed that the Auditor-General recommendation that Management should retrieve the amount of GH¢34,484.67 from the affected staff, failing which the amount should be treated as a loan and deducted from the salaries of the beneficiaries has not been complied and therefore, directed that the Head of Accounts and the Estates Manager should be held liable.

PARLIAMENT OF GHANA LIBRARY

## **22.4. NEW TIMES CORPORATION (NTC)**

### **i. Missing Receipt Leaflets from Receipts Books - GH¢10,457.50**

Contrary to Regulation 56 of the Public Financial Management Regulations, 2019 (L.I. 2378), the Audit uncovered that the cashier of New Times Corporation (NTC) failed to present the original, duplicate and triplicate copies of eight serially numbered receipt leaflets which were issued out from six receipt books for audit. The receipt books were used to collect unspecified revenue on adverts, newspaper sales and subscription fees.



The Auditor-General recommended to Management to ensure that the eight receipt leaflets are provided for audit scrutiny, failing which an amount of GH¢32,457.50 being the average of the highest value of advert placed (GH¢40,000.00) and subscription fees paid (GH¢24,915.00) should be recovered from the cashier.

The Committee noted that following the disclosure, an amount of GH¢22,000 was recovered from Madam Quarcoopome leaving a balance of GH¢10,457.50 and had subsequently been dismissed with 5% of her provident fund contribution amounting to GH¢12,476.20 has also been earmarked to defray the outstanding balance of GH¢10,457.50.

The Committee was satisfied with the processes initiated by Management and urges Management to do a follow up to recover the money.

## **ii. Receipt Books Not Presented for Audit**

Contrary to Section 11 of the Audit Service Act, 2000 (Act 584) and Regulation 150 of the Public Financial Management Regulations, 2019 (L.I. 2378), the Audit disclosed that six (6) officers of the New Times Corporation could not account for 17 Receipt Books issued to them for collection of revenue. In a related development, an officer did not sign for a receipt book issued to him/her in the Stock Register.

The Auditor-General recommended to Management to ensure that the 18 receipt books are returned by the collectors for audit scrutiny, failing which the officer responsible for the issue of the receipt books and the Chief Accountant should be made to account for them.

The Committee observed that the officer who failed to sign the Stock Register has been made to and 4 out of the 17 Books have also been presented for audit verification leaving 13 outstanding in compliance with the Audit recommendation. The Committee is of the view that failure to present the 13 receipt books for audit verification could lead

to misappropriation of revenues collected and therefore recommends the recovery of the average revenue collection of the 13 receipt books from the Cashiers.

**iii. Tax Withheld Without Tax Credit Certificate – GH¢26,580**

Contrary to Regulation 78 of the Public Financial Management Regulations, 2019 (L.I. 2378), the Audit revealed that even though First Paper Converters Ltd. (a tenant of the warehouse of the Corporation) withheld 15% tax of GH¢26,580.00 from rent paid to the Corporation, there was no tax credit certificate to confirm the remittance of the tax withheld to the Ghana Revenue Authority (GRA) due to the failure of the Chief Accountant to ensure that all transactions are supported with sufficient supporting documents occasioned the lapse.

The Committee observed that the recommendation of the Auditor-General to the Chief Accountant to retrieve the Tax Credit Certificate from the tenant and make it available for audit scrutiny has not been adhered to and therefore recommends to Management to report the conduct of First Paper Converters Ltd. to the Ghana Revenue Authority for the recovery of the withheld taxes with the required penalties.

**iv. High Cost of Overdraft Facility Interest**

The Audit disclosed that contrary to Section 7 of the Public Financial Management Act and Regulation 32 of the Public Financial Management Regulation, 2019 (L.I. 2378), the Management of GBC took an overdraft of GH¢1,095,611.75 with a high interest of GH¢231,326.00 from GCB during the year under review. The Trade Receivables of the Corporation however, at the end of the same year (31<sup>st</sup> December, 2019) stood at GH¢7,902,439.00. The anomaly occurred due to the lack of effective credit policy controls over the receivables to improve the liquidity position of the Corporation.

The Auditor-General recommended to Management to take pragmatic steps to collect the receivables to finance its operations.



The Committee observed that Management had taken steps to reduce its reliance on overdraft facilities from about GH¢1,100,000 in 2019 to about GH¢500,000 by 2022 to finance its operations. The Committee therefore urges Management to implement the Auditor-General's recommendation to improve its receivables to reduce the overreliance on credit facilities.

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

### **23.1. TEMA DEVELOPMENT COMPANY**

#### **Rent in Arrears - GH¢128,543.83**

Contrary to Section 91 of the Public Financial Management Act, 2016 (Act 921) and the Tenancy/Rental Agreement of TDC, the Audit disclosed that tenants owed the Company a total amount of GH¢128,543.83 for rental charges for shops and offices. The Committee however, noted during the Sitting that an amount of GH¢118,536.66 had been recovered leaving a balance of GH¢9,980.17.

The Committee therefore, urges Management to pursue recovery of the outstanding amount from the tenants as recommended by the Auditor-General.

## **24.0. MINISTRY OF SANITATION AND WATER RESOURCES**

### **24.1. COMMUNITY WATER AND SANITATION AGENCY (CWSA)**

#### **24.1.1. ABODOM BEKWAI WATER SYSTEM**

##### **Failure to Collect Outstanding Revenue from 136 Private Household Customers - GH¢10,100.55**

The Audit disclosed that contrary to Regulation 46 of the Public Financial Management Regulations, 2019 (LI 2378), the Management of CWSA, Abodom had not recovered revenues amounting to GH¢10,100.55 from 136 private household customers between January 2020 and April, 2021. The Auditor-General attributed the anomaly to inadequate internal controls and recommended the recovery of the outstanding amount.

The Committee noted that an amount of GH¢5,832.80 had been recovered leaving a balance of GH¢4,267.75 and urges Management to fully recover the outstanding amount from the customers.

## **24.2. EJURA WATER SUPPLY SYSTEM**

### **Unremitted Tier 2 Pension Deductions - GH¢25,967.48**

Contrary to the National Pension (Amendment) Act, 2014 (Act 883), Management of the Ejura Water System failed to remit Tier 2 pension deductions amounting to GH¢25,967.48 to the designated Fund Managers. The Auditor-General recommended that Management of the Water System should be made to pay the total amount to the fund manager.

The Committee noted that while the Water System had stopped accumulating pension arrears, the entire amount remains unpaid due to cash flow challenges. The Committee again, urges Management to take steps to pay the amount in tranches to avoid penalties for delayed payment.

## **24.3. KOKOFU WATER BOARD**

### **Failure to Account for Unspent Cash Balance - GH¢3,824.05**

The Audit disclosed that the Manager of the Kokofu Water System, Mr. Samuel Boahen failed to account for an amount of GH¢3,824.05 being revenues accrued to the Water System and recommended the recovery of the unaccounted amount from Mr. Samuel Boahen.

The Committee noted that the amount remains unrecovered and recommends to the Management to pursue Mr. Samuel Boahen to recover the amount without further delays.

## **24.4. GOASO WATER SYSTEM**

### **i. Corporate Debtors - GH¢583,613.06**

The Audit disclosed that the Goaso Water System is owed a total debt of GH¢583,613.06 by standpipes and private customers between January, 2020 and March, 2021 in contravention of Regulation 46 of the Public Financial Management Regulations, 2019.



The Auditor-General recommended the recovery of the amount from the defaulters through demand notices failing which the Management should disconnect the pipes.

The Committee noted that an amount of GH¢23,059.50 had been recovered from the defaulters leaving a balance of GH¢515,554.10. The Management however, failed to disconnect the defaulting customers as recommended by the Auditor-General. The Committee therefore, recommends to the Management to implement the recommendations of the Auditor-General to avoid the collapse of the System.

**ii. Unearned Salary - GH¢5,920.00**

The Audit disclosed that Regulation 92 of the Public Financial Management Regulations, 2019 (L.I 2378) was breached when the Management of the Goaso Water System paid an unearned salary amounting to GH¢5,920.00 to Mr. Hector Embaga who absented himself from post between January 2019 and June 2020.

The Committee endorses the recommendation of the Auditors that the full amount should be recovered from Mr. Embaga.

**24.5. AYAMSO WATER BOARD**

**Debtors of the Water Board - GH¢179,213.70**

The Audit disclosed that 46 customers owe the Ayamso Water Board a total amount of GH¢17,100.60 for the period of the audit. In a related development a total amount of GH¢162,113.10 being water supplied under the Government of Ghana's free water policy during the COVID-19 pandemic was also not paid for bringing the total indebtedness to GH¢179,213.70.

The Auditor-General urged the Management to recover the total amount from the individuals involved and the Government to ensure the continuous operation of the Board.

The Committee was informed by the officials from the Ministry of Water Resources and Sanitation that all the claims received for water supplied under the Government free water supply system had been paid for. The unpaid amounts represent claims that are yet to be validated for payment. The Committee therefore urges the Management to resubmit the claim to the Ministry for payment.

#### **24.6. GHANA WATER COMPANY LIMITED (GWCL)**

##### **i. Long outstanding and Uncollectible Debt - GH¢11,187,580**

It was revealed by the Report that some customers who owe Ghana Water Company Limited a total amount of GH¢11,187,580 had not made any payment over a considerable period yet they continue to enjoy water supply in contravention of Section 10 of GWCL Revenue Manual.

The Auditor-General recommended to Management to collect the debts immediately and ensure that all recalcitrant customers are subjected fully to the company's policy on delinquent customers.

The Committee noted that an amount of GH¢346,193.44 had been recovered leaving a balance of GH¢10,841,386.56 in response to the Audit recommendations and urges the Management to subject the defaulting customers to the company policy on recalcitrant customers.

##### **ii. Long Outstanding and Uncollectible Debt (Northern Region) - GH¢307,104.65**

The Audit discovered long outstanding receivables amounting to GH¢307,104.65 in the Northern Region for which no effort is being made to recover in contravention of Section 10 of GWCL Revenue Manual.

The Auditor-General advised management to recover the unpaid debts and ensure that all customers are subjected fully to the company's policy on delinquent customers.



The Committee noted that an amount of GH¢1,600 had been recovered leaving a balance of GH¢305,504.65. Management explained to the Committee that most of the debt has become uncollectible and proposals have been sent to the Board for the outstanding debt to be written off.

## **25.0. MINISTRY OF TOURISM, CREATIVE ARTS AND CULTURE**

### **25.1. GHANA MUSEUMS AND MONUMENTS BOARD**

#### **Procurement without Alternative Quotations - GH¢397,351.25**

Contrary to Section 20 of the Public Procurement (Amendment) Act, 2016 (Act 914), the Audit found that Management did not comply with the procurement processes in procuring goods and services amounting to GH¢397,351.25.

The Auditor-General recommended that Management should provide justification for the unapproved single source procurement method used, failing which sanctions as outlined in Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914) shall be enforced against the authorizing officers.

In the absence of any justifications for the decision, the Committee recommends that the authorizing officers who supervised should be sanctioned in accordance with Section 51 of Act 914.

## **26.0. MINISTRY OF YOUTH AND SPORTS**

### **26.1. NATIONAL SPORTS AUTHORITY**

#### **Official Vehicle Stolen**

Contrary to Section 52 of the Public Financial Management Act 2016 (Act 921), the Audit disclosed that the Director-General of the National Sports Authority reported a theft case involving a vehicle with Registration Number GX 6551-18 belonging to the Authority valued at GH¢150,000.00, however, no Police Report was submitted to the Auditors for verification by Management during the audit.

The Auditor-General recommended to Management to file for Insurance claims since the vehicle had a comprehensive insurance cover.

The Committee noted that the vehicle was neither found nor replaced by the insurance because the Management failed to renew the insurance cover. The Committee is of the firm opinion that the loss of the vehicle is as a result of negligence on the part of Management and therefore recommends the recovery of the sum of GH¢150,000 being the cost of the vehicle from the Director-General of the Authority.

## **26.2. NATIONAL YOUTH AUTHORITY (NYA)**

### **Failure to obtain VAT Invoices - GH¢177,372.63**

The Audit revealed that the Ministry of Youth and Sports on behalf of the National Youth Authority engaged Messrs Joe Kingsley Hackman as a consultant in the design and supervision of the construction of the Youth Resource Centres across ten (10) regions in Ghana at a contract price inclusive of VAT/NHIL. The Authority withheld the VAT/NHIL GETFund component of GH¢167,446.25 without remitting the same to GRA during the payment for the consultancy services in 2018.

In a related development, an amount of GH¢86,482.72 inclusive of Value Added Tax (VAT) of GH¢9,906.38 was paid to Mr. Arnold Boateng, a Board member of the Authority but no VAT Invoices were issued to the Authority resulting in denying the Government some revenues.

The Auditor-General recommended to Management to remit the withheld VAT/NHIL amounting to GH¢167,466.25 to GRA and ensure that Mr. Arnold Boateng provides VAT invoices covering the entire amount of GH¢86,482.72 failing which he should be made to refund the VAT/NHIL of GH¢9,906.38.



The Committee noted that an amount of GH¢40,000 had been remitted to GRA leaving an outstanding balance of GH¢137,372.63. The Committee therefore recommends to GRA to trigger the necessary legal action to recover the amount plus penalty from Messrs Joe Kingsley Hackman and Mr. Arnold Boateng.

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

### **27.1. INSTITUTE OF LOCAL GOVERNMENT STUDIES (ILGS)**

#### **i. Withdrawal from Bank without Payment Vouchers - GH¢1,366,168.75 and €5,000**

Contrary to Regulation 82 of the Public Financial Management Regulations, 2019 (L.I. 2378), the Audit indicated that a total amount of GH¢1,366,168.75 and €5,000 were withdrawn from the bank accounts of the Institute by the former Finance Officer, Mr. Adenanr Saeed Seidu without approved payment vouchers and authorisation from the Head of Accounts and the Principal Spending Officer.

The Committee noted during its sitting that the Euro component of the unauthorized transactions had been recovered whilst an amount of GH¢1,134,610.86 of the Cedi component had also been recovered leaving a balance of GH¢231,557.89.

Additionally, Management complied with the Audit recommendation and investigated the matter leading to the dismissal of the three (3) officers namely, Dr. Abdulai Darimani, Mr. Adenanr Saeed Seidu and Mr. Simaaon Bokor found culpable. The Committee therefore urges the Management to sustain efforts to recover the outstanding amount.

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#### **ii. Payments without Supporting Documents - GH¢65,880.00**

The Audit revealed that seven (7) payment vouchers amounting to GH¢65,880.00 were without receipts in contravention of Regulation 78 of the Public Financial Management Regulations, 2019 (L. I. 2378).

The Auditor-General recommended to the Council of the Institute to recover the receipts, failing which the amount should be refunded by the finance officer.

The Committee observed that payment vouchers amounting to GH¢62,880.00 have been supported with the requisite documentation leaving an amount of GH¢3,000.00 unsupported. The Committee therefore, directs Management to recover the outstanding amount from the Finance Officer in accordance with the Audit recommendations.

## **28.0. INTERNAL AUDIT AGENCY**

### **Vehicle without Road Worthy Certificates and/or Insurance Cover**

Contrary to Section 7 of the Public Financial Management Act, 2016 (Act 921) and Section 92 of the Road Traffic Act, 2004 (Act 683), the Audit disclosed that the Agency did not have insurance cover for ten (10) of its vehicles to mitigate the risk emanating from accident and recommended to the Principal Spending Officer to make funds available for the insurance and renewal of Road Worthy Certificates and to further ensure that all the vehicles are covered at all times with the requisite valid documents.

The Committee noted that the road worthy certificates have been obtained for all ten (10) vehicles, however, the insurance coverage remains a challenge because of liquidity challenges the Agency is confronted with. The Committee therefore advised Management to desist from using uninsured vehicles on the roads.

## **29.0. GENERAL CONCLUSION**

Generally, the Committee having thoroughly examined the Report and formally interacted with the various institutions and agencies observed that there has been a little improvement in the level of adherence and compliance to the recommendations of the Auditor-General.

The Committee, however, was not happy with the high levels of breach of procurement laws coupled with not withheld and unremitted taxes to the Ghana Revenue Authority.

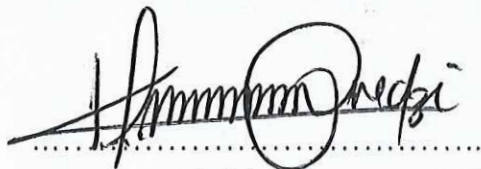


The Committee recommends that Managements of these institutions should show keen interest, take charge and exercise maximum controls in the activities of the Finance Officers.

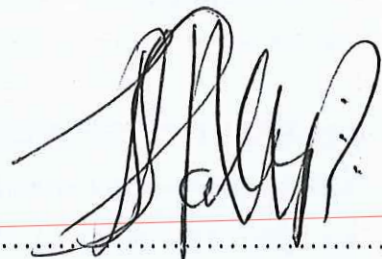
The Committee also recommends skills and capacity building for these officers to improve their knowledge on the job to keep up with the current trend in public business.

The Committee therefore recommends to the House to adopt its Report on the **Report of the Auditor-General on the Public Accounts of Ghana - Public Boards, Corporations and Other Statutory Institutions for the period ended 31<sup>st</sup> December 2021** in accordance with Order 165 (3) of the Standing Orders of the House.

Respectfully submitted.



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



JOANA ABENA SAKYI ADJEI (MRS.)  
CLERK TO THE COMMITTEE

NOVEMBER, 2023