

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

**REPORT OF THE
FINANCE COMMITTEE**

ON THE

**ANNUAL BUDGET ESTIMATES OF OFFICE OF THE
HEAD OF CIVIL SERVICE FOR THE 2016 FINANCIAL
YEAR**

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YEAR**

1.0 INTRODUCTION

The 2016 Budget Estimates of the Office of The Head of Civil Service (OHCS) were on Friday, 13th November, 2015 *referred* to the Finance Committee for consideration and report in accordance with Article 179 of the 1992 Constitution and Standing Orders 140(4) and 169 of the Standing Orders of the House. This followed the presentation of the Budget Statement and Economic Policy of the Government for the 2016 financial year by the Hon. Minister of Finance, Mr. Emmanuel Seth Terkper, on behalf of the President of the Republic of Ghana.

The Committee was assisted in its deliberations by the Head of Civil Service and his technical team and officials from the Ministry of Finance. The Committee is grateful to the Head and the officials for their assistance.

2.0 BACKGROUND

The Office of the Head of Civil Service is the nerve center of the government's administrative machinery of the country. The OHCS derives its mandate from Article 194 (1) of the 1992 Constitution and Section 5 of the Civil Service Act, 1993, PNDCL 327. The OHCS is mandated among others to formulate and review the Human Resource Management policies, guidelines, standards and programmes for the Civil Service and facilitate its implementation. The OHCS is the apex body responsible for human resource

development and improving standards of service delivery in the Civil Service. The Office has over the years implemented programs aimed at improving efficiency and effectiveness in public service delivery in the country.

3.0 REFERENCE

The Committee referred to the following documents during its deliberations:

- a) The 1992 Constitution of Ghana;
- b) The Standing Orders of the Parliament of Ghana;
- c) The Budget Statement and Economic Policy of the Government of Ghana. for the 2015 and 2016 Financial Years;
- d) 2015 Budget and Expenditure Performance Report of OHCS;
- e) The 2016 Annual Estimates for the OHCS; and
- f) The Civil Service Act, 1993, PNDCL 327

4.0 VISION AND MISSION

The OHCS exists as a central management agency to deliver result oriented, knowledge driven services in the area of human resource management and organizational development. OHCS's vision is to become a modernised customer sensitive public organisation that provides world-class services and policy advice. This will be achieved through the improvement in the strategic management capacity of the Civil Service, institution of a robust performance management culture in the Civil Service, improved record management systems as well as improved the skills of staff in the Civil Service.

4.1 DIRECTORATES UNDER THE OHCS

The OHCS works through five specialized directorates and three specialised units. The directorates are:

- i. Finance and Administration Directorate
- ii. Career Management Directorate
- iii. Recruitment, Training and Development Directorate
- iv. Planning, Budgeting, Monitoring and Evaluation Directorate
- v. Research, Statistics and Information Management Directorate

To effectively perform its functions, the OHCS also operate through the following Departments;

- i. Public Records and Archives Administration Department (PRAAD)
- ii. Procurement and Supply Chain Management Department
- iii. Management Services Department

5.0 PERFORMANCE IN 2015

During the year under review, the OHCS and its agencies undertook among others, the following activities:

As part of efforts to improve efficiency and effectiveness in the delivery of public services, Annual Performance Agreements were signed with all Chief Directors to provide the Head of the Service with a broad view of their performance in terms of the administration and management of their respective Sector Ministries. An evaluation exercise was conducted on the performance of 26 Chief Directors who signed agreements in 2014 and a report submitted to the Office of the President. The 2015 Performance Agreements were signed with 27 Chief Directors.

Spearheaded the signing of 2014 Performance Agreements between Chief Directors and their key officers, and rolled out the new Staff Performance Appraisal Instrument to all Ministries to facilitate the achievement of sector goals. In addition, the 2014

edition of the Annual Performance Report (APR) was prepared and 200 copies distributed to the Office of the President, MDAs and other key stakeholders.

Organised orientation programmes for 120 newly appointed officers and trained 843 Civil Servants at the OHCS Training Schools. The Service is also implementing a number of measures to streamline and infuse greater efficiency into the running of the Civil Service Training Institutions, to reposition them to deliver customised and job-related training in a timely and affordable manner to all Civil Servants.

The Public Records and Archives Department (PRAAD) restructured five records centres, decongested three records offices in MDAs and provided training for 80 officers of the Records Class to enhance effective records management.

The Procurement and Supply Chain Management Department (PSCMD) trained 30 officers in procurement planning to provide relevant contemporary professional development and facilitate the adherence to ethical standards in procurement and supply chain management.

6.0 BUDGET PERFORMANCE IN 2015

During the year under review the OHCS and its departments were allocated a total budget of **Ten Million, Three Hundred and Forty-nine Thousand, Three Hundred and Sixty-four Ghana Cedis (GH¢10,349,364.00)**. Out of this amount, **GH¢8,850,509.00** is GOG and **GH¢1,498,854.00** is IGF. The allocation was disbursed among its departments as follow:

	GH¢
Head of Civil Service	- 7,268,486.00
Management Service	- 1,025,906.00
Public Records and Archives Adm.	- 1,754,972.00
Procurement and Supply Chain Management Dept.	- <u>300,000.00</u>
Total	- <u>10,349,364.00</u>

The 2015 allocation was further divided among the department and divisions of the OHCS as follows;

6.1 Office of the Head of Civil Service (OHCS)

The Office of the Head of Civil Service was allocated a total amount of **GH¢10,349,363.00** for its activities in 2015. This was made up of **GH¢8,772,509.00** from GOG sources and the sum of **GH¢1,476,854.00** from IGF. The amount was disbursed among the various cost centers as follows:

	GH¢
Compensation of Employees	- 5,122,509.00
Goods and Services	- 4,276,850.00
Capital Expenditure	- <u>950,004.00</u>
TOTAL	- <u>10,349,363.00</u>

The expenditure returns are as follows:

GOG expenditure return as at 30/9/2015

SN	ITEM	2015 ALLOCATION (GH¢)	ACTUAL AS AT 30/09/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	5,122,509.00	4,379,017.38	743,491.62
2	Goods and Services	3,000,000.00	1,423,446.67	1,576,553.33
3	Capital Expenditure	750,000.00	0.00	750,000
	Total	8,872,509.00	5,802,464.05	3,070,045.95

IGF expenditure return as at 30/9/2015

SN	ITEM	2015 ALLOCATION (GH¢)	ACTUAL AS AT 30/09/2015 (GH¢)	VARIANCE (GH¢)
1	Goods and Services	1,276,850.00	939,082.42	337,767.58
2	Capital Expenditure	200,004.00	0.00	200,004.00
	Total	1,476,854.00	939,082.42	537,771.58

Total Expenditure Returns as at 30/09/19

No	ITEM	2015 ALLOCATIONS GH¢	ACTUALS AS 30/09/15 GH¢	VARIANCE GH¢
1	Compensation	5,122,509	4,379,017.38	743,491.62
2	Goods & services	4,276,850	2,362,529.09	1,914,320.91
3	CAPEX	950,004	0	950,004
	Total	10,349,363	6,741,546.47	3,607,816.53

7.0 OUTLOOK FOR 2016

During the 2016 financial year the OHCS will focus its expenditure on the implementation of the following programmes and activities;

- a. The Service will continue to pursue organisational development and restructuring, human resource management, training and capacity development of civil servants, performance management system, and production of the Civil Service Annual Performance Report.
- b. In addition, the Service will coordinate the 13th Forum of Commonwealth African Heads of Public Service to be hosted in Ghana. The forum provides a platform to dialogue, network, share knowledge and experiences on good practices and contemporary issues in public sector management.
- c. PRAAD will restructure 13 records management systems, decongest 10 records offices in MDAs and train 100 records staff of the various MDAs and MMDAs. In addition, the Department will embark on sensitization programmes in good recordkeeping in selected RCCs and MMDAs.
- d. The PSCMD will develop and launch three strategic handbooks on procurement and supply chain management. This will harmonize and guide operations of Procurement and Supply Chain Officers in MDAs to ensure consistency. MDAs will be monitored to ensure compliance with the Procurement Law and Financial Administration Regulations. The Department will also commence the placement of tenders on the electronic procurement platform with the aim of increasing transparency and effectiveness of the contract management process.

7.0

2016 BUDGET ALLOCATION

To implement the above programmes, the OHCS has been allocated an amount of **Ten Million, Three Hundred and Ninety-nine Thousand, Five Hundred and Twenty-four Ghana Cedis (GH¢10,399,524.00)**. Out of this, **Eight Million, Nine Hundred and Thirty-two Thousand, Eight Hundred and One Ghana Cedis (GH¢8,932,801.00)** is GOG and **One Million, Four Hundred and Sixty-six Thousand, Seven Hundred and Twenty-three Ghana Cedis (GH¢1,466,723.00)** is IGF. The allocation is to be expended among the various cost centres as follows:

GOG		GH¢	GH¢
Compensation for Employees	-	6,932,801.00	
Goods and Services	-	2,000,000.00	
Sub-Total	-		8,932,801.00
IGF			
Goods and services	-	1,296,723.00	
CAPEX	-	170,000.00	
Sub-Total	-		<u>1,466,723.00</u>
Grand Total			<u>10,399,524.00</u>

The 2016 allocation will be divided among the various cost centres of the OHCS as follows:

S/N	COST CENTRE	COMPENSATION OF EMPLOYEES (GH¢)	GOODS AND SERVICES (GH¢)	CAPITAL EXPENDITURE (GH¢)
1	Finance and Administration	1,307,321.00	1,004,000.00	0.00
2	Planning, Budgeting, Monitoring and Evaluation	360,863.00	175,000.00	0.00
3	Carrier Management Directorate	371,870.00	161,000.00	0.00

	Recruitment, Training and Devpt.	1,699,733.00	1,398,420	170,000
	Research, Statistics and Information Management	147,405.00	75,000	0.00
	Procurement and Supply Chain Management	237,028.00	125,000.00	
	Management Services Department	820,588.00	140,000.00	0.00
	Public Records and Archives Administration	1,987,995.00	218,303.00	0.00
	Total	6,932,801	3,296,723.00	170,000

The allocation is further to be disbursed among the various departments as follows:

7.1 Office of the Head of Civil Service (OHCS)

The Office of the Head of Civil Service has been allocated a total budgetary provision of **GH¢6,870,610.00** to be disbursed in the 2016 financial year as follows:

GOG		(GH¢)
Compensation of Employees	-	3,887,190.00
Goods and Services	-	1,535,000.00
Sub-Total	-	5,422,190.00
IGF		
Goods and Services	-	1,278,420.00
Capital Expenditure	-	170,000.00
Sub-Total	-	<u>1,448,420.00</u>
Grand Total	-	<u>6,870,610.00</u>

7.2 Management Services

For the 2016 financial year, Management Services has been allocated an amount of **GH¢960,588.00** to be disbursed as follows:

		(GH¢)
Compensation of Employees	-	820,588.00
Goods and Services	-	140,000.00
Sub-Total	-	<u>960,588.00</u>

7.3 Public Records and Archives Administration Department (PRAAD)

The Public Records and Archives Administration Department has been allocated an amount of **GH¢2,206,298.00** for its activities in 2016. The breakdown of the allocation is as follows:

GOG		(GH¢)
Compensation of Employees	-	1,987,995.00
Goods and Services	-	200,000.00
Capital Expenditure	-	2,187,995.00
IGF - Goods and Services	-	18,303.00
Grand Total	-	<u>2,206,298.00</u>

7.4 Procurement and Supply Chain Management Department (PSCMD)

The Procurement and Supply Chain Management Department has been allocated an amount of **GH¢362,028.00** for its activities in 2016. The allocation is to be expended on the following:

GOG		(GH¢)
Compensation of Employees	-	237,028.00
Goods and Services	-	<u>125,000.00</u>
Total	-	<u>362,028.00</u>

8.0 OBSERVATIONS

Increased Expenditure on Employees Compensation

The Committee observed that the allocation for compensation of employees increased from **GH¢5,122,509.00** in 2015 to **GH¢6,932,801.00** in 2016. This represents an increase of **GH¢1,810,292.00** or 35.34% over the 2015 approved budgetary allocation and the following reasons were highlighted as accounting for the increase:

- a. Transfer of the salaries of employees of the Public Service Commission Management Division under which hitherto formed part of compensation of employee under the Ministry of Finance.
- b. Transfer of the monthly and sitting allowances of the Civil Service Council members which previously were budgeted for under goods and service.
- c. Provision of the 2015 10% salary increment for public service workers.

It was however, explained that the allocation does not include the 2016 salary increment and the new approved allowances announced by the government with an explanation from the Ministry of Finance that these would be handled later since the announcement came after the budgetary ceilings have been approved.

Shortfall in Budgetary Allocation

The Committee noted that apart from the increased budgetary allocation for compensations, all the other expenditure items suffered general reduction. In the case of goods and services, the figure decreased from **GH¢3,000,000.00** to **GH¢2,000,000.00** though the Office actually required an amount of **GH¢4,683,500.00** in 2016. It was explained that the required amount was to enable OHCS to undertake critical activities such as the hosting of the 13th Forum of Commonwealth African Heads of Public Service Conference scheduled for July, 2016 and capacity building training for Civil Servants in the area of cabinet memos and report writing. Other activities that may likely suffer as a result of the decreased goods and service allocations include:

- a. Payment of AAPAM subscription arrears
- b. Payment of outstanding electricity bills and 2016 bills

- c. Implementation of the 2016 round of Chief Directors and Directors Performance Agreements
- d. Rehabilitation of PRAAD regional offices and initiating the process of introducing e-record management into Civil Service

In the area of CAPEX, the Committee noted that an amount of GH¢70,000.00 has been approved under IGF to cater for the capital needs of the OHCS for 2016. However, per the work plan and budget of OHCS, an amount of GH¢ 4,683,500.00 is required as CAPEX for 2016. This amount, it was indicated was to be used among others, to transform the Civil Service Training Institutions into centres of excellence for the training of Civil Servants at an affordable cost to the nation. The Committee further learnt the OHCS has since 2009 commenced several projects in the schools and these projects are at various stages of completion.

Logistical Challenges

The Committee further learnt due to inadequate budgetary allocations over the years, OHCS and its agencies lack basic logistics required for effective and efficient functioning and that the OHCS intended to use part of the CAPEX amount to procure vehicles for monitoring or PRAAD and PSCMD and also rehabilitate some records repositories and procure office equipment and furniture for OHCS, MSD, PRAAD and PSCMD.

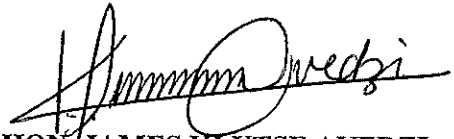
Therefore with a meager **GH¢70,000.00** allocated for CAPEX in 2016, all the above activities would have to be put on hold if additional funds were not provided. The Committee accordingly calls on the Ministry of Finance to adequately resource OHCS to enable it carry out its mandate effectively and efficiently.

9.0 CONCLUSION

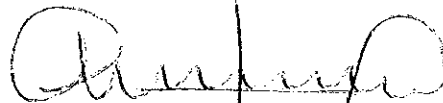
The Committee, after careful examination of the Budget Estimates recommends to the House to adopt its report and approve the sum of **Ten Million, Three Hundred and Ninety-nine Thousand, Five Hundred and Twenty-four Ghana Cedis**

(GH¢10,399,524.00) to enable the OHCS implement its programmes for the 2016 financial year.

Respectfully submitted.



HON. JAMES KLUTSE AVEDZI
CHAIRMAN, FINANCE COMMITTEE



ROSEMARY ARTHUR SARKODIE
CLERK, FINANCE COMMITTEE

December, 2015