

IN THE FOURTH 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 MANAGEMENT AND UTILISATION OF DISTRICT ASSEMBLIES  
COMMON FUND AND OTHER STATUTORY FUNDS FOR THE YEAR ENDED 31  
DECEMBER 2022**

**1.0. INTRODUCTION**

The Report of the Auditor-General on the Management and Utilization of the District Assemblies Common Fund and Other Statutory Funds for the year ended 31 December 2022 was presented to the House by Hon. Minister for Parliamentary Affairs, Mr. Osei Kyei-Mensah-Bonsu on 4<sup>th</sup> July, 2023 in accordance with Article 187 (5) of the 1992 Constitution of the Republic of Ghana.

Pursuant to Order 229 (3) of the Standing Orders of the Parliament of Ghana the Report was referred to the Public Accounts Committee (PAC) for examination and report to the House.

The Committee subsequently met and considered the Report with the Chief Executive Officers and officials of the Assemblies involved as well as officers from the Ghana Audit Service. The Committee hereby presents this report to the House pursuant to Oder 215 (1) of the Standing Orders.

The Audit was undertaken in accordance with Article 187 of the 1992 Constitution of the Republic of Ghana, which mandates the Auditor-General to audit the Public Accounts of Ghana and all public offices, institutions, and organizations and report to Parliament.

## **2.0. ACKNOWLEDGMENT**

The Committee is very grateful to all the Metropolitan, Municipal and District Chief Executives, Officials of the Assemblies and the Ghana Audit Service for their cooperation and support. A lot of gratitude also goes to the media for the live broadcast of the Committee proceedings.

## **3.0. REFERENCE**

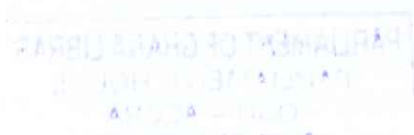
The following legal Instruments guided the Committee during the deliberations:

- i. The Constitution of the Republic of Ghana, 1992;
- ii. The Standing Orders of the Parliament of Ghana;
- iii. The Public Financial Management Act, 2016 (Act 921);
- iv. The Public Procurement Act 2003 (Act 663);
- v. 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 Income Tax Act 2015 (Act 896);
- ix. The Value Added Tax Act, 2013 (Act 870);
- x. Local Governance Act, 2016 (Act 936);
- xi. Local Governance (Amendment) Act, 2017, Act 940;
- xii. District Assemblies Common Fund Act, 1993 (Act 455);
- xiii. Guidelines on the Utilisation of the District Assemblies Common Fund (DACF);  
and
- xiv. The Public Financial Management Regulation 2019 (L.I. 2378).

## **4.0. PURPOSE OF THE AUDIT**

The purpose of the Audit was for the Auditor-General to express his opinion on the financial statements of MMDAs and to determine whether the activities and expenditures were done in conformity with the existing public financial management legislations and guidelines that govern the general administration of the Assemblies and the utilization of the District Assemblies Common Fund in particular.

The audit is also to ascertain the extent of compliance with applicable laws, regulations, and guidelines. These included the Local Governance Act, 2016 (Act 936), Public Financial Management Act, 2016 (Act 921), Public Financial Management Regulations, 2019 (L.I. 2378), Public Procurement Act, 2003 (Act 663), Public Procurement (Amendment Act, 2016) and Guidelines on the Utilisation of the District Assemblies' Common Fund.





## 5.0. PROCEDURE

In examining the Report, the Committee was furnished with relevant documentation on the status of implementation of the recommendation of the Auditor by all the Metropolitans, Municipals, and District Assemblies (MMDAs) indicted in the Report by the Auditor-General. The Committee also received a report on the status of Implementation of the recommendation of the Auditor-General from the Ghana Audit Service.

The Committee engaged with Management and key staff of the Assemblies to solicit clarifications and further explanations to the issues/queries raised by the Auditor-General in his Report and on issues of general public interest.

## 6.0. SUMMARY OF AUDIT FINDINGS

The findings of the Auditor-General related to Cash Irregularities, Procurement/Stores Irregularities, Tax Irregularities, and Contracts Irregularities. The overall impact of the irregularities amounted to GH¢53,636,715.87 compared to GH¢66,130,366.12 in 2021.

The audit also uncovered irregularities in the operations and management of funds by the Metropolitan, Municipal, and District Assemblies (MMDAs). The irregularities were largely due to violation of Laws, Regulations and Guidelines, and also management override of internal controls instituted to ensure effective and efficient utilisation of resources. The irregularities included unaccounted funds, misapplication of funds, over-utilisation of Common Fund on recurrent expenditure, payment of judgment debts, abandoned/delayed projects, and completed projects not used.

For the 2022 financial year, the total irregularities reduced to GH¢53,636,715.87 compared to GH¢66,130,366.12 in 2021. The comparative irregularities from the 2018 to 2022 financial years are provided in the table below;

**Table 1: Comparative Irregularities from 2018 to 2022**

Year	Cash Irregularities	Contract Irregularities	Procurement And Store Irregularities	Tax Irregularities	Total
2018	47,139,747.82	65,618,865.70	7,356,299.95	452,983.31	120,567,896.78
2019	33,213,320.67	86,980,848.61	4,121,790.40	324,886.24	124,640,845.92
2020	23,505,854.48	45,692,398.53	7,716,366.62	232,640.47	77,147,260.10
2021	7,511,747.85	57,601,901.48	642,269.42	374,444.37	66,130,366.12
2022	12,092,429.97	40,297,628.96	751,010.75	495,646.19	53,636,715.87

## 7.0. OBSERVATIONS

The following are the observations of the Committee:

### 7.1. OVERSTATEMENT

The Committee noted that the total value of irregularities in the Auditor-General's report was overstated by GH¢50,614. The overstatement is in respect of unsupplied metallic containers to the Cape Coast Metropolitan Assembly which was valued at GH¢55,414 instead of GH¢4,800 resulting in an overstatement of GH¢50,614. This brings the total infractions down to GH¢53,586,101.87 from GH¢53,636,715.87 as stated in the Auditor-General's report.

The error affected the value of Procurement/Stores Irregularities as identified by the Auditor-General which reduced from GH¢751,010.75 to GH¢700,396.75. The adjusted irregularities are as follows:

**Table 3: Adjusted Irregularities**

Type of Irregularities	Value per Auditor General's Reports 2022 (GH¢)	Overstatement (GH¢)	Adjusted Irregularities (GH¢)
Cash Irregularities	12,092,429.97	0.00	12,092,429.97
Stores/ Procurement	751,010.75	50,614	700,396.75
Tax	495,646.19	0.00	495,646.19
Contract Irregularities	40,297,628.96	0.00	40,297,628.96
<b>Total</b>	<b>53,636,715.87</b>	<b>50,614</b>	<b>53,586,101.87</b>

### 7.2. STATUS OF 2022 IRREGULARITIES

The Committee noted that some of the Assemblies had complied with the Auditor-General's recommendations regarding the irregularities cited against them in the Report. At the time of the Committee sitting, affected Assemblies had either regularised the transactions or refunded monies expended without due regard to laid down regulations. However, delayed/abandoned projects under contract irregularities are largely unresolved. The Committee noted that majority of the uncompleted or abandoned projects were funded through the District Assembly Common Fund.

A total amount of GH¢22,565,354 or 42.11% of a total infraction of GH¢53,586,101.87 under Cash, Stores, Tax, and Contract Irregularities had been recovered or accounted for leaving an unresolved balance of GH¢31,020,747.87.



The detailed analysis of the status of the 2022 irregularities is presented in the following table:

**Table 4: Status of 2022 Irregularities**

Type of Irregularity	2022 Irregularities (GH¢)	Irregularities Resolved (GH¢)	Outstanding (GH¢)	% Resolved
Cash Irregularities	12,092,429.97	8,004,302.81	4,088,127.16	66.19
Contract Irregularities	40,297,628.96	13,414,135.75	26,883,493.21	33.29
Stores/Procurement Irregularities	700,396.75	651,269.25	49,127.50	92.98
Tax Irregularities	495,646.19	495,646.19	0.00	100
<b>Total</b>	<b>53,586,101.87</b>	<b>22,565,354</b>	<b>31,020,747.87</b>	<b>42.11</b>

## 8.0. OBSERVATIONS AND RECOMMENDATIONS OF THE COMMITTEE

At the end of the Committee sitting the following issues remained unresolved:

### 8.1. Over-utilisation of Common Fund on recurrent expenditure - GH¢7,095,156.13

The audit uncovered that Management of twenty-one (21) Assemblies exceeded their thresholds for administrative expenditure and misapplied a total amount of GH¢7,095,156.13 of DACF funds on payment for recurrent expenditures contrary to Part 1 of the 2019 Guidelines for Utilisation of DACF.

The Auditor-General recommended to the Management of the Assemblies to recover the amount of GH¢7,095,156.13 from their Internally Generated Fund (IGF) accounts into the DACF accounts. It was further recommended that, the Management of the Assemblies should put in place measures aimed at improving their revenue mobilisation efforts and desist from misapplication of the Common Fund.

At the time of Public Sitting, it was revealed that a total amount of GH¢3,013,597.77 had been refunded by thirteen (13) Assemblies leaving a balance of GH¢4,081,558.36 in the names of fifteen Assemblies outstanding. Details are in the table below;

**Table 5: Over-utilisation of Common Fund on Recurrent Expenditure**

No.	Assembly	Over-Utilisation Amount (GH¢)	Amount Refunded(GH¢)	Amount Outstanding (GH¢)
1	Adansi Asokwa	34,841.38	27,600	7,241.38
2	Ejura Sekyeredumase	656,133.10	150,000	506,133.1
3	Mampong	132,093.34	11,000	121,093.34
4	Twifo Hemang Lower Denkyira	294,244.59	-	294,244.59
5	Upper Denkyira East	232,377.01	-	232,377.01
6	Upper Denkyira West	216,924.16	-	216,924.16
7	Cape Coast Metro	20,561.92	20,561.92	-
8	Assin South	119,067.81	99,000.00	20,067.81
9	Atti-Morkwa	541,102.15	-	541,102.15
10	Gomoa West	456,778.72	-	456,778.72
11	Asikuma Odoben Brakwa	134,090.72	110,000.00	24,090.72
12	Ekumfi	690,987.47	10,000.00	680,987.47
13	Fanteakwa South	371,593.52	-	371,593.52
14	Builsa North	752,844.98	752,844.98	-
15	Bolga East	782,815.07	782,815.07	-
16	Jirapa	230,632.29	230,632.29	-
17	Wa East	101,200.00	101,200.00	-
18	Effia-Kwesimintsim	201,943.51	201,943.51	-
19	Ellembele	173,081.13	-	173,081.13
20	Nzema East	250,550.81	-	250,550.81
21	Shama	701,292.45	516,000.00	185,292.45
	<b>Total</b>	<b>7,095,156.13</b>	<b>3,013,597.77</b>	<b>4,081,558.36</b>

The Committee noted that the overutilization of the DACF is as a result of the failure of the Assemblies to generate sufficient revenue to meet their recurrent expenditure. Most of the Assemblies blamed their inability to generate sufficient revenue to refund the previous overutilization on the Government directive to suspend the collection of property rate over the period under consideration. The Committee noted that the directive has adversely affected revenue mobilisation



at the local levels thereby impacting the ability of the Assemblies to meet their recurrent expenses. The Committee further noted that Government has since reversed the directive. In view of this, the Committee recommends that the total amount of GH¢4,081,558.36 being over utilised DACF should be refunded by the fifteen (15) Assemblies into the Common Fund Account.

### **Recommendation**

To forestall the reoccurrence of this, the Committee recommends that the Ministry of Finance should put a quota caveat on the GIFMIS platform to prevent the excess spending of the Common Fund on recurrent expenditure.

### **8.2. Failure to allocate funds to Sub-Structures - GH¢581,118.54**

Contrary to Part 1 paragraph 3 of the 2019 Guidelines for the Utilisation of the DACF, the audit disclosed that the Management of sixteen (16) Assemblies failed to allocate the required two percent of their allocation for the activities of their District Sub-Structures.

The Auditor-General recommended to Management of the Assemblies to ensure compliance with the DACF Guidelines and transfer the amount of GH¢581,118.54 from their DACF accounts into the Sub-Structure accounts.

During the time of Public Sitting, it came to light that fourteen (14) Assemblies have complied with the Auditor-General's recommendation and allocated GH¢530,516.99 to the sub-Structures. However, GH¢50,601.55 remained outstanding in the name of Asikuma Odoben Brakwa and Achiase district Assemblies. The Committee recommends to Management of the two Assemblies to transfer the total amount of GH¢50,601.55 being the 2% of the DACF receipts to the accounts of the Sub-Structures.

### **8.3. Non-recovery of Judgement Debt - GH¢476,183.54**

In contravention to Section 7 (1a) & (2) of the Public Financial Management Act, 2016 (Act 921) and Regulation 32 of the Public Financial Management Regulations, 2019 (L.I. 2378), the audit revealed that the Management of four (4) Assemblies carried out transactions which resulted in Judgement Debt amounting to GH¢476,183.54.

The Audit further disclosed that Kumasi Metropolitan Assembly paid the judgement debt amounting to GH¢150,000 from its Common Fund in

contravention of the guideline for the utilisation of the District Assemblies Common Fund. The Management of Agotime-Ziope District paid GH¢111,368.95 above its liability while Wa East recorded GH¢114,996.53 in their books as Judgement debt. Further, the Bolgatanga High Court has ordered the recovery of an overpayment amounting to GH¢99,818.06 to Messrs Bisco Tesco Enterprise by the Builsa North District Assembly.

The Auditor-General recommended the recovery of GH¢150,000.00, GH¢114,996.53 and GH¢111,368.95 from the IGF accounts into the DACF account of the Kumasi Metropolitan Assembly (KMA), Agotime-Ziope and Wa East District Assembly respectively. Additionally, the Auditor-General recommended the recovery of overpayment of GH¢99,818.06 by the Builsa North District Assembly with the associated interest. Furthermore, the Chief Executive and Coordinating Director of Wa East District whose inaction resulted in the avoidable judgement debt should be sanctioned.

The Committee observed that the Common Fund Account of the three Assemblies has been reimbursed with an amount of GH¢376,365.48 in compliance with the audit recommendations leaving an outstanding amount of GH¢99,818.06 in the name of Builsa North District Assembly. The Committee further noted that the amount GH¢99,818.06 has been revised to GH¢491,477 (overpayment of GH¢99,818.06 plus interest of GH¢391,658.94). The Committee therefore recommends recovery of the sum of GH¢491,477 from Messrs Bisco Tesco Enterprise.

#### **8.4. Misapplication of Funds - GH¢410,387.87**

Contrary to Section 7 of the Public Financial Management Act, 2016 (Act 921), Regulation 78 (1) of the PFMR, 2019 (L.I. 2378) and Part 1 of the 2019 Guidelines for Utilisation of DACF, the Management of Ejura Sekyeredumase Municipal Assembly misapplied Common Fund amounting to GH¢25,000.00 for the payment of transfer grant for staff. In a related development five (5) Assemblies misapplied PWD funds to the tune of GH¢350,655.50 for the payment of funeral donation and other unrelated activities. Wassa East District Assembly also misapplied Mineral Development Fund amounting to GH¢67,062.37 for the payment for furniture for the temporary office of the District Chief Executive and for Budget training workshop.



The Auditor-General recommended a refund of the amount of GH¢25,000.00 and GH¢350,655.50 being DACF and PWD Funds misapplied by the six Assemblies from the IGF accounts into the DACF and PWD accounts of the respective Assemblies. Additionally, the Management of Wasa East District Assembly should reimburse the MDF account with the sum of GH¢67,062.37 from their IGF account.

The Committee noted that Six (6) Assemblies (Ejura Sekyeredumase, Suhum, West Gonja, Central Tongu, Wassa East and Bia East Assemblies) complied with the Auditor-General's recommendation and refunded a total amount of GH¢385,687.87 leaving an outstanding amount of GH¢27,700.00 in the name of Aowin Municipal Assembly. The Committee recommends that the Management of Aowin Municipal Assembly should immediately reimburse the Common Fund Account with the misapplied amount GH¢27,700.00.

#### **8.5. Failure to recover payment for clearing of landfill site – GH¢79,000.00**

Contrary to Section 7 of the Public Financial Management Act, 2016 (Act 916), the audit disclosed that the Akuapem North Municipal Assembly paid an amount GH¢158,000.00 being the total cost of clearing a shared landfill site for the two Assemblies and later requested Okere District to refund its share of the GH¢79,000.00.

The Auditor-General recommended that the Management of Akuapem North Municipal Assembly should pursue recovery of the GH¢79,000.00 from the Okere District Assembly and to prevent the recurrence of the anomaly.

At the time of the Public Hearing, the Committee noted that the Management of Akuapem North Municipal made a request to Okere District yet the amount remained outstanding. The Committee further noted the amount is in contention and therefore recommends to the auditors to do a reconciliation with the two Districts to ascertain the amount for payment to be effected.

#### **8.6. Completed Projects Not in use - GH¢7,139,729.14**

The Audit disclosed that in contravention to Section 52 of the Public Financial Management Act, 2016 (Act 921) nineteen (19) Assemblies completed thirty-three (33) projects at a total cost of GH¢7,139,729.14 but failed to put them to use due to several reasons including lack of water, security and electricity.

The Auditor-General recommended to the Management of the Assemblies involved to ensure that the bottlenecks preventing the usage of the facilities are resolved to enable the communities benefit from the projects.

The Committee observed during the Hearing that fifteen (15) Assemblies had complied with the Auditor-General's recommendations by putting twenty (27) completed projects worth GH¢5,840,069.39 to use. However, six (6) completed projects totalling GH¢1,299,659.75 at Atwima Mponua, Assin South, Ningo Prampram and Builsa South Districts are still not in use.

The Committee recommends that the four (4) Assemblies take urgent steps to put the said projects into use. The Committee further recommends to the Management of the Assemblies to ensure adequate budget preparations are done before undertaking projects.

**8.7. Abandoned/Delayed Projects - GH¢33,091,770.82**

The Report revealed that Seventy-Eight (78) Assemblies had abandoned or delayed a total of 218 projects (o/w 194 is DACF and 24 is DDF) for which a total amount of GH¢33,091,770.82 had been paid in contravention of Section 52 of the Public Financial Management Act 2016 (Act 921).

The Auditor-General recommended that Management of the MMDAs whose projects are either delayed or abandoned should complete the projects for the benefit of the communities. It was further recommended to the Management of the Assemblies involved to put the awarding of new projects on hold and use all the available resources at their disposal to complete the existing stalled projects.

The Committee noted that a total of 92 projects for which GH¢7,507,937.36 had been expended had been completed and in use leaving 126 projects worth GH¢25,583,833.46 either abandoned or at various levels of completion. The outstanding projects are in the names of the following Assemblies:

**Table 6: Status of Outstanding Projects**

ASSEMBLIES	No. of Projects Abandoned or	No Completed	Outstanding Projects	Status of Outstanding Projects
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	delayed			
Asunafo South	4	0	4	Repackaged & re-awarded
Tano South	3	2	1	2 Completed & 1 outstanding
Asokore Mampong	4	0	4	Outstanding
Atwima Kwanwoma	1	0	1	On-going
Bekwai	2	0	2	Outstanding
Bosome Freho	7	0	7	Outstanding
Kumasi Metro	2	0	2	Outstanding
Sekyere Kumawu	4	1	3	1 completed & 3 outstanding
Banda	3	1	2	1 Completed & 2 outstanding
Dormaa Central	1	0	1	Outstanding
Jaman South	3	1	2	1 Completed & 2 outstanding
Sunyani West	4	3	1	3 Completed & 1 outstanding
Kintampo	2	0	2	Outstanding
Nkoranza North	1	1	0	90% Complete
Agona West	4	1	3	1 Completed & 3 outstanding
Agona East	7	4	3	4 Completed & 3 outstanding
Asikuma Odoben Brakwa	5	0	5	2 terminated & yet to repackaged & award with 3 outstanding
Assin South	3	0	3	On-going
Upper Denkyira East	3	0	3	Outstanding
Abura Asebu Kwamankese	4	0	4	Outstanding
Assin Fosu	1	0	1	Outstanding
Assin North	2	1	1	1 Completed & 1 Outstanding
Komenda Edina Eguafo Abrem	1	0	1	On-going
Upper Denkyira West	3	2	1	On-going
Gomoa East	5	2	3	On-going
Gomoa West	4	2	2	2 Completed & 2 Outstanding
Ekumfi	4	2	2	On-going
Akyemansa	3	1	2	1 almost complete and 1 outstanding
Kwahu Afram Plains North	2	0	2	On-going
West Mamprusi	1	0	1	1 Outstanding

Bunkpurugu Nakpanduri	1	0	1	1 Outstanding to be done by SOCO
Tolon	7	4	3	4 Completed & 3 Outstanding
Nkwanta South	1	0	1	1 Outstanding
North Gonja	2	1	1	1 Completed & 1 Outstanding
East Gonja	3	2	1	2 Completed & 1 Outstanding
Builsa North	4	0	4	1 roofing level, 1 at plastering stage, 1 at lengthen level & 1 95% Completed(all SOCO sponsored)
Bolga East	3	0	3	1 85% Complete, 1 70%, 1 90% Completed and being used
Bolgatanga	2	0	2	1 terminated & repackaged, 1 Completed
Builsa South	1	0	1	1 Outstanding
Nadowli Kaleo	3	1	2	1 Completed, 2 at 95% complete
Effia-Kwesimintsim	1	0	1	On-going
Jomoro	5	1	4	1 Completed, 4 Ongoing
Shama	2	0	2	2 Outstanding
Amenfi Central	5	1	4	4 Outstanding
Amenfi East	5	3	2	2 Outstanding
Amenfi West	2	0	2	2 outstanding
Wassa East	2	1	1	1 completed % 1 outstanding
Sefwi Wiawso	3	0	3	2 repackaged, 1 Work in progress
Juaboso	3	0	3	1 Work in progress, 2 Outsatnding
<b>Sub-Total</b>	<b>148</b>	<b>38</b>	<b>110</b>	
DACF-RFG				
Adansi North	5	0	5	5 Outstanding
Sene East	3	0	3	3 outstanding
Sene West	1	0	1	Work in progress
Assin South	1	0	1	Work in progress
Atiwa East	1	0	1	1 outstanding
Upper West Akim	1	0	1	1 Outstanding
Amenfi West	3	0	3	3 Outstanding
Sefwi Wiawso	3	2	1	2 Completed, 1 Outstanding
<b>Sub-Total</b>	<b>18</b>	<b>2</b>	<b>16</b>	
<b>Grand Total</b>	<b>166</b>	<b>40</b>	<b>126</b>	



### **8.8. Unaccounted stores/fuel – GH¢601,185.75**

In contrast to Section 52 of the PFM Act 2016 (Act 921) and Regulation 78 of Public Financial Management Regulations, 2019 (L.I. 2378), the audit disclosed that seven (7) Assemblies procured various items totalling GH¢601,185.75 which included fuel, food items, computers, street lights without evidence to support the transactions.

The Auditor-General recommended the recovery of the amount from the Coordinating Directors, Finance Officers, Works Engineer, MPs and the authorizing officers involved.

The Committee noted during the Public Sitting that Kumasi Metropolitan Assembly, Pru East District, Agotime-Ziope District, Tarkwa Nsuaem, Amenfi Central, and Cape Coast Metro have subsequently provided evidence to support GH¢566,558.25 leaving an outstanding balance of GH¢34,627.50 in the name of Asunafo North Municipal Assembly.

The Committee recommended that the amount of GH¢34,627.50 should be recovered from the Coordinating Directors and Finance Officers of the Asunafo North Municipal Assembly.

### **8.9. Payments for goods and services not supplied or rendered - GH¢99,211.00**

The audit discovered that six (6) Assemblies paid an amount of GH¢99,211.00 for goods and services but Management could not provide evidence of the receipt of the goods and services that had been paid for in contravention of Regulation 78 of the Public Financial Management Regulations, 2019 (L.I. 2378).

The Auditor-General recommended the recovery of GH¢4,800 from the contractor in the case of Cape Coast Metro, GH¢17,661 from the payees in the case of Ajumako Enyan Essiam & Assin South and GH¢59,250 from the various payees in the case of Banda & Berekum West. It was further recommended that the Management of Savelugu Municipal should compel "Gizo Legacy" to supply the unsupplied desks to the three schools' failure of which the Municipal Coordinating Director and Municipal Finance Officer should refund an amount of GH¢17,500 paid to the supplier.

The Committee observed that the goods and services valued at GH¢81,550 has been supplied to Savelugu Municipal, Banda District, Berekum West and Cape Coast Metro. An additional amount of GH¢3,161 has been recovered from Kharis J. Ent. by Ajumako Enyan Essiam leaving an outstanding amount of GH¢14,500 in the name of Assin South District Assembly. Management of Assin South indicated to the Committee that the amount was paid to the RCC for the hiring of drones for the preparation of the Assemblies Development plan. All efforts to get an acknowledgement from the Regional Coordinating Council failed. The Committee recommends the recovery of the total amount of GH¢14,500 from the Regional Coordinating Director, The District Coordinating Director and the District Finance Officer.

#### **9.0. Failure to Supply, repair or replace broken-down SIP Equipment**

The agreements on sanitation management with the Assemblies require quarterly deductions of fees by the Administrator from the Common Fund allocations of the Assemblies to Zoom Lion Ghana Ltd (ZGL), the Service Provider. The audit disclosed that Zoom Lion Ghana Ltd (ZGL) failed to supply 42 skip trucks and 157 containers and also failed to repair or replace 34 broken down trucks and 109 damaged containers for 69 Assemblies in contravention of Section 7 of the PFM Act, 2016 (Act 921) and the Service Agreement.

The Auditor-General recommended to Management of the Assemblies to ensure that ZGL supply the outstanding refuse containers and trucks and also replace the damaged trucks and containers without further delay.

The Committee noted that 14 Skip trucks and 22 containers has either been supplied or replaced leaving 28 Skip trucks and 135 containers outstanding. Details of the outstanding trucks and equipment is attached as appendix I.

Officials of Zoom Lion Ghana Limited informed the Committee that the Company has procured the Skip Trucks from outside Ghana and the Containers are being fabricated as well. They assured the Committee that the outstanding equipment would be supplied by 31<sup>st</sup> August, 2024. They further assured the Committee that sufficient equipment and containers will be placed on standby to replace damaged and faulty equipment as early as practicable to avoid the reoccurrence of the situation and to improve sanitation service delivery to the Assemblies. The Committee encourages Managements' of the Assemblies to



follow up and ensure that the outstanding equipment are supplied within the time frame indicated by Zoom Lion Ghana Ltd.

### **9.1. Partly collapsed classroom block**

Contrary to Section 52 of the Public Financial Management Act, 2016 (Act 921), the audit discovered that Assin Wurakese Methodist Basic School within the Assin Fosu Municipality had one of the classrooms of a six-unit classroom block collapsed.

The Auditor-General recommended that the Assembly should prioritize the re-construction of the classroom block or find a temporal accommodation for the pupils to avoid any disaster.

The Committee noted that Management had failed to re-construct the collapsed classroom block. However, the pupils have been relocated to a temporal place. The Committee recommends to Management to ensure the collapsed structure is re-constructed to serve the purpose for which it was built.

### **9.2. Overdue indebtedness to a contractor**

In contrast to Section 33 of the Public Financial Management Act, 2016 (Act 921), the audit disclosed that the East Gonja Municipal Assembly awarded a contract for the Construction of a 3-unit classroom block at Kigbatito to M/S Saliha Enterprise at a contract sum of GH¢133,704.50. The project was completed on 31/10/2016 however, only GH¢41,000 has been paid leaving a balance of GH¢92,704.50 still outstanding.

The Auditor-General recommended to Management to prioritise the settlement of the debt to avoid possible legal action by the contractor.

The Committee was informed that Managements' effort to reach out to the contractor proved futile and hence accounts for the reason why the amount remained outstanding. The Committee urged Management to take steps to pay the contractor to avoid possible legal action.

### **9.3. Payments not processed through the GIFMIS system**

The audit revealed that Tempene District Assembly processed three payment vouchers totalling GH₵88,173.25 from a Common Fund Account without recourse to the Ghana Integrated Financial Management Information System (GIFMIS) in contravention to Regulation 83 of the Public Financial Management Regulations, 2019 (L.I. 2378).

The Auditor-General recommended that the appropriate sanctions under the Public Financial Management Act be meted out to the DCE, DCD, and the DFO for non-compliance.

Management informed the Committee that the payments were not routed through the GIFMIS platform due to network challenges. The Committee noted that the network challenge persists even though it was partially addressed. The Committee was further informed that the network in the area is often interrupted by the Togo Cell network. The Committee observed that the challenges were beyond Management and urged NITA to step in to improve internet connectivity in the Assembly.

### **9.4. Ineligible Payments - GH₵18,930.62**

The audit disclosed that payment for the construction of two projects by Asikuma Odoben Brakwa Assembly included an amount of GH₵18,930.62 for contingency and EPA permit certification contrary to Paragraph 5.4 of the Operational Manual for the implementation and administration of the District Assemblies Common Fund Responsive Factor Grant (DACF-RFG) June 2021.

The Auditor-General recommended refund of the amount of GH₵18,930.62 into the DACF-RFG account of the Assembly.

The Committee noted that the amount remained outstanding. The Committee recommends to the Management to reimburse the DACF-RFG account in compliance with the recommendations of the Auditor-General.

## **10.0. CONCLUSION**

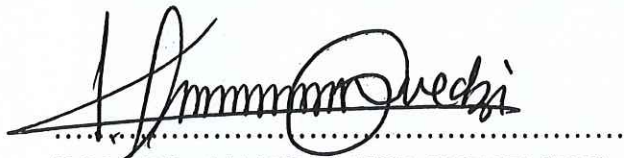
The Committee's deliberations revealed weaknesses in the internal control systems and blatant disregard for Public Financial Management Act, 2016 (Act 921), Public Financial Management Regulations (PFMR) as well as Procurement Laws amongst many of the Assemblies. The Committee therefore recommends to all the MMDAs to uphold and act in accordance with the Public Financial



Management Regulations (PFMR) as well as Procurement Laws of the Republic of Ghana.

The Committee was of the considered view that the observations and recommendations of the Auditor-General fairly represent the financial transactions that took place in the Metropolitan, Municipal and District Assemblies' in the 2022 Financial Year and therefore recommends to the House to adopt **The Report of the Public Accounts Committee on the Report of the Auditor-General on the Management and Utilisation of District Assemblies' Common Fund and Other Statutory Funds for the year ended 31<sup>st</sup> December 2022** in accordance with Order 215(1) of the Standing Orders of the House.

Respectfully submitted.



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



SAMUEL ADUAMOAH-ADDO  
CLERK TO THE COMMITTEE

JUNE, 2024

## APPENDIX

### Outstanding Sanitation Equipment not supplied by Zoom Lion Ghana Limited.

Assembly	Equipment	Unsupplied Quantity	Quantity Supplied	Outstanding
Tano North Municipal	Skip Trucks	1	1	0
	Containers	9	9	0
Asutifi North District	Skip Trucks	1	1	0
Amansie West	Skip Trucks	1	0	1
	Containers	6	0	6
Atwima Kwanwoma	Skip Trucks	1	0	1
	Containers	-		
Bekwai	Skip Trucks	1	0	1
	Containers	4	0	4
Suame	Skip Trucks	1	1	0
	Containers	4	4	0
Adansi Asokwa	Skip Trucks	1	1	0
	Containers	-	-	-
Ahafo Ano North	Skip Trucks	1	0	1
	Containers	5	0	5
Bosome Freho	Skip Trucks	1	0	1
	Containers	6	0	6
Juaben	Skip Trucks	1	0	1
	Containers	-	-	-
Sekyere East	Skip Trucks	-	-	-
	Containers	9	3	6
Banda	Skip Trucks	1	0	1
	Containers	3	0	3
Nkoranza North	Skip Trucks	2	0	2
	Containers	-	-	-
Effutu	Skip Trucks	1	0	1
	Containers	3	0	3
Assin Fosu	Skip Trucks	1	0	1
	Containers	3	0	3
Assin North	Skip Trucks	1	0	1



	Containers	-	-	-
Assin South	Skip Trucks	1	1	0
	Containers	5	0	5
Gomoa East	Skip Trucks	1	0	1
	Containers	-	-	-
Gomoa West	Skip Trucks	1	0	1
	Containers	-	-	-
Mfantsiman	Skip Trucks	2	0	2
	Containers	4	0	4
Gomoa Central	Skip Trucks	1	0	1
	Containers	-	-	-
Agona East	Skip Trucks	1	0	1
	Containers	-	-	-
Ekumfi	Skip trucks	1	1	0
	Containers	-	-	-
Akuapem South	Skip Trucks	2	0	2
	Containers	2	2	0
Ayensuano	Skip Trucks	1	1	0
	Containers	1	1	0
Kwahu East	Skip Trucks	1	0	1
	Containers	1	0	1
Birim Central	Skip Trucks	1	0	1
	Containers	-	-	-
Yilo Krobo	Skip Trucks	1	1	0
	Containers	-	-	-
Kwahu Afram Plains North	Skip Truck	2	1	1
	Containers	-		
Upper West Akim	Skip Trucks	1	0	1
	Containers	1	0	1
Ga South	Skip Trucks	1	0	1
	Containers	3	0	3
Weija/Gbawe	Skip Trucks	1	0	1
	Containers	3	0	3
Ga North	Skip Trucks	1	0	1
	Containers	2	0	2
Ablekuma North	Skip Trucks	-	-	-
	Containers	5	5	0

Accra Metro	Skip Trucks	1	0	1
	Containers	3	0	3
Shai-Osudoku	Skip Trucks	1	0	1
	Containers	5	0	5
Adenta	Skip Trucks	-	-	-
	Containers	2	0	2
Krowor	Skip Trucks	-	-	-
	Containers	2	0	2
Mamprugu Moadduri East Mamprusi Yunyoo-Nasuan Chereponi	Skip Trucks	@ 1 each	4	0
	Containers			
Nanumber South	Skip Trucks	1	0	1
	Containers	4	0	4
Bole	Skip Trucks	1	0	1
	Containers	-	-	-
Bolga East Kasena Nankana	Skip Trucks	@ 1 each	0	2
	Containers			
Daffiama-Bussie-Issa	Skip Trucks	1	0	1
	Containers	-	-	-
South Tongu	Skip Trucks	1	1	0
	Containers	4	0	4
Central Tongu	Skip Trucks	2	2	0
	Containers	3	2	1
North Dayi	Skip Trucks	1	0	1
	Containers	4	2	2
Jomoro	Skip Trucks	-	-	-
	Containers	11	0	11
Prestea Huni Valley	Skip Trucks	1	0	1
	Containers	9	0	9
Tarkwa Nsuaem	Skip Trucks	1	0	1
	Containers	8	0	8
Amenfi East	Skip Trucks	2	0	2
	Containers	2	1	1
Amenfi West	Skip Trucks	2	0	2
	Containers	11	0	11
Wassa East	Skip Trucks	-	-	-



	Containers	10	2	8
Sefwi Akotombra	Skip Trucks	-	-	-
	Containers	5	0	5
Bia East	Skip Trucks	1	1	0
	Containers	4	0	4
Bia West	Skip Trucks	-	-	-
	Containers	4	0	4
Suaman	Skip Trucks	1	0	1
	Containers	8	0	8
Bodi	Skip Trucks	-	-	-
	Containers	5	0	5
Juaboso	Skip Trucks	1	0	1
	Containers	3	0	3
<b>Total</b>	<b>Skip Trucks</b>		<b>14</b>	<b>46</b>
	<b>Containers</b>		<b>31</b>	<b>155</b>