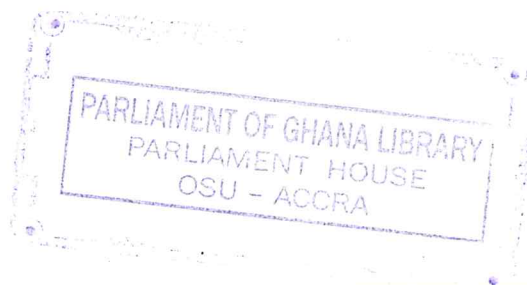


**IN THE FIRST SESSION OF
THE SEVENTH PARLIAMENT
OF THE FOURTH REPUBLIC
OF GHANA**

**REPORT OF THE SPECIAL
BUDGET COMMITTEE ON
THE 2017 BUDGET
ESTIMATES OF THE
ELECTORAL COMMISSION**

3/29/2017



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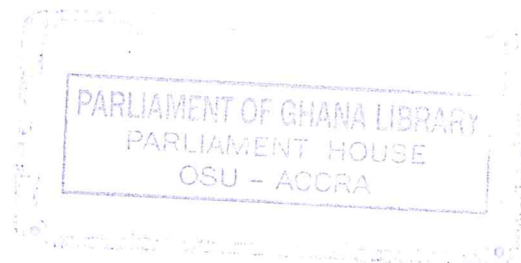
1.0 INTRODUCTION

The Minister responsible for Finance, Hon. Ken Ofori-Atta presented the Budget Statement and Economic Policy of the Government for the year ending 31st December, 2017 to Parliament on Thursday, 2nd March, 2017 in accordance with Article 179 of the 1992 Constitution.

Pursuant to Order 140 (4) of the Standing Orders of the House, the RT. Hon. Speaker referred the Annual Budget Estimates of the Electoral Commission (EC) to the Special Budget Committee for consideration and report.

Subsequently, the Committee was assisted by the Deputy Commissioner in charge of Finance, Mrs. Georgina Opoku Amankwa, officials of the Ministry of Finance and the Electoral Commission for the consideration of the estimates

The Committee is grateful to the Deputy Commissioner and the Officials for the assistance.



2.0 REFERENCE DOCUMENTS

The Committee referred to the following documents in course of its deliberations:

- a. The 1992 Constitution of the Republic of Ghana
- b. The Standing Orders of Parliament of Ghana
- c. The Budget Statement and Economic Policy of the Government of Ghana for the 2016 Financial Year
- d. The Budget Statement and Economic Policy of the Government of Ghana for the 2017 Financial Year
- e. Report of the Special Budgets Committee on the Annual Estimates of the Electoral Commission for the 2016 financial year.

3.0 MISSION STATEMENT

By the provisions of Article 43(1) of the 1992 Constitution and Act 451, 1993, the EC is to organize and supervise all public elections and referenda to advance the course of democracy and good governance through free, fair and transparent elections.

4.0 THE GOAL OF THE ELECTORAL COMMISSION

The goal of the Commission is to be an institution adequately resourced, staffed with professionally trained and motivated personnel, totally independent in the performance of its functions and dedicated to efficient delivery of free, fair and transparent elections to advance the cause of democracy and good governance for sustainable development.

5.0 CORE FUNCTIONS OF THE ELECTORAL COMMISSION

The core functions of the Electoral Commission are to:

- i. To compile the register of voters and revise it at such periods as may be determined by law;
- ii. To demarcate the electoral boundaries for both national and local government election;
- iii. To conduct and supervise all public elections and referenda;
- iv. To educate the people on the electoral process and its purpose;
- v. To undertake programmes for expansion of the registration of voters;
- vi. To store properly, election materials and
- vii. To perform such other functions as may be prescribed by law

6.0 2016 BUDGET PERFORMANCE

For the implementation of its programmes and activities in the 2016 financial year, an amount of **Eight Hundred and Twenty-two Million, Eight Hundred and Ninety-seven Thousand, Five Hundred Ghana Cedis (GH¢822,897,500.00)** was allocated to the Commission for its operational expenses and for the Conduct of the 2016 Presidential and Parliamentary elections. The amount was allocated to the various expenditure items as follow:



Expenditure item	2016 allocation (GH¢)
Compensation	15,248,621
Goods and Service	800,000,000
CAPEX	<u>7,648,879</u>
Total	<u>822,897,500</u>

However, due to the cash requirement for the 2016 elections, actual expenditure stood at **One Billion, One Hundred and Thirty-nine Million, Eight Hundred and Eighty-five Thousand, Nine Hundred and Ninety-One Ghana Cedis (GH¢1,139,885.991.00)** leaving a funding gap of **Three Hundred and Sixteen Million, Nine Hundred and Eighty-eight Thousand, Four Hundred and Ninety-one Ghana Cedis (GH¢316,988,491)**. The actual requirements of the Commission as against the allocation is shown in Table 1:

Table 1: 2016 Allocation and Actual Releases as at 31/12/2016

Item of Expenditure	2016 requirement of EC GH¢	Actual Allocation GH¢	Variance GH¢
Compensation	39,567,525	15,248,621	(24,318,904)
Goods and Services	1,093,000,751	800,000,000	(293,000,751)
Assets	7,648,879	7,317,715	(331,164)
Total	1,139,885,991	822,897,500	316,988,491

Out of this allocation, the Commission undertook very key election related activities including:

- Successful revision of 2016 Voters register and exhibition of 2016 provisional voters register;
- The Commission recruited and trained 135,812 registration officials and 60,000 exhibition officials for the 2016 general elections;
- Deepened stakeholder engagement through the successful organization of IPAC, DIPAC and RIPAC meetings;
- Conducted and supervise three successful By-elections in Abuakwa, Amenfi West and Abetifi Constituencies;
- Successfully conducted the 2016 presidential and Parliamentary elections;
- Implemented two biometric Verification Device per polling station policy and upgraded and maintained biometric Verification Devices.

○

7.0 OUTLOOK FOR 2017

In 2017, the Commission plans to pursue the following programmes among others:

- a. Conduct a post-election evaluation exercise with the aim of reviewing and addressing challenges encountered in the 2016 general elections;
- b. The commission will roll out post-election evaluation programmes to engage key stakeholders to develop reform interventions to improve the electoral process
- c. The Commission will put in place preparatory framework for the conduct and supervision of 2019 district level elections.

8.0 BUDGETARY ALLOCATION FOR 2017

The Electoral Commission was allocated the sum of, **Thirty-three Million Eight Hundred and Twenty-seven Thousand, Two Hundred and Sixty-Eight Ghana Cedis (GH¢33,827,268.00)** for the implementation of its activities in 2017 financial year. The amount will be expended on the various expenditure items of the Commission as follows:

Compensation of Employees	-	GH¢24,999,930
Goods and Services	-	GH¢ 8,327,338
CAPEX	-	GH¢ 500,000
Total	-	GH¢33,827,268

The 2017 allocation is representing only 33.67% of the budgetary requirement of the EC. The breakdown of the requirements and allocation of the Commission is presented in table 2 below:

Table 2: Break down of 2017 Budget Requirement and Allocation

Activity	Budget Requirement (GH¢)	Actual Allocation (GH¢)	Difference (GH¢)
Compensation	33,443,616	24,999,930	8,443,686
Goods & Services	65,520,400	8,327,338	57,193,062
CAPEX	1,489,199	500,000	989,199
Total	100,453,215	33,827,268	(66,625,947)

9.0 OBSERVATIONS AND RECOMMENDATIONS

The Committee, as a general observation noted that there are deep seated mistrust among Members of the Commissioners especially between the Chairperson and the Deputy Commissioners. This undoubtedly negatively impact on the operations of the Commission.

The Committee therefore wish to recommend to the Chairperson and Members of the Commission to deal with one another in a much more open and transparent manner in other to eradicate the existing mistrust and also win the confidence of one another for harmonious working relations and in the supreme interest of the country.

9.1 2016 Budget Performance

In 2016, a total allocation of GH¢822,897,500 was approved for the Electoral Commission to implement its activities including the conduct of the 2016 presidential and Parliamentary elections. The cash requirement of the elections however stood at GH¢1,139,885,991 leaving a funding gap of GH¢316,988,491.

The 2016 allocation represented 150% and 482.5% increase in the 2014 and 2015 allocations respectively. The Committee noted that the increase in the 2016 allocation was due to increase in expenditure associated with the 2016 presidential and General elections. Out of the GH¢822,897,500 allocated to the Commission in 2016, an amount of GH¢800,000,000 representing 97.21% was expended on Goods and Services. About 1.85% amounting to GH¢15,248,621 represented expenditure on employee compensation while the remaining 0.92% amounting to GH¢7,648,879 was for capital expenditure.

The Committee was informed that the high expenditure on Goods and Services was due to the 2016 presidential and general election related expenses.

The Special Budget Committee had earlier on three different occasions before the presentation of the 2016 budget estimates, interrogated the request from the Commission to the Finance Ministry for the conduct of the 2016 elections. Remarkably, the collaboration among the Committee, the Commission and the Ministry of Finance resulted in the downward revision of the requested amount on all three occasions that the meetings were held. After the third meeting, and given the shortness of the period left, the Commission was requested to further probe their proposal with a view to further bring down the figure. Unfortunately, no further work was done on the review of the request.

The Committee is of the view that the Commission must not allow the integrity of the figures they submit to be assailed rampantly.

9.2 Outstanding Election Related Commitments

The Committee noted that the Commissions cash requirement for the 2016 financial year was GH¢1,139,885,991 including compensation of employees and CAPEX of GH¢39,467,525 and GH¢7,317,715 respectively. The actual cash requirement for the general elections and normal administration stood at GH¢1,093,000,751. However, the Ministry of Finance allocated only GH¢800,000,000. The amount was to be disbursed among the various expenditure items as follow:

Expenditure item	Cost (GH¢)
Biometric Voter Registration	272,469,666
Exhibition of provisional Voters Register	80,027,037
Conduct of Presidential and General Elections	643,979,015
Voter/Electoral Education	67,222,050
Normal Administration	29,302,982

Total

800,000,000

Out of an amount of GH¢1,093,000,751 required for election related expenses, only GH¢870,000,000 was released to the Commission leaving a funding gap of GH¢223,000,751. This has resulted in the inability of the Commission to honor its obligations to businesses and individuals who provided various services for the conduct of the 2016 elections. The Committee was informed that the Ministry of Finance granted clearance for the Commission to access an amount of GH¢130,000,000 but the Commission access the amount. The Commission is unable to settle its obligations including payment to service providers and transfers to its local offices to the tune of GH¢223,000,751.

The Committee wish to strongly urge the Ministry of Finance to address the bottlenecks to ensure that funds are released to the Commission to enable it meet its outstanding debt obligations to suppliers.

9.3 Conduct of District and Unit Level Elections

The Committee noted that preparations for the referendum on possible amendment to the Constitution which may take place in 2018 as well as the District level elections scheduled for 2019 are not part of the programs of the Commission for the 2017 financial year, yet it is imperative that some of these elections-related activities are programmed for execution this year. However the Commission explained to the Committee that, preparation for the elections shall be planned and budgeted for in the 2018 estimates of the Commission.

Notwithstanding the commission's realization, the Committee however is of the opinion that in order to ensure proper conduct of

the anticipated referendum and elections, the Commission should have outlined by now the relevant preparatory activities for the conduct of the elections and stranded out the activities that must be performed this year in order to avoid the usual resort to quick-fix solutions.

Again, in view of the possible referenda on the creation of new regions and the election of District Chief Executives, the Committee wishes to urge the Commission to as soon as possible initiate processes in anticipation of these activities in 2019.

9.4 2017 Budget Allocation

The Committee noted that out of a budgetary requirement of GH¢100,453,215, the actual allocation stood at GH¢33,827,268 representing 33.67% of the Commission's requirement. The financial requirement and actual allocation to the Commission is presented in table 3 below:

Table 3: Requirements and allocation to the Commission

Cost Item	2016 Allocation (GH¢)	Actual Requirement (GH¢)	Variance (GH¢)
Compensation	24,999,930	33,443,616	8,443,686
Goods and Services	8,327,338	65,520,400	57,193,062
CAPEX	500,000	1,489,199	989,199
TOTAL	33,827,268	100,453,215	66,625,947

The Commission explained to the Committee that the reduction in budget allocation means that the Commission will have to suspend all these activities including; voter education and public sensitization, Continuous

registration of voters, and data center expansion and security protection systems amongst others.

NON-ELECTION ISSUES

The Committee observed that there are some non-election issues that must be attended to now:

- i. The Committee observed that data centre of the Commission has outlived its usefulness. The equipment which was procured in 2011 is at its end of life and therefore requires replacement. If one factors in growth in the data base, then necessarily, both the base and technology of the equipment must be expanded.
- ii. The infrastructure at the IT Department of the Commission which was also installed in 2011 must be upgraded by the procurement of new equipment. Additionally, the capacity and competence of the Department must be augmented with specialists, since capacity is almost nonexistent at the IT Department.
- iii. The Committee was informed that there is virtually no proper cyber security at the Commission. The Commission is still using 2011 technology in a field that is rapidly evolving. The cyber security for the data center has become weak and porous thereby making it easy for hackers to hack into the IT infrastructure. There is therefore the need to improve the security of the data center to reduce its vulnerability and improve its integrity for future elections.
- iv. The Commission was to have done the enhancement of the data centre, the IT Department as well as the cyber security four years after the installation, that is, 2015, but has not been able to do so till now.
- v. The Committee observed that the Commission has not been transparent in the recruitment of their staff and urges greater transparency to uphold the integrity of the Commission.

- vi. The Committee further observed that the Commission does not impose on itself the urgency in the declaration of results and therefore create unnecessary anxieties whenever it comes to declaration of results after elections.

The Committee proposes to the Commission to timely call elections so as to avoid pushing the country to the brink of anarchy.

- vii. The Committee observed that because procurement of infrastructure, that is, IT and Cyber Security are in foreign currency, the Commission should provide the foreign currency equivalent to the specified equipment to enable the Committee make proper determination as to the value-for money and also such that, in situations of currency volatility, the Committee will be able to better appreciate the situation.

- viii. The Committee requested the Commission to have earlier engagement with the Committee and the Ministry of Finance early in the budget process to enable the parties to properly interrogate the request from the Commission.

- ix. The Committee observed that even though since 2014 the Commission has requested and been allocated sufficient funds to establish the authenticity, eligibility and qualification of political parties with the view of proscribing those that do not measure up, the Commission has not discharged that responsibility.

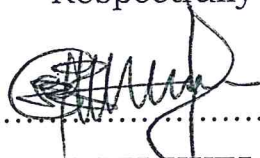
The Committee strongly urges the Commission to undertake their exercise in this non-party election year.

Beyond the allocation for the year, the Committee recommends to the Ministry of Finance to endeavor to provide for the requirement of the Commission in respect of undertakings relating to non-election matters to enable it meet its challenges ahead.

10.0 CONCLUSION

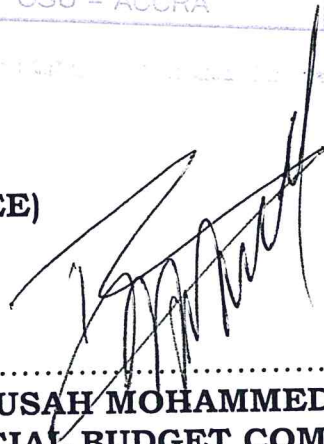
The Committee having carefully scrutinized the estimates of the Electoral Commission and is convinced that the allocation is necessary for the purposes of meeting the recurrent expenditure of the Commission, the Committee therefore recommends to the House to adopt its report and approve the sum of **Thirty-three Million, Eight Hundred and Twenty-Seven Thousand, Two Hundred and Sixty-eight Ghana Cedis (GH¢33,827,268.00)** for the implementation of the programs of the Electoral Commission for the 2017 Financial Year.

Respectfully submitted.



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HON. OSEI KYEI-MENSAH BONSU
(MAJORITY LEADER &
CHAIRMAN, SPECIAL BUDGET COMMITTEE)

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA



.....
MR. INUSAH MOHAMMED
(CLERK, SPECIAL BUDGET COMMITTEE)

MARCH, 2017

