

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

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

ON THE

REPORT OF THE AUDITOR-GENERAL

ON THE

PUBLIC ACCOUNTS OF GHANA

**(PUBLIC BOARDS, CORPORATIONS AND OTHER
STATUTORY INSTITUTIONS)**

FOR THE YEAR ENDED 31ST DECEMBER 2015

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

1.0 INTRODUCTION

The Report of the Auditor –General on the Public Accounts of Ghana – Public Boards, Corporations and other Statutory Institutions for the years ended 31st December 2015 was laid in Parliament on Friday, 2nd June 2017 in accordance with Article 187(2) of the 1992 Constitution of the Republic of Ghana.

The report was referred to the Public Accounts for consideration and report pursuant to Standing Order 165 (2) of the Parliament of the Republic of Ghana.

2.0 DELIBERATION

The Committee met with representatives of Public Boards, Corporations and Statutory Institutions cited in the Report and deliberated on the findings of the Auditor-General.

The witnesses who appeared before the Committee subscribed to the oath of a witness and responded to questions on the issues raised by the Auditor-General.

The Report of the Committee covers the under-listed Public Boards, Corporations and Statutory Institutions:

- i. Ghana National Petroleum Corporation
- ii. Petroleum Funds
- iii. National Electrification Scheme
- iv. Energy Commission
- v. Bui Power Authority
- vi. Ghana Grid Company Limited
- vii. Volta River Authority
- viii. Northern Electricity Distribution Company Limited (NEDco)
- ix. Securities and Exchange Commission

- x. Cocoa Marketing Company (Ghana) Limited
- xi. Ghana Cocoa Board
- xii. Social Security and National Insurance Trust (SSNIT)
- xiii. Public Procurement Authority
- xiv. National Lottery Authority
- xv. Ghana Education Trust Fund
- xvi. Students' Loan Trust Fund
- xvii. Venture Capital Trust Fund
- xviii. Ghana Investment Promotion Centre

3.0 ACKNOWLEDGEMENT

The Committee is grateful to all the Hon. Ministers, Deputy Ministers, Chief Directors, officials and other witnesses who appeared before it to assist in its deliberations.

The Committee also wishes to express its gratitude to the Auditor-general, Deputy Auditor-Generals and the technical team of the Audit Service for the immense assistance rendered to the Committee throughout its deliberations on the Auditor General's Report.

The Committee further extends its appreciation to the GTV and other media houses for the live coverage and broadcast of the proceedings of the Committee.

4.0 REFERENCE

The Committee referred to the following documents during its deliberations:

- i. The 1992 Constitution of the Republic of Ghana
- ii. The Standing Orders of the Parliament of Ghana
- iii. The Financial Administration Act, 2003 (Act 654)
- iv. The Audit Service Act, 2000 (Act 584)
- v. The Internal Audit Agency Act, 2003 (Act 658)
- vi. The Value Added Tax Act, 1998 (Act 592)
- vii. The Internal Revenue Act, 2000 (Act 592)
- viii. The Financial Administration Regulations, 2004 (L.I 1802)

- ix. The Stores Regulation, 1984
- x. The National Board for Professional and Technician Examination Act, 1994 (Act 492)
- xi. The Legal Aid Scheme Act of 1997 (Act 542)

5.0 PURPOSE OF THE AUDIT

The purpose of the audit was for the Auditor –General to examine and express an opinion on the accounts of each Public Board, Corporation and other Statutory Institution.

The audit was also to evaluate the adequacy of the system of Internal Financial Controls, compliance with relevant legislations, stated Accounting Policies and applicable financial rules and regulations of these organizations.

6.0 SUMMARY OF SIGNIFICANT FINDINGS

Significant findings of the Auditor-General in his Reports bordered on Outstanding Debts/Loans Recoverable, Cash irregularities, Payroll irregularities, Contract /Procurement Irregularities, Stores irregularities and Tax Irregularities.

The Auditor-General attributed the causes of the irregularities to systemic weaknesses such as:

- a. Weak internal controls;
- b. Lack of supervision;
- c. Failure by Heads of Institutions to sanction wrong doers to serve as deterrent to others;
- d. Non-adherence to relevant rules and regulations;
- e. Lack of policies; and
- f. Improper contract management

6.3. SUMMARY OF FINANCIAL IRREGULARITIES FOR THE PERIODS ENDED 31ST DECEMBER, 2015

NO.	TYPE OF IRREGULARITIES	%	AMOUNT (GH¢)	AMOUNT (US\$)	AMOUNT (EURO)	AMOUNT (GBP0)	TOTAL AMOUNT (GH¢)
1	Outstanding Debtors/Loans Receivable Charges	82.33	2,705,086,348				2,705,086,348
2	Cash Irregularities	6.02	197,922,326	3,874,372	2,300,163	11,846	222,227,944
3	Payroll Irregularities	0.04	1,424,941				1,424,941
4	Procurement Irregularities	0.02	568,322				568,322
5	Tax Irregularities	11.49	377,410,669				377,410,669
6	Stores Irregularities	-	58,845				58,845
7	Contract Irregularities	0.10	3271,981	504,750			5,186,245
	Total	100.0	3,285,743,432	4,379,122	2,300,163	11,846	3,311,963,314

Source: Auditor General's Report on Public Boards and Corporation 2015

In general, the audit revealed about GHC3, 311,963,314 worth of irregularities in the public Boards and Corporation section. The irregularities occurred under seven (7) different headings in the table above.

In spite of the irregularities recorded majority of the agencies financial statement were in line with best practices worldwide.

7.0. OBSERVATIONS AND RECOMMENDATIONS

The Committee made the following observations and recommendations in the course of its deliberation:

7.1. MINISTRY OF ENERGY

GHANA NATIONAL PETROLEUM CORPORATION (GNPC)

i. Unsettled Advance

The committee observed that, an amount of US\$42,300 and GH¢35,415 advanced to staff for their travels had not been retrieved

as at the time of the audit, in contravention of regulation 288(1) of the FAR 2004.

Management of GNPC admitted that there was indeed a delay in retiring the advances, but the amount involved had since been retired by the staff. The Committee was informed that GNPC has introduced new measures to ensure that advances are retired within 10 days of return. The measures include the introduction of credit cards for easy reconciliation of accounts. GNPC stated that these measures were triggered by the findings of the Auditor-General.

ii. Deteriorating Assets

The Committee again observed that, the assets of GNPC had not been properly registered and some of the assets listed were deteriorating.

GNPC explained that it is in the process of securing the necessary permits to do the registration, but the process at the Tema Metropolitan Assembly is slow. With respect to the deteriorating assets, GNPC explained that steps have taken to restore some of the deteriorating assets. They are also currently going through procurement processes for the maintenance of some of the assets.

The Committee wishes to recommend to the Management of GNPC to expedite action towards the maintenance of the assets.

iii. Audit of Accounts of Partners

The committee noted that GNPC had not caused to be audited, the accounts of its partners as required by section 18.6 of the Petroleum Agreement.

GNPC informed the Committee that PWC has been procured to conduct the audit, but the report is currently in a draft state. The partners include Tullow, Kosmos, Petro SA and Anadarko.

The Committee was informed that the cost of the audit is to be shared between GNPC and its partners.

iv. Astronomical liabilities

The committee noted that, there was an astronomical increase in the current liabilities of GNPC in the year under review. The liabilities increased from GH¢33, 517,652 in 2013 to GH¢324, 754,620 in 2014.

The management of GNPC explained that the increase in liabilities was due to the high trading activities of government leveraging on the balance sheet of GNPC to trade on behalf of some state entities such as BOST.

The Committee wishes to recommend to the Ministers responsible for Finance and Energy to relook into the rampant use of GNPC as leverage for the trading activities of other entities as it is beginning to take heavy toll on the creditworthiness of GNPC.

v. Registration of Vehicles

The Committee noted that GNPC had not registered its vehicles as government vehicles as advised by the audit team.

GNPC explained that it is not a conventional civil service organization and that their vehicles are registered in the name of GNPC and not Government of Ghana. It was further explained that tracking systems have been installed in the vehicles of GNPC to prevent abuse and theft.

The Committee wishes to recommend to Government to consider developing a policy and a legal framework towards the establishment of GNPC as an independent and autonomous entity with clearer mandate to enable it manage its affair and control its finances more creditably for the collective benefit of the good people of Ghana instead of how it is being managed currently as a quasi-civil service entity operating at the mercy of political actors.

7.2. Energy Commission of Ghana

i. Non-Remittance of 15% Levy

The committee noted that the 15% of the levy due to the Energy Commission from the total amount PURC receives from GRIDCO as mandated by the PURC (amendment) Act 2010, (Act 800) is not

been adhered to by the PURC. The situation resulted in accumulated non-remittance to the tune of GH¢ 2,207,673. This has adversely affected the ability of the Commission to function effectively.

The commission expressed worry that the situation has not changed and is therefore appealing to the House to assist the Commission by ensuring that PURC respects its laws by releasing the 15% as provided by Act 800.

The Committee wishes to recommend to the PURC to remit the 15% of whatever amount it receives from GRIDCo to the Commission to enable it undertake its functions. If the PURC fails to remit the amount due to the Commission in subsequent release, the Auditor-General should charge interest on whatever amount that was due the Commission on the accounts of the PURC for the period that the money is held by PURC.

The Government should also consider proposing amendments to the PURC Act to enable GRIDCo remit to each entity the amount due it according to law,

ii. Unpaid SSNIT and PAYE

The committee also noted that the commission was not able to pay its workers SSC and PAYE in time as required by the law.

The Commission explained that the problem had to do with the inability of controller to pay those statutory deductions to the appropriate institutions in time as matters bordering on compensation of employees are handled directly by the Controller and only the net pay comes to the Commission.

The Committee wishes to recommend to the Controller and Accountant General to ensure simultaneous release of funds for salaries alongside the statutory deductions made on the emoluments to the appropriate agencies to enable workers fully benefit from their toil at the end of active service.

7.3. Bui Power Authority (BPA)

i. Procurement Infractions

The committee observed that Bui Power Authority did not have a tender committee and a procurement plan to support a competitive procurement process for procuring materials. This was in breach of the Public Procurement Act 2003, Act (663).

The authority explained that because the project was not under their own supervision (it was under EPC contract), the Authority erroneously thought the procurement was under the care of the contractor and as such all procurements were made by the Contractor.

However, the situation had since been corrected after the attention of the Authority was drawn to it by the Auditors.

ii. SSNIT Contribution

The committee noted that workers' contributions to SSNIT tier 2 amounting to GH¢469, 592 was deducted from the worker's salary by BPA, but was not paid to SSNIT from October 2013 to December 2013.

The authority responded that the workers lost interest in paying their tier 2 to SSNIT as their money was not been invested. The money was therefore being held at the request of the workers until a new tier 2 manager was found. Enterprise Insurance has now been identified as fund manager to manage the tier 2 on behalf of BPA workers.

7.4. GHANA GRID COMPANY (GRIDCO)

i. Unpaid Debt

The Committee observed that GRIDCO had a long outstanding debt to the tune of GH¢152.7 million. About 80% of the trade receivables were over 60 days contrary to the company's policy.

Management of GRIDCO stated that the debt levels have gone worse as GRIDCO was currently owing to the tune of about GHC600million.

GRIDCO explained that the normal policy is to quickly disconnect the entities that are not paying for power transmitted to them. However; the main culprit is the ECG, and it is difficult to disconnect ECG because of the domino effect of such action on the economy of Ghana.

GRIDCO however explained that there has been an improvement in the cash flows of ECG in recent times from about GHC 6 million to about GHC8million a week.

7.5. VOLTA RIVER AUTHORITY (VRA)

Metering of the Prestea Township

The committee noted that, the entire Prestea Township had not been metered and billed for the electricity consumed by the township ever since it was connected to the national grid. Though the VRA makes a bill of about GH¢7, 963,188.95 every year, nothing was paid. The township was owing electricity bills to the tune of about GH¢25,525,695.95 at the time of this audit. The situation persisted because the entire township is not being metered.

It was explained the township sprang from the then State Owned Ghana Consolidated Mining Corporation and succeeded in unlawfully connecting power from the mains of the liquidated Ghana Consolidated Mining Company (GMC) which was metered by VRA.

VRA did not have the mandate to provide meters for domestic distribution, hence the continual use of power by Prestea township for decades.

VRA explained however that, ECG has now taken over the distribution of electricity in Prestea township and is in the process of providing meters for households. The outstanding debt has also been added to the energy sector debt.

The Committee wishes to express its utter condemnation of the irresponsible attitude and dereliction of duty by VRA towards the free use of power at Prestea over the years. The power was not only being used freely for domestic consumption, but was also being used commercially for the running of private hotels, guest houses, galamsay activities, shops and other businesses at the expense of other law abiding citizens and communities of Ghana.

If VRA could not even collect tariff for the illegal use of power by the Community at the onset, it could have stopped the nefarious use of power that lasted for decades at the blind side of other citizens of Ghana. This and many other negligence of duty contributed to the current indebtedness of the energy sector which is to be paid for by the same law abiding citizens who were paying their bills to ensure the payment of salaries to Management and Workers of VRA.

The Committee wishes to recommend to the Minister of Energy to ensure that the anomaly is corrected to ease the burden on other law abiding citizens of Ghana.

7.7 Northern Electricity Distribution Company (NEDCo)

Provision for Bad Debt

NEDCo has been experiencing increasing bad debt over the years. The receivable balance in 2013 was GH¢168,228,107 while that of 2014 was GH¢277,665,688.

The policy provision on doubtful debts of 2% seems unrealistic for NEDCo due to the peculiarity of the environment in which it operates.

The over US\$300million owed by Government to NEDCo also worsens the already precarious situation of the Company as it forms a significant portion of their debt.

NEDCO however hope to benefit from the cash waterfalls system about to be implemented by the government. They have also taken delivery of 7,000 prepaid meters and have imported

additional 25,000 prepaid meters to be delivered by the end of the year 2017.

The Committee wishes to urge NEDCo to consider the recommendation of the Auditor-General to review its bad debt policy from the current 2% to 10 % in order to be realistic in its estimations, even though it may cut a slur on their creditworthiness.

8.0. MINISTRY OF FINANCE

8.1. GHANA COCOBOD

i. The use of manual system to record cocoa

The committee noted that COCOBOD used waybills and CDNs (Cocoa Delivery Notes) to record cocoa deliveries to local companies. These source document listed (Waybills and CDNs) were done manually and were not prepared on timely basis to capture deliveries made and some of the documents were often missing.

The management of COCOBOD explained that, the situation has changed as the entity has currently adopted an electronic system since the year 2015 and their records are now up to date.

ii. Backup System for Cocoa Takeover Centers

The committee also observed that COCOBOD had no backup systems for its data at the various cocoa take over centers. The audit team realized that database for the year 2011 was not available during the audit.

The management responded that the situation has changed. COCOBOD now has an off-site back-up system in place to produce database incase disaster strikes in the various centers.

iii. Investment in Sheanut Production

The committee wanted to know if COCOBOD had made some investments in research in Sheanut production in the country. Especially, research to shorten the gestation period of the tree and improved yields.

COCOBOD responded that sheanut trees have peculiar circumstances as compared to cocoa. The research team has not yet been able to successfully domesticate the tree. COCOBOD has however provided support to Sheanut pickers with protective clothing for safety as the fruit is attractive to snakes.

8.2. SOCIAL SECURITY AND NATIONAL INSURANCE TRUST (SSNIT)

Non-Performing Loans

The committee noted that SSNIT had accumulated non-performing loans to the tune of GH¢477, 319,200.67. Loans which were given to 8 institutions had not been recovered. Additionally, the assets used to guarantee some of the loans were not valued. Management could not therefore guarantee the recovery of some of the loans.

The Committee was informed that the loans were given to both public and private entities such as Road, Intercity STC, FOS Aluminium, Bridal Trust Company and SSNIT owned companies such as the Golden Beach hotels. However, SSNIT recovered the loans advanced to FOS Aluminum by falling on their land. In the case of Bridal Trust Company, it became defunct in 2012 and SSNIT auctioned its assets to defray the debt.

GH¢261,698,706.24 given to the Ghana Road fund was for a 7year term and the payments were supposed to be made monthly starting from April 2008, but payment started in September 2008. However, Road Fund defaulted again after the loan was restructured in 2016.

SSNIT is currently getting monthly prompt payment in arrears. The Inter-City STC is currently in talks with SSNIT to restructure its loan repayment.

Golden Beach hotels are 100% owned by SSNIT. The Board of SSNIT has given advice for the debt to be converted into equities and the Trust is in the process of seeking strategic partnership to manage the hotels.

8.3. Venture Capital Fund

The fund ended the financial year 2014 with an impressive performance as it recorded a surplus of GH¢7,206,390 as compared to a deficit of GH¢2,429,555 in 2013, representing an increase of about 396.6 %. Details can be found in attached Appendix A

i. Wrongful payment for property at North Ridge

The committee noted that the Fund acquired a land valued at US\$ 3,000,000 and advanced and paid an amount of US\$ 2,810,000, to SIC-FSL (State Insurance Company- Financial Services Limited). Later registration of the land revealed that the land actually belonged to Trustees of Bethany Church. There was no evidence of mandate or attorney to SIC-FSL for the sale of the land.

The committee was informed by Management of the Fund that, it later renegotiated with the real owners for the purchase of the same land. Also a refund of the money paid was secured from SIC-FSL. The Fund is currently in the process of documenting the 1.5 acres of land it acquired from the allodia owners.

The Committee wishes to recommend to the Auditor-General to take a second look at the payments made by SIC-FSL to determine whether there is the possibility of demanding the payment of interest for the period the SIC-FSL held the money and surcharge them accordingly.

ii. Unapproved Loans

The committee noted that about 34% of loans advanced by the Fund did not have proper documentation to back them.

The Management of the Fund confirmed the situation and added that, they have also identified additional irregularities such as; fake addresses, missing payment vouchers, etc.

Also, a total of about GH¢18, 500,000 million had been granted as loans without any appreciable repayment by the debtors.

The Committee was informed that 25 loans advanced in the period under consideration is being investigated with the support of the BNI and EOCO.

The Committee wishes to urge management to expedite action towards the recovery of the loans and to ensure that mechanisms are put in place to ensure biometric identification alongside proper addresses of future beneficiaries.

The Fund should also liaise with the Auditor-General for the determination of additional interest payable by defaulters. This will serve as deterrent to new beneficiaries and also to guarantee prompt repayments.

The Committee wishes to further recommend that the fund should identify private banks and provide them with guideline for the disbursements and permit them to use measures applied by the bank for the recovery of the loans at an agreed sharing of benefit and losses.

8.4. National Lottery Authority (NLA)

i. Lack of Policy for retrieval of Debts

The Committee observed that, the National Lottery Authority has no policy on how to retrieve debts arising out of charging receivers for stolen or lost Point of Sales Terminals (POST). This could lead to overstatement of POST debtors without the authority being able to retrieve the monies involved.

The Authority responded that it has currently put in place a comprehensive policy on POST debtors, and they are ready to submit to auditors for inspection.

ii. Unpaid Withholding Taxes

The Committee observed that withholding tax totaling GHC112, 330 deducted from the staff and board of directors as well as tax on severance pay deducted from payment made in March and May 2014 have not been paid into the GRA's account.

The Authority responded that, they have settled taxes owed to the GRA, but the Committee noted that the payment was made on the 9th of August, 2017 without the payment of the applicable penalty.

The Committee therefore recommends to the Auditor-General and the GRA to ensure that the National Lottery Authority pays the applicable 30 % penalties on the money involved for the period that it was held by the NLA.

8.5. Securities and Exchanges Commission

i. Market Surveillance System

The Committee observed that the Commission could not survey the activities of the Ghana Stock Exchange as required by the Security Law 1993, PNDC Law 333. The surveillance systems were not functioning. The situation could lead to poor surveillance and its attendant unfair practices and inequitable dealings,

The Commission indicated that, they are currently using a different approach which makes the systems of client accessible for monitoring. The Commission also has plans to introduce a more robust system for efficient and effective surveillance.

The Committee recommends to the Commission to expedite action on the provision of its surveillance system in order to enhance fairness and competitiveness of the Ghana Stock Exchange to boost investor confidence.

8.6. Public Procurement Authority

i. Unremitted Withholding Tax

The committee observed that the PPA contravened section 89(1) of the internal revenue Act, 2000 (Act 592) by failing to remit an amount of GH¢8,638 worth of withholding taxes from suppliers.

The Authority informed the committee that the amount involved was paid. The committee however noted that the authority did not pay the penalties involved.

The Committee therefore recommends strongly to the GRA and the Auditor-General to ensure that the applicable penalty is paid by the PPA as it is a regulatory and enforcement body and should not be involved in activities that seeks to undermine the laws of the land.

ii. Stale Cheques

The committee noted that the Authority issued cheques totaling GH¢77, 112 in 2014 but could not give them to the service providers to be presented for payments.

Consequently, some of the cheques exceeded the six-month validity period thereby rendering them stale. This situation is making bank balance reconciliations difficult.

The Authority explained that it usually issues cheques when funds are released and some service providers do fail to come for their cheques after they are issued.

The Committee therefore recommends to the PPA to develop an effective means of communicating to the service providers about the readiness of their cheques so as to nip this bad practice in the bud.

8.7. GHANA INVESTMENT PROMOTION CENTER (GIPC)

i. Printing Contract

The Committee observed that 89% of GIPC's printing were done by only one company, Royal Mediatec with no indication of competitive bidding. This practice could deny the entity the benefit of lower prices associated with competitive bidding.

The Center responded that the situation has changed and measures have been put in place to forestall the recurrence of that practice.

ii. Office Rent

The Committee noted that GIPC rented a space for office accommodation at the value of GH¢14,400 for a period of four years, but failed to occupy the space until the agreement expired.

The center could not offer tangible explanation as to why the office was rented if it was not needed.

The Committee therefore wishes to recommend to the Auditor-General to carefully re-examine the matter and surcharged the officers involved to serve as punishment for wasting public funds and as a deterrent to other public officers.

8.8. GHANA EDUCATION TRUST FUND (GETFUND)

i. Delayed payment of Withholding Tax

The Committee noted that withholding taxes of GH¢27,059,150 from July 2013 to December 2014 had not been paid by GETfund .

The GETFUND responded that the amount was paid to the GRA in 2015.

Management cited late release of funds as the main reason for the delay in the remittance of the withheld tax,

The Committee was not satisfied with the reasons given for the delay and therefore wishes to recommend to the Auditor-General to calculate the applicable penalties involved and charged it against the Fund to serve as deterrent for any future delay in the remittance of withholding taxes.

ii. Non-release of VAT proceeds into the Fund

The Committee observed that out of a total amount of GH¢ 730,815,498 expected from VAT proceeds only about GH¢ 382,801,463 was released as at 31st December 2014 leaving a balance of GH¢348,014,035.

The Committee is of the opinion that the failure of the Ministry of Finance to timely release funds to the GETfund hampers its ability to effectively carry out its mandate.

The Committee therefore is urging the Ministry of Finance to respect the laws of the land by releasing amounts meant for the GETfund as stipulated by law.

8.9 STUDENTS' LOAN TRUST FUND

i. Increased Transport Cost

The Committee observed that travelling and Transport expenditure in the Income Statement increased by about 94% in 2014

Management of the Fund attributed the high increase to the Government of Ghana's policy change on rolling all the colleges of education on the student loan system. The Fund had to visit the 41 colleges to assess and educate them on the process to be followed to access the loan. There was also a rise in the price of fuel in the year under review.

ii. Low Access to the Loan

The Committee wanted clarity on why out of 15,000 students in the various colleges of education, only about 2,731 accessed loans from the fund. The Fund indicated that the number was growing slowly, but has now seen a sharp rise in patronage. In 2015 it went up to 5,904 and grew again to 8,985 in 2016.

8.10. GHANA INSTITUTE MANAGEMENT AND PUBLIC ADMIN.(GIMPA)

i. Operating Surplus

The Committee observed that GIMPA recorded surplus in their Income and Expenditure Statement to the tune of GH¢7,280,738 Management explained this was achieved as a result of sound and prudent business practice as a center of excellence. The Institute explained that programs based budgeting technique is used and Management ensure that budget lines are well respected.

The Committee Commends GIMPA for practicing what they teach and also urges other Institutions to emulate the shining example of GIMPA.

9.0. MINISTRY OF EDUCATION

9.1. National Accreditation Board

i. Payment of Board members allowance

The committee noted that the Board violated section 7 of the National Accreditation Board Act 2007, (Act 744) which requires them to seek approval from the Ministries of Finance and Education before making payment of allowances to Board Members. The members were paid allowances to the tune of GH¢726,886.52 without recourse to the law.

The committee further noted that the rate approved by the Board, was different from what was earlier approved by the Ministry of Finance.

Management of the Board indicated that, they sought verbal approval from the then Minister of Education before the payment of the allowances to the Members of the Board. They added that assurance was given by the then Minister that the increase was to be taken up to the Minister of Finance.

The Committee was of the opinion that the implementation of the increase prior to discussion between the Ministers of Finance and Education and also without any written approval was presumptuous and utter violation of Act 744.

ii. Internal Control

In the course of the deliberations, the Committee observed that there was very little or absence of internal control as to how the finances of the Board was being managed. The Minister of Education, Dr. Mathew Owusu Prempeh, who was at the public hearing expressed his worries on the many infractions the Board had recorded as compared to other institutions.

Though the accountant of NAB stated that they have an internal auditor and an audit committee, the performance of the Board was not acceptable.

iii. Staff Loans

The committee observed that loans advanced to staff stood at GH¢300,000 throughout 2013 and 2014, an indication that repayments were not been made by the beneficiary Staff.

Considering the numerous violations being recorded by the Board, The Committee recommended to the Auditor-General to undertake a full scale investigation into the financial activities of the Board and to make recommendations for control system in line with best practice to be put in place.

9.2. The Ghana Institute of Journalism

i. Salary Related Allowances

The Committee noted that according to the Auditor General, the accountant seconded to GIJ from the Controller and Accountant General's Department was wrongly paid senior staff allowances to the tune of **GH¢170,810.36** in the year under review. The Auditors were of the opinion that he was not entitled to the allowances as they could not site approval from appropriate authorities granting the payment of those allowances.

The management of the Institute also indicated that they have given all the documentations relating to the allowances received by the accountant to the Auditor General's Department and the Accountant has been dully cleared of any wrong doing.

The committee recommended that, the Auditor General provides the committee with the necessary proof of discharge issued to the accountant and the Institute.

9.3. NATIONAL BOARD FOR PROFESSIONAL & TECHNICAL EXAMINATION (NABPTEX)

Officers on Education Sponsorship Not Bonded

The Committee noted that NABPTEX had not bonded some staff members sponsored by the organization for further studies.

The Management of NABTEX responded that, the situation was rectified and the two staff members involved have completed the studies and are back to post in the organization.

9.4, Institute of Local Government Studies

i. Non-payment of Withholding Taxes and PAYE

The Committee observed that the Institute had not paid certain statutory payments (PAYE and withholding taxes) after deducting it from workers' salaries and making procurements to the tune of GH¢178,892.03.

The Institute explained that the situation arose because the Institute was challenged with cash flow and the officers involved were been paid from the internally generated funds of the Institute. The Institute at that time could only afford to pay the net salaries of the staff and the net payments to be paid to its suppliers in order to keep receiving supplies.

Management explained that efforts have been made to effect statutory payment not only on PAYE, but on other statutory payments.

The Institute appealed to Government for support through the Committee and the House.

The Committee therefore is recommending to the Ministries of Local Government and Education to consider resourcing the Institute of Local Government Studies as its existence is very relevant to our effort towards decentralization.

10.0. MINISTRY OF HEALTH

10.1. Nursing and Midwifery Council

i. Revenue not lodged in full

The committee noted that four accountants of the nursing and midwifery Council did not fully lodge revenue collected on behalf

of the council amounting to GH¢145, 031.50 into the Council's operational account in contravention of Regulation 18 of the FAR.

Management of the Council explained they had fully recovered all the amounts involved. The accountants involved were all on secondment from the Controller and Accountant General's Department. The Council wrote to the CAGD to withdraw the personnel involved and they were withdrawn by the CAGD.

The Committee recommends to the Auditor-General to seek information from the CACGD as to what punishment was meted out to the officers or they were reposted elsewhere to continue doing the same thing.

ii. Pre-financing of Contracts

The committee noted that the Council pre-financed a contract for the supply of office furniture and made a part payment to the tune of GH¢350, 000 which was about 50% part-payment of the total contract sum of GH¢700, 000. This contravened section 16 (1) of the FAR.

The Council indicated that, the amount was used to furnish their new office complex which had 66 offices, examination halls and other official meeting rooms. The contract went through restricted tendering because of the urgency with which the Council needed the furniture to conduct a fast approaching examination. The Council sought approval from the Ministry of Health.

10.2. FOOD AND DRUGS AUTHORITY

Unearned Salary

The Committee noted from the Report that an unearned salary amounting to GH¢1,341.96 had been given to Mr. Kelvin Kute.

The Authority responded that the money was inadvertently paid to Mr. Kute. They have also not been able to get Kelvin Kute to refund the unearned salary because the bank through which the unearned salary was paid, used the money to defray a loan he took from them.

The committee urges the Authority to prevail on the Bank to refund the money since the money did not belong to Mr. Kute and he was no more with the Authority at the time the payment was made.

10.3. College of Physicians and Surgeons

Income Surplus

The Committee noticed that, the college reported surplus in the period under review. The Committee suggested to the College to consider being weaned from government subvention.

Management of the College indicated the surplus was realized as a result of high turnover of staff the College experienced in the year under review but could not get warrant to replace the lost staff due to embargo placed on public sector employment during the period,

10.4. PHARMACY COUNCIL

i. Unearned Salary

The Committee noted in the Report that an amount of GH¢1,857.74 wrongly paid to two officers had not been retrieved.

The Council indicted that the money was retrieved and the said amount paid into the consolidated Fund on the 15th of August 2017.

ii. Increase in Internally Generated Fund

The Committee observed an astronomical growth in the Internally Generated Fund of the Council. They enforced penal measures to ensure that all professionals pay their fees in time and this accounted for the high growth in Internally Generated Fund for the Council.

iii. Demand for Payment of Compensation

The Committee observed that Madam Marian Torjagbo, a pharmacy inspector, was sponsored and subsequently bonded by the Council for further studies, but she failed to honor the terms of the bond upon completion. The Council had also not been able retrieve the compensation amounting to GH¢61,448 which covered salary and other advances given her during the course of the study.

The Council answered that, the lady returned and declined to work with the Council. Management has asked for a refund under the terms of the bond but she has not yet paid and the Council has taken the matter to court.

The Committee urges the Council to continue to pursue the matter in court and ensure that the money is retrieved together with all the interest it accrued from the date of default.

11.0. MINISTRY OF COMMUNICATIONS

11.1. Ghana Publishing Company

i. Recapitalization

The Committee noted from the statement of account that the Company needs recapitalization to enable it recapture its lost market share as far as the publishing industry is concerned.

Management informed the Committee that the primary clients of the Company include Parliament, Ghana Post, and Ghana Water Company Ltd.

The Committee wishes to urge the Ministry of Communications to support the Company to seek Public Private Partnership arrangements to enable it update its equipment to be able to undertake modern printing in order to stay competitive in both the public and the private sector.

ii. Non-Payment of Withholding Tax

The Committee observed from the report that, withholding taxes to the sum of GH¢2,848.44 had not been remitted to the GRA even though the taxes had been deducted from allowances paid.

Also, the Company failed to deduct and remit withholding tax on payment made to a supplier to the tune of GH¢570.00.

Management responded that the delay was necessitated by a cash flow challenge, but was immediately done by the organization when the auditors drew their attention to the matter.

11.2. NATIONAL COMMUNICATION AUTHORITY

i. Non-Renewal of Licenses

The committee noted that some Internet Service Providers (ISPs) had not renewed their licenses but were conducting brisk business with the Authority.

The Management of NCA responded that the Authority has embarked on a nationwide audit of all the companies under the regulatory mandate of the NCA to identify those operating without license and those who have not renewed their licenses.

Management further stated that they have currently digitized their licensing procedures to be automatically notified of licenses that are expiring and due for re-registration so that service providers can be prompted in time.

The management of NCA also indicated that, they don't have the technology to take defaulting ISPs off the grid. In the past, they had to manually confiscate the assets of the ISPs with their taskforce.

11.3. GHANA POST COMPANY LTD

i. No Title Deeds to Landed properties

The Committee observed that, lands of the Company at various cities and towns have been encroached upon. The Committee wanted to know what management is currently doing to reclaim those lands.

Management responded that, some of their lands have been registered in their name while others are not. Indeed, four of the organization's lands have been encroached by real estate developers including Pantang and Dicheonso,

The Committee urges Ghana Post to use every legal and pragmatic means necessary to recover the encroached lands and also ensure that they are properly documented as well as labelled for the future expansion needs of the Company.

ii. Postpaid services

The committee wanted to know how the Company has been able to protect the postpaid services designed exclusively for Ghana Post.

Management responded that, the organization never followed up on getting the copyright that came with the service for the university admission system. In addition, the right technology to preserve the relationship between the Company and its clients were not acquired to enable the Company retain its clients. Some of the clients wanted instant delivery but the Company couldn't offer the services due to logistical constraints. Management is currently revamping the fleet of the Company as well as introduced a new customer services centres and extended its operational hours to include Saturdays.

The Committee lauded management for the initiatives and wish to recommend to the Ministry of Communication and Finance to consider recapitalizing the Company to enable it implement its programmes so as to recapture the Commanding heights of the industry currently been dominated by foreign companies.

iii. Close down of Post Offices

The committee wanted to know why some Post Offices have been closed down across the country.

Management explained that some of the stations were no longer commercially viable and could not even meet its recurrent expenditure.

Management also indicated that plans are far advanced for some of the centres to be reopened and fixed with computers for use as internet communication centres and other viable economic activities.

The Committee recommends that Government should cede some state activities such as the distribution of the LEAP and distribution of books to schools to Ghana Post.

11.4. Postal and Courier Services Regulatory Authority

i. No Depreciation Account

The committee observed that the organization was in breach of section 53 of the Financial Administration Act as it had no fixed asset depreciation account in the year under review.

Management responded that their attention was drawn to the anomaly in 2013 when the audit was carried out. However, steps were taken with guidelines from the CAGD to depreciate the organization's asset accordingly.

ii. Unbanked Office Cash

The committee observed that office cash to the tune of GH¢2,430 had not been banked at the time of the audit.

Management responded that the situation was corrected and the Organisation has since then complied with Regulation 18 of the FAR.

12.0. MINISTRY OF FOOD AND AGRICULTURE

12.1. Program for the Promotion of Perennial Crops & the National Buffer Stock Company

i. Interest on Credit Facility to ADB and NIB (€2.3 million)

The Committee observed that the Government on-lent about €5.95 million Euros to ADB and NIB to provide advances to out growers to enable them finance the cost of land, agricultural input, labor and management of extension services for the project.

Interest of € 2.3 million accruing to the loan was shown on the statement of the project instead of the statements of the Banks involved as the Loan was between the MOF and the Banks.

Management explained that they were of the impression that, the money was part of the money received by the project, but upon careful examination, the auditors advised that the principal and the interest accrued on the loan be treated separate from the gross

amount received by the project. The banks therefore accounted for the principal and the interest of 2.3 million Euros accrued.

ii. Loan Repayment

The Committee observed that the project had not been able to pay loan that was given to the two banks. The project was structured to provide loans to farmers. The farmers were to sell their produce to the Ghana Rubber Estate (GREL) who will subsequently remit the farmers to enable them repay the loans to the banks involved.

Unfortunately however, the farmers after production sell the produce to other operators instead of the Ghana Rubber Estate LTD. This made it difficult for the farmers to be tracked for the repayment of the loans.

Indeed, only about 1% of the loan had been paid upon the completion of the project. GREL guaranteed for the farmers and as such had the responsibility to ensure that the produce was not diverted by the farmers.

The Committee recommends that the Project Office should by the Third Quarter of 2018 initiate a legal process towards to prosecution of beneficiaries for the recovery of the loans for the benefit of others and also to serve as deterrent to other potential defaulters.

12.2. NATIONAL BUFFER STOCK COMPANY LTD

i. Opening Reserves balance not supported

The Committee noted from the Auditor General's Report that the National Buffer Stock Company could not provide evidence to support its opening reserves of GH¢14,900,000.00 at the time of the audit. There was evidence to support only GH¢10,000,000.00

Management responded that, when the Auditors visited the company, documentations were not available to explain the balance of GH¢4.9 million stated. However, upon presentation of the necessary documents, the reserve balance was justified.

ii. No evidence for Parliamentary approval for the set-up of NAFCO

The Committee observed that the Auditor General commented in the report that, the setting up of the NAFCO had no Parliamentary approval.

Management responded that NAFCO was established by an Executive Instrument.

The committee was of the view that the setting-up of NAFCO did not necessarily require a parliamentary approval, but it will be prudent if a policy is fully developed by government with the necessary bill to legislate on the activities of NAFCO.

13.0. MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS

13.1. National Pension Regulatory Authority (NPRA)

i. Overdue Loans

The Committee observed that the Authority recorded an overdue loan of GH¢195, 390 in breach of regulations 104(C) of the FAR 2004.

The management of the Authority provided evidence to the effect that the loan had been recovered in 2015.

ii. Payment of unapproved benefits

The committee observed that, the Authority did not seek permission from the Ministry of Finance to spend revenues from the Authority's Internally Generated Fund (IGF). The committee also noted that, Parliament did not approve the expenditure of the IGF as part of the budgetary allocation to the Authority in the year under review.

The Authority responded that permission was sought from the sector ministry but it later realized that it ought to have received approval from the ministry of finance.

The Committee cautioned the management of the Authority and urged them to desist from that or else the Committee would in future recommend for the applicable sanction as their action was an affront to the authority of Parliament,

13.2. NATIONAL VOCATIONAL TRAINING INSTITUTE (NVTI)

I. Non recovery of Debt

The committee observed from the Report of the Auditor General that loans advanced to some staff of NVTI had not been recovered.

Management responded that payments was made on the 15th August 17, 2017 to clear all the loans offered to staff in the year under review. Evidence was provided to back this claim.

14.0. EXTRA MINISTERIAL AGENCIES

14.1. Electoral Commission

Disposal of Motor Vehicles

The committee observed that motor vehicles disposed by the Commission were not listed in its Asset Register. As such, the auditors could not account for the actual number of motor vehicles disposed.

The committee also noted there was a gap between the valuation done by management (GH¢402, 328) and the value realized from the auction (GH¢83,029).

The Commission responded that, the total number of vehicles disposed were forty (40). Some were disposed of in 2006, 2007 and 2013. Management stated that final valuation of the vehicles were done by the State Transport Company Ltd. Opportunities were given to members of staff who were retiring.

14.2. National Population Council

i. Asset Register

The Committee observed from the Report that the National Population Council had no asset register in the year under review. As a result, the Auditors could not take stock of all the assets of the Council.

Management of the Council confirmed it was the situation at the time of the audit. However, asset registers have now been provided for both National and Regional offices of the Council.

ii. Unaccounted Imprest

The Committee noted that an imprest to the tune of GH¢23,100 had not been accounted for by the Council. This was in contravention of regulation 288(1 and 2) of the FAR.

Management responded that five out of eight regions responsible had been accounted for. Two of the remaining three regions, namely Ashanti and Upper West have issues to be resolved, whilst the Eastern Region, which is the third, could not spend the money given to them. Management is urged to resolve issues with the two regions.

14.3. Office of the Administrator of Stool Lands (OASL)

i. Personnel Emolument

The Committee sought to know how the personnel emolument component of their expenditure account increased by 128% between 2011 and 2012.

Management of the OASL responded that, the office was affected positively by the single spine salary structure in 2012. The emoluments shot up the expenditure of the Office.

ii. Current Asset

The committee observed in the Report that the current assets of the organization increased by 468%.

The management of OASL explained that royalties were received from the sale of lands in the last quarter of the year as such the office could not disburse it to the stool owners, hence the huge cash balance at the end of the year.

iii. Unrecovered Staff Loans

The Committee observed that some Staff Loans had not been recovered at the time of the audit.

Management stated that the amount as at the time the audit was GH¢55,850. The mount has currently reduced by GH¢30, 917 and effort is been made to recover the rest.

iv. Revenue Not Accounted

The committee observed that GH¢1,615 in revenues accruing from Western Region were not accounted for by an officer who died on May 12, 2012.

Management indicated that, the recommendation of the auditors had been complied with, the family of the deceased staff fully paid for the revenue. Management added that the deceased was not the district officer but a revenue collector for the district.

14.4. Unified Petroleum Price Fund

i. Increase in Expenditure

The Audit established that total expenditure of the Fund increased by 55.2% from GH¢236,093,385 in 2013 to GH¢366,502,371 in 2014 and attributed the increase to an increment in salary, allowances and the deployment of tracking devices for the period.

In its explanation, management informed the Committee that expenses relating to salary and tracking devices accounted for only 2% of the total expenditure for the year. They indicated that, more than 95% of the increase is attributable to operating cost as it had to rely on secondary transportation facilities to haul fuel to various discharging points due to inadequate storage and transport facilities at BOST in the year under review.

All petroleum products were consequently transported by road to all the distribution outlets across the country. This increased the transportation cost and ultimately the cost of operation.

iii. Holding of Large Sums of Funds

The Committee expressed worry about the large sums of funds been held in receivables, bank and cash balances by the Fund.

Management explained that, by the nature of their operations, there is the need to be highly liquid to enable them settle their obligations to transporters. They further indicated that, those funds are always kept at call to earn some returns to help grow the fund.

iv. Surplus Recorded in 2014

The Committee further noted that the Fund recorded a surplus of GH¢50,939,528 and GH¢85,650,916 in 2013 and 2014 and wondered whether consumers of petroleum products were not being overcharged in the period under review.

Management explained that, when there is over-recovery which results in the Fund recording surplus balances, the excess funds are invested in other activities in the downstream to help facilitate the transportation of petroleum products. The surplus is also used to subsidise prices in times of under-recovery.

14.5. National Electrification Scheme

i. Delays in Remitting Levies Collected to The National Electrification Fund – GH¢17,999,762

The Auditor-General established in his report that, three utility companies namely, VRA, ECG and NEDco and the regulator, PURC delayed in transmitting the sum of GH¢17,999,762 collected on behalf of the National Electrification Fund to the Fund.

Officials from the Ministry of Energy attributed the delays to the direct consequences of ECGs inability to collect its debt. They indicated that, all outstanding amounts with the exception of PURC, has been paid to the Fund.

The Committee is of the view that the delay in the payment to the Scheme will negatively affect the completion of existing projects being sponsored with the Fund and also threatens the attainment of the objects of the scheme.

The Committee recommends to the Minister of Energy to take the necessary steps to recover the amount from PURC to ensure

availability of funds to complete ongoing projects under the Scheme.

ii. Faulty Transformers

The audit also revealed that, some transformers installed in selected communities had become faulty after commissioning.

Officials from the Ministry of Energy explained that, the faults arose from the transportation of the transformers to the project areas. The faulty transformers have since been restored back to operations.

iii. Theft of Meters resulting in delay in energizing projects.

The Audit also exposed high incidence of meter theft at Kope in the Ewutu Senya District which has delayed the energizing of an electrification project in that community.

Officials explained that, in the process of service connection, some meters allocated to the contractor for installation at Kope got missing. However, the stolen meters were tracked and retrieved using the serial numbers with the assistance of ECG. Management explained that in an effort to control the theft, an ECG mapping system that allows for meters to be allocated to identifiable individuals was deployed in the project area. The situation has considerably been brought under control.

The Committee is of the view that, high cost and scarcity of the meters as well as the difficulties prospective customers endure to get meters partly contribute to the incidence of meter theft.

The Committee therefore urges the ECG to procure sufficient meters and make meter acquisition processes more transparent, more flexible and less cumbersome.

14.6. Bank of Ghana

i. Total Asset

The committee observed and wanted clarification on why the Bank of Ghana's total assets increased by about 47.5% from GH¢27, 615,255,000 in 2013 to GH¢40, 725,867,000 in the year 2014.

The management of the Bank attributed the increase to significant changes in the Bank's securities which increased from GH¢15.4 billion in 2013 to GH¢20.5 billion in 2014. Additionally, the Bank's balances with corresponding banks increased significantly from GH¢451 million in 2013 to GH¢2.7 billion in 2014.

ii. Interest Income

The Committee observed and sought for clarification on what constitutes "interest income" as stated in the statement of profit or loss account. The committee noticed that, the bank earned interest income to the tune of GH¢1,803,145,000 in 2014, an increase of 36.4% over 2013.

The management of the Bank indicated that, interest income refers to interest earned by BOG on overnight lending to Commercial Banks and interest earned on funds managed by external fund managers on behalf of the Bank

iii. Interest Expense

The committee also observed that, interest expense increased by 35.3% in 2014 from an amount of GH¢666, 517,000 in 2013 to GH¢901,818,000 in 2014.

The bank explained that, in their bid to control inflation, they usually conduct open market operations. The interest paid on the monies amassed from the Open Market Operations for monetary policy control, constitute the interest expense. They explained that this is different from the sale of Government Bonds which also attracts interest. The high interest expense is an indication of how active the bank was in implementing its core mandate of monetary policy control in the year 2014.

iv. Taxation

The committee noted that notwithstanding the fact that, Bank of Ghana is exempted from payment of taxes, the Bank paid taxes amounting to GH¢21,071,000 in 2014 which represents an increment of about 62.4% of the 2013 figure.

The management of the bank explained that, even though the Bank is exempted from payment of taxes, its subsidiaries are not exempted. The taxes indicated in the bank's accounts relates to tax liabilities of its subsidiaries and not the bank.

14.7. Ghana Cylinder Manufacturing Company

i. Cost of Sales

The committee observed and wanted to know what constituted Cost of Sales as reported in the company's account.

The management responded that, cost of sales represents the cost of making the cylinder, the marketing cost of selling them to consumers and the expenses on recovering the revenues from sales.

The committee recommends that, the company changes the name of that expenditure item to cost of production since the expenditure items in it does not reflect the name.

14.8. Ghana Standard Authority

i. Substandard products

The committee requested the Authority to explain what it does when a product is found to be of substandard.

The management responded that, prior to the FDA coming on board, the GSA was doing the regulatory work. Currently the FDA regulate the food and drugs production and imports. So when a drug is found to be of substandard, the FDA liaises with the Authority to confirm the standard and the necessary action is taken by the FDA in accordance with Public Health Act, 2012 (Act 851)

ii. Government Subvention

The committee observed that, even though the finances of the Authority are good, the Authority continues to receive grants from the Central Government. The Committee sought to know whether the GSA has plans to completely wean itself of government's subventions.

The Management of GSA responded that plans were advanced for it to be completely weaned of government subventions. The Board of the Authority deliberated on it and subsequently communicated to the sector ministry in charge of the Authority. Management indicated that, currently the GSA needs about 2,000 employees to efficiently function and their plans to be weaned of government subvention will pave way for the implementation of its plans in phases.

iii. Overstatement in Property, Plant and Equipment Value

The Audit revealed that property, plants and equipment of the Ghana Standards Authority has been overstated in its financial statement resulting in misleading financial position for the period.

The Executive Director explained to the Committee that, the situation arose because the Authority used the weighted average system to issue items out of store. This created disparities between the book value of the plants and equipment as against the value of the equipment in the invoices.

Management further explained that, the accounting software that the Authority used for its stock control was set at default to calculate the cost of the Authority's asset using the weighted average method. The system has since been adjusted to ensure that items issue out of store are issued at cost in compliance with the recommendations of the Auditor-General.

The Committee is of the view that the overstatement of the asset value of the Authority will present a misleading financial position.

The Committee therefore recommends to the Authority to use internationally accepted accounting procedures when dealing with the value of its properties in future.

iv. Dormant Bank Account

The Auditor-General established that the Ghana Standard Authority is keeping two dormant accounts at Ghana Commercial Bank and Agricultural Development Bank respectively whose balances have remained the same on the books of the Authority.

The Executive Director of the Authority explained that the two accounts were projects account opened at Ghana Commercial Bank and ADB for the implementation of Export Development and

Investment and Ghana Aids Commission projects respectively. He indicated that the accounts were maintained in anticipation of the continuation of the phase two of the two projects. It is however clear that the two projects will no longer continue hence the need to close the respective accounts.

The Authority in a letter dated 28/10/2013 and 02/08/2017 has written to ADB and GCB respectively to transfer the balance in the respective accounts to enable it close the accounts.

GCB in a response informed the Authority that the accounts has been garnished but could not provide any evidence as to who garnished the account and for what purpose and by which court order. Efforts to extract these information from the bank was unsuccessful and the Bank failed to transmit the Balance to Bank of Ghana as well as deny the Authority access to the funds in the account.

ADB on the other hand claimed they have changed the account number as part of the rebranding exercise and could not produce the new account to verify whether the balance has been transferred.

The Committee attributed the situation to laxity on the part of the of the Authority.

The Committee therefore recommends to the Authority to as a matter of urgency pursue the matter and ensure that the funds are transferred to the Authorities account at Bank of Ghana.

14.9. EXIMBANK

i. Staff Loans Outstanding

The Committee observed and wanted clarification as to why an amount of GH¢41, 733 loans owed to the Bank by the staff had not been settled even though their recovery time was due.

Management explained that, the three staff concerned were dismissed from the bank for various offenses after the loans were granted. Being dissatisfied with the Bank's actions the officers instituted a legal action against the bank and the court ruled in their favour. The case is still pending on appeal and as such, the Bank is

holding unto the Provident Fund of the staff concern as collateral for the loan until the final determination of the case.

ii. Excessive Issuance of Grants Compare to Loans and Levies

The Audit revealed a trend of excessive increase in the issuance of grants by the then EDAIF compared to loans from 2011 to 2014. The proportion of grants to loans issue increased from 14% to 67% total support over the period.

Management attributed the increase in the trend over the period to an expansion on the mandate of the Fund to include project accounts to support government projects through MOTI, MiDA, National Service, Enterprise Support Fund among others.

Management stated that, in recognition of the possible negative consequences of grants on the Fund, the Board has subsequently taken steps to ensure that an appropriate balance is maintained between grants and credit of about 30%:70% in favour of credit. The Board also introduced interest free loan scheme in 2015 to replace most of its grants which significantly reduced the grant component of total advances.

The Committee was of the view that, excessive extension of grants if not averted could deplete or stagnate the resources available to the Fund.

The Committee therefore recommends to the Bank to maintain a good balance between grant and loan to ensure the resources allocated to the Bank are not depleted through excessive grants. Further, low interest loans should be given priority over grants to ensure the growth of the Bank.

iii. Misapplication of Funds - GH¢2,496,173

The Audit established that the Board of EDAIF approved the disbursement of the sum of GH¢2,496,173 to the Ministry of Trade and Industry to be paid as a deposit in a court case involving Gratis Foundation and its former employees. This payment is not in line with the objects of the Fund and Constituted misapplication of fund.

Management explained that the amount was a refundable disbursement made on behalf of Gratis Foundation at the behest of the Minister for Trade and Industry to avoid the auctioning of the

Foundations assets. The amount for the bailout was duly approved by the Board and paid to Gratis

The Committee noted that the payment though approved by the Board is not in line with any of the object of the Fund. The Committee recommends to management of the Bank to pursue the matter and retrieve the Funds from Gratis Foundation.

iv. Approval of Grants in Excess of stated threshold

The Auditor-General established that the Management of EDAIF granted 27 individual grants totaling GH¢45,041,164 and GH¢50,188,581 in 2013 and 2014 respectively in excess of the stated threshold of the Cedi equivalent of US\$100,000 in contravention of Regulation 2.3 of EDAIF guidelines for Export Development and Promotion and Export Project and Credit Facilities.

Management explained that, though the approved threshold of EDAIF was pegged at the Cedi equivalent of US\$100,000, the Board was also given the right to exceed such limits in exceptional circumstances. Further, the coming into force of the EDAIF Act in 2013, Act 872 expanded the scope of operation of the Fund to include project facilities and other government projects. The Board subsequently amended the guidelines to extend the threshold to enable its execute government projects which in most cases are in excess of GH¢1 million.

The Committee was of the strong opinion that the approval of facilities in excess of the stated threshold should be a rear occurrence and not the norm as witnessed in 2013 and 2014.

The Committee recommends to the Minister of Trade and Industry to review the guidelines and the threshold to reflect the new responsibility placed on the Fund which required heavy investments in excess of the approved threshold.

14.10. Ghana Export Promotion Authority

i. Payment for Service not Rendered - GH¢253,402.41

The Audit revealed that the Ghana Export Promotion Authority transferred an amount of GH¢253,402.41 to SIAO for participation in a handicraft fair in 2014 but the amount remained unrecovered though the fair could not come on.

The Deputy Chief Executive of the Authority informed the Committee that the payment was made to SIAO to facilitate Ghana's participation in the 2014 International Arts and Handicraft Show in Ouagadougou. The fair could not come on as a result of the outbreak of the Ebola Pandemic in 2014. Part of the amount was used as a deposit to facilitate Ghana's participation in subsequent fair in Ouagadougou and the rest used to offset the cost of participation in the fair.

ii. Accounting For Special Imprest - GH¢82,215.89 and Special Advance Payment of GH¢275,704.74

The audit revealed that several officers of the Ghana Export Promotion Authority Failed to account for imprest advanced to them for local training and external fairs amounting to GH¢82,215.89. Further, an amount of GH¢275,704.74 granted to several officer to enable them participate in fair activities and local programmes were not accounted for.

The authority in its explanation produced documents which were duly verified by the Auditor-General that indicates that some of the amount have been retired. An amount of GH¢226,950.95 out of the special advance payment has been retired leaving a balance of GH¢48,753.79. Also, an amount of GH¢27,955.63 out of GH¢82,215.69 has been retired leaving a balance of GH¢54,260.06.

The authority requested for additional time to retrieve the relevant PVs to enable it retire the rest of the imprest.

**14.11. Ghana Free Zones Board
Increased expenses**

The committee observed and sought clarification on why some expenditure items in the income statement of the Board such as Travelling and Transport (89.7%), Repairs and Maintenance (96.9%), and Financial and Professional charges (95.4%) increased significantly in 2012 as compared to 2011.

Management responded that, the Board is an investment promotion agency and as such spends significant amount of time travelling around the world to fish out for investments. The increment in the travelling and transport charges was a reflection of the Board's investment promotion activities around the world in 2012.

14.12. Ghana Maritime Authority

i. Changes in income

The committee observed from the income and expenditure of the Authority that there were extraordinary changes in some of the items in the Income and Expenditure Statement of the Authority. For instance, maritime and safety charges increased by 205%.

The management responded that, the situation arose because, ship owners had challenges with the Authority in 2013. They could not honor their expenditure obligations to the Authority in that year and because of that, revenues were not flowing in as projected. However, in 2014 when the impasse between the Authority and the ship-owners was resolved, the owners settled their debt and this led to the huge increase in marine and safety charges as recorded in the statement.

ii. Administration Expenses

The committee wanted further clarifications on what constituted the service and Administration expenses in the financial statement of the Authority.

The Authority responded that, Service and Administration expenses refers to the emoluments of board of Directors, salary of workers, and running cost of the Authority.

14.13. Ghana Civil Aviation Authority (GCAA)

Revenues

The committee sought information on the main sources of revenue for the Authority.

The management of the Authority responded that, their major revenue is the air route aviation charges, safety charges and the landing charges. Currently, about 37 airlines and two cargo airlines are in their books. The Authority charges based on the weight of the registered flight.

14.14. National Health Insurance Authority

i. Significant Deficit between growth in Expenditure and Income

The audit revealed significant deficit between the growth of income and expenditure of the Authority. While income of the authority was growing at an average rate of 28% per annum, expenditure is growing at an average rate of 45% leaving a financing gap of 17%. This threatens the survival of the scheme.

Management explained that it has adopted a cost containment measures to stem the tide of rising claims and other expenditure item. This include the introduction of biometric authentication system to help reduce abuse. The Authority also established four claim processing centers which has helped improve efficiency of claim vetting, processing and payment. To minimize supply side hazard and its attendant cost to the scheme, the Authority is in collaboration with Ghana Health Service to enforce prescription levels.

Management further indicated that, the clinical audit system has also been strengthened and a sum of GH¢22.78 million was recovered from service provider as at 31st December, 2016.

To expand the revenue base of the Scheme, the NHIA has submitted various proposals to government on ways to expand the revenue sources of the scheme to ensure its sustainability.

The Committee noted that, though the subscriber base of the scheme has increased significantly, the funding sources for the scheme remained the same. This resulted in a funding deficit which

put strains on the limited funds of the scheme resulting in the inability of the scheme to meet its obligations.

The Committee is of the opinion that continuous widening of the gap between the income and expenditure of the fund threatens the sustainability of the scheme and this will lead to loss of public confidence in the scheme.

In view of the significant relief the scheme provides for many Ghanaians especially the underprivileged, there is the need for the government to as a matter of priority identify additional funding sources to support the scheme.

ii. Failure of Ministry of Finance to absorb interest on loans

The Auditor-General noted that due to the failure of the Ministry of Finance to release funds to the NHIA, the Authority raised financing from some commercial banks to enable it meet its payment obligations. The Ministry of Finance approved the facility and agreed to pay all interest that will accrue to the facility. The Ministry however failed to honor its obligations leading to accumulation of interest expense of GH¢49,753,222 on the facility.

Management of NHIA indicated that, the Authority secured a bridging facility from some commercial Banks to enable it meet its obligations following delays in receiving funds from the Ministry of Finance. The Ministry approved the facility and agreed to pay any interest and cost that will accrue to the facility.

The Committee is of the view that, interest cost and other charges will put further strain on the already overburden resources of the scheme. The Committee therefore urges the Ministry of Finance to ensure timely release of Funds to the Authority to avoid the Authority relying on credit to finance its operations. The Authority should engage the Ministry at the end of each year and agree on timelines for releases to enable the Authority plan its expenditure in line with releases from the Ministry of Finance.

iii. Direct Payment to Suppliers on behalf of Partner Institutions

The audit established that the National Health Insurance as part of its formula approved by Parliament allocated an amount of GH¢55,860,000 and GH¢7,737,919 in 2012 and 2013 respectively as support to partner institutions and transferred same to five private entities without any system to monitor and ensure that the funds are used for the intended purpose.

Officials from the NHIA explained that, as an agency under the Ministry of Health, such payments are made on behalf of the Ministry based on the approved NHIA allocation formula. Disbursement is done on the instruction of the Ministry based on contracts awarded by the Ministry. The Minister for Health explained that, the payment in question was for the printing of standardized prescription forms for all health facilities under the scheme. These were intended to reduce fraudulent claims and reduce claim processing time. The present arrangement is that, contracts are awarded by the Ministry and NHIS effects payment while contract monitoring is done by the Ministry.

The Committee recommends that, the Ministry of Health after awarding such contracts should furnish NHIA to enable NHIA verify work done before effecting payment. The Ministry should also support all requests for payment with relevant copies of contract and other support documents to enable NHIS keep proper records of the work for which payment is been effected.

iv. Unbanked Processing Fee

The audit revealed that an amount of GH¢32,972 collected as processing fees by the Ga Mutual Scheme between January and March 2012 had not been banked as at December, 2012. An amount of GH¢6,785 was later refunded leaving a balance of GH¢26,187 which was not banked as at December, 2013 in contravention of Regulation 15(1) of the FAR.

Management of NHIA explained that, when the issue was raised in the audit report, management instituted investigations and the officer involved was interdicted and subsequently dismissed. The matter was further reported to the Ghana Police for further action.

The Committee noted that some of these leakages further strain the resources off the NHIS. If these loopholes are not blocked, any effort to increase the funding sources of the scheme may not yield

the desired impact. The Committee urges management to deploy technology and minimize cash collection throughout its offices to avoid embezzlement by officers.

15.0 Kofi Annan International Peacekeeping Training Centre

Trade Debtors

The committee observed that, the Center's trade debtors significantly increased by 2,228.1% in 2014, and sought clarification on what accounted for the increment.

The Minister of Defense explained that the Center's main sources of income are from student's fees and donor support. He indicated that the increase in trade debtors is as a result of reclassification of items that constitute trade debtors. He indicated that prior to 2014, student debtors were not considered as part of trade debtors. It was subsequently recommended by the auditors that the students constitute the main business of the Center and must be classified as part of trade debtors. The reclassification in the 2014 financial statement therefore accounted for the astronomical increase in trade debtors of the center.

16.0. MINISTRY OF WORKS AND HOUSING

16.1. State Housing Corporation

i. Trade Debtors

The audit established that, due to failure of management to put in place proper credit policy, trade debtors amounting to GH¢557,707 has remained in the books of the Corporation for over two years.

The Deputy Minister of Works and Housing indicated that over 70% of the debt has been recovered as at 20th August 2017 leaving a balance of GH¢150,888.88. The corporation has also commenced a process to determine which debts are not recoverable in order to put them into the category of doubtful and bad debts.

Committee noted that most of the debt relates to unpaid rent on properties of the corporation.

The Committee therefore recommends to Management to review its rent policy and agreement and also engage the services of private debt collectors to help recover the debts.

ii. Selling Prices of Housing and Profit Margin

The audit showed that, as result of inappropriate pricing, two residential properties of the corporation were sold below the corporations approved selling price yielding a margin bellow the firms margin threshold of 40%.

Management indicated that the two residential properties in question were constructed using deposits of clients. The clients paid the deposit in full for the two houses but construction delayed due to litigation on the land earmarked for the House. The protracted litigation delayed construction and eroded the 40% mark-up due to inflation.

The Committee is of the view that, failure by Management to conduct proper due diligence on the right ownership of land accounted for this situation. The Committee recommends to Management of the Corporation to ensure that it acquire full title to all lands before opening it for sale to the public.

iii. Accumulated Balances on Statutory Deductions

The Audit established that SHC failed to pay accumulated balances on statutory deductions amounting to GH¢273,854 in contravention of Section 87(1) of the Internal Revenue Act, 2000 (Act 592).

The Deputy Minister attributed the failure to liquidity challenges in the corporation at the time but indicated that, an amount of GH¢248,524.96 has been settled with the Ghana Revenue Authority. The Corporation also issued five postdated cheques covering the remaining 25,329.04 to the GRA.

17.0. MINISTRY OF ENVIRONMENT, SCIENCE, TECHNOLOGY AND INNOVATION

17.1 Council for Scientific and Industrial Research (CSIR)

17.1.1 Building and Road Research Institute

Outstanding Statutory Deduction

The committee observed that the institute failed to remit employee PAYE and Social Security contribution totaling GH¢954,107 to SSNIT and GRA.

Management explained that, the anomaly occurred because, the council had financial challenges in that year. According to the council, prior to 2013, CSIR used to get quarterly transfers from central government for the payment of compensation to its employees. However, Personnel Emolument subventions for the months of April 2011, October 2011 and December 2012 amounting to GH¢1,054,085 were not released. The Institute had to borrow from the provident fund of the workers and other statutory deductions to enable it pay its employees net salaries for those months. This accounted for the inability of the institute to remit the statutory deductions on schedule. The salaries are still in arrears and the various statutory accounts will be reimbursed when ministry of Finance release the salary arrears for these months.

The Committee noted with worry that continuous indebtedness to workers' provident fund will adversely affect the growth of the fund and the interest accumulated on contributions. The Committee urges the Ministry of Finance to release the PE to the council to enable it reimburse the provident fund of workers to guarantee the security of workers' pension.

17.1.2 Soil Research Institute (SRI)

Lack of Title Deed on Land

The audit revealed that, the Soil Research institute at Kwadaso in Kumasi did not have title deeds to the lands they currently occupy.

The Ministry explained that, a 60 year deed executed between the Asantehene and the Institute expired on 28th June, 2008. Processes for the renewal of the lease stalled due to non-availability of Funds. The Lands Commission has estimated the cost for the lease renewal at GH¢20,682,000 which was factored in the Institute's budget for

2015 and 2016. Upon further engagement with the Asantehene, it was agreed that portion of the land should be released to the traditional authority for developmental project as compensation for the lease payment. In fulfilment of the agreement, processes are far advance to exceed 800 acres of the land to the royal majesty.

The Committee noted that delays in securing title to the land could result in encroachment on the Institute's lands. The Committee urges the CSIR to lead a process to fast-track the arrangement with the traditional authority to ensure the Institute gets title to the land.

17.1.3 Roots and Tuber crop Research Institute

It was also observed that, though the Roots and Tuber crop Research institute had not received any research grants for their activities since 2013, they continued to pay research staff salaries for no work done.

Officials from the Institute explained that, though the Institute had not received direct grant support from the Government of Ghana since 2013, it continued to implement some donor funded projects over the period. They indicated that the research activities of the Institute is being funded mainly by Government of Ghana and World Bank's West Africa Agricultural Productivity Program (WAAPP) which the Institute has been implementing since 2008 to date.

The Committee noted that notwithstanding the inability of Government to transfer research grants to the Institute, the Roots and Tuber Research Institute has over the period developed and distributed to farmers new and improved, high yielding and disease resistant varieties of cocoyam, cassava, yam, water yam, sweet potatoes amongst others. The Committee recommends to the Ministry of Food and Agriculture to continue to pursue funding for the Institute to help improve food security.

17.1.4 Crop Research Institute

i. Withholding Tax

The committee observed that, withholding taxes to the tune of GH¢4, 839 were deducted from payment made to workers on a project of the CRI but it was not paid to the GRA.

The Institute attributed its inability to remit the taxes withheld to the GRA to cash flow problems. A copy of GRA Taxpayer Receipt dated 16th August, 2017, presented to the Committee shows that, CRI settled all the tax obligation the GRA.

ii. Failure to emboss fixed assets

The committee observed that the Crop Research Institute failed to emboss some assets of the Institute with their name, additionally some of the fixed assets had the same identification number.

The Institute indicated that, all fixed assets of the Institute have now been dully embossed and all assets have been given different identifications numbers.

17.1.5 Forestry Research Institute

Failure to retire Accountable imprest

The Auditor-General established that an amount of GH¢22,563 granted to some officials of the Forestry Research Institute as accountable imprest was not retired by the staff.

The management of the Institute responded that, following the audit findings, all officers concerned were duly notified to retire the imprest. Some officers complied and retired the imprest granted them and those who couldn't retire the imprest were surcharged against their provident Fund. As a result, the imprest had duly been retired.

17.1.6 Food Research Institute

Delay in Payment of PAYE and Social Security Deductions

The audit found that contrary to Section 87 (1) of the Internal Revenue Act 2000 (Act 592) as amended and National Pensions Act 2008(Act 766), an amount of GH¢75,377.56 and GH¢28,500.61 being PAYE and Social Security deductions remained unpaid to the appropriate authorities.

Management attributed the delay to cash flow problems. The respective deductions have been paid to SSNIT and GRA and copies of the receipts made available to the Committee and verified by the auditors.

Inaccurate Sales Records

The audit revealed that due to improper system of recording sample products for testing, sample products given to retail outlets for market testing did not reflect in the Institutes books in contravention of Regulation 1 of FAR 2004 (LI 1802).

17.2 Environmental Protection Agency

The committee observed and wanted explanations on what led to an increase in the non-current asset of EPA by 28% from GH¢28,872,178 to GH¢37,164,316 between 2012 and 2013.

Management attributed the increase to the acquisition of new assets and the revaluation of existing ones by the Agency to determine the true value of its assets. The revaluation was in compliance with previous audit recommendations. The values therefore reflect the current value of the assets of the Agency.

18.0 MINISTRY OF JUSTICE AND ATTORNEY-GENERAL'S OFFICE

18.1 COPYRIGHT OFFICE

Unearned Salaries - GH¢14,556.92

The audit found that two staff members who separated from the Copyright Office were paid unearned salaries totaling GH¢14,556.92. The Auditor-General attributed the situation to the failure of Management to follow required processes to delete the names of the two separated staff from payroll.

Management attributed the situation to delays by the Controller and Accountant General to delete the names from payroll when notified. Management however produced documents from the banks of the separated staff and the Controller and Accountant General's Department which confirmed that the funds have since been retrieved from the two separated staff and paid back to government chest.

18.2 EOCO

Funds Transferred in Excess of Court Order – US\$619,039.16

The Audit revealed that an amount of US\$986,024.16 and GH¢646,188.35 were transferred from EOCO exhibit Dollar and Cedi accounts to an applicant without the required supporting documents and without regard to court order.

EOCO in a written submission to the Committee explained that, EOCO in 2012 commenced investigations into the activities of a private firm. In line with its operational modalities, a court order was secured to seize and transfer funds in the company's two accounts into an exhibit account at Bank of Ghana. After the investigations, lawyers for the company filed an application for discharged at the high court which was granted. The ruling of the high Court however instructed the EOCO to transfer an amount of US\$366,000 to the applicant though this was not contain in any affidavit before the court. Since no adverse finding was made by EOCO in the investigations regarding the transfer of the funds into the firm's account, an application was made to BoG to transfer the entire amount to the company. Consequently, BoG transferred the amounts back to the respective accounts of the company.

The Committee noted that the issue was previously investigated by the BNI and no wrong doing was established neither did the transaction resulted in any financial loss to the state. The bank transaction advises made available to the Committee relating to the transaction indicates that, the funds were transferred to EOCO exhibit account at BoG from Barclays Bank on 20th March, 2012. The same amount was transferred back to the private firms account at Barclays on 30th April, 2013 from BoG. The reversal is also necessary, legitimate and in line with EOCO operations since investigations did not find anything criminal about the transaction. The Committee however noted that though the transaction did not resulted in any financial loss to the state, the payment of the entire amount of US\$986,024.16 is in total disregard of the ruling of the Court.

19.0 Ministry of Tourism, Culture and Creative Arts

19.1 Ghana Tourist Board

i. Non Remittance of SSNIT Contributions and Withholding Taxes - GH¢479,163

The Auditor-General established that the Ghana Tourist Board failed to remit an amount of GH¢215,924 and GH¢57,880 being PAYE and 5% withholding taxes respectively to the GRA contrary to Section 87(1) of the Internal Revenue Act, 2000 (Act 590). Also an amount of GH¢205,359 being Social Security Contribution of employees were not remitted to the appropriate authorities.

Management indicated to the Committee that the staff salaries are paid by the Controller and Accountant General who is responsible for deducting PAYE and Social Security Contribution of staff and transfer same to the respective state authorities. Management noticed a delay in the transfer of the deductions to the requisite authorities during the audit period. A follow up has since confirmed that the PAYE and the employee SSF has since been transferred to the relevant authorities. Management further explain that the withholding taxes has since been remitted to the tax authorities.

Official Statement from SSNIT and GRA receipts made available to the Committee confirms that the funds have been transferred to the relevant state institutions mandated to receive such funds.

ii. Revenues not lodged Before Disbursement

The audit revealed that the Ghana Tourist Board failed to lodge revenues received before disbursement in contravention of Regulation 8(1) of FAR, (L.I.1802).

Management explained that, the situation occurred in the regional and district offices where officers spent revenues when remittance from the headquarters delay. Management informed the Committee that, strict instruction has since been communicated to all regional and district officers to desist from the practice and comply strictly with the FAR.

The Committee noted that the practice is a breach of financial discipline and all officers involved must be sanctioned appropriately.

The Committee recommends to management to ensure that all revenues collected at the District and Regional levels are paid

directly into the bank and payments made only from funds remitted from the head office.

19.2 Abibigrama Theater Company

Deteriorating Asset Position of the Company

The audit indicated that the total asset of the Abibigrama Theater Company decreased from GH¢7,943.98 in 2013 to GH¢6,355.37 in 2014 representing a decrease of 33.3%.

The Committee wanted to know the exact composition of assets that were valued to arrive at this figure. The accountant in an explanation indicated that the companies asset consist of costumes, drums, office equipment and some official vehicles.

The values presented in the financial Statement represents the historical values of the Assets at the time of acquisition. In the considered view of the Committee, these asset need to be revalued to determine the actual value of the company's assets and hence the worth of the Company.

19.3 Kwame Nkrumah Memorial Park

Tickets Unaccounted for - GH¢5,591

The audit revealed that an amount of GH¢5,591 being revenue generated from the sale of tickets at the gate of KNMP was not accounted for by the revenue collector.

Management explained that the following the audit findings, the revenue collector, Mr. G.K. Quansah accepted responsibility and promised to refund the amount.

The Committee noted that Mr. Quansah paid an amount of GH¢3,220 out of the GH¢5,591 with a promise to pay the different of GH¢2,371 by close of 24TH November, 2014 but failed to honor his pledge. Management informed the Committee that, Mr. Quansah has absconded and cannot be traced.

The Committee attributed the occurrence to weak internal controls and supervision by Management.

The Committee recommends to Management institute internal control measures to forestall the reoccurrence of the situation and

report the conduct of Mr. Quansah to the Security agencies for action.

20.0. AUDIT OPINION

The Auditor General indicated in his Report to the House that his office was satisfied with the audited financial statements submitted by the Boards and Corporations. The Auditor-General indicated that the accounts submitted by the Public Boards and Corporations were prepared under generally accepted accounting principles and that they had complied with Ghana Accounting Standards and other relevant legislations. The accounts also present a true and fair view of the financial position and performance of the agencies inspite of the infractions sighted in this report to the house.

21.0 GENERAL OBSERVATIONS

The Committee having carefully examined the Report of the Auditor-General on Public Boards and Corporations is of the view that, the main challenge confronting many of these Institutions is poor management and supervision resulting in inability to collect debt when they fall due.

The Committee also noted that, most managers of these Institutions enter into management contracts with State Enterprises Commission, however, the contracts do not link the emoluments of management to performance. The appointment arrangements of the heads of these Institutions also present challenges to the enforcement of the performance contracts.

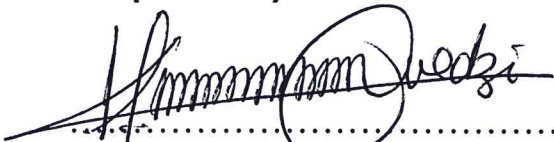
The Committee is of the view that linking performance with management emoluments would go a long way to improve upon the viability of these Institutions.

The Committee further urges Sector Ministers to improve their supervisory powers over these Institutions to ensure that their Boards perform as expected of them.

22.0. CONCLUSION

In conclusion, the Committee therefore recommends to the House to adopt its report and the recommendations 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, 2015 in accordance with Standing Order 165 of the Parliament of Ghana.

Respectfully submitted



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HON. JAMES KLUTSE AVEDZI
CHAIRMAN, PUBLIC ACCOUNTS COMMITTEE



.....
MR. INUSAH MOHAMMED
CLERK, PUBLIC ACCOUNTS COMMITTEE

**Appendix A;
Venture Capital Fund
Income and Expenditure Statement for 2014**

Income	2014 (GH¢)	2013 (GH¢)	% Change
Operating Income	5,593,426	4,571,479	22.4
Grant from Rockefeller-Fund	-	177,998	-
Grant from Ministry of Finance	10,000,000	-	-
Total Income	15,593,426	4,749,477	228.3
Expenditure			
Staff Cost	2,137,268	1,491,320	43.3
Trustees Emoluments	234,172	380,113	(38.4)
Administrative Expenses	3,700,200	1,718,561	115.3
Financial Cost	21,835	5,208	319.3
Rockefeller Foundation Expenses	-	177,998	-
Total Expenditure	6,093,475	3,773,200	61.5
Net Operating Income	9,499,951	976,277	873.1
Less Impairment loss on loans	8,383,269	10,735,401	(21.9)
	1,116,682	(9,759,124)	(111.4)
Net Changes in Fair Value of Financial Assets	6,089,708	7,329,569	16.9
Surplus/(Deficit)	7,206,390	(2,429,555)	(396.6)

