

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

**REPORT OF THE SPECIAL BUDGET COMMITTEE
ON THE 2019 BUDGET ESTIMATES OF THE
ELECTORAL COMMISSION**

1.0 INTRODUCTION

The Minister for Finance, Hon. Ken Ofori-Atta presented the Budget Statement and Economic Policy of the Government for the 2019 financial year to Parliament on Thursday 15th November, 2018 in accordance with Article 179 of the 1992 Constitution.

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

In the consideration of the estimates, the Committee was assisted by the Chairperson of the Electoral Commission, Mrs. Jean Mensa, the Deputy Commissioner in charge of operations Mr. Samuel Tetteh, Officials of the Ministry of Finance and the Electoral Commission

The Committee is grateful to the Officials for the assistance.

2.0 REFERENCE DOCUMENTS

The Committee referred to the following documents in its deliberations:

- a. The 1992 Constitution of the Republic of Ghana;
- b. The Standing Orders of the Parliament of Ghana;
- c. The Electoral Commission Act, 1993 (Act 451);
- d. The Political Parties Act 2000 (Act 574);
- e. The Budget Statement and Economic Policy of the Government of Ghana for the 2017 Financial Year;
- f. The Budget Statement and Economic Policy of the Government of Ghana for the 2018 Financial Year;
- g. Report of the Special Budgets Committee on the Annual Estimates of the Electoral Commission for the 2018 financial year; and
- h. The Budget Statement and Economic Policy of Government for the 2019 financial year;
- i. Medium Term Expenditure Framework (MTEF) for 2019 –2022; and
- j. A letter of request from the Electoral Commission to ring-fence the 2018 allocation for CAPEX.

3.0 MISSION STATEMENT

As provided under Article 43(1) of the 1992 Constitution and the Electoral Commission Act, 1993 (Act 451), the EC is mandated to organize and supervise all public elections and referenda in Ghana to advance the course of democracy and good governance through free, fair and transparent elections.

4.0 THE GOAL OF THE ELECTORAL COMMISSION

The goal of the Commission is to be an institution adequately resourced, staffed with professionally trained and motivated personnel, totally independent in the performance of its functions

and dedicated to efficient delivery of free, fair and transparent elections to advance the cause of democracy and good governance for sustainable development.

5.0 CORE FUNCTIONS OF THE ELECTORAL COMMISSION

The core functions of the Electoral Commission as captured under Article 45 are to:

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

6.0 2018 BUDGET PERFORMANCE

For the implementation of its core mandate, programmes and activities in the 2018 financial year, an amount of **Three Hundred and Seventy-three Million Four Hundred and Forty-five Thousand, One Hundred and Twelve Ghana Cedis (GH¢373,445,112.00)** was allocated to the Electoral Commission for its operational expenses in 2018. The amount was allocated to the various expenditure items of the Commission as follow:

| Expenditure item | 2018 allocation (GH¢) | % of total allocation |
|----------------------------|--------------------------------|--------------------------|
| Compensation of Employees- | GH¢48,397,602 | 12.96 |
| Goods and Services | - GH¢113,148,322 | 30.30 |
| CAPEX | - GH¢211,899,188 | 56.74 |
| Total | - <u>GH¢373,445,112</u> | <u>100.00</u> |

However, the actual expenditure of the Commission as at 30th September, 2018 stood at **Twenty Eight Million, Four Hundred and Fifty-four Thousand, Six Hundred and Sixty-seven Ghana Cedis and Eighty-seven pesewas (GH¢28,454,677.87)** representing only 7.62% of the total allocation. The unreleased balance therefore stood at **Three Hundred and Forty-four Million, Nine Hundred and Ninety Thousand, Four Hundred and Thirty-four Ghana Cedis and Thirteen Pesewas (GH¢344,990,434.13)**. The 2018 Budget Allocation and actual release as at 30th September, 2018 is shown in Table 1:

Table 1: 2018 Allocation and Actual Releases as at 30/09/2018

| Item of Expenditure | 2018 Budget Allocation EC GH¢ | Actual Releases GH¢ | Variance GH¢ | % Released |
|---------------------|-------------------------------------|------------------------|-----------------------|---------------|
| Compensation | 48,397,602 | 21,715,203 | 26,682,399 | 44.87 |
| Goods and Services | 113,148,322 | 6,739,474.87 | 106,408,847.13 | 5.96 |
| Assets | 211,899,188 | - | 211,899,188 | 0 |
| Total | 373,445,112 | 28,454,677.87 | 344,990,434.13 | 7.62 |

Additionally, an amount of GH¢51,320,007.99 (24.22%) out of a Capital Expenditure allocation of GH¢211,899,188 has been

committed leaving a balance of GH¢160,597,180 of the appropriated budget uncommitted.

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

- o Successful conduct of limited voter registration exercise and voters register exhibition exercise in some 47 selected Districts in the Brong Ahafo, Northern, Western and Volta Regions.
- o Trained 231 district officers in performance appraisal and 15 in tax related issues
- o Enacted the Constitutional Instrument for the conduct of the 2018 referendum for the possible creation of six additional regions in Ghana;
- o Upgraded and maintained the Voter Management System (VMS) across the country;
- o Serviced and Maintained the Biometric Voters Registration (BVRs) equipment, Biometric Verification Devices (BVDs) and Data Center of the Commission;
- o Conducted the district level elections in Manya Krobo District; and
- o Constructed 43 prefabricated District Electoral Offices in 2018 in addition to 27 completed in 2017 making a total of 70 out of 100 pre-fabricated District Electoral Offices planned across the country.

7.0 OUTLOOK FOR 2019

In 2019, the Commission plans to pursue the following programmes among others:

- a. Conduct referendum to seek the consent of the people for the election of MMDCEs and to allow for political party participation in local level elections;
- b. Following the creation of new districts the Commission intends to review the structure and number of electoral areas from the current 6,156 electoral areas to 8,500;
- c. Increase the number of polling stations in the country from 28,992 to 33,000;
- d. Compile a credible Voters Register;
- e. To allow for a cleaner voters register, the Commission will undertake the exhibition of voters register prior to the referendum;
- f. Conduct District Level elections to elect District Assembly and Unit Committee Members; and
- g. As part of its public engagement and voter education program the Commission will undertake Voter and Electoral Education on the referendum to elect MMDCEs.

8.0 BUDGETARY ALLOCATION FOR 2019

The Electoral Commission has been allocated the sum of **Seven Hundred and Sixty-seven Million Four Hundred and Seventy-two Thousand, Six Hundred and Seventy-one Ghana Cedis GH¢767,472,671** for the implementation of its activities in 2019 financial year. Out of this, **Seven Hundred and Sixty-six Million Three Hundred and Fifty-seven Thousand, Seven Hundred and Thirteen**

Ghana Cedis (GH¢766,357,713.00) is from Government of Ghana and **One Million One Hundred and Fourteen Thousand, Nine Hundred and Fifty-eight Ghana Cedis (GH¢1,114,958.00)** is from Development Partners. The GoG allocation for 2019 will be expended on the various expenditure items of the Commission as follows:

| | | |
|----------------------------|---|------------------------------|
| Compensation of Employees- | | GH¢ 50,057,713 |
| Goods and Services | - | GH¢603,801,351 |
| CAPEX | - | GH¢112,498,649 |
| Total | - | <u>GH¢766,357,713</u> |

Additionally, a Donor allocation of GH¢1,114,958 will be expended on Goods and Services bringing the total allocation to Goods and Services to GH¢604,916,309.

2019 BUDGET ALLOCATION BY PROGRAMME

The 2019 allocation to the Electoral Commission will be spent under two main programmes namely Management & Administration and Electoral Services.

The 2019 allocation to the Electoral Commission is to be expended on the two main programs of the Commission as follows:

| | | |
|-------------------------------|---|-----------------------|
| Management and Administration | - | GH¢76,486,217 |
| Electoral Services | - | GH¢690,986,454 |
| Total | - | GH¢767,472,671 |

The allocation for the various programs will be further expended in the sub-programs of the commission as follows:

Table 2: 2019 allocation by sub-program

| SN | Budget Program /Sub-program | Allocation (GH¢) | Allocation (GH¢) |
|----|--------------------------------------|--------------------|--------------------|
| 1 | Management and Administration | 76,486,217 | |
| | Human Resources and General Services | | 61,237,787 |
| | Finance | | 1,737,500 |
| | Information Technology | | 13,510,930 |
| 2 | Electoral Services | 690,986,454 | |
| | Demarcation of Electoral Boundaries | | 2,316,125 |
| | Compilation of the Voters Register | | 478,641,906 |
| | Conducting Elections | | 152,019,795 |
| | Voter and Electoral Education | | 55,937,027 |
| | Registration of Political Parties | | 2,071,600 |
| | Total | 767,472,671 | 767,472,671 |

9.0 OBSERVATIONS AND RECOMMENDATIONS

The Committee after a careful scrutiny of the estimates made the following recommendations:

9.1 Inability of the Commission to Commit Appropriated Funds

The Committee noted that the 2018 budget appropriated the sum of GH¢211,899,188 to the electoral Commission to finance its capital expenditure and specifically for the upgrade of its data center for the 2018 financial year. The amount is to be expended on the procurement of new BVR and BVD kits and for the refurbishment of existing kits. Part of the amount is to be applied to upgrade and refurbish the IT infrastructure of the Commission to make it robust for the impending referendum and national elections.

As at October 2018, the Commission had only committed the sum of GH¢51,320,007.99 representing 24.22% of the allocation leaving a

balance of GH¢160,597,180 of the appropriated budget uncommitted.

Officials from the EC informed the Committee that, the Commission require the amount to upgrade its data center, acquire 5,000 new BVR kits in addition to 7,500 kits refurbished in 2016 and 5,000 new BVDs for the impending District Level Elections (DLE) scheduled for September next year and the referendum in 2019. The Committee expressed its dissatisfaction at the inability of the Commission to utilize the amount to procure critical election related equipment and infrastructure. The situation could adversely impact the efficient running of future elections by the Commission.

The Committee urges Management of the Commission to take urgent steps to commit part of the resources to ensure that the funding gap created in the 2019 budget is bridged.

9.2 Shortfall in Budget Allocation

The Committee noted that the Electoral Commission requires an amount of GH¢979,511,867 to undertake critical election related activities for the conduct of referendum to seek the approval of Ghanaians to elect MMDCEs and the District level Elections in 2019. The Commission informed the Committee that, the amount will be used to procure new BVR and BVD kits, refurbish existing kits, upgrade the Commission's data center, and undertake voter registration in preparation for future elections. The Commission will also apply part of the funds to upgrade its Data Center which exhausted its capacity.

The Commission explained that, without the new equipment and an upgrade of the data center, the integrity of the referendum could not be guaranteed and the Commission cannot effectively conduct the local level elections and the referendum in 2019. The Committee was further informed that the ability of the Commission to effectively perform its mandate could be hampered if it fails to procure new equipment and upgrade its data infrastructure during the early parts of 2019.

The Committee noted that, the 2019 Budget did not allocate funds to the Commission to undertake these critical activities. The 2019 allocation represents 78.35% of the budgetary requirement of the EC leaving a funding gap of GH¢212,039,196. The breakdown of the requirements and allocation of the Commission for 2019 financial year is presented in table 2 and 3.

**Table 2: Summary of 2019 Budget Requirement and Allocation
(Programme 1 - Management and Administration)**

| Programme | Budget Requirement (GH¢) | Actual Allocation (GH¢) | Funding Gap (GH¢) |
|------------------------|---------------------------------|--------------------------------|--------------------------|
| HR and Administration | 58,384,148 | 52,287,787 | 6,096,361 |
| Finance | 1,737,500 | 1,737,500 | 0 |
| Information Technology | 13,510,930 | 13,510,930 | 0 |
| Total | 73,632,578 | 67,536,217 | 6,096,361 |

Table 3: Summary of 2019 Budget Requirement and Allocation (Programme 2 - Electoral Services)

| Programme | Budget Requirement (GH¢) | Actual Allocation (GH¢) | Funding Gap (GH¢) |
|-------------------------------------|---------------------------------|--------------------------------|--------------------------|
| Demarcation of Electoral Boundaries | 3,331,800 | 2,316,325 | 1,015,475 |
| Compilation of Voters Register | 422,457,484 | 325,060,863 | 97,396,621 |
| Voter and Electoral Education | 93,315,110 | 55,937,027 | 37,378,083 |
| Registration of Political Parties | 2,071,600 | 2,071,600 | 0 |
| Referendum (Election of MMMDCEs) | 167,180,700 | 102,220,700 | 64,960,000 |
| Total | 905,879,289 | 699,936,454 | 205,942,835 |

The Committee noted that the reduction in the financial requirement of the Commission will affect the implementation of critical activities aimed at strengthening the operational efficiency of the Commission and the effective conduct of proposed referendum for the election of MMDCEs in 2019.

Furthermore, the reduction in the allocation will require the Commission to roll back many activities planned in preparation for the conduct of elections and compilation of voters register.

The Committee is of the opinion that there is an urgent need to allocate additional funds to the EC to expand its IT infrastructure and upgrade the capacity of its data center to improve its efficiency, procure new BVR and BVD kits and to refurbish existing kits. The data center upgrade is necessary to improve the robustness of the

Commission's IT infrastructure, which has not been upgraded for the past five years, to reduce its vulnerability and improve its integrity for future elections.

The Committee therefore recommends to the Ministry of Finance to allocate the required resources to the Commission to enable it undertake its Constitution mandate. In the alternative, the Ministry of Finance would be required to ring-fence the 2018 allocation for the procurement of BVRs, BVDs and the refurbishment of the data center in particular.

Also, to guarantee the integrity of future elections and to enable the Commission prepare adequately for the conduct of the District level Elections as well as the proposed referendum in 2019 and for the 2020 presidential and General elections.

The Committee urges the Minister of Finance to make available the sum of GH¢212,039,196 to support the infrastructure upgrading of the Commission which amount ought to have been expended in 2018.

9.3 Preparation for the upcoming referendum

Commenting on the adequacy of funding for the impending referendum for the creation of six additional regions in Ghana, the

Chairperson informed the Committee that, preparations are far advanced for the referendum scheduled for 27th December, 2018. She indicated that all logistics for the referendum have been procured. The only outstanding activity involves the printing of ballot papers for the referendum.

On the apparent absence of public education on the upcoming referendum, the Electoral Commission explained that, EC officials are currently undertaking public education in public places including churches, mosques and market places to sensitize the public on the referendum.

The Commission assured the Committee that in the coming days, the Commission will embark on massive public education through radio and television adverts and jingles, public announcements, the use of flyers and information vans to create awareness about the referendum.

The Committee urges the Commission to collaborate with the National Commission for Civic Education (NCCE) to ensure the public is adequately sensitized on the referendum.

9.4 Enforcement of Electoral Laws

The Committee noted that, the 2019 Budget allocated an amount of GH¢2,880,225 to the EC for monitoring the activities of Political parties in Ghana. The Committee expressed concern about the inability of EC to enforce and ensure compliance with electoral laws especially those relating to the constitutional requirement of political parties to exist and establish regional offices in all the regions of Ghana and in addition, be organized in not less than two-third of all the districts in each region of the country. The Committee observed that the Commission sought for and was allocated GH¢1,000,000.00 in 2015 to undertake this very task but nothing was done. In 2016 the

Commission was again allocated another GH¢1,000,000.00 for the same purpose.

Again, the activity was not undertaken. The Committee noted that the aim of the activity was to ensure compliance with Section 15 of the Political Parties Act 2000 (Act 574) and Article 55(7)(b) of the 1992 Constitution but EC failed to undertake the exercise. The Committee noted that the failure of the Electoral Commission to monitor the activities of political parties has created a situation where all manner of persons and institutions are posturing as political parties when they lack the capacity to be described as such.

The Committee reiterate its call on the Electoral Commission to take the necessary steps to ensure that all registered political parties comply with the requirements in Section 15 of the Political Parties Act which requires registered political parties to among others to:

- a. furnish the EC with details of its existence and location of its national, regional, district and Constituency offices.
- b. provide the EC with the names, titles and addresses of its officers at the national, regional, district and constituency level; and
- c. furnish the Electoral Commission with the name and address of the auditor of the political party.

The Committee further urge the EC to impose the necessary sanctions on all defaulting political parties to bring sanity to the political landscape.

9.5 Change in EC Logo

Explaining the circumstances that led to the change in the logo of the Commission, the Chairperson informed the Committee that upon assumption of office, efforts were made to seek explanation for the various components of the logo but to no avail. A decision was therefore made to revert to the old logo that is more representative of the functions of the EC. She explained that the new logo has all the features of the old logo namely the coat of arms, a ballot box and a hand casting a ballot. According to the Commission, the old logo better expresses the core values of the Commission namely transparency, fairness and integrity. They further explained that there are some minor enhancements but largely, the logo has the features of the original logo of the EC. She indicated that the cost involved is GH¢16,000 for the printing of new letterheads.

9.6 Maintenance contract for Data Centre

The Committee was informed that, the management of the Electoral Commission's data, maintenance of its data center and IT infrastructure was outsourced to STL Limited for an amount of US\$3.9 million per annum for which there is no corresponding output for the monies been paid. The Commission explained that the arrangement entered into denied the EC access to its critical IT infrastructure. The Commission in an effort to take control of its data and IT infrastructure and ensure value for money initiated a process to renegotiating the outsourced agreement.

The Committee finds the situation where the Electoral Commission officials do not have unlimited access to the data and IT infrastructure

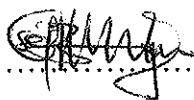
of the Commission unacceptable. The Committee therefore urges the Commission to take urgent step to have total control over the management and maintenance of its data and IT infrastructure to reduce cost and protect the integrity of this critical national data.

10. CONCLUSION

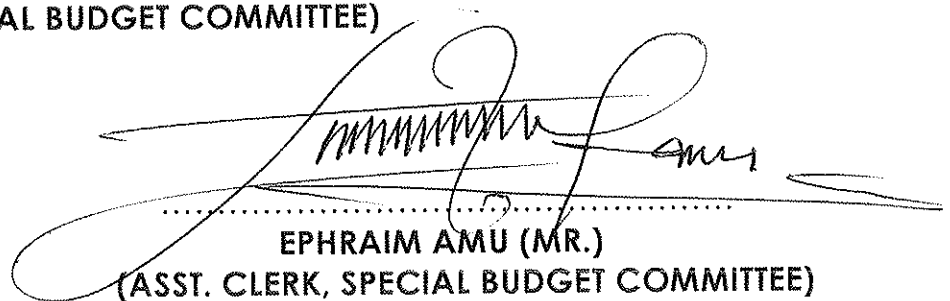
The Committee having carefully scrutinized the estimates of the Electoral Commission is convinced that the allocation is necessary to meet part of the expenditure requirement of the Commission for the 2019 financial year.

The Committee therefore recommends to the House to adopt its report and approve the sum of **Seven Hundred and Sixty-seven Million Four Hundred and Seventy-two Thousand, Six Hundred and Seventy-one Ghana Cedis (GH¢767,472,671.00)** for the implementation of the programs of the Electoral Commission for the 2019 Financial Year.

Respectfully submitted.



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



EPHRAIM AMU (MR.)
(ASST. CLERK, SPECIAL BUDGET COMMITTEE)

December, 2018