

IN THE SECOND 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 (PRE-UNIVERSITY EDUCATIONAL
INSTITUTIONS) FOR THE FINANCIAL YEAR ENDED 31ST
DECEMBER 2016

1.0 INTRODUCTION

The Report of the Auditor-General on the Public Accounts of Ghana (Pre-University Educational Institutions) for the year ended 31 December 2016 was laid before the House on Tuesday 13th March, 2018.

The Report was referred to the Public Accounts Committee (PAC) for examination and report in accordance with Order 165(2) of the Standing Orders of the Parliament of Ghana.

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

2.0 ACKNOWLEDGEMENT

To consider the Report, the Committee met with the various Heads of Pre-University Educational Institutions and their technical teams as well as the Regional Directors of education and a representative of the Minister for education. The Committee expresses its appreciation to them for the assistance.

3.0 REFERENCE

The Committee was guided in its deliberations by the following legal Instruments:

- i. The Constitution of the Republic of Ghana, 1992
- ii. The Standing Orders of the Parliament of Ghana
- iii. The Financial Administration Act, 2003 (Act 654)
- iv. The Public Procurement Act 2003 (Act 663)
- v. The Audit Service Act, 2000 (Act 584)
- vi. The Internal Audit Agency Act, 2003 (Act 658)
- vii. The Income Tax Act 2015 (Act 896)
- viii. The Value Added Tax Act, 2013 (Act 870)
- ix. The Financial Administration Regulations 2004 (L.I. 1802)
- x. Accounting Instructions for Educational Institutions by the Ghana Education Service.

4.0 PURPOSE OF THE AUDIT

The purpose of the audit was for the Auditor-General to express his opinion on whether the financial statements of the pre-university educational institutions give a true and fair reflection of their financial positions and whether expenditures were done in line with existing public financial management legislations.

5.0 METHODOLOGY

In undertaking this exercise, the Committee zoned the country into four:

- Zone 1 covered Northern, Upper East and Upper West Regions,

- Zone 2 was made up of the Brong Ahafo and Ashanti Regions
- Zone 3 comprised of Central and Western Regions and
- Zone 4 covers Greater Accra, Volta and Eastern Regions

All Pre-University Educational Institutions cited in the Auditor-Generals report appeared with their Head of the institution, the accountant and where necessary, officers who supervised the infractions identified by the Auditor-General.

6.0 AUDIT ISSUES, COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

6.1 VAT LOST AS A RESULT OF PURCHASES FROM NON VAT REGISTERED ENTITIES – GH¢263,198.76

The audit revealed that thirty-one Senior High Schools undertook procurement from non-VAT registered entities in breach of Regulation 183 (4) of FAR, 2004 (LI 1802). As a result, a VAT amount of GH¢263,198.76 was lost to the State. The list of the schools involved is attached as Appendix A.

Management of the institutions concerned informed the Committee that after the audit, purchases are now made from only VAT registered entities in accordance with laid down regulations and the recommendations of the Auditor-General.

The Committee noted the difficulties involved in identifying a VAT registered entity from which items such as firewood and perishable vegetables could be purchased. However, procurement from non-VAT registered persons is a breach of Section 30 (2) of the Financial Administration Act, 2003 (Act 654.)

The Committee recommends that officers responsible for the lapses should be identified and sanctioned in line with Regulation 8 (4) of the Financial Administration Regulations, 2004. L. I. 1802. Further, the Ministry of Education should engage GRA to establish agreed modalities for procuring perishables from non VAT entities.

**6.2 NON-DEDUCTION OF WITHHOLDING TAX AND NON-REMITTANCE OF TAX-
GH¢277,933.91**

Twenty-eight Senior High Schools failed to deduct withholding tax amounting to GH¢91,862.12. In a related development, 39 schools withheld various sum of taxes amounting to GH¢186,071.79 but failed to remit them to the Ghana Revenue Authority within the mandatory period of one month in contravention of Section 116 (2) of the Income Tax Act 2015, Act 896. The list of Institutions is attached as Appendix B.

The Committee noted that, all the schools involved have so far remitted all the taxes to the GRA. All the taxes not deducted have also been retrieved from the suppliers and paid to GRA.

The Committee noted that, the failure of the Accountants to withhold tax and to remit taxes to GRA is a contravention of Section 116(2) of the Income Tax Act, 2015, Act 896. The Committee however noted that, the GRA did not impose penalties on the amounts for the period at which the withholding entities held onto the taxes. The Committee therefore recommends that management staff involved should be sanctioned in line with Regulation 8(4) of the Financial Administration Regulations, 2003. Further, GRA should determine the penalty on delayed payment of withholding taxes and surcharge the officers whose actions or inaction resulted in the infractions.

6.3 FAILURE TO OBTAIN VAT INVOICES/RECEIPTS - GH¢49,464.70

Eight schools failed to obtain VAT invoices or receipts to support payment made to suppliers with VAT component amounting to GH¢49,464.70 in contravention of VAT Act, 2013 (Act 870).

The Committee noted that, failure of the Accountants to receive VAT invoices means that the suppliers are not under obligation to remit the VAT component to the tax authorities. At the time of public sitting, all the VAT components were retrieved from the suppliers and paid to GRA.

The Committee recommends that, Accountants who authorised payment but failed to obtain VAT invoice must be surcharged with the amount involved.

6.4 PAYMENT FOR GOODS NOT DELIVERED– GH¢8,000.00

Management of Akro Senior High Technical School made purchases to the tune of GH¢8,000 for the supply of goods but the purchases were not delivered even though payment was made contrary to Section 16 of the Financial Administration Act, 2003, Act 654.

The Committee noted that, Section 16 of the FAA demands that the head of Government Departments must certify that the goods are supplied before payments are made. The lapse clearly showed that the school failed to comply with this directive.

The Committee recommends that the officers who authorize the payment without verifying that the goods were actually supplied should be sanctioned in line of the Financial Administrations Act, 2003. Management should ensure that all outstanding purchases paid for are supplied within Thirty days. Failure to which the Head of Institution and Accountant should be surcharged with the amount of GH¢8,000.00.

6.5 UNPAID RENT – GH¢89,492.00

Ten (10) Schools failed to collect rent amounting to GH¢89,492 from the staff occupying the schools bungalows. At the Committee sitting, officials presented receipts duly authenticated by officials of the Audit Service indicating that all outstanding rent had been collected.

The Committee noted that, failure to collect and pay to chest revenues accruing to the State constitutes a breach of Regulations 171 and 179 of the Financial Administration Regulations.

The Committee recommends that, in future, heads of institutions should eject the defaulting officers from government bungalows and reallocate same to officers willing to pay.

6.6 FAILURE TO RENDER SERVICES TO STUDENTS FOR FEES CHARGED -GH¢63,090.96

The audit revealed that the head of Dzodze-Penyi Senior High School and Sokode Senior High Technical School billed and collected an amount of GH¢109,949 and GH¢3,300 to provide school uniforms and medical screening respectively for students but failed to do same. The Committee noted that, officials of Sokode Secondary School credited the amount to the affected final year students as school fees for the final term. There was however a disagreement between the school authorities at Dzodze-Penyi SHS and the Audit Service. School authorities insisted that, all items billed to students were supplied. There was also a challenge with the computation of the amounts. The Committee therefore requested the Audit Service to go back and verify the claim by the school and report back through their subsequent audit reports.

6.7 UNEARNED SALARIES - GH¢128,816.04

Eleven Schools failed to recover unearned salaries from separated staff amounting to GH¢128,816.04. In a related issue, Nana Brentu Senior High School overpaid Mr. Joseph Ackon an amount of GH¢5,925.33 but failed to recover same from the officer.

At the time of the public sitting, receipts were produced showing a recovery of an amount of GH¢111,806.75 leaving an outstanding amount of GH¢17,009.29 in the names of four institutions. The unrecovered amount are in the names of the following:

Table 1: Outstanding unearned salaries

	Institution	Name of Beneficiary	Unearned Salary (GH¢)	Amount Recovered (GH¢)	Outstanding (GH¢)
1	Zebilla SHTS	Birbia B. Bosonmin – Deceased	3,686.72	0.00	3,686.72
2	Krachi SHS	Christopher Agbokpa	1,600.00	0.00	1,600.00
3	Krachi SHS	Jonathan Onyinebolo & Michael Asieddu	4,020.74	0.00	4,020.74
4	Queens SHS	Alfred Asamoah	8,767.76	3,109.80	5,657.96
		Erica Ansa-Antwi	5,816.04	3,772.17	2,043.87
	Total		23891.26	6,881.97	17,009.29

The Committee further noted that, Mr. Joseph Ackon has also fully refunded an amount of GH¢5,925.33 overpaid to him.

The Financial Administration Act requires that all spending officers of government institutions must vet monthly payrolls and approve it before they are given out for payment. This is to confirm that the payroll as approved is accurate and reflect the total staff at work.

The occurrence of unearned salaries implies that the spending officers are not performing their functions effectively as spelt out in Regulation 298 of the Financial Administration Regulations, 2004. Additionally, the Committee was provided evidence which show delays and laxity on the part of Controller and Accountant General's Department staff to act timeously to delete names of separated staff upon notification.

The Committee recommends to the heads of the four institutions involved to recover all outstanding amounts from the officers' concerned failure to which the spending officers should be surcharged. Further, all beneficiaries who failed to refund the unearned salaries should be reported to the police for prosecution. Compliance of this directive should be made through the status report to the Committee through the Auditor-General.

6.8 FUEL NOT LOGGED IN LOGBOOK – GH¢191,793.03

Eighteen (18) Schools failed to log fuel purchases amounting to GH¢191,793.03 in the logbook making it difficult to confirm that the fuel purchases were used in the interest of the institutions.

The Stores regulations demand that all fuel purchases are to be logged in the vehicles' logbooks. At the time of Committee meeting, except Keta Business College which could not account for an amount of GH¢400.00 fuel purchased, all the other institutions cited produced documents to show that the purchases were used by the institutions.

The Committee takes a serious view of this lapse and recommends that officers responsible for the lapse are sanctioned. A report on compliance should be made after audit verification.

6.9 UNSUPPORTED PAYMENTS – GH¢4,401,870

Eighty-six institutions and PTAs in four schools failed to support expenditure incurred with invoices, receipts and acknowledgement by recipients to authenticate payments amounting to GH¢4,401,870. At the time of the Committee sitting, payments amounting to GH¢4,183,583 had been authenticated leaving a balance of GH¢218,287.00 unauthenticated. The outstanding unaccounted payments relates to the following institutions:

i.	Bongo Senior High School	GH¢18,532.00
ii.	Enchi College of Education (PTA)	GH¢7,595.00
iii.	Tarkwa Senior High School	GH¢112,160.00
	Total	GH¢218,287.00

The Committee noted through its deliberation that, improper record keeping and poor supervision of account officers by heads of institutions and uncooperative attitude of accounts officers to the audit process as the major causes of the large amounts of unsupported payment recorded in the audit reports.

Regulation 1 of the Financial Administration Regulations, 2004, recommends that officers responsible for the conduct of financial business in an institution are to keep proper records and submit it upon inspection. Section 16 of the FAA also recommends that the voucher is supported with the necessary certificate and the work is certified by the head of the government entity.

The inability of management to substantiate payments made by the institutions by supporting the payment vouchers with the requisite supporting documents for audit verification is a breach of Regulation 8(1) of the Financial Administration Regulations.

The Committee recommends that the Heads of the Institutions, the Accountants and any other officers responsible for the breach should be sanctioned in line with Regulation 8(4) of the FAR, 2004. Further, the payment vouchers should be substantiated and submitted to the Auditor-General for audit verification.

The Committee further recommends that, the officers who supervised the payments should be surcharged with the amount if necessary supporting documents are not provided to authenticate the payments. A report on actions taken should be submitted to the Committee for verification.

6.10 UNCREDITED SCHOOL FEES AND INABILITY TO ACCESS FUNDS- GH¢102,029.61

Nine (9) Schools were not credited with an amount of GH¢46,321.07 being school fees deposited at the respective banks through bankers draft. The Committee noted that some of the uncredited amount relates to the failure of the banks engaged by the school as collection agents, to pay monies collected on behalf of the schools into the schools accounts. The schools involved are:

Table 2: Uncredited Fees Outstanding

SN	Name Of Institution	Amount Uncredited (GH¢)	Post Audit Recovery (GH¢)	Outstanding Balance (GH¢)
1	Odomaseman Senior High School	2,927.17	0.00	2,927.17
2	Akwatia Technical Institute	949.50	0.00	949.50
3	Oda Senior High School	22,299.00	0.00	22,299.00
4	St. Michael's Senior High School	1,440.50	0.00	1,440.50
5	New Abirem/Ofosu SHS	2,355.20	1,720.20	635.00
6	Abetifi Presbyterian SHS	2,874.00	0.00	2,874.00
7	Kwahu Ridge Senior High Tech. Sch.	1,836.00	0.00	1,836.00
8	Keta Business College	3,996.50	0.00	3,996.50
9	Half Asini Senior High School	7,643.20	0.00	7,643.20
	TOTAL	46,321.07	1,720.20	44,600.87

Additionally, two school could not access the sum of GH¢55,708.54 deposited in two rural banks namely; Western Rural Bank and Union Rural Bank respectively due to the banks liquidation problems. The Schools involved are:

- i. Methodist Senior High School - GH¢33,622.20
- ii. Senya Senior High School - GH¢21,811.48
- Total - GH¢55,708.54

The amounts relates to the balances in the bank accounts operated by the school in the respective banks at the time of liquidation. Out of this amount, Senya Senior High School recovered GH¢4,001 leaving a balance of GH¢17,810.48. Total outstanding balance therefore stood at GH¢51,432.68.

The Committee noted that, the efforts and resources required to pursue the outstanding amount could exceed the actual amount locked up in the liquidated financial institutions. The Committee therefore recommends to the House to allow the Controller and Accountant-General to write off the amounts and take same off the books of the affected institutions.

6.11 UNRETIRED IMPRESTS – GH¢192,709.26

A total amount of GH¢192,709.26 granted by six schools as imprest to officers had not been retired as required of them in contravention of Regulation 288 of the FAR. The lapse

was as a result of ineffective monitoring of imprests by management of the institutions involved.

Management of the affected institutions explained that, most of the unretired imprest relates to funds released for projects that were ongoing at the time of the audit. Officers involved has so far retired all the imprests.

The Committee recommends that the officers and management of the institutions concerned should be sanctioned for breach of Regulation 8(4) of the FAR.

6.12 MISSING ITEMS

Four Schools could not account for 643 library books while six schools had 60 laptop computers missing. The schools involved and the various state of the missing items are presented below:

Table 3: List of Institutions with missing items

SN	Institution	Missing Library Books	Missing Laptops	Quantity Found	Outstanding
1	Zebilla Senior High Technical School	80	-	59	21
2	Achimota Senior High School	140	-	140	0
3	Sankore Senior High School	270	-	0	270
4	West African Senior High School	153	-	153	0
5	Kaleo Senior High Technical School	-	12	0	12
6	Bonwire Senior High Technical School	-	6	0	6
7	Ejisuman Senior High School	-	13	0	13
8	Jerome Senior High Technical School	-	4	0	4
9	Mansem Senior High School	-	4	0	4
10	Nana Bretu Senior High Technical School		21	21	0
	Total	643	60	473	

In a related development, Kaleo Senior High Technical School could not account for 2 projectors, 2 Wunispeakers and 2 sets of screw drivers at the school's computer lab.

Management of the schools explained that, the missing laptops, were reported to the Police Service and investigation are underway. The Committee recommends to the Ghana Police Service to expedite action to help recover the items. The Committee noted that the missing laptops were due to negligence on the part of the institutional heads and other staff responsible for the safety of the items. This the Committee noted is a breach of Regulation 183 (3) which demands that Heads of institutions should properly take care of government stores.

The Committee recommends that the heads of institutions and officers under whose custody the items were kept should be held responsible for the loss of the stores and sanctioned.

6.13 EMBEZZLEMENT OF REVENUE – GH¢314,173.00

An Accounts Clerk at T. I. Ahmaddiyya Senior High School, Mr. Daniel Oteng collected an amount of GH¢314,173.00 but failed to lodge it into the school's account but rather used it for his personal purposes in violation of Regulation 149 (1) and (2) of the FAR 2004 (L.I 1802)

The Committee noted that the officer took advantage of the absence of the substantive accountant to perpetrate the fraud through the forgery of bank stamps and bank statements to deceive Management that the amounts have been properly lodged in the schools account.

The lapse is as a result of weak internal controls systems and inadequate supervision of the work of the accounts clerk. The Committee holds the Officer as well as their supervisors and management responsible for failing to put in place proper checks and balances to prevent such lapses.

The Committee was informed that, the matter is before a court of competent jurisdiction for the money to be retrieved. In addition to civil proceeding underway to recover the

amount, the Committee recommends criminal prosecution of Mr. Daniel Oteng for embezzlement of public funds.

6.14 UNPAID ELECTRICITY BILLS– GH¢1,142,074.03

The Agogo State Senior High School and the Sunyani Senior High Schools owed the Electricity Company of Ghana Limited electricity bills amounting to GH¢1,142,074.03. The Management of the schools informed the Committee that, efforts are underway to defray the debt. Agogo State SHS has since paid substantial amount leaving a balance of GH¢10,458.82. Sunyani SHS which owes substantial portion of the debts has made no payments at the time of Committee sitting. The debt situation is as follow:

Table 4: Institutions with unpaid Electricity Bills

Name of Institution	Amount Owe (GH¢)	Amount Paid (GH¢)	Balance (GH¢)
Agogo State Senior High School	80,458.82	70,000.00	10,458.82
Sunyani Senior High School	1,061,615.21	0.00	1,061,615.21
Total	1,142,074.03	70,000.000	1,072,074.03

The Committee noted that, failure to pay the bills will lead to further debt accumulations which will put the institutions in distress. The Committee urges the Management to arrange payment terms with the ECG to avert possible cut of power supply to the Schools.

6.15 UNPAID STAFF ADVANCES– GH¢130,352.44

The audit revealed that, 20 Schools failed to recover advances amounting to GH¢130,352.44 granted to officials. Failure of the School authorities to recover the outstanding advances from the staff is in contravention of Regulation 110 of the FAR, 2004 (LI 1802) which requires that a head of department shall ensures that advances granted are recovered in accordance with appropriate agreement. At the time of the public

sitting an amounts of GH¢104,624.40 had been recovered leaving a balance of GH¢25,728.04. The list of institutions and amounts outstanding is as follows:

Table 5: Outstanding unpaid Staff Advances

SN	Name Of School	Total Advances (GH¢)	Amount Retrieved (GH¢)	Outstanding (GH¢)
1	Northern School of Business	15,970.00	7,959.00	7,959.00
2	Dwamena Akenteng SHS	6,373.00	1,700.00	4,673.00
3	St. Jones Grammar Senior High School	19,444.04	6,400.00	13,044.04
	Total	41,787.04	16,059.00	25,728.04

The Committee noted that, most of the advances granted by the schools are not covered with proper repayment agreements. We recommend to all heads of institutions to ensure that, all advances granted henceforth are covered with proper agreement to determine defaulters and for ease of collection.

6.16 OVERPAYMENT NOT RECOVERED – GH¢15,387

The audit revealed that two Schools made overpayments amounting to GH¢15,387 to suppliers for goods supplied to the schools. The schools involved are:

- | | | | |
|-----|---|---|---------------------|
| I. | St. Stephen's Senior High School, Asiakwa | - | GH¢10,440.00 |
| II. | Krachi Senior High School, Kete Krachi | - | GH¢4,947.00 |
| | Total | - | GH¢15,387.00 |

The Committee noted that the overpayment occurred as a result of negligence on the part of management and the failure of the accountant to monitor payments and to keep contract register to track payments.

The overpayment is a breach of the Financial Administration Regulations. Furthermore the officers concerned failed to adhere to Regulation 45 of the Financial Administration Regulations which demands that the overpayment should be recovered immediately.

At the time of the Committee sitting, all the institutions involved had not recovered the overpayment from the suppliers in total disregard of the Auditor-General's recommendations. The Committee recommends that officers responsible for the lapses should be sanctioned in line with Regulation 8(4) of the Financial Administration Regulations, 2004. L. I. 1802.

6.17 LOSS OF REVENUE THROUGH A GARNISHEE ORDER – GH¢236,962.44

The Wa Technical Institute lost an amount of GH¢236,962.44 from the schools account through a Garnishee order from the Wa High Court. The order relates to the payment of compensation for the land where the school is situated.

In a related development, two official vehicles belonging to the Ghana Senior High School in Tamale have been impounded by the Tamale High Court as a result of the nonpayment of a judgement debt awarded against the Director-General of the Ghana Education Service and the Attorney-General in September, 1988.

The Committee noted that the Garnishee order will put financial stress on the management of the institutions. The Committee recommends GES to intervene and refund an amount of GH¢236,962.44 to Wa Technical Institute for the smooth running of the institution. Further, the Director-General must take steps to settle the judgement debt awarded against it to ensure the impounded vehicles are released to the school for its operations.

6.18 HUGE CASH TRANSACTIONS AND DIRECT DISBURSEMENTS FROM REVENUE – GH¢166,114.86

The audit revealed that two Schools namely Our Lady of Fatima Vocational School and Salaga Senior High School failed to bank fees in gross as required by Regulation 15 of the FAR and rather engaged in direct cash disbursements from school fees collected amounting to GH¢26,318.30.

In a related development management of three Schools made huge cash payments to suppliers of goods and services in the sum of GH¢139,796.56 instead of paying by cheques in contravention of Section 15 Part VII of Financial Accounting Instructions for Educational Institutions and Regulation 48 of FAR, 2004. The institutions involved are:

i.	Mount Mary College of Education	-	GH¢26,278.76
ii.	Oda Senior High School	-	GH¢79,896.00
iii.	Pope John Senior High and Minor Seminary School	-	GH¢33,594.80
	Total	-	GH¢139,769.56

The actions of management of the institutions could expose the finances of the institutions to risk of financial improprieties.

The Committee noted that, failure to bank revenue collected within twenty-four hours as required by Regulation 15 of the FAR is a breach of financial discipline. Furthermore, engaging in huge cash transactions is a breach of Regulation 48 of the FAR.

The Committee takes a serious view of the lapses and demands that officers involved are sanctioned in accordance with Section 8(4) of the FAR.

6.19 UNPRESENTED PAYMENT VOUCHERS – GH¢1,086,787.31

The Committee noted that Accountants of 10 institutions in six regions failed to present payment vouchers amounting to GH¢1,086,787.31 with the attaching documents to authenticate payment for audit verification. At the time of Committee sitting, all the payment vouchers were presented and verified by the Audit Service.

The Committee during its deliberations noted that, improper record keeping and poor supervision of account officers were the causes of the lapses. Some of the unrepresented PVs were related to PTA accounts which were hitherto being managed by PTA Executives. It also came to the fore that, PTA funds were managed and disbursed without regard to the public financial management and procurement rules. This is due to the lack

of financial management skills by PTA Executives and the wrong notion that PTA funds are not part of public funds.

The failure of the Accountants and PTA Executives to provide payment vouchers to substantiate payments made by the institutions for audit verification constitute a breach of Regulation 8(1) of the Financial Administration Regulations.

The Committee recommends that the Heads of the Institutions, the Accountants and any other officers responsible for the breach should be sanctioned in line with Regulation 8(4) of the FAR, 2004. The Committee further recommends that in future, the head of entity, the accountant and the PTA executives involved should be surcharged with the value on the unrepresented PVs.

The Committee further recommends to the Minister responsible for Education to develop guidelines to regulate the use and accounting for PTA dues in Public Institutions.

6.20 PROCUREMENT IRREGULARITIES – GH¢12,539,621.85

The audit revealed that there were a number of procurement lapses amounting to GH¢12,539,621.85. The lapses included payment of works without Work Order and uncompetitive procurement, procurement without approved plans among others. The Committee noted that, 68 schools and three PTAs procured goods and services to the tune of GH¢4,462,968.81 without the use of the appropriate procurement methods. While some of the schools procured goods and services without alternative quotations, others used sole sourcing to procure goods that qualify for National Competitive tendering in violation of Section 43(1) of the Public Procurement Act, 2003 Act 663 and Section 16 of the Financial Administration Act, 2003, Act 654. The procurement breaches are in the following areas:

i.	Payment for Services not provided for	GH¢206,719,00
ii.	Uncompetitive procurement	GH¢4,462,968.81
iii.	Issue of stores without approved requisition	GH¢79,869.00
iv.	Repair and maintenance without Work Order	GH¢ 961,410.12
v.	Payment for Items not supplied	GH¢ 8,000.00

vi.	Fuel not Accounted for	GH¢ 191,793.03
vii.	Procurement without approved procurement plan	GH¢1,018,765.84
viii.	Dealing with Unqualified suppliers	GH¢4,790,006.45
ix.	Unsigned Contract Agreement with suppliers	GH¢525,477.00
x.	Failure to constitute entity tender Committees	GH¢218,453.70
xi.	Award of Contract without Technical Advise	GH¢76,160,.00
	Total	GH¢12,539,621.35

List of the Schools is attached as Appendix c.

These procurement irregularities are breaches under the Public Procurement Act. The Committee recommends that officers responsible for the breaches should be sanctioned in line with the Public Procurement Act, 2003 and FAR.

6.21 PAYMENT FOR SERVICES NOT PROVIDED - GH¢206,719.00

The Director-General of the Ghana Education Service awarded contract to Messrs Eduvid Ghana Limited for the installation of internet study mate in institutions for which an amount of GH¢206,719 was paid by eleven (11) institutions in five regions but no work had been done. The schools involved are:

Table 6: List of Institutions that made payments for which no service was delivered

SN	INSTITUTION	REGION	AMOUNT (GH¢)
1	Aduman Senior High School	Ashanti	34,542.00
2	Mankraso Senior High Technical School	Ashanti	12,090.00
3	Osei Tutu II College	Ashanti	3,591.00
4	SDA Senior High School – Bekwai	Ashanti	32,105.25
5	T.I Ahmadiyya Senior High School- Kumasi	Ashanti	9,214.00
6	Drobo Senior High School	Brong Ahafo	14,711.00
7	Mansem Senior High School	Brong Ahafo	4,275.00
8	Agona Odoben Senior High School	Central	11,103.00
9	Savelugu Senior High School	Northern	31,725.00
10	Bolga Girls Senior High School	Upper East	37,499.00
11	Zuarungu Senior High School	Upper East	15,863.75
	TOTAL		206,719.00

The Committee noted that the contract for the provision of the internet services was awarded by the Director-General of GES without the involvement of the school authorities. The lack of engagement made it difficult for the heads to monitor implementation thereby enabling the contractor, Eduvid Limited to swindle the schools and failed to deliver on the terms of the contract.

The Committee recommends immediate termination of the contract with Messrs Eduvid Limited. Further, all amounts paid must be refunded to the affected schools with interest at the prevailing bank of Ghana rate failure of which the managers of the company and officials at the Ghana Education Service personally involved in the award of the contract must be held personally liable and surcharged with the sum of GH¢206,719.

6.22 UNACCOUNTED REVENUE - GH¢153,754.60

PTA Dues, School fees and rent revenues totaling GH¢153,754.60 collected by six institutions were not accounted for. The institutions involved are as follow

SN	INSTITUTION	PTA DUES	SCHOOL FEES
	Akatsi SHTS	-	13,681.50
	Alavanyo SHS	-	3,890.00
	Mim Senior High School	61,194.10	
	Nkawkaw Senior High School	-	3,200.00
	Business Senior High School, Tamale	-	2,993.00
	Northern School of Business	-	3,686.00
	Tumu Senior High Technical School	65,110.00	-
	TOTAL	129,990.10	20,564.50

At the time of Committee meeting, all the institutions involved accounted for all PTA Dues, School Fess and rent revenues collected.

The Committee found that, the lapse at Akatsi is as a result of the failure of the accountant to keep proper record of financial transactions at the time of the audit. Others are attributable to improper supervision by the heads of institutions. Relating to the PTA dues, the lapse is attributable to failure of PTA executives to submit PTA accounts for audit.

6.23 FAILURE TO SUBMIT RECEIPT BOOKS AND ACCOUNTS FOR AUDIT

PTAs of five schools namely, Apeguso Senior High School, St. Thomas Senior High School, Asamankese Senior High School, Akwatia Technical Senior High School and Atweaman Senior High School failed to either submit or did not present their accounts for audit review.

The Committee noted that, the anomaly occurred because many of the PTA executives did not understand the rudiments of financial book keeping and accounting. Some PTA executives are also of the erroneous opinion that, PTA funds are not public funds and expended in accordance with public financial management laws in Ghana.

The Committee recommends to GES to develop guidelines on the use and accounting for PTA funds in all Public Institutions.

6.24 ABANDONED PROJECTS - GH¢2,943,512.24

The audit revealed that, a total of five projects awarded in five schools of which a total amount of GH¢2,943,512.24 had been spent were abandoned for a period of between three to six years.

The Committee learnt that, the projects which were funded by GETFund were awarded without the involvement of the School authorities making it difficult for them to supervise implementation. The Committee recommends to the GETFund to complete the projects to avoid cost overruns and deterioration which will require substantial capital injection in the near future. Further, Heads of institutions must be engaged in the processes leading to the award of contracts in their respective schools to allow for proper monitoring.

6.25 TRANSACTING BUSINESS WITH ENTITIES WITHOUT VALID TAX CLEARANCE CERTIFICATES - GH¢4,790,006.45

Seven Institutions transacted business with entities without valid tax clearance certificates in the sum of GH¢4,790,006.45 in contravention of Section 22(10) of the Public Procurement Act, 2003 and Section 65(a) Part IV of the FAI. The institutions involved are:

- | | |
|--|-------------------|
| i. Presbyterian SHT School – Kraboa-Coater | - GH¢17,375 |
| ii. Ghana Senior High School – Koforidua | - GH¢2,124,777.73 |
| iii. WBM Zion SHS - Old Tafo | - GH¢495,069.88 |
| iv. Koforidua SHT School – Koforidua | - GH¢118,730 |
| v. Kwabeng Anglican SHT School | - GH¢168,696.21 |
| vi. Oda SHS – Akim Oda | - GH¢1,783,171.50 |
| vii. School for the Deaf – Koforidua | - GH¢82,186.13 |

The Committee recommends that the officers involved should be sanctioned in accordance with Public Procurement Act, 2003.

7.0 AUDITOR-GENERAL'S COMMENTS

The Auditor-General found that, even though the internal control procedures instituted by the management of the institutions to be satisfactory, they are not being followed. He also attributed the lapses and weaknesses observed during the audit to pervasive non-compliance with existing financial rules, regulations and ministerial guidelines. He advised all institutions involved to desist from some of the acts and demanded that the Officers involved should be sanctioned in accordance with law.

8.0 CONCLUSION

The report and Committee deliberations also revealed weak internal control systems in many of the Institutions. The present arrangement where internal auditors report to the head of institution is a weak governance structure that does not promote accountability and prudence in the use of public resources. The present arrangement must be reviewed to allow internal audit units to report directly to the governing council of the schools to strengthen the internal audit units by making them more independent to serve as a check on the spending officers. This could prevent many of the infractions from occurring.

The Committee recommends that management of the Pre-Educational Institutions should implement all the recommendations captured in the Committee's report and submit a report to it through the Auditor-General within six months after the adoption of this report.

The Committee noted that the Auditor-General identified wide spread cash embezzlement, nonpayment of fees collected by commissioned collection agents and huge direct disbursement from fees and cash payments.

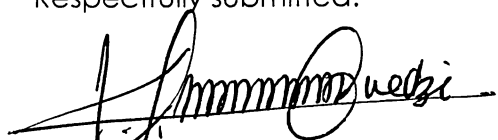
The Committee therefore recommends to the Director-General of the Ghana Education Service to outline clear policy on school fees payment insisting on payment through bankers draft only where applicable to reduce these infractions.

The Committee also noted that, the Auditor-General identified 47 institutions which made payments for repairs totaling GH¢961,410.12 without work order in violation of Section

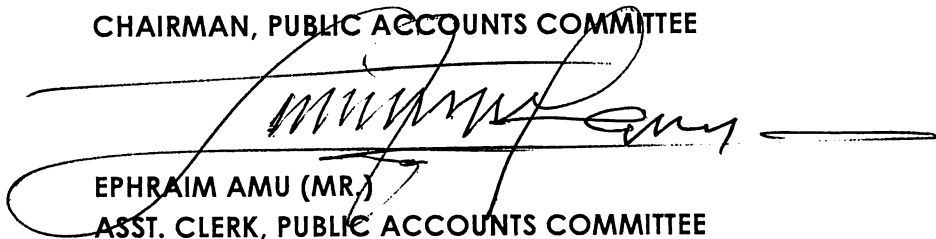
15(22) of Stores Regulation, 1987. The institutions involved attributed the situation to the use of overaged vehicles most of which breakdown during the course of official duties and require urgent repairs work. The Committee further noted that, the need for regular maintenance as a result of the use of overaged cars imposes additional financial burden on the institutions with its adverse impact on the smooth running of the institutions. The Committee urges the Ministry of Education to develop a policy on decommissioning and replacement of vehicles to reduce the burden of high maintenance and running cost that overaged vehicles imposed on the schools.

The Committee recommends to the House to adopt this Report on the Report of the Auditor-General on the Public Accounts of Ghana (Pre-University Educational Institutions) for the financial year ended 31 December 2016 with its recommendations in accordance with Order 165(3) of the Standing Orders of the House.

Respectfully submitted.



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



EPHRAIM AMU (MR.)
ASST. CLERK, PUBLIC ACCOUNTS COMMITTEE

June, 2019

**REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA
PRE-UNIVERSITY EDUCATIONAL INSTITUTIONS, 2016**

APPENDIX A

PURCHASES FROM NON VAT REGISTERED ENTITIES

SN	NAME OF INSTITUTION	REGION	AMOUNT (GH¢)
1	Agogo Presby College Of Education	Ashanti Region	2,431.63
2	Collins Senior High School	"	707.50
3	Konongo Odumase Senior High School	"	4,250.58
4	Nkenkaasu Senior High School	"	1,602.76
5	Prempeh Senior High school	"	65,971.92
6	Presby Senior High School, Bombata	"	1,605.38
7	St Michael's Community Senior High School	"	1,504.91
8	Abetifi Presby Senior High School	Eastern Region	350.43
9	Akim Sweduro Senior High School, Akim Sweduro	"	963.60
10	Akokoaso Sh/ Technical School -Akim	"	7,183.23
11	Asuom Senior High School	"	1,066.70
12	Donkorkrom Agric Senior High School	"	1,877.59
13	Mount Mary College Of Education	"	603.78
14	Prebyterian Senior High School- Adeiso	"	3,915.63
15	St Dominic Senior High Schools	"	7,130.38
16	St Paul's Tech School , Kukurantumi-Akim	"	1,349.97
17	Yilo Krobo Senior High Comm. School	"	1,050.00
18	Borle Senior High School	Northern Region	905.54
19	Salga Senior High School	"	14,584.50
20	T.I Ahamdiyya, Salaga	"	32,982.27
21	Wulugu Senior High School	"	4,099.90
	Total		263,198.76

APPENDIX B

NON DEDUCTION OF WITHHOLDING TAX AND NON REMITTANCE OF TAX

S N	NAME OF INSTITUTION	REGION	NON DEDUCTI ON OF TAX (GH¢)	NON REMITTA NCE OF TAX (GH¢)
1	St Mary's Senior High School	Greater Accra Region	1,232.95	5,599.09
2	Dwamena Akenten Senior High School	Ashanti Region	1,271.60	1,560.00
3	Agogo Presby College of Education	„	910.00	-
4	Akumadan Senior High School	„	1,248.12	-
5	Osei Tutu II College	„	1,420.05	-
6	Ejisuman Senior High School	„	-	2,895.15
7	TI. Ahmadiyya Senior High School, Fomena	„	2,251.47	2,213.85
8	Bechem Senior High School	Brong Ahafo Region	13,723.45	18,072.41
9	Bomaa Senior High School	„	-	1,318.72
10	Nkoranza Senior High/ Technical School	„	-	1,223.83
11	Presby Senior High /Community School, Techimantia		2,056.26	-
12	Presbyterian Senior High School, Agona Nsaba	Central Region	-	7,376.52
13	Abuakwa State College-Kibi	Eastern Region	-	6,516.00
14	Achiase Senior High School		865.00	-
15	Akro Senior High Technical School		5,331.18	-
16	Akokauso Senior High School		1,362.07	-
17	Bono Senior Technical School		230.00	-
18	Krobo Girls Senior High School		18,338.75	-
19	Bepong Senior High School	„	-	2,573.80
20	Kibi College of Education	„	-	397.65
21	Mpraeso Senior High School, Mpraeso Kwahu.	„	1,136.73	5,168.01
22	New Abriam/ Afosu Senior High School		6,372.00	-
23	Nkwakwa Senior High School, Nkwakwa Kwahu	„	3,854.14	6,118.71
24	Nkwanta Presbyterian Senior High School		8,725.75	-
25	Oda Senior High School		5,371.44	-
26	Osino Senior High School		400.00	-
27	Presbyterian Senior High School- Adeiso	„	-	1,423.20
28	Presbyterian Senior High Technical School, Kraboa -Coaltal		1,184.87	-

29	Presbyterian Senior High School, Begoro	„	-	320.00
30	Salvation Army Senior High School		1,296.53	
31	St. Dominic Senior High School	„	1,379.95	490.00
32	St.Francis Senior High/ Technical School- Akim Oda	„	-	660.00
33	St. Peters Senior High School, Nkwantia- Kwahu	„	699.51	728.40
34	Yilo Krobo Senior High School		300.00	-
35	Gambaga College of Education	Northern Region	-	7,904.81
36	Gushegu Senior High School	„	-	3,556.00
37	Tl. Ahmadiyya Senior High School, Salaga	„	-	936.00
38	Walewale Senior High School	„	-	1,523.14
39	Wulugu Senior High School	„	-	4,185.88
40	Bongo Senior High School	Upper East Region	-	5,587.75
41	Zuarungu Senior High School	„	-	10,286.77
42	Islamic Senior High School	Upper West Region	-	9,388.00
43	Piina Senior High School, Piina	„	-	6,021.89
44	St Francis Girls Senior, Gerapa	„	626.99	2,494.00
45	Ullo Senior High School, Ullo	„	-	11,480.28
46	Dzodze-Penyi Senior High School	Volta Region	2,688.30	5,754.45
47	Keta Business College, Keta	„	-	3,654.83
48	Mawuko Girls Senior High School, Ho	„	-	13,871.82
49	Sokode Senior High Technical school	„	-	2,527.63
50	St. Pauls Senior High School	„	-	17,313.54
51	Vakpo Senior High School	„	647.52	2,323.11
52	Worawora Senior High School	„	2,272.84	3,250.62
53	Benso Senior High School	Western Region	-	1,905.09
54	Enchi College of Education	„	-	5,961.95
55	Ghana Senior High Technical School	„		1,488.89
	Total		91,862.19	186,071.79

Appendix C

SUMMARY OF PROCUREMENT AND STORES IRREGULARITIES BY INSTITUTIONS

SN	NAME OF INSTITUTION	REGION	AMOUNT (GH¢)
1	Aduman Senior High School	Ashanti Region	34,542.00
2	Agogo State Senior High School	"	21,239.00
3	Akumadan Senior High School	"	10,780.00
4	Christ The King Senior High School	"	55,544.00
5	Collins Senior High School	"	12,917.43
6	Effiduase Senior High Comm School	"	4,735.00
7	Konongo Odumase Senior High School	"	20,187.83
8	Kumasi Technical Institute	"	12,447.96
9	Mabang Senior High Technical School	"	9,053.72
10	Mankranso Senior High Technical School	"	31,957.90
11	Namong Senior High Technical School	"	14,784.30
12	New Edubiase Senior High School	"	12,846.00
13	Nkenkaasu Senior High School	"	6,861.00
14	Osei Tutu II College, Tetrem	"	3,591.00
15	Prempeh Senior High School	"	213,229.30
16	SDA Senior High School, Bekwai	"	32,105.25
17	St Michael's Comm. Senior High School	"	6,303.05
18	St Jerome Senior High School- Abofour	"	14,608.65
19	Ti. Ahmadiyya Senior High School, Kumasi	"	72,544.00
20	Tepa Senior High School	"	28,641.54
21	Bechem Presby Senior High School	Brong Ahafo Region	678,480.95
22	Busunya Senior High School	"	21,695.92
23	Drobo Senior High School	"	14,711.00
24	Goka Senior High School	"	66,994.00
25	Mansen Senior High School	"	4,275.00
26	Mim Senior High School	"	23,377.50
27	Nafana Senior High School	"	80,030.50
28	Our Lady Fatima Vocational School	"	19,645.00
29	Sankore Senior High School	"	16,366.00
30	Adisadel College	Central Region	30,028.00
31	Agona Odoben Senior High School	"	11,103.00
32	Agona Swedru Senior High School	"	35,090.00
33	Mfantipim Senior High School	"	91,790.25

34	Oguaa Senior High/ Technical School	„	96,568.87
35	Presbyterian Senior High, Agona Nsaba	„	51,373.41
36	Abetifi Technical Institute	Eastern Region	7,450.00
37	Abetifi Presby Senior High School	„	10,900.00
38	Abuakwa State College	„	7,458.00
39	Achiase Senior High School	„	6,500.00
40	Akim Swedru Senior High School	„	54,500.00
41	Akim Asafo Senior High School	„	10,468.00
42	Akro Senior High/ technical School- Odumase Krobo	„	36,117.10
43	Akokoso Senior High/ Technical School- Akim	„	227,452.60
44	Akro Senior High School	„	27,054.84
45	Anum Presbyterian Senior High School	„	57,270.80
46	Aperade Senior High School	„	14,800.00
47	Asamankese Senior High School	„	2,410.00
48	Asoum Senior High School	„	31,963
49	Atweaman Senior High School	„	228,207.40
50	Ayitrebi Senior High School	„	96,226.43
51	Boso Senior High/Tech School	„	7,691.50
52	Donkokrom Agric. Senior High School	„	80,083.80
53	Ghana Senior High School, Koridua	„	2,650,254.73
54	Kibi Senior High/ Technical School	„	12,020.00
55	Kibi College of Education	„	62,601.75
56	Koforidua Senior High/Tech. School	„	118,730.00
57	Krobo Girls Senior High School	„	258,105.00
58	Kwahu Ridge Senior High/Tech. School	„	153,682.47
59	Kwabeng Anglican Senior High/Tech. School	„	168,969.21
60	Manya Krobo Senior High School	„	15,670.74
61	Mount Mary College of Education	„	45,327.38
62	Mpraeso Senior High School	„	15,615.00
63	New Nsutam Senior High School	„	2,600.00
64	Nkawkaw Senior High School	„	13,438.00
65	Nsawam Senior High School	„	12,953.00
66	Oda Senior High School	„	1,872,720.50
70	Osino Presbyterian Senior High/Tech. School	„	2,834.00
71	Oti Boateng Senior High School	„	10,463.93
72	Presbyterian Senior High/Tech. School	„	32,929.50

73	Presbyterian Senior High School, Begoro	„	27,860.00
75	Pope John Senior High & Minor Seminary School	„	23,032.00
76	Salvation Army Senior High School	„	357,437.36
77	School for the Death, Koforidua	„	82,186.13
78	S.D.A Senior High School	„	8,392.00
79	St Dominic Senior High School	„	35,492.90
80	St. Francis Senior High/Tech. School-Akim Oda	„	109,198.00
81	St Michaels Senior High School	„	2,500.00
82	St. Peters Senior High School	„	22,674.63
83	St. Roses Senior High School	„	448,671.00
84	Unit School for the Death	„	11,587.00
85	WBM Zion Senior High School	„	509,816.53
86	Accra College off Education	Greater Accra Region	36,200.00
87	Ada Senior High/Technical School	„	89,000.00
88	Ada Senior High School	„	12,000.00
89	Holy Trinity Senior High School	„	142,294.00
90	Bole Senior High School	Northern Region	9,574.95
91	Dabokpa Technical Institute	„	5,232.00
92	Dagbon State Senior High School	„	26,770.00
93	Nakpanduri Business Senior High School	„	7,304.25
94	Presby Senior High School, Tamale	„	56,164.00
95	Savelugu Senior High School	„	31,725.00
96	St. Anthony of Padua Senior High/ Technical School	„	7,518.50
97	St. Joseph's Technical School	„	9,274.20
98	TI Ahmadiyya School, Salaga	„	189,060.00
99	Tuna Senior High School	„	3,200.00
100	Walewale Senior High School	„	24,379.00
101	Wulensi Senior High School	„	4,092.00
102	Yendi Senior High School	„	12,360.94
103	Bolga Girls Senior High School	Upper East Region	37,499.00
104	Bolga Senior High School	„	6,680.13
105	Bolga Technical Institute	„	134,624.80
106	Zamse Senior High/ Technical School	„	22,962.38
107	Zorkor Senior High School	„	18,011.50
108	Daffiama Senior High School	Upper West Region	4,993.00
109	Jirapa Senior High school	„	26,000.00
110	Kamton Senior High School, Tumu	„	56,478.39
111	Wa Senior High School	„	11,203.92
112	Afife Senior High Technical School	Volta Region	8,115.00
113	Akatsi Senior High Technical School	„	78,168.00

114	Alavanyo Senior High School	„	17,217.75
115	Aveyime- Battor Senior High Technical School, Battor	„	21,067.00
116	Dzodze-Penyi Senior High School, Dzodze	„	26,610.00
117	Keta Business College, Keta	„	204,777.65
118	Klikor Senior High Technical School	„	50,306.30
119	Sokode Senior High Technical School, Sokode- Gborgame	„	1,668.24
120	Some Senior High School, Agozume	„	20,461.00
121	St. Pauls Senior High School, Denu		11,643.28
122	Three Town Senior High School, Denu	„	4,819.65
123	Ve Senior High School, Ve-Koloenu	„	26,421.00
124	Weta Senior High/ Technical School, Weta	„	20,068.25
125	Wovenu Senior High Technical School, Tadzewu	„	13,256.00
126	Bia Senior High Technical School	Western Region	18,255.00
127	Dadieso Senior High School	„	124,719.00
128	Enchi College of Education	„	231,258.50
129	Nanan Brentu Senior High/Tech. School	„	9,450.00
130	Prestia Senior High Technical School	„	76,160.00
131	Sefwi Wiawso Senior High School		102,254.45
132	St. Joseph Senior High School		621,433.79
133	Tarkoradi Senior High School	„	10,069.00
	Total		12,539,621.85