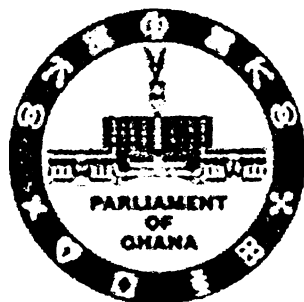


IN THE SECOND SESSION OF THE SEVENTH PARLIAMENT OF THE FOURTH REPUBLIC
OF GHANA



**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 2015**

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 2015 was laid before the House on Friday 2nd June, 2017 by the Hon. Majority Leader and Minister of Parliamentary Affairs.

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 of 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 of Education. The Committee expresses its appreciation to them for the assistance.

3.0 REFERENCE

The Committee made reference to the following documents:

- 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 Public Procurement Act 2003 (Act 663)
- v. The Audit Service Act, 2000 (Act 584)
- vi. The Internal Audit Agency Act, 2003 (Act 658)
- vii. Income Tax Act, 2015 (Act 896)
- viii. 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 consist of Greater Accra, Volta and Eastern Regions

All Pre-University Educational Institutions cited in the Auditor-General's Report appeared with their Head of the institution, the Accountant and other relevant officers.

6.0 OBSERVATIONS AND RECOMMENDATIONS

6.1 MISAPPROPRIATION OF SCHOOL FUNDS – GH¢36,819.65

The audit established that three institutions failed to account for revenue from the hire of school mattresses, school fees collected and PTA dues amounting to GH¢36,819.65. The institutions involved are:

i.	Ejuraman Senior High School	GH¢3,372.00
ii.	St. Monica's Senior High School	GH¢27,610.45
iii.	Vittin Senior High School	GH¢5,837.20
	Total	GH¢36,819.65

The Misappropriation occurred because of the heads of the institutions and the officers concern failed to adhere to Regulation 15(1) of the FAR, 2004 (L.I. 1802) which requires that all revenue collected by an institution shall be paid into a bank within 24 hours of collection.

All the Institutions involved accounted for their respective amounts. Their documents were verified and cleared by the Auditor-General during the public hearing.

The Committee noted that, the actions of the officers constitute a breach of Financial Discipline.

The Committee therefore recommends that the officers involved be sanctioned for breach of financial discipline in accordance with Regulation 8 of the FAR.

6.2 SCHOOL FEES AND PTA DUES NOT ACCOUNTED FOR GH¢538,974.33

The audit revealed that, Seven Schools could not account for PTA dues and school fees amounting to GH¢538,974.33. This involves an amount of GH¢125,220 collected by the House Mistress of Yaa Asantewaa SHS from students as House Dues but failed to issue official receipts or maintain proper accounts in contravention of Section 2(b) of Part 1 of Financial Accounting Instructions (FAI) for schools.

In a related development, a total amount of GH¢197,587.83 being school fees paid to banks by three schools was not credited to the schools accounts. The anomaly occurred due to the failure of the Accounts Officers to prepare regular bank reconciliation statements. The institutions involved are;

i.	Techiman SHS	GH¢158,669.48
ii.	Kukuom Agric SHS	GH¢20,059.85
iii.	Brekum Preby SHS	GH¢18,858.50
	Total	GH¢197,587.83

Furthermore, PTA dues in the sun of GH¢216,166.50 paid to PTA Executives in three schools were not accounted for. The institutions involved are:

i.	Manya Krobo SHS	GH¢148,262.00
ii.	Buipe Tech./Voc. SHS	GH¢18,704.50
iii.	Northern School of Business	GH¢49,200.00
	Total	GH¢216,166.50

The irregularity is as a result of the failure of PTA executives to produce records on cash receipts and disbursement for audit scrutiny in contravention of Regulation 1(1) of the FAR.

The Committee noted that, the anomaly occurred because some PTA executives do not understand the rudiments of book keeping and accounting. Some PTA executives are also of the erroneous opinion that, PTA funds are not public funds and hence its expenditure should not be subjected to the dictates of public financial management Regulations.

The Committee recommends to the Ghana Education Service (GES) to develop guidelines and accounting manual for the utilization of PTA funds in all Public Institutions. The Committee further recommends that, school heads and accountants must play an active role in the collection and disbursement of PTA funds to ensure that proper records are kept for audit.

6.3 UNSUBSTANTIATED PAYMENTS – GH¢3,268,333.37

Ninety-seven institutions failed to support expenditure incurred with invoices, receipts and acknowledgement by recipients to authenticate payments amounting to GH¢3,268,333.37. At the Committee sitting, payments amounting to GH¢3,036,963.37 has been authenticated with relevant supporting documents

leaving an outstanding balance of GH¢231,370 unauthenticated. The outstanding unaccounted payments relates to the following institutions:

Table 1: Outstanding unsubstantiated payments

SN	Institution	Amount Unsupported (GH¢)	Amount Accounted (GH¢)	Amount Outstanding (GH¢)
1	Assin North Senior High School	163,394.15	61,976.15	101,417.00
2	Nkawkaw Senior High School	104,278.00	101,250.00	3,028.00
3	Ntruboman Senior High School	99,514.50	90,289.50	9,225.00
4	Presby Senior High School, Teshie	140,800.00	138,800.00	2,000.00
	Total	507,986.65	392,315.65	231,370.00

In a related matter, Prempeh College paid suppliers an amount of GH¢96,453.60 but the payments were not supported with the relevant documents and this made it difficult to authenticate the payments.

The Committee noted through its deliberation that, improper recording keeping, poor supervision of account officers as well as lukewarm and uncooperative attitude of heads of entities and accounts officers during the audit process were the major causes of the failure on the part of the schools to properly document and keep accurate records of expenditure for audit verification. The Committee noted that in some instances records of expenditure were kept separately in both the offices of the Accounts Officers and the heads of institution.

This resulted in a breach of Regulation 8(1) of the Financial Administration Regulations which demands that officers responsible for the conduct of financial business in an institution are to keep proper records and submit it upon request for audit inspection.

Section 16 of the FAA also demands that, in the case of contract for works, the voucher is supported with the necessary certificate and the work is certified by the head of the government entity.

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(1) of the FAR, 2004. Further, the outstanding payment vouchers should be substantiated and submitted to the Auditor-General for audit verification within thirty (30) days.

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

6.4 CASH TRANSACTION – GH¢610,654.53

The audit revealed that 12 Schools failed to lodge all monies collected into their banks and rather made huge cash payments to suppliers of goods and services in the sum of GH¢610,654.53 in contravention of Section 15 Part VII of Financial Accounting Instructions for Educational Institutions and Regulation 48 (1) (b) of FAR, 2004.

These actions of management of the institutions has the potential of exposing the finances of the institutions to the risk of financial improprieties. The schools involved are attached as appendix **A**.

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

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

6.5 EXCESSIVE USE OF HONOUR CERTIFICATES - GH¢117,189.00

Contrary to GES directive which requires schools to limit the use of honour certificates to purchase perishable food items, Sekyeredumase Senior High School (SHS) disbursed an amount of GH¢117,189 on the purchase of non-perishable food items and supported the payments with honour certificates.

The actions of Management is in contravention of GES directive dated 12th November 1999. The Committee recommends to GES to invoke its internal disciplinary actions against the Head of the Institution and the account officers responsible for the act.

6.6 UNPAID RENT – GH¢61,723.73

Twelve Schools failed to collect rent amounting to GH¢61,723.73 from staff occupying the schools bungalows.

At the Committee sitting, the sum of GH¢58,885.89 was collected as outstanding rent and verified by the Auditor-General leaving a balance of GH¢2,837.84 uncollected. The outstanding balance is in the name of Labone Senior High School.

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 officers responsible for the breach should be sanctioned in line with the Financial Administration Regulations. Furthermore, Management should collect the outstanding within three months and pay to chest. Heads of the institutions should also eject the

defaulting officers from government bungalows with immediate effect and allocate same to staff who are willing to pay.

6.7 UNRETIRED IMPRESTS – GH¢88,817.75

A total amount of GH¢88,817.75 granted by nine schools as imprest to officers has not been retired in contravention of Regulation 288 of the FAR. The lapse was as a result of ineffective monitoring of imprest by Management.

Management of the affected institutions explained that, most of the unretired imprest relates to projects that were ongoing at the time of the audit. Officers involved subsequently retired all the imprest.

The Committee recommends that the officers concerned should be sanctioned in line with Regulation 8(4) of the FAR to serve as a deterrent to others. The Committee further demands that the officers who reneged on their supervisory roles that resulted in lapse should also be sanctioned.

6.8 UNPAID STAFF ADVANCES– GH¢315,809.30

The audit revealed that, 34 Schools failed to recover advances amounting to GH¢315,809.30 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, a head of department shall ensure that advances granted are recovered in accordance with appropriate agreement. At the public hearing, an amount of GH¢197,661.18 had been recovered leaving a balance of GH¢118,148.12. The outstanding amounts stand in the name of the following institutions:

Table 2: Outstanding Staff Advances

Sn	Name Of Institution	Total Advances (GH¢)	Amount Paid (GH¢)	Outstanding (GH¢)
1	Academy of Christ the King	5,790.00	3,441.00	2,349.00
2	Keta Senior High Tech. School	27,940.00	22,340.00	5,600.00
3	Accra High Senior High School	20,788.00	0.00	20,788.00
4	Don Bosco Technical School	7,800.00	100.00	7,700.00
5	Ningo Senior High School	11,516.00	0.00	11,516.00
6	Odogono Senior High School	13,923.00	1,155.00	12,768.00
7	Tema Senior High School	57,427.12	0.00	57,427.12
	Total	145,184.12	27,036.00	118,148.12

The Committee noted that, most of the advances granted by the schools are not covered with proper repayment agreements. The absence of agreement makes it difficult to track repayment.

The Committee therefore recommends that all Heads of Institutions should ensure that, all advances granted henceforth are covered with proper agreement to determine defaulters and for ease of collection. All advances due must also be collected from the officers and paid back into the schools account by end of 2019 financial year.

6.9 PAYMENT FOR WORKS WITHOUT WORK ORDER AND PERFORMANCE CERTIFICATES - GH¢772,524.56

Thirty-six school paid a total of GH¢772,524.56 for maintenance and repair works without first obtaining evidence of work order or performance certificate to certify that the works has been satisfactorily undertaken in contravention of Section

16(1a) of the FAA, 2003 (Act 654). List of Schools involved is attached as **appendix B**.

In the absence of work order and performance certificate, there is no guarantee that, the works have been done satisfactorily and the State obtained value for money for the payments.

The Committee recommends to the GES to sanction officers involved in accordance with The Financial Administration Act, 2003 (Act 654).

6.10 UNCREDITED LODGMENTS - GH¢104,889.50

The following six Schools in the Eastern Region were not credited with the sum of GH¢104,889.50 being school fees deposited at the respective banks. At the time of public sitting, the institutions retrieved the sum of GH¢85,187 leaving a balance of GH¢19,712.50 uncredited. The institutions and the amounts involved are as follows:

Table 3: Institutions with uncredited lodgments

SN	Institutions	Amount Uncredited (GH¢)	Amount Retrieved (GH¢)	Outstanding (GH¢)
1	Akim Oda Senior High School	60,368.00	41,344.00	19,024.00
2	Akroso Senior High School	1,171.00	1,171.00	0.00
3	Methodist Senior High School, Oyoko	6,012.00	5,323.00	688.50
4	Presby Senior High School, Adeiso	1,178.00	1,178.00	0.00
5	Presby Senior High School, Suhum	32,776.00	32,776.00	0.00
	St. Roses Senior High School, Akwatia	3,384.50	3,384.50	0.00
	Total	104,889.50	85,187.00	19,712.50

The Committee noted that failure of the Accountants to prepare regular bank reconciliation statements and the refusal of PTA executives to subject PTA accounts for audit accounted for the situation.

The Committee further noted that, weak controls and absence of strong management oversight led to the late detection of the failure of the banks to credit the schools accounts with the lodgments.

The Committee recommends to the institutions involved to pursue the retrieval of the amounts from the banks concern and also interest payment from the banks for the period that the moneys were held, if applicable.

6.11 SCHOOL FEES AND PTA DUES NOT ACCOUNTED FOR BY BANKS- GH¢538,974.33

Seven Schools in four regions were not credit with the sum of GH¢538,974.33 being school fees and PTA funds deposited at the respective banks. The institutions involved are:

Table 4: School Fees and PTA dues unaccounted for by Banks

S N	Institutions	Type of Fund	Amount Unaccount ed for at time of Audit (GH¢)	Amount Subsequentl y Accounted for at time of Audit (GH¢)	Outstandin g (GH¢)
1	Techiman Senior High School	School Fees	158,669.48	0.00	158,669.48
2	Kukoum Agric Senior High School	School Fees	20,059.89	13,751.87	6,308.02
3	Brekum Presby SHS	School Fees	18,858.50	0.00	18,858.50
4	Akim Oda Senior High School	School Fees	60,368.00	41,344.00	19,024.00
5	Buipe Tec/Vocational SHS	PTA Funds	18,704.50	18,704.50	0.00
6	Yaa asantewaa SHS	House Dues	125,220.00	125,220.00	0.00
7	Northern School of Business	PTA Funds	49,200.00	49,200.00	0.00
8	Zamse SHTS	PTA Funds	148,262.00	148,262.00	0.00
	Total		538,974.33	336,114.33	202,860.00

The Committee noted that failure of the accountants to prepare regular bank reconciliation statements and the refusal of PTA executives to subject PTA accounts for audit accounted for the situation.

The Committee recommends that the heads of institutions involved and PTA executives to ensure the submission of PTA accounts for audit verification.

6.12 UNPAID UTILITY BILLS – GH¢531,472.22

Bolga Girls SHS owed a total of GH¢531,472.22 to utility service providers. The amount is made up of GH¢455,319.96 owed to the Volta River Authority for electricity supply and GH¢76,152.26 to the Ghana Water Company Limited as at October, 2015. Management of the school had paid an amounts of GH¢98,000 leaving a balance of GH¢433,472.00

The Committee noted that, the inability of the school to pay the bills was as a result of inadequate funds and delays in the release of government subsidies to the school. Failure to pay the bills will lead to further debt accumulations which will put the institutions in a distress situation.

The Committee urges the Management of the school to arrange payment terms with the utility suppliers to avert possible power and water cut to the Schools. Furthermore, the Committee urges the Minister of Finance to ensure timely release of funds to schools to meet the utility needs of pre-university educational institutions.

6.13 OVERPAYMENT NOT RECOVERED– GH¢15,107

The audit revealed that four (4) Schools made overpayments amounting to GH¢15,107 to suppliers for goods supplied to the schools. The schools involved are:

I. Accra Academy	-	GH¢3,940.00
II. Odorgono Senior High School	-	GH¢666.00
III. Sefwi Wiawso Training College	-	GH¢5,051.00
IV. Secondi College	-	GH¢5,450.00
Total	-	GH¢15,107.00

At the Committee sitting, an amount of GH¢11,167 was recovered leaving a balance of GH¢3,940 in the name of Accra Academy. The Committee noted that the overpayment occurred as a result of negligence on the part of Management to monitor payments and to keep contract register to track payments.

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

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, Management of Accra Academy must take necessary steps to recover the amount of GH¢3,940 from the supplier and report to the Committee through the Auditor-General.

6.14 DIRECT DISBURSEMENT FROM FEES GH¢9,649.20.

Vitting Senior High School failed to lodge all fees collected and disbursed an amount of GH¢9,469.20 directly from school fees collected in contravention of Regulation 48 (2) of FAR, 2004.

Management's disregard for this regulation is a breach of financial discipline and could lead to fictitious payments and misappropriation of funds. The Committee

recommends that officers involved should be sanctioned in accordance with Regulation 8(4) of the FAR.

6.15 NON AVAILABILITY OF ACCOUNTING RECORDS

The PTAs of Holy Child SHS Cape Coast and the Academy of Christ the King SHS failed to submit their accounts for audit verification in contravention of Part I, Regulations (a and b) of FAR 2004 (LI 1802).

The Committee noted that this infraction relates to the activities of PTAs. The Committee however emphasize that, PTA fund are part of Public Fund and must be expended in accordance with Public Procurement and Public Financial Management regulations in Ghana.

PTAs however, are of the erroneous impression that, PTA funds are not part of public funds and must not be expended in accordance with public financial management regimes regulating the use of Public Funds.

The Committee recommends that GES should come out with a clear policy on the use and accounting for PTA funds in all public institutions.

The Committee further recommends that, the use of all PTA resources must be guided by an express advice from the school accountant to ensure they are expended in accordance with laid down regulations and properly accounted for.

6.16 UNAUTHORISED OPENING OF ACCOUNT

The audit revealed that, the Holy Child SHS Cape Coast and the Academy of Christ the King SHS opened bank accounts with two banks without approval from the Controller and Accountant General and resolution from the Board of

Governors in contravention of Section 3(6) of the Financial Administration Act, 2003.

The two institutions have complied with the recommendation of the Auditor-General by applying for retrospective approval from the Controller and the Board of Governors to legitimize the accounts but the Controller and Accountant General has not yet given his approval.

The opening of the account without the authorization of the Board of Governors and the Controller and Accountant-General could lead to the use of the account to siphon state resources for private use.

The Committee recommends that, officers responsible for opening and operation of the unauthorized account should be sanctioned by GES in accordance with the Financial Administration Act, 2003.

6.17 PURCHASES FROM NON VAT REGISTERED ENTITIES – GH¢752,514.59

The audit revealed that forty (40) Senior High Schools made procurement amounting to GH¢752,514.59 from non-VAT registered entities in breach of Section 30 (2) of FAA, 2003 (Act 654) which requires procurement entities to procure goods and services from only VAT registered entities and Regulation 183 (4) of FAR, 2004 (LI 1802). As a result, a VAT amount of GH¢131,690 was lost to the State. Management informed the Committee that since the audit, purchases are now made from only VAT registered entities in accordance with laid down regulations.

The Committee noted the difficulties involved in identifying a VAT registered entity in the remote Communities where some of the school are located. Also some of the items involved are perishable commodities that cannot be purchased in large quantities and stored as the school do not have storage facilities.

The Committee noted that, 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 the schools involved should desist from the practice and urges GES to critically examine the challenge being faced by schools in remote areas so as to ensure that local economies of the school do not lose the purchasing power of the schools to VAT registered entities in cities and big towns.

6.18 FAILURE TO WITHHOLD TAX - GH¢194,247.21

Fifty-seven Senior High Schools failed to deduct withholding tax amounting to GH¢194,247.21 in contravention of Section 87 (1) of the Internal Revenue Act, 2000, Act 592.

The Committee noted that, subsequent to the audit, all the schools involved had collected the taxes and remitted it to GRA.

Failure of the Heads of Account to withhold tax is a contravention of Section 87 (1) of the Internal Revenue Act, 2000, Act 592.

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, 2004 (L.I. 1802).

The Committee further recommends that, GRA should compute the appropriate penalties for the period the entities held onto the taxes. The penalties should be

paid from the personal resources of the Heads of Institutions, Head of Accounts and the Account Officers under whose watch the infractions occurred.

6.19 NON-REMITTANCE OF TAX - GH¢265,823.39

Forty-one schools withheld various sum of taxes amounting to GH¢265,823.39 but failed to remit them to the Ghana Revenue Authority (GRA) within the mandatory period of one month in contravention of Section 87 (1) of the Internal Revenue Act, 2000, Act 592. The schools held unto the withheld taxes between 180 to 300 days. The Committee noted that, all the schools involved had remitted all the non-remitted taxes to the GRA.

The failure of the Accountants to remit taxes to GRA is a breach of Regulation 8 of the Financial Administrations Regulations and a contravention of Section 84(2) of the Internal Revenue Act 2000, Act 592. The Committee however noted that, the GRA did not impose penalties on the amounts for the period at which the withholding entities failed to pay the withheld taxes to GRA.

The Committee again recommends that management staff involved should be identified and sanctioned in line with Regulation 8(4) of the Financial Administration Regulations, 2004. Further, GRA should determine the penalty on all delayed payment of withholding taxes and surcharge the officers who failed to remit the taxes to GRA within the mandatory period.

6.20 FAILURE TO OBTAIN VAT INVOICES/RECEIPTS - GH¢19,021.70

Three schools failed to obtain VAT invoices or receipts to support payment made to suppliers with VAT component amounting to GH¢19,021.70 in contravention of Section 19(1) of VAT Act 1998 (Act 546).

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 GRA.

At the time of the public hearing, the institutions had rectified the situation and submitted documentary evidence for verification. The Committee cautioned the Schools involved and added that, in subsequent years any accountant who fails to obtain VAT invoice for VAT purchases should be surcharged with the amount.

6.21 UNCOMPETITIVE PROCUREMENT – GH¢8,351,453.32

The Committee noted that, 62 schools procured goods and services to the tune of GH¢8,351,453.32 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 Committee recommends that officers responsible for the breach should be sanctioned in line with the Public Procurement Act.

6.22 PROCUREMENT ABOVE ENTITY THRESHOLD– GH¢896,627.26

Heads of four institutions authorised procurement amounting to GH¢896,627.26 above their threshold of GH¢5,000 in contravention of the Public Procurement Act 2003 (Act 663).

The Committee recommends that officers responsible for the breach should be sanctioned in line with the Public Procurement Act.

6.23 ITEMS PURCHASED NOT RECORDED IN STORES LEDGER – GH¢1,513,850.76

Thirty-six (36) schools did not record items purchased worth GH¢1,513,850.76 in the stores ledgers at the time of the audit in contravention of Stores Regulations; 1984 and Sections 16 and 26 of FAI for Schools.

At the time of the Committee meeting, the Auditor-General explained to the Committee that, subsequent examination of the store records indicates that, all the store entries had been done. Management informed the Committee that all purchases are now rooted through stores in line with Stores Regulations and the recommendations of the Auditor-General.

The Committee noted that, failure to record purchases in store ledger is a breach of financial discipline under the Financial Administration Regulations. The Committee demands that officers responsible for the breach should be identified and sanctioned in line with the Financial Administration Regulations.

6.24 UNEARNED SALARIES - GH¢343,596.44

The Heads of 21 Schools failed to recover unearned salaries from separated staff amounting to GH¢343,596.44. The anomaly occurred due to delays by the heads of the institutions to notify the salary paying banks of separated staff.

At the time of the public sitting, receipts were presented showing recoveries being made by some of the schools. An amount of GH¢167,945.90 was recovered leaving an outstanding amount of GH¢175,650.54 unrecovered. The unrecovered amount are in the names of the following schools:

Table 5: Unrecovered Unearned Salaries

	Name Separated Staff	Institution	Unearned Salary (GH¢)	Amount Recovered (GH¢)	Outstanding (GH¢)
1	Boateng Frederick	Kukuom Agric SHS	18,961.45	0.00	18,961.45
2	Baiden Ebenezer Dwadwo	Kukuom Agric SHS	8,737.88	0.00	8,737.88
3	Okra Hayford	Kukuom Agric SHS	9,490.98	0.00	9,490.98
4	Foh Felix	Kukuom Agric SHS	19,946.96	1,000.00	18,946.96
5	Hanna Boateng	St. Monica's SHS	8,953.69	2,000.00	6,953.69
	Joseph Owusu Aboagye	St. Monica's SHS	11,959.28	0.00	11,959.28
6	Emmanuel Botchway	St. Monica's SHS	23,400.77	0.00	23,400.77
7	Nicholas Agyepong Yakubu Salifu Nartey Abel	Adu Gyamfi SHS	50,009.37	5,000.00	45,009.37
8	Unidentified Staff	Kwahu Ridge SHTS	30,697.08	16,721.35	13,975.73
9	Unidentified Staff	Klikor SHTS	23,872.43	12,835.10	11,037.33
10	Christine A. Fugar Moses Anati Janet Odame	Tema SHS	10,777.10	3,600.00	7,177.10
	Total		216,806.99	41,156.45	175,650.54

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 were not performing their functions effectively as spelt out in Regulation 298 of the Financial Administration Regulations, 2004. In the case of Klikor Senior High School, it was noted that, the outstanding amount was used by the officer's bank to offset a credit facility extended to the officer by the Bank.

The Committee recommends that all outstanding amounts should be recovered, failure of 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. Interest should be charged on all unearned salaries. A report on the compliance of this directive should be submitted to the Committee through the Auditor-General.

6.25 FUEL PURCHASES AND STORES NOT ACCOUNTED FOR – GH¢1,637,198.39

Fifty-six Schools failed to account for fuel and other supplies worth GH¢1,637,198.39 in contravention of Section 35 (2) of the FAA 2003, Act 654. The amount involve GH¢123,347.63 worth of fuel unaccounted for by 20 schools and Stores valued at GH¢1,513,850.76 unaccounted for by 36 schools. The items were either not recorded in the stores ledger or the school did not provide records to show the items were used.

At the public sitting, all the schools provided evidence of utilization with the exception of Nkawkaw Senior High School and Engleshie Amanfro Senior High School who could not account for fuel purchases amounting to GH¢1,992 and GH¢2,810 respectively.

The Stores Regulations demand that all fuel purchased are to be logged in the vehicles' logbooks. The Committee noted that failure to comply with the Stores Regulations was as a result of weak supervision by the heads of the institutions. Failure to log fuel purchases and record purchases in the store ledger is a contravention of Regulation 8 of the Financial Administration Regulation.

The Committee recommends that officers responsible for the lapse should be sanctioned for breach in line with the FAR. A report on compliance should be sent to the Committee through the Auditor-General.

6.26 MISSING ITEMS

The Committee noted that four schools could not account for library books while three schools had 60 laptop computers missing. At the time of the Committee meeting all the library books had been recovered from the staff and students while others were made to pay the replacement cost of the lost books.

In the case of the missing laptops, the matter has since been reported to the police for investigation.

The Committee attributed, the missing laptops to the negligence on the part of the institutional heads and other staff responsible for the safety of the items. This the Committee noted that, the negligence led to a breach of Section 32 of the FAA and Regulation 183 (3) of the FAR which demands that Heads of institutions should properly take care of government stores.

The Committee urges all institutional heads to strictly ensure compliance with measures in place to ensure that all students account for school property under their custody before leaving the school.

6.27 PAYMENT FOR SERVICES NOT PROVIDED GH¢765,654.04

The Director-General of the Ghana Education Service awarded contract to Messrs Eduvid Ghana Limited and HSDPA Wireless Gateway Ltd for the installation of internet Study Mate in some institutions for which an amount of GH¢765,654.04 was paid by 48 institutions. Out of these, the service was delivered to only one institution, St. Augustine's Senior High School, Bogoso for a payment of GH¢4,425 and no services provided for the remaining 47 schools after payment of the sum of GH¢761,229.04. The list of institutions involved is attached as appendix C.

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 after payment was made.

The Committee recommends immediate termination of the contract with Messrs Eduvid Limited and HSDPA Wireless Gateway Ltd. Furthermore, all amounts paid to the two companies 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¢761,229.04

6.28 FAILURE TO SUBMIT RECEIPT BOOKS FOR AUDIT EXAMINATION

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 involves PTA dues with similar challenges as mentioned earlier.

6.29 ABANDONED PROJECTS - GH¢918,009.30

The audit revealed that, a total of eight projects awarded in two schools on which a total amount of GH¢918,009.30 had been spent were abandoned for a period of 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 urges the GETFund to endeavor to complete the projects to avoid cost overruns and deterioration which will require substantial capital injection in the near future. Furthermore, GETFund should in the future involve Heads of institutions in the processes leading to the award of contracts in schools to allow for proper monitoring.

7.0 AUDITOR-GENERAL'S COMMENTS

The Auditor-General attributed the lapses and weaknesses observed to pervasive non-compliance with existing legislative framework and accounting instructions of the Ghana Education Service. Also, he attributed the irregularities to lack of commitment on the part of heads of schools to ensure compliance with established internal control measures, administrative rules and legislations governing the management of public financial resources.

The Committee therefore recommended to the Director-General of the Ghana Education Service to strengthen monitoring and supervision of the activities of educational institutions and impose sanctions on heads and accountants who persistently fail to adhere to public financial management requirements.

8.0 GENERAL OBSERVATIONS AND RECOMMENDATIONS

8.1 Non Compliance with Public Financial Management Laws

The Committee noted during the examination of the Report of the Auditor-General that, heads of institutions and accountants lack basic understanding of the laws governing public expenditure and procurement in Ghana. This resulted

in the numerous cases of procurement and cash irregularities amounting to GH¢12,075,399.85 representing 55.66 of all infractions identified by the Auditor-General.

8.2 Weak Internal Control Systems

The report and Committee deliberations also revealed weak internal control systems in many of the Institutions mainly as a result of weak or non-existent Internal Audit Units within the institutions. The weak Internal Audit Units in many institutions is a hindrance to ensuring effective compliance with procurement and public financial management regulations. The Committee noted that the weak internal controls systems resulted in wide spread cash embezzlement, non-payment of fees collected by commissioned collection agents and huge cash payments in a number of the schools.

The Committee noted that, many of the infractions reported by the Auditor-General could be prevented if the Internal Audit Units are strengthened. The Committee therefore recommends a review of the present arrangement where internal auditors report to the Heads of Institutions to strengthen the internal audit units to serve as a check on the spending officers.

The Committee also recommends to the Director-General of the Ghana Education Service to outline clear policy on school fees payment to ensure that fees are paid through bankers draft and other electronic payment forms to minimize the incidence of fraud, embezzlement and cash disbursement within the Institutions.

8.3 Expenditure without Supporting Documents

The Committee is concerned about huge sums of expenditure incurred by account officers and entity heads without relevant support documents to authenticate payments. The Committee attribute these infractions to the negligence and dereliction of duty by the account officers as well as improper supervision by entity heads. The Committee is of the opinion that the six weeks auditing period provides sufficient time for any spending officer to provide sufficient document to acquit all expenses genuinely made in accordance with laid down procedures. The Committee is of the view that, any receipts provided after the six weeks audit period cannot be accepted as genuine.

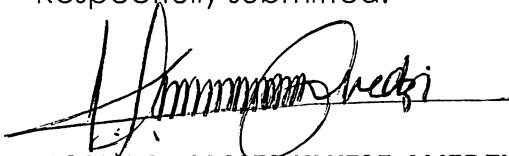
The Committee recommends to the Auditor-General to surcharge any spending officer who fails to acquit payment vouchers with the relevant supporting documents within six weeks of the audit period with the amount in accordance with Article 187 of the Constitution and the Audit Service Act.

9.0 CONCLUSION

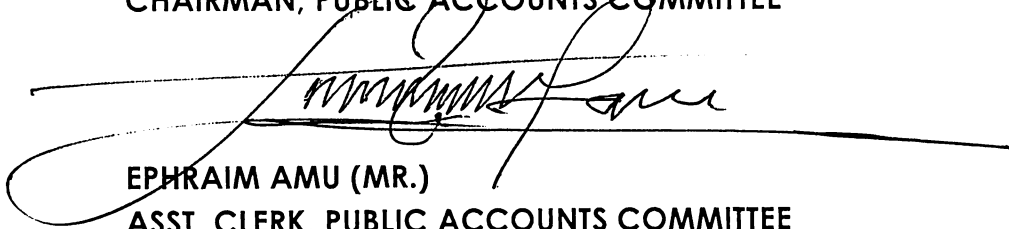
The Committee was of the considered view that the observations and recommendations of the Auditor-General fairly represented the financial transactions that took place in the pre-university Educational Institutions in the 2015 financial year. The Committee therefore recommend to the House to adopt

its 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 2015 with its recommendations in accordance with Order 165(3) of the Standing Orders of the Parliament of Ghana.

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, 2015**

APPENDIX A

HUGE CASH TRANSACTIONS

SN	NAME OF INSTITUTION	REGION	AMOUNT (GH¢)
1	Collins Senior High School	Ashanti Region	103,213.30
2	Konongo Odumasi Senior High School	"	22,735.08
3	Manso Adubia Senior High School	"	73,292.06
4	Ofoase Senior Technical School	"	62,440.88
5	Sandema Senior High/ Tech	Upper East Region	50,404.00
6	Akroso Senior High School	Eastern Region	13,150.00
7	Nsawam Senior High School	"	135,753.70
8	Acherensua Senior High School	Brong Ahafo Region	10,247.50
9	Karaga Senior High School	Northern Region	22,412.01
10	Kpandai Senior High School	"	44,160
11	Tamale Senior High School	"	45,597.00
12	Vitting Senior High School	"	27,159.00
	Total		610,564.53

APPENDIX B

PAYMENT OF WORK WITHOUT WORK ORDER

SN	NAME OF INSTITUTION	REGION	AMOUNT (GH¢)
1	Christ the king Senior High School	Ashanti Region	6,091.00
2	Ejusuman Senior High School	"	10,470.00
3	Tepa Senior High School	"	19,060.00
4	Tweneboah Kodua Senior High School	"	1,012.00
5	Mim Senior High School	Brong Ahafo Region	17,796.45
6	Nkoranza Senior / Technical School	"	6,565.00
7	Wenchi Methodist Senior High School	"	20,442.00
8	Yefriman Senior High School	"	2,935.75
9	Accra Academy	Greater Accra Region	2,616.00
10	Accra Girls Senior High School	"	34,374.00
11	Amansaman Senior High Technical School	"	6,225.00
12	Armed Forces	"	19,584.00
13	Nungua Senior High School	"	69,418.90
14	Odorgono Senior High School	"	101,667.10
15	St John Grammar	"	14,404.00
16	St Magaret Mary	"	5,341.05
17	Bolga Technical Institute	Upper East Region	27,400.00
18	Leklebi Senior High School, Leklubi	Volta Region	1,544.00
19	Nkwanta senior High School, Nkwnta	"	12,898.00
20	St Theresa College Of Education, Hohoe	"	33,487.66
21	Abetifi Presby Senior High School	Eastern Region	6,869.00
22	Abetifi Technical Senior High School	"	21,287.25
23	Akim Asafo Senior High	"	11,733.35
24	Akim Swedru Senior High School	"	2,500.00
25	Akro Senior High Technical	"	23,128.00
26	Akuse Medodist Senior High Technical School	"	13,061.00
27	Akwamuman Senior High School	"	8,365.00
28	Bosu Senior High Technical School	"	79,13.00
29	Kade Senior High/ Technical, Kade	"	16,240.00
30	Kwahu Ridge Senior High School, Obo	"	14,618.20
31	Kwahu Tafo Senior High School	"	5,117.00
32	Manya krobo Senior High School	"	52,098.70
33	Nkawkaw Senior High School	"	14,332.00
34	Presby Senior High School, Begoro	"	3,798.00
35	St Stephen's Preby Senior High	"	6,155.00
36	Yilo Krobo Senior High School	"	80,677.15
	Total		772,524.56

APPENDIX C

PAYMENTS FOR INTERNET SERVICES PLATFORM NOT INSTALLED (EDUVID LTD)

SN	NAME OF INSTITUTION	REGION	AMOUNT (GH¢)
1	Adventist Girls Senior High School	Ashanti Region	18,525.00
2	Afia Kobi Senior High School	"	15,437.50
3	Agona Senior High Technical School	"	13,820.00
4	Amaniapong Senior High School	"	31,283.50
5	Atwima Kwawoma Senior High School	"	4,386.00
6	Kofiasa Adventist Senior High School	"	3,0000
7	Kumasi Academy	"	34,983.75
8	Kumasi Wesley Girls Senior High School	"	33,055.25
9	Nkawia Senior High Technical School	"	25,678.50
10	Nyinahin Catholic Senior High School	"	4,778.00
11	Komfo Anokye Senior High School	"	7,000.00
12	Osei Kyeretwie Senior High School	"	35,795.00
13	Presby Senior High School, Kwamang	"	7,434.00
14	Serwaa Nyarko Girls Senior High School	"	19,240.00
15	Simms Senior High Community School	"	33,511.25
16	St Monica's Senior High School, Mampong	"	25,710.00
17	St Hubert Seminary Senior High School	"	9,927.00
18	St Joseph Senior High School, Mampong	"	10,560.00
19	St Joseph Senior High School, Ahwiren	"	7,486.00
20	Yaa Asantewa Girls Senior High School	"	6,180.00
21	Ahafoman Senior High School	Brong Ahafo Region	12,370.00
22	Bomaa Senior High School	"	4,220.75
23	Kukuom Agric. Senior High School	"	7,000.00
24	Mim Senior High School	"	18,000.00
25	Notre-Dame Senior High School	"	13,226.00
26	Sankore Senior High school	"	3,400.00
27	Serwaah Kese Senior High school	"	14,000.00
28	St James Seminary Senior High school	"	7,000.00
29	Sunyani Senior High School	"	34,565.74
30	Yamfo Anglican Senior High School	"	10,545.00
31	Awe Senior High Technical School	Upper East Region	18,310.00
32	Chiana Senior High School	"	18,340.00
33	Fumbisi Senior High Agric School	"	20,970.00
34	Mirigu Senior High School	"	4,765.00
35	Navorongo Senior High School	"	27,380.00
36	O.L.L Sen Girls Senior High School	"	3,776.00
37	Paga Senior High School	"	2,985.00

38	Sandema Senior High Technical School	„	51,725.00
39	Sandema Senior High School	„	10,045.00
40	Sirigu Senior High School	„	16,500.00
41	St John Integrated Senior High Technical School	„	4,275.00
42	Daffiama Senior High School	Upper West Region	15,797.00
43	Jirapa Senior High School	„	14,910.00
44	Piina Senior High School	„	10,420.00
45	St Francis Girls Senior High School, Jirapa	„	18,120.00
46	Ullo Senior High School	„	15,247.50
47	Wa Senior High Technical School	„	32,565.00
48	Aveyime Battor Senior High Technical School	Volta Region	2,980.00
49	St Augustine's Senior High School	Western Region	4,425.30
Total			765,654.04