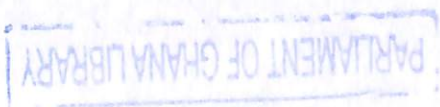




REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE
REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC
ACCOUNTS OF GHANA (POLYTECHNICS AND TECHNICAL
UNIVERSITIES) FOR THE FINANCIAL YEAR ENDED 31ST
DECEMBER 2017

1.0 INTRODUCTION

The Report of the Auditor-General on the Public Accounts of Ghana – Technical Universities and Polytechnics for the year ended 31st December, 2017 was presented to Parliament in accordance with article 187 (2) and (5) of the 1992 Constitution of the Republic of Ghana and section 23(1) of the Audit Service Act, 2000 (Act 584). Pursuant to Order 165(2) of the Standing Orders of Parliament of Ghana, the Rt. Hon Speaker referred the Report to the Public Accounts Committee for examination and Report.



2.0 DELIBERATION

The Committee met with officials of each of the Ten (10) Polytechnics/Technical Universities in Ghana and examined the Report.

3.0 ACKNOWLEDGEMENT

- ❖ The Committee is grateful to the Hon. Ministers for the Northern, Western, Bono-East and Volta Regions for the warm reception accorded the Committee during the visits and for participating briefly in the Committee's sittings.
- ❖ The Committee expresses its appreciation to the Rectors and Vice Chancellors of the Polytechnics and Technical Universities and all other witnesses who assisted the Committee in its deliberations.
- ❖ The Committee again is grateful to the Auditor-General and his technical Team for their immense assistance to the Committee throughout its deliberations on the report.

4.0 REFERENCE DOCUMENTS

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 Public Procurement Amendment Act, 2016 (Act-914)
- iv. The Audit Service Act, 2000 (Act 584)
- v. The Internal Audit Agency Act, 2003 (Act 658)
- vi. Public Financial Management Act, 2016 (Act 921)
- vii. The Financial Administration Regulations 2004 (L.I. 1802)
- viii. Accounting Instructions for Educational Institutions by the Ghana Education Service

5.0 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 Polytechnic and Technical Universities gives true and fair view of their financial positions for the period ended 31st December, 2017.

6.0 METHODOLOGY

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

- Zone 1 – Northern, Upper East, Upper West, Savanna and North East regions.
- Zone 2 – Ashanti, Bono, Bono East and Ahafo Regions;
- Zone 3 – Western, Western North and Central Regions
- Zone 4 – Volta, Oti, Eastern and Greater Accra Regions

Officials of Polytechnics (Technical Universities) cited by the Auditor-General in his Reports were privileged to appear before the Committee and to respond to the queries and issues raised by the Auditor-General:

The witnesses subscribed to the oath of a witness and answered questions relating to the issues raised in the Report of the Auditor-General as well as other issues of national interest.

Technical team from the Audit Service were present at the Committee's sittings to offer clarifications on the queries and issues raised by the Auditor-General.

7.0 SUMMARY OF FINANCIAL IRREGULARITIES

Significant findings of the Auditor-General in the Report bordered on outstanding debtors/loans and recoverable, cash, payroll, procurement, tax, stores and contract irregularities.

The total irregularities identified by the Auditor-General totaled GH¢92,736,182.93. This included US\$6,000,000.00 converted into Cedis at the prevailing exchange rate of GH¢4.4157 to the US\$1 as at 29th December 2017.

In general, cash irregularities constitute (27.1%) and contract irregularities (49%) of the total irregularities identified by the Auditor-General during the period.

Table 1 below is a summary of the irregularities in monetary terms while Table 2 provides a summary of irregularities committed by each institution during the 2017 financial year.

Table 1: Summary of financial irregularities

NO.	Type of irregularity	Amount (GH¢)	Amount (US\$)	Total Amount (GH¢)	%
1	Outstanding Debtors /Loans/ Recoverable charges	11,776,885.33	-	11,776,885.33	12.7
2	Cash Irregularities	25,110,704.67	-	25,110,704.67	27.1
3	Payroll Irregularities	2,404,999.96	-	2,404,999.96	2.6
4	Procurement Irregularities	3,985,353.55	-	3,985,353.55	4.3
5	Tax Irregularities	907,198.96	-	907,198.96	1
6	Stores Irregularities	3,040,178.49	-	3,040,178.49	3.3
7	Contract Irregularities	19,016,661.97	-	19,016,661.97	49.0
	Total	66,241,982.93	6,000,0000	92,736,182.93	100

Note: Irregularities in monetary terms sums up to 92,736,182.93. This include US\$6,000,000.00 converted into cedis at the prevailing exchange rate of GH¢4.4157 to US\$1 as at December 2017.

Table 2. Summary of financial irregularities by each Technical University /Polytechnic for the year 2017.

Technical Universities/ Polytechnics	Outstanding Debtors/Loans Recoverable Charges (GH¢)	Cash Irregularities (GH¢)	Payroll Irregularities (GH¢)	Procurement Irregularities (GH¢)	Tax Irregularities (GH¢)	Store Irregularities (GH¢)	Contract Irregularities (GH¢)	Total (GH¢)
Ho	7,716.79	184,779.63	-	-	-	14,756.82	7,165,878.18	7,373,131.42
Tamale	-	2,925,583.67	-	201,526.64	-	-	-	3,127,110.31
Accra	815,732.73	2,493,405.35	291,187.02	-	-	-	2,874,464.30	6,474,789.40
Kumasi	511,128.36	796,387.69	618,517.78	2,774,735.65	896,612.68	-	885,243.86	6,482,626.02
Sunyani	103,626.00	92,640.00	979,388.62	33,202.58	7,239.40	-	-	1,216,096.60
Takoradi	8,961,199.92	17,170,299.10	-	425,319.66	-	1,977,082.39	34,256,982.07	62,790,883.14
Cape Coast	106,034.49	680,619.88	156,757.00	65,207.32	-	87,900.25	328,293.56	1,424,812.50
Wa	136,456.68	84,997.91	24,693.48	396,434.00	-	700,793.00	-	1,343,375.07
Bolgatanga	48,913.90	64,618.78	9,996.06	5,524.00	-	259,646.03	-	388,698.77
Koforidua	1,086,076.36	617,372.66	324,460.00	83,403.70	3,346.88	-	-	2,114,659.60
Total	11,776,885.33	25,110,704.67	2,404,999.96	3,985,353.55	907,198.96	3,040,178.49	45,510,861.97	92,736,182.93

Note: Irregularities amounting to GH¢92,736,182.93 includes a contract irregularity of US\$6,000,000.00 converted into cedis at an exchange rate of GH¢4.4157 to US\$1 amounting to GH¢26,494,200.00 in the name of Takoradi Technical University.

8.0 OBSERVATIONS AND RECOMMENDATIONS

The Committee at its sitting observed that some of the infractions were addressed by the Technical Universities before attending upon the Committee. The infractions were either regularized or the moneys were refunded.

TAMALE TECHNICAL UNIVERSITY

8.1 Fuel purchase without proper Accountability GH¢118,646.64

Regulation 183 (1) of Financial Administration Regulations 2004 (FAR), (L.I. 1802) requires that any officer responsible for the financial management of a department should ensure that acquisition of government stores are made and applied to public purposes in the most economical way. Contrary to this regulation, the Committee observed at its public sitting that, Tamale Technical University had purchased fuel without accountability to the tune of GH¢118,646.64.

The Auditor-General recommended that the officers responsible should account for the fuel purchased, failure of which the officers responsible of this infraction should be made to refund the amount.

Management explained that, the University was compelled to make monthly fuel allocations to heads of departments and deans to facilitate the performance of their officials' duties.

They further indicated that the officials involved were entitled to duty-post vehicles but due to the absence of vehicles in the transport pole, they relied on their personal vehicles for official duties. It was therefore practically difficult for fuel purchased to be logged in the log of books since the vehicles involved are not official vehicles.

Recommendation

The Committee recommends that management and the transport officer should be surcharged and the University should comply with the recommendations of Auditor-General in future transactions.

8.2 Late Payment of Salary Advances-GH¢41,079.92

The Audit revealed that officials of the Tamale Technical University violated Regulation 110 of FAR, 2004. The committee noted that thirty-one officers of the University were granted salary advances of GH¢56,196.92 between 2012 and 2016 of which GH¢15,177 was recovered leaving a balance of GH¢41,079.92.

The Committee noted that additional GH¢33,961.92 was recovered from the outstanding balance of GH¢41,079.92 leaving a balance of GH¢7,118 in the name of seven (7) officials to be recovered from the affected officers.

Recommendation

The Committee recommends that the outstanding balance of GH¢7,188.00 should be retrieved from the seven (7) officers by the end of the year and report to the Auditor-General for verification and onward report to the Committee.

8.3 Acquisition of Bungalows without Title Deed-GH¢82,880.00

The Committee noted that contrary to Section 52(1) & (2a) of Public Financial Management Act, 2016 (Act 921) which states that "a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets". The Director of Finance at Tamale Technical University made payment amounting to GH¢82,880.00 through PV number 325/04/16 dated 29th April 2017 for the purchase of fourteen bungalows from the Northern Regional Directorate of Ghana Education Service without Title Deeds to show ownership of the bungalows. The committee was informed that the inability of the institution to obtain the Title Deeds was due to the fact that the Ghana Education Service is in court with the occupants of the bungalows.

Recommendation

The Committee therefore wish to reiterate the recommendation of the Auditor General that, management should ensure the Title Deeds are obtained from Northern Regional Director of Education.

8.4 Unclaimed Allowances GH¢24,516.42

The Audit discovered that 18 staff of the University had not collected their allowances totaling GH¢24,516.42, even though the total amount had been charged against Compensation of employees. The Committee is of the view that this is in contravention of Regulation 39 (2c) of Financial Administration Regulation 2004 (L.I.1802).

During the public sitting, management informed the committee that an amount of GH¢1,530.00 was recovered and paid into the school account leaving a balance of GH¢22,986.42.

Recommendation

The Committee recommends that Management should recover the outstanding amount of GH¢22,986.42 *from the cahier and pay it into the University's account.*

8.5 Installation of Software without Auditor General's Approval

The Committee observed that contrary to Section 11 of the Audit Service Act, 2000 (Act 584) Tamale Technical University had installed a software for processing of its financial transactions without the approval of the Auditor-General.

Recommendation

The Committee accordingly agrees with the recommendation of the Auditor-General that Management should seek proper approval from the Auditor-General for the adoption of the data processing software so as to ensure efficiency and effectiveness.

9.0 KUMASI TECHNICAL UNIVERSITY

9.1 Under Deduction of Withholding Tax– GH¢18, 358.65

The audit disclosed that management of Kumasi Technical University withheld 10% tax instead of 20% on the sitting allowances paid to Committee Members during

2017 financial year resulting to under deduction of GH¢18, 358.65 in contravention of Section 116 (1) of the Income Tax Act, 2015 (Act 896).

Recommendation

The Committee recommends that Management should ensure that the remaining amount of GH¢18, 358.65 is paid in to the Ghana Revenue Authority Accounts and pursue the committee members to recover same by the end of the year.

The committee further recommends to the Ghana Revenue Authority to take a second look at section 116 (1) of the Income tax Act,2015 (Act,896) since the intention of the provision is not clearly explained.

9.2 Underpayment of Rent – GH¢68,053.93

The Audit revealed that 44 Officers occupying the University's bungalows were being deducted rent lower than the prevailing rate of 10% contrary to the Ministry of Finance Circular No.1333385/05/06/MTRCAGD OF 15 May 2016 leading to the loss of rent income of GH¢68,053.93. The Auditor-General recommended to management to recover the rent amount of GH¢68,053.93 from the officers involved within 30days after receipt of the management letter.

Recommendation

The Committee recommends that Management should recover the rent amount of GH¢68,053.93 from the officers by the end of the year. The committee further recommends to management to comply with the Circular of the Ministry of Finance strictly.

9.3 Abandoned Fish Pond Project – GH¢100,000.00

In contravention of Regulation 2 (c) of Financial Administration Regulations 2004 (L.I. 1802) it was discovered at the committee sitting that the University Council approved an amount of GH¢100,000.00 as a set- up capital for a fish pond facility at Piase. The Auditor-General recommended that management should focus on the project completion to meet the intended purpose without further delay. Failure of which the Finance Officer, the Vice Chancellor and all the Council members should be surcharged.

Recommendation

The Committee recommends that Management should take the project serious and to pursue the contractor by name Naachia Plant Pool Ltd to complete the project to meet its intended purpose.

9.4 Partnership agreement with an Expatriate without Authority

It was revealed at the committee sitting that management of Kumasi Technical University had acquired two hundred acres of land at Piase to be used for Entrepreneurship. The project was registered on 12 August 2015 as Entrepreneurship Village Company Limited, a limited liability Company, fully owned by Kumasi Technical University.

It was further discovered that an amount of GH¢20,000.00 had been advanced to Mr. Fred Harding Amoo, the Chief Executive Officer of Continental Equity Funding on behalf of Sirpryze Investment LLC for office accommodation for the project. The committee observed that the action taken by management violates paragraph 6 of Sub heading D in pages 11 and 12 of the National Policy on Private, Public Partnership (PPP) 2011. Furthermore, action taken by management of the institution is also in violation of sub headings D and F in page 10 of the policy.

The Auditor General Recommended the following:

- (i) Management should seek retrospective approval from the Ministry of Finance (MOF) for the project
- (ii) The amount of GH¢20,000.00 given to Mr. Fred Harding Amoo the CEO of Continental Equity Funding should be recovered 30 days after the receipt of management letter.
- (iii) Management of the University should concentrate on its core mandate instead of numerous unprofitable ventures which is a serious drain on public funds.
- (iv) The entire concept of Entrepreneurship Village should be given a second look.
- (v) Management of the KsTU should carry out the project in phases without any partnership.
- (vi) Management of the institution should in future be more prudent in the management of public resources.
- (vii) All financial obligation of the University should be critically scrutinized by management before entering into any agreement in future.

Recommendation

The Committee agrees with the recommendations of the Auditor-General regarding the Entrepreneurship Village Project and therefore recommends to the Council to comply fully with the audit recommendations.

9.4 Improper Administration of Partnership Agreement

The Audit revealed that management of Kumasi Technical University signed a partnership agreement with Prudential Solutions Ltd, a Ghanaian based Company dated 21 October 2014. The objective of the project was to develop and provide improved training to the general public in the area of Animation, Multimedia Design, Aviation, Hospitality, Travel and Tourism, Facilities Management, Automobile Management and Training. The Partnership is called, K-POLY PRUDENTIAL ACADEMY.

The audit further discovered breach of obligations under the agreement between the University and the Prudential Solution Ltd. The obligations under the agreements are as follows:

Kumasi Technical University shall:

- 1) Provide the needed infrastructure for the running of the programs
- 2) Provide supervision and administrations of the operations
- 3) Manage recruitment of the administrative staff needed for the operations.

Prudential Solution on the other hand shall:

- 1) Provide intellectual property and the technical directions needed to run programs successfully and efficiently
- 2) Provide the needed equipment for training.
- 3) Provide lecturers and resource persons for the courses.
- 4) Pay for the advertisements for the running of the program

The Committee further observed that, distribution of gross income realized from the project shall be as follows: K-Poly-20%, Prudential Solutions-20%, Operations of K-Poly/Prudential Solutions-60%. Parties shall agree on the fees to be paid by the students and the fees shall be paid at the cash office of the University. In addition, all monies collected shall be paid into K-Poly's Bank Accounts and be audited by the internal audit of K-Poly Prudential Academy Periodically. The Committee strangely observed that the agreement entered between the University and Prudential Solution Ltd was breached by the Prudential Solution Ltd are as follows:

- 1) Prudential Solution recruited its own administrative staff without the input of the management of the University.
- 2) Prudential Solution fixed the fees unilaterally.
- 3) Prudential Solution never provided a quarterly or annual report of its operations to the Director of the Institute who was supposed to be the supervising department as agreed by the terms of the agreement.

- 4) Prudential Solution print their own receipts books and collect the fees directly from the students contrary to the agreement. Further examination of the receipt books indicated that the books bear the name of the University without serial number embossed on them while Prudential Solutions use them to collect fees at the blind side of the management of the University.
- 5) Prudential Solutions operate their own bank account where the fees are paid into without the consent and involvement of the Management of the University.
- 6) The internal audit unit of the University has never conducted any audit of the operations of K-POLY PRUDENTIAL ACADEMY.

Upon thorough examination of the receipts, it was discovered that Prudential Solutions Ltd paid an amount of GH¢5,100.00 as share of gross income for 2017 financial year instead of GH¢13,260.40 leading to under payment of GH¢8,160.40. The Auditor General recommended the following:

- a) Management should recover the amount of GH¢8,160.40 within 30days after the receipt of management letter from Marcus Obeng-Sika, the managing partner of Prudential Solutions Ltd
- b) Management should conduct a comprehensive audit of the operations of K-POLY PRUDENTIAL ACADEMY right from its inception to date
- c) Management should assume its supervision and administrative role over the operations of the K-POLY PRUDENTIAL ACADEMY.
- d) Management of the Prudential Solution should produce quarterly reports of its operations since the inception of the project in accordance to the dictates of the agreement.
- e) The Internal Auditor of the University should perform his duty of auditing the operations of K-POLYPRUDENTIAL ACADEMY as specified in the agreement.

Recommendation

The Committee recommended to management to comply with the recommendations of the Auditor-General.

9.5 Absence of Land Title

The Audit disclosed that the University has no title deeds to the parcel of land at Adako Jachie, Ahinsan Estate, Danyame, Pine Avenue and Suame. This according to the committee is in violation of Section 52 of the Public Financial Management Act, 2016 (Act 921). The Auditor General recommended that management should expedite actions to ensure full ownership of the parcels of land for the University.

Recommendation

The Committee recommends that management should ensure that the parcels of land acquired by the University are properly registered in the name of the university.

9.6 Unearned Salary -GH¢25,127.70

In contravention of Regulation 297 of FAR, 2004 (L.I. 1802) the committee observed that two separated officers who vacated post earned a salary amounting to GH¢25,127.70. The two separated officers are in the persons of:

1. Dzandza Patience Emafa GH¢-18,086.10
2. Micheal Nsiah GH¢-7,041.60.

The committee further noted that management had recovered an amount of GH¢7,041.60 from Micheal Nsiah while an amount of GH¢18,086.10 in the name of Dzandza Patience Emafa is yet to be recovered.

Recommendation

The Committee recommends to management to take steps to retrieve the outstanding amount of GH¢18,086.10 from Dzandza Patience Emafa.

SUNYANI TECHNICAL UNIVERSITY

10.0 A vehicle not registered in the name of Sunyani Technical University (STU).

Contrary to Section 52 (1) of the Public Financial Management Act, 2016 (Act, 921), the audit disclosed that vehicle No. GV 417-16, which was to be transferred into the

name of STU by management of the University, still bears the name of Ministry of Education since 2016.

Recommendation

The Committee recommends to management of STU to adhere to section 52(1) AFMA and to ensure that the vehicle is registered in the name of the university.

10.1 Unrecovered Sponsorship cost from Mr. Issac Kojo Agyemang- GH¢218,346.72

In contravention of Article 4.2 (11) of the university's sponsorship policy, the committee discovered that management of the STU failed to ensure that Mr. Issac Kojo Agyemang completes the bond form before pursuing his PhD Program in Business Administration at Accra Institute of Technology (AIT). The committee further observed that Mr. Issac Kojo Agyemang had not reported nor communicated to the institute after the expiration of the study leave. As a result, management placed an embargo on his accounts with Stanbic Bank (Sunyani Branch) and subsequently terminated his appointment, effective 1 March 2018 and demand full refund of salaries he enjoyed plus 15% interest totaling GH¢218,346.72.

Management again disclosed to the committee that the said lecturer fell sick in the course of his program at AIT and now seeking medical attention from the United States of America. They further indicated to the committee that when they contacted his guarantors, they realized that they are financially weak to refund the said amount.

Recommendation

The Committee recommended to management to recover the entire amount from Mr. Issac Kojo Agyemang and review the guarantee system to ensure that persons with financial capacity guarantee prospective candidates for sponsorship

CAPE-COAST TECHNICAL UNIVERSITY

11.0 Payment of Salary Advance to Staff from the IGF- GH¢106,034.39

Contrary to Section 5(a) of the Retention of Funds Act, 2007 (Act 735), the audit report revealed that management of Cape-Coast Technical University had paid an amount of GH¢106,034.39 of its Internally Generated Fund as salary advance without any approval from Ministry of Finance to forty(40) of its staff. Management of the university disclosed to the committee that an amount of GH¢69,693.00 was recovered from the affected staff leaving an outstanding balance of GH¢36,341.39. The Auditor General recommended to management to incorporate all salary advances and loans in its budget for Parliamentary approval in order to prevent distortions in the future budget.

Recommendation

The Committee recommends that management should recover the outstanding amounts from the staff. The committee further cautioned management to discontinue the practice of using IGF monies for salary advances.

11.1 Irregular payment of Overseas Leave Allowance- GH¢80,452.80

In contravention of Section 7 (1a) of the Public Financial Management Act, 2016 (Act 921) and Section 12 of the Condition of Services of the Rectors of Polytechnics, the audit report indicated that an amount of GH¢80,452.80 was paid to Vice Chancellor of Cape Coast Technical University, Professor Lawrence Atepor as overseas allowance, per diem and purchase of air tickets for himself and three other family members to travel to London. The audit report further revealed that Dr. Eric George Alexander Don Arthur, former Council Chairman approved the transaction on 2 December 2016 and there was no evidence from the Board minutes to establish that the transaction had its blessings from the board. Appearing before the committee, the following irregularities were discovered:

1. An amount of GH¢55,252.80 was paid to the Rector, to procure the air ticket instead of the university buying it contrary to the provision stated above
2. The air ticket was procured from a single source in contravention of the procurement law.

3. No boarding pass, copies of the Visas attached to the payment voucher to confirm the travel. The only attachment was the itinerary dated 7 March, 2017, while payment vouchers dated, 14 March 2017.
4. The payment vouchers were approved by the Rector himself.
5. The expenditure was not budgeted for. The Auditor General disallow the expenditure and requested Professor Lawrence Atepor to refund the GH¢80,452.80 to the University's accounts within 30 days after receipt of the management letter, failure of which the former Council Chairman, the Rector, and the Finance officer shall be surcharged with the amount including interest at Bank of Ghana prevailing interest rate.

Recommendation

The Committee recommended that management should pursue the former rector to recover the said amount to the school if no evidence is provided as a proof that the travel was undertaken.

WA POLYTECHNIC

12.0 Unaccountable Imprest- GH¢12,549.00

The audit revealed that management of Wa Polytechnic granted five of its officers an amount of GH¢12,549.00 being accounted imprest to undertake various activities but failed to retire after executing those activities. The action taken by the management of the University indeed violates Regulation 288 (1) and (2) of the Financial Administration Regulations 2004

The committee observed that out of the total amount of GH¢12,549.00 granted to the officers, an amount of GH¢7,849.00 was recovered leaving an outstanding balance of GH¢4,700. The Auditor-General recommended to management to ensure the remaining amount is properly accounted for within 10 days after receiving the management letter, failure of which the amount plus interest at Bank

Ghana prevailing rate, should be adjusted to the personal advances account in the name of the officers, and ensure full recovery of the amount.

Recommendation

The Committee recommends that Management should pursue the affected officers to recover the outstanding amount of GH¢4,700 from them.

12.1 Vacation of Post-Mr. Karikari Thomas- GH¢24,693.48

The audit report revealed that Mr Karikari Thomas enjoyed salary amounted to GH¢24,693.48 for no work done contrary to Article 29 10 (d) of the Unified Condition of Service of the Polytechnic and same of Article 32 (a). Appearing before the committee, management disclosed that an amount of GH¢10,415.85 was recovered from Mr. Karikari Thomas leaving an outstanding balance of GH¢14,277.63. The Auditor-General recommended to management that the officer should refund the money within 30days after the receipt of management letter, failure of which the expenditure would be disallowed and Mr. Karikari as well as officials may be surcharged.

Recommendation

The Committee recommends that Management should desist from validating officers who are not at post and pursue Mr. Karikari to recover the outstanding amount of GH¢14,277.63 to the University by the end of the year.

12.2 Inability to Inspect Benz Saloon Car GH¢502,750.00

Contrary to section 1608 of the Stores Regulations, 1984, the audit report revealed that a Mercedes Benz E200 saloon car costing GH¢502,750.00 with registration number GT 7027-17 was not in the fleet of vehicles of the Polytechnic during physical inspection of the audit team. The report further indicated that Prof. Marfo

Owusu, the Rector of the Polytechnic who was suspended by Polytechnic Council into whose custody the vehicle is entrusted fail to return it to the institution. The Auditor-General entreated the Management of Wa Polytechnic to deploy all legal means to pursue the recovery of the vehicle including reporting the matter to the Upper West Regional Police for the illegal possession of the vehicle (Mercedes Benz E200 saloon car- GT 7027-17).

Recommendation

The Committee recommends that Management should take legal action to retrieve the vehicle from Prof Marfo Owusu and to put effective measures to protect and safeguard the assets of the University.

13.0 BOLGATANGA POLYTECHNIC

13.1 Staff Indebtedness - GH¢48,913.90

Regulation 111 of Financial Administration Regulation 2004 requires that the head of department or officer to whom the duties of the head of department have been delegated in accordance to regulation 109 shall ensure that advances are duly recovered in accordance with the agreement. Contrary to this provision, the committee discovered that an amount of GH¢8,200 was granted to three officers of the polytechnic in 2017 by management and unrecovered loans of GH¢42,313.90 bringing the total *Indebtedness* to GH¢50,513.90. *Appearing before the committee, management disclosed that the amount GH¢46,913.9 was recovered from the officers leaving an outstanding balance of GH¢3,600.00.* The Auditor-General recommended that management should put a mechanism in place to recover the outstanding amount to avoid cash flow challenges.

Recommendation

The Committee recommends that Management should pursue the affected officers to recover the outstanding amount of GH¢2,000.00 into the Polytechnics accounts.

14.0 KOFORIDUA TECHNICAL UNIVERSITY

14.1 Unapproved Expenditures- GH¢556,642.88

Section 30(1) of the Public Financial Management, Act 2016 stipulates that "a Principal Spending Officer shall, plan and manage the activities of a covered entity in accordance with the policy statement and financial estimates of that covered entity". Similarly, Section 96(2) of the Public Financial Management, Act, 2016 states, "A person acting in an office or employment connected with the procurement or control of Government stores, or the collection management or disbursement of amounts in respect of a public fund or a public trust who authorizes an expenditure is liable on summary conviction to a term of imprisonment of not less than six months and not more than twelve months or to a fine of not more than the value of the assessed impact of the commitment or both". Contrary to the above provisions, the Committee noted that, Management of Koforidua Technical University purchased four vehicles valued at GH¢923,537.20 excluding interest and penalty charges out of which a total amount of GH¢556,642.88 was paid to the suppliers from the Internally Generated Fund (IGF) of the entity. The Committee further noted that the expenditures were not part of the parliamentary approved budget for the University for the period. The Auditor General recommends to management to seek retrospective approval from the Ministry of Finance within 30days after the receipt of management letter, failure of which Section 96(2) of the Public Financial Management Act, 2016 (Act 921) shall be enforced.

Recommendation

The Committee is of the view that since the vehicles are being used for the activities and programs of the university, retrospective approval may not change anything.

The committee therefore recommends to management of the university to desist from actions that violates financial laws of the country.

14.2 Finance Lease without Approval- GH¢1,008,076.36

Contrary to Section 30 (2) (a) & (c) of the Public Financial Management (PFM) Act, 2016 (Act 921), the Committee noted that management of the University procured four (4) vehicles from Silver Star Auto Ltd and Japan Motors at a total cost of GH¢707,840.00 through a finance lease from Socie'te' Generale Ghana Limited. The Committee further observed that the lease covered a period of 36 months with an interest charges totaling GH¢260,236.82 leading to a total cost of GH¢1,008,076.36 (including a penalty of GH¢40,000.00 for failing to honor the payment terms agreement). Strangely, the committee discovered that management of the technical University failed to seek for approval from the Ministry of Finance before entering into the leasing agreement. The Auditor-General recommends to management to seek retrospective approval from the Ministry of Finance within 30days after receipt of management letter, failure of which the authorizing and paying officers shall be surcharged with the interest of the finance lease amount GH¢260,236.82 and be sanctioned in accordance with Section 96(1) (a) of the PFM Act, 2016 (Act 921).

Recommendation

The Committee recommends to Management to give priority in monitoring the expenditure trend of the University in order to ensure that those expenditures are in line with the approved budget.

14.2 Draft Policy Documents

In contravention of Section 90 of the Public Financial Management Act, 2016 (Act 921) the Committee noted that ten (10) policies of the University were in draft, yet to be approved by the Council to manage the University's resources to achieve its goals. The Auditor- General recommends to management to ensure that the

University Council approves these Policy documents, to guide Management in its operations to ensure efficiency.

14.3 Payment of 4% Finance Charge as Penalty- GH¢40,000.00

In contravention of Section 25(4) of the Public Finance Management (PFM) Act, 2016 (Act 921) and Section 96 (1) (a) of the Public Financial Management Act, 2016 (Act 921) the audit report revealed that management of the University Purchased Mercedes Benz Saloon car with registration number GT 6993-17 for GH¢350,000.00. The report further indicated that the University failed to honour the payment terms in the agreement. As a result, the University paid a sum of GH¢40,000.00 through bank transfer on 7 August 2017 to the supplier (Silver Star Auto Ltd) as finance charge for three months delay in payment (From 27/3/2017-27/6/2017), bringing the total cost of the vehicle to GH¢393,680.00. The Auditor General recommends that the Spending Officer should refund the penalty of GH¢40,000.00 to the University within 30 days after the receipt of the management letter, failure of which Section 96(1) (a) of the PFM Act, 2016 (Act 921) shall be enforced. The committee noted that the amount involved was refunded through the personal resources of the Registrar and the Finance Officer of the Koforidua Technical University. The committee also noted that the default was because of cash flow challenges of the University and not the fault of the officers.

Recommendation

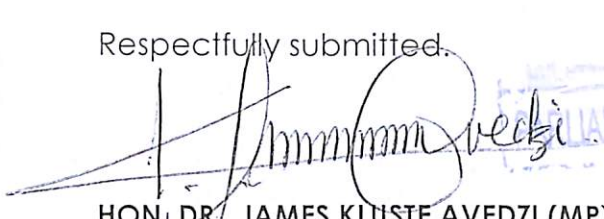
The Committee recommends that the amount of GH¢40,000.00 should be refunded to officers involved.

15.0 CONCLUSION

The Committee is of the view that the observations and recommendations of the Auditor-General represent the true state of financial transactions that took place

in the Polytechnics and Technical Universities for the 2017 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 (Polytechnics and Technical Universities) for the financial year ended 31st December 2017 with its recommendations in accordance with Order 165(3) of the Standing Orders of the Parliament of Ghana.

Respectfully submitted.



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



MOHAMMED INUSAH (MR.)
CLERK, PUBLIC ACCOUNTS COMMITTEE

NOVEMBER 2021