



**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE
REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC
ACCOUNTS OF GHANA – MINISTRIES, DEPARTMENTS AND
OTHER AGENCIES (MDAs) FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER, 2017**



1.0 INTRODUCTION

The Report of the Auditor-General on the Public Accounts of Ghana - Ministries, Departments and Other Agencies (MDAs) for the financial year ended 31st December 2017 was presented to the House in accordance with Article 187 of the 1992 Constitution of the Republic of Ghana.

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

2.0 PROCEDURE

To examine the Report, the Committee held public hearings on the reports and was assisted in its work by the various Ministers, Deputy Ministers and officials of the respective MDAs who supervised the various institutions that were audited.

All witnesses who appeared before the Committee subscribed to the Oath of a Witness and answered questions relating to the issues/queries raised by the Auditor-General in his report and on issues of general public interest.

3.0 ACKNOWLEDGEMENT

The Committee expresses its appreciation to the Ministers, Deputy Ministers and officials from the Ministries and the Audit Service for their assistance to The Committee.

The Committee also extends its profound gratitude to Ghana Broadcasting Corporation, (GBC –TV) and other media houses for the live telecast of the Committees' sittings.

4.0 REFERENCE DOCUMENT

The Committee referred to the following documents during its deliberations:

- a. The 1992 Constitution of the Republic of Ghana.
- b. The Standing Orders of the Parliament of Ghana.
- c. The Financial Administration Regulation, 2004 (L.I. 1802).p
- d. The Audit Service Act, 2000 (Act 584).
- e. The Public Procurement Act 2003 (Act 663)
- f. The Internal Audit Agency Act, 2003 (Act 658)
- g. The Public Financial Management Act, 2016 (Act 921)
- h. National Health Insurance Regulation
- i. The Value Added Tax Act, 2013 (Act 890)
- j. The Income Tax Act, 2015 (Act 896)
- k. The Stores Regulation, 1984

5.0 PURPOSE OF THE AUDIT

The Auditor-General conducted an audit on the Public Accounts of Ghana (Ministries, Departments and Agencies (MDAs) for the year ended 31st December 2017 in accordance with section 13 of the Audit Service Act, 2000 (Act 584);

The purpose of the audit was for the Auditor-General to ascertain whether all MDAs maintained proper records and books, whether accounts were properly kept and all public monies due were fully accounted for. The audit also sought to determine if the rules and procedures applicable were sufficient to ensure an effective check on the assessment, collection and proper allocation of revenues and whether monies were expended for the purposes for which they were appropriated and the expenditures made as authorized.

6.0. SUMMARY OF AUDIT FINDINGS

The significant findings of the Auditor-General in his Report bordered on Tax irregularities, Cash irregularities, Stores/Procurement Irregularities, Payroll irregularities and Outstanding Loans/Advances . The overall impact of the irregularities amounted to GH¢892,396,375.19. The Committee noted that the irregularities declined significantly from GH¢2,165,642,375.14 in the 2016 report to GH¢892,396,375.19 recorded in the 2017 representing 59% decline in irregularities. The detail analysis of the 2016 and 2017 irregularities are presented in table 1 below:

Table 1: An analysis of 2016 and 2017 Irregularities

S N	Type of Irregularity	2016 (GH¢) Million	2017 (GH¢) Million	Variance (GH¢)	%
1	Tax Irregularities	42,866,490.70	655,599,736.33	612,733,245.63	1,429 %
2	Cash Irregularities	2,053,622,215.68	190,560,990.86	(1,863,061,224.82)	(978%)
3	Loans/ Advances	6,775,974.47	2,695,601.00	(4,080,373.467)	152%
4	Payroll Irregularities	4,381,994.51	1,776,893.00	(2,605,101.51)	147%
5	Stores/Procurem ent Irregularities	35,940,445.43	41,668,682.00	5,748,236.57	14.5
6	Rent Irregularities	9,049,219.49	94,472.00	(8,954,747.49)	(99)
7	Contract Irregularities	13,006,034.86	-	-	-
	Total	2,165,642,375.14	892,396,375.19	(1,273,246,999.19)	(59)

CAUSES OF THE VARIOUS IRREGULARITIES AND RECOMMENDATIONS BY THE AUDITOR GENERAL

6.1 Tax Irregularities - GH¢655,599,736.33 (73.46%)

The Tax irregularities were traced mainly to the failure of Ghana Revenue Authority (GRA) to collect tax revenues due government, failure to apply stipulated sanctions against tax defaulters as stipulated in Section 135 and 136 of the Income Tax Act (2015) Act 592 and failure of accountants to pay statutory deductions on due dates and non-deduction of tax due to non-adherence to the provisions in the tax laws.

The Auditor-General recommended that GRA should strengthen monitoring of officers and take steps to improve efficiency in tax administration, collection and follow up on overdue taxes.

6.2 Cash Irregularities - GH¢190,308,499 (21.35%)

Cash irregularities identified by the Auditor-General were mostly related to unapproved disbursements, unauthorised use of IGF, dishonoured cheques, revenues unaccounted for, unsupported payments, unrepresented payment vouchers, unauthorized transfer of funds, Uncredited payments, payment of public Funds into private bank accounts and misapplication of funds.

The Auditor-General attributed these irregularities to poor oversight, lack of control and the failure of Paying Officers to demand receipts for payments made. Failure of Accountants to properly file and keep records, management's failure to ensure the security and safety of vital documents and management's inertia in complying with procedures stipulated in the Public Financial Management Act.

To avert the reoccurrence of these irregularities, the Auditor-General urged the heads of MDAs to continue to strengthen their controls over the collection and disbursement of cash and other funds and also ensure strict adherence to the provisions of the PFMA, 2016, Act 921 and the FAR, 2004 (L.I. 1802).

6.3 Stores /Procurement Irregularities - GH¢41,668,682

Stores irregularities identified relates to value books procured but not in use as a result of the absence of effective collaboration between the CAGD and MDAs regarding the printing and management of value books. The irregularity is also due to lack of commitment on the part of entity heads to ensure compliance with established internal control measures, administrative rules and legislations governing the procurement process. The Auditor-General recommended the strengthening of supervision and monitoring by heads of MDAs as well as ensuring strict compliance with the provisions of the Public Procurement (Amendment) Act 2016, (Act 914) and other rules governing public procurement. He also called for effective collaboration between the Controller and Accountant-General and entity heads in the procurement of value books.

6.4 Payroll Irregularities - GH¢1,776,893

Payroll lapses were largely attributed to the payment of unearned salaries to separated staff as a result of delays in deleting their names from the payroll and the delays by banks in transferring unclaimed pensions and salaries to government chest. The Auditor-General recommended an improved collaboration between finance and Human Resource units within MDAs in their responsibility of payroll management and the recovery of unearned salaries paid to unauthorised personnel.

6.5 Outstanding Loans/Advances - GH¢2,695,601

These irregularities represent trade debtors, staff debtors and outstanding loans on tractor and equipment supplied to some 19 farmers but remain unpaid. The Auditor-General recommended the institution of stringent measures including legal action to recover the outstanding debts.

6.6 Rent Irregularities – Total rent irregularities was GH¢195,360.26.

Total rent irregularities amounted to GH¢195,360.26 were due to failure of entity heads to collect rent due from staff. The Auditor-General recommended to entity heads to ensure prompt collection of rent from officers occupying government bungalows.

7.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

The Committee noted that most of the institutions had complied with the recommendations of the Auditor-General in respect of the irregularities cited against them. The Committee observed that, out of a total irregularities of GH¢892,396,375.19 recorded in the 2017 audit report, irregularities amounting to GH¢540,520,571.78 representing 60.57% of irregularities had been resolved leaving an amount of GH¢351,875,803.41 or 39.43 unresolved. The detail analysis of the status of the 2017 irregularities are presented in table 2 below:

Table 2: Status of 2017 Irregularities

Type of Irregularity	2017 (GH¢)	Irregularities Resolved (GH¢)	Outstanding (GH¢)	% Resolved
Tax Irregularities	655,599,736.33	364,970,922.33	290,628,814.03	55.67
Cash Irregularities	190,308,499.00	132,022,798.61	58,285,700.39	69.37
Loans/ Advances	2,695,601.00	635,692.52	2,059,908.48	23.58
Payroll Irregularities	1,776,893.00	894,003.75	882,889.25	50.31
Stores/Procurement Irregularities	41,668,682.00	41,556,682.00	112,000.00	99.73
Rent Irregularities	195,360.26	176,879.00	18,481.26	90.54
Total	892,396,375.19	540,520,571.78	351,875,803.41	60.57

The unresolved irregularities relates to the following Ministries, Departments and Agencies:

8.0 MINISTRY OF FINANCE

8.1 Prestea Sankofa Ltd royalties debt – GH¢11,578,688.69

The audit disclosed that mineral royalties payable to Government by Prestea Sankofa Ltd. amounting to GH¢11,578,688.69 since 2012/2013 remained uncollected by GRA contrary to section 25 of the Minerals and Mining (Amendment Act) 2015, Act 900. The Auditor-General urged the Commissioner-General to ensure the recovery of all outstanding royalties without any further delay.

The Committee noted that, notwithstanding the audit observation, the amount remained uncollected by GRA. The authority explained that the Prestea Sankofa mine seized operations since 2016 due to technical challenges and the debt is part of Institutional debt for which the Ministry of Finance is been engaged to agree on modalities for settlement. On the present state of royalty payment, the Ministry of Finance explained that, all mineral royalties are paid directly into the Mineral Income Investment Fund which is monitored by the GRA to ensure that the right royalties are paid.

The Committee urged the Commissioner-General and the Minister to expedite action on the engagements and bring finality to the issue. The Ministry must also report to the Committee by the end of 2021 indicating whether the debt is recoverable or should be written off.

8.2 Oranto Stone Energy indebtedness to the State – US\$3,530,410.47

The audit revealed that Oranto Stone Energy was billed surface rental of US\$67,438.36 since February, 2013 but they failed to pay. In 2016 the Ghana Revenue Authority in accordance with the Petroleum Revenue Management Act, 2011, Act 815 calculated the applicable penalties for the default period which also amounted to US\$3,462,972.11 bringing the total indebtedness to US\$3,530,410.47. The Auditor-General advised GRA to use the appropriate means to track the company and collect the outstanding amount for the state.

The Committee noted that the amount remains uncollected. Officials from GRA explained that, the company relinquished their block in 2015 and all efforts to track the directors of the company yielded no result. The Authority is presently engaging the Federal Inland Revenue Service (FIRS) of Nigeria to assist in locating the directors of the Company who are all Nigerians.

The Committee is dissatisfied with the arrangements in which oil blocks are granted to international firms without requesting for a performance bond. The Committee recommends to the Ministry of Energy, Ministry of Finance and the Registrar-Generals' Department to collaborate to ensure that, foreign firms

without local participation are required to provide some form of guarantee or bond that the state can fall on in case they default in their obligations to the State.

BONDED WAREHOUSES - ACCRA COLLECTION

8.3 Accumulated duty on over stayed vehicle – GH¢20,175.

Physical stock taking at Fairlop International Warehouse disclosed that one unit MG 550 saloon car with chassis number LSJW2699XB5013890 valued at US\$16,140.04 over stayed its validity in the warehouse for a period of 5 years in contravention of Section 88 of the Customs Act 2015 (Act 891), resulting in an accumulated duty of GH¢20,175.00. The Auditor-General urged GRA to ensure the collection of the duty of GH¢20,175.00 from Fairlop International.

The Committee noted that in compliance with the audit recommendation, GRA reassessed the duty payable by the company using the prevailing US Dollar to cedi Exchange rate and arrived at a duty payable of GHS32, 220.88 which has since been paid by Fairlop International.

8.4 Goods taken from warehouse without payment of duty -GH¢103,876,668.25

The audit disclosed that two companies moved assorted items from the Bonded Warehouses without the payment of respective duties and taxes amounting to GH¢103,876,668.25 in contravention of Section 83 of the Customs Act, 2015 (Act 891) as detailed below:

Table 3: Goods taken from Bonded warehouse without Payment

Ware-house No.	Bonded Warehouse Name	Resident Officers	Item(s)	Duties Payable GH¢
A/238	Market Direct Ltd.	Mrs. Charlotte K Quartey	Assorted products	102,997,447.60
A/289	Venees Food Products	Gladys Nunekpeku	Food products	879,220.65
Total				103,876,668.25

The Auditor-General identified that weak control in the management of the bonded warehouses by the resident customs officers resulted in this infraction. He therefore recommended that the unpaid duty of GH¢103,876,668.25 is recovered together with its associated penalties by the Commissioner-General. He also recommended that the resident customs officers are sanctioned to serve as deterrent to others.

The Committee noted that the unpaid taxes together with the interest component remains unrecovered. Officials from GRA explained to the Committee that, the two companies have been placed under receivership and all attempts to get the receiver to pay the taxes were unsuccessful. GRA is not certain whether the funds could be recovered. All efforts to identify the directors of the firm also remains unsuccessful. The Committee also noted that, the two supervising officers have been sanctioned in accordance with the recommendation of the Auditor-General. The supervising officer in charge of Market Direct Limited, Mrs. Charlotte K. Quartey has been dismissed while Ms. Gladys Nunekpeku, the officer in charge of Venees Food Products has been demoted.

The Committee further noted that, GRA has taken a number of initiatives including the deployment of technology to prevent future reoccurrence of such an illegality. The Committee is however dissatisfied with the attempt to locate the directors of the two companies who took out the goods illegally. The Committee recommends to GRA to intensify its efforts to locate the directors of the two companies and also take steps to blacklist them. Additionally, responsible officers and directors of the company should be identified and charged with tax evasion.

TEMA OIL REFINERY (TOR)

8.5 Failure to impose penalty on late payments –GH¢1,751,996.16

The audit disclosed that contrary to Customs Internal Standards Organisation Procedure No.100, Twenty-Two (22) OMCs delayed in the payment of Excise duty on Petroleum product amounting to GH¢912,793.17 for the year 2016, however the Commissioner of Customs however did not impose a penalty and interest of GH¢460,869.14 on the 22 defaulted OMCs.

Similarly, Reima Gas and Lone Star Gas which owed the state a total amount of GH¢726,665.18 in taxes as at 1st January 2017 were authorized by the Assistant Commissioner, Takoradi Custom Division to lift extra gas valued at GH¢564,431.84 from the Anokyi Quantum Terminal bringing their total indebtedness to GH¢1,291,097.02. The Auditor-General recommended the recovery of the amount of GH¢1,751,966.16 from the defaulting OMC's failing which the Commissioner or his staff may be surcharged.

The Committee noted that an amount of GH¢ 459,916.01 has been collected out of a total duties and penalties of GH¢460,869.14 leaving a balance of GH¢953.13. The outstanding balance stand in the name of Oando which folded up in 2017.

Additionally, the debt of GH¢1,291,097.02 in the name of Reima Gas and Lone Star Gas has been fully recovered. The Authority has since introduced cash and carry as well as Bank guarantees to forestall reoccurrence of such an event.

GHANA REVENUE AUTHORITY – DOMESTIC AND TAX REVENUE DIVISION (DT/RD)

8.6 Failure to charge Penalty on late transfer of Petroleum Revenue – GH¢10,288,100

The audit disclosed that three (3) Commercial Banks delayed in the transfer of petroleum revenue amounting GH¢4,061,641,996.243 into the Consolidated Fund for periods ranging between 3 and 243 days thereby accruing delayed penalty of GH¢10,288,132.53 as at 29 December 2016 but GRA failed to apply the sanctions for the delayed transfers. The Auditor-General attributed the delays to management's inability to perform regular reconciliation together with weak monitoring and supervision of the Banks by GRA.

The Auditor-General recommended that GRA should intensify its monitoring on the Collection Banks to ensure prompt transfer of revenues to the Consolidated Fund. He also urged the Commissioner-General to ensure that the appropriate penalties are paid by the banks to serve as a deterrent.

The GRA provided documentation to the Committee which indicates that, there was a government directive that permits the banks to lodge all tax revenues into a transit account held at Ghana Commercial Bank and Ecobank Ghana limited. The actions of the Banks were in accordance with this directive. The Committee noted that, GRA however failed to provide information on the directive to the auditors hence the query. The Committee urged GRA to take the audit process serious and ensure that the necessary documentations are provided to the auditors on the field to clear all audit observations raised in the management letter issued by the officials of the Audit Service.

8.7 Outstanding income taxes – GH¢350,061,386.00, US\$11,969,631.79 and GBP36, 967.06

A review of 5,377 selected tax files from 15 Domestic Tax Revenue Offices in the Greater Accra Region showed that 2,597 Companies, Business Entities and individuals owed an amount of GH¢350,061,386.60, US\$11,969,631.79 and GBP36,967.06 in corporate income taxes for the 2016 year of assessment in contravention of Section 41 of the Income Tax Act, 2015 (Act 896) . The

Auditor-General recommended to GRA to strengthen its enforcement role and collect all the outstanding tax revenues.

The Committee noted that, in compliance with the recommendations of the Auditor-General, GRA initiated steps and recovered all the tax liabilities denominated in US\$ and British Pounds. The Committee was informed that, following a reconciliation with the Ghana Audit Service, the outstanding liabilities in Ghana Cedis was revised from GH¢350,061,386.60 to GH¢114,525,386.18. The entire amount however remains unpaid. Out of this amount, GH¢104,817,707.50 stand in the name of Ghana Grid Company Limited and another GH¢2,792,595.50 relates to Prestea Sankofa. Officials from GRA explained to the Committee that, the amounts in the name of GRIDCo and Prestea Sankofa are part of institutional debts that the Ministry of Finance is finding the most suitable way of dealing with them. GRA has instituted a number of measures including third party notices, garnishment and notice of charge over assets to recover the remaining GH¢6,915,083.18 which stands in the name of a number of companies. The Committee recommends to the Authority to expedite action in its effort to recover the outstanding taxes.

8.8 Unpaid tax - GH¢55,990,110 and US\$237,901

The audit discovered that Contrary to Section 117 of the Income Tax Act 2015,(Act 896), 1,479 employers including 52 Directors did not remit Pay As You Earn (PAYE) deductions of GH¢55,990,110.72 and US\$237,901.75 to the Commissioner-General for the 2016 year of assessment. The Auditor-General urged management to recover all outstanding PAYE together with appropriate penalties and pay same to the Commissioner-General.

The Committee noted that the USD outstanding liabilities amounting to US\$237,901.75 has been fully recovered with interest. Additionally, an amount of GH¢42,692,075.06 plus interest of GH¢11,067,998.41 representing 75.25% of the cedi component of the outstanding liabilities has also been recovered leaving an amount of GH¢13,298,035.66 which remains uncollected. Out of the unrecovered amount, GH¢3,388,920.77 represents overstatement by the auditors and GH¢24,249.56 relates to closed businesses. The remaining GH¢9,884,865.33 represent unpaid PAYE relating to the following institutions:

1. Tema Oil Refinery - GH¢9,158,193.22
2. Special Steel Ltd. - GH¢169,458.35
3. Sae Powerlines Ltd - GH¢89,511.75

The Committee was informed that Special Steel and Sae Powerline have suspended their operations. The Authority has initiated processes to identify the directors of the two companies for further enforcement action. In the case of TOR, several demand notices has been sent to them to pay the taxes but to no avail.

The Committee recommends to the Commissioner-General to pursue the directors and responsible account officers of the defaulting companies to retrieve the taxes.

8.9 Outstanding withholding tax – GH¢5,327,454

Examination of tax files showed that 306 companies failed to pay withholding taxes on services totaling GH¢5,327,454.57 in contravention of Section 116 of the Income Tax Act, 2015 (Act 896). The Auditor-General recommended to GRA to ensure that withholding taxes on services are collected to minimize the risk of tax evasion.

The Committee noted that following the audit observation, GRA has recovered an amount of GH¢3,777,933.24 with a balance of GH¢1,549,521.33. The outstanding balance includes an overstatement of GH¢296,320.39, dormant file of GH¢2,371.68 and closed businesses of GH¢2,030.79 leaving an actual unrecovered balance of GH¢1,248,798.47. The unrecovered balance stands in the names of:

1.	Tema Oil Refinery	-	GH¢565,159.78
2.	Special Steels Ltd	-	GH¢51,272.96
3.	Other companies	-	GH¢632,365.73
	Total	-	GH¢1,248,798.47

The Committee noted that, GRA is enforcing a various measures available to it to recover the outstanding taxes. The Committee urges the Commissioner-General to vigorously pursue recovery and also charge penalties on the outstanding amounts as stipulated in law.

8.10 VAT debtors – GH¢3,183,300

The audit disclosed that 69 registered VAT traders who filed their returns at the various tax offices owed a total of GH¢3,183,279.61.00 as at 31 December 2016 in contravention of Section 55 of the VAT Act 2013, Act 870. The Auditor-General urged the Commissioner-General to take the necessary steps to recover all the outstanding taxes and also intensify tax education campaigns and constantly follow up on defaulters.

The Committee noted that an amount of GH¢3,070,292.85 has been recovered leaving a balance of GH¢112,986.16. Officials of GRA informed the Committee that, the outstanding balance has been referred to the legal Department of the Authority for further enforcement action.

The Committee urges the Legal Department to expedite action on all tax defaulters referred to it.

8.11 Outstanding rent tax - GH¢3,946,000

A review of rent files during the audit revealed that a total 451 Landlords owe the GRA an outstanding debt of GH¢3,946,046.89 as at 31 December, 2016 contrary to the provision in Regulation 16 of the Internal Revenue Regulation 2001. The auditors recommended that GRA should pursue recovery of tax arrears. They further urged GRA to work in collaboration of the District Assemblies to build adequate database on properties in the MMDAs for the purpose of determining and collection of rent income tax.

As at Committee sitting the sum of GH¢1,735,805.84 has been recovered leaving GH¢2,210,241.05 outstanding.

Officials from GRA explained to the Committee that many of the properties involved have been converted from rented premises to owner occupied properties making it very difficult to collect the outstanding taxes. They assured the Committee that enforcement actions are been undertaken to retrieve the outstanding liabilities. They were hopeful that, the deployment of Geo-spatial application will assist in retrieving the outstanding liabilities and help to identify properties accurately for the purposes of taxation.

The Committee urges management of GRA to retrieve all the outstanding liabilities and report same to the Auditor General for verification.

8.12 Outstanding dishonored cheques – GH¢1,122,900

A review of the Returned Cheques Register at 11 tax offices in Greater Accra and Western Regions showed that 115 cheques with a total face value of GH¢1,122,938.15 issued by tax payers in settlement of their tax liabilities were dishonoured by their respective banks. The audit noted that though these cheques had been dishonoured for a long time, no sanction had been instituted by GRA to ensure the recovery of the revenue as well as serving as deterrent to others in contravention to Section 139 of the Income Tax Act 2015, (Act 896). The Auditor-General attributed the occurrence to weak control mechanism for the follow-up of returned cheques. He urged the Commissioner-General to pursue the recovery of the taxes and impose penalties against the defaulting Companies. He also urged Management to strengthen their oversight on revenue collection and sanction regime to minimize the receipts of dud cheques.

The Committee noted that following the audit observation, an amount of GH¢732,872.71 has been recovered leaving an outstanding amount of

GH¢390,065.44 which relates to Prestea Sankofa which has suspended its operations. The Committee further noted that, the liability was incurred by Prestea Sankofa prior to the suspension of its operations. The Committee recommends to the Commissioner-General to pursue the recovery of all taxes owe the State by Prestea Sankofa prior to the suspension of its operations.

MEDIUM TAX OFFICE - (MTO) TAKORADI

8.13 Failure to impose penalty on under-assessment of tax - GH¢474,300

The audit revealed that Takoradi Medium Tax Office failed to imposed 30% penalty amounting to GH¢474, 292.19 on persons whose estimate and revised estimate of chargeable income for a year of assessment which was less than ninety per cent of the person's actual chargeable income assessed for that year in contravention of the Income Tax Act 2015, (Act 896). The Auditor-General recommended to management to recover the penalty of GH¢474,292.19 or in default, should be held liable for the payment of the said amount.

The Committee noted that an amount of GH¢407,050.31 has been recovered leaving a GH¢67,241.88 outstanding. Officials of GRA informed the Committee that the outstanding amount relates to two foreign contractors who had worked on the Aboadze Thermal Plant and has since left the country following the completion of their contracts. The amounts relates to:

- | | |
|---|-----------------------|
| 1. S.M. Powertech | - GH¢49,230.10 |
| 2. Woolim Plant Engineering and Construction Ltd. | - GH¢18,011.78 |
| Total | - GH¢67,241.88 |

The Committee while attributing the situation to laxity in enforcing the tax law by official of GRA is also hopeful that the current arrangement where directors are made to deposit bonds will end the practice of foreign companies exiting the shores of the country without settling their liabilities to the state. The Committee urges the Commissioner-General to pursue recovery from the two foreign firms failure of which the officers whose laxity resulted in the loss should be made to pay the outstanding amount of GH¢67,241.88.

CONTROLLER AND ACCOUNTANT GENERALS DEPARTMENT (C&AGD)

8.14 Wasteful expenditure on Value Books – GH¢39,347,890

The audit established that CAGD to printed 10,555,000 assorted value books with face value of GH¢17,779,500 at the request of four MDAs between November 2000 and October 2009 but the value books remained in the stores of the CAGD. Similarly, 29 different value books numbering 14,353,580 booklets with face

value GH¢21,568,386.00 which were also printed by CAGD on behalf of six other MDAs were abandoned as far back as 2010. The Auditor-General blamed the situation on lack of effective collaboration between the office of the CAGD and MDAs and urged for an improved collaboration to avert future reoccurrence.

At the Committee meeting, it was established that, the values quoted represent the potential revenue that could be realized if the value books were used. Additionally, the value books were not used due to the deployment of technology that allows for direct bank payment for services rendered by some MDAs, currency redenomination, and change in security features amongst others. The Committee recommends to the CAGD to dispose the stock of obsolete value books.

8.15 Outstanding debts – GH¢2,135, 529.90

Examination of records of supply of value books to MDAs showed that seven Institutions defaulted in the settlement of their debts totaling GH¢2,135, 529.90 as at November 2017. The Auditor-General blamed the situation of outstanding debt on weak debt collection mechanism at the CAGD and urged management to strengthen its debt collection mechanism and ensure recovery of the outstanding amount of GH¢2,135,529.90.

The Committee noted that an amount of GH¢475,661 has been recovered leaving a balance of GH¢1,659,868.90 outstanding. The payment relate to the following institutions:

Table 4: Outstanding Debts

Institution	Outstanding Debt as at 31/12/2017 (GH¢)	Amount Recovered (GH¢)	Outstanding Debt (GH¢)
Kumasi Metropolitan Assembly	1,103,800.00	249,000.00	854,800.00
Korle-Bu Teaching Hospital	161,889.90	-	161,889.90
Komfo Anokye Teaching Hospital	54,340.00	54,340.00	0.00
Ghana Health Service - Kumasi	59,628.00	59,628.00	0.00
Ghana Health Service - Tamale	227,713.00	107,693.00	120,020.00
Ghana Health Service - Wa	426,452.00	-	426,452.00
Ghana Health Service - Bolga	101,707.00	5,000.00	96,707.00
Total	2,135,529.90	475,661.00	1,659,868.90

The Committee noted that CAGD has agreed on a payment plan with the institutions involved to recover the outstanding debt. The Committee urged the Controller to desist from extending credit to MDAs that failed to pay for value books supplied to them.

8.16 Unearned Salaries - GH¢37,591.76

The audit disclosed that eight officers who separated from the Ministry between November 2016 and October 2017 were paid unearned salaries totaling GH¢37,592.06 contrary to Regulation 297 of the Financial Administration Regulations 2004. The Auditor-General urged management to recover the unearned salaries failure of which they will be surcharged.

The Committee noted that in compliance with the recommendation of the Auditor-General an amount of GH¢27,818.20 being unearned salaries paid to five (5) officers has been recovered leaving a balance of GH¢9,773.56 unrecovered. The unrecovered balance stands in the names of the following

1. Mr. Wuor Albert O. - GH¢1,924.12
2. Mr. Maxwell Asante Danquah - GH¢7,849.44

Officials informed the Committee that, the case of Mr. Albert Wuor is pending because he has been interdicted and the institution intends to use his provident fund to defray the unearned salary once a final determination is made on his

relationship with the institution. Permission has also been sought to use Mr. Daquan's provident fund to settle his indebtedness.

The Committee urged management to expedite action on the determination of the status of Mr. Wuor and the use of Mr. Danquah's provident fund to ensure full recovery of the unearned salaries.

PENSIONS

8.17 Unearned Salaries – GH¢107,754

The Auditor-General noted during verification of Pension and Gratuity files that four officers who retired from the Public Service continued to receive salaries in contravention of Regulation 297 of Financial Administration Regulation 2004, L.I. 1802 which resulted in unearned salaries totaling GH¢107,754. He blamed the anomaly on the failure of the management of the various organisations to ensure prompt deletion of names of the retired staff from the government payroll and recommended to the management of the four organisations to recover the unearned salaries from the retired officers failure of which they would be surcharged.

The Committee noted that the Ministry had recovered an amount of GH¢75,244.95 in the name of Ama Abuakwa Gaisie leaving an amount of GH¢32,509.58 in the name of James Addo Nkansah unrecovered. A review of the payslips revealed that the amount was not paid to the officer there is therefore no need for a refund.

9.0 MINISTRY OF HEALTH

9.1 NHIA Indebtedness to health Institutions GH¢9,302,800

The audit revealed that NHIA owed 18 health institutions an amount of GHS 9,302,830.37 in respect of services rendered to patients between the periods January 2016 to December 2017 in violation of Regulation 38 of the National Health Insurance Regulation, 2004.

Officials from NHIS informed the Committee that the Scheme has so far settled its indebtedness or liabilities to service providers up to December, 2020. The Scheme is presently processing claims for the first quarter of 2021. Management of the Scheme refuted suggestion that the Scheme is practising selective claim payment and attributed delays in claim processing to late submission of claims and fraudulent claims.

The Committee noted that delays in claims payment is adversely affecting the smooth running of health institutions across the country thereby affecting health service delivery to the poor and vulnerable. The Committee recommends to

NHIS to review its claim payment procedures and also ensure upfront payment of 30% of the value of all claims submitted by service providers pending claims verification and final payment.

9.2 Unrecovered Advances-GH¢222,167.16

The audit revealed that Nine (9) Health Institutions failed to recover an amount of GH¢ 222,167.16 granted to 28 officers since May 2011 in contravention of Regulation 110 of the Financial Administration Regulation 2004.

The Committee noted that in compliance with the recommendation of the Auditor-General, an amount of GH¢121,522 had been recovered by five (5) Institutions leaving a balance of GH¢100,645.16 unrecovered. The unrecovered balance stand in the names of the following institutions:

Table 5: Unrecovered Advances

Institution	Beneficiary	Unrecovered Advances (GH¢)	Amount Recovered (GH¢)	Outstanding balance (GH¢)
School of Hygen-Kolebu		9,170.00	6,950	2,220
National Blood Service		15,894	-	15,894
Accra Psychiatric Hospital		3,160	-	3,160
Ga Central Municipal Health Directorate	Mr. Richard Ayaligo	79,371.16	-	79,371.16
Totals		107,595.16	6,950.00	100,645.16

The Committee noted that, Mr. Ayaligo of Ga Central Municipal Health Directorate has refuse to refund the sum of GH¢79,371.16 granted to him as advance since January, 2016. The Committee takes note of efforts of management to recover the amount from Mr. Ayaligo by lodging a report to the security services.

The Committee recommends to the Ministry of Health to ensure total recovery of all the outstanding advances within six weeks of this report failure for which management of the Institutions involved should be surcharged by the Auditor-General in accordance with Article 187 (7)(b) of the Constitution and the Audit Service Act. In the case of Mr. Richard Ayaligo, the Committee urged the

Ghana Police Service to expedite action on their investigations to ensure recovery of the amount.

KORLEBU TEACHING HOSPITAL

9.3 Bad Debt - GH¢195,357.46

An audit examination of the debtor's ledgers of four sub-BMCs revealed an uncollected liability of GH¢195,357.46 from paupers and absconders contrary to regulation 17 of the Financial Administration Regulation. The four sub-BMC are as follows:

b. Surgical	-GH¢170,692.16
c. Polyclinic	- GH¢210.00
d. Medical	- GH¢7,745.30
e. National centre for Cardio	- GH¢16,710
Total	- GH¢195,357.46

The Auditor-General recommended to the BMCs to liaise with the Department of Social Welfare to identify sustainable means of supporting paupers.

The Committee noted that an amount of GH¢156,862.14 had been recovered leaving a balance of GH¢38,495.32 unrecovered. The Committee also noted that the Ministry of Health has requested for approval from the Ministry of Finance to write off the outstanding debt since it has become difficult to recover the remaining from the absconders.

The Committee noted that, management failed to comply with the recommendation of the Auditor-General to liaise with the department of Social welfare to identify sustainable means of handling indebtedness of paupers. Additionally, management also failed to put in place appropriate measures to deter patients from leaving the hospital without settling their bills. The Committee recommends to the BMCs to comply with the recommendations of the Auditor-General.

9.4 Irregular Payment of Funeral Expenses – GH¢28,000.00

The audit revealed that one Mr. Christopher Bayere an Executive Secretary of the Health Training Institution Secretariat unlawfully appropriated and paid himself the sum of GH¢28,000 from the IGF accounts of the Secretariat towards his sisters funeral in contravention of Regulation 39 of the FAR 2004 which requires heads of departments to ensure that funds are utilized in the most efficient manner to meet value for money and for the purpose for which the funds are allocated. The Auditor-General urged Mr. Christopher Bayere to refund the amount of GH¢28,000 wrongfully paid himself.

The Committee noted that Management of the Secretariat took a decision to use the amount to finance the travelling expenses of other management and staff of the Secretariat to attend the funeral of the late sister of Mr. Bayere. It was explained that, the amount was expended on air ticket, accommodation, transportation expenses and feeding of staff who participated in the funeral. The Committee noted that, the funds were not directly given to Mr. Bayere as contained in the Auditor-General's report.

The Committee noted further that, the practice of supporting staff to attend the funeral of a deceased staff member or a deceased family member of serving officers is widely practiced in all Public Service Institutions. There is however no written policy to regulate the practice thereby exposing it to abuse. The expenditure incurred by the Secretariat in this regard is in line with precedence and practice in the Public Service.

The Committee recommends to the Ministry of Health to develop the necessary policy to guide expenditure on the funeral of a deceased staff or deceased relative of serving staff to avoid abuse.

9.5 Payment Vouchers Not Presented for Audit - GH¢ 1,155,301.62

The Audit revealed that management of three (3) institutions failed to present 59 payment vouchers totalling GH¢1,155,301.62 for audit in violation of Regulation 1(1) of the Financial Administration Regulations, 2004 (L/I. 1804). The Auditor-General recommended to management of the institutions involved to present the PVs for audit verification failure which the paying officers shall be surcharged by the Auditor-General.

The Committee noted that seven (7) Payment vouchers in the name of Korle-Bu Teaching Hospital, with face value of GH¢511,520.33 were presented for audit verification leaving 51 PVs with face value of GH¢ 643,781.29 in the name of the three (3) institutions unrepresented. The unrepresented PVs stand in the names of the following institutions:

Table 6: Outstanding Unrepresented PVs

Name of Institution	No of PVs Outstanding	Face Value (GH¢)
Nursing & Midwifery Training College – Tepa	48	616,882.54
Korle-Bu Teaching Hospital	1	20,276.00
Government Hospital - Owe	3	6,622.75
Total	52	643,781.29

Management informed the Committee that an accounts officer at the Nursing and Midwifery Training College, Tepa had absconded after failing to account for the sum of GH¢616,882.54.

The Committee recommends to management of the Nursing & Midwifery Training College – Tepa, Government Hospital – Owe and the Korle-Bu Teaching Hospital to ensure that the Accountants who superintend the payments should recover all outstanding PVs and submit documents to the Audit Service for verification. Failure to submit the documents within two weeks of this report, the Committee recommends to the Auditor-General to disallow the item of expenditure and surcharge Management staff and paying officers at post at the time of the infraction with the sum of GH¢616,882.54, GH¢ 20,276 and GH¢6,622.75 respectively in accordance with Article 187 (7) (b) of the Constitution and the Audit Service Act.

9.6 Unretired Imprest- GH¢ 53,870.32

An examination of the records at five health institutions revealed that 13 officers failed to retire their impress amounting to GH¢53,870.00 in contravention of Regulation 288 of the FAR, 2004 (L.I. 1802).

The Auditor-General recommended that the imprest should be recovered from the officers.

The Committee noted that an amount of GH¢11,000.00 had been recovered leaving a balance of GH¢42,870.32 unrecovered. The unrecovered balance is in the name of the following institutions:

Table 7: Unrecovered Imprest

Institution	Amounts Due (GH¢)	Amounts recovered (GH¢)	Outstanding balance (GH¢)
Korlebu Teaching Hospital	32,785.32	11,000.00	21,785.32
Accra Psychiatric Hospital	7,770.00	-	7,770.00
DHMT Zabzugu	2,500.00	-	2,500.00
Kulungugu Health Center	2,815.00	-	2,815.00
Health Training Inst Secretariat	8,000.00	-	8,000.00
Total	53,870.32	11,000.00	42,870.32

The Committee demands that management should ensure the recovery of all outstanding amounts from the officers, failure for which the amount should be charged to the personal advances account of the officers involved.

9.7 Unearned Salaries- GH¢587,321.77

The audit disclosed that 51 separated staff of 16 health institutions were paid unearned salaries amounting to GH¢ 587,321.77 in contravention of Regulation 297 of the FAR 2004. The Auditor-General attributed the anomaly to weak system of validation by management before payment of salaries and urged management to recover the amount from the affected officers.

The Committee noted that an amount of GH¢13,411.04 paid to three (3) officers at the Korle-Bu Teaching Hospital has been recovered in compliance with the recommendation of the Auditor-General. The Examination of the payslip of Brigit Abakah of Korle-Bu Teaching Hospital revealed that she did not receive any salary after separation from the hospital.

The remaining Fifteen Health Institutions did not make any recovery as at the time of the public hearing; they include the following;

Name of Institution	Amounts Due GH¢
1. La General Hospital	- 9,762.32
2. Accra Psychiatric Hospital	- 13,110.26
3. Ridge Hospital	- 26,473.49
4. Ghana Health Service	- 32,255.80
5. Municipal Health Abokobi	- 17,874.16
6. Ga South Municipal Hospital	- 27,595.65
7. Bekwai Municipal m Hospital	- 15,365.66
8. ST Micheal Hospital	- 25,078.96
9. District Health Directorate Efiduasi	- 5,518.58
10 Municipal Heal Ejisu	- 43,840.25
11. Effie NKwanta Regional Hospital	- 44,083.05
12 Walewale District Hospital	- 5,404.00
13. District Health Admin Kade	- 746.34
14. Sandema Hospital	- 288,807.70
15. Pusiga Health Centre	- 2,019.26
Total	- 557,935.48

The Committee recommends that management of the various Hospitals should recover all outstanding unearned salaries from the beneficiaries.

9.8 Unrecovered bond amount – GH¢177,000

A review of three health institutions namely Korle-bu, St. Michael Hospital-Pramso,

and Ministry of Health, Headquarters, revealed that beneficiaries of scholarship failed to serve their required bond periods after they completed their respective courses. The Auditor-General recommended that the Ministry should encourage the beneficiaries to stay on and serve their respective Institutions. Where they fail to serve, all investments made in the officers must be recovered.

The Committee noted that one (1) officer – Miss Elizabeth Kansu who benefited from the sum of GH¢27,167.88 has since returned to post in compliance with her bond conditions. Dr. Kwabena Eduafo Becham who benefited from scholarship worth GH¢129,440.12 has also refunded the entire amount to the Ministry. Miss Mina Ampah Boabeng on the other hand benefited from sponsorship worth GH¢53,270 and failed to return after her studies. She has since refunded GH¢8,878 of the sponsorship value leaving a balance of GH¢44,392 outstanding. The Committee recommends to the Ministry of Health to formally inform her present place of work of her failure to honour her bond conditions to the state. Additionally, state institutions should be used to track Ms. Mina Ampah Boabeng to recover the outstanding amount.

9.9 Unrecovered staff advances – GH¢15,894.00

The audit discovered that due to weak system for monitoring the recovery of advances, out of a total advance of GH¢30,486.00 granted to six members of staff only GH¢14,592.00 had been recovered leaving a difference of GH¢15,894.00 in contravention of Regulation 110 of the FAR, 2004. The auditors urged management to strengthen their oversight over the management of loans and take the necessary steps to ensure full recovery of the outstanding amount.

The Committee noted that in compliance with the recommendation of the Auditor-General, management had recovered the sum of GH¢22,360.00 leaving a balance of GH¢8,126 outstanding. The outstanding balance relates to advances granted to the underlisted officers:

Table 8: Outstanding Advances

Beneficiary	Amount Advanced (GH¢)	Amount Recovered (GH¢)	Outstanding (GH¢)	Status of Officer
Emmanuel Coleman	600.00	350.00	250.00	Retired
Jacob Ansah	600.00	50.00	550.00	Cannot be Located
Leonard Anaman	3,000.00	1,050.00	1,950.00	
Tetteh Carbo	2,015.00	-	2,015.00	Cannot be Located
Dr. Paul Mensah	17,286.00	13,925.00	3,361.00	Deceased
Bismark Otu	2,900.00	2,900.00	-	No action required
Total	30,486.00	22,360.00	8,126.00	

The Committee noted that, the National Blood Service had written to the Ministry for approval to write off the overdue salary advances amounting to GH¢2,815.00 granted to Tetteh Carbo, Jacob Ansah and Emmanuel Coleman. Dr. Mensah had paid GH¢13,925 out of a total advance of GH¢17,286 granted him before his demise. The Committee recommends to the Ministry to take steps to write off the advance from its books.

9.10 Unrecovered Corporate indebtedness - GH¢18,780

The audit disclosed that as at 31 December 2017 eight Corporate Institutions were indebted to the LEKMA Hospital amounting to GH¢18,778.31 in contravention of Regulation 17 of the FAR 2004. The Auditor-General recommended that the Head of Finance should expedite action to recover the outstanding debts of GH¢18,778.31 from the defaulting Institutions.

The Committee noted that an amount of GH¢6,340.45 has been recovered leaving a balance GH¢12,437.86 standing in the name of Ramadan Beach Resort uncollected. The Committee was informed that the Hotel has cease operations making it difficult for the recovery of the debt.

The Committee urged management to regularly review the financial position of its corporate clients and stop providing services to defaulting clients.

ACHIMOTA HOSPITAL

9.11. Non Payment of Rent – GH¢39,971.24

The Auditor-General noted that 11 members of staff who were allocated bungalows/flats failed to pay rent totaling GH¢39,971.24 for a period ranging between one and forty-eight months in contravention of Regulation 17 of the

FAR 2004. The auditors were of the view that dereliction of duty by the Heads of the Hospital and Finance accounted for this anomaly and requested the respective tenants to refund the outstanding rent of GH¢39,971.24 failing which they would be surcharged.

The Committee noted that an amount of GH¢21,489.98 had been recovered leaving a balance of GH¢18,481.26 unrecovered. The unrecovered balance relates to the following three (3) officers:

Table 9: Outstanding Rent - Achimota Hospital

NAME	TOTAL RENT (GH¢)	AMOUNT PAID (GH¢)	TOTAL (GH¢)
Mawunyo Kwame	3,668.18	1,200.00	2,468.18
Thelma Allabilah	7,440.12	500.00	6,940.12
Nana Albert Prah	10,572.96	1,500.00	9,072.96
Total			18,481.26

The Committee recommends to the Management of the Hospital to use all available means including an embargo on the salaries of the recalcitrant officers to recover the amount of GH¢18,481.26 from the three officers failure which the Auditor-General should surcharge the Head of Accounts in accordance with Article 187(7) of the Constitution.

10.0 MINISTRY OF EDUCATION

10.1 Cash not Accounted for - GH¢42,936

The audit disclosed that accountants of four institutions failed to account for cash in hand amounting to GH¢42,936 in contravention of Regulation 39 of the Financial Administration Regulations, 2004, (L/I. 1804). The Auditor-General urged management to ensure full accountability of the cash.

The Committee noted that an amount of GH¢30,736 had been refunded in compliance with the recommendation of the Auditor-General leaving a balance of GH¢12,200 unaccounted for. The unaccounted balance relates to the following

1. Mr. Daniel Koranteng (Deceased), GES, Agona Nkwanta -GH¢ 8,200
 2. Mr. Salifu Awuni, GES, Sene East - GH¢4,000
- Total - GH¢12,200**

The Committee noted that the Ministry has sanctioned the officers involved for the various malpractices. The Committee urges the various institutions to recover the outstanding amount of GH¢ 4,000 from Mr. Salifu Awuni and in the case of

Mr. Daniel Koranteng, the Ministry should pursue his next of kin to recover the amount of GH¢8,200.

10.2 Unsupported Payments-GH¢432,798.88

The Audit revealed that accountants of 16 Districts education offices paid an amount of GH¢432,798.88 on 78 payment vouchers without appropriate documents to authenticate the payments in contravention of Regulation 39, of the Financial Administrations Regulations, 2004.

During the public sitting, the Committee observed that except GES GNAT Wa and Social Welfare Girls Vocation Training Centre, Cape Coast who failed to appear, all other agencies had brought their payment vouchers, to the meeting. The Committee noted however that the vouchers had not been verified by Audit Service.

The Committee recommends that all the departments should re-submit the vouchers for verification and clearance by Audit Service in order not to have the queries repeated in the next Auditor-General Report. In the case of GES GNAT Wa and Social Welfare Girls Vocation Training Centre Cape Coast, the accounts officers should be surcharged by the Auditor-General in accordance with Article 187(7) of the Constitution and the Audit Service Act.

10.3 Unearned Salaries - GH¢215,977.95

The audit disclosed that 43 Separated staff of the Ministry of Education were paid a total unearned salary of GH¢215,977.95 contrary to Regulation 297 of the Financial Administrations Regulations, 2004. The auditors urged management to ensure the beneficiaries refund the amounts paid them.

The Committee noted that an amount of GH¢32,906.11 has been recovered in compliance with the recommendation of the Auditor-General leaving a balance of GH¢183,071.84 unrecovered. The unrecovered Balance is in the name of the following institutions:

Table 10: Outstanding Unearned Salaries

Department	No. of Separated Staff	Amount (GH¢)	Recovery (GH¢)	Amount Outstanding (GH¢)
GES –Metro Office, Accra	3	11,121.12	-	11,121.12
Ahafo Ano South District Education Office- Mankraso	30	160,224.35	16,191.77	144,032.58
GES – Asunafo South	3	17,997.90	-	17,997.90
Sunyani Municipal Education	1	11,287.25	9,800	1,487.25
Agona Ashanti	3	8,432.99	-	8,432.99
Total	40	209,063.61	25,991.77	183,071.84

11.0 MINISTRY OF FOOD AND AGRICULTURE

11.1 Missing Maize Sheller-GH¢112,000.00

The audit observed that the Ministry of Agriculture had procured maize shellers in 2016 for sale to farmers, it came to light during a stock taking audit of the Ministry of Agriculture that 28 of the maize shellers valued at 112,000.00 could not be accounted for contrary to Stores Regulation 1202 and 1911, 1984. The Auditor-General recommended to management to expedite investigations and sanction the culprit.

The Committee noted that the 28 equipment remain unaccounted for. Officials of the Agricultural Mechanisation Centre of the Ministry of Agriculture informed the Committee that based on audit recommendations, a three Member Committee was set up to investigate the missing maize shellers and so far four (4) suspected staff had been arranged before the court since 2019. To avert future occurrence, the Department has instituted a number of measures including the introduction of customized waybill, regular stock taking and improved security at the stores.

The Committee recommends to the Ministry of Food and Agriculture to interdict the security officer and any officer complicit in the theft pending the determination of the case in the courts.

11.2 Indebtedness of Tractor/ Equipment Beneficiaries - GH¢1,614,650.00

The audit noted that the Ministry of Food and Agriculture collaborated with the Agricultural Engineering Services to procure Agricultural machinery and equipment for sale to groups and individuals with a purchase agreements that beneficiaries would make down payment and spread the balance within a six months period.

An Audit review of the loan account revealed that 19 beneficiaries owe a total of GH¢1,614,650.00 to the Ministry. **List attached as Appendix 1.** The Auditor-General urged management to strengthen debt control and ensure effective recovery of debts while at the same time recover the outstanding amount of GH¢1,614,650.00

The Deputy Minister of Food and Agriculture informed the Committee that beneficiaries of the facility did not turn up after the first instalment and the Ministry had made calls upon them but to no avail. They informed the Committee that the Ministry had put in measures to stall such discrepancies. This include given priority to applicants from institutions and organisation to eliminate the risk of defaulters

The Committee noted that an amount of GH¢163,650 had been recovered leaving a balance of GH¢1,451,000 unrecovered. The Minister informed the Committee that, they intend to issue ultimatum to all defaulters and publish their names in the dailies. Additionally, the Ministry has also blacklisted the defaulters and will institute legal actions to recover the amounts.

The Committee urges the Ministry to expedite action on the recovery efforts to ensure the amounts are fully recovered as early as possible. Additionally, to avert future defaults, the Committee recommends to the Ministry of Food and Agriculture to give priority to institutional and corporative groups in the sale of agricultural equipment in the future. The Committee also noted some inconsistencies in the allocation policy of the Ministry. While some are given the equipment on credit, others are made to pay in full or in part to enable them acquire the equipment.

The Committee recommends to the Ministry to rationalise the allocation policy and ensure an even terms for all beneficiaries to reduce the level of default. All beneficiaries must also be made to commit a percentage of the cost of the tractors as down payment before the equipment are released to them. The Ministry must also ensure that persons benefiting from the equipment on credit provide some form of guarantee as surety against default.

12.0 MINISTRY OF FISHERIES AND AQUACULTURE DEVELOPMENT (MOFAD)

12.1 Unearned Salaries-GH¢31,480

The Audit established that the Ministry of Fisheries violated regulation 297 of the FAR Regulation 2004, by paying Mr Philip Attakpah unearned salary of 31,480 after the expiration of his contract with the Ministry in 2017.

The Committee was informed that following the audit observation, Mr. Attakpa refunded an amount of 5,000 and issued six months post-dated cheques ending 30th August 2018 for an agreed monthly payment of GH¢1,000.00.

Officials of the Fisheries Ministry indicated that Mr. Philip Attakpah has so far paid an amount of Seventeen thousand (GH¢17,000.00) with an outstanding balance of GH¢13,403.10 yet to be recovered from him.

The Committee was informed that, Mr. Philip Attakpa was engaged on contract by FAO as the National Project Co-ordinator for the FAO/GOG Co-operative Project. At the end of the project, FAO extended the project for additional 9 months and engaged Mr. Attakpa to continue on his role as the Project Coordinator. The appointment was expected to be confirmed by the Ministry of Fisheries with a formal contract. However, six months into the project, the Ministry declined to sign a formal contract with Mr. Attakpa. At which point he had already worked for six months for which he was paid. The Ministry and the Committee are of the view that, Mr. Attakpa worked for the period for which he was paid.

The Committee recommends to the Ministry to sign a contract with Mr. Attakpa with retrospective from the period his contract was extended by FAO and pay him all his entitlements and refund the GH¢ 17,000.00 he has paid back to the Ministry as unearned salary to him.

13.0 MINISTRY OF INTERIOR

National Police Training School

13.1 Use of Cash in Settlement of Huge Transactions - GH¢2,792,103.00

The audit disclosed that, contrary to Regulation 48 of Financial Administration Regulations 2004, the Ghana Police Training School purchased food items with individual transactions ranging between GH¢54,212.00 and GH¢360,755.00 and made cash payment totaling GH¢2,792,103.00. The Auditor-General urged management to comply with the Financial Administration Regulations to minimize the risk of abuse.

The Committee noted that the decision of management to opt for cash payments exposes the expenditure of the school to abuses. Due to the cash

transactions, it may be difficult for auditors to track the expenses and ensure that suppliers are actually paid for items supplied. The Police administration assured the Committee that the practice has stopped in compliance with the recommendations of the Auditor-General. Additionally, to bring sanity to procurement at the School, a list of suppliers has been provided to the school. The Committee noted that until the audit observations, the Police Training School does not have a list of suppliers to guide its procurement. The Committee noted that the practice of cash payment is a breach of financial discipline and recommends to the Police Administration to sanction the officers involved in accordance with Regulation 8(1) of the Financial Administration Regulations.

14.0 MINISTRY OF LANDS AND NATURAL RESOURCES LANDS COMMISSION, WA

14.1 Unearned Salary-GH¢9,020

Contrary to Regulation 297 of the Financial Administration Regulations 2004 (L.I. 1802), the audit disclosed that Mr. Toxla Joshua Y, a former Technical Officer of the Commission vacated post on the 13 October 2016, but continued to be paid salary to March 2017 resulting in unearned salary of GH¢9,022.98. The Auditor-General recommended that Mr. Joshua Toxla should refund the amount of GH¢9,022.98.

The Committee noted that, in compliance with the recommendations of the Auditor-General, Mr. Joshua Toxla refunded an amount of GH¢2,234.31 leaving a balance of GH¢6,785.69 unrecovered. The Committee recommends to management to pursue Mr. Toxla for the recovery of the outstanding balance of GH¢6,785.69.

15.0 MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS (MELR)

15.1 Unsupported Payment Vouchers – GH¢4,914,923.21

The Auditor-General observed that, twenty-four payment vouchers totaling GH¢4,914,923.21 being payment of allowances/honorarium for various programmes and activities were not supported with relevant documents to authenticate the payments. Management was urged to provide documents to enable auditors authenticate the transaction, failing which they would be surcharged.

The Committee noted that in the absence of the payment vouchers with their supporting documents, the auditors would not be able to authenticate the transactions to ensure that the expenditures were in accordance with law and

in the interest of the Republic. The Committee further noted that 21 PVs valued at GH¢4,854,178.21 were subsequently submitted for verification in compliance with the audit recommendations leaving three PVs with face value of GH¢60,745 unrepresented. The unrepresented PVs relates to the following expenditure items:

Table 11: Outstanding PVs

PV No.	Details	Amount (GH¢)
YEA/55/4/16	Air ticket for Board Members	7,500.00
YEA/5/3/16	Sitting allowance-Board Members meeting	17,000.00
YEA/79/11/16	Legal retainer fees paid on monthly basis GH¢3,000 (overdue indebtedness)	36,000.00
Total		60,745.00

In the absence of the relevant documents to authenticate the payments, the Committee recommends to the Auditor-General to disallow the expenditure in exercise of his power of surcharge in accordance with Article 187(7)(b) of the Constitution and the Audit Service Act.

15.2 Unearned salaries – GH¢68,470

The audit disclosed that, contrary to Regulation 297 of the Financial Administration Regulation 2004, six permanent staff who retired from active service and five others who vacated post continued to receive their monthly salaries. Consequently, the officers were paid a total unearned salary of GH¢68,468.73. The Auditor-General urged Management to ensure that the beneficiaries refund the unearned salaries of GH¢68,468.73 into the Consolidated Fund failing which they would be surcharged.

The Committee noted that, all the amount remains unrecovered contrary to the recommendation of the Auditor-General. The Committee urged management to pursue recovery of the unearned salaries from the beneficiary officers.

16.0 MINISTRY OF GENDER, CHILDREN AND SOCIAL PROTECTION (MoGCSP)

The Ministry of Gender, Children and Social Protection failed to honour the invitation of the Committee to assist in resolving the issues raised by the Auditor-General against the Ministry and its Agencies. The status reports on the following audit queries were also not available to the Committee for scrutiny:

1. Unauthorised Investment in Dalex Finance and Cal Bank of GH¢16,000,000 by the School Feeding Program
2. Failure to pay withholding tax to GRA – GH¢9,461,880 contrary to the provision of Income Tax Act, 2015 (Act 896) by the School Feeding Program.
3. Unretired imprest – GH¢79,500 contrary to Regulation 282 of the Financial Administration Regulation, 2004 by the School Feeding Program.
4. Payment of unearned salaries – GH¢4,950 contrary to Regulations 297 and 298 of the Financial Administration Regulations, 2004 L.I. 1802 by the Sekondi Social Welfare Department.
5. Unpresented payment vouchers – GH¢8,800 by the Sekondi Social Welfare Department contrary to Regulation 1 of the Financial Administration Regulations, 2004.
6. Unearned salary – GH¢6,000 contrary to Regulation 297 of the Financial Administration Regulation 2004 by Social Welfare Department Head Office.

The Committee therefore is unable to express opinion on the state of implementation of the recommendation of the Auditor-General regards to the Ministry of Gender, Children and Social Protection.

The Committee recommends that Parliament should not approve the 2022 budget of the Ministry of Gender, Children and Social Protection until the Ministry provides evidence of implementation of the recommendations of the Auditor-General.

17.0 MINISTRY OF CHIEFTAINCY AND RELIGIOUS AFFAIRS REGIONAL HOUSE OF CHIEFS, CAPE COAST

17.1 Unsupported Payments – GH¢142,916.80

Examination of transactions revealed that 96 payment vouchers with a total face value of GH¢142,916.80 were not supported with official receipts and statement of expenditure in contravention of Regulation 39 of the FAR, 2004. The auditors urged Management to support the payments with the relevant documentation, for our review failure of which they would be surcharged

The Committee noted at its sittings that 35 PVs with face value of GH¢39,855.80 has been supported with the relevant documents whilst 61 PVs with face value of GH¢103,061 remain unsupported. The Committee recommends to the Auditor-General to disallow the expenditure in exercise of his power of surcharge in accordance with Article 187(7)(b) of the Constitution and the

Audit Service Act.

18.0 MINISTRY OF INFORMATION

INFORMATION SERVICE DEPARTMENT-SUNYANI

18.1 Unearned salaries – GH¢16,366.07

The audit noted that Management failed to ensure the immediate stoppage of salaries of two officers resulting in the payment of unearned salaries of GH¢16,366.07 to them in contravention Regulation 298 of the FAR, 2004. The Auditor-General urged Management to stop the payment of unearned salaries to the two officers and ensure its recovery failing which they would be surcharged.

The Committee noted that the unearned salary amounting GH¢6,844.34 paid to Ms. Agyeiwa Augusta has been recovered in compliance with the recommendation of the Auditor-General. The outstanding amount of GH¢9,521.73 paid to Mr. Kwame Dente remains unrecovered. Management explained to the Committee that Mr. Kwame Dente has passed on and efforts to trace his next of kin failed. The Committee recommends to the Ministry to take steps to write off the outstanding amount in the name of Mr. Dente.

19.0 JUDICIAL SERVICE

DISTRICT COURT – OFFINSO

19.1 Revenue not accounted for – GH¢6,430.00

The audit disclosed that contrary to Regulation 24(1 and 3) of the Financial Administration Regulations, 2004 the Registrar of the Ofinso District Court, Mr. Abdallah Yahaya Yeddor between July and December 2015 understated the court deposits cash book entries by GH¢4,620.00. Similarly, between January 2016 and April 2017 the officer collected a total revenue of GH¢22,998.50 but paid GH¢21,188.50 into the Judicial Service bank account leaving a difference of GH¢1,810.00. The Auditor-General urged Management to account for the revenue failing which they would be surcharged for recovery.

The Committee noted that the entire amount of GH¢6,430.00 remains unrecovered contrary to the recommendation of the Auditor-General. The Committee noted that Mr. Abdalla Yahaya Yeddor was not at post at the time of the audit to enable him respond to the audit observations. Management of the Judicial Service informed the Committee that, Mr. Yeddor was dismissed from the Service following adverse findings by a disciplinary committee set up by the Chief Justice.

The Committee expressed concerns over the failure of management to refer the audit findings to Mr. Yeddor even if he was no more at the employment of the Judicial Service. The failure of management to get a response from Mr. Yeddor is as a result of dereliction of duty by the responsible management staff and lack of interest in the audit process. The Committee therefore recommend that the Management staff on duty at the time of the audit should be jointly held liable to refund the sum of GH¢6,430.00 being the total revenue unaccounted for by Mr. Yeddor.

20.0 OFFICE OF GOVERNMENT MACHINERY - Council of State

20.1 Unrecovered advances – GH¢29,000

The audit revealed that Management failed to recover advances amounting to GH¢29,000.00 granted to three officers between February 2015 and October 2015 contrary to Regulation 104 of the Financial Administration Regulations, 2004. The Auditor-General recommended to management to recover the outstanding amount of GH¢29,000.00 from the three officers.

The Committee noted that in compliance with the recommendation of the Auditor-General, management has recovered the sum of GH¢24,200 from the officers leaving an amount of GH¢4,800 unrecovered. The unrecovered balance is in the name of Mr. Benjamin A. Abango. The Committee was informed that measures have been put in place to recover the outstanding balance from Mr. Abango. The Committee noted that Mr. Abango has commenced payment of the outstanding advance which stood at GH¢8,000.00 at the time of the audit. The Committee urged management to ensure Mr. Abango is committed to a payment plan to ensure timely recovery of the outstanding amount of GH¢4,800.

21.0 CONCLUSION

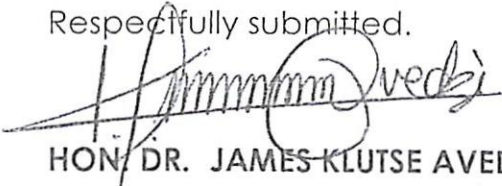
The Committee observed that most of the queries raised by the Auditor-General were resolved and the recommendations fully implemented.

The Committee however bemoan the practice of submission of documents for verification at Public Accounts Sittings and recommends to the Auditor-General to stop posthumous verification of Payment Vouchers that were either not available or authenticated at the time of the audit.

The Committee also recommends to the Auditor-General to ensure the implementation of recommendations of the Committee on the unresolved issues in its subsequent audits and report back to the House.

To this end the Committee recommends to the House to adopt its Report on the Reports of the Auditor-General on the Public Accounts of Ghana (Ministries, Departments and Other Agencies (MDAs)) for the year ended 31st December 2017.

Respectfully submitted.



HON. DR. JAMES KLUTSE AVEDZI
Chairman, Public Accounts Committee



INUSAH MOHAMMED
Clerk, Public Accounts Committee



August, 2021

Appendix 1

Name Of Beneficiary	Allocation Date	Type Of Eqpt	Qty.	Total Cost GH¢	Amt Paid GH¢	Balance Due GH¢
Kwame Amegah MoFA Directorate of Agric Extension	28/09/16	Valtra	1	80,000.00	15,000.00	65,000.00
Md Czech Farms Gh. Ltd 1058 Accra	23/09/16	Valtra	4	320,000.00	-	320,000.00
Braimah Saaka Tamale	28/11/16	Valtra	1	80,000.00	-	80,000.00
Jacob O Caesar Box 64 Kasseh Ada	31/10/16	MF	1	77,000.00	30,000.00	47,000.00
Klutse Kudomor Mofa Yiad	19/12/16	MF	1	77,000.00	10,000.00	67,000.00
Kwesi Korboe	23/09/16	MF	1	77,000.00	35,000.00	42,000.00
Md Czech Farms Gh Ltd 1058 Accra	23/09/16	NH	1	70,000.00	-	70,000.00
Mr. Mohammed Moro Gumbiani Farms Ghana Ltd. P.O.Box 5 Amantin-B/A	05/10/16	MAIZE SHELLER	5	20,000.00	12,000.00	8,000.00
Mr. Ewuntomah Joe Tamale	25/11/16	Maize Sheller	2	8,000.00	-	8,000.00
Mr. Tawiah Williams , Accra	12/06/16	Multi Crop Thresher	1	12,500.00	-	12,500.00
Mr Harry Opoku-Agyemang, P.O.Box 8325, Accra North	18/06/15	Cabiro	2	50,600.00	25,300.00	25,300.00
Nana Adjei Ayeh, P.O.Box Stc 92 Kaneshie Accra	12/08/15	Cabiro	2	50,600.00	37,950.00	12,650.00

Mr Emmanuel Adama Mahama Amnatt Logistics Ent, P.O.Box Ct 4792Cantoments-Accra	27/08/15	Cabiro	1	25,300.00	-	25,300.00
Dr, Isaac Owusu-Mensah Brilliant Farms Ltd P.O. Box Lg 671 Legon-Accra	08/09/15	Cabiro	1	25,300.00	18,000.00	7,300.00
Mr George Ackom, C/O Dvla P.O.Box Kia 9379,Airport, Accra	19/02/15	Cabiro	1	25,300.00	12,650.00	12,650.00
Mr Yaw P Kpornuvor, P.O.Box 41Sogakope	15/04/15	Cabiro	1	25,300.00	20,000.00	5,300.00
Mr Patrick Adarkwah-Yiadom Dvla, P.O.Box 9379, Airport- Accra	05/05/16	Cabiro	1	25,300.00	12,650.00	12,650.00
Micro Finance And Small Loans Centre(MASLOC)	12/09/15	Cabiro	30	759,000.00	-	759,000.00
The Manger, Dorbant Ent. P.O.Box 114, Ofankor-Accra	29/01/15	SAME	1	45,000.00	10,000.00	35,000.00
Total				1,853,200.00	238,550.00	1,614,650.00
