

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



REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE
REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC
ACCOUNTS OF GHANA (PRE-UNIVERSITY EDUCATIONAL
INSTITUTIONS) FOR THE FINANCIAL YEAR ENDED 31ST
DECEMBER, 2018

1.0. INTRODUCTION

The Report of the Auditor-General on the Public Accounts of Ghana (Pre-University Educational Institutions) for the year ended 31st December, 2018 was laid before the House by the Hon. Majority Whip Mr. Frank Annoh-Dompreh on behalf of the Majority Leader, on Wednesday, 2nd February, 2022 and was referred to the Public Accounts Committee (PAC) for examination and report to the House, in accordance with Order 165(2) of the Standing Orders of the Parliament of Ghana.

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

2.0. ACKNOWLEDGEMENT

The Committee in considering the Report met with the Deputy Minister of Education including the Director-General and Regional Directors of Education, as well as the Heads of the various Pre-University Educational Institutions and their technical teams. The Committee expresses its appreciation to them for the assistance.

3.0. REFERENCE

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

- i. The Constitution of the Republic of Ghana, 1992
- ii. The Standing Orders of the Parliament of Ghana
- iii. The Public Financial Management Act, 2016 (Act 921)
- iv. The Public Procurement Act 2003 (Act 663)
- v. The Public Procurement (Amendment) Act 2016 (Act 914)
- vi. The Audit Service Act, 2000 (Act 584)
- vii. The Internal Audit Agency Act, 2003 (Act 658)
- viii. The Income Tax Act 2015 (Act 896)
- ix. The Value Added Tax Act, 2013 (Act 870)
- x. The Public Financial Management Regulations 2019 (L.I. 2378)

4.0. PURPOSE OF THE AUDIT

The purpose of the audit was for the Auditor-General to express his opinion on whether the financial statements of the Pre-University Educational Institutions and the Colleges of Education give a true and fair reflection of their financial positions, and whether expenditures were made in line with the existing public financial management legislations.

5.0. METHODOLOGY

Representatives of all the Pre-University Educational Institutions cited in the Report appeared before the Committee and where necessary, officers who supervised the infractions identified by the Auditor-General in the following order:

- Zone 1 covered Northern, North East, Savanna, Upper East and Upper West regions,
- Zone 2 is made up of the Bono, Bono East, Ahafo and Ashanti regions
- Zone 3 comprised of Central, Western and Western North regions and
- Zone 4 covered Greater Accra, Volta, Oti and Eastern regions.

The Committee, having thoroughly examined the Report therefore, recommends that the Audit Committees of the institutions implement in full, the recommendations of the Auditor-General and

recommendations of Public Account Committees as adopted by Parliament in accordance with the Public Financial Management Act, 2016 (Act 921) and report to Parliament without any delay.

6.0. SUMMARY OF AUDIT FINDINGS

The findings of the Auditor-General in his Report relate to cash irregularities, Procurement / Stores Irregularities, Tax Irregularities, Payroll Irregularities and Contract Irregularities. The overall impact of the irregularities amounted to GH¢**12,748,242.13** compared to GH¢28,492,007.73 in 2017.

The Committee noted that the irregularities discovered by the Auditor-General decreased from GH¢28,492,007.73 in 2017 to GH¢**12,748,242.13** as recorded in the 2018, representing a **55.26%** decrease. The detailed analysis of the 2017 and 2018 irregularities is presented in table 1 below:

Table 1: An analysis of 2017 and 2018 Irregularities

| SN | Type of Irregularity | 2017 (GH¢) Million | 2018 (GH¢) Million | Variance (GH¢) | % <u>Decrease</u> |
|----|-----------------------------------|----------------------|----------------------|----------------------|-------------------|
| 1 | Cash Irregularities | 4,605,337.43 | 4,468,206.51 | 137,130.92 | 2.98 |
| 2 | Stores/Procurement Irregularities | 8,735,364.08 | 6,365,154.04 | 2,370,210.04 | 27.13 |
| 3 | Payroll Irregularities | 553,621.71 | 398,947.46 | 154,674.25 | 27.94 |
| 4 | Tax Irregularities | 659,859.47 | 313,417.04 | 346,442.43 | 52.50 |
| 5 | Contract Irregularities | 13,937,825.04 | 1,202,517.08 | 12,735,307.96 | 91.37 |
| | Total | 28,492,007.73 | 12,748,242.13 | 15,743,765.60 | 55.26 |

**7.0. COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS
OVERSTATEMENT**

The Committee noted that the total value of irregularities in the Auditor-General's Report was overstated by GH¢29,185.53. This brings the total infractions down to GH¢12,719,056.60 from GH¢12,748,242.13 as stated in the Auditor General's report. The overstatement is in the following areas.

Table 2: Overstatement in the 2018 Auditor-Generals Report

| Institution | Nature of Irregularity | Value of Irregularity in the Auditor-General's Report (GH¢) | Actual Value of Irregularity (GH¢) | Overstatement and Under Statement (GH¢) |
|---|------------------------------------|---|------------------------------------|---|
| Kumasi Technical Institute | Unearned Salary | 4,998.62 | 798.64 | 4,199.98 |
| Seventh Day Adventist, <u>SHS</u> Bantama | Unearned Salary | 2,921.50 | 3,426.80 | (505.81) |
| Ada Senior High School | Purchases from Non-VAT Entities | 2,365.70 | 283.00 | 2,082.70 |
| St Augustines Senior High School | Unremitted Taxes | 21,244.16 | 0.00 | 21,244.16 |
| Sefwi Wiawso Senior High School | Failure to remit SSF contributions | 2,164.50 | 0.00 | 2,164.50 |
| Total | | 33,694.48 | 4,508.44 | 29,185.53 |

The error affected the value of irregularities regarding Tax Irregularities and Payroll Irregularities as identified by the Auditor-General. The adjusted irregularities are as follows:

Table 3: Adjusted Irregularities

| SN | Type of Irregularity | Value per Auditor-General's Report 2018 (GH¢) Million | Overstatement (GH¢) | Adjusted Irregularities (GH¢) |
|----|-----------------------------------|---|---------------------|-------------------------------|
| 1 | Cash Irregularities | 4,468,206.51 | 0.00 | 4,468,206.51 |
| 2 | Stores/Procurement Irregularities | 6,365,154.04 | 0.00 | 6,365,154.04 |
| 3 | Payroll Irregularities | 398,947.46 | 3,694.17 | 395,253.29 |
| 4 | Tax Irregularities | 313,417.04 | 25,491.36 | 287,925.68 |
| 5 | Contract Irregularities | 1,202,517.08 | 0.00 | 1,202,517.08 |
| | Total | 12,748,242.13 | 29,185.53 | 12,719,056.60 |

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. It was observed that, out of a total irregularity amounting to GH¢**12,719,056.60** recorded in the 2018 audit Report, an amount of GH¢6,448,668.67 representing 51.70% of the

total irregularities recorded had been resolved leaving an amount of GH¢6,270,387.93 (49.30%) unresolved. The unresolved irregularities included procurement related irregularities amounting to GH¢4,944,579.42 which are recommended for prosecution by the Attorney-General.

The Committee further noted that the resolution of the irregularities involved direct cash refunds, presentation of supporting documents to authenticate payments and general compliance with financial management rules and regulations as recommended by the Auditor-General.

8.0. AUDIT ISSUES, COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

8.1. UNSUPPORTED PAYMENTS - GH¢1,524,113.19

The audit disclosed that fifty (50) institutions failed to support expenditure incurred with invoices, receipts and acknowledgement of recipients to authenticate payments amounting to GH¢1,524,113.19 in contravention of Regulation 39 of the Financial Administrations Regulations, 2004 (L.I.1802). The Auditor-General recommended that the Heads of the institutions and Accountants should be jointly held liable and surcharged with the total amount.

At the time of the Committee sitting, payments amounting to GH¢1,451,851.89 had been authenticated by supporting the payment vouchers with the required invoices, receipts among other

supporting documents leaving a balance of GH¢72,261.30 in the name of the following institutions:

| | | | |
|-------------|---|---|----------------------------|
| <i>i.</i> | <i>Bimbilla Senior High School</i> | - | <i>GH¢15,565.00</i> |
| <i>ii.</i> | <i>Assin State College</i> | - | <i>GH¢606.30</i> |
| <i>iii.</i> | <i>Adankwaman Senior High School</i> | - | <i>GH¢9,969.00</i> |
| <i>iv.</i> | <i>Bisease Senior High School</i> | - | <i>GH¢46,121.00</i> |
| | Total | - | <i>GH¢72,261.30</i> |

The Committee noted through its deliberation that, improper record keeping and poor supervision of account officers by heads of institutions coupled with uncooperative attitude of accounts officers to audit processes remain the primary cause of the large amounts of unsupported payments recorded by the Auditor-General.

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

The Committee recommends that the Heads of the Institutions, the Accountants and any other officers responsible for the breach should be sanctioned in line with Regulation 8(4) of the FAR, 2004.

The Committee further recommended that, the payment vouchers should be substantiated and submitted to the Auditor-General for audit verification failing which the amounts should be recovered from the Headmasters and the Accountants who supervised the transactions.

8.2. EXCESSIVE CASH PAYMENT-904,231.90

Management of two institutions made huge cash payments totaling GH¢904,231.90 to suppliers of goods and services instead of using cheques, contrary to Section 15 of the Financial Accounting Instructions of Educational Institutions and Regulation 48 of the FAR, 2004. The infraction occurred due to the failure of management to determine the minimum cash balance the school is expected to keep. For instance, in Offinso College of Education, it was discovered that the lapse was caused by failure of management to adopt the electronic payment systems of paying refund to students. However, it was found out that the Institutions have complied with the Auditor-General's recommendations.

The Committee therefore recommends that the management of the two institutions should refrain from the practice and strictly adhere to the financial Laws and Regulations put in place to guide their operations.

8.3. OUTSTANDING RENT - GH¢336,105.98

Twenty-five (25) Schools failed to collect rent amounting to GH¢**336,105.98** from the staff occupying the schools bungalows in breach of Regulations 171 and 179 of the Financial Administration Regulations. The Auditor-General recommended the recovery of the outstanding rent from the defaulting staff.

Again the Committee was informed that the officials of the institutions had recovered a total of GH¢334,455.98 leaving an outstanding amount of GH¢1,650.00 standing in the name of Peki College of Education. The Committee recommends that the amount should be recovered from Rev. Foster Mawusi, the staff who occupied the bungalow at the time.

The Committee wish to recommend to the Ministry of Finance and Ministry of Education to reconsider the directive on payment of 10% of basic salary of employees occupying Government bungalows at the various Pre-University Educational Institutions.

8.4. UNCREDITED LODGEMENT - GH¢319,700.99

The audit disclosed that the sum of GH¢319,700.99 lodged into the bank account of six (6) institutions were not credited to the school's accounts by their respective banks. The Auditor-General recommended that *the management of two of the schools should take legal action to recover the amount with interest and further advised management to undertake regular reconciliation to avoid occurrence of these anomalies.*

The Committee noted that a total amount of GH¢13,776.70 had been credited into the accounts of four (4) schools leaving a balance of GH¢305,924.29. The uncredited balance relates to the following institutions:

Table 4: Outstanding Uncredited Lodgments

| Institution | Amount Uncredited (GH¢) | Amount Credited (GH¢) | Outstanding (GH¢) |
|--|--------------------------------|------------------------------|--------------------------|
| Agogo State Senior High School | 124,812.30 | 0.00 | 124,812.30 |
| Techiman Senior High School | 158,669.48 | 0.00 | 158,669.48 |
| St Francis Seminary Senior High School | 2,113.20 | 1,810.20 | 303.00 |
| Methodist Senior High School | 20,643.71 | 2,106.30 | 18,537.41 |
| Abutia Senior High Technical School | 5,402.10 | 1,800.00 | 3,602.10 |
| Total | 311,640.79 | 5,716.50 | 305,924.29 |

The Committee noted that in the case of St Francis Seminary Senior High School, the cost of pursuing the recovery of the outstanding amount far outweighs the actual amount uncredited. The Committee therefore recommends to the House to approve for the amount to be written off as bad debt. Again, the Committee recommends to the Ghana Education Service to engage legal representation to assist the institutions involve to recover the outstanding amounts from the respective banks.

8.5. MISAPPLICATION OF FUNDS - GH¢286,644.40

Nine (9) institutions misapplied a total of GH¢**286,644.40** in contravention of Regulation 179 of FAR, 2004. The Auditor-General recommended that the respective Institutions reimburse the respective accounts from which the funds were misapplied.

At the time of Committee sitting, it was noted that all six (6) schools out of nine (9) schools have reimbursed the respective accounts with the misapplied amount of GH¢253,487.60 into the source accounts leaving an outstanding balance of GH¢**33,156.80** in the names of the following Institutions:

Table 5: Misapplication of Funds

| No | Institution | Source of Account | Misapplication | Amount Outstanding (GH¢) |
|--------------|----------------------------------|--------------------------------|--|--------------------------|
| 1 | Nkroful Agric Senior High School | Library Fund | Books were not bought | 5,784.00 |
| 2 | Takoradi Senior High School | Library Fund | Books were not bought | 12,372.00 |
| 3 | Adankwaman Senior High School | Fees for recurrent expenditure | spent on Liquefied Petroleum Gas (LPG) | 15,000.00 |
| Total | | | | 33,156.80 |

The Committee recommends to the three schools to refund the amounts to the various source accounts in compliance with the audit recommendations failure of which the Accountants and Headmasters of the institutions involved would be surcharged.

8.6. OUTSTANDING STAFF ADVANCES - GH¢254,972.40

The audit revealed that fifteen (15) schools failed to recover advances amounting to GH¢254,972.40 granted to officials in contravention of Regulation 110 of the FAR, 2004 (LI 1802), which requires that a head of department shall ensure that advances

granted are recovered in accordance with appropriate agreement. At the time of the public sittings the total amount of GH¢254,972.40 had been recovered in compliance with the recommendation of the Auditor-General.

8.7 MISAPPROPRIATION OF FUNDS - GH¢213,123.30

The audit revealed that the account officers of three (3) schools misappropriated a total amount of GH¢213,123.30 in contravention of Section 96 of the Public Financial Management Act, 2016 (Act 921) and Regulation 12 of the Financial Administration Regulations 2004 (L.I. 1802). The Auditor-General recommended a refund of the total amount with interest from the officers involved and also disciplinary action to be taken against the officers. In the case of Osu Presbyterian Senior High School, the Auditor-General recommended recovery of an amount of GH¢22,634.00 from the former Principal Accountant, Ms. Grace Agbene with interest through a legal action.

The Committee noted that a total amount of GH¢46,739.00 was recovered from five (5) accounts officers of Sefwi Bodi Senior High School and additional GH¢5,600.00 recovered from Ms. Grace Agbene of Osu Presbyterian Senior High School leaving an outstanding balance of GH¢160,784.30 in the names of the following:

Table 6: Outstanding Misapplication of Funds

| Name of officer | Institution | Amount Misappropriated (GH¢) | Amount recovered (GH¢) | Amount Outstanding (GH¢) |
|------------------------|-----------------------|-------------------------------------|-------------------------------|---------------------------------|
| Ms. Grace Agbene | Presbyterian SHS, Osu | 22,634.00 | 5,600.00 | 17,034.00 |
| Mr. Ebenezer Nelson | Adiembra SHS | 143,750.30 | 0.00 | 143,750.30 |
| Total | | 155,184.30 | 5,600.00 | 160,784.30 |

The Committee observed that the cause of the anomaly was as a result of poor supervision by the Head of Accounts and weak internal controls in the school. The Committee recommends that management should take legal action in addition to reporting the officers to the law enforcement agencies to recover the amount from the officers involved. The Attorney-General must also take steps to prosecute the officers involved.

8.8. CHARGING OF UNAUTHORISED FEES - GH¢151,920.80

The Auditor-General identified that Management of Mansen and Bechem High Schools, all in the **Ahafo Region**, charged unapproved fees during the period.

Mansen Senior School levied and collected from each student GH¢40.00 per term for the last term of 2018 and GH¢60.00 for the first term of 2019 as extra tuition fees which amount to GH¢68,570.80 whilst Bechem Presby Senior High School levied students GH¢10.00 per head which amounted to GH¢15,100.00 and paid into the Presbyterian Church of Ghana Endowment Fund. In the same vein, Labone Senior High School in the Greater Accra Region also charged students GH¢83,350 for WASSCE examinations in excess of the approved rate contrary to Ghana Education Service (GES) directive.

However, the Committee was informed that in compliance with the Auditor-General's recommendation, Bechem Presby Senior High School retrieved the amount and reimbursed the respective students.

The Auditor-General recommended a refund of the illegal registrations and school fees collected by the two schools to the students.

Officials from the Labone SHS on the other hand explained to the Committee that, it is a standard practice with the school to add administrative and processing charges to the registration fees approved by GES which enables the school to disburse the amount realized in pursuit of school related activities.

Nevertheless, the Auditor-General recommended sanctions for non-compliance with the GES directives to be applied to the Headmistress (Mrs. Cynthia Obuo-Nti) of Labone Senior High School accordingly.

The Committee noted that contrary to the recommendation the District Education Directorate failed to sanction the officers involved, and therefore demanded the Director-General of the GES to sanction the District and Regional Directors for failing to implement the recommendations of the Auditor-General.

8.9. IMPRESTS NOT RETIRED - GH¢86,012.50

It was revealed that eight (8) institutions failed to retire a total amount of GH¢86,012.50 granted to staff as imprest to undertake various tasks in contravention of Regulation 288 of the Financial Administration Regulations 2004 (L.I. 1802)

The recommendation by the Auditor-General was that the amount should be treated as personal advance in the name of the imprest holders and recovered accordingly. The Committee was impressed to note that the totality of the amount has been recovered, in compliance with the recommendation of the Auditor-General.

8.10. UNPRESENTED PAYMENT VOUCHERS - GH¢75,517.74

Regulation 1 of the Financial Administration Regulations (FAR) 2004 (L.I. 1802) requires a public officer who is responsible for the conduct of financial business on behalf of Government to produce records of the transactions for inspection when called upon to do so by the Minister or the Auditor-General. Contrary to the above, the Accountant of Buipe Technical/Vocational Senior High School, Mr. Imoro Adam Abdul-Hussein could not present nine (9) payment vouchers worth GH¢75,517.74 for audit.

The lapse occurred as a result of poor record keeping and documentation, a situation which could result in misappropriation of funds. The Auditor-General recommended that the Accountant, Mr. Imoro Adam Abdul-Hussein, should refund the amount of GH¢75,517.74.

Again, the Committee was informed that all the nine (9) PVs remain unrecovered. The Committee therefore recommended that the school should cause his arrest and the said amount be recovered from him.

8.11. UNCLAIMED SCHOLARSHIP GRANTS PAID TO EOCO INSTEAD OF SCHOLARSHIP SECRETARIAT- GH¢63,475.34

The audit of four (4) schools disclosed that the Regional Director of Economic and Organised Crime Office (EOCO), Tema, Mr. Emmanuel Elliott Danful, in a letter referenced EOCO/TR/OPS/18-VOL.5/37 and dated 27th June, 2018 requested four (4) schools to pay a total amount of GH¢63,475.34 being unclaimed scholarship grants for the academic years 2012/2013; 2013/2014 and 2015/2016 into the EOCO Account Number 1071130000480 with GCB Bank Tema Main Branch to which the schools complied. However, out of the GH¢63,475.34 an amount of GH¢23,624.82 has been recovered from EOCO leaving an outstanding amount of GH¢39,850.52.

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The Committee recommended that the Ministry of Education should recover the outstanding amount and transfer same into the accounts of the Scholarship Secretariat.

8.12. CASH WITHDRAWALS NOT ACCOUNTED FOR GH¢57,505.65

The Audit found out that the Headmaster and Accountant of Manji Agric Senior High School made six (6) withdrawals totaling GH¢57,505.65 from the School's bank accounts without any supporting document to confirm whether the money was disbursed in the interest of the school, in contravention of Regulation 1 of the FAR. The Auditor-General recommended the recovery of the amount from the Headmaster and the Accountant of the School.

In compliance with the recommendation, the Headmaster, Mr. Paul Yaw Nsiede and the former Accountant, Mr. Thomas Owusu have jointly refunded the total amount of GH¢57,505.65 to the School.

8.13. PAYMENT MADE IN THE NAME OF SCHOOL OFFICIALS INSTEAD OF BUSINESS ENTITIES - GH¢72,361. 80

A review of records during the Audit disclosed that a total amount of GH¢72,361.80 of cheques was paid in the name of school officials instead of the individual suppliers and business entities named in the payment vouchers of Tweneboa Kodua Senior High School and Dadease Agric Senior High.

The Committee observed that the infraction could create an avenue for the insertion of fictitious vouchers in the name of school officials. The Committee further noted that the Accountants have desisted from this practice and ensure that payments for goods and services are made in the name of business entities, in compliance of the Auditor-General's recommendation.

8.14. DIRECT DISBURSEMENT FROM REVENUE - GH¢44,247.15

Audit of Sekondi Methodist Senior High School disclosed that a total of GH¢225,808.50 was collected as school fees during the period under review but only GH¢181,561.35 was deposited leaving an outstanding amount of GH¢44,247.15 which was directly expended on various activities, in contravention of Regulation 18 of the FAR. This infraction was observed to occur mainly due to breakdown of internal controls systems of revenue collection.

Although the school has desisted from the practice, the Committee recommends strengthening of the internal controls and checks and further directed that all fees payment should be made by banker's draft.

8.15. EXCESSIVE USE OF HONOUR CERTIFICATE - GH¢30,616.00

The management of Kofi Agyei Senior High Technical School, Bampense contravened Regulation 39 (2c) of the FAR 2004 L.I(1802) where transactions totaling GH¢30,616.00 made between January, 2018 to September, 2018 on 111 payment vouchers supported with honour certificates even though official receipts could have been obtained for the transactions involved.

The Committee recommended that management should ensure that future transactions of such nature are made from sources where official receipts could be obtained in order to promote transparency and proper accountability in Public Financial Management.

8.16. REVENUE NOT ACCOUNTED FOR - GH¢19,746.67

The accounts officers of four (4) Schools collected various fees amounting to GH¢19,746.67 but failed to account for the revenue collected in contravention of Regulation 22 of the Financial Administration Regulations, 2004. The officers involved have refunded the total amount in compliance with the recommendation of the Auditor-General. The Committee recommended that the officers involved should be sanctioned for breach of Financial Discipline in accordance with Regulations 8(4) of the Financial Administrations Regulations, 2004.

8.17. OVERPAYMENT TO A SUPPLIER - GH¢18,400.70

The Audit revealed that the management of two (2) institutions; Jirapa Senior High School and Sefwi Wiawso College of Education contravened Section 96 of the Public Financial Management Act, 2016 (Act921) and Regulation 39 of the FAR, 2004 and overpaid suppliers to a tune of GH¢18,400.70 for the purchases of goods during the period under review.

The Committee noted that the institutions have recovered the money from the suppliers in compliance with the audit recommendations.

8.18. CHARGING UNAPPROVED FEES - GH¢15,100.00

The Headmaster of Bechem Presby Senior High School, Mr. Raymond Akwasi Agyemang and the Accountant, Mr. George Boateng contravened Regulation 60 of the FAR, 2004 by levying students GH¢10.00 per head and thus collected a total of GH¢15,100.00 which was paid into the Presbyterian Church of Ghana endowment fund. The Auditor General recommended the recovery and refund of the amount to students involved.

The Committee noted that the total amount has been recovered from the Presbyterian Church of Ghana endowment fund by the officers involved and paid back to the students in compliance with the Auditor-General's recommendation.

8.19. UNAUTHORISED WITHDRAWALS FROM PTA ACCOUNT - GH¢ 6,800.00

The Chairman of the Parents Teacher Association (PTA) of the Cape Coast School for the Deaf and Blind, Mr. Alex Gyawu made two (2) withdrawals totaling GH¢6,800.00 for his personal use without the knowledge and consent of the Headmaster in contravention of Article 8 of the school's PTA Constitution. The Committee noted that in compliance with the audit recommendations, the entire amount has been refunded by Mr. Alex Gyawu. The Committee recommends that Management should intensify supervision of the PTA accounts and other related activities.

8.20. INFLATED PRICES - GH¢5,410.00

The audit disclosed that Nkoranman Senior High School procured tonner 85A and O5A at the cost of GH¢500.00 and GH¢600.00 respectively, from Erinor Ventures. It was further disclosed that in July, 2018 the same items were again purchased by management from the same supplier and shop at the cost of GH¢160.00 and GH¢130.00 respectively, which therefore confirmed that the earlier purchases were deliberately inflated by GH¢340.0 and GH¢470.00 respectively resulting in excess payment of GH¢5,410.00.

The Committee noted that the Accountant, Mr. Ransford Boahene has refunded the said amount in compliance with the recommendation of the Auditor-General.

8.21. UNCOMPETITIVE PURCHASES - GH¢4,944,579.42

Forty-eight (48) schools procured goods and services totalling GH¢4,944,579.42 without sourcing for alternative quotations from different sources in contravention of Section 20 of the Public Procurement (Amendment) Act, 2016, (Act 914). The Auditor-General, in addition to urging the schools to ensure strict compliance with the Public Procurement Act, also recommended that the Heads and Accountants who supervised the transactions should be sanctioned in accordance with Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914).

The Committee observed from the reviews that, the state loses substantial resources mostly through procurement breaches in the public sector. The Committee recommends that, the officers who supervised the transactions in the schools should be sanctioned in accordance with the sanctions regime as stipulated in the Public Procurement Act to serve as deterrent to other public officers. It further recommends the approval of the House to enable the Attorney-General to take steps to prosecute the officers who supervised the procurement activities in these institutions in accordance with Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914). (*List of institutions attached as Appendix*).

8.22. FAILURE TO SUPPLY CORRECT QUANTITIES OF FOOD STUFF BY BUFFER STOCK COMPANY LIMITED - GH¢603,413.00

It came to light during the audit that the Buffer Stock Company Limited (BSCL), a company engaged by Government to supply foodstuff and other food items to institutions covered by the Free SHS failed to supply the full and correct quantities of food items to four (4) institutions namely; Queen of Peace Senior High School, Lassia Tuolu Senior High School, St. Basilde Technical Vocational Institution and Lawra Senior High School to a tune of GH¢603,413.00 and created food shortages in these institutions.

The Committee observed that all the institutions had been supplied with the shortfalls and therefore recommended that managements of the institutions should ensure regular reconciliation to ascertain that the right quantities of items are supplied by the National Buffer Stock (NBS) so as to avoid the tendency of food shortages in the schools.

8.23. PAYMENT FOR NON-EXISTING INTERNET FACILITY - GH¢187,972.75

The audit disclosed that twelve (12) institutions contravened Section 96(1c) of the Public Financial Management Act, 2016, Act 921 by making payments to Eduvid Ghana Company Limited totaling GH¢187,972.75 for the provision of internet, websites and other technology related services.

The Committee was informed that, the contract for the installation of Internet Study Mate was awarded by the Ghana Education Service headquarters without the involvement of the heads of the schools, who subsequently, ensured payments were equally made on behalf of the service provider. However, the audit revealed that the services were not provided by the company.

The Committee therefore agrees with the recommendation of the Auditor-General that the amount should be recovered from the former Director-General of the GES who failed to ensure that the contracts were executed before payments.

8.24. PAYMENT FOR GOODS AND SERVICES WITHOUT PERFORMANCE CERTIFICATES - GH¢155,681.00

The audit revealed that Funsu and Lawra Senior High Schools spent GH¢134,640.00 and GH¢21,041.00 respectively on goods and services which were not supported with certificates of work done, which is in contravention of Regulation 39 (1) of the Financial Administration Regulations, 2004.

The Committee noted that all the institutions have now supported the various payment vouchers with performance certificates in compliance with the recommendation of the Auditor-General.

8.25. PROCUREMENT OF CUSTOMISED SCHOOL VEST NOT ISSUED TO STUDENTS - GH¢120,000.00

Review of inventory at Aggrey Memorial School (AMZS) indicated that management procured 4,000 pieces of customized school vest valued at GH¢120,000.00 of which a part-payment of GH¢ 106,908.71 was made leaving a balance of GH¢13,091.29 meant for the First and Second-year students but failed to distribute the items to the students in contravention of Section 7 of the Public Financial Management Act, 2016, and also in defiance of Government's directive that no Headmaster should charge any item on the Free Senior High School Students.

The Committee noted that management sold all the items to parents with the assistance of the PTA, as recommended by the Auditor-General.

8.26. FUEL PURCHASES NOT ACCOUNTED FOR - GH¢84,252.87

The Audit revealed that nine (9) institutions paid for fuel purchases to a tune of GH¢84,252.87 but failed to record in the vehicle log books for evidence of usage, except provided fuel receipts provided by the Management. The Auditor-General recommended that the drivers and accountants of the respective schools should jointly refund the amounts involved.

The Committee noted that an amount of GH¢79,562.87 has been accounted for leaving a balance of GH¢4,690 in the names of Adankwaman SHS. The Committee recommended that the amount should be recovered from the drivers and accountants of the school in compliance with the audit recommendations.

8.27. FEES COLLECTED UNACCOUNTED FOR - GH¢3,134.67 .

The audit disclosed that the accountant of the Assin Nsuta Senior High School, Ms. Wilhelmina Jackson, failed to account for fees collected amounting to GH¢3,134.67 in contravention of Regulation 18 of the Financial Administration Regulations, 2004 (LI 1802). The Auditor-General recommended that the amount should be recovered from Ms. Wilhelmina Jackson and further discipline her for misconduct.

The Committee noted that the amount remains unrecovered contrary to the audit recommendations. Upon further investigation, the Committee noted that Ms. Wilhelmina Jackson has been demoted in compliance with the audit recommendations. The Committee also noted the involvement of the Headmaster and therefore recommends that GES should take steps to recover the amount unaccounted from her and the Headmaster at a ratio of 30:70.

8.28. HEALTH SCREENING UNDERTAKEN WITHOUT REPORT -

GH¢83,760.00

The Audit findings showed that thirteen (13) institutions conducted health screening for first-year students but failed to substantiate the payments with laboratory reports issued by the various health institutions.

The Committee noted that the GES Headquarters, Accra, failed to put mechanisms in place to compel the health institutions to release copies of the report as evidence of the screening exercise to the school authorities to enable them monitor the health status of the students.

The Committee recommends that the GES Headquarters, Accra should ensure that health institutions submit copies of medical reports for the use of the institutions.

8.29. ASSETS NOT PUT TO USE - 32,950.00

The audit indicated that the Management of Sefwi Akontombra Senior High School and Huni-Valley Senior High School failed to put to economic use a Smoke-free Stove and a Cornmill procured and installed by the schools in contravention of Section 7(1a) of the Public Financial Management Act, 2016, (Act 921), causing financial loss to the schools. However, the Committee was informed that these two assets are now in full use by the schools as directed by the Auditor-General.

8.30. UNIFORMS PAID FOR BUT NOT SUPPLIED - GH¢24,920.00

The Auditor-General disclosed that the Management of St. Paul Senior High School-Asakraka and SDA College of Education at Koforidua-Asokore made payment in excess of GH¢24,920.00 for goods not supplied in contravention of Regulation 39 of the Financial Administration Regulations (FAR), 2004, (L.I. 1802). The Auditor-General recommended the recovery of the overpayment from the suppliers. The Committee noted that the total amount has been recovered from the suppliers in compliance with the audit recommendations

8.31. MISSING PHOTOCOPIER MACHINE - GH¢15,000.00

The Audit revealed a missing Sigha Risograph Photocopier Machine valued at GH¢15,000.00 at Yeboah Asuama Senior High School. The Auditor-General recommended the recovery of the items from the school administrator and the Headmaster. It was explained to the Committee that the said Photocopier Machine was bought on hire purchase and had not been paid for and therefore was not available for verification by the auditors. However, the machine has been paid for and delivered to the school for the purpose.

8.32. UNACCOUNTED STORES - GH¢6,452.00

The Audit disclosed that two (2) institutions could not account for store items costing GH¢6,452.00 recorded in their stores books as well as evidence of their final disposal. The items included Stationery and electrical items for Yeboah Asuama Senior High School, as well as Animal Husbandry items for practical, cultural items and production

items for the Agric Department of the Berekum Presby Senior High School for purposes of WAEC Examination.

The schools presented the Store Records Books to the Committee during the Hearing and were referred to the Auditor-General for verification and authentication on behalf of the Committee.

8.33 UNEARNED SALARY - GH¢398,947.46

Forty-eight (48) Schools failed to recover unearned salaries from separated staff amounting to GH¢398,947.46 in contravention of Regulation 297 of the FAR, 2004 (L.I. 1802). Out of this, an amount of GH¢247,297.24 had been recovered, leaving an outstanding amount of GH¢151,650.22 in the names of the following institutions:

Table 7: Outstanding unearned salaries

| No. | Institution | Name of Beneficiary | Unearned Salary (GH¢) | Amount Recovered (GH¢) | Outstanding (GH¢) |
|-----|-------------------|---------------------------|-----------------------|------------------------|-------------------|
| 1 | Nsawkaw State SHS | Siaka A. Baa | 3,882.44 | 0.00 | 3,882.44 |
| | | Benjamin Kusi Appiah | 3,434.48 | 0.00 | 3,434.48 |
| | | Joseph Obeng | 3,434.48 | 0.00 | 3,434.48 |
| 2 | Bodwesango SHS | Juliana Kobina | 13,555.89 | 7,730.00 | 5,825.89 |
| | | Kwame Antwi | 2,297.29 | 0.00 | 2,297.29 |
| 3 | Wulugu SHS | Mr. Mohammed Bashiru Dasa | 2,759.79 | 0.00 | 2,759.79 |
| 4 | Adisadel College | Eunice Kitsin | 21,059.68 | 0.00 | 21,059.68 |
| 5 | Assin Manso SHS | Grace Ohemeng | 21,728.58 | 0.00 | 21,728.58 |
| | | Gilbert Asare Nyarko | 3,947.82 | 0.00 | 3,947.82 |

| | | | | | |
|----|-------------------------|--|-------------------|------------------|-------------------|
| 6 | Jukwa SHTS | Justice Ackom | 4,595.00 | 0.00 | 4,595.00 |
| | | Paul Ocran | 1,128.00 | 0.00 | 1,128.00 |
| | | Francis Mensah | 9,994.28 | 0.00 | 9,994.28 |
| 7 | Bisease SHS | Eric Adu Yeboah and 3 Other Unidentified Staff | 23,487.44 | 0.00 | 23,487.44 |
| 8 | Nyankumasi Ahenkuro SHS | Mr. Ignatius Bannerman | 6,016.98 | 400 | 5,616.98 |
| | | Mr. Francis Acquah | 674.81 | 0.00 | 674.81 |
| | | Kweku Nifa | 6,093.00 | 0.00 | 6,093.00 |
| 9 | Aburi Girls SHS | Ms. Sefakor Kponor | 21,126.72 | 1,800.00 | 19,326.72 |
| 10 | Abor SHS | Kevin Agbevadi S. | 8,586.20 | 0.00 | 8,586.20 |
| 11 | Zion College, Anloga | Dzormeku Vivian Afitor | 4,177.60 | 400.00 | 3,777.60 |
| | Total | | 161,980.22 | 10,330.22 | 151,650.22 |

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

The Committee recommends to the heads of the institutions involved to recover all outstanding amounts from the officers concerned, failure of which the spending officers should be surcharged. It further directed that all beneficiaries who failed to refund the unearned salaries should be reported to the police for prosecution.

Compliance of this directive should be made through the status report to the Committee through the Auditor-General.

8.34. AWARD OF CONTRACT ABOVE HEAD OF ENTITY THRESHOLD - GH¢1,022,760.49

The Audit revealed that the Management of three (3) Institutions; Winneba Senior High School, Bia Lamplighter College of Education and Sekondi College of Education awarded contracts to a tune of GH¢1,022,760.49 which were above the head of entity threshold without recourse to the Entity Tender Committee (ETC) in contravention with Section 17 (2c) of the Public Procurement Act, 2003, Act 663.

The Audit attributed the lapse to failure of Management to take cognizance of the provisions of the Act 914, as well as managements' disregard for controls and procedures, which in turn deprived the institutions from obtaining value for money.

The Committee noted that the management of the Institutions now comply with procurements principles in accordance with the audit recommendations and further recommended that management of the Institutions should ensure that all future procurements that are above the threshold are referred to the appropriate authorities for approval.

8.35. PAYMENT FOR WORK NOT DONE - GH¢75,332.00

The Audit of Manji Agric Senior High School and Kade Senior High Technical School disclosed that payments were made for work not done to a tune of GH¢75,332.00 in contravention of Regulation 39 of the FAR, 2004.

The infraction was attributed to poor and ineffective supervision on the part of the Engineers tasked by the Institutions to provide technical and supervisory support. Although the Auditor-General recommended that management, should refund the amount, the Committee noted that the Contractor involved in the project at Manji Agric Senior High School was contacted and the unexecuted portions of the project had since been completed whilst that of Kade Senior High Technical School remain outstanding.

The Committee recommended that the Headmaster, Mr. Emmanuel Danquah and the Accountant, Mr. Jwerterh of Kade Senior High Technical School should refund the outstanding amount of GH¢56,500.00.

8.36. PAYMENT WITHOUT WORKS ORDER - GH¢54,111.59

Five (5) Institutions contravened Regulation 39 of the Financial Administration Regulations 2204, (L.I.1802) by making payments without works order to a tune of GH¢54,111.59.

The infraction was attributed to weaknesses in control that could be exploited to the disadvantage of the institution. Furthermore, there was no standards against which work allegedly carried out could be measured.

At the time of the Public Sitting, it was revealed that the total amount had been recovered from the Headmasters and the Accountants as recommended by the Auditor-General.

8.37. AWARD OF CONTRACT WITHOUT VALID DOCUMENTS - GH¢35,500.00

The Management of Senya High School awarded a contract of GH¢35,500.00 to Almax Books Limited for the supply of textbooks, but the supplier submitted expired Tax and SSNIT Clearance Certificates which made them ineligible at the time the contract was awarded in contravention of Section 22 of the Public Procurement Act, 2003 (Act 663) as amended by the Public Procurement (Amendment) Act, 2016 (Act 914). The infraction resulted from the failure of the Tender Committee and the Evaluation Panel to properly scrutinize the documents submitted by the suppliers.

It was confirmed by the Auditors during the Hearing that the Management of the school has desisted from the act, in accordance with their recommendations.

8.38. TAXES NOT REMITTED - GH¢176,019.42

The audit disclosed that management of twenty-four (24) institutions deducted withholding taxes amounting to **GH¢176,019.42** but failed to remit same to the Commissioner-General of the Ghana Revenue Authority (GRA) in contravention of Section 117 of the Income Tax Act, 2015 (Act 896).

The Auditor-General recommended that the accountants of the institutions should refund the tax component to the GRA which was found to have been remitted in compliance with the audit recommendations.

8.39. FAILURE TO OBTAIN VAT INVOICES- GH¢38,465.15

Seven (7) institutions procured goods but failed to obtain VAT Invoices from the suppliers to cover the transactions thereby depriving the State the VAT component of **GH¢38,465.15** in contravention of Section 41 of the Value Added Tax Act, 2013 (Act 870). The Auditor General recommended to management of the institutions involved to recover the VAT component from the Accountants and pay to the Commissioner General.

The Committee noted that VAT amounting to GH¢30,364.88 in the name of twenty-three (23) schools had been recovered from the suppliers and remitted to the Commissioner-General, leaving an amount of GH¢8,100.27 in the name of Dzodze-Penyi Senior High School unrecovered.

The Committee was informed that, the former Headmaster and the Accountant of the Senior High School failed to ensure that the supplier provided VAT invoices to support the payment of GH¢182,707 thereby depriving the State the VAT component.

The Committee recommends that the amount should be recovered from former Headmaster Mr. Matthew Kudoha and the Accountant, Mr. Effah.

8.40. PURCHASES FROM NON- VAT ENTITIES - GH¢34,345.96

The Auditor disclosed that ten (10) Senior High Schools procured goods from non-VAT registered entities resulting in the non-payment of GH¢34,345.96 as the VAT component.

The Auditor General recommended recovery of the amount from the heads of the Institutions. The Committee noted that the institutions involved recovered the VAT amount from the suppliers and remitted same to the Commissioner General of the Ghana Revenue Authority (GRA).

8.41. FALSIFIED VAT INVOICES ISSUED - GH¢13,959.73

Two (2) schools, Labone Senior High School and Presbyterian Senior High School, Osu paid GH¢243,659.57 with a total VAT component of GH¢13,959.73 for the supply of goods and services from suppliers who issued fake VAT invoices and quoted false Tax Payers Identification Numbers (TIN). The Auditor-General recommended the recovery of the amount from the suppliers.

The Committee noted that, though all the amount has been recovered, the conduct of the suppliers violates Section 41 of the Value Added Tax (Act 870).

The Committee therefore recommend that the suppliers should be sanctioned in accordance with Section 58 of the VAT, Value Added Tax (Act 870).

8.42. FAILURE TO DEDUCT AND PAY SSNIT CONTRIBUTION OF CASUAL STAFF - GH¢6,439.50

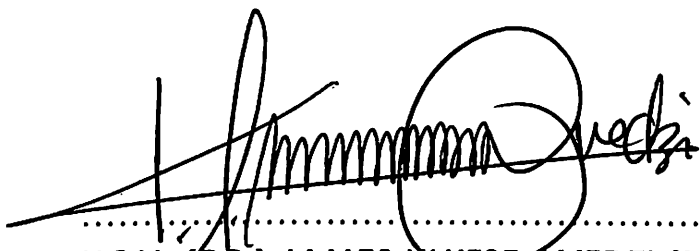
Audits of the accounts of Nkoranman and Sefwi Wiawso Senior High Schools disclosed that the Social Security Fund (SSF) contributions for eighteen (18) Casual Staff totaling GH¢6,439.50 which had been deducted for nine months had not been remitted to SSNIT. However, evidence was provided during the Hearing that both institutions have remitted the total amount to SSNIT in compliance with the Audit recommendation.

9.0. CONCLUSION

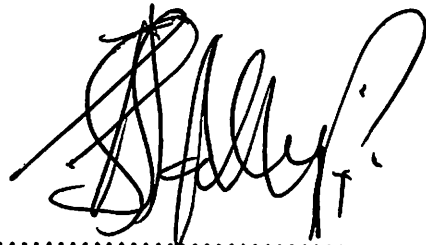
The Committee was of the considered view that the observations and recommendations of the Auditor-General fairly represented the financial transactions that took place in the Pre-University Educational Institutions in the 2018 Financial Year.

The Committee therefore recommends to the House to adopt its Report on the Report of the Auditor-General on the Public Accounts of Ghana (Pre-University Educational Institutions) for the financial year ended 31st December, 2018 with its recommendations in accordance with Order 165(3) of the Standing Orders of the Parliament of Ghana.

Respectfully submitted.



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



.....
JOANA ABENA SAKYI ADJEI (MRS.)
CLERK, PUBLIC ACCOUNTS COMMITTEE

14th June, 2022

APPENDIX

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA – PRE-UNIVERSITY EDUCATIONAL INSTITUTIONS FOR THE PERIOD ENDED 31ST DECEMBER, 2018

LIST OF INSTITUTIONS WITH PROCUREMENT INFRACTIONS REFERRED TO THE ATTORNEY GENERAL FOR PROSECUTION

1. Abutia Senior High Technical School
2. Accra Academy Senior High School
3. Accra Girl's Senior High School
4. Ada Senior High Technical School
5. Archbishop Porter Girls' Senior High School
6. Asawinso Senior High School
7. Ashanti School for the Deaf
8. Assin Manso Senior High School
9. Assin Nsuta Senior High School
10. Bechem Presby Senior High School
11. Awe Senior High School
12. Bia Lamplighter College of Education (Uncompetitive Procurement and Procurement above head of entity threshold)
13. Bongo Senior High School
14. Bonzo Kaku Senior High School
15. Buipe Technical/Vocational Senior High School
16. Bunpurungu Senior High Technical School
17. Eguafoo-Abren Senior High School
18. Enchi College of Education
19. Enyamain Community Day Senior High School
20. Eremon Senior High School
21. Fosu College of Education
22. Garden City Special School, Kumasi
23. Hain Senior High School
24. Holy Family Senior High School,
25. **Jirapa Senior High School (Erroneous to be verified by Audit Service)**
26. Lambussie Community Day Senior High School
27. Mando Senior Technical School
28. Ningo Senior High Technical School
29. Nkwanta Community Senior High Technical School, Nkwanta

30. Kaneshie Senior High Technical School
31. Koforidua Technical University
32. Komenda College of Education
33. Kwame Danso Senior High School
34. Oguaa Senior High Technical School
35. Odorgono Senior High School
36. Prampram Senior High School
37. Sefwi Bekwai Senior High School
38. Sefwi Wiawso College of Education
39. Sekondi Methodist Senior High School
40. St. Augustine's Senior High School Bogoso
41. St. Mary's Girls Senior High School
42. Tarkwa Senior High School
43. Ullo Senior High School
44. Wa Polytechnical (Hilla Limann Technical University)
45. Wenchi Senior High School
- 46. Winneba Senior High School**
47. Winneba Senior High School
48. Zion College Senior High School, Anloga