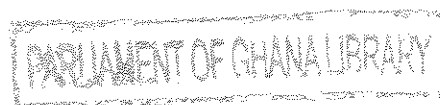
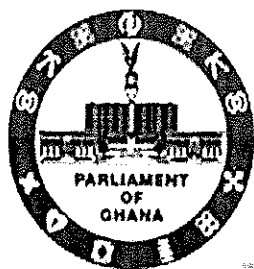


IN THE SECOND SESSION OF THE EIGHTH PARLIAMENT OF THE FOURTH  
REPUBLIC OF GHANA



**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE REPORT OF THE  
AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA - MINISTRIES,  
DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE FINANCIAL YEAR  
ENDED 31<sup>ST</sup> DECEMBER, 2019**

1.0. The Report of the Auditor-General on the Public Accounts of Ghana - Ministries, Departments and Other Agencies (MDAs) for the Financial Year Ended 31<sup>st</sup> December, 2019 was presented to the House by the Majority Leader, Hon Osei Kyei-Mensah-Bonsu, on 21<sup>st</sup> June, 2022, in accordance with article 187(5) of the 1992 Constitution of the Republic of Ghana.

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

## **2.0. ACKNOWLEDGEMENT**

The Committee expresses appreciation to the Ministers, Deputy Ministers and officials of the Ministries, Departments and Agencies (MDAs) who appeared before the Committee to answer to issues raised in the Report by the Auditor-General.

The Committee further extends profound gratitude to the Ghana Broadcasting Corporation, (GBC - TV), the Parliamentary Press Corps and the other media houses for the live telecast of the Sittings of the Committee including the general public for the keen interest shown so far in the Public Hearings of the Public Accounts Committee of the Parliament of Ghana.

## **3.0. REFERENCE DOCUMENTS**

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).
- 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. Public Financial Management Regulations, 2019 (L.I. 2378)
- i. National Health Insurance Regulations, 2004 (L.I. 1804)
- j. The Value Added Tax Act, 2013 (Act 870)
- k. The Income Tax Act, 2015 (Act 896)
- l. The Stores Regulation, 1984
- m. The Public Procurement (Amendment) Act 2016 (Act 914)

#### **4.0. PURPOSE OF THE AUDIT**

The Auditor-General in accordance with Section 13 of the Audit Service Act, 2000 (Act 584) conducted an audit on the Public Accounts of Ghana: Ministries, Departments and Agencies (MDAs) for the year ended 31<sup>st</sup> December 2019.

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 whether the applicable Laws and Procedures were sufficiently applied to ensure an effective check on the assessment, collection and allocation of revenues and whether monies were expended for the purposes for which they were appropriated.

#### **5.0. OUTCOMES/BENEFITS OF THE AUDIT**

The general and relevant outcomes or benefits to the audited entity and all stakeholders that are expected to be associated with the audits include the following:

- Accountability.
- Enforcement of Financial Discipline.
- Detection and Prevention of Fraud, Waste and Abuse.
- Promotes best practice.
- Good governance and safeguard against loss, misuse and damage to properties.

#### **6.0. SUMMARY OF AUDIT FINDINGS**

The significant findings of the Auditor-General in the Report bordered on Tax, Cash, Outstanding Loans/Advances, Payroll Stores/Procurement, Rent and Contract Irregularities. The overall impact of the Irregularities amounted to GH¢3,008,187,888.15.

The Committee observed a significant reduction of Irregularities recorded in 2018 Report from GH¢5,196,043,399.94 to GH¢3,008,187,888.15 recorded in the 2019, representing 42.11% decrease in the financial value of irregularities. A summary of the 2017, 2018 and 2019 irregularities is presented in table 1 below:

**Table 1: An analysis of 2017, 2018 and 2019 Irregularities**

SN	Type of Irregularity	2017 (GH¢) Million	2018 (GH¢) Million	2019 (GH¢) Million
1	Tax Irregularities	655,599,736.33	4,788,284,799.00	2,666,743,134.56
2	Cash Irregularities	190,560,990.86	388,925,019.94	276,624,480.40
3	Loans/ Advances	2,695,601.00	594,889.00	201,000.00
4	Payroll Irregularities	1,776,893.00	1,875,347.00	469,953.00
5	Stores/Procurement Irregularities	41,668,682.00	6,823,337.00	20,604,593.00
6	Rent Irregularities	94,472.00	3,941,756.00	43,467,634.19
7	Contract Irregularities	-	5,598,252.00	77,093.00
	<b>Total</b>	<b>892,396,375.19</b>	<b>5,196,043,399.94</b>	<b>3,008,187,888.15</b>

## **6.1. HEADS OF IRREGULARITIES**

### **6.1.1. Tax irregularities - GH¢2,666,743,135.00 (89%)**

Tax Irregularities formed 88.65% of the total financial infraction reported. Included in this Tax Irregularity was GH¢694,623,450 due from 3,696 Companies, Business Entities and Individuals who owed corporate and individual income taxes for the 2018 year of assessment.

These irregularities were attributed mainly to failure on the part of the Ghana Revenue Authority (GRA) to collect tax revenue and also apply measures and sanctions against defaulters.

The Auditor-General recommended that Management of GRA should strengthen monitoring and supervision of its staff, and further take steps to improve efficiency in tax administration, collection and follow-ups on overdue taxes while applying sanctions as prescribed by the tax laws.

#### **6.1.2. Cash Irregularities - GH¢276,624,480.00 (9.2%)**

Cash Irregularities identified by the Auditor-General were mostly related to unapproved disbursements, unauthorised use of Internally Generated Funds (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. Out of the total Cash Irregularities amount of GH¢276,624,480.00, an amount of GH¢193,277,758.03 was disbursed from the General Refund Account of GRA in settling payments other than tax revenue.

The Auditor-General attributed these Irregularities to poor oversight, lack of control, inability of Paying Officers to demand receipts for payments made, Accountants failing to properly file and keep records, failure of Management to ensure security and safety of vital documents and inertia on the part of management in complying with procedures stipulated in the Public Financial Management Act, 2016 (Act 921).

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).

Again, the Auditor-General recommended that GRA and the Ministry of Finance should avoid making payments which are not tax refunds from the General Refund Account as per Section 57(2) of the VAT Act, 2013, (Act 870).

#### **6.1.3. Outstanding Loans/Advances GH¢201,000.00**

These Irregularities represent trade debtors, staff debtors and outstanding loans that remained unpaid at the time of the audit.

A significant amount of GH¢100,000.00 represent advances or loans granted to the Chief Executive of the National Board for Small Scale Industries as well as total advances of GH¢101,000.00 granted to eleven officers of the Ministry of Tourism, Arts and Culture. Others include *some staff at the Tepa Nursing and Midwifery Training College* which remained unrecovered.

The Auditor-General recommended that the respective Institutions should recover the outstanding loans/advances from the affected officers.

#### **6.1.4. Payroll Irregularities - GH¢469,953.00**

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 by the Controller and Accountant-General 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 the MDAs to ensure proper payroll management and the recovery of unearned salaries paid to unauthorised personnel.

#### **6.1.5. Stores/Procurement Irregularities - GH¢20,604,593.00**

Stores and Procurement Irregularities noted during the period amounted to GH¢20,604,593.00. Included in this Irregularity was GH¢11,910,073.00 relating to failure on the part of 17 Institutions under the Ministry of Health to adhere to procedures with regards to the procurement of goods and services.

This resulted from lack of commitment on the part of entity heads to ensure compliance with the established internal control measures, administrative rules and legislations governing the procurement processes.

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 Act 2003, (Act 663) *as amended* and other rules governing public procurement. He further called for effective collaboration between the Controller and Accountant-General and entity heads in the procurement of value books.

#### **6.1.6. Rent Irregularities - GH¢43,467,634.00**

The total Rent Irregularities was GH¢43,467,634.19. Included in the Rent Irregularity was GH¢472,223.00 owed by 324 government workers from 12 Health Institutions who defaulted in the payment of rent between January, 2016 and December, 2019.

Also included in the amount was the payment of uneconomic rents of US\$5,026,129.60; €1,993,475.38; and CFA128, 895,958.98 (US\$220,053) by the Ministry of Foreign Affairs as rent for Residencies, Chanceries and residential accommodations of Home-based officers of 33 Missions between 1<sup>st</sup> September, 2017 and 20<sup>th</sup> September, 2018.

This was attributed to inadequate data on occupants and non-availability of tenancy agreements as well as high amounts spent on renting facilities for the Missions, whilst some state facilities abroad were left in deplorable states.

#### **6.1.7. Contract Irregularities - GH¢77,093.00**

The total Contract Irregularities reported amounted to GH¢77,093.00.

This was in respect of a contract awarded at the Ashaiman Polyclinic, without the right documentations for pre-qualification and selection for the award of the contract.

The Auditor-General recommended that all contractors present the right documents for pre-qualification and selection for the award of the contracts.

### **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 however that the Irregularities that remained unresolved relate to the following Ministries, Departments and Agencies:

#### **7.1.0. MINISTRY OF FINANCE**

##### **7.1.1. MODERN KOSA COMPANY**

**Vehicles Sold to University of Ghana without Payment of Duties by Modern Kosa Company Limited (TA69) - GH¢166,554.00**

A review of the Warehousing records, Customs Electronic Systems and stock taking disclosed a removal of 12 vehicles from the warehouse without the payment of duties and other taxes to the tune of GH¢166,554.39. This contravenes Section 83 of the Custom Act 2015, Act 891.



The Audit further revealed that the vehicles were sold to the University of Ghana (Economic Wellbeing Project of the Institute of Applied Sciences).

The Auditor-General recommended that the Sector Commander should recover the amount of GH¢166,554.39 with the appropriate penalties from the Modern Kosa Company Ltd.

The Committee was informed that the Ghana Revenue Authority had garnished the accounts of the company to recover the debt, however, no amount has been recovered. The Committee further noted that the Company on the other hand, had instituted a legal suite against the University of Ghana over the vehicles in question.

The Committee in view of this recommends that since the case is in court, the Attorney-General should advice on further actions to be taken by both the University of Ghana and the Modern Kosa Company.

#### **7.1.2. DOMESTIC TAX REVENUE DIVISION**

##### **Outstanding Income Tax - GH¢694,623,450.00 and US\$108,501,680.00**

In contravention of Section 71 of the Revenue Administration Act, 2016 (Act 915), the audit of 5,766 selected tax files from 17 Domestic Tax Revenue Offices in the Greater Accra Region revealed that, some 3,696 Companies, Businesses Entities and individuals owed an amount of GH¢694,623,450.00 and US\$108,501,680.00 in corporate and individual income taxes in the 2018-year's assessment.

The Audit further revealed that Section 114 of the Income Tax, 2015 (Act 896) was not fully applied by Management to compel the defaulters to honour their indebtedness to the GRA.

The Auditor-General urged Management to increase its enforcement role to collect all the outstanding tax revenues.

The Committee noted that the companies indebted to the GRA were being pursued and have been served with demand notices, in compliance with the recommendation of the Auditor-General.

The Committee further observed that the total Dollar component of US\$108,501,680.00 of the infraction had been fully recovered. The Ghana Cedi component has also been recovered leaving an outstanding amount of GH¢156,827,250.95 in the name of the following institutions:

- |                                   |   |                   |
|-----------------------------------|---|-------------------|
| i. Grid Company                   | - | GH¢139,819,467.50 |
| ii. Prestea Sankofa               | - | GH¢2,792,595.36   |
| iii. Impact Steel and Roofing Ltd | - | GH¢1,458,991.33   |

Although it came to light that enforcement actions including garnishee orders are being undertaken to retrieve the outstanding balance, the Committee recommends that the Division should harness all efforts to recover the full outstanding amount of GH¢156,827,250.95 within three (3) months.

### **7.1.3. VAT Traders Debts - GH¢590,558,955.50 and US\$11,169,902.00**

During the review of Traders' Files, and Ledger Balances, the Audit revealed that 367 registered VAT traders who filed their returns at the various tax offices owed a total of GH¢590,558,955 and US\$11,169,901.67.00 as at 31<sup>st</sup> December, 2018. This infraction clearly contravenes Section 55 of the VAT Act, 2013 (Act 870)

The Auditor-General recommended that management should take the necessary steps within the law to ensure the recovery of all outstanding taxes.

The Committee noted that various enforcement measures are being taken to recover this outstanding liability. The Committee therefore recommended that the outstanding debt be recovered within three (3) months failure of which Management would be held liable.

**7.1.4. GHANA REVENUE AUTHORITY – WA MUNICIPAL  
Unrecovered Taxes - GH¢207,470.00**

Audit of Taxpayers Files disclosed unpaid tax liabilities of GH¢207,470.46 owed by 16 taxpayers to the Authority as of 31<sup>st</sup> August, 2019, in contravention of Section 46 of the Revenue Administration Act, 2016 (Act 915). This was attributed the failure of Management to issue demand notices for payment of the outstanding amount of GH¢207,470.46 and laxity on the part of the tax payers to settle their tax liabilities or obligations.

The Auditor-General recommended to the head of Wa Small Tax Office (STO) to notify the Institutions and stakeholders involved to redeem their indebtedness to the Authority failure of which legal action should be taken against them.

The Committee during the sitting noted that out of the total unrecovered tax amount of GH¢207,470.00, 81.89% translating into a total of GH¢169,903.10 had been recovered leaving an outstanding amount of GH¢37,567.36.

The Committee recommends that Management should enforce actions to recover the outstanding balance within one (1) month failure of which the Management will be held liable to pay the amount.

#### **7.1.5. GHANA REVENUE AUTHORITY – ELUBO - GH¢185,224.00.**

The Audit review of sampled tax files disclosed that 34 Business Entities owed the authority a total amount of GH¢185,223.96 in respect of Corporate and Personal Income Taxes for the period in contravention of Section 51 of the Revenue Administration Act, 2016 (Act 915).

This anomaly was due to inaction of the District Manager to compel the defaulters to honour payment of their indebtedness resulted in a loss of revenue needed for development in the District.

The Auditor-General recommended that Management should embark on vigorous revenue collection to ensure recovery of all the outstanding tax revenue owed to the Authority.

The Committee noted that out a total liability of GH¢185,223.96, an amount of GH¢144,517.50 representing 78.02% had been recovered leaving an outstanding amount of GH¢40,706.46.

The Committee urges GRA-Elubo to take steps to recover the outstanding balance within one (1) month failure of which the Management will be surcharged to pay the amount involved.

#### **7.2.0. MINISTRY OF EDUCATION**

##### **7.2.1. TAMALE GOVERNMENT SECRETARIAL SCHOOL**

###### **Revenue not Accounted for- GH¢60,930.00.**

The Audit revealed that in contravention of Regulation 15 of the Financial Administration Regulations, 2004, the Principal of the Tamale Secretarial School collected school fees amounting to GH¢60,930.00 between July 2016 and February 2018 but failed to account for the fees during the audit.

The Auditor-General recommended that the Principal should pay the amount into the School's bank account and present the payment receipt or advice for verification without further delay.

He further urged the Principal to separate the Accounting functions from that of the Office of the Principal to strengthen the internal control systems within the institution.

At the time of the sitting, the Committee noted that:

- i. The payments were not substantiated with the students list
- ii. The school's bank statement did not indicate the lodgments of the fees and its respective withdrawals with the cheques and
- iii. The cheque numbers could not be traced to the cheque stubs of the school.

The Committee recommends that the Principal should produce all the necessary cheques and students list for verification by the Auditors within 3 weeks failure of which the Management should take a legal action against her.

#### **7.2.2. GHANA EDUCATION SERVICE (GES) Unpaid Rents - GH¢111,032.25**

Contrary to Regulation 17 of Financial Administration Regulations, 2004 Management of three (3) Directorates of the Ghana Education Service (GES) did not collect rent amounting to GH¢111,032.25 from 59 tenants of various government flats for the period January 2014 to April 2019.

The Auditor-General recommended that management improve their system for revenue collection and ensure that the outstanding amounts are also collected without any further delay.

The Committee noted that an amount of GH¢83,032.25 had been recovered leaving an outstanding amount of GH¢28,000.00 and therefore recommended that Management should recover the amount from the officers involved within two (2) months failure of which management would be surcharged.

### **7.3.0. MINISTRY OF YOUTH AND SPORTS, HEADQUARTERS**

#### **7.3.1. High Cost of Air Tickets- GH¢300,720.00**

In contravention of Section 7 of the Public Financial Management Act (Act 921), the Ministry of Youth and Sports paid Kenpong Travel and Tours Limited, an amount of GH¢705,495 for the procurement of various air tickets for the National Football Team and other officials of the Ministry. A market survey conducted within the airline industry in May, 2019 proved that Kenpong Travel and Tours Limited's prices were much higher than the prevailing market prices. The audit survey showed that whereas a return flight by KLM, Madrid -Accra-Madrid was GH¢6,279.18 (Euro 1, 075.00) in March 2019, Kenpong Travel and Tours Limited for same route two (2) years ago (in June, 2017) charged GH¢32,313.00, which was more than 328% above the market price.

At the time of the public hearing, the Ministry explained that the original prices of some of the tickets which went up occurred due to changes in flight bookings.

The Auditor-General recommended to the Management to acquaint itself with knowledge on the procurement and rescheduling of airline tickets to ensure cost control on airline tickets.

The Management however explained to the Committee that the situation arose due to late changes in the flight bookings resulting from modifications in the itinerary of the foreign players, a situation which the Management was unable to determine, especially the timely release of players from their various clubs in Europe and other continents.

The Committee recommends that the Ministry must engage a protocol officer who is well versed in the airline industry in order to avoid such needless cost to the state.

#### **7.4.0. MINISTRY OF HEALTH**

##### **7.4.1. Revenue not Accounted for - GH¢1,484,415.00**

The Auditor-General's review of revenue collections showed that some Budget Management Centres (BMCs) do not comply with Regulation 39 of the Public Financial Management Regulations 2019. For instance, it was found that a total revenue of GH¢1,484,414.69 collected by 25 BMCs visited between 2016 and 2019, was not accounted for.

The Auditor-General recommended that Management of the respective BMCs should strengthen their internal controls on revenue collection and also ensure the full recovery of the un-accounted for amount of GH¢1,484,414.69 from the officers involved.

This assertion was strongly disputed by the officials from the Ministry when they appeared before the Committee. The Committee therefore directed the Auditors and the officials from the Ministry to quickly reconcile the amount and list of offenders and report back to the Committee in 4 weeks from the Committee's sitting.

##### **7.4.2. Unsubstantiated Payment - GH¢2,591,609.00**

Contrary to Regulation 39 and 78 of the Financial Administration Regulation of 2004 and 2019 respectively, it was reported that payment vouchers were not presented for audit and in some instances; payment vouchers presented were not supported with relevant documents to authenticate the payments by the officials of some of the hospitals.

The Auditor-General recommended that the Ministry should recover the amount from the officers involved.

The Committee noted that substantial amount had been paid leaving an outstanding amount of GH¢25,000.00 to be recovered and therefore

recommends to the Management to recover the outstanding amount from the officers involved within 3 months, failure of which Management of the hospitals would be surcharged.

#### **7.4.3. PANTANG PSYCHIATRIC HOSPITAL - Revenue Not Paid into the Drug Account- GH¢11,940.00**

An audit examination of the Pantang Psychiatric Hospital revenue collection records disclosed that as at 31 December 2018, an outstanding drugs revenue amounting to GH¢11,939.80 had not been paid into the Hospital's Drugs Account at Bank of Ghana (BoG), which is contrary to Regulation 22 of the Financial Administration Regulation, 2004.

The Auditor-General recommended that the Head of the BMC and the Finance Officer should ensure that the total amount is paid into the Drugs Account without any further delay.

The Committee was informed that the un-deposited cash was handed over by the former accountant to the substantive accountant in 2015 according to records available. The Management had therefore written to the Chief Executive Officer of the Mental Health Authority to assist in resolving the issues surrounding the outstanding revenue.

The Committee recommends that Management should pay the total amount of GH¢11,940.00 into to Drugs Account within one month failing which Management would be referred to the Attorney-General to be prosecuted for the offense.

#### **7.4.5. KANESHIE POLYCLINIC - Uncredited Revenue - GH¢135,958.00**

Management of Kaneshie Polyclinic breached Regulation 46 of the Public Financial Management Regulations 2019 and Paragraph 2.2 of the Memorandum of Understanding (MoU) signed in June, 2017 which stipulates that,



"the Bank shall on each business day, during the regular hours of the assigned MDA, collect Government Revenue in local and foreign currencies from the premises of the assigned MDA and deposit same into the designated account and where portion of the daily collections thereof retained by the bank after the periods stipulated, the bank shall be liable to pay interest to the Ministry of Finance at the current 91-day Treasury bill rate".

This was evident when Zenith Bank was engaged on 1<sup>st</sup> May, 2016 as an on-site Bank to collect revenue on behalf of the Polyclinic.

The Audit however revealed that the bank failed to credit the Polyclinic's account with a total amount of GH¢70,750.70 as part of 2017 collections.

The audit further revealed that out of a total revenue of GH¢2,165,753.50 collected in 2018, the Bank credited the Facility's account with GH¢2,100,505.81 leaving an outstanding balance of GH¢65,207.69 which resulted in a total uncredited revenue of GH¢135,958.39 as at December, 2018.

The Auditor-General recommended that the Medical Director should ensure that the Bank credits the Facility's account with the total amount of GH¢135,958.39 together with an interest at the prevailing 91-day Treasury bill rate.

At the time of the Public hearing the Committee noted that Management had not made any recoveries of the outstanding amount. The Committee therefore recommends that the Management should recover the total outstanding amount from the Medical Director within two (2) weeks failure of which he should be arrested by the police to assist in the recovery of the amount involved.

#### **7.4.6. Misapplication of Funds - GH¢762,142.00**

The Management of the hospital contravened Regulation 179 of Financial Administration Regulations (FAR), 2004 when, according to the Report, 17 Budget Management Centres (BMC) between January 2017 and August, 2019 misapplied drug funds and other funds earmarked for specific activities amounting to GH¢762,142.43 for the payment of salaries and other unrelated administrative activities without approval from the Minister for Finance.

The Auditor-General recommended to management of the respective institutions to ensure that the funds withdrawn from the drug account are paid back for the use of its intended purposes.

It was observed that the recommendations of the Auditor-General had not been complied with as the outstanding amount was still showing in the books of the hospital.

The Committee recommends that the Management should ensure that the total amount is fully recovered within 3 months after its sittings and paid into the accounts of the hospital.

The Committee further recommends that the Ministry of Health should show interest and avoid shifting all the cost burden of securing and protecting assets onto the respective hospitals to handle alone.

#### **7.4.7. NATIONAL BLOOD SERVICE (NBS)**

##### **Payment for Goods not Supplied - GH¢ 129,701.31**

A review of store records showed that four (4) entities received payments amounting to GH¢129,701.31 for the supply of drugs and non - drug items. It was however noted that items amounting to GH¢82,051.77 were not supplied by the companies involved (Medi Trust Company and Boamens Memorial Enterprise), which contravened Regulation 78 of the Public Financial Management Regulations, 2019.

The Auditor-General recommended that the Directors of the Institution should recover the total amount from the suppliers and pay same into the Consolidated Fund, failure of which they would be surcharged.

The Committee during the Sitting observed that all the affected Institutions have had fully recovered their debt leaving an amount of GH¢42,051.77 standing in the name of Diaso Health Directorate (DHD)

The Committee recommends that a standing order be made by the Diaso Health Directorate to refund the outstanding amount with three (3) month after the Committee meeting.

#### **7.4.8. MUNICIPAL HEALTH DIRECTORATE - KIBI**

##### **Uncredited Cheques - GH¢44,348.00**

The Committee observed that a cheque amounting to GH¢44,348.00 had not been credited to the accounts of the Kibi Health Directorate accounts as required by the Public Financial Management Act. However, this assertion was challenged by the officers. The Committee therefore directed that the Auditors should reconcile and report back to the Committee as soon as possible.

#### **7.4.9. Centre for Plant Medicine Research: Failure to meet Bond Terms- GH¢102,924.00**

The audit revealed that Dr. Gloria Nana Yaa Adjapong was paid GH¢217,009.29 as a total cost for three-year full-time study leave with pay to pursue PhD in Microbiology at the University of Canterbury in New Zealand from January 2011 to September, 2014. She however resumed work on 26<sup>th</sup> August, 2015 and served for only 33 months instead of the 60 months (5) year bond term and resigned on 7<sup>th</sup> May 2018, from the Centre, leaving a bond obligation period of 27 months, translating into a default cost of GH¢97,654.18.

It was further revealed that she was received a full salary of GH¢5,269.58 in May, 2018, after her resignation.

The Auditor-General recommended to management to pursue Dr. Gloria Nana Yaa Adjapong or her guarantors for the recovery of the amount of GH¢102,923.76 pay same to government chest failure of which she or her guarantors should be surcharged.

The Committee was informed that management through the Centre's Lawyers has written to the guarantors of Dr. Gloria Adjapong and waiting for their response failure of which the necessary action would be taken to redeem the amount involved.

The Committee therefore recommends that any benefit due Dr. Gloria Nana Yaa Adjapong should be used to defray full or part of the outstanding infraction.

#### **7.4.10. Payment of End of Service Benefit without Approval - GH¢42,955.00**

Section 74 of the Conditions of Service for Senior Officers of the Centre for Scientific Research into Plant Medicine, Mampong entreats an officer who separates from the Service of the Centre, either on retirement or resignation on grounds other than summary dismissal or conviction for any criminal offence, may be entitled to an ex-gratia award as Council may determine from time to time.

The audit revealed that the Executive Director, Prof. Augustine Ocloo approved and paid an amount of GH¢42,954.56 per payment voucher number 14748 dated 18/2/19 to himself as end of service benefit while he was still in office, depriving the Centre of the funds needed to execute its budgeted programmes and activities.

The Auditor-General recommended that the Director should refund the total amount of GH¢42,954.56 into the Consolidated Fund, failure of which he would be surcharged.

The Committee noted further that the matter had been referred to the Hon. Minister for Health by the Centre's Governing Board and therefore recommends that any possible benefits due Prof. Augustine Ocloo, should be used to defray full or part of the outstanding amount he owed the Centre.

#### **7.4.11. Procurement Irregularities- GH¢11,910,073.00**

Twenty (20) institutions violated Section 17 of the Public Procurement Act, 2003 (Act 663) as amended by Act 2016 (Act 914) by failing to adhere to procedures with regards to purchase of goods and services totalling GH¢11,910,073.00. This practice does not create opportunity for the Ministry to obtain value for money in its procurement processes.

The Auditor-General recommended strong oversight on procurement processes within the Ministry.

The Committee observed from the reviews that, the state loses substantial resources mostly through procurement breaches in the public sector and as such recommends for the approval of the House to enable the Attorney-General to prosecute the officers who supervised these procurement activities in the institutions within the Ministry in accordance with Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914) to serve as deterrence to other public officers.

#### **7.4.12. Health Directorate - Abura Dunkwa Hospital Stores Management - GH¢356,462.66**

Management of Abura Dunkwaw Hospital violated Regulations 183 of the Financial Administration Regulations, 2004 when the audit review of stores records of the Ministry disclosed weaknesses in the internal controls regarding acquisition and utilisation of store items.

The stores records of some institutions under the Ministry showed that items purchased to the tune of GH¢356,462.66 were neither supported with Stores Receipt Vouchers (SRVs) nor any trail to the user department for verification that the items were receipted into stores.

The Auditor-General recommended that management of the various institutions should strengthen their internal controls in respect of store management and further recommended refund of the total amount of GH¢356,462.66 by management of the affected institutions,

At the time of the Committee sitting, management informed the Committee that it had fully recovered the total amount which was yet to be verified by the Auditors.

#### 7.4.13. Outstanding Rent - GH¢430,136.16

Contrary to Regulation 2 of the Financial Administration Regulation, 2004, the Audit Report revealed that 324 government workers from 11 Institutions defaulted in the payment of rent between January 2016 and December, 2019 accruing to an outstanding rent sum of Gh¢430,136.16.

The Auditor-General recommended that the Managements of the respective Institutions should ensure that rent deductions are made directly from the salaries of staff at source for ease of collection of rent and further recommended full recovery of the amount of Gh¢430,136.16 being rent arrears from the defaulters by Management.

The Committee however noted during its Sittings that some Institutions had been able to recover fully the amount, some had recovered part of the arrears whilst some of the Institutions had not made any recoveries at all. Out of a total amount of Gh¢430,136.16, an amount of Gh¢47,272.46 had been recovered leaving an outstanding amount of Gh¢382,863.70 as presented in the Table 2 below:

**Table 2: Institutions with Outstanding Rent to recover**

No.	Institutions	Amount Owed (GH¢)	Amount Recovered	Amount Outstanding
1.	Achimota Hospital	42, 628.17	1,353.93	41,274.24
2.	Accra Psychiatric Hospital	72,958.80	10,718.53	62,240.27
3.	Cape Coast Teaching Hospital	13,790.00	11,410.00	2,380.00
4.	Cape Coast Metropolitan Hospital	26,290.00	0.00	26,290.00
5.	Centre for Plant Medicine Research	7,364.00	0.00	7,364.00
6.	Dormaa East District Hospital Wamfie	10,330.80	0.00	10,330.80
7.	Sefwi Wiawso Gov't Hospital	205, 374.39	0.00	205,374.39
8.	Juaboso Gov't Hospital	51,400.00	23,790.00	27,610.00
9.	<b>Total</b>	<b>430,136.16</b>	<b>47,272.46</b>	<b>382,863.70</b>



The Committee recommended that management should recover the remaining outstanding amount within two (2) months failing which management would be surcharged.

#### **7.3.14. Ashaiman Polyclinic**

##### **Award Control without Pre-Qualification Certificates GH¢77,093**

Contrary to Section 23 of the Public Procurement Act, 2003 (Act 663), review of contract files revealed that Hamwood Company Limited was awarded contracts in the sum of GH¢77,092.69 without meeting the basic requirement for selection for the award of the contract. The procurement officer failed to ensure that prospective suppliers presented the right documents for pre-qualification.

The Auditor-General recommended that management of the polyclinic should exercise strong oversight on the operations of the Procurement Officer to ensure value for money at all times.

The Committee recommends that, the officers who supervised the transactions within the Ministry should be sanctioned in accordance with Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914).

#### **7.4.0. MINISTRY OF FOOD AND AGRICULTURE (MOFA)**

##### **7.4.1. Unsupported Payments - GH¢873,430.00.**

The Ministry contravened Section 6 of the Public Financial Management Act, 2016 (Act 921) when 14 institutions under the Ministry disclosed that payments amounting to GH¢873,429.66 were unsupported with or unaccounted for with the relevant documents to authenticate these payments.

The anomalies were largely due to weak supervision by the internal audit over the processing of payments by schedule officers.



The Auditor-General recommended that in the future, supporting documentations should always be obtained and pre-audited prior to payment for goods and services.

The Committee during the deliberations noted that an amount of GH¢778,904.61 had been supported with the appropriate documentation, leaving an outstanding amount of GH¢94,525.39 to be supported with the documentation.

The Committee recommends that management should recover the amount within two (2) months failing which they should be surcharged.

#### **7.4.2. MOFA- HEAD OFFICE**

##### **Indebtedness of Tractor/Equipment Beneficiaries - GH¢3,159,500.00**

At the end of the audit, it was revealed that under the Brazilian More Food for Africa Subsidization Programme, the Ministry of Food and Agriculture (MOFA) sold agricultural equipment to individuals and groups at concessionary rates on outright payment or purchase terms. This is to modernize agricultural mechanization and increase food production through self-reliance efforts.

Under the agreement, the purchaser is required to make outright or down payment of a token/commitment of the total cost of the machinery/equipment and the balance paid within a period of six months or three years on case - by - case bases to the Ministry. Recovery of the loans granted continues to be poor.

Review of the Tractor Account for the period 2017 and 2018 showed that only, GH¢771,500.00 out of a loan of 3,931,000 in the form of machinery and equipment granted to 33 individuals, groups and companies under the Agricultural Mechanisation Service Centres (AMSEC), had been recovered leaving a balance of GH¢3,159,500.00.

The Auditor-General recommended that management should strengthen its debt recovery control to ensure successful implementation of the programme and further recommended for recovery of the outstanding amount.

The Committee observed that an amount of GH¢2,253,750.00 had been recovered leaving an outstanding amount of GH¢905,750.00 and recommends that the outstanding amount should be recovered from the defaulters within three months failing which Management would be held liable to pay.

#### **7.4.3. Store items unaccounted for -GH¢128,298.00**

Contrary to Section 52 of the Public Financial Management Act, 2016, the Auditors noted that two (2) Institutions (Wenchi Farms Institutes and Department of Agriculture, Nadowli - Kaleo) under the Ministry could not account for store items valued at GH¢128,298.00 and recommended that the Ministry should institute a disciplinary action against the Store Keepers for the recovery of the missing items.

The Committee however was informed during the Sitting that out of the GH¢128,298.00 an amount of GH¢10,800 had been accounted for by the Department of Agriculture, Nadowli-Kaleo, leaving an outstanding amount of GH¢117,498.00 in the name of the Wenchi Farms Institute.

The Committee recommends that Management should recover the outstanding amount from the Wechi District failing which Management of MOFA, Wechi would be surcharged.

#### **7.4.4. MUNICIPAL AGRIC DIRECTORATE-SUNYANI Missing Fertilizer (4,659 bags) -GH¢297,384.00**

Review of the store records of two (2) institutions within the Ministry in Sunyani Directorate revealed that a total of 4,659 bags of fertilizers (NPK,

Urea, and SOA) were declared missing, which is contrary to Section 52 of the Public Financial Management Act.

The Auditor-General recommended that the Ministry to strengthen its internal control systems to avoid a recurrence and further recommended that the Ministry should ensure the recovery of the missing bags of fertilizers.

The Committee was informed that the matter was still outstanding and recommended special audit into the Planting for Food and Jobs programme to ensure that the officers responsible account for the missing fertilizers.

#### **7.5.0. MINISTRY OF FISHERIES AND AQUACULTURE-HEADQUARTERS Unsupported Payments -GH¢7,540,576 and USD11, 742.00.**

Contrary to Section 6 of the Public Financial Management Act (PFMA) Act, 2016 (Act 921) the audit revealed that payments vouchers with the face values of GH¢ GH¢7,540,576 and USD11,742.00 were not supported with the relevant documents to authenticate the transactions.

The Auditor-General recommended that the payments should be properly acquitted with the relevant attachments, failure of which the amount would be surcharged against the approving officers and beneficiaries and also further recommended that, in future, supporting documentations should always be obtained before payments are made.

The Committee was informed that 32 payment vouchers out of the 68 had been acquitted leaving 36 payment vouchers yet to be verified and acquitted.

The Committee recommends that management should ensure that all payments are supported failing which management would be surcharged.

#### **7.5.1. Outstanding Revenues on Five Cold Store Facilities - GH¢5,319,730.27**

In contravention of Regulation 17 of the Financial Administration Regulations, 2004, the audit revealed that the Ministry engaged five companies to operate and manage five cold store facilities belonging to the Ministry at a monthly rate of GH¢31,477.68. It was further revealed that the Ministry terminated the agreement of the companies with effect from 1<sup>st</sup> March 2019 on the grounds that they failed to honour the terms and conditions of the agreement, and were indebted to the Ministry to the tune of GH¢5,319,730.27.

The Auditor-General recommended that management should put in the necessary measures to ensure that these monies are collected from the companies. He further urged management to speed up the takeover process and ensure that all the equipment are properly handed over to the Ministry.

The Committee was informed that the contracts had been re-awarded and therefore recommended that the Ministry should dispose of these cold stores with immediate effect to ensure that the facilities do not totally go waste.

#### **7.5.2. Non-Performance of Contract under Elmina Fish Processing Plant Limited (EFPL) Agreement**

During the audit, it was noted that the Ministry on 30<sup>th</sup> November, 2016 entered into an agreement with Messrs. Raphael Spectrum Company Limited, to provide management services aimed at efficiently and commercially operating and managing the Fish Processing Plant,

Fish/Poultry Feed Plant and Ice Block Machine, referred to as EFPPL at Elmina, with a sum of USD10, 342,628.32 loan facility.

The company was to among others, based on a 10-Year Strategic Plan, generate revenue and after the 13<sup>th</sup> month of operation, and pay every 1<sup>st</sup> day of the month the arrears from the operation of the EFPPL, an amount of GH¢139,651.34 to MOFAD. However, the Company is yet to start the monthly payment per the terms of the contract its started operations which clearly contravenes Section 22 of the Public Procurement Act, 2003 (Act 663)

The Auditor-General recommended that management should put in the appropriate measures to recover the amount due the Ministry based on the Agreement.

The Committee noted that management was yet to respond to the current situation on the issue and hence had not recovered the agreed amount of GH¢139,651.34.

The Committee recommended that the Ministry makes a budget provision for this in its 2023 budget.

#### **7.6.0. MINISTRY OF INTERIOR**

##### **Unapproved Reduction of Permit Fees -GH¢1,100,273.00**

Audit of the Ministry revealed that the Ministry unilaterally granted a reduction of two per cent permit fees (from 7% to 5%) in favour of three companies (AEL Mining Services, AKY Mining Services Limited and Maxam Ghana Limited) in the importation of explosives which resulted in the rebate of GH¢1,100,272.86 without approval from Parliament, in contravention of Regulation 20 of the Financial Administration Regulations, 2004.

The Auditor-General recommended that management should apply to the Parliament of Ghana for the ratification of their actions, failure of which the amount of GH¢1,100,272.86 should be recovered from the companies.

At the time of the public hearing, the Committee noted that the companies involved had agreed to pay the money within a period of 12 months.

The Committee recommends that the Ministry should ensure the recovery within the stipulated agreed months failing which Management would be held liable.

#### **7.6.1. GHANA POLICE SERVICE**

##### **Failure to Account for Cash Exhibits - GH¢15,600.00**

Review of the Lost, Stolen, Recovered Property Register (LSRP), Exhibit Register and the Register of Offences of two police stations showed a total recovered amount of GH¢15,600.00 that could not be accounted for by two investigators in violation of Section 96 of the Public Financial Management Act, 2016 and Regulation 146 of the Police Service Regulations, 2012.

The Auditor-General recommends the immediate recovery of the total amount from the two investigators.

The Committee was informed that DSP Stephen Adom of the Weija Divisional Police Headquarters had recovered his lot of GH¢10,000.00 leaving an outstanding amount of GH¢5,600 in the name of Mr. Vincent McCarthy of the Akim Kwabeng Divisional Police Headquarters.

The Committee recommends that the Ministry should pursue Mr. Vincent McCarthy to immediately repay the amount of GH¢5,600 failing which management of the Division would be held liable.

#### **7.6.2. Revenue not Accounted for GH¢72,985.00**

Contrary to Regulation 15 of the Financial Administration Regulations, 2004, a review of the revenue records showed inadequate supervision by management over the work of the accounting officers by the Ministry. It was noted that for the period 2017 to 2019, a total amount of GH¢72,985.00 collected as revenue was not accounted for.

The Auditor-General recommended the recovery of the total amount of GH¢72,985.00.

The Committee noted that only GH¢ 9,235.00 had been recovered leaving an outstanding amount of GH¢63,750.00 in the name of the Management of Interior.

The Committee recommends that management of the Ministry should ensure that the outstanding revenue is accounted for within three (3) months failure of which management would be held liable.

#### **7.7.0. MINISTRY OF GENDER, CHILDREN AND SOCIAL PROTECTION Regional Social Welfare Office - Sekondi: Unaccounted Revenue GH¢75,728.00**

Review of revenue collectors at the Sekondi Regional Social Welfare Office disclosed that some individuals did not comply with Regulation 46 of the Public Financial Management Regulation, 2019. For instance, the Regional Director, and the Vocational Centre Coordinator could not account for a total amount of GH¢68,278.00 being compensation received from Ghana Gas Limited on behalf of the Vocational Centre Coordinator and fee collected from students amounting to GH¢7,450.00.

The Auditor-General recommended that the Ministry should strengthen their internal controls on revenue collection and ensure the full recovery of the un-accounted revenue of GH¢ 75,728.00

It was observed that the Auditor-General's recommendation had not yet been complied with, hence, the Committee recommended that the total amount should be recovered in 2 weeks.

#### **7.8.0. MINISTRY OF WORKS AND HOUSING**

##### **7.8.1. Public Works Department: Outstanding Rent -GH¢192,976.00**

In contravention of Regulation 2 of the Financial Administration Regulations, 2004 and Section 52 of the Public Financial Management Act 2016, Act 921, it was noted that the Public Works Department account shows that 37 entities and persons defaulted in the payment of rent to the tune of GH¢192,976.11 in respect of residential accommodation and office space.

The Auditor-General recommended that management should recover all outstanding rent and also ensure that the tenancy agreements are strengthened and strictly complied with.

The Committee noted that the L.I of the Local Government Service Act transferred the Department except that the Head Office to the Coordinating Council was not accommodated.

It was further noted that the rent is still outstanding.

The Committee recommends that the Management of the Department should make frantic efforts to recover the entire debt within six (6) months, failing which Management would be held liable.



### **7.8.2. Unlawful Occupants of NORRIP Bungalows**

A review of tenancy records showed during the audit that nine (9) members of staff and occupants of the NORRIP Bungalows, who had separated from the Department between 2013 and 2016 had not vacated the bungalows that were allocated to them while in service. It was further observed that the Acting Programme Manager had not serve them with any notice of eviction.

The Auditor-General recommended that management should take immediate steps to evict the occupants and make the facilities available to the other serving officers.

The Committee noted that half of the facility had been transferred to the Ministry of Local Government. The Committee recommends that the Ministry of Local Government should eject all unlawful occupants from NORRIP Bungalows and other facilities.

### **7.9.0. MINISTRY OF JUSTICE AND ATTORNEY-GENERAL'S DEPARTMENT, ACCRA.**

#### **7.9.1. Misapplication of Liquidation Funds -GH¢84,700.00**

Audit examination of the records of the Official Liquidator/Lancaster accounts revealed that, the Official Liquidator advanced a total amount of GH¢84,700.00 from Lancaster Account to seven (7) individuals and companies contrary to the purposes for which the account was set up. This clearly violates Section 8 of the Official Liquidation Act, 1963 (Act 180).

The Auditor-General recommended that management should recover the amount and pay same into the Official Liquidator/Lancaster Account failure of which the Official Liquidator would be surcharged.

The Committee observed during the meeting that an amount of GH¢11,600 had been recovered leaving an outstanding amount of GH¢73,100.

The Committee recommends that the Ministry should take frantic efforts to recover the outstanding amount within three (3) months failing which management would be held liable.

#### **7.10.0. JUDICIAL SERVICE**

##### **7.10.1. Misappropriation of Court Fees- GH¢198,042.00**

Contrary to Regulation 22 of the Financial Administration Regulations (FAR) 2004, review of revenue accounts of three (3) Courts showed that in 2018, out of a total cash of revenue of GH¢685,743.96 collected by the cashiers, GH¢487,701.70 was paid into the designated bank accounts leaving a difference of GH¢198,042.26 unaccounted for.

The Auditor-General recommended that management of the Courts should ensure the full recovery of the difference of GH¢198,042.26 from the cashiers and pay same into the designated bank account without any further delays and further urged the Courts to strengthen their controls on the cashiers and where appropriate arrange for an onsite banking to reduce the risk of cashiers making away with the monies.

At the time of the public hearing, the Committee noted that two (2) out of three (3) cashiers had recovered a total amount of GH¢123,105.26 leaving an outstanding amount of GH¢74,937.00 in the name of Mr. Joseph Akulu who had since absconded after he was dismissed from the Service.

It was further noted that all the cashiers of the Service are now bonded and have guarantors in case of misappropriation of funds.

The Committee recommends that Management should involve the Ghana Police Service to recover the outstanding amount from Mr. Joseph Akulu.

#### **7.10.2. Circuit Court, Odumase - Krobo & District Magistrate Court -Juaboso: Unsupported Payments -GH¢13,630.00**

In contravention of Regulation 39 (2) of the Financial Administration Regulations, 2004, audit examination of payments from two (2) Courts showed that 50 Payment Vouchers with a total face value of GH¢13,630.00 were not supported with the relevant documents to authenticate the transactions.

The Auditor-General recommended refund of the amounts from the Registrars of the respective Courts. He further advised management to strengthen their internal controls to minimize recurrence of such offenses.

The Committee was informed that all the documents have been provided in compliance of the recommendation pending verification by the Auditor-General.

The Committee recommended that the Auditors should verify the payments vouchers and report the Committee within two (2) weeks failing which management would be surcharged if any anomaly is detected.

#### **7.10.3. JUDICIAL SERVICE, ACCRA**

##### **Charging of Unapproved Rates at the Law Court Complex-GH¢184,688.00**

Audit of the Judicial Service, Accra revealed that the Service generates revenue from renting of some of its facilities at the Law Court Complex. Between January 2018 and December 2018, a total revenue of GH¢184,688.29 was generated from the office space, parking, posting of notices, etc. without obtaining Parliamentary approval for the rates charged in collection of the revenue.

The Committee recommends that the Judicial Service should seek Parliamentary approval to continue the fees.

## **7.11.0. MINISTRY OF TRADE AND INDUSTRY**

### **7.11.1. Unjustified Payments - GH¢412,850.00**

The audit revealed that the Ministry incurred unjustified expenditure amounting to GH¢412,850.26 vide 46 payment vouchers on consultancy, refund of medical expenses, support for funerals and travelling by business class without basis and approval from the Chief of Staff, which violates Section 7 of the Public Financial Management Act, 2016 (Act 921).

The Auditor-General urged management to provide justification for the payments of GH¢412,850.00 failure of which management would be surcharged.

At the time of the public hearing, management responded that it would ensure that all payments regarding funerals, medical refunds and other expenses are in line with approved policies of the Ministry or any relevant policies and circulars to regulate special circumstances such as delegations to represent the Ministry to limit cost.

The Committee recommended that management should provide justification for payments for the Auditor-General to verify within two (2) weeks.

## **7.12.0. MINISTRY OF TOURISM, ARTS AND CULTURE**

### **7.12.1. VAT Invoices not Obtained- GH¢2,062,068.00**

Contrary to Section 41 of the VAT Act 2013 (Act 870), the audit revealed that Management paid a total amount of GH¢2,062,067.87 in respect of 25 payment vouchers as VAT for goods and services to 15 payees but failed to obtain VAT receipts/ invoices.

The Auditor-General recommended that the Head of Finance should obtain the VAT invoices from the suppliers failing which the amount would be recovered from management.

At the time of the public hearing, the Committee noted that an amount of GH¢1,730,891.39 had been recovered leaving an outstanding amount of GH¢331,176.61.

The Committee recommends that management should seek police assistance to recover the outstanding amount from the Accountant.

### **7.13.0. MINISTRY OF TOURISM, ARTS AND CULTURE-HEADQUARTERS**

#### **7.13.1. Unsupported Payments -GH¢11,211,630.00**

Section 7 of the Public Financial Management Act, 2016 and Regulation 39 of the Financial Administration Regulations, 2004 were contravened by the Ministry as the audit revealed that management made a total payment of GH¢11,211,630.10 in respect of 257 payments vouchers during the period without the relevant supporting documents to authenticate the payments.

In the absence of the relevant records the Auditor-General was unable to validate the payments and therefore disallowed the total expenditure of GH¢11,211,630.10. Management was charged by the Auditor-General to recover the amount from the authorizing officers failure of which management would be surcharged.

The Committee observed from the reviews that, substantial amount of state resources are lost or mismanaged through payments that are not properly supported and accounted in the public sector by the officers charged with such tasks.

The Committee recommends that the officers who supervised the transactions should be sanctioned in accordance with Section 51 of the Public Procurement Act (Amendment Act, 2016) (Act914) and therefore recommended to the House for approval to enable the Attorney-General to prosecute these officials in accordance with the appropriate Laws governing such operations.

### **7.13.2. Unrecovered Loans to Staff, Non-Staff and Agencies of the Ministry - GH¢101,000.00**

The audit revealed that the Ministry had granted loans totalling GH¢101,000.00 to 11 beneficiaries between April 2018 and August 2018 in violation of Regulations 110 of the Financial Administration Regulations, 2004 and have since not made any recoveries from those involved.

The Auditor-General recommended that the Ministry should endeavour to recover the amount advanced to the staff and further charged the Management to put in place effective recovery mechanisms for advances in future.

The Committee noted during the discussions that some amount had been recovered leaving an outstanding amount of GH¢15,207.00.

The Committee recommended that the offenders should repay the loan within one (1) month failing which Management should be held liable and surcharged.

### **7.14.0. MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION**

#### **7.14.1. Un-economic rent payments - US\$5,246,183 and €1,993,475.00**

Review of the Missions accounting records disclosed that between 1<sup>st</sup> September, 2017 and 30<sup>th</sup> September, 2018, a total amount of US\$5,026,126.60; €1,993,475.38 and CFA128,895,958.98 (US\$220,053) was disbursed as rent for Residencies, Chanceries and residential accommodations of Home-based officers of 33 Missions. This contravenes Regulation 39 of the Financial Administration Regulation, 2004.

The expenditures were considered to be uneconomical and therefore not in line with prudent financial management.

The Auditor-General recommended that the Ministry should develop a clear and comprehensive policy guidelines to streamline the management of rented accommodations by the Missions.

At the time of the public hearing, Management explained that through the Ministry of Finance, a US\$50 million Societe - Generale facility had been acquired to renovate, construct and acquire new properties for some Missions to resolve these challenges the Ministry is confronted with.

The Committee recommends that Management should desists from such acts to avoid such anomalies.

#### **7.14.2. Non-Transfer of Revenue by Missions to designated Investment Accounts - US\$2,858,200 and €249,204**

In contravention of Instruction 34 of the Foreign Service Accounting Instructions, a review of the financial records disclosed that 19 Missions did not transfer the Ministry's required portion of 65% revenue totalling US\$2,757,943.61; €249,203.79 and DH972,845.00 (US\$100,256) into the designated investment accounts in London, Washington DC and Berlin.

It was further noted that the un-transferred revenue was, in some instances, utilised by the Missions without any authorisation while what was accumulated in the Special Collections Account did not attract any bank interest.

However, it was explained that by directives of the host governments, the Missions are normally not allowed to transfer funds outside the jurisdictions of their operations which often than not, result in such lapses. Other reasons include lack non- receipts of Goods and Services Votes as well as low revenue generation leading to lack of funds to perform adequately.

The Committee recommends that Management should intensify supervision and should also take a second look at the Instruction 34 to synchronise it with host country directives in order to achieve the desired result.

### **7.14.3. ALGIERS MISSION**

#### **7.14.4. Revenue Not Accounted for by Honorary Consulate in Tunis, Tunisia- \$19,741.00 and €300.00**

It was disclosed during the audit that between 7<sup>th</sup> January, 2014 and 6<sup>th</sup> April, 2018, the Consulate in Tunis collected consular fees amounting to DT55,331.00 (\$19,740.63) and €300.00 with eight (8) GCRs however, the Honorary Consul failed to transfer the amounts to the Mission in Algiers.

It was further disclosed that one GCR and two (2) Visa Sticker Booklets issued to the Honorary Consul had not been accounted for.

The Auditor-General recommended that Management should recover the DT55,331.00 (\$19,740.63) and €300.00 from the Honorary Consul. He further recommended to the Mission to compel the Honorary Consul to present the Value Books and any outstanding amounts for authentication by the Auditors.

The Committee noted that \$5,041.00 was recovered leaving an outstanding amount of \$14,700 and €300.00.

The Committee was further informed that several attempts have been made by the Ministry, including a visit by the Accounts and Consular officers, towards recovering the accrued amount and rectifying existing anomalies in the financial administration of the Tunisia Consulate.



It was also ascertained that since Tunisia's Banking Regulations prohibit transfer of funds outside that country, however, discussions are underway with the Tunisian Foreign Ministry to assist in the opening a bank account in that country into which all consular fees would be lodged.

At the time of the public hearing, the Committee noted through management's explanation that three (3) value books, were in use during the time of the audit. This was to avoid any disruption in the issuance of visas at the time.

## **8.0. OTHER AGENCIES**

### **8.0.1. OFFICE OF THE ADMINISTRATOR OF STOOL LANDS**

#### **Uncollected Revenue - GH¢71,617.00**

Review of Revenue Registers disclosed that 215 tenants owed the Office of the Administrator of Stool Lands a total amount of GH¢71,616.75 as farm and ground rent, in contravention of Regulation 23 of the Financial Administration Regulation, 2004.

The Auditor-General recommended a full recovery of the amount involve from the defaulting tenants by the Administrator as required.

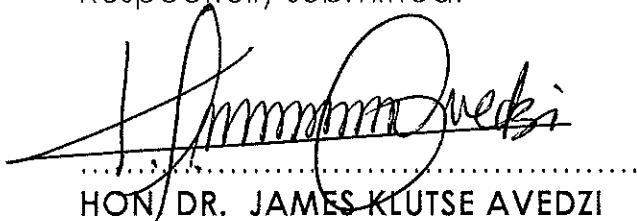
The Committee noted that amount had not yet been recovered from the defaulters and therefore recommends that the management should make frantic efforts to recover the amount from the defaulters within three (3) months and present evidence to the Auditor-General failing which both the Administrator and the Management would be held liable.

## 9.0. CONCLUSION

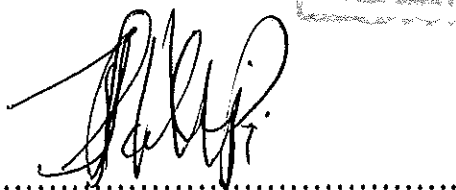
The Committee has carefully considered the Report and finds that the Auditor General duly prepared same by examining the accounts submitted and expressed his opinion thereon pursuant to Article 187 of the 1992 Constitution and Section 80(4) of the Public Financial Management Act, 2016 (Act 921).

The Committee recommends to the House, in view of the foregoing, to adopt the Committee's Report on the Report of the Auditor-General on the Public Accounts of Ghana - Ministries, Departments and other Agencies (MDAS) for the Financial Year Ended 31<sup>st</sup> December, 2019.

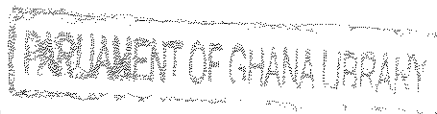
Respectfully submitted.



.....  
HON. DR. JAMES KLUTSE AVEDZI  
CHAIRMAN, PUBLIC ACCOUNTS COMMITTEE



.....  
JOANA A. S. ADJEI (MRS)  
CLERK, PUBLIC ACCOUNTS COMMITTEE



NOVEMBER, 2022

## PROSECUTION LIST

1. Ashaiman Polyclinic
2. Ministry of Tourism, Arts and Culture - Headquarters

