



**IN THE SECOND SESSION OF THE
SIXTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

**REPORT OF THE SPECIAL BUDGET
COMMITTEE**

ON THE

**2015 ANNUAL BUDGET ESTIMATES OF
THE PUBLIC SERVICES COMMISSION**

**IN THE SECOND SESSION OF THE SIXTH PARLIAMENT OF THE
FOURTH REPUBLIC OF GHANA**

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ANNUAL BUDGET ESTIMATES OF THE PUBLIC SERVICES
COMMISSION**

1.0 INTRODUCTION

In accordance with article 179 of the 1992 Constitution, the Hon. Minister for Finance, Mr. Seth Terkper presented the Budget Statement and Economic Policy of the Government for the year ending 31st December, 2015 to Parliament on Wednesday, 19th November 2014.

Pursuant to Order 140(4) of the Standing Orders of the House, the Rt. Hon. Speaker referred the Annual Budget Estimates of the Public Services Commission (PSC) to the Special Budget Committee for consideration and report.

2.0 DELIBERATIONS

The Committee met with the Vice-Chairman of the PSC, Dr. Lawrence A. Kannae, the two Commissioners, Mrs. Janet Forfie and Mr. Roberston Adotei, officials of the PSC and the Ministry of Finance on Thursday, 4th December 2014 and considered the referral.

The Committee extends its appreciation to the Vice-Chairman of the PSC and all officials present at the Committee's sitting for their input.

3.0 **REFERENCE DOCUMENTS**

The Committee made reference to following the documents during its deliberations:

- a. The 1992 Constitution of the Republic of Ghana.
- b. The Standing Orders of the Parliament of Ghana.
- c. The Budget Statement and Economic Policy of the Government of Ghana for the 2014 Financial Year.
- d. The Public Services Commission Act, 1994 (Act 482).

4.0 **MANDATE OF THE PUBLIC SERVICES COMMISSION**

The mandate of the PSC is to formulate and monitor the implementation of policies and guidelines for the efficient management and development of the human resource base of the public service, with the view of improving the capacities of public servants to increase productivity and efficient service delivery.

5.0 **PERFORMANCE IN 2014**

5.1 For year 2014, the Commission was allocated an amount of **Three Million, Four Hundred and Eighty-Three Thousand, Eight Hundred and Five Ghana Cedis (GH¢3,483,805.00)** for the implementation of its programmes. The breakdown by item was as follows:

Item	Amount (GH¢)
1. Compensation of Employees	1,957,485.00
2. Goods and Services	1,255,928.00
3. Assets	<u>270,392.00</u>
T O T A L	<u>3,483,805.00</u>

5.2 Out of the Allocation of GHC3,483,805.00, the Committee noted that as at October 2014, a total of GHC2, 563,619.00 representing 74% of the allocation to the PSC for the implementation of its planned programmes had been released. But actual cash expended so far amounted to GHC1,073,284.81 with the remaining yet to be credited by the Controller and Accountant General Department.

The approved GoG allocation as against releases and actual expenditure of the PSC is presented in Table 1.

Table 1.

**APPROVED ALLOCATION AND ACTUAL EXPENDITURE
(JANUARY - OCTOBER 2014)**

<i>Item</i>	<i>Approved Allocation GH¢</i>	<i>Amount Released GH¢</i>	<i>Approved Allocation less Actual Releases GH¢</i>
<i>Compensation Of Employees (PE)</i>	1,957,485.00	1,549,568.00 (79%)	407,917.00 (21%)
<i>Goods And Services</i>	1,255,927.00	803,671.00	452,256.00 (36%)
<i>Assets</i>	270,393.00*	210,380.00	60,013.00
<i>Total</i>	3,483,805.00	2,563,619.00	920,186.00

* *Slashed by 30% in the course of the year*

- Table 1 shows that, in 2014, the approved budget for Employee Compensation (PE) for the PSC was GHC1,957,485.00. As at October 2014, 79% of the allocation for PE had been released.
- The approved allocation for Goods and Services is GHC1, 255,927.00. As at October 2014, an amount of GHC803,671.00 had been released to the Commission, leaving a negative variance of 36%.

- With regard to Assets, the GHC270,393.00 that was allocated in the Budget suffered a 30% slash in the course of the year, thereby reducing it to GHC210,393.00. This amount has been committed for the procurement of an elevator for the building housing the Commission. According to Officials of the Commission, the amount has been released and the contract has been executed but actual cash payment is yet to be effected.

5.3. **ACHIEVEMENTS IN 2014**

Notwithstanding, the budgetary constraints that plagued the PSC in the financial year, the Commission managed to achieve some set objectives for year 2014, some of which has been stated below as follows;

5.3.1 Improving Human resource Management

As part of efforts to improve human resource management, the Commission sensitized 200 HR Directors/Managers of MDAs on the comprehensive Human Resource Management Policy Framework and Manual. In addition, 70 HR Directors of MDAs were trained to also train other staff on the new performance appraisal instrument.

5.3.2 Human Resource Management Information system piloted

Under the Human Resource Management Information System (HRMIS), 9 MDAs were piloted and data on 70 percent captured and validated into the system. The Service commenced an HR audit to determine establishment levels of positions in the 9 pilot MDAs to enhance the credibility and enforcement of controls of the payroll system.

5.3.3 The development of scheme of service policies for public institutions

In order to streamline schemes of services for public service institutions, the Commission facilitated the development of scheme of service policies for twenty (20) public service institutions. Recruitment and promotion interviews were conducted for 50 MDAs, whilst, the Commission served on 129 recruitment and promotion interview panels of public service institutions.

5.3.4 Training of PSC staff in various Human Resource Issues

With the support of the Capacity Development Mechanism Project and the Canadian Government, the PSC was able to expand to 52 the training of staff of the Commission in various Human Resource issues, including Organisation Design, Human Resource Planning and Auditing, interviewing skills, report writing, cabinet Memo Writing and others.

6.0 OUTLOOK FOR 2015

6.1 For year 2015, the PSC plans to undertake the following programmes among others:

6.1.1 To roll out the implementation of the comprehensive Human Resource Management, Policy Framework and Manual across the Public Services by undertaking on-site training and sensitization for MDAs.

6.2.2 First phase of the Human Resource Management Information System (HRMIS) involving the pilot MDA's will be activated in the first quarter and by the end of the year 100 MDAs/ MMDAs would be rolled onto the system. The Commission will also carry out an HR

audit on the rest of the MDAs to determine their human resource levels to ensure payroll controls.

6.3.3 The State of the Public Service Report will be developed and a Governance Manual for the management of public servants launched in the course of the year

7.0 2015 BUDGETARY ALLOCATION

7.1 For the implementation of the above programmes and activities, an amount of **Twelve Million, Six Hundred and Fifty Six Thousand, Five Hundred and Eighty Two Cedis (GH¢12,656,582.00)** has been allocated to the PSC for 2015 financial year. Out of total allocation, GH¢9,000,000 of it representing 71% is from ABFA whilst the rest is GOG funding.

7.2 The breakdown of the total budgetary allocation for 2015 in comparison with approved allocation for 2014 and the differences is shown in Table 2:

TABLE 2
2015 Budget Allocation as against 2014 Approved Allocation

<i>Budget Item</i>	<i>Budget Allocation for 2014 GH¢</i>	<i>Budgetary Allocation for year 2015 GH¢</i>	<i>Difference btn 2014 allocation and 2015 GH¢</i>
<i>Compensation Of Employees</i>	1,957,485.00	1,950,655.00	-6,830
<i>Goods and Services</i>	1,255,927.00	10,255,927.00	9,000,000
<i>Assets</i>	270,393.00	450,000.00	179,607
TOTAL	3,483,805.00	12,656,582.00	9,172,777 (72%)

The Table indicates a difference of about **GH¢9,172,777** representing **72%** increment over the 2014 allocation. The increment is mainly allocated to the Goods and Services expenditure of the Commission for 2015.

8.0 OBSERVATIONS AND RECOMMENDATIONS

8.1 Implementation of the a nationwide Human Resource Audit in public institutions

The Committee noted a marked difference of GH¢9,172,777 (72%) of 2015 PSC's allocation over that of 2014. The remarkable difference was explained as earmarked for the carrying out of a nationwide Human Resource Audit in all public institutions to determine human resource levels and the optimum number of positions for each MDA/ MMDA.

The exercise will also help to facilitate effective placement of management at entry, progression and exit points in the public services and help in identifying excess labour force for deployment to other organisations in deficit.

The Committee endorses this programme and is of the view that, the Commission adopts best practices in public service human resource management which demands that, at least, human resource audit should be carried out every three years. This would provide accurate head count figures to ensure certainty of the size of employee compensation of the budget and accordingly help in eliminating 'ghost' names in the payroll to free resources for the development of other critical social sectors of the economy.

8.2.1 Urgent need for four wheel drive vehicles for the implementation of the public Service-wide human resource programme

The Committee observed that, in order for the PSC to carry out its laudable programme of auditing the human resource levels of the entire public service across the length and breadth of the country, it would require four wheel drive vehicles for effectiveness. It was, however, sad to note that currently, the Commission has only one broken-down Nissan Patrol Vehicle and has budgeted to restore it, by procuring a reconditioned engine at a cost of **GHC70,000.00**.

The Committee was convinced about the urgent need for four wheel drive vehicles for the PSC but was of the view that, it would not be cost effective to use GHC70,000.00 for the purpose for which it is stated, since the results cannot be guaranteed.

The Committee is therefore recommending to the Ministry of Finance to allow PSC to reallocate part of the Goods and Service Votes to add up to the GHC70,000 already budgeted under Assets to procure at least one new cross country vehicle.

8.3 Retention of Internally Generated Funds (IGF)

The PSC generates funds internally from space rental on its rooftop to MTN, canteen rentals and examination fees. For 2015, the PSC's projected IGF is GHC35,600.00. The breakdown is as follows:

	GHC
i. Space rental on rooftop	7,000.00
ii. Canteen rentals	3,600.00
iii. Examination Fees	<u>20,000.00</u>
T O T A L	<u>35,600.00</u>

The Committee observed from the main budget document that, despite several applications from the Commission and appeals from the Special Budget Committee to the Ministry of Finance to allow PSC retain this small IGF to augment its annual allocation, the Ministry has not given heed to either supplications.

The Committee is again appealing to the Ministry of Finance to allow the PSC to retain its IGF for the maintenance of at least its office building and other related expenditure.

9.0 CONCLUSION

In the light of the above, the Committee recommends to the House for approval, the sum of **Twelve Million, Six Hundred and Fifty Six Thousand, Five Hundred and Eighty Two Cedis (GH¢12,656,582.00)** for the implementation of the programmes of the Public Services Commission for the 2015 financial year.

Respectfully submitted.


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HON. ALBAN S.K. BAGBIN
(MAJORITY LEADER & CHAIRMAN,
SPECIAL BUDGET COMMITTEE)


.....
AKUA DUROWAA OWUSU AGYEKUM (MRS)
(CLERK TO THE COMMITTEE)

10th DECEMBER, 2014

