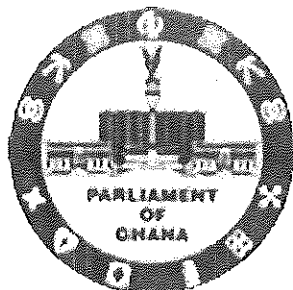


IN THE FIRST SESSION OF THE EIGHTH PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA



**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE
REPORT OF THE AUDITOR-GENERAL ON THE ACCOUNTS OF
DISTRICT ASSEMBLIES FOR THE FINANCIAL YEAR ENDED 31ST
DECEMBER 2017**

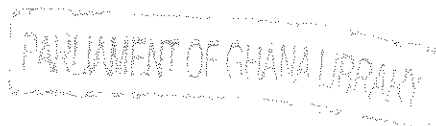
1.0 INTRODUCTION

The Report of the Auditor-General on the Accounts of District Assemblies' for the financial year ended 31st December, 2017 was presented to the House on by the Majority Leader and Minister for Parliamentary Affairs and referred to the Public Accounts Committee (PAC) for examination and report 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 organisations and report to Parliament.

2.0 ACKNOWLEDGEMENT

To consider the Report, the Committee met with the Chief Executive Officers of all MMDAs and their technical staff as well as officials of the Audit Service. The Committee is grateful to them for their 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. Local Government Act, 1993 (Act 462)
- xi. The Financial Administration Regulations 2004 (L.I. 1802)
- xii. Financial Memoranda for District Assemblies
- xiii. Guidelines on the Utilisation of Internally Generated Funds

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 MMDAs is a true and fair reflection of their financial positions and whether expenditures were done in line with existing public financial management legislations. The Auditor-General also sought to ascertain the extent of compliance with applicable laws and guidelines regulating public financial management in general and the utilisation of the Internally Generated Funds of the various, Metropolitan, Municipal and District Assemblies in particular.

5.0 METHODOLOGY

In undertaking this exercise, the Committee received both oral and written submissions from the officials of all the MMDAs indicted by the Auditor-General. Status report on the findings and implementation of the recommendations of the Auditor-General was also presented to the Committee by Officials of the Audit Service at the Regional and District levels. All MMDAs cited in the Auditor-General's report appeared with their Heads of the institution, accountants and, where necessary, officers who supervised the infractions identified by the Auditor-General. They subscribed to an oath and answered questions on the infractions relating to their institutions.

6.0 SUMMARY OF AUDITOR-GENERAL'S REPORT

The Auditor-General in pursuit of his mandate under Article 187 (2) of the 1992 Constitution and Section 121 of the Local Government Act conducted an audit on the Management and Utilisation of the Internally Generated Funds (IGF) of the various Metropolitan, Municipal and District Assemblies for the financial year ending 31st December, 2017.

The Audit, which covered 216 MMDAs was guided by International Standards of Auditing as well as International Organisation of Supreme Audit Institutions (INTOSAI) and English Speaking Sub-Group of the African branch of International Standards of Auditing as well as International Organisation of Supreme Audit Institutions (AFROSAL-E) auditing standards. The Auditor-General was also guided by Section 13 of the Audit Service Act, 2000 (Act 584). The Auditor-General set out to ascertain whether:

- a. The accounts of all MMDAs have been properly kept;
- b. All public monies collected have been fully accounted for, and rules, regulations and procedures are sufficient to provide effective check on the assessment, collection and proper allocation of revenue;
- c. Monies have been expended for the purposes for which they were appropriated and expenditures made as authorised;
- d. Essential records were maintained and the rules and procedures applied are sufficient to safeguard and control public assets;
- e. Programmes and activities of the Assembly have been undertaken with due regard to Economy, Efficiency and Effectiveness in relation to the resources used and the results achieved; and
- f. To ascertain the extent of compliance with applicable laws regulating public Financial Management in Ghana.

At the end of the audit, the Auditor-General identified extensive weaknesses and deficiencies in internal controls in the operation of the Assemblies. There is also pervasive non-compliance with existing legislative instrument and frameworks, managerial lapses and weak monitoring procedures at both ministerial, managerial and legislative and administrative levels of the Assemblies. The lapses were identified under cash irregularities, contract, procurement and stores, and tax irregularities.

These deficiencies created avenues for some officials to mismanage resources of the Assemblies' to a financial value of **GH¢12,223,574.85**. A summary of the irregularities is presented in Table 1.

Table 1. Summary of Irregularities

Type of Irregularity	No. of MMDAs Involved	Cash Value (GH¢)
Cash Irregularity	191	8,452,270.81
Procurement and Store Irregularities	24	407,498.02
Payroll Irregularities	36	418,061.30
Statutory Tax and Deduction Irregularities	19	88,128.86
Contract Irregularities	60	2,857,615.86
Unaccounted GCRs/Other value Books	29	585.00 GCRs
Total		12,223,574.85

The Auditor-General attributed the pervasive infractions to the failure of the Ministry of Local Government, Rural Development and Decentralisation to implement the admonitions and recommendations in the previous reports of the Auditor-General. He urged the Minister to ensure that all the recommendations in this report are implemented to improve and raise the standard of financial administration in the Assemblies.

To address the issue of cash irregularities, the Auditor-General recommended that, in the absence of supporting documents to authenticate the propriety of payment vouchers, the District Coordinating Directors and District Finance Officers involved should account for the funds involved. All unretired imprests should be treated as advances to the imprest holders and recovered accordingly.

On Contract Irregularities, the Auditor-General recommended to the Assemblies to immediately address the issue of abandoned projects, ensure that payments are made only based on certificates which have been duly certified by engineers and supported by monitoring reports. He also recommended that any official found culpable for contract irregularities that have occasioned loss to the Assembly should be surcharged.

To control procurement irregularities, he recommended strict compliance with relevant regulations on procurement and stores management. He also urged strict compliance with the Public Financial Management rules to avoid penalties for delay in the remittance of taxes and failure to withhold taxes. He further recommended that any official whose action or inaction causes a tax penalty to the Assemblies should be surcharged with the amount.

7.0 ERRORS AND OVERSTATEMENT

The Committee noted that the total value GH¢4,272.07 recorded in the name of Ewutu Senya East District Assembly for Special Imprest not accounted for relates to Ewutu Senya District. Additionally, 48 Value books recorded to have been suppressed by Ejura Sekyeredumasi Municipal Assembly was also recorded inadvertently. The Net effect is that, these errors have no effect on the total financial value of the irregularities identified by the Auditor-General. The Committee therefore urges the Auditor-General to ensure the Officers of his outfit be more diligent when compiling reports to prevent future recurrence of such errors.

8.0 STATUS OF IMPLEMENTATION OF AUDITOR-GENERAL'S RECOMMENDATIONS

The Committee noted that a number of the infractions uncovered by the Auditor-General had been addressed by the Assemblies prior to appearance before the Committee. At the time of Committee sitting, affected Assemblies had either regularised the transactions or refunded monies expended without due regard to laid down regulations. A total amount of GH¢**10,456,327.01** (85.54%) out of a total infraction of GH¢**12,223,574.85** was either resolved leaving a balance of GH¢**1,767,247.84** (14.46%) unresolved. Table 2 show a summary of resolved and outstanding issues at the time of Committee sittings.

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Table 2: Resolved and Outstanding Irregularities

Type of Irregularity	Cash Value (GH¢)	Amount Resolved (GH¢)	Amount Outstanding (GH¢)	% of Irregularities Resolved
Cash Irregularity	8,452,270.81	7,280,914.98	1,171,355.83	86.14
Procurement and Store Irregularities	407,498.02	289,525.68	117,972.34	71.05
Payroll Irregularities	418,061.30	235,344.81	182,716.49	56.29
Statutory Tax and Deduction Irregularities	88,128.86	73,201.77	14,927.09	83.08
Contract Irregularities	2,857,615.86	2,577,339.77	280,276.09	90.19
Unaccounted GCRs/Other value Books	585.00 GCRs			
Total	12,223,574.85	10,456,327.01	1,767,247.84	85.54

NB: GCR means General Counterfoil Receipt

The Committee further noted that the infractions were resolved through direct cash refunds/payments, presentation of supporting documents to authenticate payments and general compliance with financial management rules and regulations as recommended by the Auditor-General. The mode of resolution of the irregularities uncovered by the Auditor-General is presented in the table below:

Table 3: Mode of Resolution of Irregularities

Mode of Resolution	Cash Value (GH¢)	% of Issues Resolved
Cash Recovery	2,488,240.70	23.80
Supporting Documents	1,903,619.34	18.21
Compliance	5,540,176.97	52.98
Others	524,290.00	5.01
Total	10,456,327.01	100

NB: Others include Completion of Project, putting projects to use, resumption of work on abandoned projects etc.

The Committee recommended that outstanding amounts should be recovered from the officers involved. The Committee also recommends sanctions for officers whose actions or inactions resulted in the malfeasance notwithstanding whether the

malfeasance was rectified or not in accordance with Regulation 8(4) of the Financial Administration Regulations.

The Committee at its meeting made a number of observations including;

1. The Committee noted that MMDAs failed to comply with MoF directive to charge 10% of workers salary as rent for occupying government bungalows. The Committee observed that, contrary to this directive, MMDAs use arbitrary charges of between GH¢5.00 to GH¢150.00 for occupants of similar apartment depending on the Fee Fixing Resolution of each Assembly. The effect of this is that, the assemblies are unable to raise enough resources from the rent charges to maintain the bungalows. As a result, occupants of these bungalows take up the responsibility to maintain the bungalows and the cost of maintenance credited to them as rent payment.
2. Policy directive from the Ministry of Finance directing all MMMDAs to pay percentage of salaries of occupants of government bungalows as rent is discriminatory in that its implementation will result in the charging of different rents for officials occupying similar accommodation. The Committee also noted that Assemblies in deprive areas rely on the low rent as an incentive to attract workers to the District. Implementation of the Ministry of Finance Directive will present additional difficulty to the deprived Assemblies and make it difficult to attract workers to the District.

In the light of the above findings the Committee in addition to upholding the recommendation of the Auditor-General regarding the outstanding irregularities, also recommends as follows:

1. that the Ministry of Finance revise its policy directive by fixing different rates for rents in Metropolitan, Municipal and Districts across the country to ensure equity and fairness and also to safeguard the incentive motive for rent fixing in deprived and rural areas. This in the view of the Committee will help Assemblies in deprived areas to leverage on low rent charges to attract the required workforce.

9.0 AUDIT ISSUES, COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

9.1 SUMMARY OF AUDIT FINDINGS

The findings of the Auditor-General in his report relate to cash irregularities, Procurement / Stores Irregularities, Contract Irregularities and Tax Irregularities. The overall impact of the irregularities amounted to GH¢12,223,574.85. The detailed analysis of the 2016 and 2017 irregularities is presented in table below:

Table 4: An analysis of 2016 and 2017 Irregularities

SN	Type of Irregularity	2017 (GH¢) Million	% of total irregularities
1	Cash Irregularity	8,452,270.81	69.45
2	Procurement and Store Irregularities	407,498.02	3.33
3	Payroll Irregularities	418,061.30	3.42
4	Statutory Tax and Deduction Irregularities	88,128.86	0.72
5	Contract Irregularities	2,857,615.86	23.38
	Unaccounted GCRs	585	
	Total	12,223,574.85	100.00

10.0 OUTSTANDING AND UNRESOLVED AUDIT FINDINGS

At the end of the Committee sitting the following issues remains unresolved:

10.1 UNSUBSTANTIATED PAYMENTS – GH¢1,538,095.20

Fifty-six (56) Metropolitan, Municipal and District Assemblies (MMDAs) made payments totaling GH¢1,538,095.20 but failed to support the expenditure with requisite documents such as invoices, receipts, to authenticate the payments. The Auditor-General recommended a recovery of the amounts involved from the District Coordinating Directors and Finance Officers in the absence of supporting documents to authenticate the payments. At the time of the Committee sitting, payments vouchers amounting to GH¢1,461,600.68 had been supported with the relevant documents and an amount of GH¢46,159.00 was recovered from the Coordinating Directors and Finance officers of Wenchi Municipal Assembly (GH¢13,372), Yendi Municipal

Assembly (GH¢3,780) and Tema Metropolitan Assembly (GH¢29,007) for failing to provide the requisite supporting documents to authenticate payments made leaving an amount of GH¢30,335.52 outstanding in the name of Tatala Sanguli District Assembly (GH¢5,736.00) and Wa Municipal Assembly (GH¢24,599.52).

The Committee recommended the recovery of the outstanding amounts from the Coordinating Directors and Finance Officers of the respective Assemblies.

10.2 RENT ARREARS -GH¢579,482.00

Thirty (30) assemblies failed to recover rent amounting to GH¢579,482.00. The Auditor-General recommended the recovery of the rent arrears at source from the salaries and other cash entitlements of the defaulters. At the time of the committee sitting it was discovered that an amount of GH¢401,106.66 was recovered from some of the Assemblies leaving an outstanding amount of GH¢178,415.34 in the name of the following Assemblies as seen in Table 5.

Table 5: Outstanding Rent Arrears

ASSEMBLY	AMOUNT (GH¢)	Recovery (GH¢)	OUTSTANDING AMOUNT (GH¢)
Ejisu Juaben Municipal Assembly	21,010.00	11,800.00	9,210.00
Atebubu-Amanfin District	11,120.00	7,650.00	3,470.00
Komenda Edina Eguafo Abirim	18,375.00	4,290.00	14,085.00
Berekum Municipal Assembly	130,919.00	91,235.00	39,684.00
Sunyani Municipal Assembly	29,900.00	23,654.00	6,240.00
Nadowli/Kaleo	7,995.00	0.00	7,995.00
Kpando Municipal Assembly	21,580.00	11,380.00	10,200.00
Sekondi-Takoradi Metropolitan Assembly	82,975.34	27,000.00	55,975.34
Abura Asebu Kwamankese District Assembly	35,550.00	4,000.00	31,550.00
Total	359,424.34	181,009.00	178,415.34

The Committee noted that Sunyani West recovered an amount of GH¢6,260 and additional GH¢17,394.00 was offset against renovation work done by the occupants. Berekum Municipal Assembly also recovered an amount of GH¢45,935, offset GH¢28,000 in exchange for media programs. Also, 4 toilets with rent value of GH¢12,980 were out of order at the time of the audit and 3 toilets with revenues amounting to GH¢4,320 are outside the district following the re-demarcation of the District in 2017.

The Committee recommended that, the outstanding rent should be recovered from salaries of the defaulters. The Committee further urges the Ministry of Local Government, Rural Development and Decentralisation to take steps to ensure rent is deducted from the salaries of staff of MMDAs who occupy official bungalows.

10.3 UNACCOUNTED REVENUE - GH¢829,474.41

Contrary to FAR 15 (LI 1802), forty-three (43) MMDAs failed to account for revenue amounting to GH¢829,474.41. The Auditor-General recommended that the amount should be recovered from the revenue collectors failure of which the Coordinating Directors, Finance Officers and the Head of Revenue Units of the respective Assemblies should be held jointly liable to refund the amount involved.

The committee noted at its sitting that the sum of GH¢656,648.87 had been recovered from revenue collectors, leaving an outstanding amount of GH¢172,825.54 to be recovered. The outstanding amounts are in the name of the following Assemblies:

Table 6: Outstanding Unaccounted Revenue

SN	ASSEMBLY	Revenue Unaccounted for (GH¢)	Amount Accounted (GH¢)	Outstanding (GH¢)
1	Dormaa Central Municipal Assembly	62,836.00	37,999.00	24,837.00
2	Gomoa East District Assembly	11,241.00	9,864.00	1,377.00
3	Ayensuano District Assembly	39,232.00	9,140.00	30,092.00
4	Ledzorkuku-Krowor Municipal Assembly	18,227.14	6,097.14	12,130.00
5	Wa Municipal Municipal Assembly	11,132.00	9,530.00	1,602.00
6	Akatsi South District Assembly	29,850.00	11,300.00	18,550.00
7	Elembele District Assembly	54,209.25	0.00	54,209.25
8	Nzema East District Assembly	3,198.60	2,163.00	1,035.60
9	Sekondi Takoradi Metropolitan Assembly	89,300.69	62,090.00	27,210.69
10	Sefwi Wiawso	6,648.00	4,866.00	1,782.00
	Total	325,874.68	153,049.14	172,825.54

The Committee recommends that the outstanding amount should be recovered from the Coordinating Directors, Finance Officers and the Head of Revenue Units who supervised the transactions at the respective Assemblies.

10.4 UNCOLLECTED REVENUES- GH¢1,330,705.06

The audit discovered that fifteen (15) assemblies flouted Section 96 of the Public Financial Management (PFM) Act 2016, Act 921, which states, among others, that a person acting in an office or employment connected with the procurement or control of Government stores, or the collection, management or disbursement of amounts in respect of a public fund or a public trust who fails to collect monies due to Government commits an offence. The Auditor-General recommended that the Finance Officers of the Assemblies involved should ensure that all the outstanding revenues due to the assemblies are collected.

The Committee noted that an amount of GH¢991,950.70 had been recovered leaving a balance of GH¢338,754.36. The outstanding balance involves the following Assemblies:

Table 7: Unrecovered Revenue

Name of Assembly	Outstanding Revenue (GH¢)
Bunkpurugu/Yunyoo District Assembly	98,525.56
Sekondi/Takoradi Metro Assembly	96,874.00
Sefwi Wiawso Municipal Assembly	33,930.20
Agona East District Assembly	10,100.00
West Akim District Assembly	8,900.00
Dormaa Central Municipal Assembly	24,837.00
Wa Municipal Assembly	1,602.00
Effutu Municipal Assembly	3,592.00
New Juaben District Assembly	49,193.60
Akuapem North District Assembly	2,300.00
West Akim District Assembly	8,900.00
Total	338,754.36

The Committee recommends that the Assemblies involved should take steps to recover the amounts involved.

10.5 MISAPPLICATION OF FUNDS – GH¢269,542.03

Four (4) Assemblies misapplied a total of GH¢269,542.03 from child Labour support and School feeding for administrative expenses and project monitoring in contravention of Regulation 179 of FAR, 2004. The Auditor-General recommended that the respective Assemblies reimburse the respective accounts.

At the time of Committee sitting, it was noted that an amount of GH¢12,700 standing in the name of Tano South District Assembly has been refunded into the source

account leaving a balance of GH¢256,842.03 in the names of the following Assemblies:

Table 8: Misapplication of Funds

Assembly	Source of Account	Misapplication	Amount Outstanding (GH¢)
Sunyani Municipal Assembly	School Feeding	Administrative Expenses	49,000.00
Sefwi Wiawso Municipal Assembly	Mineral Royalty	Recurrent Expenditure	154,952.03
	Sustainable Rural Water and Sanitation Program	Confirmation of MCE	52,890.00
Total			256,842.03

The Committee recommends to the two Assemblies to refund the amounts to the various source accounts in compliance with the audit recommendations.

10.6 EMBLEZZLEMENT OF FUND -GH¢101,238.19

As stated in Regulation 17 of FAR, 2004 (LI 1802), a head of department shall ensure that all Non-Tax Revenues are efficiently collected. Contrary to this regulation, the Committee observed at its sitting that a former Accountant by name Mr. Alexander Gander of Kintampo North Municipal Assembly embezzled an amount of GH¢54,107.22 between June 2006 and July 2009.

The Committee further noted that the Assembly took the matter to court and judgement was entered against the defendant (Mr. Alexander Gander) on 22nd May 2012 to recover an amount of GH¢101,238.19 with an interest of 22% from 18th July 2012 to the date of final payment. The Committee noted that an amount of GH¢70,100.00 had been recovered from Mr. Alexander Gander leaving an outstanding amount of GH¢31,138.19 to be recovered.

The Committee recommends the recovery of the outstanding balance of GH¢31,138.19 from Mr. Alexander Gander in compliance with the audit recommendation.

10.7 UNRETIRED IMPREST - GH¢191, 854.89

The Committee noted that fifteen (15) Assemblies failed to retire imprests totalling GH¢191,854.89 in contravention of Regulation 288 of the Financial Administration Regulation, 2004 (L.I 1802), which requires that imprests shall be retired at the close of a financial year and any imprests not so retired shall be adjusted to a personal advance account in the name of the imprest holder.

The Committee further noted that fourteen Assemblies had retired their imprest leaving only WA Municipal Assembly with GH¢7,802.10, representing eight PVs, as unretired.

The Committee recommends that the Management of Wa Municipal Assembly should recover the outstanding amount of GH¢7,802.10 or be treated as a personal advance against the beneficiaries in accordance with Regulation 288 of FAR.

10.8 UNACCOUNTED VALUE BOOKS WITH FACE VALUE

Twenty-nine (29) Assemblies failed to account for 516 value books and 700 market and lorry tickets in contravention of Regulation 15 of FAR, 2004 (L. I. 1802). The Auditor-General recommended the recovery of the face value on the GCRs and market tickets from the Revenue Collectors. The Committee at its sitting noted that, 490 GRCs and 700 market and lorry tickets have been recovered. Additionally, the sum of GH¢23,977 was recovered from four (4) Assemblies as the face value of GCRs unaccounted for. The recovery is in the names of the following Assemblies:

Table 9: Cash Recoveries for Missing Value Books

Name of Assembly	No. of GCRs Unaccounted for	Amount Recovered (GH¢)
Sisali East District Assembly	1	715.00
Kwawu East District Assembly	4	5,500.00
Bole District Assembly	5	13,722.00
Aowin District Assembly	1	4,000.00
Total	11	23,937.00

This leaves fifteen (15) GCRs in the names of the following Assemblies unrecovered:

Table 10: Outstanding Unaccounted Value Books

ASSEMBLY	No. of GCR	Status
Bunkpurugu/Yunyoo District Assembly	5	
Birim North District Assembly	1	
Sefwi Akontombra	8	Ongoing police investigation on revenue collectors
Amenfi Central	1	be retrieved from the Revenue Collector
Total	15	

The Committee recommends that the face value of the fifteen outstanding GCRs should be converted into personal advance in the names of the revenue collectors involved and recovered from them. Additionally, the Finance Officers who failed to properly supervise the work of the revenue collectors should be sanctioned in accordance with Regulation 8(1) of the Financial Administration Regulations.

10.9 FUEL NOT ACCOUNTED FOR - GH¢98,614.39

During the sitting of the Committee, it was revealed that five Assemblies failed to present supporting documents to account for fuel purchased, which amounted to GH¢98,614.39. The Auditor-General recommended the recovery of the amount from the Finance Officers and Coordinating Directors.

The Committee established that Wa Municipal Assembly (GH¢66,782.64), Suaman District Assembly (GH¢15,294.00) and Essikado Ketan Sub-Metro (GH¢2,972.92) were the only three Assemblies that could not account for fuel purchases amounting to GH¢85,049.56. The Committee, therefore, recommended that the former Municipal Finance Officers and the Coordinating Directors of Wa Municipal Assembly, Suaman District Assembly and Essikado Ketan Sub-Metro should refund the amount of GH¢66,782.64, GH¢15,294.00 and GH¢2,972.92 respectively as recommended by the Auditor-General.

The Committee also recommends to the Auditor-General to exercise his power of surcharge and disallow any fuel expenses that is not logged and surcharge the drivers and officials to which the vehicles are assigned.

10.10 UNEARNED SALARIES- GH¢269,579.51

The audit disclosed that separated staff of twenty-six (26) Assemblies were paid a total unearned salaries amounting to GH¢269,579.51 in contravention of Regulations 297 and 298 of the FAR, 2004 (LI 1802). The Auditor-General recommended that the unearned salaries should be recovered from the beneficiaries failure of which the Human Resource Managers, Coordinating Directors and Finance Officers of the Assemblies involved should be held liable.

The Committee noted that an amount of GH¢174,965.69 has been recovered from twenty (20) Assemblies leaving six (6) Assemblies which failed to fully recover an unearned salary amounting to GH¢94,613.82 paid to staff for no work done. The unrecovered unearned salaries involve the following:

Table 11: Outstanding Unearned Salaries

ASSEMBLY	Name of Beneficiary(s)	Outstanding UNEARNED SALARY (GH¢)
Dormaa West Municipal Assembly	Emmanue K. Oppong	6,501.69
Tain District Assembly	Fati Abdalla	40,293.38
	Danona J. Grace	10,798.27
	Issifu Walkiatu	10,798.27
Wa Municipal	Kasim Sangua	1,719.00
Sissala East	Moses Valantine Kariga	7,921.70
	Batum Nachina	3,451.08
Prestea Huni /Valley District Assembly		10,401.51
Shama District Assembly		2,728.92
Total		94,613.82

The Committee recommends that the Assembly involved should pursue recovery of the outstanding amount of GH¢87,457.77 from the beneficiaries. In the case of Dormaa West Assembly the amount was unrecovered due to the laxity and total disregard for the audit recommendations by the Coordinating Director and the Finance Officer of the Assembly. The Committee therefore recommends that the sum of GH¢6,501.69 being unearned salary paid to Mr. Emmanuel K. Oppong should be recovered from the two Officers.

The Committee also recommends that an amount GH¢654.36 paid to Mr. Baba Nsor at the Tano South District Assembly should be written off. This follows the inability of the Assembly to locate the family of the deceased staff for recovery.

10.11 UNRECOVERED SALARY ADVANCE - GH¢148,481.79

The audit disclosed that ten (10) assemblies granted staff advances totaling GH¢148,481.79 to their members of staff but failed to recover the amounts in contravention of Regulation 110 of the FAR, 2004 (L.I.1802) which stipulates that a head of department, or the officer to whom the duties of the head of department have been delegated shall ensure that advances issued are duly recovered in accordance with the agreement. The Auditor-General recommended that the Assemblies should take steps to recover all sums due from Assembly staff.

It was discovered at the committee sitting that an amount of GH¢83,506.45 has been recovered leaving a balance of GH¢64,975.34 in the names of Cape Coast Metropolitan Assembly (GH¢9,000) and Sekondi-Takoradi Metropolitan Assembly (GH¢55,975.34.) unrecovered.

The Committee recommends that the two Assemblies should take urgent steps to recover the outstanding amounts OF GH¢64,975.34 from the beneficiary staff and tenants.

10.12 COMPLETED PROJECTS NOT IN USE - GH¢2,612,483.53

Regulation 39 of the FAR 2004 (L.I 1802) states that a head of department shall ensure that monies are utilised in a manner that secures both optimum value for money and the intention of Parliament. It emerged that two Assemblies paid a total of GH¢2,612,483.53 for the construction of projects which were completed but not put to use. The Auditor-General recommended that necessary steps should be taken to operationalise the projects.

The Committee noted during it's sitting that two projects completed by Sekondi Trakoradi Metropolitan Assembly at the cost of GH¢2,577,339.77 had been put to use. Agona East District Assembly however spent an amount of GH¢35,143.76 on the construction of a block factory on the 6th of September, 2013 but the factory had still

not been put to use. Officials explained to the Committee that the location of the block factory does not make it economically viable. The Assembly is therefore exploring other uses for the facility.

The Committee urges the Assembly to identify other uses for the project to avoid further deterioration of equipment on site.

10.13 DELAYED PROJECTS - GH¢245,132.33

The audit disclosed that Wassa East District Assembly made payments totaling GH¢245,132.33 to Alben Construction Co. Ltd for the construction of a Market Complex at Dabase. The project, which was awarded in November 2008 at a contract sum of GH¢401,557.57, was expected to be completed within seven months. However, the project, as of the Committee's sitting, had still not been completed. The Auditor-General recommended that Management of the Wassa East District Assembly should prioritise and complete the project before embarking on new ones.

The Committee noted that the delay in completion of the project is as result of insufficient revenue generated by the Assembly. The Committee recommends to the Management of the Wasa East Assembly to repackage the project and award it under the District Assemblies Common Funds to ensure timely completion.

10.14 FAILURE TO WITHHOLD TAXES - GH¢29,636.39

Section 117 of the Income Tax Act, 2015, Act 896 states, among others, that a withholding agent who fails to withhold tax in accordance with this provision shall pay the tax that should have been withheld in the same manner and at the same time as tax that is withheld. Contrary to the above Regulations, the Committee noted that ten (10) Assemblies failed to withhold taxes amounting to GH¢29,636.39.

The Auditor-General recommended that the spending officers and paying officers should be held personally liable for the recovery of the taxes lost.

The Committee observed at its sitting that nine (9) out of the ten Assemblies had recovered the withholding taxes amounting to GH¢27,250.26 and remitted same to the Ghana Revenue Authority. Sekondi-Takoradi Metropolitan Assembly however

failed to recover amount of GH¢2,386.13 in contravention to the audit recommendations.

10.15 FAILURE TO REMIT SSF CONTRIBUTIONS - GH¢49,262.70

The audit revealed that six Assemblies failed to remit the Social Security Fund (SSF) contributions of ten temporary employees totaling GH¢49,262.70 to SSNIT in contravention of Section 3 of the National Pensions Act 2008, Act 766. The Auditor General urged Management of the Assemblies involved to ensure that the affected employees were registered with SSNIT and the amount deducted from their salaries remitted.

The Committee observed that an amount of GH¢46,228.71 had been remitted by the Assemblies in compliance with the recommendations of the Auditor-General leaving a balance of GH¢3,303.99 in the Komenda-Edina-Eguafo-Abrem Municipal Assembly unremitted. Officials from the Assembly indicated that the staff involved were above forty-five year and could not be registered with SSNIT. The Committee also noted that many of the staff involved had separated from the Assembly making it difficult to locate. The Committee urges Management of Komenda-Edina-Eguafo-Abrem Municipal Assembly to refund the amounts deducted to the officers involved.

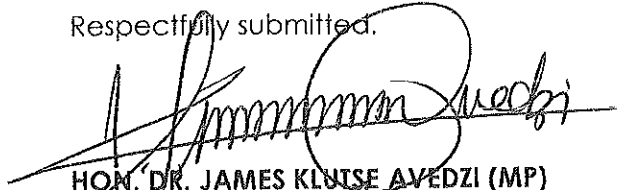
11.0 CONCLUSION

The Auditor-General's report and Committee deliberations revealed persistent weak internal control systems in many Assemblies resulting in the failure of accounts officers to adhere to financial management rules and regulations.

The Committee recommends to the management of MMDAs to implement all the recommendations captured in the Auditor-General's Report and Committee's report and report to Parliament in accordance with section 88 of the Public Financial Management Act 2016, (Act 921).

The Committee therefore recommends to the House to adopt its Report on the Report of the Auditor-General on the Public Accounts of Ghana on the Account of District Assemblies for the year ended 31 December 2017 with its recommendations in accordance with Order 165(3) of the Standing Orders of the House.

Respectfully submitted.



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



INUSAH/MOHAMMED (MR.)
CLERK, PUBLIC ACCOUNTS COMMITTEE

November 2021