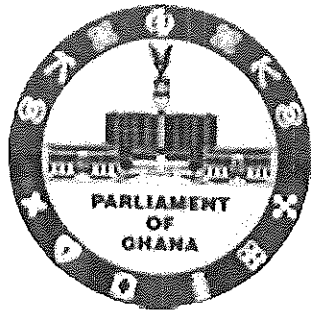


IN THE FIRST SESSION OF THE EIGHTH PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA



**REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE
REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC
ACCOUNTS OF GHANA (PRE-UNIVERSITY EDUCATIONAL
INSTITUTIONS) FOR THE FINANCIAL YEAR ENDED 31ST
DECEMBER 2017**

1.0 INTRODUCTION

The Report of the Auditor-General on the Public Accounts of Ghana (Pre-University Educational Institutions) for the year ended 31 December 2017 was laid before 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 organizations and report to Parliament.

2.0 ACKNOWLEDGEMENT

To consider the Report, the Committee met with the various Heads of Pre-University Educational Institutions and their technical teams as well as the Regional Directors of Education and a representative of the Minister for education. The Committee expresses its appreciation to them for the assistance.

3.0 REFERENCE

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

- i. The Constitution of the Republic of Ghana, 1992
- ii. The Standing Orders of the Parliament of Ghana
- iii. The Public Financial Management Act, 2016 (Act 921)
- iv. The Public Procurement Act 2003 (Act 663)
- v. The Public Procurement (Amendment) Act 2016 (Act 914)
- vi. The Audit Service Act, 2000 (Act 584)
- vii. The Internal Audit Agency Act, 2003 (Act 658)
- viii. The Income Tax Act 2015 (Act 896)
- ix. The Value Added Tax Act, 2013 (Act 870)
- x. The Financial Administration Regulations 2004 (L.I. 1802)

4.0 PURPOSE OF THE AUDIT

The purpose of the audit was for the Auditor-General to express his opinion on whether the financial statements of the pre-university educational institutions and the Colleges OF Education give a true and fair reflection of their financial positions and whether expenditures were made in line with existing public financial management legislations.

5.0 METHODOLOGY

In undertaking this exercise, the Committee zoned the country into four:

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

Two Hundred and Forty-five (245) schools out of two hundred and fifty (250) Pre-University Educational Institutions cited in the Auditor-General's report appeared with their Heads, the accountants and where necessary, officers who supervised the infractions identified by the Auditor-General. **Don Bosco Technical Institute in the Greater Accra Region, Wesley College in the former Brong Ahafo Region, AME Zion**

Educational Unit, Secondi College and Ada College of Education however failed to attend upon the Committee.

The Committee therefore recommend that the Audit Committees of the institutions mentioned above implement in full, the recommendations of the Auditor-General in the Report in relation to those institutions and report to Parliament without any delay.

6.0 AUDIT ISSUES, COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

6.1 OVERSTATEMENT

The Committee noted that the total value of irregularities in the Auditor-General's report was overstated by GH¢209,957.70. This brings the total infraction down to GH¢28,492,007.73 from GH¢28,701,965.43 stated in the report. The overstatement is in the following areas.

Table 1: Overstatement in the Auditor-Generals Report

Institution	Nature of Irregularity	Value of Irregularity in the Auditor-General's Report (GH¢)	Actual Value of Irregularity (GH¢)	Overstatement (GH¢)
Gowrie SHTS	Repairs without work order	13,680.70	4,209.00	9,471.70
Dzodze Penyi SHS	Unsubstantiated Payment	109,196.00	0.00	109,196.00
Tree Town SHS	Unaccounted Levies	167,760.00	76,470	91,290.00
Total		290,636.70	80,679	209,957.70

The error affected the value of irregularities regarding Stores/Procurement Irregularities and cash irregularities as identified by the Auditor-General. The adjusted irregularities are as follows:

Table 2: Adjusted Irregularities

S N	Type of Irregularity	Value per Auditor- General's Report 2017 (GH¢) Million	Overstatement (GH¢)	Adjusted Irregularities (GH¢)
1	Cash Irregularities	4,805,823.43	200,486.00	4,605,337.43
2	Stores/Procurement Irregularities	8,744,835.78	9,471.70	8,735,364.08
3	Payroll Irregularities	553,621.71		553,621.71
4	Tax Irregularities	659,859.47		659,859.47
5	Contract Irregularities	13,937,825.04		13,937,825.04
	Total	28,701,965.43	209,957.70	28,492,007.73

7.0 SUMMARY OF AUDIT FINDINGS

The findings of the Auditor-General in his Report relate to cash irregularities, Procurement / Stores Irregularities, Tax irregularities, Payroll irregularities and Contract Irregularities. The overall impact of the irregularities amounted to GH¢28,492,007.73. The Committee noted that the irregularities discovered by the Auditor-General increased from GH¢24,735,977.23 in the 2016 report to GH¢28,492,007.73 recorded in the 2017, representing a 15.18% increase in irregularities. The detailed analysis of the 2016 and 2017 irregularities are presented in table below:

Table 3: An analysis of 2016 and 2017 Irregularities

S N	Type of Irregularity	2016 (GH¢) Million	2017 (GH¢) Million	Variance (GH¢)	%
1	Cash Irregularities	8,527,504.33	4,605,337.43	3,922,166.90	(45.99)
2	Stores/Procurement Irregularities	12,539,621.85	8,735,364.08	3,804,257.77	(30.34)
3	Payroll Irregularities	134,741.37	553,621.71	418,880.34	310.88
4	Tax Irregularities	590,597.44	659,859.47	69,262.03	11.73
5	Contract Irregularities	2,943,512.24	13,937,825.04	10,994,312.80	373.51
	Total	24,735,977.23	28,492,007.73	3,756,030.50	15.18

8.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

The Committee noted that most of the institutions had complied with the recommendations of the Auditor-General in respect of the irregularities cited against them. The Committee observed that, out of a total irregularities of GH¢28,492,007.73 recorded in the 2017 audit report, irregularities amounting to GH¢26,272,574.51 representing 92.21% of total irregularities had been resolved leaving an amount of GH¢2,219,433.22 unresolved. The detailed analysis of the status of the 2017 irregularities are presented below:

Table 4: Status of 2017 Irregularities

Type of Irregularity	2017 Irregularities (GH¢)	Irregularities Resolved (GH¢)	Outstanding (GH¢)	% Resolved
Cash Irregularities	4,605,337.43	3,878,924.09	926,899.34	80.71
Stores/Procurement Irregularities	8,735,364.08	8,347,128.99	397,706.79	97.61
Payroll Irregularities	553,621.71	477,678.28	75,943.43	86.28
Tax Irregularities	659,859.47	644,876.04	14,983.43	97.73
Contract Irregularities	13,937,825.04	12,924,269.79	1,013,555.25	92.73
Total	28,492,007.73	26,272,877.19	2,219,433.22	92.21

NB: Except purchase from Non-VAT entities amounting to GH¢615,727.65 which involves cash recovery and GH¢397,827.60 taxes unrecovered, the remaining irregularities under Contract irregularities amounting to GH¢12,924,269.79 are compliance issues and the institutions involved have been complying with the recommendation of the Auditor-General.

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

Table 5: Mode of Resolution of Irregularities

Type of Irregularity	Mode of Resolution					Total
	Cash Recovery (GH¢)	Supporting Documents (GH¢)	Compliance (GH¢)	Recovery of Items (GH¢)	Completed / Ongoing Projects (GH¢)	
Unsupported Payments	61,591.50	2,211,285.69				2,272,877.19
Fund Unaccounted For	114,176.40					114,176.40
Misappropriation of Funds	13,604.30					13,604.30
Unpresented Payment Vouchers		346,764.32				346,764.32
Unretired Imprest		245,725.35				245,725.35
Rent Arrears	136,649.23					136,649.23
Unapproved Fees Collected	50,583.35					50,583.35
Unpresented Receipts/PTA Records		1,170,277.00				1,170,277.00
Uncredited School Fees	66,380.38					66,380.38
Overpayment	86,422.44					86,422.44
Unjustified Payments	41,340					41,340
Misapplication of Funds/Unaccounted Revenue	38,338.95					38,338.95
Uncompetitive Procurement			6,711,495.76			6,711,495.76
Purchases from Non VAT Entities	14,478.67					14,478.67
Payment without Certificate of works	6,609.00		500,948.14			507,557.14
Procurement Above Threshold			369,552.50			369,552.50
Unaccounted Stores				153,945.00		153,945.00
Fuel purchases not Accounted for			91,369.17			91,369.17
Unearned Salary	305,502.48					305,502.48
Overdue Advances	172,175.80					172,175.80
Evasion of VAT	2,620.09					2,620.09
Non Remittance of WHT	168,606.57					168,606.57
Non Deduction of WHT	87,912.44					87,912.44
Failure to Obtain VAT Invoice	355,184.34					355,184.34
Payment of TAX Penalty	33,172.69					33,172.69
Abandoned/Delayed Project					12,716,165.63	12,716,165.63
Total	1,755,348.63	3,974,052.36	7,673,365.57	153,945	12,716,165.63	26,272,877.19

The Committee also made the following observations during its sittings:

- a. There is generally weak supervision and enforcement of the recommendations made by the Auditor-General for heads of Institutions and accountants to be sanctioned for failing to comply with financial regulations in the use of public funds. The Ministry of Education, The Regional Directors and Districts Directors

of Education failed to sanction recalcitrant heads and officers in contradiction to the recommendations of the Auditor-General.

- b. The Ghana Education Service and the Regional and District Directorates of Education do not enforce the recommendations of the Auditor-General in respect of sanctioning Heads who go contrary to public financial management rules and GES directives. The effect is that, such infractions keep repeating themselves in blatant disregard to public financial management rules.

In addition to upholding the recommendations of the Auditor-General, the Committee also recommends that the GES should sanction any Regional or District Director who fails to sanction officers under their supervision in contravention of audit recommendations.

9.0 OUTSTANDING IRREGULARITIES

The unresolved irregularities amounting GH¢2,219,433.22 relates to the following Educational Institutions:

9.1 PROCUREMENT FROM NON VAT REGISTERED ENTITIES – GH¢615,727.65

The audit revealed that five Senior High Schools undertook procurement from non-VAT registered entities amounting to GH¢615,727.65 in breach of Regulation 183 (4) of FAR, 2004 (LI 1802). As a result, the VAT amount was lost to the State. The Auditor-General recommended that the Institutions involved should obtain VAT invoices from the suppliers and recover the taxes lost.

The Committee noted that all the institutions all the institutions involved had obtained VAT invoices from the suppliers and paid the VAT component in accordance with the recommendation of the Auditor-General except T.I Ahmmadiyya Senior High School which procured goods worth GH¢465,186 from non-VAT registered entities which remains outstanding.

The Committee further noted that all the institutions involved now purchase from only VAT registered entities in accordance with laid down regulations and the recommendations of the Auditor-General.

The Committee noted the difficulties involved in identifying VAT registered entities from whom items such as firewood and perishable vegetables could be purchased. However, procurement from non-VAT registered persons is a breach of the provisions of the Public Financial Management Act, 2016 (Act 921).

The Committee recommends that officers responsible for the lapses should be identified and sanctioned in line with Regulation 8 (4) of the Financial Administration Regulations, 2004. L. I. 1802. The Committee further reiterate its recommendation that, the Ministry of Education and the Ghana Education Service should engage GRA to establish agreed modalities for procuring perishables from non VAT entities.

9.2 UNCOMPETITIVE PURCHASES - GH¢6,762,205.56

Forty-nine (49) schools procured goods and services totalling GH¢6,762,205.56 without sourcing for alternative quotations from different sources in contravention of Section 20 of the Public Procurement (Amendment) Act, 2016, (Act 914). The Auditor-General, in addition to urging schools to ensure strict compliance with the Public Procurement Act, also recommended that the Heads and Accountants who supervised the transactions should be sanctioned in accordance with Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914).

The Committee however, noted that, the Ghana Education Service failed to sanction the Heads contrary to the recommendation of the Auditor-General. The Committee recommended that, the District Directors of Education who supervise the work of the Heads should be sanctioned for failing to implement the recommendation of the Auditor-General.

9.3 UNRECOVERED RENT – GH¢214,806.13

Twenty-two (22) Schools failed to collect rent amounting to GH¢214,806.13 from the staff occupying the schools bungalows. The Auditor-General recommended the recovery of the rent arrears from the defaulting staff.

At the Committee sitting, officials presented receipts duly authenticated by officials of the Audit Service indicating that all outstanding rent amounting to GH¢191,957.13 had been recovered, leaving an amount of GH¢22,849.00 unrecovered. The unrecovered rents are in the names of the following institutions:

Table 6: Outstanding Rent arrears

Name Institution	Rent Arrears (GH¢)	Recovery (GH¢)	Outstanding (GH¢)
Fosu College of Education	3,946.00	2,282.00	1,664.00
St. Francis College of Education	12,068.75	11,228.75	840.00
Shama Senior High School	640.00	0.00	640.00
Sekondi College	19,705.00	0.00	19,705.00
Total	36,359.75	13510.75	22,849.00

The Committee noted that, failure to collect and pay to chest revenues accruing to the State constitutes a breach of Regulations 171 and 179 of the Financial Administration Regulations.

The Committee further noted that all educational institutions have failed to implement the Ministry of Finance Directive which requires that all occupants of government bungalows should be made to pay 10% of their respective salaries as rent. The Committee recommends to the Controller and Accountant General to take steps to deduct rent at source from the salaries of all occupants of government bungalows to bring a stop to the issues of rent default.

9.4 WATER BILLS OF STAFF IN BUNGALOWS INCLUSIVE IN THE COLLEGE'S WATER BILL - GH¢441,638.69

The audit revealed that a total amount of GH¢441,638.69 owed by Komenda College of Education to the Ghana Water Company included water consumed by occupants of staff bungalows at the College's premises. The Auditor-General recommended the provision of separate meters to all bungalows to ensure that staff members pay their own bills.

The Committee noted that the bill remained unpaid and management also failed to provide separate meters for the occupants of the school bungalows. The Committee

recommends to the College to immediately institute a measure in place to ensure that occupants of school bungalows pay a flat rate pending the provision of meters.

9.5 UNEARNED SALARIES - GH¢445,553.81

Thirty (30) Schools failed to recover unearned salaries from separated staff amounting to GH¢445,553.81 in contravention of Regulation 297 of the FAR, 2004 (L.I. 1802). At the time of the public sitting, an amount of GH¢240,474.75 had been recovered, leaving an outstanding amount of GH¢205,079.06 in the names of the following institutions:

Table 7: Outstanding unearned salaries

	Institution	Name of Beneficiary	Unearned Salary (GH¢)	Amount Recovered (GH¢)	Outstanding (GH¢)
1	Swedru School of Business	Bright Donkor	34,295.34	Nil	34,295.34
		Andrew Goh	12,467.25	Nil	12,467.25
		Seth Brako	6,975.21	Nil	6,975.21
		Yaw Manu	11,482.56	Nil	11,482.56
		Kwame Kuubesugbe Puo	3,550.02	Nil	3,550.02
		Richard Ababio	13,566.88	Nil	13,566.88
2	Akokoaso SHS	unidentified	4,432.85	Nil	4,432.85
3	Presby SHTS, Adukrom	unidentified	20,584.62	10,320	10,264.62
4	Takoradi Senior High School	Agbo Eric	39,905.57	23,062.67	17,345.49
		Peter Sunu Asomani			5,717.18
5	Annor Adjaye SHS	unidentified	9,057.08	Nil	9,057.08
6	Adiembra SHS	unidentified	99,657.53	23,732.95	75,924.58
	Total		262,194.68	57,115.62	205,079.06

The Public Financial Management Act requires that all spending officers of government institutions must vet monthly payroll and approve it before they are given out for payment. This is to confirm that the payroll as approved is accurate and reflects the total staff at work.

The occurrence of unearned salaries implies that the spending officers are not performing their functions effectively as spelt out in Regulation 298 of the Financial Administration Regulations, 2004. Additionally, the Committee was provided evidence which shows delays and laxity on the part of officials of Controller and Accountant

General's Department to act timeously to delete names of separated staff upon notification.

The Committee recommends to the heads of the institutions involved to recover all outstanding amounts from the officers concerned, failure of which the spending officers should be surcharged. Further, all beneficiaries who failed to refund the unearned salaries should be reported to the police for prosecution. Compliance of this directive should be made through the status report to the Committee through the Auditor-General.

In a related development, a total amount of GH¢5,334.62 was paid to two unknown persons on the payroll of the Presbyterian Senior High School, Osu. The details of the beneficiaries are as follow:

a. Rahchiya Seidu	-	GH¢4,252.44
b. Benson Afedor	-	GH¢1,082.18
Total	-	GH¢5,334.62

The Auditor-General recommended that the officer in charge of the electronic salary payment at the Controller and Accountant Generals Department should be made to refund the amount.

The Committee noted that, the two names are not on the payrolls of the School and the Ghana Education Service confirmed that the officers are not staff of GES and are not on their payroll. The Committee recommends to the Controller and Accountant General to strengthen its internal control systems to avoid the reemergence of ghost names on government payroll. Additionally, the recommendation of the Auditor-General should be implemented.

9.6 CONTRACT ADVANCE PAYMENTS WITHOUT REFUND – GH¢13,000.00

The audit revealed that Obiri Yeboa Senior High School granted an advance of GH¢13,000.00 to a contractor (Hope for Hopeless) who was contracted by the GETFund to construct a girls hostel in the school. Though the contractor has fully executed the project and has been fully paid, he refused to refund the amount to the school. The Auditor-General recommended that the amount should be recovered from the contractor.

The Committee noted that an amount of GH¢7,000.00 has been recovered leaving a balance of GH¢6,000. The Committee noted that laxity on the part of the Headmaster to pursue the contractor for recovery resulted in the default. The Committee recommend recovery of the outstanding amount from the contractor failure which the Headmaster should be held personally liable.

9.7 UNSUPPORTED PAYMENTS – GH¢2,112,155.55

Fifty-five (55) Schools and Parent's Associations (PAs) failed to support expenditure incurred with invoices, receipts and acknowledgement by recipients to authenticate payments amounting to GH¢2,112,155.55. The Auditor-General recommended that the total amount should be recovered from the payees failing which the Headmasters and Accountants should be jointly held liable to refund the amounts involved

At the time of the Committee sitting, payments amounting to GH¢1,982,038.37 had been authenticated by supporting the payment vouchers with the required invoices, receipts among other supporting documents, and additional amount of GH¢65,243.50 was cash refunded by Headmasters and Accountants leaving a balance of GH¢64,873.68 unaccounted for. The outstanding unaccounted payments relates to the following institutions:

i.	Assin State College		GH¢8,150.00
ii.	Asawinso Senior high School	-	GH¢4,920.00
iii.	Shama Senior High School	-	GH¢25,963.52
iv.	Takoradi Senior High School	-	GH¢25,840.16
	Total		GH¢64,873.68

The Committee noted through its deliberation that, improper record keeping and poor supervision of account officers by heads of institutions and the uncooperative attitude of accounts officers to the audit process contributed largely to the large amounts of unsupported payments recorded in the audit report.

Regulation 1 of the Financial Administration Regulations, 2004, entrusts officers responsible for the conduct of financial business in institutions to keep proper records and submit them upon request for inspection. The Public Financial Management Act also provides for all payment vouchers to be supported with the necessary certificates, receipts and invoices to authenticate the payment.

The inability of management to substantiate payments made by the institutions by supporting the payment vouchers with the requisite supporting documents for audit verification is a breach of Regulation 8(1) of the Financial Administration Regulations. The Committee recommends that the Heads of the Institutions, the Accountants and any other officer responsible for the breach should be sanctioned in line with Regulation 8(4) of the FAR, 2004. Further, the payment vouchers should be substantiated and submitted to the Auditor-General for audit verification.

The Committee further recommends that the officers who supervised the payments should be surcharged with the amount if necessary supporting documents are not provided to authenticate the payments.

9.8 WRONGFUL DEBIT OF SCHOOL ACCOUNT - GH¢35,082.38

The Audit disclosed that the National Investment Bank, Wa, wrongfully debited the account of Islamic Senior High School with the sum of GH¢35,082.38 being government subsidy deposited in the School's account citing double payment as the reason. The Auditor-General recommended that the bank should refund the amount to the school account.

The Committee noted that all efforts by the school to get the bank to refund the amount failed. The Committee was informed that all documents, including Bank Statement, did not support the claims of double deposit. The Committee urged the District Directorate of GES to get involved in the resolution of the issue.

9.9 UNRETIRED IMPRESTS – GH¢7,879.00

The Headmaster of Klikor Senior High School failed to retire a total amount of GH¢7,879 granted to him as imprest for his travel expenses and the purchase of past question papers in contravention of Regulation 288 of the FAR. The Auditor-General recommended that the amount should be treated as personal advance and recovered from the Headmaster.

The Committee noted that the amount remains unrecovered, contrary to the recommendation of the Auditor-General. The Committee recommends that the Regional Director of Education should ensure recovery of the amount failure of which

an embargo should be placed on the salary of the headmaster and proceeds used to defray the indebtedness.

9.10 MISSING/ STOLEN LAPTOPS

The Audit disclosed that five (5) schools could not account for 56 Laptop computers supplied to the school. The Auditor-General recommended that the schools involved should take steps to retrieve the laptops failure of which the Headmasters and the Heads of ICT should be held personally liable. The Committee noted that nineteen (19) laptops have been retrieved leaving thirty-seven (37) outstanding. The remaining 37 laptops are in the names of the following institutions:

- a. St. Paul Technical School, Kukurantumi - 27 laptop
- b. Labone Senior High School - 10 laptops

The Committee noted that the Headmaster of St. Paul Technical School reported the theft to the Police. The case was investigated and concluded but the culprits were not apprehended; neither were the stolen laptops retrieved. The Committee recommends that the District Police Command should reopen the case, apprehend the perpetrators and recover the stolen items.

In the case of Labone Senior High School, Mr. Felix Ottopah Addin, who issued the laptops could not provide the names of the persons he issued the 10 laptops to. The Committee recommends that Mr. Felix Ottopah Addin should be held personally liable for the cost of the 10 laptops. Additionally, the Headmistress of the school should handover Mr. Felix Ottopah Addin to the police for further investigation.

The Committee also recommends that the heads of institutions and officers under whose custody the items were kept should be held responsible for the loss of the stores and sanctioned.

9.11 UNCREDITED LODGEMENT – GH¢17,327.78

The audit disclosed that the sum of GH¢17,327.78 lodged into the bank account of Keta Business College (GH¢2,451.60) and Ola Senior High School (GH¢14,876.18) were not credited to the schools accounts. The Auditor-General recommended that

management of the two schools should ensure that the amounts are lodged into the respective school accounts.

The Committee noted that a total amount of GH¢10,604.40 had been credited into the accounts of the two schools leaving a balance of GH¢6,723.38. The uncredited balance relating to the two schools as follows:

Table 8: Outstanding Uncredited Lodgments

Institution	Amount Uncredited (GH¢)	Amount Credited (GH¢)	Outstanding (GH¢)
Keta Business School	2,451.60	1,802.40	649.20
Ola Girls Senior High School	14,876.18	8,802.00	6,074.18
Total	17,327.78	10,604.40	6,723.38

9.12 UNPAID UTILITY BILLS- GH¢5,376,653.65

Ten (10) Senior High Schools owed the Electricity Company of Ghana Limited and Ghana Water Company Limited water and electricity bills amounting to GH¢1,625,958.57. In a related development, two (2) Colleges of Education, Bagabaga College of Education (GH¢3,309,056.39) and Komenda College of Education (GH¢441,638.69) owed the Electricity Company of Ghana Limited and Ghana Water Company Limited, water and electricity bills amounting to GH¢3,750,695.08. This brings the total indebtedness of the 12 educational institutions to GH¢5,376,653.65. The Auditor-General recommended for the Heads of the Institutions to liaise with the Ministry of Education for the settlement of the Bills.

The Deputy Minister of Education in charge of Technical and Vocational Education informed the Committee that, the utility bills of all pre-university educational institutions, including arrears accumulated have been absorbed by government under the Free Senior High School program. She assured the Committee that all the arrears would be settled by the government. The Ministry of Education has also entered into an arrangement with the Northern Electricity Company and the Electricity Company of Ghana for the settlement of all electricity arrears in all pre-university educational institutions. The Management of the schools informed the

Committee that, the bills had been submitted to the Ministry of Education through their respective District Education Directorates for payment.

The Committee noted that an amount of GH¢3,309,056.39 owed by Gabagaba College of Education (GH¢3,309,056.39), Komenda College of Education (GH¢441,638.69) remains unpaid. Additionally, a total amount of GH575,831.48 owed by three (3) Senior High Schools also remains unpaid. Details of the outstanding indebtedness of the schools is presented in table 9 below:

Table 9: Unpaid Utility Bills

Name of Institution	Water (GH¢)	Electricity Owe (GH¢)	Total (GH¢)	Amount Paid (GH¢)	Outstanding (GH¢)
Bagabaga College of Education	343,291.64	3,965,764.75	3,309,056.39	0.00	3,309,056.39
Komenda College of Education	441,638.69	0.00	441,638.69	80,000.00	361,638.69
St. Charles SHS	106,019.83	352,109.83	458,129.66	0.00	458,129.66
St Johns Integrated SHS	0.00	28,480.67	28,480.67	3,000.00	25,480.67
Sandema SHS	0.00	92,221.15	92,221.15	0.00	92,221.15
Total	890,950.16	3,438,576.40	4,329,526.56	83,000.00	4,246,526.56

The Committee however noted that the heads of the institutions were oblivious as to whether the bills were being paid or not. The Committee urged the Ministry to put in place measures to inform the management of schools when their bills are paid.

Regarding the indebtedness of the two Colleges of Education, the Minister indicated that the government equally entered an agreement with the Teacher Training Colleges for them to be responsible for the payment of their own utilities.

The Committee noted that delays in the payment of the bills will lead to further debt accumulation especially in the Colleges of Education which will put the institutions in distress.

The Committee urges the Management of the pre-university educational Institutions to ensure timely submission of bills to the Ministry to ensure prompt payment.

Regarding the continuous accumulation of utility bills by the Colleges of Education, the Committee noted that the Colleges do not generate sufficient revenues to enable them pay all their bills. This is as a result of the ridiculously low fees charge students for the use of utilities. The situation is further exacerbated by the inclusion of staff bills in the utility Bills of the some of the Colleges. The Committee recommends to the Ministry of Education to take steps to ensure the provision of utility meters to all occupants of staff bungalows on the various composes of the Colleges of education and further ensure staff members take responsibility for their utility bills. The Ministry should also in addition to increasing the fees charge student for utilities should also support the Colleges to clear the outstanding Bills to allow for the smooth running of the schools.

9.13 UNPAID STAFF ADVANCES– GH¢108,067.90

The audit revealed that 21 schools failed to recover advances amounting to GH¢108,067.90 granted to officials in contravention of Regulation 110 of the FAR, 2004 (LI 1802), which requires that a head of department shall ensure that advances granted are recovered in accordance with appropriate agreement. At the time of the public sittings an amount of GH¢86,637.90 had been recovered, leaving a balance of GH¢21,430.00. The list of institutions and amounts outstanding are as follows:

Table 10: Outstanding unpaid Staff Advances

SN	Name Of School	Total Advances (GH¢)	Amount Retrieved (GH¢)	Outstanding (GH¢)
1	Don Bosco Technical Institute	2,900.00	Nil	2,900.00
2	Wa Senior High School	15,000.00	Nil	15,000.00
3	Keta Senior High Technical School	26,746.30	23,216.30	3,530.00
	Total	44,646.30	23,216.30	21,430.00

The Committee noted that most of the advances granted by the schools are not covered by proper repayment agreements. We recommend to all heads of

institutions to ensure that all advances granted henceforth are covered by proper agreements to determine defaulters and for ease of collection.

9.14 FUNDS UNACCOUNTED FOR – GH¢741,366.65

The accounts officers of ten Schools collected various fees amounting to GH¢741,366.65 but failed to account for the fees collected in contravention of Regulation 17 of the Financial Administration Regulations 2004. The Auditor-General recommended that the officers involved should refund the amount to the schools and be sanctioned for breach of Financial Discipline. The Committee noted that an amount of GH¢736,037.65 has been recovered from the officers, leaving a balance of GH¢ 5,329 in the name of Mr. Lawrence Aboagye of Manji Senior High School unrecovered.

The Committee further noted that District Directors of education failed to sanction Mr. James Pepra (GH¢31,037.00) of Wenchi Methodist Senior High School and Mr. Lawrence Aboagye (GH¢25,229.00) of Manji Agric Senior High School for embezzling school fees amounting to GH¢56,266.00, though the amounts have been recovered.

The Committee noted that the lapse was as a result of inefficient supervision by the Heads of the institutions involved. The Committee recommends that the Accounts officers involved must refund the outstanding amount with interest calculated at the Bank of Ghana base rate for the period they kept the funds. Additionally, the Ghana Education Service must also sanction the officers in accordance with the Code of Ethics for GES staff.

In a related development, the Committee noted that an amount of GH¢6,440, being embezzled PTA funds recovered by EOCO on behalf of Paga Senior High School, was not paid to the School. The Committee recommends that EOCO should release the funds to the PTA to allow for the smooth running of the school.

9.15 MISAPPROPRIATION OF FUNDS – GH¢580,836.20

The audit revealed that the Headmaster, the Bursar and the Secretary of Nkoraman Senior High School jointly and variously connived and misappropriated the sum off GH¢580,836.20 being fees paid by 12 students, illegal fees collected from some 335

students and through the alteration of official receipt. The Auditor-General attributed the irregularity to a deliberate attempt by the Headmaster, Mr Joseph Abudu; the Bursar, Mr Ranford Boahene and the Secretary to the Headmaster, Ms. Owusu Rebecca, to manipulate the schools accounting systems for their personal benefits. The Auditor-General recommended that the three officers should be jointly held liable to refund the sum of GH¢580,836.20 to the school. The case should also be reported to the Police for further investigation.

The Committee observed that the Headmaster, Mr. Joseph Abudu, has refunded an amount of GH¢12,604.30 being the total amount of fees paid by 12 students whose names were not in the students ledger to the school. The remaining amount of GH¢568,231.90 however remains unrecovered and the case was not reported to the police contrary to the recommendation of the Auditor-General.

Management of the school expressed doubts about the amount stated in the report and requested for further verification with the Auditor-General. The Committee recommends to the Auditor-General to further verify the claim of the school management to establish the actual amount embezzled and recover same from the officers involved.

9.16 UNAUTHORISED COLLECTION OF FEES – GH¢76,192

The Committee noted that the Management of Adiembra Senior High School levied 2,381 students with an amount of GH¢32 each and collected GH¢76,192.00 as anniversary fees for the 2016/2017 academic year without approval from GES contrary to GES policy on the levying of fees. The Auditor-General recommended that the management of the School should be sanctioned for noncompliance with the GES directive.

The Committee further noted that the District Education Director and the Director-General of the GES failed to sanction the officers contrary to the recommendation of the Auditor-General. The Committee recommends to the Director-General of the Ghana Education Service to sanction the District and Regional Directors for failing to implement the recommendation of the Auditor-General.

9.17 UNACCOUNTED REVENUE - GH¢741,366.65

The Audit disclosed that ten (10) Schools failed to account for revenues totaling GH¢741,366.6. Mr. Anthony Mensa and Madam Grace Agbene the former and current Accountants of Don Bosco Technical Institute respectively failed to account for School fees collected, PTA levies and examination registration fees amounting to GH¢177,710.20. The Auditor-General recommended the recovery of the amounts from Accounts officers. At the Committee sitting, revenues amounting to GH¢563,656.40 had been accounted for leaving a balance of GH¢177,710.00 in the name of Mr. Antony Mensa and Madam Grace Agbene of Don Bosco Technical Institute unrecovered.

The Committee found that, the lapse at Don Bosco Technical Institute is as a result of the failure of the Headmaster to properly supervise the work of the two accountants. The Committee recommends recovery of the amount from the two officers with interest at the Bank of Ghana base rate. Additionally, Mr. Anthony Mensa and Madam Grace Agbene should be sanctioned by the Greater Accra Regional Director of Education in accordance with Section 8(4) of the Financial Administration Regulations.

9.18 FRAUDULENT RECEIPT OF FUNDS - GH¢13,550.00

The audit disclosed that the Electrician of Takoradi Senior High School, Mr Mark Amissah, fraudulently collected the sum of GH¢13,550.00 from the school by submitting duplicate receipts for each electricity purchased from vendors. The Auditor-General recommended that the case should be reported to the police and the amount recovered from Mr. Amissah.

The Committee noted that an amount of GH¢1,000 has been recovered from Mr. Mark Amissah, leaving a balance of GH¢12,550 unrecovered. The case has also been reported to the police for further investigation. The Committee noted that the actions of Mr. Amissah are criminal in nature. Notwithstanding the criminal investigations being conducted by the police, the Committee recommends to the Management of the School to block the salary of Mr. Amissah and use a percentage of it to defray the outstanding amount over a period of time.

9.19 ABANDONED PROJECTS - GH¢13,937,825.04

The audit revealed that a total of forty (40) projects awarded in ten (10) schools of which a total amount of GH¢13,937,825.04 had been spent were abandoned for a period of between three to six years. At the time of Committee sitting, twelve (12) projects have been completed and are in use, work is ongoing on additional fourteen (14) projects and fourteen (14) projects remained abandoned. The status of the uncompleted projects is as follows:

Table 11: Status of Uncompleted Projects as at September, 2021

Sn	School	Project Description	Expected Completion Date	Present Status	Source of Funding
1	Mabang SHS	Dining Hall with Kitchen	2009	Abandoned	GETFUND
2	Bechem Presby SHS	1.Storey 12-Units Classroom Block	2016	Ongoing	PTA
3	Kintampo SHS	2 Storey Girls Dormitory	2012	Abandoned	GETFUND
4	Kintampo SHS	Dining Hall/Kitchen	2014	Ongoing	GETFUND
5	St. Augustine College	Unspecified	2004	1 Ongoing	GETFUND
		Unspecified		1 Abandoned	Unknown
6	University Practice SHS	Girls Dormitory	2010	1 Ongoing	GETFUND
		10 Units Classroom	2008	1 Abandoned	PTA
7	O'Reilly Senior High School	18 Units Classroom Block	2013	Ongoing	-
		6 Units Classroom Block	2013	Ongoing	-
		3 Story 18 Units Science Lab Block	2011	Ongoing	-
8	Presbyterian Boys Senior High School, Legon	2 Storey Boys Dormitory	2015	Ongoing	PTA
9	Bolgatanga SHS	3 Projects	-	All Abandoned	-
10	Kongo SHS	4 Projects	-	All Ongoing	-
11	Mirigu SHS	3 Project		2 Abandoned	-
				1 Ongoing	-
12	St. Benadettes Technical Inst	3 Projects	-	All Abandoned	
13	St. Johns Integrated SHTS	2 Projects	-	All Abandoned	
14	Tumu SHTS	Fence Wall		Ongoing	GETFUND
		2 Storey Girls Dormitory		Ongoing	GETFUND

		Economics Block		Ongoing	GETFUND
15	N.J.A College of Education	3 Storey Classroom Block		Ongoing	GETFUND
16	Nustra Jahan Ahmadiyya College	-	2016	Ongoing	GETFUND
17	Nkwanta SHS	Dinning Hall with Kitchen	2013	ongoing	GETFUND
		6 Units Classroom Block	2011	Abandoned	GETFUND
		8 Rooms Boys Dormitory		Abandoned	GETFUND
18	Anfoega SHS	Administration Block	2011	Ongoing	GETFUND
		Dinning Hall with Kitchen	2015	Ongoing	GETFUND

The Committee learnt that the projects, which were funded mostly by GETFund, were awarded without the involvement of the School authorities, making it difficult for them to supervise implementation. The Committee also noted that, a number of PTA funded projects have stalled following the implementation of the Free Senior High School Program.

The Committee recommends that GETFund should complete all ongoing projects to avoid excessive cost overruns and deterioration which will require substantial capital injection in the near future. The Committee further reiterates its recommendation that, Heads of institutions must be engaged in the processes leading to the award of contracts in their respective schools to allow for proper monitoring. The Committee further recommends that GETFUND should complete all existing projects before awarding new ones to avoid excessive cost overruns on already awarded projects. The Committee also urges GETFUND to take over all outstanding PTA projects and complete them to relieve the pressure on the schools.

9.20 STORES NOT ACCOUNTED FOR – GH¢370,584.06

Five (5) schools failed to account for various store items worth GH¢370,584.06 in contravention of Regulation 182 of FAR, 2004. The Auditor-General recommended that the officers involved should refund the amount to the schools.

At the time of Committee sitting, store items valued at GH¢161,391.00 had been accounted for by four (4) schools, leaving an amount of GH¢209,193.06 in the name of Adiembra Senior High School unaccounted for.

The amount involves GH¢87,322.66 worth of building materials procured by the PTA but were not accounted for, sundries valued at GH¢26,678.00 which were not accounted for by the school's Store Keeper and building materials valued at GH¢95,192.40 which were not accounted for by the Headmaster, Accountant and the Store Keeper.

The Committee recommends that the PTA Executives, the Headmaster, the Accountant and the Store Keeper should refund the amounts variously stated in their respective names to the school. Additionally, the store keeper should be sanctioned in accordance with Regulation 8(4) of the Financial Administration Regulations.

9.21 ABSENCE OF TITLE DEED FOR SCHOOL LANDS

The audit disclosed that Four (4) Schools failed to obtain legal title for their total school land space resulting in the encroachment of the land by illegal occupants in contravention of Regulation 272 of the FAR, 2004. (L.I. 2004). The Auditor-General recommended to the schools to take steps to immediately secure their respective lands for future expansion. The affected schools are:

- a. O'Reilly Senior High School, Teshie
- b. Jema Senior High School,
- c. Yeboah Asuama Senior High School
- d. Sunyani Senior High School

The Committee noted that all the Schools cited have taken steps to secure title for their land. Additionally, a number of schools have erected fence walls or planted economic trees on their land boundaries to protect their lands pending the conclusion of work on the registration process.

The audit revealed that the delay in occupying the land allocated to O'Reilly Senior High School and the absence of fence wall has resulted in the encroachment on its land by private developers.

The Committee recommends that the Ministry of Education should allocate funds to schools to enable them fence their land to protect them from encroachment. Additionally, the Ministry should provide technical support to all schools to ensure that they acquire title deed for their lands.

10.0 AUDITOR-GENERAL'S COMMENTS

The Auditor-General found that, although some of the internal control procedures instituted by the management of the institutions were satisfactory, the lapses and irregularities continue to occur due to lack of commitment on the part of heads of institutions to ensure compliance with established internal control measures. He also attributed the lapses and weaknesses observed during the audit to pervasive non-compliance with existing financial rules, regulations and ministerial guidelines.

The Auditor-General further notified the Heads of Educational Institutions of his intention to exercise his power of disallowance and surcharge as mandated under Article 187(7) of the 1992 Constitution of the Republic of Ghana. He indicated his intentions to disallow any item of expenditure which is contrary to law and surcharge the amount of loss or deficiency upon any person whose negligence or misconduct occasioned the loss or deficiency notwithstanding the recommendations in the report.

11.0 CONCLUSION

The Committee deliberations also revealed some weak internal control systems and blatant disregard for public financial management rule in many of the Institutions. Additionally, institutional heads and officers responsible for supervising the works of the schools also failed to implement the recommendations of the Auditor-General. The Committee noted that the present arrangement where internal auditors report to the heads of institutions is a weak governance structure that does not promote accountability and prudence in the use of public resources. The Committee reiterates its recommendation for a review of the present arrangement to allow internal audit units to report directly to the governing council of the schools or District Directors of Education in order improve supervision of the work of the spending officers.

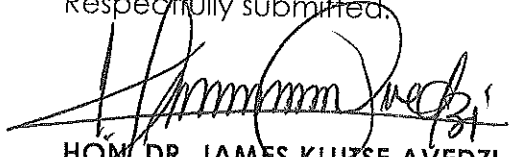
The Committee urges all institutions involved to desist from the illegal practices and ensure that public funds are expended in accordance with the laid down public

financial management framework, rules, regulations and ministerial directives to ensure prudence, economy and efficiency in the use of public funds.

The Committee recommends that management of Pre-Tertiary Educational Institutions should implement all the recommendations captured in the Committee's report and submit status report to it through the Auditor-General within six months after the adoption of this report.

The Committee recommends to the House to adopt its Report on the Report of the Auditor-General on the Public Accounts of Ghana (Pre-University Educational Institutions) for the financial year ended 31 December 2017 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