

ANNUAL REPORT OF THE COMMITTEE ON LOCAL GOVERNMENT AND RURAL DEVELOPMENT

ON THE 2014 ANNUAL REPORT OF THE DISTRICT ASSEMBLIES COMMON FUND

1.0 INTRODUCTION

The Annual Report on the 2014 District Assemblies Common Fund was laid before the House by the Majority Leader, Hon. A.S.K. Bagbin on Wednesday, 24th June, 2015 in accordance with the District Assemblies Common Fund Act, 1993 (Act, 455) and was subsequently referred to the Committee on Local Government and Rural Development for consideration and Report, pursuant to Standing Order No. 188 of the House.

2.0 REFERENCE DOCUMENTS

In considering the 2014 Annual Report of the District Assemblies Common Fund, the Committee made reference to the following documents:

- i. The 1992 Constitution of the Republic of Ghana
- ii. The District Assemblies Common Fund Act, 1993, (Act 455)
- iii. The Standing Orders of the House

3.0 **DELIBERATIONS**

In the course of our deliberations, the Committee met with the Administrator and officials of the Office of the Administrator of the District Assemblies Common Fund and discussed as follows:

3.1 **Total Receipts from the Ministry of Finance**

The total amount received by the office of the Administrator of Common Fund in the year 2014 was **Eight Hundred and Twenty Million, Six Hundred and Sixty Three Thousand, Nine Hundred and Fifty Ghana Cedis (GH¢828,663,950)**.

The Breakdown of the receipts were as follows:

	GH¢
3 rd Quarter 2013	202,702,189
4 th Quarter 2013	217,235,396
1 st Quarter 2014	266,403,521
2 nd Quarter 2014 (Part Payment)	142,322,844
Total	828,663,950

3.2 **Disbursement**

The Administrator Disbursed a total amount of **GH¢315,090,980** to Metropolitan, Municipal and District Assemblies (MMDAs) across the country.

The Breakdown of Regional Distribution was as follows:

NO.	REGION	3 RD QTR. 2013	4 TH QTR. 2013	1 ST QTR. 2014	2 ND QTR. 2014	TOTAL	%
1	WESTERN	3,479,169	4,043,824	5,806,232	6,859,682	20,188,907	11
2	CENTRAL	3,441,576	3,906,057	4,268,098	5,048,091	16,663,822	9
3	GT. ACCRA	3,607,644	3,936,498	4,364,888	5,262,694	17,171,724	9
4	EASTERN	4,288,713	4,957,327	5,950,021	6,682,364	21,878,425	12
5	VOLTA	3,786,970	4,355,788	5,367,912	6,180,283	19,690,953	11
6	ASHANTI	4,913,627	5,693,968	6,633,277	8,047,422	25,288,295	14
7	B. AHAFO	4,329,681	4,949,683	5,959,300	7,252,773	22,491,437	12
8	NORTHERN	4,393,269	5,008,818	5,657,478	6,742,760	21,802,325	12
9	UPPER WEST	1,655,910	1,924,297	2,163,001	2,564,872	8,308,081	4
10	UPPER EAST	2,167,239	2,496,396	2,537,970	2,994,567	10,196,172	6
TOTAL		36,063,799	41,272,655	48,708,178	57,635,508	183,680,140	100

The Administrator also made indirect payments on behalf of Assemblies totaling **GH¢131,410,840**. All these payments were made subject to the submission of mandate by the Assemblies.

3.3. Constituency Labour Project

Payments totaling **GH¢65,767,314** were disbursed for the Constituency Labour Projects of Members of Parliament as well as for Monitoring and Evaluation as follows:

	GH¢
i. Constituency Labour Project	40,228,054
ii. Monitoring and Evaluation	25,536,260
Total	65,767,314

3.4 **Priority Intervention Programmes (PIPS)**

In the year under review, a total of **GH¢271,985,769** was disbursed on Social Intervention Programmes as follows:

	GH¢
i. School Feeding	136,537,570
ii. Sanitation/Waste Management	51,737,739
iii. Sanitation Guards	22,386,739
iv. Seed Capital for New MMDAs	5,286,479
v. National Sanitation/Highways	53,234,792
vi. National Borehole Programme	3,302,450
Total	271,985,769

4.0 **OTHER STATUTORY RESERVE**

Other payments made in the year under review were mainly on GYEEDA – Sanitation Module and District Development Facility (DDF) for the benefit of MMDAs as follows:

	GH¢
i. Reserve Fund	23,767,811
ii. Admin. Office	2,615,575
iii. Training	2,615,575

iv.	Sanitation Module	130,052,979
v.	Cured Lepers	1,090,974
vi.	People with Disability	5,754,264
vii.	District Development Fund	60,874,000
	Total	226,771,176

5.0 UTILIZATION

The utilization of the Fund in the year under review in terms of sectors of the economy as well as regions were as follows:

Sectoral Utilization of the Fund-2014

No.	Sector	Amount GH¢	Percentage (%)
1.	Economic Ventures	24,096,599	16
2.	Social Services	22,630,739	14
3.	Administration	78,348,464	51
4.	Environment	10,198,575	7
5.	Constituency Labour	18,461,777	12
	TOTAL	153,736,155	100

Regional Sectoral Utilization-2014 T6

NO.	REGION	ECONOMIC VENTURE	SOCIAL SERVICES	ADMINISTRATION	ENVIR.	CONST. LAB/MP	TOTAL
1	WESTERN	2,514,937	2,930,401	8,115,550	1,013,174	1,758,768	16,332,829
2	CENTRAL	2,312,685	1,494,572	7,525,964	762,932	1,227,006	13,323,160
3	GT. ACCRA	2,404,689	3,315,257	5,630,070	1,882,270	1,526,779	14,759,066
4	EASTERN	2,561,944	3,028,656	8,696,187	1,088,837	2,628,147	18,003,771
5	VOLTA	2,295,213	1,564,596	10,244,910	565,942	2,518,394	17,189,055
6	ASHANTI	3,740,143	3,175,397	9,418,385	2,215,514	2,683,544	21,232,984
7	B. AHAFO	3,825,797	2,272,949	8,039,198	935,277	2,500,752	17,573,972
8	NORTHERN	2,513,021	2,683,262	9,897,755	1,202,459	1,639,970	17,936,467
9	U. WEST	937,107	674,902	4,935,163	205,931	1,190,464	7,942,567
10	U. EAST	992,063	1,490,747	5,845,282	326,241	787,952	9,442,285
TOTAL		24,096,599	22,630,739	78,348,464	10,198,575	18,461,777	153,736,155
%		16	14	51	7	12	100

6.0 OBSERVATIONS AND RECOMMENDATIONS

6.1 The Committee observed that the financial statement of the District Assemblies Common Fund was audited by an independent auditor by name Baker Tilly Andah+Andah. The Auditor certified that the Financial Statement of the Administrator of the Common Fund was in conformity with internationally accepted best practice and that it truly represented the fair view of the financial activities of the Fund as at 31st December, 2014.

- 6.2 The Committee observed that the total receipts into the Fund from the Ministry of Finance in the year 2014 covered releases from the Third and Fourth Quarters of the preceding year, 2013.
- 6.3 The Committee further noted that only the First Quarter and part of the Second Quarter were released to the Fund by the Ministry of Finance in 2014. This situation does not only stifle the programmes and activities of MMDAs, but also undermines the spirit of the decentralization process.
- 6.4 The Committee therefore wishes to urge the Ministry of Finance to deepen the confidence of the citizenry in the Local Government System by ensuring timely releases of accrued revenue into the Fund for further disbursement.
- 6.5 The Committee further observed with worry the amount of monies being spent on sanitation in various forms and models from the District Assemblies Common Fund. The situation does not only deny Assemblies the needed funds to tackle sanitation challenges based on respective local needs, but also, the disconnected and uncoordinated nature of the various approaches do not augur well for comprehensive and systematic resolution of the sanitation problems in the country.

- 6.6 The Committee therefore wishes to urge the Minister for Local Government and Rural Development to consider reviewing and harmonizing the various approaches to sanitation, make MMDAs fully responsible for sanitation and ensure that adequate Funds are allocated from the Common Fund to the MMDAs for efficient and effective tackling of the sanitation problems in our country.
- 6.7 The Committee again observed that the District Development Facility (DDF) was established to ensure competitiveness among Assemblies, however, Assemblies are inadvertently denied the right to enjoy monies already allocated to them by the Law that established the Fund. While the Committee considers it laudable for government to incentivize and catalyze growth and development through competition by the use of the DDF, it would have been more beneficial if the incentives were given from sources other than the Common Fund which Assemblies already earned by right.
- 6.8 The Committee therefore wishes to recommend to Government and the Minister of Finance to consider maintaining the usefulness of DDF, but should consider making allocations from the Consolidated Fund to meet this useful expenditure.
- 6.9 The Committee further observed that the Common Fund is loaded with so many social intervention programmes by central government

such as the Gyeeda Sanitation Model and the National School Feeding programme.

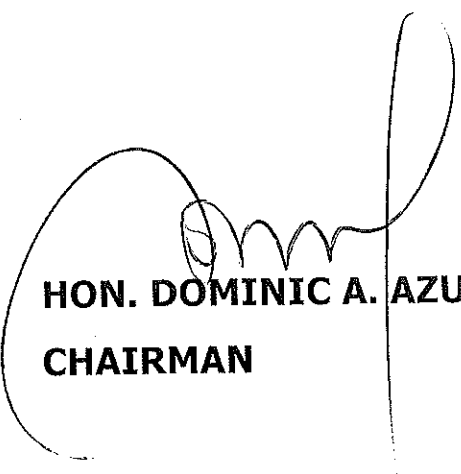
6.10 Though these programmes are useful and laudable, the use of Common Fund to carry out these activities has worsened the already precarious financial situation of the Assemblies.

6.11 The Committee therefore wishes to urge the Minister of Local Governments and Rural Development and Finance to consider weaning the Fund of these extra burdens, if the intended objective for establishing the Fund is to be met. Government may also by Policy direct Assemblies to spend on some of these laudable programmes that are currently being managed at the centre. This is the surest way by which decentralisation as a tool for sustainable development can be achieved.

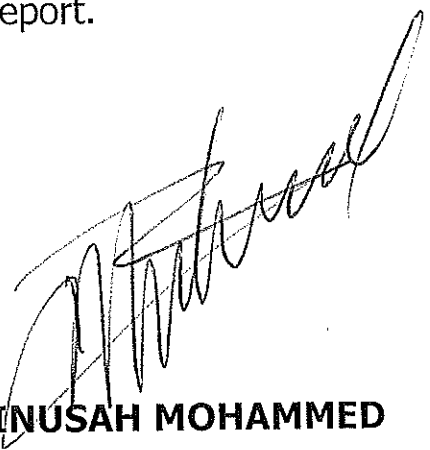
6.12 The Committee wishes to acknowledge the diligence and consistent efforts being made by the Office of the Administrator of the District Assemblies Common Fund to ensure that the letter and spirit of Act 455 are realized by constantly engaging and updating relevant stakeholders for the effective delivery of the mandate of the Fund.

7.0 CONCLUSION

In conclusion, the Committee wishes to state that Members carefully and diligently considered the Annual Report of the District Assemblies Common Fund Annual Report for the year 2014 and therefore wishes to recommend to the House to adopt its report.



HON. DOMINIC A. AZUMAH
CHAIRMAN



INUSAH MOHAMMED
CLERK