

**IN THE THIRD SESSION OF THE FOURTH
PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

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**REPORT OF THE SELECT COMMITTEE ON EMPLOYMENT,
SOCIAL WELFARE AND STATE ENTERPRISES
ON THE**

**2008 BUDGET ESTIMATES OF THE
MINISTRY OF PUBLIC SECTOR REFORM**

10TH DECEMBER 2007

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1.0 INTRODUCTION

In pursuance of Article 179(1), (2) and (10) of the Constitution of the Republic and Standing Order 140(1) the Budget Statement and Economic Policy of the Government of Ghana for the 2008 Financial Year was presented to the House on Thursday, 15th November 2007 by the Minister of Finance and Economic Planning, Honourable Kwadwo Baah-Wiredu.

In compliance with Standing Orders 140(4) and 184, the 2008 Draft Estimates of the Ministry of Public Sector Reform were referred to the Select Committee for consideration and report, and the Committee having held a meeting to so consider the Estimates reports as follows:

1.1 ACKNOWLEDGEMENT

The Committee is grateful to the Sector Minister, the Chief Director and officials of the Ministry who attended the Committee Budget hearing session to assist the Committee deliberate on the Estimates.

2.0 REFERENCE DOCUMENTS

In considering the Estimates of the Sector Ministry the under-listed documents were referred to:

- i) The 1992 Constitution of the Republic
- ii) The Budget Estimate and Economic Policy statement of the Government of Ghana for the 2007 Financial Year
- iii) The Budget Estimate and Economic Policy statement of the Government of Ghana for the 2008 Financial Year

- iv) The 2008 Annual Estimates of the Ministry of Public Sector Reform
- v) The Standing Orders of the Parliament of Ghana

3.0 MISSION STATEMENT OF THE MINISTRY OF PUBLIC SECTOR REFORM

The Ministry of Public Sector Reform exists to promote improved, timely, transparent performance (service delivery) in the public services as a measure towards meeting the development objectives of government and to facilitate private sector-led growth, poverty reduction leading to the attainment of middle income status and the attainment of the Millennium Development Goals (MDGs).

OBJECTIVES OF THE MINISTRY OF PUBLIC SECTOR REFORM

In order to realize its mission, the Ministry of Public Sector Reform has set for itself the following objectives.

- i. To formulate, implement, co-ordinate, monitor and evaluate policies on Public Sector Reform and report to the President
- ii. Provide a framework for an efficient and customer focused service delivery by December 2010
- iii. To review the mandate, restructure and transform selected subvented agencies including review of legal framework to improve performance and increase financial sustainability.
- iv. Establish institutional capacity in the public service.

4.0 REVIEW OF THE MINISTRY'S PERFORMANCE IN 2007

In order to achieve the set objectives, the Ministry of Public Sector Reform was allocated an amount of Three Million, One Hundred and Eighty-Seven Thousand, Five Hundred Ghana Cedis (GH¢3,187,500.00) for the implementation of the programmes and activities of the Ministry for the 2007 Financial Year.

The breakdown of the approved sum of GH¢3,187,500.00 under the various items of expenditure and sources of funding is as follows:

Table 1:

ITEM	P E (GH¢)	ADMINISTRATION (GH¢)	SERVICE (GH¢)	INVESTMENT (GH¢)	TOTAL (GH¢)
GOG	108,300.00	392,200.00	227,000.00	573,500.00	1,301,000.00
DONOR	-	-	1,886,500.00	-	1,886,500.00
TOTAL	108,300.00	392,200.00	2,113,500.00	573,500.00	3,187,500.00

5.0 ACHIEVEMENTS

The Committee was satisfied with the modest achievements the Ministry made in the year under review.

5.1 TIMELY BUDGETARY RELEASES & UTILISATION

The Committee observed that as at August 2007, about 84.86% of the approved budget for the year had been released and utilized for the intended projects.

A cursory glance at Table 1 indicates that, out of a total approved budget of Three Million, One Hundred and Eighty-seven Thousand, Five Hundred Ghana Cedis (GH¢3,187,500.00), Two Million, Seven Hundred and Four Thousand, Eight Hundred and Sixty-three Ghana Cedis, Forty Ghana Peswas (GH¢2,704,863.40) had been released by the end of August 2007.

The Committee saw this as a demonstration of commitment on the part of Government to carry out the reform of the public

sector and expressed the hope that it would be continued to ensure maximum returns.

5.2 INTERNAL AUDIT UNIT

The Committee was impressed with the establishment of the Internal Audit Unit of the Ministry and further recommended that the Ministry speeds up the set up of the Audit Report Implementation Committee. This, the Committee believes, would ensure efficiency in the work of the Ministry while ensuring value for money in the Public Sector Reform.

5.3 LEADERSHIP TRAINING

The Committee was satisfied that under the Organizational Restructuring of the Civil Service, the Ministry had given training in leadership skills, problem solving, policy formulation and analysis to 200 out of a total of 600 identified Chief Directors, Heads of Agencies and this will go a long way to improving the efficiency and the effectiveness of the entire Civil Service.

5.4 PRESIDENT'S EXCELLENCE AWARDS

The Ministry successfully organised the President's Excellence Awards for the Public Service with award winners being presented with plaques by His Excellency, the President.

It is said that a nation that does not honour its heroes is not worth dying for. The Committee therefore saw the President's awards as an initiative that would serve as a source of motivation for diligence and further instill the culture of discipline in the working force of the country. This will, in no doubt, precipitate the realization of the country's dream of attaining middle income status by 2015.

6.0 CHALLENGES

In spite of the afore-mentioned achievements, the Ministry was confronted with some challenges, some of which are discussed below:

The Committee observed that while an amount of One Hundred and Twenty-eight Thousand, Five Hundred and Thirty-four Ghana cedis (GH 128,534.00) was approved to cover the payment of personal emoluments of existing staff and that of new staff who were to be recruited, the Ministry was unable to fully utilize the fund for reason of their inability to recruit additional staff.

This was against the backdrop of the Ministry's lack of the requisite staffing levels to undertake the core business of reforming the entire public sector for optimum delivery.

The Committee noted with some discontentment that the lack of office space was the main impediment in the way to improving staff levels of the Ministry.

7.0 2008 BUDGETARY ALLOCATION FOR THE PUBLIC SECTOR REFORM

In order to achieve the set objectives with particular reference to the work programme for the 2008 Financial Year, the Ministry of Public Sector Reform is being allocated an amount of One Million, One Hundred and Sixty Thousand, Eight Hundred and Sixty Ghana Cedis (GH¢1,160,860.00) from GoG sources and a donor component of Seven Million, Seven Hundred and Twenty-four Thousand, Two Hundred and Ninety-one Ghana Cedis (GH¢7,724,291.00)

7.1 BREAK-DOWN OF APPROVED BUDGETARY ALLOCATION

Table 2:

ITEM	PE (GH¢)	ADMINISTRATION (GH¢)	SERVICE (GH¢)	INVESTMENT (GH¢)	TOTAL (GH¢)
GOG	128,534.00	403,876.00	227,004.00	401,447.00	1,160,860.00
DONOR	-	-	7,724,291.00	-	7,724,291.00
TOTAL	128,534.00	403,876.00	7,951,295.00	401,447.00	8,885,272.00

Table 2 above presents the distribution of the said sum under the various cost centers and also gives indication of the sources of funding.

7.2 ANALYSIS OF ALLOCATIONS FOR 2007 AND 2008 FINANCIAL YEARS

Table 3:

ITEM	2007 (GH¢)	2008 (GH¢)	REMARKS (GH ¢)	PERCENTAGE CHANGE
PE	108,300.00	128,534.00	20,234.00	+18.68%
ADM	392,200.00	403,876.00	11,676.00	+2.98%
SERVICE	227,000.00	227,004.00	0,004.00	+0.002%
INVESTMENT	573,500.00	401,447.00	-172,053.00	-42.86%
TOTAL	1,301,000.00	1,160,861.00	-140,139.00	-21.2%

As table 3 indicates, the total shortfall in the 2008 budget as compared to the 2007 levels is 21%. This figure was influenced significantly by the sharp reduction in the approved budget for investment which was reduced from Five Hundred and Seventy-three thousand, Five hundred Ghana Cedis (GH¢573,500.00) to Four Hundred and One Thousand, Four Hundred and Forty-seven Ghana Cedis (GH¢401,447.00).

The Committee was however, glad to note that the said Four Hundred and One Thousand, Four Hundred and Forty-seven Ghana Cedis (GH¢401,447.00) ceiling given by the Ministry of Finance represented about 93.84% of the amount requested by the Ministry to undertake various investment projects including securing office accommodation, furniture, a cross-country vehicle, computers, among others.

The Committee is hopeful that approved funds will be released in a timely manner to enable the Ministry undertake the programmes to which it has committed itself for the year under consideration.

The Ministry informed the Committee that as part of the programme outlined for the year, the mandate of thirty-five (35) Agencies will be strengthened and refocused for better service delivery. Business processes of twelve (12) Private Sector Development (PSD) related MDAs will be improved while a culture change programme aimed at

public/private attitude will be implemented and conditions of work enhanced in MPSR.

The Ministry intends to develop HR policy framework and present to cabinet for approval, develop communication strategy, review Civil Service Law and lay before Parliament and mobilize the funding for implementation of PSR activities by March 2008.

The Ministry plans to achieve the following by December 2008;

- I. Electronic records management and documentation tracking system piloted in two (2) MDAs.
- II. Uniform messaging and work flow system adopted in MPSR.
- III. Government Business Area improved and rid of unauthorized structures and persons.
- IV. Implementation of Service Delivery Improvement Programme.
- V. Additional twenty (20) Clients Service Units (CSUs) in twenty (20) MDAs/MMDAs.
- VI. Provisions of Act 706 implemented in six (6) Subvented Agencies

8.0 OBSERVATIONS AND RECOMMENDATIONS

8.1 INADEQUATE STAFFING

The Committee observed that the staffing levels at the Ministry was low, and was not satisfied with the delay in the recruitment of staff even though funding was approved for recruitment purposes.

The Committee therefore recommends that, the Ministry takes urgent steps to ensure that the needed staff is recruited as a matter of urgency, in order to be able to implement its policies and programmes.

8.2 LACK OF ADEQUATE OFFICE ACCOMMODATION

The Committee took particular notice of the lack of office accommodation for the Ministry especially as it contributed to factors that adversely affected recruitment of additional

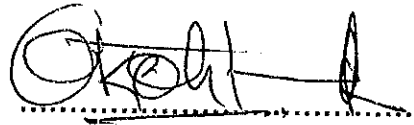
personnel to augment the staffing levels for effective performance for the past year.

Realizing the positive co-relation between adequate office accommodation for the Ministry and the success of the entire Public Sector Reform programme and in order to forestall the bottlenecks associated with the inability of the Ministry to recruit personnel in 2007, the Committee recommends that efforts are made by the Ministry of Finance to release the requisite funds to enable the Ministry acquire office space for effective functioning.

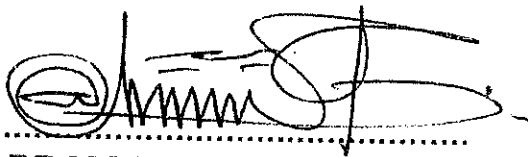
9.0 CONCLUSION

Public Sector Reform has been identified as a key activity in attaining both the Millennium Development goals of the country and the middle income status by 2015. It is therefore a necessary condition for development as it promotes wealth creation and increase employment generation

In this regard, the Committee recommends to the House for approval, the sum of Eight Million, Eight hundred and Eighty-five thousand, Two hundred and Seventy-two Ghana Cedis (GH¢ 8,885,272.00) made up of One Million, One Hundred and Sixty Thousand, Eight Hundred and Sixty Ghana Cedis (GH¢1,160,860.00) from GoG sources and Seven Million, Seven Hundred and Twenty-four thousand, Two hundred and Ninety-one Ghana Cedis (GH¢7,724,291.00) from Donor sources for the implementation of the programmes of activities of the Ministry of Public Sector Reform for the 2008 Financial Year.



**HON. PAUL OKOH
CHAIRMAN, COMMITTEE ON
EMPLOYMENT, SOCIAL WELFARE
AND STATE ENTERPRISES**



**ABDALLAH IBRAHIM GARIBA
CLERK, COMMITTEE ON
EMPLOYMENT, SOCIAL WELFARE
AND STATE ENTERPRISES**

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