

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

REPORT OF THE FINANCE COMMITTEE ON THE 2007
ANNUAL ESTIMATES OF THE REVENUE AGENCIES

1.0 INTRODUCTION

The 2007 Annual Estimates for the Revenue Agencies was laid in the House on Thursday, 16th November 2006 and referred to the Finance Committee for consideration and report in accordance with Article 179 of the Constitution and Standing Orders 140(5) and 169. This followed the presentation of the Financial Policy of the Government for the year ending 31st December 2007.

The Committee met with the two Deputy Ministers for Finance & Economic Planning, Prof. G. Gyan-Baffour and Dr. A. Akoto-Osei to consider the 2007 Annual Estimates of the Revenue Agencies. Also in attendance were the Head of Revenue Agencies Governing Board, Director of Budget (MOFEP), Commissioners from the Revenue Agencies as well as officials from the Revenue Agencies and Ministry of Finance and Economic Planning and reports as follows:

1.1 REFERENCE DOCUMENTS

- I The 1992 Constitution of the Republic of Ghana
- II The Standing Orders of the House
- III The Budget Statement and Economic Policy of the Government for the 2007 financial year

2.0 BACKGROUND

The Revenue Agencies Governing Board (RAGB) as established by an Act of Parliament, 1998, (Act 558) is a central governing body primarily charged to co-ordinate the activities of all the revenue Agencies in the Country.

The Agencies under the Board are the Internal Revenue Service (IRS), Customs, Excise and Preventive Service (CEPS), the Value Added Tax Service (VAT) and the secretariat of the Revenue Agencies Board.

The Revenue Agencies Governing Board started operations in August 2001 with the appointment of the Executive Secretary as the head of the institution.

2.1 OBJECTIVES

The objectives of this institution is to ensure supervision and co-ordination of the activities of the Internal Revenue Service (IRS), Customs, Excise & Preventive (CEPS) and Value Added Tax Service (VATS) in the performance of their functions under the various statutes that govern their activities and operations.

2.2 REVENUE AGENCIES EXPENDITURE BUDGET FOR 2007

An amount of **¢813,607 million** has been allocated to the Revenue Agencies to be disbursed as follows:

PERSONNEL EMOLUMENTS	-	¢463,100
ADMINISTRATION	-	¢141,542
SERVICE	-	¢64,145
INVESTMENT	-	¢144,820
TOTAL	-	813,607

4.0 THE 2007 BUDGET ESTIMATES OF THE AUDIT SERVICE

A total amount of **€143.63 Billion** has been allocated to the Audit Service to be disbursed as follows:

Personnel Emoluments	€49,146,000,000.00
Administration Expenses	€64,477,000,000.00
Service Expenses	€11,496,000,000.00
Investment Expenses	€18,344,000,000.00
TOTAL	<u>€143,463,000,000.00</u>

5.0 OBSERVATIONS AND RECOMMENDATIONS

5.1 Outlook for 2007

The Audit Service will undertake the following activities:

- I. Carry out 6,776 audits involving the accounts of Central Government, District Assemblies, Pre-University Educational Institutions, public Boards and Corporations and the Ghana Program of the Millennium Challenge Account
- II. Continue with the audit of the payroll and internally generated funds of Public institutions.
- III. Present the last batch of Auditor-General's Reports to Parliament and pursue the implementation of recommendations made by the Public Accounts Committee of Parliament
- IV. Continue with implementing the second phase of the European Union-sponsored reform program of the Service. In the light of this Audit Service, in collaboration with AFROSAI-E, will intensify staff training in Computer-Assisted Auditing Techniques (CAATS), the Interactive Data Extraction and Analysis (IDEA) software and the Audit Command Language (ACL) software.
- V. Organize a workshop that will design small E-learning modules on audit and IT-related topics with the support of an INTOSAI Development Initiative (IDI) specialist.

5.0 Observations

The Committee observed that one problem the Audit Service faces perennially is that of delayed fund releases from the Controller and Accountant General's outfit. This tends to retard work and renders the Audit Service less efficient and effective in executing its mandate.

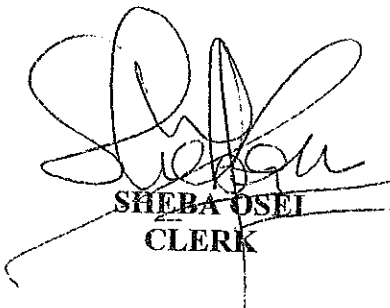
As in the case of the other constitutionally established Commissions, the Committee observed that the Audit outfit is service-oriented, rendering services that are unique and pivotal to the judicious use of state funds and other resources. The Committee therefore recommends that releases to the Audit Service be done timeously to facilitate the smooth running of its operations. The Committee also recommends to the MOFEP that should it be possible during the year, the Audit Service should be allocated additional funds.

The Committee also took the opportunity to commend the Audit Service for the good work it has been doing in the various MDAs, as evidenced in the work undertaken at the Accountant-General's outfit.

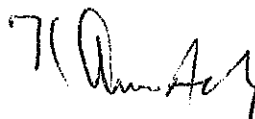
6.0 CONCLUSION

Without prejudice to the observations and recommendations made above, the Committee recommends to the House, the approval of the sum of **¢ 143.463 Billion** for the Audit Service operations for the 2007 financial year and hopes that the Ministry of Finance and Economic Planning would provide additional funds for the Audit Service to effectively execute its mandate.

Respectfully submitted



SHEBA OSEI
CLERK



HON. FELIX K. OWUSU-ADJAPONG
CHAIRMAN

DECEMBER 2006