

**REPORT OF THE PUBLIC ACCOUNTS
COMMITTEE**

ON THE

**PERFORMANCE AUDIT REPORT OF THE
AUDITOR-GENERAL**

ON

FUNCTIONAL LITERACY PROGRAMME

JUNE 2004

INTRODUCTION

The Performance Audit Report of the Auditor-General on the Functional Literacy Programme was laid before the House on 5th June 2003. In pursuant to Order 165(2) of the Standing Orders, Mr. Speaker referred the Report to the Public Accounts Committee for consideration and report.

MEETINGS

The Committee held three Sittings to deliberate on the Report. In attendance were Officials of the Ministry of Education, Youth and Sports (MEYS), the Non-Formal Education Division (NFED) of MEYS and the Audit Service. Conspicuously absent were the Ministers and Deputy Ministers at the Ministry Education, Youth and Sports. The Committee wish to express its appreciation to all those who honoured its invitation and attended upon it.

REFERENCE

The following documents were referred to during the Committee's deliberation:

- i. The 1992 Constitution;
- ii. The Standing Orders of Parliament;
- iii. The Financial Administration Act (FAA) of 2003, Act 654
- iv. The Financial Administration Regulations (FAR) LI 1234;
- v. The Ghana Audit Service Performance Audit Guidelines.

THE FUNCTIONAL LITERACY PROGRAMME

The policy on functional literacy is based on the provisions of the 1992 constitution. Article 25(1) (d) of the 1992 Constitution states that "all persons shall have the right to equal educational opportunities and facilities and with a view to achieving the full realization of that right, functional literacy shall be encouraged or intensified as far as possible". The above provision was further reinforced by Art 38(3) (b) which also provides that "the State shall, subject to the availability of resources, provide a free adult literacy programme".

In furtherance of these provisions of the Constitution, the Non-Formal Education Division was established to provide functional literacy education to the adult illiterate population. A Functional Literacy Programme (FLP) was accordingly instituted by the NFED to expand the frontiers of knowledge and skill acquisition to the adult illiterate in society. Emphasis of the programme was on the rural poor and women. The programme, which is still ongoing, is aimed at providing learners with knowledge and skills that will make them functional, effectively enhance their competence and abilities to better meet their personal and social needs, raise the quality of lives in their communities and enhance their interest in education.

To derive optimum use of resources, the FLP was divided into phases with the first phase spanning the period 1992 – 1997.

OBJECTIVES OF THE AUDIT

The performance audit was conducted to determine the extent of success of the policy objectives of the FLP. Emphasis was placed on community participation, recruitment of learners and facilitators, allocation and utilization of resources, and supervision and support.

The audit examined the role played by NFED and other actors in the implementation of the literacy programme. Some of these actors include communities, facilitators, opinion leaders and other collaborative agencies like religious bodies and NGOs.

FINDINGS OF THE AUDIT

Conclusions from the audit revealed that the FLP is of a limited scale compared to the illiterate population in the country. With the present objective of training 200,000 learners a year, it would theoretically take 45 years to train the nine million illiterates in the country as shown by the 2000 census. The high illiteracy rate is partly due to the low enrolment and dropouts in basic schools.

The findings of the audit also indicated some operational difficulties associated with the implementation of the FLP, particularly high drop-out rate of learners and facilitators. This problem, the audit

concluded, partly resulted from poor community awareness and ownership of the programme, limitations in the implementation of income generating activities (IGA) component of the programme, inflexibility in the training and poor motivation for facilitators.

The audit further noticed difficulties in supervision and utilization of resources.

OBSERVATIONS BY COMMITTEE

Limited Scale of Programme.

Your Committee observed that the NFED target was to make a total of 1,000,000 people literate by the end of the first phase. Out of this number, the Division was able to make a total of 970,000 people literate as at the end of that phase (1992-1997). This represents a 97% success.

The Committee further observed that as at the end of the first phase in 1997 the dropout rate was 20%. The NFED conceded that dropouts are inevitable in any literacy programme given that the target of the programme is normally the productive age group of 15-45 years with the attendant problem of migration, occupational and other social problems.

Community Awareness and Ownership

Officials of NFED conceded that phase one of the FLP was not characterized by a bottom-up approach as indicated in the Audit

Report. The Committee noted that because of some of the inadequacies associated with the first phase of the programme and the lessons learnt thereof, NFED has now instituted a bottom-up approach to ensure community ownership of the programme.

The Adehyeman Players, a Resident Theatre Group of NFED, has intensified its awareness creation programmes by forming District Awareness Creation Committees. Before the Programme is introduced in any community, a meeting is held with the chiefs, elders, opinion leaders and various group leaders where issues of "literacy as a developmental tool" are discussed. The issues agreed at these meetings are taken to the entire community for further deliberations. Following from the agreement reached at the community level, the community is then requested to nominate facilitators for vetting and training by NFED.

Support for Income Generating Activities

As indicated earlier, the audit observed limitations in the implementation of I.G.A.

One of the cardinal goals of the FLP is to help learners improve their occupational skills. Occupational groups are therefore established in every literacy class. NFED's policy is to support these groups with some minimum seed capital from a revolving fund. The loans are supposed to be repaid within a specified period of time. The

economic activity was to act as a catalyst to sustain attendance and interest of learners in the classes.

Your Committee however observed some inadequacies in the criteria set out by NFED for a group to qualify for a loan. Some of these include the attainment of 90% literacy status and the achievement of 85% class attendance record. This implies that about two-thirds of the time of a literacy cycle of 21 months (i.e. 14 months) would have passed before a group could qualify for financial support.

The Committee further noted that out of a total of ₦165 million of loans granted between 1994 and 1998, only ₦75 million cedis or 45% remained outstanding as at year 2000. The Committee also observed that out of a total of ₦196,730,500 disbursed under the IGA component for phase I and II, only ₦37,953,800.00 remained outstanding as at 30th May 2004. This represents 81% recovery rate. The Committee observed that the I.G.A. component is a Revolving Fund hence there will always be an outstanding balance in the records of NFED

The Committee also noted during its deliberations that in addition to the inadequacies of the criteria is the issue of inadequate funding for the I.G.A. component and in order to address this problem, NFED assist groups to access credit from other agencies such as GRATIS

and Freedom from Hunger project. NFED also provides credit guarantees to groups wanting credit from other financial institutions.

Incentives to Facilitators

It was observed that at the end of each literacy cycle of 21 months, facilitators are given a reward, normally a bicycle or a sewing machine, as incentives.

It was observed from the findings of the audit, that sometimes rewards were delayed and NFED could also not always afford rewards for all qualified facilitators. Rewards were particularly not given after 1997. This affected the enthusiasm of the facilitators who are volunteers.

Your Committee noted that some of the delays in rewarding facilitators at the end of a cycle results from World Bank procurement and disbursement regulations in respect of some demands from facilitators.

Some facilitators indicated their preference for items other than bicycles and sewing machines, which previously were the standard items given to facilitators. These items include roofing sheets, T.V. sets, Wax prints, etc. This novel idea was however rejected initially by the World Bank. The latter has now accepted the idea and disbursement has since taken place.

Staffing

Your Committee observed from the audit report that NFED did not ensure optimum utilization of its human resources. The audit indicated that 1,746 staff were on the payroll of NFED. Of this number, 98 were placed at its Headquarters. In addition, there were 17 drivers at the Headquarters with only five vehicles available.

Your Committee was informed that the staff strength of NFED has reduced drastically after the restructuring exercise between year 2000 and 2002. The Headquarters for instance now has 80 staff on its payroll out of which 15 are drivers. They however conceded that the vehicle situation has not improved but were optimistic that additional vehicles will be procured by the end of the year (2004).

RECOMMENDATIONS

Limited Scale

The Ministry of Education, Youth and Sports (MOEYS) budgetary allocation to NFED which on the average is 0.06% of MOEYS total annual budget is grossly inadequate, thus limiting the scale of the programme. We therefore recommend that budgetary allocation to NFED be reviewed upwards to enable NFED operate effectively.

Community Awareness and Ownership

The NFED should increase its community awareness about the programme in a more regular and sustained manner.

NFED should involve the communities at all levels in the recruitment, selection, and retention of learners and facilitators. This will whip up interest in the communities who will see the programme as a local initiative and consequently deepen their support.

Income Generating Activity (I.G.A)

NFED should review the criteria set for the disbursement of seed capital for learners to operate income generating activities. Your Committee is of the view that the reduction of the qualifying period from 14 months to 10 months will keep the interest of participants burning. Other communities will also be encouraged to join the programme.

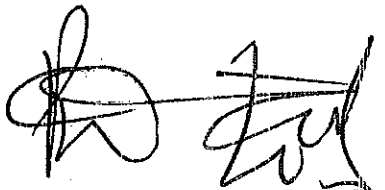
The Revolving Fund created to support the IGA should be made more functional by paying into the Fund all recovered loans to facilitate its re-disbursement to other groups.

NFED should also seek alternative financial support to the IGA from credit agencies such as NBSSI, CWS, Micro Project, Youth in Agriculture, etc.

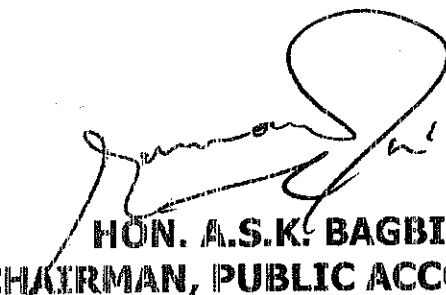
Incentives for Facilitators

To promote efficiency, confidence and interest of facilitators, we recommend to NFED to honour the contractual arrangement with the facilitators with regard to incentive rewards, which requires exploring other ways of financing the incentive package when donor support is absent.

Respectfully submitted.



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CLERK, PUBLIC ACCOUNTS
COMMITTEE**



**HON. A.S.K. BAGBIN
CHAIRMAN, PUBLIC ACCOUNTS
COMMITTEE**