

IN THE SECOND 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 31<sup>ST</sup> DECEMBER, 2019

1.0. INTRODUCTION

The Report of the Auditor-General on the Public Accounts of Ghana (Pre-University Educational Institutions) for the year ended 31<sup>st</sup> December, 2019 was laid before the House on 21<sup>st</sup> June, 2022 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.

Pursuant to the referral, the Committee met with the Hon. Deputy Minister of Education, Mrs. Gifty Twum-Ampofo, the Director-General of Ghana Education Service, Professor Kwasi Opoku-Amankwa, Regional and District Directors of Education, Officials from the Ministry of Education, Headmasters and other officials of all Pre-University Educational Institutions cited in the report and hereby submits this report.

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class no : CR/PUE I /19

## **2.0. ACKNOWLEDGEMENT**

The Committee is grateful to the Hon. Deputy Minister of Education, the Director-General of Ghana Education Service, the Regional Directors of Education and all the Heads of all the Pre-University Educational Institutions including their technical teams who appeared before the Committee to respond to the issues raised in the Report.

The Committee again expresses profound appreciation to the Auditor-General for the enormous assistance received throughout the period and to all the media houses who were present.

Lastly, to the general public, the Committee is very encouraged by the keen interest and encouragement through the kind words and comments about the delivery of the Public Accounts Committee in Parliament so far.

## **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 Public Financial Management Regulation, 2019 (LI 2378)

#### **4.0. PURPOSE OF THE AUDIT**

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 organisations and report to Parliament.

The purpose of the audit was for the Auditor-General to express his opinion on whether:

- a. the accounts of the pre-University Educational Institution had been properly kept;
- b. all public monies collected had been fully accounted for and the applicable rules, regulations and procedures are sufficient to provide an effective check on the assessment, collection and proper allocation of revenue;
- c. monies had been spent for the purpose for which they were appropriated and expenditures made as authorised;
- d. essential records were maintained and applicable rules and procedures applied were sufficient to safeguard and control the assets of the institutions;
- e. financial activities of the institutions had been undertaken with due regard to economy, efficiency and effectiveness; and
- f. the financial statements of the institutions give a true and fair view of their financial positions as at the end of the year.

#### **5.0. METHODOLOGY**

In undertaking this exercise, the Committee received both oral and written submissions on the Status of Implementation Report on the findings and the recommendations of the Auditor-General from the officials of all the Seven Hundred and Fifty-Eight (758) Pre-University Educational Institutions that were indicted in the Report by the Auditor-General.

## 6.0. SUMMARY OF AUDIT FINDINGS

The findings of the Auditor-General mainly centred on Irregularities in relation to Cash, Procurement/Stores, Tax, Payroll and Contracts Irregularities. The overall impact of the Irregularities amounted to **GH¢23,492,458.34** compared to **GH¢12,748,242.13** in 2018.

The Committee noted that the irregularities uncovered by the Auditor-General increased from GH¢12,748,242.13 in 2018 to GH¢23,492,458.34 in 2019 representing **84.28%** increase. The detailed analysis of the 2018 and 2019 irregularities are presented in Table 1 below:

**Table 1: An analysis of 2018 and 2019 irregularities**

Type of Irregularities	2018 (GH¢ Million)	2019 (GH¢ Million)	Variance	%
Cash Irregularities	4,468,206.51	6,713,698.31	2,245,491.80	50.25
Stores/ Procurement Irregularities	6,365,154.04	13,547,650.41	7,182,496.37	112.84
Payroll Irregularities	398,947.46	746,087.60	347,140.14	87.01
Tax	313,417.04	961,808.70	648,391.68	206.88
Contract Irregularities	1,202,517.08	1,523,213.32	320,696.24	26.67
<b>Total</b>	<b>12,748,242.13</b>	<b>23,492,458.34</b>	<b>10,744,216.21</b>	<b>84.28</b>

## 7.0. OBSERVATIONS AND RECOMMENDATIONS

The Committee made the following observations and recommendations:

### 7.1. OVERSTATEMENT

The Committee noted that the total value of irregularities in the Auditor-General's report was overstated by **GH¢ 107,171.82**. This brings the total infractions down to **GH¢23,385,286.52** from GH¢23,492,458.34 as stated in the Auditor-General's report. The overstatement is in the following areas:

**Table 2: Overstatement in the 2019 Auditor-General's Report**

Institutions	Nature of Irregularity	Value of Irregularity in the Report (GH¢)	Actual Value of Irregularity (GH¢)	Overstatement (GH¢)
Christ the King SHS, Obuasi	Unpaid Rent	10,200	4,200	6,000
Bunkurugu SHS	Payment Without Receipts	8,400.00	6,690.00	1,710.00
Western North Region	Total Unsupported payment	61,438.35	23,211.85	38,226.50
Mpohor SHS	Collection of unapproved fees	32,550.00	11,721.50	20,828.50
T. I Ahmadiyya SHS Fomena	Unearned Salary	2,527.70	0.00	2,527.70
Koforidua Technical	Unearned Salary	8,288.49	7,634.52	653.97
Komenda College	Tax Penalty	42,020.65	37,945.50	4,075.15
Eastern Region	Procurement	1,019,950.97	1,016,600.97	3,350.00
Greater Accra Region	Procurement	1,555,883.24	1,546,883.24	9,000.00
Western North	Procurement	304,179.99	283,379.99	20,800.00
<b>Total</b>		<b>3,045,439.39</b>	<b>2,938,267.57</b>	<b>107,171.82</b>

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

**Table 3: Adjusted Irregularities**

Type of Irregularities	Value per the Reports 2019 (GH¢)	Overstatement (GH¢)	Adjusted Irregularities (GH¢)
Cash Irregularities	6,713,698.31	66,765.00	6,646,933.31
Stores/ Procurement Irregularities	13,547,650.41	33,150.00	13,514,500.41
Payroll Irregularities	746, 087.60	3,181.67	742,905.93
Tax	961,808.70	4,075.15	957,733.55
Contract Irregularities	1,523,213.32	0.00	1,523,213.32
<b>Total</b>	<b>23,492,458.34</b>	<b>107,171.82</b>	<b>23,385,286.52</b>

## 7.2. STATUS OF 2019 IRREGULARITIES

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. At the time of Committee sitting, affected Institutions had either regularised the transactions or refunded monies expended without due regard to laid down regulations. A total amount of GH¢18,147,750.74 or 77.60% out of a total infraction of GH¢23,385,286.52 was resolved leaving a balance of GH¢5,237,535.78 or 22.40% unresolved. It is worth to note that many of the irregularities were resolved after the Institutions concerned were summoned before the Public Accounts Committee.

The detailed analysis of the status of the 2019 irregularities is presented in the following table:

**Table 4: Status of 2019 Irregularities**

Type of Irregularity	2019 Irregularities (GH¢)	Irregularities Resolved (GH¢)	Outstanding (GH¢)	% Resolved
Cash	6,646,933.31	5,899,362.03	747,571.28	88.75
Stores/Procurement	13,514,500.41	9,654,395.70	3,860,104.71	71.44
Payroll	742,905.93	625,006.62	117,899.31	84.13
Tax	957,733.55	445,773.07	511,960.48	46.54
Contract	1,523,213.32	1,523,213.32	0.00	100.00
<b>Total</b>	<b>23,385,286.52</b>	<b>18,147,750.74</b>	<b>5,237,535.78</b>	<b>77.60</b>

#### **8.0. UNRESOLVED AUDIT ISSUES: OBSERVATIONS AND RECOMMENDATION BY THE COMMITTEE**

At the end of the Committee sitting the following issues remains unresolved:

##### **8.1. Revenue Not Accounted For - GH¢316,013.59**

Six (6) Schools in five (5) regions could not account for a total revenue of GH¢316,013.59 collected as school fees, rent, canteen services and stock sales in violation of Regulation 46 of the Public Financial Management Regulations 2019 L.I 2378. The Auditor-General recommended a full recovery of the amounts from the officers involved and further be sanctioned in accordance with Section 96 of the Public Financial Management Act, 2016 (Act 921).

The Committee noted that three (3) schools had accounted for a total amount of GH¢48,811.72 in compliance with the Auditor-General's recommendation leaving an outstanding amount of GH¢267,201.87 in the name of Kpone Community SHS (GH¢228,709.87) and Mpohor SHS (GH¢38,492.00).

However, in the issue of Kpone SHS, it was explained by the Management that the collection of the money was a decision by the P.T.A to cater for housing or accommodation and provide feeding for students, especially those who were posted to the school from far away distances. The amount was therefore collected on behalf of the School by the P.T.A to support such needy students and so the school had little to do with the expenditure of the amount involved.

The former Headmistress, Mrs. Alberta Quayson of Mpohor SHS, was noted to have sold school track suits to students but failed to account for the proceeds. She indicated that the proceeds were used to finance school expenditure, however she could not provide the necessary supporting documents to authenticate her claims. The Committee recommends that the sum of **GH¢38,492.00** should be fully recovered from Mrs. Alberta Richael Quayson by the school management and report back to the Committee.

## **8.2. College Revenue Collected by EOCO - GH¢8,645.00**

The Audit disclosed that the Economic and Organized Crime Office (EOCO) in Cape Coast failed to refund an amount of GH¢ 8,645.00 recovered from staff of Ola College of Education in contravention of Regulation 46 of the Public Financial Management Regulations (PFMR) 2019, LI 2378. The Auditor-General recommended the recovery of the amount from EOCO and pay same to the College's account.



The Committee noted that, despite persistent demand from Management of the School, EOCO failed to refund the amount. The Continuous refusal of EOCO to refund the amount to the school is adversely affecting the smooth running of the institution.

The Committee recommends to the Ministry of Education to intervene and take the matter up with the EOCO to ensure the College retrieved the money from EOCO.

### **8.3. Rent Arears - GH¢498,243.92**

Forty-five (45) Institutions failed to collect rent due from 996 staff and Millicom Ghana Company (TIGO) amounting to GH¢498,243.92 in contravention of Regulation 46 of the Public Financial Management Regulation, 2019, LI 2378. The Auditor-General recommended to the Heads of the Institutions to recover the outstanding rent from the salaries of defaulting tenants and put measures in place to ensure prompt recovery of rents when they are due.

At the time of the Committee Sitting, the Management of the 44 institutions had recovered an amount of GH¢494,343.8 leaving an outstanding balance of GH¢3,900.12 in the name of Dormaa Vocational Training Institute.

The Committee recommends that the Headmaster and the Accountant should pay the outstanding rent and pursue the defaulters for refund. The Committee further urges management to put measures in place to ensure prompt payment of rent.

### **8.4. Funds Not Accessible - GH¢184,583.66**

Two (2) Schools could not access an amount of GH¢184,583.66 at their respective banks contrary to Section 7 of the Public Financial Management Act 2016, Act 921.

The Auditor-General recommended to managements of the two schools to notify the Regulators - Bank of Ghana, and Apex Bank about this development to enable the schools to access their funds.

The Committee noted that an amount of GH¢125,425.06 had been recovered, leaving an outstanding amount of GH¢59,158.60. The breakdown is as follows:

**Table 5: Outstanding Funds with Financial Institutions**

Institutions	Financial Institution	Original Value (GH¢)	Recovered (GH¢)	Outstanding (GH¢)
Kwegyir Aggrey SHTS	Ekumfi Rural Bank (Essuehyia Branch)	155,425.06	125,425.06	30,000.00
Binduri Community SHS	GN Bank	29,158.60	0.00	29,158.60
<b>Total</b>		<b>184,583.66</b>	<b>125,425.06</b>	<b>59,158.60</b>

The Committee noted that though the two institutions had written to Bank of Ghana and the ARB Apex Bank, the amount remains unpaid. The Committee urges the official liquidator and Receiver of GN Bank to take steps to pay the locked-up funds to the school to allow for smooth administration of the schools.

**8.5. Revenue from Unapproved Hostel Fees Not Accounted For - GH¢132,096.00**

The Audit revealed that the Headmaster and the P.T.A of Kpone Community Senior High School converted part of the E-block of the school to a hostel and collected a total of GH¢132,096.00 as hostel fees without authorisation.



The Auditor-General recommended that the Headmaster and the P.T.A Chairman should refund the amount of GH¢132,096.00 collected from the students.

The Committee was informed that the amount was in respect of feeding and utility Bill for the students. Officials explained that the amount was disbursed for the purpose for which it was collected. However, the auditors did not sight the documentary evidence on the use of the funds collected. The Committee recommends to the management of the School to work together with the P.T.A Executives to ensure proper accountability of all the funds collected since they are collected in the name of the school.

#### **8.6. Outstanding Compensation for Stolen Computers – GH¢16,179.00**

The Management of Mankesim Senior High Technical School failed to recover an outstanding amount of GH¢16,179.00 from six (6) students who allegedly stole computers and accessories valued at GH¢21,365.00 and damage to school properties costing GH¢810.00.

The Auditor-General recommended that the headmaster should pursue and ensure prompt recovery of the outstanding amount from the students involved.

The Committee observed that Management of the school recovered an amount of GH¢6,000.00 leaving an outstanding amount of GH¢10,179.00 unrecovered. The headmaster was directed to pursue the matter and recover the remaining failure of which the headmaster should personally be held liable to refund the sum of GH¢10,179.00.

#### **8.7. Unapproved Loan Facility - GH¢550,000**

The Audit noted that the Principal of Ola College of Education contracted a loan of GH¢250,000.00 with an interest of GH¢300,000.00 from Akatakyiman Rural Bank without approval from the College Council, Director-General of Ghana Education Service, Minister for Education or the Minister for Finance

contrary to Section 25 of the Public Financial Management Act, 2016, Act 921. The Auditor-General recommended that the Principal and the Accountant should desist from the practice and always seek approval from the appropriate authority before loans are contracted. The Auditor-General further recommended that the two officers should be duly sanctioned for non-compliance with the Act.

The Committee noted that the school has since desisted from the practice in accordance with the audit recommendations. However, the Committee noted that the Principal and Accountant have not been sanctioned as recommended by the Auditor-General because both officers are on retirement.

#### **8.8. Unsupported Payments - GH¢3,331,455.30**

Management of forty-one (41) institutions failed to substantiate total payments of GH¢3,371,391.80 for goods and services with the relevant supporting documents in contravention of Regulation 78 of the Public Financial Management Regulations (PFMR), 2019 (L.I. 2378). The Auditor-General recommended that the Heads of the institutions and their Accountants should refund the amount to the schools.

The Committee noted that the institutions involved provided supporting documents to authenticate payments amounting to GH¢3,071,066.80. Additionally, three (3) Institutions made cash payments amounting to GH¢11,250.00 in compliance with the audit recommendations. This brings the total amount either recovered or authenticated to GH¢3,082,316.80 leaving an outstanding balance of GH¢250,848.50 in the names of the following institutions:

**Table 6: Outstanding Unsupported Payments**

<b>Institutions</b>	<b>Total Infraction (GH¢)</b>	<b>Recovery (GH¢)</b>	<b>Outstanding (GH¢)</b>
Dunkwa Senior High Technical	27,402.00	0.00	27,402.00
Ola College of Education	1,378,505.55	1,266,065.55	112,440.00
Diaso SHS	9,707.00	0.00	9,707.00
Sekondi College	251,705.21	153,229.21	98,476.00
Sefwi Wiawso College of Education	4,123.50	1,300.00	2,823.50
<b>Total</b>	<b>1,671,443.26</b>	<b>1,420,594.76</b>	<b>250,848.50</b>

The Committee recommends that the Heads of the six (6) Institutions and their Accountants should refund the outstanding amount of GH¢ 250,848.50 to the accounts of the various schools.

**8.9. Overpayment To Suppliers - GH¢20,942.13**

The Audit disclosed that two Institutions; Sekondi College and Bongo Senior High School over paid two suppliers by an amount of GH¢20,942.13 contrary to Regulation 78 of Public Financial Management Regulations 2019 (L.I 2378). The Auditor-General recommended that, the overpayments should be recovered from the suppliers, failure of which the Headmasters and Accountants should be held liable.

The Committee noted that Bongo SHS has fully recovered an amount of GH¢5,400.00 being the total overpayment from the suppliers leaving an amount of GH¢15,542.13 in the name of Sekondi College unrecovered. The Committee recommends the Auditor-General should recovery of the amount involved from the Headmaster and the Accountant in accordance with the recommendations and report back to the Committee.

#### **8.10. High Maintenance Cost On Vehicle - GH¢11,258.00**

The Audit revealed that the Ashanti School for the Deaf, Jamasi, spent an amount of GH¢11,258.00 on the maintenance of the official vehicle (GV2132X, Ford Ranger Pick-up) within a period of six (6) months. The Auditor-General recommended that the vehicle should be auctioned with the permission from the Chief of Staff and the Headmistress (Ms. Vida Aidoo) should further write to the various stakeholders to assist the school in the acquisition of a new vehicle to replace the current one.

The Committee noted that Management of the school failed to comply with the recommendation of the Auditor-General and explained that, every efforts to get replacement has yielded no result, meanwhile the said vehicle is the only means of transport available to the school. Disposing it off therefore would deprive the school of the services of the vehicle even at its present condition and the high cost of maintenance.

The Committee noted that, many of the special schools across the country are ill-equipped thereby affecting teaching and learning amongst children with special needs.

The Committee recommends to the Ministry of Education together with the other Departments in charge of these segments of society, to take keen interest in their welfare and take urgent steps to revamp the fleet of vehicles for these specialised schools across the country to enable them provide the needed care for children with special needs.

#### **8.11. Payments Not Supported with Performance Certificates-GH¢685,705.48**

Sixteen (16) Institutions made total payments of GH¢685,705.48 for maintenance of official vehicles and buildings without Works Order and Performance Certificates to support the expenditures contrary to Regulation 78 of the PFMR, 2019 (L.I. 2378).

The Auditor-General recommended that the amount should be recovered from the Heads and Accountants of the Institutions and pay same into their respective accounts.

The Committee noted that fifteen (15) Institutions have provided supporting documents to authenticate an amount of GH¢605,159.33 leaving a balance of GH¢80,546.15 in the name of Ola College of Education.

The Committee recommends the recovery of the outstanding amount of **GH¢80,546.15** from the Headmaster and Accountant of Ola College of Education in compliance with the recommendations of the Auditor-General.

#### **8.12. Uncompetitive Procurement - GH¢3,546,609.36**

The Managements of thirty-two (32) Institutions from ten (10) Regions made payments for goods and services totaling GH¢3,546,609.36 without seeking for alternative quotations from other prospective suppliers in contravention of Section 20 of the Public Procurement (Amendment) Act, 2016 (Act 914). The Auditor-General recommended to the Heads of the Schools to ensure that procurements are always subjected to competition in order to obtain value for money from the transactions. The Auditor-General further recommended that they should be sanctioned in accordance with Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of Act 914.

The Committee recommends to the Attorney-General and Minister for Justice to take steps to prosecute the officers responsible for the procurement breaches in these institutions in accordance with Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of Act 914. **(List of institutions attached as Appendix)**

#### **8.13. Loss of Funds Through Improper Procurement - GH¢13,601.00**

The Audit revealed that, the Principal of Sefwi Wiawso College, Dr. Emmanuel Carsemer, abrogated the contracts with Sarfo Trading, valued at GH¢171,584.00 for the supply of food items without justification and re-awarded it to Bert B. Ventures for GH¢185,185.00 resulting in an increase in contract sum of GH¢13,601.00 in contravention of Section 22 of the Public Procurement Act 2003, Act 663 as amended by Section 8 of Act 914. The Auditor-General recommended that the Principal of the school, Dr. Emmanuel B. Carsemer, should refund the amount of GH¢13,601.00 to the College.

Dr. Carsemer on the other hand, explained that the contract with Sarfo Trading was not abrogated as stated in the Report. Rather, the contract had already expired and therefore he negotiated and engaged a new supplier for the School. The Committee noted that contrary to the recommendations by the Auditor-General, the Principal Dr. Emmanuel Carsemer failed to refund the amount of GH¢13,601.00. The Committee further noted that, the new supplier was sole sourced without prior approval from the Public Procurement Authority.

The Committee recommends the recovery of the sum of GH¢13,601.00 from Dr. Emmanuel Carsemer and sanctioned in accordance with Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of Act 914.

#### **8.14. Supply Contract Awarded Without Procurement Process- GH¢269,778.99**

The Audit disclosed that the Principal of the Sefwi Wiawso College of Education took a unilateral decision and single handedly or awarded contracts worth GH¢269,778.99 on sole sourced to Bert B. Ventures for the supply of various goods and services to the school in contravention of Section 40 of Public Procurement Act 2003 (Act 663) as amended.



The Auditor-General recommended that the Principal should be sanctioned in accordance with Section 92 of the Public Procurement Act 2003 (Act 663) as amended by Section 51 of Act 914.

The Committee urges the Attorney-General and Minister for Justice to prosecute the Principal, Dr. Emmanuel Carsemer in accordance with the recommendation of the Auditor-General.

#### **8.15. Unaccounted Stores - GH¢106,027.10**

It was disclosed in the Report that three (3) schools could not account for store items amounting to GH¢106,027.10 in contravention to Section 52 of the Public Financial Management Act, 2016 (Act 921). The Auditor-General recommended recovery of the amount from the Headmasters and the Accountants of the Schools.

The Committee noted that the Institutions involved provided supporting documents to account for the Store items amounting GH¢103,227.10 leaving an amount of GH¢2,800.00 in the name of Sekondi College (SHS) yet to be recovered or accounted for.

The Committee recommends the recovery of the value of the unaccounted store items amounting to GH¢2,800.00 from the Headmaster of the Sekondi College (SHS).

#### **8.16. Unissued Uniforms - GH¢251,885.00**

The Audit brought to light that the Nungua Senior High School procured 3,691 pieces of various uniforms valued at GH¢251,885.00 intended to be sold to the students but have remained in stock since 2017. The Auditor-General recommended that the Headmistress should immediately contact the Ghana Education Service (Secondary Education Division) and the Free SHS Secretariat for the payment of the cost of the uniforms and distribute them to the students to prevent the school from incurring financial loss.

The Committee was informed that the items were procured prior to the implementation of the Free SHS system in 2017 and since the policy does not allow the sale of school items for students as anticipated, these items have remained in the school's stores since delivery. The Committee recommends to Ghana Education Service to grant authorisation for the items to be sold to the students ones there is demand for it to enable the school use the proceed for other important needs of the school.

**8.17. Free SHS Foodstuff Not Supplied - GH¢170,722.00**

The Audit revealed that various food items valued at GH¢170,722.00 expected to be supplied to nine (9) Schools in two regions for the year 2019 by Buffer Stock Company Limited were not delivered as at 31 December, 2019. The Auditor-General recommended to managements of the nine (9) schools to take the necessary action to ensure that the Buffer Stock Company Limited deliver the outstanding food items.

The Committee noted that various food items amounting to GH¢167,802.00 have been supplied to eight (8) Schools leaving a balance of GH¢2,920.00 in the name of Wa SHS. The Committee recommends to the Management of Wa SHS to take the necessary action to ensure the delivery of the food items.

**8.18. Unapproved Single Source Procurement - GH¢120,643.00**

The Audit disclosed that the Headmaster and Accountant of Dunkwa Senior High Technical School procured items totaling GH¢120,643.00 without alternative quotations from other suppliers as required in Section 20 of the Public Procurement Amendment Act, 2016 (Act 914).

The Auditor-General recommended that, the school should comply with all laws and regulation pertaining to procurement in future transactions. He further recommended for the appropriate sanctions under Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914) should be applied

against the Head and Accountant for non-adherence to the Procurement law.

The Committee noted that the School has since desisted from the practice. However, the Headmaster and Accountant were not sanctioned as recommended by the Auditor-General. The Committee urges the Attorney-General and Minister for Justice to take steps to prosecute these two, Headmaster and Accountant of Dunkwa Senior High Technical school in accordance with the audit recommendation and Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of Act 914.

**8.19. Unreturned Government Books - GH¢7,675.00**

The Audit revealed that forty-one (41) students of Presbyterian Boys Senior High School, Legon who graduated in the 2018/2019 Academic year had not returned 253 textbooks worth GH¢7,675.00 to the school in violation of Section 52 of the Public Financial Management Act, 2016 (Act 921).

The Auditor-General recommended to management to notify the parents of the students for the retrieval or surcharge the parents with the cost of the books, failing which the Head of the school should be held liable for replacements or payment of the said amount.

The Committee observed that the Management failed to retrieve the 253 textbooks worth GH¢7,675.00 from the students involved. However, management notified the Committee that debit notes have been placed on the individual files of the forty-one (41) students.

The Committee recommends that Management should contact the parents or guardians responsible for these students for the retrieval of the textbooks or surcharge them with cost of the books.

## 8.20. UNEARNED SALARIES - GH¢681,324.89

The Audit showed that the Management of fifty-seven (57) Institutions paid unearned salaries to 108 separated staff totaling GH¢681,324.89 in contravention of Regulation 92 of the Public Financial Management Regulation 2019, LI 2378. Out of this, an amount of GH¢566,577.38 had been recovered, leaving an outstanding amount of GH¢114,747.51 in the names of the following staff:

**Table 7: Outstanding Unearned salaries**

Institutions	Name of Beneficiary	Unearned salary GH¢	Amount Recovered GH¢	Outstanding GH¢
Bodwesango SHS	Kwame Antwi	6,472.80	4,175.51	2,297.29
Ahafoman SHTS	Mr Kwantwi Louis Boafo	1,814.36	0.00	1,814.36
	Mr Kwama Mamadu	517.16	0.00	517.16
	Mr Seidu Issaka	2,267.92	0.00	2,267.92
	Ms Esme Pokua Yaa Anane	8,920.88	0.00	8,920.88
	Ms Victoria Adu	6,471.15	0.00	6,471.15
Presbyterian SHS, Bechem	Mr Alexander Osei Bonsu	2,613.95	0.00	2,613.95
	Ms Gifty Koduah	7,331.25	3,000	4,331.25
Adisadel College	Eunice Kitson	6,619.40	0.00	6,619.40
Methodist SHS	Philip Adu	2,570.25	0.00	2,570.25
Twifo Hemang SHTS	K. T Hayford	14,852.16	3,300	11,552.16
Mozano SHS	Gyebi Miritaiyah Gabriel	6,896.35	2,135.55	4,760.80
Klo Agogo SHS	Hannah Boateng	12,422.13	5084.39	7,337.74
	Bright Awuah Danquah	10,814.60	7,312.68	3,501.92
St Martins SHS	Unidentified	35,409.35	14,970	20,439.35
Kpone Com Sch	Unidentified	7,028.28	0.00	7,028.28
Bolgatanga SHS	Alex Kwofi	7,241.25	1,242	5,999.25
Adiembra	James Jabez Amamoo	15,704.40	0.00	15,704.40
<b>Total</b>		<b>155,967.64</b>	<b>41,220.13</b>	<b>114,747.51</b>

The Committee recommends that the heads of the Institutions involved should recover all the outstanding amounts from the officers concerned, or their next of kin. The Committee further directed the school Management to involve of Economic and Organised Crime Office (EOCO) to assist in the recovery if the officers do not honour the payment as recommended.

**8.21. Payment of Casual Workers Below Minimum Wage - GH¢19,236.60**

The Audit revealed that two (2) Institutions paid eleven (11) Casual Workers monthly wages below the national minimum of GH¢287.55 in contravention of Section 76 of the Labour Act 2003, (Act 651). This resulted in total wage underpayment of GH¢19,236.60. The Auditor-General recommended to Management to pay the wage difference to the affected workers and also comply with the national daily minimum wage standards at all times to avoid sanctions.

The Committee noted that most of the affected casual staff were employed by the P.T.As to help fill the gap for some non-teaching staff in the School for which they are paid some allowances. The Committee noted that, following the audit observation, E.P College of Education has fully paid an amount of GH¢16,084.80 being the balance for the underpayment for casual workers leaving an amount of GH¢3,151.80 in the name of Salaga SHS.

The Committee recommends that the Ghana Education Service (GES) should recruit required non-teaching staff whose services are critical to the management of schools.

The Committee also recommends that anytime Parents Teacher Associations engage people to support the school, they should take into consideration the prevailing laws as well as the minimum wage.

#### **8.22. Tax Penalty - GH¢44,414.06**

Three (3) Institutions in three (3) Regions paid a total tax penalty of GH¢44,414.06 to GRA for failing to withhold and remit taxes on supplies of goods and services contrary to Sections 116 and 117 of Income Tax Act 2015, (Act 896). The Auditor-General recommended that the penalty amount (GH¢44,414.06) should be recovered from the Heads and Accountants who managed the schools during the periods in accordance with Section 61 of the seventh schedule of the Income Tax Act 2015.

The Committee observed that the Heads and Accountants of two (2) institutions have paid an amount of GH¢6,468.56 leaving an outstanding of GH¢37,945.50 in the name of Komenda College of Education. The Committee therefore recommends that the amount of GH¢37,945.50 should be apportioned to the two Accountants and the Principal who supervised the transaction to pay. The Committee further directed the Audit Service to ensure payment or retrieval of the amount and report back to the Committee.

#### **8.23. Tax Not Withheld - GH¢113,228.00**

The Management of twenty-two (22) Institutions failed to withhold taxes totaling GH¢113,228.00 from payments made for goods and services contrary to Section 116 of Income Tax Act, 2015 (Act 896). The Auditor-General recommended that the Accountants of these Institutions should pay the total amount to the Commissioner-General of GRA and recover same from the payees in accordance with Section 117 (5) of the Income Tax Act, 2015, (Act 896).

The Committee noted that twenty (20) Institutions had paid an amount of GH¢55,680.96 to the Ghana Revenue Authority (GRA) leaving an outstanding of GH¢57,547.04 in the name of the following two (2) schools:

i.	St. Monicas College of Education	-	GH¢16,263.04
ii.	Holy Child Training College	-	GH¢41,284.04
	<b>Total</b>	-	<b>GH¢57,547.04</b>

The Committee recommends that the Accountants of the St. Monica's College of Education and Holy Child Training College should pay the total amount to the Commissioner -General of GRA and recover same from the payees in accordance with Section 117 (5) of the Income Tax Act, 2015, (Act 896) and submit the receipts to the Audit Service in the Region.

#### **8.24. Doubtful VAT Invoice Issued - GH¢227,043.75**

It was observed that invoices from the defunct "VAT Service" were used to support payment vouchers totaling GH¢227,043.75 with a VAT component of GH¢6,777.07 in contravention of Section 41 of the VAT Act, 2013 (Act 870). The Auditor-General recommended that the VAT component of GH¢6,777.07 on the transactions should be recovered from the suppliers failing which the accountant should refund the amount to GRA.

The Committee noted that Shama Senior High School has fully recovered an amount of GH¢875.65 been the VAT component from the suppliers leaving an amount of GH¢5,901.42 in the name of Holy Child Training College unrecovered. The Committee recommends the recovery of the amount from the accountant in accordance with the audit recommendations.

#### **8.25. Non Remittance of SSF Contribution - GH¢8,759.75**

The Audit disclosed that two (2) schools failed to remit Social Security contributions of 26 temporal staff totaling GH¢8,759.75 to SSNIT in contravention of Section 3 of the National Pension Act 2008, (Act 766). The Auditor-General recommended to management of the schools to ensure that the employees' contributions are remitted to SSNIT or be held liable for any penalty that may be imposed on them for the delay.

The Committee noted that an amount of GH¢2,997.00 had been remitted to SSNIT leaving a balance of GH¢5,762.75 in the name of Holy Child College of Education. The Committee recommends to the Management of Holy Child College of Education to remit the outstanding amount of GH¢5,762.75 to SSNIT.

#### **9.0. CONCLUSION**

The Committee observed a lot of weaknesses in the internal control systems in the school's administration and a continuous blatant disregard for Public Financial Management Act, 2016 (Act 921), Public Financial Management Regulations (PFMR) 2019 (LI 2378) as well as Procurement laws in many of the Institutions engaged.

The Committee therefore recommends to all Pre-Tertiary Educational Institutions to uphold and act in accordance with the Public Financial Management Regulations (PFMR) 2019 (LI 2378) as well as Procurement laws of the Republic of Ghana.

The Committee again recommends to the Ministry of Education to intensify its monitoring activities to ensure that Management of the Institutions cited by the Auditor-General fully implement all the recommendations in the Committee's Report and submit Status Report to the Committee in accordance with Section 86 of the Public Financial Management Act 2016 (Act 921).



The Committee was of the considered view that the observations and recommendations of the Auditor-General fairly represented the financial transactions that took place in the Pre-University Educational Institutions in the 2019 Financial Year and therefore 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 2019**, 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



JOANA ABENA SAKYI ADJEI (MRS.)  
CLERK, PUBLIC ACCOUNTS COMMITTEE

November, 2022

## APPENDIX

### 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 31<sup>ST</sup> DECEMBER 2019

#### LIST OF INSTITUTIONS WITH PROCUREMENT INFRACTIONS REFERRED TO THE ATTORNEY GENERAL FOR PROSECUTION

1. Abor Senior High School
2. Accra Wesley Girls
3. Achimota Senior High School
4. Ada Senior High School
5. Agogo Presbyterian Women's College
6. Ahafo Senior High Technical School
7. Anlo Technical Institute
8. Bechem Presbyterian Senior High School
9. Boa Ampomsem Senior High School
10. Diaso Senior High School
11. Dunkwa Senior High Technical School
12. Effiduase Senior High Technical School
13. Ejuraman Anglican Senior High School
14. Komeda Senior High Technical School
15. Kpone Community -Senior High School
16. Mozano Senior High School
17. Nalerigu Youth Leadership and Skill Training Institute
18. New Nsutam Senior High School
19. Ola College of Education
20. Pope John Senior High School- Koforidua

21. Prampram Senior High School
22. Presbyterian College of Education, Agogo
23. Presbyterian Senior High School-Osino
24. Saviour Senior High School-Osiem
25. Sda Senior High School-Askore Koforidua
26. Sefwi Wiawso College of Education
27. Sovie CYO
28. St. Margaret Mary Senior High Technical School
29. St. Martin's Senior High School
30. St. Theresa's College of Education
31. Tema Manhean Senior High/ Technical School
32. Vakpo Senior High School

