

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

**REPORT OF THE FINANCE COMMITTEE ON THE BUDGET PERFORMANCE
REPORT IN RESPECT OF THE OFFICE OF GOVERNMENT MACHINERY
FOR THE PERIOD JANUARY TO DECEMBER, 2019**

1.0 INTRODUCTION

The Budget Performance Report in respect of the Office of Government Machinery for the period January to December, 2019 was first presented to the House on Thursday, 30th April, 2020 pursuant to Section 27 of the Public Financial Management Act, 2016 (Act 921).

The Report was referred to the Finance Committee for consideration and report in accordance with the 1992 Constitution and the Standing Orders of the House.

The Committee met and considered the Report with a Deputy Minister for Monitoring and Evaluation, Hon. William Sabi, the Chief Director of the Office of the President, Mr. Henry Wood and the technical team from the Office of Government Machinery and reports as follows;

2.0 REFERENCES

The Committee referred to the following documents:

1. The 1992 Constitution
2. The Public Financial Management Act, 2016 (Act 921)
3. The 2019 Budget and Economic Statement
4. The Standing Orders of Parliament

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3.0 PURPOSE OF THE REPORT

The Purpose of the Report is to comply with Section 27 of Act 921 which provides that each Principal Account Holder shall, within the first quarter of the ensuing year after the Minister submits the annual budget to Parliament, submit to Parliament, a performance report on budget implementation for the preceding financial year. The report should also indicate:

- (a) the achievements of the Principal Account Holder for the preceding financial year;
- (b) the annual work plan comprising the objectives, outputs, outcomes, targets and performance indicators;
- (c) the staff establishment of the Principal Account Holder in respect of a vote for the preceding year and ensuing three years;
- (d) a statement on the actions taken by the covered entity to implement the recommendations of Parliament in respect of the most recent report of the Auditor-General; and
- (e) any major investment to be implemented for more than one year, including
 - (i) any multi-year investment;
 - (ii) the total cost of the major investment within the medium term profile set out in the Medium Term Expenditure Framework, and
 - (iii) the respective amount to be appropriated in the budget year.

2.0 BACKGROUND

Government Machinery embraces the constitutional view of the Office of the President as the Seat of Government, those Organisations whose operations fall outside traditional areas of sectoral responsibilities for which the Office of the President (Core Government Machinery) exists to provide administrative, managerial and technical services.

The Office of Government Machinery comprises:

- i. Office of the President
- ii. Scholarships Secretariat

- iii. Ghana AIDS Commission
- iv. Commissions and Councils
- v. State Protocol Department
- vi. National Population Council
- vii. Ghana Investment Promotion Centre
- viii. Internal Audit Agency
- ix. Nation Builders Corps (NABCO)
- x. Microfinance and Small Loans Centre
- xi. Office of the Administrator – General
- xii. Millennium Development Authority
- xiii. State Interests and Governance Authority
- xiv. National Identification Authority
- xv. Office of the Senior Minister

2.1 GOALS AND OBJECTIVES

The Office of Government Machinery exists to institutionalise open, transparent and accountable governance for the attainment of government's development agenda of improving the quality of life of Ghanaians. The Office of Government Machinery's policy objectives among others include:

- a) Improving the balance among arms of government, governance institutions and their functioning;
- b) Ensuring inclusive and equitable political system;
- c) Ensuring effective implementation of the decentralization policy and programme;
- d) Ensuring efficient and effective resource mobilization, internal revenue generation and resource management;
- e) Strengthening policy and development planning processes for equitable and balanced spatial and economic development;
- f) Rationalizing and defining structures, roles and procedures for state institutions;
- g) Enhancing supervision and productivity in the public service;
- h) Improving the responsiveness of the public service in service delivery; and
- i) Mainstreaming development communication across the public-sector policy cycle.

3.0 2019 PERFORMANCE

The under-listed activities were some of the activities undertaken by the Agencies under the Office of Government Machinery during the year under review:

3.1 Office of the President

The cabinet Secretariat was able to organize Eighteen (18) cabinet meetings. Fifty-Four (54) Cabinet memos were produced, Two Hundred and Sixty (260) Cabinet decisions and Sixty-One (61) reports were produced out of which One Hundred and Twenty (120) were sent to Parliament as at December, 2019.

3.2 Millennium Development Authority (MiDA)

During the period under review, MiDA implemented the ECG Financial and Operational Turnaround (EFOT) Project. It also issued Request for Proposals (RfP) on the Customer Outreach, Facilitation Assistance and Normalisation of Services and launched Invitation for Bids (IfB) for the High Voltage Distribution System and Security Lighting.

The Authority signed a contract with National Association of Regulatory Utility Commissioners (NARUC) for the implementation of the Regulatory Partnership Program and completed the gazetting of Standards for Lot 3 Electrical Appliances (i.e. Microwave, Washing Machine, Computer, Electric Motor and Standing Fan), among others.

3.3 Ghana AIDS Commission

The Committee was informed that HIV prevalence for 2019 was estimated at 1.69% as compared to 1.72% for 2018.

The Commission, also intensified efforts at HIV prevention, HIV testing services, prevention of mother-to-child transmission, access to treatment and viral suppression among persons living with HIV and AIDS. The number of persons living with HIV on treatment in 2019 was 113,171 out of which 54,538 viral load tests were conducted and 36,226 were found to be virally suppressed.

3.4 Scholarships Secretariat

The Scholarship Secretariat introduced the Local Tertiary Scholarships for the payment of tuition fee (full/part) for students in all accredited tertiary institutions, both private

and public. It also decentralized scholarship application process to the Metropolitan, Municipal, and District Assemblies (MMDA) levels to ensure scholarship award is based on need, accessibility and transparency.

3.5 Microfinance and Small Loans Centre (MASLOC)

The Microfinance and Small Loans Centre's (MASLOC) loan recovery rate averages 55% over the period. The Center also completed the preparation of its financial statements up to December, 2019.

3.8 Ghana Investment Promotion Centre (GIPC)

Ghana Investment Promotion Centre registered seventy - two (72) new projects with foreign participation between January and June 2019. Estimated value of the newly registered projects was US\$ 134.52 million. The Foreign Direct Investment (FDI) component of this value was US\$ 123.26 million. The total initial capital transfers for newly registered projects amounted to US\$ 47.72 million.

The Centre also registered Thirty (30) wholly Ghanaian owned projects. Estimated value of the locally owned business registered was GHS 812.78 million

3.9 National Population Council (NPC)

For the year 2019, the National Population Council completed work on the production of the Revised National Population Policy and Adolescent Reproductive Health (ARH) Policy (Sexual and Reproductive Health Policy for Young People in Ghana). The document has since been printed and launched after cabinet approval.

3.10 Office of the Senior Minister

The office of the Senior Minister continued to implement the Public Sector Reform for Results Project (PSRRP) which is aimed at improving efficiency and accountability in the delivery of selected services by selected frontline service delivery agencies. The PSRRP would also re-engineer business processes of the entities to reduce processing and waiting times, enhance service delivery standards, and communicate with citizens and the private sector.

3.11 National Identification Authority (NIA)

During the period under review, the National Identification Authority (NIA) piloted the Mass Registration Exercise which comprised Institutional registrations together with three (3) NIA Operational Districts.

The Authority commenced full registration in Adentan Municipality on November 5th 2018 and progressed through to other parts of the country. About 8,914 FIMS identity cards were also issued to the foreign applicants during the period under review.

3.12 2019 EXPENDITURE PERFORMANCE OUTTURN

For the implementation of the various programmes and activities for the 2019 financial year, the Office of Government Machinery spent a total amount of **Three Billion, Five Hundred and Three Million, Two Hundred and Thirty Thousand, Four Hundred and Ninety-Four Ghana Cedis and Sixty-One Pesewas (GH¢3,503,230,494.61)**. The breakdown is shown in Table 1:

Table 1: OGM Budget Outturn ending 31th December, 2019

Item	Budgeted (GH¢)	Amt Released	Actuals (GH¢)	Variance (GH¢)
Employee Compensation	140,835,889	140,832,029	140,832,029	3,860
Goods and Services	3,475,942,678	3,349,130,794.69	3,306,904,436.94	169,038,241
Assets	56,607,140	55,494,028.67	55,494,028.67	1,113,111
Total	3,673,385,707	3,545,456,852.36	3,503,230,494.61	

4.0 OBSERVATIONS

4.1 National Identification Authority (NIA)

On its activities to date, the NIA informed the Committee that so far it has registered 11.06 Million people out of a target of 16.20 Million. It has also printed 10,979,783 cards.

Out of the printed cards, about 7,096,713 cards have been issued with about 3,880,000 cards yet to be issued. The Committee was assured that starting from 8th June, 2020, the Authority would be undertaking the issuance of cards at all the centers concurrently.

NIA would also embark on mopping-up exercises commencing 17th June, 2020. Given the easing of restrictions, the Authority would complete the registration exercises in Eastern and Upper West Regions. It is expected that by the end of September, 2020, registration and issuance of cards in the country would have been completed.

4.2 MicroFinance and Small Loans Center (MASLOC)

The Committee was informed that the Center disbursed a total of GH¢99 Million in 2019 as loans and projects. Out of this amount, GH¢92.5 Million was disbursed to 74,334 micro loan beneficiaries. The Center also disbursed 140 tricycles. With respect to vehicle hire purchase, MASLOC planned to distribute 580 vehicles but managed to do 291. There was no on-lending to institutions due to the ongoing financial administration reforms.

4.3 Ghana Investment Promotion Center

The Committee observed that as part of its programme of activities, the Center planned to register 300 foreign direct investments but was only able to register 101. It also planned to register 155 joint venture projects but only registered 46 projects. On the number of jobs created, the Center planned to create 22,039. However, it only recorded 11,238. The total initial capital transfers for newly registered projects amounted to US\$76.17 Million.

4.4 Internal Audit Agency

The Committee observed that the Agency expected to establish 524 Internal Audit Units (IAUs) but was able to establish 455 in the various Ministries, Departments and Agencies as well as the District Assemblies. It further established 444 audit committees, received and reviewed 1,216 Internal Audit Reports. 411 Charters were signed with the various Ministries, Departments and Agencies as well as the District Assemblies.

The Agency also followed up on a number of audit infractions with a monetary value of GH¢380,534,167.51. The Agency is in talks with the Ministry of Finance to hold budget releases to the defaulting covered entities until they comply.

4.5 Ghana AIDS Commission

The Committee was informed that pursuant to the target of achieving the global target of 90-90-90, the Commission recorded 51-61-66. It was explained that 51 means 51% of all persons living with HIV know their status, 61 means 61% of persons who know their status are on antiretroviral treatment and 66 means that 66% of persons who are on treatment have attained viral suppression. The Commission assured the Committee that it would continue to work hard to achieve the global target.

The Commission also collaborated with the Attorney-General's Department to complete the drafting of the Ghana AIDS Regulations. The regulations would be laid in Parliament soon.

4.6 Challenges

The Committee was informed that during the period under review, OGM faced a number of challenges including:

- inadequate budgetary allocation;
- arbitrary release of the budgetary allocation; and
- inadequate capacity of key implementers.

This has adversely impacted on the ability of OGM to effectively execute its programme of activities as approved by Parliament.

5.0 RECOMMENDATIONS

After carefully considering the Budget Performance Report of the Office of Government Machinery, the Committee makes the following recommendations:

5.1 MicroFinance and Small Loans Center (MASLOC)

The Committee noted that a number of the targets set by the Center were not met. Further, the rate of loan recovery has declined from 64% in 2017 to 55% in 2019.

In view of the important role that the Centre plays, the Committee recommends to Management to put in place the needed mechanism to improve its loan recovery rate.

5.2 National Identification Authority

The Committee noted that the Authority plans to distribute cards currently in their custody. However, public awareness of this exercise is very low. The Committee therefore recommends that the Authority enhances its advocacy to ensure that the public is fully aware of its schedules and programme of activities. Additionally, mop up exercises must be effective in registering all eligible Ghanaians.

5.3 Ghana Investment Promotion Center

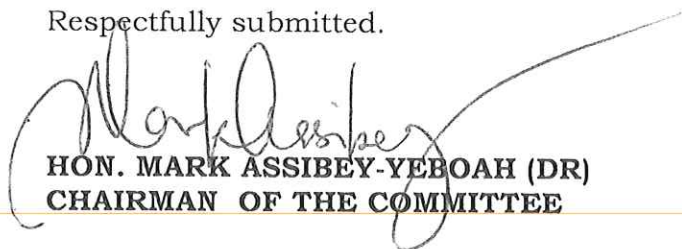
The Committee observed that most of the indicators set by the Center were not achieved. The Committee therefore recommends to the Center to improve upon its performance

6.0 CONCLUSION

The Committee has carefully considered the Report and is of the view that the Report satisfies the requirements of Section 27 of Act 921.

The Committee accordingly recommends to the House to adopt this report and adopt the Budget Performance Report in respect of the Office of Government Machinery for the period January to December, 2019 in accordance with the Public Financial Management Act, 2016 (Act 921) and the Standing Orders of the House.

Respectfully submitted.



HON. MARK ASSIBEY-YEBOAH (DR)
CHAIRMAN OF THE COMMITTEE



EVELYN BREFO-BOATENG (MS)
CLERK TO THE COMMITTEE