

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

REPORT OF THE

FINANCE COMMITTEE

ON THE

**ANNUAL BUDGET ESTIMATES OF GOVERNMENT
MACHINERY FOR THE 2016 FINANCIAL YEAR**

DECEMBER, 2015

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REPORT OF THE FINANCE COMMITTEE ON THE 2016 BUDGET
ESTIMATES OF THE OFFICE OF GOVERNMENT MACHINERY

1.0 INTRODUCTION

Following the presentation of the Budget Statement and Economic Policy of the Government for the year ending 31st December, 2016 by the Hon. Minister for Finance, Mr. Emmanuel Seth Terkper on Friday, 13th November, 2015, the **2016 Annual Budget Estimates** of the **Office of Government Machinery** were referred to the Finance Committee for consideration and report in accordance with Article 179 of the Constitution and Order 140 (4) of the Standing Orders of the House.

The Committee was assisted during its deliberations by the Hon. Minister of State at the Presidency, Mr. Akwasi Opong-Fosu, Chief Director at the Presidency, Heads and technical teams from the various Departments and Agencies under Government Machinery and officials from the Ministry of Finance and reports as follows:

2.0 REFERENCE DOCUMENTS

The Committee referred to and was guided by the following documents during its deliberations:

1. The 1992 Constitution of the Republic of Ghana;
2. The Standing Orders of the House;
3. The Budget Statements and Economic Policy of the Government of Ghana for the 2015 and 2016 Financial Years; and
4. The 2015 and 2016 Budget Estimates for the Government Machinery;

5. 2015 Performance and Expenditures Reports of the Departments and Agencies under Office of Government Machinery.

3.0 **BACKGROUND**

Government Machinery embraces the Office of the President as the seat of Government and those organizations whose operations fall outside traditional areas of sectoral responsibility, for which the Office of the President (Government Machinery) exists to provide administrative, managerial and technical services.

The Office of Government Machinery comprises:

- i. Office of the President;
- ii. Management Services;
- iii. Scholarships Secretariat;
- iv. Ghana Aids Commission (GAC);
- v. Commissions and Councils;
- vi. National Identification Authority (NIA);
- vii. National Population Council;
- viii. Ghana Investment Promotion Centre (GIPC);
- ix. Internal Audit Agency (IAA);
- x. Savannah Accelerated Development Authority (SADA);
- xi. Microfinance and Small Loans Centre (MASLOC);
- xii. Office of the National Security;
- xiii. Millennium Development Authority (MiDA);
- xiv. African Fund for Bio Fuel Development (AFBD);
- xv. State Enterprises Commission (SEC);
- xvi. Divestiture Implementation Committee (DIC);
- xvii. Public Sector Reforms Secretariat; and
- xviii. Office of the Administrator-General;

The main focus of the Government Machinery is to promote efficient service delivery for good governance by ensuring that all MDAs become transparent, accountable, efficient

and responsive to the needs and direction of the country. This is to be achieved, through the following activities:

- a. Researching and collating information for Executive policy formulation and review;
- b. Conveying Executive policies and decisions to MDAs and other public sector Organisations as well as monitoring private sector performance;
- c. Ensuring systematic monitoring and the implementation of Executive decisions and programmes and improving the quality of life of Ghanaians;
- d. Ensure effective implementation of the Decentralization policy and programme;
- e. Strengthen policy and development planning process for equitable and balanced spatial and economic development;

Some other objectives are:

- ❖ To formulate, implement, co-ordinate and evaluate government policies and to preserve and conserve public records for the benefit of the general public;
- ❖ To promote political tolerance, stability, and peace in Ghana and the sub-region;
- ❖ To provide institutional capacity and enabling environment for effective, efficient and sustainable service delivery.

4.0 2015 BUDGET ALLOCATIONS

The Office of Government Machinery (OGM) was allocated an amount of GH¢453,877,343 for the 2015 financial year to be expended as follows:

		GH¢
Employee Compensation	-	210,440,000
Goods and Services	-	218,483,867
Capital expenditure	-	<u>24,953,476</u>
TOTAL	-	<u>453,877,343</u>

The allocations comprised GoG contributions, retained Internally Generated Funds (IGFs) and Donor support. The breakdown is as follows:

Table 4.1: Summary of 2014 allocation by source of Funds

No	ITEM	GOG (GH¢)	IGF (GH¢)	DEVP;T PARTNERS (GH¢)	ABFA (GH¢)	TOTAL (GH¢)
1	Employee Compensation	210,000,000	440,000	-	-	210,440,000
2	Goods and Services	63,045,287	10,952,628	2,485,952	142,000,000	218,483,867
3	Capital expenditure	12,500,000	2,509,670	9,943,806	-	24,953,476
5	TOTAL	285, 545,287	13,902,298	12,429,758	142,000,000	453,877,343

5.0 2015 PERFORMANCE

For 2015 financial year, the Office of Government Machinery and its agencies performed among others, the under-listed activities:

5.1 Institutional Development Programme

- a. The Public Sector Reform Secretariat facilitated the implementation of measures to improve service delivery in MDAs and MMDAs in line with international charters and protocols and reviewed the status of the public sector reform programme. The Secretariat also continued the implementation of the Subvented Agencies (SAs) Reform Programme.
- b. The Secretariat also established Monitoring and Evaluation Framework for public sector reforms. In addition, the Secretariat reviewed the mandates, functions and terms of reference of Central Management Agencies (CMAs) to remove structural inconsistencies and ensure institutional efficiency.

- c. The National Population Council in collaboration with Non-Governmental Organizations (NGOs) as well as Development Partners (DPs) reviewed the 1994 National Population Policy and the 2000 Adolescent Reproductive Health (ARH) Policy. The Council also initiated the development of an operational plan to guide the implementation of the ARH Policy. The Council together with the Ghana Health Service (GHS) developed a Costed Implementation Plan (CIP) that harmonizes the various family planning strategies over the next five years. To establish the linkage between population, reproductive health and sustained socio-economic development, the Council developed an evidence-based multimedia presentation titled “Ghana on the Rise”. It aims at repositioning family planning as an essential strategy to achieve national developmental goals.

5.2 Regional Services Programme

The Regional Coordinating Councils (RCC) continued to carry out their mandate to ensure peace, effective and efficient implementation of government policies and programmes. In collaboration with their respective Regional Security Councils (REGSEC), monthly and emergency meetings were held to deal with issues such as chieftaincy disputes, chain saw lumbering, armed robbery and the menace of Fulani herdsmen.

5.3 Security and Safety Management Programme

The Bureau of National Investigation (BNI) continued its core mandate of forwarding processed information to the National Security Council (NSC) and other agencies. The Executive, VIPs, general public and other key installations were also protected leading to the reduction of subversion, espionage, drug trafficking and organized crime.

5.4 Investment Promotion and Management Programme

The Microfinance and Small Loans Centre (MASLOC) disbursed 362 personal loans and 5,192 group loans whilst five companies benefited from its on-lending activities and hired out 20 new vehicles and 965 tricycles. It also monitored 649

group and 181 personal loans beneficiaries. The activities of the Centre led to the creation of 985 new jobs.

The State Enterprise Commission (SEC) supervised the signing of 29 contracts by State Owned Enterprises (SOEs) with four paying dividend. The Commission held four workshops on Corporate Governance, trained 20 staff in relevant courses, updated four databases and monitored and evaluated 29 SOEs.

5.5 Regulatory Services Programme

Internal Audit Agency reviewed documentary evidence of mainstreaming Enterprise Risk Management (ERM) into their operations. A total of 107 institutions were surveyed resulting in the establishment of a database for future training. In addition, the Agency trained 25 personnel in Risk-Based Internal Control, IT auditing and Report Writing whilst 23 were trained in revenue and expenditure controls, risk management and fraud assessment.

The Agency reviewed 518 Internal Audit Reports and, in collaboration with the Controller and Accountant General's Department (CAGD), conducted head counts of selected MDAs in the Greater Accra Region with 30,231 employees in 653 management units verified.

5.6 HIV and AIDS Management Programme

The Ghana AIDS Commission ensured that HIV-Positive pregnant women received anti-retroviral medication to reduce the risk of mother to child transmission. The Commission also continued to support testing of people for HIV and distributed male and female condoms to the general population

6.0 2015 EXPENDITURE PERFORMANCE

6.1 Office of the President

The Office of the President was allocated an amount of GH¢78,584,988 for its activities in 2015. The amount was distributed among the various departments under the Office of the President as follows:

Department	Allocation (GHC)
General Administration	21,138,812
Office of the Chief of Staff	12,400,926
Vice Presidents Secretariat	4,036,000
Cabinet Secretariat	1,550,000
Press Secretariat	300,000
MiDA	32,200,000
African Fund for Bio Fuel Development	284,951
State Enterprises Commission	2,061,599
Divestiture Implementation Committee	1,256,200
Policy Coordination and delivery Unit	130,000
Public Sector Reform Secretariat	1,786,500
Policy Coordinating and Oversight Unit	<u>1,440,000</u>
Total	<u>78,584,988</u>

As at 30th September 2015, an amount of GHC65,681,943.48 had been disbursed. The expenditure relates to the following cost centres:

Table 6.1: Expenditure returns of the Office of the President by cost centre

SN	COST CENTRE	2015 ALLOCATION (GHC)	Actual as at 30/10/2015 (GHC)	VARIANCE (GHC)
1	General Administration	21,138,812	18,150,204.50	2,988,607.50
2	Office of the Chief of Staff	12,400,926	12,355,913.00	45,013.00
3	Vice President's Secretariat	4,036,000	2,789,399.36	1,246,600.64
4	Cabinet Secretariat	1,550,000	733,775.20	816,224.80
5	Press Secretariat	300,000	151,815.56	148,184.44
6	MiDA	32,200,000	29,856,133.37	2,343,866.63
7	African Fund for Bio Fuel Development	284,951	46,633.39	238,317.61

8	State Enterprises Commission	2,061,599	855,310.38	1,206,288.62
9	Divestiture Implementation Committee	1,256,200	315,104.74	941,095.26
10	Policy Coordination and delivery Unit	130,000	39,097.43	90,902.57
11	Public Sector Reform Secretariat	1,786,500	354,225.04	1,432,274.96
12	Policy Coordinating and Oversight Unit	1,440,000	34,331.51	1,405,668.49
	Total	78,584,988	65,681,943.48	12,903,044.52

6.2 Commissions and Councils

For the 2015 financial year, an amount of GH¢6,601,250 was allocated to Commissions and Councils for their expenses and was disbursed as follows:

		GH¢
Compensation for Employees	-	4,401,250
Goods and Services	-	1,200,000
Capital Expenditure	-	1,000,000
Total	-	<u>6,601,250</u>

The Allocation was disbursed among the two agencies under Commissions and Councils as follows:

Department	Allocation (GH¢)
Council of State	- 4,652,850
State Protocol	- 1,948,400
Total	- <u>6,601,250</u>

As at November 2015, an amount of GH¢4,317,137.45 had been spent by the two departments on their operations. Out of this amount, the State Protocol Department had spent GH¢1,216,972.97. The expenditure was in respect of the following:

Table 6.2: Expenditure returns for State Protocol Department as at October 2015

SN	item	2015 ALLOCATION (GH¢)	Actual as at 30/09/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	1,098,400	786,769.77	311,630.23
2	Goods and Services	850,000	430,203.20	419,796.80
3	Capital Expenditure	0	0	0
	Total	1,948,400	1,216,972.97	731,427.03

The Council of State had also spent an amount of GH¢3,100,164.48 on its activities as at November, 2015. The expenditure returns is as follows:

Table 6.3: Expenditure returns for Council of State as at November 2015

SN	item	2015 ALLOCATION (GH¢)	Actual as at 30/09/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	3,302,850	2,804,058.26	498,791.74
2	Goods and Services	350,000	296,106.22	53,893.78
3	Capital Expenditure	1,000,000	0	1,000,000
	Total	4,652,850	3,100,164.48	1,552,685.52

6.3 Office of the National Security

The Office of the National Security was allocated an amount of **GH¢177,523,046** for its activities in 2015 and as at 30th September, an amount of **GH¢159,882,503.79** has been spent. The breakdown of the expenditure is as follows:

Table 6.4: National Security Expenditure returns for 2015

SN	Item	2015 ALLOCATION (GHC)	Actual as at 30/09/2015 (GHC)	VARIANCE (GHC)
1	Compensation	150,565,496	143,644,332.20	6,921,163.80
2	Goods and Services	21,757,550	16,238,171.59	5,519,378.41
3	Capital Expenditure	5,200,000	0	5,200,000.00
	Total	177,523,046	159,882,503.79	17,640,542.21

The expenditure returns relating to the departments under the office of the National Security is depicted in Table 6.5 below:

Table 6.5: Expenditure Returns of the security agencies under the National Security

SN	AGENCY	2015 ALLOCATION (GHC)	EXPENDITURE RETURNS (GHC)	VARIANCE (GHC)
1	National Security Council	47,912,050	47,729,894.48	182,155.52
2	Research Department (HQ)	24,214,800	25,519,945.00	(1,305,145.00)
3	Bureau of National Investigations (BNI)	54,452,386	38,813,241.27	15,639,144.73
4	Research Department (FM)	49,713,810	47,397,400.00	2,316,410.00
5	Bureau of National Communication (BNC)	1,230,000	422,023.04	807,976.96
	Total	177,523,046	159,882,503.79	17,640,542.21

6.5 Ghana AIDS Commission

The Ghana AIDS Commission was allocated an amount of GH¢ 31,383,921 for its activities in 2015. As at 31st October, an amount of GH¢14,006,240.60 had been expended. The expenditure was in respect of the following:

		GH¢
Personnel Emolument	-	1,046,113.49
Goods and Service (Admin)	-	60,720.00
Goods and Services (Projects)	-	12,899,407.11
Capital Expenditure	-	0
Total	-	<u>14,006,240.60</u>

6.6 Scholarships Secretariat

An amount of GH¢72,415,218 was allocated to the Scholarships Secretariat for its activities in 2015 but as at September 2015 an amount of GH¢71, 249,422.79 had been disbursed. The expenditure was in respect of the following:

Table 6.5: Expenditure Returns of Scholarship Secretariat as at September, 2015

SN	item	2015 ALLOCATION (GHC)	Actual as at 30/102015 (GHC)	VARIANCE (GHC)
1	Compensation	1,085,218	974,271.59	110,946.41
2	Goods and Services	70,530,000	70,275,151.20	254,848.80
3	Capital Expenditure	800,000	0.00	800,000.00
	Total	72,415,218	71,249,422.79	1,165,795.21

6.7 National Identification Authority

The NIA was allocated an amount of GH¢19,721,835 for its operations in 2015 and as at November, 2015 the Authority had spent an amount of GH¢5,607,087.96 on its operations. The expenditure outturn is as follows:

Table 6.6: NIA GOG Expenditure Outturn as at November, 2015

SN	item	2015 ALLOCATION (GH¢)	Actual as at 30/11/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	2,303,500	2,315,409.26	(11,909.26)
2	Goods and Services	360,000	182,178.70	177,821.30
3	Capital Expenditure	0	0	0
	Total	2,633,500	2,497,587.96	165,912.04

Table 6.7: NIA IGF Expenditure Outturn as at November, 2015

SN	item	2015 ALLOCATION (GH¢)	Actual as at 30/11/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	440,000	0	440,000
2	Goods and Services	3,360,000	1,900,000	1,460,000
3	Capital Expenditure	1,209,500	1,209,500	0
	Total	5,009,500	3,109,500	1,900,000

Table 6.8: NIA Donor Expenditure Outturn as at November, 2015

SN	item	2015 ALLOCATION (GH¢)	Actual as at 30/11/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	0		
2	Goods and Services	2,415,767		
3	Capital Expenditure	9,663,068		
	Total	12,078,835		

6.8 Office of the Administrator General

The office of the Administrator General was allocated an amount of **GH¢629,085** for the implementation of its programmes and activities for the 2015 financial year and an amount of **GH¢164,571** had been released as at September, 2015. Actual disbursement however, was **GH¢103,759** at the end of October 2015. The breakdown is as follows:

Table 6.9: Expenditure Outturn of the Office of the Administrator-General as at October 2015

SN	item	2015 ALLOCATION (GH¢)	Actual as at 31/10/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	499,085	53,967	445,118
2	Goods and Services	130,000	49,792	80,208
3	Capital Expenditure	0	0	0
	Total	629,085	103,759	525,326

6.9 National Population Council

An amount of GH¢2,612,500 was allocated in the 2015 Budget for the National Population Council for its planned programmes and sub-programmes. The expenditure outturn as at September is as follows:

Table 6.10: Expenditure Outturn for National Population Council as at October 2015

SN	item	2015 ALLOCATION (GH¢)	Actual as at 31/10/2015 (GH¢)	VARIANCE(GH¢)
1	Compensation	1,912,500	1,067,944	844,556
2	Goods and Services	700,000	36,936.83	663,063.17
3	Capital Expenditure	0	0	0
	Total	2,612,500	1,104,880.83	1,507,619.17

6.10 Ghana Investment Promotion Centre (GIPC)

A budgetary amount of GH¢10,662,162 was allocated for the programmes and sub-programmes of GIPC for the 2015 financial year. As at 30th September 2015 however, an amount of GH¢8,635,096 had been disbursed by the Centre. The disbursement was in respect of:

Table 6.11: 2015 Expenditure outturn of the GIPC

SN	Item	2015 ALLOCATION (GH¢)	Actual as at 30/10/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	1,506,364	1,358,506	147,858
2	Goods and Services	7,855,628	7,129,821	725,807
3	Capital Expenditure	1,300,170	146,769	1,153,401
	Total	10,662,162	8,635,096	2,027,066

6.11 Internal Audit Agency

The Internal Audit Agency was allocated an amount of GH¢4,237,200 for the year 2015. The expenditure return as at September 2015 is as follows:

Table 6.12: Expenditure return of the Internal Audit Agency as at September 2015

SN	Item	2015 ALLOCATION (GH¢)	Actual as at 30/11/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	3,287,200	2,088,185.02	1,199,014.98
2	Goods and Services	950,000	392,464.32	557,535.68
3	Capital Expenditure	0	0.00	
	Total	4,237,200	2,480,649.34	1,756,550.66

6.12 Savannah Accelerated Development Authority

The 2015 Budget appropriated an amount of GH¢495,397 from GoG for the Savannah Accelerated Development Authority (SADA) out of which an amount of GH¢143,206

was spent as at September 2015. An additional amount of GH¢4,718,833.87 was spent from investment income of the Authority for the running of the Authority.

6.13 Microfinance and Small Loans Centre

The Microfinance and Small Loans Center (MASLOC) was allocated the sum of GH¢20,929,700 for the implementation of its programmes and activities in 2015 financial year. The Centre disbursed the sum of GH¢27,229,197.55 by October 2015. Out of this, an amount of GH¢11,357,699.93 was from GOG allocation and the remaining GH¢15,871,497.62 was from the Revolving Fund of the Centre. The expenditure returns for the period is as follows:

Table 6.13: 2015 Expenditure Returns for MASLOC (GOG)

SN	Item	2015 ALLOCATION (GH¢)	Actual as at 31/10/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	5,579,700	1,112,118.51	4,467,581.49
2	Goods and Services	5,350,000	245,581.42	5,104,418.58
3	Capital Expenditure	10,000,000	10,000,000.00	0
	Total	20,929,700	11,357,699.93	9,572,000.07

The expenditure returns of MASLOC in respect of its total disbursement are as follows:

Table 6.14: 2015 Expenditure Returns for MASLOC (GOG and Revolving Fund)

SN	Item	2015 ALLOCATION (GH¢)	Actual as at 31/10/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	5,579,700	4,006,694.08	1,573,005.92
2	Goods and Services	5,350,000	3,387,288.47	1,962,711.53
3	Capital Expenditure	10,000,000	19,835,215.00	(9,835,215.00)
	Total	20,929,700	27,229,197.55	(6,299,497.55)

6.14 African Bio Fuel and Renewable Energy Fund

The African Bio Fuel and Renewable Energy Fund was allocated an amount of GH¢284,951 for the implementation of its programmes and activities in 2015. The expenditure returns for the period January to October, 2015 is as follows:

Table 6.14: Expenditure Returns for African Bio Fuel and Renewable Energy Fund

SN	Item	2015 ALLOCATION (GH¢)	Actual as at 30/10/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	184,951	68,970.00	115,981.00
2	Goods and Services	100,000	46,633.39	53,366.61
3	Capital Expenditure	0	0	0
	Total	284,951	115,603.39	169,347.61

6.15 State Enterprises Commission

The 2015 budget appropriated the sum of GH¢2,061,599 for the programmes and sub-programmes of the State Enterprises Commission. The Commission's expenditure outturn as at September, 2015 is as follows:

Table 6.15: Expenditure Returns of the State Enterprises Commission.

SN	item	2015 ALLOCATION (GH¢)	Actual as at 30/11/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	1,561,599	605,310.38	956,288.62
2	Goods and Services	500,000	250,000	250,000.00
3	Capital Expenditure	0	0	0
	Total	2,061,599	855,310.38	1,206,288.62

6.16 Divestiture Implementation Committee (DIC)

The DIC was allocated an amount of GH¢1,256,200 for the implementation of its programmes and activities in 2015. The expenditure returns for the period January to November, 2015 is as follows:

Table 6.16: Expenditure returns of DIC as at November, 2015

SN	Item	2015 Allocation (GHC)	Actual as at 30/11/2015 (GHC)	Variance (GHC)
1	Compensation	1,106,200	745,567.11	360,632.89
2	Goods and Services	150,000	69,537.63	80,462.37
3	Capital Expenditure	0	0	0
	Total	1,256,200	815,104.74	441,095.26

6.17 Millennium Development Authority (MiDA)

The sum of GH¢32,200,000 was allocated for the Millennium Development Authority for the implementation of its activities in 2015. Additionally GH¢28,900,000.00 was also allocated to MiDA as compact implementation Fund. The Authority disbursed the sum of GH¢33,810,017.16 as at October 2015. The expenditure relates to the following funding sources:

Table 6.17: Expenditure returns of MiDA

SN	Source of Funds	Amount Approved (GHC)	Amount Released 30/10/2015 (GHC)	Actual Expenditure 30/10/2015 (GHC)
1	GOG	200,000	101,210.30	101,210.30
2	GOG Counterpart Funding (ABFA)	32,000,000	29,745,923	29,745,923
3	Compact Implementation Fund	28,900,000	8,726,424.43	3,962,883.79
	Total	61,100,000	38,573,557.73	33,810,017.09

6.18 Public Sector Reform Secretariat

The Public Sector Reform Secretariat was allocated an amount of GH¢1,786,500 for the implementation of its programmes and activities in 2015. The expenditure returns for the period January to September, 2015 is as follows:

Table 6.18: Expenditure the Public Sector Reform Secretariat

SN	Item	2015 ALLOCATION (GH¢)	Actual as at 30/10/2015 (GH¢)	VARIANCE (GH¢)
1	Compensation	1,086,500	540,000.00	546,500.00
2	Goods and Services	700,000	354,225.04	345,774.96
3	Capital Expenditure	0	0	0
	Total	1,786,500	894,225.04	892,274.96

7.0 OUTLOOK FOR 2016

The Office of Government Machinery plans to undertake among others, the following programmes and activities during the 2016 financial year:

7.1 Institutional Development Programme

The Public Sector Reform Secretariat will continue to facilitate the implementation of measures to improve service delivery in MDAs and MMDAs in line with international charters and protocols. The Secretariat will continue the implementation of the Subvented Agencies (SAs) Reform Programme.

The Secretariat will review current status of ongoing public sector reform programme and ensure its accelerated implementation. The PSR will also establish an M&E framework for public sector reforms and ensure a favorable working conditions and environment for public and civil servants.

7.2 Security and Safety Management Programme

National Security Council will seek to promote political tolerance, stability, security and peace in Ghana and the sub-region. It will also continue to protect and secure vital national installations and ensure the safety of people and property across the country. The National Security Council will continue its core mandate of maintenance of internal peace and security through preemptive intelligence monitoring reporting. The Bureau of National Investigation (BNI) will continue its core mandate of forwarding processed information to the National Security Council (NSC) and other agencies. The Executive, VIPs, general public and other key installations will be protected to reduce subversion, espionage, drug trafficking and organized crime.

7.3 Investment Promotion and Management Programme

MiDA will continue the implementation of MCA Ghana Compact II which is geared towards increasing private sector investment in power generation, strengthening the distribution sector and improving access to electricity

Ghana Investment Promotion Centre (GIPC) will undertake investment drives to stimulate domestic private sector investment and also seek to improve the legal and regulatory framework to improve the climate for private sector investment.

MASLOC will continue to support farmers, fishermen, micro and small enterprises, and young men and women in the rural community to set them up for livelihood empowerment in areas such as shoemaking, shear butter processing and small trading.

7.4 HIV and AIDS Management Programme

Government will ensure that the relevant supplies are procured on time to maintain the momentum of preventive interventions and sustain PLHIV on treatment. Government will also continue to engage the private sector through the Ghana AIDS Commission to strengthen the pharmaceutical production base and raise additional resources for the national HIV response.

8.0 2016 BUDGETARY ALLOCATION

For the implementation of the above programmes and activities, a total amount of GH¢718,854,911 has been allocated to the Government Machinery for the year 2016, out of this, Employees Compensation is allocated GH¢288,005,865, with Good and Services having an allocation of GH¢429,189,283 and GH¢1,659,763 for capital expenditure.

The breakdown of the allocation is as follows:

Table 8.1: Summary of the 2016 allocation for the Government Machinery

S N	Item	GOG (GHC)	IGF (GHC)	ABFA GHC	DP GHC	TOTAL GHC
1	Compensation	288,005,865	0	0	0	288,005,865
2	Goods and Services	290,842,292	2,258,807	135,988,184	0	429,189,283
3	Capital Expenditure	0	1,659,7630	0		1,659,763
	TOTAL	714,836,341	4,018,570	135,988,184	718,854,911	718,854,911

The Allocation to the Office of Government Machinery will be expended among the following programmes:

Table 8.2: Summary of the 2016 allocation for the Government Machinery by Programme

SN	Programme	Compensation (GHC)	Goods and Services (GHC)	Capital Expenditure GHC	TOTAL GHC
1	Management and Administration	28,102,780	89,448,292	0	117,551,072
2	Institutional Development	8,477,076	121,348,184	0	129,825,260
3	Security and Safety Management	218,868,372	167,454,000	0	386,322,372

4	Investment Promotion Management	27,795,436	31,703,807	1,659,763	61,159,006
5	Regulatory Services	3,692,511	985,000	0	4,677,511
6	HIV and AIDS Management	1,067,545	18,250,000	0	19,317,545
7	Budget Management	2,145	0	0	2,145
	TOTAL	288,005,865	429,189,283	1,659,763	718,854,911

9.0 2016 ALLOCATION BY SECTOR

9.1 Office of the President

The Office of the President caters for the following Departments; General Administration, Office of the Chief of Staff (COS), Vice President's secretariat, Cabinet Secretariat, Press Secretariat, Millennium Development Authority (MiDA), African Fund for Bio Fuels Development, State Enterprises Commission, Divestiture Implementation Committee, Policy Evaluation and Oversight Unit, Public Sector Reform Secretariat and Policy Coordination and delivery Unit. For the 2016 financial year, the Office of the President has been allocated a total amount of GH¢154,905,620 to cater for the following expenditure items:

GOG		GH¢
Compensation of Employees	-	42,817,328
Goods and Services	-	112,088,292
Capital Expenditure	-	-
Sub Total	-	<u>154,905,620</u>

The amount allocated to the Office of the President will be distributed among the various Departments and Agencies under the Office of the President as follows:

		GH¢
General Administration	-	39,447,477
Office of the chief of Staff	-	59,896,900
Vice presidents secretariat	-	9,250,000
Cabinet Secretariat	-	3,450,000
Press Secretariat	-	400,000
MiDA	-	20,300,000
African Fund for Bio Fuel Development-		722,514
State Enterprises Commission	-	1,874,230
Divestiture Implementation Committee-		16,194,458
Policy Evaluation and Oversight Unit-		100,000
Public Sector Reform Secretariat	-	2,452,824
Brand Ghana	-	567,216
Policy Coordination and delivery Unit-		<u>250,000</u>
Total	-	<u>154,905,620</u>

9.5 Commissions and Councils

Commissions and Councils is made up of the Council of State and Office of the Chief of State Protocol. The Commissions have been allocated an amount of GH¢7,110,315 for their activities in 2016 to be disbursed as follows:

		GH¢
Compensation of Employees	-	5,180,315
Goods and Services	-	<u>1,930,000</u>
Capital Expenditure	-	
Total	-	<u>7,110,315</u>

This allocation is divided amongst the two agencies as follows:

Council of State		GH¢
Compensation of Employees	-	3,411,136
Goods and Services	-	<u>980,000</u>
Capital Expenditure	-	
Total	-	<u>4,391,136</u>

Office of the Chief of State Protocol		GH¢
Compensation of Employees	-	1,769,179
Goods and Services	-	<u>950,000</u>
Total	-	<u>2,719,179</u>

9.6 Office of the National Security

To implement its planned activities for the 2016 financial year, a budgetary allocation of GH¢381,205,537 has been allocated to the National Security to be disbursed as follows:

		GH¢
Compensation of Employees	-	214,551,537
Goods and Services	-	166,654,000
Capital Expenditure	-	<u>0</u>
Total	-	<u>381,205,537</u>

The allocation will be distributed among the various security agencies as follows:

Table 9.1: 2016 allocations to the various security Agencies under the office of the National Security

S/ N	Agency	Compensation (GHC)	Goods And Services (GHC)	Capital Expenditure (GHC)	Total (GHC)
1	National Security Council	47,869,114	49,445,000	0	97,314,114
2	Research Department (HQ)	26,318,816	30,000,000	0	56,318,816
3	BNI	56,137,942	50,209,000	0	106,346,942
4	Research Department (FM)	84,225,665	35,000,000	0	119,225,665
5	Bureau of National Communication	0	2,000,000	0	2,000,000
	Total	214,551,537	166,654,000	0	381,205,537

9.8 Ghana AIDS Commission

A budgetary amount of GH¢19,317,545 has been allocated to Ghana AIDS Commission for the 2016 financial year to be disbursed as follows:

GOG		GH¢
Compensation of Employees	-	1,067,545
Goods and Services (Projects)	-	17,974,537
Goods and Services (Administration)	-	<u>275,463</u>
Total	-	<u>19,317,545</u>

9.9 Scholarships Secretariat

An amount of GH¢118,291,520 has been allocated to the Secretariat in the 2016 budget to be disbursed as follows:

		GH¢
Compensation of Employees	-	1,273,336
Goods and Services (Non Fees Component)	-	1,030,000
Goods and Services (Fee Component)	-	115,988,184
Capital Expenditure	-	<u>0</u>
Total	-	<u>118,291,520</u>

The total budget of the Scholarships Secretariat would be spent as follows:

(a) General Administration (Accra Office)		GH¢
Compensation of Employees	-	507,215
Goods and Services (Non Fee)	-	600,000
Goods and Services (Fees)	-	115,988,184
Capital Expenditure	-	<u>0</u>
Total	-	<u>117,095,399</u>

(b) London Office		GH¢
Compensation of Employees	-	766,120
Goods and Services	-	<u>430,000</u>
Total	-	<u>1,196,120</u>

9.10 National Identification Authority

For the 2016 financial year, an amount of GH¢5,116,835 has been allocated to the National Identification Authority (NIA) to be disbursed as follows:

		GH¢
Compensation of Employees	-	4,316,835
Goods and Services	-	<u>800,000</u>
Sub Total	-	<u>5,116,835</u>

9.11 Office of the Administrator General

The Office of the Administrator General has been allocated an amount of GH¢1,281,469 for the implementation of its programs and activities for the 2016 financial year. The breakdown is as follows:

		GH¢
Compensation of Employees	-	781,469
Goods and Services	-	<u>500,000</u>
Total	-	<u>1,281,469</u>

9.12 National Population Council

The National Population Council has been allocated an amount of GH¢3,000,135 for the implementation of its programmes and activities for the 2016 financial year to be disbursed as follows:

		GH¢
Compensation of Employees		2,020,135
Goods and Services		<u>980,000</u>
Total	-	<u>3,000,135</u>

9.13 Ghana Investment Promotion Centre (GIPC)

For the 2016 financial year a budgetary amount of GH¢10,059,656 including IGF of GH¢3,668,570 has been provided for the Ghana Investment Promotion Centre (GIPC) to be utilized as follows:

GOG		GH¢	GH¢
Compensation of Employees	-	5,791,086	
Goods and Services	-	<u>600,000</u>	
Sub Total	-		6,391,086
IGF			
Goods and Services	-	2,008,807	
Capital Expenditure	-	<u>1,659,763</u>	
Sub Total	-		<u>3,668,570</u>
Grand Total	-		<u>10,059,656</u>

9.14 Internal Audit Agency

To enable the Internal Audit Agency fulfill its mandate, an amount of GH¢4,677,511 has been allocated to the Agency for the 2016 financial year to be spent as follows:

		GH¢
Compensation of Employees	-	3,692,511
Goods and Services	-	<u>985,000</u>
Total	-	<u>4,677,511</u>

9.15 Savannah Accelerated Development Authority

For the 2016 financial year, an amount of GH¢3,050,307 has been allocated to the Savannah Accelerated Development Authority (SADA) for its activities. This will be disbursed as follows:

		GH¢
Compensation of Employees	-	2,100,307
Goods and Services	-	<u>950,000</u>
Total	-	<u>3,050,307</u>

9.16 Microfinance and Small Loans Center

For the implementation of the programmes and activities of the Microfinance and Small Loans Center (MASLOC), a budgetary amount of GH¢10,838,461 has been allocated to the Center for the year 2016 to be disbursed as follows:

GOG		GH¢
Compensation of Employees	-	4,413,461
Goods and Services	-	<u>6,425,000</u>
Total	-	<u>10,838,461</u>

9.17 African Biofuel and Renewable Energy Fund

For the implementation of the programmes and activities of the African Biofuel and Renewable Energy Fund, a budgetary amount of GH¢722,514 has been allocated to the Agency for the year 2016 to be disbursed as follows:

		GH¢
Compensation of Employees	-	242,514
Goods and Services	-	<u>480,000</u>
Total	-	<u>722,514</u>

9.18 State Enterprises Commission

For the 2016 financial year, an amount of GH¢1,874,230 has been allocated to the State Enterprises Commission for its activities. This will be disbursed as follows:

		GH¢
Compensation of Employees	-	1,024,230
Goods and Services	-	<u>850,000</u>
Total	-	<u>1,874,230</u>

9.19 Divestiture Implementation Committee (DIC)

For the implementation of its programmes and activities, the Divestiture Implementation Committee (DIC) has been allocated an amount of **GH¢16,194,458** for the 2016 financial year to be disbursed as follows:

		GH¢
Compensation of Employees	-	15,844,458
Goods and Services	-	350,000
Capital Expenditure		<u>-</u>
Total	-	<u>16,194,458</u>

9.20 Millennium Development Authority (MiDA)

The Millennium Development Authority (MiDA) has been allocated an amount of **GH¢20,300,000** in the 2016 budget for the implementation of its activities. The allocation will be expended as follows:

	GOG		GH¢
Goods and Services	-		300,000
ABFA	-		<u>20,000,000</u>
Total	-		<u>20,300,000</u>

9.21 Public Sector Reform Secretariat

An amount of GH¢2,452,824 has been allocated in the 2016 budget to finance the activities of the Public Sector Reform Secretariat. The amount will be expended in respect of the following:

		GH¢
Compensation of Employees	-	1,552,824
Goods and Services	-	<u>900,000</u>
Total	-	<u>2,452,824</u>

The summary of the total budget allocation for the Government Machinery for the 2016 financial year is attached as *Appendix A*.

ATTACHMENT (Summary of Allocation to the Departments)

10.0 OBSERVATIONS AND RECOMMENDATIONS

10.1 *Annual Budget Funding Amount (ABFA) Allocation*

The Committee noted that a total amount of GH¢135,988,184 has been allocated from the ABFA to Government Machinery to support institutional development and investment promotion. Under the institutional development programme, an amount of GH¢115,988,184 has been allocated to support the funding of scholarships both local and overseas. The Investment Promotion component of GH¢20,000,000 is to cater for the Counterpart Funding for MCA Compact II.

The breakdown of the ABFA allocation under the Office of Government Machinery is as follows:

Table 10.1: ABFA allocation under the Office of Government Machinery

SN	SECTOR	ABFA ALLOCATION GH¢	%
1	MiDA	20,000,000	14.71
3	Scholarship Secretariat	115,988,184	85.29
	TOTAL	135,988,184	100

10.2 *Divestiture Implementation Committee (DIC)*

The Committee learnt that DIC plans to undertake the sale of some listed State Owned Enterprises and residual properties in 2016. The process had begun and the DIC is in the process of evaluating bids received for the sale of five companies and six residual properties. It was explained that once this is done and funds are made available for the

payment of severance award to the staff of the affected companies and other liabilities, divestiture should be brought to a closure. The Chief Executive Officer informed the Committee that the DIC requires the sum of GH¢15,051,998.71 to pay the severance awards of workers of divested State Own Enterprises and settle other liabilities such as social security commitments. The Committee was also informed that inadequate logistics continue to be a major challenge to DIC. The DIC lacks proper office equipment and other logistical support for the effective discharge of its functions. This situation, the Committee learnt, is adversely affecting the efficient performance of its mandate.

The Committee however noted that an amount of GH¢16,194,458 has been allocated in the 2016 Budget for the activities of the DIC. The allocation the Chief Executive Officer was certain would provide sufficient funds to enable DIC settle all outstanding severance packages and liabilities and wind-up its activities. The Committee recommends to the Ministry of Finance to release the allocation timely to enable the DIC bring closure to its activities and possibly wind-up.

10.3 *Millennium Development Authority*

The Committee was informed that Millennium Development Authority (MiDA) successfully completed work and got approval for most of the conditions precedent to the initial disbursement of funds under Compact II. The Chief Executive Officer of MiDA informed the Committee that the outstanding conditions including Programme Implementation Plan, Environmental and Social Management System and Implementing Entity Agreements are all at advance stages of completion and is expected to be finalized by February, 2016. The Committee noted that, the Second Compact with the Millennium Challenge Corporation (MCC) will make available the sum of US\$535 million including Government of Ghana Contribution of US\$37 million to support investment in the energy sector. By this arrangement, Government of Ghana is expected to contribute US\$7.7 million as counterpart funding for the Compact in 2016. The Committee again noted that an amount of GHC20, 000,000 has been allocated under the 2016 budget to MiDA as counterpart fund for the second year of the implementation of Compact II. This amount

the Committee noted may not adequately meet government's obligation in 2016 under the Compact. Since the provision of the counterpart funding is contingent on disbursement on the part of the MCC which is expected to commence by March, 2016, the Committee urges government to ensure additional resources are made available and released on time prevent non-disbursement on the MCC.

10.4 *Office of the Administrator-General*

The Office of the Administrator-General exists to facilitate the orderly transfer of all official assets, Properties and Handing Over note from appointees of the outgoing government to an incoming government. The Committee was informed that most of the maiden years of the Office have been devoted to the startup activities and to consolidate its legal and statutory foundations. The Committee was informed that the Office is seriously understaffed and this is adversely affecting its activities. The Office with a staff requirement of 51 is currently being maned by seven staff made up of two permanent staff and five others on secondment. The Administrator-General explained to the Committee that the moratorium on recruitment into the public service is hampering the efforts of the office to recruit the required staff to augment their staff strength. The Committee is of the view that, in view of the pending elections in 2016, more responsibility would be placed on the Office of the Administrator-General to ensure smooth transition. The Committee therefore recommends to the Minister of Finance to as a matter of priority, waive the moratorium on recruitment for the Office of the Administrator-General to allow it recruit some staff to support its operations. Alternatively, staff of redundant state agencies should be seconded to the Office to assist it carry out its mandate during and after the 2016 elections.

10.5 *Ghana Investment Promotion Centre*

The Committee was informed that the Ghana Investment Promotion Centre registered 120 projects for the first three quarters of the year 2015 with a total estimated value of US\$2,286,660,000. Out of these, 75 were wholly owned by foreign enterprises with a total value of US\$1,764,090,000. The remaining 45 were joint venture enterprises between Ghanaians and foreign partners, valued at US\$522,570,000. The CEO of GIPC

indicated that the Foreign Direct Investment (FDI) component of the estimated value of the projects registered during the first three quarters of the year amounted to US\$1,997,270,000 with a local currency component amounting to US\$289,400,000. A total of 12,401 jobs were expected to be created by the registered projects of which 11,181 jobs will be for Ghanaians and the remaining 1,220 will be for expatriates. The Committee noted that there is a significant increase in FDI in 2015 compared to same period in 2014. Except the total initial transfer which declined from US\$63.11 million in 2014 to US\$53.87 million in 2015 all other components of investment has seen significant increase during the year. The investment performance in 2015 compare with 2014 is presented below:

GIPC investment performance in 2015

	Component	2014 (US\$)	2015 (US\$)	Variance (US\$)
1	Total Estimated Value of Projects Registered	1,979,105,000	2,286,660,000	307,555,000
2	Total Initial Capital Transfer	63,110,000	53,870,000	(9,240,000)
3	FDI Component	1,687,210,000	1,997,270,000	310,060,000
4	Local Currency Component	103,840,000	289,400,000	185,560,000

The Committee further noted that the Ghana Investment Promotion Centre has collected an IGF of GH¢10.5 million as at October 31st 2015 as against end of year projection of GH¢8,667,798. The Chief Executive of the Centre explained to the Committee that the increased was as a result of review in some of their fees during the year. She explained to the Committee that the GIPC in anticipation of difficulties in getting releases from central government reviewed some of their operations to cut expenditure. Notwithstanding the significant increase in the IGF and the potential of the Centre to generate more, a total amount of only GH¢3,668,570 has been allocated under IGF to support the Centre's activities in 2016 though GIPC proposed to generate IGF to the sum of over GH¢9 million in 2016.

The Committee is of the view that since GIPC is by law to retain 100% of IGF restricting the IGF utilization of the Centre to only GH¢3.668, 570 would only create a situation where the GIPC would be unable to utilise the funds generated for its activities because same has not been appropriated under the budget. The Committee therefore recommends to the Minister for Finance to correct the anomaly possibly in a Supplementary Estimates to enable GIPC utilise the remaining IGF. The Committee further recommends to the Minister to consider weaning the GIPC off government subvention.

10.6 *National Population Council (NPC)*

The Committee noted that the National Population Council in 2015 spent US\$2,640,835.11 and £312,164 on various activities for which funds were not appropriated in the 2015 Budget. The expenditures relate to the following projects:

SN	PROGRAMME	DONOR	AMOUNT
1	Ghana on the Rise	USAID	US\$250,000
2	RAPID/CIP	USAID	US\$21,432.81
3	GHARH	DFID	US\$2,369,402.30
4	Training of Budget and Planning Officers on Integration Modules Software	DFID-OPM	£312,164

It was explained to the Committee that the expenditure was in response to the urgent need of addressing issues of declining quality, distribution challenges, access and usage of condoms in Ghana. It was also indicated that most of the funds, particularly, the USAID and DFID were expended on behalf of the Council in the form of technical assistance. Officials from the Ministry of Finance in response to why such anticipated donor inflows were not accounted for in the 2015 budget explained that donors in many occasions deal directly with MDAs at the blind side of the Ministry. It was added that the Ministry recognises and appreciates the implication of this practice and in his resolve to address the challenge, the Minister of Finance has formally written to all donors to desist from the practice. The Officials were optimistic that, going into 2016, the situation

would improve since the Ministry intends to further engage the countries donor partners to find lasting solution to the problem.

The Committee noted that the situation cut across several MDAs and urge development partners to channel all support to MDAs through the Ministry of Finance. This, the Committee believes would promote transparency and ensure accountability.

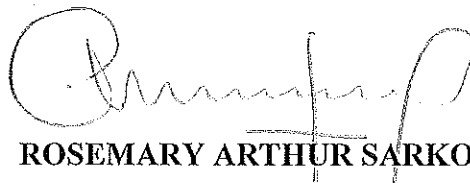
11.0 CONCLUSION AND RECOMMENDATION

The Committee have critically examined the 2016 Estimates of the Government Machinery recommends to the House to approve the sum of *Seven Hundred and Eighteen Million, Eight Hundred and Fifty-four Thousand, Nine Hundred and Eleven Ghana Cedis (GH¢718,854,911)* for the running of the **Government Machinery** for the Financial Year commencing 1st January and ending 31st December, 2016.

Respectfully submitted.



HON. JAMES KLUTSE AVEDZI
CHAIRMAN, FINANCE COMMITTEE



ROSEMARY ARTHUR SARKODIE (MRS.)
CLERK, FINANCE COMMITTEE

December, 2015