



REPUBLIC OF GHANA

AUDITOR-GENERAL'S REPORT  
ON THE  
NATIONWIDE PAYROLL AND  
PERSONNEL VERIFICATION AUDIT  
AS AT JUNE 2018

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**This report has been prepared under Section 16 of the Audit Service Act, 2000 for presentation to Parliament in accordance with Section 20 of the Act.**

**Daniel Yaw Domelevo  
Auditor-General  
Ghana Audit Service  
3rd April 2020**

**This report can be found on the Ghana Audit Service website: [www.ghaudit.org](http://www.ghaudit.org)**

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# TRANSMITTAL LETTER

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3<sup>rd</sup> April, 2020

**THE RIGHT HON. SPEAKER  
OFFICE PARLIAMENT  
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Dear Rt. Hon. Speaker,

**AUDITOR-GENERAL'S REPORT ON THE NATIONWIDE  
PAYROLL AND PERSONNEL VERIFICATION AUDIT  
AS AT JUNE 2018**

We have the honour to submit, herewith, our report on the Nationwide Payroll Exercise for employees on the Government payroll as at June 2018.

2. We conducted the audit in accordance with Section 16 of the Audit Service Act 2000, (Act 584) to provide an independent assurance on the overall payroll management systems. This audit aimed at ascertaining whether the

current payroll system administered by the Controller and Accountant-General (CAGD) was secure and the payroll files were also consistent with the actual personnel records of government employees.

3. Based on our reviews, we have made a couple of recommendations to Heads of MDAs/MMDAs as well as CAGD for the institution of stronger controls in the management of the payroll system.

4. We acknowledge the co-operation and assistance accorded us by all Government employees during the enumeration exercise including the Heads of MDAs/MMDAs and CAG.

Yours faithfully,



**DANIEL YAW DOMELEVO**  
**AUDITOR-GENERAL**

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**AUDITOR-GENERAL'S REPORT ON THE NATIONWIDE  
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AS AT JUNE 2018**

## Executive Summary

2. The primary objective for the nationwide payroll exercise was to ascertain the true existence of government employees on the payroll. It was also to assess the efficiency of the Controller and Accountant General Department's (CAGD) national payroll system as well as the personnel records managed through the Electronic Salaries Payment Voucher (ESPV) by respective management unit heads of MDAs/MMDAs including their Personnel Payroll Sections.

3. This report throws light on systemic payroll management weaknesses identified during the audit and proffers recommendations for consideration and implementation.

4. It is instructive to note that, prior to the completion of this exercise, we issued audit observations to the affected MDAs/MMDAs for their responses. Their responses were evaluated and where necessary included in the report.

5. Some of the highlights of the report included the 7,823 unaccounted for employees as summarised in the table below;

Table 1: unaccounted for employees as summarised

No.	MDAs/MMDAs	Affected Employees	Gross Amount
1	Judicial Service	4	107,980.00
2	Local Government Service	548	34,584,009.00
3	Min of Finance	7	1,361,054.00
4	Min of Communications	26	2,752,290.00
5	Min of Education	5074	233,269,901.00
6	Min of Food and Agriculture	81	7,220,148.00
7	Min of Health	1388	127,268,356.00
8	Min of Information	1	255,571.00
9	Min of Interior	295	24,465,320.00
10	Min of Local Govt and Rural Devt	75	4,827,268.00
11	Min of Roads and Transport	3	204,961.00
12	Min of Trade and Industry	16	1,705,108.00
13	Min of Youth and Sports	1	49,007.00

14	Min of Chieftaincy and Traditional Affairs	23	1,939,155.00
15	Min of Environment, Science, Techn and Innovation	90	9,785,663.00
16	Min of Foreign Affairs and Reg Integration	2	221,289.00
17	Min of Gender, Children and Social Protection	3	207,479.00
18	Min of Justice and Attorney General	21	5,236,443.00
19	Min of Lands and Natural Resources	136	9,980,826.00
20	Min of Roads and Highways	6	307,298.00
21	Min of Tourism, Culture and Creative Arts	23	1,885,666.00
<b>Grand Total</b>		<b>7,823</b>	<b>467,634,792.00</b>



## Introduction

6. The wage bill of Government employees constitutes a significant percentage of total GoG expenditure. The GoG payroll system therefore requires robust control mechanism to prevent and detect the occurrence of errors and irregularities associated with payroll administration.

7. Over the years, there have been several reported cases of payroll infractions resulting in the payment of unearned salaries. Owing to this, there have been several efforts by various public institutions including the Ministry of Finance to clean the payroll.

8. In line with Section 16 of the Audit Service Act, 2000 (Act 584), the Auditor-General conducted a nationwide payroll audit from July 2018 to January 2020 to provide an independent assurance on the overall payroll management systems. The audit aimed at ascertaining whether the current payroll system administered by the Controller and Accountant-General (CAGD) was secure and the payroll files also consistent with the actual personnel records of government employees. The audit also sought to ascertain the extent of effectiveness in the use of the Electronic Salary Payment Voucher (ESPV) System, introduced by CAGD in 2014, to heads of MDAs/MMDAs and their respective Management Unit Heads in the management of personnel records on the payroll.

## **Scope**

9. The audit covered active personnel on the CAGD's GoG mechanized payroll from January 2015 to June 2018.

## **Methodology**

10. Our methodology which is in accordance with the International Standards of Supreme Audit Institutions was in four stages.

### **Pre-engagement stage**

11. We had pre-engagement meetings with officials from MoF and CAGD to outline our audit programme and to establish formal and informal means of communication.

12. Prior to the meeting, we requested and obtained from CAGD the payroll data for the period under review. We also obtained from MoF the biometric data of GoG employees.

13. Furthermore, we obtained documents relating to payroll business processes, system application documents as well as GoG payroll administration policies etc.

14. With the data received from both CAGD and MoF, we developed in-house, a comprehensive web application audit tool for the payroll enumeration exercise and for our data analysis.

### *Detailed Review stage*

15. We carried out desk review on the following records;
  - a. Data on Report 11 (this report contains details of employees paid each month per bank);
  - b. The Electronic Salary Payment Voucher (ESPV) details; and
  - c. Payroll biometric data
  
16. At the MDAs/MMDAs level, we obtained original documents in relation to the employment of GoG staff who presented themselves for the enumeration exercise. This was to confirm the appropriateness of their status as defined on the mechanized payroll.
  
17. We also reviewed the roles of heads of MDAs/MMDAs including their Management Unit Heads as well as their Personnel Payroll Sectional Heads (PPS) to ascertain their pro-activeness in ensuring that payments of unearned salaries were brought under control.

### *Verification Stage*

18. We conducted the exercise on regional basis, visiting each at a time. In the regions, teams were assigned to the various districts for the enumeration exercise. The aim of the exercise was to ascertain their physical existence and the appropriateness of their personal records. Prominent among the documents reviewed included their, academic certificates, promotion letters, contract extensions, appointment letters, bank statements, SSNIT identification card and biometric slip.

### *Reporting Stage*

19. Audit observations were developed and issued to Chief Directors of the respective MDAs/MMDAs including other statutory bodies for their responses. Responses obtained were reviewed and included in this report.

20. Prior to the end of this exercise in January 2020, we declared to Heads of MDAs/MMDAs our intention to surcharge some 10,689 employees whose existence on the payroll could not be verified. We gave opportunity to the affected MDAs/MMDAs to call such employees to present themselves for the enumeration and also considered correspondences relating to those who could not physically present themselves for the enumeration.

**21. Though we have the intention to disallow the continuous existence of the employees who could not be accounted-for on the payroll, we have delayed exercising this mandate owing to the unusual times in which we are, following the outbreak of the novel Coronavirus pandemic in the country. We plan to exercise this mandate and ensure the recovery of all unearned salaries immediately after the spread of the Coronavirus is contained.**

22. Through special audit reports (which are extracts of this report but with more details on the infractions including details of the affected employees), we recommended that the Chief Directors of the affected MDAs/MMDAs should ensure the recovery of the unearned salaries. We further urged them to exercise stronger oversight in the management of their respective payrolls.

## **Statement of Responsibility**

23. Our audit conclusions were based on information provided to us by the relevant agencies including CAGD, MDAs/MMDAs and the public universities.

24. This report therefore does not absolve any Head of a covered entity or individuals from liability if the information provided by them led to our wrong conclusion.

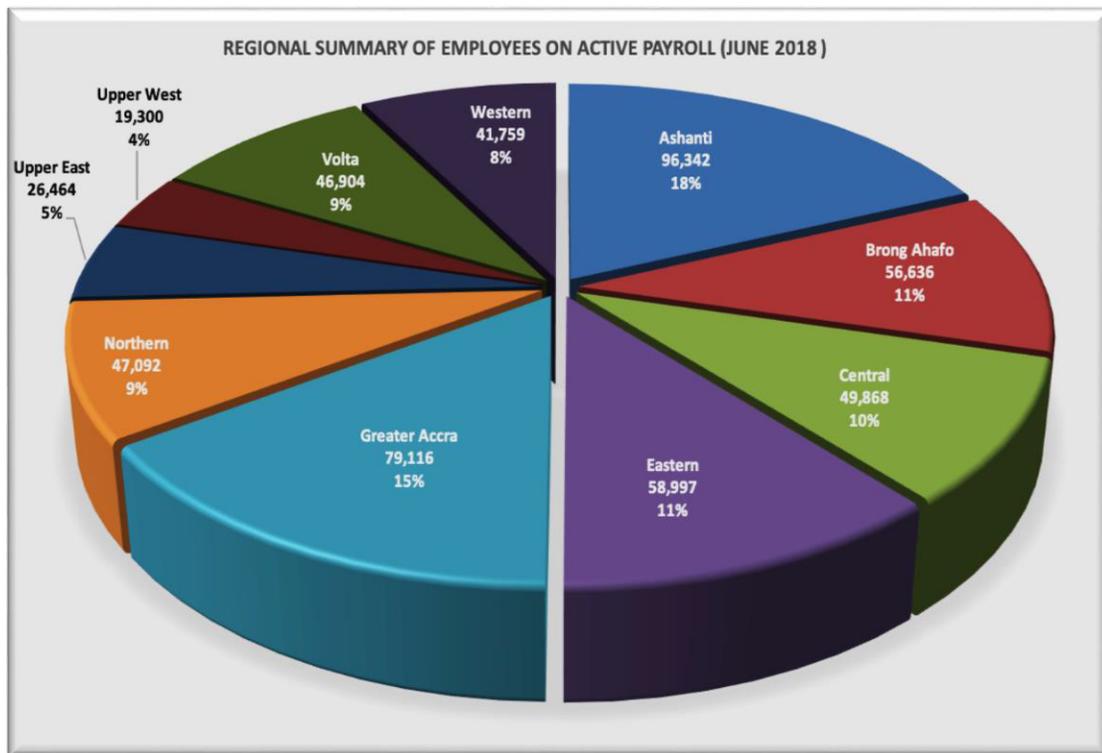
## **Demographic Report on the Payroll**

25. This section presents summary statistics of employees on the payroll over the period under review. The chart below shows the demographic of GoG employees according to age, sex, MDAs, and regions.

### **Regional Summary of Employees on Active Payroll**

26. Figure 1 shows that Ashanti Region recorded the highest number of government employees with numerical strength of 93,342 followed by Greater Accra with staff strength of 79,116. Eastern Region the third highest recorded 58,997 followed by Brong Ahafo, Central, Northern, Volta, Western, Upper East and Upper West Regions.

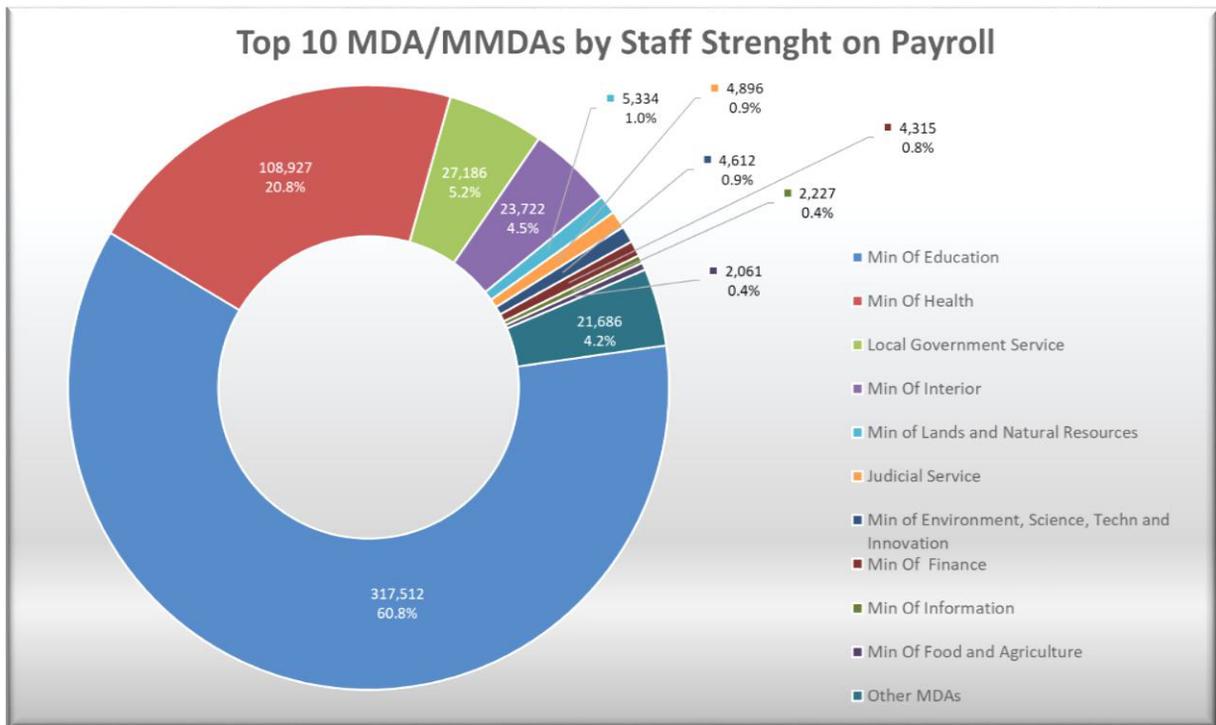
Figure 1



### Top 10 MDAs/MMDAs by Numerical Strength

27. Figure 2 shows that the Ministry of Education with numerical strength of 317,512 employees was the largest employer followed by Ministry of Health with a staff strength of 108,927 employees. The Ministry of Local Government; Interior; Lands and Natural Resources; Judicial Service; Environment Science Technology and Innovation; Finance; Information and Food and Agriculture followed with staff strengths of 27,186; 23,722; 5,334; 4,896; 4,612; 4,315; 2,227 and 2,061 respectively.

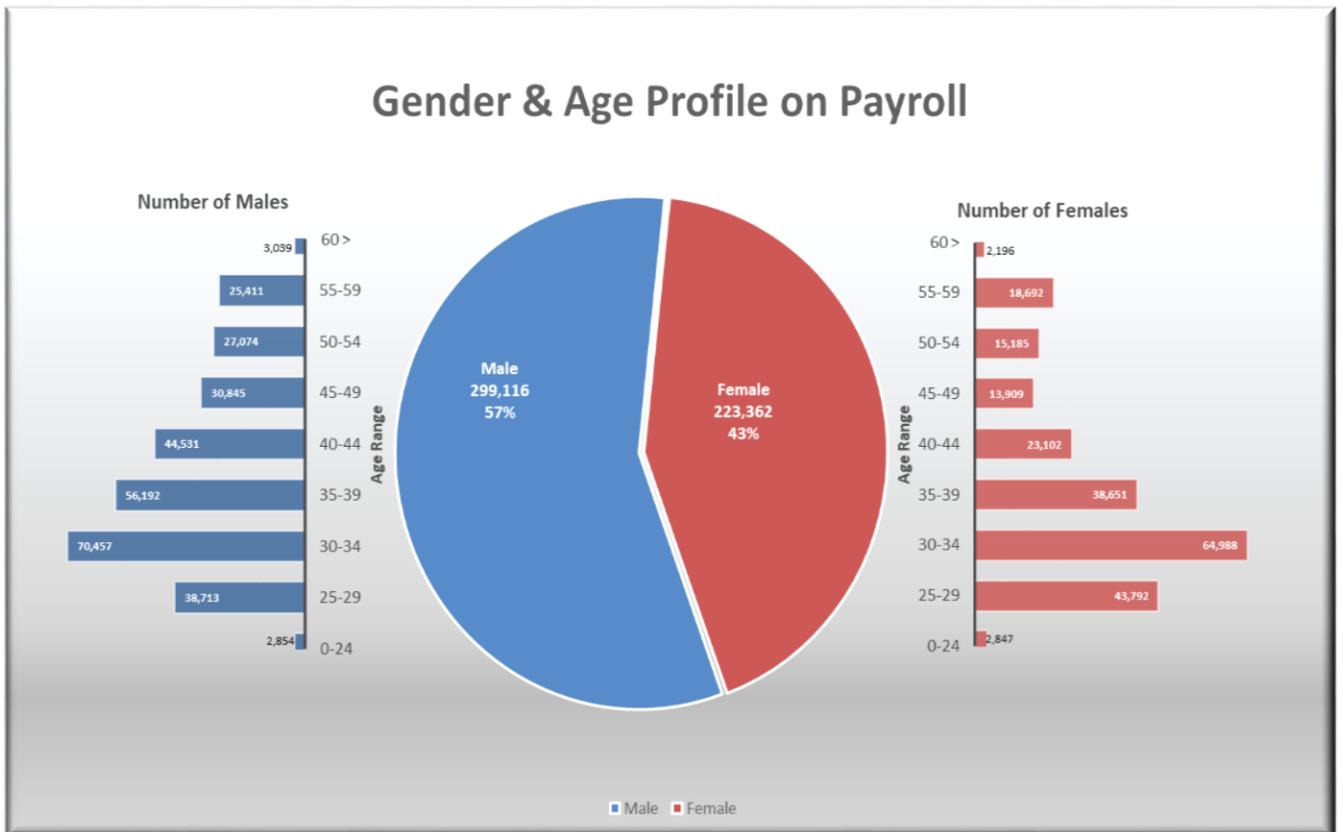
Figure 2



### Gender and Age Profile on Payroll

28. Figure 3 shows the gender and age profile of employees on the payroll. The male employees numbered 299,116 (57%) whereas the female employees were 223,362 representing 43% of total employees. The figure also shows male employees in the age bracket of between 50 and 60 years on the payroll was 55,524 as oppose to female employees numbering 36,073.

Figure 3



## Summary of Significant Findings

### Unaccounted-for Government Employees

29. Out of 522,478 supposed active employees expected, a total of 7,823 remained unaccounted-for at the end of the enumeration exercise. We recommended that CAGD should ensure the termination of the unaccounted-for employees on the payroll. The heads of MDAs should also ensure the full recovery of the unearned salaries from the affected persons.

### **Salary Grade Mismatch**

30. Our review of the personnel records during the enumeration exercise showed mismatch in the salary grades of some 1,200 employees when compared with their actual grades on their appointment/promotion letters.

31. To ensure that salaries earned by employees are commensurate with their current position or grade, we recommended that, Heads of MDAs/MMDAs together with CAGD should ensure that the affected employees are appropriately placed.

### **Discontinued Staff maintained on payroll**

32. Owing to failure by CAGD to act on feedback from respective management heads, some 6,307 employees declared as “discontinued” through the ESPV system, continued to receive unearned salaries.

33. We urged CAGD to terminate the records of all the discontinued employees on the payroll and ensure the full recovery of all the unearned salaries. For efficiency, we also recommended a seamless integration of the ESPV system with the payroll system thus resulting in prompt update of employee records.

### **Overaged Employees on active payroll**

34. We noted that the payroll system had not been properly configured to terminate automatically, records of employees who attain the statutory retirement age. Our review showed that, names of 84 employees who had attained the statutory retirement age, and had no contract extension, were still on the payroll. To ensure full compliance with the provisions of the Constitution, we urged CAGD to ensure proper configuration of the payroll system.

### **Employees without Biometric details**

35. The biometric verification system serves as a pre-condition for the payment of salaries to employees. Despite this control, our review showed that names of some 202 employees who had not gone through the biometric registration were on the payroll. To prevent multiple payment of salaries, we urged CAGD to configure the payroll system to prevent payment of salaries to persons who have not been biometrically identified.

### **Doubtful Academic qualification**

36. During our examination of records, we suspected a total of 19,203 academic certificates presented during the enumeration exercise to be fraudulent.

37. A total of 7,407 out of the 19,203 suspicious certificates were confirmed to be genuine and 62 found to be fake. Owing to the challenges encountered by the universities in querying our data, they were unable to confirm the outstanding 11,734 certificates.

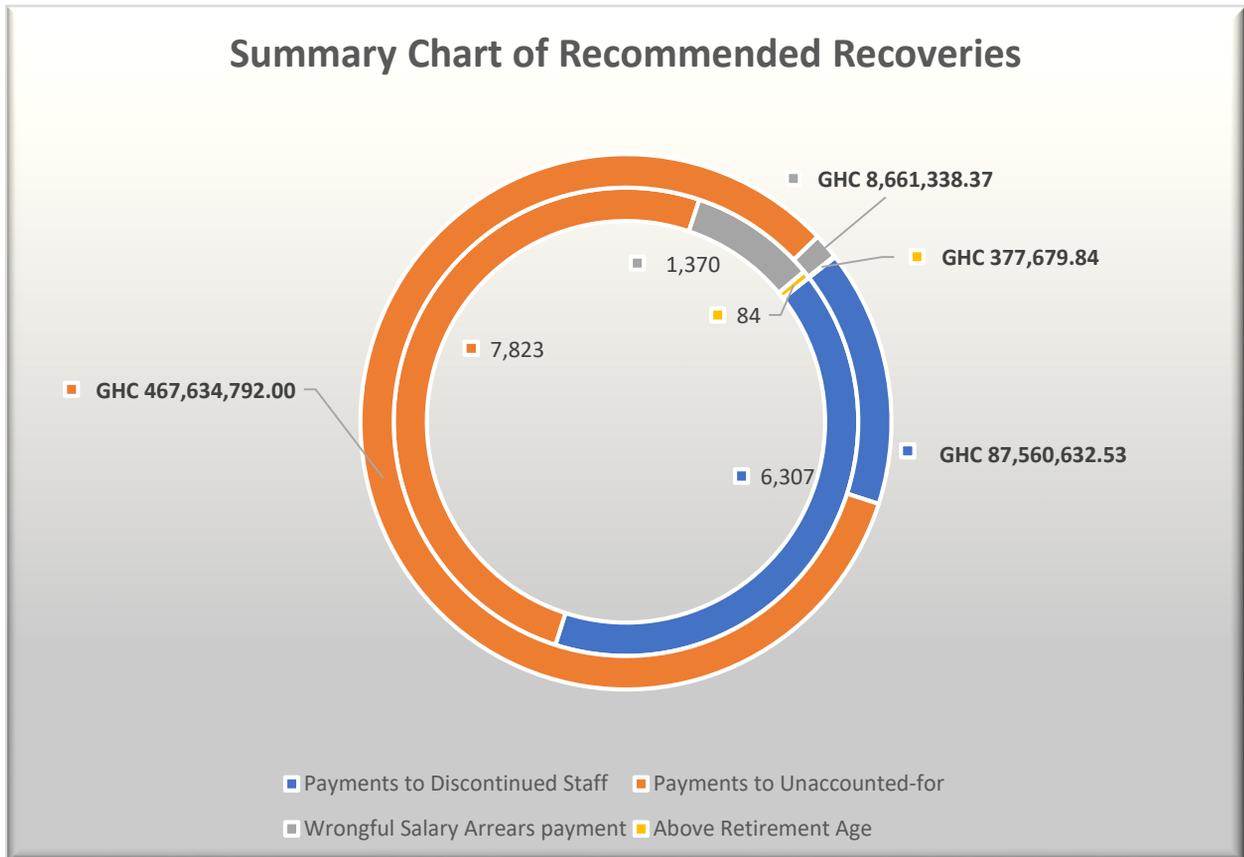
38. We therefore provided the data to the heads of MDAs/MMDAs to liaise with the awarding institutions to confirm the certificates and submit a report for our attention.

### **Summary Chart of Recommended Recoveries**

Figure 4 below shows our data analysis of the amount of GH¢ 564,234,442.74 being unearned salaries to be recovered and paid into the Consolidated Fund. Out of the amount, total unearned salaries relating to unaccounted-for employees of GH¢467,634,792.00 was the highest followed by payments to discontinued employees totaling GH¢87,560,632.53. Weak coordination between the MDAs/MMDAs and CAGD in the management of personnel

records on the government payroll in our view, largely accounted for the infractions noted during the period of our review.

Figure 4



## Details of Findings and Recommendations

### Nationwide Enumeration Exercise

39. Employees on the CAGD payroll were through public notices, invited to participate in an enumeration exercise which sought to confirm their true existence, consistency of their grades with their respective appointment/promotion letters, and the genuineness of their academic qualifications, etc.

40. To vouch the regularity of their employment, they were expected to come along with the following records:

- a) Biometric Registration Slip;
- b) SSNIT Biometric Card (Original Card);
- c) Payslip (Recent);
- d) Appointment Letter (Original plus Photocopy);
- e) Recent Promotion or Upgrade Letter (Original plus Photocopy);
- f) All Academic Certificates (Original and Photocopy); and
- g) At least two of the following National Identification Card;
  - i. Voter's ID
  - ii. Passport
  - iii. Driver's License
  - iv. NHIS

### **Audit Observations**

41. After the nationwide payroll exercise, the following audit observations were made;

#### **Unaccounted-for Government Employees**

42. We noted during our validation exercise that 522,478 supposed active employees received salaries for the period under review. To confirm their physical existence, we carried out a nation-wide payroll exercise. The outcome of the exercise revealed unaccounted-for employees totaling 12,563. Table 2 & 3 provides the summary of the employees who did not turn up for the enumeration and also no response received from their respective employers regarding their whereabouts;

*Table 2 Unaccounted for Employees*

Unaccounted for Employees						
NO.	MDAs/MMMDAs	Grand Total	No. confirmed by Mgt. to be at post	No. confirmed by Mgt. not at post	No. of unaccounted for employees	
1	Commission on Human Rights and Admin Justice	18	12	6	-	
2	Electoral Commission	62	31	31	-	
3	Judicial Service	172	78	90	4	
4	Local Government Service	787	89	150	548	
5	Min of Finance	182	75	100	7	
6	Min of Chieftaincy and Traditional Affairs	23	-	-	23	
7	Min of Communications	39	-	13	26	
8	Min of Defence	23	21	2	-	
9	Min of Education	6,080	244	762	5,074	
10	Min of Employment and Labour Relations	75	23	52	-	
11	Min of Energy	13	4	9	-	
12	Min of Environment, Science, Techn and Innovation	196	-	106	90	

13	Min of Fisheries and Aquaculture Development	23	10	13	-
14	Min of Food and Agriculture	83	-	2	81
15	Min of Foreign Affairs and Reg Integration	205	190	13	2
16	Min of Gender, Children and Social Protection	35	7	25	3
17	Min of Health	3,267	51	1,828	1,388
18	Min of Information	95	32	62	1
19	Min of Interior	556	197	64	295
20	Min of Justice and Attorney General	39	8	10	21
21	Min of Lands and Natural Resources	159	2	21	136
22	Min of Local Govt and Rural Devt	87	-	12	75
23	Min of Railways Development	1	1	-	-
24	Min of Roads and Highways	94	21	67	6
25	Min of Roads and Transport	3	-	-	3
26	Min of Sanitation and Water Resources	1	-	1	-

27	Min of Tourism, Culture and Creative Arts	35	3	9	23
28	Min of Trade and Industry	41	12	13	16
29	Min of Water Resources, Works and Housing	59	48	11	-
30	Min of Youth and Sports	36	8	27	1
31	National Commission for Civic Education	21	21	-	-
32	National Development Planning Commission	4	-	4	-
33	National Labour Commission	2	1	1	-
34	National Media Commission	3	3	-	-
35	Office of the Head of Civil Service	11	2	9	-
36	Public Services Commission	6	1	5	-
	<b>Grand Total</b>	<b>12,536</b>	<b>1,195</b>	<b>3,518</b>	<b>7,823</b>

43. The heads of the MDAs/MMDAs additionally provided evidence to confirm the authenticity of the employment of 1,195 who were not present for enumeration exercise.

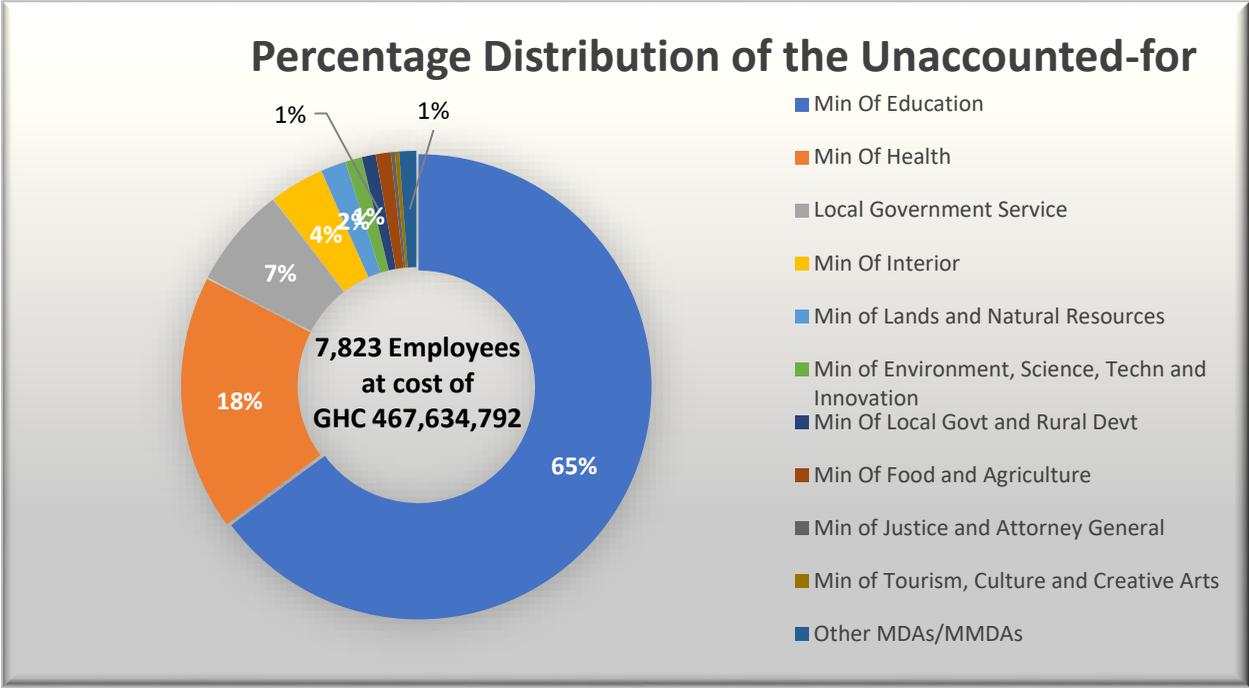
44. Based on responses from respective heads of MDAs/MMDAs we noted that 3,518 out of the total unaccounted-for employees could not attend the enumeration exercise due to various reasons by their respective heads. Table 3 provide the details;

*Table 3: Summary of Management Responses*

<b>Reasons</b>	<b>NOT AT POST</b>
DECEASED	166
INTERDICTED	2
LEAVE OF ABSENCE	23
LEAVE WITHOUT PAY	9
NO REASON PROVIDED	9
RESIGNED	107
RETIRED	745
SICK/STUDY LEAVE	740
SUSPENDED	2
TERMINATED	1,602
VACATED POST	113
<b>GRAND TOTAL</b>	<b>3,518</b>

45. The heads of MDAs/MMDAs could however not vouch the authenticity of the remaining 7,823 supposed active employees.

Figure 5



46. As shown in Figure 5, the MDA with the largest un-accounted for employees was the Ministry of Education followed by Ministry of Health and then Ministry of Local Government and Rural Development (including the Local Government Service).

Figure 6

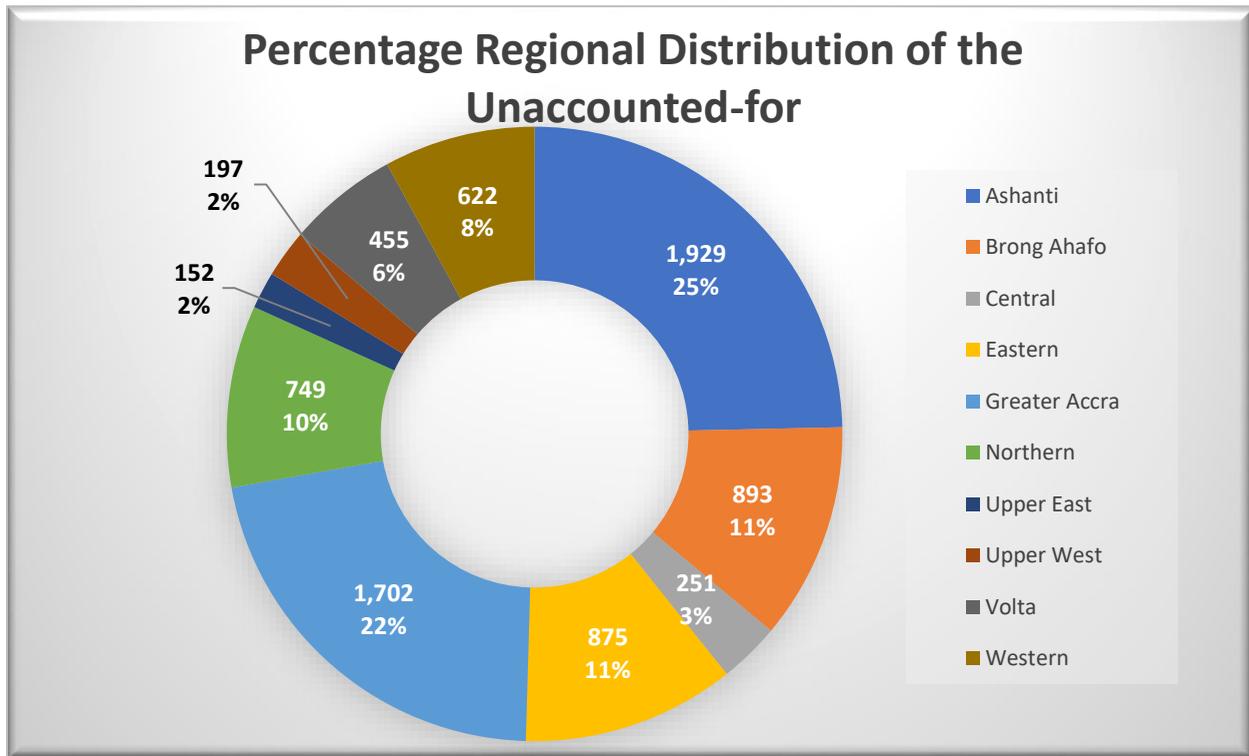


Figure 6, shows the Region with the largest un-accounted for employees being Ashanti Region followed by Greater Accra and then Brong Ahafo Region.

47. Though we have the intention to disallow the continuous existence of the 7,823 employees who could not be unaccounted for on the payroll, we have delayed exercising this mandate owing to the unusual times in which we are, following the outbreak of the novel Coronavirus pandemic. We plan to exercise this mandate and ensure the recovery of GH¢467,634,792 unearned salaries immediately after the spread of the Coronavirus is contained.

48. Meanwhile, CAGD as well as the Heads of MDAs/MMDAs should take the necessary steps improve their controls systems and to minimize a recurrence.

## Integrated Payroll and Personnel Database

49. The Integrated Payroll and Personnel Database (IPPD) was implemented to replace the manual and semi-manual system for the processing of government payroll. The IPPD consists of two components namely the payroll and the personnel management system.

50. IPPD coordinators in the various MDAs/MMDAs serve as mediators between employees and the Personnel Processing Section. The IPPD coordinators prepare inputs from their respective districts for onward submission to their Headquarters for electronic data entry onto the payroll system.

51. The Payroll Processing Division in CAGD is also responsible for running and managing the payroll of employees on day to day basis.

52. Below are some of the required documents used by the IPPD Coordinators as basis for input onto the payroll system;

### **New Entrants**

- i. Appointment letter issued by Head of Department
- ii. Acceptance letter by the employee
- iii. Evidence of date of assumption of duty letter
- iv. Establishment warrant (EW)
- v. Financial clearance or replacement if within the budget year.
- vi. Management unit should agree with the region and district
- vii. Social security number
- viii. Bank account details

## **Promotion / Change of Grade**

- i. Promotion / change of grade letter
- ii. Establishment warrant (EW)

## **Audit Observation**

53. Based on our review of employee records, we noted some systemic deficiencies which in our view were partly caused by the weak oversight on the activities of various IPPD Coordinators across the country. Below are some of our observations;

### **Salary Grade Mismatch**

54. We noted weak control in the placement of staff on their correct salary grades. Our review showed mismatch in the salary grades of some 1,200 employees when compared with their grades as stated on their appointment/promotion letters.

55. Heads of respective MDAs/MMDAs in response to this observation were able to provide evidence in favour of only 43 of the affected employees as shown in Table 4 below;

Table 4: Grade Mismatch

Grade Mismatch							
NO.	MDAs / MMDAs	No. of Affected Employees	Evidence Provided For Clearance	Audit Findings Accepted	Unverified / No Response / No Response / Remarks	Recommended To Rightful Position On Payroll	
1	Commission on Human Rights and Admin Justice	1	1	-	-	-	
2	Electoral Commission	27	-	-	27	27	
3	Judicial Service	3	2	-	1	1	
4	Local Government Service	28	11	11	6	17	
5	Min Of Finance	1	1	-	-	-	
6	Min of Chieftaincy and Traditional Affairs	1	-	-	1	1	
7	Min Of Communications	2	-	-	2	2	
8	Min Of Education	1,018	6	12	1,000	1,012	
9	Min Of Employment and Labour Relations	5	3	1	1	2	
10	Min Of Energy	1	1	-	-	-	
11	Min of Environment, Science, Techn and Innovation	5	-	-	5	5	
12	Min of Fisheries and Aquaculture Development	1	-	-	1	1	
13	Min Of Food and Agriculture	1	-	-	1	1	
14	Min of Gender, Children and Social Protection	2	1	1	-	1	

<b>15</b>	Min Of Health	82	14	7	61	68
<b>16</b>	Min Of Information	2	-	1	1	2
<b>17</b>	Min Of Interior	13	-	-	13	13
<b>18</b>	Min of Lands and Natural Resources	30	-	-	30	30
<b>19</b>	Min Of Local Govt and Rural Devt	1	-	-	1	1
<b>20</b>	Min of Roads and Highways	4	2	-	2	2
<b>21</b>	Min of Tourism, Culture and Creative Arts	1	-	-	1	1
<b>22</b>	Min Of Trade and Industry	10	-	-	10	10
<b>23</b>	Min Of Water Resources, Works and Housing	2	-	-	2	2
<b>24</b>	National Commission for Civic Education	2	1	1	-	1
<b>Grand Total</b>		<b>1,243</b>	<b>43</b>	<b>34</b>	<b>1,166</b>	<b>1,200</b>

## Unsupported Grade

56. We could also not substantiate the actual grades of 10,034 employees. These employees failed to present for our inspection, their appointment/promotion letters during the enumeration exercise. According to some of the affected employees, mostly GES staff, they were not issued with letters when they were promoted. They further stated that, they only get to know of their status through publication of list of successful candidates by their respective district offices after interviews. Table 5 provides summary analysis;

Table 5 : Grade Unsupported

No.	MDAs/MMMDAs	No. Of Affected Employees	Evidence Provided For Clearance	Audit Position Accepted	Unverified /No Response	Management Should Investigate and Correct The Anomaly
1	Commission on Human Rights and Admin Justice	17	14	1	2	3
2	Electoral Commission	305	-	-	305	305
3	Judicial Service	74	-	-	74	74
4	Local Government Service	619	373	8	238	246
5	Min Of Finance	149	144	-	5	5
6	Min of Aviation	3	3	-	-	-
7	Min of Chieftaincy and Traditional Affairs	14	-	-	14	14
8	Min Of Communications	28	2	-	26	26
9	Min Of Defence	5	5	-	-	-
10	Min Of Education	6,724	98	17	6,609	6,626
11	Min Of Employment and Labour Relations	148	147	-	1	1
12	Min Of Energy	7	7	-	-	-
13	Min of Environment, Science, Techn and Innovation	230	-	-	230	230
14	Min of Fisheries and Aquaculture Development	55	54	-	1	1
15	Min Of Food and Agriculture	68	-	-	68	68
16	Min of Foreign Affairs and Reg Integration	1	-	-	1	1

17	Min of Gender, Children and Social Protection	17	16	-	1	1
18	Min Of Health	1,535	364	3	1,168	1,171
19	Min Of Information	50	49	-	1	1
20	Min Of Interior	1,032	452	-	580	580
21	Min of Justice and Attorney General	53	27	-	26	26
22	Min of Lands and Natural Resources	467	-	-	467	467
23	Min Of Local Govt and Rural Devt	38	-	-	38	38
24	Min Of Railways Development	1	-	-	1	1
25	Min of Roads and Highways	58	52	-	6	6
26	Min Of Roads and Transport	19	-	-	19	19
27	Min of Tourism, Culture and Creative Arts	62	-	-	62	62
28	Min Of Trade and Industry	57	29	-	28	28
29	Min Of Water Resources, Works and Housing	26	-	-	26	26
30	Min Of Youth and Sports	23	17	2	4	6
31	National Commission for Civic Education	48	48	-	-	-
32	National Development Planning Commission	2	-	-	2	2
33	National Labour Commission	1	1	-	-	-
34	Office of the Head of Civil Service	8	8	-	-	-
35	Public Services Commission	6	6	-	-	-
	<b>Grand Total</b>	<b>11,950</b>	<b>1,916</b>	<b>31</b>	<b>10,003</b>	<b>10,034</b>

57. To ensure that salaries earned by employees are commensurate with their current position or grade, we recommended that, management together with CAGD should ensure that the affected employees are appropriately placed in accordance with their appointment/promotion letters particularly at the Ministry of Education where the anomaly was found to be prevalent. Also, CAGD should ensure the recovery of all unearned salaries.

58. Rather than reliance on just a list, we urged management of GES to ensure that promotion letters are issued to all staff who meet the conditions for promotion. We are of the view that this measure would minimize the risk of abuse on the payroll.

59. Furthermore, we urged heads of MDAs/MMDAs as well as CAGD to exercise strong oversight on their respective IPPD coordinators to minimize a recurrence.

### Effective Dates of Appointments and Promotions

60. Our review of the performance of the various Personnel Processing Sections (PPSs) across the MDAs/MMDAs revealed significant deficiencies. Our comparison of employee records supposed to form the basis for inputs on the payroll showed significant discrepancies when compared with the actual documents presented by the employees during the enumeration exercise. In view of this, we noted several instances where the effective dates of appointment/promotion pre-dated the actual effective date as stated on the affected employees' letters. Table 6 provides summary analysis;

Table 6: Effective Dates of Appointments

Effective Dates of Appointments							
NO.	MDAs/MMDAs	No. Of Affected Employees	Evidence Provided for Clearance	Audit Position Accepted	Unverified/ No Response	Investigated and Recovery of Unearned Salaries	
1	Commission on Human Rights and Admin Justice	9	1	3	5	8	
2	Electoral Commission	17	-	-	17	17	
3	Judicial Service	29	2	9	18	27	
4	Local Government Service	379	70	106	203	309	
5	Min Of Finance	77	57	12	8	20	
6	Min of Chieftaincy and Traditional Affairs	5	-	-	5	5	
7	Min Of Communications	12	-	-	12	12	
8	Min Of Defence	3	2	-	1	1	
9	Min Of Education	3,134	18	45	3,071	3,116	
10	Min Of Employment and Labour Relations	13	3	2	8	10	
11	Min Of Energy	1	1	-	-	-	
12	Min of Environment, Science, Techn and Innovation	89	-	-	89	89	
13	Min of Fisheries and Aquaculture Development	1	1	-	-	-	
14	Min Of Food and Agriculture	37	-	-	37	37	
15	Min of Foreign Affairs and Reg Integration	28	23	3	2	5	
16	Min of Gender, Children and Social Protection	15	12	2	1	3	

17	Min Of Health	1,186	316	672	198	870
18	Min Of Information	19	1	-	18	18
19	Min Of Interior	126	8	1	117	118
20	Min of Justice and Attorney General	18	-	-	18	18
21	Min of Lands and Natural Resources	98	-	-	98	98
22	Min Of Local Govt and Rural Devt	34	-	-	34	34
23	Min Of Railways Development	3	1	-	2	2
24	Min of Roads and Highways	17	11	6	-	6
25	Min Of Roads and Transport	1	-	-	1	1
26	Min of Sanitation and Water Resources	1	-	-	1	1
27	Min Of Special Development Initiatives	1	-	-	1	1
28	Min of Tourism, Culture and Creative Arts	24	-	-	24	24
29	Min Of Trade and Industry	36	-	-	36	36
30	Min Of Water Resources, Works and Housing	21	-	-	21	21
31	Min Of Youth and Sports	11	1	9	1	10
32	National Commission for Civic Education	17	8	9	-	9
33	Office of the Head of Civil Service	11	1	2	8	10
34	Public Services Commission	1	-	1	-	1
<b>Grand Total</b>		<b>5,474</b>	<b>537</b>	<b>882</b>	<b>4,055</b>	<b>4,937</b>

61. We attributed these discrepancies largely to suspected connivance of some PPS coordinators and the beneficiaries which resulted in the affected employees receiving wrongful salaries.

62. Heads of MDAs/MMDAs in response to this observation were able to provide satisfactory evidence in favour of 537 out of 5,474 cited for the irregularities.

63. We provided the list of the affected employees to the Heads of MDAs/MMDAs and recommended that they should together with CAGD take the necessary steps to ensure all wrongful payments are recovered into the Consolidated Fund.

64. We also urged CAGD to apply the correct effective dates as shown on the promotion/appointment letters of the affected employees and to ensure that all unearned salaries owing to the anomalies noted are recovered. Furthermore, we urged heads of MDAs/MMDAs to exercise strong oversight on their respective PPS coordinators to minimize a recurrence.

### Electronic Salary Payment Voucher (E-SPV) processing system

65. Heads of Management Units until 2014, were required by CAGD to manually examine and certify the payment voucher of their respective units before salaries were paid.

66. In an effort to reduce the incidence of “ghost” workers and unearned salaries on the mechanized payroll, CAGD rolled out the E-SPV. The E-SPV was to enable heads of management units gain access to their payroll information and to validate them electronically for payment by CAGD.

67. Below are the roles of the key stakeholders involved in the management of personnel records on the E-SPV;

**i. Controller and Accountant General's Department**

- a. The head of payroll division of the CAGD runs the **test-payroll** on the substantive payroll system (IPPD2) and submits them through the ESPV platform to various management unit heads for the purposes of validation.
- b. The head of payroll is required to ensure that only employees validated by their respective management unit heads are paid salaries.

**ii. Heads of Management Units**

- a. Heads of Management Units through Short Message Service (SMS) receive on monthly basis, notification from CAGD to the payroll relating to their respective management units on the E-SPV.
- b. Management unit heads are required to examine the records of each employee on their payroll to ensure their regularity, taking particular interest of the following;
  - i. that only staff belonging to the unit are on the payment voucher;
  - ii. that names of staff on posting and transfer are deleted immediately;
  - iii. that staff on retirement, resignation, vacation of post and death are deleted immediately;
  - iv. that any over-payments are corrected immediately;
  - v. that names of newly employed staff and those posted or transferred to the unit appear on the payment voucher.

**iii. Heads of Departments**

- a. Heads of Departments are required to exercise strong oversight on the work of management unit heads to minimize the occurrence of wrongful salary payments.

**Audit Observation**

68. Based on the outcome of our review of the validation process by various key stakeholders involved in payroll administration, the following observations were made;

**Discontinued Staff maintained on payroll**

69. Where a declaration is made on the ESPV platform by a management unit head that an employee is “discontinued”, the name of such a person is required to be terminated by CAGD immediately to prevent the payment of unearned salaries to such separated employee.

70. Our review showed that though notifications were made by some Management Unit Heads on the E-SPV platform regarding the status of some employees, these were ignored by CAGD and as a result, the affected individuals were paid unearned salaries. Some 6,307 employees who were declared by their respective institutions as “discontinued” for instance were not terminated promptly by CAGD on the payroll. This resulted in the payment of unearned salaries of GH¢87,560,632.53 as at June 2018. This observation was corroborated by the MDAs/MMDAs during our follow-up on the issue. Table 7 provides summary analysis;

Table 7: Discontinued Employees

No.	MDAs/MMDAs	No. Of Staff Confirmed as Discontinued	Evidence Provided for Clearance	No. Of Staff Confirmed for Recovery Per Response
1	Commission on Human Rights and Admin Justice	15	7	8
2	Electoral Commission	9	-	9
3	Judicial Service	71	43	28
4	Local Government Service	696	156	540
5	Min Of Finance	65	40	25
6	Min of Chieftaincy and Traditional Affairs	21	-	21
7	Min Of Communications	45	-	45
8	Min Of Defence	4	1	3
9	Min Of Education	3,207	61	3,146
10	Min Of Employment and Labour Relations	72	29	43
11	Min Of Energy	13	5	8

12	Min of Environment, Science, Techn and Innovation	61	-	61
13	Min of Fisheries and Aquaculture Development	9	4	5
14	Min Of Food and Agriculture	92	-	92
15	Min of Foreign Affairs and Reg Integration	12	4	8
16	Min of Gender, Children and Social Protection	33	17	16
17	Min Of Health	1,800	560	1,240
18	Min Of Information	11	5	6
19	Min Of Interior	309	16	293
20	Min of Justice and Attorney General	17	5	12
21	Min of Lands and Natural Resources	152	-	152
22	Min Of Local Govt and Rural Devt	433	-	433
23	Min Of Railways Development	1	1	-
24	Min of Roads and Highways	53	33	20
25	Min Of Roads and Transport	12	4	8

<b>26</b>	Min of Tourism, Culture and Creative Arts	27	-	27
<b>27</b>	Min Of Trade and Industry	29	12	17
<b>28</b>	Min Of Water Resources, Works and Housing	33	15	18
<b>29</b>	Min Of Youth and Sports	27	14	13
<b>30</b>	National Commission for Civic Education	11	5	6
<b>31</b>	National Development Planning Commission	3	1	2
<b>32</b>	National Labour Commission	2	2	-
<b>33</b>	Office of the Head of Civil Service	5	3	2
<b>34</b>	Public Services Commission	1	1	-
<b>Grand Total</b>		<b>7,351</b>	<b>1,044</b>	<b>6,307</b>

71. We urged CAGD to ensure seamless integration of the ESPV system with the payroll system for the purpose of prompt update of employee records to minimize the risk in the payment of unearned salaries.

72. We also recommended to CAGD to terminate the records of all the affected employees on the payroll. Furthermore, we urged that CAGD together with the Heads of the affected MDAs/MMDAs to ensure the full recovery of the unearned salaries of GH¢87,560,632.53.

#### Employees whose records are not made available for validation

73. We noted during our review of the payroll validation system that some employees' records were never validated by any Head of Management Unit contrary to Section 304 of the Financial Administration Regulations, 2004. As result, their existence on the payroll was not known by the supposed respective Management Unit Heads.

74. Our review showed some weaknesses in the electronic transfer of personnel records on the payroll to the Heads of Management Unit through the E-SPV platform. As a result of this, we noted that 5,401 employee records have never been sent by CAGD to any Management Unit for validation which resulted in the payments of unearned salary over the period under review totaling GH¢50,429,798.56.

75. We recommended to CAGD to terminate the records of all the affected employees on the payroll. Furthermore, we urged that CAGD to ensure the full recovery of the unearned salaries.

## Oracle Payroll System

76. The Oracle Payroll has an in-built control feature that has 'intelligent fields' that ensures the proper validation of key inputs onto the payroll. Based on set criteria, it disallows wrong data entry such as date of birth, duplication of key variables and prevents data entries that do not meet prescribed policies:

- a. **Organizational Payroll:** The organisational payroll has fields control structure called payroll which stores the various positions and grades in an organisation aligning them with their basic pay structure and other associated allowances prescribed by law. These fields require that, each employee is linked to an organisational unit.
- b. **Assignment:** These fields define the status of every employee on the payroll as to whether he/she is an active or separated staff.
- c. **Bio-Detail:** The organizational payroll has a mandatory field that populate physiological attributes of each employee. This control therefore prevents personation.

### Audit Observation

77. Based on our review of the payroll administered by CAGD, the following observations were made.

#### Overaged Employees on Active Payroll

78. Article 199(1) of the 1992 Constitution (as amended) provides that a public officer shall, except as otherwise provided in this Constitution retire from the public service on attaining the age of 60 years. This notwithstanding, the Article 199(4) provides that, a public officer who has retired from the public service after attaining the age of sixty years may where the exigencies of the

service require, be engaged for a limited period of not more than two years at a time but not exceeding five years in all and upon such other terms and conditions as the appointing authority shall determine.

79. During our review of the payroll system, we noted that the payroll had not been properly configured to terminate records of employees who attain the statutory retirement age. Our review showed that, names of 84 employees who attained the statutory age for retirement, and were not under any contract extension remained on the payroll. This was also corroborated in some of the responses from the MDAs/MMDAs.

80. We are of the view that, the payroll system should have been configured to automatically terminate on the system, names of employees when they attain the statutory age.

81. CAGD in response to this observation also intimated that employees who attained the statutory retirement age since June 2016 were automatically terminated before payroll run, relying solely on the dates of birth entered for the employees at the point of creation on the oracle system by the MDAs PPS.

82. To ensure full compliance with the provisions of the Constitution, we urged CAGD to properly configure the payroll system to prevent the payment of persons beyond their statutory retirement age. Furthermore, we urged CAGD to terminate the names of the affected individuals and ensure the recovery of the unearned salaries from them.

## Employees with Same SSNIT Numbers on the Payroll

83. Section 61 of the National Pensions Act, 2008, Act 766 states that, “A worker to whom the social security scheme applies shall be given a Social Security Number on registration with the Trust. The social security number is not transferable and shall be used by the worker throughout the working life of that worker and for the purposes of this Act.”

84. During our review of the payroll system, we noted that the fields for SSNIT biometric numbers were not properly set-up to prevent duplications. As a result, we noted that the payroll system was not able to automatically detect duplicated SSNIT biometric numbers of some 34 GoG employees. Table 8 provides summary analysis;

Table 8: Summary of employees with same SSNIT Numbers

No.	MDA	Affected Employees
1.	Min of Interior	6
2.	Min of Education	21
3.	Min of Local Government and Rural Development	1
4.	Min of Food and Agriculture	1
5.	Min of Fisheries	2
6.	Min of Health	1
7.	Min of Lands and Natural Resources	2
Grand Total		<b>34</b>

85. CAGD agreed with our position and stated that, in view of this, they exercise due care to avoid the abuse of temporary fields. They however indicated that, they will expire the affected records for regularization, numbers that do not pass National Identification validation.

86. To protect the interest of all employees regarding their SSNIT contributions, we recommended that CAGD as a matter of urgency, should activate the built-in validation controls for prompt detection of data entry errors including duplications.

#### Employees without Biometric details

87. The Ministry of Finance introduced the biometric verification system as a means of uniquely identifying each employee on the payroll system. This control was established as a pre-condition for the payment of salaries to GoG employees.

88. Notwithstanding this control, our review showed that salaries were processed and paid to some 202 employees who had not gone through the biometric registration and therefore had no biometric records on the payroll system. Table 9 below provides a summary of the anomalies;

*Table 9: Summary of employees without biometric*

No.	MDAs	Affected Employees
1.	Judicial Service	3
2.	Local Government Service	17
3.	Min of Finance	51
4.	Min of Communications	1
5.	Min of Defense	4
6.	Min of Education	81
7.	Min of Employment and Labour Relations	2
8.	Min of Environment, Science, Technical and Innovation	3
9.	Min of Food and Agriculture	6
10.	Min of Foreign Affairs and Reg. Integration	1
11.	Min of Health	27
12.	Min of Interior	2

13.	Min of Lands and Natural Resources	3
14.	Office of the Attorney-General and Min of Justice	1
Grand Total		<b>202</b>

89. To prevent multiple payment of salaries, we urged CAGD to ensure that biometric validation is considered as a key variable for identification of each employee. Furthermore, we urged CAGD to ensure the recovery of GH¢30,764,303 being multiple salaries paid over the period.

90. CAGD in response stated that, currently payments are done strictly with reference to Biometric registration and subsequent to this observation, employees who were identified had taken steps to rectify their biometric status. In addition, they will make media advertisement in the newspapers and communicate with the institutions concerned to update the biometric records of staff by a specific deadline. This will be followed by suspension of the salaries of affected staff.

91. CAGD further stated that, the HRMIS users have activated some records for payments without biometric registration. They have activated the record from the default "Waiting Biometric" to "Active Assignment" without reference to Biometric data. This has been communicated to HRMIS to prevent their users from undertaking such actions.

92. Our evaluation of Management's response revealed that, some employees without biometric registration were activated as 'Active Assignment' for payment of salaries. This in our view defeats the precondition for uniquely identifying each employee on the payroll system. We therefore

reiterated our earlier recommendation that the payroll system should be configured to prevent the payment of salaries to persons without biometric registration.

### Suspected Cases of Personation

93. During our review of employee records on the payroll, we suspected that some employees used the academic certificate of others to secure employment in other public institutions.

94. Our examination showed that two or more employees shared same records. This became obvious as two or more bore same names and date of birth. Out of the 412 affected employees, our follow-up to 46 sampled employees confirmed this assertion. We observed that whereas 23 of them were able to prove ownership of their academic certificates 23 of them were unable to do so.

95. To ascertain the authenticity of the outstanding 366 employees we provided the details to the heads of MDAs/MMDAs to investigate and submit a report for our further review within 3 months after the publication of this report. See summary in the table 10 below;

*Table 10: Suspected Cases of Personation*

<b>Suspected Cases of Personation</b>		
<b>NO.</b>	<b>MDA/MMDA</b>	<b>AFFECTED EMPLOYEES</b>
<b>1</b>	Judicial Service	2
<b>2</b>	Local Government Service	10
<b>3</b>	Min of Finance	3
<b>4</b>	Min of Education	261
<b>5</b>	Min of Food and Agriculture	1
<b>6</b>	Min of Health	67

7	Min of Information	1
8	Min of Interior	10
9	Min of Lands and Natural Resources	8
10	Min of Roads and Highways	1
11	National Commission for Civic Education	1
12	Office of the Head of Civil Service	1
GRAND TOTAL		366

### Shared bank account

96. Our review showed that the bank account field for employees on the payroll was not uniquely defined to disallow the use of an account by multiple employees. Our analysis showed that 198 separate individuals shared common bank account numbers. Out of this number, 101 showed up for enumeration throwing in doubt the regularity of the remaining 98 who did not turn up. Table 11 provides the summary analysis;

*Table 11: Summary Analysis of Shared bank account*

NO.	MDA/MMDA	AFFECTED EMPLOYEES
1	Min Of Education	91
2	Min Of Health	8
3	Min of Lands and Natural Resources	2
GRAND TOTAL		101

97. We are of the view that the payroll system was not properly configured to prevent the use of one bank accounts by multiple employees. Furthermore, the gross abuse by some of the IPPD and PPS Coordinators contributed to the above irregularity.

98. Whilst urging CAGD to reconfigure its validation criteria to avoid a bank accounts being used by multiple employees, we recommended that heads of MDAs/MMDAs should ensure strong oversight on their respective IPPD/PPS Coordinators to eliminate the risk of abuse of employee bank accounts.

## Other Issues of concern

### Doubtful Academic Qualification

99. Academic qualification forms part of the key requirements based on which placement are made with respect to recruitment/promotion within the public service.

100. During our examination of records, we suspected a total of 19,203 academic certificates presented during the enumeration exercise to be fraudulent. To ascertain the authenticity of the certificates we provided the respective awarding institution with key control elements on the certificates examined; name, year of award, certificate serial number, and the name of the awarding institution for confirmation.

101. Though a total of 7,284 out of the 19,346 suspicious certificates were confirmed to be genuine and 61 found to be fake, they were unable to confirm a total of 12,001 certificates owing to the challenges they encountered querying their data based on the variables we were able to provide. Table 12 provides the summary analysis;

*Table 12: Summary analysis of Suspicious and fake certificates*

NO.	UNIVERSITY	Number of Certificates Submitted	Number of Certificates Confirmed Genuine	Certificates Confirmed as Fake by University	Number of Certificates Unverified
1	University of Education Winneba	16,146	7,179	0	8,967
2	University of Cape Coast	3,078	47	45	2,986
3	Kwame Nkrumah University of Science and Technology	76	30	0	46
4	University of Ghana	46	28	16	2
Grand Total		<b>19,346</b>	<b>7,284</b>	<b>61</b>	<b>12,001</b>

102. To ascertain the authenticity of the outstanding doubtful academic certificates, we provided the data to the heads of MDAs/MMDAs to liaise with the awarding institutions to confirm and submit a report for our further review within 3 months after the publication of this report. Table 12A provides the summary of MDAs/MMDAs whose employees' certificates are yet to be confirmed as authentic.

*Table 11A: Summary Analysis of MDAs/MMDAs whose employees' certificates are yet to be confirmed as authentic*

NO.	MDA's / MMDA's	Number of Certificates Submitted	Number of Certificates Confirmed Genuine	Certificates Confirmed as Fake by University	Number of Certificates Unverified
1	Commission on Human Rights and Admin Justice	7	0	0	7
2	Electoral Commission	11	5	0	6
3	Judicial Service	26	8	0	18
4	Local Government Service	211	67	3	141
5	Min Of Finance	37	11	0	26

6	Min of Chieftaincy and Traditional Affairs	4	2	0	2
7	Min Of Communications	3	2	0	1
8	Min Of Education	18,581	7,010	53	11,518
9	Min Of Employment and Labour Relations	48	23	1	24
10	Min of Environment, Science, Techn and Innovation	30	10	2	18
11	Min of Fisheries and Aquaculture Development	3	1	0	2
12	Min Of Food and Agriculture	11	4	0	7
13	Min of Gender, Children and Social Protection	8	3	0	5
14	Min Of Health	171	66	1	104
15	Min Of Information	17	5	0	12
16	Min Of Interior	81	25	0	56
17	Min of Justice and Attorney General	3	2	0	1
18	Min of Lands and Natural Resources	9	1	0	8
19	Min Of Local Govt and Rural Devt	21	13	0	8
20	Min of Roads and Highways	8	3	0	5
21	Min Of Roads and Transport	2	1	0	1
22	Min of Tourism, Culture and Creative Arts	15	4	0	11
23	Min Of Trade and Industry	9	2	1	6
24	Min Of Water Resources, Works and Housing	3	1	0	2
25	Min Of Youth and Sports	11	5	0	6
26	National Commission for Civic Education	8	6	0	2
27	Office of Government Machinery	7	3	0	4
28	Office of the Head of Civil Service	1	1	0	0
GRAND TOTAL		<b>19,346</b>	<b>7,284</b>	<b>61</b>	<b>12,001</b>

103. We also urged heads of the affected MDAs/MMDAs to conduct further investigation and institute disciplinary action against the 62 employees whose certificate were declared by the universities as fake.

104. Furthermore, we advised the Universities to collaborate with the Public Service Commission and develop a common web portal for use by MDAs/MMDAs for the verification of certificates of applicants for recruitment/promotion.

### Poor Migration of Payroll Data

105. The Controller and Accountant General's Department implemented the Integrated Personnel and Payroll Database (IPPD) system as the centralized computer-based system for the administration and processing of payroll for civil servants as well as manage payroll information for both active GoG employees.

106. During our review, we noted that CAGD operated IPPD 3 payroll system for GES staff and IPPD 2 of other MDAs/MMDAs until October 2016 when CAGD transited to implement IPPD 2 for the running of the payroll for all employees. Owing to poor changeover strategy, CAGD lost all the historical data on GES staff across the country during the migration. The exceptions noted, is the result of the challenges in the processing of payroll retro (payment of arrears).

107. We recommended that CAGD should adopt a comprehensive strategy to minimize data loss through systems changeover.

### Deductions Beyond Approved 50% Threshold

108. Regulation 115 (1d) of the Financial Administration Regulations 2004 states that," An advance payment to a public officer shall not be made under these Regulations if the normal instalment of recovery shall cause total advance

deductions to exceed 50 per cent of net monthly salary after tax or other statutory deductions.”

109. Notwithstanding affordability control functionality in-built in the payroll system to limit the amount of loans that employee could access from accredited third-party agencies, we noted that 345 GoG employees from 20 MDAs accessed loans beyond the approved threshold. As a result, we noted that the total monthly deductions of these employees were in excess of 50 percent of their net monthly salary. Table 12 below provides the summary analysis;

*Table 12: Deductions Beyond Approved 50% Threshold*

<b>NO.</b>	<b>MDAs/MMDAs</b>	<b>AFFECTED EMPLOYEES</b>
1	Commission on Human Rights and Admin Justice	3
2	Electoral Commission	1
3	Judicial Service	32
4	Local Government Service	7
5	Min Of Finance	5
6	Min Of Communications	3
7	Min Of Education	112
8	Min of Environment, Science, Tech and Innovation	85
9	Min Of Food and Agriculture	6
10	Min Of Health	55
11	Min Of Information	4
12	Min Of Interior	5
13	Min of Justice and Attorney General	16
14	Min of Lands and Natural Resources	2
15	Min Of Local Govt and Rural Devt	1

16	Min of Roads and Highways	1
17	Min of Tourism, Culture and Creative Arts	4
18	Min Of Water Resources, Works and Housing	1
19	Min Of Youth and Sports	1
20	National Development Planning Commission	1
<b>GRAND TOTAL</b>		<b>345</b>

110. We attributed this anomaly to manipulation of the affordability control functionality in-built in the payroll system.

111. We recommended that CAGD should tighten its control on the affordability functionality of the payroll system to ensure that deductions do not exceed approved threshold.

112. Management agreed with the findings and indicated that the third-party formulae were not defined in conformity with the acceptable rule.

### Acknowledgement

113. We acknowledge the cooperation and assistance provided to the Audit Service by all the MDAs/MMDAs during the enumeration exercise. We also acknowledge the effort and commitment of Mr. George Swanzy Winful the Deputy Auditor-General in charge of the Central Government Audit Department and his core team as well as the entire staff of the Audit Service for their high sense of dedication in conducting the audit despite the challenges encountered.

## **Mission Statement**

**The Ghana Audit Service exists**

**To promote**

- **good governance in the areas of transparency ,  
accountability and probity in the public financial  
management system of Ghana**

**By auditing**

- **to recognized international auditing standards, the  
management of public resources**

**And**

- **reporting to Parliament**