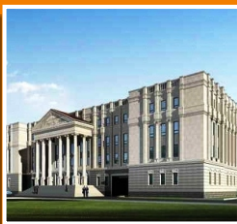


## Our Vision

To be one of the leading Supreme Audit Institutions in the world, delivering professional, excellent, and cost effective auditing services



REPUBLIC OF GHANA



# **REPORT OF THE AUDITOR-GENERAL THE PUBLIC ACCOUNTS OF GHANA MINISTRIES, DEPARTMENT AND OTHER AGENCIES (MDAs) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**This report has been prepared under Section 11 of the Audit Service Act, 2000 for presentation to Parliament in accordance with Section 20 of the Act.**

**Daniel Y. Domelevo  
Auditor-General  
Ghana Audit Service  
7 August 2017**

**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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**7 August 2017**

Dear Mr. Speaker,

**SUBMISSION OF AUDITOR-GENERAL'S ANNUAL  
REPORT ON THE PUBLIC ACCOUNTS OF GHANA,  
MINISTRIES DEPARTMENTS AND OTHER  
AGENCIES (MDAs)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

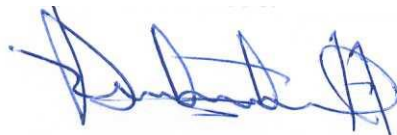
The Article 187(2) of the 1992 Constitution empowers me to carry out the audit of the Public Accounts of Ghana and to report thereon to Parliament.

2. Based on that mandate, it is my honour to submit to the House of Parliament my report on the audit of Ministries, Departments and Other Agencies (MDA's) of Central Government and the courts for the year ended December 2016.

3. I humbly request that the report be laid before Parliament for its consideration.

4. I extend my appreciation for the continued support of the Public Accounts Committee of Parliament and the House towards the review of my reports and the discharge of my functions and responsibilities as the Auditor-General of Ghana.

Yours Sincerely,



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

**THE RIGHT HONOURABLE SPEAKER**  
**OFFICE OF PARLIAMENT**  
**PARLIAMENT HOUSE**  
**ACCRA**

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# AUDITOR-GENERAL'S ANNUAL REPORT ON THE PUBLIC ACCOUNTS OF GHANA, MINISTRIES DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE YEAR ENDED 31 DECEMBER 2016

## EXECUTIVE SUMMARY

### Introduction

I have in accordance with Article 187(2) of the 1992 constitution conducted the audit of the accounts of the 22 Ministries and their Departments and Agencies for the financial year ended 31 December 2016 and present herewith the results of the audit. The report contains significant issues and matters that I wish to bring to the attention of the Parliament.

2. The audit was conducted in accordance with international auditing standards and best practice noting that the public financial management system of Ghana is underpinned by relevant legislative and administrative guidelines such as the Financial Administration Act 2003 (Act 654), the Financial Administration Regulations 2004, the Public Procurement Act 2003 (Act 663), the Audit Service Act 2000 (Act 584), the Stores Regulations of 1984

etc. and the accounting instructions of Department and Agencies approved by the Controller and Accountant-General in consultation with the Auditor-General.

### **Audit Objectives**

3. The overall objective of the audit and reporting to Parliament is to determine whether:

- ❖ Proper records and books of accounts were maintained
- ❖ The accounts had been properly kept
- ❖ All public monies due had been fully accounted for
- ❖ And rules and procedures applicable were sufficient to ensure an effective check on the assessment, collection and proper allocation of the revenue.
- ❖ Monies had been expended for the purposes for which they were appropriated and the expenditures had been made as authorized.
- ❖ Programmes and activities had been undertaken with due regard to economy,



efficiency and effectiveness in relation to the resources utilized and results achieved

### **Scope**

4. Based on the above objectives, internal control and the Internal Audit functions were reviewed to assess the risk associated with the management and utilisation of public recourses to determine if there had been fairness and integrity in administrative decision making and in dealing with the stakeholders.

### **Audit approach**

5. In preparing this report, it is necessary to establish a certain background to the findings, conclusions and recommendations that had been made in the report.

6. For the purpose of our audit we sought to understand the cycle of financial control within the Public Financial Management (PFM) system. The flow is that Revenues are raised in the form of taxes grants, loans and other finances and these are deposited in the Consolidated Fund.

7. Expenditures to be made from the revenue paid into the Consolidated Fund are to be approved by Parliament in an Appropriation Act; and without this authority any expenditure made from the fund is considered irregular and illegal.

8. The Government or Executive take the initiative to prepare a national budget based on revenue expectations and government policy direction for the year and presents this to Parliament for approval.

### **Outcomes/Benefits expected**

9. The following are general and relevant outcomes or benefits to the audited entity and all stakeholders that are expected to be associated with the audits.

- ❖ The audit leads to Accountability
- ❖ There is enforcement of financial discipline
- ❖ The audit leads to prevention of fraud, waste and abuse
- ❖ The process promotes best practice

- ❖ The audit process assists in achieving good governance and check or safeguard against loss misuse and damage to properties.

10. However all instances of breach of financial discipline and malfeasances could not be guaranteed as identified in the audit process, although the audit examination were planned and conducted to the extent necessary for the effective performance of our work such that there were reasonable chance that infractions would be detected.

### **General comments on irregularities in the report**

11. The irregularities represent either losses that had been incurred by the State through the impropriety or lack of probity in the actions and decisions of public officers or on the other hand, the savings that could have been made, if public officials and institutions had duly observed the public financial management framework put in place to guide their conduct and also safeguard national assets and resources.

12. I have therefore included in this report my conclusions and recommendations intended to improve and further deepen effective public financial management and controls within MDAs.

## PART 1

### SUMMARY OF IRREGULARITIES

I have summarised the financial weaknesses and other irregularities under seven broad categories as follows:

- ❖ Tax Irregularities
- ❖ Cash Irregularities
- ❖ Outstanding debts/loans
- ❖ Payroll Irregularities
- ❖ Contract Irregularities
- ❖ Rent payment Irregularities and
- ❖ Stores/Procurement Irregularities.

#### **Audit Results**

2. The overall financial impact of weaknesses and irregularities identified in the course of my audit amounted to GH¢2,165,542,375.14. A summary table is provided below:

| Irregularity            | GH¢                     | US\$<br>(GH¢<br>4.17760) | EURO<br>(GH¢<br>4.3405) | UAE<br>ARD<br>(GH¢<br>1,1544) | NAIRA<br>(GH¢<br>72.93) | SAUDI<br>RYLS<br>(GH¢<br>3.60) | JAPAN<br>(GH¢<br>0.0355) | TOTAL<br>(GH¢)          |
|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------------|-------------------------|--------------------------------|--------------------------|-------------------------|
| Tax                     | 42,478,111.05           | 92,110.00                | 825.00                  |                               |                         |                                |                          | 42,866,490.70           |
| Cash                    | 1,986,825,425.57        | 1,024,711.80             | 30,544.74               | 1,075.00                      | 855,370.00              |                                |                          | 2,053,622,215.68        |
| Loans                   | 1,823,656.70            | 675,651.50               |                         |                               |                         | 4,825.00                       | 59,502,706.00            | 6,775,974.47            |
| Payroll                 | 4,378,233.86            |                          | 866.41                  |                               |                         |                                |                          | 4,281,994.51            |
| Stores/Pro-<br>curement | 35,940,445.43           |                          |                         |                               |                         |                                |                          | 35,940,445.43           |
| Rent                    | 7,147,108.08            | 455,312.00               |                         |                               |                         |                                |                          | 9,049,219.49            |
| Contract                | 13,006,034.86           |                          |                         |                               |                         |                                |                          | 13,006,034.86           |
| <b>Total</b>            | <b>2,091,599,015.55</b> | <b>2,247,785.30</b>      | <b>32,236.15</b>        | <b>1,075.00</b>               | <b>855,370.00</b>       | <b>4,825.00</b>                | <b>59,502,706.00</b>     | <b>2,165,542,375.14</b> |

### Cash irregularities - GH¢2,053,622,215.68

3. Total cash irregularities noted during the period amounted to GH¢2,053,622,215.68 which was 95% of the total irregularities. These irregularities which cut across MDAs were attributable to the underlisted incidences among others:

- ❖ Unapproved/unjustified disbursement
- ❖ Dishonoured cheques
- ❖ Unaccounted revenue
- ❖ Unsupported payment vouchers
- ❖ Unauthorised transfers
- ❖ Funds to bank not credited
- ❖ Unpresented payment vouchers
- ❖ Payment of public funds into personal bank accounts
- ❖ Belated/non-lodgement of public funds
- ❖ Unaccounted funds
- ❖ Misapplication of funds
- ❖ Unauthorised use of IGF

4. Included in the total cash irregularity of GH¢2,053,622,215.68 was an amount of GH¢1,561,434,333.31 which was withdrawn from the petroleum revenue accounts without the knowledge of TOR management.

5. I recommended that heads of MDAs should continue to strengthen their controls over the collection and disbursement of cash and other funds and ensure strict adherence to the provisions of FAA, 2003 (Act 654) and FAR, 2004 (LI 1802), etc.

#### **Tax irregularities - GH¢42,866,490.70**

6. Included in this tax irregularity was 100 registered VAT traders who filed their returns at the MTO and STO but owed a total of GH¢11,934,957.00 as at December 2015.

7. The irregularities could be traced mainly to failure on the part of the Ghana Revenue Authority to collect tax revenue and also apply measures and sanctions stipulated in Sections 135(2) and 136 of the Internal Revenue Act, 2000 (Act 592) for tax administration.

8. I recommended that GRA management should strengthen monitoring and supervision of the work of subordinate staff and other schedule officers. Management should also take steps to improve efficiency in tax administration and collection and follow up on

overdue taxes while applying sanctions as prescribed by the tax laws.

### **Stores/Procurement irregularities - GH¢35,940,445.43**

9. Stores and procurement irregularities noted during the period amounted to GH¢35,940,445.43. Included in this irregularity was an amount of GH¢23,450,000.49 involving procurement of 46,600 units of Street lighting Lamps from Vision and Sports Enterprise by the Ministry of Local Government, but was not paid for after delivery on 18 July 2016.

10. These irregularities were due mainly to failure on the part of MDAs to follow procurement procedures prescribed in the Public Procurement Act by failing to obtain required number of quotations, splitting of procurement contracts and exceeding authorised thresholds.

11. I recommended the strengthening of supervision and monitoring by heads of MDAs as well as ensuring strict compliance with the provisions of the Public Procurement Act 2003, (Act 663) and other regulations.

### **Payroll irregularities - GH¢4,381,994.51**

12. Payroll irregularities amounting to GH¢4,381,994.51 was recorded during the period under review. This was due mainly to payments of unearned



salaries to separated staff as a result of delays in deleting their names from the payroll as well as delay in transferring unclaimed pensions and salaries to Government chest by the banks.

13. I recommended for the intensification and coordination between Finance and Human Resource Units within MDAs in their responsibility for payroll management, prevention and recovery of unearned salaries paid to unauthorised personnel.

#### **Outstanding loans/debts - GH¢6,775,974.47**

14. A significant amount of this irregularity of GH¢6,775,974.47 was a support in the form of agricultural inputs such as certified seeds, fertilizers, herbicides and vehicles to motivate farmers expand their farms which the farmers had failed to pay.

15. I recommended that stringent measures should be taken to ensure total recovery of all outstanding loans/debts.

#### **Contract irregularities - GH¢13,006,034.86**

16. Contract irregularities noted during the period under review amounted to GH¢13,006,034.86 which included GH¢12,476,152.86 as contract sum for six projects awarded by Department of Urban Roads, Accra. It also covered abandoned projects, delay in the execution,

shoddy constructional works and non-execution of works after payment of mobilisation.

**Rent irregularities - GH¢9,049,219.49**

17. Out of the total irregularity of GH¢9,049,219.49, I identified a total indebtedness of GH¢6,657,597.90 by institutions and 18 individuals in respect of ground and staff rent in the Sekondi Metropolis.

| Ministry Of             | Tax                  |                  |               | Cash                    |                     |                  |                 |                   | loans               |                 |                      |                   |
|-------------------------|----------------------|------------------|---------------|-------------------------|---------------------|------------------|-----------------|-------------------|---------------------|-----------------|----------------------|-------------------|
|                         | GH¢                  | US\$             | EURO          | GH¢                     | US\$                | EURO             | UAE AED         | NAIRA             | GH¢                 | SR.             | JPY                  | US\$              |
| Finance                 | 31,082,735.56        | 92,110.00        | 825.00        | 1,800,092,898.31        |                     |                  |                 |                   |                     |                 |                      |                   |
| Education               | 63,621.44            |                  |               | 1,830,780.25            |                     |                  |                 |                   | 9,265.00            |                 |                      |                   |
| Health                  | 2,127,427.69         |                  |               | 1,226,961.13            |                     |                  |                 |                   | 496,534.39          |                 |                      |                   |
| Food & Agric.           | 2,452.95             |                  |               | 1,536,751.24            |                     |                  |                 |                   | 686,772.30          |                 |                      |                   |
| Interior                | 1,108.00             |                  |               | 275,010.00              |                     |                  |                 |                   | 492,965.01          |                 |                      |                   |
| Youth & Sports          | 2,154.00             |                  |               | 59,580.00               | 1,000,000.00        |                  |                 |                   |                     |                 |                      |                   |
| Employment              | 2,555.79             |                  |               | 56,482,699.48           |                     |                  |                 |                   |                     |                 |                      |                   |
| Foreign Affairs         |                      |                  |               |                         | 12,629.00           | 30,544.74        | 1,075.00        | 855,370.00        |                     | 4,825.00        | 59,502,706.00        |                   |
| Judicial Service        | 10,356.11            |                  |               | 49,652,520.24           |                     |                  |                 |                   |                     |                 |                      | 675,651.50        |
| Defence                 | 21,881.00            |                  |               |                         |                     |                  |                 |                   |                     |                 |                      |                   |
| Trade                   |                      |                  |               | 2,115,129.17            |                     |                  |                 |                   | 4,380.00            |                 |                      |                   |
| Local Govt.             |                      |                  |               | 440,035.00              |                     |                  |                 |                   |                     |                 |                      |                   |
| Justice & Attorney Gen. |                      |                  |               | 68,944,512.64           | 232.80              |                  |                 |                   | 10,100.00           |                 |                      |                   |
| Petroleum               |                      |                  |               |                         |                     |                  |                 |                   |                     |                 |                      |                   |
| Water Resources         |                      |                  |               | 915,403.90              | 11,850.00           |                  |                 |                   | 42,940.00           |                 |                      |                   |
| Roads & Highways        | 2,147,630.99         |                  |               | 1,720,031.66            |                     |                  |                 |                   |                     |                 |                      |                   |
| Power                   |                      |                  |               |                         |                     |                  |                 |                   |                     |                 |                      |                   |
| Gender                  | 6,739,602.53         |                  |               | 238,023.40              |                     |                  |                 |                   |                     |                 |                      |                   |
| Chieftaincy             |                      |                  |               |                         |                     |                  |                 |                   |                     |                 |                      |                   |
| Information             | 276,584.99           |                  |               |                         |                     |                  |                 |                   |                     |                 |                      |                   |
| Tourism                 |                      |                  |               | 19,467.00               |                     |                  |                 |                   |                     |                 |                      |                   |
| Lands & Natural Res.    |                      |                  |               | 14,089.00               |                     |                  |                 |                   |                     |                 |                      |                   |
| Other Agencies          |                      |                  |               | 1,261,533.15            |                     |                  |                 |                   | 80,700.00           |                 |                      |                   |
| <b>Total</b>            | <b>42,478,111.05</b> | <b>92,110.00</b> | <b>825.00</b> | <b>1,986,825,425.57</b> | <b>1,024,711.80</b> | <b>30,544.74</b> | <b>1,075.00</b> | <b>855,370.00</b> | <b>1,823,656.70</b> | <b>4,825.00</b> | <b>59,502,706.00</b> | <b>675,651.50</b> |

| Ministry of             | Payroll       |                     | Stores/Procurement   | Rent                |                   | Contract             | GRAND TOTAL             |                     |                  |                 |                   |                 |                      |
|-------------------------|---------------|---------------------|----------------------|---------------------|-------------------|----------------------|-------------------------|---------------------|------------------|-----------------|-------------------|-----------------|----------------------|
|                         | EURO          | GHC                 | GHC                  | GHC                 | US                | GHC                  | GH                      | US\$                | EURO             | UAE AED         | NAIRA             | SA              | JPY                  |
| Finance                 |               | 49,462.77           | 3,154,086.50         |                     |                   |                      | 1,834,379,183.14        | 92,110.00           | 825.00           |                 |                   |                 |                      |
| Education               |               | 33,375.00           | 3,611,020.33         |                     |                   | 89,649.00            | 5,637,711.02            |                     |                  |                 |                   |                 |                      |
| Health                  |               | 231,173.85          | 4,827,811.78         | 69,281.00           | 7,200.00          |                      | 8,979,189.84            | 7,200.00            |                  |                 |                   |                 |                      |
| Food & Agric.           |               | 6,777.12            | 26,611.80            | 10,570.00           |                   |                      | 2,269,935.41            |                     |                  |                 |                   |                 |                      |
| Interior                |               | 145,875.98          | 32,266.50            | 364,040.00          |                   |                      | 1,311,265.49            |                     |                  |                 |                   |                 |                      |
| Youth & Sports          |               |                     |                      |                     |                   |                      | 61,734.00               | 1,000,000.00        |                  |                 |                   |                 |                      |
| Employment              |               | 3,619,327.50        |                      |                     |                   |                      | 60,104,582.77           |                     |                  |                 |                   |                 |                      |
| Foreign Affairs         | 866.41        |                     |                      |                     |                   |                      |                         | 12,629.00           | 31,411.15        | 1,075.00        | 855,370.00        | 4,825.00        | 59,502,706.00        |
| Judicial Service        |               | 7,314.79            |                      |                     |                   |                      | 49,670,191.14           |                     |                  |                 |                   |                 |                      |
| Defence                 |               |                     |                      |                     |                   |                      | 21,881.00               | 675,651.50          |                  |                 |                   |                 |                      |
| Trade                   |               | 196,501.17          | 2,740.00             |                     |                   |                      | 2,318,750.34            |                     |                  |                 |                   |                 |                      |
| Local Govt.             |               |                     | 23,470,985.49        |                     |                   |                      | 23,911,020.49           |                     |                  |                 |                   |                 |                      |
| Justice & Attorney Gen. |               |                     | 478,143.21           |                     |                   |                      | 69,432,755.85           | 232.80              |                  |                 |                   |                 |                      |
| Petroleum               |               |                     |                      |                     |                   |                      |                         |                     |                  |                 |                   |                 |                      |
| Water Resources         |               |                     |                      |                     | 448,112.00        |                      | 958,343.90              | 459,962.00          |                  |                 |                   |                 |                      |
| Roads & Highways        |               | 53,045.07           |                      |                     |                   | 12,916,385.86        | 16,837,093.58           |                     |                  |                 |                   |                 |                      |
| Power                   |               |                     |                      |                     |                   |                      |                         |                     |                  |                 |                   |                 |                      |
| Gender                  |               |                     |                      |                     |                   |                      | 6,977,625.93            |                     |                  |                 |                   |                 |                      |
| Chieftaincy             |               |                     | 45,486.65            |                     |                   |                      | 45,486.65               |                     |                  |                 |                   |                 |                      |
| Information             |               |                     |                      |                     |                   |                      | 276,584.99              |                     |                  |                 |                   |                 |                      |
| Tourism                 |               |                     |                      |                     |                   |                      | 19,467.00               |                     |                  |                 |                   |                 |                      |
| Lands & Natural Res.    |               | 28,078.46           | 12,135.00            | 6,657,597.90        |                   |                      | 6,711,900.36            |                     |                  |                 |                   |                 |                      |
| Other Agencies          |               | 7,302.15            | 279,158.17           | 45,619.18           |                   |                      | 1,674,312.65            |                     |                  |                 |                   |                 |                      |
| <b>Total</b>            | <b>866.41</b> | <b>4,378,233.86</b> | <b>35,940,445.43</b> | <b>7,147,108.08</b> | <b>455,312.00</b> | <b>13,006,034.86</b> | <b>2,091,599,015.55</b> | <b>2,247,785.30</b> | <b>32,236.15</b> | <b>1,075.00</b> | <b>855,370.00</b> | <b>4,825.00</b> | <b>59,502,706.00</b> |

## PART II

### SUMMARY OF SIGNIFICANT FINDINGS AND RECOMMENDATIONS MINISTRY OF FINANCE

18. Controller and Accountant-General procured store items to the tune of GH¢2,339,980.00 in excess of their immediate requirement. These stores were likely to be consumed between 3 and 15 years.

19. We recommended that management should follow all due process in procuring stores to avoid over stocking.

### GHANA REVENUE AUTHORITY CUSTOMS DIVISION - TEMA OIL REFINERY COLLECTION **Unsubstantiated debits to the petroleum accounts - GH¢1,561,434,333.31**

20. Between January and September 2015 an amount of GH¢1,561,434,333.31 was debited to the petroleum revenue account at the Bank of Ghana without the knowledge of TOR management, hence no explanation was provided for the withdrawal.

21. The Accountant of TOR's failure to prepare monthly bank reconciliation statements resulted in the loss.

22. We recommended that the Accountant should prepare monthly reconciliation statement to enable prompt action taken on such deviations.

23. Meanwhile the withdrawal should be investigated and officials involved in the act sanctioned.

**Non transfer of revenue by GCB and Ecobank  
GH¢238,515,125.76**

24. Revenue collected by GCB and Ecobank through the GC-Net operations, on behalf of the Ghana Revenue Authority (GRA) Customs Division totalling GH¢77,857,778.07 and GH160,657,347.69 respectively were not transferred to the consolidated fund at Bank of Ghana.

25. We recommended that management of collection banks should strictly comply with the agreement on the transfers.

**GRA - PREVENTIVE SECTION**

26. Our examination disclosed that pecuniary penalties amounting to GH¢691,353.11 imposed on 38 vehicles imported into the country were not paid by the importers concerned.

27. We recommended that management should investigate the cause for non-payment of the full penalties. The officer who authorised the release of the vehicles

without the payment should be made to refund the amount and be sanctioned.

### **GRA - DOMESTIC TAX REVENUE OFFICE**

#### **Outstanding Income/Corporate Taxes GH¢6,806,899.00 and US\$61,506.00**

28. Our review of 1,555 selected tax files from 10 Domestic Tax Revenue Offices in the Greater Accra Region showed that, 549 Companies, Business Entities and individuals owed an amount of GH¢6,806,899.00 and US\$61,506.00 in corporate and individual income taxes for the 2015 year of assessment.

29. We urged management to increase its enforcement role to collect all the outstanding tax revenues.

#### **Outstanding PAYE - GH¢5,798,942.00**

30. We observed that 526 employers including 9 Directors did not remit Pay As You Earn (PAYE) deductions of GH¢5,798,942.00 to the Commissioner-General for the 2015 year of assessment.

31. We urged the Commissioner-General to recover all the outstanding PAYE together with appropriate penalties from the defaulters.

**Outstanding withholding tax GH¢3,423,600.00 and US\$25,842.00**

32. Our random examination of tax files showed that, 107 companies who presented audited accounts for the 2015 year of assessment failed to withhold taxes of GH¢3,423,600.00 and US\$25,842.00 on audit, legal, consultancy, professional fees, goods and services.

**VAT Debtors - GH¢11,934,957.00**

33. Our review disclosed that 100 registered VAT traders who filed their returns at the MTO and STO owed a total of GH¢11,934,957.00 in taxes as at December 2015.

34. We recommended that management should take prompt action to recover the unpaid tax balances.

**Dishonoured cheques - GH¢533,596.00, €825.00 and US\$4,762.00**

35. Our review of the Returned Cheques Register revealed that 124 taxpayers who issued cheques totalling GH¢533,596.00, €825.00 and US\$4,762.00 for the settlement of their taxes were dishonoured by their respective banks.

36. We urged management to pursue the taxpayers involved to settle the outstanding taxes with penalties.



## **MINISTRY OF EDUCATION**

37. Management of Ghana Education Service, Krachi West failed to present 83 payment vouchers with a face value of GH¢293,669.58 for audit.

38. We recommended that the District Accountant Mr. Peter Ayitey should be surcharged with the amount involved.

39. Unretired imprest of GH¢74,889.99 released to 10 officers to undertake various official duties were not accounted for.

40. We recommended that management should compel the officers to retire the imprest or have the amount charged to their personal account as advances and deducted from their monthly salaries.

## **MINISTRY OF FOOD AND AGRICULTURE VETERINARY SERVICE DIRECTORATE**

### **Unpaid compensation to 34 farmers under Avian Influenza programme - GH¢1,448,157.02**

41. Our audit disclosed that as at December 2016, 34 Farmers whose poultry farms and farm products were destroyed between May and October 2015 had not been paid a total compensation of GH¢1,448,157.02.

42. We advised management to ensure that the outstanding amount of GH¢1,448,157.02 be paid to the affected farmers to compensate for the loss.

### **MOFA - EJURA/TAMALE**

#### **Failure to recover loans from block farmers GH¢656,225.30**

43. Our audit disclosed that 121 farmers who were granted loans in a form of farm inputs between 2013 and 2015 farming seasons were indebted to the tune of GH¢656,225.30 even though the loan agreement spelt out that recovery was to be completed within 12 months, the beneficiaries had defaulted in the repayment.

44. We recommended that management should involve organisations with the experience of debt collection in the recovery of the amount of GH¢656,225.30 from the farmers involved.

### **MINISTRY OF INTERIOR**

#### **GHANA NATIONAL FIRE SERVICE**

#### **Non-recovery of rent advance - GH¢364,040.00**

45. Rent advance of GH¢364,040.00 granted to 5,200 fire officers had remained outstanding for over 10 months without recovery. We urged management to pursue full recovery from the beneficiaries.

**GHANA IMMIGRATION SERVICE, KOFORIDUA**  
**Unearned salaries - GH¢89,789.68**

46. Two ex-employees of Ghana Immigration Service, Koforidua were wrongfully paid a total salary of GH¢89,789.68 for three months.

47. This resulted in a wrongful payment of a total salary of GH¢89,785.68 for three months. This pattern of payment indicated a deliberate practice on the part of Controller & Accountant-General.

48. We recommended full recovery of the amount from the Controller and Accountant-General.

**MINISTRY OF EMPLOYMENT AND LABOUR**  
**RELATIONS**  
**DEPARTMENT OF SOCIAL WELFARE,**  
**BOLAGATANGA**

**Unretired Imprest - GH¢92,315.50**

49. Management of Department of Social Welfare, Bolgatanga paid an amount of GH¢92,315.50 as imprest to seven officers to undertake official assignments which was not retired.

50. We recommended to management to treat this as an advance and be recovered from the officers.

**JUDICIAL SERVICE  
COMMERCIAL COURT ACCRA**

**Understatement of revenue GH¢21,033,516.07**

51. Two cashiers at the commercial court in Accra, understated total collections in the revenue and deposit cash books by GH¢20,893,095.83 and GH¢140,420.24 respectively resulting in understatement of GH¢21,033,516.07 in the cash book.

52. We recommended that regular reconciliation should be carried out to unearth and correct such occurrences.

**MINISTRY OF LOCAL GOVERNMENT AND RURAL  
DEVELOPMENT**

**BIRTH AND DEATHS REGISTRY, WA**

**Diversion of Government funds into private accounts -  
GH¢224,760.00**

53. The registrar at the Births and Deaths Registry, Wa collected revenue of GH¢224,760.00 and paid the amount into his private account instead of the approved bank accounts.

54. We recommended that the amount should be refunded by the officer with interest.

**MINISTRY OF HEALTH  
HEADQUARTERS**

**Failure to pay withholding Tax - GH¢2,122,577.69**

55. We noted that a total amount of GH¢2,122,577.69 withheld as tax for the year ended 31 December 2015, was not remitted to the Ghana Revenue Authority (GRA).

56. We recommended that Management should impose the applicable penalty on the outstanding balance and also ensure to comply with the 15 days ultimatum.

**KORLE BU TEACHING HOSPITAL**

**Payment of judgment debt - GH¢245,277.00**

57. We noted that management paid a total amount of GH¢245,277.00 as judgment debt to twenty-five employees of the hospital who were wrongfully dismissed by the Hospital Board.

58. Management should ensure that critical decisions and actions of this nature on employees are well considered legally to avoid court actions.

**Retirement package paid to Prof. Afua Hesse, retired Ag. Chief Administrator**

59. We noted that a retired Director of Medical Services and Ag. Chief Administrator, Prof. Efua Hesse was paid retiring awards comprising cash of GH¢51,096.74 and a VW Passat car. The package was not

supported by the officer's conditions of service, the Hospital's past practice or retiring packages paid by other teaching hospitals in the country.

60. We recommended that management should recover the amount of GH¢51,096.74 from the retired officer and retrieve the vehicle for official valuation and the officer made to pay for it. Otherwise, the Chairman of the Board, the Ag CEO, and the Director of Finance who approved and made the payment should be held liable.

### **CENTRAL MEDICAL STORES - GREATER ACCRA REGION**

#### **Unpresented payment vouchers – GH¢482,792.71**

61. We noted that fifteen payment vouchers with a total face value of GH¢482,792.71 were not presented for our review.

62. We recommended that the Finance Officer should refund the amount of GH¢482,792.71.

#### **Indebtedness of Health Institutions to the Central Medical Stores - Greater Accra Region- GH¢15,113,563.53**

63. We noted that 99 Health institutions owed the Central Medical Stores (Greater Accra Region) a total amount of GH¢15,113,563.53 in respect of Drug and Non Drug health products sold to them, as at September 30, 2015. We recommended and Management agreed to

improve the debt recovery system to facilitate the recovery of the outstanding amount.

**Indebtedness of National Health Insurance Authority to various Health Directorates - GH¢10,640,921.29**

64. We noted during our audits that 24 Health Directorates were owed GH¢10,640,921.29 by the NHIA as at 31 December 2015.

65. We recommended that the Management of NHIA should reimburse the Institutions to ensure continuity of the services rendered by the facilities.

**Unearned salary - GH¢231,173.85**

66. We noted that twenty-Six officers between October 2011 and January 2016 were paid unearned salaries totalling GH¢231,173.85.

67. We recommended that Management should pursue recovery of the amount or convert it as an advance and charge it to their personal account which would be deducted from their salary or entitlement.

**EFFIA NKWANTA REGIONAL HOSPITAL**

**Mammogram and other hospital equipment abandoned for four years**

68. Our audit of the hospital's assets register disclosed that 14 boxes of various sizes of mammogram and digital

x-ray equipment meant for breast cancer x-rays and other complex x-rays respectively donated to the Hospital by MOH in November 2013 had still not been installed. Some of the components were exposed to the vagaries of the weather at the Hospital's snacks shop.

69. We urged management to expedite action on the installation of the machines so that both the patients and the hospital would benefit from its use.

### **OTHER AGENCIES**

#### **GOVERNMENT SECRETARIAT SCHOOL, TAMALE**

##### **School fees not accounted for - GH¢126,345.00**

70. The Principal of the Government Secretarial School, Tamale used unauthorised receipts to collect school fees amounting to GH¢161,750.00 from 243 students and disclosed only GH¢35,405.00 in the books of accounts leaving GH¢126,345.00 not accounted for.

71. We recommended that The Principal should refund the amount of GH¢126,345.00 to the school and punitive action taken against him.



## PART III

### MINISTRY OF FINANCE

#### HEADQUARTERS

#### Unearned salaries - GH¢3,953.74

72. Regulation 297(1b&f) of the Financial Administration Regulations, 2004 (L.I. 1802) requires that, "A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty without leave or reasonable cause for a period stipulated in the administrative regulations of the establishment or died."

73. We observed that, a total unearned salary of GH¢3,953.74 was paid to two employees after they had separated from the Ministry as shown below:

| Name Of Staff | Staff ID | Exit Date | Deletion Date | Reason For Separation | Monthly Gross Salary GH¢ | Total Amount GH¢ |
|---------------|----------|-----------|---------------|-----------------------|--------------------------|------------------|
| Kroduah James | 111797   | 27/2/15   | 30/4/15       | Death                 | 2,314.04                 | 2,314.04         |
| Quarcoo James | 57532    | 30/3/15   | 31/5/15       | Vacation of Post      | 819.85                   | 1,639.70         |
| <b>Total</b>  |          |           |               |                       |                          | <b>3,953.74</b>  |

74. We noted that whilst the separation was due to circumstances beyond the control of management, the payments were stopped within two months after the causative events.

75. We observed, however, that since the payments were stopped 20 and 21 months after the separation, no action had been taken by management to recover the unauthorised payments.

76. At the instance of the Audit the said amount of GH¢3,953.74 was refunded without interest to BOG Suspense Account on 19/1/2017, 21 months after the stoppage without Treasury Counterfoil Receipt (TCR) to acknowledge the payment.

77. Management should obtain Treasury Counterfoil Receipt (TCR) from the Controller and Accountant General to authenticate the payment.

**INSTITUTE OF ACCOUNTANCY TRAINING (IAT),  
Occupation of Government land without tenancy  
agreement**

78. Section 65 of the Financial Administration Act, 2003 (Act 654) provides that no transfer, lease or loan of property owned by Government shall be made to any person except in accordance with the appropriate law for that purpose.

79. We observed that, portions of the Institute's land at Adenta had been occupied by three private persons who had erected containers and wooden structures without authority for the operation of the following:

- i. bookshop
- ii. photocopying services
- iii. catering services.

80. We however noted that no tenancy agreement had been signed with the school neither were there records to confirm the following:

- i. how long the businesses had occupied public land?
- ii. the terms and conditions of their occupancy.

81. According to management, the businesses which provided essential services to the students were on a trial basis hence the omission.

82. We therefore recommended that management should:

- i. sign tenancy agreement with the operators, stating the rent payable monthly and the duration of the contract.
- ii. ensure that the Institute received full value for the whole period for the use of the land.
- iii. maintain adequate records on the occupancy to enhance transparency.

### **Poor custody of library books**

83. Heads of departments or institutions and all public officers entrusted with public office or any related duties are to apply, in the discharge of such duties, rules and procedures, sufficient to control and safeguard public property.

84. We observed that, since the Institute relocated to Adenta, in February 2015, the prescribed furniture and fittings required to hold stocks of library books had not been procured. Contrary to the requirements of standard practice in a functional library, 3,878 books, covering various disciplines of Diploma study and leisure reading were stacked on the bare floor.

85. Furthermore, per memorandum dated 26 June 2014, management requested GH¢32,430.00 from the Ministry of Finance to pay for the cost of providing shelves and other furniture for the library. We did not sight any response from the Ministry and the library books still remained on the floor.

86. As a result of the conditions in the library, students and lecturers were unable to access information from the books.

87. We recommended and management agreed to follow up on the request for funds from the Ministry to furnish the library.

## PUBLIC ACCOUNTS

### Store Purchases in excess of requirements - GH¢2,339,980.00

88. Regulation 0102(d) of Stores Regulations 1984 states that “Stockholdings are at all times kept to an economic minimum consistent with the maintenance of an effective service level”.

89. We however noted during our examination of the store ledger and the physical stocktaking that, some bulk items were procured and packed in the stores. We further observed that, these items, some of which are listed below were not likely to be consumed between 3 to 15 years.

| Items           | Stock As At Dec. 2014. | Total Quantity Issued Between Dec. 2014 And Dec. 2016 | Balance | Value GH¢           | Estimated Years Of Usage |
|-----------------|------------------------|---|---------|---------------------|--------------------------|
| Temporal Jacket | 303,448                | 39,400  | 264,048 | 129,385.52          | 7 years                  |
| Payslips        | 14,140                 | Nil   | 14,140  | 2,219,980           | 3 years                  |
| F.E Jacket      | 11,770                 | 800   | 11,000  | 5,390               | 15 years                 |
| <b>Total</b>    |                        |   |         | <b>2,339,980.00</b> |                          |

90. In our view, the excessive procurement led to lock up of funds which could have been used to achieve other objectives.

91. We therefore advised Controller and Accountant-General to follow all due process in procuring stores to avoid over stocking.

### **Value Books Supplied prior to Award of Contract GH¢803,758.00**

92. Section 30 (1) of the Public Procurement Act (Amendment Act 2016) Act 914 states that, “In tender proceedings, acceptance of the tender and entry into force of the procurement contract shall be carried out in accordance with Section 65 of this Act. In the other methods of procurement, the manner of entry into force of the procurement contract shall be notified to the suppliers or contractors at the time those proposals, offers or quotations are requested”.

93. However, our review of the payment vouchers and contract files for the period January to September 2016 revealed that, some value books were delivered to stores before the award of contract signed with the suppliers.

Details shown below:

| Award Date   | SRA Date   | Date Paid  | PV. No. | Payee                    | Details   | Qty. Ordered | Gross Amount      |
|--------------|------------|------------|---------|--------------------------|---|--------------|-------------------|
| 30/03/2016   | 08/10/2015 | 4/10/2016  | 328431  | Compu-print Limited      | Printing and supply of Biometric Passport Application Forms | 100,000      | 100,000.00        |
| 20/05/2016   | 04/01/2016 | 4/10/2016  | 328441  | Derisco Company Ltd      | Printing and Supply of Pre-Paid Tolls, Stickers for GHA     | 180 boxes    | 30,240.00         |
| 1/12/2015    | 30/10/2015 | 04/10/2016 | 328425  | Bestas Press Limited     | Printing and supply of Levy Returns for GTA                 | 200          | 68,950.00         |
| 1/12/2015    | 30/10/2015 | 04/10/2016 | 328425  | Bestas Press Limited     | Printing and supply of Levy Invoice for GTA                 | 2,500        | ?                 |
| 01/9/2015    | 17/12/2014 | 04/10/2016 | 328438  | TG Print Engineering Ltd | Printing and supply of KMA Market Porter Tickets GH¢0.20    | 39,200       | 287,168.00        |
| 01/9/2015    | 17/12/2014 | 04/10/2016 | 328438  | TG Print Engineering Ltd | Printing and supply of KMA Market Porter Tickets GH¢0.30    | 16,800       | ?                 |
| 23/03/2016   | 07/07/2015 | 04/10/2016 | 328423  | TG Print Engineering Ltd | Printing and supply Toll Tickets for Senchi Ferry           | 20,000       | 70,000.00         |
| 20/05/2016   | 02/02/2016 | 04/10/2016 | 328421  | Bestas Press Limited     | Printing and supply of Biometric Passport Application Forms | 100,000      | 100,000.00        |
| 12/02/2016   | 19/01/2016 | 04/10/2016 | 328420  | Shine Prints Company Ltd | Printing and supply of Food Certificates for A. M. A        | 30,000       | 77,400.00         |
| 12/02/2016   | 29/10/2015 | 04/10/2016 | 328419  | Shine Prints Co. Ltd     | Printing and supply of Old Annual Returns for Companies     | 200,000      | 70,000.00         |
| <b>Total</b> |            |            |         |                          |   |              | <b>803,758.00</b> |

94. We therefore urged management to comply with the law to ensure effective stock control management.

95. There should also be an annual procurement plan based on minimum stock levels to avoid instances of receiving supplies before actual contracts are awarded.

**GHANA REVENUE AUTHORITY -  
CUSTOMS DIVISION**

**TEMA OIL REFINERY COLLECTION**

**Unsubstantiated debits to the petroleum account -  
GH¢1,561,434,333.31**

96. Our audit revealed that between January and September 2015, a total of GH¢1,561,434,333.31 was debited to the Petroleum Revenue Account No. 101813131461585 at the Bank of Ghana but the Accountant of TOR, could not provide explanation for the withdrawals from the account.

97. Secondly, the failure of the accountant to prepare monthly bank reconciliation statement resulted in the loss to TOR.

98. We recommended that management should investigate the matter from bank of Ghana and take appropriate action to correct the anomaly.



99. In addition to the above, the accountant should prepare monthly reconciliation statements and take prompt action to correct such deviations.

100. Additionally, management should strictly comply with Regulation 2(g) of the Financial Administration Regulations 2004, (LI 1802) to enhance transparency and accountability.

**Non-transfer of revenue by collection banks (GCB and Ecobank) – GH¢238,515,125.76**

101. Revenue collected by GCB Bank and Ecobank through the GC-Net operations, on behalf of the Ghana Revenue Authority (GRA), Customs Division totalling GH¢77,857,778.07 and GH¢160,657,347.69 respectively were not transferred to Bank of Ghana for periods ranging between seven and 19 months.

102. Delay in the transfer of revenue had denied government the opportunity to utilize the funds.

103. We recommended that management of collection banks should comply strictly with the agreement on the transfers.

**Unpaid Tax by Zen Petroleum – GH¢3,071.40**

104. Our audit revealed that ZEN Petroleum lifted 13,500 litres of PMS with tax liability of GH¢5,791.39 but

declared and paid GH¢2,719.99 resulting in a short payment of GH¢3,071.40 as detailed below:

| <b>Lifting Period</b> | <b>Declaration</b> | <b>Product</b> | <b>Qty.</b> | <b>Tax Payable</b> | <b>Tax Paid</b> | <b>Tax Outstanding</b> |
|-----------------------|--------------------|----------------|-------------|--------------------|-----------------|------------------------|
| 915/April/15          | 42015181876        | PMS            | 13500       | 5,791.39           | 2,719.99        | 3,071.40               |

105. This resulted from manipulation of some taxes by the OMC which exempted them from paying some of the levies.

106. We urged management to ensure that the unpaid amount was fully recovered from Zen Petroleum in addition to the penalties involved.

**Default in rescheduled payment - Petro Afrique Oil Gh. Ltd. - GH¢957,336.02**

107. The rescheduling conditions as stated by Rescheduling of Customs duties letter with reference number H/DUTY/13 dated 20 August, 2015 to Petro Afrique Oil Ghana. Ltd. stated that, "The post-dated cheques are bank guaranteed, for the reschedule of duty payment agreement between the Ghana Revenue Authority and Petro Afrique Ghana Ltd."

108. In the event of default, this arrangement shall be nullified and the facility withdrawn. In that case any outstanding balance would become payable immediately

and Customs Division would then use every available means including forfeiture of assets to recover the debt”.

109. Our audit of the Petroleum Revenue Collection at TOR revealed that Petro Afrique Oil Ltd defaulted in all of its rescheduled instalment payments of GH¢957,336.02 for the period 30/9/2015 - 29/2/2016.

110. The Division failed to implement the above conditions to recover the revenue from Petro Afrique Ltd.

111. The Tema Oil Refinery Customs outfit could not explain what accounted for the default.

112. We recommended that management should recover the amount with interest or invoke the forfeiture clause.

## PREVENTIVES SECTION

### **Detained vehicles released without full payment of penalties - GH¢691,353.11**

113. We noted that 38 vehicles which were imported into the country were detained for non-payment of duties and taxes.

114. Our examination of the relevant supporting documents on the vehicles revealed that overage and pecuniary penalties amounting to GH¢ 691,353.11 were

imposed on the vehicles. Although these charges were not settled, the vehicles were released to their owners thereby denying the State of this revenue.

115. We recommended that management should investigate the cause for non-payment of the full penalties. The officers who authorised the release of the vehicles without the payment should be made to refund the amount and be sanctioned.

**GHANA REVENUE AUTHORITY -  
DOMESTIC TAX REVENUE OFFICES**

**Outstanding income/corporate taxes - GH¢6,806,899.00  
and US\$61,506.00**

116. Our review of 1,555 selected tax files from 10 Domestic Tax Revenue Offices in the Greater Accra Region showed that, 549 Companies, Business Entities and individuals owed an amount of GH¢6,806,899.00 and US\$61,506.00 in corporate and income taxes for the 2015 year of assessment as shown below:

| No. | Tax Office       | Files selected for review | Taxpayers/ Files with outstanding taxes | Amount Outstanding (GH¢) | Amount Outstanding US\$ |
|-----|------------------|---------------------------|---|--------------------------|-------------------------|
| 1.  | Adabraka MTO     | 100                       | 36                                      | 1,589,161.00             | 61,506.00               |
| 2.  | Agbogbloshie MTO | 164                       | 14                                      | 144,093.00               |                         |
| 3.  | Kaneshie MTO     | 45                        | 4                                       | 28,398.00                |                         |

|              |              |              |            |                     |                  |
|--------------|--------------|--------------|------------|---------------------|------------------|
| 4.           | Legon MTO    | 50           | 28         | 2,090,220.00        |                  |
| 5.           | Osu MTO      | 111          | 6          | 98,697.00           |                  |
| 6.           | Spintex MTO  | 169          | 26         | 449,469.00          |                  |
| 7.           | Adabraka STO | 172          | 42         | 440,222.00          |                  |
| 8.           | Kaneshie STO | 337          | 253        | 1,387,917.00        |                  |
| 9.           | Mataheko STO | 266          | 71         | 265,215.00          |                  |
| 10.          | Weija STO    | 141          | 69         | 313,507.00          |                  |
| <b>Total</b> |              | <b>1,555</b> | <b>549</b> | <b>6,806,899.00</b> | <b>61,506.00</b> |

117. Section 135 (2) of Act 592 states that, “tax that has not been paid when it is due and payable may be sued for and recovered in any court by the Commissioner-General”.

118. We urged Management to increase its enforcement role to collect all the outstanding tax revenues.

119. Management responded that, the companies which were indebted to the GRA had been served with demand notices for recovery.

### **Outstanding PAYE - GH¢5,798,942.00**

120. Section 143(2b), of the Internal Revenue Amendment Act 669, provides that ‘a person who fails to remit tax withheld on the due date is liable to pay a penalty of 30% where the delay is over three months.’

121. Contrary to the above, we observed that, 526 employers including nine Directors did not remit Pay As You Earn (PAYE) deductions of GH¢5,798,942.00 to the Commissioner-General for the 2015 year of assessment as shown below:

| No.          | Tax office   | Number of firms owing PAYE | Amount outstanding (GH¢) |
|--------------|--------------|----------------------------|--------------------------|
| 1.           | Adabraka MTO | 34                         | 2,539,614.60             |
| 2.           | Kaneshie MTO | 10                         | 246,345.62               |
| 3.           | Legon MTO    | 14                         | 341,148.68               |
| 4.           | Spintex MTO  | 16                         | 262,378.81               |
| 5.           | Adabraka STO | 6                          | 20,521.20                |
| 6.           | Kaneshie STO | 387                        | 2,118,097.97             |
| 7.           | Mataheko STO | 59                         | 270,835.08               |
| <b>Total</b> |              | <b>526</b>                 | <b>5,798,941.96</b>      |

122. We urged the Commissioner to recover all outstanding PAYE together with appropriate penalties as required by Section 143 of Internal Revenue Amendment Act 669.

### **Outstanding withholding tax - GH¢3,423,600.00 and US\$25,842.00**

123. Section 84 of Internal Revenue Amendment Act, Act 814 provides that 'where a contract is entered into

between payee and a resident person for the provision of goods and services exceeding 500 currency points, the person making the payment shall withhold tax on the gross amount.’ Section 88(1) also require that where withholding agent failed to withhold tax it is personally liable to pay to the Commissioner-General the amount of tax which has not been withheld.

124. Our random examination of tax files showed that, 107 companies who presented audited accounts for the 2015 year of assessment failed to withhold taxes of GH¢3,423,600.00 and US\$25,842.00 on audit, legal, consultancy, professional fees, goods and services as provided in the table below:

| No.          | Tax Office   | No. of companies who did not withhold taxes | Amount not withheld GH¢ | Amount not withheld US\$ |
|--------------|--------------|---|-------------------------|--------------------------|
| 1.           | Adabraka MTO | 30  | 796,311.35              | 25,841.56                |
| 2.           | Kaneshie MTO | 2   | 26,936.66               |                          |
| 3.           | Legon MTO    | 19  | 1,530,680.00            |                          |
| 4.           | Osu MTO      | 12  | 53,492.79               |                          |
| 5.           | Spintex MTO  | 32  | 961,110.17              |                          |
| 6.           | Adabraka STO | 6   | 7,557.56                |                          |
| 7.           | Mataheko STO | 6   | 47,510.98               |                          |
| <b>Total</b> |              | <b>107</b>                                  | <b>3,423,599.51</b>     | <b>25,841.56</b>         |

125. Lack of understanding of the provisions in the tax law led to the failure of withholding agents to withhold taxes on payments made. The failure to withhold taxes from payments made denied the Consolidated Fund of timely inflow of funds for national development.

126. Management explained that, until a conclusion was reached on expenses lumped together in the accounts submitted; withholding taxes cannot be surcharged. This assertion, however, was not supported by Section 84 of Act 814.

127. We recommended that, Management should educate the withholding agents to comply with the provisions of the Act.

#### **VAT debtors - GH¢11,934,957.00**

128. Section 31(2) of the VAT Act states that, any amount shown on an invoice as tax on a supply of goods or services shall be recoverable as tax due from the person issuing the invoice, whether or not-

- a. The invoice is a tax invoice issued under this Act or in accordance with regulations made under this Act or;
- b. An amount of tax is chargeable on the supply; or
- c. The person issuing the invoice is a taxable person



129. During our review of the traders files, and the ledger balances, we observed that 100 registered VAT traders who filed their returns at the MTO, and STO owed a total of GH¢11,934,957.00 as at 31 December, 2015. We have provided the details in the table below.

| No. | Tax Office   | No. of Traders | Outstanding Tax (GH¢) |
|-----|--------------|----------------|-----------------------|
| 1.  | Adabraka MTO | 5              | 4,610,162.51          |
| 2.  | Kaneshie MTO | 5              | 486,877.67            |
| 3.  | Legon MTO    | 56             | 5,465,202.89          |
| 4.  | Osu MTO      | 2              | 225,229.06            |
| 5.  | Spintex MTO  | 24             | 1,135,934.38          |
| 6.  | Adabraka STO | 2              | 1,756.86              |
| 7.  | Weija STO    | 6              | 9,793.41              |
|     | <b>Total</b> | <b>100</b>     | <b>11,934,956.78</b>  |

130. We were of the view that, the failure to apply the laws on debt recovery by Management resulted in such outstanding tax liabilities.

131. During the period in which the tax remained outstanding, Government was denied the needed revenue to complete its planned development programme.

132. We recommended that Management, in the future should take prompt action to recover the outstanding tax balances.

133. Management responded that a special tax force had been formed to pursue the collection of the outstanding balances.

**Outstanding rent tax - GH¢144,383.00**

134. Regulation 16 (1) of Internal Revenue Regulations 2001, LI 1675, as amended by LI 2208, provides that, where an individual receives rent income from any residential or commercial premises, the Commissioner-General may calculate tax on rent income at 8% on gross rent income in the year of assessment.

135. We noted during the examination of rent files that, 102 landlords/ladies were indebted to the Ghana Revenue Authority in the sum of GH¢144,383.00 as at 31 December, 2015. Details are provided below:

| No.          | Tax Office   | No. of tax payers | Amt. (GH¢)        |
|--------------|--------------|-------------------|-------------------|
| 1.           | Kaneshie MTO | 3                 | 2340.00           |
| 2.           | Adabraka STO | 30                | 60,971.07         |
| 3.           | Kaneshie STO | 27                | 40,001.61         |
| 4.           | Mataheko STO | 42                | 41,069.89         |
| <b>Total</b> |              | <b>102</b>        | <b>144,382.57</b> |

136. Lack of adequate data on rented properties or apartments hindered the collection of the rent taxes.

137. We recommended that, Management should provide the necessary logistics and data on rented properties or apartments to the Domestic Tax Offices to enable them collect the taxes. We further, recommended that, Management should liaise with the District Assemblies to tap into the property rate database to identify houses and their usage for tax purposes.

**Dishonoured cheques - GH¢533,596.00, €825.00 and US\$4,762.00**

138. Our review of the Returned Cheques Register revealed that, 124 taxpayers who issued cheques totalling GH¢533,596.00, €825.00 and US\$4,762.00 for settlement of their taxes were dishonoured by their respective banks due to lack of proper mandate or inadequate funds. The breakdown is shown below:

| No. | Tax Office   | Number of cheques | Amount GH¢ |
|-----|--------------|-------------------|------------|
| 1.  | Adabraka MTO | 3                 | 185,626.73 |
| 3.  | Legon MTO    | 54                | 266,271.29 |
| 4.  | Osu MTO      | 17                | 20,368.12  |
| 5.  | Adabraka STO | 27                | 16,023.59  |

|              |              |            |                   |
|--------------|--------------|------------|-------------------|
| 6.           | Mataheko STO | 5          | 18,735.25         |
| 7.           | Weija STO    | 18         | 26,570.97         |
| <b>Total</b> |              | <b>124</b> | <b>533,595.95</b> |

139. Section 143(1) of Internal Revenue Amendment Act 669 of 2004 stipulates that, a person who fails to pay tax, including an amount treated by this Act as if it were tax, on or before the due date for payment is liable in a case where the failure is for period exceeding three months to pay a penalty equal to 20% of the tax payable in addition to the tax unpaid. Also the issuance of dud-cheques is a criminal offence under the Criminal Offences Act of the country. (Section 313 (a) of Act 29 of 1960).

140. We urged Management to pursue the taxpayers involved to settle the outstanding taxes in accordance with Section 143 of Act 669. We also advised Management to accept only bankers draft from the defaulters.

## **GHANA REVENUE AUTHORITY, DOMESTIC TAX DIVISION - DENU**

### **Uncompetitive Procurement - GH¢7,821.50**

141. Section 43 (1) of the Public Procurement Act, 2003 (Act 663) states that “The procurement entity shall request quotation from many suppliers or contractors as practicable, but from at least 3 different suppliers.”

142. Our review of the procurement management revealed that goods and services amounting to GH¢7,821.50 were purchased without alternative quotations from other prospective suppliers.

143. Due to this we were unable to determine whether management obtained value for money in the procurement of the goods and services.

144. We entreated the Chief Revenue Officer to comply with the Public Procurement Act.

### **MUNICIPAL TREASURY - ASHANTI**

#### **Unaccessed warrants - GH¢115,357.99**

145. During the year 2016, the Controller and Accountant-General's Department, Kumasi and Offinso Municipal Treasury received warrants totalling GH¢474,959.82 from the Ministry of Finance on behalf of 18 MDAs. A total amount of GH¢382,174.83 was disbursed while the remaining GH¢92,784.99 was unaccessed. As a result, all planned programmes and activities could not be carried out by the MDAs.

146. Similarly, seven Departments received warrants totalling GH¢23,073 from Suhum/Nsawam Municipal Treasury. Three departments received warrants totalling GH¢11,482.00 representing the first and second quarter allocation of funds for 2016. The related funds were

however not credited to the accounts of the beneficiary departments.

147. We noted that the inability of the MDAs to access funds allocated to them was due to late release of warrants by the Ministry of Finance.

148. We recommended that in future, warrants should be released earlier to enable MDAs access funds to carry out planned programmes and activities before the year ended.

## **GHANA REVENUE AUTHORITY (GRA)**

### **SMALL TAX OFFICE - TAKORADI**

#### **Dishonored cheques - GH¢16,086.75**

149. Regulation 32(1) of the FAR 2004 requires heads of department to recover the value of any dishonoured monetary instrument from the person who issued the instrument.

150. We noted that, 16 cheques totalling GH¢24,685.96 issued by tax payers for the settlement of their tax liabilities were dishonoured by their respective banks. Though these tax payers were notified of the dishonoured cheques, they failed to issue new cheques to clear their indebtedness until audit raised the issue before a total of GH¢8,599.21 was recovered leaving GH¢16,086.75 outstanding.

151. The lapse was attributed to management's failure to take necessary recovery measures to recover the amount. We urged management to initiate actions that would ensure the timely and effective collection of taxes.

### **Outstanding Corporate and Income Tax - GH¢515,063.75**

152. Section 134(1) of the Internal Revenue Act, 2000 (Act 592) requires that tax assessed shall be due on the date on which the person assessed is served with a notice of assessment. Also, Section 134(2d) states that "Tax due in any assessment shall be paid by the person assessed, in any other case within 30 days from the date of service of the notice of assessment."

153. Our review of Taxpayer files disclosed an outstanding Corporate tax of GH¢397,225.24 by 81 Companies and GH¢64,231.10 by 29 individuals during the 2015 fiscal year.

154. The anomaly was due to the failure of the compliance unit of the Service to serve Demand Notices on defaulting tax payers and failure of management to adopt proactive measures in recovering taxes from defaulters. At our instance Management recovered an amount of GH¢15,578.20 from various organisations leaving an unpaid balance of GH¢443,905.14.

155. Similarly our review of 91 rent tax files showed an outstanding tax liabilities of GH¢75,439.65 out of which GH¢6,281.04 was recovered at the instance of the audit leaving GH¢69,158.61 unpaid.

156. We recommended that management through the compliance unit of the Service, reviewed taxpayers' files regularly and seek the assistance of the Metropolitan Assembly in tracing relocated companies and entities so as to recover all outstanding tax liabilities.

**GHANA REVENUE AUTHORITY - AKIM ODA**  
**Failure to pay withheld taxes - GH¢4,000.00**

157. Management of Akim Swedru Senior High School failed to remit a total withheld tax of GH¢4,000.00 contrary to Section 87 (1) of the Internal Revenue Act, 2000 (Act 592) resulting in the management of the Ghana Revenue Authority, Akim Oda issuing a Demand Notice to the school.

158. The delay in settlement of the withheld taxes was due to weak supervisory control over the work of Accountant by the Headmaster resulting in the State being denied the amount to fund the execution of development programmes and projects.

159. We urged management of GRA to ensure that the amount of GH¢4,000.00 was recovered from the



management of the School and also undertake intensive education campaign on the tax system.

### **Tax defaulters - GH¢7,226.88**

160. Section 1(1) of the Income Tax Act, 2015 (Act 896) states that “Income Tax is payable for each year of assessment by: (a) a person who has chargeable income for the year and (b) a person who receives a final withholding payment during the year”.

161. Our review of a sample of registered taxpayers files reviewed showed that contrary to Section 1(1) of the Income Tax Act, 2015 (Act 896), seven taxpayers owed the State a total amount of GH¢7,226.88 in taxes due as at 30 June 2016.

162. We advised management to recover the GH¢7,226.88 from the defaulters and further ensure effective tax education and other measures aimed at facilitating efficient tax collection.

### **DOMESTIC TAX REVENUE DIVISION - DORMAA-AHENKRO**

#### **Tax arrears not recovered - GH¢250,557.40**

163. Section 149 of the Internal Revenue Act 2000, (Act 592) states that “A person who without a reasonable excuse fails to pay a tax including an amount treated by this Act as if it were a tax on or before the due date for

payment commits an offence, and is liable on summary conviction”.

164. Contrary to the above, our review of the records on entities and individuals tax files in Dormaa Ahenkro revealed that 110 entities and individuals failed to pay assessed taxes amounting to Gh¢113,368.53 to the Commissioner-General for the period 2014 and 2015 because the District Tax officer of Dormaa failed to carry forward the previous tax arrears.

165. Similarly the Berekum District Tax Manager failed to carry forward assessed taxes of 96 individuals and entities totalling GH¢137,188.87 between 2011 and 2015.

166. The Tax Officer’s failure to effectively supervise the work of the Assessment Tax Officer to ensure that entities and individual outstanding taxes were carried forward deprived the State, tax revenue needed for development.

167. We recommended that the District Tax officer should proactively collect all the outstanding taxes due from individuals and entities amounting to GH¢250,557.40 without further delay, failing which the appropriate disciplinary action should be taken against him.

## MUNICIPAL TREASURY - NSAWAM

### Payment of unearned salaries - GH¢17,952.84

168. Management of the Treasuries are enjoined to ensure prompt transfer of funds into the Main Controller and Accountant-General's Suspense Account in Accra in line with Departmental Accounting Instructions as specified in Regulation 294 of the FAR, 2004 (LI 1802).

169. Contrary to the above management failed to delete the name of Mr. Opare Kofi (a deceased pensioner) from the payroll and also to notify the Akwapim Rural Bank Limited - Nsawam to transfer unearned pensions payments totalling GH¢3,184.80 made to him between March 2016 and December 2016 into the Consolidated Fund.

170. Again Mr. Simon Kwaku Gadase a deceased retired staff had a total amount of GH¢7,025.76 paid into his bank account with Mumuadu Rural Bank Limited (Suhum) between January 2016 and December 2016. The bank delayed transfer of the amounts into the Suspense Account for periods ranging between one and six months.

171. Similarly a total unearned net salary of GH¢7,742.28 was paid into the bank accounts of Mr. Yaw Asante, a teacher at Tettenku L/A Primary in the Ayensuano District, Suhum who retired in June 2016 as July - December 2016 salaries. Mr. Yaw Asante had since

withdrawn the total amount in addition to his gratuity and monthly pension.

172. Management's failure to promptly transfer the unearned salaries/pensions to chest accounted for the omission resulting in funds sitting idle in the Suspense Accounts.

173. We advised management to ensure that the total of GH¢17,952.84 was recovered and remitted without any further delay and furthermore to liaise with the banks to regularly ensure that all unclaimed Salaries/Pensions were remitted into the CAGD's Suspense Account.

#### **DISTRICT FINANCE OFFICE - KWABENG**

##### **Payment of unearned pension - GH¢23,638.41**

174. Regulation 297(1f) of the Financial Administration Regulations, 2004 (LI 1802) requires a head of department to cause the immediate stoppage of the payment of salary to a public servant when that public servant dies.

175. Our review of the Ghana Government Pensioners' payroll disclosed that the names of four deceased pensioners continued to reflect on the Treasury Voucher for periods ranging from 11 to 12 months after their death resulting in the payment of GH¢23,638.41 as unearned salaries contrary to the above regulation. Management was yet to delete the names from the payroll as at the end

of February 2017. We also noted that the amount was still intact in the respective bank accounts of the deceased officer.

176. The District Finance Officer's ineffective monitoring and evaluation of the Pension Payrolls and consequent delay in deleting the names of deceased pensioners accounted for the anomaly.

177. We urged the District Finance Officer to ensure that the names of the deceased pensioners were deleted from the pensioners' payroll and further liaise with the management of their respective banks to ensure that the amount of GH¢23,638.41 and any subsequent payments made to them were promptly paid to Government chest.

### **YILO KROBO MUNICIPAL TREASURY**

#### **Un-authorised payment - GH¢11,750.00**

178. The Municipal Treasury officer made five separate disbursements totalling GH¢11,750.00 to four payees on 21 December 2016 towards fuel, repairs and maintenance, T&T and office consumables.

179. The disbursements were, however, not authorised by the Municipal Coordinating Director (MCD) contrary to Part IX Section 3 of the Financial Memoranda for Local and Urban Councils which states that "payment warrants

shall be certified by the officer authorised by the Council to incur expenditure”.

180. The irregularity was due to the MFO’s failure to effectively supervise the work of the schedule officer to ensure that payments were duly authorised by the MCD.

181. We urged management to ensure that the MCD authorised all payments, failing which the amount of GH¢11,750.00 should be recovered from the Finance Officer.

#### **Payment without Works Order and Certification - GH¢1,805.50**

182. Management made two disbursement totalling GH¢1,805.50 on repair works on official vehicles and office equipment without supporting the PVs with Job Request Orders specifying the services/activities requested and the rates/prices chargeable contrary to Regulation 1522 of Stores Regulations, 1984 which requires that before any repairs are carried out, works order should be issued to the service providers to ensure satisfactory work performance with a view of promoting value for money.

183. The lapse was due to ineffective internal controls exercised by Management which could result in the service providers presenting inflated bills for payment.

184. We urged management to ensure that heads of the various Departments and Units obtained approval /authorization from the Transport Officer and the Municipal Coordinating Director for Work Orders relating to all vehicles and office equipment meant for repairs before payments were effected.

### **Payments without Warrants - GH¢6,332.00**

185. The Minister of Finance and Economic Planning in his presentation of the 2012 budget to Parliament in November 2011, directed that effective January 3, 2012 all payments (including DDF) should be supported by a Warrant duly endorsed by the District Budget Officer (DBO) and the Co-coordinating Director.

186. Management however paid a total amount of GH¢6,332.00 to the Municipal Director and two firms in respect of local travel cost, fuel and a Notebook Laptop computer in December 2016. There was however, no Warrants supporting the three disbursements in contravention of the directive.

187. The lapse was attributed to management's disregard for the directive which could result in unbudgeted payments and misapplication of funds.

188. We urged management to adhere strictly to the directive on Warrants whenever a request was made by

MDAs in order to promote effective public financial, management practices.

**Fuel and Lubricants not accounted for – GH¢2,527.00**

189. Part XII, Section 60 of the Financial Memoranda of District Assemblies and Regulation 1604 of the Stores Regulations, 1984 requires that a log book is maintained for each vehicle and particulars of receipt of fuel and lubricants are to be recorded in on a daily basis. In addition particulars of journeys undertaken and the officers using the vehicle as well as kilometric reading are to be recorded in it.

190. We, however, noted that management of Department of Social Welfare, Ministry of Food and Agriculture and Town and Country Planning failed to ensure that three drivers logged fuel and lubricants purchased and valued at GH¢2,527.00 into their respective log books contrary to the above quoted regulations.

191. The irregularity was due to failure of the heads of Departments to ensure that the drivers made the relevant entries in the log books; a situation which could be abused through diversion and unauthorised use of the vehicles.

192. We urged management to ensure that the drivers accounted for the fuel purchased, failing which, the



authorising and approving officers should be made to refund the total amount of GH¢2,527.00.

### **MUNICIPAL TREASURY - ASAMANKESE**

#### **Payment vouchers not received - GH¢3,857.00**

193. Regulation 39(2c) of the FAR, 2004 (LI 1802) states that the head of the Accounts Section of a department shall control the disbursement of fund and ensure that transactions are properly authenticated to show that the amounts are due and payable.

194. Management however made disbursements of GH¢3,857.00 on 23 December 2016 to the Municipal Engineer of Feeder Roads and the Municipal Director of Town and Country Planning. The payees, did not, however, provide official receipts or written acknowledgement of receipt of the amounts to support the payments.

195. The failure of the MFO to ensure that the said payees signed all amounts claimed and/or issued official receipts, where applicable, resulted in the anomaly; a practice which could lead to payments to non-existing persons or diversion of unclaimed amounts.

196. We advised management to ensure that the named beneficiaries issued official receipt(s) or written acknowledgement of receipt of the amounts to regularise

the payments, failing which they should be made to refund the amount involved to chest.

## **CENTRAL TONGU DISTRICT ASSEMBLY TREASURY**

### **Unclaimed salaries and pension - GH¢3,917.78**

197. During our review of the Bank Statement on Suspense account for unclaimed salaries and pension in Amuga Rural Bank, Adidome, a total balance of GH¢3,917.78 was declared to have been paid to Government chest.

198. No evidence was provided to support the transfer of GH¢3,917.00 to the Controller and Accountant-General's suspense account in Bank of Ghana, Hohoe.

199. Delays and non-monitoring of unclaimed salaries in the suspense account may deny the Government access to such monies to be used on other developmental activities.

200. We urged the DFO to collect Treasury Counterfoil Receipt (TCR) from the Regional Directorate of Controller and Accountant-General's Department as evidence of the transfer to government chest and inform our office.

201. The District Finance Officer responded that, based on our observation management had written to Controller

and Accountant-General to make the Treasury Counterfoil Receipt (TCR) available for our examination immediately the amount was cleared on the account.

**MINISTRY OF EDUCATION  
NATIONAL INSPECTORATE BOARD**

**Unearned salary - GH¢29,692.58**

202. A review of the salary vouchers revealed that Mr. Agbessi Kennedy John, a lead Inspector was paid an amount of GH¢22,958.34 as salary for December 2015 instead of GH¢4,589.16 with his two months arrears inclusive. As a result, Mr. Agbessi was overpaid by GH¢18,369.18.

203. According to management, Mr. Agbessi failed to refund the overpayment of GH¢18,369.18 despite two official requests made to him. Furthermore, a letter dated 11 February, 2016 to Controller and Accountant- General for the recovery of the said overpayment yielded no results.

204. Similarly, Mr. Dakurah Thomas Aquinas a Senior Superintendent II, of Jirapa Education Service who had vacated post since August 2015 continued to receive salary up until May 2016 totalling GH¢11,323.40. The staff applied for study leave with pay to further his education but the application was not approved by the Regional Director of Education - UWR.

205. We recommended that Mr. Dakurah Thomas Aquinas and Mr Agbesi Kennedy John should be made to refund the total unearned salary of GH¢29,692.58 to chest and submit evidence of payment to the Audit Service for verification.

## **GHANA EDUCATION SERVICE**

### **TEACHER EDUCATION DIVISION - ACCRA**

#### **Indebtedness of Colleges of Education - GH¢438,965.40**

206. Regulation 2(d) of FAR 2004 requires the head of department to secure the due and proper collection of government revenue collectable by the department within the terms of instructions issued.

207. However, available records showed that as at 31/12/16, 17 Colleges of Education in the Greater Accra Region owed the Teacher Education Division an amount of GH¢438,965.40 for the purchase of textbooks, learning manuals, syllabi and training services rendered for Untrained Teacher Diploma in Basic Education (UTDBE).

208. Non-availability of funds was cited as the cause of the debt.

209. In our view the accumulation of debts over the years could affect the operation of the fund and therefore deprive students of learning materials in future.

210. We recommended to management to put in place strict measures to curb the anomaly including withholding supplies to defaulting schools.

### **MODEL NURSERY SCHOOL**

#### **Unauthorised operation of school by PTA**

211. Act 654, Section 65 of the Financial Administration Act (FAA) 2003, specifies that “no transfer, lease or loan of Government property shall be made to any person except in accordance with the appropriate law for the time being in force for the purpose.” The GES Guidelines recognize the PTAs as private associations which can organize activities to raise funds to support the running of schools but must be guided by the following:

- a. Since PTA use the school system to collect funds, these funds should be treated as public funds in line with existing financial regulations.
- b. PTAs are to prioritize their projects and work on one project at a time.
- c. Director-General shall not approve more than two projects in one academic year.
- d. PTAs levies should be within approved limits.

212. However our audit revealed that financial operations at the school had been taken over by the PTA without recourse to above stated guidelines and further noted the following lapses:

- i. That out of the 31 teaching and non-teaching staff; eight including the Accountant were employees of the PTA.
- ii. That payment vouchers were printed on PTA letter heads.
- iii. That the PTA Chairman authorised and as well approved payments.
- iv. PTA chairman was the sole signatory to bank account for all funds collected, including PTA dues which formed only 5% of the total revenue received.
- v. Being a practicing school for the National Nursery Teacher Training Centre, the Accountant neither reported to the Head of Training Centre nor the Regional Education Office which was supposed to oversee activities at the facility.

213. The above irregularities were attributed to GES management's failure to ensure that the Regional Education Office supervise activities at the school.

214. The lack of managerial control by the GES in our view, could lead to both misapplication of funds and misuse of state properties by the PTA.

215. We advised management to instruct the current Headmistress to take charge of the school and regulate

activities of the PTA by ensuring that the prescribed guidelines were adhered to in order to safeguard State properties and resources.

### **Operation of unauthorised bank account**

216. Regulation 18 of the FAR 2004 (LI 1802) states that “A department that has a legislative approval to retain all or portion of Internally Generated Funds (IGF) collected must first lodge the retained IGF in gross into the department’s operational bank account designated by the Controller and Accountant-General before disbursements are made.”

217. Contrary to the above requirement, we observed that fees, levies and other revenue generated by the school were rather lodged into the PTA account which had a sole signatory of the Chairman while only admission fees was paid into the school’s own account.

218. The above occurred because management of GES failed to enforce rules and regulations pertaining to the operations of such schools.

219. The situation therefore empowered the PTA to disburse from the account without adhering to laid down rules and regulations.

220. We recommended that henceforth all monies collected be paid into the school's designated account under strict supervision of the Regional Education Office.

### **COMPUTER SCHOOL SELECTION PLACEMENT SECRETARIAT (CSSPS)**

#### **Duplicated unsold scratch cards - GH¢1,206,588.00**

221. We observed that between 2010 and 2012 a total of 645,900 scratch cards were printed by Jokwat Printing Press to be used by Junior High School students to enable them print their placement forms.

222. Out of the 645,900 scratch cards, 174,698 were sold, leaving a balance of 471,202 valued at GH¢1,206,588.00 which could not be sold due to duplication by the printer. These were sent to GES stores on 14 March 2014 for safe keeping.

223. By a memo dated 5 March, 2014, the former Head of CSSPS indicated that the unsold cards would be used by the 2014/2015 B.E.C.E candidates but were not used.

224. According to the current Head of CSSPS, there was duplication of scratch cards which therefore necessitated its return to the stores.

225. Failure to use the cards for its intended purpose may result in a loss of GH¢1,206,588.00 to the state.



226. We recommended that the total cost should be recovered from the approving authorities at GES.

### **Absence of fire-fighting equipment and disaster recovery plan**

227. Regulation 1305 of Stores Regulations, 1984 states “it shall be the duty of all officers in charge of depots or stores; generally to ensure that adequate firefighting equipment is provided and that such equipment is regularly tested, at least once a year.

228. A physical inspection of the premises of the CSSPS revealed that there were no fire extinguishers to combat any fire outbreak. We further discovered that there were also no smoke detectors and neither was there a disaster recovery plan to protect their expensive equipment and other assets.

229. In our view, absence of smoke detectors and fire extinguishers could lead to loss of lives and properties in case of any fire outbreak. This could also affect the country’s educational system in case there is disruption in the placement of students into the Senior High Schools system.

230. We recommended to management to strictly adhere to the regulation by procuring fire extinguishers and fire alarms to safeguard lives and properties while

staff should be trained on the use of the fire fighters. Management was also urged to put in place a disaster recovery plan to protect such sensitive national assets.

## **REGIONAL EDUCATION OFFICE - GREATER ACCRA**

### **Funds not fully Accounted for by NGOs - GH¢24,174.10**

231. Regulation 53 of the FAR (2004) (L.I. 1802) stipulates that “official cash balance shall not be used for any private purpose including the encashment of cheque”. The Donor’s (UNICEF) Policy Guidelines also specifies that funds should be used according to what has been approved in the “Annual Work Plan.”

232. Contrary to the above requirements, we observed that an amount of GH¢24,174.10 out of a total of GH¢128,545.00 released to some Non-governmental organisations (NGOs) through the Greater Accra Regional Education Office as a support for the mobilization of Senior High Schools in the region on Ebola and Cholera were not fully accounted for. Below are the details.

| <b>Name of NGO</b>         | <b>Amount Released (GH¢)</b> | <b>Amount Accounted For (GH¢)</b> | <b>Diff. GH¢</b> |
|----------------------------|------------------------------|-----------------------------------|------------------|
| Christian Council of Ghana | 65,559.00                    | 39,722.70                         | 19,797.00        |
| Light Foundation           | 24,977.00                    | 20,600.00                         | 4,377.00         |
| Needy Foundation           | 34,009.00                    | 34,009.00                         | -                |
| <b>Total</b>               | <b>125,545.00</b>            | <b>94,331.10</b>                  | <b>10,039.20</b> |

233. We attributed the irregularity to lack of supervision and monitoring of the organisations by the Implementing Partner.

234. This could however lead to erosion of confidence reposed by the Donors in the State.

235. We urged management to ensure refund of GH¢24,174.10 by the NGOs to UNICEF.

**GHANA EDUCATION SERVICE  
NINGO - PRAMPAM DISTRICT  
EDUCATION SERVICE**

**Unreceipted capitation grants - GH¢138,938.18**

236. During our examination of the Capitation Grant records, we noted that payments totalling GH¢138,938.18 made to various Schools within the district were without

any form of acknowledgement and signed pay list. This contravened Regulation 16(a) & (b) Part VI, of the Financial and Accounting Instructions for Schools, Offices and Units and Regulation 39 (2) of the FAR, 2004.

237. We advised that the District Accountant should obtain official receipts from the beneficiary Schools to acknowledge receipt of the funds or the total amount be refunded to chest.

#### **Unsupported payment vouchers - GH¢33,047.00**

238. We noted during examination of the payment vouchers that a total of GH¢33,047.00 paid for various activities were not properly acquitted with expenditure records. This contravenes Regulation 39(2c) of the Financial Administration Regulations 2004 (L.I. 1802). We could not as a result ascertain the authenticity of the transaction.

239. We urged management to produce the relevant documents to authenticate the transactions, failing which the GH¢22,047.00 should be recovered from the Accountant and the District Director.

#### **Unretired Imprest - GH¢9,860.00**

240. Various payments totalling GH¢9,860.00 advanced to some officers to undertake specific programmes had

not been accounted for, contrary to Regulation 13(c) of the Financial Administration Regulations 2004 (LI 1802).

241. We recommended that management should prevail on the officers concerned to either account for the imprest or refund the amount to the District coffers.

### **Wrongful Deduction of Bank Charges on Capitation Grants GH¢1,072.81**

242. A directive was issued and signed by the Ag. General Manager; Mrs. Doris Wunu, to all GCB Bank branches dated 5 October 2010, and copied to the Director-General of Ghana Education Service - Accra, waiving bank charges on all Capitation Grants account with GCB Bank branches throughout the country. This was to take effect from 2011 Academic Year until further notice.

243. We, however, noted that the Tema Main Branch of GCB Bank made deductions from the capitation grants between August 2014 and April 2016 to the tune of GH¢1,072.81, as bank charges, contrary to the directive.

244. We recommended that management should draw the attention of the Tema Branch of GCB Bank to the directive and ensure a refund of the wrongful deductions to chest.

## REGIONAL EDUCATION OFFICE, HO

### **Abandoned unserviceable vehicle**

245. Regulation 1608 of stores Regulations 1984 states inter alia that government vehicle shall be parked in garages provided for them at close of work.

246. Our review of records disclosed that an unserviceable vehicle Toyota Hilux No. GV2530 - Y belonging to GES Regional Office-Ho was parked at Asukwakwa premises.

247. The lapse was due to unavailability of funds to repair the vehicle and also the Regional Director's failure to tow the vehicle to the office.

248. The condition of the vehicle could deteriorate faster with higher risk of pilfering the parts as the vehicle continued to be parked outside the service premises.

249. We advised management to source for funds for repair works or seek approval to auction it.

250. Management accepted our recommendation for compliance and stated that the Toyota Hilux GV-2530Y was duly put under the supervision of the Headmaster of Asukawkaw SHS. Furthermore, management vide letter No. GES/VR/76/Vol.11/43 of 14 December, 2016 is

seeking funds from Volta Regional Coordinating Council to repair the vehicle.

### **Payment of Judgement Debt - GH¢45,474.00**

251. Regulation 12 of the FAR, 2004 (L.I. 1802) states that “A person entrusted with custodial duties for public and trust moneys shall protect public and trust moneys against unlawful diversion from their proper purposes and against accidental loss, and locate such moneys so as to facilitate the efficient and economical discharge of public financial business”.

252. Our examination of payment vouchers revealed that on 12/02/2016 an amount of GH¢45,474.00 was paid from the GES, Regional office Culture Account at G.C.B Bank, Ho, to Blessed Company Ltd. This was in response to a Garnishee Order (NISI) from the High Court of Justice, Ho.

253. Management however explained that the Volta Regional Education office in April, 1997 awarded a Contract to Messrs. Blessed Company Limited for the construction of a Guest House. Though the project was completed the contractor was not paid owing to lack of funds. The case was taken to court and the judge awarded cost against GES-Headquarters through Garnishee Order.

254. The judgement debt could have been avoided if officials at post were diligent.

255. We recommended that a thorough investigation should be conducted and any officer found to have negligently caused the judgment debt should be surcharged.

### **GHANA EDUCATION SERVICE - KPANDO**

#### **Motor bike Debtors - GH¢7,815.00**

256. Regulation 110 of the FAR, 2004, L.I. 1802, requires the Head of department to ensure that advances granted are fully recovered in accordance with appropriate agreement.

257. The Directorate created a Motorbike Revolving Scheme to ensure that staff of the Directorate benefit from a hire-purchase agreement for the purchase of motorbikes. The monthly installment were to be made for a period of two years starting from 2011. As at the time of writing this report, eight officers were indebted to the scheme to a total of GH¢7,815.00 as detailed below:



| Name              | Date Taken | Date of last Payment | Cost of Bike     | Amount Paid      | Balance         |
|-------------------|------------|----------------------|------------------|------------------|-----------------|
| Tsuiafofe Stephen | 31/01/11   | 27/11/12             | 1,620.00         | 670.00           | 950.00          |
| Safo Charity      | 31/01/11   | 24/12/15             | 1,410.00         | 1,260.00         | 150.00          |
| Jerry Nyame Adom  | 1/06/12    | 14/09/16             | 2,000.00         | 1,620.00         | 380.00          |
| Eric Fiah         | 1/06/12    | 24/06/16             | 2,000.00         | 1,270.00         | 730.00          |
| Shittor Micheal   | 06/09/13   | 07/06/16             | 2,040.00         | 730.00           | 1,310.00        |
| Yaokumah Selorm   | 06/09/13   | 10/08/15             | 2,340.00         | 1,683.00         | 657.00          |
| Bansah K. Samuel  | 06/09/13   | 10/08/15             | 2,340.00         | 1,690.00         | 650.00          |
| Kedike Franklin   | 11/09/14   | 15/02/16             | 5,375.00         | 2,388.00         | 2,988.00        |
| <b>Total</b>      |            |                      | <b>19,126.00</b> | <b>11,311.00</b> | <b>7,815.00</b> |

258. This anomaly deprived others from benefiting from the scheme which was meant to motivate staff.

259. The default in payment was a pointer to eminent collapse of the Scheme.

260. We recommended to management to take steps to recover the moneys or block their salaries to compel them to pay back.

261. Meanwhile, Management had written to the individual staff concerned for refund.

### **GHANA EDUCATION SERVICE - TUMU**

#### **Outstanding advances - GH¢1,450.00**

262. Regulation 104 of the Financial Administration Regulations 2004 states that a head of department authorised to administer a class of advances shall ensure that advances are duly recovered in accordance with the regulations or agreement relating to them.

263. Our examination of the staff advances/loans ledger of the Ghana Education Service - Tumu revealed that four employees continued to owe the Directorate an amount of GH¢1,450.00 being advances granted them as far back as 2014, as detailed below:

| <b>Date of Received</b> | <b>Payee</b>       | <b>Amount<br/>GH¢</b> |
|-------------------------|--------------------|-----------------------|
| 2014                    | Zuwera Adama       | 300.00                |
| 2014                    | Gan Godfred        | 50.00                 |
| 2014                    | Ibrahim Abdul Kadu | 100.00                |
| 16/09/15                | Robert Yelman      | 1,000.00              |
| <b>Total</b>            |                    | <b>1,450.00</b>       |

264. We noted that the Accountant's failure to enforce the provisions of Regulation 104 of the FAR 2004, as the cause of the irregularity, a situation that had denied the GES of GH¢1,450.00 from carrying out its planned activities since 2014.

265. We urged management to take immediate steps to recover the outstanding advances from the affected employees or the amount recovered from the authorising officer.

**GHANA EDUCATION SERVICE - KRACHI WEST**  
**Unpresented Payment Vouchers - GH¢293,669.58**

266. Regulation 1(1) of the Financial Administration Regulations (FAR) 2004 (LI 1802) provides that "Any public officer who is responsible for the receipt, custody and disbursement of public and trust money shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Minister, the Auditor-General, the Controller and Accountant-General or any officers authorised by them".

267. During our audit of the financial records of the Directorate, we noted that 83 payment vouchers amounting to GH¢293,669.58 were not presented for audit in flagrant disregard of the regulation quoted above.

268. The overall effect was that the audit could not authenticate the payments, hence created doubt about the expenditure.

269. Mr. Peter Ayitey, the District Accountant responded that most of the unrepresented vouchers were raised during his predecessor, the Late Mr. Emmanuel Kpogli's period as Accountant of the Directorate.

270. We recommended that the schedule officer, Mr. Ayitey, should search for the PVs and make them available to this office for audit scrutiny, failing which the supervising Director should refund the amount involved.

### **Misapplication of GPEG funds - GH¢94,272.20**

271. Section 2.2(a) of the Project Implementation Manual of the Ghana Partnership for Education Grant (GPEG) states in part that, "... for each tranche of funds received by a District, they are expected to prepare a work plan to support the disbursement. The work plan is based on the approved programme of work (APW). These work plans should comply with the following: The activities should have been catered for under the GPE Funding in the Approved APW. Activities which are not listed in the Approved APW should not be covered under this programme."

272. Contrary to the above, we observed from expenditure records that, a sum of GH¢94,272.20 was used

to pay for programmes and activities which were either not in the Annual Programme of Work (APW) or part of the menu of activities for the District Grants.

273. The practice was not only irregular, but also sends wrong signals to the Donors who were likely to discontinue any such donations in future.

274. We recommended that, the District Directors, Budget Officer and Accountants in the persons of Messrs. Michael K. Gbologah, Abdul Mumin Hammed Imoro, Emefa Afari, and Peter Ayitey should be jointly held accountable for the amount misapplied. Furthermore, the District Director should ensure the early refund of the money to the GPEG Account.

#### **Unretired imprest - GH¢74.889.99**

275. We noted that a total of GH¢62,052.59 released to eight officers for various official duties were not accounted for.

276. The omission contravened regulation 283 (b) of the Financial Administration Regulations (FAR) 2004 (L.1. 1802) which categorically states that, "Special Imprests, issued for making a particular payment or group of payments which must be fully retired by the date specified in the approval to operate the imprest." Also paragraph 4.10 of the Project Implementation Manual of the GPEG requires funds to be accounted for within a

period of three working days after the performance of an activity.

277. We blamed the omission to management's failure to pursue the payees to account for the funds.

278. Similarly, two Supervisors of Lambussie GES failed to account for GH¢12,837.40 out of a total of GH¢13,622.40 released to them for programmes, monitoring and evaluation.

279. We advised management to ensure that the officers concerned fully accounted for the monies involved or converted into an advance and charged to their personal account.

280. Management responded that they will ensure the supervisors concerned fully account for the differences.

### **Maintenance of auctioned vehicle - GH¢29,117.00**

281. Our audit revealed that vehicle No. GV 1416 Q was auctioned on 12 August 2008 to Mr. Buadi Alexander. The Regional Director directed that the vehicle should be transferred to the buyer, Mr. Buadi Alexander.

282. Examination of payment vouchers revealed that GH¢29,117.00 was used to repair the same vehicle after it had been auctioned. Our enquiry revealed that the District

Director, Mr. Gabriel S. Kploanyi failed to hand over the vehicle to Mr. Alexander Buadi.

283. We recommended that the cost incurred on the repair work should be recovered from the former Director Messrs. Gabriel S. Kploanyi and his accomplices. Also, the vehicle should be handed over to the new owner.

#### **Unremitted tax - GH¢2,373.65**

284. Section 87(1) of Internal Revenue Act, 2000 (Act 592) states that, "... a withholding agent shall pay to the Commissioner a tax that has been withheld or that should have been withheld under this Subdivision within 15 days after the end of the month in which the payment subject to withholding tax is made by the withholding agent."

285. Contrary to the above, the Directorate failed to remit tax of GH¢2,373.65 withheld from a payment of GH¢47,473.00 made to Paramount Service for the supply of six motor bikes, 100 bags of cement and 30 packets roofing sheets.

286. We recommended that the Directorate should remit all withheld taxes to GRA to avoid sanctions.

## **DISTRICT EDUCATION OFFICE - AKATSI**

### **Payment Vouchers Not Pre-Audited - GH¢166,381.00**

287. Section 16(3) of the Internal Audit Agency Act, 2003 states that “An internal audit unit established shall in accordance with this Act and standards and procedures provided by the Agency, carry out an internal audit of its MDA or MMDA and shall submit report on the internal audit it carries out to the Director-General of the Agency.”

288. Contrary to the above provision, we observed that payment vouchers raised to pay GH¢166,381.00 were not subjected to pre-audit before payment.

289. We urged management to ensure that pre-auditing duties are effectively performed.

290. Management reiterated that necessary measures are being put in place to ensure that payment vouchers are pre-audited before payments are effected.

## **GHANA EDUCATION SERVICE - NKWANTA**

### **Un-receipted payments - GH¢21,096.00**

291. An amount of GH¢21,096.00 was paid as school fees on behalf of 72 Untrained Teachers Diploma in Basic Education (UTDBE). No official receipts were issued by the beneficiary School, Peki College of Education to substantiate the payment, contrary to Regulation 39(2c) of the FAR 2004 (LI 1802) which states that “the head of



accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable”.

292. We recommended to management to follow up for the official receipts to authenticate the payment.

### **GHANA EDUCATION SERVICE JIRAPA**

#### **Failure to Obtain Receipts in Support of Payment made - GH¢372,651.96**

293. Regulation 39(2c) of the Financial Administration Regulations (FAR) provides that, “the head of the Accounts Section of a department shall control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable”.

294. We, noted that six disbursements totalling GH¢372,651.96 were made without the corresponding official receipts to support the payments. The authenticity of these payments could therefore not be confirmed.

295. We urged the District Director to either authenticate the transaction by obtaining the relevant receipts to support the expenditure or be held liable and accordingly surcharged with the amount.

## GHANA EDUCATION SERVICE - GWOLLU

### Unreceipted Payments - GH¢22,140.00

296. Regulation 39(2c) of FAR, 2004 stipulates that 'the head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.'

297. We observed that a total amount of GH¢22,140.00 was paid to the Director General of GPEG vide PV. No. 08/05/16 of 26/05/16.

298. However, this payment was not acknowledged with the relevant official receipt to authenticate the payment.

299. In the absence of an official receipt, we were unable to confirm whether the transaction took place or not.

300. We requested that the relevant supporting documents should be obtained from the Director- General of GPEG to properly acquit the payment or the total amount of GH¢22,140.00 should be recovered from the authorising officer.

### **Failure to withhold tax - GH¢869.20**

301. In violation of Section 87(1) of Internal Revenue Act 2000 (Act 592), the Accountant failed to withhold 5% tax of GH¢869.20 on total payment of GH¢17,384.00 made to some suppliers and service providers.

302. We urged management to ensure that in future the Accountant should withhold taxes from payees of goods and services and remit the Commissioner, Ghana Revenue Authority with the amount.

### **GHANA EDUCATION SERVICE - WA**

#### **Monies not Accounted for - GH¢17,114.00**

303. Regulation 39(2) of the FAR, 2004 (LI 1802) requires that the head of the accounts section of a department to control disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

304. Notwithstanding the above requirement, we noted that out of a total amount of GH¢38,546.00 released for the payment of various activities, GH¢17,114.00 was short accounted for.

305. Monies not accounted for may not have been used for their intended purposes.

306. We therefore recommended that the payees who failed to account for funds should be held liable.

### **Misapplication of Funds - GH¢52,808.00**

307. Regulation 179(1) of the Financial Administration Regulations, 2004 (LI 1802), stipulates that “Except as provided for in the Financial Administration Act, 2003, (Act 654), and these Regulations, a head of department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities.”

308. We noted that management used a total amount of GH¢52,808.00 meant for the payment of earmarked activities stipulated under the Sports and Cultural accounts for payments on recurrent expenditures.

309. The misapplication of GH¢52,808.00 could prevent the institution from carrying out the activities for which the budget was approved.

310. We therefore recommended that the amount should be transferred back to their appropriate accounts.

311. We further advised the Regional Director to desist from misapplying funds.

312. Management stated that there are efforts to transfer the funds into their appropriate accounts.

**GHANA EDUCATION SERVICE - JIRAPA**  
**Procurement without Alternative Quotations -**  
**GH¢154,105.44**

313. Section 43(1) of the Public Procurement Act, 2003 (Act 663) states that, “the procurement entity shall request quotations from as many suppliers or contractors as practicable, but from at least three different sources.”

314. On the contrary, we noted for the period under review that the Directorate, without prior approval of the Public Procurement Authority, made various procurements amounting to GH¢154,105.44 without obtaining alternative quotations.

315. We recommended that the Regional Director should ensure that all future contracts are competitive and transparent in order to obtain value for money.

**GHANA EDUCATION SERVICE - LAMBUSSIE**  
**Procurement without Tender GH¢45,000.00**

316. Section 47(1&2) of the Public Procurement Act requires procurement entities to invite tenders or to prequalify tenders, or an invitation to prequalify to be

published in at least two newspapers of wide national circulation.

317. Contrary to the above, we observed that, a contract for the supply of Dual Desks involving GH¢45,000.00 was not published in two newspapers of wide national circulation even though the contract sum was above the threshold required for NCT.

318. Management's inability to ensure that, the contract received wider publication rendered the contract non-competitive.

319. We therefore recommended that, in future contracts, the provisions in Act 663 should be complied with to obtain value for money to which management agreed.

### **METROPOLITAN EDUCATION OFFICE - KUMASI Failure to Renew Annual Operational Licenses - GH¢16,540.00**

320. It is the Metro Education policy that all private schools operating within the Kumasi Metropolis pay annual operational license fee of GH¢20.00.

321. We however noted that out of 960 registered private schools operating in the metropolis, only 133 renewed their license fee of GH¢2,660.00 up to 31

December 2016, leaving 827 with an indebtedness of GH¢16,540.00.

322. Management explained that the office lacked logistics such as transport and fuel to enable schedule officers go to the schools to enforce payment of the operational license fees.

323. We recommended that punitive measures should be put in place to control recalcitrant private school operators to renew their operational licenses annually. Additionally, management should recover the outstanding amount of GH¢16,540.00 from the defaulting schools.

### **GHANA EDUCATION SERVICE - NEW EDUBIASE Revenue not accounted for - GH¢60,475.10**

324. Regulation 1 of FAR, 2004 (LI 1802) states that, any public officer who is responsible for the conduct of financial business on behalf of the Government of Ghana the receipt, custody, and disbursement of public and trust moneys or for the custody, care and use of public stores shall keep proper records of all transactions and shall produce records of the transactions for inspection.

325. On the contrary, we noted that, an amount of GH¢38,475.10 collected in November 2015 as printing fees from schools which participated in BECE examinations in

the district, had not been accounted for by the examination committee.

326. Again, the Fomena GES Directorate disbursed a total amount of GH¢37,000.00 from the GETFUND projects to pay registration fees of 2016 BECE candidates instead of parents of the pupils.

327. At the instance of the Audit, Management refunded GH¢15,000 leaving a difference of GH¢22,000.00.

328. The cause for the lapse was that the examination committee handled the collection and disbursement of the fees without keeping proper records on them.

329. Funds earmarked for specific activity such as printing of examination papers could be misappropriated if proper records were not kept.

330. We recommended that the District Director should ensure that, the Committee members accounted for the printing fees by maintaining proper records and providing expenditure details.

## **GHANA EDUCATION SERVICE - FOMENA**

### **Unsupported payments - GH¢11,000.00**

331. Regulation 39(2c) of FAR, 2004 requires that the head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are



properly authenticated to show that amounts are due and payable.

332. Contrary to the above, we observed that a total amount of GH¢5,500.00 was paid in September 2015 via voucher No. 04/09/15 for the supply of roofing sheets by Yaw Fosu Enterprise but no official receipt was obtained by the accountant in support.

333. Similarly, We observed that the Obuasi GES Accountant made total payments of GH¢5,450.00 for refreshment and others in July and August 2015 but failed to obtain and attach expenditure particulars such as receipts, invoices and others to four payment vouchers contrary to Regulation 39 (2c) of FAR, 2004.

334. The lapse occurred because the accountant failed to insist on the collection of the receipt from the payee.

335. This anomaly could result in payments for expenditure not incurred leading to loss of funds.

336. We recommended that the official receipts be obtained and attached to the payment voucher failure of which the amount be recovered from the Accountant.

### **Non-Competitive Procurement - GH¢99,486.99**

337. Section 43(1) of the Public Procurement Act 2003, Act 663 requires the procurement entity to request quotations from as many suppliers or contractors as practicable but at least three different sources.

338. We however, noted that payments for goods and services totalling GH¢99,486.99 made by the four Directorates of GES as shown below were without alternative quotations, neither did Management seek approval from the PPA to engage in sole sourcing as required by Act 663.

| <b>District Office</b>             | <b>Amount (GH¢)</b>     |
|------------------------------------|-------------------------|
| GES Obuasi                         | 11,873.99               |
| Navrongo Municipal Education       | 15,645.00               |
| GES Binduri                        | 65,854.00               |
| District Education Office, Zebilla | <u>6,150.00</u>         |
|                                    | <b><u>99,486.99</u></b> |

339. We recommended to management of the Directorates to ensure strict compliance with Section 43(1) of the Public Procurement Act 2003 (Act 663) as the practice could not enhance value for money.

### **Failure to obtain VAT invoices/receipts GH¢37,722.50**

340. All government departments are enjoined by Regulation 183(4) of the Financial Administration

Regulations 2004, (LI 1802) to procure goods and services from only VAT registered persons in order to generate revenue for the State.

341. Our audit of the GPEG account disclosed that management disbursed funds totalling GH¢37,722.50 on refreshment, servicing of computers and others from non-VAT registered entities, thereby avoiding the payment of VAT to the State.

342. We recommended to management should ensure strict adherence to the provisions in the Procurement Act.

#### **Failure to obtain VAT receipt from the GRA - GH¢6,060.73**

343. Section 19(1) of the Value Added Tax Act, 1998 (Act 546) states that 'a taxable person shall on making taxable supply of goods and services issue to the customer or the person supplied, tax invoices in such forms as shall be prescribed by regulations.'

344. Contrary to the above provision, we noted that management of the Directorate paid GH¢6,060.73 as VAT on purchases totalling GH¢34,634.27 but failed to obtain VAT receipts to cover the payment.

345. To avoid loss of revenue to the State, we recommended that management should obtain the VAT

receipts from the suppliers, failing which the amount should be recovered from the Accountant.

## DISTRICT EDUCATION OFFICES

### **Misapplication of the Culture and sports funds - GH¢64,459.00**

346. Regulation 39(1) of the Financial Administration Regulations, 2004 (LI 1802) stipulates that “A head of department shall ensure that moneys are utilized in a manner that secures both optimum value for money and the intention of Parliament.”

347. We noted during our audit that management of six GES District Offices disbursed a total amount of GH¢64,459.00 from the Culture and Sports accounts as staff advances, T&T and electricity credit vehicle repairs which were not related to cultural and sports activities as shown below:

| <b>District</b> | <b>Amount<br/>GH¢</b>   | <b>Purpose of expenditure</b> |
|-----------------|-------------------------|-------------------------------|
| Obuasi          | 13,900.00               | Gen. Administration           |
| Sandema         | 7,299.00                | Staff Advances                |
| Navrongo        | 5,579.00                | Payment of conf. fees & Staff |
| Paga            | 8,341.00                | Vehicle repairs               |
| Bolga           | 1,020.00                | Gen. Administration           |
| Koforidua       | <u>28,320.00</u>        | Vehicle repairs               |
|                 | <b><u>64,459.00</u></b> |                               |

348. This was due to lack of funds in the administrative accounts to support the Management of the District offices.

349. The practice could undermine the purpose of the sports fund which was to promote both cultural and sporting activities in educational institutions in the districts.

350. We recommended for reimbursement of the total amount misapplied and to ensure strict compliance henceforth.

#### **DISTRICT EDUCATION OFFICE**

##### **Inappropriate procurement method - GH¢1,284,858.94**

351. Schedule 3(1) of the Public Procurement Act, Act 663 provides that procurement for goods valued between GH¢20,000.00 and GH¢200,000.00 shall be by National Competitive Bidding (NCB).

352. On the contrary we noted that, management of Paga and Fumbisi Education Directorates made procurements totalling GH¢479,630.68 and GH¢805,228.26 respectively from 18 different suppliers without subjecting it to National Competitive Bidding even though the total value of each supply exceeded the minimum GH¢20,000.00 as provided for in schedule 3(1) of Act 663.

| District Office                      | No. of Suppliers | Amount (GH¢)        |
|--------------------------------------|------------------|---------------------|
| District Education, Office - Fumbisi | 13               | 805,228.26          |
| District Education Office - Paga     | 5                | 479,630.68          |
|                                      | 18               | <b>1,284,858.94</b> |

353. The procurements were therefore not competitive and could lead to the Service not obtaining value for money.

354. We recommended to management to henceforth subject such procurements to National Competitive Bidding process. Management should also take the appropriate sanctions against the officers who caused the lapse as recommended by Act 663.

### **DISTRICT EDUCATION OFFICE - PAGA**

#### **Breaking of procurement lot - GH¢299,450.00**

355. Section 21 of the Public Procurement Act, Act 663, 2003 stipulates that a procurement entity shall not divide a procurement order into parts or lower the value of a procurement order to avoid the application of the procedures for Public Procurement.

356. Contrary to the above regulation, we noted that procurements for the supply of 1,130 dual desks valued at

GH¢299,450.00 was divided into parts and awarded to four different suppliers as detailed below.

| <b>PV no.</b> | <b>Date</b> | <b>Award Date</b> | <b>Details</b> | <b>Payee</b>             | <b>Amount GH¢</b> |
|---------------|-------------|-------------------|----------------|--------------------------|-------------------|
| <b>GPEG</b>   |             |                   |                |                          |                   |
| 04/16         | 13/6/16     | 25/11/15          | 205 Dual desks | Samwaf Establishment     | 54,325.00         |
| 06/16         | 13/1/16     | 25/11/15          | 220 Dual desks | Woledam Ent.             | 58,300.00         |
| 12/16         | 19/1/16     | 16/11/15          | 400 Dual desks | Trans -Ecort company ltd | 106,000.00        |
| 13/16         | 26/2/16     | 25/11/15          | 305 Dual desks | Abdul Rahman ltd         | 80,825.00         |
| <b>Total</b>  |             |                   | <b>1,130</b>   |                          | <b>299,450.00</b> |

357. The situation was attributed to Management view that one Supplier would not be able to supply all the quantity required within the deadline when given the whole contract.

358. The situation where contracts were divided among suppliers could result in the service not obtaining value for money in the procurements.

359. We urged Management to desist from the practice and ensure compliance with the PPA.

**GHANA EDUCATION SERVICE REGIONAL OFFICE,  
BOLGATANGA**

**Payments without works order and Job Certification -  
GH¢38,188.30**

360. Section 16(1) of the Financial Administration Act, 2003 (Act 654) stipulates that payment shall not be made for work done, goods supplied or services rendered whether under a contract or not in connection with any part of the public service unless in addition any other or certificate that is required. The head of government department or any officer authorised by the head of department certifies that the work has been performed, goods supplied or services rendered and that the price charged is according to the contract.

361. We noted contrary that, management made disbursements on six payment vouchers totalling GH¢38,188.30 for repairs of official vehicles without works order and works certificate to attest that the works were properly done.

362. The practice could also lead to unsatisfactory works and payment for work not done.



363. We urged management to provide jobs order and certificate of satisfactory work done failing which the amount be recovered from the Accountant.

**BAWKU WEST DISTRICT EDUCATION OFFICE,  
ZEBILLA**

**Un-substantiated payment vouchers - GH¢6,148.89**

364. The Binduri District of Ghana Education office failed to fully substantiate three paid vouchers amounting to GH¢6,148.89 with receipts contrary to Regulation 39(2c) of the Financial Administration Regulations, 2004.

365. The irregularity could lead to payment of fictitious/non-existence debts as well as misappropriation of funds.

366. We recommended that Management should ensure that payment vouchers were fully supported with official receipts failure which the amount be recovered from the Accountant and the Director.

**Transacting Business with Non VAT registered entities-  
GH¢12,390.00**

367. Regulation 183(4) of the Financial Administration Regulations (FAR, 2004) states that a Head of department shall purchase Government store items from only Value Added Tax (VAT) registered persons or entities and any department that requires an exemption, strict for any

special case shall apply to the Minister with the necessary justification.

368. We noted that the Binduri District Education Office purchased VAT items from Non-VAT entities amounting to GH¢ 12,390.00 contrary to Part VI regulation 183(4) of Financial Administration Regulations.

369. The failure to deal with only VAT registered entities/persons deprived the government the VAT revenue of GH¢12,390.00 needed for national development.

370. We urged management to ensure that, subsequent procurement were made from only VAT registered persons

## **REGIONAL NON-FORMAL EDUCATION DIVISION - BOLGA**

### **Disbursements without supporting documents - GH¢3,550.00**

371. Regulation 39(2c) of the Financial Administration Regulations, 2004 (LI 1802) stipulates that the head of the accounts section of a department shall control the disbursement of funds to ensure that transactions are properly authenticated to justify the payments made.

372. We however, noted that, Management made payments totalling GH¢3,550.00 on three vouchers from IGF account without supporting the vouchers with the relevant receipts, invoice, attendance sheets and other statements of accounts to properly authenticate the payments.

373. We attributed the anomaly to the laxity on the part of the Regional Accountant to properly scrutinise the vouchers.

374. In the absence of the relevant supporting documents, we could not ascertain whether the funds were actually used for the purposes intended.

375. Failure to provide official receipts and relevant supporting documents could result in duplication of payments and to illegitimate persons or entities.

376. We recommended to management to support the payment vouchers with the appropriate expenditure documents, failure of which the amount of GH¢3,550.00 should be recovered from the Accountant and the Authorising Officer.

## **GHANA EDUCATION SERVICE - YENDI**

### **Failure to obtain VAT invoice for VAT paid - GH¢1,343.59**

377. Regulation 21(1) of the Value Added Tax Regulations which states: “a taxable person shall in accordance with subsection (1) of section 41 of the Act, on supply of taxable goods or service to a customer issue to the customer a tax invoice.”

378. Our audit of Girl Pass Account of the Ghana Education Service at Yendi however revealed that the Accountant failed to obtain VAT invoice/receipt from suppliers to support VAT component of GH¢1,343.59 for supplies worth GH¢7,677.66.

379. The lapse was caused by the failure of the Accountant to ensure that VAT invoice/receipt was obtained to account for the VAT paid.

380. The situation led to a loss of tax revenue totalling GH¢1,343.59 to the State.

381. We recommended that the Accountant obtained the VAT Invoices from the suppliers or the amount be refunded by him.

### **Payments without official receipts - GH¢24,551.59**

382. Contrary to Regulation 39(2c) of the Financial Administration Regulations, 2004 (L.I. 1802), we noted that management failed to obtain official receipts to authenticate three disbursements of Capitation Grants for the 3<sup>rd</sup> term of 2014/2015 academic year totalling GH¢24,551.59 made to various Basic Schools in the District due to weak supervision over the work of the Schedule Officer responsible for processing such payments.

383. This situation could result in diversion of funds to the detriment of the beneficiary schools.

384. We advised management to pursue the Basic Schools involved to provide official receipts for the releases totalling GH¢24,551.59. We also urged management to institute control measures to ensure prompt submission of official receipts to avoid a recurrence of the issue.

### **Payments without official receipts - GH¢20,587.11**

385. Regulation 39(2c) of the Financial Administration Regulations, 2004 (L.I. 1802) stipulates that “the head of the accounts section shall control the disbursement of funds and ensure that transactions are properly authenticated to show that the amounts are due and payable”.

386. We noted that management failed to obtain official receipts to substantiate five disbursements of Capitation Grants totalling GH¢20,587.11 which were made to various Basic Schools in the District through five banks due to weak supervision over the work of the Schedule Officer responsible for processing such payments; a situation which could result in diversion of funds to the detriment of the beneficiary schools.

387. We advised management to ensure that the affected Basic Schools provided official receipts in acknowledgement of the amount of GH¢20,587.11.

388. We also urged management to strengthen controls over the work of the schedule officer to prevent a recurrence of the anomaly.

**REGIONAL EDUCATION OFFICE - KOFORIDUA**  
**Failure to transfer headquarters portion of capitation**  
**and special levies to the Director- General of Education -**  
**GH¢163,252.28**

389. The Ghana Education Service (GES) Policy for disbursement of Capitation and Special Levies provides for the transfer of a portion of the Capitation Fees and Special Levies to the Director-General at Headquarters.

390. Management of the Regional Education Office, Koforidua, however, contravened the policy by failing to

remit to the Director- General, Headquarters’ portion of Capitation and Special Levies (Sports and Culture) of GH¢163,244.95 out of a total collection of GH¢208,211.98 from Directors and Heads of Senior High Schools for the period 1/1/2016 to 31/08/2016. This situation denied the GES Headquarters timely use of the amount of GH¢163,244.95 for programmed activities.

391. The Accounts Officer attributed the lapse to non-receipt of funds from Headquarters for Goods and Services that compelled the office to fall on the amount to fund operations.

392. We recommended that the Regional Director should remit the total amount of GH¢163,244.95 to the Director-General and also ensure that the Regional Office was allocated with the requisite funds to finance operations.

## **EDUCATION SERVICE - AKWATIA**

### **Impropriety in Award of Contracts - GH¢44,175.00**

393. Section 35(1) of the Public Procurement Act, 2003 (Act 663) states that “A procurement entity shall procure goods, services or works by competitive tendering except as provided in Section 35(3) which states that “If the procurement entity uses the method of procurement other than competitive tendering, it shall include in the record

required a statement of the grounds and circumstances on which it relied to justify the use of that method”.

394. Contrary to the above provisions, our review of awards of the contract procedures disclosed that there was no signed contract documents for the supply of building materials costing GH¢44,175.00 meant for the construction of a 3-Classroom Block and Bridge at Amarkom L/A and Sekyikrom which management paid for on 2 February 2015.

395. We advised that management should ensure compliance with the Procurement Act in the award of future contracts to achieve value for money.

### **Unacquitted Payment Vouchers - GH¢54,022.73**

396. Regulation 39 (2c&d) of the FAR, 2004 (L.I, 1802) states that “The head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are due and payable and any order for disbursement that does not meet these requirement is rejected”.

397. We noted that fourteen payment vouchers totalling GH¢54,022.73 were not properly acquitted contrary to the above regulation.



398. The lapse was due to lack of supervision by management to ensure that payment vouchers were properly acquitted; a situation which could result in misuse of funds by payees, and/or payment for goods/services not supplied or delivered.

399. We urged management to ensure that expenditure documents were provided to authenticate payments; failing which the Spending Officer/Accountant should refund the amount involved to chest.

#### **Items not routed through Stores - GH¢82,565.56**

400. Regulation 183(3) of the FAR, 2004 (LI 1802) states that “A head of department shall be accountable for the proper care, custody and use of Government stores from the time of acquisition until they have been used or otherwise disposed of in accordance with these Regulations”.

401. Contrary to the above, our review of the payment vouchers disclosed that purchases of store items worth GH¢82,565.56 were not routed through store records due to management’s weak internal control measures, a situation which could result in diversion of stores.

402. In the circumstances, we were unable to determine whether the items were purchased and used in the interest of the beneficiaries.

403. We advised management to ensure that the items were covered with store records or refund the amount involved to chest.

## **NON-FORMAL EDUCATION DIVISION - NSAWAM**

### **Vehicle taken away from the division's premises without authority**

404. Regulation 2(h) of the FAR, 2004 (LI 1802) enjoins a head of government department to be responsible for the proper care; custody and economic use of government assets and stores used by the department.

405. Our audit disclosed that a Nissan pick-up vehicle with registration number GV 575W allocated to the Division to facilitate operations was taken away from the premises of the Division on 3 November 2016 by Mr. Mark Anthony Frimpong (an Auctioneer) of FrimSCO Mart and Mr. Sylvester Aidoo, the Eastern Regional Accountant to an unknown destination. We did not sight any letter authorising the diversion of the said vehicle from the Division.

406. We noted the indifferent attitude of the Municipal Coordinator to make a follow up to the Regional Office to ascertain the authority for the transfer, a situation which could lead to loss of the vehicle to the Division and the State.

407. We urged management to officially notify the Regional Office to locate and produce the vehicle for official use, failing which the Municipal Coordinator should be held accountable for the vehicle.

**Unconfirmed lodgments of proceeds from auction into the appropriate bank account - GH¢670.00**

408. Regulation 13(a) of the FAR, 2004 states that “A head of department shall undertake custodial duties from the time moneys are paid to a collector to the time when the moneys are lodged into the Consolidated Fund.

409. We however noted that five broken down motor bikes belonging to the Division were auctioned by Mr. Mark Anthony Frimpong (an Auctioneer) of Frimsc Mart-Accra and Mr. Sylvester Aidoo the Eastern Regional Accountant of the Division without any authorization from the Office of the Chief of Staff. There was also no evidence that the amount of GH¢670.00 realised from the auction sale was paid into the appropriate accounts by the auctioneer contrary to Regulation 13(a) of the FAR, 2004.

410. The irregularities which were due to management’s failure to ensure compliance with proper procedures for the auction of public properties and accounting for the proceeds led to the loss of the revenue.

411. We recommended that, management should provide authorization from the Office of the Chief of Staff for the auction of the motor bikes as well as evidence that the proceeds had been lodged into the designated bank account failing which the two should be sanctioned.

### **ASUNAFO SOUTH DISTRICT EDUCATION DIRECTORATE**

#### **Unsupported payments - GH¢5,970.00**

412. Regulation 39(2c&d) of the Financial Administration Regulations require the Head of the accounts section to control disbursement and to ensure that transactions are properly authenticated to show that the amounts are due and payable and any disbursement that does not meet the requirement is rejected.

413. Management of the Directorate however, made two payments under the Ghana Global Partnership for Ghana Grant in respect of monitoring, totalling GH¢5,970.00 but failed to provide monitoring reports as well as signed list from circuit supervisors to show that the amount was actually used for the intended purposes.

414. Payments not properly substantiated could result in payment for services not rendered to the directorate.

415. We recommended that in the absence of the relevant supporting documents such as receipts, invoices

signed list etc. the amount should be refunded by the Director and the Accountant.

### **Unpresented payment voucher-GH¢7,433.43**

416. Regulation 1(2) of the Financial Administration Regulations (FAR), 2004 (LI 1802) states that “A public officer who fails to keep or produce any records under Sub regulation (1) is in breach of financial discipline as defined in Regulation 8(1).

417. Contrary to the above, the Accountant failed to produce a payment voucher used in disbursing GH¢7,433.34 with cheque No. 578200 of 06 September 2016 for District Adolescent Reproductive Health activities.

418. Total disregard for the regulations could result in misappropriation or diversion of funds.

419. In the absence of the payment voucher, the District Director and the Accountant should be surcharged with the amount involved and sanctioned in accordance with Regulation 8(1) for breach of financial discipline.

## **MUNICIPAL EDUCATION DIRECTORATE - KINTAMPO**

### **Unearned salary - GH¢3,682.62**

420. Regulation 297(1e) of the Financial Administration Regulations states that “A head of department shall cause the immediate stoppage of payment of salary to a public Servant when that public servant has retired or separated”.

421. Our examination of the validated salary payment vouchers disclosed that, Mr. Adu Gyamfi Isaac, a Senior Superintendent II of the Directorate, who retired on 1 July, 2016 was paid two months unearned salary of GH¢3,682.62.

422. Failure on the part of management to take action for the deletion of the name from the payroll resulted in the anomaly thereby causing the State to lose the amount.

423. We recommended to management to recover the amount from Mr. Adu Gyamfi and pay same to Government’s Salary Suspense Account and have his name deleted from the payroll.

### **Failure to withhold tax - GH¢2,861.77**

424. Section 84(2) of the Internal Revenue Amendment Act 814 provides that, where a withholding tax agent pays a sum to another person for supply of goods and services

which exceeds GH¢500.00, the person making the payment shall withhold tax on the gross amount.

425. On the contrary, our review of the payment vouchers revealed that the Accountant failed to withhold tax amounting to GH¢2,861.77 from payments totalling GH¢93,392.50 made for goods and services.

426. This omission denied the State an amount of GH¢2,861.77 as tax revenue which could have been used to support the Government's developmental programmes.

427. We recommended that management should ensure strict compliance with the law.

## **NKORANZA NORTH DISTRICT EDUCATION DIRECTORATE - BUSUNYA**

### **Payments not accounted for - GH¢2,700.00**

428. Regulation 39(2c) of the Financial Administration Regulations (FAR), 2004 (LI 1802) provides that "the head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that the amounts are due and payable".

429. On the contrary, our audit disclosed that a payment voucher with a value of GH¢2,700.00 raised to pay for goods and services was not substantiated with the

appropriate expenditure documents such as receipts, invoices and honour certificates to authenticate the transactions.

430. We attributed the lapse to ineffective supervision on the part of the Accountant.

431. In the absence of relevant documents we recommended that the total amount involved should be recovered from the Accountant.

## **MINISTRY OF HEALTH HEADQUARTERS**

### **Failure to pay withholding Tax - GH¢2,122,577.69**

432. Section 87(1) of the Internal Revenue Act 2000, Act 592 enjoins withholding agents to pay withheld tax to the GRA within 15 days after the end of the month in which the payment subject to withholding tax was made.

433. Contrary to the above we noted that a total amount of GH¢3,283,768.54 withheld as tax for the year ended 31 December 2015, was not remitted to the Ghana Revenue Authority (GRA).

434. Delayed payments, apart from attracting penalty, could deprive the State of timely inflow of funds. At the instance of the audit, GH¢1,161,190.85 was paid to the GRA leaving a difference of GH¢2,122,577.69 outstanding.



435. We recommended that Management should ensure strict compliance with the 15 days ultimatum.

### **KORLE BU TEACHING HOSPITAL**

#### **Payment of judgment debt - GH¢245,277.00**

436. We noted that management paid a total amount of GH¢245,277.00 as judgment debt to 25 employees of the hospital who were wrongfully dismissed by the Hospital Board.

437. The cost was imposed by the High Court in its judgment in 2014. Details are shown below:

| <b>No.</b> | <b>Name</b>       | <b>Date of judgement</b> | <b>Amount paid (GH¢)</b> |
|------------|-------------------|--------------------------|--------------------------|
| 1.         | Mark Talongo      | 27/07/14                 | 36,284.24                |
| 2.         | Kofi Andoh        | "                        | 32,327.20                |
| 3.         | Joseph Aryee      | "                        | 31,145.32                |
| 4.         | Solomon Lomotey   | "                        | 26,100.54                |
| 5.         | MamunaAmadu       | "                        | 4,663.65                 |
| 6.         | Abdullah Ibrahim  | "                        | 7,663.88                 |
| 7.         | Wodza John Savant | "                        | 7,663.88                 |
| 8.         | Cubu Gilbert      | "                        | 7,019.08                 |
| 9.         | Kuma Geoffrey     | "                        | 1,166.79                 |

|              |                     |          |                   |
|--------------|---------------------|----------|-------------------|
| 10.          | Adesu Stephen       | „        | 1,201.38          |
| 11.          | Torto Joseph        | „        | 1,201.38          |
| 12.          | Hammond George K.   | „        | 1,036.71          |
| 13.          | Atawither Amanga    | „        | 1,201.38          |
| 14.          | Kumbah Jones Ninfa  | „        | 1,201.38          |
| 15.          | Adombire Atolae     | „        | 1,036.71          |
| 16.          | Sintim Kwame George | „        | 1,201.38          |
| 17.          | Jomo Akurugu        | „        | 1,036.71          |
| 18.          | Mahama Sie          | „        | 1,036.71          |
| 19.          | Quaye Joseph Agoe   | „        | 1,036.71          |
| 20.          | Awudi James         | „        | 1,201.38          |
| 21.          | Aryee Lawrence      | „        | 1,201.38          |
| 22.          | Sanni Salami        | „        | 1,036.71          |
| 23.          | Mbawini Yakubu      | „        | 1,201.38          |
| 24.          | Owusu Nyarko Isaac  | „        | 1,067.07          |
| 25.          | Nelson Memorkpor    | 28/11/14 | 74,344.18         |
| <b>Total</b> |                     |          | <b>245,277.13</b> |

438. Regulation 39(1) of FAR, 2004 states that a head of department shall ensure that moneys are utilized in a manner that secures both optimum value for money and the intention of Parliament.

439. Payment of the judgment debt was an avoidable and wasteful expenditure which could have been utilized in the improvement of health care delivery at the hospital.

440. Management should ensure that critical decisions and actions of such nature on employees are well considered legally to avoid court actions.

### **Procurement of sub-standard Out Patient Department (OPD) forms - GH¢18,260.93**

441. Our audit disclosed that, 100 booklets each of outpatient forms 3 and 4, respectively, valued at GH¢18,260.93, and procured from Kenweko Enterprise as far back as 16 December 2013 could not be used by the hospital.

442. The items were packed on the opened corridor in front of the Child health stores. We observed that the quality of the items did not meet the specifications of the hospital and therefore, could not be used.

443. Follow up on the transactions showed that, the company involved was registered as dealer in wood products, bamboo, doors nails and not stationery.

444. Store Regulation 0502(d) states that when goods are received by a depot it is necessary to check that the goods are in accordance with the specifications laid down

when the order was placed. In case of any doubt assistance should be sought from the officer who placed the order.

445. Management however ignored the poor quality of the items and made full payment for the items they could not use.

446. The procurement of the sub-standard items had resulted in wasteful expenditure and loss of public funds.

447. We recommended that Management should cause the Procurement Officer, Accountant and the storekeeper to refund the cost of the OPD forms amounting to GH¢18,260.93.

### **Outstanding debtors - GH¢106,729.44**

448. As at 31 December 2015, the debtors figure for Korle Bu Hospital stood at GH¢110,925.44 as shown in the table below:

| BMC             | Staff           | Social welfare   | Sundry (Transfer) | Paupers       | Death           | Absconders      | Total Amount      |
|-----------------|-----------------|------------------|-------------------|---------------|-----------------|-----------------|-------------------|
| Polyclinic      | 4,196.00        | -                | 1431.00           | 655.00        | 1,024.00        | -               | 7,306.00          |
| Accident Centre | -               | 15,977.72        | 53,452.72         | -             | 5,669.05        | -               | 75,099.49         |
| Surgical        | -               | -                | -                 | -             | -               | 3,386.05        | 3,386.05          |
| Medical         | 516.30          | 1,995.05         | 16,569.16         | -             | -               | 6,053.39        | 25,133.9          |
| <b>Total</b>    | <b>4,712.30</b> | <b>17,972.77</b> | <b>71,452.88</b>  | <b>655.00</b> | <b>6,693.05</b> | <b>9,439.44</b> | <b>110,925.44</b> |

449. Our follow up indicated that GH¢4,196.00 had so far been recovered leaving GH¢106,729.44 outstanding.

450. Regulation 17(1) of FAR requires that the head of department shall ensure that all Non Tax Revenue is efficiently collected.

451. We therefore urged management to pursue recovery of all overdue debts. Also, security should be improved at the wards to reduce the incidence of absconding

#### **Rent in arrears - US\$7,200.00**

452. As at 31 December 2015, the rent indebtedness of four banks which operated the Automated Teller Machine (ATM) on the premises of KBTH stood at US\$7,200. The banks were Standard Chartered, GCB Bank, SG SSB, and Fidelity.

453. Regulation 17(1) of FAR requires a head of department to ensure that all Non Tax Revenue was efficiently collected.

454. Delays in collecting rent from these banks on due dates could result in revenue hold up.

455. We recommended that the Acting Director of Finance should consistently remind the banks of their

indebtedness when due and pursue recovery of the current outstanding rent of US\$7,200.00.

### **Misappropriation of revenue – GH¢15,700.00**

456. Regulation 15(1) of the FAR, 2004 states that any public officer or revenue collector who collects or receives public and trust moneys shall issue official receipts for them and pay same into the relevant Public Fund Bank Account within twenty-four hours of receipt except in exceptional circumstances to be identified by the Minister.

457. We however noted that, in August and October 2015, three Revenue Collectors, namely, Benard Ashong, Doodoo and Carl Kweku Richardson, failed to account for total revenue of GH¢15,700.00.

458. The supervisor did not inform the Head of Finance when the Revenue collectors failed to account for the amount collected. This shows inadequate supervision over the revenue collectors.

459. Failure to account for the monies collected could result in loss of revenue to the hospital.

460. We recommended that the Director of Finance should recover the revenue of GH¢15,700.00 from the three revenue collectors and should also be sanctioned.

## CENTRAL MEDICAL STORES - GREATER ACCRA REGION

### Unpresented payment vouchers – GH¢482,792.71

461. Regulation 1(a) of the FAR, 2004 requires a public officer responsible for the conduct of financial business on behalf of the Government of Ghana to keep proper records of all transactions and produce them for inspection when called upon to do so.

462. Contrary to the above, 15 payment vouchers with a total face value of GH¢482,792.71 were not presented for our review:

| Date     | Ref<br>Number | Account<br>Type | Amount<br>GH¢ |
|----------|---------------|-----------------|---------------|
| 7/1/15   | 905924        | Drug            | 44,156.25     |
| 7/1/15   |               | Drug            | 41,650.00     |
| 12/1/15  | 905849        | Drug            | 42,074.50     |
| 6/1/15   | 0053          | Drug            | 54,324.60     |
|          | 0054          | Drug            | 77,500.00     |
|          | 0055          | Drug            | 49,533.00     |
|          | 0057          | Drug            | 99,834.97     |
| 2/1/2015 | 605170        | PSO             | 10,000.00     |
| 5/1/2015 | 605110        | PSO             | 1,839.99      |

|              |        |     |                   |
|--------------|--------|-----|-------------------|
| 8/1//15      | 605120 | PSO | 300.00            |
| 8/1/2015     | 605120 | PSO | 232.40            |
| 8/1/2015     | 605121 | PSO | 10,049.00         |
| 8/1/2015     | 605119 | PSO | 49,958.00         |
| 13/1/15      | 605115 | PSO | 460.00            |
| 13/1/15      | 605101 | PSO | 880.00            |
| <b>Total</b> |        |     | <b>482,792.71</b> |

463. Even though entries were made in the cash book we could not authenticate the payments made without the vouchers and their supporting documents.

464. We recommended that the Finance Officer should refund the amount of GH¢482,792.71.

#### **Unretired imprest - GH¢19,545.00**

465. We observed that, a total amount of GH¢19,545.00 was paid to the former Coordinator of the Interim Management Committee, Alhaji Inua Yusif on 4 May 2015 as imprest to conduct debt recovery activities/reconciliation in five regions. There was no evidence of expenditure statement and a report on how the money was utilised as at 31 December 2015.

466. The above omission contravened Regulation 288(1) of the FAR, 2004 which states that imprest shall be retired



at the close of the financial year and any imprest not retired shall be adjusted to a personal advance account in the name of the imprest holder.

467. The situation had the potential of depleting the account of the Central Medical Stores.

468. We recommended that Management should compel the Coordinator Alhaji Inua Yusif to refund the money.

**Indebtedness of Health Institutions to the Central Medical Stores, Greater Accra Region - GH¢15,113,563.53**

469. Regulation 2(d) of the FAR, 2004, enjoins the head of department to secure the due and proper collection of government revenue collectable by the department.

470. We noted that 99 Health institutions owed the Central Medical Stores (Greater Accra Region) a total amount of GH¢15,113,563.53 in respect of Drug and Non Drug health products sold to them on credit as at September 30, 2015.

471. The above condition was occasioned by existing weak debt recovery programme.

472. If the condition is not controlled it could impact negatively on the cash flow position of the unit which could hinder the ability of the Central Medical Stores to re-stock items to meet the needs of other Health institutions.

473. We recommended and Management agreed to improve the system to facilitate the recovery of the outstanding amount.

**REGIONAL HEALTH DIRECTORATE - KUMASI**  
**Outstanding advances - GH¢293,724.61**

474. We noted during our audit of the Regional Health Directorate that the following advances had remained uncollected for a long period spanning between two months and 4 years. Below are the details.

| <b>Date</b> | <b>Description</b>                         | <b>Amount<br/>GH¢</b> |
|-------------|--|-----------------------|
| 31/10/2011  | Judgement Debt                             | 6,164.00              |
| 29/07/2014  | Director General - Ghana<br>Health Service | 5,776.00              |
| 14/09/2014  | Ghana Health Service<br>Headquarters       | 143,920.00            |
| 18/03/2014  | DDPS (Obstetric-TRNG)                      | 2,200.00              |
| 29/05/2014  | Golden Tulip                               | 949.44                |
| 02/11/2015  | Project Five Alive                         | 7,177.75              |
| 07/08/2015  | AG-DDPH                                    | 30,000.00             |

|              |                               |                   |
|--------------|-------------------------------|-------------------|
| 18/08/2015   | Regional Nutrition Officer    | 1,000.00          |
| 02/10/2015   | Deputy Director Clinical Care | 3,420.00          |
| 31/12/2015   | Mechanical workshop           | 93,117.42         |
| <b>Total</b> |                               | <b>293,724.61</b> |

475. The Directorate's funds may be tied up in receivables which could lead to cash flow difficulties.

476. We recommended that Management should recover all the advances and subsequently ensure that loan deductions are made at source or standing orders should be set up before advances are approved to ensure that repayment terms are met.

### **REGIONAL MEDICAL STORES - ASHANTI REGION**

#### **Indebtedness to Regional Medical Stores - GH¢13,868,069.07**

477. Regulation 2(d) of the FAR, 2004 enjoins the head of department to secure the due and proper collection of government revenue collectable by the department.

478. Our review of the debtors ledger of the Regional Medical Stores revealed that Health Centres, other hospitals under the Ghana Health Service and private Health Care Centres in the Ashanti Region owed the

Regional Medical Stores a total amount of GH¢14,347,099.50 as at 31 December 2015.

479. Inability to recover advances could negatively impact on the cash flow position of the Regional Medical Stores.

480. We recommended to Management to intensify efforts to recover the total debt of GH¢14,347,099.50 and also introduce an effective advance recovery mechanism to ensure that all future advances granted were recovered promptly.

481. At the instance of the audit, an amount of GH¢479,030.43 was collected, leaving a balance of GH¢13,868,068.07.

482. Management indicated that they had set up a team to visit and recover the debts when NHIA reimburses the health facilities.

### **Indebtedness of National Health Insurance Authority to various Health Directorates - GH¢10,640,921.29**

483. We noted during our audits that 24 Health Directorates were owed GH¢10,640,921.29 by the NHIA as at 31 December 2015.

484. This contravenes Regulation 38(1) of the National Insurance Regulations, 2004, (L1 1809) which stipulates that a claim for payment of health service submitted to a scheme should be paid within four weeks after receipt of the claims from the health care facility unless there is a legal impediment. The details are shown below:

| <b>No.</b> | <b>Name of BMC</b>                          | <b>Amount GH¢</b> |
|------------|---|-------------------|
| 1.         | Atwima Nwabigya District Health Directorate | 1,069,757.75      |
| 2.         | Amansie West District Health Directorate    | 58,799.72         |
| 3.         | Kwabre East District Health Directorate     | 536,435.06        |
| 4.         | Kumasi Metro Health Directorate             | 158,474.52        |
| 5.         | Bekwai Municipal Hospital                   | 1,057,976.43      |
| 6.         | Manhyia Government Hospital                 | 939,011.02        |
| 7.         | Nyinanyin Government Hospital               | 227,205.90        |
| 8.         | Tano North District Health Directorate      | 274,943.77        |
| 9.         | Central Region Ewim Polyclinic              | 55,943.70         |
| 10.        | Apedwa Health Centre                        | 126,466.94        |
| 11.        | Enyiresi Government Hospital                | 76,806.95         |
| 12.        | Somanya Polyclinic,<br>Somanya              | 65,644.00         |
| 13.        | Bunso Health Centre                         | 30,488.66         |

|              |   |                      |
|--------------|---|----------------------|
| 14.          | Regional Hospital, Bolgatanga                   | 915,367.07           |
| 15.          | Bolgatanga Municipal Health Directorate (Mhd)   | 146,554.82           |
| 16.          | Jomoro District Health Directorate              | 406,149.54           |
| 17.          | Enchi District Hospital                         | 1,364,241.54         |
| 18.          | Kpandai District Hospital                       | 290,277.77           |
| 19.          | Adansi North District Health                    | 582,853.98           |
| 20.          | Adansi South District Directorate               | 109,877.27           |
| 21.          | Ejura Sekyeredumase District Health Directorate | 188,634.85           |
| 22.          | Kwaman Health Centre                            | 12,971.05            |
| 23.          | Sene District Hospital                          | 850,684.98           |
| 24.          | Essikado Government Hospital, Sekondi           | 1,095,354            |
| <b>Total</b> |   | <b>10,640,921.29</b> |

485. We recommended that the Management of NHIA should reimburse the Institutions to ensure continuity of the services rendered by the facilities.

## **BEKWAI GOVERNMENT HOSPITAL**

### **Abandoned hospital project**

486. We noted that a project which was scheduled for completion in October 2011 had been abandoned by the Contractor at about 80% stage of completion. The

Government of Ghana as part of its policy for the Health Sector reforms embarked on decentralization programmes, which focused on political, administration and fiscal management of public-private partnership for service delivery and economic promotion.

487. In harmony with the above objective, the Ministry of Health on 22/06/2010 awarded a contract to CONSAR Limited at a contract sum of GH¢18,606,188.94 to construct a Municipal hospital under the Health Service Rehabilitation Project (HSRIII), jointly financed by ADF/TAF Nordic Development Fund and the Government of Ghana.

488. The project was aimed at improving maternal health, reducing maternal and child mortality, combating HIV/AIDS, Malaria prevention and controlling endemic diseases.

489. Completion of this project on time could go a long way to enhance the Healthcare delivery in the Municipality.

490. Management indicated that it did not know the details of the agreement since the contract was awarded in Accra by the Ministry of Health.

491. We recommended that Management should intensify efforts by liaising with the Ministry of Health to complete the project.

## **NURSING AND MIDWIFERY TRAINING SCHOOL - OFFINSO**

### **Indebtedness to a supplier - GH¢210,765.08**

492. We noted that the School's indebtedness to a supplier, Ebekae Limited as at 31 December, 2015 stood at GH¢210,765.08.

493. This is in contravention of Regulation 2(e) of the FAR, 2004 which states that "the head of a government department shall request, commit, order, receive and make payments for goods and services within the funds appropriated to the department and in accordance with these Regulations and any other enactment".

494. The inability of the school to pay off this debt could affect the credit worthiness of the institution and most suppliers would not like to transact business with the School.

495. We recommended to management to take reasonable steps to pay off the debt.



### **Non - deduction of 5% withholding tax - GH¢4,850.00**

496. Our examination of the payment vouchers (PVs) disclosed that management paid a total amount of GH¢97,000.00 on three PVs to two contractors for work executed without deducting 5% withholding taxes amounting to GH¢4,850.00. Details are provided below:

| <b>Date</b>  | <b>PV No.</b> | <b>Name of Payee</b>      | <b>Details</b>   | <b>Amount (GH¢)</b> | <b>5% Tax (GH¢)</b> |
|--------------|---------------|---------------------------|--|---------------------|---------------------|
| 24/8/2015    | 1467906       | Ebekae Limited            | part payment for construction of hostel facility           | 24,000.00           | 1,200.00            |
| 16/9/2015    | 1467992       | Ebekae Limited            | part payment for construction of hostel facility           | 30,000.00           | 1,500.00            |
| 25/9/2015    | 297920        | Duo-Style Engineering Ltd | part payment for the construction of Assembly Hall Complex | 43,000.00           | 2,150.00            |
| <b>Total</b> |               |                           |  | <b>97,000.00</b>    | <b>4,850.00</b>     |

497. This contravened Section 84(2) of the Internal Revenue Act, 2000, (Act 592) as amended by Act 814 which enjoins any person making payment of GH¢500.00 and above to suppliers of goods and services to withhold tax of 5% on the gross amount paid.

498. Failure to deduct and remit withholding taxes could deprive the government of revenue.

499. We urged management to recover the withholding tax from the suppliers and remit same to the Commissioner, GRA without further delay.

**Payment into vehicle revolving fund - GH¢153,955.96**

500. Our examination of payment vouchers from four hospitals disclosed that an amount of GH¢153,955.96 was paid in instalments into the MOH revolving fund account at Ecobank, Ridge West branch towards the acquisition of vehicles as shown below:

| No.          | Region      | Institution                | Amount Paid GH¢   |
|--------------|-------------|----------------------------|-------------------|
| 1.           | Ashanti     | Obuasi Government Hospital | 42,480.00         |
| 2.           | Ashanti     | Ejura Municipal Hospital   | 34,319.89         |
| 3.           | Brong Ahafo | Yamfo Health Centre        | 29,365.62         |
| 4.           | Central     | Twifo Praso Hospital       | 47,790.45         |
| <b>Total</b> |             |                            | <b>153,955.96</b> |

501. Six to eight months after payment had been made into the fund, the vehicles had not been supplied to the various institutions to enhance their health delivery.

502. Regulation 12 of the FAR 2004 requires a person entrusted with custodial duties for public and trust moneys to protect public and trust moneys against

unlawful diversion from their proper purposes and against accidental loss and locate such moneys so as to facilitate the efficient and economical discharge of public financial business.

503. Management of the revolving fund had been advised to purchase the vehicles for the respective institutions as contained in their agreement, failing which the contributions should be refunded to the institutions.

#### **Imposition of judgment debt - GH¢4,970.02**

504. Our examination of the payment vouchers disclosed that the Ashanti Regional Director of Health Services per letter No. KGDWSE/HC of 18/5/15, signed by Dr. Alexis Nang-Beisuba, instructed all Health Centres and BMC's in the Districts and Municipalities to pay to the Region a specific amount to defray a judgment debt imposed by a court on Disease Health Centre for mishandling a patient during surgery performed by a Medical Officer. However, there was no letter sighted from the Ministry of Health to take such decision for implementation. Details are as below.

| <b>Date</b> | <b>PV No.</b> | <b>Payee</b> | <b>Particulars</b>                            | <b>Amount<br/>GH¢</b> |
|-------------|---------------|--------------|---|-----------------------|
| 09/06/15    | 1473538       | RMD          | Contributions<br>towards RHA<br>Judgment debt | 4,970.02              |

505. Regulation 169(1) of the FAR, 2004 states that a head of department shall inform the sector Minister or appropriate authority immediately of any circumstances that are likely to affect materially the budgetary results either through revenue and expenditure or other receipts and payments of the department.

506. This decision by the Regional Director could lead to BMCs making unbudgeted expenditures.

507. We recommended that the Regional Director should obtain an approval from the Minister before such expenditures are incurred in future.

#### **Double payment of transfer grant - GH¢1,843.11**

508. We noted during our examination of payment vouchers that an amount of GH¢1,843.11 was paid to Maxwell O. Darko (Accountant) as transfer grant for his transfer from Atwima Nwabiagya District Health Administration to Nyinanyin Hospital in 2013, which had already been paid to him in the same year he was transferred to the hospital resulting in double payment.

509. Regulation 39(2c) of the Financial Administration Regulations (FAR), 2004 (LI 1802) require the head of the accounts section of a department to control disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

510. We recommended to management to ensure that the excess amount of GH¢1,843.11 was recovered from Maxwell O. Darko.

### **Unearned salary - GH¢231,173.85**

511. Contrary to Regulation 297(1) of the (FAR), 2004, we noted that 26 officers who separated from their institutions between October 2011 and January 2016 were paid unearned salaries totalling GH¢231,173.85 as shown below:

| No.          | Region        | Institution                              | No. of Persons | Period                | Amount GH¢        |
|--------------|---------------|--|----------------|-----------------------|-------------------|
| 1.           | BrongAhafo    | College Of Health Research - Kintampo    | 1              | Dec.2014 - Dec. 2015  | 86,735.22         |
| 2.           | Greater Accra | Dansoman Polyclinic                      | 1              | Oct.2011- Sept. 2015  | 39,936.64         |
| 3.           | Greater Accra | Pantang Psychiatric Hospital             | 11             | June 2015 - Jan. 2016 | 18,392.03         |
| 4.           | Greater Accra | Ridge Hospital Accra                     | 1              | Feb.2012- Sept. 2015  | 29,120.00         |
| 5.           | Greater Accra | Ridge Hospital Accra                     | 6              |                       | 21,287.43         |
| 6            | Volta         | Anfoega Catholic Hospital                | 1              | Dec. 2014- Dec. 2015  | 3,919.35          |
| 7.           | Western       | Asanta Health Assistants Training School | 2              | 28/10/2015            | 3,900.00          |
| 8.           | Ashanti       | Agona Hospital                           | 3              | March 2015 Jan. 2016  | 27,883.18         |
| <b>Total</b> |               |  | <b>26</b>      |                       | <b>231,173.85</b> |

512. We recommended that Management should pursue recovery of the amount or convert it as an advance and charge it to their personal account which would be deducted from their salary or entitlement.

### **Unrecovered advances - GH¢110,610.92**

513. Regulation 110 of the Financial Administration Regulations, 2004 (LI 1802) specifies that a head of department, or the officer to whom the duties of the head of department have been delegated, shall ensure that advances issued are duly recovered in accordance with the appropriate agreement.

514. Our audit of nine institutions in 2015 disclosed that 308 members of staff had not paid advances totalling GH¢110,610.92 granted them some dating as far back as 2006 as shown below:

| No. | Region      | Institution                            | Type of advance | No. of staff | Period     | Amount    |
|-----|-------------|--|-----------------|--------------|------------|-----------|
| 1.  | Brong Ahafo | Sunyani Regional Hospital              | Salary          | 64           |            | 36,994.92 |
| 2.  | Brong Ahafo | Regional Health Directorate            |                 | 12           | 31/12/2013 | 26,080.00 |
| 3.  | Brong Ahafo | Tano North District Health Directorate |                 | 3            |            | 5,250.00  |

|    |               |                                |                |     |                     |                   |
|----|---------------|--------------------------------|----------------|-----|---------------------|-------------------|
| 4. | Central       | Twifo Praso Hospital           | Staff advances | -   | 31/12/2012          | 3,710.00          |
| 5. | Greater Accra | Korle-bu Teaching Hospital     | Staff Advances | 200 | 31/12/14            | 170,548.22        |
| 6. | Greater Accra | Accra Psychiatric Hospital     | Salary         | 2   |                     | 2,020. 00.        |
| 7. | Upper West    | Wa Regional Health Directorate | Staff advance  | 1   | 01/05/2012          | 3,100.00          |
| 8. | Northern      | Regional Medical Stores        | staff advances | 12  | 01/01/2008          | 16,945.00         |
| 9. | Ashanti       | Nurses and Midwifery Offinso   |                | 14  | 11/10/13-26/10/2015 | 16,511.00         |
|    |               |                                |                | 308 |                     | <b>110,610.92</b> |

515. We recommended that management should pursue recovery and strengthen the controls on the advances to avoid any loss in future.

### **TWIFO PRASO HOSPITAL**

#### **Disbursement without supporting documents**

**GH¢32,975.50**

516. Our review of the payment vouchers (PVs) revealed that four PVs used in disbursing GH¢32,975.50 for various expenditure items were not supported with payee's official receipts and invoices to authenticate the payments.

517. This contravenes Regulation 39(2c) of Financial Administration Regulations 2004 which states that “The head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show amounts are due and payable”.

518. We recommended that the accountant should provide the relevant supporting documents to authenticate the transactions, failing which the amount should be recovered from him.

### **REGIONAL MEDICAL STORES, KOFORIDUA**

#### **Unpaid creditors - GH¢4,245,829.81**

519. Best financial management practice requires regular payment of debts owed to win the trust and confidence of creditors to ensure continuous credit facilities.

520. Contrary to the above, we noted that the Regional Medical Stores owed the Central Medical Stores and other Companies a total amount of GH¢14,488,105.78 as at 31 December, 2015 in respect of drugs and non-drugs bought on credit.

521. At the instance of the audit an amount of GH¢10,242,275.97 was paid leaving a balance of GH¢4,245,829.81.



522. We urged management to redeem the remaining indebtedness to the creditors so as to salvage the credibility of the organisation.

### **ACCRA PSYCHIATRIC HOSPITAL**

#### **Misapplication of drug fund - GH¢19,600.00**

523. Regulation 179(1) of the FAR, 2004 states “Except as provided for in the Financial Administration Act, 2003, (Act 654), a head of department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities”.

524. Contrary to the above, we noted that Management misapplied GH¢19,600.00 from the drug fund for the payment of gas and airtime allowances to hospital management committee members as shown below:

| <b>Date</b>  | <b>PV No</b> | <b>CHQ No</b> | <b>Amount GH¢</b> |
|--------------|--------------|---------------|-------------------|
| 06/08/2015   | 1264101      | 932575        | 4,200.00          |
| 01/10/2015   | 1264104      | 932579        | 1,200.00          |
| 01/10/2015   | 1264110      | 932582        | 1,200.00          |
| 21/05/2015   | 1344501      | 932574        | 13,000.00         |
| <b>Total</b> |              |               | <b>19,600.00</b>  |

525. Such act could deplete the drug fund and adversely impact on healthcare delivery at the hospital.

526. We recommended that management should refund the amount of GH¢19,600.00 to the Drug fund and desist from misapplying the Fund for non-drug purposes.

### **Corporate institutional debtors - GH¢713,608.84**

527. One hundred and ninety-seven Corporate bodies defaulted in the settlement of their indebtedness of GH¢713,608.84 to five hospitals for services rendered during the period under review as shown below:

| <b>Names of debtors</b>        | <b>Name of Creditor</b>      | <b>Last payment date</b> | <b>Amount (GH¢)</b> |
|--------------------------------|------------------------------|--------------------------|---------------------|
| Royal Aluminium System Ltd.    | Pantang Psychiatric Hospital | 8 April 2016             | 4,672.86            |
| Kofi Ababio & Sons Ltd.        | -do-                         | 5 April 2016             | 1,711.21            |
| China Water Electrical Company | -do-                         | December 2012            | 3,237.70            |
| Ghana Prisons Service          | Effia Nkwanta Regional       | 31/12/2014               | 43,058.03           |
| 23 Corporate Bodies            | Ridge Hospital               | Dec. 2015                | 6,152.80            |
| Ghana Water Company            | Essikado Govt. Hosp.         | 31 Dec.2015              | 14,154.00           |
| Prisons Service                | Essikado Govt. Hosp.         | 31 Dec.2015              | 26,034.00           |

|                     |  |             |                   |
|---------------------|--|-------------|-------------------|
| 168<br>Institutions | Central<br>Mechanical<br>Workshop -<br>Greater Accra<br>Region | 31 Dec.2015 | 614,588.24        |
| <b>Total</b>        |  |             | <b>713,608.84</b> |

528. Regulation 2(d), of the FAR, 2004 enjoins the head of department to secure the due and proper collection of government revenue collectable by the department.

529. Management was advised to explore effective ways to collect the overdue debts for the smooth running of the facilities.

**NATIONAL CENTRE FOR RADIOTHERAPY AND  
NUCLEAR MEDICINE (NCRNM),**

**Patient Debtors - GH¢42,030.00**

530. Our review of the patient debtors' ledger disclosed that as at 31 December 2015, 146 patients owed the Centre various fees totalling GH¢86,170.00.

531. This contravenes Regulation 17(a) of FAR, 2004 which states that a head of department shall ensure that all Non-Tax Revenue (NTR) is efficiently collected. The Centre risk losing substantial revenue to bad debts.

532. At the instance of the audit, Management recovered an amount of GH¢44,140.00, leaving GH¢42,030.00 yet to be settled.

533. We recommended that the Director should an effective debt recovery system in place to recover all outstanding debts.

534. Management indicated that since most of the patients continued to undertake review/treatment the accounts office would contact them for recovery of the debt.

### **WA REGIONAL MEDICAL STORES**

#### **Outstanding corporate debtors - GH¢1,710,291.85**

535. Our review of the financial records of the Regional Medical Stores, Wa disclosed an outstanding receivable of GH¢7,031,337.02 as at 31 December 2015 for both drugs and non-drug items from 50 institutions.

536. Regulation 17(a) of the FAR, 2004 states that a head of department shall ensure that all Non-Tax Revenue (NTR) is efficiently collected.

537. This situation could negatively impact on the cash flows of the Regional Medical Stores as funds to procure drugs and non-drugs could be locked up in unrecovered debts.

538. Management was able to recover an amount of GH¢5,321,045.17 during the audit leaving an unpaid balance of GH¢1,710,291.85.

539. We recommended to management to pursue recovery of the outstanding amount.

### **EFFIA NKWANTA REGIONAL HOSPITAL**

#### **Mammogram and other hospital equipment abandoned for years**

540. Section 1 of the Accounting, Treasury and Financial Reporting, Rules and Instructions of the Ministry of Health (MOH) requires that the MOH and its Agencies may receive donations in the form of Fixed Assets, Inventory or Cash. Donations meant for specific purposes or to augment government financing generally are to be issued and used for their intended purpose. For fixed assets it shall be recorded in the assets register and embossed for identification.

541. Our audit of the hospital's assets register disclosed that 14 boxes of various sizes of mammogram and digital x-ray equipment meant for breast cancer x-rays and other complex x-rays donated to the Hospital by MOH in November 2013 had still not been installed. Some of the components were exposed to the vagaries of the weather at the Hospital's snacks shop.

542. Non-installation of these important and expensive equipment put patients at a disadvantage, loss of revenue to the hospital for non-usage, deterioration due to exposure to the weather and the risk of obsolescence with the passage of time.

543. We urged management to expedite action for the installation of the machines so that both the patients and the hospital could benefit from their use.

544. Management indicated that it had contacted the Head of Clinical Engineering Unit of the Ghana Health Service on countless occasions for the installation of the equipment but the response had always been that it was not yet the turn of Effia Nkwanta Hospital.

### **Missing motor bike**

545. We noted that the Transport officer, Mr. Samuel Ezaoh, continuously took the Directorate's Nanfang Motor Bike with chassis no. LAYJCK2898AK62134, but without a registration number to his place of residence without authority from the District Health Director. On 1 January 2015 the motor bike was stolen from his house and had since not been found.

546. We recommended that, the District Health Director should surcharge Mr. Samuel Ezaoh with the replacement cost of the motor bike and be sanctioned.

### **Student debtors - GH¢385,923.47**

547. We noted during our review of the student's debtor's ledger that, an amount of GH¢385,923.47 was outstanding in the name of 315 students as at the time of

audit some dating as far back as 2014. Details are shown below:

| <b>Date</b>  | <b>Institution</b>                       | <b>Name</b>         | <b>Bal. as 31 Dec. 2015 (GH¢)</b> |
|--------------|--|---------------------|-----------------------------------|
| 31/12/14     | Asanta Health Assistants Training School | 8 Students          | 16,343.00                         |
|              | School of Hygiene, Tamale                | 96 students         | 247,108.95                        |
|              | Korle-Bu                                 | 200 students        | 113,246.52                        |
| 31 /12/ 15   | NMTC, Offinso                            | 11 students         | 9,225.00                          |
| <b>Total</b> |  | <b>315 students</b> | <b>385,923.47</b>                 |

548. Regulation 110 of the Financial Administration Regulations (FAR), 2004 (LI 1802) requires head of department, or the officer to whom the duties of the head of department have been delegated in accordance with regulation 109 (delegation of administering authority), to ensure that advances issued are duly recovered in accordance with the appropriate agreement. Furthermore, Regulation 17(a) of the FAR, 2004 states that a head of Department shall ensure that all Non-Tax Revenue (NTR) is efficiently collected.

549. These may adversely affect the cash flow of the institutions thus denying them of the much needed funds for their operational activities.

550. We recommended that management should pursue recovery of the outstanding amount.

### **KORLE-BU TEACHING HOSPITAL**

#### **Retirement package paid to Prof. Afua Hesse, retired Ag. Chief Administrator**

551. Section 37(6) of GHS/TH Act, 1996 (Act 525) requires the members of a Teaching Hospital Board (KBTH) to hold office on such terms and conditions, including the payment of such allowance as the Minister may, on the recommendation of the Minister of Finance, determine.

552. Contrary to the above we noted that a retired Director of Medical Services and Ag. Chief Administrator, Prof. Efua Hesse was paid retiring awards comprising cash of GH¢51,096.74 and a VW Passat car. The package did not have the Minister's approval and was not supported by the terms and conditions of service of the Hospital. It did not also conform to retiring packages paid by other teaching hospitals in the country.

553. We recommended that management should recover the amount of GH¢51,096.74 from the retired officer and retrieve the vehicle for official valuation and the officer made to pay for it. Failing which the Chairman of the Board, the Ag CEO, and the Director of Finance



who approved and made the payment should be held liable.

554. Management indicated that it contacted the Intercity STC Company Limited who valued the Passat car at GH¢34,400.00 to be sold to the retired officer as per the MOH Transport Policy.

### **Irregular release of duty post vehicles to separated directors**

555. Section 37(6) of GHS/TH Act, 1996 (Act 525) requires the members of a Teaching Hospital Board (KBTH) to hold office on such terms and conditions, including the payment of such allowance as the Minister may, on the recommendation of the Minister of Finance, determine.

556. In contravention of the above provision, the Board of KBTH at its 56th meeting decided to refund two years' instalment payments made by six Directors on cars acquired through the MOH Vehicle Revolving Fund to the officers, treat the vehicles as duty post vehicles, and allow them to take the vehicles away for free when they separated from the Hospital. In this regard two separated directors viz. Mr. T. A. Mahmud, former Director of Human Resource and Mr. E. Anan Kakabaah, former Director of Finance were allowed to take their vehicles away for free.

557. We recommended that the Board and management should seek retroactive approval from the MOH or the policy should be reversed and the vehicles recovered from the former directors.

558. Management had since valued the cars at GH¢34,400.00 each and intended to collect the amounts from the former Directors in accordance with Ministry's Transport Policy.

**Irregular appointment and payments to Mr. Godfred Ahianyo (Non-Executive Board member) - GH¢118,461.00**

559. Regulation 39(1) of the Financial Administration Regulations (FAR) requires a head of department to ensure that moneys are utilized in a manner that secures both optimum value for money and the intention of Parliament.

560. Our audit however disclosed that the Board Chairman, Mr. Edward Annan, irregularly appointed a non-executive Board member, Mr. Godfred Ahianyo, to head a three-member committee to "audit various processes at the Directors and other Sub-BMCs in the Hospital" with effect from 1/12/12 for a period of one year. Subsequently, net payments, variously described as allowances, salaries (with market premium) and advances totalling GH¢118,461.04 were made to Mr. Godfred

Ahianyio between 4/1/13 to 22/5/14. An official vehicle was also allocated to the officer.

561. We did not see any terms of reference for the Committee and names of the other members of the Committee, neither did we see evidence of actual work done. As a result, we considered the payments to Mr. Ahianyio as unnecessary drain on the Hospital's resources.

562. We therefore recommended that all payments made to him should be recovered. In the event that management was unable to recover the amount, the Board Chairman, Mr. Edward Annan and the Ag. Chief Administrators, Prof. Efua Hesse and Rev. A. O. Botchway should be held liable for the payments made.

563. Management stated that, subsequent to the audit, the vehicle allocated to Mr. Ahianyio had been retrieved. However, the amount was yet to be recovered.

**Appointment and payment of acting allowances and salaries to Ag Chief Administrator, Rev. Albert O. Botchway, without appropriate basis - GH¢81,669.82**

564. Section 39(2) of Act 525 states "Where the Chief Administrator is temporary incapacitated from the performance of his functions under this Act, the Board may authorise any senior employee of the Teaching

Hospital to perform those functions for the duration of the incapacity”.

565. We noted during the audit that after the retirement of former Ag. Chief Administrator, Prof. Efua Hesse on 13 September, 2013 the Board Chairman, Mr. Edward Annan, asked Rev. Albert Okpoti Botchway, a non-executive Board member, to step in as Ag. Chief Administrator, a role he performed until July 2014.

566. Subsequent to this, total allowances and salaries (although Rev. Botchway was not an employee of the Hospital) amounting to GH¢81,669.82 was paid to him between 23/10/13 and 23/6/14.

567. Efforts to obtain Rev Botchway’s appointment letter to justify these payments were not successful as management could not produce it. If the most senior executive director already on salary had been asked to act as Chief Administrator, management would have avoided the payments made to Rev. Botchway.

568. In the absence of the appointment letter to support the payments made to Rev. Botchway, we recommended that management should recover all allowances and salaries paid to him.

**Payment of unapproved board sitting allowances:  
GH¢30,000.23**

569. Section 37(6) of GHS/TH Act, 1996 (Act 525) requires that the members of a Teaching Hospital Board shall hold office on such terms and conditions, including the payment of such allowance as the Minister may on the recommendation of the Minister of Finance determine.

570. We observed that the KBTH Board approved increases in Board allowances and made payments in arrears totalling GH¢67,577.75 on 29/5/14 to 17 members without recourse to the Ministers of Health and Finance.

571. We therefore recommended that the Board should seek retrospective approval from the Minister of Finance through the Minister of Health, or the total payment of GH¢67,577.75, and any subsequent unapproved payments made, should be refunded. We further advised the Board and management to stop payment of the new rates until the Minister of Finance formally approved of them.

572. Management had so far recovered an amount of GH¢37,577.22 from the Board members, leaving a balance of GH¢30,000.23 yet to be recovered.

### **Unlawful appointment of private auditing firm: GH¢81,000.00**

573. Section 11(1) of the Audit Service Act, 2000 (Act 584) states that, “The public accounts of Ghana and of all public offices, including the courts, the central and local government administrations, of the Universities and public institutions of like nature, of any public corporation or other body or organisation established by an Act of Parliament shall be audited and reported on by the Auditor-General”.

574. Contrary to the above, we noted during the audit that, based on the Minister of Health’s letter number MOH/OM/24 of 12 June 2014, the Board Chairman of KBTH appointed AD and Associates, a private Chartered Accountant, to carry out forensic audit of the 24 Hour Pharmacy (reference letter number KBTH/CAS/B2/14/16 dated 2 July 2014). An audit fee of GH¢81,000.00 was agreed and paid to the firm. Among other irregularities, the appointment was made without recourse to the Auditor-General and the engagement was not subjected to competitive bidding.

575. Since the appointment was unlawful, we recommended that the amount paid should be recovered from the firm or the Minister, the Board Chairman and the Chief Executive who were involved in the transaction should be held liable to refund the amount.

**Procurement of vehicle for acting Chief Administrator:  
GH¢199,000.00**

576. Regulation 39(1) of FAR, 2004 requires heads of departments to ensure that moneys are utilised in a manner that secures both optimum value for money and the intention of Parliament.

577. Our audit however revealed that management paid an amount of GH¢199,000.00 to acquire an Audi A6 car for the use of the Ag. Chief Administrator. The procurement was not in the Hospital's 2014 approved Procurement Plan and Budget, and also there was no evidence that it was approved by the Board. We further noted that the Ag. Chief Administrator, Rev. Albert O. Botchway appropriated the vehicle to himself by getting it registered in his personal name and used it for two and a half months after purchase before reverting it into the Hospital's name.

578. We recommended that the Chief Administrator should ensure that all procurement of goods, works and services were done in accordance with the Public Procurement Act, 2003 (Act 663).

### **Uncollected revenue from patients' guarantors- GH¢169,556.00**

579. We noted that between January and December 2014, fees totaling GH¢169,556.40 owed by 450 discharged patients had not been recovered from their guarantors.

580. This was due to lack of properly documented policy or arrangement by management with regards to payment schedules and enforcement of the liability clause in the guarantee agreement. This situation exposed the hospital to loss of revenue.

581. We recommended that the Director of Finance should notify the guarantors of their liabilities. In the event of failure to settle their indebtedness, management should institute legal action against them to recover the overdue debts totalling GH¢169,556.48.

### **Uncollected revenue from absconders and others - GH¢144,774**

582. We noted that absconders and the Social Welfare owed the KBTH GH¢144,773.97 as at 31 December 2014 as unpaid bills for treatment of patients. Ineffective debt collection measures and relaxed security arrangements at the wards contributed to this situation.

583. In line with Regulation 17 of the FAR, 2004 we asked management to institute effective debt collection



measures and improve security at the wards to reduce the incidence of absconding.

## **MINISTRY OF HEALTH - HEADQUARTERS**

### **Wrongful payment of renovation cost on rented accommodation**

584. The Ministry of Health signed a Tenancy Agreement with Vital International Foundation on 6<sup>th</sup> August 2009 for an 18-room apartment at House no. 22, Koowulust Zoti, Lartebiokorshie, Accra, for a two-year period subject to renewal. The property was rented to house a Chinese Medical Team.

585. Although the rent contract did not require the lessee to pay for capital works on the property, the Ministry wrongfully paid an amount of GH¢69,281.07 to the landlord on 25/4/14 for capital works which included demolition and alterations, block works, roofing etc.

586. The payment was made based on the instruction of the Director of Administration II, Mr. Hamidu Adakurugu, who did not exercise the necessary due diligence.

587. This payment was contrary to Regulation 39(1) of FAR, 2004 which requires a head of department to ensure that moneys are utilized in a manner that secures both optimum value for money and the intention of Parliament.

588. We therefore recommended to the Chief Director to contact the landlord, Vital International Foundation, to convert the amount of GH¢69,281.00 into additional rent advance.

## **GHANA HEALTH SERVICE HEADQUARTERS**

### **Garnishee order on imprest account at Ecobank**

589. We noted during our review that, Ghana Health Service Headquarters imprest account Number 0134404640302 at Ecobank with an account balance of GH¢108,870.00 was garnisheed on 22 January, 2013 due to failure of Ghana Health Service to comply with a court order issued by The Superior Court of Judicature in the High Court of Justice (Industrial/Labour Division) of Ghana, reference Suit number INDL/99/11 between LETICIA ASIEDU - KOTWI (Plaintiff) AND THE DIRECTOR-GENERAL, GHANA HEALTH SERVICE (Defendant). Details of the judgment were as follows;

- a. Payment of all outstanding remuneration including salaries, allowances and others from 1 October 2009.
- b. Payment of interest (20.5%) on (a) above at the prevailing bank rate and at simple interest with effect from 31 October 2009 to date.
- c. Payment of compensation of GH¢2,000.00 for distress and loss of dignity arising from the Defendant's discriminatory treatment of the Plaintiff.

- d. Payment of GH¢2,000.00 to the Plaintiff as general damages; and
- e. Payment of costs of GH¢2,000.00 to the Plaintiff.

590. The Director General, Ghana Health Service being the Judgment Debtor, failed to comply with the court's judgment neither did he file an appeal.

591. This infringes on Regulation 39(1) of FAR, 2004 which stipulates that a head of department shall ensure that moneys are utilized in a manner that secures both optimum value for money and the intention of Parliament.

592. The Service was therefore denied access to the funds in the account for administrative activities. Also the Service risks payment of huge interests, so long as it continues to default in servicing the debt.

593. We recommended that the Director-General should ensure compliance with the Court verdict to avoid further payment of cumulative interests and also to secure optimum use of the imprest account.

**MINISTRY OF FOOD AND AGRICULTURE  
VETERINARY SERVICES DIRECTORATE**

**Unpaid compensations to 34 Farmers under Avian Influenza Programme - GH¢1,448,157.02**

594. Based on the WHO and FAO guidelines on compensation payments to affected farmers, under the AI Program, Management recommended payment of 90% of the current market value of poultry farms and farm products destroyed from May to October 2015.

595. Out of the 63 outbreak sites or farms affected, only 27 were compensated with an amount of GH¢1,141,216.94, leaving GH¢1,448,157.02 unsettled as at December 2016.

596. The lapse may be attributed partly to the failure of the programme management team to ensure that the affected farmers were adequately and appropriately compensated.

597. The failure of Management to pay the compensations to the affected farmers resulted in serious repercussions on the program, such as;

- ❖ Delay in reporting outbreak cases,
- ❖ Refusal of farmers to report outbreak cases
- ❖ Pushing infested birds into the food chain (market) to save losses, hence resulting in continuous and further spread of the disease.

598. We advised Management to ensure that the outstanding amount of GH¢1,448,157.02 is paid to the affected farmers to curtail or prevent further spread of the disease.

**MINISTRY OF FOOD AND AGRICULTURE  
REGIONAL OFFICE - SEKONDI**

**Failure to recover rent - GH¢10,570.00**

599. Our review of records at the Regional Agric Office disclosed that in October 1998 management entered into agreement with Duratech Fibre Glass Ltd for renting of its Fertilizer Depot at Essipon for a monthly fee of GH¢30.00 to GH¢50.00 per month, renewable every three years and re-negotiated after the fifth year.

600. We however observed that management of Duratech Fibre Glass Ltd reneged on their obligations in the contract resulting in cumulative rent arrears of GH¢10,570.00 as detailed below:

| Period                              | No. of Month | Rate GH¢ | Amount GH¢       |
|-------------------------------------|--------------|----------|------------------|
| 1 May 1998 - 31 October 1998        | 6            | 30.00    | 180.00           |
| 1 November 1998 - 31 October 2001   | 36           | 40.00    | 1440.00          |
| 1 November 2001 - 31 October 2003   | 24           | 50.00    | 1200.00          |
| 1 November 2003 - 30 September 2016 | 155          | 50.00    | 7750.00          |
|                                     |              |          | <b>10,570.00</b> |

601. Management's laxity in taking legal action against the company for recovery had denied the State of revenue for development.

602. We recommended to management to take legal action to recover the rent arrears of GH¢10,570.00 with interest from the company.

### **Unregistered lands at Bonsaso**

603. Our review of the Assets Register disclosed that in 2000 the entity acquired 27.67 and 57.97 acres of land for coconut nursery and coconut plantation respectively at Bonsaso because the Lands Commission had delayed in processing the document submitted to them.

604. Since lack of appropriate documentation on the lands could result in disputes and loss of property, we recommended to management to take appropriate steps to get the lands registered to avoid any future litigation and loss of property.

## **MINISTRY OF FOOD AND AGRICULTURE DISTRICT OFFICE - SEKONDI**

### **Fuel purchases not accounted for - GH¢8,341.80**

605. Stores Regulation 1604 requires that fuel purchased should be accounted for by recording them in a vehicle log book.

606. Management however failed to produce log books for the Department's official vehicles for audit.

607. Consequently, fuel purchased amounting to GH¢8,341.80 could not be accounted for. The amount comprises GH¢6,741.80 for the Department's official vehicle (GV 1489 - U) and GH¢1,600.00 for the Veterinary Services Department.

608. We recommended that in the absence of the vehicle log books and evidence of usage the amount of GH¢8,341.80 should be refunded by the Accountant to chest.

## **MINISTRY OF FOOD AND AGRICULTURE - TARKWA**

### **Payment of unearned salaries - GH¢6,777.12**

609. Regulation 297 and 298 of the FAR, 2004 require a head of department to cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty without leave, resigned, retired or died.

610. Management however failed to cause the stoppage of the salaries of Mr. Arhin Philip, a Technical Officer at the Department of Agric, Tarkwa who vacated his post in February 2015 resulting in payment of GH¢12,608.98 as

unearned salaries covering the period February 2015 to June 2016.

611. At the instance of the audit, the ex-employee refunded GH¢5,831.86 through the Societe Generale Bank, Tarkwa branch leaving a balance of GH¢6,777.12.

612. We recommended that the outstanding amount of GH¢6,777.12 should be recovered from Mr. Arhin with interest at the prevailing bank rate or the Municipal Director and his Accountant surcharged with the total amount involved.

### **MOFA - EJURA**

#### **Failure to recover loans from block farmers - GH¢173,453.30**

613. Regulations 2(d) and 104(c) of FAR, 2004 require that the head of government department shall ensure that due and proper collection of Government revenue collectable by the department within the term of any enactment or of instructions issued or approved by the Controller and Accountant General. Also, the head of department shall ensure that advances are duly recovered in accordance with the regulations or agreements relating to them.

614. We noted that a total of GH¢242,112.50 was disbursed by the Ejura Municipal Directorate of Agric. to



39 block farmers in the form of farm inputs under the block farms programme during the 2013 farming season.

615. This loan facility was payable after the farming season, which meant that at the end of 2013 farming season management should have recovered the amount in full.

616. Similarly the Manso Nkwanta District Agriculture Office between 2010 and 2013 granted loans to 6 individual farmers and Anidaso Farmers Group in the form of farm inputs amounting to GH¢43,565.00 with the view of increasing their output.

617. We noted that the loan agreement spelt out that recovery was to be completed within 12 months. Out of a total loan of GH¢43,565.00, only GH¢7,710.00 or 17.7 percent was recovered from the beneficiaries of the facility leaving a balance of GH¢35,855.00 or 82.3 percent unpaid as at 31 December 2016.

618. In relation to the Ejura Block Farmers, our audit revealed that, out of the total loan of GH¢242,112.50 disbursed, only GH¢104,514.20 was recovered leaving GH¢137,598.30 outstanding as at 31 December 2016.

619. The beneficiaries' reluctance to pay, lack of capacity on the part of management to pursue recovery of

the outstanding loan and failure of the Ministry to take legal action against the defaulting farmers accounted for the long delay in recovering the outstanding balance.

620. We recommended to management to involve organisations with the experience of debt collection to assist in the recovery of the amount of GH¢173,453.30 from the farmers involved.

## **FOOD AND AGRICULTURE**

### **Payments without official receipts - GH¢29,375.20**

621. Regulation 39(2c) of Financial Administration Regulations 2004 (LI 1802) states that the head of the accounts section of a department shall control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable and any order for disbursements that does not meet these requirements is rejected.

622. Contrary to the above provisions, we noted that five payment vouchers raised for the payment of GH¢22,835.02 made to the Nabdam District Agricultural Development Unit were not supported with official receipts to authenticate the transactions.

623. Similarly a total amount of GH¢6,540.18 was paid by MOFA Agona Ashanti on three separate vouchers in respect of Travel and Transport (T&T) allowances,

workshops without supporting document like T&T claim sheets, invoices, reports and letters inviting officers for the workshops contrary to Regulation 226 of FAR, 2004.

624. The anomaly was caused by the Accountant's failure to comply with the above regulations for not obtaining official receipts to cover the payments.

625. In the absence of the official receipts, we could not ascertain whether the funds were actually released to the payees.

626. Management should therefore obtain official receipts to authenticate the payments, failing which the amount involved be surcharged against the District Director and the Accountant.

### **Payments not fully accounted for - GH¢17,643.02**

627. Regulation 39(2c&d) of the Financial Administration Regulations 2004 (LI 1802) states "The head of the accounts section of a department shall control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable; and any order for disbursements that does not meet these requirements is rejected.

628. We noted on the contrary that, out of an amount of GH¢85,153.92 released to District Director to perform

various assignments and programmes, only GH¢69,655.90 was accounted for with relevant receipts and statements of account leaving GH¢15,798.02 unaccounted for.

629. Similarly at Bolga Regional Agric. Unit 6 an amount of GH¢14,310.00 was released for various expenses out of which only GH¢12,465.00 was accounted for by way of receipts and statements of account leaving a balance of GH¢1,845.00 unaccounted for.

630. We attributed the situation to the failure on the part of the Accountant to exercise supervisory and monitoring controls over the payees in ensuring that funds were timely accounted for.

631. This practice could lead to misappropriation and misapplication of funds with the consequent losses to the Ministry.

632. We recommended to management to ensure that receipts and invoices were obtained to support the payments, failing which the sum of GH¢17,643.02 should be recovered from the payees.

## **DISTRICT AGRICULTURE OFFICE - BAWKU**

### **Misappropriation of revenue - GH¢585.00**

633. Regulation 15(1) of the Financial Administration Regulations, 2004 (LI 1802) stipulates that, "Any public

officer or revenue collector who collects or receives public and trust moneys shall issue official receipts for them and pay some into the relevant Public Fund Bank Account within twenty-four hours of receipt except in exceptional circumstances to be identified by the Minister”.

634. Contrary to the above, Mr. Sulley Fuseini, a revenue collector of the Department collected total revenue of GH¢17,797.00 between February and September 2016 but banked GH¢17,212.00 leaving a difference of GH¢585.00 unaccounted for.

635. We attributed the lapse to ineffective supervision over the revenue collector’s collection and banking activities by management.

636. This resulted in loss of funds to the Ministry of Food and Agriculture and Government.

637. We recommended to management to ensure recovery of the amount from Mr. Sulley Fuseini into the appropriate Bank account.

### **REGIONAL AGRIC UNIT - BOLGA**

#### **Unsupported payment vouchers - GH¢40,991.00**

638. Regulation 39(2c) of the Financial Administration Regulations 2004 (LI 1802) requires the head of accounts to

always ensure that transactions are properly authenticated to show that amounts paid are due and payable.

639. On the contrary, we noted that 14 payment vouchers used in disbursing GH¢40,991.00 were not supported with the relevant receipts, invoices, memos and other statements of account to properly account for the payments.

640. Failure on the part of the Accountant to obtain receipts and other documents to acquit the vouchers and laxity on the part of the Accountant to properly securitize vouchers to ensure that all payments were properly acquitted accounted for the lapse.

641. This could result in duplication of payments and or to non-existent persons and entities.

642. We recommended to management to surcharge the Accountant and the Regional Director with the amount involved.

#### **Failure to remit tax - GH¢1,260.65**

643. Contrary to Section 87(1) of the Internal Revenue Act, 2000 (Act 592), we noted that management failed to remit withholding tax totalling GH¢1,260.65, deducted from 11 payment vouchers to the Domestic Tax Division of the Ghana Revenue Authority.

644. We attributed this to lack of commitment on the part of management in ensuring compliance with Internal Revenue Service Act.

645. The inaction of the Regional Accountant denied the Government the use of the unremitted amount for the pursuit of government financial business.

646. We recommended to management to remit GH¢1,260.65 to the Domestic tax Division of the Ghana Revenue Authority.

#### **METRO AGRICULTURE DEVELOPMENT UNIT, TAMALE**

#### **Failure to recover loan granted under EDAIF Project - GH¢482,772.00**

647. The EDAIF farm project is a government of Ghana initiative which provides support in the form of agricultural inputs such as certified seeds, fertilizers and herbicides to motivate farmers expand their farms. The cost of the inputs were to be paid by beneficiaries after harvest. The facility was for one farming season.

648. Our audit disclosed that 76 farmers owed an amount of GH¢485,862.00 for agricultural inputs supplied to them in 2015. Further checks revealed that only GH¢3,090.00 had been retrieved so far with an outstanding amount of GH¢482,772.00.

649. This lapse occurred because the Metro Director failed to incorporate recovery clauses in the EDAIF farm project agreement.

650. As a result, the EDAIF project was denied of revenue of GH¢482,772.00 which could have been reallocated to other farmers.

651. We recommended that management should take steps to recover the said amount from the defaulters and also ensure that farmers who previously defaulted did not benefit from any subsequent supplies of agricultural inputs.

#### **Missing bags of urea fertilizers in stores - GH¢18,270.00**

652. Section 32(2) of the Financial Administration Act, 2003 makes the head of department responsible for government stores held within the department for the due performance of duties in relation to the government stores.

653. Our examination of the stores records revealed a total of 1,069 bags of Urea fertilizers received from the Regional Agriculture Department Unit was added to an opening balance of 107 to make a total of 1,176 bags of urea fertilizers for distribution. The stores ledger revealed that a total number of 1,031 bags were distributed to farmers leaving 145 bags at a unit cost of GH¢126.00



unaccounted for. This resulted in a total loss of GH¢18,270.00 to the Unit.

654. This lapse occurred because the Metro Director responsible for stores safety failed to supervise the operations of the store-keeper.

655. We recommended that the Metro Director should ensure that the fertilizers are retrieved and accounted for, failing which the Metro Director and the store keepers should be surcharged with the amount involved.

#### **DISTRICT AGRICULTURAL DEVELOPMENT UNIT - AGONA NSABA**

##### **Failure to deduct 5% withholding tax - GH¢1,192.30**

656. Section 84(2) of the Internal Revenue Act 2000, (Act 592) requires among others that tax should be withheld from payments made to a resident person for goods and services in excess of fifty currency points.

657. We noted that the Accountant, Mr. Tweneboah Dwenti failed to deduct a total amount of GH¢1,004.95 as 5% withholding tax from total payment of GH¢20,099.00 made to Suppliers as shown below:

| Date         | P.V. No. | Details  | Payee                              | Amount GH¢       | 5% Tax          |
|--------------|----------|--|------------------------------------|------------------|-----------------|
| 01/11/15     | 1/11/15  | Purchase of 14 pcs of knapsacks, 282pcs of cutlasses, 10 boots, 4 wheelbarrows, 11 trays, 14pans | Nancy Agro Chemical and Farms Ent. | 7,915.00         | 395.75          |
| 03/12/15     | -do-     | Cost of 10 boxes of weedicides   | Evergreen Ltd.                     | 2,350.00         | 117.50          |
| 03/12/15     | -do-     | Cost of 14 radio, 14 lamps, 14 shovels, 1 foam mattress  | Sir Charles Electrical Ent.        | 1,584.00         | 79.20           |
| 04/06/15     | 2/6/15   | Cost of Glyphosate   | Nancy Agro Chemical and Farms Ent. | 2,250.00         | 112.50          |
| 04/06/15     | 2/6/15   | Ploughing  | Nancy Agro Chemical and Farms Ent  | 3,000.00         | 150.00          |
| 04/06/15     | 2/6/15   | Harrowing and raging   | Nancy Agro Chemical and Farms Ent  | 3,000.00         | 150.00          |
| <b>Total</b> |          |  |                                    | <b>20,099.00</b> | <b>1,004.95</b> |

658. Furthermore, the Accountant on three occasions deducted a withholding tax totalling GH¢187.35 from

payments to Suppliers but failed to remit the amount to the Commissioner.

659. We urged the Municipal Director to ensure that the Accountant remitted the sum of GH¢187.35 to the GRA.

**DISTRICT DIRECTORATE OF AGRIC - SAMPA**  
**Outstanding Loans - GH¢30,547.00**

660. Regulation 110 of the Financial Administration Regulations, 2004 stipulates that a head of department or the officer to whom the duties of the head of department have been delegated shall ensure that advances issued are duly recovered in accordance with the appropriate agreement.

661. We noted that the District Director of MOFA, Sampa was able to recover and pay to chest an amount of GH¢33,634.00 out of a total amount of GH¢53,181.00 advanced to 195 farmers in the 2010, 2011 and 2012 farming seasons leaving a balance of GH¢30,547.00 as shown below:

| Year         | No. of farmers | Amount<br>GH¢    | Amount<br>Recovered<br>GH¢ | Amount<br>Outstanding<br>GH¢ |
|--------------|----------------|------------------|----------------------------|------------------------------|
| 2010         | 104            | 24,473.00        | 11,648.00                  | 12,825.00                    |
| 2011         | 59             | 18,129.00        | 3,966.00                   | 14,163.00                    |
| 2012         | 32             | 10,579.00        | 7,020.00                   | 3,559.00                     |
| <b>Total</b> | <b>195</b>     | <b>53,181.00</b> | <b>33,634.00</b>           | <b>30,547.00</b>             |

662. The District Director's failure to do proper assessment on the farmers' ability to pay and ineffective loan recovery mechanism denied other prospective farmers from benefitting from the facility.

663. We recommended to management to put in place pragmatic measures to recover the outstanding loans of GH¢30,547.00 to enable other farmers benefit from the facility.

## MINISTRY OF INTERIOR

### High Cost on Internal Security - GH¢26,100.00

664. Regulation 25 of the Financial Administration Regulations 2004 requires that "A head of department shall ensure that moneys are utilised in a manner that secure both optimum value for money and intention of Parliament".

665. Contrary to the above, we noted that an amount of GH¢26,100.00 was paid to Magnum Force Security

Company Limited for providing internal security to the Ministry of Interior which could have been done by the Ghana Police Service at no cost.

666. This expenditure on the private security was a drain on the Ministry's scarce resources since the whole of internal security apparatus was under the Ministry.

667. We urged management to rather rely on the Ghana Police Service to provide internal security for the Ministry.

#### **Failure to Obtain Requisite Quotations - GH¢18,342.50**

668. Section 43(1) of the Public Procurement Act 2003, (Act 663) requires that procurement entity shall request quotations from as many suppliers or contractors as practicable but at least three different sources when making purchases in order to obtain the most competitive price for its goods and services.

669. In contrast, four payment vouchers covering a sum of GH¢18,342.50 for purchase of goods and services were made without quotations from at least three different suppliers, neither did management seek approval from the Procurement Authority to do sole sourcing. Details are shown below:

| <b>PV No. &amp;<br/>Date</b> | <b>Item</b>  | <b>Payee</b>                 | <b>Amount<br/>GH¢</b> |
|------------------------------|--|------------------------------|-----------------------|
| 604/15 of<br>03/02/15        | Payment for 100 Service<br>Charter                             | Emal GH<br>Ltd.              | 3,290.00              |
| 569/15 of<br>09/01/15        | Payment for 1000<br>Christmas Cards and<br>500 Unit Call Cards | Emal GH<br>Ltd.              | 7,520.00              |
| 565/15 of<br>31/12/14        | Spraying Conference<br>Room Furniture                          | Vard<br>Systems              | 1,762.50              |
| 606/15 of<br>04/02/15        | 4 Tyres (285/65/17) x 2<br>tyres (255/70/18)                   | Infinity<br>Tyres GH<br>Ltd. | 5,770.00              |
| <b>Total</b>                 |  |                              | <b>18,342.50</b>      |

670. This practice could deprive the Ministry of obtaining fair pricing in the procurement of goods and services.

671. We urged management to ensure that quotations were always obtained from different suppliers to enable the Ministry benefit from competitive pricing in future.

## **GREATER ACCRA REGIONAL POLICE HEADQUARTERS**

### **Poor Structure Maintenance**

672. We observed that the building occupied by the Alpha Swat unit, the cells and the armoury had developed various cracks with the electrical wiring system in the

Regional Orderly Room hanging in the air causing risk to police personnel.

673. Lack of maintenance culture on the part of the Ghana Police Service occasioned the irregularity.

674. In our opinion the structure had become a deathtrap not only to police personnel but to inmates of the cells. Again, the situation at the Regional Orderly Room exposed the personnel and valuable items to danger in the event of fire outbreak.

675. We urged management to consult headquarters for rehabilitation of the building to save lives.

## **CENTRAL MOTOR TRANSPORT AND TRAFFIC DEPARTMENT (MTTD) - POLICE ACCRA**

### **The Need for Clamps and Database System**

676. As part of the mandated responsibilities, the Central Motor Traffic and Transport Department is to ensure the effective management and control of road traffic and offences. One of the means to reduce, if not eliminate road offences, is to clamp vehicles of recalcitrant drivers.

677. We noted that, with advancement in technology, the Department had no Database System to track vehicles.

678. Similarly, at the Accra Regional Police Headquarters, Nima and Tesano Divisional Headquarters there were no electronic database on licensed firearms and their renewals.

679. Available information on firearms and their renewals were in voluminous hard copies which dates back to 30 years and above, causing congestion in the record rooms.

680. We urged management to liaise with headquarters to install databases for firearms and tracking of vehicles, and also procure clamps to control road traffic and criminals for effective control management.

### **ACCRA EAST DIVISIONAL HEADQUARTERS - KPESHIE**

#### **Failure to Record Donated Motor Bikes into the Store Records**

681. Regulation 1512 of the Store Regulations 1984 requires that a file shall be opened for each major item of plant and machinery received and all correspondence including papers which deals with expenditure relating to it shall be kept in the file.

682. Contrary to the above, four motor bikes donated to the Teshie and Nungua Police Stations by the then Member of Parliament for the area, Hon. Benita Sene



Okity-Duah were neither recorded in the store records nor embossed with Police Identification mark.

683. This could lead to diversion of the bikes for private use.

684. We urged management to ensure that the motor bikes were recorded in the store records and embossed.

### **BAATSONA POLICE DIVISIONAL HEAQUARTERS - BAATSONA**

#### **Abandoned Motorbikes**

685. Regulation 9 of Police Service Regulations, 1971 (LI 704) stipulates that property that come into the custody of the Police if not claimed within two months shall be disposed of through public auction and the proceeds paid as follows: 75% into the Consolidated Fund and 25% into the Ghana Police Welfare Fund.

686. On the contrary, we found that nine Motorbikes and a Nissan Saloon Car have been abandoned at the Sakumono Police Station for over a year. These motor bikes were damaged beyond identification and economic repairs and are occupying useful economic space at the Station. The details are presented in a table below:

| No | Make of Motor Bike                          | Registration No.     | Date of Accident |
|----|---|----------------------|------------------|
| 1  | Honda Motorbike                             | Missing number plate | 2015             |
| 2  | Royal Motorbike                             | Missing number plate | 2015             |
| 3  | Black motorbike (make/brand not identified) | M-09-GW 423          | 2015             |
| 4  | Black motorbike (make/brand not identified) | M-13-GR 1444         | 2015             |
| 5  | Black motorbike (make/brand not identified) | Missing number plate | 2015             |
| 6  | Black motorbike (make/brand not identified) | M-11-GR 6234         | 2015             |
| 7  | Blue motorbike (make/brand not identified)  | Missing number plate | 2015             |
| 8  | Red motorbike (make/brand not identified)   | Missing number plate | 2015             |
| 9  | White motorbike (make/brand not identified) | Missing number plate | 2015             |
| 10 | Nissan Saloon Car                           | GE 6552-Z            | 2015             |

687. To avoid further deterioration in economic value, we advised management to refer the issue to a Board of Survey for further action.

### **GHANA POLICE SERVICE WA**

#### **Cash Exhibit not Accounted for - GH¢15,000.00**

688. Part 1 Regulation 15(1) of the Financial Administration Regulations, 2004 (LI 1802) stipulates that, “any public officer or revenue collector who collects or receives public and trust moneys shall issue official receipt for them and pay them into the relevant public fund bank account within twenty four hours of receipt except in exceptional circumstances to be identified by the minister.”

689. Our review of the Regional CID records revealed that, cash exhibit of GH¢15,000.00 was received from a suspect, Mr. Francis Yelfora by investigator, D/Sgt. Micah J. Arthur who was later transferred to Tepa in the Ashanti Region. D/Sgt. Micah Arthur indicated in the Loss Stolen Recovered Property Register that the late Regional Crime Officer, Mr. Daniel Kwantwi, authorised the release of the amount of GH¢15,000.00 to Mr. Francis Yelfora, the rightful owner. However, Mr. Francis Yelfora had not signed as having received the money.

690. We recommended to the Regional Commander to ensure that D/Sgt. Micah Arthur was invited to properly account for the exhibit amount.

### **Expenditure without Payment Vouchers - GH¢5,885.00**

691. Regulation 1(b) of FAR, 2004 (LI 1802), states that “any public officer who is responsible for the receipt, custody and disbursement of public and trust moneys, shall keep proper records of all transactions and shall produce records of the transaction for inspection when called upon to do so by the Minister, the Auditor-General, the Controller and Accountant-General or any officer authorised by them.”

692. The Accountant at the Police Clinic failed to raise payment vouchers to support an amount of GH¢5,885.00 allegedly disbursed.

693. We advised the Regional Commander to recover the amount from the Accountant.

## **GHANA POLICE SERVICE - TUMU**

### **Non replacement of riffles**

694. Police Standing Instructions Order 96(3) requires that arms which require repairs shall be dispatched to officer commanding depot through the superior officer in charge of the District.

695. We observed during our review at the Tumu police station that six 37 MM SMGs riffles which were sent to Wa, the Regional Command to be forwarded to Accra for repairs since September 2008 had neither been repaired nor replaced as detailed below:

| No. | Riffle    | No.   |
|-----|-----------|-------|
| 1.  | 37 MM SMG | 12026 |
| 2.  | 37 MM SMG | 12099 |
| 3.  | 37 MM SMG | 12249 |
| 4.  | 37 MM SMG | 13087 |
| 5.  | 37 MM SMG | 13124 |
| 6.  | 37 MM SMG | 12079 |

696. Failure to repair or replace the arms resulted in the reduction of the arms available to the station. This lapse meant that some officers could go on patrol duties without arms and might be exposed to danger.

697. Management in response said the SMG riffles were no longer in use by the Service and had requested for replacement with AK 47 riffles to ensure effective security patrols in the District.

698. We recommended that the District Commander should impress upon the Police Administration to hasten the replacement of the SMG riffles with AK 47 riffles to ensure effective security patrols in the District.

**DIVISIONAL POLICE HEADQUARTERS - WENCHI**  
**Fuel purchases not accounted for-GH¢11,964.00**

699. Regulation 1604 of Store Regulations, 1984, states that, a vehicle Log Book shall be maintained for each vehicle and shall always be carried on the vehicle. Journeys undertaken shall be recorded and full particulars of receipts of fuel, oil and lubricants shall be entered up daily in the Log Book by the driver. Recordings in the Log Book shall be made in duplicate. All journeys recorded in the Log Book shall be certified by the officer using the vehicle.

700. We however observed that, fuel allocated to the Nkoranza, Kintampo, Dormaa Ahenkro, Techiman District and Yeji Commands totalling GH¢11,964.00 during the period under review, were not accounted for in the respective vehicle log books.

701. We could therefore not ascertain whether the fuel was actually purchased and used in the interest of the Service.

| <b>District</b> | <b>Unrecorded Fuel (GH¢)</b> |
|-----------------|------------------------------|
| Dormaa Ahenkro  | 2,364.00                     |
| Techiman        | 2,000.00                     |
| Nkoranza        | 4,400.00                     |
| Kintampo        | 4,800.00                     |
| Yeji            | <u>400.00</u>                |
| <b>Total</b>    | <b><u>11,964.00</u></b>      |

702. In the absence of the appropriate documentation to authenticate the payments, the amount should be recovered from the respective Commanders.

### **DIVISIONAL POLICE COMMAND - DORMAA AHENKRO**

#### **Un-receipted remittances - GH¢33,440.00**

703. Regulation 28(1) of the Financial Administration Regulations, LI 1802 of 2004 states that a collector who is satisfied that money tendered is in order, shall issue an original receipt to the payer.

704. We noted that between September 2015 and August 2016 a total amount of GH¢12,640.00 received as imprest for fuel and GH¢20,800.00 for guard duties was not receipted with official receipts contrary to the regulation stated above.

705. Failure of the Police administration to post a paymaster caused the anomaly which could be abused by both Berekum and Dormaa to the detriment of the Service.

706. We recommended that the Dormaa Divisional Commander should liaise with Headquarters, Accra to have a Divisional paymaster posted to the Division to help streamline the accounts.

## **GHANA POLICE SERVICE - TECHIMAN**

### **Failure of the MTTD to keep register for unclaimed properties**

707. Regulation 139(1) of the Police Service Regulations, CI 76 of 2012 provides that the officer in charge of a police station shall keep at the station a register in which shall be entered a description of property which is in the possession of the Police Station where the owner of the property could not be ascertained or no order of a Court had been made in respect of the property.

708. On the contrary, the Station Officer of Motor Traffic and Transport Department (MTTD) failed to record 80 unclaimed vehicles, motor bikes and motor tricycles parked at the MTTD office in a Station Register. The items had also created congestion at the Station and no action had been taken on their disposal.

709. We recommended that a register should be opened to record and control the items and appropriate action taken to decongest the yard.

## **GHANA NATIONAL FIRE SERVICE - HEADQUARTERS**

### **Non Recovery of Rent Advances - GH¢364,040.00**

710. Regulation 113(1) of the Financial Administration Regulations, 2004 requires that recoveries from official salaries shall commence from the salary of the next



complete month after the month in which the advance was made.

711. Contrary to the above regulation, management on the 10<sup>th</sup> of March, 2015 disbursed a total amount of GH¢364,040.00 from the Rent revolving fund to 5,200 officers in the 10 regional offices through the Regional Commanders as rent advance. There was no input for recoveries from the salaries of the beneficiary personnel after 10 months of disbursement as detailed below:

| <b>Rent Revolving Fund Disbursement In 2015</b> |                                |                   |
|---|--------------------------------|-------------------|
| <b>Region</b>                                   | <b>Number Of Beneficiaries</b> | <b>Amount GH¢</b> |
| Greater Accra                                   | 1,130                          | 79,100            |
| Central   | 590                            | 41,300            |
| Eastern   | 673                            | 47,110            |
| Ashanti   | 640                            | 44,800            |
| Western   | 411                            | 28,770            |
| Upper West                                      | 243                            | 17,010            |
| Tema  | 479                            | 33,570            |
| Fats  | 82                             | 5,740             |
| Brong Ahafo                                     | 580                            | 40,600            |
| Volta   | 372                            | 26,040            |
| <b>Total</b>                                    | <b>5,200</b>                   | <b>364,040.00</b> |

712. Management's failure to ensure recovery of the amount could deny others from benefitting from the facility.

713. We urged management to comply with the regulation and ensure that the GH¢364,040.00 was fully recovered from the beneficiaries.

### Unearned salaries - GH¢46,320.94

714. Regulation 297(1) of FAR, 2004 (LI 1802) mandates a head of department to cause the immediate stoppage of salaries of public servants who absent themselves from duty without reasonable cause, or completely separate from the department as a result of criminal conviction, retirement, resignation or death.

715. We noted during our review of the input forms that in the year 2015 a total of GH¢46,320.00 was paid as unearned salaries to six separated staff as detailed below:

| Name                | Rank  | Staff No. | Mode of separation   | Date of separation | Date of deletion | Duration | Salary GH¢ | Total GH¢ |
|---------------------|-------|-----------|----------------------|--------------------|------------------|----------|------------|-----------|
| Evelyn Essien       | ADOII | 833838    | Deceased             | 9/14/2015          | 12/31/2015       | 3 Months | 2,547.40   | 7,642.20  |
| Dauda Mahama        | STNOI | 9.2E+08   | Voluntary Retirement | 8/1/2015           | 2/3/2016         | 5 Months | 1,843.44   | 9,217.20  |
| Mensah Kweku Victor | ADOI  | GF 10070E | Voluntary Retirement | 10/30/2015         | 1/31/2016        | 3 Months | 3,467.44   | 10,402.32 |
| Amedro Doris        | GOI   | 9800014L  | Medical Retirement   | 8/11/2015          | 12/31/2015       | 4 Months | 1,843.44   | 7,373.76  |

|                             |        |          |           |           |          |          |                  |                  |
|-----------------------------|--------|----------|-----------|-----------|----------|----------|------------------|------------------|
| Abdulai Fuseini             | LA     | 200631B  | Dismissed | 6/3/2015  | 2/1/2016 | 8 Months | 331.31           | 2,650.48         |
| Cornellus Yao Tsey Tamakloe | SUB/OP | 99000461 | Deceased  | 8/15/2015 | 2/2/2016 | 6 Months | 1,505.83         | 9,034.98         |
| <b>Total</b>                |        |          |           |           |          |          | <b>11,538.86</b> | <b>46,320.94</b> |

716. Management's delay in deleting the names of the six officers from the payroll resulted in the infraction.

717. The inaction of management had resulted in a loss of public funds.

718. We advised management to promptly recover the amount from the officers by charging it against their gratuities.

### **Failure to obtain land title for properties**

719. Best practices require adequate documentation on all properties to ensure complete ownership.

720. Our audit at the Estate Unit of Ghana National Fire Service revealed that, lands owned by the Service had no documents as proof of ownership.

721. This situation could lead to encroachment and loss of properties which could also be a drain to the resources of the Service.

722. We recommended that the lands should be duly registered in the name of the Service.

723. Management accepted our recommendation and responded that steps were under way to ensure that all properties owned by the Service were duly registered as soon as funds were received.

### **GHANA PRISONS HEADQUARTERS**

#### **Indebtedness to Agriculture Revolving Fund - GH¢419,085.14**

724. Regulation 179(1) of FAR, 2004 (LI 1802), states that “except as provided for in the Financial Administration Act, 2003 (Act 654) and these regulations, a head of department may not authorise payment to be made out of funds earmarked for specific activities for purposes either than those activities”.

725. Contrary to the above, we observed during our review of Agriculture Revolving Fund for the Ghana Prisons Headquarters that the Service borrowed an amount of GH¢192,077.00 from the fund during the year 2015. This increased the outstanding debt of GH¢227,008.14 from previous years to a total of GH¢419,085.14 as at 31 December 2015.

726. Continuous borrowing from the Agriculture Revolving Fund was attributed to the failure of

Government to meet the Service's total yearly budget allocations and delays in releasing the already inadequate funds.

727. The routine borrowing from the fund defeated the purpose of the scheme since funds were not readily available for agricultural activities due to delays in releasing fund to agricultural stations.

728. We urged Management to strictly observe stipulated regulations or apply to Ministry of Finance for approval to maintain part of the fund as a supplement to ration funds from Government.

### **GHANA PRISONS SERVICE - YEJI**

#### **Unpaid Medical bills - GH¢19,515.88**

729. During the audit we sighted demand notice from St. Mathias Hospital, Yeji dated 11 March 2016 to the Camp demanding an amount of GH¢27,277.61 being cost of medical services rendered to inmates from January 2011 to December 2015.

730. However, our reconciliation revealed that the actual indebtedness was GH¢19,515.88 and not GH¢27,277.61.

731. Failure to diligently reconcile bills submitted could result in paying for medical services not received.

Additionally, the long delay in settling the debts could result in the Hospital cutting services to the Camp and taken legal action as well.

732. We therefore recommended to management to liaise with the head office for the settlement of the debt of GH¢19,515.88.

### **PRISONS SETTLEMENT CAMP - DUAYAW NKWANTA**

#### **Indebtedness to VRA/NED and Duayaw Nkwanta Community Water Development- GH¢135,229.42**

733. We noted from the audit that the Camp owed water and electricity bills of GH¢13,041.20 and GH¢122,188.22 respectively.

734. Management intimated that head office failure to settle the bills resulted in the outstanding debt.

735. The non-payment of electricity and water bills could lead to disconnections from the services to the Prison Camp which could be a potential security threat in managing inmates.

736. We recommended to management to liaise with the headquarters for the early payment of the outstanding bills to avoid disconnection and its related problems.

## Escapees from prison

737. Part 17, Clause 122 of the Prison Regulations of 1958 states that “the keeper of Prison shall take every precaution for preventing escapes. He shall see that the cells, bars, locks, bolts, and fastenings are examined every day, and that nothing capable of being used to facilitate escape shall be left or kept without proper safeguards against such use”.

738. Also, Part 22, Clause 180 of the same regulation states that “No prisoner shall be allowed to pass the line of escort; and should a prisoner attempt to escape, the escort should call upon him to halt, and, if he refuses, shall fire at him below the waist; but, if a prisoner reports that he requires to use the latrine screen, he may be permitted to do so in the charge of one of the escort”.

739. Contrary to the regulations quoted above, we noted that three prisoners escaped from lawful custody and reports made to the police for investigations.

| No. | Name of Prisoner         | Period to be served | Period served      | Date of escape | Prisoner's Number | Last place before escape                      | Officer in charge of Escort | Escort No. | Rank          |
|-----|--------------------------|---------------------|--------------------|----------------|-------------------|---|-----------------------------|------------|---------------|
| 1.  | Abdul Fatawu             | 24 mths.            | 4 Months, 30 Days  | 2/8/16         | SYM/116/16 CP     | Farm plantation-Koforidua-Tano North district | Nicholas Tei Channor        | 6158       | Chief officer |
| 2.  | Augustine Asomah Ahinful | 24 mths             | 4 Months, 10 Day's | 31/05/16       | SYM/45/16 CP      | Outside labour                                | Frank Agyapong              | 9081       | L/CP L        |

|    |             |          |                   |         |            |                           |                    |      |          |
|----|-------------|----------|-------------------|---------|------------|---------------------------|--------------------|------|----------|
| 3. | Yaw Mensah  | 14 mths  | 2 Months, 7 Day's | 29/4/16 | SMY89/2016 | Koforidua Farm-Tano North | Ennin Amankwa Alex | 8425 | Sergeant |
| 4  | Kwame Issac | 24 mths. |                   | 10/7/15 | -          | -                         | -                  | -    | -        |
| 5. | Kwadwo Nsia | 12 mths. |                   | 15/3/15 | -          | -                         | -                  | -    | -        |

740. We also noted that two other convicts, Kwame Isaac and Kwadwo Nsia, who were sentenced on 10/7/15 and 15/3/15 for 24 and 12 months respectively, were not delivered to the Sunyani Prison to serve their jail terms.

741. We recommended that management should liaise with the police to speed up with the investigation to get the three escapees back into prison custody. Subsequently, prison escorts should be more vigilant to avoid future occurrences.

### **No title deeds for 194.90 acres of land for the Settlement Camp**

742. Regulation 272 of Financial Administration Regulations, 2004 (LI 1802) requires the maintenance of legal documents including title deeds for the purpose of establishing ownership of any property.

743. Contrary to the provision quoted above, our review of records disclosed that the Service had no title documents covering 194.90 acres of land as shown below:



|                                       |              |
|---------------------------------------|--------------|
| Koforidua Farm land                   | 144.90 acres |
| Koforidua Prison Camp Settlement Land | 50 acres     |

744. The absence of the legal title deed on the camp lands and absence of fence walls could increase encroachment resulting in litigation which could affect the development of the camp.

745. We urged management to obtain the title deeds and other legal documents for the camp's lands. Furthermore, management should fence the boundaries of the Prison's land to avoid encroachment.

### **GHANA PRISONS SERVICE-FEMALE (SUNYANI)**

#### **Unearned salaries - GH¢9,769.36**

746. Regulation 297(1) of the Financial Administration Regulations, 2004 (LI 1802) stipulates that a head of department shall cause the immediate stoppage of payment of salaries to a public servant when that public servant has been absent from duty, on leave without pay, resigned, retired or died.

747. We however observed during our examination of the mechanized payment vouchers that Mrs. Grace Adams vacated post in December 2015 but was wrongly paid up to June 2016, unearned salaries totalling GH¢9,769.36.

748. Management's continued approval of payment of her salary through the E-PV salary validation system resulted in the anomaly which deprived the State of the funds.

749. We urged management to contact the bankers of the staff, to transfer the total amount of GH¢9,769.36 into the Controller and Accountant- General's Suspense Account, failing which the amount should be recovered from the Accountant and Camp Commander.

## **GHANA IMMIGRATION SERVICE**

### **13 Interdicted Officers**

750. Public Services Commission letter dated 6 April 2009 on guidelines for interdiction state among others that '...within a maximum period of three months, appropriate decisions should be taken to lift officers on interdiction or else terminate the appointment of the officers involved'.

751. Contrary to the above directive, we noted that 13 officers of Ghana Immigration Service had for various offences committed, been on interdiction for more than a year as detailed below:

| <b>Officers On Interdiction</b> |                      |             |                |                             |
|---------------------------------|----------------------|-------------|----------------|-----------------------------|
| <b>Staff No.</b>                | <b>Name</b>          | <b>Rank</b> | <b>Station</b> | <b>Date of Interdiction</b> |
| IS/3038                         | Richard Atiso        | AICO I      | Obuasi         | 19/1/2015                   |
| IS/5317                         | Prince A Addo        | AICO II     | HQ             | 6/2/2015                    |
| IS/3262                         | Jeffrey Tetteh       | ICO         | Paga           | 23/2/2015                   |
| IS/S2222                        | Collins Appiah       | ASST. INSP  | HQ-VPERV       | 23/2/2015                   |
| IS/2342                         | Nathan Kpegbah       | ICO         | HQ             | 13/7/2015                   |
| IS/4667                         | Joseph Amponsah      | AICO I      | HQ-Stores      | 13/7/2015                   |
| IS/3963                         | Courage Ghandih      | AICO I      | HQ-Africa      | 13/7/2015                   |
| IS/3132                         | Francis Quaicoe      | AICO I      | Tema           | 13/7/2015                   |
| IS/1610                         | Emmanuel Voryee      | AICO I      | HQ-Provo       | 27/7/2015                   |
| IS/3410                         | Mary V Agyeman-Duah  | AICO I      | HQ-Africa      | 27/7/2015                   |
| IS/2616                         | Edward A Boateng     | ICO         | HQ-Stores      | 27/7/2015                   |
|                                 | Awal Salifu Mohammed | AICO II     | ENF            | 9/12/2015                   |
|                                 | Maurice Acquah       | AICO I      | ENF            | 11/12/2015                  |

752. Since officers on interdiction are to be paid fifty per cent of their monthly salaries until the case is determined, management should facilitate the early completion of investigations and take timely decision on them.

753. We urged management to ensure that the fate of these officers was determined on time to relieve the officers from undue hardship.

**GHANA NATIONAL FIRE SERVICE, DABOASE**  
**Delay in concluding investigations on two interdicted drivers**

754. Two drivers of the Service in the persons of FM Walter Eshun and STNO1 Lipton Joe Ansah were placed on interdiction on 18/07/14 pending the final determination of a case involving the alleged pouring of salt into the engine of a fire tender with registration number FS 113 which had rendered the vehicle unserviceable.

755. The drivers had been on half salaries for the past two years while the tender had been grounded for the same period.

756. We advised management to expedite action on the investigations and take appropriate sanctions against the offenders to serve as deterrent to others. Meanwhile, management should take steps to repair the vehicle.

**GHANA NATIONAL FIRE SERVICE - SUHUM**  
**Fuel purchased not accounted for - GH¢1,960.00**

757. Regulation 1604 of the Stores Regulations, 1984 requires drivers of official vehicles to record fuel and

lubricants purchased in a vehicle log book indicating the receipt and utilization of the fuel.

758. Contrary to the above, the Service procured fuel worth GH¢1,960.00 for a fire tender with registration number FS 533 without recording same in the log book.

759. In the circumstances, we could not confirm whether the fuel purchased was used in the interest of the Service.

760. We urged management to ensure compliance to enhance sanity in future.

### **REGIONAL FIRE SERVICE - BOLGA**

#### **Failure to renew fire safety certificates - GH¢6,400.00**

761. Regulation 4 of the Fire Precaution (Premises) Regulation, 2003 (LI 1724) enjoins holders of fire safety certificate to renew their licenses annually.

762. On the contrary, the Regional Fire Service failed to ensure that 13 Guest Houses renewed their fire safety certificates since 2011, resulting in their indebtedness of GH¢6,400.00 to the Station.

763. We recommended that management should compel the defaulters to renew their certificates and have the appropriate fees paid.

## **GHANA PRISONS SERVICE - TARKWA**

### **Tarkwa Prisons Service indebtedness - GH¢73,879.87**

764. We noted that the Prisons Service rented residential accommodation for officers but had failed to pay rent of GH¢109,440.00 due the landlords as at 30 June 2016. At the instance of the audit in December 2016, the Service paid an amount of GH¢48,240.00 leaving a balance of GH¢61,200.00.

765. Furthermore, the Service owed the Tarkwa Municipal Hospital a total amount of GH¢12,679.87 from October 2014 to May 2016 in respect of medical services offered to inmates.

766. According to management, the debt accumulated due to non- release of funds from the Prisons Headquarters.

767. The situation could compel the respective landlords to eject the officers from their rooms which could affect work performance. The hospital had also threatened to withdraw health care services.

768. We recommended to management to seek funds from headquarters to pay all outstanding bills to enhance their image.

## TAMALE CENTRAL PRISONS

### **Inadequate funding for technical and vocational training for prisoners**

769. The Ghana Prisons Service as part of its mandate under the 1992 Constitution of Ghana, exists to perform the following functions:

- a. Safe custody of prisoners
- b. Welfare of prisoners
- c. Reformation and rehabilitation of prisoners.

770. However, the Tamale Central Prisons was unable to effectively discharge such mandate effectively because workshops for reformation and rehabilitation of prisoners were in deplorable state and needed to be revamped to serve such purposes.

771. Inadequate funding from Government was the cause of the situation.

772. Absence of necessary skills for ex-convicts to generate income for survival could cause some prisoners to go back to their nefarious activities after their release.

773. We recommended that Management should seek adequate funding from Government to resource the training workshops of the prisons to enable prisoners acquire special skills before their release.

## GHANA IMMIGRATION OFFICE- KOFORIDUA

### Unearned salary - GH¢89,785.68

774. Regulation 304 of FAR, 2004, (a) (L.I. 1802) states “A head of department or a head of management unit shall examine and certify the personal emolument payment vouchers to ensure that only staff belonging to the unit are on the payment vouchers.”

775. Our review of the payroll records disclosed that although management declared Messrs Emmanuel Winfred Quansah and Nicholas Quartey, who were ex-employees of the Service as “Unknown” when the Service payroll was validated, the names continued to appear on the March, May and November 2016 salary vouchers.

776. This resulted in a wrongful payment of a total salary of GH¢89,785.68 for the three months.

777. We recommended that management should impress on the Controller and Accountant- General to delete the names of the ex-staff from the payroll. Furthermore, management should instruct their bankers to promptly transfer the amounts involved into the Consolidated Fund or recover same from the Controller and Accountant General staff in charge of pay roll.



## MINISTRY OF YOUTH AND SPORTS

### Unsupported Payments - US\$1,000,000.00

778. Regulation 39 of the Financial Administration Regulations (FAR) 2004, LI 1802, states that “the head of accounts section shall control disbursement of funds and ensure that they are due and any order for disbursement that does not meet these requirement is rejected”.

779. We observed that two payments totalling US\$1,000,000.00 made to National Sports Authority (NSA) by the Ministry of Youth and Sports for Ghana’s participation in the All African Games in Congo Brazzaville were not supported with relevant expenditure returns such as signed claim sheets, hotel bills and official receipts. Details are shown below:

| Date     | PV. No | Chq No | Amount US\$ | Purpose   | Payee                     |
|----------|--------|--------|-------------|---|---------------------------|
| 24/03/16 | -      | 43375  | 800,000.00  | Accountable funds released for per diem food, accommodation for Ghanaian Contingent who participated in All African Games | National Sports Authority |

|              |         |        |                     |  |                 |
|--------------|---------|--------|---------------------|--|-----------------|
| 16/09/16     | 39/2015 | 433786 | 200,000.00          | Additional accountable funds for per diem, food accommodation for the remaining period per SOS call from Congo | USA (Rev. Otoo) |
| <b>Total</b> |         |        | <b>1,000,000.00</b> |  |                 |

780. According to the Ministry, the amount was part of the financial year's allocation to the NSA. The NSA Accountant failed to ensure that relevant supporting documents were provided to authenticate the disbursement.

781. To ensure proper accountability and effective control over the use of government funds, we advised management to ensure that NSA accounted for the \$1,000,000.00 received or be surcharged with the amount.

**MINISTRY OF EMPLOYMENT AND LABOUR  
RELATIONS YOUTH EMPLOYMENT AGENCY  
Understatement of SSF-contribution - GH¢107,718.28**

782. Section 3(3) of the National Pensions Act, 2008 (Act 766) states that, Out of the total contribution of 18.5%, an employer shall within 14 days from the end of each month transfer the following remittances to the mandatory schemes on behalf of each worker:

- a. Thirteen and half percent (13.5%) to the first tier mandatory to basic National Social Security Scheme; and
- b. Five percent (5%) to the second tier mandatory occupational pension scheme.

783. Between January and December 2015, a total of GH¢1,927,693.79 representing staff SSF contribution (1<sup>st</sup> and 2<sup>nd</sup> tier pension -18.5%) was collected, out of which GH¢1,819,966.51 was remitted to fund managers (SSNIT and GLICO) leaving an outstanding amount of GH¢107,727.28 as shown below:

| <b>Period</b>                | <b>Collections<br/>GH¢</b> | <b>Remittances<br/>GH¢</b> | <b>Balance<br/>GH¢</b>   |
|------------------------------|----------------------------|----------------------------|--------------------------|
| Jan-Dec 2015                 |                            |                            |                          |
| 1st Tier (SSNIT)             | 1,421,545.79               | 1,375,235.35               | 46,310.44                |
| 2 <sup>nd</sup> Tier (GLICO) | <u>506,148.00</u>          | <u>444,731.16</u>          | <u>61,416.84</u>         |
|                              | <b><u>1,927,693.79</u></b> | <b><u>1,819,966.51</u></b> | <b><u>107,727.28</u></b> |

784. Management indicated that, the difference was as a result of some staff having problems with their SSNIT identification numbers.

785. Non remittance of SSF deductions to fund managers or delayed remittances could impact negatively on workers' pension computation.

786. Management promised to rectify the problems and have the difference remitted.

**Direct Debit – GH¢56,390,383.98**

787. Regulation 2 of FAR, 2004 (LI 1802) requires all heads of department to control and manage efficiently all financial resources under their control.

788. The Ministry of Finance in September, 2015 caused Bank of Ghana to transfer an amount of GH¢56,390,383.98 from the account of Youth Employment Agency to the Ministry without their knowledge.

789. There was no documented contractual agreement concerning the withdrawal and reimbursement.

790. We requested management to pursue reimbursement of GH¢56,390,383.98. The Ministry of Finance indicated its commitment to refund the amount.

**Unearned Salary - GH¢5,574.12**

791. Regulation 297(1) of FAR 2004, (LI 1802) requires a head of department to cause the immediate stoppage of payment of salary to the public servant when the public servant has retired, resigned or vacated post.

792. A staff of the Youth Employment Agency, Ms Gloria Edusei who resigned from active service in June,

2015 had her July and August, 2015 salaries of GH¢3,998.00 paid to her account at Agricultural Development Bank.

793. Similarly, Mr. Simon Sowu (staff number: 73762) of the Labour Department, head office, Accra who died in active service on 4<sup>th</sup> September, 2016 had his September and October 2016 salaries of GH¢1,576.12 paid to his account at ADB Adabraka branch.

794. Management's failure to ensure prompt deletion of the names from the payroll after separation resulted in the payment of the unearned salaries.

795. Management also failed to instruct their bankers to withhold and pay to government chest all unearned salaries.

796. We recommended that management should recover the unearned salaries to chest.

### **NATIONAL YOUTH EMPLOYMENT-SEKONDI Unsupported payments-GH¢53,110.00**

797. Regulation 39(2c) of the Financial Administration Regulations, 2004 requires heads of accounts to control disbursement of funds and also ensure that the transactions are properly authenticated and amounts due are payable.

798. Our review however disclosed that, management disbursed an amount of GH¢53,110.00 on 21 payment vouchers to District offices but failed to support the vouchers with receipts and other expenditure details to authenticate the payments.

799. The lapse was due to Accountant's failure to ensure that all paid vouchers were adequately supported with the necessary expenditure details.

800. Payments made without the relevant details raised doubt as to the authenticity of the disbursements.

801. We requested management to provide the expenditure details to authenticate the payments or refund the amount.

### **Payments without authority notes-GH¢6,470.80**

802. Financial Administration Regulations, 2004 Regulation 43 states that " A payment shall be made only to the person or persons named on the payment voucher or their representatives duly authorised in writing to receive the payment".

803. Contrary to this regulation, our review disclosed that a total amount of GH¢6,470.80 allegedly paid to 10 District Coordinators between August 2010 and September 2012 as imprests and expenses during training

programmes were received on their behalf without authority notes.

804. The omission could be attributed to a deliberate attempt on the part of the Accountant to misapply funds from the Agency's Account.

805. We therefore recommended that management should surcharge the Accountant with the amount.

**NATIONAL YOUTH EMPLOYMENT AGENCY,  
DABOASE**

**Failure to deduct 10% tax - GH¢2,154.50**

806. Section 116(1a)(ii), of the Income Tax Act, 2015 (Act 896) requires that an employer shall withhold 10% tax from the payment of allowances to an employee and remit same to the Commissioner-General.

807. Between 17 June 2016 and 19 August 2016, management paid a total amount of GH¢21,540.00 as allowances to seven facilitators but failed to deduct 10% tax component of GH¢2,154.00 to be remitted to the Commissioner. Details are provided below:

| <b>Date</b>  | <b>Facilitator</b>               | <b>Amount<br/>(GH¢)</b> | <b>10%<br/>ded.</b> |
|--------------|----------------------------------|-------------------------|---------------------|
| 17/06/16     | Dr. Dolf Kofi Badu<br>Sutherland | 3,465.00                | 346.50              |
| 17/06/16     | Patrick Freeman<br>Eweh          | 3,465.00                | 346.50              |
| 17/06/16     | Kunamsi Iddrisu                  | 3,465.00                | 346.50              |
| 17/06/16     | Ebenezer<br>AglahTamakloe        | 3,465.00                | 346.50              |
| 17/06/16     | Mamatayakubu                     | 715.00                  | 71.50               |
| 17/06/16     | Darko Joe Christian              | 715.00                  | 71.50               |
| 19/06/16     | Dr. Dolf Badu<br>Sutherland      | 1,500.00                | 150.00              |
| 19/08/16     | Kunamsi Iddrisu                  | 1,500.00                | 150.00              |
| 19/08/16     | Sheila<br>AmpaduOkyere           | 1,500.00                | 150.00              |
| 19/08/16     | Ebenezer<br>AglahTamakloe        | 1,500.00                | 150.00              |
| 19/08/16     | Mamata Yakubu                    | 250.00                  | 150.00              |
| <b>Total</b> |                                  | <b>21,540.00</b>        | <b>2,154.00</b>     |

808. We urged management to recover the total amount of GH¢2,154.00 from the facilitators and remit same to the tax authority, failing which the authorising and paying officers should be held liable for refund of the amount.



**LABOUR DEPARTMENT, HEAD OFFICE, ACCRA**  
**Unpaid workmen’s compensation claims -**  
**GH¢3,506,035.10**

809. Section 35 of the Labour Law provides that, “Compensation shall be paid to the workman or his dependent within three months (90 days) within which compensation must be paid when the employer is notified of his liability to pay compensation”.

810. Our review disclosed that between 2014 and 2016, 182 workers from 23 institutions had their workmen’s compensation claims totalling GH¢3,506,035.10 remained unpaid due to lack of funds as detailed below:

| <b>No.</b> | <b>Institutions</b>                                   | <b>No. of claimants</b> | <b>Amount GH¢</b> |
|------------|---|-------------------------|-------------------|
| 1.         | Ghana Police Service                                  | 90                      | 1,246,889.66      |
| 2.         | Ghana Education Service                               | 27                      | 575,736.22        |
| 3.         | Ghana Prisons Service                                 | 4                       | 120,020.81        |
| 4.         | Judicial Service                                      | 2                       | 100,088.12        |
| 5.         | Commission On Human Rights And Administrative Justice | 1                       | 14,895.63         |
| 6.         | Department Of Community Development                   | 1                       | 65,793.33         |
| 7.         | Department Of Social Welfare                          | 4                       | 90,983.69         |
| 8.         | Electoral Commission                                  | 3                       | 60,290.56         |
| 9.         | Environmental Health                                  | 1                       | 20,748.35         |

|                    |   |            |                     |
|--------------------|---|------------|---------------------|
| 10.                | Forestry Commission                     | 1          | 7,883.52            |
| 11.                | Ghana Broadcasting Corporation          | 1          | 11,969.52           |
| 12.                | Ghana Statistical Service               | 1          | 17,290.29           |
| 13.                | Ghana National Fire Service             | 1          | 187,696.57          |
| 14.                | Ghana National Service Scheme           | 1          | 44,883.99           |
| 15.                | Lands Commission                        | 1          | 29,923.32           |
| 16.                | Ministry Local Government               | 6          | 130,831.89          |
| 17.                | Ministry Of Food And Agriculture        | 7          | 183,181.05          |
| 18.                | National Commission For Civil Education | 3          | 43,796.87           |
| 19.                | Ghana Health Service                    | 22         | 483,573.00          |
| 20.                | Public Workers Department               | 2          | 35,909.76           |
| 21.                | Head Of Civil Service                   | 1          | 11,969.33           |
| 22.                | Birth And Death Registry                | 1          | 17,953.99           |
| 23.                | Labour Department                       | 1          | 3,725.63            |
| <b>Grand Total</b> |   | <b>182</b> | <b>3,506,035.10</b> |

811. The delay in paying the compensation had caused untold hardships to the claimants most of whom were physically incapacitated and out of jobs.

812. The continued delay could result in litigation and payment of judgment debt.

813. We urged management to request for funds from Ministry of Finance to pay all outstanding claims.

814. Management noted our recommendation for compliance and further stated that the claims had been forwarded to the Ministry of Finance for further action.

## NATIONAL LABOUR COMMISSION

### **Failure to transact business with VAT registered persons - GH¢2,555.79**

815. Regulation 183(4) of FAR, 2004 (LI 1802) states that A department shall procure government stores from only Value Added Tax (VAT) registered persons or entities and any department that requires an exemption for any specific case shall apply to the Minister with the necessary justification.

816. Management paid GH¢14,604.57 on five different vouchers for the purchase of items from non-registered VAT companies without VAT deductions of GH¢2,555.79.

817. We recommended to management to institute proper measures to forestall the reoccurrence of the anomaly in future.

**DEPARTMENT OF SOCIAL WELFARE,  
BOLGATANGA**

**Imprest not accounted for - GH¢92,315.50**

818. Regulation 288(2) of FAR 2004 stipulates that “Failure to retire an imprest by the due date, unless occasioned by the death or incapacity of the imprest holder is a breach of discipline as defined in regulation 8 (1).”

819. We however noted that 10 payment vouchers raised to pay an amount of GH¢92,315.50 to seven officers to undertake official assignments were not accounted for.

820. Failure on the part of the imprest holders and the Accountant to take the required action accounted for the lapse.

821. In the absence of relevant documents to retire the imprest we could not determine whether the monies were actually used in the interest of the Department.

822. This situation could result in misappropriation by the imprest holders thereby affecting the cash flow position of the Department.

823. We recommended to management to ensure that the imprest was retired, failing which the GH¢92,315.50 should be treated as an advance and recovered from the Officers.

**MINISTRY OF FOREIGN AFFAIRS AND REGIONAL  
INTEGRATION WASHINGTON MISSION**

**Outstanding security deposits - \$3,329**

824. The Washington Mission rented a residential accommodation situated at No. 14929 Habersham Circle, Silver Spring, MD, 20906 from Mrs. Rita Jain for a staff. A condition in the tenancy agreement compelled management to make a security deposit of \$2,500 refundable to the Mission on the expiry of the agreement. The amount was to be deposited in an interest bearing account that inured to the benefit of the Ghana Mission.

825. We noted that, when the occupant vacated the premises, instead of the landlady, Mrs. Rita Jain, refunding a total amount of \$2,500.00, only \$1,971.00 was refunded to the Mission. The outstanding amount of \$529 plus the interest element were not recovered from the landlady. Meanwhile, Myfing Technical Services was contracted by the Mission to rehabilitate and restore the facility to its original condition at a contract sum of \$700.00.

826. Similarly, a security deposit of \$2,800 made by the Mission on behalf of a staff for accommodation located at 13 Autumn Ridge Court, Silver Spring, was also not refunded to the Mission.

827. The deposit plus interest were to be refunded to the Mission after the expiration and vacation of the premises. No documentary evidence was sighted to confirm a refund from the landlord.

828. We requested management to pursue recovery of the total outstanding security deposit of \$3,329 together with the interest.

### TOKYO MISSION

#### **Ghana's indebtedness to M/S Lotte Co. Japan - ¥59,502,706**

829. Available records at the Mission, disclosed that the Government of Ghana owed a Japanese Company M/s Lotte Company, Japan Limited an amount of ¥59,502,706 as balance of mortgage loan obtained for the purchase of a residence for the Head of Mission.

830. We also noted that management on several occasions, issued request letters to the Ministry of Foreign Affairs and Regional Integration for funds to be released to service the loan.

831. As part of the agreement, Lotte Co. LTD. had the option to take over the property itself, if the loan remained unpaid for a long time, or to auction it and deduct what is owed them; not to mention a further 6% per month levy on monthly mortgage sum, in case of default.

832. Management however, stated that the principal sum left to be paid was ¥58,095,517.12.

833. Default payments could lead to extra cost by way of interest payment. Furthermore, non-compliance with the terms of the contract could result in repossession by the creditor.

834. We urged management to confirm the amount and also step up its efforts to have this long outstanding issue settled to avert any possible embarrassment.

### RIYADH MISSION

#### Overpayment of salaries to staff – €866.41

835. To ascertain the appropriateness of the recordings in the Euro account, the Audit team reconciled the accounts and noted that the under mentioned two officers were overpaid salaries totalling €866.41 as shown below:

| Name                    | Month     | Amount in CB/<br>Voucher<br>€ | Amount Credited to<br>Account<br>€ | Over payment-<br>t-<br>€ |
|-------------------------|-----------|-------------------------------|------------------------------------|--------------------------|
| H.E. Alhaji Said Sinare | Dec.2014  | 7,021.46                      | 7,174.00                           | 152.54                   |
| -do-                    | Jan. 2015 | 7,021.46                      | 7,174.00                           | 152.54                   |
| Sub-Total               |           |                               |                                    | <b>305.08</b>            |
| Edith Hajara Dombo      | Jan. 2015 | 3,562.85                      | 3,623.87                           | 61.02                    |
| -do-                    | Feb.2016  | 3,562.85                      | 3,623.87                           | 61.02                    |

|                    |            |          |          |               |
|--------------------|------------|----------|----------|---------------|
| Edith Hajara Dombo | Mar. 2015  | 3,562.85 | 3,623.87 | 61.02         |
| -do-               | Apr. 2015  | 3,562.85 | 3,623.87 | 61.02         |
| -do-               | May. 2015  | 3,562.85 | 3,623.87 | 61.02         |
| -do-               | June. 2015 | 3556.76  | 3,629.93 | 73.17         |
| -do-               | July. 2015 | 3,562.85 | 3,623.87 | 61.02         |
| -do-               | Aug. 2015  | 3,562.85 | 3,623.87 | 61.02         |
| -do-               | Sept. 2015 | 3,562.85 | 3,623.87 | 61.02         |
| Sub-Total          |            |          |          | 561.33        |
| <b>Grand Total</b> |            |          |          | <b>866.41</b> |

836. The cause of the over payment was an over stated figure on the cheques issued to pay salaries which were not detected because of the Accounting Officer's failure to update and reconcile the accounts monthly.

837. We recommended for the recovery of the total amount of €866.41 from the two officers else the Accountant should be surcharged with the amount.

#### **Unrecovered salary advance - SR 4,825.00**

838. A review of the expenditure records of the Mission disclosed that Abdul Ganiyu Abin Dogo, a driver at the Jeddah Consulate was paid SR 4,825.00 on PV No. 0599932 of 11/12/14 as salary advance. We noted that the amount had not been recovered.

839. The above anomaly occurred because the Accounting Officer failed to effect monthly deductions from the salaries of the officer.



840. This contravened Section 174 of the FSAI which states that it is the duty of the controlling officer to see that regular deductions are made from an officer's salary to clear any advances outstanding in the officer's name in accordance with the terms under which the advance was granted.

841. Failure to recover advance was likely to affect the financial operations of the Mission which could lead to loss of funds.

842. We therefore recommended for the recovery of the amount from the officer which was accepted by management.

## **TEHRAN MISSION**

### **Undeveloped plot of land at Islamabad-Pakistan**

843. We noted that the Mission had an undeveloped plot of land at the Diplomatic enclave in Islamabad which was given by the Capital Development Authority of that city in perpetuity since 8 June 1973.

844. Correspondence from the Honorary Consul in Islamabad indicated that at various times, the Embassy of Malaysia had encroached on the land compelling the Mission to report to the authorities to have the situation reversed.

845. The Embassies of France and Canada had also at different times, expressed interest in possessing the land. Furthermore, correspondence from the Honorary Consul indicated that owners of the land, Capital Development Authority of Islamabad had threatened to repossess the land if construction work did not commence. Management suggested fencing the land as a temporary solution to secure it.

846. Delay in developing the land was caused by the Mission not putting enough pressure on the Ministry for funds to commence work.

847. The Mission risks losing the land to other Diplomatic Missions if construction work was not started soon.

848. We recommended that Management should ensure that the €160,000 or GH¢769,600 approved in the 2016 budget was released to enable construction of the fence-wall to start.

**Failure to account for revenue collected by Dr. Shadid Rashid Butt, Honorary Consul General – €9,490.00**

849. Section 68 of Foreign Service Accounting Instructions, 1960 requires all revenue collectors to pay all moneys collected to the Sub-Accountant at least once a month.

850. We observed from a statement presented by Dr. Shadid Rashid Butt, an Honorary Consul General in Islamabad and supported by duplicate General Counterfoil Receipts that between the period 1 April and 31 August 2015, consular fees of €9,490 was collected as shown below:

| <b>Date</b>  | <b>GCR Nos.</b> | <b>Amount €</b> |
|--------------|-----------------|-----------------|
| April        | 0967861-0967872 | 1,080.00        |
| May          | 0967873-0967884 | 1,170.00        |
| June         | 0967885-0967897 | 1,090.00        |
| July         | 0967898-0967957 | 960.00          |
| August       | 0967958-0968012 | 5,190.00        |
| <b>Total</b> |                 | <b>9,490.00</b> |

*Source: GCRs*

851. The Honorary Consul General however, was yet to pay the €9,490.00 collected to the Accounting Officer.

852. We urged management to recover the amount.

## **BRUSSELS MISSION**

### **Payments without Supporting Documents - €21,054.74**

853. Section 109 of the Foreign Service Accounting Instructions (2003) states “vouchers should contain particulars of claims or service and a summary of supporting documents so that each voucher with its supporting document constitutes a self-explanatory whole”.

854. Contrary to the above requirement, we observed that payments totalling €21,054.74 made on four payment vouchers were without supporting documents to authenticate the transactions. Below are the details:

| PV. No.      | Date              | Purpose  | Payee                       | Amount (€)       | Remarks   |
|--------------|-------------------|--|-----------------------------|------------------|---|
| BR0004171    | 22/12/14          | Payment of freight   | Mr. Mark Entsie             | 2,834.74         | To provide freight invoices and custom documents for verification |
| BR0004611    | 2/06/15           | Hotel accommodation for HOM @ 384.00 per night for 10 nights | H.E. Mr. Morgan Brown       | 3,840.00         | To provide hotel bills  |
| BR0004611    | 2/06/15           | Hotel accommodation for MC @ 338.00 per night for 10 nights  | Mrs. Nana Kraah Ansah Adjei | 3,380.00         | To provide hotel bills  |
|              | Nov. 14-Aug. 2015 | Payment of entertainment allowance                           | H.E. Mr. Morgan Brown       | 11,000           | To provide supporting document                                    |
| <b>Total</b> |                   |  |                             | <b>21,054.74</b> |   |

855. We advised management to provide the supporting documents or cause the beneficiaries to refund the money.

856. Management accepted to contact the officers for the needed documents.

### **DUBAI MISSION**

#### **Payment on behalf of stranded Ghanaians - AED 1,075**

857. Our examination disclosed that Management in August 2015 paid an amount of AED 2,075.00 on behalf of two stranded Ghanaians who were recruited from Ghana to the Emirates to serve as house maids.

858. We further observed that one Mr. Kennedy Agyapong the brother of the stranded Ghanaian allegedly brought the ladies to be sold as maids. He was however, later declared wanted by the Dubai Police for defrauding the Maid Services Agency.

859. Management upon request for refund, received an amount of AED1,000.00 on 1 April, 2016 from Mr. Agyepong as part payment leaving AED1,075 outstanding.

860. We therefore, advised Management to contact Mr. Agyapong for the settlement of the difference outstanding.

## HAVANA

### Expenditure on trip to Panama not accounted for - US\$9,300.00

861. We noted that management released an amount of US\$9,300.00 among other expenditure items vide cheque no. 5020464-3, and payment voucher no. 006 dated 5 Nov 2015 to three individuals on official visit to Panama for presentation of credentials, but failed to account for the under-listed expenditure granted them as at 30 November 2015.

| Name                   | Hotel Accommodation - US\$ | Meals - US\$     | Rental of transport - US\$ | Imprest         | Total - US\$    |
|------------------------|----------------------------|------------------|----------------------------|-----------------|-----------------|
| H. E. John Tia Akologu | (350x5)=1,750.00           | (200X6)=1,200.00 | (200X6)=1,200.00           | 1,500.00        | 5,650.00        |
| Bilingual Secretary    | (180x5)=900.00             | (100x6)= 600.00  | 0                          | 0               | 1,500.00        |
| Frederick D. Boakye    | (250x5)=1,250.00           | (150X6)=900.00   | 0                          | 0               | 2,150.00        |
| <b>Total</b>           | <b>3,900.00</b>            | <b>2,700.00</b>  | <b>1,200.00</b>            | <b>1,500.00</b> | <b>9,300.00</b> |

862. Management's failure to insist on proper accountability of the funds released just after returning from the trip caused the irregularity.

863. We recommended that the officers concerned should be made to produce the necessary receipts to authenticate the expenditure, failing which they should be made to refund the amount.

## ABUJA

### **Purchase of Air tickets for 6 delegates not reimbursed - ₦855,370.00**

864. Foreign Service Regulations 186 states that “Where an imprest is necessary, the Head of Chancery should apply to the Controller & Accountant General through the Ministry of Foreign Affairs for an imprest. The purpose for which the imprest is required should be stated in the application.”

865. We noted that Management purchased Air tickets at the cost of ₦855,370.00 for six delegates who attended the late President John Evans Atta Mills memorial lectures on 21 July, 2015.

866. Instructions on the memo authorising the payment stated that the amount of ₦855,370.00 would be reimbursed by the Office of the President; which at the time of the audit in October 2015 had not been done.

867. We therefore advised Management to make necessary consultation with the Office of the President to ensure that the Mission was reimbursed with the total amount of ₦855,370.00.

868. Management said they had forwarded a letter to the Chief of Staff requesting for refund to the Mission.

## JUDICIAL SERVICE

### **Deposits invested without authority - GH¢26,605,080.70**

869. Order 18 of C.I. 47, High Court (civil procedures) Rules 2004, states that, monies paid into the court are to be held in accordance with orders of the court.

870. Contrary to Constitutional Instrument 47 (CI 47), deposits held in court by Ecobank amounting to GH¢26,605,080.70 was invested by management without the orders of the courts.

871. Interest earned on these investment were credited to the Service deposit interest account held at HFC Bank.

872. Investing deposits without court order could result in loss of funds.

873. We recommended that, management should take steps to rectify the anomaly.

### **Misapplication of 15% retention funds - GH¢168,326.02**

874. Section 5(c) of the Retention of Funds Act 2007, Act 235 states that, Internally Generated Funds shall not be used for the payment of salaries, staff benefits and other allowances except where the allowances are directly related to the provision of services that will lead to increase revenue.



875. The Judicial Service utilised an amount of GH¢135,530.02 from the IGF account to pay staff compensation and GH¢32,796.00 as salary advance to two senior staff of the Service.

| <b>Description</b> | <b>Cheque No</b> | <b>Date</b> | <b>Amount GH¢</b> | <b>Payee</b>              |
|--------------------|------------------|-------------|-------------------|---------------------------|
| Salary advance     | 100113           | 19/02/15    | 16,398.00         | H/W Abass Adams Abubakari |
| Salary advance     | 100087           | 10/09/15    | 16,398.00         | H/W Stephen Kumi          |
| <b>Total</b>       |                  |             | <b>32,796.00</b>  |                           |

876. Management explained that, such advances were paid to employees when salaries were delayed.

877. While H/W Abass Abubakari Adams was yet to refund GH¢16,398.00, H/W Stephen Kumi's advance of GH¢16,398.00 was used to set off his one year rent allowance without any evidence.

878. We recommended that, management should recover all outstanding advances or charge it to their personal accounts.

## COMMERCIAL COURT

### **Understatement of revenue - GH¢21,033,516.07**

879. Regulation 2(a) of FAR, 2004 (LI 1802) states that, the head of government department shall manage and operate the department's accounting systems, so as to ensure the accountability of all officers transacting such business and facilitate the efficient discharge of such business.

880. Two cashiers at the Commercial Court in Accra inadvertently understated total collections in the revenue and deposit cash books by GH¢20,893,095.83 and GH¢140,420.24 respectively resulting in a total understatement of GH¢21,033,516.07.

881. The situation occurred as a result of the Accounts unit's failure to carry out regular reconciliation exercise.

882. We recommended that there should be regular preparation of bank reconciliation statement to avert the recurrence of the above anomaly.

### **Failure to pay withholding taxes collected to the Ghana Revenue Authority - GH¢9,409.91**

883. Section 87(1) of the Internal Revenue Act, 2000 (Act 592) states that subject to Sub Section (2), a withholding agent shall pay to the Commissioner a tax that has been withheld or that should have been withheld under this

subdivision within fifteen days after the end of the month in which the payment subject to withholding tax is made by the withholding agent.

884. Between February and December 2015 management failed to remit taxes withheld amounting to GH¢9,409.91.

885. We recommended that management takes appropriate steps to pay these taxes withheld to the GRA for our verification.

### **MUNICIPAL MAGISTRATE COURT, HOHOE**

#### **Misappropriation of Revenue - GH¢19,978.10**

886. Regulation 15(1) of the Financial Administration Regulations 2004 (LI 1802) states that “Any public officer or revenue collectors who collects or receives public and trust moneys shall issue official receipts for them and pay them into the relevant Public Fund Bank account within twenty four hours.

887. Madam Theresa Tetteh, HFC Bank cashier received a total amount of GH¢45,208.20 as revenue and deposit between November 2013 and January 2015. Out of the total amount collected, she lodged GH¢33,065.60 and misappropriated GH¢12,142.60 as shown below.

| Type of Collection | Period                | Total Collection GH¢ | Amount Banked GH¢ | Difference GH¢   |
|--------------------|-----------------------|----------------------|-------------------|------------------|
| Revenue            | Nov. 2013 - Jan. 2015 | 33,950.20            | 25,168.60         | 8,781.60         |
| Deposit            | Nov. 2013 - Jan. 2015 | 11,258.00            | 7,897.00          | 3,361.00         |
| <b>Total</b>       |                       | <b>45,208.20</b>     | <b>33,065.60</b>  | <b>12,142.60</b> |

888. Similarly, Madam Theresa Tetteh, misappropriated revenue of GH¢7,835.50 collected between November 2013 and January 2015 from Municipal Circuit Court, Hohoe as shown below:

| Type of Collection | Period           | Total Collection GH¢ | Amount Banked GH¢ | Difference GH¢  |
|--------------------|------------------|----------------------|-------------------|-----------------|
| Revenue            | 2013 - Jan .2015 | 32,705.50            | 25,177.00         | 7,528.50        |
| Deposit            | 2013 - Jan .2015 | 21,628.00            | 21,321.00         | 307.00          |
| <b>Total</b>       |                  | <b>54,333.50</b>     | <b>46,498.00</b>  | <b>7,835.50</b> |

889. Management's failure to prepare bank reconciliation statement resulted in the non-detection of the embezzlement.

890. We advised the Registrar to recover the amount with interest from the HFC Bank and make recommendation to the bank for action to be taken against, the cashier, Madam Theresa Tetteh.

### **MUNICIPAL CIRCUIT COURT, HOHOE**

#### **Failure to transfer moneys into Judicial Service Accounts by HFC & NIB Banks - GH¢25,104.40**

891. An agreement between the Ministry of Finance, Accra and HFC Bank states that all revenue and deposits collected by the bank on behalf of the Judicial Service should be banked in their local branches and transferred to Judicial Service revenue and deposit accounts respectively with Bank of Ghana, at Accra.

892. Our audit disclosed that HFC bank failed to transfer a revenue and deposit of GH¢9,071.10 into Judicial Service accounts after the expiration of the contract on 31 May 2014.

| <b>Accounts Name</b> | <b>Type of Collection</b> | <b>Accounts No.</b> | <b>Balance as at 31 May 2014<br/>GH¢</b> |
|----------------------|---------------------------|---------------------|--|
| Revenue Account      | Revenue                   | 5101110000083991    | 8,585.10                                 |
| Deposit Accounts     | Deposit                   | 1050335803238       | 486.00                                   |
| <b>Total</b>         |                           |                     | <b>9,071.10</b>                          |

893. Similarly, a total revenue and deposits of GH¢16,033.30 lodged into the Court's account at National Investment Bank, Hohoe between February and August 2015 was not transferred into the Judicial Service Accounts as at 31 August 2015.

| <b>Bank</b>     | <b>Type of Accounts</b> | <b>Accounts No</b> | <b>Amount GH¢</b> |
|-----------------|-------------------------|--------------------|-------------------|
| N I B.<br>Hohoe | Revenue<br>Accounts     | 1104054083301      | 7,498.30          |
| N I B.<br>Hohoe | Deposit<br>Accounts     | 1104054084001      | 8,535.00          |
| <b>Total</b>    |                         |                    | <b>16,033.30</b>  |

894. We attributed the anomaly to management's failure to ensure that all monies were transferred by the HFC. and NIB to the Judicial Service account after the expiration of the contract.

895. We therefore recommended that the Registrar should ensure that the banks transferred the amount with interest into Judicial Service account.

896. Furthermore, monthly reconciliation statements should be prepared to correct all anomalies therein.

## **DISTRICT MAGISTRATE COURT - TUMU**

### **Unauthorised Payments - GH¢4,800.00**

897. Regulation 2(f) of FAR, 2004 (LI 1802) states that the “head of government department shall receive and order the disbursement of any trust money for which the head of department has been appointed as administering authority by or under any enactment or agreement.”

898. In compliance with the provision noted above, refunds made from deposit to plaintiffs were made on the authorization of the Registrar. Our audit however, disclosed that funds totalling GH¢4,800.00 were made to judgement creditors without the authorisation of the Registrar.

899. We therefore recommended to the Registrar to regularise the payment to avoid abuse in the future.

## **JUDICIAL SERVICE - SEKONDI, TAKORADI**

### **Transfer to undisclosed account - GH¢542,260.69**

900. Regulation 16(c) of FAR, 2004 (LI 1802) states that “A head of department shall monitor and ensure that all Non-Tax Revenue lodged into the transit bank accounts are promptly transferred into the main Consolidated Fund bank account”.

901. Our review of the bank reconciliation statement disclosed that, Zenith Bank Ghana Ltd collected a total

revenue of GH¢469,829.84 on behalf of the Commercial Court between February 2015 and June 2016, and transferred GH¢297,939.59 to undisclosed account leaving a difference of GH¢171,890.25 outstanding.

902. Similarly the Home Finance Bank (HFC) between May 2014 and January 2015 received a total revenue of GH¢244,321.10 on behalf of the Court which was later transferred to an unknown account.

903. Management could not disclose the authority and destination of the transfer while the remaining amount was yet to be transferred to the Consolidated Fund.

904. The practice could result in the diversion of government revenue for other purposes.

905. We therefore recommended to management to investigate the authority and destination of the transfer for further action. Meanwhile the outstanding amount of GH¢171,890.25 should be transferred into the Consolidated Fund.

## **JUDICIAL SERVICE-SEKONDI**

### **Withholding tax not remitted - GH¢946.20**

906. Section 87(1) of the Internal Revenue Act, Act 592 states that “A withholding agent shall pay to the Commissioner a tax that has been withheld within 15 days



after the end of the month in which the payment subject to withholding tax is made by the withholding agent”.

907. Contrary to the above regulation, our audit disclosed that out of 5% withholding tax of GH¢2,624.80 deducted from a total payment of GH¢52,496.00 made to service providers only GH¢1,678.60 was remitted to the Domestic Tax Revenue Division of the Ghana Revenue Authority (GRA) leaving a balance of GH¢946.20.

908. We recommended to management to remit the amount to the Commissioner-General of Ghana Revenue Authority.

#### **Payment of Unearned Salaries - GH¢4,292.29**

909. Our examination of the Electronic Salary Pay Vouchers (ESPV) for the court employees disclosed that two registrars who went on retirement in December 2014 (Anthony B. Bowuah) and April 2015 (Mr. Simpon K. Morkoley) had a total unearned salary of GH¢4,292.29 paid into their respective Bank accounts.

910. The lapse occurred due to management’s failure to promptly notify their Bankers to transfer the unearned salaries to chest.

911. We recommended to management to write to the banks of the separated staff, to transfer the unearned

amount to government chest or have the amount recovered from the beneficiaries.

### **CIRCUIT COURT - TAKORADI HARBOUR AREA**

#### **Revenue not accounted for - GH¢44,384.25**

912. Part II Section 2(a) of the Revenue collection Agreement with Government of Ghana, states that “the bank shall on each business day during the regular working hours of the assigned MDA, collect Government Revenue in local and foreign currencies from the premises of the assigned MDA and deposit same into the designated Account.”

913. Our examination of Circuit Court revenue cash books disclosed that, a total amount of GH¢159,872.65 was deposited with the HFC Bank between January and December 2014 but only GH¢134,539.20 was lodged in the remittance account of the bank. The difference of GH¢25,333.45 was not transferred into the designated account at the Bank of Ghana.

914. Similarly, total revenue of GH¢544,931.71 deposited with the Zenith Bank between February 2015 and August 2016 had only GH¢522,880.91 transferred into the remittance account at the bank, leaving a difference of GH¢19,050.80 unaccounted for by the bank.

915. The anomaly occurred because management failed to monitor and ensure complete adherence to the implementation of the revenue collection agreement, which denied the State the needed revenue.

916. We recommended to management to ensure that the total amount of GH¢44,384.25 was accounted for by the banks (HFC & Zenith banks), and transferred to the designated account at the Bank of Ghana without any further delay and this office informed for verification.

917. Management again stated in response that, headquarters was responsible to ensure that all transfers were fully made.

### **DISTRICT COURT-DROBO**

#### **Unearned Salaries - GH¢3,022.50**

918. Regulation 297(1) and 298(1&2) requires that, 'A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has retired or died.'

919. We however noted that Ms. Mariama Karim a cleaner, resigned in June 2013 but her name continued to appear on the Court's payroll up to August 2014 resulting in the payment of unearned salary of GH¢3,022.50.

920. Management's failure to ensure the immediate stoppage of the salary resulted in the anomaly.

921. We recommended that the total amount should be recovered, failing which the amount should be recovered from the Registrar.

### **Revenue not accounted for - GH¢1,375.00**

922. Regulation 15(1) of FAR, 2004 (LI 1802) states that "any public officer or revenue collector who collects or receives public and trust moneys shall issue official receipt for them and pay same into the relevant Public Fund Bank Account within twenty four hours of receipt except in exceptional circumstances to be identified by the minister".

923. Contrary to the above, the former Registrar/Cashier of the court, Mr. Gabriel K. Kyeremeh collected a total amount of GH¢1,375.00 as deposits but failed to account for it as shown below:

| <b>Receipt No &amp; Date</b> | <b>Payee</b>       | <b>Station</b> | <b>Amount (GH¢)</b> |
|------------------------------|--------------------|----------------|---------------------|
| 7926193 of 01/03/13          | Kyeremeh Djan      | Drobo          | 600.00              |
| 7926194 of 01/03/13          | Paster Ben Aboagye | Drobo          | 200.00              |
| 7926195 of 04/03/13          | Bonna De-graft     | Drobo          | 35.00               |

|                      |                      |       |                 |
|----------------------|----------------------|-------|-----------------|
| 7926196 of 04/03/13  | Justice Ankomah      | Drobo | 200.00          |
| 7926197 of 05/03/13  | Obeng Thomas         | Drobo | 40.00           |
| 7926198 of 05/03/13  | Asomah Gabriel       | Drobo | 100.00          |
| 7926199 of 07/03/13  | Kwaku Apiah<br>Agyei | Drobo | 50.00           |
| 79261200 of 07/03/13 | Kwabena Opoku        | Drobo | 150.00          |
| <b>Total</b>         |                      |       | <b>1,375.00</b> |

924. Laxity on the part of management to effectively supervise the work of the Cashier resulted in the misappropriation.

925. We recommended to management to recover the amount from Mr. Gabriel K. Kyeremeh with interest.

### COMMERCIAL COURT - SUNYANI

#### Transfer of Revenue to an Unknown Account - GH¢1,170.761.40

926. Regulation 15(1) of the Financial Administration Regulations 2004, stipulates that, any public officer or revenue collector who collects or receives public and trust moneys shall issue official receipt for them and pay same into the relevant public fund account within twenty - four hours of receipt except in exceptional circumstances to be identified by the minister.

927. Contrary to the above, we noted that between October 2015 and September 2016, the Commercial court Registrar transferred a total amount of GH¢893,281.90 from the revenue account to an unknown account without official receipt to acknowledge the amount.

928. Similarly the Sunyani Magistrate Court B Registrar made a standing order of GH¢277,479.50 from the Court's revenue account to an unknown account without official receipt or advice acknowledging receipt of the funds into the said account. Additionally we could not determine the ownership of that account since there were no names or indication on the ownership of the account.

929. The practice could lead to diversion and misappropriation of funds.

930. We recommended that Management should investigate to ascertain ownership of the accounts and obtain official receipts in acknowledgment of the funds, failing which the amount should be recovered from the officials responsible for the transfers and also be sanctioned.

### **MAGISTRATE COURT 'B', SUNYANI**

#### **Revenue not Accounted for GH¢17,449.30**

931. Regulation 15(1) of the Financial Administration Regulations 2004 (LI 1802), provides that any public

officer or revenue collector who receives public and trust moneys shall issue official receipts for them and pay same in to the relevant public fund account within twenty four hours of receipt except in exceptional circumstances to be identified by the Minister.

932. We noted on the contrary that between January and December 2015, the court Registrar collected a total revenue of GH¢164,922.37 and paid GH¢149,712.07 to bank, leaving GH¢15,210.30 unaccounted for.

933. Similarly between October 2015 and September 2016, the commercial court Registrar issued General Counterfoil Receipts totalling GH¢907,432.90 to support payments in respect of fees lodged by clients. However, only GH¢905,193.90 was lodged at the bank leaving a difference of GH¢2,239.00 not accounted for.

934. We recommended that the Registrars should account for the total shortage of GH¢17,449.30 and appropriate sanctions taken against him.

### **Unauthorised transfers from Deposit Account to Unknown Claimants - GH¢19,485.50**

935. Judicial Service directives on procedures for payment of deposit claims as contained in a circular with reference number JS/NTR/TI/018 dated 2/3/15 require that an application for refund of deposit shall be directed

to the Registrar of the relevant court and the application shall consist of a written application from the claimant or his/her counsel and a court order. The registrar shall forward the application to the court cashier and the cashier shall attach duplicate General Counterfoil Receipt (GCR) issued in respect of the deposit, duplicate pay in slip, court payment vouchers (CPV) and return the completed application to the Registrar for onward transfer to the Regional Administrator for payment.

936. On the contrary, our audit disclosed that a total amount of GH¢19,485.50 was transferred out of the deposit account to pay unknown claimants without a court order.

937. The Registrar explained that he had written to the Regional Administrative officer on 8 August 2015 about the illegal transfers but had not received any response.

938. Lack of effective controls and coordination between the court and the Regional Administrative Officer over the deposit account resulted in the anomaly which is a recipe for diversion of public funds.

939. We recommended that the Registrar should liaise with the Regional Administrative Officer and the National Investment Bank, Sunyani for the recovery of the amount of GH¢19,485.50 into the deposit account.



## MINISTRY OF DEFENCE

### **Non-deduction of withholding tax on sitting allowance - GH¢21,881.00**

940. Our review of Euroget-De Invest and the GAF/UN Peace Keeping Committee Accounts disclosed that, the Ministry paid sitting allowances totalling GH¢21,881.00 to members of the Project Implementation Unit (PIU) and GAF/UN Peace keeping Committee and their supporting staff but failed to subject the payment to 10% withholding tax.

941. The inaction of management contravenes Section 84(1b) of Internal Revenue Act, 2000 (Act 592) which requires that “where a resident person, other than an individual, pays fees, emoluments, and any other benefit, including a benefit referred to in section 53, to a resident director, manager, or board member of a company or body of persons, the person making the payment shall withhold tax on the gross amount of the payment at the rate prescribed in Part IV of the First Schedule.

942. The effect is that such practice deprives the consolidated fund the needed inflows of revenue for development programmes.

943. We advised management to comply with the tax laws and ensure that sitting allowances are subjected to

tax in line with Section 84(1b) of the Internal Revenue Act, 2000 (Act 592).

944. Management admitted the anomaly and promised to take immediate steps to resolve the lapse.

## **AIR FORCE**

### **Unrecovered advances - US\$675,651.50**

945. Regulation 110 of the Financial Administration Regulations, 2004 (LI 1802) states that “A head of department, or the officer to whom the duties of the head of department have been delegated in accordance with Regulation 109 (Delegation of administering authority), shall ensure that advances issued are duly recovered in accordance with the appropriate agreement”.

946. Regulation 111 of FAR, 2004 also places responsibility for recovery of advances on the head of department.

947. In contrast to the above Regulation, we noted that between January 2014 and August 2016, the Air Force Headquarters advanced funds for official foreign travels and courses of Air Force personnel on behalf of the General Headquarters GHQ (Training). The total amount involved was US\$675,651.50. However, as at the time of audit no refund had been made.

948. We further observed that the advance was occasioned by late and irregular release of funds by GHQ (Training). We therefore advised Management to ensure full accountability of the amount.

## MINISTRY OF TRADE AND INDUSTRY

### **Judgement Debt - GH¢1,944,062.15**

949. Ministry of Trade and Industry (MOTI) incurred judgement debt of GH¢2,114,062.15. This was as a result of management's failure to fulfill contractual obligation with Enege Kakum (supplier) and Mrs. Esther Ofori, former chief executive officer of the Ghana Trade Fair Authority (GTFA).

950. The Ministry intervened by paying GH¢170,000.00 out of the total amount to prevent the sale of the administration block of the Ghana Trade Fair Authority (GTFA). A total balance of GH¢1,944,062.15 remained outstanding as at the time of writing this report.

951. The details of the judgement debts are as shown below:

| Name                    | Plaintiff  | Suit   | Offence   | Judgement Debt<br>GH¢   | Amount<br>paid<br>GH¢ | Outstandin<br>g Debt<br>GH¢ |
|-------------------------|--|--|---|---|-----------------------|-----------------------------|
| Mrs.<br>Esther<br>Ofori | Former<br>Chief<br>Executive<br>Officer of<br>(GTFA) | Suit<br>against<br>the<br>Ministry<br>of Trade<br>and<br>Industry<br>.   | Ghana<br>Trade<br>Fair<br>Authorit<br>y<br>(GTFA)<br>was<br>unable<br>to pay<br>her end<br>of<br>service<br>benefits<br>and trip<br>allowanc<br>es. | On 24/03/2014,<br>the court<br>awarded a<br>principal sum of<br>GH¢1,201,901.60 | 120,000.00            | 1,081,901.60                |
| Enege<br>Kakum          | Supplier   | Suit<br>against<br>Ghana<br>Trade<br>Fair<br>Authorit<br>y Ltd<br>(GTFA) | Failure<br>to pay<br>for<br>aluminu<br>m shell<br>scheme  | GH¢912,160.55<br>(€212,130.36)  | 50,000.00             | 862,160.55                  |
| <b>Total</b>            |  |  |   | <b>2,114,062.15</b>   | <b>170,000.00</b>     | <b>1,944,062.15</b>         |

952. We recommended that the Ministry of Trade should take steps to honour the debt obligation.

### GRATIS FOUNDATION

#### Imprest not fully accounted for - GH¢1,067.02

953. Regulation 288(1) of Financial Administration Regulations (FAR) 2004, states “Imprest shall be retired at the close of the financial year and any imprest not so

retired shall be adjusted to a personal advance account in the name of the imprest holder”.

954. Contrary to the above regulation, our review of payment vouchers of the Gratis Foundation at Tamale revealed that the Accountant failed to fully account for an amount of GH¢1,067.02 granted as imprest.

955. We recommended that the Accountant retired the imprest as stipulated by the Regulation or the amount be treated as an advance in his name.

#### **Overdue Salary Advance – GH¢4,350.00**

956. Regulation 110 of the Financial Administration Regulations, 2004 (LI 1802) states: “It is the duty of the head of department or the officers to whom the administration of advances have been delegated to ensure that advances issued are duly recovered in accordance with the appropriate agreement.”

957. Our audit disclosed that salary advance amounting to GH¢4,350.00 granted to four staff of Gratis Foundation, Tamale as far back as January 2013 had still not been recovered as detailed below:

| Name of staff     | Date loan was taken | Amount taken GH¢ | Date of repayment | Amount paid GH¢ | Outstanding Balance GH¢ |
|-------------------|---------------------|------------------|-------------------|-----------------|-------------------------|
| Kaleem Haruna     | 27/7/13             | 1,800.00         | 27/12/2013        | 600.00          | 1,200.00                |
| Adjei Amponsah    | 12/11/2013          | 800.00           |                   | 200.00          | 600.00                  |
| Adjei Amponsah    | 2015                | 2,100.00         |                   | 400.00          | 1,700.00                |
| Maxwell Bosompem  | 15-Jan              | 1,000.00         | Sept.& Aug. 2015  | 200.00          | 800.00                  |
| Seidu Abdul-Razak | 22/05/15            | 300.00           |                   | 250.00          | 50.00                   |
|                   |                     | <b>6,000.00</b>  |                   | <b>1,650.00</b> | <b>4,350.00</b>         |

958. Management's failure to effectively supervise and enforce recovery caused the lapse.

959. Failure on the part of management in recovering the outstanding advance indicated weak cash management system on the agency's finances. The outstanding amount if not recovered, could deny other staff the opportunity to benefit from the scheme.

960. We recommended to management to effect deduction from the salaries of the defaulters to settle the debts.

### **Unaccounted fuel purchases - GH¢2,740.00**

961. Regulation 1604 of the Stores Regulations, 1984 states that "A vehicle log book shall be maintained for

each vehicle and shall always be carried in the vehicle". Journeys undertaken shall be recorded and full particulars of receipts of fuel, oil, and lubricants shall be entered up daily in the book by the driver. Recording in the log book shall be made in duplicate. All journeys recorded in the log book shall be certified by the officer using the vehicle."

962. Our review of transport management at GRATIS Foundation at Tamale revealed that, fuel purchased to the tune of GH¢2,790.00 during the period under review was not accounted for in the vehicles log books.

963. Failure on the part of management to ensure proper accountability resulted in this lapse.

964. We could therefore not confirm whether the fuel purchased was used in the interest of the Foundation.

965. We requested management to comply with the regulation and also request the Spending Officer to refund the amount.

**MINISTRY OF LOCAL GOVERNMENT AND  
RURAL DEVELOPMENT**

**Non - Payment for Supplies of Street Lighting Lamps -  
GH¢23,450,000.00**

966. A contract signed on 24 July 2015 between the Ministry of Local Government and Vision and Sports Enterprise requested the latter to supply 46,600 units of die cast street lighting lamps at a cost of GH¢32,620,000.00 to be distributed to 216 Metropolitan, Municipal and District Assemblies.

967. We however noted that, no payment was made to the supplier after delivering 33,500 units of the street lamps valued at GH¢23,450,000.00 on 18 July 2016.

968. We recommended that payment for the supplies should be made to prevent the possibility of judgment debt.

969. Management confirmed submitting the documents to the Administrator of the District Assembly Common Fund for payment.

**DEPARTMENT OF PARKS AND GARDENS, HO**  
**Unearned Salaries - GH¢76,275.02**

970. Regulation 297 of the Financial Administration Regulations, 2004, (LI 1802) states that "A head of department shall cause the immediate stoppage of



payment of salary to a public servant who has either resigned or separated from the department.

971. Our review of the mechanized payment vouchers disclosed that nine members of staff who separated from the department between January 2013 to October 2014 were paid unearned salaries of GH¢76,275.02. Below are the details.

| Name             | Staff No. | Rank                    | Date of Separation | Period                    | Amount unearned GH¢ |
|------------------|-----------|-------------------------|--------------------|---------------------------|---------------------|
| Florence Krah    | 71767     | Asst. Chief Tech. Asst. | 04/04/2013         | May 2013-Oct. 2014        | 14,206.97           |
| Paulina Owu      | 71770     | Asst. Chief Tech. Asst. | 04/07/2013         | Apr. 2013-Oct. 2014       | 11,528.94           |
| Prosper Amehame  | 70663     | Asst. Chief Tech. Asst. | 10/07/2013         | Aug. 2013-Oct. 2014       | 11,198.59           |
| Oberko Joseph    | 718155    | Sup. Head Gardener      | 01/01/2013         | Feb. 2013-Oct. 2014       | 8,967.39            |
| Isaac Ankuge     | 718140    | Technical Assistant     | 17/07/2013         | Aug. 2013-Oct. 2014       | 7,917.74            |
| Fuji Comfort     | 41123     | Asst. Chief Tech. Asst. | 31/12/2013         | Jan. 2014-Oct. 2014       | 7,760.54            |
| Deletsu Eenam    | 740333    | Gardener                | 07/01/2013         | Feb 2013-Oct. 2014        | 7,466.83            |
| Vivor Christine  | 41113     | Asst. Chief Tech. Asst. | 08/12/2013         | Jan-June 2013, April 2014 | 5,509.89            |
| Michael K.Mensah | 718160    | Technical Assistant     |                    |                           | 1,718.13            |
| <b>Totals</b>    |           |                         |                    |                           | <b>76,275.02</b>    |

972. The Regional Landscape Designer's failure to forward the necessary input forms to the Controller and

Accountant General's Department for their names to be deleted resulted in a loss of GH¢76,275.02 to the State.

973. We urged the Regional Landscape Designer to recover the unearned salaries together with any other payments from the affected officers.

### **BIRTHS AND DEATHS REGISTRY, WA**

#### **Diversion of Government funds into Private Accounts**

##### **GH¢224,760.00**

974. Our review of the Registry's records revealed that the Registrar failed to lodge a total revenue of GH¢224,760.00 into the approved bank account. Plan Ghana, an NGO on 25 January 2015 released the amount for registration of 10,000 child births in deprived districts in the Upper West Region.

975. The Registrar, Mr. Francis Kupo, failed to issue official receipt for the fees and rather lodged the amount into a private welfare account number 20014010988-01 at the National Investment Bank, Wa.

976. We recommended that the amount should be refunded by Mr. Francis Kupo and should be sanctioned.

#### **Bulk Fuel Purchased not Accounted for GH¢4,021.49**

977. Regulation 0618 and 0619 of the Stores Regulations 1984 states that 'it may become necessary for departments

to hold working stocks in the form of small stores in tactical locations to meet day to day requirements’.

978. The Registry purchased fuel worth GH¢4,021.49 from the Controller and Accountant-General’s fuel station without maintaining a register to control the stock as provided in the regulation.

979. We recommended that a register must be maintained to control fuel purchases to enhance accountability.

#### **Unearned Salaries - GH¢120,226.15**

980. Regulation 297 of the Financial Administration Regulations 2004, (LI 1802) enjoins heads of departments to cause the immediate stoppage of salary to a Public Servant when the public servant is absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment.

981. Our payroll audit of the Registry revealed that six officers who went on compulsory retirement and a deceased officer were paid unearned salaries totalling GH¢120,226.15 into their respective bank accounts as detailed below:

| No. | Staff Name           | Staff ID No. | Bank   | Unearned Salary GH¢ | No. of Months | Retirement Date |
|-----|----------------------|--------------|--------|---------------------|---------------|-----------------|
| 1.  | Jamani Kugbea        | 0000023181   | SSB-Wa | 37,266.04           | 32            | Dec 2010        |
| 2.  | Salifu Abudl-Rahaman | 0000023152   | ADB-Wa | 10,762.83           | 4             | Aug 2014        |
| 3.  | Bawah Stevens        | 0000040769   | SSB-Wa | 23,891.48           | 19            | May 2013        |
| 4.  | Moses Ali            | 0000078426   | GCB-Wa | 9,242.16            | 20            | Dec 2010        |
| 5.  | Bagah Edward         | 0000101754   | ADB-Wa | 10,547.19           | 11            | Aug 2013        |
| 6.  | Panta Adams          | 00000010006  | SSB-Wa | 15,561.90           | 17            | Nov 2012        |
| 7.  | Abongo Kwaku         | 0000070877   | SSB-Wa | 12,954.55           | 27            | Dec 2010        |
|     | Total                |              |        | <b>120,226.15</b>   |               |                 |

982. This resulted in loss of funds to the State.

983. Management failed to draw the attention of the Controller and Accountant-General's Department to delete the names of the officers from the payroll and also to inform the banks to transfer the unearned salaries to suspense account hence the anomaly.

984. We recommended that the Registrar should recover the amount of GH¢120,226.15 from the officers concerned.

#### **BIRTHS AND DEATHS REGISTRY, SEKONDI**

##### **Unconfirmed bank transfers by HFC Bank, into Consolidated Fund Bank Account – GH¢175,860.00**

985. Our review of revenue records and bank statements disclosed that a total revenue of GH¢175,860.00 collected by the Registry between 16 March, 2016 and 1 September, 2016 was paid to HFC Bank Limited, Takoradi (a transit bank). However, management could not provide evidence to support the transfer of the said amount into the Consolidated Fund Bank Account.

986. The situation could result in the payment of government revenues into unauthorised accounts leading to loss of funds to the State.

987. We urged management to provide the requisite records to support the transfer of the amount of GH¢175,860.00 into the Consolidated Fund to authenticate the transaction else the amount should be refunded.

##### **Unearned interest on delayed transfer – GH¢459.00**

988. Paragraph 2.2 of the Government of Ghana revenue collection agreement between the Ministry of Finance and HFC Bank (Ghana) Limited on the

onsite/daily revenue collection programme requires that all daily collections shall be transferred into the designated account within 48 hours and any portion thereof retained by the bank after this period, the bank shall be liable to pay interest to Ministry of Finance at the current 91-day treasury bill rate.

989. Our review of revenue records disclosed that the Registrar deposited a total revenue of GH¢58,800.00 with the HFC Bank limited between 16 March and 29 April 2016.

990. Contrary to the above agreement, HFC bank delayed transfer of the amount to the designated account for 12 and 13 days till 13 May 2016 without paying the requisite accrued interest of GH¢459.00 as shown below.

| <b>Date</b>  | <b>Deposit (GH¢)</b> | <b>Transfer (GH¢)</b> | <b>Days deferred</b> | <b>T-Bill rate (91 day)</b> | <b>Interest payable GH¢</b> |
|--------------|----------------------|-----------------------|----------------------|-----------------------------|-----------------------------|
| 16/3/16      | 14,480.00            | -                     | 13                   | 22.8710%                    | 117.00                      |
| 31/3/16      | 17,400.00            | -                     | 13                   | 22.8710%                    | 141.00                      |
| 15/4/16      | 15,420.00            | -                     | 12                   | 22.8710%                    | 115.00                      |
| 29/4/16      | 11,500.00            | -                     | 12                   | 22.8710%                    | 86.00                       |
| 13/5/16      | -                    | 58,800.00             | -                    |                             |                             |
| <b>Total</b> | <b>58,800.00</b>     | <b>58,800.00</b>      |                      |                             | <b>459.00</b>               |

*Source of rates: Bank of Ghana official website. 14 September, 2016*

991. The bank deprived government of the needed fund for development.

992. We urged management to ensure that HFC Bank paid the total interest element of GH¢459.00 as penalty for the delayed transfer.

**Fuel purchases not accounted for - GH¢16,964.00.**

993. Regulation 1604 of the Stores Regulations 1984 states that 'A vehicle logbook shall be maintained for each vehicle and shall always be carried on the vehicle. Journeys undertaken shall be recorded and full particulars of receipts of fuel, oil, and lubricants shall be entered up daily in the logbook by the driver. Recordings in the logbook shall be made in duplicate. All journeys recorded in the logbook shall be certified by the officer using the vehicle'.

994. Contrary to the above provision, we observed that, fuel valued at GH¢11,484.00 procured by the Tamale Regional Birth and Death Registry and GH¢5,480.00 by National Youth Council, Tamale, were not accounted for in the vehicle logbooks.

995. We could not ascertain whether the fuel was actually purchased and used in the interest of the Service.

996. We recommended that the alleged fuel purchased should be accounted for.

### **BIRTH AND DEATH REGISTRY, TAMALE**

#### **Payments not supported with Vouchers - GH¢8,940.00**

997. Public Financial Management Act, 2016 section 7(1) states that a principal spending officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity.

998. Contrary to the above, we observed that management of Birth and Death Registry at Tamale disbursed an amount of GH¢8,940.00 without payment vouchers to support the transactions.

999. This lapse was attributed to management's disregard to the relevant Regulation regarding public spending.

1000. We recommended that management should refund the money.

### **BIRTHS AND DEATHS REGISTRY - AKIM ODA**

#### **Failure to issue General Counterfoil Receipts to acknowledge revenue collections - GH¢12,766.00**

1001. Regulation 15(1) of the Financial Administration Regulations, 2004 (LI 1802) stipulates that 'Any public Officer or revenue collector who collects or receives public



and trust moneys shall issue official receipts for them and pay same into the relevant Public Fund Bank Account within twenty four hours of receipt.”

1002. Contrary to the above, a revenue collector at the Department collected revenue of GH¢12,766.00 for the issuance of Births and Deaths Certificates without issuing official receipts to the applicants.

1003. The total cash collections was allegedly sent to the Registrar at the Regional Office, Koforidua for the issuance of Treasury Counterfoil Receipts. However, no Treasury Counterfoil Receipts were produced to acknowledge the alleged payments to the Regional Registrar.

1004. We recommended a refund of the amount from the revenue collector and the regional registrar.

### **BIRTHS AND DEATHS REGISTRY - SUHUM**

#### **Charging of unapproved rates/fees - GH¢17,250.00**

1005. Regulations 25 and 27 of the FAR, 2004 require all heads of Government institutions that generate revenue to charge prescribed fees for services performed.

1006. We noted that the Registrar at the Births and Deaths Registry charged an amount of GH¢50.00 for a Birth Certificate from 575 clients instead of the approved

fee of GH¢20.00. The revenue collector however paid in GH¢11,500.00 to cover the total service rendered to the 575 clients. The difference of GH¢17,250.00 was not accounted for.

1007. Lack of public knowledge on the requirements for acquiring a Birth Certificate and fees payable accounted for the practice.

1008. We advised the Registrar to boldly display the prescribed fees payable by applicants at the entrance of the office premises to enhance public education. The registrar should also refund the unapproved collections of GH¢17,250.00 to Government chest.

## **MINISTRY OF JUSTICE AND ATTORNEY GENERAL'S DEPARTMENT**

### **Failure to account for funds by EOCO – GH¢250,000.00**

1009. Our review of the payment vouchers, disclosed that an amount of GH¢250,000.00 was released to EOCO by Ministry of Justice on payment voucher No 40854 dated 31/12/15 without any documents stating the purpose for which the amount was released, neither did EOCO account for the amount of GH¢250,000.00 received from the Ministry of Justice.

1010. We recommended that the amount of GH¢250,000.00 should be accounted for by EOCO.

#### **Use of GOG funds as IOU - GH¢10,100.00**

1011. Funds budgeted and released for activities and programmes of the Ministry of Justice, was given out as IOUs to eight staff members as detailed below:

| <b>No</b>    | <b>Date</b> | <b>PV No</b> | <b>Amount<br/>GH¢</b> | <b>Payee</b>          |
|--------------|-------------|--------------|-----------------------|-----------------------|
| 1.           | 15/09/15    | 0676560      | 500,00                | Angelina<br>O. Oppong |
| 2.           | 20/08/15    | 067660       | 300.00                | Nicolas<br>Ashi       |
| 3.           | 17/09/15    | 0676703      | 2,500.00              | Emmanuel<br>Yeboah    |
| 4.           | 17/09/15    | 0676712      | 200.00                | Christian<br>Botchway |
| 5.           | 05/10/15    | 067660       | 600.00                | Suleiman<br>Abdulai   |
| 6.           | 02/11/15    | 0676826      | 3,000.00              | Mrs.<br>Aboagye       |
| 7.           | 18/11/15    | 0676862      | 2,000.00              | Charles<br>Mensah     |
| 8.           | 10/12/15    | 0666929      | 1,000.00              | Emmanuel<br>Kodua     |
| <b>Total</b> |             |              | <b>10,100.00</b>      |                       |

1012. Management did not provide any evidence of recovery from the staff.

1013. We recommended that management should desist from granting IOUs which had not been budgeted for and ensure recovery of the amount from the beneficiaries.

**GoG funds kept in dormant bank accounts - GH¢137,064.24**

1014. Our review of cash management procedures disclosed that, the Ministry had four bank accounts which had been dormant between one and four years, as detailed below:

| No.          | Account Name  | Account Number | Balance GH¢       | Last withdrawal   |
|--------------|---|----------------|-------------------|-------------------|
| 1.           | HIPC account  | 1018631534098  | 116,648.49        | Since 2013        |
| 2.           | Private Sector Dev't Strategy Pooled Fund             | 1018631534031  | 0.00              | Since Jan 2015    |
| 3.           | Ministry of Justice Commonwealth Law Minister Account | 1018631534074  | 18,857.98         | Since 2012        |
| 4.           | Ministry of Justice Royalty Cedi Account              | 1015631534099  | 15,257.77         | Since August 2014 |
| <b>Total</b> |   |                | <b>137,064.24</b> |                   |

1015. Management failure to comply with CAGD directives to maintain a single treasury account accounted for the lapse.

1016. We urged management to consider the closure of these dormant accounts and transfer the balances to government chest.

**Failure to seek cabinet approval before paying judgement debt of GH¢67,380,718.20**

1017. The Ministry of Finance Budget Implementation Instructions 3.8 state that, Judgement Debt Payment pose a significant risk to effective budget implementation.

1018. As part of measures to implement the new guidelines issued by government to ensure sanity in the payment of Judgement Debt and settled claims, all Judgement Debt claims exceeding GH¢10,000,000.00 should be submitted to cabinet for approval prior to final settlement and payment.

1019. The Attorney-General may however, authorise settlement of claims up to the upper limit of GH¢10,000,000 and that MDAs which incur Judgement Debt by their action or inaction will bear the full cost of servicing these debts from their approved budget.

1020. Our review of the bank statement of the Ministry disclosed that, a payment of GH¢67,380,718.20 (direct debit) was made to Construction Pioneers as judgement debt on behalf of the state without any reference to cabinet as detailed below:

| <b>Date</b>  | <b>Payee</b>          | <b>Amount</b>        |
|--------------|-----------------------|----------------------|
| 20/02/15     | Construction Pioneers | 42,820,418.48        |
| 01/04/15     | Construction Pioneers | 24,560,299.72        |
| <b>Total</b> |                       | <b>67,380,718.20</b> |

1021. The Ministry could not provide any documentation with regards to the Court Judgement.

1022. Management's failure to investigate the cause of the direct debit for appropriate action resulted in the anomaly.

1023. We recommended that all payment above the threshold be referred to cabinet for approval. Management should also obtain the court judgement and all relevant documents to authenticate the payment.

### **REGISTRAR GENERAL'S DEPARTMENT**

#### **Failure to disclose revenue collected - GH¢13,605.20 and US\$232.80**

1024. Our review of records at the Estate Unit of the Registrar-General Department disclosed that, deductions effected from the estates of claimants, as service charges

totalling GH¢17,006.54 and US\$291.10 were not transferred into the main revenue accounts of the department, but was retained in the Estate accounts.

1025. The State was denied the use of GH¢13,605.20 and US\$ 232.80 representing 80% share of the total amount collected.

1026. We recommended that the revenue be transferred into the main accounts of the department for the government share to be credited and the financial statement adjusted to reflect same.

### **Financial Assistance to Ministry of Justice and Attorney General's Department - GH¢1,163,125.00**

1027. A total amount of GH¢1,163,125.00 was released by the Registrar-General Department from its retention fund as financial assistance to the Ministry to meet urgent expenditures on conferences and seminars.

1028. Officials of the Registrar-General Department could not explain the legal basis upon which the releases were made to the Ministry.

1029. The Ministry failed to account for the funds received from the Registrar-General Department.

1030. We recommended that the Ministry should account fully for all funds received.

### **Fragmentation of procurement - GH¢478,143.21**

1031. Section 21(5) of the Public Procurement Act, 2003, (Act 663) states that, a procurement entity shall not divide a procurement order into parts or lower the value of a procurement order to avoid the application of the procedures in the public procurement Act.

1032. Our review of procurement procedures disclosed that, the department made fragmented procurement of stationery, amounting to GH¢478,143.21. This could lead to uncompetitive prices and loss of discount on bulk purchases.

1033. We recommended that management should strictly adhere to the provisions in the Procurement Act.

## **MINISTRY OF WATER RESOURCES, WORKS AND HOUSING**

### **Default in rent payment - (UNDP Flats) - US\$448,112**

1034. Regulation 17 of the Financial Administration Regulations, 2004 (LI 1802) states that, "A head of department shall ensure that all non-tax revenue is efficiently collected."

1035. Our audit revealed that 39 occupants of UNDP flats in Cantonment, Accra comprising companies and



Civil Servants were in rent arrears totalling US\$448,112.00 as at 31 December 2015.

1036. We noted (a) ineffective rent collection machinery; (b) hesitancy of management to eject the defaulting tenants; and (c) poor supervision by the Estate Unit which had responsibility for the allocation of Government bungalows including the UNDP flats as the causes of the default.

1037. We recommended that the Chief Director should recover all rents due and take appropriate action to eject all defaulting tenants.

#### **Outstanding Loans to Staff - GH¢42,940.00**

1038. Regulation 17 of the FAR 2004, (LI 1802) requires among others, that all non-tax revenue (IGF) be paid into the Consolidated Fund Account except in the case retained under an enactment.

1039. Our audit revealed that an amount of GH¢42,940.00 was paid from the IGF to staff as loans between the period Jan to Dec, 2015.

1040. We recommended that management should recover the total amount of GH¢42,940.00 from the affected officers and pay same into the Consolidated Fund.

## **Unauthorised disbursement of IGF - GH¢701,895.00 and US\$11,850.00**

1041. Regulation 17 of the FAR 2004 LI 1802 requires among others, all non-tax revenue be paid into the Consolidated Fund Account except in the case of IGF retained under an enactment.

1042. The Ministry collected a total IGF of GH¢1,623,895.00 between January and December 2015 as renewals and classification fees but failed to pay same into the Consolidated Fund.

1043. Meanwhile, GH¢922,000.00 representing 57% of the collection was lodged into the Consolidated Fund whilst GH¢701,895.00 representing 43% was utilized by the Ministry under Administrative, Service and Capital Expenditures without authorisation from the Ministry of Finance.

1044. Similarly, the Ministry utilized US\$11,850.00 from the UNDP Flat rent collection without authority.

1045. Management explained that lack of budgetary releases from the Ministry of Finance accounted for the resort to use IGF in order to keep the Ministry running.

1046. We urged management to stop spending from the IGF and seek authorisation from the Ministry of Finance

before incurring expenditure from the account. Furthermore, management should reimburse the IGF account after receiving their budgetary allocation.

## **WATER AND SANITATION DEVELOPMENT BOARD - KETE-KRACHI**

### **Consumers' indebtedness GH¢161,745.00**

1047. Regulation 2(d) of the FAR, 2004 (LI 1802) provides that "The head of government department shall secure due and proper collection of government revenue collected by the department within the terms of any enactment or of instructions issued or approved by the Controller and Accountant-General".

1048. On the contrary, our review disclosed that an amount of GH¢161,745.00 was owed by consumers to the service provider as at 31 May, 2016.

1049. Consumers' failure to pay their bills and laxity on the part of management led to the build-up of the debts.

1050. The Ghana Prisons Service, Krachi alone owed over 42% of the total debt.

1051. We recommended to management to recover all arrears including that of the Prisons Service.

**PUBLIC WORKS DEPARTMENT-TAKORADI**  
**Underpayment into the Consolidated Fund Account -**  
**GH¢51,763.90**

1052. Section 3 of the Retention of Fund Act, 2007, Act 735 states that MDAs specified in the first column of the Third Schedule may raise or receive moneys in respect of the performance of its functions, and retain out of moneys raised or received, the percentage stipulated in the second column of the Schedule.

1053. We noted that the Department collected a total revenue of GH¢379,662.98 as internally generated fund from rental and consulting services between 2014 and 2016.

1054. Per the retention of Funds Act, 2007 (Act 735), the department was required to pay into the consolidated fund account, 50% of revenue generated amounting to GH¢189,831.49 and keep the remaining amount for its operational activities.

1055. The department in the three financial years, transferred only GH¢39,502.00 into the Consolidated Fund and utilized the difference of GH¢150,392.49 on recurrent expenditure without the approval of the Ministry of Finance.

1056. The action of management contravenes the directives of Act 735 of 2007 and denied the Government the expected revenue for developmental programmes.

1057. We recommended that Mr. Francis Adu-Gyamfi the Regional Engineer of the department should be held liable for the unauthorised expenditure of GH¢150,392.42 meant for the Consolidated Fund Account.

## **MINISTRY OF ROADS AND HIGHWAYS**

### **DRIVER AND VEHICLE LICENSING AUTHORITY Failure to obtain VAT invoices in respect of payments - GH¢1,679,068.87**

1058. Section 19 of the Value-Added Tax Act, 1998, Act 546 states that 'a taxable person shall on making taxable supply of goods and services, issue to the customer or person supplied, tax invoices in such forms as shall be prescribed by regulations.'

1059. Our review of the Authority's financial records disclosed that between January and December 2015, management paid GH¢11,288,522.86 for 34 transactions (inclusive of a VAT component of GH¢1,679,068.87) but failed to obtain VAT receipts to cover the payments.

1060. Management did not comply with the tax laws to compel issuance of the VAT invoices before making payments to the recipients.

1061. We advised the Director of Finance to ensure that VAT invoices totalling GH¢1,679,068.87 are obtained from the 24 business entities involved.

**Failure to withhold taxes on purchases and allowances - GH¢468,562.02**

1062. Section 84(1) of the Internal Revenue Service, Act 2000 (Act 592) requires a person or an employer making payment of fees, commission or emoluments etc. to a resident person to withhold tax on the gross amount of the payment at a rate of 10% as prescribed in part IV (a) of the first schedule of the Act.

1063. We noted that between January and December 2015 a total payment of GH¢10,964,175.53 was incurred. While GH¢10,929,175.53 was spent under goods and services, GH¢35,000.00 was paid as allowances.

1064. Meanwhile, the withholding tax component of GH¢465,062.02 and GH¢3,500.00 respectively were not deducted.

1065. Non-deduction of withholding taxes deprives Government of revenue.

1066. We advised management to comply with the tax laws.

**DEPARTMENT OF URBAN ROADS -  
HEADQUARTERS, ACCRA**

**Abandoned projects - GH¢12,476,152.90**

1067. Clause 58.2 (a) of the condition of contract states that fundamental breaches of contract shall include (a) The contractor stops work for 28 days when no stoppage of work is shown on the program and the and the stoppage has not been authorised by the Project Manager.

1068. Our visits to some selected project sites revealed that 6 projects valued at GH¢12,476,152.90 had been abandoned and the contractors had failed to resume work despite several warnings issued to them by the consultants supervising the projects.

1069. This had not only denied the communities and other users of good access roads; but is also likely to call for upward review of the cost of the project taking into account inflationary trends.

1070. We recommended to Management to terminate the six contracts and re-award them. Management promised to act on it.

## HYDROLOGICAL SERVICES DEPARTMENT

### Abandoned projects - GH¢440,242.96

1071. We noted that the Construction of Reinforced Concrete Rectangular Drain at Goaso in the Brong Ahafo Region was awarded to Messrs Buoku at a sum of GH¢1,230,715.20 on 21/11/2011. The contractor was expected to commence work on 6/12/2011 and end on 6/05/2012.

1072. Our scrutiny revealed that the contractor received mobilization of GH¢492,286.08 and also GH¢81,378.85 for part of actual work done. This brought the total payment to GH¢573,664.93 covering 35% of the work.

1073. Records showed that the contractor worked up to only 20% of the project costing GH¢259,851.52 and abandoned the project. After the contract period had expired and the contractor had ignored several warning letters and in-between reminders, management terminated the contract.

1074. Further scrutiny of the agreement between Hydrological Services Dept. and Messrs Buoku Ventures Ltd. disclosed that a penalty sum shall be paid to Government by the contractor, Messrs Buoku Ventures in the event of any breach of agreement on the part of the contractor.



1075. Management imposed a penalty sum of GH¢126,429.55 representing 15% of the total cost of the project on the contractor for breaching the agreement and caused a refund of GH¢313,813.41 paid for no work done to bring the total recoverable amount to GH¢440,242.96.

1076. Management by way of recovering the amount wrote two letters to Messrs Star Assurance Co. Ltd, Surety for Messrs Buoku Ventures for refund of the amount of GH¢440,242.96.

1077. To ensure the continuation of the project, we urged management to use legal means to recover the total amount of GH¢440,242.96 from either the contractor or the guarantor without further delay and blacklist the contractor.

## **URBAN ROADS - GOASO**

### **Unaccounted Payments - GH¢2,370.00**

1078. Regulation 39(2c) of FAR, 2004 (LI 1802) stipulates that “the head of account section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable”.

1079. Our review disclosed that four payment vouchers covering expenditure of GH¢2,370.00 for goods and services, were not supported with the relevant

expenditure documents such as receipts, invoices, activity reports and other expenditure details to substantiate the payments.

1080. We attributed this anomaly to failure on the part of the Accountant to ensure that the vouchers were duly supported with the necessary expenditure documents.

1081. We recommended that in the absence of the necessary documents, the total amount should be refunded by the Accountant and the Engineer.

### **Unaccounted Fuel Purchases - GH¢7,960.00**

1082. Section 35(2a) of the Financial Administration Act, 2003 (Act 654) stipulates that Accountability is discharged when government stores have been consumed in the course of public business and records are available to show that the government stores have been consumed.

1083. Management however could not provide evidence of usage of fuel and other lubricants totalling GH¢7,960.00 purportedly purchased during the period in their vehicle logbooks. As a result, we could not confirm whether the fuel was used in the interest of the office.

1084. In the absence of entries in the vehicle logbooks, the amount of GH¢7,960.00 should be recovered from the Engineer and the Accountant.

## MINISTRY OF POWER

### Payment of Unearned Salaries - GH¢53,045.07

1085. Regulation 297(1) of the Financial Administration Regulations, 2004 (LI 1802) states that “A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant resigned, retired or died.”

1086. We noted that, between February 2014 and February 2015, a total of GH¢53,045.07 was paid to nine officers who either resigned or vacated post as shown in the table below:

| Staff I.D | Name                     | Position               | Date of Separation | Month               | Amount GH¢ |
|-----------|--------------------------|------------------------|--------------------|---------------------|------------|
| 137063    | Isaac Eshun              | Dep. Dir.              | 27/02/2014         | March, 14- Dec 2015 | 30,639.77  |
| 69727     | Afra C. Nii              | Driver GD III          | 1/3/2015           | March-Dec 2015      | 3,094.41   |
| 735780    | William Anthony          | Assistant Eng.         | 1/9/2014           | Sept 14 - June 2015 | 3,175.76   |
| 759661    | Yaa De-Rex Tanor         | Assistant Eng.         | 1/8/2014           | Aug, 14 - Aug 2015  | 5,803.78   |
| 764623    | Atta Junior Amoako Asare | Assistant Int. Auditor | 24/02/15           | March - Aug 2015    | 3,229.75   |
| 619540    | Benjamin Kwame Amanetey  | Head man Labourer      | 1/12/2014          | Dec 14 - Aug 2015   | 444.00     |
| 883014    | Delali Aboachie          | Assistant Eng.         | 28/02/2015         | March - Aug 2015    | 2,219.20   |

|        |                    |                           |          |                  |                  |
|--------|--------------------|---------------------------|----------|------------------|------------------|
| 802641 | Hanson Monney      | Assistant Eng.            | 20/02/15 | March – Aug 2015 | 2,219.20         |
| 928718 | Hafiz Sule-Braimah | Assistant Records Officer | 28/02/15 | March –Aug 2015  | 2,219.20         |
|        |                    |                           |          |                  | <b>53,045.07</b> |

1087. Failure of the head of the HRD to notify the Controller and Accountant-General to delete the names of the affected staff resulted in this lapse.

1088. We advised management to take steps to delete the names of the affected staff from the payroll and also to recover the amount involved from the separated staff.

### **Vehicles not covered by title documents**

1089. Regulation 6 of the Road Traffic Regulations of 1974, requires that any vehicle bought or change hands should to be transferred to the new owner with all the necessary documents.

1090. Our review of the transport management system of the Ministry disclosed that 44 vehicles were captured on the records of the Transport Unit, however, change of ownership was not effected.

1091. This control weakness was attributed to management’s failure to safe guard government properties and to ensure that ownership of the vehicles were changed.

1092. In the absence of the change, the ownership of the vehicles remained in the name of the dealers, Toyota Ghana Ltd. and others.

1093. We therefore recommended that management should take steps to regularise ownership of the vehicles to forestall future litigation.

## **MINISTRY OF GENDER, CHILDREN AND SOCIAL PROTECTION**

### **Judgement debt - GH¢236,023.40**

1094. The Ministry in September 2013 purchased dress making tools and equipment at a cost of GH¢250,750.00 from PC Dot Print Company Ltd. However, the Ministry failed to effect payment as at 2015.

1095. This compelled the company to demand the money through the court.

1096. The court ruled in favour of the company and awarded a judgement debt of GH¢236,023.40 as interest on the cost.

1097. Management's failure to pay for the items after supply resulted in the judgement debt.

1098. We advised management to ensure prompt payment of supplies to avoid future judgement debt.

### **Unpaid withholding tax - GH¢6,739,602.53**

1099. Contrary to Section 87(1) of the Internal Revenue Act, 2000 (Act 592) management, between July 2015 and December 2015, withheld a total tax of GH¢6,739,602.53 but failed to remit same to the Commissioner, Domestic Tax Division of GRA.

1100. According to management, the fund was retained in the account for recurrent expenditure due to insufficient funds to cover payments due caterers.

1101. We recommended to management to remit the Commissioner -General of GRA, the tax of GH¢6,739,602.53.

### **JUNIOR GIRLS' CORRECTIONAL CENTRE, BOYS' REMAND HOME SHELTER FOR ABUSED CHILDREN SOUTH LABONE GIRLS' VOC. TRG. SCHOOL OF THE DEPARTMENT OF SOCIAL WELFARE ACCRA**

#### **Abandoned Vehicle No.GT 8527-X at a Private Garage**

1102. Our review of asset registers of the Department disclosed that an official Pick-Up Nissan vehicle with registration No. GT8527X which was sent for repairs had been abandoned at a private garage at Ho, since June 2012.

1103. Regulation 1608 of Stores Regulations 1984 states inter alia that government vehicles shall be parked in garages provided for them at the close of work.

1104. Management explained that the vehicle had been left at the garage due to lack of funds to pay for the cost of repairs.

1105. To prevent pilferage of essential parts of the vehicle, we recommended to management to source for funds from Headquarters (Ministry) to finance the repair works, or seek approval from the authorities concerned to auction the vehicle to avoid total loss of value.

## **MINISTRY OF CHIEFTAINCY AND TRADITIONAL AFFAIRS**

### **Failure to record fuel purchased in vehicle log books - GH¢45,486.65**

1106. Stores Regulation 1604 requires that, “A log book shall be maintained for each government vehicle in which journeys undertaken as well as full particulars of receipts of fuel, oil and lubricants are recorded. Additionally, under regulation 1605, the head of department should ensure that the rate of consumption of fuel and oil is computed monthly, in miles per gallon/ kilometer per liter and recorded in the log books.

1107. We however, observed that fuel worth GH¢45,486.65 comprising fuel coupons of GH¢39,920.00 and cash purchase of GH¢5,566.65 were not captured in the log books of 21 official vehicles and two motor bikes of the Ministry.

1108. We therefore, could not confirm the authenticity of fuel worth GH¢45,486.65 purportedly bought and consumed by the vehicles and motor bikes and whether the vehicle were exclusively used for official duties.

1109. To ensure proper accountability of fuel usage, we advised management to strictly ensure that log books were properly maintained and updated regularly. We also urged management to regularise the purchase and consumption of fuel worth GH¢45,486.65 in the log books.

## **MINISTRY OF INFORMATION AND NATIONAL ORIENTATION**

### **GHANA BROADCASTING CORPORATION- KOFORIDUA**

#### **Indebtedness to GBC - GH¢272,584.89**

1110. Regulation 2(d) of Financial Administration Regulations, 2004 (LI 1802) requires a head of government department to secure the due and proper collection of government revenue collectable by the department.



1111. Our review of the Debtors' Ledger of Ghana Broadcasting Corporation (GBC), Koforidua disclosed that 165 individuals and organisations owed the Corporation a total amount of GH¢272,584.89 for services rendered.

1112. Management's failure to pursue legal action to recover the amounts after the issuance of the Demand Notice resulted in the outstanding debt.

1113. We recommended that management should take legal action to recover the amount.

#### **Dishonoured Cheques - GH¢4,000.00**

1114. Regulation 32(1) of the Financial Administration Regulations, 2004 (LI 1802) states "A head of department shall recover the value of any dishonoured monetary instrument from the person who issued the instrument."

1115. A Unibank Cheque No. 000035 of GH¢4,000.00 issued by Unique plus Health Care on 8 February to GBC SUNRISE FM to pay for services rendered was dishonoured.

1116. Management's failure to pursue legal action to recover the amounts after the issuance of the Demand Notice accounted for the lapse thereby depriving the Corporation the needed revenue.

1117. We urged management to institute legal action to recover all debt owed with interest.

## **MINISTRY OF TOURISM, CULTURE AND CREATIVE**

### **ARTS CENTRE FOR NATIONAL CULTURE (CNC), TAMALE**

#### **Non transfer of Internally Generated Funds (IGF) into Consolidated Fund Accounts - GH¢19,467.00**

1118. Section 1 of the Retention Funds Act, 2007 (Act 735) requires Regional Centers for National Culture to retain 50% of their IGF and remit the remaining 50% to the Consolidated Fund (CF) account.

1119. Our audit disclosed that the Centre for National Culture at Tamale collected a total IGF of GH¢38,934.00 between January and December 2016 but transferred only GH¢700.00 (3.6%) instead of GH¢19,467.00 into the CF and expended GH¢18,767.00 on recurrent without approval from the Minister of Finance.

1120. We recommended that the expenditure incurred without the Minister's approval should be disallowed and surcharged against the Spending Officer.

## MINISTRY OF LANDS AND NATURAL RESOURCES

### LAND VALUATION BOARD - DENU

#### Unearned Salary - GH¢9,163.17

1121. Regulation 297(1) of the FAR, 2004 (LI 1802\_ states "A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public service resigned, retired or died".

1122. Contrary to the above regulation, we noted during our payroll audit that a total amount of GH¢9,163.17 covering 13 May 2015 to January 2016 was paid as unearned salary to Mr. Edwin Simpler Addor's account with the Agric Development Bank, Denu Branch. Mr. Addor with ID No. 4163 retired from the Land Valuation Board with effect from 12 May, 2015.

1123. Management's failure to closely monitor the payroll led to the situation and this could result in a financial loss to the State.

1124. We recommended and Management agreed to retrieve the amount from the gratuity of Mr. Addor.

### LANDS COMMISSION-SEKONDI

#### Non-payment of rent - GH¢6,657,597.90

1125. The Operational Manual of the Lands Commission, Chapter V Section 5.4 (a) states among

others that," the Commission shall take proactive steps to collect rents in respect of its estates".

1126. Examination of rent registers of the occupants of State lands revealed that a number of institutions and 18 individuals were indebted to the Government an amount of GH¢6,642,389.90 in respect of ground rent and GH¢15,208.00 as staff rent.

1127. We urged management to adopt stringent measures, including court action, to recover the arrears of rent from the individuals and institutions concerned.

### **Overpayment of salary - GH¢18,915.29**

1128. Regulation 292(1) of FAR, 2004 (LI 1802) states that " Every head of department shall keep records of all personnel emolument of staff employed in the department, in a form that ensures that the rates authorised for payments are not exceeded".

1129. Contrary to the regulation, personal files and Electronic Salaries Payment Vouchers examined revealed that, three staff of the Commission, Nana Adjei Manu, Ernest Okyere and Grace Baaba Yeboah who were employed on 28 December, 2012 received salaries of higher rank officers. As a result a total unearned salary of GH¢18,915.29 was paid to them as shown in the table below:

| Name               | Actual Rank    | Real Salary GH¢  | Amount Paid GH¢  | Difference GH¢   |
|--------------------|----------------|------------------|------------------|------------------|
| Ernest Otchere     | Driver Gd II   | 12,684.02        | 15,380.78        | 2,696.76         |
| Nana Adjei Manu    | Admin. Officer | 42,782.75        | 51,627.59        | 8,844.84         |
| Grace Baaba Yeboah | Steno. Gd 1    | 12,081.96        | 19,455.65        | 7,373.69         |
|                    |                | <b>67,548.73</b> | <b>86,464.02</b> | <b>18,915.29</b> |

1130. Management explained that the anomaly occurred during their appointment and mechanisation of salaries and that Head Office was fully aware and steps were being taken to streamline the anomaly.

1131. We urged management to restore them to their correct salary scale and also recover the amount of GH¢18,915.29 from the affected persons and pay same into the Controller and Accountant- General's Suspense Account.

### **LANDS COMMISSION, TAMALE**

#### **Revenue collected not fully accounted for - GH¢2,234.00**

1132. Regulation 28(1) of the Financial Administration Regulations 2004 (LI 1802) requires that "A collector who is satisfied that money tendered is in order, shall issue an original receipt to the payer and shall deal with the

duplicate and triplicate copies as required by the departmental Accounting Instructions.”

1133. Our examination of revenue collectors cash books at the Land’s Commission, Tamale revealed that a total revenue of GH¢2,234.00 was short accounted for by Mr. John Tamaklor as shown below:

| Date of Collection | GCRs No.   | Amount Collected GH¢ | Amount Paid GH¢ | Difference GH¢  | Treasury Receipt No. |
|--------------------|------------|----------------------|-----------------|-----------------|----------------------|
| 24/04/15           | 53606      | 175.00               | 75.00           | 100.00          | 52768                |
| 24/04/15           | 53607      | 205.00               | 105.00          | 100.00          | 52768                |
| 25/08/15           | 772716     | 60.00                | 40.00           | 20.00           | 57323                |
| 11/3/2015          | 110605     | 1,500.00             | -               | 1,500.00        | -                    |
| 27-10/02/15        | 0127093-97 | 434.00               | -               | 434.00          | -                    |
| 17/02/15           | 50921      | 220.00               | 40.00           | 80.00           | -                    |
| <b>Total</b>       |            | <b>2,594.00</b>      | <b>360.00</b>   | <b>2,234.00</b> |                      |

1134. This was due to weak supervision and irregular checks on the revenue collectors which affected efficient revenue accountability.

1135. We urged management to ensure that the officer concerned refunded the amount.

**Inappropriate mode of selecting consultant - GH¢4,550.00**

1136. Section 66(3a) of Public Procurement Act 2003, (Act 663) State “Where direct invitation is necessary for

economic and efficiency reasons, the procurement entity with the approval of the Board may apply the provisions of subsection (1) and (2) where the services to be procured are available only from a limited number of consultants, if it invites expressions of interest from all these consultants”.

1137. The Tamale Regional Lands Commission made single source procurement by paying GH¢4,550.00 to Ace Consult for consultancy services without putting it to tender. We also noticed that the Commission did not seek for approval from the Public Procurement Authority before embarking on the process of sole sourcing.

1138. We advised management to comply with the provisions in the Public Procurement Act.

### **Fuel purchases not accounted for - GH¢2,135.00**

1139. Regulation 1604 of the Stores Regulations 1984 states “A vehicle log book shall be maintained for each vehicle and shall always be carried in the vehicle”. Journeys undertaken shall be recorded and full particulars of receipts of fuel, oil, and lubricants shall be entered up daily in the book by the driver. Recording in the log book shall be made in duplicate. All journeys recorded in the log book shall be certified by the officer using the vehicle.”

1140. We observed that fuel worth GH¢2,135.00 purchased by the Tamale Regional Lands Commission for official use was not recorded in the vehicle log books.

1141. Management's failure to effectively supervise the duties of the drivers resulted in the anomaly.

1142. Non-adherence to the provisions above made it difficult to confirm the authenticity of the payments.

1143. We recommended that management should provide evidence of the use of the fuel purchased, failure of which the amount be recovered from the spending officer.

#### **GEOLOGICAL SURVEY DEPARTMENT, TAMALE**

##### **Withdrawals not accounted for - GH¢5,800.00**

1144. Section 13(a) of the Audit Service Act, 2000 (Act 584) states that "The Auditor-General shall examine in such a manner as he thinks necessary, the public and the government accounts and shall ascertain whether in his opinion Moneys have been expended for the purpose for which they were appropriated and the expenditures have been made as authorised".

1145. Our examination of the bank statement disclosed that withdrawals totalling GH¢5,800.00 were made by the Tamale Regional Geological Accountant, Ms. Bintu



Fatimah Gomda but failed to record in the cash book, neither did she raise payment vouchers to support disbursement as shown below:

| <b>Date</b>  | <b>Cheque No</b> | <b>Amount GH¢</b> |
|--------------|------------------|-------------------|
| 17/7/15      | 631181           | 3,000.00          |
| 17/7/15      | 631182           | 600.00            |
| 17/7/15      | 631183           | 2,000.00          |
| 11/8/16      | 631185           | 200.00            |
| <b>Total</b> |                  | <b>5,800.00</b>   |

1146. We recommended that the amount should be recovered from the Accountant.

#### **Payment not fully accounted for - GH¢6,055.00**

1147. Regulation 39(2c) of FAR, 2004, (LI 1802) states that “the head of the Accounts section of a department shall control the disbursements of funds and ensure that transactions are properly authenticated to show that accounts are due and payable”.

1148. Four payment vouchers raised to pay an amount of GH¢6,725.00 were not fully accounted for with the necessary receipts and invoices as shown below:

| Date         | PV No     | Details                | PV Amount GH¢   | Amount Accounted GH¢ | Diff. GH¢       |
|--------------|-----------|------------------------|-----------------|----------------------|-----------------|
|              | GSD/02/16 | Electricity bought     | 440.00          | 390.00               | 50.00           |
| 1/7/16       | GSD/19/16 | Maintenance of vehicle | 485.00          | 280.00               | 205.00          |
| 6/1/16       |           | Goods and Services     | 3000.00         | -                    | 3000.00         |
| 4/7/16       |           | Goods and Services     | 2800.00         | -                    | 2800.00         |
| <b>Total</b> |           |                        | <b>6,725.00</b> | <b>670.00</b>        | <b>6,055.00</b> |

1149. This could result in payment for non-existent transactions.

1150. We recommended that the Accountant should refund the difference of GH¢6,055.00 not accounted for.

## OTHER AGENCIES

### KOFI ANNAN CENTRE OF EXCELLENCE IN ICT Revenues not transferred into the Consolidated Fund - GH¢ 1,717,661.66

1151. Regulation 17 of the Financial Administration Regulations, 2004 states that a head of department shall ensure that all Non-Tax Revenues are immediately lodged into the Consolidated Fund bank accounts except in the case of Internally Generated Funds retained under an enactment and monitor and ensure that all Non-Tax Revenue lodged into the transit bank accounts are

promptly transferred into the main Consolidated Fund bank account.

1152. Our review of cash management revealed that total revenue of GH¢1,717,661.66 collected as IGF during the period 1/1/2015 to 31/12/15 was lodged into the Center's operations account. We further observed that only GH¢30,800 representing 1.8 % was transferred into the consolidated fund.

1153. We also noted that management incurred its administrative, service and capital expenditures from this collection without authorization from the Ministry of Finance. This in our view constituted total disregard for the regulation and a breach of financial discipline.

1154. We recommended that management should recover the GH¢1,717,661.66 wrongly lodged in the operations account and pay same into the Consolidated fund.

1155. Management explained that the funds were used to pay for utilities, internet access, security, janitorial services and replacement of vital equipment when releases were not forth coming.

## **CIVIL SERVICE TRAINING CENTRE**

### **Outstanding debts not recovered - GH¢48,600.00**

1156. Regulation 110 of the Financial Administration Regulations, 2004 (LI 1802) states that, a head of department or the officer to whom the duties of the head of department have been delegated shall ensure that moneys owed the institution or department are duly recovered.

1157. We observed that Management failed to recover fees charged totalling GH¢48,600.00 for organizing training programmes for MDAs.

1158. We recommended to Management to collect the debt from the beneficiary MDAs.

### **Unpresented payment vouchers - GH¢57,859.50**

1159. Regulation 1 of the Financial Administration Regulations, 2004, (LI 1802) states that, 'Any public officer who is responsible for the conduct of financial business on behalf of the Government of Ghana, the receipt, custody and disbursement of public and trust moneys, shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so.'

1160. The Centre paid a total amount of GH¢57,859.50 to individuals and organisations for various activities on 14

PVs but the Accountant failed to present the PVs for audit examination.

1161. We therefore could not vouch for the veracity of the transactions.

1162. We recommended to management to ensure that the Accountant submitted the vouchers for audit examination or make good the amount of GH¢57,859.50.

**PV not supported with minimum of three quotations - GH¢9,218.97**

1163. Section 43(1) of the Public Procurement Act 2003, Act 663 requires the procurement entity to request for quotations from as many suppliers or contractors as practicable, but from at least three different sources.

1164. The Centre procured goods and services worth GH¢9,218.97 from suppliers and service providers. We however noted that, the officer in charge of procurement did not obtain at least three quotations from different suppliers to support the three vouchers covering the payments, neither was approval sought from the Procurement Authority to engage in sole sourcing.

1165. This practice which was a breach of the provisions in the Procurement Act and could lead to procurement at uncompetitive prices.

1166. We advised management to enforce compliance with the requisite provision to the PPA in future.

### **PUBLIC SECTOR REFORM SECRETARIAT**

#### **Unretired imprest - GH¢32,100.00**

1167. Imprest shall be retired at the close of a financial year and any imprest not retired shall be adjusted to a personal advance account in the name of the imprest holder.

1168. We observed that management granted imprest totalling GH¢32,100.00 to eight members of staff to perform activities on behalf of the Secretariat. However, the eight officers failed to account for the amount at the end of the audit period.

1169. Failure of management to enforce accountability by the affected officers resulted in this lapse.

1170. We recommended that management should convert the imprests into salary advance in the name of the affected officers and recover same from their salaries.

#### **Unreceipted payments - GH¢22,373.75**

1171. Regulation 39(2) of the Financial Administration Regulations, 2004 (LI 1802) requires heads of account sections of departments to control the disbursements of

funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

1172. Management paid a total amount of GH¢22,373.75 to six suppliers and service providers for goods and services supplied. We however noted that the Accountant did not support the payment vouchers with official receipts of the payees.

1173. In the absence of the receipts, we could not confirm whether the service providers have received payments for their services.

1174. We recommended to management to demand the receipts from the payees to complete the transactions.

1175. Management attributed the cause of this anomaly to direct payment to suppliers through the GIFMIS platform which did not see the need to bring receipts for payment made.

### **Unpresented payment Vouchers - GH¢16,838.55**

1176. Regulation 1(b) of the Financial Administration Regulations, 2004 (LI 1802) states that; any public officer who is responsible for the receipt, custody and disbursement of public and trust moneys shall keep proper records of all transactions and shall produce

records of the transactions for inspection when called upon to do so.

1177. The Secretariat paid a total amount of GH¢16,838.55 for various activities undertaken during the period. The Accountant however did not submit the three payment vouchers covering the payments for audit to ascertain the genuineness or otherwise of the transactions they covered.

1178. We attributed the anomaly to improper records keeping by the schedule officer.

1179. The absence of the payment vouchers denied the audit the opportunity to establish the authenticity of the payments.

1180. To ensure accountability and transparency, we recommended to management to locate and submit the vouchers for our examination or the amount involved should be refunded by the Accountant.

### **Unearned Salary - GH¢1,521.56**

1181. Regulation 297(1&2) of the Financial Administration Regulations, 2004 (LI 1802) states that, A head of department shall cause the immediate stoppage of payment of salary and all other payments to a public servant when that public servant has resigned or retired.'



1182. Mr. George Wobill, with a staff Identity number 49036, went on compulsory retirement on 30 October 2015 but was continually paid unearned salaries totalling GH¢1,521.56 for the months of November and December 2015.

1183. Management attributed the lapse to the Controller and Accountant-General's failure to discontinue the payment of salary when input for deletion was prepared and submitted for further action.

1184. Unearned salary paid to a retired or resigned staff if not recovered constituted a loss to the State.

1185. We therefore recommended to management to recover the amount of GH¢1,521.56 from the retired officer.

### **VOLTA REGIONAL CO-ORDINATING COUNCIL** **Misapplication of Funds - GH¢ 960,700.29**

1186. Contrary to the Ministry of Local Government and Rural Development's guidelines on MMDAs share of the Common Fund that 60% of the allocation should be spent on General Administration and 40% on Monitoring and Evaluation by the Regional Planning Co-ordinating Unit (RCPU), management failed to comply and spent only 7.5% of the share of the Common Fund on Monitoring

during the period August 2015 to July 2016 as shown below:

| S R. N o.     | Date       | Period for the fund       | Total Allocation Received | 40% Share for monitoring | Actual Amt. spent GH¢ | Variance          |
|---------------|------------|---------------------------|---------------------------|--------------------------|-----------------------|-------------------|
| 1.            | 28/08/2015 | 2 <sup>nd</sup> Qtr. 2015 | 447,900.41                | 179,160.16               | 50,000.00             | 129,160.16        |
| 2.            | 03/11/2015 | 3 <sup>rd</sup> Qtr. 2015 | 471,342.71                | 188,537.08               | 50,000.00             | 138,537.08        |
| 3.            | 26/11/2015 | 3 <sup>rd</sup> Qtr. 2015 | 432,758.95                | 173,103.58               | -                     | 173,103.58        |
| 4.            | 04/01/2016 | 4 <sup>th</sup> Qtr. 2015 | 441,991.84                | 176,991.84               | 70,000.00             | 106,991.84        |
| 5.            | 17/6/2016  | 1 <sup>st</sup> Qtr. 2015 | 657,999.58                | 263,199.83               | 50,000.00             | 213,199.83        |
| 6.            | 19/7/2016  | 2 <sup>nd</sup> Qtr. 2015 | 499,269.51                | 199,707.80               | -                     | 199,707.80        |
| <b>Totals</b> |            |                           | <b>2,951,263.00</b>       | <b>1,770,757.81</b>      | <b>1,180,700.29</b>   | <b>960,700.29</b> |

1187. Management attributed the cause of the deviation to insufficient receipt of the allocation resulting in huge outstanding debt under Administration which needed to be settled to avoid legal tussle.

1188. We recommended that management should refund the total amount of GH¢960,700.29 to the RPCU from the Council's subsequent releases.

## **Missing vehicles**

1189. Regulation 183(3) of FAR, 2004 (LI 1802) requires that, “A head of department shall be accountable for the proper care, custody and use of government stores from the time of acquisition until they have been used or otherwise disposed of in accordance with the regulation”.

1190. Our physical inspection of vehicles owned by the Volta Regional Coordinating Council disclosed that an official Land Rover vehicle with registration number GT 8935 R got missing from a workshop when it was sent for repairs on 29/10/09 and had since not been retrieved.

1191. Similarly, a Rover Saloon car with registration number. VR 133-V and a Nissan Patrol with registration number GT 382 - 13 got lost from the pool.

1192. According to the Transport officer the Rover Saloon Car had been with a retired Director in Accra for the past two years and had refused to return it. The Nissan patrol was also sent to Ashanti Region for official assignment but got broken down and had still not been returned.

1193. We attributed the anomaly to laxity in vehicle controls and ineffective supervision by management on the transport officer.

1194. We urged management to report the matter to the Police to investigate the whereabouts of the vehicles and retrieve them for the Council. Also management should ensure that proper controls and supervision mechanisms were put in place to prevent future occurrence.

1195. According to Management a board of survey met on the vehicle and they were waiting recommendations for action to be taken. The matter was still under correspondence.

#### **Rent Arrears - GH¢40,579.18**

1196. Occupants of government bungalows/flats/quarters are expected to pay 10% of their basic salary as rent in accordance with Ministry of Finance circular number 133385/05/06/NTR CADG of 15/5/ 2006.

1197. A review of records on government bungalows/flats/quarters at the Volta Regional Coordinating Council disclosed that 35 occupants owed a total amount of GH¢40,579.18 as rent for the period July 2015 to August, 2016.

1198. Management's failure to compel occupants to honor their rent obligations were the cause of the anomaly. Under the circumstances funds could not readily be made available for the rehabilitation of the bungalows/flats/quarters.

1199. We urged management to adopt stringent measures to recover the arrears and also ensure that appropriate inputs were submitted to Controller and Accountant- General's Department to deduct rent due at source from salaries of staff. Again the maintenance of a proper database, monthly reconciliation with payroll records and effective monitoring to ensure payment of rent by occupants were recommended.

**REGIONAL ENVIRONMENTAL HEALTH UNIT - HO  
Unreceipted payments - GH¢ 53,578.00**

1200. Regulation 39(2) of the Financial Administration Regulations, 2004 (LI 1802), requires heads of account sections of departments to control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

1201. Contrary to the above Regulation, the Environmental Health Unit of the Volta Regional Coordinating Council made payments on five vouchers amounting to GH¢99,460.00 and provided receipts for only GH¢45,882.00 leaving a difference of GH¢53,578.00 unaccounted for.

1202. We could not confirm whether the amounts were received by the payees involved.

1203. We urged the Environmental Health Officer (REHO) to ensure that official receipts were obtained from the service providers to enhance transparency and accountability. Failing which the REHO should be surcharged with the total amount involved.

1204. Management therefore requested the Environmental Health Officer to account fully for the money since the programme had been completed.

### **MANAGEMENT SERVICES DEPARTMENT**

#### **Payment vouchers not supported with official receipts - GH¢2,018.06**

1205. Regulation 39(2) of the Financial Administration Regulations, 2004 (LI 1802) requires heads of accounts section of departments to control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

1206. Our examination of Payment Vouchers disclosed that the Accountant did not support three vouchers used in disbursing GH¢2,018.06 with official receipts. The payments were allegedly made to Ghana Water Company Limited between April 2015 and December 2015.

1207. Not supporting the vouchers with relevant receipts did not give sufficient assurance that the payments made were in the interest of the department.

1208. The schedule officer explained that Ghana Water Company Limited did not issue receipts to the Department because the amount was erroneously credited to a wrong account.

1209. Management confirmed that GWSL delayed the issuance of the receipts due to technical error and that the receipt would be issued as soon as the anomaly was rectified.

1210. We recommended to management to urge the schedule officer to obtain the receipts from Ghana Water Company Ltd., failing which the amount should be refunded by the Accountant.

## **PUBLIC SERVICES COMMISSION**

### **Purchase of vehicle without tender - GH¢268,450.00**

1211. Section 47(2) of the Public Procurement Act, 2003, Act 663 states that, the invitation to tender or invitation to prequalify shall also be published in at least two newspapers of wide national circulation.

1212. The Commission in September 2015, procured two pickup vehicles at a total cost of GH¢268,450.00 from Japan Motors Trading Company Limited.

1213. Our audit however disclosed that, management did not publish the invitation to tender for the contract in any two newspapers of wide national circulation.

1214. The schedule officer explained that one publication was made in the Ghanaian Times newspaper and the other was placed on the Commission's website.

1215. We were of the view that the provision in the Act stipulates that; invitation to tender should be published in at least two newspapers of wide national circulation and not websites.

1216. The required procurement process was therefore not followed and there was also the risk that the Commission would not benefit from good quality vehicles at competitive prices.

1217. We recommended to management to ensure that at all times provisions in the Procurement Act were duly followed to ensure value for money.

### **Outstanding rent and utility charges not collected - GH¢1,600.00**

1218. The Commission rented part of its premises to one Madam Rosemary Abbey to operate canteen services to the general public. The two parties agreed that Madam Rosemary Abbey (the tenant) would pay GH¢400.00 as



monthly rent and cost of utilities. The agreement was to take effect from September 2015.

1219. We noted that the tenant defaulted in the payment of both rent and utility charges to the tune of GH¢1,600.00 and the Commission did not ensure collection of the outstanding amount. The amount was in respect of the period from September 2015 to December 2015.

1220. According to the Accountant management had on several occasions reminded Madam Rosemary Abbey to settle her indebtedness to the Commission but to no avail.

1221. We recommended to management to ensure the recovery of the amount of GH¢1,600.00 from the tenant. We also advised on prompt collection of rent and utility charges in future. We again advised management on the need for an upward review of rent and utility charges to reflect the current economic trends.

1222. In response, management stated that they had reviewed the rent upwards to GH¢600.00 a month effective January 2016 while attempts are being made to recover the outstanding debt of GH¢1,600.00.

## GHANA METEOROLOGICAL AGENCY - WA

### Stolen Computer - GH¢1,500.00

1223. Regulation 183(3) of the Financial Administration Regulations, 2004 (LI 1802) states that “a head of department shall be accountable for the proper care, custody and use of government stores from the time of acquisition until they have been used or otherwise disposed off”.

1224. Inventory check revealed that one Dell Computer valued at GH¢1,500.00 was stolen from the Office on 7 October 2015.

1225. Although management had reported the loss to the Regional Police Command, Wa, as at the time of our audit, the Police had not been able to arrest the suspect.

1226. We advised management to follow up and ensure that the Regional Police Command apprehended the perpetrator or the Municipal Meteorological Officer Mr. Samuel Gyekye be surcharged with the cost of the computer.

1227. Again, we advised the Regional Meteorological officer to strengthen security measures at the Agency in order to avoid the recurrence of this incident.

1228. The Police assured Management of intense investigation into the matter and would inform them accordingly of any development on the matter.

### **GEOLOGICAL SURVEY DEPARTMENT (ACCRA)**

#### **Payment of Unearned Salaries - GH¢5,780.59**

1229. Mr. Nana Oppong Adjei, a staff of Geological Survey Department, vacated post in November, 2014 but was continually paid unearned salaries totalling GH¢5,780.59 for the periods December 2014 to June 2015.

1230. We recommended full recovery of the unearned salaries from the officer.

1231. Management in response stated that the Department had written to the Ghana Commercial Bank, Gulf House to pay all monies accrued into Mr. Oppong Agyei's Account into the Controller and Accountant General's Suspense Account. The bank was yet to furnish the Department with the outcome.

### **NATIONAL COMMISSION FOR CIVIC EDUCATION - BOLGATANGA**

#### **Unsupported payments - GH¢21,820.00**

1232. Regulation 39(2c) of Financial Administration Regulations, 2004 (LI 1802) states that the head of the accounts section of a department shall control the disbursements of funds and ensure that transactions are

properly authenticated to show that amounts are due and payable and any order for disbursements that does not meet these requirements is rejected.

1233. Contrary to the above regulation, we noted that the Regional Municipal office made payments totalling GH¢18,240.00 on two vouchers without official receipts, invoices and statements of claim to authenticate the transactions.

1234. The anomaly was caused by management's failure to ensure that official receipts, invoices and statements of claims were obtained to support the payments.

1235. Similarly, out of GH¢18,652.00 released on four payment vouchers, only GH¢15,062.00 was accounted for by way of receipts and invoices leaving a difference of GH¢3,590.00 unaccounted for.

1236. In the absence of the expenditure supporting documents, we could not ascertain whether the funds were actually released to the payees.

1237. We recommended to management to surcharge the Accountant with the amount.

## **COMMUNITY DEVELOPMENT - KOFORIDUA**

### **Rent Defaulters - GH¢3,440.00**

1238. Occupants of Government Bungalows/flat /quarters are expected to pay 7% and 16% of their basic salary towards rent in accordance with Ministry of Finance Circular No. MFCMU/of 21 August 2001 and 133385/05/06 NTRCAGD of 15 May 2006.

1239. The Department's Rent Register disclosed, that two staff members who occupied the Department's housing facilities defaulted in the payment of rent amounting to GH¢3,440.00 for periods ranging between 10 and 22 months due to management's failure to vigorously pursue recovery of the rent from tenants as required under the Circular.

1240. The lapse denied the department access to funds which could have been used to fund maintenance and repair works on such housing facilities.

1241. We advised management to recover the arrears of rent from the defaulters and put in effective measures to ensure prompt payment of rent by tenants.

## **GOVERNMENT SECRETARIAL SCHOOL, TAMALE**

### **Failure to disclose revenue - GH¢126,345.00**

1242. Regulations 19(1) of the Financial Administration Regulations, 2004 requires the head of department to fully

disclose all non-tax revenue (fees) collected, lodged or retained to the Auditor- General.

1243. We noted that the Government Secretarial School at Tamale had a student population of 243 with an expected revenue of GH¢161,750.00 to be generated by way of sale of admission forms, school fees and other charges. Management however, disclosed only GH¢35,405.00 in the books of accounts leaving GH¢126,345.00 not accounted for as shown below:

|                                      | No. of Students<br>(a) | Reg. Form | App. Forms | Sch. Fees | Total Fees<br>(b) | Grand Total<br>(a*b) |
|--------------------------------------|------------------------|-----------|------------|-----------|-------------------|----------------------|
| Hostel                               | 85                     |           | -          | 200.00    | 200.00            | 17,000.00            |
| Mattress                             | 40                     | -         | -          | 50.00     | 50.00             | 2,000.00             |
| 1st Year                             | 70                     | -         | 60.00      | 400.00    | 460.00            | 32,200.00            |
| 2nd Year                             | 93                     | 350.00    | -          | 400.00    | 750.00            | 69,750.00            |
| Intermediate                         | 80                     | -         | 60.00      | 450.00    | 510.00            | 40,800.00            |
| <b>Total</b>                         |                        |           |            |           |                   | <b>161,750.00</b>    |
| <b>Less:</b><br>Registration<br>Paid |                        |           |            |           |                   | 35,405.00            |
| <b>Balance</b>                       |                        |           |            |           |                   | <b>126,345.00</b>    |

1244. The anomaly occurred because the Principal used unauthorised receipts to collect fees without the involvement of the School's Accountant even though Management had in stock of CAGD's General Counterfoil Receipts (GCRs) for use.

1245. This act of financial indiscipline was a deliberate attempt to suppress the School's funds for personal benefit, a situation that had made the School to lose revenue for its activities.

1246. We therefore recommended that

- a. The principal should refund the amount of GH¢126,345.00 to the school and punitive action taken against him.
- b. Fees and other forms of charges must be collected by the Accountant to ensure proper accountability.
- c. CAGD's GCRs must be the only medium for collection of fees from students.

# 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