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**REPORT OF THE AUDITOR-GENERAL ON THE
PUBLIC ACCOUNTS OF GHANA – PUBLIC BOARDS,
CORPORATIONS AND OTHER STATUTORY INSTITUTIONS
FOR THE PERIOD ENDED 31 DECEMBER 2021**



This report has been prepared under Section 14 of the Audit Service Act, 2000 (Act 584) for presentation to Parliament in accordance with Section 20 of the Act.

**Johnson Akuamoah Asiedu
Auditor-General
Ghana Audit Service
1 June 2022**

This report can be found on the Ghana Audit Service Website: www.ghaudit.org

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Location: Ministries Block 'O'**

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TRANSMITTAL LETTER

My Ref. No. **AG.01/109/Vol.2/172**

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1 June 2022

Dear Rt. Hon. Speaker,

**REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS
OF GHANA: PUBLIC BOARDS, CORPORATIONS AND OTHER
STATUTORY INSTITUTIONS FOR THE PERIOD
ENDED 31 DECEMBER 2021**

I have the honour to submit my audit report on the Public Accounts of Ghana – Public Boards, Corporations, and other Statutory Institutions to you to be tabled in the House pursuant to Article 187 (5) of the 1992 Constitution.

2. The report has been structured into three parts. Part I provides an overall summary of significant findings and recommendations; Part II is a summary of findings and recommendations in respect of each Sector Ministry and their respective Public Boards, Corporations, and other Statutory Institutions, while Part III gives the full details of my findings and recommendations.

3. Mr. Speaker, this report highlights the significant findings arising from the audit of the financial operations of Public Boards, Corporations, and other Statutory Institutions in accordance with Section 13 of the Audit Service Act,

2000 (Act 584). This includes details of financial irregularities identified and resulting from breakdown of internal controls. The report also provides recommendations, where appropriate, and which implementation, it is reasonably assumed, would help rectify identified weaknesses in the financial management control systems.

4. I would like to thank my staff and the contracted Audit Firms for their invaluable contributions towards the production of this report.

5. I am also grateful to the Chief Executives, Chief Finance Officers, and the staff of the various Institutions for their cooperation during the audits.

6. Finally, I would like to thank the Public Accounts Committee for their continued confidence and support for my work by reviewing my reports and reinforcing my recommendations to the Public Boards and Corporations for purposes of prudent management of the public purse.

Yours faithfully,



JOHNSON AKUAMOAH ASIEDU
AUDITOR-GENERAL

THE RT. HON. SPEAKER
OFFICE OF PARLIAMENT
PARLIAMENT HOUSE
ACCRA

Contributing Audit Firms

- A.A.D. & Associates
- AA&K Chartered Accountants
- AC- Ernest Dawlah
- Ahima-Adonteng & Associates
- Aikins-Hawkson & Associates
- Aryeetey & Associates
- Asafu-Adjaye & Partners
- Asamoah Bonsu & Co.
- Back Consult
- Baker Tilly Andah + Andah
- Boateng, Offei & Co.
- Ceresys Associates
- CFY Partners
- Crowe Veritas
- Deloitte & Touchè (Ghana)
- Deon & Neod International
- EAV & Associates
- Eddie Nikoi Accounting Consultancy
- Ernst & Young (EY) Ghana
- IAKO Consult and DOFAC Services
- Intellisys
- Issifu Ali & Co.
- K & A Accounting Services
- Kissi Consult
- Kwaku Nkrumah Consult
- Kwame Asante & Associates
- Kwesie & Partners
- MGI O.A.K. Chartered Accountants
- Morrison & Associates
- Opoku, Andoh & Co.
- Planita Consult
- PricewaterhouseCoopers (PwC)
- Raat Global Audit & Consultancy
- Robert Azu & Partners
- UHY Voscon

REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA-PUBLIC BOARDS, CORPORATIONS AND OTHER STATUTORY INSTITUTIONS FOR THE PERIOD ENDED 31 DECEMBER 2021

Introduction

The audit of the accounts of Public Boards, Corporations and other Statutory Institutions for the period ended 31 December 2021 has been conducted in accordance with Article 187(2) of the 1992 Constitution of the Republic of Ghana.

2. The objective of the audit was to express an opinion on the accounts submitted by each Public Board, Corporation, and other Statutory Institutions for my examination.

3. We also evaluated the adequacy of the system of internal controls, compliance with relevant legislations, stated accounting policies and applicable financial rules and regulations of these organisations.

4. Matters raised in this report are among those which came to our notice during the period ended 31 December 2021. The observations and recommendations arising out of the audits were discussed with the Management Teams of the affected Institutions and comments received, where appropriate, have been incorporated in this report. The report is in three parts:

- Part I provides a summary of the significant audit findings and recommendations;
- Part II provides the significant findings and recommendations according to Sector Ministries; and
- Part III deals with the details of findings and recommendations.

PART I

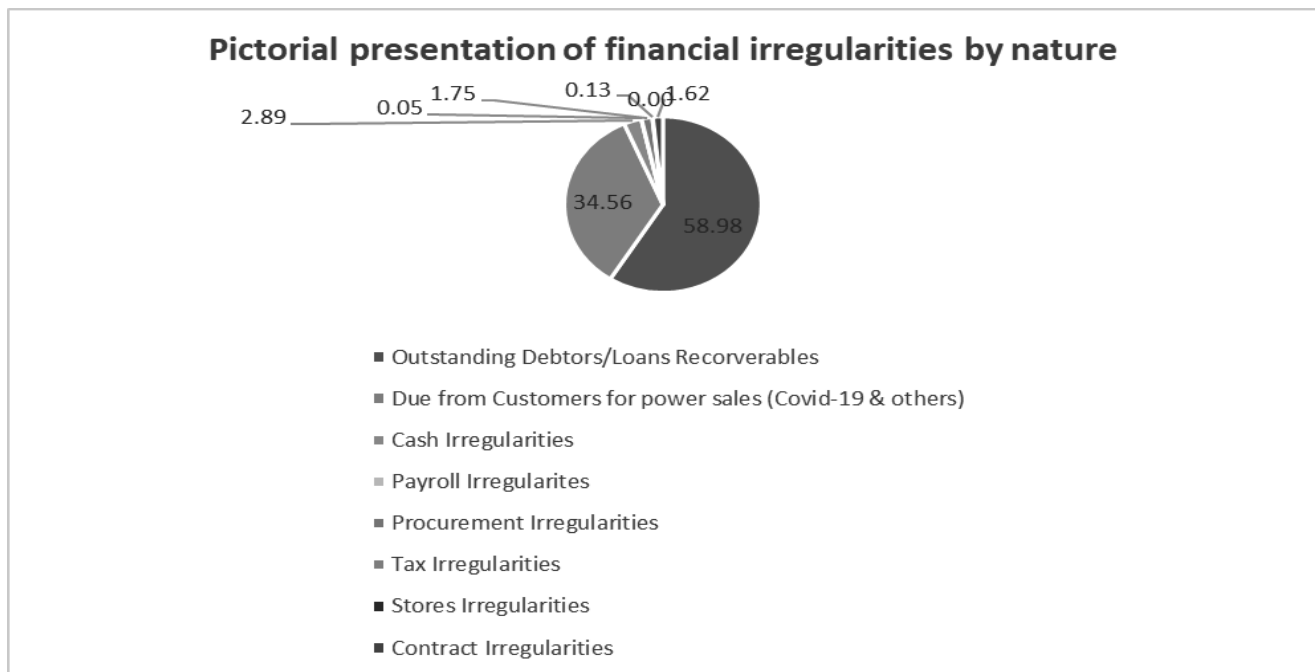
SUMMARY OF FINDINGS AND RECOMMENDATIONS

5. Presented in table 1 is the financial impact of these irregularities according to their nature.

Table 1: Summary of financial irregularities for the period ended 31 December 2021

NO	Type of Irregularity	%	Amount (GH¢)	Amount (US\$)	Amount (C)	Amount (£)	Total Amount (GH¢)
1a	Outstanding Debtors/Loans Recorverables	58.98	10,312,061,794.43		-	-	10,312,061,794.43
1b	Due from Customers for power sales (Covid-19 & others)	34.56	3,442,426,615.81	433,002,557.10	-	-	6,043,083,274.01
2	Cash Irregularities	2.89	485,765,755.61	3,057,096.00	245,078.04	-	505,800,397.26
3	Payroll Irregularities	0.05	8,243,954.31	-	-	-	8,243,954.31
4	Procurement Irregularities	1.75	11,644,712.69	46,747,903.41	1,234,007.37	729,161.38	306,769,261.45
5	Tax Irregularities	0.13	23,019,073.79	85,918.88	5,524.32	-	23,572,831.78
6	Stores Irregularities	0.00	173,953.63	-	-	-	173,953.63
7	Contract Irregularities	1.62	47,795,077.26	39,290,553.79	-	-	283,778,072.38
	Sub-total (\$, €, £)		-	522,184,029.18	1,484,609.73	729,161.38	
	TOTAL (GH¢)	100%	14,331,130,937.53	3,136,289,497.66	10,137,063.70	5,926,040.37	17,483,483,539.25

Figure 1: Pictorial presentation of financial irregularities by nature



6. Table 1 shows that, the total irregularities stood at GH¢17,483,483,539.25 which included US\$522,184,029.18 converted into Cedis at the prevailing exchange rate of GH¢6.0061 to US\$1 as at 31 December 2021, €1,484,609.73 converted into Cedis at the prevailing exchange rate of GH¢6.8281 to €1 as at 31 December 2021 and £729,161.38 converted into Cedis at the prevailing exchange rate of GH¢8.1272 to £1 as at 31 December 2021.

Table 2: Comparative Analysis of Irregularities from 2017-2021 (figures rounded to the nearest cedi)

No.	Type of Irregularity	2017 (GH¢)	2018 (GH¢)	2019 (GH¢)	2020 (GH¢)	2021 (GH¢)
1a	Outstanding Debtors/Loans Recorverables	11,813,109,116	1,801,416,815	4,859,727,984	10,067,170,560	10,312,061,794.43
1b	Due from Customers for power sales (Covid-19 & others)	-	-	-	-	6,043,083,274.01
2	Cash Irregularities	149,208,182	1,087,713,932	215,025,782	1,802,692,515	505,800,397
3	Payroll Irregularities	2,540,432	3,163,473	66,248,946	9,574,765	8,243,954
4	Procurement Irregularities	6,431,451	15,121,639	37,342,867	846,134,269	306,769,261
5	Tax Irregularities	6,394,113	4,371,199	199,651,868	29,201,677	23,572,832
6	Stores Irregularities	8,946,359	734,461	2,748,551	11,591,519	173,954
7	Contract Irregularities	16,250,686	94,737,405	87,652,433	89,807,321	283,778,072
Total		12,002,880,339	3,007,258,924	5,468,398,431	12,856,172,626	17,483,483,539

7. The total irregularities figure of GH¢12,002,880,339 for 2017 decreased to GH¢3,007,258,924 in 2018. The irregularities increased by GH¢2,461,139,507 in 2019 to GH¢5,468,398,431. In the year 2020, the total irregularities also increased by 135.1% from the 2019 figure of GH¢5,468,398,431 to GH¢12,856,172,626. During the period ending 31 December 2021, the total irregularities recorded a 36.0% or GH¢4,627,310,913 rise from GH¢12,856,172,626 in 2020 to total irregularities figure of GH¢17,483,483,539. This was occasioned mainly by credit power sales of GH¢6,043,083,274.01 to VRA and NEDCo customers. Overall, table 2 shows that most of the irregularity categories decreased in 2021 compared to the 2020 financial year even though 101 Institutions were audited and reported on in 2021 as compared to the 83 Institutions audited in 2020. We recommended strict implementation of our recommendations to ensure financial discipline in the management of public resources.

Table 3: Summary of Financial Irregularities according to sector Ministries

Ministry	Outstanding Debtors/Loans Receivable			Cash Irregularities			Payroll Irregularities			Procurement Irregularities			Tax Irregularities				Stores Irregularities		Contract Irregularities	
	GHC	USD	GHC	GHC	EUR	USD	GHC	USD	EUR	GHC	EUR	GBP	USD	GHS	EUR	USD	GHS		GHC	
Min. of Energy	6,063,995,853.28	251,426,891.62	13,700,939.89	-	-	3,057,096.00	-	-	6,752,302.97	945,742.17	729,161.38	36,776,648.98	22,841,701.16	5,524.32	73,918.88	173,953.63	42,409,549.73	1,800,000.00		
Ministry of Finance	-	2,000,000.00	166,735,639.68	240,078.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ministry of Education	7,404,046.22	-	2,836,440.39	-	-	-	572,904.16	645,489.32	-	-	-	3,524,586.86	-	-	12,000.00	-	389,063.04	-	-	-
	18,577,544.36	-	1,817,516.04	-	-	-	-	-	321,679.81	-	-	-	-	-	-	-	1,987,433.24	-	-	-
Min. of Health	-	-	-	-	-	-	-	-	506,507.95	-	-	-	-	-	-	-	152,782.02	-	-	-
Min. of Lands & Natural Resources	6,221,470.80	-	2,931,476.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Min. of Food & Agriculture	2,409,840,128.28	179,572,915.48	291,071,733.36	-	-	-	894,551.41	769,798.20	-	-	-	-	-	-	-	-	232,198.64	-	-	-
Min. of Justice & Attorney-General's Dept	-	-	81,464.91	-	-	-	-	813,318.48	-	-	-	-	-	-	-	-	-	-	-	-
Min. of Comm.	12,872,101.50	2,750.00	3,167,410.31	-	-	-	-	-	-	-	-	-	6,095,124.67	-	-	-	1,743,756.65	-	-	-
Min. Tourism, Culture & Creative Arts	269,520.00	-	-	-	-	-	-	397,351.25	-	-	-	-	-	-	-	-	-	-	-	-
Min. of Interior	-	-	-	-	-	-	611,570.18	-	-	-	-	-	-	-	-	-	-	-	-	-
Min. of Employment & Labour Relations	5,192,767,888.49	-	-	-	-	-	-	-	-	-	-	16,772.00	-	-	-	-	-	-	-	36,890,553.79
Min. of Transport	3,952,807.71	-	327,396.20	-	-	-	454,552.00	-	-	-	-	-	276,943.00	-	-	-	860,283.94	-	-	-
Ministry of Trade & Industry	66,798.97	-	-	-	-	-	2,348,454.52	-	-	-	-	6,838.58	-	-	-	-	-	-	-	-
Min. of Information	3,479,470.67	-	183,545.51	-	-	-	3,059,394.98	1,438,264.71	-	-	-	97,142.82	-	-	-	-	20,000.00	-	-	-
Ministry of Works & Housing	22,812,468.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Min. of Sanitation & Water Resources	12,222,611.96	-	113,216.60	-	-	-	31,887.48	-	-	-	-	3,845.50	-	-	-	-	-	-	-	-
Min. of Environment, Science & Technology Innovation	5,700.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Min. of Youth & Sports	-	-	1,250,105.50	-	-	-	-	-	-	288,265.20	-	-	-	177,372.63	-	-	-	-	-	-
Min. of Local Government & Rural Development	-	-	1,432,048.75	5,000.00	-	-	268,183.58	-	-	-	-	-	-	-	-	-	-	-	-	-
Min of Railway Development	-	-	-	-	-	-	2,456.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Extra Ministerial Agency	-	-	116,822.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	13,754,488,410.24	433,002,557.10	485,765,755.61	245,078.04	-	3,057,096.00	8,243,954.31	11,644,712.69	1,234,007.37	729,161.38	46,747,903.41	23,019,073.79	5,524.32	85,918.88	173,953.63	47,795,077.26	39,290,553.79			

**Outstanding Debts/ Loans Recoverable/Credit Power Sales –
GH¢16,355,145,068**

8. These irregularities represent trade debtors, staff debtors and outstanding loans and cash locked up in non-performing investments. Included in this figure are GH¢4,764,760,731.41 due from customers of Volta River Authority (VRA) and GH¢1,278,322,542.60 due from customers from Northern Electricity Distribution Company (NEDCo) for power supplies in respect of Forex Power Sales, Local Power Sales, Mines Power Sales, Government MDAs' Power Sales, and GoG Covid-19 Power Relief as at 31 December 2020. The absence of effective debt collection policies, non-existence of credit controls to recover the debts and Managements' indifferent posture towards loan recovery contributed significantly to these conditions.

9. Also, improper maintenance of records on debtors, the absence of debtors' ageing analyses, non-documentation of agreements stipulating the terms and conditions of loans, failure to ensure that loans are repaid and Management's non-compliance with rules and regulations accounted for these irregularities.

10. We recommended that Management of Public Boards, Corporations, and other Statutory Institutions should strictly adhere to rules and regulations with regards to debts management. They should also put in place proper policies for the management of loans and other receivables as well as ensuring that loans and debts are repaid on due dates to avoid or minimise the occurrence of bad debts.

Cash Irregularities – GH¢505,800,397

11. Cash irregularities related to the misapplication of funds, budget overruns, payments not authenticated and payment of Board Allowances to Council Members without Ministerial approval. Out of the total figure of GH¢505,800,397 cash irregularities, GH¢230,700,424.38 represented unbudgeted expenditure by Ghana Cocoa Board on the principal repayment of a ten-year loan with Bank of Ghana (BOG) which was not included in the approved budget for 2019/2020 financial year. These occurred because of poor oversight responsibility and non-existent controls. Other contributory factors were finance officers' failure to properly file and keep records, Management's failure to ensure the security and safety of vital documents, non-maintenance of returned cheque registers, Management's inertia in complying with procedures stipulated in the Public Financial Management Act, and poor accounting systems.

12. We therefore urged the Management teams of the Public Boards, Corporations, and other Statutory Institutions to strengthen supervisory controls over their finance officers and ensure that they adhere to the provisions of the Public Financial Management Act, 2016 (Act 921). I also recommended the authentication of all payment vouchers, prompt payment to bank and full retirement of accountable imprest on due dates.

Payroll Irregularities – GH¢8,243,954

13. These lapses were caused by the failure of Management to exercise due diligence, and the tolerance of officers in charge of payroll validation in reviewing payment vouchers to ensure salaries were paid to only those who were entitled as well as payroll related irregularities. They were also caused by Management's failure to notify banks to stop the payment of unearned salaries. The Controller and Accountant-General's Department also did not promptly delete names of separated staff when notified to do so. In other instances, Management also did not transfer statutory deductions in respect of PAYE taxes and SSF contributions.

14. Contained in the total irregularity of GH¢8,243,954 is an amount of GH¢2,992,444 attributed to Ghana Broadcasting Corporation in respect of avoidable pending judgement debt due to the termination of appointment of a former Director-General, judgement debt for the failure to pay long service award to employees, payment of unearned salaries and the late payment of 1st and 2nd tier pension contributions.

15. I advised the Management teams of the affected Institutions to promptly notify the bankers of the separated staff to withhold and pay to Government chest all unearned salaries. I also recommended that officers in charge of payroll should exercise due care in the discharge of their duties as well as ensuring that 1st and 2nd tier contributions for their employees are promptly and regularly transferred to the various pension schemes. I also recommended that regulatory bodies should exercise due care regarding decisions involving on termination of appointments.

Procurement Irregularities – GH¢306,769,261

16. These irregularities occurred as a result of Managements' non-compliance with the provisions of the Public Procurement Act, 2003 (Act 663) as amended. Out of the total irregularities, GH¢ 219,350,277.98 represented items procured without recourse to the Public Procurement Authority (PPA) by the Electricity Company of Ghana.

17. I once again recommended that Managements of the various Institutions should undertake procurement transactions strictly in accordance with the provisions of the Public Procurement Act as amended.

Tax Irregularities – GH¢23,572,832

18. The Tax irregularities related to failure to pay statutory tax deductions on due dates, and non-deduction of applicable taxes. They also related to transacting business with non-VAT registered persons or entities. Out of the total tax irregularities of GH¢23,572,832, an amount of GH¢23,196,270.05 was attributed to Electricity Company of Ghana (ECG) for delayed remittance of P.A.Y.E and withholding taxes and the non-deduction of withholding taxes and withholding VAT.

19. I recommended that the Finance Officers should strictly adhere to the tax laws to ensure that all tax revenues are promptly collected and paid to the applicable revenue agencies on due dates.

Stores Irregularities – GH¢173,954

20. These irregularities included non-documentation of store items, lack of awareness of officers assigned to store duties and inadequate supervision. Included in the sum of GH¢173,954 is an amount of GH¢58,698.63 worth of unused conductor cables not recovered from Contractors into the Stores of the Electricity Company of Ghana.

21. I recommended the strengthening of controls over store management and accounting. I also recommended strict adherence to Rules and Regulations that govern the effectual conduct of public financial business.

Contract Irregularities – GH¢283,778,072

22. These mainly relate to the payment for construction projects not undertaken various Public Boards, Corporations and other Statutory Institutions. Included in the irregularities figure of GH¢283,778,072, is an amount of US\$36,890,553.79 (GH¢221,568,355) paid by the Social Security and National Insurance Trust (SSNIT) to a contractor in excess of work performed on a project.

23. I therefore urged Managements to strengthen controls over contracts and ensure that funds are available in order to engender speedy completion of earmarked projects and ensure that payments are made for work done.

Audit Opinion

24. The financial statements submitted for validation presented financial information in accordance with applicable statutory provisions, and my office was satisfied in all material respect that the financial statements complied with stated accounting policies of Government and is in accordance with generally accepted accounting standards and essentially consistent with that of the preceding year.

25. In my opinion all the financial statements presented a true and fair view of the financial positions and financial performance of the organisations for the period ended 31 December 2021 except the Divestiture Implementation Committee which had a qualified opinion expressed on their financial statements from 1 January 2009 to 30 June 2019.

Conclusion

26. As part of the processes of good governance, I urged the appointing Authorities to ensure that Board of Directors are constituted promptly for organisations having none. The absence of Governing Boards tends to delay the signing of the financial statements resulting in avoidable delays.

27. The operational results and financial positions of the Public Corporations and other Statutory Institutions during the period under review, could have been healthier if there had been effective supervision of schedule officers.

28. I reiterate my advice to Managements to strengthen their Internal Audit Units to ensure effective and efficient internal control systems.

29. I also recommended that Managements should establish and strengthen the Audit Committees within the organisations in accordance with Sections 86 to 88 of the Public Financial Management Act, 2016 (Act 921) to ensure that audit recommendations are duly implemented.

PART II
SUMMARY OF FINDINGS AND
RECOMMENDATIONS BY MINISTRIES
MINISTRY OF ENERGY
ELECTRICITY COMPANY OF GHANA-2019

30. We noted that Management did not withhold taxes on payments relating to goods and services procured from 30 suppliers, resulting in tax loss totaling US\$73,918.88, €5,524.32 and GH¢29,243.28. We recommended that, Management should pay the tax amount of US\$73,918.88, €5,524.32 and GH¢29,243.28, to the Commissioner of Ghana Revenue Authority (GRA) and recover same from the payees and furnish our office with the receipts for verification.

31. Management delayed in remitting a total amount of GH¢12,069,302.12 being taxes withheld from payments for goods, services, works during the 2019 financial year. We urged Management to always ensure that taxes withheld are remitted to the Commissioner General of GRA promptly to avoid sanctions and delay of inflows into the Consolidated Fund.

32. Our review of the payroll disclosed that payments in respect of PAYE deductions for January and February 2019 amounting to GH¢10,075,056.86 were paid on 2nd January 2020 instead of 15th February and 15th March 2019 respectively. We advised Management to ensure proper supervision of schedule officers responsible for statutory payments to ensure that, liabilities are paid as and when they fall due and within the timelines as stipulated by the tax laws to avoid payments of penalties.

33. Management of ECG over spent their approved expenditure budget for the 2019 fiscal year by GH¢1,824,639,713.30. We urged Management to desist from such practices in future to promote efficient and effective budgetary control system.

34. We noted, during our review of the Bank Reconciliation Statements for ECG Shipping Account No 1441000303335 with EcoBank and ECG Materials Account No 1081130000901 with GCB Ltd that total credits of GH¢11,360,602.40 and GH¢10,781,687.57 respectively were not investigated and reported to the appropriate Banks for remedial actions to be affected. This brings the total outstanding credits in the two (2) Bank Accounts to GH¢22,142,289.97. We urged Management to ensure that the Managers of the two Banks are immediately contacted to resolve this anomaly for our inspection.

35. We noted in our review of Bank Reconciliation Statement for the period under review that, the reconciliation statements prepared for the period between July-December 2019 on ECG's Shipping Account with Ecobank, disclosed a total wrong debit amounting to GH¢4,810,835.56. We urged Management to ensure that the Managers of the two Banks are immediately contacted to resolve this anomaly for our inspection.

36. ECG ordered goods from outside Ghana totaling US\$6,671,100.00 in 2018 and 2019. These goods were supplied by the foreign manufacturers and shipped directly to ECG in 2019. However, our comparison of the order prices with the Manufacturing prices disclosed that ECG incurred extra cost of US\$2,861,793.00 in dealing with the local suppliers instead of engaging the manufacturers directly. We recommended that ECG should deal with foreign Manufacturers directly as much as possible to achieve value for money unless the items are produced by local suppliers.

37. We reviewed a sample of eighty (80) foreign and local orders for goods and noted that a total amount of US\$33,864,855.98, €945,742.17, GB£729,161.38 and GH¢5,373,100.00 respectively were procured under single source without the approval of Public Procurement Authority (PPA). We further advised Management to seek approval from Public Procurement Authority whenever single source methods are to be used and justify the reasons.

38. We noted during our procurement audit that the annual procurement plan of ECG was not prepared and reviewed quarterly or periodically to conform to the available budget allocations for the Company. The Entity Tender Committee should ensure that the annual procurement plan of the Company is prepared and reviewed periodically, at least quarterly to conform to the availability of funds and prioritizing the procurement needs to the budgetary allocations.

Accra East Region

Improper management of the vehicle log books – GH¢115,255.00

39. Our review of the vehicle Logbooks of the region's pool of cars and those allocated to specific officers disclosed that journeys undertaken were not recorded and certified by the officer using the vehicle and full particulars of receipt of the fuel totaling GH¢115,255.00 issued by the fuel attendant to various vehicles were not also entered in their respective Logbooks. We recommended that Management should task the Transport and Materials Manager to ensure that the various recipients of fuel amounting GH¢115,255.00 account for what they received. Management should also organise training for all the drivers and the Transport Officer on how to effectively use the Logbooks.

Tema Region

40. Our inspection at the Tema regional warehouse, disclosed that Closed Circuit Television (CCTV) cameras were not installed at the warehouse for surveillance. The shelves to partition the materials have also not been constructed. Management should pay particular attention and expedite action on all efforts at ensuring adequate security at the warehouse to prevent theft and losses.

Ashanti SBU

41. Our follow up on our previous Management Letter on stolen official vehicle with registration No. GV 19-16 noted that two (2) more vehicles, GW3624-18 and GN6300-18 were snatched away from officers in 2020 resulting in Ashanti SBU losing a total of 3 Pickups with a total value/cost of GH¢516,799.22 between June 2018 and May 2020. We advised Management to consult the appropriate experts to install tracking devices on the company's new vehicles.

42. Our review of material reconciliation statements for Ghana Energy Development Access Program (GEDAP) projects for re-routing Enersmart prepayment meters disclosed that out of a total cost of GH¢98,704.51 for unused conductors not returned to stores by three (3) contractors, only GH¢40,005.88 was paid leaving a difference of GH¢58,698.63 not recovered. We advised Management to ensure that Contractors return all unused materials to stores after projects are completed or are made to pay the full cost of the materials. Meanwhile effort should be made by Management to retrieve the GH¢58,698.63 from the Contractors.

ELECTRICITY COMPANY OF GHANA-2020

43. We noted from five (5) sampled payments advice with a face value of GH¢14,075,760.80 that mobilization fees paid to contractors for civil works were over paid. Our recomputation disclosed that Management paid between 20%-30% of the sampled contract prices as mobilization fees instead of 15% required. We recommended to Management to desist from such acts and ensure compliance with relevant regulations in future contracts failing which both authorizing and paying officers may be sanctioned in accordance with Section 92 of the Public Procurement (amendment) Act 2016 (Act 914).

44. Our inspection at the Project Office (Head Office) on 17th June 2021 disclosed that there were no Control Unit set up for 24hrs/7 day's surveillance on the movement of cars within the regions. We recommended to Management to treat the above anomaly with urgency and ensure that the consultant speeds up the completion of the project. We further recommended that the consultant should first set up control Unit at Ashanti SBU since it is a Hotspot Area and also at the Project Office for overall monitoring of the official vehicles.

45. We noted that the Director of Finance did not withhold 7% withholding VAT on standard rated supplies totalling GH¢6,836,367.62 procured during the period under review. We advised Management to ensure deduction of 7% withholding VAT on standard rated supplies before payment are effected, in order for government to have prompt receipt of VAT revenue for developmental projects.

Accra East Region

46. We noted that sixteen (16) payments advice totalling GH¢381,681.29 for farming out and other contract works were awarded to unqualified contractors. We recommended to Management to ensure that all future contracts are awarded to qualified PPA registered entities failing which both paying and authorizing officers should be sanctioned accordingly.

47. We noted that the Regional Accountant did not withhold 7% withholding VAT on standard rated supplies totalling GH¢169,418.49 procured during the period under review. We advised Management to ensure deduction of 7% withholding VAT on standard rated supplies before payments are made.

48. We noted that 26 payments advice totalling GH¢332,220.58 for the procurement of goods and services were without three alternative quotations from other perspective suppliers neither was there any approval from PPA for Single-source procurement. We recommended to Management to ensure that, procurements are always subjected to competition to obtain value for money.

Accra West Region

49. Our review of payments advice disclosed that fifty-seven (57) payments advice totalling GH¢1,079,937.49 for goods and services were procured from non-VAT registered entities and this resulted in a loss of VAT of GH¢32,435.36 to the State. We recommended to Management to desist from procuring goods and services from non-VAT registered entities to ensure that the necessary VAT revenue are duly raised.

50. We noted that 36 payments advice totalling GH¢276,679.24 for the procurement of goods and services were without alternative quotations from other perspective suppliers neither were there any approval from PPA for Single-source procurement. We recommended to Management to ensure that, procurements are always subjected to competition to obtain value for money.

Ashanti SBU

51. We noted that (28) payments advice totalling GH¢588,927.23 for the procurement of goods and services were without three alternative quotations from other perspective suppliers or obtained approval from PPA for Single-source procurement. We recommended to Management to ensure that, procurements are always subjected to competition to obtain value for money.

52. We noted that the Regional Accountant did not withhold 7% withholding VAT on standard rated supplies totalling GH¢312,139.70 procured during the period under review. We advised Management to ensure deduction of 7% withholding VAT on standard rated supplies before payment are effected, in order for government to have prompt receipt of VAT revenue for other competing needs.

53. We noted that the monitoring of the tracking devices was not effective and that only two staff (Manager of Transport/Material and transport officer) have access to the device on their laptops instead of a mounted screen for 24hrs/7 days' surveillance on the vehicles. We recommended to Management to ensure the installation of the devices on all official vehicles, train officers and establish a unit which will monitor the operations of the devices for 24/7 days' surveillance on the movement of vehicles within the region.

54. Our examination of a payment advice dated 16th September 2020 with reference No. 0025373 and cheque no. 014281, disclosed that a six -member committee was constituted by head office (Accra) to investigate alleged irregularities in crediting monies to the Quota Accounts of seventeen (17) third-party vendors. We advised Management to submit the Committee and police report that led to the interdiction of culprits for our review.

Tema Region

55. We noted during the review of the vehicles records of ECG Tema Region that out of one hundred and eleven 111 vehicles, eighty (80) were over aged. The cost for repairs and maintenance for the 2020 financial year was GH¢2,724,507.61 as compared with GH¢1,823,435.72 for 2019 representing 49.41% increase. We recommended that Management should adhere to their fixed assets replacement fund policy to help the Company replenish its old vehicles stock.

Central Region

56. We noted during the review of the vehicles records of ECG Central Region that out of one hundred and twenty-two (122) vehicles, ninety-seven (97) representing 79.5% were over aged. We recommended that Management should adhere to their fixed assets replacement fund policy to help the Company replenish its old vehicles stock.

Western Region

57. We noted during the review of the vehicles records of ECG Western Region that out of one hundred and sixty-five (165) vehicles, one hundred and two (102) representing 62.4% were over aged. We recommended that Management should adhere to their fixed assets replacement fund policy to help the Company replenish its old vehicles stock.

NORTHERN ELECTRICITY DISTRIBUTION COMPANY (NEDCo)

58. Contrary to Regulation 50(1) of the Public Financial Management Regulations, 2019, (L.I. 2378), Mr. Titus Yiritgee, a bonded cashier at Sawla and two other bonded cashiers at Bole did not lodge revenue collections amounting to GH¢155,122.82. We recommended that Management should intensify its supervisory role over the activities of the Area managers, the Finance Officers and Account Assistants for prompt lodgement of cash revenue collections. Management should also recover the amount of GH¢155,122.82 from the cashiers involved and our office informed for verification.

59. Our review of the Company's receivables disclosed a total amount of GH¢1,278,322,542.60 due from power customers as at 31 December 2020. This contravenes Section 91(1) of Public Financial Management Act, 2016 (Act 921). We recommended that Management of the Company should intensify its efforts and improve its mechanism to recover the outstanding receivables.

60. Our review of the Company's payment vouchers disclosed that 30 payments totaling GH¢4,375,932.59 were not supported with official receipts as evidence that the payees acknowledged receipt of the payments. We recommended that Management should follow up on the payees and make available all the receipts for our review.

61. Contrary to Section 126(1) of the Companies Act, 2019 (Act 992), we could not obtain evidence that Management filed its annual returns at the Registrar General's Department as required. We recommended that the Company's Secretary should ensure that the yearly annual returns are filed with the Registrar General's Department as required by Section 126(1).

VOLTA RIVER AUTHORITY

62. Our review of the Authority's ledgers and reconciliations on receivables disclosed that a total amount of GH¢4,764,760,731.41 were due from power customers as at 31 December 2020. This contravenes Section 91(1) of Public Financial Management Act, 2016 (Act 921). We recommended that the Management of the Authority should intensify its efforts to recover the outstanding receivables.

GHANA CYLINDER MANUFACTURING COMPANY

63. A review of the contract agreements of the company disclosed that a total payment of GH¢96,000 was paid to Blay & Associates for the period under review for legal services, but not supported with monthly invoices, VAT invoice and receipts. We recommended that Management should in future ensure that all the necessary documentations are attached to payment vouchers before payment.

64. Contrary to Section 91(1) of Public Financial Management Act, 2016 (Act 921). Our review of the debtors' ledger disclosed that various customers owed the Company an amount of GH¢767,050.52 and GH¢562,575.55 as at 31 December 2019 and 2020 respectively. We recommended to Management to strengthen the debt recovery process of the Company. We further urged Management to use possible legal debt recovery procedures to recover the debts to avoid bad debts.

65. We noted that the Company defaulted in meeting its financial obligations to various institutions as and when they fall due. We recommended that Management should restructure the operations of the Company and negotiate all its liabilities to allow for favourable payments terms.

BULK OIL STORAGE AND TRANSPORTATION COMPANY LIMITED (BOST)

66. We noted after a review of the Board's policy documents that, the Board has no policy guidelines on how BOST's financial resources should be invested but did an investment with some financial institutions leading to lock up of funds to the tune of GH¢19,665,333.36. We recommended that the Board should develop a policy document to guide future investment decisions of the company.

67. We noted that three (3) Companies, Unity Enginmac Co. Precious Engineering and Dass-B Electricals bided for the award of contract for the installation of LED bulbs and streetlights for BOST of which Enginmac Co was recommended by the evaluation team for the award of the contract to the tune of GH¢178,252.52. We noted further that, Unity Enginmac Co. Ltd and the two other alternative tenderers namely Precious Engineering and Dass-B Electricals who participated in the procurement were all owned by one person. We recommended that the contractor be invited to explain the ownership of the companies and tender documents submitted and admonish the evaluation team to do proper due diligence in the selection process as this lapse was identified in the previous year audit and cautioned.

68. BOST continues to pay avoidable judgment debts in the forms of cost and interest amounting to GH¢9,169,884.48 and US\$3,057,096.00 to three contractors for breach of contract and undue delays in the payment of legitimate contract sums. We recommended that should Management apply appropriate sanctions on all officers whose negligence have occasioned the loss. Additionally, we urged Management to heed to all contract terms and indulge in negotiations rather than lawsuit in resolving disagreements.

69. Contrary to Public Financial Management Act/Regulations, we noted that, BOST did not obtain VAT invoices/receipts for payments totaling GH¢726,376.33 with a VAT component of GH¢127,115.86 made to suppliers and service providers for the period under review. We requested Management to obtain the requisite VAT invoices/receipts covering the payments totalling GH¢726,376.33 by 31 March 2022 failing which the VAT component of GH¢127,115.86 should be recovered from the authorising and approving officials and paid same to the Commissioner General, Ghana Revenue Authority and submit the evidence for verification.

70. We noted that BOST requested for extension of the Terminal Management Contract between BOST and TSL Logistics (Ghana) Limited in a letter referenced BOST/SCR.35/PPA/30171 dated December 19, 2019, to which approval was granted by the Public Procurement Authority (PPA) referenced PPA/CEO/01/57/20 of January 20, 2020, to cover the period December 31, 2019, to March 31, 2020, at a cost not exceeding US\$300,000.00. However, upon the expiration on March 31, 2020, Management did not obtain prior approval from PPA for the additional contract extension period of six (6) months at a cost of US\$1,800,000.00 with TSL. We recommended that Management should provide the audit team with justification leading to the contravention and further write to PPA in accordance with Section 90 of Act 663 as amended failing which the offences relating to procurement under Section 92 shall be applied to the officers who authorised and sanctioned the transaction.

71. We noted that the Management of BOST awarded the contract for the repair of Tanks at the Accra Plains Depot, Buipe and Bolgatanga Depot in letter referenced BOST/SCR.35/PPA/PRO/SP.1/31694 dated August 27, 2020, to Rocksure Energy Limited at a contract sum of GH¢11,712,513.84. The audit team inspected the repaired tanks at Buipe and observed that although the repairs claimed to be completed for T-1, 2, & 3, the tanks have not been put to use due to the non-functioning of the Old Depot Loading Gantry and other additional works not yet carried out. Also, Tank 102 repairs was partially done because the replacement of the Internal Floating seal are yet to be fixed. Tank (T-103) at APD though repairs work completed but the tank is not in use. We recommended to management to ensure that Messrs. Rocksure Energy ltd complete the repair works on Tank (T-102) and commission all the tanks repaired before the payment of the contract retention amount of GH¢1,171,251.31 after the expiration of the defect liability period (included is an amount of GH¢63,355.13 for commissioning) for our verification. We urged management to operationalise the Old Depot Loading Gantry at Buipe within the shortest possible time with the provision of 9No. Loading arms, 9No. Meters, 4No. Pump, motorizers, strainers and other accessories. We also require the acquisition of new pumps and other accessories to enable tank (T-103) to be operational at the Accra Plain Depot (APD).

72. Our visit to the Debre Marine Port located in the Savanna Region, noted that the port has a lot of idle or unused equipment which may have alternative use at the various depots of the company. We advised Management to use the new tugboat engine to construct an additional boat for its operations, since BOST has only one tugboat. BOST can then reallocate the other idle equipment to other depots where they may be needed or dispose of other equipment that are not

needed in other to obtain value for money for such assets.

73. We noted that that Management of BOST engaged four (4) contractors or service providers without any proper procurement processes and in addition did not sign written procurement contracts to detail out the various responsibilities of the parties and the terms of reference of the services rendered. The Management of BOST has so far paid GH¢12,046,746.16 for the specified periods to the service providers. We recommended that Management should take the necessary steps to regularise the transactions with the service providers by writing to the Public Procurement Authority to regularise the transaction in accordance with Section 90 of the Public Procurement Act, 2003 (Act 663) as amended, failing which the authorizing officers should be sanctioned in accordance with Section 92 of the same Act.

74. We noted that, the Management of BOST after the award of Six (6) different contracts to contractors undertook various forms of additional works or variation, which were avoidable and relatively excessive with respect to the cost or value. Analysis of these variations ranges from (20.23% to 93.17%) increment based on the total initial contract sum of GH¢33,542,663.43 with a total change order or variation and additional cost of GH¢29,981,122.28 and increased the overall contract sum to GH¢63,523,785.71. Out of Six (6) contracts varied, two (2) were awaiting approval from the appropriate approving authority. We advised Management to assign a qualified quantity surveyor (QS) to the works department to augment their efforts and bring about efficiency and value for money in the award of contracts or to employ the service of QS as may deem fit for a particular stage of a transaction.

BUI POWER AUTHORITY

75. We noted that Wenchi Rural Bank did not disburse an amount of GH¢904,670.36 to 244 Project Affected Persons (PAPs) under the Livelihood Empowerment Programme. However, the Authority did not recognise Wenchi Rural Bank as a debtor thereby understating receivables by GH¢684,670.36. We recommended that the amount should be recognised as part of account receivables. We also asked management to expedite action to recover the money from Wenchi Rural Bank Limited.

76. Our audit disclosed that the balances of Nuclear Power Ghana with Fidelity Bank are included in the bank balance of the Authority even though the shares of the Company are owned by two other agencies. We recommended to management to clearly establish the status of Nuclear Power Ghana in the scheme of Bui Power Authority.

ENERGY COMMISSION

77. We noted that the Commission had no offsite or external Disaster Recovery site. We further noted that twelve (12) systems did not have uninterruptible power supply (UPS) systems. We recommended to Management to ensure that an offsite or external data recovery (DR) and uninterruptible power supply (UPS) are acquired.

GHANA NATIONAL PETROLEUM CORPORATION (GNPC)

78. We noted that there were no movements in some account receivable balances totalling US\$8,150,128.32. We recommended that Management should take appropriate steps to recover the amount involved.

79. We identified significant receivables amounting to US\$208,313,034 due from government of Ghana and other government related agencies, some of which have been outstanding for more than five (5) years. We advised Management to intensify its efforts in collecting these overdue balances.

80. We noted that balances of debtors amounting to US\$34,963,729 have not seen any movement for a long period and we could not get independent confirmations from the debtors after extensive efforts. We recommended that Management should take appropriate steps to obtain confirmations from the affected institutions and recover the US\$34,963,729.30.

MINISTRY OF FINANCE

BANK OF GHANA 2021

81. We noted that the Bank did not recognise its capital interest of US\$15.3 million with West African Monetary Institute (WAMI). We advised Management to investigate the transactions and appropriately account for the Bank's capital contribution in its records.

82. We noted that BNP Paribas balance of €240,078.04 was included in the corresponding bank account balances but the confirmed balance from BNP Paribas was Nil. We recommended that Management should investigate this balance with the counter party and amend the bank's records accordingly and ensure that reconciliations are prepared for all bank accounts including dormant accounts.

83. Our review of the currency swap valuation revealed that the Bank creates its discount curve by considering "Discount rate proxied by 364-day interest rate equivalent of Government bill". This means that the Bank uses a flat rate irrespective of the term of the option. We recommended that the Bank should consider a curve that incorporates forex risk to avoid any potential mispricing or wrong valuation of the currency swaps.

FINANCIAL INTELLIGENCE CENTRE GHANA

84. We noted during the audit that the Centre had no off-site backup system. We recommended to the Management of the Centre to take steps to acquire an off-site backup system to help back up the Centre's information and data.

GHANA INFRASTRUCTURE INVESTMENT FUND

85. We noted that The Fund's risk management policy which was initiated in 2017 is still in draft. We advised Management to expedite action for the finalisation and approval of the risk management policy by the Governing Board for implementation.

86. We noted that the Fund acquired 10 ordinary shares in Ai Sky Train Consortium Holdings valued at US\$2 million. The feasibility studies which will better inform the project economics and required approvals from the Cabinet of Ghana and the Parliament of Ghana are still not conclusive. We urged Management to continue to monitor the feasibility of the investment in the SPV and make the necessary provisions based on the outcome of the feasibility studies.

87. We noted that the Fund did not have certificates of ownership for the equity investments in three (3) companies totalling GH¢146.6 million. We advised Management to take steps to obtain the appropriate certificates for all its investments.

PUBLIC FINANCIAL MANAGEMENT REFORMS

88. We noted that three (3) out of the four (4) components of the Public Financial Management Reforms (PFMR) Project had exceeded the allocated funding even though the components are yet to be fully completed. We recommended that the Project Director in consultation with other stakeholders should assess actual funding needed to complete the Project and request for additional funding to ensure effective completion of the Project.

89. Management of the Public Financial Management Reforms did not comply with the eight (8) recommendations made in the Aide Memorie. We urged the Project Director to ensure that the implementing partners and all the stakeholders expedite action in implementing the recommendations contained in the Aide Memorie.

90. We noted that the Project did not have a standardised reporting format for the Consultants on the Project. We recommended to the Project Director to establish a standardised reporting format to ensure that the Monthly and Quarterly Progress and End of Assignment Reports are standardised to enhance monitoring and evaluation of the project.

91. The HRMIS and the payroll (both applications and database) run on servers hosted in the Controller and Accountant -General's Department (CAGD) server room without Disaster Recovery Strategy in place to recover all data and functionalities of the HRMIS and payroll in the event of a disaster. We recommended that the Project Implementation Unit take adequate steps to develop and implement a Disaster Recovery Plan to recover critical systems in the event of any disaster.

COVID-19 NATIONAL TRUST FUND

92. The Covid-19 National Trust Fund received total donations amounting to GH¢67,980,222.58 made up of GH¢57,134,093.58 cash and GH¢10,846,129.00 worth of donations in kind. Out of the GH¢57,134,093.58 cash donations received, a total amount of GH¢37,252,656.90 had been spent on operations and disbursement to 13 organisations and institutions to fight against COVID-19 with the balance of GH¢19,881,436.68 lodged in five bank accounts of the Trust Fund. We urged Management to ensure that all donations both cash and non-cash are distributed to the appropriate individuals, organisations and institutions to fight against the COVID-19 pandemic.

93. Contrary to Regulation 78 (1) (a) (b) of the Public Financial Management Regulations, 2019 (L.I. 2378) our vouching disclosed that out of GH¢ 10,257,360 paid via payment voucher number 0590507 dated 16 June 2020 to Ghana Covid -19 Private Sector Fund, a private organization for the procurement of Medical Equipment and Personal Protective Equipment (PPEs) only GH¢10,003,157 had been accounted for with an outstanding amount of GH¢254,203.00 not accounted for as at 31 December 2020. We recommended that management should ensure that the Covid -19 Private Sector Fund account for the total

amount of GH¢254,203.00, failing which the total amount of GH¢254,203.00 should be recovered from the Covid -19 Private Sector Fund and same paid to COVID-19 National Trust Fund account.

94. Contrary to Section 52 of the Public Financial Management Act, 2016 (Act 921), our audit disclosed that DDP OUTDOOR limited donated 119 billboards and advertising spaces located at various places valued at GH¢2,621,214.06 for promoting, advertising and communicating to the general public on the awareness of the corona virus and its preventive measures, but the billboards and advertising spaces were not put to use as at 31 December 2020. We recommended that Management should ensure that the donated billboards should be put to use.

MINISTRY OF EDUCATION

ENCYCLOPAEDIA AFRICANA PROJECT

95. Our audit disclosed that the Encyclopaedia Africana Project did not receive any financial quota from member countries as stated in the Constitution of the project during 2019-2020 financial years. We recommended to Management to ensure that the monies given to their National Secretariat are channelled to the Regional Secretariat.

96. Our audit disclosed that Encyclopaedia Africana Project did not have Audit Committee in place. We recommended to Management as a matter of urgency to ensure that the entity constitute an Audit committee in compliance with the provisions of Public Financial Management Act, 2016 (Act 921) and Regulations 2019 (L.I. 2378).

97. We noted during our audit that two (2) Vehicles belonging to Encyclopaedia Africana Project have become unserviceable and parked at the premises. We recommended to Management as a matter of urgency to constitute a board of survey to determine the state of the Vehicles and recommended for the necessary action to be taken to prevent the Vehicles from further deterioration.

GHANA SCIENCE ASSOCIATION

98. Management of the Association disbursed GH¢47,600.00 as loans to eight officers of the Association without making any provision in the 2019 and 2020 budgets for loan payments. We advised Management to desist from making such unplanned expenditure in future, to ensure the execution of planned activities.

99. We noted that the Ghana Science Association had formed an Audit Committee but was not functioning throughout 2019 and 2020 financial years. We recommended to Management to ensure effective functioning of the Audit Committee to speed up the implementation of recommendations contained in the Auditor-General's reports.

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY (KNUST)

Main Administration

100. We noted that out of the 360 programmes running by the university, only 61 have been accredited and 190 sent to National Accreditation Board (NAB) for accreditation and reaccreditation, with 109 yet to be sent to NAB for accreditation. We recommended to Management to cease running programmes that are not accredited or having its accredited certificates expired until they are accredited or renewed, to avoid sanctions by NAB.

Payroll

101. We noted that four officers who were granted sabbatical leave by the University took up various appointments in other Government institutions where they are enjoying full (basic salary and other allowances) monthly salaries in addition to basic and Market Premium being paid by the University (KNUST), resulting in double payment of basic salary and market premium by government in the sum of GH¢488,868.69. We recommended to Management to ensure that the officers refund the salaries paid by the University for the sabbatical leave period to the consolidated fund.

Development Office

102. We identified a number of defects during our physical inspection of the Proposed Construction of Educational Resort Facilities for the Institute of Distance Learning (IDL) at Moree. We recommended that the Director of works, and the project supervisors should rectify the defects identified at their own expense.

Maintenance Unit

103. Our audit disclosed that out of GH¢291,771.61 released by the University for maintenance activities, transactions in the sum of GH¢263,596.42 were without relevant supporting documents like Vice Chancellor's approval and letters of contract engagements, signed sheets, and proper VAT invoices to authenticate the payments. In the absence of the required supporting documents

to prove the legitimacy of the expenditures, we recommended that the technical team at the Maintenance Department (Architect, Site Manager, Administrator, and others) should refund the amount of GH¢263,596.42 to the University.

Procurement Department

104. We noted that Messrs Red Mango Limited who won a contract for the supply of Automatic Turnstile Gate and accessories at the University presented Invalid Tax Clearance Certificate (TCC). We recommended that the Tender Evaluation Panel should pay critical attention to Section 22 of Public Procurement Act, 2003 (Act 663) as amended by Section 7 of the Public Procurement (Amendment) Act, 2016 (Act 914) when evaluating tenders.

Colleges and Departmental issues

University Printing Press

105. We noted from our review of accounts receivables in the Financial Statements of the Printing Press that a total debt of GH¢294,123.00 owed by 14 customers remained uncollected since 2016. We recommended to Management to institute debt collection strategy to ensure early recovery of the debt and minimise future default rate.

NATIONAL COUNCIL FOR TERTIARY EDUCATION

106. We noted that the former Head of Corporate Affairs, Mr Nii Adotei Abrahams resigned his position with immediate effect without paying the required six months' salary in lieu of notice amounting to GH¢49,997.58. We recommended that the Executive Secretary should recover the amount from Mr Nii Adotei Abrahams and pay same into the Council's account with evidence made available for our review.

107. We noted from our review of the staff debtors' ledger that, six (6) staff owed the Council an overdue salary advance of GH¢10,106.66. We recommended that the accountant should recover the outstanding loans of GH¢10,106.66 from the beneficiaries and pay same into the Council's accounts and furnish us with evidence of payment.

108. We noted from the review of Payroll management that the Council does not have a clear policy on loans or advances. We recommended to Management to establish a policy with adequate provisions for efficient management of the loan/advance scheme.

109. We noted during our physical inspection of the Council's facilities that, a one thousand-seater capacity conference hall has not been efficiently managed, as essential facilities such as sound equipment are not functioning. We recommended that the Executive Secretary should urgently refurbish the Hall and establish systems or processes that would ensure efficient management of the Hall to improve income generation of the Council.

110. We noted that a Lenovo Laptop assigned to Mr Evans Takyi Ankomah-Asare worth GH¢12,000 was missing without any investigation or a police report. We recommended that Management should investigate and establish circumstances leading to the loss, failing which the cost of the laptop should be recovered from Mr. Evans Takyi Ankomah- Asare.

111. Contrary to Article 286 of the 1992 Constitution of the Republic of Ghana, the Key Personnel of the Council did not declare their assets and liabilities. We recommended that the key personnel should declare their assets, liabilities, and other interests owned or controlled by them.

NATIONAL BOARD FOR PROFESSIONAL AND TECHNICIAN EXAMINATIONS (NABPTEx) 2019

112. We noted that Toyota Land Cruiser Prado TXL with registration number GM 2382-14 was abandoned at LEKMAS Motors, a private garage for over one year. We urged Management to follow-up on the vehicle without further delay to avoid further deterioration.

UNIVERSITY OF GHANA – 2019

113. We noted that, out of a total of GH¢14,646,941.96 earned as project overhead income from 122 projects, GH¢2,197,041.29 representing 15% was not remitted to the University of Ghana Research Endowment Fund (UGREF) as stipulated in the shared-out ratio. We recommended that the Provost of ORID and the Director of Finance should ensure that all amount due the Endowment Fund are duly and promptly transferred to promote effective resources mobilisation to support the University's research programmes.

114. We noted that out of the total amount of GH¢1,109,473.82 shown as rental receivables, an amount of GH¢906,794.78 (representing 81.73 %) remained uncollected beyond 3 months (120 days). We recommended that the Director of Finance should recover all outstanding rental receivables and initiate

appropriate steps to charge punitive interest rate on all outstanding indebtedness at the prevailing Bank of Ghana 91-day treasury bill.

115. We noted that out of GH¢9,546,435.34 reported as staff loans and advances in the financial statements, GH¢3,563,167.78 was identified as unretired imprest. We recommended that the Director of Finance should ensure that all outstanding imprest are validated by the Internal Audit Directorate (IAD) and recovered from the salaries of the affected persons.

116. We noted that monthly income taxes (PAYE) of GH¢3,492,362.86 withheld between 2018 and 2019, had not been remitted to the Ghana Revenue Authority (GRA) as at 31 October 2019. We recommended that the Director of Finance should comply with the Policy Number 1607 of the University of Ghana Financial Regulations and Governance (UGFRG) and ensure that all income taxes withheld are paid promptly to the GRA by the 15th day of the month following the month in which the deduction was or should have been made. We also advised that immediate steps should be taken to negotiate with GRA on the payment of the outstanding tax amount of GH¢3,492,362.86.

117. We noted that out of the total amount of GH¢25,843,084.74 reported in the financial statements as students' fees receivable, an amount of GH¢2,549,366.12 is owed by 700 students who were not in the active students list for the 2018/2019 and 2019/2020 academic years. We also noted weaknesses in the management of students' fees receivable. To enhance management of students' receivable, we recommended that the Director of Finance should ensure the development of ageing reports on students' receivables and investigate the total amount of GH¢3,407,815.63 assigned to the unknown students.

118. Our bank confirmation conducted during the audit disclosed that 18 separated staff continue to be on the approved signatories of the University's bank accounts. We recommended that the Director of Finance should liaise with all Provosts, Deans and Directors to conduct a review of all bank accounts signatories and ensure that all separated staff are excluded from mandatory/optional signatory list.

119. We noted from the University landed register that out of the thirty-eight (38) parcels of land, only eleven (11) were duly supported with Land Title/Conveyance Deeds leaving twenty-seven (27) outstanding. We recommended that the Registrar should ensure that the Director of PDMS is

provided with financial resources to register all the assigned lands of the University.

120. The University does not have a comprehensive framework or policy for the hiring and use of its facilities. The facilities are currently being operated under the discretion and control of the respective College, School, Directorate or Unit. To enhance mobilization from non-core income generating sources, we recommended that the Registrar and the Director of Finance should develop a comprehensive framework or policy on the hiring and use of the University's facilities for the consideration of the Council.

121. We noted that the University did not have a baseline continuity and disaster recovery plans established, including specific college procedures and the University's financial and academic management information systems. We recommended that the Chief Information Technology Officer should develop Business Continuity and Disaster Recovery Plans to ensure that all critical information systems can be recovered within a required timeframe.

Noguchi Memorial Institute for Medical Research (NMIMR)

122. Noguchi Memorial Institute for Medical Research (NMIMR) did not have Standard Operating Procedures (SOP) to give guidance for conducting fee paying laboratory services and defined fees to be charged for such services to enhance internal revenue maximisation. We recommended that the Director of NMIMR should ensure the development of a SOP to give guidance in the provision of fee-paying laboratory services and avoid ad hoc approaches by officers/units handling the test cases.

Regional Learning Centres

123. Three (3) Regional Learning Centres (RLC) namely Volta, Eastern and Western Regions, had experienced continuous encroachment of the University lands. We recommended that the Director of PDMSD should be provided with financial resources to assess the current state of all landed properties across the Regional Learning Centres in order to initiate clear action plans to resolve or eliminate encroachment of UG lands.

UNIVERSITY OF GHANA – 2020

124. We noted that out of the total project overheads of GH¢12,687,919.44 reported by the University, only GH¢4,604,282.09 was reported from research projects administered by the Office of Research, Innovation and Development (ORID) and the difference of GH¢8,083,637.35 reported from research activities

outside the control of ORID. We recommended that all research activities in the University should be coordinated by ORID to increase the pool of funds available for academic research.

125. We noted that Management of the Office of Research Innovation and Development (ORID) could not retrieve a sum of GH¢1,234,767.59 due from matured investments placed with NDK financial institution. We recommended that the Management of ORID should take steps to retrieve its locked-up funds from these institutions and ensure strict adherence to the University's Investment Policy.

126. We noted that the medical staff were not covered by any Professional Indemnity Insurance policy, hence the liability for compensation claims always fall on the University. We recommended that Management takes immediate steps to procure Professional Indemnity Insurance Policy for all medical staff of the Hospital to prevent the payment of similar claims in the future.

127. We noted that the University advertised 374 academic programmes on the various web portals that had the accreditation expired or requires re-accreditation during the period under review. We recommended that Management should expedite action for the accreditation and re-accreditation of all new and expired academic programmes respectively.

128. The University's Oracle Audit Vault and Database Firewall, which is a complete Database Activity Monitoring System, were not put to use even though the module license was renewed. We recommended to Management to ensure that the Internal Audit Directorate receives the needed training on the use of the Oracle Audit Vault without any further delay.

129. We noted that the University did not conduct a risk assessment of its IT infrastructure during the period under review. We recommended that Management should conduct a risk assessment and develop a comprehensive Risk Register for the University's IT systems to mitigate the risks identified.

School of Veterinary

130. We noted that Dr Ann Nancy Mills-Thompson resigned from the University without serving a 22-month bond for a study leave with pay granted resulting in an amount of GH¢65,815.00 unearned salary paid to her for 19 months. We recommended that Management should take the necessary action to retrieve the GH¢65,815.00 from Dr Mills-Thompson.

Halls of Residence

131. We noted that the Management of three Halls (Volta, Legon and Mensah Sabah) authorised the commitment and payment of transactions without recourse to the Principal Spending Officer. There was, however, no documentary evidence from the Vice-Chancellor delegating the function and responsibility of spending and the approval of expenditure threshold to the Hall Mistress/Masters. We recommended that the Management of the University should establish the approval thresholds for the Hall managers.

UNIVERSITY OF PROFESSIONAL STUDIES, ACCRA (UPSA)

132. We noted that twenty-five (25) payment vouchers totaling GH¢318,982.54 released to officers of UPSA to transact official business on behalf of the University were not supported with the relevant documents. We recommended that, the amount be recovered from the officers involved. Meanwhile, the head of accounts should step up his supervisory role to ensure payment are properly accounted

133. Due to the Director of Works non-adherence to internal control procedures, we noted that UPSA ordered the utilization in full the contingency components of the contract sum of some completed projects totalling GH¢389,063.04 without seeking a written prior approval from Management. We recommended that the director of works should be meticulous in ensuring that a written approval is always sought from Management prior to issuing instructions for the consumption of contingencies and provisional amounts in contract management.

GHANA INSTITUTE OF LANGUAGES

134. We noted during the audit that, forty-six (46) staff who took staff and rent loans had their loan balances in the sum of GH¢157,195.66 unrecovered since 2017; and eight (8) separated staff loan balance of GH¢54,029.39 written-off without recourse to the approval of Parliament. We recommended to Management to recover the outstanding loans and advances and seek for retrospective approval from Parliament through the Sector-Minister for writing off the loan balances, as early as possible, failing which Management emoluments shall be withdrawn or suspended in accordance with Section 91 of the Public Financial Management (PFM) Act, 2016 (Act 921)

135. Our review of Translation and Fees revenue collections disclosed that the Institute loss an estimated revenue of GH¢9,220.68 during the period under review, due to the cashiers negligent, and weaknesses in the supervision by the accountant. We recommended to Management to recover the GH¢9,220.68 from the affected cashiers and our office informed for verification, failing which the accountant should be made to account for the amount of GH¢9,220.68.

136. We noted that two separated staff and two other officers were paid unearned salaries and doubled fuel allowances of GH¢8,414.07 and GH¢9,806.40 respectively. We recommended to Management to retrieve the total amount of GH¢18,220.47 from the four officers and pay same to government chest and obtain a treasury receipt to support the payment, failing which the Human Resource Officer, the payroll validation officers and the Accountant should be held liable for the amount of GH¢18,220.47.

137. Contrary to Section 116 (1) (a) of the Income Tax Act, 2015 (Act 896), a total amount of GH¢32,224 representing 10% was withheld from the allowances and fees of GH¢322,240 paid to the members of the Governing Board and the various committees instead of withholding 20%, leading to under deduction of tax of GH¢32,224 from the allowances paid. We advised Management to retrieve the underpaid withholding taxes of GH¢32,224 from the Board and Committee members and pay same to Ghana Revenue Authority (GRA) and present the receipt to our office for verification.

138. We noted that Mr. Clement Quao, a Principal Administrative Assistant was sponsored by the Institute to pursue a master's degree in Management Information System in 2015 – 2017 at University of Ghana, Legon, but vacated post on the 10th April 2018 after completing the programme without serving his bond period as mandated by the Institute. We recommended to Management to apply Section 14 of the Institute's staff development policy to get Mr. Clement Quao and the guarantors to refund the full sponsorship amount, salaries, and all other allowances paid to him by the Institute over the period or take legal action against them.

139. We noted that students, lecturers and administrative officers borrowed books from the library without a pre-determined period to return the books for others to also use them. We recommended to Management to develop a library policy or guidelines and adopt stringent sanctions against borrowed books defaulters and ensure proper management of the library to safeguard the assets of the Institute.

UNIVERSITY FOR DEVELOPMENT STUDIES

140. We noted that two staff of the University resigned without serving the three months' notice and failed to pay the stipulated one-month salary of GH¢5,720.08 in-lieu of notice. Management was advised to take steps to recover the one-month salary of GH¢5,720.08 from the former officers.

GHANA INSTITUTE OF MANAGEMENT AND PUBLIC ADMINISTRATION

141. We noted that Institute did not have tenancy agreements with fourteen (14) tenants. We recommended to Management to ensure that rent agreements are signed with all tenants.

142. We noted that two persons on the Institute's list of students sponsored abroad completed their programmes of study in 2018 but did not to return to the Institute which resulted in a potential loss of funds totalling GH¢692,878.05. We recommended to Management to take steps to recover all the unpaid funds.

UNIVERSITY OF MINES AND TECHNOLOGY- 2020

143. We noted that the University advanced a total of GH¢400,616 to four (4) construction companies in 2014 for various constructional works on campus. Out of the total amount advanced GH¢286,616 still remains unrecovered seven (7) years after the amount was released. We advised Management to take the necessary action to recover these overdue outstanding debts.

MINISTRY OF HEALTH

NATIONAL HEALTH INSURANCE AUTHORITY

144. We noted during our audit that, the Authority engaged the services of private audit firm Baffour Awuah and Associates to conduct special audit contrary to Section 11(1) of Audit Service Act, 2000 (Act 584). Management of the Authority at Head Office were advised to develop clear policies and procedures that will require that all engagement for auditing service is brought before the Auditor-General for approval irrespective of whether the firm to perform the service is appointed or selected by the other statutory agencies.

FOOD AND DRUGS AUTHORITY

145. A parcel of land earmarked for office accommodation in Sunyani was without Land Title/Conveyance Deed. We recommended that the Management should ensure that the Legal Department secure the land under title deed without further delay.

GHANA RED CROSS SOCIETY

146. A review of an internal investigative report disclosed that cheques meant for the Society was lodged into an unauthorised bank account leading to a loss of GH¢787,6000.00 to the Society. The Investigative committee report recommended among other things that the signatories to this account should be made to refund the amount lost. The audit team re-emphasised the recommendations in the Investigative report and advised Management to ensure that all the recommendations in the report are fully implemented.

147. We noted that a total amount of GH¢3,731,596.90 was transferred by Mastercard Foundation into the Central Regional Office's bank account out of which we confirmed a total payment of GH¢3,457,160.57 leaving an amount of GH¢274,436.33 yet to be accounted for by the Central Regional Office. We recommended to Management to ensure that the amount of GH¢274,436.33 is properly accounted for by the Central Regional Office by providing the relevant supporting documents to the audit team for verification.

148. We noted several procurement irregularities in the execution of the National Society's COVID-19 response programme which was done in partnership with the Mastercard Foundation. These irregularities led to the loss of GH¢522,901.20 in terms of relief items not supplied and monies wrongly paid out. We recommended to Management to ensure that all monies lost are recovered as per the recommendations of the investigative reports reviewed.

149. We noted from our examination of documents that the Society made purchases during the audit period amounting to GH¢321,679.81 without obtaining alternative quotations. We recommended to Management to streamline their procurement procedures and ensure that alternative quotations are obtained in order to ensure value for money in all procurement transactions.

GHANA COLLEGE OF PHYSICIANS AND SURGEONS

150. We noted that management of a hospitality facility belonging to the College was not effectually carried out to inure to the benefit of the College. We recommended that Management should constitute a committee to access and

identify the cause of non-performance of the facility managers and ensure a competent manager is engaged to run the facility for the benefit of the College.

151. We noted that balances of Trainees' fees in the sum of GH¢18,577,544.36 due to be collected from the Trainees of various institutions remain uncollected since 2017. A further review of the Trainees fees collection pattern indicated that receipts of Trainees fees continue to deteriorate yearly, leaving a huge balance to be brought forward as uncollected trainees fees in the ensuing year. We recommended that strenuous efforts should be made by Management to collect the outstanding amount due from the Trainees to improve the College's financial situation.

MINISTRY OF LANDS AND NATURAL RESOURCES

LANDS COMMISSION

Corporate Division

152. We noted that Management paid a total amount of GH¢1,171,441.33 as price adjustments of a construction contract and paid GH¢264,573.76 as interest on delayed payments at the rate of 35.5% per annum as against the then (5 Sep 2017 to 19 Feb 2018) Bank of Ghana prevailing interest rate of 15.00% p.a. leading to an overpayment of the interest on delayed payments by GH¢152,782.03. We recommended that Management take steps to recover the amount of GH¢264,573.76 from the Contractor through future certificates yet to be submitted for payment, failing which the Head of Procurement, Head of Finance, Head of Internal Audit Unit and the Principal Spending Officer should refund the amount.

153. We noted that the Commission procured store items and services worth GH¢197,602.20 but did not source for three (3) or more alternative price quotations from different suppliers to ensure the entity purchases from the most favourable sources to obtain value for money. We urged Management to strictly comply with the provisions in the Public Procurement Amendment Act to promote competition and transparency to obtain maximum value for money in all future procurements to avoid sanctions.

154. We noted that 20 occupants of Government bungalows owe rent in the sum of GH¢47,049.80 as at 31 December 2020. We recommended that the Head of Estates should recover the outstanding rents by compiling an updated list of occupants of the bungalows and furnish same through HR to the CAGD for source deductions from the beneficiaries' salaries.

155. We noted that the Commission paid GH¢2,614,400.00 to acquire two SSNIT Flats at Borteyman Housing Estates, Nungua, Accra in May 2018 but did not obtain title deeds for the properties. We recommended to Management to as a matter of urgency liaise with SSNIT Management to obtain the required title deeds for these properties to avoid any unforeseen disputes over ownership rights.

Survey and Mapping Division

156. We noted that Universal Merchant Bank delays in transferring collections totaling GH¢2,926,377.20 into the designated bank at the Bank of Ghana for a period ranging between 2 and 83 days. We recommended to Management to ensure effective supervision over the timely transfer of the collected funds by the Universal Merchant Bank into the Holding Bank Account at the Bank of Ghana.

Land Valuation Division

157. We noted that two occupants of government bungalows owed rent totalling GH¢2,419.00. We recommended that the Head of Estates should compile an update the list of occupants of bungalows and furnish same through HR to the CAGD for source deductions from the beneficiaries' salaries to ensure the recovery of the outstanding rents.

Land Registration Division

158. We noted that Management procured goods and services totalling GH¢197,172 that were not captured in the Division's procurement plan, contrary to Section 2(1) of the Public Procurement Act, 2003 (Act 663). We advised Management to desist from making such unplanned expenditures in future, to ensure the execution of planned activities.

159. We noted during our review of vehicle files that, ownership documents for 12 vehicles were not on file, and two vehicles were in the name of the Ministry of Lands and Natural Resources. We recommended to Management take urgent steps to regularise ownership of these vehicles and keep them on file.

160. We noted that several used equipment yet to be disposed of are occupying office spaces and creating unconducive working environment for staff. We recommended to Management to immediately constitute a board of survey to dispose of these unserviceable items, to provide office space for the officers.

OFFICE OF THE ADMINISTRATOR OF STOOL LANDS (OASL)

161. Management made payment for accommodation for Annual Conference at GS Plaza Hotel in Accra without obtaining three (3) or more alternative price quotations from different suppliers to ensure purchasing from the lowest evaluated bid to achieve value for money. We urged Management to strictly comply with the provisions in the Public Procurement (Amendment) Act, 2016 (Act 914) to promote competition and transparency and obtain maximum value for money in all future procurements.

162. Our review of the strategic plan of the OASL disclosed that it had expired since 2018 without review. We urged Management to prepare a new strategic plan to enable the OASL achieve its mandate and ensure future directions.

163. We noted from our review of the Transport records made available that the Office has no right of ownership for two vehicles inherited from donor-funded projects. We recommended to Management to take urgent steps to regularise ownership of these vehicles.

Regional Offices Issues

164. Our review of the records of four Regions disclosed that a total of GH¢21,897,680.03 have not been disbursed to the stakeholders accordingly, during the period under review in contravention of Article 267 of the 1992 Constitution. We recommended to Management of the affected Regions to disburse the total amount of GH¢21,897,680.03 in accordance with the recommended proportions to the stakeholders without further delay.

FORESTRY COMMISSION

Forestry Services Division (FSD) Head Office

165. We noted that the Commission had long outstanding receivables from contractors totalling GH¢6,161,502. We advised Management to take steps to pursue over-aged debtors to recover the funds.

MINISTRY OF FOOD AND AGRICULTURE

GHANA COCOA BOARD

Head Office

166. We noted that COCOA BOARD has relatively huge loans portfolio totalling GH¢12,301,211,685.40 as at the end of the 2019/2020 financial year. We urged Management to deploy and implement effective plans and strategies that would lead to the reduction of the Board's indebtedness within the medium to long term.

167. Government of Ghana (GoG) as at 30 September 2020 owed the Board GH¢2,251,364,855.22. This was because of supply of Cocoa Beans to Genertec International Corporation (GIC), Government's revenue support on producer price of cocoa and excess export duties paid by the Board for GIC on cocoa beans exported. We recommended to the Board to continue to engage MOF to ensure the settlement of the debt.

168. We noted during our review of the 2019/2020 approved budget statement that, COCOBOD expended an amount of GH¢230,700,424.38 on the principal repayment amount of a ten-year loan with Bank of Ghana (BOG) which was not included in the approved budget for 2019/2020 financial year. We advised Management to ensure that all the Board's activities are adequately provided for in its estimates and ensure that it operates within its approved budget.

169. Our review of the recovery of seed funds from Licence Buying Companies (LBCs) disclosed that Management could not recover seed funds and accrued interest totalling GH¢47,024,911.28 from LBCs for more than four cocoa seasons contrary to the provisions in the law. We urged Management to recover the amount from the banks that guaranteed these facilities for the companies failing which the Board should pray the court to lift the veils of incorporation of these defaulting companies to demand the total indebtedness from the Directors and personalities behind these companies.

170. We noted that three (3) Management staff who retired from COCOBOD still have in their possession vehicles which were allocated to them when they were in active service. We recommended to Management to recover the vehicle from the retired staff as instructed by the Board of Directors by 31 May 2022 and evidence of retrieval availed to the auditors for verification.

Cocoa Marketing Company (CMC)

171. We noted that the Company continues to use ten (10) of its vehicles which are more than the stated number of years for official duties. The vehicles were purchased between the period 2007 and 2012. To effectively manage the maintenance cost of the vehicles, we recommended to Management to adhere to the tenets of COCOBOD Policy Guidelines to reduce cost on insurance.

172. Contrary to the COCOBOD Policy Guidelines CMC continues to comprehensively insure nine of its official vehicles which are more than five years. To effectively manage the maintenance cost of the vehicles, we recommended to Management to adhere to the tenets of COCOBOD Policy Guidelines to reduce cost on insurance.

173. The Company's receivable aging report disclosed that a total of US\$179,572,915.48 debt was overdue as at 30th September 2020. To effectively manage the recovery of the debts, we recommended to Management to institute innovative measures to collect the debt.

174. The composition of the membership of CMC Board did not include the CEO of Cocobod or his representative, Staff Representative and Farmers' representative. We recommended to Management to liaise with the appointing authority to include all the representatives as stipulated by law for effective decision making.

Quality Control Company Limited (QCCL Ltd)

175. We noted from our review of investment portfolio that QCC invested an amount of GH¢500,000.00 in a vehicle loan investment account at the UMB Investment Holdings Limited (UMB IHL) contrary to the investment policy of Cocoa Board. Although UMB IHL and QCC Ltd have agreed to a five-month payment schedule starting December 2020 and a payment in excess of GH¢150,000.00 had been received, we urged Management to ensure that the payment schedule is strictly adhered to and recover all outstanding amounts by end of April 2021 as agreed. We further recommended to Management to avoid placing the Company funds in similar investment houses.

Cocoa Health and Extension Division (CHED)

176. The division granted imprest amounting to GH¢276,830.68 to twenty- four (24) officers to undertake various activities for the division and did not account for the funds as at 30 September 2020. We recommended that the affected officers should fully account for the total amount of GH¢276,830.68, failing

which the total amount of GH¢276,830.68 should be recovered from the affected officers and same paid to the division's account by 31 May 2022.

177. Two (2) officers namely, Mayfred Senya, who had his appointment terminated and Ayitey T. Johnson, an officer on suspension received unearned salary amounting to GH¢6,138.74 for the month of November 2019 and August 2020. We recommended to Management to recover the total amount of GH¢6,138.74 from Mayfred Senya and Ayitey T. Johnson to the Division's bank account, failing which the total amount of GH¢6,138.74 should be recovered from the Finance Manager and the schedule Officers.

178. Our review of estate records disclosed that fourteen (14) officers occupying the division's bungalows did not pay rent. We urged the Finance Manager to deduct the rent due from affected officers' salaries. We also recommended effective collaboration among the Finance Manager, Human Resource Manager and Estate Manager.

Seed Production Division (SPD)

179. Our review of the technical report submitted by the Senior Technical Manager of the SPD, disclosed that, out of the total number of 926,595 coffee seedlings which were ready for transplanting for the 2019/2020 crop season, only 276,576 representing 29.8% of the total coffee seedlings were distributed and the balance of 650,019 were discarded because they were overgrown. We recommended that Management should investigate the reason for the lapse and take corrective actions to forestall future occurrence.

180. Three (3) staff members separated from employment of the Division were paid salaries in various months totalling GH¢6,384.69 with no work done. The separated staff were paid two months after the date of separation. We advised the Human Resource Manager to promptly inform the Salaries unit of the Accounts department to cause the stoppage of salaries of separated staff. Also, the unearned salaries should be deducted from their unpaid End of Service Benefits, provident fund, and other related benefits.

Cocoa Research Institute of Ghana (CRIG)

181. Lack of effective control over the utilization and accountability of monies lead to unretired imprest totaling GH¢878,586.02 by 30 November 2020. We recommended that the amount be converted into advances against the officers and recovered from their salaries.

182. Management procured goods to the tune of GH¢194,152.30 without obtaining and comparing alternative quotations from other perspective suppliers to ensure competitive pricing. The Institute also had no approval from the Public Procurement Authority to apply single sourcing method before the purchase was made. We recommended that the Authorising and Approving officers who supervised the procurement process should be sanctioned according to Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914).

183. The Institute's account payables showed that, Management deducted Social Security Funds (SSF) contributions of GH¢882,027.98 from salaries/wages of temporary and casual workers over a period of time but did not remit same to SSNIT/Fund Manager. We urged Management of the Institute to ensure strict compliance with the National Pensions Act, 2008 (Act 766) and remit the outstanding SSF contributions to the SSNIT/Fund Manager to avoid future litigation and payment of penalties.

184. Management's inability to ensure that the New Product Development Unit runs under a conducive atmosphere attributed to the use of old machines and lack of production equipment for 17 products. The unit produces 19 different products from Cocoa and Cashew by-product like husk, pulp juice and butter. Toilet soap making machines and a distillation machine procured in 1994 without any replacement were the only equipment used for production. The other 17 products are made manually by the staff. We urged Management to liaise with the unit head and procure the necessary equipment to increase production.

Cocoa Clinic- Accra

185. Our review of the debtors' ledgers of the clinic disclosed that 175 corporate clients owed Cocoa Clinic an amount of GH¢7,382,293.61 in respect of health services rendered to them as at 30 September 2020. We urged Management to send reminders to all companies including COCOBOD Group whose payment dates have elapsed and re-negotiate payment terms with financially distressed companies.

186. We noted from our review of advances that, as at 30 September 2020, fourteen (14) staff could not fully retire imprest totaling GH¢95,417.80. We recommended to Management to ensure that staff retire advance given them in full compliance with Regulation 102 of the Public Financial Management Regulations, 2019 (L.I. 2378) and the Cocoa Board policy guidelines.

187. We noted that the Cocoa Clinic did not source for a minimum of three quotations in the procurement of goods and services totaling GH¢255,942.47.

We advised Management to adhere to the requirements of the Section 43 and ensure competition, fairness, and transparency in its future procurements to maximise value for money.

188. Our review of payment vouchers noted that Cocoa Clinic single sourced the procurement of medical equipment (Colonoscopy) and drugs totaling GH¢319,703.43 to Life Care Technology and East Cantonment Pharmacy without obtaining approval from the Public Procurement Authority. We urged Management to adhere to the procurement laws in all its procurement dealings.

Bonsu Cocoa College

189. Our audit inspection of residential accommodation of the College at site 3 disclosed that blocks number 35A and B and 47 respectively have their roof ripped off by wind and most of the buildings were in a dilapidated mood.

IRRIGATION COMPANY OF UPPER REGION LIMITED (ICOUR LTD)

190. Our review of the internal audit function disclosed that, the internal auditor did not produce his fourth quarter 2020 report. We recommended that the internal audit unit be fully resourced with both personnel and logistics to enable it function effectively.

191. We noted that the Management could not collect an expected rent income of GH¢105,507.00, the Company only recovered GH¢33,048.00 at the time of audit in August 2021 leaving a difference of GH¢72,459.00 to be recovered. We recommended to Management to take the needed steps to recover the difference of GH¢72,459.00 from the defaulters 30 days upon the receipt of this Management Letter.

192. Management of the Company could not recover debts owed the Company by its clients leading to an accumulated debt of GH¢1,440,706.00 at the close of the year. We recommended that, Management should analyse the total debtors to determine those that are recoverable and recover it or otherwise, seek approval to write off irrecoverable ones off the Company's books.

193. The Company paid an amount of GH¢8,000.00 for a parcel of land but did not to obtain the title deeds to the land. We urged Management to rigorously follow up on the registration process.

194. We noted during our inspection of the project sites that, lands of the Company were being encroached by private developers, with both residential and

commercial being put up on the Company lands. We recommended that Management should as a matter of urgency should demarcate these lands and take legal steps to evict the encroachers.

NATIONAL FOOD BUFFER STOCK COMPANY LIMITED

195. Our audit disclosed that Management did not deduct withholding taxes totalling GH¢7,642.72 on the purchase of goods and services worth GH¢114,016.85. We recommended that Management should immediately pay the GH¢7,642.72 to Ghana Revenue Authority and retrieve the same from the relevant suppliers and service providers.

196. We noted during our review of payment vouchers that 26 payment vouchers amounting to GH¢136,929.60 were not supported with receipts, works order and certificates of completion of work done certified by the department head or an appointed officer. We recommended to Management to ensure that all 26 payments vouchers are adequately supported to account for the funds released, failing which, the finance officer will have to refund the amount of GH¢136,929.60 to government chest.

MINISTRY OF JUSTICE AND ATTORNEY-GENERAL'S DEPARTMENT

ECONOMIC AND ORGANISED CRIME OFFICE

197. We noted that items worth GH¢95,718.48 were procured but were neither captured in the 2020 Budget Estimates nor the Procurement Plan. We recommended that Management should ensure that a Budget Unit is properly constituted, and the Procurement Unit decoupled from the Finance department with clearly defined job description and responsibilities to prepare a realistic budget and procurement plan for the organisation.

COPYRIGHT OFFICE

198. We noted that the Office has no Internal Audit Unit to ensure effective and efficient internal control systems in the Office. We recommended that Management should step up efforts to establish an Internal Audit Unit to ensure sound financial practices in the Office.

199. We noted that the Copyright Office faces a number of challenges that pose threat to its sustainability and effective execution of its mandate. To ensure that the Copyright Office is transformed into a viable and sustainable organization, we recommended that the Acting Administrator together with the Office of the Attorney General and Ministry of Justice should come out with a comprehensive plan, including seeking for funds from the Government to address the challenges.

LEGAL AID COMMISSION

200. We noted during the review of the Commission's revenue collection that out of GH¢18,597.00 collected only GH¢12,576.00 was lodged leaving an amount of GH¢6,021.00 not lodged in the project account. We recommended that the shortage is recovered from the cashier involved and paid into the project account for our verification.

201. We noted that payment vouchers amounting to GH¢25,168.05 did not have the relevant supporting documents like memos and receipts to fully account for the total amount. We recommended that the Head of Accounts should ensure that memos and receipts are attached to the payment vouchers and inform our office for verification.

202. We noted that, an amount of GH¢47,618.18 purported to have been paid to the regional officers of the Commission have not been acknowledged by recipients. We recommended that, the Principal Accountant should strengthen his supervisory role over the cashier's activities. Furthermore, the Principal Accountant should ensure that the payments are acknowledged by the officers involved and inform our office for verification or the total amount of GH¢47,618.18 should be recovered from the approving and authorising officers.

203. The audit disclosed that two (2) payment vouchers amounting to GH¢4,862.68 were not submitted for our examination. We recommended that Management should ensure proper filing system and take necessary steps to produce these payment vouchers for our examination.

204. A review of the Commission's approved budget and procurement plan disclosed that, Management authorised the procurement of goods and services worth GH¢543,600.00 in 2018 and GH¢174,000.00 in 2019 that were not captured in the procurement plan of the Commission. We recommended that, Management should carry out a proper needs assessment to obtain adequate

and reliable information to ensure proper planning and implementation of ensuing procurement plans.

205. Management wrongly bonded two officers who have been granted study leave with pay to pursue various Courses under a sponsorship program and also failed to authorise bond forms for Mr. Savior Asase Senyo. We recommended that, the officers and subsequent beneficiaries should be bonded appropriately to serve the institution to recoup its investment in human resource capacity building.

MINISTRY OF COMMUNICATION AND DIGITISATION

ACCRA DIGITAL CENTRE

206. We noted during our review that The Center's 9000 square meter Property within which house about 40 Companies occupy was not insured. We recommended to the Management to liaise with the Ministry to insure the property as required by the Act without further delay to mitigate the risk posed to lives and property.

207. Our review disclosed that, the Center procured an accounting software called Adroit ERP to help the Center prepare its accounts without approval from the Auditor-General. We recommended that Management should write to the Auditor-General to review and approve the Adroit ERP software.

208. We noted that Ghana Innovation Hub a tenant of Accra Digital Centre rented part of its office space at a commercial rate (above the rate the Company paid ADC) to the public. We recommended that the Managing Director should provide the team, if any, documentary proof of special arrangement between the ADC and Ghana Innovation Hub that culminated into that action of the latter.

209. Our review of account receivables for the period disclosed that rent outstanding for the 4 years continued to increase by an average of 90%. We recommended that, Management should institute a more workable rent payment regime and enforce same. Also, Management should liaise with the Ministry of Finance to get Parliamentary approval for the write-off of the uncollectible debt.

210. A review of the debtor's record disclosed several irregular write-offs of account receivables totaling GH¢1,087,601.92. We recommended that Management should provide justification for the total account receivable write-offs of GH¢1,087,601.92.

GHANA POST COMPANY LIMITED – 2019

211. We noted that out of a total expenditure of GH¢180,123.92 made on thirty (30) payment vouchers, GH¢55,147.01 was accounted for leaving a difference of GH¢124,976.91 on the Company's Cedi accounts. We recommended that, the Head of Finance and Administration (DMD F& A) should account for the amounts of GH¢124,976.91 or refund same for verification.

212. We noted that Management of Ghana Post made payments from one hundred and twenty-six (126) payment vouchers totalling GH¢628,495.84 to vendors as well as some officers of the Company for varied assignments, but the Head of Finance did not obtain signatures from the payees or official receipts to support the payments. We recommended that the Managing Director and the Head of Finance (DMD F&A) should ensure that the said payments are properly acknowledged with the necessary supporting documents and signatures, failing which they should be made to refund the amounts involved.

213. We noted that forty (40) payments totalling GH¢193,789.93 were made in respect of goods and services procured, but the Accounts Section did not deduct withholding tax amounting to GH¢12,130.91 from vendors and remit same to the Ghana Revenue Authority. We recommended an urgent recovery of those taxes from the suppliers and service providers and same remitted to the Ghana Revenue Authority and receipts made available for our verification, failing which the Deputy Managing Director (DMD) Finance, Human Resource and Administration should be made to refund the amount of GH¢12,130.91.

214. We noted that Ghana Post has several acres of lands located at different parts of the country; These lands are not being put to any economic use nor the purpose for which they were acquired for. We did not sight legal titles to the lands as a security in case of litigations to their ownership. We advised Management to register these properties to secure them from further encroachment and ownership litigations. Management could also liaise with development partners to put these properties to economic use failing which the Minister should transfer the management of these properties to other agencies who have need for them.

GHANA POST COMPANY LIMITED – 2020

215. We noted that three (3) payments totalling GH¢40,080.00 were made in respect of rental charges for some of Ghana Post Offices. The team noted that the Accounts Section did not subject the payments to 15% withholding tax amounting to GH¢6,012.00 and remit same to the Ghana Revenue Authority as

required by law. We recommended the recovery of those taxes from the landlords and same remitted to Ghana Revenue Authority and receipts made available for our Inspection.

216. We noted from our review of policies, procedures, risk management and internal control systems of the Company that, the Board did not develop any Scheme of Service to govern its employees effectively and efficiently. We urged Management to address this issue to forestall any industrial unrest and harmonise the progress of each employee of the Company.

217. The audit team reviewed a Tax Audit Report for the 2016, 2017 and 2018 Years of Assessment of the Company. This Tax Audit Report was issued in June 2020 by the Ghana Revenue Authority. The Total Tax Liability of the Company as assessed in the report amounted to GH¢6,036,601.19 consisting of GH¢4,963,470.40 representing unpaid taxes and GH¢1,936,276.58 representing penalties on the unpaid taxes during the period. We recommended to Management to ensure that steps are taken to settle the entire tax liability of GH¢6,036,601.19 to GRA and to notify the audit team to verify same.

POSTAL & COURIER SERVICE REGULATORY COMMISSION

218. Thirty-four (34) courier and delivery service providers owe the Commission a total of GH¢202,300.00 for the period 2017 to 2019. We recommended that the Commission should establish a task force to ensure that all monies due the Commission is collected on time. We recommended that Management should introduce a policy that will ensure that any default or delay in renewal of licence could attract a penalty.

219. Management paid a total of GH¢94,000.00 from its Internally Generated Funds (IGF) as salary arrears to the former Executive Secretary without any approval from the Ministry of Finance. We recommended that the Commission should write to Ministry of Finance to seek retrospective approval failing which the approving and authorising officers of this payment be made to refund.

220. Our examination of the payment vouchers during the period under review disclosed that a total amount of US\$2,750.00 and GH¢7,630.00 granted as accountable imprest to the former Executive Secretary and his driver for foreign and local travels were not accounted for. We urged Management to ensure that all imprest granted are properly retired in accordance with the Regulations. We also recommended that the former Executive Secretary should be made to

properly account for the amount within 14 days after the receipt of this Management Letter.

DATA PROTECTION COMMISSION

221. We noted that payments for various services rendered to the Commission in the sum of GH¢515,282.07 were without official receipts from the payees to authenticate them. We recommended to Management to ensure that original receipts from the payees are attached to the payment vouchers for our verification, failing which the authorizing and the paying officers should be made to refund the GH¢515,282.07.

222. Notwithstanding several requests made to Management, 16 payment vouchers and related records amounting to GH¢131,053.95 were not presented for auditing. We recommended to Management to make available the payment vouchers totalling GH¢131,053.95 and the related records for audit scrutiny within 30 days after receiving the management letter, failing which the officers responsible for the payments should be made refund the GH¢131,053.95.

223. Our review of the records disclosed that 41 payments vouchers totalling GH¢496,022.04 were without the relevant supporting documents to authenticate the payments. We recommended to Management to ensure that the payments are properly acquitted by providing the relevant documents such as Store Receipt Advice (SRA), distribution lists and signed claim sheets to justify the expenditures within 30 days after receiving the management letter for our examination, failing which the GH¢496,022.04 should be recovered from the authorizing and paying officers.

224. We noted that a total amount of GH¢60,000.00 was granted by the Board as Salary Advance to Miss Patricia Adusei – Poku in 2018, but the loan remained unrefunded as at the time of the audit in October 2020. We recommended to the Board to take steps to recover the GH¢60,000.00 without further delay.

225. We noted that Data Protection Commission owes Activate Africa an amount of GH¢823,156.28 for services provided during the Commission's 2019 conference activities due to lack of budgetary allocations among others. We recommended to Management to initiate steps to pay the outstanding amount and ensure that future expenditures are in accordance with the plan activities, the policy statement, and the financial estimates of the Commission.

NATIONAL COMMUNICATIONS AUTHORITY

226. Contrary to Section 1 of the National Communications Authority Act, 2008 (Act 769), the National Communications Authority (NCA) engaged the services of three (3) Contractors and a Project Management Consultant to carry out a Base Station Audit of all the towers used for telecommunications services in Ghana. We however, found a couple of tower owners were yet to implement recommendations contained in the base station audit reports. We encouraged the governing board together with Management of the NCA to ensure that the taxpayer receives value for money spent on the Base Station Audits by providing specific timelines to the defaulting Telco's to remedy the anomalies identified against them.

227. In contravention of applicable legislation that govern the effectual public financial management, we found during the audit of the National Communications Authority's (NCAs) Regional Offices that Closed-Circuit Television (CCTV) installed in the buildings were either not functioning or displaying several blind spots. We recommended to Management to contact the vendor for the CCTV installation to service the blind spots with focus on the possible expansion of coverage for the exteriors of the properties.

228. We reviewed a sample of twenty (20) Vehicle Loan Agreements in the period covered by this audit and found that, the NCA granted vehicle loans to the twenty affected employees to the tune of GH¢920,610.37 in contravention of Public Financial Management legislation requirements. We entreated Management to regularise the anomaly forthwith in order to minimise the risk of loss of public funds and further advised Management to provide explicit timelines for compliance with loan terms and conditions; we also urged Management to incorporate paragraphs 5.3.16 (e & f) of the NCA Human Resource Policy Manual into the standard loan agreement to forestall a repeat of the above.

229. Contrary to Public Financial Management Act/Regulations requirements we discovered that government revenue amounting to GH¢11,033,925.50 has accrued as a result of varied activities and services including licenses for Numbering, 1% Annual Regulatory Fees, Microwave and other services undertaken by the NCA for various Telecommunication companies to enable them to operate within Ghana's Telecommunications Space. We recommended to Management to increase supervision and tighten controls in revenue management/accounting to avert the likelihood of the above anomaly repeating itself.

230. Our audit disclosed that, the NCA engaged the services of three (3) vendors for varied activities but applied different tax rates in the computation of withholding taxes resulting in under-deduction of withholding tax of GH¢40,380.57. We recommended to Management to recover the outstanding tax revenue from the affected vendors, pay same to the Domestic Tax Revenue Division of the Ghana Revenue Authority by 31 March 2022 (GRA) with proof for audit verification.

MINISTRY OF TOURISM, CREATIVE ARTS AND CULTURE

GHANA MUSEUMS AND MONUMENTS BOARD

231. We noted that Management has not been able recover an amount of GH¢250,000.00 borrowed by the Ministry of Tourism, Arts and Culture from the Board in August 2018 even though the terms of repayment of the loan had expired. We urged Management to liaise with the Ministry of Tourism, Arts and Culture for the immediate recovery of the loan.

232. We noted that sixteen (16) tenants of the Board owed a total of GH¢19,520.00 as rent by 31 December 2020. We recommended to Management to take the necessary steps to collect all the rent in arrears without further delay.

233. We noted that the Board did not obtain two [2] or more other quotations for price comparisons and value for money considerations for goods and services totalling GH¢397,351.25 procured for the periods under review. We recommended that Management should provide justification for the unapproved single source procurement, failing which sanctions as outlined in Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of the Public Procurement Amendment Act, 2016 (Act 914) shall be enforced against the Procurement and authorizing officers.

234. We noted irregularities in the contract management of the renovation of the National Gallery. We recommended to Management to provide the justification to address the irregularities failing which sanctions as outlined in Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of the Public Procurement Amendment Act, 2016 (Act 914) shall be enforced against the authorising and paying officers.

235. We noted that Mitsubishi Pajero with registration number GE-2732W has been grounded since 2013 causing further deterioration and compromising value for money. We advised Management to ensure that the vehicle is repaired, or a

Board of survey is constituted for auction process to salvage it from further wear and tear.

236. We noted during our visit to James and Ussher forts, and the Regional Museum of Science and Technology that the buildings are deteriorating and having various forms of problems that need immediate attention to safeguard the properties. We recommended to Management to as a matter of urgency liaise with the appropriate authorities and development partners for funds to renovate and properly maintain the forts to ensure the preservation of the Country's history.

MINISTRY OF INTERIOR

NARCOTICS CONTROL COMMISSION

237. We noted during our review of records that, the Commission in 2016 took delivery of 39 vehicles and 20 motor bikes procured by the State from SVANI Gh. Ltd. However, as at August 2021, the change of ownership has not been effected. We recommended to Management to pursue for immediate transfer of ownership to the Commission to ensure that value for money is obtained.

MINISTRY OF EMPLOYMENT AND LABOUR

RELATIONS

NATIONAL VOCATIONAL TRAINING INSTITUTE-(NVTI)

238. Ministry of Employment and Labour Relations in 2016 released GH¢1,320,000.00 to National Vocational Training Institute (NVTI) for the training of 5000 trainees in all the ten (10) regions within ten (10) skill trade areas. However, from 2016 to 2020 Management trained trainers and developed curriculum for the programme expending GH¢560,835.90 but could not train the trainees who were the primary focus of the project. We recommended to Management to ensure that Youth Employment Authority fulfils their agreement by releasing the funds or NVTI uses the money released to train a number of the trainees on some of the trade areas.

SOCIAL SECURITY AND NATIONAL INSURANCE TRUST (SSNIT)

239. We noted that public sector workers contribution to SSNIT amounting to GH¢4.33 billion were yet to be settled by Government. We recommended that Management should liaise with CAGD and Ministry of Finance on the payment plan for defraying the outstanding debt. Management explained that SSNIT

already has a payment plan with Ministry of Finance to ensure that the outstanding debt is paid. Government has so far made some efforts to settle the indebtedness. In 2020, two (2) Bonds totaling GH¢1.00 billion were received as part payment of the indebtedness.

240. We noted that, ten (10) out of forty- five (45) unlisted equity companies SSNIT invested in, have not been paying dividend to the Trust for the past 10 years. The total investment value of the ten companies stood at GH¢150,307,700.00. We recommended that Management should assess the operations of these companies to ascertain the reasons behind the poor performance and take strategic decisions that would safeguard the interest of the Trust. According to Management and from our reviews these investments were all legacy ones. Management however, provided the following explanations and actions that they are currently pursuing to normalise the situation.

i. Golden Beach Hotel Limited

241. The company continues to record losses hence their inability to declare and pay dividends. Recent weak performance has been due to the impact of the COVID-19 pandemic. The Trust is at an advanced stage in the process of seeking a strategic investor, and a transaction adviser has been working on the selection process.

ii. CDH

242. SSNIT has a 1.3% equity stake in CDH. The company is not doing well as two key subsidiaries i.e., Ivory Finance and CDH Asset Management have been liquidated and licenses withdrawn by their respective regulators during the financial sector clean up. SSNIT stake has been for sale since 2014 but there has been no offer for the past five years.

iii. Bayport Financial Services limited

243. Company has not paid dividends since the merger between CFC Savings and Loans and Bayport Financial Services in 2016, mainly because of the integration of the operations of the two companies. Integration has been completed and staff downsized. Currently, the company has a positive Income Surplus so looking forward to paying dividends when it records profit. Monitoring the company's current progress.

iv. Trust Logistics Limited

244. The very competitive logistics industry exacerbated by an aging fleet of trucks has meant that the company continues to make losses. As a result, it has not been able to pay dividends.

245. Board and management are implementing a new strategy to diversify revenue sources and improve performance. As part of the strategy, it is leveraging its landed assets to improve its performance through agreements that will utilise its land more effectively. The company has now physically secured its land and is in the process of perfecting the title to the land to facilitate the new strategy.

246. SSNIT has also worked to complete a long-standing asset split between the company and ISTC. It is therefore able to either monetise these assets if needed and to leverage others to improve its finances. Additionally, Trust Logistics has struck a deal with Goil and Marado Automated Safety and Vehicle Inspection Company (MASVIC) to generate further income from its landed assets.

v. Intercity STC Coaches Limited

247. The company continues to record losses hence their inability to declare and pay dividends. The current border closure due to the COVID-19 pandemic, has affected travel to Togo and Cote d'Ivoire, which forms a significant source of revenue for the company. The acquisition of buses through an ADB Bank loan and from the Government is complimenting management's new strategy to turn the business around. Monitoring progress of company to ensure it turns profitable to pay dividends.

vi. African World Airlines

248. The Company started operating with leased aircraft in the year 2013/2014, which was expensive when compared to market rates. It has now agreed a new payment arrangement with Hainin Airlines for the existing aircraft, which is more beneficial to AWA. There has also been a significant drive to try and reduce operating costs of the company. The company is expected to be able to pay dividends by the year 2024. Progress is being monitored.

249. F-Line Ltd, Joint Venture company was unable to deliver 84 flats and SSNIT had also not triggered the penalty clause contained in the sale and purchase agreement. We recommended that Management of SSNIT should institute rigorous cost reviews in similar transactions and take steps to reduce its exposure in the F-Line transactions and ensure that value is obtained for every expenditure in the Joint Venture. Management provided the following comments on the above observation, that there are 12 blocks in total including external works. Per the company's project plan and budget at the time of restarting the project in 2020, the funds received from the sale of the 84 flats to SSNIT was to complete the first 6 blocks of flats and not all the 12 blocks. The entire project (including blocks 9, 10 and 11) as at the time of the audit was over 80% completed, with blocks 1 to 6 substantially completed for handing over by

the contractor to the company.

250. Management of SSNIT are not able to recover repayment of loan facilities totaling GH¢858,380,662.10 from seven (7) Companies. We recommended that Management should review the loan portfolios with the respective companies and put in place measures to recover them. We also recommended that Management should take possession of the underlying assets of the defaulting companies to defray parts of the loans. We further recommended that Management should seek redress at the law court where appropriate to recover the loans. Management explained that though these loans were all legacy facilities they have currently taken various measures in pursuing their recoveries that includes the following:

i. RSS Developers Ltd. (Loans 1, 2, 3).

251. Loan 1– Ghana cedi equivalent of US\$50.0 million was disbursed in tranches to the company in 2011 (April, June and December).

252. Loan 2 – Ghana cedi equivalent of US\$115.0 million was disbursed to the company in tranches as follows:

- 2013 (January, February, April, September and October).
- 2014 (March and April).
- 2015 (August and September).

253. Loan 3 (Bridge) - Amount Approved US\$17.0 million. The Trust disbursed Ghana cedi equivalent of US\$12.75 million in two tranches to the company in November 2014 and February 2015. The company was to repay the loan with proceeds from sale of its property developments. The development has however faced a myriad of challenges including a slowdown in the real estate market, overpriced units of its development, and inability of the contractor, being a partner in the company, to complete the development, which in our estimation, arises from the contractor's own financial challenges.

254. SSNIT has swapped part of its debt with the completed housing units of the company to lower its financial exposure. SSNIT Management has put in place a new Investment Policy and Guidelines document to guide the Trust on such transactions in future that includes that, SSNIT shall not enter into any joint venture agreement where a partner in the JV will be the contractor for the project the JV is to undertake. SSNIT is preparing to aggressively market the sale of the units that have been taken over.

ii. Aluworks Limited.

255. Aluworks defaulted on its contractual obligations to the Trust due to financial and operational challenges arising from what they termed as unfair competition from abroad.

256. SSNIT bought land from Aluworks to enable the company get funds to pay its debt owed to VALCO and get funds for working capital. The proceeds were used for the purpose and as a result the company currently has a credit balance with VALCO. This has freed up working capital making it easier for the company to operate. Discussions for a strategic investor is still ongoing.

257. Aluworks Ltd., being a public listed company, is preparing to hold an Annual General Meeting (AGM) tentatively set for October 2021 where it will table the SSNIT proposal for a strategic investor for shareholders' discussion and direction. A draft resolution to be considered at the AGM has been received from the company's Management. Injections by a strategic investor will be used to retire a significant portion of the SSNIT debt.

iii. Switchback Developers Limited

258. The construction of Phase I of the project experienced delays due to a lack of adequate construction finance. Sale proceeds received, which were to be used to pay for the loan, have been used for the construction. Thus, the company's inability to pay back the loan when it fell due.

259. Phase I of the project is about 95% complete. The Trust has injected funding by acquiring 6.18 acres of the land and responded to a rights issue to purchase flats at a significant discount. Sales are ongoing and is expected that the loans will be repaid from the proceeds. In addition, Shareholders are also considering selling additional parcels of land. It is expected that the sales of the land and apartments will exceed the value of the loans.

260. The investment reports on Unlisted Companies 2021 showed that the Trust has over US\$206 million of its investible funds locked up in 4 joint ventures. All the four projects were estimated to cost over US\$240 million. We recommended that the Trust takes steps to reduce its exposure on these projects.

261. Management again indicated that all the four Joint Ventures were legacy investments, some dating back to 2008. However, in the case of West Hills Ridge Company Ltd, the current SSNIT Management/Board conducted a value for money audit on the company. The audit led to the company saving US\$30 million on the construction cost.

262. SSNIT further stopped the continuation of the Phase 2 except for six blocks that construction was advanced and the Sports Centre, which is a very necessary complimentary facility. The project is steadily going on with sales ongoing for the completed units.

263. Management recorded a surplus of GH¢1.1billion in 2020 financial year as compared with a deficit of GH¢472million posted in 2019. This represents a 314.4% increase in the Trust's financial performance over the period.

MANAGEMENT DEVELOPMENT AND PRODUCTIVITY INSTITUTE (MDPI)

264. We noted that Management applied a withholding tax of 10% on Board and other committee allowances paid instead of 20% required by law resulting in a shortfall of GH¢16,772. We recommended that Management should apply the correct rate of withholding tax on allowances and ensure that the GH¢16,772 is remitted to the GRA.

MINISTRY OF TRANSPORT

GHANA SHIPPERS' AUTHORITY

265. We noted that eight (8) out of the sixteen (16) Tenants, occupying portions of Accra Shippers House and Takoradi Shippers Centre owed rent to the tune of GH¢3,692,457.71 as at 31 December 2020. We recommended to Management to pursue the defaulters for the rent arrears of GH¢3,692,457.71 or terminate the Tenancy agreement.

PSC TEMA SHIPYARD LIMITED

266. We noted that Shipyard paid a total amount of GH¢860,283.94 to Fifty-Three (53) service providers without contract or agreement to determine the kind of services, pricing, and others to authenticate the payment. We recommended that the Chief Executive Officer and the Head of Finance should produce the contract agreement, evidence of work done, and the basis of the amount paid to authenticate the payments.

267. Our review of payments vouchers disclosed that Shipyard paid a total amount of GH¢263,455.35 to Maritime Labour Organisation as service fees without evidence of work done such as reports from supervisors or heads of units indicating work performed, name of vessels Maritime Labour Organisation worked on, the offices and places Maritime Labour Organisation that provided cleaning services and others to substantiate the payment. We recommended that

the Chief Executive Officer and Finance Manager should produce evidence of work done such as reports from supervisors or heads of units indicating work performed, name of vessels Maritime Labour Organisation worked on, the offices and places Maritime Labour Organisation that provided cleaning services and others to substantiate the payment, failure of which the total amount of GH¢263,455.35 be recovered from the Chief Executive Officer and Finance Manager.

268. Our audit disclosed that shipyard paid medical bills amounting to GH¢27,330.00 to Dr. Daniel Tettey Baddoo for providing medical services to shipyard workers at the GPHA clinic without paying or recourse to GPHA Clinic. We are of the view that since the doctor took care of the officers at GPHA Clinic facility all medical payments should be made to GPHA Clinic other than the individual. We recommended that the Finance Manager should produce consent or authorisation from the GPHA Clinic to pay total amount of GH¢27,330.00 to Dr. Daniel Tettey Baddoo, failing which the total amount of GH¢27,330.00 should be recovered from Dr. Daniel Tettey Baddoo and same paid to the GPHA Clinic Account.

GHANA PORTS AND HARBOURS AUTHORITY

269. We noted that Amber Quality Food Limited had been indebted to the Authority to the tune of GH¢260,350 since 2016 without making any payment. We urged Management to take immediate action to recover the amount.

270. We noted that even though the deployment of an extra tugboat attracted an additional 50% towage charge, some vessels were towed with an extra tugboat at no extra charge. We recommended that the guidelines in the port tariff must be adhered to.

271. We noted that six (6) unidentified deductions totalling GH¢36,610.85 from the Ecobank disbursement account had not been rectified as at 31 December 2020. We urged Management to follow up with the bank to obtain a clear description of the transactions.

272. We noted that damages caused by some port users were yet to be assessed by the responsible department for them to be surcharged. We advised Management to ensure that damages are assessed on time and invoices issued to the responsible port users for payment.

VOLTA LAKE TRANSPORT COMPANY LIMITED

273. We noted that Tier 2 contributions deducted from 2013 to date totalling GH¢454,552 were not paid. We also noted that late payments of PAYE to Ghana Revenue Authority amounting to GH¢3,616,194.88 attracted a penalty of GH¢276,943. We recommended to Management to take immediate steps to pay all outstanding statutory deductions without further delay. Management was also advised to work out a payment plan and discuss with the institutions involved, to have the outstanding liabilities settled.

MINISTRY OF TRADE AND INDUSTRY

GHANA EXPORT PROMOTION AUTHORITY

274. We noted that the Authority granted loans to unregistered Companies and individuals to the tune of GH¢907,742.39 in contravention of the Exports loan policy. We also realised that the Loan policy was not designed to minimise the risk of defaults in loan repayments. We urged Management to ensure immediate recovery of the outstanding loans of GH¢907,742.39 granted to unregistered Companies and individuals failing which the authorizing officers should be held liable for any loss of funds. Management should also revise the Exports loan policy to include measures that would minimise defaults in loan repayments, including submission of financial documents.

275. We noted that a total of GH¢59,252.50 granted to staff as rent and staff loan at the beginning of 2019 had an unpaid balance of GH¢34,926.69 as at December 2020. We recommended to Management to ensure that staff loans are recovered through deductions from the beneficiaries' salaries by the Controller and Accountant General Department.

276. We noted that Mr. Kwadwo Adubofour, a former Deputy Director of the Authority was paid an unearned salary of GH¢36,462.00 for a period of ten (10) months. We recommended to Management to recover the salaries and allowances unduly paid to Mr. Kwadwo Adubofour and pay same to Government chest failing which the approving officers of the salary shall be held liable.

277. Contrary to Article 23 (e) of the Collective Bargaining Agreement of the Authority, Management failed to deduct 10% rent from salaries of six (6) officers occupying the Authority's bungalows situated at Sakumono, leading to outstanding rent fees of GH¢31,872.28 as at December 2020. We recommended

to Management to recover all outstanding rent fees from the affected staff and evidence of payment submitted to our office for verification.

278. Contrary to Section 63 (1) of the National Pensions Act, 2008 (Act 776), Management could not make regular contributions on behalf of Contract workers to SSNIT during the years under review, leading to non-remittance of SSNIT contributions totalling GH¢517,520.16. We recommended to Management to immediately settle all outstanding SSNIT payments of all affected staff and ensure that monthly payments of statutory deductions are made within 14 days of the ensuing month to avoid penalties.

279. We noted that Management did not bond two officers that were sponsored to undertake a one-year Executive Masters programme in Regional Integration and African Development at the Ghana Institute of Management and Public Administration (GIMPA). We urged Management to bond Mr. Fred Omane Asante and Mrs. Nelley Spio-Abaidoo with immediate effect and ensure that copies of master's degree certificates awarded to them are obtained.

280. We noted during the review of asset management that the Authority has no title documents for the land where its official bungalows are situated at Sakumono, Accra. We recommended to Management to register all its lands and properties as soon as possible to avoid any unforeseeable litigations and possible encroachment of the lands.

GHANA TRADE FAIR COMPANY LIMITED

281. We noted that the Company did not pay SSNIT contributions of employees amounting to GH¢36,268.60 which was standing on the ledger for the year 2020 (January to May). We further noted that the 2nd and 3rd Tier pension schemes were also in arrears of GH¢36,029.70 and GH¢26,442.35 respectively. As a result, the Company owed a SSNIT statutory payments of GH¢98,740.65 as at December 31, 2020. We urged Management to take the appropriate steps to settle the outstanding statutory obligations without further delay to avoid further penalties and other sanctions predetermined by the Pension's Act.

282. We noted from the review of the ledgers that the Company owed twenty (22) former employees, End-of-Service Benefits as at 31 May 2020 which is currently under mediation with Public Service Workers Union and GTFCL. We urged Management and the Board to corporate with the mediation process to resolve the unpass with the affected employees towards the liquidation of the debt to avoid prolonged legal battle and penalties for the Company.

283. Our review of the Company's records disclosed that a total amount of GH¢6,838.58 withheld from the payment for goods, works and services procured have not been remitted to the Ghana Revenue Authority (GRA). We recommend to Management to remit the withheld taxes amounting of GH¢6,838.58 to the Ghana Revenue Authority and make available the evidence of the payment for our verification.

MINISTRY OF INFORMATION

GHANA NEWS AGENCY

284. We noted that, Mr. Ebenezer Tackie who was granted a two-year study leave with pay to pursue a Master of Science programme in Global Human Resources Management at the University of Roehampton, London and was paid a total of GH¢57,673.27 as salary for the period of study did not return to work after completion. We recommended to Management to recover the total amount of GH¢57,673.27 being the total salary paid to Mr. Tackie for the period March 2018 to March 2020 and pay same to chest.

285. Our review of revenue management noted that the Agency did not transfer a total of GH¢65,575.27 being internally generated for the period under review to the Consolidated Fund. We recommended to Management to ensure that a total amount of GH¢65,575.27 is transferred to the Consolidated fund without further delay.

286. We noted during our visit to four selected regions-; Eastern, Volta, Northern and Upper East Regional offices of the Agency that the buildings were deteriorating and having various forms of problems which calls for maintenance and renovation. We recommended to Management to liaise with the Ministry of Finance and Economic Planning for the approval for retention of the internally generated funds to enable the Agency repair and maintain the properties.

287. We noted during our visit to the Upper East Regional Office of the Agency that, Swap Restaurant, a tenant owes a rent of GH¢24,000.00 for the period January 1, 2018, to 31 December 2019 at a monthly rent of GH¢1,000.00. We recommended to Management to take over the structures put up by the tenant and rent them out for generation of income.

GRAPHIC COMMUNICATIONS GROUP LIMITED

288. We noted that the Company together with its Head of Procurement procured store items and services worth GH¢277,475.93 but did not source for three (3) or more alternative price quotations from different suppliers to ensure the company purchased from the most favourable sources to obtain value for money. We urged Management to strictly comply with the provisions in the Public Procurement Act, 2003 (Act 663) to promote competition and transparency in order to obtain maximum value for money in all future procurements.

289. We noted that Management made twelve (12) individual payments totalling GH¢52,148.82 as penalty charged for delayed remittances of taxes due Ghana Revenue Authority. We recommended that the officer whose actions and inactions occasioned the delay should be made to personally bear the cost of the penalties of GH¢52,142.82 for our verification.

290. Graphic Communications Group Limited (GCGL) invested a total amount of GH¢135,227 with Gold Coast Securities, between 16 June 2017 to 16 June 2018 to earn an interest of GH¢19,901 to a maturity value of GH¢155,128 without being able to retrieve the invested amount plus the accrued interest till the time of our audit in January 2021. We recommended that the amount of GH¢155,128 together with any outstanding interest accrued since June 2018 to date be recovered from the fund management company.

291. We noted that Management of the Company auctioned eighteen (18) vehicles without prior written approval from the Minister. We recommended to Management to seek retrospective approval from the Minister in order to regularise the auction.

292. We noted that the Head of Internal Audit Unit of the Company did not make copies of its quarterly internal audit reports available to the audit team. The head of the Internal Audit unit could not give any tangible reason for irregularity despite the audit team's several visits to the unit. We recommended that the unit should make copies of its quarterly internal audit reports to the audit team in line with Section 83 of the PFM Act or be sanctioned under Section 98(1)(a) of the Public Financial Management Act, 2016 (Act 921).

293. We noted that Management entered into barter agreements to procure vehicles and other items worth GH¢849,335.07. These transactions were single sourced without seeking approval from the Public Procurement Authority. We

recommended that the Head of Procurement together with Management should be sanctioned in accordance with Section 92 of Act 914 which prescribes that any person who contravenes any provision of this Act commits an offence and where no penalty has been provided for the offence, the person is liable on summary conviction to a fine not exceeding 2,500 penalty units or a term of imprisonment not exceeding five years or both.

294. We noted that the Company entered into contract agreements with suppliers for the procurement of vehicles and other items totalling GH¢849,335.07 above the entity head's threshold. We recommended that Management refers the contracts to the entity tender committee for ratification, failing which the sanctions in Section 92 (1) of the Public Procurement Act shall be applied.

295. We noted that Management contracted the services of a Research Consultant, Dr. Abena Animwaa Yeboah-Banin without recourse to the Public Procurement laws. We recommended that the Managing Director together with the Head of Procurement should be held liable for the infraction and sanctioned accordingly.

GHANA BROADCASTING CORPORATION

296. We noted that the Corporation was saddled with the payment of overdue long service debt emanating from unsustainable provisions in the GBC Collective Agreement, some of which resulted in the award of judgement debts by the Court totaling GH¢184,136.11. We recommended that Management should find a more sustainable source to finance the Long Services Award, instead of financing the scheme from the GBC IGF or have the Collective Agreement reviewed to reflect the current position of the Corporation.

297. Our review of receivables records from nine (9) Regional and two (2) District offices disclosed the existence of over aged receivables amounting to GH¢3,239,278.00, which has been outstanding in the books between three (3) and ten (10) years. We recommended that, Management should ensure the reconciliation of the ledger balances and introduce a pragmatic debt recovery strategy. Management should also initiate the process of writing off debts that have become uncollectible in line with Section 53 of the Public Financial Management Act, 2016 (Act 921).

298. We noted a breach of contract between Ghana Broadcasting Corporation (GBC) and Media General (TV3) for GBC to broadcast UEFA Champions/ Europa League for 2012/13 to 2014/15 seasons and hence was awarded a judgement debt in the sum of US\$600,000.00 with a further cost of GH¢20,000.00 by the High Court, Commercial Division. We recommended that Management should investigate into the circumstances prior to the signing of the agreement and why GBC could not market the right. Also, Management should comply with laws, rules, and regulations in their operations and involve the Attorney-General in the execution of future contracts to mitigate the risk of judgement debts.

299. We noted that Six (6) Directorate Positions have been vacant for a period ranging between 6 months and 6 years. These positions have been occupied by non-substantive officers. We recommended to Management and the Governing Board of GBC to take steps to ensure that the acting officers are confirmed, or substantive officers are appointed.

300. During our review of records, we noted that Mr. William Ampem-Darko, a former Director General of GBC whose contract was terminated by the National Media Commission before the expiry of his 6year contract was awarded reliefs by the court to the tune of GH¢2,492,566.43. Further checks indicated that in 2020, the defendants appealed against the ruling, hence the case is still in court. We urged the NMC and GBC to see to the speedy trial of the court case to bring finality to it.

301. We noted that Management validated and approved the payment of a total unearned salary of GH¢88,094.08 to fifteen (15) separated staff. We recommended that the total amount of GH¢88,094.08 is recovered from the beneficiaries, failure of which the amount should be refunded by the authorizing officers and the validators.

302. Our review of records indicated that Peggy Amofa Sowah was granted study leave with pay, but she later abandoned the course and resigned without paying the value of her bond totalling GH¢55,734.89. We recommended that Management should go ahead and enforce the conditions contained in the Bond Agreement between the Corporation and Peggy Amofa Sowah in the instance of breach on the part of one party.

303. Our review of the operations of the Internal Audit Units at the Regional level disclosed that, internal audit observations and recommendations made to Management were neither responded to nor implemented, although some of the findings required immediate attention and investigations to safeguard the state

assets. We recommended that the Director-General should liaise with the Deputy Director in charge internal audit to ensure that the regional internal auditors are given the necessary logistics to enable them to discharge their core mandate. The Regional Directors should ensure that audit findings are responded to as well as ensuring that all proffered recommendations in their reports are implemented.

304. Our review of the inventory of GBC Lands disclosed that seventy-four (74) out of ninety (90) lands owned by the Corporation were not fenced and were being encroached on by squatters. We urged Management to gradually fence the lands and take steps to evict squatters already on it.

305. We noted that eight (8) of ninety (90) different lands owned by the Corporation had no legal title documents covering them. Management is advised to as a matter of urgency ensure that legal titles to these lands are acquired to forestall any disputes over the ownership of the property.

306. The audit disclosed that 55 officers occupying GBC Bungalows in 2014 continued to receive rent allowances without the deduction of the required 10% from their salaries. We recommended to Management to retrieve the amount of GH¢34,484.67 from the affected staff, failure of which the amount be treated as loan and deducted from their salaries.

307. We noted on review of thirty (30) files selected for Management staff who were paid fuel allowance that twenty-two (22) of them did not have vehicle ownership documents on their files. We recommended that the staff furnish the audit team with their vehicle ownership documents and vehicles for examination and inspection within 30 days upon the receipt of the Management Letter. Failure of which amounts paid to staff would be disallowed.

Regional Findings

308. We noted during our regional reviews that the object of the Corporation stands the risk of fizzling out in the near future if steps are not taken to address the numerous operational and financial challenges threatening their continuous operations. We recommended that Management should take pragmatic steps to resolve the current challenges at GBC to allay public fears about the imminent collapse of the national broadcaster.

309. A review of the Ho (Volta Star) cash book disclosed that, out of the total amount of GH¢212,828.25 revenue received, GH¢119,900.09 was expended directly without lodgment into the imprest bank account. We recommended that

all revenue receipted should be lodged in gross to the bank before disbursement to ensure proper controls and accountability.

NEW TIMES CORPORATION

310. The cashier could not make available for audit scrutiny, the original, duplicate, and triplicate copies of eight serially numbered receipt leaflets which were torn out from six receipt books and therefore deemed to have been used to collect unspecified sums of revenue. We recommended to Management to ensure that the eight receipt leaflets are provided for audit scrutiny, failing which an amount of GH¢32,457.50 being the average of the highest value of advert placed (GH¢40,000.00) and subscription fees paid (GH¢24,915.00) should be recovered from the cashier.

311. Revenue totaling GH¢15,584.58 collected by the cashier was not lodged into the Corporation's bank accounts as required. We recommended to Management to recover the GH¢15,584.58 from the cashier immediately, and the receipts made available for our verification.

312. We noted that six officers of the Corporation could not account for 17 receipt books issued out to them for the collection of revenue. Again, an officer failed to sign for a receipt book issued to him/her in the stock register. We recommended to Management to ensure that the 18 booklets are provided by the collectors for audit scrutiny, failing which the officer responsible for the issue of the receipt books and the Chief Accountant should be made to account for them.

313. We noted during our review of ledgers and bank statements that, even though First Paper Converters Ltd. (a tenant of the Corporation's warehouse) withheld 15% tax of GH¢26,580.00 from rent paid to the Corporation, there was no tax credit certificate to confirm that the tax withheld was remitted to the Ghana Revenue Authority (GRA). We recommended to the Chief Accountant to retrieve the Tax Credit Certificate from the tenant and make it available for audit scrutiny.

314. We noted that Management took an overdraft of GH¢1,095,611.75 with relatively high interest of GH¢231,326.00 from Ghana Commercial Bank, while the Corporation's Trade Receivables at the end of 31 December 2019 stood at GH¢7,902,439.00. To ensure prudent cash management, we recommended to Management to take pragmatic steps to collect the receivables to finance its operations.

315. The Corporation paid an amount of GH¢9,278.11 as penalty on delayed payment of Tier 1 Social Security Contribution of staff to the Trust. We recommended to Management to ensure prompt payment of the SSNIT contributions of staff to avoid paying penalties with their scarce funds.

316. We noted during physical inspection that the Corporation's web offset Press Printer was not in use since 30 November 2020, and subsequently outsourced the printing of its newspapers to Graphic Communications Group Limited. We recommended to Management to constitute a Board of Survey to evaluate and dispose of the printer to prevent the machine from further deterioration.

G-PAK LTD

317. We noted that the Company did not withhold a tax amount of GH¢45,000 from a rent of GH¢300,000 paid to Graphic Communications Group Limited. We recommended to Management to ensure that the withholding tax amount of GH¢45,000.00 is immediately paid to GRA and take steps to retrieve the same from the Graphic Communications Group.

MINISTRY OF WORKS AND HOUSING

ARCHITECTURAL AND ENGINEERING SERVICES LIMITED

318. We noted that client's indebtedness to the Company stood at GH¢22,035,533 as at 31 December 2020. The Ministry of Education's indebtedness makes up 77% or GH¢16,982,845 of the total indebtedness at the end of the year. We recommended that Management put in pragmatic efforts to retrieve its outstanding debts.

STATE HOUSING COMPANY LIMITED

319. We noted that six clients who bought six houses at Borteyman Housing Estate between August 2016 and March 2017 had defaulted payments totaling GH¢430,796. We advised Management take steps to recover the debts.

320. We noted that the Electricity Company of Ghana (ECG) was indebted to State Housing Company Limited to the tune of GH¢223,595.17 since year 2003 resulting from the sale of plots of land. We recommended that Management should take the necessary steps including legal action against ECG to recover the money or the land.

TEMA DEVELOPMENT COMPANY

321. We noted that tenants owed the Company a total of GH¢128,543.83 from rental charges for old shops and offices. We urged Management to recover all rent arrears from tenants occupying the various shops and offices.

MINISTRY OF SANITATION AND WATER RESOURCES

GHANA WATER COMPANY LIMITED

322. Our analysis of customers debt balances in five (5) Regions disclosed that customers owed GWCL an amount of GH¢11,187,580.04. We also noted that these customers had not made any payment over a considerable period, yet they continue to enjoy water supply. We advised Management to recover such debt immediately and ensure that all customers who have not been making payment on their bills are subjected fully to the company's policy on delinquent customers.

323. We noted that a high percentage of metered customers were billed on estimates. We recommended that Management should take steps to bill all metered clients with actual consumption with immediate effect and ensure that adequate documentation of the reason for resorting to the use of estimates to bill customers are kept.

324. We noted that a high percentage of customers classified as active with working meters were not billed for water consumed at the end of the year. We urged the Regional and District Commercial Managers to ensure that the customer care assistants were properly supervised to read customers' meters to bill them for their consumptions.

Tema

325. We noted during our review that a high percentage of metered customers are billed on estimates. We recommended that Management should take steps to bill all metered clients with actual consumption with immediate effect and ensure that adequate documentation of the reason for resorting to the use of estimates to bill customers are kept.

326. We noted that banks did not comply with the transfer of the cash balances agreement entered into with GWCL. Our review disclosed that an amount of GH¢2,143,069,21 was with the partnering banks. We recommended that the treasury department must closely monitor the bank accounts at the districts to ensure that they duly comply with the provisions of the service level agreement

to transfer all funds as indicated in the agreement.

327. We noted that the China Gerzouba treatment plant procures power from GRIDCO at wholesale tariff and the New Works treatment plant procures power from ECG at retail tariff resulting in a huge difference in electricity cost between the two treatment plants.

328. We recommended that Management should explore the potential cost saving opportunity available from procuring electricity from GRIDCO/VRA instead of ECG to reduce total electricity expenditure.

329. Our review of the Central Stores inventory management practices disclosed that the company did not insure its inventory. The Central Stores located at Tema serves as the central store from where all the company's stores across the country are served. The total inventory value at the year-end is valued at GH¢72,943,320.90. We recommended to Management to insure the Central Store and the entire inventory to protect the company against future losses.

330. We noted that the Central Workshop has the potential and the capacity to undertake repairs and maintenance works that were being outsourced to third parties. We advised Management to develop appropriate strategies to make the Central Workshop more vibrant to ensure that it serves the original purpose for which it was established and make it the first reference point for all repairs and maintenance works before any decision to outsource to third parties.

Northern Region

331. We noted long outstanding accounts receivable balance amounting to GH¢307,104.65 for which no effort had been made to collect. We advised Management to collect the unpaid debts and ensure that all customers who have not been making substantial payment on their bills were subjected fully to the company's policy on delinquent customers.

MINISTRY OF ENVIRONMENT, SCIENCE AND TECHNOLOGY INNOVATION

NUCLEAR REGULATORY AUTHORITY

332. We noted that an official vehicle, Nissan Navara Pick-Up, with registration number GV 06/04 49-14 has been grounded at the premises of the Authority since October 2015 after a garage operator (Professional Auto Centre Ltd.)

claimed to have repaired the vehicle at a cost of GH¢57,511.00. Even though the invoice had not been paid by the Authority, we recommended to Management to provide the works order and completion certificate showing satisfaction of work done including the reason for the vehicle's non-roadworthiness after the alleged maintenance works to confirm the legitimacy and the Authority's obligation to pay for the invoice submitted.

ENVIRONMENTAL PROTECTION AGENCY

333. We noted that the UNIPASS platform payments by proponents at designated commercial banks could not be traced and reconciled by the finance department and resulted in a discrepancy of GH¢5,752,406.38. We recommended that Management should engage GRA to reconcile the records and ensure that the outstanding amount is transferred to the Agency.

FOOD RESEARCH INSTITUTE (CSIR)

334. We noted during our review of salary advances that out of a total sum of GH¢15,302.06 granted to ten staff in 2018, only GH¢9,602.06 had been recovered, leaving an amount of GH¢5,700.00 outstanding at the end of the 2020 financial year. We urged Management to ensure that employees granted salary advances adhere strictly to the repayment plans to reduce any cash flow challenges and also recover the remaining balance of GH¢5,700.00 without further delays from the staff.

MINISTRY OF YOUTH AND SPORTS

NATIONAL SPORTS AUTHORITY

335. At an emergency meeting of the Board held on 30th October 2019, the Director-General reported of a missing vehicle number GX 6551-18 belonging to National Sport Authority in Kumasi. We advised Management that since the vehicle has been comprehensively insured, a claim should be forwarded to the Insurance Company for its replacement.

336. We noted that a total amount of GH¢68,328 being Operational Imprest given to an officer and two (2) suppliers for the period under review was not accounted for. We urged Management to ensure that all imprest granted are properly accounted for and retired in accordance with laid down regulations.

337. We noted that four (4) General Counterfoil Receipt books were not presented for our audit. We urged the Chief Accountant to produce the value books that were not presented for audit 30 days upon the receipt of the Management Letter.

NATIONAL YOUTH AUTHORITY

338. Our review of financial transactions of the Authority disclosed that a total of GH¢1,181,777.50 was paid as Board allowance and Board committee allowance and management retreat/workshop in the period 2018 and 2019 without adhering to the directive from the Ministry of Finance. We recommended that Management should immediately apply to the Ministry of Finance for the approved rates applicable to their Authority and notify audit accordingly of the response.

339. The Authority withheld VAT/NHIL and GETFund amounting to GH¢167,466.25 from the payment of Messrs Joe Kingsley a consultant but is yet to remit same to Ghana Revenue Authority (GRA). Similarly, the Management did not obtain VAT invoices on payment amounting to GH¢86,482.72 inclusive of value added tax (VAT) of GH¢9,906.38 paid to Mr. Arnold Boateng. We advised Management to immediately remit the VAT/NHIL withheld of GH¢167,466.25 to GRA and ensure that Mr. Arnold Boateng provide VAT invoices covering the total amount of GH¢86,482.72 and notify the audit team for verification.

340. We noted during our review of the Authority's transactions that the Authority paid an interest of 3.4% on an overdue debt for the purchase of official vehicles from Auto Mall Ghana Limited after delivery of the vehicles. Similarly, the Authority had to bear the cost of cancellation of official trip to Angola. We advised Management to leverage on the pre-existing relationships with these vendors in such instances and engage them in negotiations so as to reduce the fines and charges that arise as a result of a failure or delay in fulfilling an obligation.

341. The Authority procured services spanning the period 2018 to 2019 amounting to GH¢288,265.20 from service providers without obtaining alternative quotations from other sources thereby defeating the purpose of ensuring value for money. We recommended that approval should be sought from the Public Procurement Authority before single source procurement method is applied and the head of Procurement, Director of Finance and Chief Executive Officer should in future obtain quotations from at least three different suppliers before selecting a supplier to transact business with.

342. We noted that the Authority did not have any laid down criteria in providing sponsorships that were granted. We recommended that Management with approval from the Board, should develop a criterion for the approval of financial support to individuals and youth groups with the aim of a harmonised and standard way of operating.

343. We noted leakages on the roof of the newly constructed boy's dormitory block, during our inspection of the project at the Youth Leadership and Skills Training Institute at Ajumako Afranse in the Central Region. We recommended that the Director of Technical Project and Procurement invite the contractor to site to fix the leakages and inform the audit team for inspection before the retention sum of GH¢49, 515.00 is paid, failing which the retention withheld should be used to fix the leakages.

MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

INSTITUTE OF LOCAL GOVERNMENT STUDIES

344. We noted that a total amount of GH¢1,366,168.75 and €5,000 were withdrawn from the Institute's bank account without payment vouchers. We recommended to Management to investigate the circumstances that led to the situation and take appropriate action against the officers involved.

345. We noted that seven (7) payment vouchers amounting to GH¢65,880.00 were without receipts. We recommended to the Council of the Institute to ensure that receipts covering such payments are provided, failing which the amount should be refunded by the finance officer.

346. We noted that the Institute had not paid the Tier 2 contribution of staff since 2015 even though the deductions GH¢268,183.58 had been made. We also realised that the Institute has no Fund Manager to manage the Institute's Second Tier funds. We urged management to expedite action in engaging a fund manager to manage the Second Tier for the benefit of staff and also ensure that the previous deductions of GH¢268,183.58 are paid.

MINISTRY OF RAILWAY DEVELOPMENT

GHANA RAILWAY COMPANY LIMITED

347. We noted that a former security officer, Mr. Richard Amoah was dismissed from the company and yet continued to receive salaries amounting to GH¢5,456 from September 2018 to April 2019. We also noted that Mr. Amoah paid an amount of GH¢3,000 leaving an unpaid amount of GH¢2,456. We urged Management to take immediate action to recover the outstanding amount and pay into an appropriate account of the Company.

EXTRA MINISTERIAL AGENCIES

NATIONAL MEDIA COMMISSION

348. An amount of GH¢30,000.00 was used to purchase fuel coupons without obtaining a receipt from the payee to authenticate the payment. We recommended to Management to provide the receipt for us to authenticate the transaction, failure of which the GH¢30,000.00 should be refunded by the approving and the authoring officers.

349. We noted that Management paid an amount of GH¢24,455.58 to seven officers as overtime allowances without daily attendance sheets to support the payment. We advised the Head of Accounts to get the beneficiaries to sign the attendance sheets for our verification, failing which the approving and the authorising officers shall be made to refund the GH¢24,455.58.

350. We noted that the National Media Commission did not have an Internal Audit Unit to enhance effective and efficient internal controls in the Commission contrary to Part II of Section 16(1) of the Internal Audit Agency Act, 2005 (Act 658). We recommended that Management should establish an Internal Audit Unit in accordance with the Act to ensure sound financial practices in the Commission.

351. We noted during our inspection of the Commission's four vehicles that, Management failed to tag them with green number plates in compliance with government directives. We advised Management to ensure that government directives are adhered to by re-registering the vehicles.

INTERNAL AUDIT AGENCY

352. We noted that, ten (10) vehicles of the Agency did not have insurance cover to mitigate risk that could emanate from motor accident. Out of the ten (10), six (6) have no valid road worthy certificates. We recommended to the Principal Spending Officer to make funds available for the insurance and renewal of road worthy certificates of the affected vehicles. We also advised the Principal Spending Officer to ensure that, all vehicles of the Agency are always covered with the requisite valid documents.

353. We noted that, the transport policy of the Agency has not been reviewed since January 2013 to reflect the current issues in the transport unit, contrary to Article 8 of the Agency's policy on transport management. We recommended that the Internal Audit Board should review the transport policy to cater for the current issues with respect to managing the Agency's vehicles.

NATIONAL POPULATION COUNCIL

354. We noted that the Council has no Internal Auditor after the Internal Auditor had retired in 2018. To ensure sound financial practices, the Executive Director should liaise with the Head of HR and Administration at the Office of the Government Machinery and Head of Civil Service for a permanent internal auditor(s) for the Council.

355. We noted that three officers who were granted study leave to pursue various courses for periods ranging between 2018 and 2022 did not sign bond forms. We recommended to Management to bond the officers immediately to regularise the anomaly and inform our office for verification.

356. Management of the Council could not substantiate payments totalling GH¢62,366.69. with activity reports and other appropriate source documents to legitimise the payments. To ensure proper accountability and effective control over the use of government funds, we recommended to the Executive Director to provide the activity report and the relevant source documents, failing which the GH¢62,366.69 should be recovered from the approving authority and beneficiaries.

ELECTORAL COMMISSION

357. We sampled the personal files of 21 top management staff and noted that none of them had personal records, passport pictures, police background check reports and declaration of assets and liabilities on their files. Management was advised to ensure that personal records of all employees are compiled and put on individual staff files.

358. We noted that the Commission did not have an asset register to capture its various assets across the country. We recommended that Management should conduct a nationwide audit of all the Commission's assets and ensure that an asset register is in place to capture all its assets.

DIVESTITURE IMPLEMENTATION COMMITTEE

359. Management was unable to provide us with minutes of meetings requested to enable us carry out our review work. We urged Management to redouble its efforts in obtaining copies of the minutes which were submitted to the Ghana Police Service and present them for audit verification.

360. The audit team noted several irregularities with regards to the reported sale of five (5) divested enterprises. These irregularities included the unavailability of the documentation on the processes followed in conducting and concluding all these sales, non-availability of certified liability reports, etc. We recommended that the Committee intensify its efforts to find and file all missing documents and submit them for audit verification.

361. We noted that the Ghana Food Distribution Corporation (GFDC) which was yet to be fully divested had a silo at Berekum where maize was processed by caretakers and the proceeds from sales remitted to the Committee without an agreement with the caretakers. We recommended to Management to immediately formalise the arrangement with the caretakers and conduct a special audit into the activities of the facility.

362. Our review of divestiture debtors disclosed that there were several issues including list of debtor balances which did not agree with the nominal ledger balance and missing offer letters and sale and purchase agreements, rendering the completeness, accuracy, existence, and valuation of divestiture debtors in serious doubt. We recommended that the Committee should among other things, take inventory of sale and purchase agreements for all state enterprises divested to establish a complete and accurate status of divestiture debtors and institute

an effective mechanism of debt recovery to recover all outstanding debts in a timely manner.

363. The Committee was unable to provide the audit team with a list of divestiture liabilities. We also noted that the Committee wrongfully recorded expenditures incurred and paid for other enterprises on the divestiture list but not yet divested, against the divestiture liabilities account. We recommended that the Committee should obtain copies of certified liabilities reports of the enterprises divested from the consultants engaged.

364. We noted unexplained differences in the Committee's trial balance which had been treated as an exceptional item and recorded as revenue in the Statement of Financial Performance. We recommended that the Committee should investigate and clear all these unexplained differences in its book of accounts.

PART III

DETAILS OF FINDINGS AND RECOMMENDATIONS

MINISTRY OF ENERGY

ELECTRICITY COMPANY OF GHANA

Introduction

365. This report relates to the audited financial statements of Electricity Company of Ghana for the two years ended 31 December 2020.

Financial Performance

366. The Company's operations for the year under review recorded a profit of GH¢726,800,000 as against a deficit of GH¢1,515,480,000 in 2019 representing an improvement in the performance of the Company by GH¢2,242,281 or 147.96%. The performance indicators for the year 2020 is shown in table 4.

Table 4: Income Statement of the Company for the year ended 31 December 2020

Income/Expenditure	2020 GH¢000	2019 GH¢000	Incr/(Decr) GH¢000	% Change
Internal Generated Funds	6,969,544	7,443,633	(474,089)	(6.4)
Government Grants (GoG Payments)	6,841,095	1,069,667	5,771,428	539.6
Total Income	13,810,639	8,513,300	5,297,339	62.2
Expenditure				
Direct Cost	10,782,452	9,046,839	1,735,613	19.2
Distribution Cost	372,431	280,166	92,265	32.9
Administration Expense	1,016,062	341,277	674,785	197.7
Finance Cost	912,894	360,499	552,395	153.2
Total Expenditure	13,083,839	10,028,781	3,055,058	30.5
Loss for the year	726,800	(1,515,480)	2,242,281	147.96

367. Total Income of the Company increased by 62.2% from GH¢8,513,300,000 in 2019 to GH¢13,810,639,000 in 2020. The rise in the total Income was mainly due to Government grants. The grants were payments made to power producing companies by the government of Ghana, and these Companies included Electricity Company of Ghana.

368. Total Expenditure rose from GH¢10,028,781,000 in 2019 to GH¢13,083,839,000 in 2020, showing an increase of 30.5%. The increase was attributed to increase in power purchased, overhead expenses and transmission cost for the year under review.

Financial Position

369. The Company's financial position as of 31 December 2020 is shown in Table 5.

Table 5: Financial Position as at 31st December 2020

Assets/Liabilities	2020 GH¢000	2019 GH¢000	Incr/(Decr) GH¢000	% Change
Non- Current Asset	20,469,987	19,658,957	811,030	4.1
Current Assets	10,215,789	6,085,403	4,130,386	67.9
Current Liabilities	16,431,439	12,500,472	3,930,967	31.4
Non -Current Liabilities	5,837,328	5,189,461	647,867	12.5
Net Assets	8,417,009	8,054,427	362,582	4.5
Current Ratio	0.62:1	0.49:1		

370. The Company's Non-Current Assets rose by 4.1% from GH¢19,658,957,000 in 2019 to GH¢20,469,987,000 in 2020. The increase was due to additional procurement of Property, Plant and Equipment for the year under review.

371. Current Assets went up by 67.9% from GH¢6,085,403,000 in 2019 to GH¢10,215,789,000 in 2020. The increase was because of increase in trade and other receivables.

372. Current Liabilities also increased by 31.4% from GH¢12,500,472,000 in 2019 to GH¢16,431,439,000 in 2020. The increase was mainly an increase in trade and other payables.

373. Current ratio in 2019 of 0.49:1 further improved slightly in the current year showing 0.62:1. However, notwithstanding the improvement, the current ratio still showed the inability of the company to meet its short-term obligation when they fall due considering the standard ratio of 2:1.

MANAGEMENT ISSUES - 2019

Head Office and Procurements

Non-Deduction of Withholding Tax

374. Section 116(2) of the Income Tax Act, 2015 (Act 896) states, “a resident person, other than an individual shall withhold tax on the gross amount of payment at the rate specified in the First Schedule when the person makes a payment to another residence person who does not fall within Sub-section (1) or Section 114 for:

- a. The supply or use of goods,
- b. The supply of any works, or.
- c. The supply of services, in respect of a contract between the payee and the resident person”.

375. Paragraph 8(C)(v) & (vii) of the First Schedule as amended (reference, Income Tax Amendment Act, 2016 (Act 907) specify 3%, 5% and 7.5% as tax rates to be withheld from payments for supply of goods, works and services respectively.

376. Furthermore, Section 117(3) of the Income Tax Act, 2015 (Act 896) states, “a withholding agent who fails to withhold tax in accordance with this Division shall pay the tax that should have been withheld in the same manner and at the same time as tax that is withheld”.

377. We noted that Management did not withhold taxes on payments relating to goods and services procured from 30 suppliers, resulting in tax loss totaling US\$73,918.88, GH¢29,243.28 and €5,524.32. Details are shown in table 6.

Table 6: Non-Deduction of Withholding Tax

Date	Reference Letter	Contract No US\$	Details	Payee	Amount Paid-\$ US\$	3% WHT US\$
23/01/2019	TF/DT/001/19/VOL. 1/029	ECG/101/17	11KV & 33KV POLYMERIC INSULATORS	HARUKO COMPANY LIMITED	186,398.16	5,591.94
31/01/2019	TF/DT/001/19/VOL. 1/053	LP/089/18	11KV AND 33KV GALVANIZED ANGLE CROSSARMS	UNI - TOUCH COMPANY LTD	409,522.50	12,285.68
31/01/2019	TF/DT/001/19/VOL. 1/0062	ECG/WSP/00 5/18	SUPPLY & INSTALATION OF LIGHTING PROTECTION SYSTEM	LIVELINE TECHNOLOGIES GH LTD	55,950.31	1,678.51
06/02/2019	TF/DT/001/19/VOL. 1/068	ECG/084/18	11KV LIGHTING ARRESTORS AND 11KV DROPOUT FUSE GEARS	WONCHESTER COMPANY LIMITED	196,995.00	5,909.85
12/02/2019	TF/DT/002/19/VOL. 1/016	ECG/076/18	33KV POLYMERIC INSULATORS	VAN-VAL ENTERPRISE	106,965.00	3,208.95
15/02/2019	TF/DT/002/19/VOL. 1/032	LP/031/2018	ZINGA PAINT AND SOLVENT	COLD-WELD ENGINEERING SERVICES LTD	50,220	1,506.60
15/02/2019	TF/DT/002/19/VOL. 1/030	ECG/040/18	PLASTIC CABLE OVER TILES	AFRACH COMPANY LTD	115,830.00	3,474.90

15/02/2019	TF/DT/002/19/VOL. 1/031	ECG/062/19	D - IRONS	Digitron infotech limited	24,000.00	720.00
22/02/2019	TF/DT/002/19/VOL. 1/063	ECG/108/18	PLASTIC CABLE OVER TILES	AFRACH COMPANY LTD	74,131.20	2,223.94
22/02/2019	TF/DT/002/19/VOL. 1/065	ECG/048/18	11KV & 33KV POLYMERIC INSULATORS	HBK COMPANY LIMITED/WWBG	61,200.00	1,836.00
22/02/2019	TF/DT/002/19/VOL. 1/064	ECG-3-3ST-16	CONSTRUCTION OF 2X40MVA 33KV DOUBLE CIRCUIT TOWER LINE	STONE ELECTRICAL LIMITED	54,625.00	1,638.75
26/02/2019	TF/DT/002/19/VOL. 1/076	ECG/031/18	PLASTIC CABLE OVER TILES	VANKING GLOBAL SERVICES	83,400.00	2,502.00
22/02/2019	TF/DT/002/19/VOL. 1/066	ECG/073/18	11KV SILICON POLYMER PIN INSULATOR	LADY MUNNA ENTERPRISE	86,300.00	2,589.00
26/02/2019	TF/DT/002/19/VOL. 1/069	139264	NETWORK EXTENSION PHASES 1&2	JACOBSON ELEKRO AS	44,704.44	1,341.13
26/02/2019	TF/DT/002/19/VOL. 1/068	LP/045/18	HONDA ACCORD	THE HONDA PLACE	141,000.02	4,230.00
26/02/2019	TF/DT/002/19/VOL. 1/078	ECG/101/17	11KV & 33KVPOLYMERIC INSULATORS	HARUKO COMPANY LIMITED	48,050.88	1,441.53
13/03/2019	TF/DT/002/19/VOL. 1/089		INTENSIFICATION PROJECT	KAE GHANA LIMITED	160,195.29	4,805.86
16/05/2019	TF/DT/005/19/VOL. 1/058	ECG/112/18	COPPER EARTH RODS	WONCHESTER COMPANY LIMITED	30,000.00	900.00
16/05/2019	TF/DT/005/19/VOL. 1/052	ECG/070/18	STAY INSULATORS	WINDWUS COMPANY LTD	23,220.00	696.60
16/05/2019	TF/T/005/19/VOL.1/066	ECG/WSP/004/16	33/11KV SUBSTATION	British Engineering Service (BES. EUROPE) LTD	80,713.58	2,421.41
17/05/2019	TF/DT/005/19/032	ECG/066/19	Stay equipment	Y.O. Swanzy Company ltd	7,429.41	222.88
17/05/2019	TF/DT/005/19/041	ECG/071/18	11KV SILICON POLYMER STRAIN INSULATOR	Julie & Ham Enterprise	24,000.00	720.00
17/05/2019	TF/DT/005/19/030	LP/012/19	HONDA ACCORD SALOON CAR	THE HONDA PLACE	47,000.00	1,410.00
17/05/2019	TF/DT/005/19/018	ECG/059/18	Power Cables	Jewalk company ltd	70,000.00	2,100.00
20/05/2019	TF/DT/005/19/VOL. 1/069	ECG/120/18	DC Converter	HGT LTD	13,431.60	402.95
23/05/2019	TF/DT/005/19/072	ECG/088/18	33KV Galvanised angle crossam	Khayl Ghana ltd	38,280.00	1,148.40
24/05/2019	TF/DT/05/18/VOL.1/069	11CL/ECG/001/18	33KV SUBMARINE CABLE- 18	Investrade International co. ltd	230,400.00	6,912.00
Total					2,463,962.39	73,918.88
		CEDIS			GH¢	
22/02/2019	TF/DT/002/19/VOL. 1/051	LP/005/2019	20 NO OF NISSAN HARD BODY PICKUP 4X4	SVANI LIMITED	974,776.00	29,243.28
Total					974,776.00	29,243.28
		EUROS			€	
28/01/2019	TF/DT/001/19/VOL. 1/0041	ECG/057/18	CIRCUIT BREAKER ANALYZER	OMICRON ELECTRONICS GMBH	78,150.00	2,344.50
31/01/2019	TF/DT/001/19/VOL. 1/0058	ECG/ATL-SUBT-05/13	SCADA PROJECT	ATLANTIC INTL HOLDING COMPANY	105,993.97	3,179.82
Total					184,143.97	5,524.32

378. The omission has denied the government of a tax revenue of US\$73,918.88, €5,524.32 and GH¢29,243.28.

379. We recommended that, Management should pay the tax amount of US\$73,918.88, €5,524.32 and GH¢29,243.28, to the Commissioner of Ghana Revenue Authority (GRA) and recover same from the payees as early as possible and furnish our office with the receipts for verification. Management is also urged to ensure that the required tax rates are deducted from subsequent payments of goods and services.

380. Management accepted to comply with our recommendation.

Delay in Remitting Tax withheld to GRA – GH¢12,069,302.12

381. Section 117 (1) of the Income Tax Act, 2015 (Act 896) states, “a withholding agent shall pay to the Commissioner-General within fifteen days after the end of each calendar month a tax that has been withheld in accordance with this Division during the month.”

382. Contrary to the above quoted Act, Management delayed in remitting a total amount of GH¢12,069,302.12 being taxes withheld from payments for Goods, Services, Works and Commissions during the 2019 financial year, to the Commissioner General of Ghana Revenue Authority (GRA). Details are shown in table 7.

Table 7: Delay in Remitting Tax withheld to GRA

Month (2019)	Official Receipt No	Amount (GH¢)	Payment Date	Tax Period Stated on Receipt	Months Delayed
January	LTO/251994/2019/000061087	2,428,690.40	15/11/19	01/2019	10 mths
February	LTO/251994/2019/000061087	157,829.15	15/11/19	02/2019	9 mths
February	LTO/251994/2019/000061087	2,188,204.08	15/11/19	02/2019	9 mths
February	LTO/263371/2020/000003147	819,407.81	19/3/20	02/2019	13 mths
March	LTO/263371/2020/000003147	2,926,769.62	19/3/20	03/2020	12 mths
April	LTO/234257/2019/000044545	918,701.19	5/7/19	05/2019	3 mths
June	LTO/237149/2019/000059102	635,730.87	2/8/19	06/2019	2 mths
August	LTO/246935/2019/000028212	469,389.83	15/10/19	10/2019	2 mths
September	LTO/252032/2019/000085840	572,954.88	13/12/19	12/2019	3 mths
October	LTO/251994/2019/000006932	951,624.29	17/12/19	11/2019	2 mths
Total		12,069,302.12			

383. Management’s disregard for the law resulted in the irregularity.

384. The delay denied the state the prompt use of the revenue.

385. We advised Management to always ensure that taxes withheld are remitted to the Commissioner -General of GRA promptly to avoid sanctions and delay of inflows into the Consolidated Fund.

386. Management accepted to comply with our recommendation.

Delay in payment of PAYE GH¢10,075,056.86 for January and February 2019

387. Section 78 of the Revenue Administration Act, 2016 (Act 915) on offence of failing to comply with a tax law, except or otherwise provided in the Act, that, a person who fails to comply with a provision of a tax law commits an offence and where a specific penalty is not provided, is liable on summary conviction to a fine of not less than one thousand penalty units and not more than two thousand and five hundred penalty units or to a term of imprisonment of not less than two years and not more than five years or to both.

388. Our payroll audit disclosed that payments in respect of PAYE deductions for January and February 2019 amounting to GH¢10,075,056.86 were paid on 2nd January 2020 instead of 15th February and 15th March 2019 respectively. Details are shown in table 8.

Table 8: Delays in payment of PAYE

Month	Details	Cheque No.	Date of cheque	Amount GH¢
Jan-19	Payment of PAYE For January 2019	303201	02-Jan-20	5,031,544.11
Feb-19	Payment of PAYE For February 2019	303202	02-Jan-20	5,043,512.75
Total				10,075,056.86

389. Failure of a withholding tax agent to pay tax when due could lead to GRA imposing penalties on delayed payments causing ECG to pay penalties which could have been avoided. The delay could also affect timely delivery of government activities.

390. We advised Management to ensure proper supervision of schedule officers responsible for statutory payments to ensure that, liabilities are paid as and when they fall due and within the timelines as stipulated by the tax laws to prevent incurring expenditures on penalties.

391. Management accepted to comply with our recommendation

Unknown Credits in Bank Reconciliation Statements not investigated

392. The general purpose of preparing a Bank Reconciliation Statement is to detect any discrepancies between the accounting records of an Institution and the Bank besides those due to normal timing differences. Such discrepancies might exist due to an error on the part of the Entity or the Bank.

393. Again, Banks also entreat customers to review their statement and draw a Manager's attention to any discrepancies/errors/omissions/unauthorised debits or credits immediately; otherwise, the entries in the statement shall be deemed as correct and shall be binding on the customers.

394. We noted during our review of the Bank Reconciliation Statement for ECG Shipping Account No.1441000303335 with EcoBank and ECG Materials Account No.1081130000901 with GCB Ltd that, total Credits of GH¢11,360,602.40 and GH¢10,781,687.57 respectively were not investigated and reported to the appropriate Banks for remedial actions to be effected. This brings the total outstanding credits in the two (2) Bank Accounts to GH¢22,142,289.97. We further noted that the amount has been outstanding since December 2017. Details are shown in table 9.

Table 9: Unknown Credits in Bank Reconciliation Statements not investigated

Date	Description	Cheque No.	Amount GH¢
6/9/18	Liquidation Against A/C108026375		5,803.21
6/9/18	Liquidation Against A/C108026371		30,000.00
6/9/18	Liquidation Against A/C108026372		30,000.00
6/9/18	Liquidation Against A/C108026373		30,000.00
6/9/18	Liquidation Against A/C108026374		30,000.00
15/7/19	B/O PSA Head Office	002002	96,471.15
2/8/19	B/O ECG Comp of Ghana	200886	10,000,000.00
14/8/19	B/O PDS Head Office	001476	559,413.21
Total			10,781,687.57

Table 9b: Ecobank

Date	Description	Amount GH¢
21/12/17	Standing order	2,728,006.54
26/2/19	Trf from Current A/C	622,185.86
26/2/19	Trf from Current A/C	5,000,000.00
5/3/19	Trf from Current A/C	10,000.00
27/9/19	Clear Excess DD 27/9/19	410.00
17/12/19	Trf from Cash Collection	3,000,000.00
Total		11,360,602.40

395. This can be attributed to lack of effective supervision on the part of the Manager/Store Accounts and the General Manager/Materials over the work of the scheduled officer. The superior officers did not review the reconciliation statements and never ensured that reconciliations were prepared monthly as required in best practices.

396. Bank balances declared in financial statements may be misleading and unreliable if the errors identified in the reconciliation statements are not ultimately resolved.

397. We urged Management to ensure that the Managers of the two Banks are immediately contacted to resolve this anomaly for our inspection. Managers should also ensure that the Bank Reconciliation statements are prepared promptly at the end of each month. Furthermore, Superior Officers reviewing the Bank Reconciliation statements should do so and ensure that outstanding issues are quickly solved.

398. Management responded that “ECG Head Office reimbursed the Shipping accounts monthly and weekly respectively. The credit should have been captured in the sun system but was not done at the time of the audit. Currently, all credits had been captured and the credits corrected in the Sun system ledger”.

Wrong Debits in Bank Reconciliation Statement

399. The general purpose of preparing a Bank Reconciliation Statement is to detect any discrepancies between the accounting records of an Institution and the Bank besides those due to normal timing differences. Such discrepancies might exist due to an error on the part of the Entity or the Bank.

400. Again, Banks also entreats customers to review their statement and draw its management attention to any discrepancies/errors/omissions/unauthorised debits or credits immediately; otherwise, the entries in this statement shall be deemed as correct and shall be binding on the (customers).

401. Contrarily, we noted in our review of Bank Reconciliation Statement for the period under review that, the reconciliation statements prepared for the period between July-December 2019 on ECG’s Shipping Account with Ecobank, disclosed that a total wrong debit of GH¢4,810,835.56. However as at the time of our Audit inspection no action has been taken to resolve or rectify the lapse. Table Details are shown in table 10.

Table 10: Wrong Debits in Bank Reconciliation Statement

Date	Description	Amount GH¢
31 July 2019	Funding Fee	31,841.96
30 August 2019	Funding Fee	32,312.82
30 August 2019	Interest on Loan	73,084.71
30 August 2019	Exim LC Payment	4,300,527.87

26 September 2019	Interest on Loan	83,224.83
30 September 2019	Interest on Overdraft	13,176.61
31 October 2019	Interest on Overdraft	102,473.32
29 November 2019	Interest on Overdraft	101,537.26
31 December 2019	Interest on Overdraft	72,656.18
Total		4,810,835.56

402. The situation is attributed to lack of effective supervision on the part of the Manager/Store Accounts and the General Manager/Materials over the work of the scheduled officer. The superior officers did not review the reconciliation statements and never ensured that reconciliations were prepared monthly as required by best practices.

403. Bank balances declared in financial statements may be misleading and unreliable if the errors identified in the reconciliation statements are not ultimately resolved.

404. We urged Management to ensure that the management of the Banks is immediately contacted to resolve this anomaly for our inspection. Management should also ensure that the Bank Reconciliation statements are prepared promptly at the end of each month. Furthermore, Superior Officers reviewing the Bank Reconciliation statement should do so and ensure that outstanding issues are quickly resolved.

405. Management responded that “Electricity Company of Ghana contracted a loan facility from Ecobank Ghana in 2019 at Head Office level. Ecobank in charging interest on the loan wrongly debited Shipping Accounts number 1441000303335 instead of the Head Office Loan Accounts. We have since requested them to affect the reversal and debit head office loan accounts. The Bank has assured to reconcile the outstanding issues to correct the anomaly”.

Procurement with no consideration for value for money -US\$2,861,793.00

406. Section 7(1a) of Public Financial Management Act, 2016 (Act 921) states, “a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity”.

407. Regulation 8(1) of the Local Content and Local Participation Regulations, 2017 (L.I. 2354) states “A person who engages in an activity in the electricity supply industry and who requires equipment as set out in the Seven Schedule, shall purchase that equipment from an entity that manufactures the equipment in this country”.

408. Contrary to the Local Content and Local Participation (L.I. 2354), ECG ordered goods from outside Ghana to the tune of US\$6,671,100.00 in 2018 and 2019. These goods were supplied by the foreign manufacturers and shipped directly to ECG in 2019. However, our comparison of the order prices with the Manufacturing prices disclosed that ECG incurred extra cost of US\$2,861,793.00 in dealing with the local suppliers instead of the manufacturers directly. Details are shown in table 11.

Table 11: Procurement with no consideration for value for money

Date of receipt of goods	Details/Orders	Qty	Local Suppliers US\$	Foreign Manufacture rs US\$	Extra Cost US\$
	ECG/070/18 & ECG/077/18		Windwus Company Ltd	Kukun import & Export Ltd (China)	
02-06-19	33KV stay insulator	10,000	25,800	17,200	8,600
	11KV stay insulator	56,000	128,800	96,320	32,480
	Total		154,600	113,520	41,080
	ECG/095/18		Geotek Investment Ltd	Kukun import & Export Ltd (China)	
02-06-19	400A (Pole Mounted) Service cut-out	6,000	348,000	210,600	137,400
	Total		348,000	210,600	137,400
	ECG/079/18		Nayport Transport & Logistic COMP.	Kukun import & Export Ltd (China)	
02-06-19	LV Shackle insulator - Porcelain (76mm height)	170,000	149,600	88,009	61,591
	Total		149,600	88,009	61,591
	ECG/073/18		Lady Munna Ent	Kukun import & Export Ltd (China)	
02-06-19	11KV Post type silicom poly	4,500	207,000	92,250	114,750
	Total		207,000	92,250	114,750
	ECG/076/18		Van-val Enterprise	Kukun import & Export Ltd (China)	
02-06-19	33Kv tension type silicon base insulator c/w socket tougue	3,000	192,000	90,750	101,250
	Total		192,000	90,750	101,250
	ECG/071/18		Julie & Ham Ent.	Kukun import & Export Ltd (China)	
25/1/19	11Kv tension type silicon base insulator c/w socket tougue	4,000	240,000	123,480	116,520
	Fittings for strain insulator consisting of ball clevis etc.	4,000			
	TOTAL		240,000	123,480	116,520
	ECG/099/18		Skahap Ent.	Kukun import & Export Ltd (China)	
31/1/19	120sqmm Bi-metal compression cable	36,000	100,800	52,200	48,600
	ECG/082/18		Lysaro 3L Ventures ltd	Kukun import & Export Ltd (China)	

25/1/19	33KV Expulsion type fusegear - single pole	1,500	195,000	101,700	93,300
	Copper earth rod c/w clamp	25,000	265,000	162,750	102,250
	TOTAL		460,000	264,450	195,550
	ECG/072/18		Fekad company ltd	Kukun import & Export Ltd (China)	
22/1/19	33KV Post/pin type silicon base polymeter insulator	4,500	261,000	104,400	156,600
	TOTAL		261,000	104,400	156,600
	ECG/074/18		Geoburton Energy Ltd	Hebei Yipeng Line Equip. Manufac. Comp. Ltd (China)	
21/1/19	Stay wire 7/4 SWG	120,000	230,000	144,000	86,000
	TOTAL		230,000	144,000	86,000
	ECG/006/19		Taproot Investment Ltd	Kukun import & Export Ltd (China)	
30-10-19	33KV Post/PinType silicom base polymer insulator	2,000	120,000	34,560	85,440
	11Kv Post type silicom poly	3,000	157,500	22,470	135,030
	TOTAL		277,500	57,030	220,470
	ECG/116/18		Papset Enterprise ltd	Kukun Import & Export Ltd (China)	
22-10-19	11KV INTERMEDIATE X'arm c/w straps, m20 x40m bolt, nut	3,000	258,750	165,000	93,750
	ECG/017/19		Khalylk Ghana Ltd	Kukun Import & Export Ltd (China)	
10-09-19	33KV intermediate X'arm c/w Tie strap, M20x 40mm bolt.nut	4,500	425,250	278,325	146,925
	ECG/113/18		M.Z.I Company	Kukun Import & Export Ltd (China)	
10-09-19	stay wire 7/4 SWG	80,000	153,600	86,400	67,200
	ECG/141/18		Toucan Ventures	Kukun Import & Export Ltd (China)	
22-07-19	11KV INTERMEDIATE X'arm c/w straps, m20 x40m bolt, nut	4,000	336,000	220,000	116,000
	ECG/110/18		Prestige Era Company Ltd	Kukun Import & Export Ltd (China)	
30-05-19	Stay equipment c/w rod, plate, Bow, Bracket, Thimble	5,000		116,100	
30-05-19	stay wire 7/4 SWG	50,000		50,500	
29-05-19	Copper Earth Rod C/W Clamp	20,000		102,400	
	freight and insurance charges			9,000	
	Total		485,000	278,000	207,000
	ECG/112/18		Royal Sentry Company Ltd	Kukun Import & Export Ltd (China)	

28-05-19	Copper Earth Rod C/W Clamp	20,000	212,000	120,600	91,400
	ECG/088/18		Khalyl Ghana Ltd	Kukun Import & Export Ltd (China)	
13-05-19	33KV intermediate X'am c/w Tie strap, M20x 40mm bolt.nut	4,000	382,800	370,800	12,000
	ECG/003/19		Resources Access ltd	Kukun Import & Export Ltd (China)	
08-05-19	11kv post type silicon poly	3,100		19,809	
08-05-19	33KV Post/Pin TYPE Silicon base polymer insulator	3,600		63,144	
	Freight & Insurance charges			3,640	
	TOTAL		359,650	86,593	273,057
	ECG/084/18		Kamara Ent.	Kukun Import & Export Ltd (China)	
08-05-19	33KV Lightning Arrestor	1,500		77,250.00	
08-05-19	11KV Expulsion type fusegear-single pole	2,000		90,400	
	Total		352,000	167,650	184,350
	ECG/056/18		Nadoria Ent.	Mirosan Ltd (Turkey)	
29/05/19	100 KVA 33/0.433 KV Pole mounted transformer	40	170,000	103,400	66,600
	200 KVA 11/0.433 KV Pole mounted transformer	10	50,000	43,450	6,550
	200 KVA 33/0.433 KV Pole mounted transformer	45	258,750	168,300	90,450
	TOTAL		478,750	315,150	163,600
	ECG/112/18		Royal Sentry Comp. Ltd	Kukun Import & Export Ltd (China)	
26/5/2019	Copper Earth Rod c/w clamp	20,000	212,000	117,000	95,000
	TOTAL		212,000	117,000	95,000
	ECG/067/18		Adin-Puyah Ent.	Crown Electrical Comp. Ltd (China)	
13/5/2019	Coachscrew insulator (wonpiece)	60,000	52,800	20,100	32,700
	Total		52,800	20,100	32,700
	ECG/118/18		Rand Engineering Comp. Ltd	Wenzhou Zhuojiya Electric Co. Ltd	
13/5/2019	Stay Equipment complete	10,000	342,000	243,000	99,000
	Total		342,000	243,000	99,000
	Grand Total				2,861,793

Table 11b: Summary of details

Date of Receipt of Goods	Details/Orders	Local Suppliers US\$	Foreign Manufacturers US\$	Difference US\$
02-06-19	ECG/070/18 & ECG/077/18	154,600.00	124,740.00	29,860.00
02-06-19	ECG/095/18	348,000.00	216,000.00	132,000.00
02-06-19	ECG/079/18	149,600.00	97,021.00	52,579.00
02-06-19	ECG/073/18	207,000.00	94,050.00	112,950.00
02-06-19	ECG/076/18	192,000.00	94,050.00	97,950.00
25/1/2019	ECG/071/18	240,000.00	125,480.00	114,520.00
31/1/2019	ECG/099/18	100,800.00	52,200.00	48,600.00
25/1/2019	ECG/082/18	460,000.00	272,500.00	187,500.00
22/1/2019	ECG/072/18	261,000.00	108,000.00	153,000.00
21/1/2019	ECG/074/18	230,000.00	156,200.00	73,800.00
30-10-19	ECG/006/19	277,500.00	61,185.00	216,315.00
22-10-19	ECG/116/18	258,750.00	165,000.00	93,750.00
10-09-19	ECG/017/19	425,250.00	278,325.00	146,925.00
10-09-19	ECG/113/18	153,600.00	86,400.00	67,200.00
22-07-19	ECG/141/18	336,000.00	220,000.00	116,000.00
30-05-19	ECG/110/18	485,000.00	278,000.00	207,000.00
28-05-19	ECG/112/18	212,000.00	120,600.00	91,400.00
13-05-19	ECG/088/18	382,800.00	370,800.00	12,000.00
08-05-19	ECG/003/19	359,650.00	86,593.00	273,057.00
08-05-19	ECG/084/18	352,000.00	167,650.00	184,350.00
29/05/19	ECG/056/18	478,750.00	327,950.00	150,800.00
26/5/2019	ECG/112/18	212,000.00	120,600.00	91,400.00
13/5/2019	ECG/067/18	52,800.00	22,700.00	30,100.00
13/5/2019	ECG/118/18	342,000.00	253,000.00	89,000.00
Total		6,671,100.00	3,899,044.00	2,772,056.00

409. We attributed the lapse to Management single source method of procurements.

410. ECG incurred extra cost of US\$2,772,056.00 which could have been used to procure other goods or offsetting power producers' liabilities. ECG materials prices may be high as compared to open market therefore major rechargeable jobs customers may prefer to buy their own materials for dedicated jobs.

411. We recommended that ECG should deal with foreign Manufacturers directly as much as possible in order to achieve value for money, unless the items are produced by Local suppliers. We also urged Management to adhere to the Public Procurement Act.

412. Management responded that, "The difference in cost between manufacturer and Local Supplier is often financing cost which is carried by the Local Suppliers. The Comments are however well noted. ECG, as much as possible, will engage directly with Foreign Manufacturers for some high value equipment such as Power Transformers, Switchgear, Earthing Transformers etc.

We will expand the engagement to cover procurement of other critical equipment directly from foreign Manufacturers”.

Single sourcing procurement without recourse to Public Procurement (Amendment) Act - GH¢221,152,473.98

413. Section 40 of Public Procurement (Amendment) Act, 2016, (Act 914) requires procurement entities to obtain the approval of the PPA when it becomes necessary to apply direct sourcing for goods and services.

414. We reviewed a sample of Eighty- five (85) foreign and local orders for goods and noted that a total amount of US\$33,864,855.98, €945,742.17, £729,161.38 and GH¢5,373,100.00 (Total Cedi equivalent - GH¢221,152,473.98) were procured under single source without recourse to the Public Procurement Authority (PPA). Details are shown in table 12 & 13.

Table 12: Single sourcing procurement without recourse to PPA

Order No.	Description	Supplier	Contract Date	Quantity On Contract	Total Value USD (\$)
ECG/001/19	33KV polymeric Pin Insulator Lightning Arrestors	Daily Supplies & Service LTD	10th Jan 2019	3,000.00	448,800.00
				2,400.00	
ECG/002/19	Plastic Cable Cover Tiles	Telrich Co. LTD	14th Jan 2019	20,000	256,000.00
ECG/003/19	33kV Polymeric Pin Insulators	Resource Access LTD	14th Jan 2019	3,100.00	359,650.00
	11kV Polymeric Pin Insulators			3,600.00	
ECG/004/19	HRC Fuses	Palmers Green Int LTD	23rd Jan 2019	Lot	218,567.00
ECG/005/19	Security Plastic Seals	Alpha Power & Gas	23rd Jan 2019	Lot	81,030.00
ECG/006/19	11kV Polymeric Pin Insulators	Taproot Investment LTD	23rd Jan 2019	3,000.00	277,500.00
	33kV Polymeric Pin Insulators			2,000.00	
ECG/007/19	Pole-Mounted Transformers	Snedra Transformer Technology	23rd Jan 2019	Lot	461,450.00
ECG/008/19	11kV Polymeric Insulators	Jos Express Ltd.		4,450.00	491,250.00
	33kV Polymeric Insulators			4,300.00	
ECG/009/19	11kV Polymeric Pin Insulators	Kamaru Enterprise	23rd Jan 2019	6,000	472,000.00
	33kV Polymeric Pin Insulators			3,500	

ECG/010/19	11kV Lightning Arrestors	Cani Company	23rd Jan 2019	1,500	266,250.00
	33kV Lightning Arrestors			1,500	
ECG/011/19	11kV Lightning Arrestors	Hog Engineering	23rd Jan 2019	1,500	432,999.00
	33kV Lightning Arrestors			1,200	
	11Kv Dropout Fusegear			1,500	
	33Kv Dropout FuseGear			1,000	
ECG/012/19	11KV Dropout FuseGear	Livic venture Ltd	24th Jan 2019	5,000	457,500.00
ECG/013/19	33KV Expulsion FuseGear	Freedom Builders LTD	24th Jan 2019	3,750	483,750.00
ECG/015/19	Silicon Insulators	Pfisterer	15th Feb 2019	Lot	5,705,225.00
ECG/016/19	11KV CrossArms	Apollo Steel Ghana Ltd	30th Jan 2019	1,000	295,000.00
	11KV CrossArms			1,000	
	Channel Crossarms			800	
ECG/017/19	Polymeric Insulators	Khayl Ghana Ltd	30th Jan 2019	4,500.00	425,250.00
ECG/018/19	Polymeric Insulators	Adiepena 67 Enterprise	Jan 2019	3,000.00	355,000.00
	Polymeric Insulators			4,000.00	
ECG/019/19	33KV Galvanzed Angle CrossAmrs	ASGL Ghana Ltd	30th Jan 2019	3,500	301,875.00
ECG/020/19	11KV Galvanized Angle CrossArms	Mamfat Company Ltd	31st Jan 2019	2,940	249,900.00
ECG/021/19	Stay Equipment	Engineering and More	31st Jan 2019	10,663	399,969.13
	Stay Wire			10,663	
ECG/022/19	33KV CrossArms	Y.O. Swqanzy Company Ltd	31st Jan 2019	2,000	225,590.00
	Stay Equipment			1,000	
ECG/023/19	1X630sq. mm 33kV XLPE Power Cables	Nel Service Ltd	31st Jan 2019	35	2,979,600.10
	3X1850sq. mm 11kV Al. XLPE Power Cables			50	
ECG/024/19	1X240sq. mm 11kV XLPE Power Cables	Bentry company Ltd	13th Feb 2019	50	2,160,000.00
	3X185sq. mm 11kV Al. XLPE Power Cables			35	

ECG/025/19	11KV Polymer Lightning Arrestors	Adu Ofori Atta Enterprise	31st Jan 2019	2,000	240,750.00
	33KV Polymer Lightning Arrestors			1,000	
ECG/026/19	D-Iron	Roslex Electrical Ltd	31st Jan 2019	75,000	176,250.00
	LV Shackle Insulators			75,000	
ECG/027/19	11kV Polymeric Pin Insulators	Ipartners Services Ltd	1st Feb 2019	1,790	471,786.00
	33kV Polymeric Pin Insulators			1,338	
	11kV Polymeric Strain Insulators			600	
	33kV Polymeric Strain Insulators			300	
	Stay Equipment			4,500	
	Stay Wire			45,000	
ECG/028/19	33KV Expulsion FuseGear	Propbureau Ltd	31st Jan 2019	3,500	455,000.00
ECG/029/19	11KV Angle CrossArm	Intelligent Metering & Energy	6th Feb 2019	3,000	258,750.00
ECG/030/19	11KV Polymeric Strain Insulators	A-Jonas Enterprise	31st Jan 2019	5,000	274,500.00
ECG/031/19	11kV Expulsion FuseGear	Samyford Ltd	31st Jan 2019	2,000	311,000.00
	33kV Expulsion FuseGear			1,000	
ECG/032/19	33KV Polymeric Strain Insulators	MX Corps	31st Jan 2019	6,000	354,000.00
ECG/033/19	11KV Polymeric Pin Insulators	Jeackobs Ltd	31st Jan 2019	6,000	275,400.00
ECG/034/19	11KV Polymeric Strian Insulators	MacWest	31st Jan 2019	6,000	335,400.00
ECG/035/19	11KV Lightning Arrestors	Alnahub	1st Feb 2019	7,000	437,500.00
ECG/036/19	11KV Expulsion FuseGear	Things For You Ent	1st Feb 2019	4,000	356,000.00
ECG/037/19	11kV Polymeric Pin Insulator	CDA Global	1st Feb 2019	4,450	472,500.00
	33kV Polymeric Pin Insulator			4,000	
ECG/038/19	11KV Lightning Arrestors	Ariwid Company Ltd	31st Jan 2019	4,000	250,000.00
ECG/039/19	11KV Polymeric Pin Insulators	Sir Keli Group Ltd	6th Feb 2019	4,500	255,000.00

ECG/040/19	11KV Galvanized Angle CrossArms	Matsib Ghana Ltd	6th Feb 2019	3,000	258,000.00
ECG/041/19	Plastic Cable Cover Tiles	Tyno A Consult	8th Feb 2019	35,000	444,500.00
ECG/044/19	11KV Crossarm	Alcind Elvid Ltd	20th Feb 2019	2,000	317,000.00
	D-Iron			100,000	
ECG/045/19	33kv crossArms	Fabby Company Ltd	19th Feb 2019	2,500	236,250.00
ECG/046/19	Ancillary Channel CrossArm	Supmense Enterprise	21st Feb 2019	2,500	200,000.00
ECG/047/19	33KV Lightning Arrestors	Cota-Q Ent	21st Feb 2019	1,400	162,050.00
ECG/048/19	Ancillary Channel CrossArm	Black Gold Akw Ltd	22nd Feb 2019	1,500	119,625.00
ECG/049/19	11KV Angle CrossArm	BrownRiver Ghana Ltd	22nd Feb 2019	1,500	129,000.00
ECG/050/19	33KV Lightning Arrestors	MasterMind B Venture	22nd Feb 2019	1,500	173,625.00
ECG/051/19	11KV Angle CrossArm	Kudirash Ghana altd	22nd Feb 2019	1,500	129,000.00
ECG/052/19	11 KV Ligthning Arrestors	Fuji Environmax Ltd	22nd Feb 2019	1,500	93,750.00
ECG/053/19	11KV Polymeric Pin Insulator	BMF	22nd Feb 2019	3,000	137,700.00
ECG/054/19	11KV CrossArm	Khsad Engineering Ltd	22nd Feb 2019	2,000	172,000.00
ECG/055/19	Plastic Cable Cover Tiles	Afrach Company Ltd	22nd Feb 2019	30,000	381,000.00
ECG/063/19	Handheld GPS	sambus Geospatial	25th Feb. 2019	Lot	175,194.00
ECG/064/19	RTK GPS	Losamills Consult Ltd.	26th Feb. 2019	3	63,492.75
ECG/065/19	Electrical Materials & Equipment	Best and Crompton Engineering Ghana	27th Feb 2019	Lot	185,530.00
ECG/067/19	33KV Polymeric Pin Isulators	Naflin Consult Ltd	27th Feb 2019	8,500	446,250.00
ECG/068/19	11KV Expulsion FuseGear	Tiksham Investment Ltd	27th Feb 2019	3,000	267,000.00
ECG/069/19	11KV Expulsion FuseGear	Beasheld Ent	27th Feb 2019	3,000.00	267,000.00
ECG/070/19	33KV Expulsion FuseGear	Annalinks Ventures	27th Feb 2019	Lot	430,460.00
ECG/071/19	Ancillary Channel CrossArm	(Minantab Williefel Co. Ltd.)	27th Feb 2019	4,500	358,875.00
ECG/072/19	33KV Expulsion FuseGear	Rock Impex Ltd	27th Feb 2019	1,500	195,000.00

ECG/073/19	33KV Expulsion FuseGear	Purple Rain Ventures	27th Feb 2019	1,500	195,000.00
ECG/074/19	Ancillary Channel CrossArm	BhagYalaxmi Impex	27th Feb 2019	3,000	239,250.00
ECG/075/19	Stay Equipment	Mercury Global Ltd	27th Feb 2019	10,000	375,100.00
	Stay Wire			10,000	
ECG/076/19	33KV Galvanzed Angle CrossAmrs	M2 ContryWide Company Ltd	27th Feb 2019	3,000	283,500.00
ECG/078/19	Pole-Mounted Transformers	Westrafo Ghana Ltd	27th Feb 2019	Lot	117,989.00
ECG/081/19	Stay Equipment	Salnoel Ent Ltd	27th Feb 2019		352,950.00
	Stay Wire				
ECG/084/19	Single-phase Prepayment Meters with Enclosures	Nuri Telecom Co. Ltd.	14th Nov. 2019	2,200	492,800.00
ECG/085/19	Single-phase Prepayment Meters with Enclosures	Nuri Telecom Co. Ltd.	20th Nov. 2019	2,200	492,800.00
ECG/086/19	Single-phase Prepayment Meters with Enclosures	Nuri Telecom Co. Ltd.	25th Nov. 2019	2,200	492,800.00
ECG/087/19	Single-phase Prepayment Meters with Enclosures	Nuri Telecom Co. Ltd.	27th Nov. 2019	2,200	492,800
ECG/088/19	Single-phase Prepayment Meters with Enclosures	Ghana Electrometer Ltd.	14th Nov. 2019	2,200	493,856.00
ECG/089/19	Single-phase Prepayment Meters with Enclosures	Ghana Electrometer Ltd.	20th Nov. 2019	2,200	493,856.00
ECG/090/19	Single-phase Prepayment Meters with Enclosures	Ghana Electrometer Ltd.	25th Nov. 2019	2,200	493,856.00
ECG/091/19	Single-phase Prepayment Meters with Enclosures	Ghana Electrometer Ltd.	27th Nov. 2019	2,200	493,856.00
ECG/092/19	Single-phase Prepayment Meters with Enclosures	Ghana Electrometer Ltd.	27th Nov. 2019	1,200	240,000.00
ECG/093/19	Single-phase Prepayment Meters with Enclosures	Nuri Telecom Co. Ltd.	28th Nov. 2019	1,200	268,800.00
ECG/094/19	33kV Expulsion Fusegear	Kabaka Construction & Investment Limited	17th Dec. 2019	1,800	266,600.00
	L brackets for Expulsion Fusegears			2,000	
Total					33,864,855.98

Table 13: Single sourcing procurement without recourse to PPA

ORDER NO.	DESCRIPTION	SUPPLIER	CONTRACT DATE	QUANTITY ON CONTRACT	TOTAL VALUE EURO (€)
ECG/042/19	Buar Cable Test Vans	Specialised Instrument company Ltd	19th Feb 2019	1	449,300.00
ECG/043/19	Megger Cable Test Vans	Megger Ltd	19th Feb 2019	1	496,442.17
Total					945,742.17
					GP £
ECG/079/19	33KV Autoreclosers	Palmers Green International Ltd	27th Feb 2019	Lot	335,492.50
ECG/066/19	Schneider SwitchGear Spare Parts	Alantic Investment Holding Co. Ltd	27th Feb 2019	Lot	393,668.88
Total					729,161.38
					GH¢
FECG/062/19	Tower Clips	HomeField Ent	27th Feb 2019	Lot	184,100.00
ECG/014/19	Emergency Shower & Eye Wash Station	Glodep Ghana Ltd	24th Jan 2019	Lot	1,804,000.00
LP/019/19	Two-piece coverall and two-piece coverall	J.S.L Company Ltd	11 th Feb 2019	2,500 1,500	3,385,000.00
Total					5,373,100.00

415. ECG's Procurement Manual did not demand Management to seek approval from the Public Procurement Board before engaging in the single source procurement.

416. The lapse is attributed to management's disregard for the procurement laws.

417. Management's non-compliance with the law could undermine transparency in contract management and compromise value for money.

418. The General Manager of Procurement should ensure efficient and effective functioning of the established procurement structures and systems as enshrined in the Public Procurement Act to aid compliance with the provisions of the Act.

419. We further advised Management to seek approval from Public Procurement Authority whenever single source methods are to be used.

420. Management responded that our recommendation is noted and where required, the necessary approvals from the relevant authorities will be sought.

Accra East Region

Improper management of the vehicle log books – GH¢115,255.00

421. Regulation 1604 of Stores Regulations, 1984, states, “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”.

422. Regulation 1605 also requires that the original sheet in the Logbook should be detached and submitted to the officer in charge of transport, who should file it, after satisfying himself concerning the rate of consumption and certifying that the journeys performed have been authorised.

423. Our review of the vehicle Logbooks of the Company’s pool of cars and those allocated to specific officers disclosed that journeys undertaken were not recorded and certified by the officer using the vehicle. As a result, full particulars of receipt of the fuel totaling GH¢115,255.00 issued by the fuel attendant to various vehicles were not entered in their respective Logbooks.

424. This anomaly was because of lack of effective supervision by the Transport Officer over the affairs of the Transport section coupled with improper record keeping. The Drivers lack of knowledge on the maintenance of proper handling of logbook cannot be ruled out. As a result, we were unable to confirm whether the fuel allocated was duly used for its purpose.

425. We recommended that Management should task the Transport and Materials Manager to ensure that the various recipients of fuel amounting GH¢115,255.00 account for them. Management should also organise training for all the drivers and the Transport Officer on how to effectively use the Logbooks. This would prevent the occurrence of this anomaly in future.

426. Management has agreed to comply with our recommendation

Tema Region

Need to install CCTV and shelves at Regional Warehouse

427. Regulation 1301 of Stores Regulations, 1984 stipulates that, every officer or storekeeper in charge of government stores shall take all possible precautions against theft of stores or unauthorised entry into storehouses under his control.

428. Regulation 0105 also requires a head of department to be accountable for the proper care, custody and use of public supplies and equipment from the time of acquisition until they have been used or otherwise disposed of.

429. During our inspections at the Tema regional warehouse, we noted that Closed Circuit Television (CCTV) cameras were not installed at the warehouse for surveillance. The shelves to partition the materials have also not been constructed thereby causing the materials to be haphazardly arranged resulting in a congested warehouse.

430. The store supervisor explained that the warehouse is under construction.

431. The absence of these security measures mentioned above exposes the stores to theft and losses arising from activities of unauthorised persons.

432. Management should pay particular attention and expedite action on all efforts at ensuring adequate security at the warehouse.

433. Management noted our recommendation for compliance.

Ashanti SBU

Need to step up investigations on stolen official vehicle

434. Paragraph 5.18(i) of ECG's transport policy guidelines states that all accidents and incidents (theft, fire and other disasters) involving ECG vehicles and a third party must be promptly reported to Police and the District Manager/Traffic Officer by the driver or person responsible for the vehicle within 12 hours. Also, sub-paragraph (iii) states that the General Manager/Region shall constitute a committee of enquiry (COE) within five (5) days with a representative from Head Office as Chairman. Furthermore, sub-paragraph (viii) states All Committee of Enquiries (COEs) report on Vehicle accident shall be submitted to DHR two (2) calendar months and copy the D/Material & Transport.

435. Our follow up on our previous audit on stolen official vehicle (Ford Ranger Pickup) with registration Number GV 19-16 disclosed that two (2) more vehicles, GW3624-18 and GN6300-18 have been snatched away from officers during the year 2020 resulting in Ashanti SBU losing a total of 3 Pickups with a total value/cost of GH¢516,799.22 between June 2018 and May 2020. The Audit team was not furnished with reports from either a Committee of Enquiry or from the Police to establish the circumstances that led to the robberies. Details are shown in table 14.

Table 14: Need to step up investigations on stolen official vehicle

Date of Incident	Date of Police Report	Vehicle Registration Number	Make/Model	Year of Manufacture	Value/Cost GH¢	Remarks
Not indicated	No Report	GV 19-16	Ford Ranger-Pickup	2016	133,938.90	-
Not indicated	No Report	GW 3624-18	Toyota Land-Cruiser pickup	2017	198,082.00	-
23/5/2020	13/8/20	GN 6300-18	Toyota Land Cruiser-pickup	2017	184,778.32	Only Police Extract sighted
Total					516,799.22	

436. The Manager Materials and Transport explained that the issue has been reported to Headquarters in Accra and are awaiting the results or outcome.

437. The delay on the part on Management to take steps to ensure that these thefts are promptly investigated to establish the circumstances and the culprits behind them, may subject all the other new vehicles, particularly the pickups to a similar risk leading to the ECG losing more vehicles in the near future.

438. We urged Management as a matter of urgency to furnish the Audit team with the available reports on the issue, be they preliminary or final for our study.

439. Meanwhile we advised Management to consult the appropriate experts to install tracking devices on the company's new vehicles.

440. Management explained that three (3) different committees were set up to investigate each of the 3 cases of stolen vehicles. The committees have since submitted their reports to management. Following the reports submitted, one staff have been dismissed, while the other two reports are receiving attention and actions would be taken thereafter. A contract for the supply and installation of an automated fleet management system has been awarded by Management. Tracking devices have been installed on 48 vehicles in the Ashanti SBU region on pilot basis. Management hopes to install tracking devices on all vehicles by end of November 2021.

Unused conductor cables not recovered from Contractors – GH¢58,698.63

441. Regulation 78 (1a, & b) of Public Financial Management Regulations, (L.I. 2378) states, “A Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that entity (a) the validity, accuracy and legality of the claims for the payment and (b) that evidence of services received, certificates for work done and any other supporting documents exist”.

442. Our review of material reconciliation statements for Ghana Energy Development Access Program (GEDAP) projects for re- routing Enersmart prepayment meters disclosed that out of total cost of GH¢98,704.51 for unused conductors not returned to stores by three (3) contractors, only GH¢40,005.88 was paid for leaving a difference of GH¢58,698.63 yet to be recovered. The contractors did not return the unused conductors neither did they pay for the full cost of the materials resulting in a materials loss of GH¢58,698.63 to ECG. Details are showed in table 16.

Table 16: Unused conductor cables not recovered from Contractors

Date	Contractor	Contract Sum	Material Supplied	Quantity Supplied	Quantity Used & Returned	Variance In Cedis GH¢	Refund GH¢	Unpaid GH¢	Payment Advice
22-01-19	Neutral Link	23,136.66	25mm Conductor	3350	1499.3	20,361.00	4,044.78	16,316.22	9494
			16mm Conductor	6200	5513	6,870.00	4,464.20	2,405.80	
05-02-19	Potential Electricals	38,350.75	25mm Conductor	4250	1421.9	31,109.10	5,064.33	26,044.77	9704
			16mm Conductor	7300	4004.8	32,952.00	24,424.02	8,527.98	
18-01-19	Kingnimrod Electricals	13,683.03	25mm Conductor	2050	1,850.69	2,192.41	81.17	2,111.24	9484
			16mm Conductor	3500	2,978	5,220.00	1,927.38	3,292.62	
Total						98,704.51	40,005.88	58,698.63	

443. Management used standard ruling price to determine cost of the materials instead of weighted average cost. The Project Engineer waived fifteen 15% and above from the unused materials before making the contractors pay, which is contrary to best practice.

444. The unused materials not returned to stores and the use of standard ruling price for costing the materials resulted in a loss of GH¢58,698.63 investment

445. We advised Management to ensure that Contractors return all unused materials to stores after projects are completed or are made to pay the full cost of the materials. Meanwhile effort should be made by Management to retrieve the GH¢58,698.63 from the Contractors.

446. Management said the decision to reduce the value of conductor issued by 15% was based on our realization that the amounts of materials supplied to the contractors were short by 10%. An additional 5% was given to cover for the wires which were used for binding on both the pole and at the facial board. The prevailing (2016) Standard Ruling Price (SRP) was used to determine the value of the materials before payments were made by the contractors involved.

ELECTRICITY COMPANY OF GHANA – 2020

Head office

Overpayment of Mobilization fees

447. Regulation 113 (1a&b) of the Public Financial Management Regulations, 2019 (L.I. 2378) stipulates that an advance payment of a covered entity for goods and services and civil works shall meet the following conditions: the advance payment shall be by a written public contract; the amount shall not be more than fifteen percent of the total price to be paid under the contract.

448. We noted from five (5) sampled payments advice with a face value of GH¢14,075,760.80 that mobilization fees paid to contractors for civil works were over paid. Our computation disclosed that Management paid between 20%-30% of the sampled contract prices as mobilization fees instead of 15% required by the above regulation. Details contained in table 17.

Table 17: Overpayment of Mobilization fees

Date	Details	Payee	Chq No.	Contract Sum	Mobilization Amt	Percentage (%)
12/11/2020	Renovation of District Managers Bungalow at Dambai-Volta Region	Bumecon Investment Ltd	001959	325,986.86	97,796.06	30
5/11/2020	Construction of Duty post Bungalow at Suhum Eastern Region	Capitol Engineering Ltd	003207	785,643.50	235,693.05	30
3/12/2020	Renovation of Bungalow No.2 at ECG Training School Tema	Askoben Enterprise Ltd	GT003346	238,458.28	71,537.48	30
24/9/2020 & 21/10/2020 & 15/12/2020	Construction of Customer Service Center Type B at Asutwre Tema	M&E Generation Ltd	867500/ 331411/207640	1,344,600.22	403,380.06	30
11/12/2020	ECG fiber Infrastructure	Fobiss Solutions Ltd	758349	63,374,680.94	12,674,936.16	20

	compus Fiber Improvement project to support Govt Free WIFI connective to thirteen selected Public Tertiary institutions					
1/10/2020	Construction of a 33KV indoors switching station C/W Looping of the existing 2*40 MVA 33KV Double Circuit Towerline at New Tema Port Area for GPHA	Best &Crompton Engineering Ghana Ltd	758109	1,974,726.63	592,417.99	30
Total				68,044,096.43	14,075,760.80	

449. Management's non-adherence to the above regulation caused this lapse.

450. Overpayment of mobilization fee could deny ECG the needed funds to pay other suppliers when their payments fall due.

451. We recommended to Management to desist from such acts and ensure compliance with the above regulation in future contracts failing which both authorizing and paying officers may be sanctioned in accordance with Section 92 of the Public Procurement (Amendment) Act, 2016 (Act 914).

452. Management responded that paying mobilisation of 30% for projects has been a longstanding practice, in order to have our contractors adequately mobilised to execute the projects. This is also because subsequent payments take some time since payment certificates are normally not prepared monthly. The Mobilisation amounts are however, always secured with a Mobilisation Guarantee.

453. Management stated that Regulation 113 of the Public Financial Management Regulations, 2019 is not applied to ECG in its role as State Owned Enterprise as distinguished from covered entities. It referred to Attorney-General's advice on the applicability of the Public Financial Management Act to ECG as a State-owned enterprise. Management further stated that due note, however, will be taken of the recommendation. It added that paying Mobilisation of 30% for projects has been a longstanding practice, in order to have contractors adequately mobilised to execute the projects and that subsequent payments take some time since payment certificates are normally not prepared monthly. The

Mobilisation amounts are however, always secured with a Mobilisation Guarantee.

454. However, Management failed to produce a copy of the said Attorney-General's Advice for our review. We reiterated our recommendation.

Inadequate monitoring of Vehicle Tracking Device

455. Section 7(2) of the Public Financial Management Act, 2016 (Act 921) states, "A spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management and internal control of the resources and transactions of a covered entity".

456. Our review of procurement documents disclosed that the Project office procured the services of Nsoroma Nanti Company Ltd to install three hundred (300) tracking devices on ECG Official vehicles. Our inspection at the Project Office (Head Office) on 17th June 2021 disclosed that there were no Control Unit set up for 24hrs/7 day's surveillance on the movement of cars within the regions. We further noted that the consultant did not train ECG Staff to oversee these devices after their installation.

457. The failure of Management to treat the above anomaly with urgency and ensure that Control units were set up for surveillance caused this anomaly.

458. The lack of adequate training of officers and Control Units for 24/7 surveillance resulted in the theft of ECG official vehicle No. GN6308-20 costing US\$40,776.70 in the Ashanti SBU.

459. We recommended to Management to treat the above anomaly with urgency and ensure that the consultant speeds up the completion of the project. We further recommended that the consultant should first set up control Unit at Ashanti SBU since Ashanti is a hotspot and same replicated at the Project Office for overall monitoring of the official vehicles.

460. Management in response indicated that the Automated Fleet Management System (AFMS) is being prosecuted in phases. Phase I which comprises the installation, setting up and the configuration of three hundred (300) tracker devices on some selected vehicles across the regions has been completed. The Phase II involves the installation, configuration, and test-run of the Mobile apps (Pilot Phase).

461. Phase III is the training of staff on the usage of the applications. All these phases must be duly completed and integrated into the larger project before total monitoring could be done. We are now working on the Phases II and III simultaneously.

462. GMs, RMTMs, TOs and some selected staff were trained on the use of the software after the trackers were installed on some vehicles in the regions.

463. Management has provided the office space and a monitoring officer to start with. As part of the global deployment, Management is setting up monitoring offices in all the regions after the pilot phase.

Failure to withhold VAT GH¢478,545.73

464. Section 47(b) of Value Added Tax (Amendment) (No. 2) Act, 2017 (Act 954) stipulates that a Value Added Tax Withholding Agent shall withhold from the payment to a registered value Added Tax trader, seven percent of the taxable output value of standard rated supplies”.

465. We noted that the finance directorate did not withhold 7% withholding VAT on standard rated supplies totalling GH¢6,836,367.62 procured during the period under review. Details are shown table 18.

Table 18: Failure to withhold VAT GH¢478,545.73

Date	PV No.	CHQ No.	Particulars	PAYEE	Gross/GETF/ NHIL	7%-VAT GH¢
16/01/2020	0181116	003667	Radio Announcement	Rhotchets ltd	42,895.02	3,002.65
20/03/2020	0182722	003667	Printing of Booklets on Efficient uses of electricity	Rhotchets ltd	65,268.00	4,568.76
4/3/2020	0183300	304197	Leadership Development	Palladium Group Ghana Ltd	1,309,196.00	91,643.72
1/4/2020	0182752	867417	ECG Change & Leadership development towards Transformation program	Palladium Group Ghana Ltd	1,309,196.00	91,643.72
10/9/2020	0126889	003667	Radio Announcement	Rhotchets ltd	80,232.60	5,616.28
28/4/2020	0183954	207204/207564	ECG Change & Leadership development towards Transformation program	Palladium Group Ghana Ltd	1,309,196.00	91,643.72
15/01/2020	0181105	765628	ECG Change & Leadership development towards	Palladium Group Ghana Ltd	1,309,196.00	91,643.72

			Transformation program			
1/9/2020	0162557	002490/867488	ECG Change & Leadership development towards Transformation program	Palladium Group Ghana Ltd	1,411,188.00	98,783.16
Total					6,836,367.62	478,545.73

466. The above anomaly could delay the prompt receipt of GH¢478,545.73 VAT revenue to government since it takes time before suppliers file returns to the Commissioners of GRA.

467. We advised Management to ensure deduction of 7% Withholding VAT on standard rated supplies before payment are made, for government to have prompt receipt of VAT revenue for its activities. We further recommended that Management should recover these taxes from the companies involved and remit same to the Commissioner of GRA and submit receipts for audit inspection.

468. Management responded that GRA selected 118 Institution as agents to withhold this 7 percent on their behalf. ECG is not among these 118 institutions selected to act as an agent. There was therefore no failure on the part of ECG to withhold the 7 percent Withholding VAT.

Accra East Region

Award of contract to unqualified Contractor – GH¢381,681.29

469. Section 22(1d) (6) of the Public Procurement (Amendment) Act, 2016 (Act 914) states “A tenderer in public procurement shall have fulfilled its obligations to pay taxes and social security contributions and have paid the compensation due for damage caused to property by pollution”. The procurement entity may disqualify a candidate if it finds at any time that the information submitted concerning the qualifications of the candidate was materially inaccurate or materially incomplete.

470. We noted that sixteen (16) payments advice totalling GH¢381,681.29 for farming out and other contract works were awarded to unqualified contractors.

471. We further noted that these suppliers were not in ECG’s suppliers’ Database (Register) and had no pre-qualification documents as prescribed by the above Act. Details are shown in table 19:

Table 19: Award of contract to unqualified Contractor

Date	PV No.	CHQ No.	Particulars	PAYEE	Amount GH¢
20/9/20	0596351	679151	installation of AMR meters	Biemnam Electrical Works	4,485.75
20/9/20	0596354	679154	Injection of 315 KVA@Adasa Hotel	Danny Tof Limited	18,907.02
21/9/20	0596355	679155	Extension LV supply to customers Date	Ben K. Electrical works ltd	5,484.62
21/9/20	0596356	679156	Injection of 315 KVA @ East legon	In His Presence Eng. Works	18,163.74
22/9/20	0596365	679164	Injection of 500 KVA ner caprice-Roman Ridge	Murab Ventures	18,913.66
22/9/20	0596364	679163	Replacement of muti-jointed interconnecting cable	KFD Company Ltd	52,748.08
22/9/20	0596368	679167	Network reinforcement	f. Engineering services	14,415.74
22/9/20	0596370	679169	Injection of 315 KVA @ legon	Haniya Company Ltd	16,210.80
22/9/20	0596385	679178	Injection of 3*200KVA - Sasaadi New site- Dodowa District	Eafet Tech Venture	94,860.03
22/9/20	0596383	679180	Injection of 200 KVA 11/0.433kv Gmt	St. Andrews Electrical Eng. Ltd	12,378.20
29/5/20	096682	678615	Injection of 315KVA - Legon	Benasco Electrical Engineering	16,951.37
29/5/20	0596873	678606	Injection of 200KVA – Dodowa district	Rascom Construction Co. Ltd	31,866.90
29/5/20	0596875	678608	Injection of 315KVA – Teshie district	Co-Saah Electrical Ltd	19,274.84
29/5/20	0596883	678616	Injection of 315KVA - Legon	Satome Electrical Eng. Works	16,841.43
29/5/20	0596884	678617	Correction of defects...	Bomstrong Engineering & Construction	10,639.81
29/5/20	0596874	678607	Substation Rehabilitation	Akokyem Aid Ventures	29,539.30
Total					381,681.29

472. The above lapse could lead to loss of revenue to the state since the Contractors may not be filling their tax returns and SSNIT obligations.

473. We recommended to Management to ensure that all future contracts are awarded to qualified PPA registered entities failing which both paying and authorizing officers may be sanctioned accordingly.

474. Management explained that due to the specialised nature of their work which requires certain technical skills, the company prequalifies all contractors

on certain key performance condition before they are allowed entry into the system.

475. ECG has taken the necessary steps to ensure that the affected contractors whose documentations had expired at the time of the audit are duly renewed.

476. The identified contractors whose obligations (tax clearance and SSNIT) are still outstanding have been directed to renew them as well.

477. However, management comments mentioned above, regarding the application of the Public Procurement Act to ECG refers.

Failure to withhold VAT – GH¢10,332.34

478. Section 47(b) of Value Added Tax (Amendment) (No. 2) Act, 2017 (Act 954) stipulates that a value added tax withholding agent shall withhold from the payment to a registered value added tax trader, seven percent of the taxable output value of standard rated supplies”.

479. We noted that the Regional Accountant could not withhold 7% withholding VAT on standard rated supplies totalling GH¢169,418.49 procured during the period under review. Details are shown in table 20.

Table 20: Failure to withhold VAT

Date	PV No.	CHQ No.	Particulars	PAYEE	A Gross+17.5%	B Gross+5%	7%*B Total
9/1/2020	145537	678463	Announcement	Rhotchets	40,267.07	35,538.66	2,487.71
16/04/2020	0596704	678665	Fumigation of mampong District	padavatton Enterprise	2,953.13	843.75	59.06
16/04/2020	0596705	678666	Fumigation of Regional office	padavatton Enterprise	4,606.00	4,030.25	282.12
16/04/2020	0596703	678667	Fumigation of Dodowa District	padavatton Enterprise	2,480.63	2,170.55	151.94
16/04/2020	0596706	678668	Fumigation of Teshie District	Nana Kwakye Sika Enterprise	3,413.82	2,987.09	209.10
16/04/2020	0596707	678669	Fumigation of Revenue centers	Skill Base Ventures	5,170.00	4,523.75	316.66
21/4/2020	0596709	678680	Fumigation and Rodent control Legon	Linglad Ideals Ventures	4,675.00	4,090.63	286.34
21/4/2020	0596710	678682	Fumigation and Rodent control Roman Ridge	F-chen services	3,887.00	3,401.13	238.08

19/5/2020	0596856	678526	Hotel Accommodation	prestige guest house	4,270.00	3,795.53	265.69
29/5/2020	0596867	678604	Announcement	Rhotchets	36,211.62	31,959.36	2,237.15
1/6/2020	0596869	678602	Announcement	Rhotchets	30,202.98	26,656.30	1,865.94
1/6/2020	0596870	678603	Announcement	Rhotchets	31,281.24	27,607.94	1,932.56
Total					169,418.49	147,604.93	10,332.34

480. The Regional Accountant did not comply with the above stated Act.

481. The above anomaly could delay the prompt receipt of GH¢10,332.34 VAT revenue to government since it takes time before supplier's files return to the commissioners of GRA.

482. We advised Management to ensure deduction of 7% Withholding VAT on standard rated supplies before payment are made for government to have prompt receipt of VAT revenue for other needs. Meanwhile Management is urged to recover these taxes from the companies involved with immediate effect and remit same to the Commissioner of GRA and submit receipts for audit inspection.

483. Management responded that GRA selected 118 Institution as agents to withhold this 7 percent on their behalf. ECG is not among these 118 institutions selected to act as an agent. There was therefore no failure on the part of ECG to withhold the 7 percent Withholding VAT.

Uncompetitive Procurement – GH¢332,220.58

484. Section 43(1) of the Public Procurement (Amendment) Act, 2016 (Act 914) states, “the procurement entity shall request quotation from as many suppliers or contractors as practicable but from at least three different sources that should not be related in terms of ownership, shareholding or directorship and the principles of conflict of interest shall apply between the procurement entities and their members and the difference price quotations”.

485. We noted that 26 payments advice totalling GH¢332,220.58 for the procurement of goods and services were without three alternative quotations from other prospective suppliers or obtained approval from PPA for Single-source procurement. Details are shown in table 21.

Table 21: Uncompetitive Procurement

Date	PV No.	CHQ No.	Particulars	Payee	Amount GH¢
31/01/2020	0596013	678490	Toiletries for Jan 2020	BJAY Ventures	9,129.90
10/2/2020	0596036	678932	Servicing of A/Cs-mampong	Red Point re Fridgeration	4,455.00
12/2/2020	0596042	678945	Toiletries for Sept. 2020	BJAY Ventures	9,343.40
7/2/2020	0596023	678912	Washing of Curtains Accra East Regional Office	Queen Best Service	9,676.90
18/02/2020	0596050	678866	Stationery for expenditure	Kingdom Books and stationery	2,880.00
3/3/2020	0596514	678899	Toiletries 2/20	BJAY Ventures	9,129.89
16/04/2020	0596704	678665	Fumigation of mampong District	padavatton Enterprise	2,953.13
16/04/2020	0596706	678668	Fumigation of Teshie District	Nana Kwakye Sika Enterprise	3,413.82
16/04/2020	0596707	678669	Fumigation of Revenue centers	Skill Base Ventures	5,170.00
21/4/2020	0596709	678680	Fumigation and Rodent control Legon	Linglad Ideals Ventures	4,675.00
21/4/2020	0596710	678682	Fumigation and Rodent control Roman Ridge	F-chen services	3,887.00
15/4/2020	0596697	678662	Purchase of TPN switch& labour	Emma Kwofie	2,500.00
15/4/2020	0596695	678662	Staff Claims	Jonathan Asante/Rhotchets	17,000.00
15/4/2020	0596688	678731	Payment of shedder	Kingdom Books and stationery	2,700.00
2/4/2020	0596656	678795	Toiletries for March, 2020	BJAY Ventures	8,733.00
27/5/2020	0596860	678343	Toiletries for managers	BJAY Ventures	9,081.00
28/5/2020	0596865	678546	2ND Round MV Tree clearing	KFD company ltd	33,679.80
28/5/2020	0596866	678547	Tree pruning/Bush clearing	NEB J ELECTRICAL ENGINEERING	45,536.40
28/5/2020	0596867	678548	Tree pruning/Bush clearing	BORNSTRONG ENG. AND CONST.	25,225.20
12/5/2020	0596737	678506	Purchases Laptop for GM	CAN-WEST LTD	5,200.00
10/6/2020	0596111	679414	Purchase of toiletries	BJAY Ventures	9,429.00
29/5/2020	0596867	678604	Announcement	Rhotchets	36,211.62
1/6/2020	0596869	678602	Announcement	Rhotchets	30,202.98
1/6/2020	0596870	678603	Announcement	Rhotchets	31,281.24

13/11/20	596347	679908	Purchase of airconditioners	Electroland Ghana Limited	4,623.15
13/11/20	596348	679909	Purchase of airconditioners	Electroland Ghana Limited	6,103.15
Total					332,220.58

486. The Regional Accountant and Head of Examination Unit did not ensure that at least three alternative quotations were requested from other prospective suppliers were the cause of this lapse.

487. We could therefore not confirm whether the ECG-Accra East obtained value for money in these transactions.

488. We recommended to Management to ensure that, procurements are always subjected to competition to obtain value for money.

489. Management responded that as regards to compliance in general with the Public Procurement Act, 2003 (Act 663) as amended, Management has always held the informed position that in accordance with Section 14 of the Act, as amended, relating to the Scope of Application, ECG as a State-Owned-Enterprise (SOE)/commercial entity established under the Companies Act and operating in a strictly commercial environment ought not to have been declared a public procurement entity subject to the Act except where it utilises in whole or part, public funds, loans procured by Government, grants and foreign aid funds. Consequently, the Company has been undertaking procurements in accordance with the approved policy/manual on procurements which has been designed to ensure integrity, competition, and value for money.

490. Management is consequently taking steps to formally secure the necessary legal exemption from the strict application to the provisions of the Act in accordance with Section 15 of the Public Procurement (Amendment) Act, 2016 (Act 914). Due note, however, is taken of the advice

Accra West Region

Procurement of goods and services from Non-VAT Entities –GH¢32,435.36

491. Section 59 (2) of the VAT, 2013 (Act 870) states, “A person who acquires possession of or deals with any goods, or accepts the supply of any goods or services having reason to believe that the tax on the supply of the goods or services has not been, or will not be paid, or that has been, or will be falsely reclaim, commits an offence and is liable on summary conviction to a fine of not

more than three times the tax evaded or to a term of imprisonment of not more than five years, or to both”.

492. Our review of payments advice disclosed that fifty-seven (57) payment advices totalling GH¢1,079,937.49 for goods and services were procured from non-VAT registered entities. This has resulted in a loss of VAT of GH¢32,435.36 to the State. Details are shown in table 22.

Table 22: Procurement of goods and services from Non-VAT Entities

S/N	Date	PV No.	CHQ No.	Particulars	PAYEE	PV AMT GH¢	VAT Amt GH¢
1	30-01-2020	0424589	910534	Replacement of Water Closet	Elinam Okai	1,240.00	37.20
2	22-01-2020	0424583	910528	Payment for Thermal Paper rollers	Impressions ltd	2,231.00	66.93
3	7/2/2020	0424604	911032	Detegents for jenitorial services regional office 1st qtr.	Wilhan Enterprise	2,056.00	61.68
4	13/03/202	0424675	910842	Purchase of Executive Surivel chair	Laswe Enterprise	6,828.80	204.86
5	13/03/202	0424763	910840	Payment for purchase of anti-rust Paint for Achimota District	Dekay company ltd	59,603.00	1,788.09
6	11/3/2020	0424695	910830	Payment for maintenance of vehicles	Safod Automobile ltd	9,192.20	275.77
7	16/4/2020	0424807	910883	Payment for 100 79A tonners for stock replenishment	KT Print Com. Ventures	95,545.00	2,866.35
8	4/3/2020	0424670/71	910802/1	Payment for Mineral water supplied to the regional Dec, 2019	Count Your Blessing 5000	2,688.84	80.67
9	27/02/2020	0424666	910644	Purchase of Hydraulic Bottle Jacks	Exclux Ventures	1,940.00	58.20
10	17/03/2020	0424768	910867	Payment for the purchase of Six (6) tabletop computers and three laptops.	Eumax Info. Comm. Technology	49,500.00	1,485.00
11	16/03/2020	0424766	910849	Purchase of 17A Tonner	M-Alphatech buz. Services	46,075.00	1,382.25
12	16/03/2020	0424767	910848	Purchase of 19A Tonner	M-Alphatech buz. Services	47,772.50	1,433.18
13	18/05/2020	0424913	910894	Bottle mineral water for dispensers&	Count Your Blessing 5000	2,898.36	86.95

				Disposable cups for Jan& Feb.2020			
14	6/5/2020	0424881	910782	Vim Parazone disinfectant for Janitorial services for 2nd Qtr 2020	Wilhan Enterprise	2,056.40	61.69
15	30/04/2020	0424874	910738	Servicing of Vehicle No. Gx 2057-14	Toyota Ghana Company Ltd	1,060.09	31.80
16	3/6/2020	0424018	910285	Payment for mineral water supplied to the regional May, 2019	Count Your Blessing 5000	1,030.14	30.90
17	3/6/2020	0424010	910278	Maintenance of Vehicle No. GV 387-14	YuniSec Motors (Odorkor)	4,275.00	128.25
18	3/6/2020	0424008	910276	Payment for the provision & fixing of Curtains Blinds for the Bortianor	Bright Fashion lodge Ventures	38,732.26	1,161.97
19	23/06/2020	0424932	909952	Payment for meals provided	Thersansu Catering services	4,297.10	128.91
20	8/06/2020	0424963	910402	Purchase of 80*80 thermal Receipts Rolls.	Lasting Impressions ltd	11,155.00	334.65
21	9/7/2020	0424976	910119	Payment for 100 17A tonners	KT Print Com. Ventures	92,150.00	2,764.50
22	27/7/2020	0424301	910053	Payment for 10pcs of Desktop Computers for Regional & Korle-BU Dist. Staff	Eumax Info. Comm. Technology	53,350.00	1,600.50
23	16/7/2020	0329545	909844	Hiring of Canopies & Chairs for the Mgt of CoVID-19 at Bortianor District from 20th April to 2nd May, 2020	Straight Deal Invest. Ent.	2,520.62	75.62
24	9/7/2020	0329503	910140	Payment for large size carpert mats for Ablekuma district	Positive Line Agency	4,850.00	145.50
25	13/8/202	0424323	910306	Payment of Executive survile chair	Exclux Ventures	2,425.00	72.75
26	10/8/2020	0424317	909969	Payment for 4pcs of Vehicle tyres No. GT 4372-18	Bezek Shalom	3,831.50	114.95
27	6/8/2020	0424318	909968	Payment for 4pcs of Vehicle tyres No. Gx 2057-15	Bezek Shalom	6,596.00	197.88
28	6/8/2020	0424316	909966	Payment for 4pcs of Vehicle tyres No. GT 3239-13	Bezek Shalom	3,831.50	114.95

29	6/8/2020	0424308	909959	Payment for Carpet Door mats	Positive Line Agency	3,395.00	101.85
30	24/9/2020	0329896	910376	Purchase of Colour Printer for GM's office	M-Alphatech buz. Services	6,596.00	197.88
31	24/9/2020	0329898	910375	Purchase of Computer for Materials & Transport department	M-Alphatech buz. Services	4,801.50	144.05
32	24/9/2020	0329894	910374	Purchase of 80A Tonners.	M-Alphatech buz. Services	47,530.00	1,425.90
33	24/9/2020	0329893	910373	Purchase of 05A Tonners.	M-Alphatech buz. Services	47,530.00	1,425.90
34	24/9/2020	0329895	910372	Purchase of 17A Tonners.	M-Alphatech buz. Services	46,075.00	1,382.25
35	24/9/2020	0329901	910371	Purchase of Printers for Rmtm pr0ject	M-Alphatech buz. Services	14,113.50	423.41
36	24/9/2020	0329899	910370	Purchase of Printers for printers for RHRM RE & PAM outfit	M-Alphatech buz. Services	14,113.50	423.41
37	24/9/2020	0329897	910369	Purchase of Printers for Korle-Bu	M-Alphatech buz. Services	14,113.50	423.41
38	23/9/2020	0329873	910364	Purchase of Disinfecting Machines	Adat Water Services ltd	2,298.90	68.97
39	23/9/2020	0329875	910360	Payment for Washing Curtains-Kaneshie District	LINAQ Services	3,435.05	103.05
40	23/9/2020	0329887	910355	Payment for Maintenance of vehicle GV 393-14	Sudam Enterprise	6,973.00	209.19
41	23/9/2020	0329888	910354	Payment of fumigation services-Korele-Bu	PADAVATTON Enterprise	3,142.13	94.26
42	15/9/2020	0424344	910342	meals provided for staff on official duty & others	Thersansu Catering services	2,682.05	80.46
43	15/9/2020	0424343	910341	Payment for meals provided for staff training Prog.	Flavours of Life	2,328.00	69.84
44	15/9/2020	0329852	909848	Maintenance of Air-conditioners at Achimota District	Anmer Refrigeration & Air Con. Work	2,194.50	65.84
45	2/9/2020	0424339	909997	Payment for Meals provided	Thersansu Catering services	4,408.65	132.26
46	27/10/2020	0329940	909668	Payment for Bleach and Vim for Janitorial service for 4th Qtr Oct-Dec, 2020	Wilhan Enterprise	2,250.40	67.51

47	7/10/2020	0329926	910216	Procure of Antitrust paint for spraying of Equipments	Planners company ltd	37,380.00	1,121.40
48	7/10/2020	0329927	910215	Procure of Antitrust paint for spraying of Equipments	Planners company ltd	30,000.00	900.00
49	7/10/2020	0329928	910214	Procure of Antitrust paint for spraying of Equipments	Samerene Services	29,000.00	870.00
50	7/10/2020	0329929	910213	Procure of Antitrust paint for spraying of Equipments	Bcosa-Bright Ghana Ltd	32,000.00	960.00
51	7/10/2020	0329922	910212	Procure of Antitrust paint for spraying of Distribution Equipments	Dekay company ltd	33,000.00	990.00
52	6/10/2020	0329924	910206	Spraying of Transformers DPD & Switch gears within Ablekuma District	Planners company ltd	45,400.00	1,362.00
53	6/10/2020	0329923	910205	Spraying of Transformers DPD & Switch gears within Dansoman District	Planners company ltd	65,690.00	1,970.70
54	19/11/2020	0329452	912063	Payment for Washing Curtains-Kaneshie District	LINAQ Services	4,288.00	128.64
55	19/11/2020	0329453	912062	Fumigation of A/w Regional Yard offices K'Shie District matatransport office & Warehouse & Canteen	PADAVATTON Enterprise	6,787.50	203.63
56	19/11/2020	0329456	912059	Dislodgement of Regional office Sceptic tank	El. Frednaaisco Enterprise	2,000.00	60.00
57	5/11/2020	0329080	910079	Payment for Six PA Systems for Ablekuma, Bortianor, Dansoman, Kaneshie, Korle-Bu and Nsawam Districts	Decision Desihn Consult	7,920.00	237.60
Total						1,079,937.49	32,435.36

493. The Regional Accountant's inability to ensure that all goods and services were procured from VAT registered entities contributed to this lapse. As a result, the state lost tax revenue of GH¢32,435.36.

494. We recommended to Management to desist from procuring goods and services from non-VAT registered entities to avoid loss of tax revenue.

495. Management noted our recommendation for compliance.

Uncompetitive Procurement – GH¢276,679.24

496. Section 43(1) of the Public Procurement (Amendment) Act, 2016 (Act 914) states “the procurement entity shall request quotation from as many suppliers or contractors as practicable but from at least three different sources that should not be related in terms of ownership, shareholding or directorship and the principles of conflict of interest shall apply between the procurement entities and their members and the difference price quotations”.

497. We noted that 36 payments advice totalling GH¢276,679.24 for the procurement of goods and services were without three alternative quotations from other prospective suppliers neither were there approval from PPA for single-source procurement. Details are shown in table 23.

Table 23: Uncompetitive Procurement

S/N	Date	PV No.	CHQ No.	Particulars	PAYEE	PV AMT GH¢
1	30-01-2020	0424589	910534	Replacement of Water Closet	Elinam Okai	1,240.00
2	22-01-2020	0424583	910528	Payment for Thermal Paper rollers	Impressions ltd	2,231.00
3	2/1/2020	0424556	909294	Farming out claim for September 2018 and February 2019 Ablekuma District.	Venaa Electrical and Electronic Ent.	6,698.26
4	2/1/2020	0424555	910600	Farming out claim for January 2019 Ablekuma District.	IB-Electconst Gh. Ltd	4,523.83
5	2/1/2020	0424144	910598	Farming out claim for July, August and sept. Bortinor.	GAOB Electrical works	18,406.24
6	2/1/2020	0424147	910597	Farming out claim for Month of January 2019 Ablekuma	Thomasco Page Enterprise	6,080.76
7	2/1/2020	0424552	910590	Farming out claim for Month of July to Sept 2018 Bortianor	Yawson Electrical works ltd	18,348.30
8	7/2/2020	0424615	911048	Payment for replacement of some parts of air conditioners.	Red Point Refrigeration works	9,205.00
9	7/2/2020	0424604	911032	Detegents for jenitorial services regional office 1st qtr.	Wilhan Enterprise	2,056.00

10	7/2/2020	0424605	911031	Detegents for jenitorial services regional office 1st qtr.	Unigod Enterprise	2,000.00
11	12/2/2020	0424646	910628	Farming out claim for new serice meter connection for August & Septeber, 2018	William-Tei Ltd	22,546.32
12	12/2/2020	0424655	910627	Farming out claim for new serice meter connection for August & Septeber, 2018	Jerome Electrical Company ltd	14,695.78
13	12/2/2020	0424644	910622	Farming out claim for new serice meter connection for Feb. 2019	Step-up Electrical & Trading co ltd	6,835.12
14	7/02/2020	0424627	910616	Extension of lv supply part of new Bortianor cassava farms and improvement of lv distribution net at weija new town	Elyons Electrical Eng. Company ltd	3,956.73
15	13/03/202	0424752	910841	System Maintenance Computer Cleaning and Vacuuming First Quarter, 2020	Revmultimedia ltd	1,844.94
16	10/3/2020	0424694	910831	Payment for maintenance of vehicles	Safod Automobile ltd	5,795.00
17	11/3/2020	0424692	910815	Payment for maintenance of vehicles	New Central car plaza	5,415.00
18	11/3/2020	0424697	910818	Payment for maintenance of vehicles	Lasquart Eng. Co	2,289.00
19	4/3/2020	0424670/71	910802/1	Payment for Mineral water supplied to the regional Dec, 2019	Count Your Blessing 5000	2,688.84
20	27/02/2020	0424666	910644	Purchase of Hydraulic Bottle Jacks	Exclux Ventures	1,940.00
21	18/05/2020	0424913	910894	Bottle mineral water for dispensers & Disposable cups for Jan & Feb. 2020	Count Your Blessing 5000	2,898.36
22	3/6/2020	0424018	910285	Payment for mineral water supplied to the regional May, 2019	Count Your Blessing 5000	1,030.14
23	3/6/2020	0424010	910278	Maintenance of Vehicle No. GV 387-14	YuniSec Motors (Odorkor)	4,275.00
24	8/06/2020	0424963	910402	Purchase of 80*80 thermal Receipts Rolls.	Lasting Impressions ltd	11,155.00
25	16/07/2020	0329544	909843	Consumables for 3rd Qtr 2020 for meetings & Programmes July-Sept. 2020	BJAY Ventures	7,499.00
26	16/7/2020	0329546	909845	Payment for 200 plastic chairs for CoVID-19 Mgt at the Various Districts	KGM Industrials Ltd	5,296.20

27	16/7/2020	0329545	909844	Hiring of Canopies & Chairs for the Mgt of CoVID-19 at Bortianor District from 20th April to 2nd May, 2020	Straight Deal Invest. Ent.	2,520.62
28	9/7/2020	0329503	910140	Payment for large size carpet mats for Ablekuma district	Positive Line Agency	4,850.00
29	6/8/2020	0424311	909962	Payment for one Yamaha Piano 5*900	Isokada Ventures	9,500.00
30	6/8/2020	0424308	909959	Payment for Carpet Door mats	Positive Line Agency	3,395.00
31	23/9/2020	0329873	910364	Purchase of Disinfecting Machines	Adat Water Services Ltd	2,298.90
32	15/9/2020	0329852	909848	Maintenance of Air-conditioners at Achimota District	Anmer Refrigeration & Air Con. Work	2,194.50
33	10/12/2020	0329305	909717	Farming out Claim Nov & Dec. 2018	Hamtech Elects & Comm.co	11,629.40
34	22/12/2020	0329167	912340	Payment of third-party repair works	Safod Automobile Ltd	9,217.00
35	23/12/2020	0329168	912338	Payment of third-party repair works	Safod Automobile Ltd	9,194.00
36	23/12/2020	0329188	912318	Payment of Kuntuse-Pokuase duty post Bungalow repairs	Kweku Atta Poku	50,930.00
Total						276,679.24

498. The Regional Accountant's inability to ensure that at least three alternative quotations were requested from other perspective suppliers caused this lapse.

499. We could therefore not confirm whether the ECG-Accra west obtained value for money in their transactions.

500. We recommended to Management to ensure that, procurements are always subjected to competition to obtain value for money and officers in charge should be sanctioned in accordance with Section 92 of the Public Procurement (Amendment) Act, 2016 (Act 914).

501. Management indicated that their comments regarding the application of Public Procurement Act to ECG refers.

502. Due note, however, is taken of the advice.

Ashanti SBU Region

Uncompetitive Procurement – GH¢588,157.23

503. Section 43(1) of the Public Procurement (Amendment) Act, 2016 (Act 914) states, “the procurement entity shall request quotation from as many suppliers or contractors as practicable but from at least three different sources that should not be related in terms of ownership, shareholding or directorship and the principles of conflict of interest shall apply between the procurement entities and their members and the difference price quotations”.

504. We noted that (28) payments advice totaling GH¢588,157.23 for the procurement of goods and services were without three alternative quotations from other perspective suppliers neither did the Ashanti SBU obtain approval from PPA for Single-source procurement. Details are shown table 24.

Table 24: Uncompetitive Procurement

Date	PV No.	CHQ No.	Particulars	PAYEE	AMT GH¢
15/01/2020	0105551	011393	Cost cleaning services	Breeze facilities services	2,800.00
15/01/2020	0105525	011393	cost of detergent, toiletries, provisions	Opoku trading & rural service ltd	9,710.00
20/01/2020	0105809	011417	Pmt for servicing of vehicles	Yawag	8,911.00
20/01/2020	0105856	011444	Pmt for fumigation at bonded warehouse A&B, Stockyard	Joedapest Control & Trading Ent.	35,320.29
20/01/2020	0105875	011451	Pmt for reburshing of damaged swivel chairs at Danyame	Yaw Frimpong Ent.	9,985.00
20/01/2020	0105890	011452	Pmt for servicing and repairs of Ac at Effiduase	Pris Law Ventures	8,424.00
20/01/2020	0105855	011453	Pmt for servicing and repairs of A at Suame BC	Rexike Enterprise	14,031.50
25/2/2020	0157106	011613	Cost of galvanised pipe pole	Berko Metal & Construction Ent.	2,000.00
25/2/2020	0157130	011614	Pmt for Purchase of clamp ammeters for Protection and control rection	Kissidoff Company Ltd	2,250.00
24/02/2020	0157126	011612	Pmt for Project management Professional training	Project Management institute	40,000.00
12/2/2020	0156033	011564	Pmt. For renovation of B42 In door Secondary substation in Danyame	Agua Fields Construction ltd	15,676.35
12/2/2020	0156038	011570	Pmt for purchase of coloured printer, ups and Pendrives	AlQassem Co ltd	2,370.00
12/2/2020	0157048	011572	Pmt for the supply of 4 10inch mattress and 4 Bedsheet to Abuakwa Jnr Guest house	Duke87 Ent.	5,880.00

4/3/2020	0157200	011643	Pmt for fumigation of ECG facilities	Joedepest Control & Trading Ent.	44,472.25
25/03/2020	0157335	001777	Pmt for purchase 4 cannon catridges for mgr/pes	De-Frankus Enterprise	2,600.00
25/03/2020	0157333	011778	Maintenance	Agua Fields Construction ltd	18,962.80
24/4/2020	0157433	011902	Pmt for repl. Of defective lighting luminaries and accessories at Akyawkrom	Vero Yak Ventures	7,080.00
28/4/2020	0157521	011906	Pmt for servicing and repair of company vehicles	Annor Nimako Fitting Shop	12,750.00
7/7/20	0156697	012753	Purchase of detergents and toiletries	Opoku Trading & Rural Serv Ltd	10,150.00
7/08/20	0156928	012898	Purchase of 10 desktop computers for stock replenishment	E.E.K. Consults Electrical Ltd	28,200.00
7/08/20	0156927	012899	Purchase of computers for stock replenishment	T. K. Korley Ent	27,500.00
7/08/20	0156934	012910	Re-arrangement of 24No.CT's at Akyawkrom primary substation contract	Best& Crompton Eng. Ghana	35,050.00
28/08/20	0024036	013024	Fumigation of 26 primary substation in Ashanti SBU	Centrafugal Pest Control and cleaning services	46,509.37
4/09/20	0024349	013675	Fumigation of ECG B. Cs and other facilities	Joedepest Control & Trading Ent	26,469.75
10/12/20	0025659	014426	Fumigation of ECG B. Cs and other facilities	Joedepest Control & Trading Ent	41,184.00
10/12/20	0025807	014427	Purchase of detergents and toiletries	Opoku Trading & Rural Serv Ltd	10,410.00
11/12/20	0025660	014428	Fumigation of ECG B. Cs and other facilities	Joedepest Control & Trading Ent	46,093.25
4/09/20	0024346	013658	Relocation of 11KV network on Akyawkrom to Effiduase tower corridor	Best & Crommpton Eng. Gh Ltd	32,861.92
7/08/20	0156939	012885	Fumigation of ECG facilities	Joedepest Control& Trading Ent	40,505.75
Total					588,157.23

505. The Regional Accountant's disregard for the law caused this lapse.

506. We could therefore not confirm whether the ECG-Ashanti Region SBU obtained value for money in respect of the procurement transactions.

507. We recommended to Management to ensure that, procurements are always subjected to competition to obtain value for money.

508. In response, Management opined that as regards to compliance in general with the Public Procurement Act, 2003 (Act 663) as amended, Management has always held the informed position that in accordance with Section 14 of the Act, as amended, relating to the Scope of Application, ECG as a State-Owned-Enterprise (SOE)/commercial entity established under the Companies Act and operating in a strictly commercial environment ought not to have been declared a public procurement entity subject to the Act except where it utilises in whole or part, public funds, loans procured by Government, grants and foreign aid funds. Consequently, the Company has been undertaking procurements in accordance with the approved policy/manual on procurements which has been designed to ensure integrity, competition, and value for money. Management is consequently taking steps to formally secure the necessary legal exemption from the strict application to the provisions of the Act in accordance with Section 15 of the Public Procurement (Amendment) Act, 2016 (Act 914).

509. Due note, however, is taken of the advice.

Failure to withhold VAT – GH¢19,669.61

510. Section 47(b) of Value Added Tax (Amendment) (No. 2) Act, 2017 (Act 954) stipulates that a Value Added Tax Withholding Agent shall withhold from the payment to a registered Value Added Tax trader, seven percent of the taxable output value of standard rated supplies.

511. We noted that the Regional Accountant did not withhold 7% withholding VAT on standard rated supplies for 23 transactions totalling GH¢312,139.70 procured during the period under review. Details are shown in table 25.

Table 25: Failure to withhold VAT

S/N	DATE	PV No.	CHQ No.	Particulars	PAYEE	A Gross+17. 5%	B Gross+5%	7%*B Total
1	20/01/2020	0105817	011422	Pmt for servicing of vehicles	Japan motors Trading co.	10,710.80	10,175.26	712.27
2	22/01/2020	0105903	011466	Pmt hotel bills	Golden Tulip	31,633.39	30,051.72	2,103.62
3	22/01/2020	0105909	011469	pmt for bundle for December,2019	MTN	3,696.55	3,511.72	245.82
4	12/2/2020	0156039	011573	Pmt for hotel accommodation	Telecentre Hotel	7,200.00	6,840.00	478.80
5	12/2/2020	0157039	011574	Pmt for leasing Photo copier feb.2019	Vallex Lease Equip Ltd	2,650.22	2,517.71	176.24
6	13/03/2020	0156220	011713	Pmt for servicing of vehicles	Japan motors Trading co.	12,416.87	11,037.12	772.60
7	13/03/2020	0156219	011713	Pmt servicing company vehicles	Japan motors Trading co.	8,872.46	7,886.58	552.06
8	13/3/2020	0156172	011751	Pmt of announcement	F. Giant Broadcasting ltd	6,496.87	5,258.40	368.09

				from November 2019 jan, 2020				
9	13/3/2020	0156171	011753	Pmt of announcement from November 2019 jan, 2020	Multimedia group luv fm	13,635.27	12,120.25	848.42
10	13/3/2020	0156162	011755	Pmt of hotel bills	Chariset Hotel	6,800.00	6,076.35	425.34
11	2/4/2020	0156310	011803	Pmt of Feb.2020 bundle	Scan Com PLC	3,778.05	3,358.27	235.08
12	15/4/2020	0156334	011811	Pmt of cost of security and fireproof door	Superlock Technologies	3,349.56	3,252.00	227.64
13	24/4/2020	0157509	011882	Pmt of hotel bills	True Vine Hotel	9,793.51	7,030.80	492.16
14	24/4/2020	0157512	011882	Pmt of hotel bills	True Vine Hotel	40,547.23	37,662.45	2,636.37
15	23/4/2020	0157430	011883	Pmt of hotel bills	Golden Tulip	16,180.00	15,371.00	1,075.97
16	24/4/2020	0157448	011884	Pmt of hotel bills	Anita Hotel	16,165.00	15,356.75	1,074.97
17	21/4/2020	0156345	011823	Pmt of the cost of servicing of company vehicles	Japan motors Trading co.	13,208.64	11,741.01	821.87
18	21/4/2020	0156346	011823	Pmt of the cost of servicing of company vehicles	Japan motors Trading co.	11,201.90	9,957.25	697.01
19	8/5/2020	0157628	011953	Pmt for servicing company vehicles	Japan motors Trading co.	9,936.94	8,832.82	618.30
20	20/5/2020	0157773	012400	Pmt of hotel bills	Fetondia Hotel	27,936.65	23,650.00	1,655.50
21	15/5/2020	0157757	012392	Pmt of hotel bills	the General managers	14,300.00	12,105.82	847.41
22	18/6/2020	0156532	012652	Pmt of hotel bills	Stadium Hotel Ltd	14,400.00	12,868.09	900.77
23	22/6/2020	0156554	012654	Pmt of hotel bills	Annex Plaza Hotel	27,229.79	24,333.00	1,703.31
Total						312,139.70	280,994.37	19,669.61

512. The above anomaly could delay the prompt receipt of GH¢19,669.61 VAT revenue to government since it takes time before supplier's files returns to the Commissioner of GRA.

513. We advised Management to ensure prompt deduction of 7% withholding VAT on standard rated supplies before payment are done, for government to have prompt receipt of VAT revenue. Meanwhile Management is urged to recover these taxes from the Companies involved and remit same to the Commissioner of GRA and submit receipts for audit inspection 30 days upon the receipt of this Management Letter.

514. Management explained that GRA selected 118 Institution as agents to withhold this 7 percent on their behalf. ECG is not among these 118 institutions selected to act as an agent. There was therefore no failure on the part of ECG to withhold the 7 percent Withholding VAT.

Inadequate monitoring of Tracking Devices on vehicles

515. Section 7(2) of the Public Financial Management Act, 2016 (Act 921) states “A spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management and internal control of the resources and transactions of a covered entity”.

516. We noted during our review of administrative procedures in the Transport unit at the Ashanti SBU that Management has installed tracking devices on eighty (80) official vehicles. However, the monitoring of the tracking devices was not effective, in that only two staff (Manager of Transport/Material and transport officer) have access to the device on their laptops instead of a mounted screen for 24hrs/7 days’ surveillance on the vehicles.

517. Further investigation disclosed that the Officers in charge, lack adequate knowledge on the operations of the installed tracking devices due to inadequate training by Head Office (Project Office).

518. The inability of Head Office (Project Office) to ensure the training of officers by the service provider/contractor caused this anomaly.

519. Inadequate training of staff and non-availability of 24/7 days’ surveillance on official vehicles could diffuse the intended purpose of safety and theft recovery of vehicles within the region.

520. We recommended to Management to ensure the installation of the devices on all official vehicles, train officers and establish a unit which will manage the operations of the devices for 24/7 days’ surveillance on the movement of vehicles within the region.

521. Management responded that Automated Fleet Management System (AFMS) is being prosecuted in phases. Phase I which comprises the installation, setting up and the configuration of three hundred (300) tracker devices on some selected vehicles across the regions has been completed. The Phase II involves the installation, configuration, and test-run of the Mobile apps (Pilot Phase). Phase III is the training of staff on the usage of the applications.

522. All these phases must be duly completed and integrated into the larger project before proper monitoring could be performed. ECG is now doing the Phases II and III simultaneously.

523. All GMs, RMTMs, TOs and some selected staff were trained on the use of the software after the trackers were installed on the vehicles in the regions. It is therefore not true that the Managers were not trained to monitor their vehicles. ECG has requested for monitoring office and two officers.

524. Management has provided the office space, although not spacious enough, and one monitoring officer is now undergoing training.

525. As part of the global deployment, ECG is setting up monitoring stations in all the regions after the pilot phase.

Tema Region

Overaged Vehicles

526. Chapter 2.3.1 and 2 of Electricity Company of Ghana Transport Policy states that, A vehicle shall be replaced when it can no longer be efficiently and effectively utilised for the Company's business operations. The purpose is to ensure that vehicles, which are no longer serviceable or cost effective to operate, are replaced in accordance with ECG's Assets Depreciation Policy.

527. We noted during the review of the vehicles records of ECG Tema Region that out of one hundred and eleven 111 vehicles, eighty (80) were over aged. The cost for repairs and maintenance for the 2020 financial year under review was GH¢2,724,507.61 compared with GH¢1,823,435.72 for 2019 representing 49.41% increase. The details are shown in table 26.

Table 26: Overaged Vehicles

No	Reg. No.	New No	Make/Type	Year Of Purchase	Location
1	GN 5850 Z	GV 996 -14	TOYOTA LC PRADO	2002	Regional
2	GR 2856 U		TOYOTA D/C P/UP 4x4	2003	Ada
3	ER 3017U		TOYOTA DYNA 3TON TRK	2003	Ada
4	ER 3016U	GV 658 -14	TOYOTA DYNA 3TON TRK	2003	Krobo
5	ER 3015U	GV 663-14	TOYOTA DYNA 3TON TRUCK	2003	North
6	ER 3014 U	GV 659 -14	TOYOTA DYNA 3TON TRK	2003	South
7	GW 8589U	GV 635 -14	NISSAN UD BOOM TRK	2003	Regional
8	GW 9203V		NISSAN DC P/UP	2004	Regional
9	GW 9359 V		NISSAN D/C P/UP 4x4	2004	Regional
10	GW 6814 W		NISSAN DC P/UP	2005	Regional
11	GV 2290-14	GV 2290-14	NISSAN D/C P/UP 4x4	2006	Ada
12	GV 2359-14	GV 2359-14	NISSAN D/C P/UP 4x4	2006	Ada
13	GV 2318 - 14	GV 2318 -14	TOTOTA D/C PICK-UP	2006	Krobo
14	ER 5743 X	GV 594-14	NISSAN D/C P/UP 4x4	2006	North
15	GT 6062 X	GV 627 -14	NISSAN DC P/UP	2006	North

16	GT 6063 X	GV 628 -14	NISSAN DC P/UP	2006	North
17	GT 6061 X		NISSAN DC P/UP 4X4	2006	South
18	GT 1759 Y		NISSAN D/C P/UP 4x4	2007	Nungua
19	GN 3308 Y	GV 595-14	NISSAN D/C P/UP 4x4	2007	Nungua
20	GT 4594 Y	GV 630 -14	NISSAN DC P/UP	2007	Nungua
21	GT 1753 Y		NISSAN D/C P/UP 4x4	2007	Nungua
22	GN 3305 Y	GV 614 -14	NISSAN D/C P/UP 4x4	2007	South
23	GN 3297 Y	GV 603 -14	NISSAN D/C P/UP 4x4	2007	Regional
24	GN 3310 Y	GV 604 -14	NISSAN P/UP 4X4	2007	Regional
25	GT 8680 Y	GV 642 -14	NISSAN UD 3TON TRUCK	2007	Nungua
26	GT 7936 Y	GV 640 -14	NISSAN UD 3TON TRUCK	2007	Nungua
27	GT 8663 Y	GV 643 -14	NISSAN UD 3TON TRUCK	2007	Regional
28	GT 8674 Y	GV 636 -14	NISSAN UD 3TON TRUCK	2007	Regional
29	GN 3150 Z	GV 651 -14	PEUGEOT BOXER TRUCK	2008	Krobo
30		GV 2300-14	NISSAN PICK-UP 4X4	2008	Afienva
31		GV 2273-14	NISSAN PICK-UP 4X4	2008	Afienva
32	GN 1748 Z	GV 639-14	NISSAN UD 3TON TRUCK	2008	Krobo
33	GN 4629 Z	GV 641 -14	NISSAN UD 3TON TRUCK	2008	North
34	GN 4628 Z	GV 484-14	NISSAN UD 3TON TRUCK	2008	Prampram
35	GN 5244 Z	GV 637 -14	NISSAN UD 3TON TRUCK	2008	South
36	GN 1749 Z	GV648 -14	NISSAN UD 3TON TRUCK	2008	South
37	GN 4607 Z	GV 646 -14	NISSAN UD 5TON TRUCK	2008	Regional
38	GN 1741 Z	GV 645 -14	NISSAN UD 3TON TRUCK	2008	Regional
39	GN 5243 Z	GV 647 -14	NISSAN UD 3TON TRUCK	2008	Regional
40	GT 9721 Z	GV 656 -14	TOYOTA D/C P/UP 4X4	2008	Regional
41	GT 8272 -10	GV 582 -14	JMC MINIBUS	2010	Regional
42	GS 6849 -10	GV 583-14	MITSUBISHI TRUCK	2010	Afienva
43	GS 6850 -10	GV 2433 -14	MITSUBISHI TRUCK	2010	Afienva
44	GN 1669-10	GV 624 -14	NISSAN P/UP 2X4	2010	Afienva
45	GN 174-10	GV 590 -14	NISSAN PICK-UP 4X4	2010	Afienva
46	GN 1667-10	GV 633 -14	NISSAN P/UP	2010	Regional
47	GN 2064-10	GV 662-14	TOYOTA BUS	2010	Regional
48	GN 155 -10	GV 278 -14	NISSAN PICK-UP 4X4	2010	Regional
49	GN 1666 -10	GV 632 -14	NISSAN P/UP	2010	Regional
50	ER 3298-11	GV 610 -14	NISSAN PICK-UP 4X4	2011	Regional
51	ER 3297-11	GV 609-14	NISSAN PICK-UP 4X4	2011	Regional
52	ER 3225-11	GV 608 -14	NISSAN PICK-UP 4X4	2011	Regional
53	GT 7258 -13	GV 2385-14	TOTOTA D/C PICK-UP	2011	Krobo
54	GT 6653 -11	GV 593-14	NISSAN P/UP 4X4	2011	Krobo
55	GE 2656 -11	GV 584-14	MITSUBISHI TRUCK	2011	Prampram
56	GT 6652-11	GV 607 -14	NISSAN P/UP 2X4	2011	Regional
57	GT9215-11	GV 586 -14	NISSAN P/UP	2011	Regional
58		GV 2303-14	NISSAN PICK-UP 4X4	2011	Regional
59	GT 2127-11	GV 611 -15	NISSAN PICK-UP 4X4	2012	Regional
60	GE 976 Y	GV 2326-14	IVECO TEST VAN	2012	Regional
61	GT 6829 -12	GV 2494-14	NISSAN D/C P/UP 4X4	2012	Ada
62	GN 8007 -12	GV 621-14	NISSAN PICK-UP 4X4	2012	Krobo
63	GN 4864-12	GV 617-14	NISSAN D/C P/UP 4X4	2012	North
64	GN 4866 -12	GV 619 -14	NISSAN D/C P/UP 4X4	2012	Nungua
65	GT 6830 -12	GV 600-14	NISSAN D/C P/UP 4X4	2012	Prampram

66	GN 4865 -12	GV 618-14	NSSAIN PICK/ UP	2012	Prampram
67	GT 6832 -12	GV 591 -14	NISSAN PICK-UP 4X4	2012	Afienva
68	GN 4863 -12	GV 616 -14	NISSAN PICK-UP 4X4	2012	Afienva
69	GN 8469-12	GV 623 -14	NISSAN PICK-UP 4X4	2012	Afienva
70	GN 8009-12	GV 622-14	NISSAN PICK-UP 4X4	2012	South
71	GT 6831-12	GV 635 -14	NISSAN D/C P/UP 4x4	2012	South
72	GT 6833-12	GV 612 -14	NISSAN PICK-UP 4X4	2012	Regional
73	GM 489-12		TOYOTA D/C P/UP 4X4	2012	Regional
74	GT 1886-12		TOYOTA L/C	2012	Regional
75	GT 7363-13	GV 664-14	NISSAN PICK-UP 4X4	2013	Regional
76	GT 7398-13	GV 665 -14	NISSAN PICK-UP 4X4	2013	Regional
77	GM 2055-13	GV 666-14	NISSAN PICK-UP 4X4	2013	Regional
78	GL 27-14	GV 2327 -14	NISSAN PICK-UP 4X4	2013	Regional
79	GM 598-14	GV 2389-14	NISSAN D/C P/UP	2014	North
80	GN 9327 -14	GV 2329-14	NISSAN BOOM	2014	Regional

528. Electricity Company of Ghana did not adhere to Motor vehicle replacement plan to reserve fund to replace outlived fixed assets.

529. These old vehicles have high repairs and maintenance cost and may be unsafe for the users.

530. We recommended that Managemnt should adhere to their fixed assets replacement fund policy to help the Company replenish its old vehicles stock.

531. Management responded that they carried out a fleet review exercise in the year 2019 and the assessment showed that most of the vehicles though overaged were in good condition and could be used for operations for a period of three (3) years. Those that were overaged and in poor condition were processed for retirement and auction.

532. The Company's Vehicle Replacement Policy provides for the consideration of the age of the vehicle, the condition and the frequency of breakdowns, the maintenance cost, and the effect of the vehicles on corporate image before a decision is taken to replace or retain a vehicle.

533. Meanwhile, 34No. D/C 3 Ton Trucks and 137No. D/C Pick-ups have been acquired recently to support ECG operations.

Central Region

Overaged Vehicles

534. Chapter 2.3.1 and 2 of Electricity Company of Ghana Transport Policy states “A vehicle shall be replaced, when it can no longer be efficiently and effectively utilised for the Company’s business operations. The purpose is to ensure that vehicles, which are no longer serviceable or cost effective to operate, are replaced in accordance with ECG’s Assets Depreciation Policy”.

535. We noted during the review of the vehicles records of ECG Central Region that out of one hundred and twenty-two (122) vehicles, ninety-seven (97) representing 79.5% were over aged. Details are shown in table 27.

Table 27: Overaged Vehicles

No.	Reg. No.	Make/Model	District/Location	Year Of Purchase	Age
1	GV 1274-14	CATERPILLAR 3TON FORK-LIFT	REGIONAL OFFICE	1996	25
2	GV 1249-14	TOYOTA DYNA 3TON TRUCK	KASOA NORTH	2004	17
3	GV 1254-14	NISSAN DC PICK-UP 4X4	REGIONAL OFFICE	2004	17
4	GV 2330-14	NISSAN D/C PICK-UP 2X4	SALTPOND	2004	17
5	GV 1296-14	TOTOTA DYNA 3TON TRUCK	SWEDRU	2004	17
6	GV 1302-14	TOYOTA DYNA 3TON TRUCK	TWIFO PRASO	2004	17
7	GV 271-14	NISSAN DC PICK UP 2X4	CAPE COAST	2005	16
8	GT 6091 X	NISSAN D/C PICK-UP 2X4	ASSIN FOSU	2006	15
9	GT 3491 X	NISSAN DC PICK-UP 4X4	BREMAN ASIKUMA	2006	15
10	GV 1231-14	NISSAN D/C PICK-UP 2X4	CAPE COAST	2006	15
11	GV 2474-14	NISSAN UD 10 TON B/M TRUCK	REGIONAL OFFICE	2006	15
12	GV 2277-14	NISSAN D/C PICK-UP 4X4	KASOA SOUTH	2007	14
13	GV 1275-14	DAEWOO 5TON FORKLIFT	REGIONAL OFFICE	2007	14
14	GT 4612 Y	NISSAN DC PICK UP 2X4	SALTPOND	2007	14
15	GT 8688 Y	NISSAN UD 3TON TRUCK	SALTPOND	2007	14
16	GV 1257-14	NISSAN DC PICK-UP 4X4	TWIFO PRASO	2007	14
17	GV1297-14	NISSAN DC PICK UP 4X4	TWIFO PRASO	2007	14
18	GV 1309-14	NISSAN UD 3TON TRUCK	WINNEBA	2007	14
19	GV 1216-14	NISSAN UD 3TON TRUCK	AJUMAKO	2008	13
20	GV 1223-14	NISSAN UD 3TON TRUCK	ASSIN FOSU	2008	13
21	GN 4616 Z	NISSAN UD 3TON TRUCK	BREMAN ASIKUMA	2008	13
22	GV 1240-14	NISSAN UD 3TON TRUCK	CAPE COAST	2008	13
23	GV 1250-14	NISSAN UD 3TON TRUCK	CAPE COAST	2008	13
24	GV 2334-14	NISSAN D/C PICK-UP 4X4	CAPE COAST	2008	13
25	GV 1271-14	NISSAN UD 3TON TRUCK	CAPE COAST	2008	13
26	GV 1272-14	NISSAN UD 3TON TRUCK	KASOA SOUTH	2008	13
27	GV 1248-14	NISSAN UD 3TON TRUCK	KASOA SOUTH	2008	13
28	GV 1217-14	NISSAN UD 3TON TRUCK	REGIONAL OFFICE	2008	13
29	GV 1266-14	TOYOTA DC PICK-UP 4X4	REGIONAL OFFICE	2008	13
30	GN 4686 Z	TOYOTA DYNA TRUCK 5TON	SALTPOND	2008	13
31	GN 3467 Z	PEUGEOT BOXER 1.5TON TRK	SWEDRU	2008	13
32	GV 1295-14	NISSAN UD 3TON TRUCK	SWEDRU	2008	13
33	GV 1301-14	NISSAN UD 3TON TRUCK	TWIFO PRASO	2008	13
34	GV 1307-14	TOYOTA DC PICK-UP 4X4	WINNEBA	2009	12
35	GV 1241-14	MITSUBISH FUSO 3TON TRUCK	CAPE COAST	2010	11
36	GC 3064-10	JIN BEI MINIBUS	CAPE COAST	2010	11

37	GV 2383-14	NISSAN D/C PICK-UP 4X4	CAPE COAST	2010	11
38	GV 207-14	NISSAN D/C PICK-UP 4X4	KASOA SOUTH	2010	11
39	GV 1267-14	TOYOTA DC PICK-UP 4X4	REGIONAL OFFICE	2010	11
40	GV 1282-14	TOYOTA HILUX PICK-UP	SALTPOND	2010	11
41	GV 206-14	NISSAN D/C PICK-UP 4X4	SALTPOND	2010	11
42	GV 2366-14	NISSAN D/C PICK-UP 4X4	SALTPOND	2010	11
43	GV 1258-14	NISSAN DC PICK-UP 4X4	TWIFO PRASO	2010	11
44	GV 1304-14	NISSAN DC PICK UP 2X4	WINNEBA	2010	11
45	GV 1212-14	NISSAN D/C PICK-UP 4X4	AJUMAKO	2011	10
46	GV 1220-14	NISSAN D/C PICK-UP 4X4	ASSIN FOSU	2011	10
47	GV 1225-14	NISSAN D/C PICK-UP 4X4	BREMAN ASIKUMA	2011	10
48	GV 1211-14	NISSAN D/C PICK-UP 4X4	KASOA NORTH	2011	10
49	ER 3220-11	NISSAN D/C PICK-UP 4X4	KASOA NORTH	2011	10
50	GV 1287-14	NISSAN D/C PICK-UP 4X4	SWEDRU	2011	10
51	GV 1288-14	NISSAN D/C PICK-UP 4X4	SWEDRU	2011	10
52	GE 2661-11	MINISUBISHI FUSO 3TON TRK	WINNEBA	2011	10
53	GV 1213-14	NISSAN D/C PICK-UP 4X4	AJUMAKO	2012	9
54	GV 1214-14	NISSAN D/C PICK-UP 4X4	AJUMAKO	2012	9
55	GV 1226-14	NISSAN D/C PICK-UP 4X4	BREMAN ASIKUMA	2012	9
56	GV 1234-14	NISSAN D/C PICK-UP 4X4	CAPE COAST	2012	9
57	GV 1235-14	NISSAN D/C PICK-UP 4X4	CAPE COAST	2012	9
58	GV 1236-14	NISSAN D/C PICK-UP 4X4	CAPE COAST	2012	9
59	GN 8446-12	NISSAN D/C PICK-UP 4X4	KASOA NORTH	2012	9
60	GV 1260-14	NISSAN D/C PICK-UP 4X4	KASOA NORTH	2012	9
61	GV307-14	NISSAN D/C PICK-UP 4X4	KASOA NORTH	2012	9
62	GV 1245-14	NISSAN D/C PICK-UP 4X4	KASOA SOUTH	2012	9
63	GV 1259-14	NISSAN D/C PICK-UP 4X4	REGIONAL OFFICE	2012	9
64	GV 1261-14	NISSAN D/C PICK-UP 4X4	REGIONAL OFFICE	2012	9
65	GV 1262-14	NISSAN D/C PICK-UP 4X4	REGIONAL OFFICE	2012	9
66	GV 1263-14	NISSAN D/C PICK-UP 4X4	REGIONAL OFFICE	2012	9
67	GV 1268-14	FORD RANGER PICK-UP 4X4	REGIONAL OFFICE	2012	9
68	GV 1281-14	NISSAN D/C PICK-UP 4X4	SALTPOND	2012	9
69	GV 1289-14	NISSAN D/C PICK-UP 4X4	SWEDRU	2012	9
70	GN 8449-12	NISSAN D/C PICK-UP 4X4	TWIFO PRASO	2012	9
71	GV 1305-14	NISSAN D/C PICK-UP 4X4	WINNEBA	2012	9
72	GV 1306-14	NISSAN D/C PICK-UP 4X4	WINNEBA	2012	9
73	GN 3275-13	TOYOTA HILUX PICK-UP	KASOA NORTH	2013	8
74	GV 1276-14	NISSAN 4X4 D/C P/UP	REGIONAL OFFICE	2013	8
75	GV 1277-14	NISSAN 4X4 D/C P/UP	REGIONAL OFFICE	2013	8
76	GV 1210-14	NISSAN NAVARA PICK-UP 4X4	REGIONAL OFFICE	2013	8
77	GV 1265-14	NISSAN NAVARA PICK-UP 4X4	REGIONAL OFFICE	2013	8
78	GM 3407-13	TOYOTA HILUX PICK-UP	REGIONAL OFFICE	2013	8
79	GN 4437-13	NISSAN NAVARA PICK-UP 4X4	REGIONAL OFFICE	2013	8
80	GV 2457-14	NISSAN D/C PICK-UP 4X4	KASOA NORTH	2014	7
81	GV 2478-14	NISSAN D/C PICK-UP 4X4	KASOA NORTH	2014	7
82	GM 1320-14	TOYOTA DC PICK-UP 4X4	KASOA SOUTH	2014	7
83	GV 2456-14	AERIAL DEVICE	REGIONAL OFFICE	2014	7
84	GV 2458-14	NISSAN BOOM 7TON	REGIONAL OFFICE	2014	7
85	GV 2459-14	NISSAN D/C PICK-UP 4X4	REGIONAL OFFICE	2014	7
86	GN 2181-15	NISSAN D/C PICK-UP 4X4	AJUMAKO	2015	6
87	GN 2179-15	NISSAN D/C PICK-UP 4X4	ASSIN FOSU	2015	6
88	GN 2170-15	NISSAN D/C PICK-UP 4X4	BREMAN ASIKUMA	2015	6
89	GN 2137-15	NISSAN D/C PICK-UP 4X4	CAPE COAST	2015	6
90	GN 2182-15	NISSAN D/C PICK-UP 4X4	KASOA NORTH	2015	6
91	GN 2180-15	NISSAN D/C PICK-UP 4X4	KASOA NORTH	2015	6
92	GN 2183-15	NISSAN D/C PICK-UP 4X4	REGIONAL OFFICE	2015	6
93	GX 2057-16	TOYOTA PRADO KD	REGIONAL OFFICE	2015	6
94	GN 2171-15	NISSAN D/C PICK-UP 4X4	SALTPOND	2015	6
95	GN 2186-15	NISSAN D/C PICK-UP 4X4	SWEDRU	2015	6

96	GN 2169-15	NISSAN D/C PICK-UP 4X4	TWIFO PRASO	2015	6
97	GN 2173-15	NISSAN D/C PICK-UP 4X4	WINNEBA	2015	6

536. Electricity Company of Ghana did not adhere to Motor vehicle replacement plan to reserve funds for the replacement of outlived fixed assets.

537. These old vehicles have high repairs and maintenance cost and may be unsafe for the users.

538. We recommended that Management should adhere to their fixed Assets replacement fund policy to help the Company replenish its old vehicles stock.

539. Management responded that they carried out a fleet review exercise in the year 2019 and the assessment showed that most of the vehicles though overaged were in good condition and could be used for operations for a period of three (3) years. Those that were overaged and in poor condition were processed for retirement and auction.

540. The Company's Vehicle Replacement Policy provides for the consideration of the age of the vehicle, the condition and the frequency of breakdowns, the maintenance cost, and the effect of the vehicles on corporate image before a decision is taken to replace or retain a vehicle.

541. Meanwhile, 34 No. D/C 3 Ton Trucks and 137 No. D/C Pick-ups have been acquired recently to support ECG operations.

Western Region

Overaged Vehicles

542. Chapter 2.3.1 and 2 of Electricity Company of Ghana Transport Policy states, "A vehicle shall be replaced, when it can no longer be efficiently and effectively utilised for the Company's business operations. The purpose is to ensure that vehicles, which are no longer serviceable or cost effective to operate, are replaced in accordance with ECG's Assets Depreciation Policy".

543. We noted during the review of the vehicles records of ECG Western Region that out of one hundred and sixty-five (165) vehicles, one hundred and two (102) representing 62.4% are over age. Details are shown in table 28.

Table 28: Overaged Vehicles

No.	Vrn	Make/Model	District/Business Center	Vehicle Condition	Age
1	ER 3156 U	NISSAN UD-CRANE-10TON HEAVY-DUTY TRUCK	REGIONAL OFFICE	FAIR	16
2	GT 8686 Y	NISSAN UD-3TON LIGHT DUTY TRUCK	SEFWI WIAWSO	FAIR	13
3	GT 9729 Z	TOYOTA HILUX PICK-UP	SEKONDI	POOR	12
4	GN 1702 Z	NISSAN UD-3TON LIGHT DUTY TRUCK	SEKONDI	POOR	12
5	GN 1703 Z	NISSAN HARDBODY NP300 PICK-UP	TARKWA	POOR	12
6	GN 2898 Z	NISSAN HARDBODY NP300 PICK-UP	ASANKRAGWA	FAIR	12
7	GN 4613 Z	NISSAN UD-3TON LIGHT DUTY TRUCK	ENCHI	FAIR	12
8	GN 1705 Z	NISSAN UD-3TON LIGHT DUTY TRUCK	JUABESO	FAIR	12
9	GS 1232 - 09	TOYOTA HILUX PICK-UP	REGIONAL OFFICE	POOR	11
10	GC 803 -09	MITSUBISHI PAJERO SUV	REGIONAL OFFICE	POOR	11
11	GT 8324 - 11	DAEWOO FORKLIFT	REGIONAL OFFICE	POOR	9
12	GN 4652 - 11	TOYOTA FORTUNER SUV	TARKWA	FAIR	9
13	ER 3214 - 11	NISSAN HARDBODY NP300 PICK-UP	TARKWA	POOR	9
14	GT 7547 - 12	NISSAN HARDBODY NP300 PICK-UP	REGIONAL OFFICE	POOR	8
15	GN 8457 - 12	NISSAN HARDBODY NP300 PICK-UP	TARKWA	POOR	8
16	GT 2120 - 12	NISSAN HARDBODY NP300 PICK-UP	BIBIANI	GOOD	8
17	GN 8465 - 12	NISSAN HARDBODY NP300 PICK-UP	ENCHI	GOOD	8
18	GT 7549 - 12	NISSAN HARDBODY NP300 PICK-UP	AGONA	POOR	8
19	GN 3262-13	NISSAN NAVARA PICK-UP	ASANKRAGWA	FAIR	7
20	GN 675 - 13	NISSAN URVAN MINIBUS	REGIONAL OFFICE	POOR	7
21	GN 2045-13	NISSAN NAVARA PICK-UP	REGIONAL OFFICE	FAIR	7
22	GM 2802-13	NISSAN NAVARA PICK-UP	SEKONDI	FAIR	7
23	GN 7383 - 13	NISSAN HARDBODY NP300 PICK-UP	TARKWA	FAIR	7
24	GN 7384 - 13	NISSAN HARDBODY NP300 PICK-UP	TARKWA	POOR	7
25	GN 2911-13	TOYOTA HILUX PICK-UP	AGONA	GOOD	7
26	GN 8138 - 14	TOYOTA HILUX PICK-UP	REGIONAL OFFICE	GOOD	6
27	GN 9328 - 14	NISSAN UD CRANE-9TON HEAVY DUTY TRUCK	REGIONAL OFFICE	FAIR	6
28	GN 8734 - 14	INTERNATIONAL HEAVY-DUTY TRUCK	REGIONAL OFFICE	FAIR	6
29	GV 2473-14	INTERNATIONAL HEAVY-DUTY TRUCK	REGIONAL OFFICE	FAIR	6
30	GE 4829 - 14	FREIGHTLINER HEAVY DUTY TRUCK	REGIONAL OFFICE	FAIR	6
31	GV 314-14	NISSAN NAVARA PICK-UP	REGIONAL OFFICE	POOR	6
32	GV 1202-14	NISSAN HARDBODY NP300 PICK-UP	REGIONAL OFFICE	POOR	6
33	GV 2476-14	NISSAN NAVARA PICK-UP	REGIONAL OFFICE	FAIR	6
34	GV 1209-14	NISSAN NAVARA PICK-UP	REGIONAL OFFICE	GOOD	6
35	GV 1208-14	TOYOTA HILUX PICK-UP	REGIONAL OFFICE	FAIR	6
36	GV 2408-14	NISSAN UD CRANE-9TON HEAVY DUTY TRUCK	REGIONAL OFFICE	FAIR	6
37	GV 1207-14	NISSAN NAVARA PICK-UP	REGIONAL OFFICE	POOR	6
38	GV 1203-14	NISSAN HARDBODY NP300 PICK-UP	REGIONAL OFFICE	POOR	6
39	GV 1149-14	NISSAN HARDBODY NP300 PICK-UP	REGIONAL OFFICE	POOR	6
40	GV 1144-14	NISSAN HARDBODY NP300 PICK-UP	REGIONAL OFFICE	POOR	6
41	GV 1154-14	TOYOTA HILUX PICK-UP	REGIONAL OFFICE	POOR	6
42	GV 1206-14	TOYOTA HILUX PICK-UP	REGIONAL OFFICE	POOR	6
43	GV 1151-14	TOYOTA HILUX PICK-UP	REGIONAL OFFICE	POOR	6
44	GV 2286-14	NISSAN HARDBODY NP300 PICK-UP	REGIONAL OFFICE	FAIR	6

45	GV 1161-14	NISSAN UD-3TON LIGHT DUTY TRUCK	TAKORADI	POOR	6
46	GV 1109-14	NISSAN HARDBODY NP300 PICK-UP	REGIONAL OFFICE	POOR	6
47	GV 211-14	NISSAN HARDBODY NP300 PICK-UP	REGIONAL OFFICE	POOR	6
48	GV 1201-14	MERCEDES-BENZ	REGIONAL OFFICE	FAIR	6
49	GV 1155-14	TOYOTA HIACE MINIBUS	REGIONAL OFFICE	POOR	6
50	GV 1107 - 14	NISSAN HARDBODY NP300 PICK-UP	REGIONAL OFFICE	POOR	6
51	GV 1186 - 14	NISSAN HARDBODY NP300 PICK-UP	TAKORADI	POOR	6
52	GV 1185 - 14	NISSAN HARDBODY NP300 PICK-UP	TAKORADI	POOR	6
53	GV 1183 - 14	NISSAN HARDBODY NP300 PICK-UP	TAKORADI	POOR	6
54	GV 1191 - 14	MITSUBISHI FUSO LIGHT-DUTY TRUCK	TAKORADI	POOR	6
55	GV 1143 - 14	NISSAN HARDBODY NP300 PICK-UP	TAKORADI	POOR	6
56	GV 2283-14	NISSAN HARDBODY NP300 PICK-UP	TAKORADI	POOR	6
57	GV 2355-14	NISSAN HARDBODY NP300 PICK-UP	AGONA	POOR	6
58	GV 2379-14	NISSAN HARDBODY NP300 PICK-UP	SEKONDI	FAIR	6
59	GV 1171-14	NISSAN HARDBODY NP300 PICK-UP	SEKONDI	POOR	6
60	GV 1175 - 14	NISSAN HARDBODY NP300 PICK-UP	SEKONDI	POOR	6
61	GV 1180 - 14	NISSAN UD-3TON LIGHT DUTY TRUCK	SEKONDI	POOR	6
62	GV 1163-14	TOYOTA DYNA LIGHT-DUTY TRUCK	SEKONDI	POOR	6
63	GV 1097 - 14	NISSAN HARDBODY NP300 PICK-UP	AXIM	FAIR	6
64	GV 1096 - 14	NISSAN HARDBODY NP300 PICK-UP	AXIM	POOR	6
65	GV 1095-14	NISSAN HARDBODY NP300 PICK-UP	AXIM	FAIR	6
66	GV 1100 - 14	NISSAN HARDBODY NP300 PICK-UP	AXIM	FAIR	6
67	GM 594 - 14	NISSAN HARDBODY NP300 PICK-UP	HALF ASSINI	GOOD	6
68	GV 1123 - 14	NISSAN HARDBODY NP300 PICK-UP	HALF ASSINI	GOOD	6
69	GV1122 - 14	NISSAN HARDBODY NP300 PICK-UP	HALF ASSINI	FAIR	6
70	GV 262 - 14	NISSAN HARDBODY NP300 PICK-UP	HALF ASSINI	FAIR	6
71	GV 263 - 14	NISSAN HARDBODY NP300 PICK-UP	HALF ASSINI	FAIR	6
72	GV 1125 - 14	NISSAN UD-3TON LIGHT DUTY TRUCK	HALF ASSINI	POOR	6
73	GV 1099-14	NISSAN UD-3TON LIGHT DUTY TRUCK	HALF ASSINI	POOR	6
74	GE 1924 - 14	MITSUBISHI FUSO LIGHT-DUTY TRUCK	TARKWA	GOOD	6
75	GM 595 - 14	NISSAN HARDBODY NP300 PICK-UP	BOGOSO	GOOD	6
76	GV 1111 - 14	NISSAN HARDBODY NP300 PICK-UP	BOGOSO	POOR	6
77	GV 1113 - 14	TOYOTA HILUX PICK-UP	BOGOSO	POOR	6
78	GV 1114 - 14	NISSAN UD-3TON LIGHT DUTY TRUCK	BOGOSO	POOR	6
79	GV 1104 - 14	NISSAN HARDBODY NP300 PICK-UP	BIBIANI	FAIR	6
80	GV 1106 - 14	NISSAN UD-3TON LIGHT DUTY TRUCK	BIBIANI	FAIR	6
81	GV 2486 - 14	NISSAN HARDBODY NP300 PICK-UP	ASANKRAGWA	GOOD	6
82	GV 1091 - 14	NISSAN HARDBODY NP300 PICK-UP	ASANKRAGWA	POOR	6
83	GV 1145 - 14	NISSAN HARDBODY NP300 PICK-UP	ASANKRAGWA	FAIR	6
84	GV 1094 - 14	NISSAN UD-3TON LIGHT DUTY TRUCK	ASANKRAGWA	FAIR	6
85	GN 1510 - 14	NISSAN HARDBODY NP300 PICK-UP	ENCHI	POOR	6
86	GV 1115 - 14	NISSAN HARDBODY NP300 PICK-UP	ENCHI	POOR	6
87	GV 1120 - 14	NISSAN HARDBODY NP300 PICK-UP	ENCHI	FAIR	6
88	GV 1167 - 14	NISSAN HARDBODY NP300 PICK-UP	SEFWI WIAWSO	FAIR	6
89	GV 1166 - 14	NISSAN HARDBODY NP300 PICK-UP	SEFWI WIAWSO	POOR	6
90	GV 2409 - 14	NISSAN HARDBODY NP300 PICK-UP	SEFWI WIAWSO	FAIR	6
91	GV 1160 - 14	NISSAN UD-3TON LIGHT DUTY TRUCK	SEFWI WIAWSO	FAIR	6
92	GV 1156 14	JIN-BEI	SEFWI WIAWSO	POOR	6

93	GV 1103 - 14	NISSAN HARDBODY NP300 PICK-UP	JUABESO	FAIR	6
94	GV 1128 - 14	NISSAN HARDBODY NP300 PICK-UP	JUABESO	POOR	6
95	GV 1126 - 14	NISSAN HARDBODY NP300 PICK-UP	JUABESO	POOR	6
96	GV 2276-14	NISSAN HARDBODY NP300 PICK-UP	JUABESO	FAIR	6
97	GV 2282-14	NISSAN HARDBODY NP300 PICK-UP	JUABESO	FAIR	6
98	GV 1184 - 14	NISSAN HARDBODY NP300 PICK-UP	AGONA	FAIR	6
99	GV 2355 - 14	NISSAN HARDBODY NP300 PICK-UP	AGONA	FAIR	6
100	GV 1190 - 14	MITSUBISHI FUSO LIGHT-DUTY TRUCK	AGONA	FAIR	6
101	GV 1093 - 14	NISSAN UD-3TON LIGHT DUTY TRUCK	AGONA	FAIR	6
102	GV 299-14	NISSAN HARDBODY NP300 PICK-UP	AGONA	POOR	6

544. Electricity Company of Ghana did not adhere to Motor vehicle replacement plan to reserve funds for the replacement of outlived fixed assets.

545. The old vehicles have high repairs and maintenance cost and may be unsafe for the users.

546. We recommended that Management should adhere to their fixed assets replacement fund policy to help the Company replenish its old vehicles stock.

547. Management of ECG responded that they carried out a fleet review exercise in the year 2019 and the assessment showed that most of the vehicles though overaged were in good condition and could be used for operations for a period of three (3) years. Those that were overaged and in poor condition were processed for retirement and auction.

548. The Company's Vehicle Replacement Policy provides for the consideration of the age of the vehicle, the condition and the frequency of breakdowns, the maintenance cost, and the effect of the vehicles on corporate image before a decision is taken to replace or retain a vehicle.

549. Meanwhile, 34 No. D/C 3 Ton Trucks and 137 No. D/C Pick-ups have been acquired recently to support ECG operations.

NORTHERN ELECTRICITY DISTRIBUTION COMPANY (NEDCo)

Introduction

550. This report relates to the audited financial statements of Northern Electricity Distribution Company for the year ended 31 December 2020.

Financial Performance

551. Northern Electricity Distribution Company (NEDCo) recorded a loss of GH¢379,021 in 2020 as compared with a loss of GH¢343,307 registered in 2019.

This represents a GH¢35,714 or 10.4% increase in the loss of the Company's performance over the period. The details of the operational result are shown in table 29.

Table 29: Statement of Comprehensive Income for the year ended 31 December 2020

Income	2020 GH¢ 000	2019 GH¢ 000	Incr/(Decr) GH¢ 000	% Change
Revenue	688,981	574,662	114,319	19.9
Other Operating Income	49,904	20,194	29,710	147.1
Finance Income	12,936	29,412	(16,476)	(56.0)
Total Income	751,821	624,268	127,553	20.4
Expenditure				
Cost of Sales	1,044,142	901,619	142,523	15.8
Salaries and Related Expenses	38,869	38,212	657	1.7
Administrative Expenses	47,831	27,744	10,898	39.3
Total Expenditure	1,130,842	967,575	154,078	15.9
Loss for the year	(379,021)	(343,307)	(35,714)	10.4

552. Total income increased by GH¢127,553 or 20.4% to GH¢751,821 in 2020 from GH¢624,268 in 2019. The increase in total income was due to GH¢114,319 or 19.9% increases in revenue from sale of electricity to both residential and non-residential customers.

553. Total expenditure incurred in 2020 amounted to GH¢1,130,842 as compared with GH¢967,575 in 2019, resulting in an increase of 15.9% or GH¢154,078. This was mainly due to 15.8% or GH¢142,523 increase in cost of sales. The increase in the cost of sales was mainly due to GH¢106,389 or 22.2% increase in the purchase of electricity.

Financial position

554. The Financial Position of Northern Electricity Distribution Company (NEDCo) as at 31 December 2020 is shown in table 30.

Table 30: The Financial Position of Northern Electricity Distribution Company (NEDCo) as at 31 December 2020

Assets/Liabilities	2020 GH¢000	2019 GH¢000	Incr/(Deacr) GH¢000	% Changes
Non-Current Assets	733,220	741,168	(7,948)	(1.1)
Current Assets	1,445,685	1,344,098	101,587	7.6
Current Liabilities	614,613	483,363	131,250	27.2
Non-Current Liabilities	1,367,145	1,065,505	301,640	28.3
Liquidity Ratio	2.35:1	2.78:1		

555. Non-Current Assets decreased from GH¢741,168 in 2019 to GH¢733,220 in 2020, representing a reduction of GH¢7,948 or 1.1%. The marginal reduction was due to depreciation charge during the year.

556. The Current Assets increased by 7.6% or GH¢101,587 from GH¢1,344,098 in 2019 to GH¢1,445,685 in 2020. This was mainly due to increase in power sales receivables over the period by GH¢159,624 or 15.2%.

557. Current Liabilities increased by 27.2% or 131,250 from GH¢483,363 in 2019 to GH¢614,613 in 2020. This was due to an increase in trade and other payables from GH¢445,868 in 2019 to GH¢573,413 in 2020 representing an increase of GH¢127,545 or 26.4 %.

558. Non-current liabilities showed an increase of 28.3% to GH¢1,367,145 in 2020 from GH¢1,065,505 in 2019. The increase was due to an increase of GH¢301,640 by VRA (inter trade) representing 28.4% of GH¢1,062,842 in 2019.

559. The Company's liquidity ratio measured in current ratio declined from 2.78:1 in 2019 to 2.35:1 in 2020. Despite the reduction in the liquidity ratio, the Company can meet its short-term obligations as and when they fall due when compared with the benchmark ratio of 2:1.

MANAGEMENT ISSUES

Non-lodgement of revenue collections – GH¢155,122.82

560. Regulation 50 of the Public Financial Management Regulations, 2019, (L.I. 2378) states, "All Public moneys collected shall be paid in gross into the Public Funds Accounts and a disbursement shall not be made from the moneys collected except as provided by an enactment."

561. The above Regulation further states that a person who makes disbursement from public money's collected in contravention of sub regulation (1) is in breach of Section 96 of the Act.

562. A review of the Internal Audit report for 2020 disclosed that Mr. Titus Yiritgee, a bonded cashier at Sawla in the Upper West Region did not lodge revenue collection amounting to GH¢29,601.11.

563. The report further disclosed that two other bonded cashiers at Bole did not lodge a net amount of GH¢125,521.71 as a result of alteration and post-dating of manual receipts dates.

564. The anomaly occurred due to inadequate supervision over the work of the cashiers by the Account Assistants and the Area Finance Officer, coupled with ineffective review of bank reconciliation statements by the area Account Officer. Moreover, the over reliance on manual receipts makes revenue collected susceptible to manipulations by cashiers.

565. The Company is deprived of the needed cash for operations as a result of the non-lodgements.

566. We recommended that Management should intensify its supervisory role over the activities of the Area managers, the Finance Officers and Account Assistants for prompt lodgement of cash revenue collections. Management should also recover the amount of GH¢155,122.82 from the cashiers involved and our office informed for verification. Management should also hasten the ongoing implementation of automating the revenue collections with POS Technology and Mobile applications to forestall the manipulation of manual receipts.

567. Management responded that it has constituted a committee of enquiry to investigate the circumstances leading to the non-lodgment of GH¢155,122.82, make recommendations for possible recovery of the amount from the cashiers as well as, measures to prevent future recurrence. NEDCo has also embarked on digitization of the revenue collection process. The project, which is at an advanced stage, will lead to the reduction or elimination of manual receipts in revenue collection and ensure transparency and efficiency.

Outstanding power sales receivable – GH¢1,278,322,542.60

568. Section 91 of the Public Financial Management Act, 2016 (Act 921) provides that, the Board of Directors of a public corporation shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

569. The above quoted Section also states that where a public corporation wilfully or negligently fails to ensure that moneys due to that public corporation are collected or received, the Minister shall, upon the recommendation of the Auditor-General, withdraw or suspend the emoluments of the members of the governing body of the public corporation, either jointly or severally.

570. Our review of the Company's receivables disclosed a total amount of GH¢1,278,322,542.60 due from power customers as at 31 December 2020. Table 31 shows a summary of the balances.

Table 31: Outstanding power sales receivable

Account Code	Description	Balance as at 31 December 2020 GH¢
2211700	GOG Covid (March)	19,417,012.33
2213200	Dis P. Sales Debt Control	1,079,813,709.22
2213400	Pre-Payment Metering (PPM) Arre	34,067,893.94
2213500	Government Absorbed Debt	145,023,927.11
Total		1,278,322,542.60

571. Inadequate follow up and effective mechanism to recover the outstanding receivables contributed to this lapse.

572. This has negatively affected the cash flow of the Company.

573. We recommended that Management of the Company should intensify its efforts and improve its mechanism to recover the outstanding receivables. We further advised Management to develop an installment payment plan for the customers and deduct at source whenever the customers purchase credit at the sales outlets. We also recommended to Management to task the Area Managers to educate the customers on installment plan before it is implemented.

574. Management responded that a significant portion of the receivable balance of GH¢1,278,322,542.60 is due from Ministries, Departments and Agencies (MDAs). Management is working with the Government of Ghana, through the Ministries of Finance and Energy for settlement of the MDA debts. Payment plans have also been signed between NEDCo customers with significant debts. Additionally, Management continuous to invest in the acquisition and installation of Prepayment meters as a means of reducing the rate of debt accumulation.

Un-receipted payments – GH¢4,375,932.59

575. Regulation 78 of the Public Financial Management Regulations, 2019 (L.I. 2378) states that a Principal Spending Officer of a covered entity is personally responsible for ensuring the validity, accuracy and legality of the claim for the payment of a covered entity.

576. Our review of the Company's payment vouchers disclosed that 30 payments totalling GH¢4,375,932.59 were not supported with official receipts as evidence that the payee's have acknowledged receipt of the payments. Details are shown in table 32.

Table 32: Un-receipted payments

No.	Date	Doc. Num	Ref. Num	Details	Payee	Amount GH¢
1	22-01-20	281190	153431	Minor Repair/Replacement Works	Hamza Electricals & Engineering Works	5,655.00
2	28-01-20	281232	153850	Payment for one and Half Acre Parcel of Land	Saaka Maaufus	36,000.00
3	13-02-20	281351	154960	Maintenance Works Carried Out on Cbms Web Application: Oct.2019 - Jan. 2020	Computer Solutions Limited	109,695.75
4	17-02-20	281365	155047	Payment Of Honorarium for Workshop Facilitators	Martin Alhassan Suleman	5,000.00
5	21-02-20	281407	155330	Replacement Of Defective Engine (5l) For Gt 2351-09 At Sunyani	Master Alhassan Auto	18,276.40
6	14-04-20	281724	158711	Funds To Support Ministry of Energy	Ministry Of Energy	250,000.00
7	27-04-20	281790	159241	Printing Of March 2020 Bill in Sunyani	Akame Business Centre	15,430.30
8	05-07-20	281832	159492	Printing Of March 2020 Bill in Sunyani	Akame Business Centre	2,497.55
9	09-05-20	281858	159661	Payment For Cutting of Load From Jisonayilli Substation to Tibzaa Substation	Brigcap Energy Engineering Services Limited	74,150.35
10	09-05-20	281859	159662	Payment For Replacement of Rotten Low-Tension Poles at Sagnerigu	A. Lanaf Enterprise	9,001.21
11	09-05-20	281860	159663	Payment For Construction of Low-Tension Line in Tamale	Appiah Kwabena Royal Enterprise	7,668.21
12	09-05-20	281861	159664	Payment For the Replacement of Burnt/ Rotten Tension Poles	Tarim Bia Electricals	3,477.00
13	13-05-20	281930	159887	Replacement Of Four Rotten Low-Tension Poles in Tamale	Naran Company Limited	4,714.28
14	13-05-20	281935	159892	Replacement Of Three Burnt High Tension on Kumasi Road	Bf 21 Enterprise	7,014.80
15	13-05-20	281943	159907	Substation Injection at Yemo-Karaga in Gushegu Service Station	Nassam Eletricals & Plumbing	35,741.85
16	06-05-20	282209	161387	Payment For Crop Damage Evaluation	Office Of District Directorate	13,000.00
17	06-10-20	282261	161635	Payment Of Rentention to Supplier	Shenzhen Farad Electric Gh. Co Ltd	127,621.25
18	06-11-20	282271	161742	Proposed Fund for The Construction Of Office Complex	Minitry Of Eney	112,556.00
19	15-06-20	282273	161912	Purchase Of M530 Fuses for Transformer Protection	Edward Aryee Ayeetey	4,980.00
20	26-06-20	282319	162859	Payment To Esla Levies	National Electrification Fund	1,593,191.75
21	26-06-20	282320	162660	Payment For Crop Damage Evaluation	Ministry Of Energy	1,598,488

22	29-09-20	282952	167511	Payment For Mowing of Lawns and Trimming of Hedges for August 2020	Top Zone Cleaning Services	14,381.25
23	01-10-20	282981	167850	Reconstruction Of Collapsed Fence Wall at Norrip Village	M. A. Karidam Enterprise	21,690.00
24	20-10-20	283081	168758	Supply Of Tyres	Infinity Tyres Ghana Limited	221,882.64
25	27-10-20	283116	169271	Payment Of Yearly Dstv Subscription for Guest House Pf 1 And M2	Babs Satellite Enterprise	4,730.00
26	19-11-20	283245	170541	Funds For Training	Ghana Institute of Engineers	5,000.00
27	19-11-20	283251	170548	Support For the Association	VRA/NEDCo Senior Staff Association	43,714.00
28	24-11-20	283282	170811	Payment Of Subscription	National Engineering	8,000.00
29	27-12-20	283306	171119	Payment Of Ground Rent	Lands Commission	8,500.00
30	12-02-20	283319	171196	Shipping Of Electrical Equipment to Wa	Bibo Company Limited	13,875.00
Total						4,375,932.59

577. The cashier's failure to ensure that official receipts are issued by the suppliers when cheques are paid accounted for this anomaly.

578. We could not ascertain the authenticity and whether the payments were received by the right payees.

579. We recommended that Management should follow up on the payees and make available all the receipts for our review.

580. Management responded that at the various NEDCo cashier's offices, registers for issued cheques are maintained. Any payee who collects a cheque sign against the details of that cheque in the register as evidence of acknowledgement of receipt of the cheque. Going forward, Management will ensure that receipts are issued by payees as additional acknowledgement of cheque payments.

Filling of annual returns and business name renewal

581. Section 126(1) of the Companies Act, 2019 (Act 992) states that, 'a company shall, at least once in every year, deliver to the Registrar for registration an annual return including particulars of every member of the company, and every beneficial owner of that company and in the form and relating to the matters prescribed in the Fifth Schedule.'

582. Section 126 (7) of the Companies Act, 2019 (Act 992) also states that where a company defaults in complying with this section, the company and every officer of the company that is in default is liable to pay to the Registrar, an administrative penalty of twenty-five penalty units for each day during which the default continues.

583. We could not obtain evidence that Management has filed its annual returns to the Registrar General's Department as required by the above quoted Act.

584. This anomaly could be attributed to the failure of the Company's Secretary to ensure that the year's returns were filed.

585. The Company may be charged to pay administrative penalty of twenty-five penalty units for each day during which the default continues.

586. We recommended that the Company's Secretary should ensure that the yearly annual returns are filed with the Registrar General's Department.

587. Management responded that annual returns have been filed with the Registrar General's Department up to 2019. Arrangements are also being made to file the 2020 Annual Returns immediately after the completion of the 2020 audit.

VOLTA RIVER AUTHORITY

Introduction

588. This report relates to the audited financial statements of Volta River Authority for the year ended 31 December 2020.

Financial Performance

589. The Authority recorded a profit of GH¢156 million in 2020 financial year as compared with a loss of GH¢127 million registered in 2019. This represents a 223.1% improvement in the Authority's financial performance over the period. The details of the operational results are shown in table 33.

Table 33: Statement of Comprehensive Income for the year ended 31 December 2020

Income	2020	2019	Changes	%
	GH¢ 000	GH¢ 000	GH¢ 000	Changes
Revenue	3,793,161	3,890,946	(97,785)	(2.5)
Other Operating Income	121,105	110,837	10,268	9.3
Finance Income	3,593	10,939	(7,346)	(67.2)

Ameri tariff support	127,951	139,296	(11,345)	(8.1)
Total Income	4,045,810	4,152,018	(106,208)	(2.6)
Expenditure				
Cost of Sales	2,725,655	2,877,684	(152,029)	(5.3)
Administrative Expenses	435,786	432,682	3,104	0.7
Finance Expenses	258,184	363,726	(105,542)	(29.0)
Net Exchange loss	469,686	605,046	(135,360)	(22.4)
Total Expenditure	3,889,311	4,279,138	(389,827)	(9.1)
Profit/(Loss) for the year	156,499	(127,120)	283,619	(223.1)

590. Total income decreased by GH¢106 million or 2.6% to GH¢4,046 million in 2020 from GH¢4,152 million in 2019. The decrease in total income was due to 29.7% decrease in revenue from power sales which was mainly as a result of a decrease of GH¢97 million in the sale of electricity.

591. Total expenditure incurred in 2020 amounted to GH¢3,889 million as compared with GH¢4,279 million in 2019, resulting in a decrease of 9.1% or GH¢390 million. This was as a result of a decrease in the cost of sales, finance expenses and net exchange loss. Exchange loss was mainly due to depreciation of cedi which require the Authority to convert more cedi to settle its loans and payables denominated in foreign currency.

Financial position

592. The Authority's financial position as at 31 December 2020 is shown in Table 34.

Table 34: Financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢ 000	2019 GH¢ 000	Changes GH¢ 000	% Changes
Non-Current Assets	10,042,229	9,838,206	204,023	2.1
Current Assets	9,201,999	8,864,931	337,068	3.8
Current Liabilities	7,812,410	7,626,322	186,088	2.4
Non-Current Liabilities	1,885,639	2,159,864	(274,225)	(12.7)
Liquidity Ratio	1.18:1	1.16:1		

593. Non-Current Assets increased from GH¢9,838 million in 2019 to GH¢10,042 million in 2020, representing an increase of GH¢204 million or 2.1%. The increment was due to increase in property plant and equipment through revaluation gains and acquisitions of fixed assets during the year.

594. The Current Assets increased by 3.8% from GH¢8,865 million in 2019 to GH¢9,202 million in 2020. This was mainly due to increase in power sales receivables over the period by GH¢349 million or 7.7%. Power sales receivables include receivables from ECG, Valco, Ghana Water Company etc.

595. Current Liabilities increased by 2.4% from GH¢7,626 million in 2019 to GH¢7,812 million in 2020. This was due to increase in trade and other payables from GH¢6,588 million in 2019 to GH¢6,794 million in 2020 representing an increase of 3.1%. Trade payables which constitute a greater portion of the entire payables represent payables to N Gas, Ghana Gas, GNPC, Sahara Energy Resources Limited.

596. Non-Current Liabilities posted a decline of 12.7% to GH¢1,886 million in 2020 as against GH¢2,160 million recorded in 2019. This was because of a decrease in long-term borrowing due, as a result of loan repayment.

597. The Authority's liquidity ratio measured in current ratio increased slightly from 1.16:1 in 2019 to 1.18:1 in 2020. This shows that the Authority could barely meet its short-term obligations as and when they fall due when compared with the benchmark ratio of 2:1.

MANAGEMENT ISSUES

Outstanding Power and Related Power Receivables – GH¢4,764,760,731.41

598. Section 91 of Public Financial Management Act, 2016 (Act 921) provides that, the Board of Directors of a public corporation shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

599. Our review of the Authority's ledgers and reconciliations on receivables disclosed that a total amount of GH¢4,764,760,731.41 were due from power customers as at 31 December 2020. We further noted delays in payments of debts by customers during the year under review. Table 35 depicts a summary of the outstanding receivables.

Table 35: A summary of outstanding receivables

Code	Account Name	GH¢
2211100	Forex Power Sales Receivables Control	1,985,052,400.23
2211200	Local Power Sales Receivables Control	1,751,278,697.00
2211300	Mines Power Sales Receivables Control	289,002,719.52

2211500	Other Local Power Sales Receivables Control	572,238,824.83
2211700	GOG Covid-19 50% (March 2020) Relief	50,666,444.26
2211800	Cash Waterfall Gas Receipt	(9,009,596.84)
2213600	Government MDA's Power Sales Debt	76,375,972.02
2216011	Other Power Related Receivables Control	49,155,270.39
	Total	4,764,760,731.41

600. This has negatively affected the cash flow of the Authority.

601. We recommended that Management of the Authority should intensify its efforts to recover these outstanding receivables.

602. Management responded “amounts owed by ECG, VALCo and GRIDCo constitute 72% of this balance. Auditors (Ernst & Young) have been tasked by Government to validate these balances for subsequent cross out by the players in the inter-utility debt matrix.

603. A Commercial Service Unit has also been established at the Commercial Services Departments to work with the Finance Department to enforce customer obligations specifically payments, in the Power Purchase and Sales Agreements.”

GHANA CYLINDER MANUFACTURING COMPANY

Introduction

604. This report relates to the audited financial statements of Ghana Cylinder Manufacturing Company for the two years ending 31 December 2020.

Financial Performance

605. The Company recorded loss of GH¢4,063,529 in 2020, thus registering a 21.6% decrease over 2019 loss of GH¢5,185,188. The performance indicators for the period under review are provided in table 36

Table 36: Statement of Comprehensive Income for the year ended 31 December 2020

Revenue/Expenditure	2020 GH¢	2019 GH¢	Incr./Dec GH¢	% Change
Revenue	10,373,096	3,105,811	7,267,285	234.0
Other Income	392,070	166,239	225,831	135.8
Total Income	10,765,166	3,272,050	7,493,116	229.0
Expenditure				
Cost of sales	8,773,740	2,478,762	6,294,978	254.0
General and Administrative Expenses	4,883,740	5,314,710	(430,970)	(8.1)
Finance Cost	1,171,215	663,766	507,449	76.4
Total Expenditure	14,828,695	8,457,238	6,371,457	75.3
Loss for the year	(4,063,529)	(5,185,188)	1,121,659	(21.6)

606. Total Income for the Company shot by GH¢7,493,116 representing 229.0% rise from GH¢3,272,050 in 2019 to GH¢10,756,166 in 2020. The increase was mainly due to a rise in the sales of Gas Cylinders by GH¢7,267,285 or 234%.

607. Total Expenditure for the period under review also recorded a of 75.3% from increase margin from GH¢8,457,238 in 2019 to GH¢14,828,695 in 2020. This was due to increase in cost of sales and finance cost by 254%, and 76.4% respectively.

Financial Position

608. The Financial Position of the Company as at 31 December 2020 is shown in table 37.

Table 37: Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./Decr. GH¢	% Change
Non-Current Assets	41,608,899	42,430,163	(821,264)	(1.9)
Current Assets	1,529,296	11,431,270	(9,901,974)	(86.6)
Current Liabilities	18,280,024	20,692,508	(2,412,484)	(11.7)
Non-Current Liabilities	8,299,533	12,546,756	(4,247,223)	(33.9)
Current Ratio	0.1:1	0.6:1		

609. Non-Current Assets decreased by a margin of 1.9% from GH¢42,430,163 in 2019 to GH¢41,608,899 in 2020. The decrease was mainly due to amortisation and depreciation charged on Property, plant and equipment and intangible assets for the year.

610. Current Assets also decreased by 86.6% from GH¢11,431,270 in 2019 to GH¢1,529,296 in 2020. The decrease was due to reduction in inventories, trade and other receivables and cash and cash equivalents.

611. Current Liabilities also went down by GH¢2,412,484 from GH¢20,692,508 in 2019 to GH¢18,280,024 in 2020 representing an 11.7%. reduction in the short-term commitments of the Company. This was due to GH¢2,412,484 reduction in other payables.

612. Non-Current Liabilities decreased by 33.9% from GH¢12,546,756 in 2019 to GH¢8,299,533 in 2020. The decrease was due to GH¢2,720,439 reduction in GCB medium term loan.

613. The liquidity position of the Company represented by current ratio reduced from 0.6:1 in 2019 to 0.1:1 in 2020. The Company therefore does not have the ability to meet its short-term obligations as and when they fall due.

Purchases without Alternative Quotations – GH¢3,893.40

614. Section 43 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.

615. The audit, however, disclosed that the Company procured T-shirts and caps worth GH¢3,893.40 per payment voucher number GC/PV/130 with cheque number 564359.

616. Management however did not source for three (3) or more alternative price quotations from different suppliers to ensure that the Company obtained value for money on the procurement.

617. We attributed this anomaly to Management's inability to comply with the provisions in the Public Procurement Act, 2003 (Act 663).

618. This anomaly could lead to over pricing or delivery of shoddy goods due to lack of competitive quotations or tendering.

619. We urged Management to strictly comply with the provisions in the Public Procurement Act, 2003 (Act 663) to promote competition and transparency in order to obtain value for money in all future procurements.

620. Management noted the recommendation for compliance.

Payment for legal services without supporting documents

621. Ghana Cylinder Manufacturing Company Limited entered into contract with Blay & Associates on 16th November 2018 to provide legal services. The legal services are in respect of, review of Agreements, proffering legal opinion and advising on matters relating to incidental.

622. Paragraph three (3) of the agreement stated that the fee for providing the legal assistance in respect of the services would be a flat amount of GH¢4,000 per month exclusive of withholding tax, payable at the end of each month.

623. Our review disclosed that a total payment of GH¢96,000 paid to Blay & Associates were not supported with monthly invoices and receipts. There was no VAT invoice to ascertain that the Company has procured legal services from a VAT registered person.

624. Total invoice amounting to GH¢96,000 for the two years was paid directly to Nana Yaa Owusu a partner of Blay & Associates instead of the law firm.

625. This anomaly could be attributed to a clause in the agreement which states that a flat amount of GH¢4,000.00 per month is payable at the end of each month.

626. Value Added Tax (VAT), National Health Insurance Levy (NHIL) and Getfund Levy revenue which should have been earned by government is lost since VAT invoices were not issued by Blay & Associates.

627. We recommended to Management to ensure that:

- i. all payments are made in the name of Blay & Associates.
- ii. VAT invoices are issued for the monthly legal services rendered and obtain official receipts to acknowledge payments.
- iii. The legal service fee should be re-negotiated to determine the gross amount excluding NHIL, Getfund Levy and VAT.
- iv. Detail engagement letter should be signed between the Company and
- v. Blay & Associates to clearly spell out the period of the contract.

628. Management noted the audit recommendations for compliance.

Indebtedness of customers – GH¢562,575.55

629. Section 91(1) of Public Financial Management Act 2016, (Act 921) provides that, the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

630. Our review of the debtors' ledger disclosed that various customers owed the Company an amount of GH¢767,050.52 and GH¢562,575.55 as at 31 December 2019 and 2020 respectively. Our further review disclosed that most of the balances were brought forward from 2018 and payments were not received for such credit sales made.

631. The inability of Management to enforce the payments by the customers and the absence of a credit policy led to this infraction.

632. This impacted negatively on the cash flow position of the Company and could lead to the inability of the Company to meet demands of the customers.

633. We recommended to Management to strengthen the debt recovery process of the Company. We further urged Management to use possible legal debt recovery procedures to recover the debts to avoid bad debts.

634. Management noted the recommendation for strict compliance.

Bank loans and other liabilities

635. Our audit disclosed that the Company defaulted in meeting its financial obligations to various institutions as and when they fall due. The outstanding liabilities are shown in table 38.

Table 38: Bank loans and other liabilities

Institution	As at 31 Dec 2019 GH¢	As at 31 Dec 2020 GH¢
GCB Medium Term Loan	7,160,674.14	3,579,058.26
NPA (Access Bank)	4,873,174.00	4,873,174.00
Customs Duties Payable	4,838,191.00	4,838,191.00
GETFund & NHIL	272,172.75	703,927.88
Output VAT 12.5%	685,046.37	1,820,160.78
Output VAT 3%	27,779.23	34,109.83
Withholding Tax Payable	201,485.30	271,487.86
Ansum Trading Enterprise	5,164,752.88	5,164,752.88
Hangzhou Tialong Steel Cylinder Co. Ltd	454,320.00	454,320.00
Axis Tier 2 Payable	90,683.80	145,092.75
PAYE Payable	364,476.00	581,036.18
Petra Tier 3 Payable	215,366.70	352,786.60
SSNIT Tier 1 Payable	96,926.74	49,760.24
Total	24,445,048.91	22,867,858.26

636. This lapse could be attributed to the cash flow difficulties faced by the Company.

637. This resulted in series of legal actions taken against the Company. The delays may also result in the payment of penalties. The Company faces the risk to continue to operate in the foreseeable future (going concern).

638. We recommended that Management should restructure the operations of the Company and negotiate all its liabilities for favourable payments terms.

639. Management noted our recommendation for compliance and further explained that they expect things to improve upon the receipt of the anticipated GoG/MoTI Approved Stimulus Package and GoG COVID-19 Relief Package.

BULK OIL STORAGE AND TRANSPORTATION COMPANY LIMITED (BOST)

Introduction

640. This report relates to the audited financial statements of the Bulk Oil Storage and Transportation Company Limited for the year ended 31 December 2020.

Financial Performance

641. On the underlying business of BOST, the Company recorded a Profit Before Tax of GH¢9,844,673 in 2020 compared with a loss of GH¢158,478,676 in 2019, thus registering a 106.2% improvement in the underlying business.

642. However, the Company recorded a negative Total Comprehensive Income of GH¢306,692,283 in 2020 compared with GH¢203,296,195 in 2019, thus registering a 50.9% decrease. This negative performance was mainly as a result of the revaluation of the company's non-current assets undertaken in 2020 in compliance with IFRS 16.

643. The Provision for Deferred Income Tax arising out of the revaluation exercise amounted GH¢292,935,973 for 2020. However same provision of GH¢57,345,052 for 2019 was to the credit of the Company or an asset for BOST.

644. Income tax expenses of GH¢7,926,458 was recorded in 2020 compared with GH¢278,157 in 2019.

645. Total Income increased by 9.2% from GH¢594,746,987 in 2019 to GH¢649,431,722 in 2020. The increment was mainly due to a 76.8% or GH¢91,925,531 rise in BOST margin.

646. Total Expenditure on the other hand, decreased by 15.1% to GH¢639,587,049 in 2020 from an amount of GH¢753,225,663 in 2019. The fall was largely due to a decrease in finance costs from GH¢153,822,401 in 2019 to GH¢20,083,526 in 2020 signifying 86.9%. Details are shown in table 39.

Table 39: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./(Decr.) GH¢	% Change
Revenue	632,659,391	521,602,143	111,057,248	21.3
Other Income	15,326,570	56,216,533	(40,889,963)	(72.7)
Finance Income	1,445,761	16,928,311	(15,482,550)	(91.5)
Total Revenue	649,431,722	594,746,987	54,684,735	9.2
Expenditure				
Cost of sales	410,742,113	410,442,371	299,742	0.1

Administrative Expenses	208,761,410	137,084,347	71,677,063	52.3
Other Expenses	-	51,876,544	(51,876,544)	(100.0)
Finance Costs	20,083,526	153,822,401	(133,738,875)	(86.9)
Total Expenditure	639,587,049	753,225,663	(113,638,614)	(15.1)
Profit before tax	9,844,673	(158,478,676)	168,323,349	106.2
Income Tax Expense	7,926,458	278,157	7,648,301	2,749.6
Profit/ (Loss) after Income Tax	1,918,215	(158,200,519)	160,118,734	101.2
Deferred Tax Provision (Revaluation)	(292,935,973)	57,345,052	350,281,025	(610.8)
Net profit (Loss) for the year	(291,017,758)	(101,411,781)	(189,605,977)	187.0
Changes in the fair value of Investment	(15,674,525)	(101,884,414)	86,209,889	(84.6)
Total comprehensive income for the year	(306,692,283)	(203,296,195)	(103,396,088)	50.9

Financial Position

647. The financial position of the Company as of 31 December 2020 is summarised in the table 40.

Table 40: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr) GH¢	% Change
Non-Current Assets	1,464,619,676	1,052,483,544	412,136,132	39.2
Current Assets	350,673,414	226,430,963	124,242,451	54.9
Non-Current Liabilities	1,273,000,139	974,084,268	298,915,871	30.7
Current Liabilities	1,000,879,291	966,404,628	34,474,663	3.6
Net Assets	(458,586,340)	(661,574,389)	202,988,049	(30.7)
Current Ratio	0.4:1	0.2:1		

648. Non-Current Assets increased by 39.2% from GH¢1,052,483,544 in 2019 to GH¢1,464,619,676 in 2020. The rise was due to revaluation of property, plant and equipment.

649. Current Assets also, went up from GH¢226,430,963 in 2019 to GH¢350,673,414 in 2020 representing 54.9% increase. The increment was primarily due to a rise in trade and other receivables by GH¢74,061,016 or 58.1%.

650. Non-Current Liabilities also recorded an increase of 30.7% from GH¢974,084,268 in 2019 to GH¢1,273,000,139 in 2020. The increment was partly due to deferred tax liabilities provision of GH¢292,935,973 occasioned in 2020.

651. Current Liabilities rose by 3.6% from GH¢966,404,628 in 2019 to GH¢1,000,879,291 in 2020. The rise was mainly due to increase in trade and other payables by 16.4% or GH¢124,486,840.

652. The Company's liquidity profile as represented by its current ratio of 0.4:1 (2019: 0.2:1) indicated that the Company cannot meet its short-term financial obligations when they fall due.

MANAGEMENT ISSUES

Locked-up Investments – GH¢19,665,333.36

653. Section 90 of the Public Financial Management Act, 2016 (Act 921) provides that the governing body of a public corporation or state-owned enterprise shall establish and maintain policies, procedures, risk management and internal control systems, and governance and management practices, to ensure that public corporation or state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

654. We noted after a review of the Board's policy documents that, the Board has no policy guidelines on how BOST's idle funds should be invested.

655. The company investing its resources in financial institutions without conducting any due diligence as would be required caused this anomaly in our view.

656. Consequently, the company has the following investments as of 30 November 2021 whose realization is doubtful. Table 41 provides the details.

Table 41: Doubtful investments

Entity	Amount Invested GH¢	Amount recovered GH¢	Recoverable Amount GH¢	Status of Investment as of 30/11/2021
Direct Savings and Loans Ltd	10,415,333.36	750,000.00	9,665,333.40	Direct Savings is unable to pay as it keeps defaulting on agreed payment plan with BOST.
First Banc	5,000,000.00	-	5,000,000.00	Under receivership (fully written off in prior years)
First Banc	5,000,000.00	-	5,000,000.00	Under receivership (fully written off in prior years).
Total	20,415,333.36	750,000.00	19,665,333.36	

657. Lack of dedicated investment policy resulted in investment to the tune of GH¢19,665,333.36 which may not be realised back owing to the current state of the fund managers.

658. We recommended that the Board should develop an investment policy document to guide future investment decisions of the company.

659. Management noted our observation and stated that “These investments were made in 2018 at the time the investment potential was favorable, and our update shows that the operations of the two companies were healthy at the time of investment. BOST was able to receive regular interest on investment for some period until the banking sector reforms.

660. For your information, Direct Savings and Loans was under the regulation of Bank of Ghana whilst First Banc was regulated by the Security and Exchange Commission and at the time of investment, they were credible companies operating under the laws of Ghana.

661. BOST has taken steps to recover these investments and are as follows:

- i. BOST is currently in court with Direct S&L to retrieve the invested funds.
- ii. BOST has applied to the SEC to retrieve funds invested with First Banc. SEC has validated the claims and working to pay BOST when funds are availed to them by the Government. The board is in the process of establishing investment policy.”

Doubtful Documents Presented for the Award of Contract- GH¢178,252.52

662. Section 20 of the Public Procurement (Amendment) Act, 2016 (Act 914) as amended requires that the procurement entity shall request for quotations from as many suppliers or contractors as practicable but shall compare quotations from at least three different sources that should not be related in terms of ownership, shareholding or directorship and the principles of conflict of interest shall apply between the procurement entities and their members and the different price quotation sources.

663. We noted that the evaluation team recommended for award of contract of a project amounting to GH¢178,252.52 to one Unity Enginmac Co. Ltd for the installation of LED bulbs and streetlights.

664. We noted further that, Unity Enginmac Co. Ltd and the two other alternative tenderers namely Precious Engineering and Dass-B Electricals who participated in the procurement were all owned by one person. Other documents needed to qualify Unity Enginmac Co. Ltd submitted were also found either expired or non-existent. Details are in table 42.

Table 42: Doubtful documents presented for the award of contract

Categories	Precious Engineering	Dass B	Unity Enginmac
Postal Address	Box 45 Accra North	Box 45 Accra North	Box 185 Ho/VR
Telephone	0205221115/ 0500254527	0506707568/ 0248497158	0506707568/ 0248497158
Tax Clearance Certificate	No	No	No
Vat Certificate	No	No	No
Ecg Cert. Bearer	David Nyadzinor- 24315E	David Nyadzinor	David Nyadzinor-25355E
Works Cert	Expired	Expired	Expired

665. The inability of the procurement unit to conduct due diligence and be meticulous during the evaluation of the documents presented resulted in the lapse.

666. The contract in our view was awarded to contractor who was not most responsive to the needs of the contract and value for money may not have been obtained as the procurement process was apparently compromised.

667. We recommended that the contractor be summoned to explain the ownership of the companies and tender documents submitted and sanction the evaluation team to do due diligence in the selection process.

668. Management noted our Observation. Going forward, we have taken appropriate steps to ensure that issues of this nature SHALL NOT re-occur.

Payment of Avoidable Judgment Debts to Contractors – GH¢9,169,884.48 and US\$3,057,096.00

669. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires, a Principal Spending Officer of a covered entity to be responsible for the assets of the company under the care of the Principal Spending Officer and ensure that proper control systems exist for the custody and management of the assets. Such a control system should be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage, and misuse of the assets.

670. We noted that BOST continues to pay avoidable judgment debts in forms of cost and interest amounting to GH¢9,169,884.48 and US\$3,057,096.00 to three contractors for breach of contract and undue delays in the payment of legitimate contract sums. Details are provided in table 43.

Table 43: Payment of avoidable Judgment debts to various contractors

Suit No.	Summary Of Case	Plaintiff Reliefs	Amounts Payable	Remarks
CM/RPC /0069/2 019	Generation Investment Co. Ltd VRS BOST BOST purchased a 16 acres land at Tema Industrial Area in 2015 for US\$11,200,000.00 to be paid within six weeks. In 2016, the Plaintiff began re-considering other offers from other interested companies, and when the Defendant got wind of this, it wrote to assure the Plaintiff of its commitment to pay the purchase price. The Defendant proposed to pay 30% of the purchase	1. US\$5,840,000.00 being outstanding purchase price for 16 acres of land. 2. Interest on outstanding US\$7,840,000.00 from August 2016 to November 2016 computed to US\$261,333 and US\$2,336,000.00 from January 2017 to December 2020 3. GH¢400,000.00 being cost awarded.	US\$8,437,333.00 plus GH¢400,000.00	Interest of US\$2,597,333 and cost of GH¢400,000.00 could have been avoided if prompt payment was done in line with the purchase agreement regardless of the withdrawal of the Natural Gas Transmission License from BOST in March 2018.
	price and the remaining 70% by 1 August 2016. The Defendant made two payments totalling US\$3,360,000 leaving the balance of US\$7840,000.00 unpaid as at the 1 August 2016 deadline. The Plaintiff made several demands before the Defendant made a third payment of US\$2,000,000.00 in December 2016 making a total of US\$5,840,000.00. The Defendant contended that the withdrawal of the Natural Gas Transmission License granted by the Energy Commission in March 2018 frustrated the agreement coupled with its dire financial strait made it incapable of completing the purchase .			

E2/49/2017	<p>Hask Oil Company VRS BOST</p> <p>In July 2013, the Plaintiff delivered its imported petroleum products to the Defendant for storage in its tanks. The products were financed with a credit facility from Fidelity Bank. The Defendant released part of the product as at the end of September 2013 but failed to release the outstanding products. A reconciliation was done between the parties on the outstanding products of 34,143 litres of Gas Oil and 1,341,571 litres of Gasoline in the Defendant letter dated 6/05/2014 and the Plaintiff letter dated 13/10/ 2014. The Plaintiff demanded for the products through its</p>	<p>1. The recovery of the sum of GH¢9,962,118.84 being interest accrued on a credit facility due and paid by Plaintiff to Fidelity Bank.</p> <p>2. Interest at the rate of 30% per annum being the default rate being charged by Fidelity Bank.</p> <p>3. Cost of GH¢1,000,000.00</p>	GH¢18,732,003.32	<p>The interest of GH¢7,769,884.48 and cost of GH¢1,000,000.00 totalling GH¢8,769,884.48 being waste of funds which could have been avoided if the unnecessary sheer delay in the release of products did not occur. Thus, negligence and lack of financial prudence have occasioned the avoidable judgment debts.</p>
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	<p>solicitor in a letter dated 31/10/2014 to the Defendant but the Defendant asserted that it was unable to confirm the amount owed until an audit is completed and did not release the product until May 2016. The Defendant said that stock audit was conducted into various allegation of product losses, thus requested sometime before the products can be released. At the time of the release the credit facility from Fidelity Bank to finance the importation had accrued an interest to the tune of GH¢9,962,118.84 as at 28/02/2017.</p>			
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CM/BD C/0235 /2018	West African Petroleum Company Ltd (WAPCO) VRS BOST As a result of various transactions between the parties dating back to October 2006, the Defendant owed the Plaintiff net of US\$255423.92 (US\$848,900.00 - US\$593,476.08). The amount was untimely paid to the Plaintiff. However, the parties agreed that the Defendant pays an interest of 10% on the outstanding amount from 2009 when payment became due to 2016 when principal was paid	The Defendant shall pay 10% interest for the period 2009 to 2016 which amounts to US\$459,763.00 at simple interest.	US\$459,763.00	The financial loss of US\$459,763.00 could have been avoided if the outstanding amount was timely paid.
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671. The inability on the part of Management to make prompt payments of debts owed when are due and lack of effective dialogue and negotiations occasioned the avoidably interests and costs being paid by BOST.

672. The payment of judgment debts is a gross drain and a financial loss on the limited resources of the company and could derail Management's effort to attain the company's strategic objectives.

673. We recommended to Management to heed to all contract terms and indulge in negotiations rather than lawsuit in resolving disagreements.

Management Response

Generation Investment Co. Ltd VRS BOST

674. Observation noted. This could have been avoided if BOST was financially sound at the time. Sometime in 2014, BOST commenced negotiations in a bid to acquire 16 acres of land from Generation Investments Company Limited (GIC) for the development of Natural Gas Infrastructure at the cost of US\$11,200,000.00. Negotiations between the parties stalled until June 2016 when a settlement payment plan was finally brokered. By a pro forma invoice from GIC to BOST dated June 9, 2016, a three-tranche payment option was

proposed. No specific dates or deadlines for the instalment payments were indicated. Total payments made in respect of the land stood at US\$5,360,000.00 as at December 2016. Due to cash flow difficulties suffered by BOST, it could not meet its payment obligations in the manner in which it initially envisaged after making payment of almost fifty percent of the cost of the land.

675. On September 20, 2018, when a demand notice was received from GIC's lawyers for payment of the outstanding balance of US\$5,840,000.00, BOST subsequently met with the lawyers to negotiate payment terms after which it formally proposed to pay the balance in eleven equal monthly instalments of US\$500,000.00 each from January 2019 with balance of US\$340,000 to be paid in December 2019 in a letter dated December 21, 2018, due to its cash flow constraints.

676. Meanwhile GIC had proceeded to file a writ for recovery of the sums on November 14, 2018.

677. GIC however, refused BOST's payment proposal in a letter dated January 18, 2019, describing BOST's proposal to be "low instalment amounts over a rather "long repayment period" and proposed terms which were onerous to BOST. Attempts at settlement failed as BOST could not meet the demands of GIC in the manner they were demanding. Due to its cash flow situation, it was compelled to seek a declaration for title of the portion of land commensurate with the payments made so far at the time of the suit among others. In the circumstances, the court was left to make a determination culminating in the judgment of November 6, 2020.

678. The staff who played the key roles leading to the situation are no more in the employment of BOST. As at January 1, 2022, BOST has made full payment of its obligation and we are in the process of getting the land transfer to BOST to use the land for the LPG project.

Hask Oil Company Vrs Bost

679. Sometime in July 2013, Hask Oil delivered petroleum products in BOST's storage tanks in its normal course of business as with other BDCs. To ascertain the actual quantities of plaintiff's stocks as well as the balances of the other BDCs in storage, BOST engaged Ernst & Young as external auditors to investigate and validate all BDC claims. It duly informed the BDCs including Hask about the audit, at the end of which it was established that the stock balances in favour of plaintiff to which it agreed was 34,143 litres of gasoline and 1,341,571 litres of gasoil.

680. On May 4, 2016, BOST released 74,824 litres of gas oil valued at GH¢109,886.15 as well as 2,350,225.42 litres of gasoline valued at GH¢3,755,648.47 to Hask at the prevailing value at the date of release. As far as BOST was concerned, the volumes of products were fully refunded to Hask Oil to cushion them against any shortfalls, and it owed it no further obligation. BOST position was that it was never a party to the credit facility Agreement concluded between Hask Oil and the bank and ought not to be liable for any costs associated with same.

681. Indeed, by the findings of a Product Loss Claims Committee set up to investigate BDC claims of products loss in BOST's system, Hask Oil ought to have refunded the entire volume of 74,824 litres to BOST as same had been made available for lifting as far back as April 2014.

682. By a Judgement dated 21st October 2019 the High Court found in favour of Hask and granted it all the reliefs as endorsed on its writ.

683. Management has taken appropriate action by sanctioning the legal officer who was not present in court and had the appeal cancelled in favor of HASK Oil. The employee who was in charge of operation (B F Arthur) during the period was terminated.

West African Petroleum Company Ltd. (Wapco) Vrs Bost

684. On April 2, 2015, BOST received a demand notice from WAPCO dated March 19, 2015, to the effect that it was owed an amount of US\$300,000.00 for the rental of storage tanks made in November 2008. Records available indicated that there had been a series of other transactions tied to the payment which suggested that WAPCO also owed BOST some amount of money. It was agreed between BOST and WAPCO in a meeting held on June 13, 2016, on the issue that the reconciled sum due WAPCO was US\$255,423.92. BOST demonstrated good faith and paid this amount to WAPCO on July 12, 2016, which was duly acknowledged by them. At the meeting referred to above, the issue of waiver of interest by WAPCO was broached.

685. However, due to a delay in payment, a subsequent demand was received from WAPCO demanding a balance in interest. After negotiations BOST proposed to pay interest at the rate of 8% which was initially agreed to by WAPCO, which later changed its mind as a result of which Ecobank cheque numbered 0200461 in the sum of GH¢480,338.99 dated March 9, 2018, which was made out to them for collection had to be returned to chest. Subsequent to the filing of a writ to

recover their interest claim on March 29, 2018, both parties agreed to the payment of interest at the rate of 10% instead of the 12% WAPCO had insisted on which was adopted by the Court as a consent judgement. As at Q2 2020, BOST had settled all obligation with WAPCO.

686. We reiterate our audit recommendation.

Failure To Obtain Vat Invoices for Payments – GH¢127,115.86

687. Section 41 of the Value Added Tax Act, 2013 (Act 870) states, a taxable person shall, on making a taxable supply of goods or services, issue to the recipient, a tax invoice in the form and with the details that are prescribed by the Commissioner-General.

688. On the contrary, we noted that, BOST did not obtain VAT invoices/receipts for payments totaling GH¢726,376.33 with a VAT component of GH¢127,115.86 made to suppliers and service providers for the period under review. Details are as shown in table 44.

Table 44: Failure to obtain VAT invoices for payments

Date	PO No.	Details	Supplier	Amount GH¢	Vat 17.5% GH¢
31/03/2020	PO-003682	Repairs and maintenance of vehicle	Professional Auto Centre	8,850.00	1,548.75
30/06/20	PO-003866	Annual software maintenance	Maison Consulting and Solution	612,133.20	107,123.31
4/30/2020	PO-003895	Reuters subscription	Refinitiv Services	94,561.13	16,548.20
21/10/20	3739	Routine servicing of office vehicle	Professional Auto Centre	10,832.00	1,895.60
Totals				726,376.33	127,115.86

689. The lapse was attributed to the failure on the part of the Finance officers to request for VAT invoices from the suppliers.

690. The anomaly has denied the government an amount of GH¢127,115.86 needed for its activities.

691. We requested Management to obtain the requisite VAT invoices/receipts covering the payments totalling GH¢726,376.33, failing which the VAT component of GH¢127,115.86 should be recovered and same paid to the Commissioner- General, Ghana Revenue Authority and submit the evidence for our verification.

692. Management accepted Observation. (1) Maison Consulting & Solution and Refinitiv are non- residence companies therefore are not registered with GRA for VAT purposes. (2) Request was made to Professional Auto for VAT invoice and is yet to be obtained.

693. We reiterate our audit recommendation. Maison Consulting & Solution and Refinitiv being non- residence companies, BOST (the recipient of the services) is mandated to pay the VAT amount for the imported services as per Section 2(1) of the VAT Act. ‘Section 2(1c) of the VAT Act (870) state that, except as otherwise provided in this Act, the tax shall be paid ‘in the case of an import of services, by the recipient of the service.

**Failure to Obtain Prior Approval for TSL Logistics (Ghana) Limited
Contract Extensions – US\$1,800,000.00**

694. Section 40 of the Public Procurement Act, 2003 (Act 663) as amended provides that a procurement entity may engage in single-source procurement under Section 41 with the approval of the Board where the procurement entity having procured goods, equipment, technology or services from a supplier, contractor or consultant because of standardisation or compatibility with existing goods, equipment, technology or services taking into account (i) the effectiveness of the original procurement in meeting the needs of the procurement entity. (ii) the limited size of the proposed procurement in relation to the original procurement. (iii) the reasonableness of the price. (iv) the unsuitability of alternatives to the goods or services in question.

695. We noted that BOST requested for extension of the Terminal Management Contract between BOST and TSL Logistics (Ghana) Limited in a letter referenced BOST/SCR.35/PPA/30171 dated December 19, 2019, to which approval was granted by the Public Procurement Authority (PPA) with referenced PPA/CEO/01/57/20 and dated January 20, 2020, to cover a period between December 31, 2019, to March 31, 2020, at a cost not exceeding US\$300,000.00. However, upon expiration on March 31, 2020, Management did not obtain prior approval from PPA for the additional contract extension period of six (6) months at the cost totaling US\$1,800,000.00 of which TSL was still engaged for their services. Details are as shown in table 45.

Table 45: Failure to obtain prior approval for TSL Logistics (Ghana) Limited contract extensions

No	Description	Extention Period Without PPA	Monthly Extension Fee (US\$)	Total Amount (US\$)	Remarks
1	Extension of the Terminal Management Contract between BOST and TSL Logistics (Ghana) Limited	April - June, 2020	300,000.00	900,000.00	Although the team sighted a request letter indicating PPA approval in a letter dated April 17, 2020, numbered PPA/CEO/04/857/20, the approval letter was not provided to authenticate the said approval.
2		October-December, 2020	300,000.00	900,000.00	Approval not obtained from PPA and provided for our review.
	Total			1,800,000.00	

696. Management's disregard of the procurement law caused the anomaly.

697. The anomaly undermines the integrity of the contract between the parties, and this is a breach of the fundamental principles upon which single -source procurement is granted as specified under Section 40 of the Act.

698. We recommended that Management provides the audit team with justifications leading to the contravention and further write to PPA in accordance with Section 90 of Act 663 as amended failing which the offences relating to procurement under Section 92 shall be applied to the officers who authorised and sanctioned the transaction.

699. Management noted our Observation. Notice is taken of the recommendations and steps have been put in place to ratify this by 2022 Q4.

Repaired Tanks Not in Use

700. Section 90 of the Public Financial Management Act, 2016 (Act 921) demands that the governing body of a public corporation or state-owned enterprise shall establish and maintain policies, procedures, risk management and internal control systems, and governance and management practices, to ensure that public corporation or state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

701. We noted that the Management of BOST awarded the contract for the repair of Tanks at the Accra Plains Depot, Buipe and Bolgatanga Depot in letter referenced BOST/SCR.35/PPA/PRO/SP.1/31694 dated August 27, 2020, to Rocksure Energy Limited at a contract sum of GH¢11,712,513.84. The audit team inspected the repaired tanks at Buipe and noted that although the repairs claimed to be completed for T-1, 2, & 3, the tanks have not been put to use due to the non-functioning of the Old Depot Loading Gantry and other additional works not yet carried out.

702. Also, Tank 102 repairs was partially done because the replacement of the Internal Floating seal were yet to be fixed. Tank (T-103) at APD though repairs work completed but the tank is not in use.

703. Management's delay in fixing and installing pumps and loading arms, and inadequate scope of work as well as delay by the contractor in undertaking the repair works caused the lapse.

704. There is high possibility of value for money not to being achieved since the tanks were not operational though some funds have been committed to their repairs. The defect liability period may elapse, and any defects identified thereafter shall be borne by BOST leading to extra financial burden on the company.

705. We recommended to Management to ensure that Messrs. Rocksure Energy Ltd complete the repair works on Tank (T-102) and commission all the tanks repaired before the payment of the contract retention amount of GH¢1,171,251.31 after the expiration of the defect liability period (included is an amount of GH¢63,355.13 for commissioning) for our verification.

706. We urged Management to operationalise the Old Depot Loading Gantry at Buipe within the shortest possible time with the provision of 9No. Loading arms, 9No. Meters, 4No. Pump, motorizers, strainers and other accessories.

707. We also required the acquisition of new pumps and other accessories to enable tank (T-103) to be operational at the Accra Plain Depot (APD).

708. Management noted our Observation. Management is aware that it is in the best interest of BOST to operationalise all our revenue earning assets as we are working round the clock to make that a reality. From a paltry 18% in 2017, we are currently at 91%.

709. This recommendation had already been identified that is the reason why the contract retention amount has not been paid till date even though it became due in October 2021. This has delayed the handing over of the project to BOST.

710. The contractor was engaged on December 10, 2021 and is yet to replace the internal floating roof of tank 102. We are currently going through the contract management processes to close the project.

711. Observation noted. However, Management had included the revamping of the old depot loading gantry at the Buipe depot in the scope of works for the BOST depot upgrade project which is scheduled for implementation from 2022 to 2023.

712. Observation noted. A contractor has been engaged by management to repair tanks 101 and 102 which are connected by product pipelines to tank 103 at the depot.

713. It is therefore not advisable to recommission tank 103 while hot works are being undertaken in the adjoining tanks hence the decision of management to re-operationalise the three tanks together after the approved works which are scheduled for four months.

714. We reiterated our audit recommendation.

Unused/Idle Equipment at Debre Marine Port

715. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires a Principal Spending Officer of a covered entity to be responsible for the assets of the institution under the care of the Principal Spending Officer and ensure that proper control systems exist for the custody and management of the assets. Such a control system should be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage and misuse of the assets.

716. Our visit to the Debre Marine Port located in the Savanna Region, noted that the port has a lot of idle or unused equipment which may have alternative use at the various depots of the company. Details are provided in table 46.

Table 46: Unused/idle Equipment at Debre Marine Port

No	Items	Description	Qty
1	Heavy Duty winch	Winch, /Roller	1pc
2	Sheet piles	10 Meter X 910mm X 8mm	400 pcs
3	Oil Spil Absorber		48 boxes
4	Engine Boat	DAEWOO/DOOSAN	2
5	Pipes 100mm	4 Inch X 10m	60 pcs
6	Rubber Hose	150mm Hose	4 pcs



717. Inadequate asset management and weak control system instituted by Management resulted in this condition.

718. The company may not get value for money after spending resources on these assets, which have not been utilised for the past years.

719. We advised Management to use the new tugboat engine to construct an additional boat for its operations, since BOST has only one tugboat. BOST can then reallocate the other idle equipment to other depots where they may be needed or dispose of other equipment that are not needed in order to obtain value for money for such assets.

720. Management noted our Observation. At the appropriate time Management will implement the observation in line with availability of resources and demand. For now, Management sees these assets as spares for the existing operational marine assets

Absence of Signed Contract Agreement and Proper Procurement Process Between Bost and Service Providers – GH¢12,046,746.16

721. Section 65 of the Public Procurement Act, 2003 (Act 663) provides that where the tender documents require the supplier or contractor whose tender has been accepted to sign a written procurement contract conforming to the tender, the procurement entity and the supplier or contractor shall sign the procurement contract within 30 days after the notice referred to in subsection (1) is dispatched to the supplier or contractor. Where a written procurement contract is required to be signed, the contract shall enter into force on the commencement date indicated on the contract.

722. Section 7 of the Public Financial Management Act, 2016 (Act 921) states that a spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management and internal control of the resources and transactions of a covered entity.

723. We noted that that Management of BOST engaged four (4) contractors or service providers without any proper procurement processes and in addition did not sign written procurement contracts to detail out the various responsibilities of the parties and the terms of reference of the services rendered. The Management of BOST has so far paid GH¢12,046,746.16 for the specified periods to the service providers. Details are shown in table 47.

Table 47: Absence of signed contract agreement and proper procurement process between BOST and Service providers

No.	Name Of Service Provider	Period	Amount Payments GH¢	Type Of Services Rendered	Remarks
1	Volta Lake Transport Company (VLTC)	Jan 2020 - August 2021	11,717,815.09	Being payment request for VLTC freight charges.	Contract to be signed by 2022Q4. PPA to be informed as VLTC is an SOE
2	Professional Auto Centre ltd	Jan 2020 - August 2021	185,211.57	Being payment for servicing of BOST vehicles	Ratification process ongoing. To be resolved by 2022 Q4
3	Persol Systems Limited (PSL)	Jan 2020 - Dec, 2020	33,711.10	Annual Renewal of Persol HR software	Ratification process ongoing. To be resolved by 2022 Q4
4	Con-imedia	12 August 2018 – 11 August, 2020	110,008.40	Domain Registration & Email Hosting	Ratification process ongoing. To be resolved by 2022 Q4
Total			12,046,746.16		

724. The absence of proper procurement engagement process and signed contract documents evidenced the existence of ineffective financial control mechanisms by BOST Management for contract management of the company. The inability of the Head of Finance to ensure that transactions are fully supported with the relevant documents before payments are made caused the lapse.

725. Consequently, we were unable to determine and authenticate whether the obligations between the parties (BOST & the service providers) were duly discharged in terms of the scope, payment terms, dispute resolution, and assignment period among others.

726. We recommended that Management should take the necessary steps to regularise the transactions with the service providers by writing to the Public Procurement Authority to regularise the transaction in accordance with Section 90 of the Public Procurement Act, 2003 (Act 663) as amended, failing which the authorizing officers should be sanctioned in accordance with Section 92 of the same Act.

727. Management is taking steps to correct the anomaly by Q4 202.

Avoidable And Excessive Contract Variations – GH¢29,981,122.28

728. Section 90 of the Public Financial Management Act, 2016 (Act 921) demands that the governing body of a public corporation or state-owned enterprise shall establish and maintain policies, procedures, risk management and internal control systems, and governance and management practices, to ensure that public corporation or state-owned enterprise manages its resources prudently, and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

729. We noted that the Management of BOST after the award of six (6) different contracts to contractors undertook various forms of additional works or variation, which were avoidable and relatively excessive with respect to the cost or value. Analysis of these variations ranges from (20.23% to 93.17%) increment based on the total initial contract sum of GH¢33,542,663.43 with a total change order or variation and additional cost of GH¢29,981,122.28 and increased the overall contract sum to GH¢63,523,785.71. Out of six (6) contracts varied, two (2) were awaiting approval from the appropriate approving authority. Details are shown in table 48.

Table 48: Avoidable and excessive contract variations

No	Description	Contractor	Original Contract Sum (GH¢)	Variation Amount (GH¢)	New Contract Sum (GH¢)	Percentage (%) of Variation	Status of Variation Approval	Remarks
1	Tema – Akosombo Product Pipeline (TAPP) Rehabilitation	Frontiers Pipeline Services, Ghana <i>'now'</i> Africore Engineering Services Limited	14,633,353.00 (USD 3,710,000.00)	20,740,219.00 (USD 3,456,703.17)	35,373,572.00 (USD 7,166,703.17)	93.17%	Variation amount approved by PPA under SS.	The project started in August 2016 and has been varied in August, 2020
2	Supply and Installation of Mass Flow Meters, Pumps and Loading Arms	Automation Solutions Ltd	5,312,241.66	1,596,955.32	6,909,196.98	30.06%	Variation amount approved	The initial scope was for the supply and installations at the Accra Plain and Kumasi depot which was later varied to include the Buie depot. The addition of strainers and motorized operated valve.

3	Extension of two (2) new 8-inch pipelines from AT&V tank at oil jetty, repair of BOST 1 & 2, painting of BOST 3& 4 barges and MV Debre river Tugboat at Akosombo depot.	M&B Engineering	5,381,280.00	1,600,000.00	6,981,280	29.73%	Variation amount approved	The BOQ however excluded BOST 3&4 barges and the MV Debre tugboat resulting in an insufficient quote leading to the variation.
4	Remedial works at Kumasi for the construction of Fence Wall at BRV Parking Lot., Culvert, a Fire Tender Shed and Fabrication and Installation of Steel Grating.	Grumah Twins Company Ltd	970,003.50	196,197.80	1,166,201.30	20.23%	Variation amount approved	The variation was necessitated on the Fence Wall due to; 1. Run off due to slope gradient, 2. Marshy nature of terrain. 3. Inclusion of car and walkway gates. The land slope towards the South Side of the land. The initiate design did not take this slope and its effects into consideration. The fence will lack enough strength to withstand the forces which run off may exert on it which will cause the structure to fail earlier than expected.
5	Contraction of BOST BRV car park at Bolgatanga with 200 capacity BRV concrete paver parking lot.	Myturn Ghana Limited	6,493,784.05	5,624,576.17	12,118,360.22	86.61%	Pending Approval	Actual work commenced on 11th November 2018. Work done is about 70% with an amount of GH¢4,545,648.85 paid to contractor. Proposed change orders (variation) and additional cost; Drainage construction along

								car park, increase in the number of toilet/washroom facilities from 4No. to 10No., construction of driver's lounge, a layer of fibertex nonwoven geotextiles material, provide and lay precast concrete paving blocks and imported crush rock base well compacted to make level are excluded from the initial scope of work and revised price increment on the varied items.
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730. The anomaly occurred due to inadequate scope of work given to Contractors before the execution stage of the contracts coupled with delay in the execution of work. The infraction could also be attributed to the company's lack of internally qualified quantity surveyor at the Asset & Infrastructure (A&I) department which led to the omission of vital items in the Bill of quantities (BOQ).

731. The initial contract sum could be affected by price fluctuations due to lag of time, causing the contract price to increase. This has ripple effect on the company's finances, as more funds would be needed than before to complete a project for its intended use.

732. We recommended that to frequently ensure effective planning and carryout efficient need assessment on activities, together with adequate consultations with the user department to come out with a fit-for-purpose terms of reference to avoid the omissions of items or activity from the scope of work.

733. Again, we advised Management to assign a qualified quantity surveyor (QS) to the works department to augment their efforts and bring about efficiency and value for money in the award of contracts or to employ the service of QS as may deem fit for a particular stage of a transaction.

734. Management noted our Observation noted. Management has already identified this weakness and has decided to outsource the Quantity Survey process.

735. Management has initiated the required procurement process to engage a suitably qualified Quantity Surveying entity to provide Bill of Quantities (Engineer estimates) for all civil works in 2022.

BUI POWER AUTHORITY

Introduction

736. This report relates to the audited financial statements of the Bui Power Authority (BPA) for the year ended 31 December 2020.

Financial Performance

737. The Authority recorded a surplus of US\$54,531,000 in 2020, thus registering a 44.1% increase over the 2019 surplus of US\$37,847,000. The performance indicators for the period under review are provided in the table 49.

Table 49: Statement of Comprehensive Income for the year ended 31 December 2020

Income	2020 US\$'000	2019 US\$'000	Incr./ (Decr.) US\$'000	% Change
Revenue	129,697	105,927	23,770	22.4
Other Operating Income	1,535	1,311	224	17.1
Total Income	131,232	107,238	23,994	22.4
Expenditure				
Cost of Generation	28,353	29,391	(1,038)	(3.5)
Operating Expenses	4,581	7,886	(3,305)	(41.9)
Administrative Expenses	24,087	12,143	11,944	98.4
Finance Cost	19,680	19,971	(291)	(1.5)
Total Expenditure	76,701	69,391	7,310	10.5
Profit Before Tax	54,531	37,847	16,684	44.1
Tax	-	-	-	-
Profit/(Loss) After Tax	54,531	37,847	16,684	44.1

738. Total Income increased by 22.4% from US\$107,238,000 in 2019 to US\$131,232,000 in 2020. The increase was mainly due to the sale of electricity power.

739. Total expenditure also registered an increase of 10.5% from US\$69,391,000 in 2019 to US\$76,701,000 in 2020. This increment was largely due to a 98.4% increase in Administrative Expenses from US\$12,143,000 in 2019 to US\$24,087,000 in 2020.

Financial position

740. The financial position of the authority is summarised in the table below.

Statement of Financial Position as at 31 December 2020

Items	2020 US\$'000	2019 US\$'000	Incr./ (Decr.) US\$'000	% Change
Non-Current Assets	841,626	802,412	39,214	4.9
Current Assets	498,567	422,129	76,438	18.1
Current Liabilities	49,179	28,663	20,516	71.6
Non-Current Liabilities	790,344	749,739	40,605	5.4
Net Assets	500,670	446,139	54,531	12.2
Current Ratio	10.14:1	14.73:1		

741. Non-Current Assets increased by 4.9% from US\$802,412,000 in 2019 to US\$841,626,000 in 2020. This was because of the US\$16,202,000 investment made in bonds.

742. Current Assets rose by 18.1% to US\$498,567,000 in 2020 from US\$422,129,000 in 2019. The increment was largely due to a 14.8% increase in Trade and other Accounts Receivables.

743. Current Liabilities increased by 71.6% from US\$28,663,000 in 2019 to US\$49,179,000 in 2020. This was mainly because of a 51.6% or GH¢10,484,000 increase in loans and borrowing.

744. Non-Current Liabilities also increased by 5.4%. This was significantly due to a 4.1% increase in loans and borrowings from US\$749,466,000 in 2019 to US\$780,127,000 in 2020.

745. The liquidity position measured in the current ratio decreased from 14.73:1 in 2019 to 10.14:1 in 2020. Despite the decrease, the Authority would be able to meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Failure of Wenchi Rural Bank to disburse funds to Livelihood Empowerment Programme Phase 2 – GH¢684,670.36

746. Section 7 of the Public Financial Management Act, 2016 (Act 921) directs that a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity and manage the resources received, held or disposed of by or on account of the covered entity”.

747. We noted during our review that an amount of GH¢904,670.36 was released to the Wenchi Rural bank in April 2019 for distribution to the 244 Project Affected Persons (PAPs) under the Livelihood Empowerment Programme Phase 2. Management of the Authority had to make an alternative arrangement with Zenith Bank to do the distribution since Wenchi Rural Bank did not distribute the funds. So far, Wenchi Rural Bank has refunded only GH¢220,000 to the Authority with an outstanding amount of GH¢684,670.36.

748. Wenchi Rural Bank failed to disburse the funds to the affected persons as agreed without any reason.

749. The Authority did not recognise Wenchi Rural Bank as part of their debtors hence understating receivables by GH¢684,670.36. The locked-up funds could also have been used to invest to earn income or used to finance other projects of the Authority.

750. We recommended that the amount should be recognised as part of account receivables. We also asked Management to expedite a legal action to recover the money from Wenchi Rural Bank Limited.

751. Management Response, “Bui Power management is actively involved and engaged with the management of Wenchi Rural Bank to ensure speedy recovery of the funds. A tentative repayment plan has been agreed by the parties involved, which Wenchi Rural Bank has so far adhered to”.

Status of Nuclear Power Ghana (NPG)

752. Section 80 of the Public Financial Management Act, 2016 (Act 921) requires that a Principal Spending Officer of a covered entity shall, within two months after the end of each financial year, prepare and submit to the Auditor-General and Controller and Accountant-General, the accounts and information set out in the Schedule.

753. The above Section further requires that the accounts submitted shall be prepared in accordance with accounting standards and associated policies and indicate the basis of accounting used in the preparation of account.

754. In 2018, staff were co-opted by the government from the Volta River Authority (VRA), Bui Power Authority (BPA), and the Ghana Atomic Energy Commission (GAEC) to form an initial core staff of the Nuclear Power Ghana Limited. The Nuclear Power Ghana Limited was incorporated on 4 July 2019 and the nature and principal activities include:

- Nuclear Power Ghana Limited provides services to the country
- To construct, own, operate, maintain, and de-commission Nuclear Power plants for the purposes of providing base load electricity for economic and social development
- To undertake ancillary services related to Nuclear Power construction and generation and harness the benefits of Nuclear Power technology.

755. Our audit disclosed that the balances of Nuclear Power Ghana with Fidelity Bank were included in the bank balance of the Authority even though the shares of the Company are owned by two other agencies. Details are provided in the table 50.

Table 50: Status of Nuclear Power Ghana (NPG)

Account Number	Amount (US\$)
1971032512628	67,122.08
1070032512624	247,154.08

756. Management failed to establish whether Nuclear Power Ghana should be treated as a subsidiary or an investment in a joint venture.

757. The users of the Authority's published financial statements could be misled if the correct treatment of the transaction is not established.

758. We recommended to Management to clearly establish the status of Nuclear Power Ghana in the scheme of Bui Power Authority.

759. Management responded that steps have been taken to streamline the status of NPG in the financial statements to avoid users of its information being misled. A distinct bank account has now been opened for NPG to ensure their balances are not included in that of the Authority.

NATIONAL PETROLEUM AUTHORITY

Introduction

760. This report relates to the audited financial statements of the National Petroleum Authority for the year ended 31 December 2020.

Financial Performance

761. The Authority's operations for the year under review ended with a surplus of GH¢72,403,823 as against GH¢92,840,397 recorded in 2019, representing a decrease of 22.0%. The performance indicators are as shown in the table 51.

Table 51: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Exchange Operating Income	139,038,703	115,627,886	23,410,817	20.2
Non-Exchange Operating Income	123,911,937	133,562,145	(9,650,208)	(7.2)
Other Income	41,785,324	20,537,771	21,247,553	103.5
Finance Income	14,625,126	15,932,806	(1,307,680)	(8.2)
Net Exchange income	(7,313)	2,200,737	(2,208,050)	(100.3)
Total Income	319,353,777	287,861,345	31,492,432	10.9
Expenditure				
Operating Expense	136,396,153	96,973,672	39,422,481	40.7
Administrative Expense	107,411,361	97,970,374	9,440,987	9.6
Finance cost	3,142,440	76,902	3,065,538	3,986.3
Total Expenditure	246,949,954	195,020,948	51,929,006	26.6
Surplus/(Deficit)	72,403,823	92,840,397	(20,436,574)	(22.0)

762. Total Income for the year amounted to GH¢319,353,777 as against GH¢287,861,345 recorded in 2019, representing an improvement of 10.9%. The rise was mainly due to 20.2% and 103.5% increase in exchange operating income and other income respectively.

763. Total Expenditure also increased by 26.6% from GH¢195,020,948 in 2019 to GH¢246,949,954 in 2020. The operating expense rose by 40.7% or GH¢39,422,481 from GH¢96,973,672 in 2019 to GH¢136,396,153 in 2020.

Financial position

764. The Authority's Financial position as at 31 December 2020 is summarised in the table 52.

Table 52: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Total Assets	606,132,475	539,814,872	66,317,603	12.3
Total Liabilities	66,727,962	62,814,183	3,913,779	6.2
Current Ratio	3.9:1	3.2:1		

765. Total Assets went up by 12.3% from GH¢539,814,872 in 2019 to GH¢606,132,475 in 2020.

766. Total Liabilities saw an increase of 6.2% from an amount of GH¢62,814,183 in 2019 as against GH¢66,727,962 in 2020.

ENERGY COMMISSION

Introduction

767. This report relates to the audited financial statements of Energy Commission for the year ended 31 December 2019.

Financial Performance

768. The Commission recorded a surplus of GH¢24,678,155 in 2019, thus registering a 91.27% increase over the 2018 surplus of GH¢12,901,933. Details of the performance indicators of the Commission are shown 53.

Table 53: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	61,212,203	43,197,618	18,014,585	41.70
Other Income	180,750	567,864	(387,114)	(68.17)
Total Income	61,392,953	43,765,482	17,627,470	40.28
Expenditure				
Staff Compensation	15,201,088	13,775,360	1,425,728	10.35
General and Administrative Expenses	7,006,585	6,567,999	438,586	6.68
Service Activity Expenses	14,507,125	10,520,190	3,986,935	37.90
Total Expenditure	36,714,798	30,863,549	5,851,248	18.96
Profit / (Loss)	24,678,155	12,901,933	11,776,222	91.27

769. Total Income increased by 40.28% from GH¢43,765,482 in 2018 to GH¢61,392,953 in 2019. The increase was due to a 41.70% increase in revenue from GH¢43,197,618 in 2018 to GH¢61,212,203 in 2019.

770. Total Expenditure went up 18.96% from GH¢30,863,549 in 2018 to GH¢36,714,798 in 2019. This was mainly as a result of GH¢3,986,935 or 37.90% increase in service activity expenses. Staff compensation and general & administrative expenses also increased by 10.35% and 6.68% respectively.

Financial Position

771. The Commission's financial position as at 31 December 2019 is summarised in the table 54.

Table 54: Statement of Financial Position as at 31 December 2019.

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	%Change
Non-Current Assets	27,223,544	26,213,819	1,009,725	3.85
Current Assets	51,724,998	27,479,006	24,245,992	88.23
Current Liabilities	6,783,203	6,205,641	577,562	9.31
Current Ratio	7.63 :1	4.43:1		

772. Non-Current Assets rose by 3.85% from GH¢26,213,819 in 2018 to GH¢27,223,544 in 2019. The increase was as a result of additions to property, plant and equipment.

773. Current Assets also increased by 88.23% from GH¢27,479,006 in 2018 to GH¢51,724,998 in 2019.

774. Current Liabilities increased by 9.31% from GH¢ 6,205,641 in 2018 to GH¢6,783,203 in 2019.

775. The Company's liquidity position as measured by its current ratio at the end of 2019 was 7.63:1 as against 4.43:1 recorded in 2018. The improvement in the liquidity ratio puts the Commission in a better position to meet its short-term financial obligations when they fall due.

MANAGEMENT ISSUES

Disaster Recovery – Data Backup Management System and Uninterruptible Power Supply

776. Section 7 of the Public Financial Management Act, 2016 (Act 921) states, “A Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity”.

777. A Disaster Recovery (DR) site is a facility an organization can use to recover and restore its technology infrastructure and operations when its primary data center becomes unavailable.

778. The decision about what kind of DR site an organization needs and its location requires careful planning and a balance of costs against any risks. There are two fundamental DR site options: internal and external. An organization sets up and maintains an internal site while an external site is owned and operated by an outside provider.

779. Our review of the information technology (IT) system revealed that the commission had no offsite or external disaster recovery site. We further noted that twelve (12) systems did not have an uninterruptible power supply (UPS). Details are shown in table 55.

Table 55: Disaster Recovery – Data Backup Management System and Uninterruptible Power Supply

No	System Name	Serial Number	User
1	Back-UPS 1400VA	3B164X00764	IT
2	Mercury UPS 1500VA	131212E1500N00102	Transport
3	Dell OptiPlex 380	9X9K42S	Public Affairs
4	Dell OptiPlex 380	744M734	Transport
5	Dell OptiPlex 380	8Y842S	Energy Efficiency
6	Dell OptiPlex 780	66SJ92S	Electrical Wiring
7	Dell OptiPlex 780	5VRJ92S	Inspectorate & Enforcement
8	Dell OptiPlex 780	28SJ92S	Inspectorate & Enforcement
9	HP 280 G2	CZC7017JNL	Inspectorate & Enforcement
10	Dell OptiPlex	D29J5Y1	Social Environmental Impact & Technology Assessment
11	Dell Compaq 6200 Pro Microw lower	TRF225020V	Finance
12	Dell OptiPlex 380	4Z8K42S	Public Affairs

780. Data loss may not be recovered. It will be very expensive for the Commission to recover its lost data. Computers and accessories might be damaged due to frequent power outages and fluctuations.

781. We therefore recommended that the Commission should acquire an offsite or external data recovery (DR) as soon as practicable. We also recommended that the Commission should acquire uninterruptible power supply (UPS) for all its computers.

782. Management responded that they have liaised with Bui Power Authority (BPA) to install an offsite data storage center to serve as an offsite data backup System by the end of the year. They have initiated the procurement process to acquire an Uninterruptible Power Supply (UPS) for its desktop computers by the end of the first quarter 2020.

GHANA NATIONAL PETROLEUM CORPORATION (GNPC)

Introduction

783. This report covers the audited financial statements of the Ghana National Petroleum Corporation for the year ended 31 December 2019.

Financial Performance

784. The Corporation recorded a profit of US\$34,575,890 in 2019, thus registering a 68.1% decrease over the 2018 profit of US\$108,364,060. The performance indicators for the period are provided in table 56.

Table 56 Statement of Comprehensive Income for the year ended 31 December 2019

Income/Expenditure	2019 US\$	2018 US\$	Incr./ (Decr.) US\$	% Change
Revenue	592,895,750	473,956,031	118,939,719	25.1
Other Operating income	39,835,708	35,219,826	4,615,882	13.1
Total Income	632,731,458	509,175,857	123,555,601	24.3
Expenditure				
Cost of Sales	433,957,533	235,804,089	198,153,444	84.0
General & Administrative expenses	139,084,579	143,870,691	(4,786,112)	(3.3)
Other Operating	1,739,759	1,726,144	13,615	0.8
Finance cost	23,373,697	19,410,873	3,962,824	20.4
Total Expenditure	598,155,568	400,811,797	197,343,771	49.2
Profit/(Loss)	34,575,890	108,364,060	(73,788,170)	(68.1)

785. Total income increased by 24.3% from US\$509,175,857 in 2018 to US\$632,731,458 in 2019. The increase was mainly due to 25.1% increase in revenue from US\$473,956,031 in 2018 to US\$592,895,750 in 2019.

786. Total expenditure increased by US\$197,343,771 or 49.2% from US\$400,811,797 in 2018 to US\$598,155,568 in 2019. The increment was mainly due to 84.0% increase in cost of sales from US\$235,804,089 in 2018 to US\$433,957,533 in 2019.

Financial position

787. The Corporation's financial position as at 31 December 2019 is summarised in table 57.

Table 57: Statement of Financial Position as at 31 December 2019.

Assets/Liabilities	2019 US\$	2018 US\$	Incr./ (Decr.) US\$	% Change
Non-Current Assets	1,256,657,722	745,278,749	511,378,973	68.6
Current Assets	639,420,513	247,300,421	392,120,092	158.6
Current Liabilities	560,074,853	209,101,322	350,973,531	167.8
Non-Current Liabilities	823,202,368	305,063,948	518,138,420	169.8
Current Ratio	1.1 :1	1.2 :1		

788. Non-Current Assets increased by 68.6% from US\$745,278,749 in 2018 to US\$1,256,657,722 in 2019. The increase was due to US\$396,876,841 increase in amount due from government agencies. These agencies are Government of Ghana, Ministry of Finance, Tema Oil Refinery, Ghana National Gas Company, Ministry of Energy, Bulk Oil Storage and Transportation Company and Volta River Authority.

789. Current Assets increased by 158.6% to US\$639,420,513 in 2019 from US\$247,300,421 in 2018.

790. Current Liabilities recorded a 167.8% increase over the 2018 amount of US\$209,101,322 to US\$560,074,853 in 2019. This was due to an increase of US\$350,973,531 in trade and other payables.

791. Non-Current Liabilities recorded a 169.8% increase over the 2018 amount of US\$305,063,948 to US\$823,202,368 in 2019. This was mainly due to an increase of US\$512,653,584 in medium term loan.

792. The liquidity position measured by the current ratio decreased from 1.2:1 in 2018 to 1.1:1 in 2019. Though the Corporation can meet its short-term financial obligations when they fall due, it falls short of the benchmark ratio of 2:1. s

MANAGEMENT ISSUES

Long Outstanding Receivables US\$8,150,128.32

793. Section 91 of the Public Financial Management Act, 2016 (Act 921) stipulates, “The Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation”.

794. Accounting practice requires that accounts receivables balances proven to be bad ought to be written off the books of account.

795. We noted that there was no movement in some account receivable balances totalling US\$8,150,128.32. These balances have remained the same over several years. The details have been provided in the table 58.

Table 58: Long Outstanding Receivables

Vendor Code	Description	Amount USD	Outstanding Since
330008	Sahara Energy Fields Ltd	2,228,767.12	2015-2016
330012	Saltpond Oil Producing Company	5,404,861.20	2010-2016
330061	Heritage Oil Limited	516,500.00	2014
	Total	8,150,128.32	

796. There is the risk that these accounts receivable balances may be misstated.

797. We recommended that Management should take appropriate steps to recover the amount involved.

798. Management explained that all efforts in the past to retrieve the outstanding amounts have proven unsuccessful and mentioned that the long outstanding balances of the above-mentioned oil companies happened as a result of the following:

- i. Sahara Energy failed to meet the minimum work programme under its Petroleum Agreement (PA) during the exploration period, and steps are underway to terminate the PA.
- ii. SOCPL – Decommissioning of the field has been initiated by GNPC/GOG and it is unlikely that the amount in question would be recovered
- iii. Heritage Oil Limited has declared force majeure on account of an offshore incident in Ghana/Togo and is unlikely to pay the amount outstanding.

799. Management has initiated the requisite actions to secure necessary approvals for write off.

Long Outstanding Debts – US\$208,313,034

800. Section 91 of the Public Financial Management Act, 2016 (Act 921) stipulates that the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

801. We identified significant receivables amounting to US\$208,313,034 due from government of Ghana and other government related agencies, some of which have been outstanding for more than 5years with no indication for repayment. Details are presented in the table 59.

Table 59: Long Outstanding Debts

Name of Institution	Balance as at 31 December 2019 (US\$)	Outstanding since
Government of Ghana	23,217,406	2010
Ministry of Finance	50,000,000	2014
Tema Oil Refinery	58,404,875	2013
Ghana National Gas Company	76,690,753	2014
Total	208,313,034	

802. The inability to collect amounts due from government institutions may affect the ability of the Corporation to carry out its activities as funds needed may not be available.

803. We advised Management to intensify its efforts in collecting these overdue balances.

804. Management indicated that they would intensify its engagements with the Ministry of Finance and other related agencies for recovery of the outstanding balances.

Unconfirmed debtors balances – US\$34,963,729.30

805. Section 91 of the Public Financial Management Act, 2016 (Act 921) requires that the Board of Directors of a public corporation governed by this Act shall ensure the efficient Management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

806. We noted some balances of debtors have not seen any movement for a long period. We could not also get independent confirmations from the debtors after extensive efforts. The table 60 gives the details.

Table 60: Unconfirmed debtor balances

No	Name of Debtor	Balance (US\$)	Age of Balance
1	Tullow Oil Ghana	898,512.28	2010-2019
2	Eni Ghana E&P LTD	715,294.90	2016
3	Kosmos Energy Ghana HC	247,925.17	2010-2015
4	A-Z Petroleum Ghana Ltd	5,225,740.52	2015-2019

5	Swiss African Oil Company Ltd	5,581,981.22	2016-2019
6	CAMAC Energy	4,103,755.98	2015-2019
7	Heritage Exploration & Prodn Ltd	2,495,731.71	2015-2019
8	UB Resources Limited	7,500,000.00	2015-2019
9	Britannia-U Ghana Limited	3,228,767.12	2015-2019
10	ECG (Karpower)	4,966,020.40	2016-2018
		34,963,729.30	

807. Management therefore risked stating inaccurate debtors balance in the financial statements.

808. We recommended that Management should take appropriate steps to obtain confirmations from the affected institutions and recover the US\$34,963,729.30.

809. Management explained that follow ups had been made with the above debtors to confirm their account balances, but their efforts have proven unsuccessful. But they would continue to do the follow-ups to confirm the account balances and take steps to obtain the necessary approvals to write off the balances deemed irrecoverable.

UNIFIED PETROLEUM PRICE FUND (UPPF)

Introduction

810. This report covers the audited financial statements of the Unified Petroleum Price Fund for the year ended 31 December 2020.

Financial Performance

811. The Fund's operation for the year ended with a surplus of GH¢53,216,549 as against a deficit of GH¢9,555,138 recorded in 2019 representing 656.94% increase over the previous year's performance. The performance indicators for 2020 are shown in table 61.

Table 61: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue from exchange transactions	1,135,593,393	806,015,334	329,578,059	40.89
Other operating income	3,978,538	9,932,950	(5,954,412)	(59.95)
Other income	310,653	296,677	13,976.00	4.71
Investment and interest income	17,158,660	21,960,842	(4,802,182)	(21.87)
Total Income	1,157,041,244	838,205,803	318,835,441	38.04

Expenditure				
Operational expenses	1,081,467,713	828,880,311	252,587,402	30.47
General and administrative expenses	22,271,425	18,880,630	3,390,795	17.96
Foreign exchange difference	85,557	-	85,557	100
Total Expenditure	1,103,824,695	847,760,941	256,063,754	30.20
Surplus/(Deficit)	53,216,549	(9,555,138)	62,771,687	656.94

812. Total Income for the period increased by 38.04% or GH¢318,835,441 from GH¢838,205,803 in 2019 to GH¢1,157,041,244 in 2020. This was due to a GH¢329,578,059 or 40.89% increment in revenue from exchange transactions.

813. Total Expenditure went up by 30.2% from GH¢847,760,941 in 2019 to GH¢1,103,824,695 in 2020. The rise was due to increases in operating expenses and general and administrative expenses by 30.47% and 17.96% respectively.

Financial position

814. The financial position of the Fund as at 31 December 2020 is shown in the table 62.

Table 62: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./(Decr.) GH¢	% Change
Total Assets	474,454,217	429,570,042	44,884,175	10.45
Total Liabilities	41,365,619	49,697,993	(8,332,374)	(16.77)
Current Ratio	11.47:1	8.64:1		

815. Total Assets increased by 10.45% from GH¢429,570,042 in 2019 to GH¢474,454,217 in 2020. The rise was mainly due to the acquisition of property, plant and equipment during the year.

816. Current Liabilities fell by 16.77% from GH¢49,697,993 in 2019 to GH¢41,365,619 in 2020.

817. Total assets to total liabilities of the Fund increased from 8.64:1 in 2019 to 11.47:1 in 2020. This is an indication that the Fund has improved its ability to meet all its financial obligations as they fall due.

NATIONAL ELECTRIFICATION SCHEME

Introduction

818. This report relates to the audited financial statements of the National Electrification Scheme for the year ended 31 December 2020.

Financial Performance

819. The year closed with a surplus of GH¢100,030,172 as against a figure of GH¢120,238,150 reported in 2019. Details of the Scheme's performance indicators for the two years are shown in the table 63.

Table 63: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Levy Income	242,751,656	221,526,371	21,225,285	9.6
Government Funding	1,269,565,317	688,337,939	581,227,378	84.4
Total Income	1,512,316,973	909,864,310	602,452,663	66.2
Expenditure				
Direct Project Expenditure	1,409,870,445	786,820,532	623,049,913	79.2
Administrative and General Expenses	2,374,369	2,688,025	(313,656)	(11.7)
Salaries and wages	41,987	117,603	(75,616)	(64.3)
Total Expenditure	1,412,286,801	789,626,160	622,660,641	78.9
Surplus/(Deficit)	100,030,172	120,238,150	(20,207,978)	(16.8)

820. Total Income increased by 66.2% in 2020 from GH¢909,864,310 in 2019 to GH¢1,512,316,973 in 2020. This was largely due to an 84.4% increase in government of Ghana funding which moved from GH¢688,337,939 in 2019 to GH¢1,269,565,317 in 2020.

821. Levy income also increased by 9.6%, from GH¢221,526,371 in 2019 to GH¢242,751,656 in 2020.

822. Total Expenditure increased by 78.9% to GH¢1,412,286,801 in 2020 from a 2019 figure of GH¢789,626,160. Accounting for this increase is a 79.2 % increase in direct project expenditure resulting from the procurement of electrification materials.

Financial Position

823. The financial position of the Scheme as at 31 December 2020 is summarised in the table 64.

Table 64: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	4,873,074	6,077,240	(1,204,166)	(19.8)
Current Assets	1,335,373,266	912,885,239	422,488,027	46.3
Current Liabilities	800,431,655	479,018,297	321,413,358	67.1
Current Ratio	1.7:1	1.9:1		

824. Non-Current Assets decreased by 19.8% from GH¢6,077,240 in 2019 to GH¢4,873,074 in 2020. This resulted from the net effect of depreciation charges during the year.

825. Current Assets increased to GH¢1,335,373,266 in 2020 from GH¢912,885,239 in 2019, representing a rise of 46.3%. The increase resulted from a 23.2%, 12.3% and 68.1% increase in accounts receivable, cash and cash equivalent and inventory respectively. Details are provided in the table 65.

Table 65: Financial Position cont.

Current Assets	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Accounts Receivable	533,061,449.0	432,772,848.0	100,288,601	23.2
Cash and Cash Equivalent	9,312,768.0	8,289,553.0	1,023,215	12.3
Inventory	792,999,049.0	471,822,837.0	321,176,212	68.1

826. Current Liabilities increased by 67.1% from GH¢479,018,297 in 2019 to GH¢800,431,655 in 2020.

827. The Scheme's liquidity position as measured by the current ratio was 1.7:1 (2019: 1.9:1) and indicates that the Scheme might barely meet its immediate financial obligations because it falls below the accepted industry measure of 2:1.

MINISTRY OF FINANCE

BANK OF GHANA

Introduction

828. This report relates to the audited financial statements of the Bank of Ghana (BOG) for the two years ending 31 December 2021.

Financial Performance

829. The Bank posted a profit of GH¢1,236,861,000 in 2021 as compared with GH¢1,572,794,000 in 2020, representing a reduction of 21.36% over the period. The Bank's performance indicators for the period are provided 66.

Table 66: Statement of Comprehensive Income for the year ended 31 December 2021

Income/Expenditure	2021 GH¢'000	2020 GH¢'000	Incr./ (Decr.) GH¢'000	% Change
Interest and Similar Income	3,466,318	3,210,344	255,974	7.97
Price and Exchange Differences	1,067,842	1,811,203	(743,361)	(41.04)
Fee and Commission Income	209,690	171,466	38,224	22.29
Other Operating Income	248,259	663,161	(414,902)	(62.56)
Dividend Income	3,675	2,885	790	27.38
Total Operating Income	4,995,784	5,859,059	(863,275)	(14.73)
Expenditure				
Interest Expense and Similar Charges	1,533,526	1,831,351	(297,825)	(16.26)
Other Operating Expenses	1,677,513	1,735,748	(58,235)	(3.36)
Premises and Equipment Expenses	181,570	368,786	(187,216)	(50.77)
Currency Issue Expenses	179,646	347,879	(168,233)	(48.36)
Impairment loss	186,668	2,501	184,167	7363.73
Total Expenditure	3,758,923	4,286,265	(527,342)	(12.30)
Profit/(Loss)	1,236,861	1,572,794	(335,933)	(21.36)

830. Total income decreased by 14.73% from GH¢5,859,059,000 to GH¢4,995,784,000 in 2021. The reduction was due to a decline in price and exchange differences and other operating income by 41.04% and 62.56% respectively.

831. Total expenditure also decreased by 12.30% from GH¢4,286,265,000 to GH¢3,758,923,000 in 2021. The decrease was due to a reduction in all the expenditure items with the exception of impairment loss which increased.

Financial position

832. A summary of statement of financial position of the Bank as at 31 December 2021 is shown in the table 67.

Table 67: Statement of Financial Position as at 31 December 2021

Assets/Liabilities	2021 GH¢'000	2020 GH¢'000	Incr./ (Decr.) GH¢'000	% Change
Total Assets	112,394,201	97,807,790	14,586,411	12.98
Total Liabilities	107,222,217	94,070,420	13,151,797	13.98
Assets to Liabilities Ratio	1.04:1	1.0:1		

833. Total Assets rose by 12.98% from GH¢97,807,790,000 in the previous year to GH¢112,394,201,000 in 2021. The rise was due to increases in securities, balances with IMF, loans and advances.

834. Total Liabilities also increased by 13.98% from GH¢94,070,420,000 to GH¢107,222,217,000 in 2021 due to increases in deposits, bridge facilities and liabilities under money market operations.

835. The ratio of total assets to total liabilities measures the ability of the Bank to cover or meet all its liabilities with its total assets. The ratio of 1.04:1 for 2021 implied that the Bank's total assets can equally cover its liabilities.

MANAGEMENT ISSUES

West African Monetary Institute (WAMI) Funds

836. Section 7 of the Public Financial Management Act, 2016 (Act 921) states that, a principal spending officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

837. In accordance with IFRS 9 - All equity investments in scope of IFRS 9 are to be measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'. There is no 'cost exception' for unquoted equities. The confirmation letter received from WAMI indicated the following contributions from the Bank:

Table 68: West African Monetary Institute (WAMI) Funds

	Balance (US\$)
West African Central Bank Capital	5,090,857
Stabilization Fund	10,228,847
Total	15,319,704

838. We noted the Bank had not recognised its capital interest with West African Monetary Institute (WAMI). As indicated above, the Bank's contribution was valued at US\$15.3 million as at 31 December 2021. Further enquires revealed these funds were received from the Bank at the inception of the Institute.

839. Non-compliance to the disclosure and measurement of all equity investments in accordance with the provisions of IFRS 9 could lead to subsequent misinterpretation.

840. We advised Management to investigate the transactions and appropriately account for the Bank's capital contribution in its records.

841. Management responded that these transactions were initiated in 2002 and 2004 during the setting up of WAMI. The Bank in 2007 changed its Banking application software to T24. The Bank has confirmed these investments with WAMI and has initiated process to ascertain the initial treatment to pass appropriate entries to reinstate the investment.

Disagreement of BNP Paribas Bank Account balance - €240,078.04

842. Section 5.2 of the Financial Department operational manual states, “The objective of the unit is to prepare reconciliation reports of both foreign and local accounts for the attention of the operational departments to enable them to eliminate all outstanding items. The unit also undertakes investigations of outstanding items on Reconciliation Statements, monitors other accounts such as the payables control (all currencies) and suspense accounts.”

843. Included in the corresponding bank account balances is the balance of €240,078.04 with BNP Paribas. Our review indicated that this account has been inactive since 2009. We also identified that no reconciliation was performed on this account. The confirmation response received from BNP Paribas indicated the balance did not exist in their records. The details are shown in table 69.

Table 69: Disagreement of BNP Paribas Bank Account balance

Bank Name	Account Number	Currency	Amount	Amount Confirmed	Difference
BNP Paribas SA 10m Upfront	1185231056018	Euro	240,078.04	-	240,078.04

844. The Bank did not prepare bank reconciliation on this account to monitor and investigate any outstanding items identified.

845. There is a risk that bank balances reported could be misstated since BNP Paribas is confirming a nil balance.

846. Management should investigate this balance with the counter party for the appropriate treatment of the balance. Regular reconciliations should be prepared for all bank accounts including dormant accounts.

847. Management explained that the Bank has instituted investigations into the balance for a possible write off.

Currency Swap Valuation

848. Section 7 of the Public Financial Management Act, 2016 (Act 921) states that, a principal spending officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

849. IFRS 9:6.5.2(a) implies that the entity considers whether foreign currency risk is separately identifiable and reliably measurable with reference to the effect of changes in exchange rates on the translated fair value, rather than the fair value determined in the foreign currency before translation.

850. Our review of the currency swap valuation revealed that the Bank creates its discount curve by considering "Discount rate proxied by 364-day interest rate equivalent of Government bill". This means that the Bank uses a flat rate irrespective of the term of the option.

851. This approach did not incorporate currency risk which could stem from fluctuation in the exchange rates.

852. Given that these swap contracts of the Bank are predominantly driven by fluctuation in currency exchange rates, it is imperative to consider a cross-currency basis curve in these types of valuations.

853. Incorporating forex risk as required by IFRS 9 in the valuation of currency swaps was not adhered to.

854. Credit and/or liquidity risk can vary significantly over time. Where inaccurate/illiquid FX forward rates are used, there is the potential for mispricing/ wrong valuation of the derivatives.

855. We recommended that the Bank should consider a curve that incorporates forex risk to avoid any potential mispricing or wrong valuation of the currency swaps.

856. Management accepted to comply with our recommendation.

GHANA EXPORT AND IMPORT BANK (EXIMBANK)

Introduction

857. This report covers the audited financial statements of the Ghana Export and Import Bank for the financial year ended 31 December 2020.

Financial Performance

858. The bank recorded a deficit of GH¢9,377,791 in 2020 as compared with a surplus of GH¢52,443,894 for the previous year resulting in a decrease of GH¢61,821,685 or 117.88 %. Details are shown in table 70.

Table 70: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Interest Income	177,477,901	167,198,087	10,279,814	6.15
Fees and commission	10,321,738	6,190,844	4,130,894	66.73
Net trading income	5,572,129	544,488	5,027,641	923.37
Other operation income	182,007	19,400	162,607	838.18
Total Income	193,553,775	173,952,819	19,600,956	11.27
Expenditure				
Funding Cost	83,390,235	1,313,200	82,077,035	6,250.15
Personnel Expenses	57,311,278	51,404,417	5,906,861	11.49
Depreciation and Amortization	12,688,559	10,793,486	1,895,073	17.56
Other expenses	32,133,263	33,451,428	(1,318,165)	(3.94)
Impairment Charge on Financial Asset	17,408,231	24,546,394	(7,138,163)	(29.08)
Total Expenditure	202,931,566	121,508,925	81,422,641	67.0
Surplus/(Deficit)	(9,377,791)	52,443,894	(61,821,685)	(117.88)

859. Total income increased by GH¢19,600,956 or 11.27% from GH¢173,952,819 in 2019 to GH¢193,553,775 in 2020.

860. Total expenditure also increased by 67.0% from GH¢121,508,925 in 2019 to GH¢202,931,566 in 2020. This increase was mainly due to an increase in funding cost of GH¢82,077,035 in 2020.

Financial Position

861. The bank's financial position as at 31 December 2020 is shown in table 71.

Table 71: Statement for financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Total Assets	1,922,587,057	1,250,871,103	672,134,868	53.73
Total Liabilities	1,235,545,935	554,452,189	681,093,746	122.84
Ratio	1.56:1	2.26:1		

862. Total Assets rose by GH¢672,134,868 or 53.73% from GH¢1,250,871,103 in 2019 to GH¢1,922,587,057 in 2020. The increase was due to a rise in cash& cash equivalent, restricted cash, investment securities and loans and advances.

863. Total Liabilities increased from GH¢554,452,189 in 2019 to GH¢1,235,545,935 in 2020, representing an increase of 122.84%. The increase was due to a rise in borrowing and account payables.

864. Total assets to total liabilities of the bank declined from 2.26:1 in 2019 to 1.56:1 in 2020. This is an indication that the bank's ability to meet its financial obligations has been reduced.

GHANA DEPOSIT PROTECTION CORPORATION

Introduction

865. This report relates to the audited financial statements of the Ghana Deposit Protection Corporation for the year ended 31 December 2021.

Financial Performance

866. The operations of the Corporation ended with a surplus GH¢362,915,000 as against GH¢245,244,000 recorded in 2021 showing a 48.0% increase in surplus. The details of the operations of the Corporation are provided in table 72.

Table 72: Statement of Comprehensive Income for the year ended 31 December 2021

Income/Expenditure	2021 GH¢000	2020 GH¢000	Incr./ (Decr.) GH¢000	% Change
Premium	274,200	212,268	61,932	29.2
Interest Income	92,776	42,124	50,652	120.2
Other Income	12,943	2,602	10,341	397.4
Total Income	379,919	256,994	122,925	47.8
Expenditure				
Employee Costs	8,706	4,799	3,907	81.4
Administrative Expenses	5,462	3,367	2,095	62.2
Depreciation & Amortisation	2,742	930	1,812	194.8

Impairment Charge on financial assets	94	2,654	(2,560)	(96.5)
Total Expenditure	17,004	11,750	5,254	44.7
Surplus/(Deficit)	362,915	245,244	117,671	48.0

867. Total Income increased by 47.8% from GH¢256,994,000 in 2020 to GH¢379,919,000 in 2021. The increment in total income was due to increase in Premium from GH¢212,268 in 2020 to GH¢274,200 in 2021 showing 29.2% change.

868. Total Expenditure for the year likewise went up from GH¢11,750,000 in 2020 to GH¢17,004,000 in 2021, representing an increase of 44.7%. This increase was due to rise in employee costs by GH¢3,907,000 or 81.4%.

Financial Position

869. Table 73 is a summary of the Corporation's financial position as at 31 December 2021.

Table 73: Position as 31 December 2021

Assets/Liabilities	2021 GH¢000	2020 GH¢000	Variance GH¢000	% Change
Non-Current Assets	521,155	229,066	292,089	127.5
Current Assets	322,601	214,669	107,932	50.3
Non-Current Liabilities	1,188	1,740	(552)	(31.7)
Current Liabilities	28,866	35,264	(6,398)	(18.1)
Net Assets	813,702	406,731	406,971	100.1
Current Ratio	11.2:1	6.1:1		

870. Non-Current Assets as at the close of 2020 stood at GH¢229,066,000 and increased to GH¢521,155,000 in 2021 showing an increase of GH¢292,089,000 or 127.5%. The increment was largely due to a rise in investment securities (medium term) from GH¢220,459,000 in 2020 to GH¢513,635,000 in 2021 representing 133.0%.

871. Current Assets also went up by 50.3% from GH¢214,669,000 to GH¢322,601,000 in 2020 and 2021 respectively. The increase was mainly due to 29.6% rise in investment securities (short term) from GH¢158,640,000 in 2020 to GH¢205,521,000 in 2021.

872. Non-Current Liabilities decreased from GH¢1,740,000 in 2020 to GH¢1,188,000 in 2021 representing 31.7%. Decrease in deferred grant caused the change.

873. Current Liabilities in the same vein declined by 18.1% from GH¢35,264,000 in 2020 to GH¢28,866,000 in 2021. The dip was due to a reduction in deferred grant from GH¢32,934,000 in 2020 to GH¢21,956,000 in 2021 representing a 33.3% decrease.

874. Current Ratio in 2020 of (6.1:1) improved in the current year showing 11.2:1. This indicates the ability of the Corporation to meet its short-term financial obligations as and when they fall due.

FINANCIAL INTELLIGENCE CENTRE GHANA

Introduction

875. This report relates to the audited financial statements of the Financial Intelligence Centre, Ghana for the financial year ended 31 December 2020.

Financial Performance

876. The Centre reported a surplus of GH¢2,689,354 in 2020 compared with a deficit of GH¢773,948 recorded in the 2019 financial year. This translates into a 447.5% improvement in the financial performance of the Centre in 2020. The detailed operational performance indicators are shown in table 74.

Table 74: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	8,572,674	4,172,509	4,400,165	105.5
Other Income	3,449,729	3,051,867	397,862	13.0
Total Income	12,022,403	7,224,376	4,798,027	66.4
Expenditure				
Compensation	5,806,379	5,710,328	96,051	1.7
Goods and Services	3,526,670	2,287,996	1,238,674	54.1
Total Expenditure	9,333,049	7,998,324	1,334,725	16.7
Surplus/(Deficit)	2,689,354	(773,948)	3,463,302	447.5

877. Total Income generated by the Centre increased by 66.4% from GH¢7,224,376 in 2019 to GH¢12,022,403 in 2020. The improvement in the total income was primarily due to a significant increase of GH¢4,400,165 in the revenue (government subvention) received by the Centre in 2020.

878. Total Expenditure also rose from GH¢7,998,324 in 2019 to GH¢9,333,049 in 2020 representing an increase of 16.7%. This was mainly attributable to an increase of GH¢1,238.674 in the goods and services for the year under review.

Financial Position

879. The financial position of the Centre as at 31 December 2020 is shown in table 75.

Table 75: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	1,192,505	1,704,306	(511,801)	(30.0)
Current Assets	13,281,032	12,447,980	833,052	6.7
Current Liabilities	6,199,336	8,567,439	(2,368,103)	(27.6)
Accumulated Fund	8,274,201	5,584,847	2,689,354	48.2
Current Ratio	2.14:1	1.45:1	0.69	

880. In 2020, the Centre's Non-Current Assets fell by GH¢511,801 or 30.0 % from GH¢1,704,306 in 2019 to GH¢1,192,505 in 2020. This decrease was largely due to the depreciation and amortisation charged during the 2020 financial year.

881. Current Assets however increased from GH¢12,447,980 in 2019 to GH¢13,281,032 in 2020 representing an increase of 6.7%. This was attributable to increases in the values of the accounts receivables, short-term investments and the bank and cash balances recorded at the end of the year.

882. The Centre's current liabilities reduced by 27.6% from GH¢8,567,439 in 2019 to GH¢6,199,336 in 2020 and this was mainly due to a significant reduction in the deferred income at the end of 2020.

883. The current ratio at the end of 2020 was 2.14:1 after it improved from 1.45:1 in 2019. This means that the Centre can meet its short-term financial obligations as and when they fall due.

MANAGEMENT ISSUES

No Off-Site backup system

884. Section 7 of the Public Financial Management (PFM) Act, 2016 (Act 921) states that a Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

885. We noted during the audit that the Centre had no off-site backup system.

886. The inability of the Centre to acquire a backup system off-site was due to the unavailability of funds.

887. The Centre might find it difficult to retrieve its data and information if its in-house storage system gets damaged.

888. We recommended to the Management of the Centre to take steps to acquire an off-site backup system to help back up the Centre's information and data.

889. Management accepted the recommendations and agreed that it would take the necessary steps to acquire an off-site backup system.

STATE ENTERPRISES COMMISSION

Introduction

890. This report relates to the audited financial statements of State Enterprises Commission for the six (6) months period ended 30 June 2019. The Commission ceased to exist on 9 June 2019 when its successor organisation, State Interests and Governance Authority (SIGA) came into being by an Act of Parliament, Act 990. The assets and liabilities of the Commission have been taken over by SIGA.

Financial Performance

891. The Commission recorded a loss of GH¢484,641 for the six (6) month period ended 30 June 2019. A summary of the performance indicators for the period ended 30 June 2019 are shown in table 76.

Table 76: Statement of Financial Performance for the six (6) month period ended 30 June 2019

Income/Expenditure	6 months to 30 June 2019 GH¢	12 months to 31 December 2018 GH¢
Subvention from GOG	1,294,278	1,748,748
Internally Generated Fund	212,704	2,111,965
Total Income	1,506,982	3,860,713
Expenditure		
Personal Emoluments	1,247,106	2,249,531
Travelling& Transport	144,386	151,394
Maintenance, Repairs &Renewals	54,381	70,318
Administration &other expense	523,288	644,265
Financial &Professional Charges	22,462	21,032
Total Expenditure	1,991,623	3,136,540
Profit/(Loss)	(484,641)	724,173

892. Total income for the six (6) month period ended 30 June 2019 stood at GH¢1,506,982.

893. In the same vein, total expenditure of GH¢1,991,623 was recorded during the six (6) months.

Financial position

894. The financial position of the Commission as at 30 June 2019 as shown in table 77.

Table 77: Statement of Financial position as at 30 June 2019

Assets/Liabilities	30 June 2019 GH¢	31 December 2019 GH¢
Non-Current Assets	2,386,218	2,382,417
Current Assets	2,056,727	1,326,256
Current Liabilities	2,470,370	1,251,460
Current Ratio	0.83:1	1.06:1

895. Non-Current Assets and Current Assets stood at GH¢2,386,218 and GH¢2,056,727 respectively as at 30 June 2019.

896. An amount of GH¢2,470,370 was also reported as Current Liabilities on 30 June 2019.

897. The Commission's current ratio as at the reporting date was 0.83:1 which indicates that the Commission would not be able to meet its short-term financial obligations when they fall due.

PUBLIC PROCUREMENT AUTHORITY

Introduction

898. This report relates to the audited financial statements of the Public Procurement Authority for the two years ending 31 December 2020.

Financial Performance

899. The year in review closed with a surplus of GH¢306,843 as compared with a deficit of GH¢463,975 in 2019, representing a 166.13%. Details of the operational performance of the Authority are shown in table 78.

Table 78: Income statement for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Government Subvention	6,160,784	3,116,814	3,043,970	97.7
Internally Generated Funds	4,652,430	3,576,111	1,076,319	30.1
Grants and other income	-	348,823	(348,823)	(100.0)
Total Income	10,813,214	7,041,748	3,771,466	53.6
Expenditure				
Personnel emoluments	2,773,086	2,906,026	(132,940)	(4.6)
Services and programme activities	3,705,366	930,270	2,775,096	298.3
Financial and professional charges	363,443	118,909	244,534	205.6
General and Admin. Expenses	3,664,476	3,550,518	113,958	3.2
Total Expenditure	10,506,371	7,505,723	3,000,648	40.0
The deficit for the year	306,843	(463,975)	770,818	(166.1)

900. Total Income increased by 53.6% from GH¢7,041,748 in 2019 to GH¢10,813,214 in 2020. This surge was largely due to a 97.66% increase in Government Subvention from GH¢3,116,814 in 2019 to GH¢6,160,784 in 2020.

901. Total Expenditure also increased by 39.98% from GH¢7,505,723 in 2019 to GH¢10,506,371 in 2020. The increase was significantly due to a 298.31% increase in Services and programme activities.

Financial position

902. The analysis of the financial position of the Public Procurement Authority for 2020 and its comparative figures for 2019 are shown in table 79.

Table 79: Statement of financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	641,779	551,344	90,435	16.4
Current Assets	567,376	451,601	115,775	25.6
Current Liabilities	1,001,420	1,102,053	(100,633)	(9.1)
Net Assets	207,735	(99,108)	306,843	(309.6)
Current Ratio	0.6:1	0.4:1		

903. Non-Current Assets increased by 16.4% from GH¢551,344 in 2019 to GH¢641,779 in 2020. This rise was due to acquisitions made during the year under review.

904. Current Assets also increased by 25.6% from GH¢451,601 in 2019 to GH¢567,376 in 2020. The increase was mainly due to a 61.9% rise in Account receivables from GH¢147,452 in 2019 to GH¢238,652 in 2020.

905. Current Liabilities however decreased by 9.1% from GH¢1,102,053 in 2019 to GH¢1,001,420 in 2020. This was due to a decrease in other payables from GH¢336,894 in 2019 to a zero balance in 2020.

906. The Authority's current ratio stood at 0.6:1 in 2020 (2019:0.4:1). This means the company was incapable of meeting its short-term debts from the current assets.

GHANA INFRASTRUCTURE INVESTMENT FUND

Introduction

907. This report relates to the audited financial statements of the Ghana Infrastructure Investment Fund for the two years ending 31 December 2020.

Financial Performance

908. The Fund's operations for the year ended with a total comprehensive income of GH¢208,550,000 compared with GH¢232,497,000 recorded in 2019, representing a decline of 10.3% in the Fund's financial performance. The performance indicators are shown in table 80.

Table 80: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢'000	2019 GH¢'000	Incr./ (Decr.) GH¢'000	% Change
Interest Income	170,299	145,767	24,532	16.8
Fee Income	5,194	6,224	(1,030)	(16.5)
Dividend Income	1,518	1795	(277)	100.0
Net Foreign Exchange Gains	44,803	114,050	(69,247)	(60.7)
Total Income	221,814	267,836	(46,022)	(17.2)
Expenditure				
General And Administrative Expenses	24,113	37,455	(13,342)	(35.6)
Interest Expense	694	724	(30)	100.0
Total Expenditure	24,807	38,179	(13,372)	(35.0)
Profit for the Year	197,007	229,657	(32,650)	(14.2)
Change in fair value of investment securities at fair value	11,543	2,840	8,703	306.4
Total Comprehensive Income	208,550	232,497	(23,947)	(10.3)

909. Total income for the year amounted to GH¢221,814,000 as against GH¢267,836,000 recorded in 2019, representing a decrease of 17.2%. The fall was largely due to a 60.7% or GH¢69,247,000 decrease in net foreign exchange gains from GH¢114,050,000 in 2019 to GH¢44,803,000 in 2020.

910. Total expenditure also decreased by 35.0% from GH¢38,179,000 in 2019 to GH¢24,807,000 in 2020. The decrease was due to a 35.6% decrease in general and administrative expenses from GH¢37,455,000 in 2019 to GH¢24,113,000 in 2020.

Financial position

911. The Fund's financial position as at 31 December 2020 is summarised in table 81.

Table 81: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢'000	2019 GH¢'000	Incr./ (Decr.) GH¢'000	% Change
Total Assets	2,069,278	1,860,664	208,614	11.2
Total Liabilities	6,524	6,460	64	1.0
Ratio	317.2	288.0		

912. Total Assets went up by 11.2% from GH¢1,860,664,000 in 2019 to GH¢2,069,278,000 in 2020. This was mainly due to an increase in the loans and advances during the year.

913. Total Liabilities increased slightly by 1.0% from an amount of GH¢6,460,000 in 2019 to GH¢6,524,000 in 2020 and this was largely attributable to an increase in the accounts payable.

914. The total assets to total liabilities ratio of the Fund was 317.2:1 in 2020 as compared with 288.0:1 in 2019, an indication of the Fund being in a position to discharge all its liabilities as and when they fall due.

MANAGEMENT ISSUES

Risk management policy not implemented

915. Section 90 of the Public Financial Management Act, 2016 (Act 921) states that the governing body of a public corporation or state-owned enterprise shall establish and maintain policies, procedures, risk management and internal control systems, and governance and management practices to ensure that that public corporation or state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

916. We noted that the Fund's risk management policy which was initiated in 2017 is still in draft.

917. Late appointment/recruitment of Risk Manager by the governing board in May 2019 of Inadequate effort by management in ensuring that the draft risk policy is according to Management contributed to this lapse.

918. The Fund risks engaging in activities which may not be consistent with the desire of the Governing Board.

919. We advised Management to expedite action for the finalization and approval of the risk management policy by the Governing Board for implementation.

920. Management explained that the Board recruited a Risk Manager in May 2019 to take lead in the finalization of the Risk Management Policy document.

Investment in Ai Sky Train Consortium Holdings- US\$2,000,000

921. Section 90 of the Public Financial Management Act, 2016 (Act 921) states that the governing body of a public corporation or state-owned enterprise shall establish and maintain policies, procedures, risk management and internal control systems, and governance and management practices to ensure that that public corporation or state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

922. Section 7 of Act 921 further states that a principal spending officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

923. Project economics should be evaluated when making investment decisions.

924. Africa Investor Holdings Limited incorporated a Special Purpose Vehicle (SPV) on 11 December 2018 in the Republic of Mauritius for purposes of establishing Ghana Sky Train Limited to develop the Accra Sky Train Project through a concession on Design, Build, Finance and Operate arrangement.

925. The Fund paid US\$2 million on 25 February 2019 to Africa Investor Holdings Limited as full consideration for 10 ordinary shares at US\$1.00 per share in Ai Sky Train Consortium Holdings (the SPV). Thus, the premium paid for each share was US\$199,999. The SPV has reported a net liability for the year 31 December 2020.

926. Ai Sky Train Consortium Holdings is yet to obtain the licence for 'Aeromovel Technology', required for the Sky Train Project. Feasibility studies which will better inform the project economics and required approvals from the Cabinet of Ghana and the Parliament of Ghana are still ongoing.

927. The investment in the SPV could not be recovered if the Accra Sky Train Project is unable to secure the licencing, and the Executive and Parliamentary approvals.

928. We urged Management to continue to monitor the feasibility and the recoverability of the investment in the SPV and make the necessary provisions based on the outcome of the feasibility studies.

929. Management noted the recommendation for compliance.

Equity stake on investments not determined as at 31 December 2020 - GH¢146.6 million

930. Section 7 of the Public Financial Management Act, 2016 (Act 921) states that a principal spending officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

931. Section 52 of Act 921 also states that a principal spending officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.

932. Certificates of ownership are issued to holders as evidence of equity interest in investee entities.

933. We noted that the fund advanced monies amounting to GH¢146.6 million to the three (3) companies as its equity participation. However, as at 31 December 2020, the equity interest in these investments had not been

determined. The Fund is also yet to receive the certificates of ownership in respect of its equity interests. Table 82 shows the details of the companies and the amounts advanced to each entity.

Table 82: Equity stake on investments not determined

No	Entities	GH¢'million
1	Marinus Energy Limited	23
2	Platinum Properties	57.6
3	Spectrum Fibre Company Limited	66
	Total	146.6

934. Disputes may arise because the Fund's stakes in these entities have not been established.

935. We advised Management to take steps to obtain the appropriate certificates for all its investments.

936. Management noted our recommendation for compliance.

GHANA PUBLISHING COMPANY LIMITED

Introduction

937. This report relates to the audited financial statements of the Ghana Publishing Company Limited for the year ended 31 December 2020.

Financial Performance

938. The Company recorded a loss of GH¢471,247 in 2020 as against a profit of GH¢2,184,081 in 2019, representing a decline in the financial performance by 121.6%. A summary of its performance indicators for 2020 are shown in table 83.

Tble 83: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Printing	5,326,351	5,675,112	(348,761)	(6.1)
Gazette	9,792,695	12,259,215	(2,466,520)	(20.1)
Publications & Forms	775,067	1,414,637	(639,570)	(45.2)
Other Income	177,692	266,049	(88,357)	(33.2)
Total Income	16,071,805	19,615,013	(3,543,208)	(18.1)
Expenditure				
Cost Of Sales	8,782,718	9,878,033	(1,095,315)	(11.1)

General & Administrative Expenses	7,742,334	7,374,586	367,748	5.0
Selling & Distribution Expenses	18,000	178,313	(160,313)	(89.9)
Total Expenditure	16,543,052	17,430,932	(887,880)	(5.1)
Profit/(Loss)	(471,247)	2,184,081	(2,655,328)	(121.6)

939. Total Income decreased significantly by 18.1% from GH¢ 19,615,013 in 2019 to GH¢16,071,805 in 2020. The decrease was largely due to GH¢2,466,520 or 20.1% drop in revenue from Gazetting.

940. Total expenditure also fell by 5.1% from GH¢17,430,932 in 2019 to GH¢16,543,052 in 2020. The reduction was because of an 11.1% or GH¢1,095,315 decrease in the cost of sales.

Financial Position

941. The financial position of the Company as at 31 December 2020 is summarised in table 84.

Table 84: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./(Decr.) GH¢	% Change
Non-Current Assets	3,953,680	4,215,085	(261,405)	(6.2)
Current Assets	4,880,957	6,607,785	(1,726,828)	(26.1)
Current Liabilities	6,453,092	7,961,104	(1,508,012)	(18.9)
Non-Current Liabilities	27,062	36,037	(8,975)	(24.9)
Current Ratio	0.76:1	0.83:1		

942. Non-Current Assets decreased by 6.2% from GH¢4,215,085 in 2019 to GH¢3,953,680 in 2020 and this was due to the depreciation charged during the year.

943. Current Assets also fell by 26.1% from GH¢6,607,785 in 2019 to GH¢4,880,957 in 2020. This reduction is largely explained by a decrease of 42.2% or GH¢1,874,430 in the trade and other receivables.

944. Current Liabilities dropped by 18.9% as it declined from GH¢7,961,104 in 2019 to GH¢6,453,092 in 2020. This was mainly attributable to an 18.1% or GH¢997,360 decrease in trade and other payables.

945. Non-Current Liabilities also dropped by 24.9% from GH¢36,037 in 2019 to GH¢27,062 in 2020 and this was due to a reduction in deferred tax.

946. The liquidity position of the Company continues to deteriorate as the current ratio dropped from 0.83:1 to 0.76:1 in 2020.

PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT – GIFMIS SECRETARIAT

Introduction

947. This report relates to the audited financial statements of the Public Financial Management Reform Project for the year ended 31 December 2020.

Financial Performance

948. The 2020 financial year closed with a surplus of GH¢23,372,341 representing a 305.5% improvement in financial performance from a deficit of GH¢11,374,513 recorded in 2019. The details of the performance indicators of the Project are shown in table 85.

Table 85: Statement of Financial Performance for year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	46,282,366	15,773,200	30,509,166	193.4
Total Income	46,282,366	15,773,200	30,509,166	193.4
Expenditure				
Compensation	3,656,415	4,544,100	(887,685)	(19.5)
Goods and Services	19,253,610	22,603,613	(3,350,003)	(14.8)
Total Expenditure	22,910,025	27,147,713	(4,237,688)	(15.6)
Surplus/(Deficit)	23,372,341	(11,374,513)	34,746,854	305.5

949. Total Income increased by 193.4% from GH¢15,773,200 in 2019 to GH¢46,282,366 in 2020. The rise is explained by an advance equivalent of US\$7,875,600.00 million dollars received by the PFMR Project during the year. Total Expenditure for the period was GH¢22,910,025 representing a decrease of 15.6% from GH¢27,147,713 recorded in 2019. This was mainly attributable to a reduction of Goods and Services by 14.8% or GH¢3,350,003 from GH¢22,603,613 in 2019 to GH¢19,253,610 in 2020.

Financial Position

950. The Project's financial position as at 31 December 2020 is shown in Table 86.

Table 86: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	58,780,259	55,747,330	3,032,929	5.4
Current Assets	23,372,341	1,618,442	21,753,899	1,344.1
Current Liabilities	1,414,487	-	1,414,487	100.0
Net Assets	57,365,772	55,747,330	1,618,442	2.9
Current Ratio	41.56:1	-		

951. Non-Current Assets increased by 5.4% or GH¢3,032,929 from GH¢55,747,330 to GH¢58,780,259 in 2020. This was because of additions made to property, plant and equipment during the year.

952. Current Assets increased by 1,344.1% from GH¢1,618,442 in 2019 to GH¢23,372,341 in 2020 and this was because of an increase in the Project's bank balances.

953. The Project recorded current liabilities of GH¢1,414,487 at the end of 2020.

954. The Project's liquidity position as measured by its current ratio stood at 41.56:1 at the end of the year and indicates that it will be able to meet its immediate financial obligations when they fall due.

MANAGEMENT ISSUES

Sustainability of the Public Financial Management Reform Project

955. The International Development Association Project appraisal document on a proposed credit in the amount of SDR 32.7 million (US\$45.0 million equivalent) to the Republic of Ghana for a Public Financial Management Reform Project dated April 23, 2015, seeks to improve the budget management, financial control and reporting of the Government of Ghana. The document has four components and related subcomponents.

956. We noted that, three (3) out of the four (4) components had exceeded their allocated funding ceilings even though the components are yet to be fully completed. Our further review of the Project financing and the cumulative expenditure indicated that the cumulative expenditure of the project as at 31st December 2020 stood at US\$41,418,860.94 which is 92% of the allocated amount of US\$45,000,000. This indicates that the Project is left with an unspent balance of US\$3,581,139.06 representing 8%. Details indicated in table 87.

Table 87: Project Financing and Cumulative Expenditure

Components	Original allocation		Cumulative Expenditure (USD)
	(USD)	Percentage (%)	
Enhancing Budget Credibility	2,730,000.00	44	1,188,885.86
Public Financial Management Systems and Control	32,670,000.00	101	33,061,721.65
Reinforcing Financial oversight and Accountability	2,000,000.00	183	3,667,646.27
PFM Reform Coordination and Management	2,600,000.00	135	3,500,607.16
Just-in time Intervention and Change Management	5,000,000.00	0	0.00
Total	45,000,000.00		41,418,860.94

Source: PFMR PROJECT CREDIT NO.5640GH Financial Statement for the Period Ended 31st December 2020

957. Considering the number of subcomponents yet to be completed under the Project, we are of the view that the funds available may not be adequate to effectively complete the Project.

958. We recommended to the Project Director to ensure that the funds available are efficiently utilised to complete the various components. We further recommended that the Project Director in consultation with other stakeholders should assess actual funding needed to complete the project and request for additional funding from the World Bank to ensure effective completion of the Project.

959. Management responded that the recommendation is well noted, but this notwithstanding, the just in time was re -allocated in 2017 at the Project's Midterm Review to take care of the budget overruns on the various components. In addition, a follow-on Project currently under preparation will be providing the needed funds to ensure the successful completion of all components.

Delay in the implementation of aide memoire key recommendations

960. A World Bank team conducted an implementation status and results (ISR) mission of the Ghana Public Financial Management Reform Project (PFMRP-P151447) from November 18-22, 2019, in Accra, Ghana. The mission had four objectives, as per the Mission Announcement Letter dated October 15, 2019. These were:

- Review implementation progress for each of the four components of the Public Financial Management Reform Project (PFMRP) against the targets, overall project development objective and performance indicators;

- Review project management, institutional and implementation arrangements; and monitoring and evaluation progress;
- Assess the adequacy of procurement processes and review of the existing financial management and disbursement arrangements;
- Assess risks and bottlenecks to successful project implementation; including the policy and institutional aspects that may impede the timely achievement of overall project objectives.

961. During our review of the Aide Memoire, we noted that Management of the Public Financial Management Reforms Project did not comply with the eight (8) recommendations made on the issues raised even though the period of implementation had elapsed. Details are provided as in table 88.

Table 88: Delay in the Implementation of Aide Memoire Key Recommendations

No.	Activity	Recommendations	Responsible Party	Due Date	Status the Time of The Mission Aide-Mémoire May 24-28, 2021
1.	Introduction of Alert Management Features into Core GIFMIS Modules	Draft TOR should be developed for enabling the introduction of Alert Management Protocol. Such draft should be submitted to the Task Team by January 31,2020	PMU/CAGD	January 31,2020	For lack of funding, the TOR has not been developed.
2.	Comprehensive Update of Health Check Recommendations It was noted during the Mission in one of the presentations that the Ho Disaster Recovery Site needs to be made operational -contrary to what was recommended in the Health Check Report Recommendation. The team also noted that the Chief Information Officer (CIO) position within the CAGD restructured outfit has not yet been filled and yet such a position is so critical in the agenda being pursued. It was also noted that the GIFMIS team has not yet been incorporated into the CAGD as part of the restructuring exercise of the CAG department.	To prepare a full comprehensive list of recommendations from the Health Check as annotated by status of actions undertaken by December 15, 2019, for its review to discern progress made.	MOF	December 15, 2019.	The health check recommendations are being implemented.

3	Establishment Of GIFMIS Academy To achieve this objective, the Government is establishing a PFM/GIFMIS Academy to undertake such training	To task MoF with the development of a plan for actualizing the PFM/GIFMIS Academy	MOF/CAGD /PSC/GAS	January 31,2020.	The PFM/GIFMIS academy concept paper has been developed
4	Aligning Governments Chart of Accounts	To complete the realignment and update of the Government Chart of Accounts to ensure Budgeting, Financials and Payroll are well aligned to attain the fiscal objective of transparency and facilitate the implementation of IPSAS.	CAGD	February 15,2020	An initial TOR for the design and implementation of the COA had been developed and Expression of Interest processes commenced. However, the Bank has advised the project to separate the design of the COA from the implementation, thereby requesting for two different TORs, which are now being developed. Communication Strategy for IPSAS has been developed and duly circulated to all MDAs.
5	Undertaking a Second Stock Take of Bank Accounts in Commercial Banks	To stock take the total number of Government Bank accounts within the Commercial Bank of Ghana and other commercial banks so as to calibrate a new baseline for the dashboard. The same information can be used to determine how best to structure these remnant accounts and linking them to the Treasury Single Account Framework currently in place.	MOF	January 31,2020.	To be implemented.
6	Remnant Internally Generated Funds Outside GIFMIS	To undertake a second wave of identifying remnant IGFs in preparation of putting them onto the GIFMIS so as to improve the fiscal transparency of overall government MDA financial reporting and accountability.	CAGD	March 31,2020/ June 30,2020.	To be implemented
7	Need For Government Wide Training Policy	To develop, a government wide training policy which needs to be in place by April 30,2020 to guide all requisite training to support GIFMIS and PFM training and other areas outside this space.	PSC	April 30,2020.	To be implemented.
8	Implementation Of Audit Management Information System	To prioritise the interface of AMIS and GIFMIS before the contract of the consultant closes or gets extended. To	GAS	January 15,2020	To be implemented.

		utilise GAS' IT audit and specialised units to start auditing IT systems and engage in Value-for-money audits.			
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962. Delay in the implementation of these recommendations as stated above could impede the timely achievement of the overall project objectives.

963. We urged the Project Director to ensure that the implementing partners and all the stakeholders expedite action in implementing the recommendations contained in the Aide Memorie.

964. Management indicated that the recommendation noted, but it is important to note that majority of these recommendations were not originally envisaged under the current Project, hence they have all been earmarked for funding under the follow-on Project.

Need to streamline the Project Progress and End of Assignment Reports

965. The International Development Association Project appraisal document on a proposed credit to the Republic of Ghana for a Public Financial Management Reform Project dated April 23, 2015, requires the Project Director among others to coordinate the preparation of progress reports for the consideration of the PFM reform coordination office (PFMRCO).

966. We noted that the monthly and quarterly Progress Report and the End of Project reports prepared by consultants engaged on the project were inconsistent, incomplete and in some cases were not prepared.

967. This anomaly occurred as a result of non-availability of standardised report templates for the Consultants to adhere to.

968. Absence of a standardised reporting format could affect the monitoring and evaluation of the projects.

969. We recommended to the Project Director to establish a standardised reporting format to ensure that the Monthly and Quarterly Progress and End of Assignment Reports are standardised to enhance monitoring and evaluation of the Project.

970. Management responded that the recommendation is well noted for compliance.

Absence of Disaster Recovery Plan

971. Systems and businesses are always faced with the risk of interruptions or disasters beyond control. However, organizations must put in place mechanism to ensure their survival. In view of this ISO 27001 IT Security Practices recommends that adequate measures are put in place to counteract interruptions to systems, business activities and to protect critical business processed and data from the effect of major failures or disaster and to ensure timely resumption.

972. We noted that the HRMIS and the payroll (both applications and database) run on a servers hosted in the Controller and Accountant- General Department's (CAGD) server room. Our review disclosed that there was no Disaster Recovery Strategy in place to recover all data and functionalities of the HRMIS and payroll in the event of any disaster.

973. The above lapse was as a result of the absence of risk register at the Project Implementation Unit (PIU) to identify projects bottlenecks, and impact of risk on systems.

974. Absence of the Disaster Recovery Strategy on the Project could occasion catastrophic delays or failure, should there be any disaster involving critical servers at the CAGD Server room.

975. We recommended that the Project Implementation Unit should take adequate steps to develop and implement a Disaster Recovery Plan to recover critical systems in the event of any disaster.

976. Management responded that the recommendation is well noted for compliance.

NATIONAL INSURANCE COMMISSION

Introduction

977. This report relates to the audited financial statements of National Insurance Commission for the year ended 31 December 2021.

Financial Performance

978. The overall financial performance of the Commission during the period under review showed a surplus of GH¢2,262,954 (included is an amount of GH¢439,870 being the share of profit from Associate-Ghana Insurance College and net exchange gain of GH¢486,624). The total operating revenue amounted

to GH¢56,746,297 while total expenditure also stood at GH¢54,923,213 representing 96.8% of the total revenue accrued to the Commission. Except for Grant expenses, General administration expenses, and Other operating expenses that declined, benefit cost, increased by 33% or GH¢8,697,295, compared with the previous year. The employee benefit cost of GH¢34,762,987 also exceeded the budgeted staff emolument of GH¢29,878,451 by GH¢4,884,536 or 16.3%. Table 89 provides the comparative statement of revenues and expenditures for the periods 2020 and 2021.

Table 89: The financial performance of the Commission for the year under review.

Revenue from non-exchange transactions	2021 GH¢	2020 GH¢	Incr./ (Decr.) GH¢	% Change
Levies	26,107,730	21,940,834	4,166,896	19.0
Mega Risk Income	12,875,851	10,350,094	2,525,757	24.0
Penalties	828,391	1,355,040	(526,649)	(39.0)
Grant Income	217,964	566,336	(348,372)	(62.0)
Revenue from other non-exchange transactions	1,732,557	3,401,483	(1,668,926)	(49.0)
Total revenue from non-exchange transaction	41,762,493	37,613,787	4,148,706	11.0
Revenue from exchange transactions				
Licensing and licensing renewal income	2,613,325	2,637,779	(24,454)	(1.0)
Motor Insurance contribution	7,072,101	6,138,126	933,975	15.0
Interest income	4,944,693	3,730,428	1,214,265	33.0
Revenue from other exchange transaction	353,685	313,649	40,036	13.0
Total revenue from exchange transactions	14,983,804	12,819,982	2,163,822	17.0
Total Revenue	56,746,297	50,433,769	6,312,528	13.0
Expenses:				
Employee benefits cost	34,762,987	26,065,692	8,697,295	33.0
General administration expenses	8,896,160	9,661,795	(765,635)	(8.0)
Other operating expenses	6,907,651	7,386,405	(478,754)	(6.0)
Grant expenses	68,244	540,901	(472,657)	(87.0)
Finance costs	472,451	462,939	9,512	2.0
Depreciation & amortization	3,815,720	3,214,633	601,087	19.0
Total Expenditure	54,923,213	47,332,365	7,590,848	16.0
Surplus from Operations	1,823,084	3,101,404	(1,278,320)	(41.0)
Share of Profit from Associates-GIC	439,870	1,057,440	(617,570)	(58.0)
Surplus for the year	2,262,954	4,158,844	(1,895,890)	(46.0)

979. Total revenue increased from GH¢50,433,769 to GH¢56,746,297 in 2021 representing 13%. This was due to increases recorded in revenue from levies, mega risk income, motor insurance contribution and interest income.

980. Total expenditure increased from GH¢47,332,365 to GH¢54,923,213 representing 16.0%. this was largely due to an increase in Employee benefit cost.

981. The Commission's financial position as at 31 December 2021 is summarised in Table 90.

Table 90: Financial position as at 31 December 2021

Items	31-Dec-21 GH¢	31-Dec-20 GH¢	Incr. (Decr.) GH¢	% Change
Non-current Asset	65,914,181	68,868,885	(2,954,704)	(4.0)
Current Assets	22,851,579	22,009,387	842,192	4.0
Non-current Liabilities	1,791,369	2,118,974	(327,605)	(15.0)
Current Liabilities	261,901	4,309,762	(4,047,861)	(94.0)
Net Assets	86,712,490	84,449,536	2,262,954	3.0
Current Ratio	87.25:1	5.11:1		

982. Non-Current Assets decreased by 4% from GH¢68,868,885 in 2020 to GH¢65,914,181 in 2021. This was mainly because of decrease in long-term securities and depreciation charge for the year.

983. Current Assets increased from GH¢22,009,387 in 2020 to GH¢22,851,579 in 2021. The increment of 4% was partly due to an increase in short-term investment.

984. Non-Current Liabilities decreased by 15% from GH¢2,118,974 in 2020 to GH¢1,791,369 in 2021. This was due to the fair value of plan asset of employee benefit exceeding the fair value of plan liability in the year 2021.

985. Current Liabilities decreased from GH¢4,309,762 in 2020 to GH¢261,901 in the current year representing 94%. This was due to a decrease in account payables.

986. The Commission's liquidity ratio of 87.25:1, is favourable indicating that the Commission could meet its short-term obligations as and when they fall due.

Statutory Funds

Operational Results

987. The financial statements of the statutory funds were prepared based on the International Public Sector Accounting Standards (IPSASs). The comparative statement of revenues and expenditures are provided in Table 91.

988. The income accrued to the Client Rescue Fund in the year 2021 totaled GH¢5,491,433. The expenditure incurred in the year amounted to GH¢104,348 resulting in a surplus of GH¢5,387,085 Table 91 provides details.

989. The Fire Maintenance Fund showed a surplus of GH¢941,300 in the fiscal year. The total income amounted to GH¢1,812,572 however, the corresponding expenditure was GH¢871,272 during the year under review. Table 91 provides details.

990. Motor Contribution accrued to the Motor Compensation Fund was GH¢5,491,433, its related expenditure also amounted to GH¢3,526,082 resulting in a deficit of GH¢1,965,351 for the period. Table 91 provides details.

Table 91: The Commission's performance indicators for the year under review

Type of Fund	Income GH¢	Expenditure GH¢	(Deficit)/Surplus GH¢
Client Rescue Funds	5,491,433	104,348	5,387,085
Fire Maintenance Fund	1,812,572	871,272	941,300
Motor Compensation Fund	5,491,433	3,526,082	1,965,351
Total	12,795,438	4,501,702	8,293,736

Revenue Performance of Statutory Funds

991. The revenue from Client Rescue Fund increased from GH¢3,916,660 in 2020 fiscal year to GH¢4,613,002 in 2021 representing 18% increment in revenue. This comprises revenue from Levies and Interest Income. Table 5 provides details.

992. The Fire Control Fund accrued a total of GH¢1,812,572 in 2021 compared with GH¢954,117 earned in 2020 representing 90% increase in revenue. The increase in fire revenue of GH¢858,455 was due to significant increase in revenue from levies. This Fund has high potential of increase in revenue to the fund if the Commission take measures to enforce the compulsory insurance of commercial premises. We recommended that Management of the Commission should device strategies to enforce Section 218 of the Insurance Act, 2021 (Act 1061) to increase revenue for the Fire Control Fund. Table 5 provides details.

993. The revenue accrued to the Motor Compensation Fund in 2021 was GH¢5,491,433 compared with GH¢4,370,622 accrued in 2020 resulting in an increase of 26%. The introduction of the Motor Insurance Database (MID) by the Commission has contributed immensely to the motor insurance market leading to increase revenue to the Motor Compensation Fund. Table 92 provides details.

Table 92: Summary of revenue performance

Revenue	2021 GH¢	2020 GH¢	Difference GH¢	% Change
Client Rescue Funds	4,613,002	3,916,660	696,342	18%
Fire Maintenance Fund	1,812,572	954,117	858,455	90%
Motor Compensation Fund	5,491,433	4,370,622	1,120,811	26%
Total	11,917,007	9,241,399	2,675,608	29%

Expenditure performance of statutory funds

Client Rescue Fund

994. The expenditure incurred on the Client Rescue Fund for 2021 was GH¢104,348.00 compared with a figure of GH¢113,050.00 for 2020 registering a decrease of 8%. The expenditure comprises General administration expenses and Finance. Table 93 provides details.

Table 93: Summary of expenditure performance

Expenditure	2021 GH¢	2020 GH¢	Difference GH¢	% Change
Client Rescue Funds	104,348.00	113,050.00	(8,702.00)	(8)
Fire Control Fund	871,272.00	413,240.00	458,032.00	111
Motor Compensation Fund	3,526,082.00	5,976,363.00	(2,450,281.00)	(41)
Total	4,501,702.00	6,502,653.00	(2,000,951.00)	(31)

Fire Control Fund

995. Expenditure of Fire Control Fund was GH¢871,272.00 in 2021 compared with GH¢413,240.00 incurred in 2020 resulting in an increase of GH¢458,032. This is made up of General administration expenses, operating expenses, and Finance costs.

Motor Compensation Fund

996. The Motor Compensation fund expenditure for 2021 financial year was GH¢3,526,082.00 compared with 2020 amount of GH¢5,976,363.00 representing a decrease of 41% of. The General administration cost and Other operating expenses dominated the total expenditure incurred on the Fund.

COVID-19 NATIONAL TRUST FUND

Introduction

997. This report relates to the maiden audited financial statements of Covid-19 National Trust Fund for the year ended 31 December 2020.

Financial Performance

998. It is important to note that because the Trust Fund was set up in April 2020 the operational results are based only on the year 2020 without any comparative figures.

999. The Trust Fund recorded a surplus of GH¢20,440,294.25 for year ended December 2020.

1000. A total revenue amounting to GH¢67,907,330.33 was received in the form of donation from individuals and corporate organizations. The donations received were made up of cash, cheques and other forms of donation in kind.

1001. The Fund spent a total amount of GH¢47,467,036.08 on compensation of employees, Goods and Services and others representing 69.9% of total donations received during the year. Performance indicators for the year under review is shown in table 94.

Table 94: Performance indicators for the year 2020

Income	2020 GH¢
Revenue	
Cash and Cheque Donations	57,134,743.27
donations in kind	10,772,587.06
Total Revenue	67,907,330
Expenditure	
Compensation of Employees	192,857.03
Goods and Services	47,116,875.59
Depreciation	157,303.46
Total Expenditure	47,467,036.08
Surplus/(Deficit)	20,440,294.25

Financial position

1002. The Trust Fund's financial position as of 31 December 2020 is shown in table 95.

Table 95: Statement of Financial position as of 31 December 2020

Assets/Liabilities	2020 GH¢
Non - Current Assets	
Property Plant and Equipment	579,879.37
Total Non- Current Asset	579,879.37
Current Assets	
Cash and Cash Equivalents	19,899,993.57
Accounts Receivable	516.89
Total Current Asset	19,900,510.46
Total Asset	20,480,389.83
Current Liabilities	
Accounts Payable	39,578.69
Total Current Liabilities	39,578.69
Net Assets	20,440,811.14
Liquidity Ratio	503:1

1003. The Trust Fund acquired non-current assets amounting to GH¢579,879.37 during the year under review. These non-current assets were made up of motor vehicles, office furniture, computers, and accessories.

1004. Current assets of GH¢19,900,510.46 comprises cash and cash equivalents and accounts receivables.

1005. The current liabilities amounted to GH¢39,578.69 for the 2020 financial year.

1006. The liquidity position as measured by current ratio of 503:1 as of 31 December 2020 indicates the Trust Fund's ability to meet its short-term debts as and when they fall due.

MANAGEMENT ISSUES

Undisbursed Donations – GH¢19,881,436.68

1007. Section 5 of the Novel Coronavirus (COVID-19) National Trust Fund Act, 2020 (Act 1013) stipulates that to achieve the objective of the Fund, moneys and resources of the fund shall be applied to support persons engaged in the combat of the COVID -19 pandemic, support needy and vulnerable persons infected with or affected by the COVID-19 pandemic and any other matter necessary to achieve the objective of the fund.

1008. We noted during our audit that, the Covid-19 National Trust Fund received total donations amounting to GH¢67,980,222.58 made up of GH¢57,134,093.58 cash and GH¢10,846,129.00 worth of donations in kind.

1009. Further review disclosed that out of GH¢57,134,093.58 cash donations received, a total amount of GH¢37,252,656.90 was spent on operations and disbursement to 13 organizations and institutions to fight against Covid-19 with the balance of GH¢19,881,436.68 lodged in five bank accounts of the Trust Fund. In case of donation in kind all was given out to various individuals and organizations for the fight against Covid-19. Table 96 show details of bank balances as at 31 December 2020.

Table 96: Donations Received and Disbursed

Bank Name	Account Number	Balance as at 31 December 2020
Bank of Ghana (CEDI)	1018631613357	16,365,846.05
Consolidated Bank Ghana	1614456100003	212.00
Ghana Commercial Bank	1011180001808	-
Bank of Ghana – (USD)	1028631613107	3,455,910.00
Bank of Ghana – (EURO)	1188631613023	59,468.63
Bank of Ghana – (POUND)	1038631613021	-
Total		19,881,436.68

1010. The non- distribution of the cash balances could cause delay in achieving the objective for which the Trust Fund was established and government fight against COVID-19 pandemic.

1011. We urged Management to ensure that all donations both cash and non-cash are distributed to the appropriate individuals, organizations, and institutions to fight against the COVID-19 pandemic.

Payment to Covid-19 Private Sector Fund for Procurement of Medical Equipment and Personal Protective Equipment not accounted for - GH¢254,203.00

1012. Regulation 78 of Public Financial Management Regulations, 2019 (L.I. 2378) stipulates that, a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy, legality of the claim for payment, evidence of services received, certificates for work done and any other supporting documents exists.

1013. On the contrary, our vouching disclosed that out of GH¢10,257,360 paid via payment voucher number 0590507 dated 16 June 2020 to Ghana Covid-19 Private Sector Fund, a private organization for the procurement of Medical Equipment and Personal Protective Equipment (PPEs), only GH¢10,003,157 had been accounted for with an outstanding amount of GH¢254,203.00 not accounted for as at 31 December 2020. Details are shown in table 97.

Table 97: Covid -19 Private Sector Fund for Procurement of Medical Equipment and Personal Protective Equipment not accounted for

Payment Voucher Date	Payment Voucher Number	Payee	Amount Paid GH¢	Amount accounted for GH¢	Amount not accounted for GH¢
16/06/2020	0590507	Ghana Covid-19 Private Sector Fund	10,257,360.00	10,003,157.00	254,203.00

1014. We blamed the anomaly on the Head of Finance's failure to ensure that the Covid -19 Private Sector Fund fully accounted for the funds.

1015. This could lead to the Private Organization trading with public funds for personal gains.

1016. We recommended that Management should ensure the Covid -19 Private Sector Fund account for the total amount of GH¢254,203.00, failing which the total amount of GH¢254,203.00 should be recovered from the Covid -19 Private Sector Fund and same paid to Covid-19 National Trust Fund account.

1017. Management responded that, the Covid -19 Private Sector Fund has been asked to refund the total amount of GH¢254,203.00 to the Covid -19 National Trust Fund.

1018. The Covid -19 Private Sector Fund had not refunded the amount of GH¢254,203.00 to Covid -19 National Trust Fund during our verification.

Donated Billboards not used

1019. Section 52 of the Public Financial Management Act, 2016 (Act 921) states that, the Principal Spending Officer is discharged of accountability of government stores where the stores have been consumed in the course of public business and records are available to show that the stores have been consumed, worn out in the normal course of public business and deletion from the accounts has been approved by the Minister and they have been disposed of in accordance with the directives of the Minister or lost, stolen, destroyed, damaged or rendered unserviceable other than by fair wear and tear and deletion from the accounts has been approved by Parliament.

1020. On the contrary, our audit disclosed that DDP OUTDOOR limited donated 119 billboards and advertising spaces located at various places valued at GH¢2,621,214.06 for promoting, advertising and communicating to the general

public on the awareness of the corona virus and its preventive measures, but the billboards and advertising spaces were not put to use as at 31 December 2020.

1021. We attributed the anomaly to the Fund Management's failure to ensure that the donated items were put to use.

1022. Management could avoid paying for advertising and communication cost if the donated items were used.

1023. We recommended that Management should ensure that the donated billboards are used.

1024. Management in response indicated that DDP OUTDOOR limited had submitted invoice for the cost of design, printing, and lighting to which the fund management were yet to meet DDP OUTDOOR Limited for finalization before it can use the spaces provided.

MINISTRY OF EDUCATION

ENCYCLOPAEDIA AFRICANA PROJECT

Introduction

1025. This report relates to the audited financial statements of Encyclopaedia Africana Project for the two years ended 31 December 2020.

Financial Performance

1026. The Secretariat ended the 2020 financial year with a surplus of GH¢211,869 as compared with the previous year's deficit of GH¢1,356. This was mainly due to a 78.3% increase in Government Subventions. The comparative performance indicators for the two years are shown in Table 98.

Table 98: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Increase/(Decrease) GH¢	% Change
Gov't of Ghana Subvention	562,282	315,335	246,947	78.31
Other Funds	-	200	(200)	(100)
Deferred Income	2,014	2,238	(224)	(10)
Total Income	564,296	317,773	246,523	77
			244,710	

Expenditure				
Compensation for Employees	271,459	255,525	15,934	6.24
Goods and Services	80,968	63,604	17,364	27.30
Total Expenditure		319,129	33,298	10.43
	352,427	319,129	33,298	
Surplus/ Deficit	211,869	(1,356)	213,225	15,725

1027. Total income increased from GH¢317,773 in 2019 to GH¢564,296 in 2020 representing an increase of 77% over the period. This was as a result of increase in Government subvention of GH¢246,947.

1028. Total expenditure also increased by 10.43% from GH¢319,129 in 2019 to GH¢352,427 in 2020. This was as a result of 27.3% increase in Goods and Services by GH¢17,364.

Financial Position

1029. The Secretariat's financial position as at 31st December 2020 is shown in Table 99.

Table 99: Statement of Financial Position as at 31 December 2020

Item	2020 GH¢	2019 GH¢	Incr/Decr GH¢	% Change
Non-Current Assets	240,606	30,843	209,763	680.1
Current Assets	1,075	984	91	9.3
Total Assets	241,681	31,827	209,854	659.4
Current Liabilities	848	848	0	0
Net Assets	240,833	30,979	209,854	677.4
Liquidity Ratio	1.27:1	1.16:1		

1030. The Non-Current Assets of the Secretariat increased by 680.1% from GH¢30,843 in 2019 to GH¢240,606 in 2020. This was due to additions of GH¢246,000 during 2020.

1031. Current Assets increased by 9.3% from GH¢984 in 2019 to GH¢1,075 in 2020.

1032. The current Liabilities of the Secretariat remained unchanged during 2019 and 2020 Financial Years as both years recorded GH¢848 respectively.

1033. The liquidity ratio of 1.27:1 indicates that the Secretariat can barely meet its obligations as and when they fall due.

MANAGEMENT ISSUES

Non-Payment of Dues by Member States

1034. Article V Section 1 of the Constitution of the Encyclopedia Africana Project states” the Financial Expenses of the International Secretariat and its Regional Coordinating Centers shall be paid for from financial quotas allocated to member countries and any subvention that may be granted by the Organisation of African Unity.”

1035. Our audit disclosed that the Encyclopedia Africana Project did not receive any financial quota from member countries as stated in the constitution during 2019-2020 financial years. We also noted through an interview that, during the period covered by the audit, the Acting Director of the Project made no effort of contacting the member states for their financial quotas for effective running of the Secretariat.

1036. The Acting Director of the Secretariat however disclosed that there is a challenge for every member state to come on board to forge ahead for African Unity. Member states feel that they are channelling resources in taking care of their local Secretariat or their national cooperating committee and pay scholars who are commissioned to undertake any of such agenda from Encyclopedia Africana Project’s Secretariat.

1037. In the absence of payment of dues by member states, the Secretariat’s ability to churn out publications as programmed has been negatively affected.

1038. We recommended to Management to ensure that the funds given to their National Secretariat are channelled to the Regional Secretariat to carryout activities for which it was sent.

1039. Management responded that several activities have been initiated leading to the current decision by the African Union to make the EAP one of its flagship projects. When this is done the Secretariat would be guaranteed with adequate financial support from the African Union Secretariat.

Absence of an Audit Committee

1040. Regulation 223(1&2) of Public Financial Management Regulations, 2019 (L.I. 2378) provides that an Audit Committee shall be established for each covered entity.

1041. Our audit disclosed that the Encyclopaedia Africana Project Secretariat did not have an Audit Committee in place contrary to the provisions of the above quoted Regulations.

1042. The Acting Director of the Secretariat disclosed that there was no Audit Committee in place hence, if the Internal Auditor submits the quarterly reports, there would be no committee to sit on it.

1043. In the absence of such important committee, the entity cannot pursue the implementation of any recommendation contained in:

- (i) An internal audit's report
- (ii) Parliament's decision on the Auditor –General's report
- (iii) Auditor-General's Management Letter; and
- (iv) The report of an internal monitoring unit in the covered entity concerned particularly, in relation to financial matters raised and also prepares an annual statement showing the status of implementation of any recommendation contained in the above-mentioned reports.

1044. We recommended to Management as a matter of urgency to ensure that the entity constitute an Audit committee in compliance with the provisions of Public Financial Management Act, 2016 (Act 921) and its Regulations, 2019 (L.I. 2378).

1045. Management in response, said that our recommendation is noted for compliance.

Unserviceable Vehicles

1046. Regulation 1101 of the Stores Regulations, 1984 states that, it is the responsibility of all supervisory officers and staff directly in charge of stores and equipment to determine what surplus, obsolescent and unserviceable stores are lying in their storehouse and compounds. It is their further responsibility to take immediate action to dispose of such categories of stores and, when necessary to report the circumstance to the appropriate authority for disposal action.

1047. We noted during the audit that two (2) vehicles belonging to the Secretariat have become unserviceable and parked at the premises. Details of the above-mentioned vehicles are table 100.

Table 100: Unserviceable Vehicles

Vehicle Number (Old)	Vehicle Type	Chassis No.	Vehicle Number (New)	Findings	Remarks
GR 2324-J	Mitsubishi Lancer	DSNCB2ARU01121	GV 288-14	Unserviceable engine, weak front suspension, badly torn upholstery (car seats)	Unserviceable
GV 2387-C	Nissan Pick-Up	UGBD2I-405439	GV 289-14	Unserviceable engine, weak front suspension, badly torn upholstery	Unserviceable

1048. Management's disregard for the regulation as stated above resulted in this anomaly.

1049. The continuing lying of these vehicles on the compound will lead to decongestion of the premises and deterioration of the conditions of the vehicles.

1050. We urged Management as matter of urgency to constitute a Board of Survey to dispose of these unserviceable vehicles in order to decongest the premises and prevent the Vehicles from further deterioration.

1051. Management responded that the two (2) vehicles belong to the Ministry of Education and all effort to get the Ministry to transfer the ownership to the name of the project has not materialised.

GHANA SCIENCE ASSOCIATION

Introduction

1052. This report relates to the audited financial statements of Ghana Science Association for the two years ending 31 December 2020.

Financial Performance

1053. The Association registered a surplus of GH¢57,612.54 at the end of the 2020 financial year as against a surplus of GH¢87,245.71 in 2019, representing a decrease of GH¢29,633.17 or 33.97% over the previous year's surplus. Details of the financial performance are shown in table 101.

Table 101: Statement of Financial Performance for year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Government Subvention	403,769.17	335,523.68	68,245.49	20.34
Internally Generated Fund	180,693.22	319,814.51	(139,121.29)	(43.50)
Total Income	584,462.39	655,338.19	(70,875.80)	(10.82)
Expenditure				
Employees Compensation	366,269.17	269,077.89	97,191.28	36.12
Goods and Service	160,580.68	299,014.59	(138,433.91)	(46.30)
Total Expenditure	526,849.85	568,092.48	(41,242.63)	(7.26)
Excess of Income Over Expenditure	57,612.54	87,245.71	(29,633.17)	(33.97)

1054. Total income decreased by 10.82% from GH¢655,338.19 in 2019 to GH¢584,462.39 in 2020. This was mainly due to a 43.50% decrease in the Internally Generated Fund, from GH¢319,814.51 in 2019 to GH¢180,693.22 in 2020.

1055. Total expenditure also decreased by 7.26% from GH¢568,092.48 in 2019 to GH¢526,849.85 in 2020.

1056. Personal emolument increased by 36.12% from GH¢269,077.89 in 2019 to GH¢366,269.17 in 2020.

1057. Goods and services however, declined by 46.30% from GH¢299,014.59 in 2019 to GH¢160,580.68 in 2020. The decline was because of COVID-19 where most of the conferences were held virtually contributing to the Association's spending less on workshops and conferences. Table 102 shows the details.

Table 102: Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	198,280.93	191,452.31	6,828.62	3.57
Current Assets	292,735.06	243,508.47	49,226.59	20.22
Less Current Liabilities	476.67	2,034.00	(1,557.33)	(76.56)
Net Assets	490,539.32	432,926.78	57,612.54	13.31
Current Ratio	614:1	120:1		

1058. Non-Current Assets of the Association increased by 3.57% from GH¢191,452.31 in 2019 to GH¢198,280.93 at the end of 2020. The increase was due to the acquisition of office furniture during the year 2020.

1059. Current Assets of the Association increased by 20.22% from GH¢243,508.47 in 2019 to GH¢292,735.06 in 2020. The rise was due to an increase in receivables for the year.

1060. Liquidity position of the Association as shown by the current ratio of 614:1 in 2020 and 120:1 in 2019 shows that the Association can meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Unbudgeted Loans to Staff - GH¢47,600.00

1061. Section 25 of the Public Financial Management Act, 2016 (Act 921) enjoins Principal Spending Officers to commit the budget of their entities based on quarterly warrants issued to them.

1062. Regulation 61 of the Public Financial Management Regulations, 2019 (L.I. 2378) also requires that a commitment for the following expenditure and payment of a covered entity shall be made in the Ghana Integrated Financial Management Information System within a commitment ceiling according to budget availability: recurrent and capital expenditure including compensation of employees financed by internally generated funds and advance payments regardless of the funding source.

1063. Our review of the payment vouchers and loan register disclosed that Management of the Association disbursed GH¢47,600.00 as loans to eight officers of the Association. However, no provision was made in the 2019 and 2020 budgets for loan payments. The details are shown in table 103.

Table 103: Unbudgeted Loans to Staff

Date	PV No.	Cheque No.	Details	Payee	Amount GH¢
1/3/2019	5265	696426	Payment of loan	Wisdom S. Sebuava	1,000.00
8/10/2019	5385	696549	Payment of loan	Kenneth A. Akrobeto	700
7/11/2019	5405	696569	Payment of loan	Ernest Megbenu	1,200.00
18/12/19	5426	696592	Payment of loan	Daniel Kojo Gidi	1000
18/12/19	5426	696592	Payment of loan	Eric Ayisi Essel	700
18/12/19	5426	696592	Payment of loan	Gideon Acquaye Obuobi	500
26/10/20	5549	696718	Payment of loan	Eric Ayisi Essel	12,000.00
10/2/2020	5447	696614	Payment of loan	Kenneth A. Akrobeto	5,000.00
8/5/2020	5479	696646	Payment of loan	Wisdom S. Sebuava	2,500.00

1/6/2020	5487	696654	Payment of loan	Wisdom S. Sebuava	2,500.00
1/7/2020	5499	696666	Payment of loan	Wisdom S. Sebuava	2,500.00
27/08/20	5526	696693	Payment of loan	Benjamin Antwi	4,000.00
22/09/20	5537	696706	Payment of loan	Henrietta Anang	14,000.00
Total					47,600.00

1064. The Scientific Coordinator, Mr. Forson Dzotor, mentioned that the loans were to help staff solve their pressing needs.

1065. The practice could reduce the availability of funds or stall the execution of other earmarked programmes and activities in the approved budget.

1066. We advised Management to desist from making such unplanned expenditure in future, to ensure the execution of planned activities.

1067. Management responded that they had budgeted for specific IGF income sources but unfortunately, unable to specify this expenditure line because the budget template provided by the Ministry of Finance, which was used, did not make provision for that. However, they emphasised that they had taken serious note of the recommendation and would desist from making such unplanned expenditure.

Non-Functional Audit Committee

1068. Regulation 223 of the Public Financial Management Regulation, 2019 (L.I. 2378) requires that in furtherance of paragraph (a) subsection (2) of Section 86 of the Act, on the coming into force of those Regulations, an Audit Committee shall be established for each covered entity.

1069. We noted that the Ghana Science Association had established an Audit Committee but had never met to carry out its functions throughout the 2019 and 2020 financial years.

1070. The Scientific Coordinator explained that with the guidance of the Council of the Ghana Science Association, all audit recommendations had always been implemented so they did not see the need to spend monies for sitting allowances on Audit Committee meetings.

1071. Non-functional Audit Committee would not be able to facilitate the prompt implementation of recommendations contained in the Auditor-General's reports regarding internal control weaknesses.

1072. We recommended to Management to ensure effective functioning of the Audit Committee to speed up the implementation of recommendations contained in the Auditor-General's reports.

1073. Management accepted our recommendation for compliance.

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY (KNUST)

Introduction

1074. This report relates to the audited financial statements of Kwame Nkrumah University of Science and Technology for the year ended 31 December 2019.

Summary of Financial Analysis

1075. The Financial Statements for 2019 were presented in accordance with the Kwame Nkrumah University of Science and Technology Act, 1961 (Act 80 & 81) and the format required under International Public Sector Accounting Standards (IPSAS) which includes significant accounting policies adopted by the University. The University adopted this new accounting standard in the year under review (2019) to replace the Generally Accepted Accounting Principles (GAAP). As a result, comparing financial performance figures of the year under review with that of 2018 would not be appropriate. However, the University revalued its assets at the beginning of 2019. This enabled Management to establish the real figures for assets and liabilities at the beginning of 2019. Consequently, the consolidated results of the analysis of the Financial Performance would only be for year ended 31 December 2019. Nevertheless, the Financial Position as at 31 December 2019 has been compared with the figures at the beginning of 2019. These analyses are presented in tables 104 and 105.

Financial Performance

1076. The University recorded a deficit of GH¢11.05 million in the 2019 financial year. The details of the operational results for the year are shown in table 104.

Table 104: Details of the operational results for the year ended 31 December 2019

Income/Expenditure	2019 Million GH¢
Revenue from non-exchange transactions	
Government subvention and grants	254.29
Total	254.29
Revenue from exchange transactions	
Academic fees and other charges	263.25
Miscellaneous income	43.52
Total	306.76
Total revenue	561.05
Expenses	
Employees Compensation	224.58
Direct teaching and research	84.78
General education expenses	20.45
Municipal services	44.09
Production costs	14.01
General Administration	29.25
Library expenses	0.92
Depreciation and amortisation	90.09
Miscellaneous expenses	2.23
Employee benefit cost (GUSS & ex gratia)	61.68
Total expenses	572.10
Surplus/(deficit) for the year	(11.05)

1077. Total income of the University for the year 2019 was GH¢561.05 million. However, the total expenditure was GH¢572.10 million leading to a deficit of GH¢11.05 million recorded during the period. The deficit is attributed basically to the high charges of depreciation and amortisation of GH¢90.09 million during the year, due to the revaluation of the University's assets.

Financial Position

1078. The Financial Position of the University as at 31 December 2019, compared with the figures at the beginning of 2019 is shown in the table 105.

Table 105: The Financial Position of the University as at 31 December 2019

Assets/Liabilities	2019 (as at 31/12)	2019 (as at 1/1)	Inc/(Dec)	% Change
	Million GH¢	Million GH¢	Million GH¢	
Non-current assets				
Property, plant and equipment	2,420.04	2,373.59	46.45	1.96
Long term investment	2.1	3.29	-1.19	-36.17
Total non-current assets	2,422.14	2,376.88	45.26	1.90
Current Assets				
Inventories	13.97	11.31	2.66	23.52
Receivables and prepayments	63.73	55.38	8.35	15.08
Short term investments	159.2	143.57	15.63	10.89
Cash and cash equivalents	52.87	67.58	-14.71	-21.77
Total current assets	289.77	277.84	11.93	4.49
Total assets	2,711.92	2,654.72	57.20	2.15
Liabilities				
Non-current liabilities				
Employee benefit obligation	112.92	74.53	38.39	51.51
Provisions	97.21	73.91	23.30	31.52
Total non-current liabilities	210.13	148.45	61.68	41.55
Current liabilities				
Bank overdraft	0	1.56	-1.56	-100
Deferred income – Students fees	119.99	95.93	24.06	25.08
Accrued expenses	12.03	5.81	6.22	107.06
Sundry deposit	37.72	34.07	3.65	10.71
Payables and accrued liabilities	23.39	50.14	-26.75	-53.35
Total current liabilities	193.13	187.5	5.63	3.00
Total liabilities	403.26	335.95	67.31	20.04
Net Assets	2,308.66	2,318.77	-10.11	-0.44
Net Assets				
Accumulated fund	303.95	314.06	-10.11	-3.22
Capital reserve	2,004.71	2,004.71	0.00	
Total net assets	2,308.66	2,318.77	-10.11	-0.44
Liquidity ratio	1.50:1	1.48:1		

1079. Non-Current Assets increased by 1.90% from GH¢2,376.88 million at the beginning of 2019 to GH¢2,422.14 million at the end of 2019. The positive variance was mainly caused by the increase in property, plant and equipment.

1080. Current Assets also increased by GH¢11.93 million or 4.49% from GH¢277.84 million at the beginning of 2019 to GH¢289.77 million at the end of 2019. This was due to an increase in all the components of current assets with the exception of cash and cash equivalent which decreased by a margin of 21.77% from GH¢67.57 at the beginning of 2019 to GH¢ 52.87 at the end of 2019.

1081. Total liability increased by GH¢67.31 million from GH¢335.95 million at the beginning of 2019 to GH¢403.26 million at the end of 2019, representing an increase of 20.04%. The unfavorable variance was caused by the increases in all the components of the liability apart from Bank overdraft and, accounts payable and accrued liabilities which reduced by 100% and 53.35% respectively.

1082. The liquidity position of the University represented by current ratio continues, to be marginally weak from 1.48:1 at the beginning of 2019 to 1.50:1 at the end of 2019. This shows that the University could barely meet its short-term obligations as and when they fall due when compared with the benchmark ratio of 2:1.

MANAGEMENT ISSUES

Main Administration

Running expired and unaccredited Programmes

1083. Section 8(3) of National Accreditation Board Act, 2007 (Act 744) states “An institution shall not operate or run a programme without accreditation”. Section 23 (b) of the same National Accreditation Board Act, 2007 (Act 744) further states “Where the accreditation or a programme is not renewed and the institution continues to operate or run the programme the Board may recommend the appropriate action or sanction which may include withdrawal of public funds, student loans or the transfer of students to another institution”.

1084. We noted during our review of the accreditation status data obtained from the Quality Assurance Unit that, out of the 360 programmes running by the Colleges and the Institutes of the University, only 61 have been accredited. We further noted that 117 and 73 have been sent to NAB for accreditation and reaccreditation respectively, with 109 yet to be sent to NAB for accreditation. Meanwhile, accreditation certificates for the 61 programmes were not provided for our verification. Refer to the table 106 for the details.

Table 106: Accredited, expired, and unaccredited Programmes

Status	Number of Programmes							Total
	CABE	CANR	COHS	COE	COHSS	COS	IDL	
Accredited	12	10	12	15	8	3	1	61
Reaccreditation Due	22	9	20	1	12	7	2	73
Unaccredited (sent to NAB)	25	7	21	33	19	7	5	117
Unaccredited (not sent to NAB)	25	6	10	20	16	17	15	109
Total Programmes	84	32	63	69	55	34	23	360

1085. We attributed the anomaly to lack of Management's pro-activeness to ensure that all programmes are accredited before running them, coupled with untimely renewal of the certificates of the expired accredited programmes.

1086. Running unaccredited or expired accredited programmes could have adverse effects on the validity of the programmes, and the related certificates that would be awarded to prospective students could not be authentic. The University could also suffer reputational damages and sanctions from the National Accreditation Board.

1087. We recommended to Management to cease running programmes that are not accredited or having its accredited certificates expired until they are accredited or renewed, to avoid sanctions by NAB. Management should also ensure timely accreditation of any introduced programme, and prompt renewal of all the expired accredited certificates, in order to give credence to the programmes and the related certificates and avoid sanctions.

1088. Management response: "Management has taken the necessary steps to get accreditation for our programs and have paid the applicable fees. Management issues at GTEC TO KNOW THE FULL NAME resulted in delays by National Accreditation Board (NAB) to review the programs. Currently NAB staffs are on site performing the necessary reviews to approve the remaining programs".

Payroll

Payment of Double Salary - GH¢488,868.69

1089. Article 12, Rule 16.4(a)&(b) of the condition of Service for Senior Members stipulate among others that a senior member may be granted study leave / Sabbatical leave and leave of Absence at the due date.

1090. Our review of payroll records disclosed that Management granted sabbatical leave to four (4) officers and subsequently paid them basic and Market Premium in accordance with the University's condition of service. Our further checks however, revealed that the officers left the University to take up various appointments in other Government institutions where they are being paid full (basic salary and other allowances) monthly salaries. This had resulted in double payment of basic salary and market premium by government to the officers to the tune of GH¢488,868.69 as at 31 December 2020. Refer to table 107 for summary of the salaries paid by the University for the period.

Table 107: basic salary and market premium allowance paid by the university

Staff ID	Name	Staff Type	Designation	Department	Period	Remarks	Unearned Salary as at 31/12/2020	Salary earned at KNUST
6168000	Bayor, Marcel Tunkumgnen (Prof.)	SM	Pharmaceutics	Associate Professor	1 Oct 2019 to 31/7/21	He was granted sabbatical leave from 1/10/19 to 31/7/20 to take up appointment as director of the institute of traditional and alternative medicine at the University of Health and Allied Science, Ho and granted extension to 31/7/21.	salaries paid from 1/10/19 to 31/12/2020	92,826.35
6167497	Panford, Solomon (Mr.)	SM	Provost Office - College of Humanities and Social Sciences	Deputy Registrar	Feb 2019 to Jan 2021	He was granted sabbatical leave from 1/2/19 to 31/1/20 to take up appointment as registrar of the University of energy and natural resources and granted extension to 31/1/21.	salaries paid from 1/2/2019 to 31/12/2020	135,142.75
6158455	Odai, Samuel Nii (Prof.)	SM	Civil Engineering	Full Professor	Aug 2019 to June 2021	He was granted sabbatical leave from 1/7/19 to 30/6/20 to take up appointment as Vice Chancellor of Accra Technical University and granted extension to 30/6/21,	Salaries paid from 1/7/2019 to 31/12/2020	113,663.69
6180167	Twumasi Prof Peter	SM	Biochemistry & Biotechnology	Associate Professor	Jan 2019 - Dec 2021	he was granted sabbatical leave from 1/1/19 to 31/12/21 to take up appointment as director general of national sports authority	Jan 2019 - Dec 2020	147,235.90
Total								488,868.69

1091. We attributed the irregularity to the Officers dishonesty to the government coupled with their intention to take advantage to earn more income under the circumstances.

1092. The GH¢488,868.69 could have been used to support developmental activities of the state.

1093. We recommended to Management to ensure that the officers refund the salaries paid by the University for the sabbatical leave period to the consolidated fund, failing which the officers would be surcharged in addition to the payment of the unearned salary of GH¢488,868.69. We also recommended to Management to grant leave of absence to any officer whose intention is to take up an appointment at Government institution or, alternatively, inform the institution of the payment of the basic salary and market premium of the officer.

1094. Management Responded that the sabbatical leave with pay was granted to the officers in compliance with Rule 16.4(a)&(b) of the condition of Service for Senior Members. The University pays only Basic salary and Market premium to staff on sabbatical leave with no other allowances. The University has no evidence of payment of additional salary to the officers at their current locations.

Development Office

Defects Identified at the Educational Resort at Moree

1095. Regulation 80 of the Public Financial Management Regulation, 2019 (L. I. 2378) requires that the Principal Spending Officer or the authorised officer of the Principal Spending Officer shall not certify the completion of works, unless the contractor concerned has complied with all provisions of the contract; and the size, quality, and performance of the physical output is consistent with the design and specifications.

1096. We identified the following defects during our physical inspection of the Proposed Construction of Educational Resort Facilities for the IDL at Moree:

- The generator house had no exhaust pipe to convey smoke out, and no windows for fresh air to enter.
- One number Rambo 350 polytank was damaged (burst).
- Main power supply on the first and last floors of the resort were faulty.
- Nine big air conditioners in the lecture halls were not functioning well.
- Strip light at the foyer was spoilt.
- Seven 40-inch television sets in the rooms were not functioning.
- Four air conditioners in the rooms were not functioning.
- Electricity supply to few of the rooms had problems which is affecting the switches.
- Rainwater enters the porches of three of the chalets.

1097. The Director of works and the supervisors of the project's inability to carry out proper inspection and assessment of works carried out prior to certification for payments occasioned the occurrences.

1098. The University cannot hold the contractor liable to rectify the defects identified after the expiration of the defect liability period. Thus, the cost of rectifying the defects identified will be borne by the University.

1099. We recommended that the Director of works, and the project supervisors should rectify the defects identified at their own expense. Further, we urged Management and staff of the Development Office to be meticulous with their line of duty to avert the recurrence of these irregularities.

1100. Management said the contractor had made good the defects in question.

1101. We are yet to verify Management's assertion. We however advise the Director of works to ensure full rectification of the defects.

Maintenance Unit

Unjustified Payments – GH¢263,596.42

1102. Regulation 78 of the Public Financial Management Regulations (PFMR) 2019, L.I. 2378 provides that, a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy, and legality of the claim for the payment that evidence of service received, certificate of work done, and any other supporting document exists.

1103. Our audit disclosed that out of GH¢291,771.61 released by the University for maintenance activities, transactions in the sum of GH¢263,596.42 lacked the following relevant supporting documents to authenticate them:

- Approval from Vice Chancellor that allows a contractor (whose contract excluded employment of labour for the University) to employ labour for maintenance work.
- Approval from Vice Chancellor that allows a contractor to employ labour to augment the University's employed ones for maintenance activities.
- Approved Letters engaging suppliers to look for labourers for maintenance department.
- Original copies of invoices and receipts

- Current VAT Invoices (not outmoded ones) and evidence of payment of the VAT charges to GRA.
- Signed sheets and any other relevant document. Refer to Appendix 'A' attached for details.

1104. Lack of proper and effective supervision by the Director of Works, coupled with weaknesses in internal control systems over the work of the maintenance department caused the irregularities. The Internal Audit Unit's inability to scrutinise the transactions also contributed to the lapse.

1105. The situation could lead to misappropriation of funds to the detriment of the University.

1106. In the absence of the aforementioned supporting documents to prove the legitimacy of the expenditures, we recommended that:

- The technical team at the Maintenance Department (Architect, Site Manager, Administrator, and others) should refund the amount of GH¢263,596.42 to the University.
- The Director of Works should henceforth intensify his supervision over the maintenance activities.
- Any needed rehabilitation/ maintenance work should be reported initially by the user department and occupants of the bungalows through Estate officer to Vice Chancellor for approval. The approval should be based on the feasibility studies and evaluation report from the Director of works. This would ensure sanity and proper accountability of funds released for maintenance activities.

1107. The Head of the Maintenance Unit later responded to the observation by narrating the job descriptions of maintenance department and explained the reasons for the action taken on the maintenance works under reference. She also said that the original copies of the supporting documents were with Finance Office.

1108. The documents presented could not alleviate the irregularities. We, therefore, reiterate our recommendations for compliance.

Procurement

Use of Invalid Tax Clearance Certificate to Tender for Contract - GH¢645,489.32

1109. Section 14 (5) of the Revenue Administration Act, 2016 (Act 915) specifies that, a Tax Clearance Certificate is valid only for the period and purposes specified in the Tax Clearance Certificate.

1110. We noted that Messrs Red Mango Limited won a contract at the University for the supply of Automatic Turnstile Gate and accessories. However, our further scrutiny of the contract documents revealed that the Tax Clearance Certificate (TCC) (No. 0048891 of 28/01/2019) presented by the supplier was not meant for KNUST contract. It was rather issued to the Company by Kaneshie-Small Tax Office (STO) to enable the Company tender for a contract at The Millennium Development Authority (MIDA).

1111. In addition, the 2017 audited financial statements of Red Mango Limited used for the tendering showed income tax payment of GH¢257,167.00 in the Company's Cash Flow Statement while the TCC (No. 0048891) disclosed tax payment of GH¢101,396.83. This implies that tax totalling GH¢155,770.17, claimed to have been paid by the Messrs Red Mango Limited was not stated on the TCC.

1112. The anomaly occurred because the Tender Evaluation Panel did not pay particular attention to the purpose stated on the TCC submitted by the tenderer.

1113. The situation indicated non-fulfilment of the tax obligations by the Company, because the Commissioner-General of the GRA did not certify the status of the Company as a taxpayer of good standing to qualify the supplier for the bid.

1114. We recommended that the Tender Evaluation Panel should pay critical attention to Section 22 of Public Procurement Act, 2003 (Act 663) as amended by Section 7 of the Public Procurement (Amendment) Act, 2016 (Act 914) when evaluating tenders. We further recommended to the Commissioner-General of the GRA to audit the tax affairs of Red Mango Limited in line with Section 36 of the Revenue Administration Act, 2016 (Act 915) to resolve the difference in tax of GH¢155,770.17 allegedly paid in the 2017 year of assessment.

1115. Management noted our recommendations for compliance.

University Printing Press

Overdue receivables - GH¢294,123.00

1116. Regulation 46 of the Public Financial Management Regulation 2019, (L.I. 2378) requires a Principal Spending Officer to ensure that non-tax revenue is efficiently collected.

1117. We noted from our review of accounts receivables in the Financial Statements of the Printing Press a total debt of GH¢294,123.00 owed by 14 customers remain uncollected since 2016. Details are shown in table 108.

Table 108: Overdue Receivables

No.	Details	2019 GH¢	2018 GH¢	2017 GH¢	2016 GH¢
1	University Students Association	7,650.00	7,650.00	7,650.00	7,650.00
2	University of Mines and Technology	4,365.00	4,365.00	4,365.00	4,365.00
3	University of Energy & Natural Resources	229,350.00	229,350.00	229,350.00	229,350.00
4	TEWU	1,600.00	1,600.00	1,600.00	1,600.00
5	Science Students Association	9,600.00	9,600.00	9,600.00	9,600.00
6	School of Veterinary	600.00	600.00	600.00	600.00
7	National Union of Ghana Students (NUGS) KNUST	375.00	375.00	375.00	375.00
8	Mr. Paul Serbeh	1,500.00	1,500.00	1,500.00	1,500.00
9	Methodist Men's Fellowship	5,000.00	5,000.00	5,000.00	5,000.00
10	KNUST Credit Union	19,500.00	19,500.00	19,500.00	19,500.00
11	Institute of Land Administration and Development	300.00	300.00	300.00	300.00
12	G.A.U.A.	1,300.00	1,300.00	1,300.00	1,300.00
13	Alumni Association	83.00	83.00	83.00	83.00
14	Social Sciences Students Association	12,900.00	12,900.00	12,900.00	1 2,900.00
	Total	294,123.00	294,123.00	294,123.00	294,123.00

1118. Lack of debt collection strategy resulted in the lapse.

1119. The untimely recovery of these debts has led to uncertainty in their realisation which would negatively affect the liquidity position of the Printing Press.

1120. We therefore recommended to Management to institute debt collection strategy to ensure early recovery of the debt and minimise future default rate.

1121. Management promised to establish debt collection strategies to ensure early recovery of the debts. Meanwhile, the major debtor, University of Energy and Natural Resources has been written to for recovery of the debt.

NATIONAL COUNCIL FOR TERTIARY EDUCATION (NCTE)

Introduction

1122. This report relates to the audited financial statements of National Council for Tertiary Education for the year ended 31 December 2020.

Financial Performance

1123. The operations of the Council in the year under review ended with a deficit of GH¢2,149,314.63 as against a surplus of GH¢2,942,082.36 recorded in 2019, representing a decrease of 26.95%. Details of the performance indicators of the Council's operational results are shown in Table 109.

Table 109: Financial Performance for the year ended 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
GoG Subvention	3,867,481.60	6,207,645.59	(2,340,163.99)	(37.7)
Internally Generated Fund	17,700.00	53,200.00	(35,500.00)	(66.7)
Other Revenue	297,149.74	4,224,044.25	(3,926,894.51)	(93.0)
Total Revenue	4,182,331.34	10,484,889.84	(6,302,558.50)	(60.1)
Expenditure				
Compensation of Employees	3,219,981.60	3,145,374.61	74,606.99	2.37
Goods and Services	3,066,654.99	4,261,577.33	(1,194,922.34)	(28.0)
Social Benefits	32,215.14	52,686.67	(20,471.53)	(38.9)
Other Expenses	12,794.24	83,168.87	(70,374.63)	(84.6)
Total Expenditure	6,331,645.97	7,542,807.48	(1,211,161.51)	(16.1)
Surplus/(Deficit)	(2,149,314.63)	2,942,082.36	(5,091,396.99)	(27.0)

1124. Total Income decreased drastically by 60.11% from GH¢10,484,889.84 in 2019 to GH¢4,182,331.34 in 2020. This was primarily due to a 37.69% and 92.96% decrease in GoG subventions and other revenue respectively. GoG subventions fell from GH¢6,207,645.59 in 2019 to GH¢3,867,481.60 in 2020 whereas other income fell sharply from GH¢4,224,044.25 in 2019 to GH¢297,149.74 in 2020, basically due to a drastic fall on GETFund allocations from GH¢3,938,730.00 in 2019 to GH¢290,119.74 in 2020. Another contributing factor to the decrease in total revenue is a 66.73% decrease in the Internally Generated Fund. This was due to Covid-19 restrictions placed on

public gatherings resulting in the closure of the Conference Centre.

1125. Total Expenditure for the period decreased by 16.05% from GH¢7,542,807.48 in 2019 to GH¢6,331,645.97 in 2020. This was due to the decrease in all the expenditure components apart from Compensation which recorded a marginal increase of 2.37%. Goods and Services decreased by 28.04%, from GH¢4,261,577.33 in 2019 to GH¢3,066,654 in 2020. A major factor for the decrease, was a 62.44% or GH¢823,472 reduction in travel and transport cost. Social Benefit and Other Expenses also reduced by 38.85% and 84.62% respectively.

MANAGEMENT ISSUES

Failure to Recover Salary in Lieu of Notice – GH¢49,997.58

1126. Article 20(a) of the General Conditions of Service for Senior Members of the Council specifies that an employee who terminates his appointment by resignation shall be required to give six (6) months' notice or pay six (6) months' salaries in lieu of notice.

1127. We noted that the former Head of Corporate Affairs, Mr Nii Adotei Abrahams resigned from the Council on 28th July 2020 but did not give six months' notice before his resignation. He did not also pay six (6) months' salaries amounting to GH¢49,997.58 in lieu of notice as required by the Council's condition of service. Management had not also recovered the amount from the officer or his entitlement (if any). Details of the amount to be paid are provided in Table 110.

Table 110: Unrecovered salary in lieu

Month	Monthly Salary GH¢
August 2020	8,332.93
September 2020	8,332.93
October 2020	8,332.93
November 2020	8,332.93
December 2020	8,332.93
January 2021	8,332.93
Totals	49,997.58

1128. The Council's inability to enforce the provisions contained in the condition of service occasioned the lapse.

1129. The anomalous condition has denied the Council the ample time to fill the gap that was created by the unexpected exit of the Officer. This action could also set a bad precedent for others to follow if not checked.

1130. We recommended to the Executive Secretary and the Accountant to recover the GH¢49,997.58 from Mr. Nii Adotei Abrahams or his entitlement (if any) and pay same into the consolidated fund with evidence made available for our review.

1131. Management accepted our recommendation and said the amount will be retrieved.

Unrecovered Overdue Staff Advances – GH¢10,106.66

1132. Regulation 32, of the Public Financial Management Regulations, 2019 (L.I. 2378) requires among others that, a Principal Spending Officer of each covered entity shall take effective and appropriate steps to collect money due to the covered entity.

1133. We noted from our review of the staff debtors' ledger and the Internal Auditor's reports that, Management granted salary advances to six (6) officers in the previous years. However, balances of the loans in the sum GH¢10,106.66 remained unrecovered as of December 2020, even though, advances granted to staff are to be refunded within a year without interest. Detailed are shown in table 111.

Table 111: Unrecovered Overdue Staff Advances

Particulars	Date Loan was taken	Opening Balance	Transactions		Closing Balance
			Debit	Credit	
		GH¢	GH¢	GH¢	GH¢
Daniel O. Mintah	October, 2019		6,700.00	4,466.72	2,233.28
Emmanuel A. Yebuah	18/10/2019	4,546.00		3,030.64	1,515.36
Manasseh Yaw	March, 2019	2,060.00		560.00	1,500.00
Samuel Blankson	28/08/2019	1,657.52		505.00	1,152.52
Sayibu Abdul-Jalie	03/07/2019	3,300.00		1,000.00	2,300.00
Douglas Otokunor	24/04/2017	1,668.00		262.50	1,405.50
Grand Total		13,231.52	6,700.00	9,824.86	10,106.66

1134. The anomaly could be attributed to Management's failure to consider the affordability of the staff before granting the advances.

1135. The action exposes the Council to financial abuse.

1136. We recommended to Management to develop a strategy for the recovery of the outstanding advances as early as possible. In addition, Management should always assess critically the loan applicant's affordability before granting the loan.

1137. Management responded that they have been able to recover GH¢3,528.33 and still working hard to get the outstanding balances recovered. Management added that they will ensure that proper processes are put in place in the future with regards to giving out loans and recovery.

Missing Laptop – GH¢12,000

1138. Section 52 of the Public Financial Management Act requires that, a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. A control system specified in subsection (1) shall be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage and misuse.

1139. During our verification of assets acquired during the year, we noted that a Lenovo Laptop assigned to Mr Evans Takyi Ankomah-Asare worth GH¢12,000 could not be traced. We were informed by Mr Emmanuel Nchor, an Accounts Officer, that the laptop got missing in the office. However, there was no Police report or an investigation report on the said missing laptop.

1140. We blamed the anomaly on the indifferent posture of Management towards the needed investigation to unravel the circumstances leading to the theft.

1141. The Council has been denied the benefits of using the laptop and has lost GH¢12,000.

1142. We recommended to Management to investigate and unravel the circumstances leading to the theft. Meanwhile, Mr Evans Takyi Ankomah-Asare should be made to replace the laptop without further delay.

1143. Management accepted our recommendation and have decided to act accordingly.

Staff Vehicle Loans without a policy

1144. Section 7(2) of the Public Financial Management Act, 2016 (Act 921) demands that, a Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

1145. Our review of payroll management showed that the Council had established a revolving fund for the staff. However, Management has not developed a clear policy to manage the fund.

1146. The Council rather relies on Article 9 and Article 11 of the General Condition of Service for senior members and junior members respectively, to run the fund. However, modalities such as repayment period, interest rates, deductible repayment amounts, conditions for loan write off, the penalty for default staff, among others, are not clearly stated in the conditions of service.

1147. The action can expose the Council to financial abuse.

1148. We recommended to Management to ensure that a policy with adequate provisions is established for efficient management of the loan scheme.

1149. Management responded that the Council had a vehicle loan revolving account for staff for more than thirteen years and it is the Executive Secretary who approves the disbursement of loans and advances from the accounts. The Council has a clear policy approved by Governing Council with regards to how the loans and advances should be managed and that is what the Council is using up to date.

1150. Management could not make available the policy for our review when it was requested, we therefore, reiterate our recommendation.

Conference Hall management

1151. Section 52 of the Public Financial Management Act, 2016 (Act 921) states among others that, “A Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. A control system specified in subsection (1) shall be capable of ensuring that (a) preventive mechanisms are in place to eliminate theft, loss, wastage and misuse”.

1152. We noted during our physical inspection of the Council's facilities that, a one thousand-seater capacity conference hall has not been efficiently managed; essential facilities such as sound equipment was not functioning, and broken chairs were packed in one of the washrooms.

1153. The action would deny the Council of revenue that could have been generated from hiring of the Hall.

1154. We recommended that the Executive Secretary urgently refurbish the Hall and establish systems or processes that would ensure efficient management of the Hall to improve income generation and ensure achieving the purpose of constructing the facility.

1155. Management stated in response that the Council is in the process of implementing a proper policy on the management of the conference hall.

Failure to Declare Assets and Liabilities

1156. Article 286 of the 1992 Constitution of the Republic of Ghana requires a person who holds a public office mentioned in clause (5) of this article to submit to the Auditor-General a written declaration of all properties or assets owned by, or liabilities owed by him, whether directly or indirectly.

1157. Section 1 of Public Office Holders (Declaration of Assets and Disqualification) Act, 1998 (Act 550) further requires a person who holds public office mentioned in Section 3 of the Act to submit to the Auditor-General a written declaration of all properties or assets owned by him and all liabilities owed by him whether directly or indirectly.

1158. Our review of personal files of employees of the Council revealed that Key Public Office Holders who are required to declare their assets and liabilities as stipulated in the above quoted provision failed to do so as detailed in table 112.

Table 112: Failure to Declare Assets and Liabilities

No.	Name	Staff ID	Designation
1	Prof. Mohammed Salifu	1195754	Executive Secretary
2	Dr Emmanuel Newman	760917	Head-Research, Planning Policy Department
3	Mr Frank Nketia	730931	Head of Accounts
4	Mrs Hilda Asante	760921	Head- Publications and Documentation
5	Mrs Sandra Amoah	760942	Head of Budget
6	Mrs Nancy Doe	879884	Head, Internal Audit
7	Mr Francis Ofori	760937	Head, General Administration

1159. We recommended that the key personnel should declare their assets, liabilities, and other interests owned or controlled by them according to the provision quoted above.

1160. Management responded that they have taken a serious view of our recommendation and will address it immediately.

NATIONAL BOARD FOR PROFESSIONAL AND TECHNICIAN EXAMINATIONS (NABPTEX)

Introduction

1161. This report relates to the audited financial statements of National Board for Professional and Technician Examinations (NABPTEX) for the two years ending 31 December 2020.

Operational Results

1162. The year 2020 ended with a deficit of GH¢158,916.76 representing 113% decrease in the financial performance of the Board. It is important to note that the Board recorded a surplus of GH¢1,218,151.10 in 2019.

1163. The comparative performance indicators for the two years are shown in Table 113.

Table 113: Income Statement for 2020

Income/Expenditure	2020	2019 GH¢	Incr/(Decr) GH¢	% Change
Government of Ghana Subvention	3,797,735.97	2,801,735.88	996,000.09	35.6
Internal Generated Fund	7,161,545.24	8,297,624.41	(1,136,079.17)	(13.7)
Total Income	10,959,281.21	11,099,360.29	(140,079.08)	(1.3)
Expenditure				
Compensation of Employees	5,411,266.62	3,589,268.14	1,821,998.48	50.8
Goods and Services	5,706,931.35	6,291,941.10	(585,009.75)	(9.3)
Total Expenditure	11,118,197.97	9,881,209.24	1,236,988.73	12.5
Surplus	(158,916.76)	1,218,151.05	(1,377,067.81)	(113.0)

1164. Total income declined from GH¢11,099,360.29 in 2019 to GH¢10,959,281.21 in 2020 representing a decreased of GH¢140,079.08 for the period. The downwards was due to significant decrease in Internal Generated Fund (IGF).

1165. Total Expenditure also increased by 12.52% from GH¢ 9,881,209.24 in 2019 to GH¢11,118,197.97 in 2020.

Financial position

1166. The Board's financial position as at 31 December 2020 is shown in Table 114.

Table 114: Financial position as at 31 December 2020

Non-Current Assets	2020 GH¢	2019 GH¢	Variation GH¢	% Change
Property, Plant & Equipment	648,928.68	1,606,488.39	(957,559.71)	(59.60576597)
Net Investment	67,376.21	61,574.80	5,801.41	9.42172772
Total Non-Current Assets	716,304.89	1,668,063.19	(951,758.30)	(57.05768856)
Current Assets				
Bank	2,679,253.39	2,195,670.21	483,583.18	22.02439956
Receivables	385,117.63	257,353	127,764.63	49.65
Total Current Assets	3,064,371.63	2,453,023.21	611,347.81	25.00
Total Assets	3,780,675.91	3,998,797.40	(218,121.49)	(5.454677199)
Liabilities	0	0	0.00	0
Net Assets	3,064,371.63	3,998,797.40	(934,425.77)	(23.36766974)

1167. Non-Current Assets reduced by GH¢951,758.30 or 57.06 % in 2020 largely due to disposal of Property, Plant and Equipment (PPE) during the year.

1168. Current Assets went up by 25.00%, from GH¢2,453,023.21 in 2019 to GH¢3,064,371.63 in 2020. The increase in Current Assets was a result of Examination fees variation paid in 2019.

1169. The Board had no outstanding debt as at the end of the financial year.

1170. The liquidity position as measured by a current ratio is very favourable in 2020 as compared with in 2019 financial year. In our view this improvement can be explained by the increase in Account receivable to GH¢385,117.63 and Cash and Bank Balance of GH¢2,679,253.39.

MANAGEMENT ISSUES – 2019

Abandoned Vehicle

1171. Section 6 of the Public Financial Management Acts, 2016, (Act 921) co-ordinate the promotion and enforcement of a transparent, efficient and effective management of (i) public revenue, (ii) public expenditure, and (iii) the assets and liabilities of a covered entity.

1172. Regulation 1607 of the Stores Regulation 1984 states that government vehicle shall be subject to checks by officers of the Auditor-General's Department and the Supply and the Store Inspectorate.

1173. Our examination of the Board's pool of vehicles disclosed that Toyota Land Cruiser Prado TXL with registration number GM 2382-14 had developed an engine fault. We further noted that the Vehicle has since been packed and abandoned at LEKMAS Motors, a private garage for over one year.

1174. Management's neglect of the faulty vehicle caused the anomaly.

1175. This could lead to further deterioration of the abandoned vehicle at the garage.

1176. We urged Management to follow-up on the abandoned vehicle without further delay to have it serviced or towed back to the premises and appropriate action taken to avoid further deterioration.

1177. Management has noted your recommendation and has already brought the vehicle to the premises of NABPTEX. Further action is being taken to get the vehicle repaired and made road worthy. Meanwhile, you may visit the premises of NABPTEX to verify this.

NATIONAL ACCREDITATION BOARD

Introduction

1178. This report relates to the audited financial statements of National Accreditation Board for the two years ending 31 December 2019.

Financial Performance

1179. The surplus for the year 2019 grew significantly from GH¢747,730.00 in 2018 to GH¢1,011,170.00 in 2019 recording a 35.2% increase. The growth was due to an increase of GH¢772,883.25 in Internal Generated Fund (IGF). Details are shown in table 115.

Table 115: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
GOG -Subvention	4,336,103.34	3,871,965.53	464,137.81	12
Internally Generated Funds	7,878,365.89	7,105,482.64	772,883.25	10.9
Other Funds and Int. on Investment	1,085,630.93	1,360,997.13	(275,366.20)	-20.2

Total	13,300,100.16	12,338,445.30	961,654.86	7.8
Expenditure				
Personal Emoluments	4,728,558.05	4,486,730.36	241,827.69	5.4
Goods and Services	6,746,437.32	6,351,177.37	395,259.95	6.2
Depreciation	813,934.82	752,807.84	61,130.98	8.1
Total	12,288,930.19	11,590,715.57	698,214.62	6.
Excess (Deficit) Income over Expenditure	1,011,169.97	747,729.73	263,440.24	35.2

1180. Total expenditure increased from a total amount of GH¢11,590,716.00 in 2018 to GH¢12,288,930.00 in 2019. The increase in expenditure was mainly due to a marginal increase in the Consumption of Goods and Services by GH¢395,260.00 in 2019. Compensation of Employees also rose from GH¢4,486,730.00 in 2018 to GH¢4,728,558.00. This was mainly as a result of increases in the payment of salaries and wages, Ex-Gratia and Corporate Governance Expense.

Financial Position

1181. The Board's financial position as at 31 December 2019 is shown in Table 116.

Table 116: Financial position of the Board as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
NON-CURRENT ASSETS				
Property/ Plant/ Equipment	1,474,298.51	1,145,320.85	328,977.66	28.7
CURRENT ASSETS				
Investments	9,840,304.35	8,770,414.49	1,069,889.86	12.2
Debtors	1,035,540.00	1,154,760.00	(119,220.00)	(10.3)
Cash and Bank Balances	474,011.33	1,479,827.59	(1,005,816.26)	(68)
Total	11,349,855.68	11,405,002.08	(55,146.40)	(0.5)
Current Liabilities				
Deferred Revenue	1,504,000.00	1,993,150.00	(489,150.00)	(24.5)
Creditors	157,579.56	405,768.26	(248,188.70)	(61.2)
Total	1,661,579.56	2,398,918.26	(737,338.70)	(30.7)
Total Net Assets (Equity)	11,162,574.63	10,151,404.67	1,011,169.96	10
Liquidity Ratio	6.8:1	5.8:1		

1182. Plant and equipment amounting to GH¢ 328,978.00 were acquired during the year under review and these has increased the Non-Current Assets holdings.

1183. Current Assets reduced insignificantly from GH¢11,405,002.00 to GH¢11,349,856.00 in 2019.

1184. Current Liabilities decreased significantly from GH¢2,398,918.00 to GH¢1,661,580.00 in 2019. The decrease was largely due to improvement in servicing the indebtedness of the Board.

1185. The Board's liquidity ratio of 6.8:1 indicates that the Board could meet its short-term financial obligations as and when they become due.

UNIVERSITY OF GHANA

Introduction

1186. This report relates to the audited financial statements of University of Ghana for the two years ending 31 December 2020.

Financial Performance

1187. The University recorded a deficit of GH¢742.26 million in the 2020 financial year as compared with a surplus of GH¢114.05 million registered in 2019. This represents 750.81% decrease in the University's financial performance over the period as detailed in table 117.

Table 117: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 millions GH¢	2019 millions GH¢	Inc/(Dec) millions GH¢	% Change
Revenue from non-exchange transactions				
Government subvention and grants	350.26	339.48	10.77	3.17
Research grants and contracts	170.90	160.10	10.80	6.75
Bursaries and financial aid	1.03	2.86	(1.83)	(64.12)
Revenue from other non-exchange transactions	0.42	107.92	(107.50)	(99.61)
	522.60	610.36	(87.76)	(14.38)
Revenue from exchange transactions				
Academic fees and other student charges	130.50	222.29	(91.79)	(41.29)
Interest income	9.82	9.64	0.17	1.79
Revenue from other exchange transactions	86.17	89.75	(3.58)	(3.98)
	226.49	321.68	(95.19)	(29.59)
Total revenue	749.09	932.04	(182.95)	(19.63)
Expenses				
Employee benefits cost	422.45	378.58	43.87	11.59
Operating expenses	160.84	234.57	(73.73)	(31.43)
Legal settlement on contract termination	690.33	-	690.33	100.00
Research grants and contracts expenses	170.90	159.78	11.12	6.96
Bursaries and financial aid	1.03	2.86	(1.83)	(64.12)
Finance costs	8.29	6.95	1.34	19.23

Depreciation and amortization	37.42	32.13	5.29	16.46
Total expenses	1,491.25	814.87	676.38	83.01
Share of associate's surplus/(deficit)	0.10	0.10	(0.00)	(0.16)
Surplus/(deficit) before tax	(742.26)	117.07	(859.33)	(734.01)
Taxation	-	3.02	(3.02)	(100.00)
Surplus/(deficit) for the year	(742.26)	114.05	(856.31)	(750.81)

1188. Total income for the University reduced by GH¢182.95 million representing 19.63% from GH¢932.04 million in 2019 to GH¢749.09 million in 2020. This was partly due to a 99.61% reduction in Revenue from other non-exchange transactions. The University could not repeat the receipt of a substantial donation as compared with that of 2019. In 2019, the Japanese Government donated laboratory building and equipment worth GH¢84.15 million and GH¢20.41 million respectively to Noguchi Memorial Institute for Medical Research (NMIMR).

1189. The Academic fees and other student charges also decreased by GH¢91.79 million representing a downward margin of 41.29% from GH¢222.29 million in 2019 to GH¢130.50 million in 2020. This adverse variance was due to the delay in the commencement of the academic year. The lockdown of schools due to COVID-19 resulted in the postponement of the academic year to 2021.

1190. Government subventions and grants however increased by a margin of 3.17% due to increase in emolument subvention received by the University during the year.

1191. The Revenue from other exchange transactions fell by 3.98% or GH¢3.58 million from GH¢89.75 million in 2019 to GH¢86.17 million during the period under review.

1192. The adverse variance of 64% in Bursaries and financial aid was due to the delay in the start of the academic year, hence only a semester's cost incurred was recognised. The academic year was expected to start in September 2020 but delayed till January 2021.

1193. Total Expenditure increased by GH¢676.38 million representing 83.01% upwards turn from GH¢814.87 million in 2019 to GH¢1,491.25 million in 2020. Employee benefits cost increased by GH¢43.87 million or 11.59% from GH¢378.58 million in 2019 to GH¢422.45 million in 2020. The variance was because of an increase of 12% in base pay over that of 2019 which has a direct correlation on some allowances and Employer pension contributions (GUSSS & SSNIT).

1194. Legal settlement on contract termination increased by GH¢690.33 and this was due to an increase in the provision of the amount expected to be paid to CPA Ghana in connection with the Africa Integras project. The amount provided was increased from USD47.8 million in 2019 to USD165.77 million in 2020.

1195. Finance costs also rose by 19.23% or GH¢1.34 million from GH¢6.95 million in 2019 to GH¢8.29 million in 2020. The postponement of the academic year impacted adversely on the University's cash inflows hence the over reliance on overdraft with its associated interest for payment of salaries.

1196. Additionally, the Depreciation and amortization expenses rose by GH¢5.29 million from GH¢32.13 million in 2019 to GH¢37.42 million in 2020. This represents an increase of 16.46%, which was mainly attributable to adjustments made to correct prior year misstatements in the computation of depreciation and amortisation expenses.

1197. Operating expenses however reduced by GH¢73.73 million from GH¢234.57 million in 2019 to GH¢160.84 million in 2020 representing a reduction of 31.43%. The lockdown of schools due to the Covid-19 pandemic during some parts of the year impacted on some operating expenses. Non-occupancy of the halls by students reduced utilities by 33%, cessation of academic activities also reduced exams expenses by 22% and repairs & maintenance similarly reduced by 43% compared with that of 2019.

Financial position

1198. The Financial Position of the University of Ghana as at 31 December 2020 is shown in table 118.

Table 118: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 Million GH¢	2019 Million GH¢	Incr./ (Decr.) Million GH¢	% Change
Non-current assets				
Property, plant and equipment	14,695.16	14,762.25	(67.08)	(0.45)
Investment properties	494.44	381.22	113.22	29.70
Non-current deposits	24.61	23.64	0.97	4.09
Intangible assets	0.11	0.37	(0.26)	(71.17)
Quoted securities	6.98	7.79	(0.81)	(10.44)
Investment in associate	1.32	1.41	(0.10)	(6.88)
Total non-current assets	15,222.61	15,176.68	45.93	0.30
Current Assets				
Inventories	22.38	13.31	9.07	68.10
Receivables from exchange transactions	37.81	67.75	(29.94)	(44.19)

Receivables from non-exchange transactions	78.27	108.22	(29.95)	(27.67)
Investments	36.16	27.77	8.39	30.20
Cash and cash equivalents	287.92	225.82	62.10	27.50
Total current assets	462.54	442.87	19.67	4.44
Total assets	15,685.15	15,619.55	65.60	0.42
Liabilities				
Non-current liabilities				
Borrowings	2.35	3.15	0.80	25.33
Restricted funds	219.40	156.41	(62.99)	(40.27)
Employee benefit obligation	63.24	58.55	(4.69)	(8.02)
Provisions	157.32	127.10	(30.22)	(23.77)
Deferred tax	42.10	42.10	0.00	0.00
Total non-current liabilities	484.41	387.31	(97.10)	(25.07)
Current liabilities				
Borrowings	183.78	480.63	296.86	61.76
Accounts payable and accrued liabilities	171.16	194.17	23.01	11.85
Provisions	961.31	264.51	(696.80)	(263.43)
Total current liabilities	1,316.24	939.31	(376.93)	(40.13)
Total liabilities	1,800.66	1,326.63	(474.03)	(35.73)
Net Assets	13,884.50	14,292.92	(408.43)	(2.86)
Net Assets				
Accumulated fund	(884.73)	(414.05)	(470.69)	(113.68)
General reserve fund	9.43	9.34	0.09	0.97
UG Endowment fund	16.67	15.31	1.36	8.91
Revaluation Reserves	14,743.12	14,682.32	60.81	0.41
Total Net assets	13,884.50	14,292.92	(408.43)	(2.86)
Liquidity ratio	0.35:1	0.47:1		

1199. Non-Current Assets increased by GH¢45.93 million (0.30%) from GH¢15,176.68 million in 2019 to GH¢15,222.61 million in 2020. The marginal increase was caused by a revaluation gain of GH¢100.7 million on the Investment Property of University of Ghana Enterprise Limited (UGEL). This revaluation was done to ensure consistency of the application revaluation model of valuing Investment properties in both the books of the University and UGEL. However, this revaluation gain was offset by depreciation charges of GH¢37.0 million and the de-recognition of GH¢38.9 million of buildings which were wrongly included in both the books of the University and UGEL in the 2019 financial statements.

1200. Current Assets also increased by GH¢19.67 million or 4.44% from GH¢442.87 million in 2019 to GH¢462.54 million in 2020. Cash and cash equivalent rose by GH¢62.10 million which translates into an increase of 27.50% from GH¢225.82 million in 2019 to GH¢287.92 million in 2020. This was mainly because receipt of funds for various projects increased by 26% while payments out of project funds received increased slightly by 7%.

1201. Investments also increased by GH¢8.39 million (30.2%) from GH¢27.77 million in 2019 to GH¢36.16 million in 2020. The increase was attributed to additional investments of idle project funds into fixed deposit securities during the year 2020.

1202. Inventory increased by GH¢9.07 million or 68.10% from GH¢13.31 million in 2019 to GH¢22.38 million in 2020. This was because the procurement of several inventory items was done before the inception of COVID-19 and the suspension of all school and academic activities during the year resulted in non-usage of some of the items procured.

1203. Receivables from exchange transactions reduced by GH¢29.94 million from GH¢67.75 million in 2019 to GH¢37.81 million in 2020. This represents a reduction of 44.19% and was due to a significant decrease in students' receivables from GH¢25.8 million in 2019 to GH¢3.2 million in 2020. Normally, students are made to settle their fees in full by close of the academic year and due to the COVID-19 pandemic in 2020 the end of the academic year also coincided with the University's financial year.

1204. Receivables from non-exchange transactions also decreased by 27.67% from GH¢108.22 million in 2019 to GH¢78.27 million in 2020. This reduction was as a result of a decrease in administrative subvention (electricity and water) receivable from GH¢98.8 million in 2019 to GH¢68.8 million in 2020. The amount received from Government to settle these utilities was more than the expenses actually incurred during the year.

1205. Total liabilities increased by GH¢474.03 million from GH¢1,326.63 million in 2019 to GH¢1,800.66 million in 2020 representing an increase of 35.73%. This was due to increases of GH¢97.10 million (25.07%) and GH¢376.93 million (40.13%) in the Non-Current Liabilities and Current Liabilities respectively during the year 2020.

1206. Non-Current Liabilities increased from GH¢387.31 million in 2019 to GH¢484.41 million in 2020. Restricted Funds increased by GH¢62.99 million in 2020 and this was because project funds received increased by GH¢48.56 million from GH¢184.41 million in 2019 to GH¢232.98 million in 2020.

1207. Long-term provisions also increased by 23.77% or GH¢30.22 million from GH¢127.10 million in 2019 to GH¢157.32 million in 2020. This was as a result of the 12% base pay increment in salaries paid to employees by Government and this resulted in an increase in the provision for ex-gratia. The base pay of

employees is one of the factors for computing ex-gratia liability.

1208. Current Liabilities also increased from GH¢939.31 million in 2019 to GH¢1,316.24 million in 2020. This was mainly due to an increase in short-term provisions of GH¢696.80 or 263.43% from GH¢264.51 million in 2019 to GH¢961.31 million in 2020. This significant increase was mainly due to an additional provision made in respect of legal settlement on contract termination of the Africa Integras Project.

1209. Borrowings recorded a downward turn by a margin of 61.8% from GH¢480.63 million in 2019 to GH¢183.78 million in 2020. This decrease was explained by the restructuring of UGEL loan which led to a debt relief of GH¢261million and the loan repayment of GH¢36.6 million.

1210. The liquidity position of the University represented by current ratio still remains weak after it reduced from 0.47:1 in 2019 to 0.35:1 in 2020. This indicates that the University could struggle to meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES – 2019

Non remittance of funds to the UG Research Endowment Fund - GH¢2,197,041.29

1211. Policy 5.8 of the University of Ghana Research Policy requires that the University shall promote effective resources mobilisation to support its research, and these include Grants from research funding agencies, donations and endowments, internally generated funds and contract research funds.

1212. In this regard, Senior Management approved a 60% and 40% ratio of all project overheads income in respect of the University and other beneficiaries respectively. 15% out of the total earnings (100%) was earmarked to fund the UG Research Endowment Fund (UGREF) under the Management of Office of Research Innovation and Development (ORID).

1213. Our review of 122 out of 185 sampled projects of the University showed that a total amount of GH¢14,646,941.96 was recognised as project overhead income as at 31 December 2019. However, an amount of GH¢2,197,041.29 representing 15% was not remitted to the UGREF as stipulated in the shared-out ratio. Summary of details is provided table 119.

Table 119: Funds to the UG Research Endowment Fund

College / Department	Number of Projects	Total Project Overhead- 2019	15% share of UG Research fund
		GH¢	GH¢
CBAS	6	155,129.63	23,269.44
IAS	3	168,214.51	25,232.18
ISSER	17	4,506,990.53	676,048.58
Noguchi	48	2,001,236.35	300,185.45
ORID	48	7,815,370.94	1,172,305.64
Total	122	14,646,941.96	2,197,041.29

Source: Data from CBAS, IAS, ISSER, ORID as at 31/12/2019

1214. The continuous refusal of remitting the required funds to UGREF could deny the University from supporting its own research initiatives and providing future support for grant-writing to secure external funding.

1215. We recommended that the Pro-Vice Chancellor of ORID and the Director of Finance should ensure that all amount due to Research Endowment Fund are duly and promptly transferred to provide incentive for the support of future grant-writing and student success programs or initiatives.

1216. Management indicated that per the University's practice, overheads are accrued on the actual expenditure incurred by the project and not the amount received. Some of the projects have a life span of more than one year and therefore falls under more than one accounting period. Though the policy says overhead is 25%, the Pro-Vice Chancellor (ORID) has been given the privilege to make changes based on specific requirements of the projects. The overhead policy of NIH USA is 15% and cannot be altered. EU overhead policy is 7% as specified in the contract document and cannot be altered by the University. Most of the projects are also capacity building in nature and therefore their agreements do not include overheads. (Eg. Training of PhD, Masters and Fellowships). Some Units in the University like ORID has recently invested GH¢734,187 in the Research Endowment Fund from proceeds received from project overheads.

1217. We reiterated that the GH¢14,646,941.96 represents the total amount of project overhead income charged to the various cost centres in 2019 as per the details in table 200'. As a result, the GH¢2,197,041.29 represents 15% share due the UG Research Endowment Fund in accordance with the Memo dated October 9, 2017 and signed by the Pro-Vice Chancellor (RID) on the decision of the University's Senior Management about the share-out and distribution of funds collected as overheads.

Table 120: University of Ghana Project Overheads due and payable as at 31 December 2019

NO.	UNIT	NAME OF PROJECT	Name of Principal Investigator	COST CODE	CURRENCY	CONTRACT SUM	2019 OVERHEADS	GHS EQUIVALENT	ENDOWMENT FUND (15% SHARE)
1	CBAS	ORM4 Soil Fertility Project	Prof Godfred Ofosu-Budu	TA89	CHF	1,633,884.00	2,349.85	13,453.60	2,018.04
2	CBAS	Groundwater Dev & Sust. Agric	Prof Mark Sandow Yidana	TA81	DKK	9,999,996.00	36,060.89	29,988.24	4,498.24
3	CBAS	SAT4Farming Project	Prof Daniel Bruce Sarpong	TB94	EUR	156,746.00	4,284.00	26,609.64	3,991.45
4	CBAS	Planing of Groundwater Supplies	IESS	TB41	GBP	56,300.00	693.00	5,070.27	760.54
5	CBAS	Feed The Future Innovation Lab	Prof Boniface B Kayang	TA65	USD	178,325.00	8,197.70	45,363.61	6,804.54
6	CBAS	Amplifies Ghana: Assisting Management in the Poultry and Layer Industries by Feed Improvement and Efficiency Strategies in Ghana	Dr Thomas Nortey	TB63	USD	502,377.00	6,260.60	34,644.28	5,196.64
7	IAS	D-SIP	Dr. Richard Asante	RJ32	DKK	3,110,725.12	98,390.67	81,821.68	12,273.25
8	IAS	Archive of Activism	Prof. Akosua Adomako Ampofo	RJ34	EUR	94,955.35	8,731.18	54,232.85	8,134.93
9	IAS	Madina Project	Dr. Samuel Ntewusu	RJ30	GHC		32,159.98	32,159.98	4,824.00
10	ISSER	DEMETER	Prof Dzordzi Tsikata	RKA6	CHF	316,687.00	47,734.76	273,295.82	40,994.37
11	ISSER	ACEIR/APFD	Prof Robert Osei Darko	RK86	EUR	130,500.00	7,020.36	43,606.26	6,540.94
12	ISSER	LEAP AGRI	Prof Felix Ankomah Asante	RKE3	EUR	58,000.00	24,909.38	154,722.12	23,208.32
13	ISSER	M Nutrition	Dr Simon Bawakyillenuo	RKC9	GBP	208,293.76	178,640.00	1,307,001.70	196,050.25
14	ISSER	APRA Ghana	Dr Fred Dzanku	RKD2	GBP	378,581.60	25,938.89	189,779.29	28,466.89
15	ISSER	Camfed	Dr Ama Fenny	RK86	GHC	86,500.00	3,500.00	3,500.00	525.00
16	ISSER	VRA	Dr Simon Bawakyillenuo	RK86	USD	177,167.63	11,000.00	60,870.70	9,130.61
17	ISSER	SVSS	Dr Charles Ackah	RK86	USD	58,875.00	34,085.80	188,620.59	28,293.09

18	ISSER	Secondi Takoradi	Dr Tekyi Asante	RK86	USD	6,800.00	1,388.75	7,684.93	1,152.74
19	ISSER	Yield Gap	Dr Fred Dzanku	RKB4	USD	82,903.00	3,309.22	18,312.23	2,746.83
20	ISSER	Northwestern	Dr Osei Akoto	RKE1	USD	1,339,994.03	385,600.00	2,133,794.72	320,069.21
21	ISSER	Cocobod Sustainability	Dr Simon Bawakyillenuo	RKE4	USD	300,000.00	4,200.00	23,241.54	3,486.23
22	ISSER	Beep Assessment	Dr Agyei-Holmes	RK86			4,780.00	4,780.00	717.00
23	ISSER	GSAM	Prof Peter Quartey	RK93			4,252.50	4,252.50	637.88
24	ISSER	Cay-Seed	Prof Ankomah Asante	RKA1			25,030.00	25,030.00	3,754.50
25	ISSER	IDRC	Prof Robert Osei Darko	RKC7			5,006.00	5,006.00	750.90
26	ISSER	Cities Alliance	Prof Adobea Owusu	RKE2			63,492.12	63,492.12	9,523.82
27	NUGUCHI	RECAO ETHICS	PROF. ABRAHAM KWABENA ANANG	SF27	EUR	43,480.00	2,854.19	17,728.52	2,659.28
28	NUGUCHI	WANETAM	PROF. DOROTHY YEBOAH MANU	SF86	EUR	29,048.75	2,315.48	14,382.37	2,157.36
29	NUGUCHI	COAST TO COAST RESEARCH ETHICS	OKYERE BOATENG	SF27	EUR	-	2,903.82	18,036.79	2,705.52
30	NUGUCHI	MALARIA PREVALENCE 2019	DR. BEN ABUAKU	SF27	GHC	652,412.00	97,861.80	97,861.80	14,679.27
31	NUGUCHI	NIRMOP	DR. SAMUEL DADZIE	SF27	GHC	935,859.75	28,030.45	28,030.45	4,204.57
32	NUGUCHI	NCD SUPPORT CENTRE	PROF. M.D. WILSON	SF27	GHC	40,000.00	6,000.00	6,000.00	900.00
33	NUGUCHI	PMI RTI 2	DR. SAMUEL DADZIE	SF27	GHC		31,357.73	31,357.73	4,703.66
34	NUGUCHI	ROTAVIRUS	PROF. GEORGE ARMAH	SE72	USD	37,500.00	5,625.00	31,127.06	4,669.06
35	NUGUCHI	TV VACCINE TRIAL	PROF. GEORGE ARMAH	SE73	USD		1,836.00	10,159.87	1,523.98
36	NUGUCHI	EPCMAL	PROF. BEN GYAN	SF10	USD		821.60	4,546.49	681.97
37	NUGUCHI	ALERE RDT	DR. LINDA AMOAH	SF27	USD	17,938.00	2,690.70	14,889.53	2,233.43
38	NUGUCHI	AMED GHS PORT SERVICES	PROF. WILLIAM AMPOFO	SF27	USD	119,161.55	9,422.22	52,139.74	7,820.96
39	NUGUCHI	ANTI MALARIA DRUG RESISTANCE STUDY	PROF. NEILS QUARSHIE	SF27	USD	116,000.00	3,807.00	21,066.80	3,160.02
40	NUGUCHI	ANTI VENON SERUM TESTING	DR. IRENE AYI	SF27	USD		1,590.88	8,803.45	1,320.52

41	NUGUCHI	ARM FM	DR. BEVERLY EGYIR	SF27	USD	7,000.00	1,050.00	5,810.39	871.56
42	NUGUCHI	DUGHNA 1	DR. SAMUEL DADZIE	SF27	USD	65,483.21	5,783.83	32,005.98	4,800.90
43	NUGUCHI	DUSTBUNNIES	DR. DZIEDZOM DE SOUZA/PROF. AHORLU	SF27	USD	64,606.64	3,083.58	17,063.61	2,559.54
44	NUGUCHI	GCP TRAINING SPOT TRIAL	DR. SUZAN ADU-AMANKWAH	SF27	USD	1,674.00	83.70	463.17	69.48
45	NUGUCHI	MRSA ESSL	DR. BEVERLY EGYIR	SF27	USD	120,828.08	3,343.50	18,501.93	2,775.29
46	NUGUCHI	GLOBE 2.0-PROF. AMPOFO	PROF. WILLIAM AMPOFO	SF27	USD	853,762.45	28,363.80	156,956.76	23,543.51
47	NUGUCHI	GLOBE TICKBORNE-DR. DADZIE	DR. SAMUEL DADZIE	SF27	USD	246,777.67	17,580.00	97,282.45	14,592.37
48	NUGUCHI	H-CHRIS PROJECT	DR. GEORGE KYEI	SF27	USD	9,760.00	1,464.00	8,101.34	1,215.20
49	NUGUCHI	HEALTHY HOMES PROJECT	DR. DZIEDZOM DE SOUZA/PROF. AHORLU	SF27	USD	10,667.01	1,600.05	8,854.20	1,328.13
50	NUGUCHI	HJF-NISP	DR. SAMUEL DADZIE	SF27	USD	967,088.03	3,865.68	21,391.51	3,208.73
51	NUGUCHI	K-13 SURVEILLANCE STUDY	DR. NANCY QUARSHIE	SF27	USD	116,707.04	3,500.91	19,372.99	2,905.95
52	NUGUCHI	LF SENTINEL STUDY	DR. DZIEDZOM DE SOUZA/PROF. AHORLU	SF27	USD	138,093.47	17,375.89	96,152.96	14,422.94
53	NUGUCHI	NCD SUPPORT CENTRE	PROF. M.D. WILSON	SF27	USD	6,701.00	1,005.15	5,562.20	834.33
54	NUGUCHI	ONCHO URINE DIPSTICK	DR. KWADWO FREMPONG KYEREMEH	SF27	USD	14,861.70	2,111.84	11,686.29	1,752.94
55	NUGUCHI	PLASMODIUM FALCIPARUM GAMETOCYTOGENESIS	DR. LINDA AMOAH	SF27	USD	77,055.00	685.58	3,793.79	569.07
56	NUGUCHI	GSK	PROF. KWADWO ANSAH KORAM	SF27	USD		278.05	1,538.65	230.80
57	NUGUCHI	SCHISTO-STH IN PREGNANT WOMEN	NAA ADJELEY FREMPONG	SF27	USD	11,595.34	1,037.64	5,741.99	861.30
58	NUGUCHI	SIGHT SAVERS-PROF. YEBOAH-MANU	PROF. DOROTHY YEBOAH MANU	SF27	USD		2,642.70	14,623.91	2,193.59
59	NUGUCHI	TMDU	PROF. ABRAHAM KWABENA ANANG	SF27	USD	11,250.00	11,250.00	62,254.13	9,338.12
60	NUGUCHI	TOOLS FOR ONCHO-CONTROL	PROF. DANIEL BOAKYE	SF27	USD	50,000.00	2,829.45	15,657.33	2,348.60
61	NUGUCHI	UTILITY OF VECTOR POPULATION GENETICS	PROF. DANIEL BOAKYE	SF27	USD		3,891.08	21,532.07	3,229.81
62	NUGUCHI	VECDOR STUDY	PROF. BEN GYAN	SF27	USD	44,552.00	2,489.76	13,777.58	2,066.64

63	NUGUCHI	VESTERGARD	PROF. ABRAHAM KWABENA ANANG	SF27	USD		3,395.92	18,792.00	2,818.80
64	NUGUCHI	MAVARECA II	DR. MICHAEL OFORI	SF31	USD		28,700.00	158,817.19	23,822.58
65	NUGUCHI	FUNCTIONAL IMMUNOGENETIC	PROF. DANIEL DODOO	SF44	USD		16,731.15	92,585.16	13,887.77
66	NUGUCHI	DELGEME	DR. ANITA GHANSAH	SF58	USD		3,136.80	17,358.11	2,603.72
67	NUGUCHI	PREDICT	PROF. WILLIAM AMPOFO	SF60	USD		4,052.26	22,423.99	3,363.60
68	NUGUCHI	NIINE	PROF. M.D. WILSON	SF61	USD		31,459.20	174,085.78	26,112.87
69	NUGUCHI	MENAFRINET	PROF. DOROTHY YEBOAH MANU	SF63	USD		2,396.23	13,260.02	1,989.00
70	NUGUCHI	AEVGI	DR. FRANCIS EKOW DENNIS	SF64	USD		8,999.10	49,798.32	7,469.75
71	NUGUCHI	RTSS VACCINE ON MALARIA	DR. ANITA GHANSAH	SF65	USD		8,800.00	48,696.56	7,304.48
72	NUGUCHI	CEBIOGEN	DR. ANITA GHANSAH	SF67	USD		49,500.00	273,918.15	41,087.72
73	NUGUCHI	AFRICA CDC NGS	PROF. ABRAHAM KWABENA ANANG	SF70	USD		14,699.30	81,341.52	12,201.23
74	NUGUCHI	SAPN	DR. KWADWO ASAMOAH KUSI	SF71	USD		10,102.42	55,903.76	8,385.56
75	ORID	SCALING UP FARMING THROUGH PUBLIC-PRIVATE LINKAGES TO IMPROVE RURAL WOMEN'S INCOME AND NUTRITION	DR.ESI COLECRAFT	RBH2	CAD		34,611.00	147,750.90	22,162.63
76	ORID	CLIMATE CHANGE RESILIENCE IN URBAN MOBILITY	PROF.PAUL.W.K. YANKSON	RBE5	DKK		9,808.87	8,157.06	1,223.56
77	ORID	ADVANCING CREATIVE INDUSTRIES FOR DEVELOPMENT IN GHANA(ACIG)	DR. MOHAMMED-AMINU SANDA	RBK8	DKK		95,798.54	79,666.07	11,949.91
78	ORID	CO-OPERATION AGREEMENT ON CO-FINANCE	PROF. KOJO S. AMANOR	RE41	DKK		23,284.78	19,363.62	2,904.54
79	ORID	PAN-AFRICAN NETWORK FOR RAPID RESEARCH, RESPONSE, RELIEF AND PREPAREDNESS FOR INFECTIOUS DISEASES EPIDEMICS	PROF.AUDREY GADZEKPO	RBG1	EUR		9,967.50	61,912.13	9,286.82

80	ORID	VALIDATION OF A CLINICAL PREDICTION SCORE FOR TARGETED HEPATITIS C SCREENING AMONG GHANAIA PEOPLE LIVING WITH HIV	PROF.KWASI TORPEY	RBG8	EUR	92,492.78	11,159.18	69,314.13	10,397.12
81	ORID	IS IT WELL WITH MY SOUL? EFFECT OF COMTEMPORARY AFRICAN RELIGIOUS PRACTICES ON WELL BEING	DR. ANNABELLA OSEI-TUTU	RBH3	EUR	205,000.00	2,500.00	15,528.50	2,329.28
82	ORID	MIGRATION, TRANSFORMATION AND SUSTAINABILITY	PROF.SAMUEL CUDJOE	RBH5	EUR	124,924.00	4,000.00	24,845.60	3,726.84
83	ORID	MEASURING THE HEALTHINESS OF GHANAIA CHILDREN'S FOOD ENVIRONMENTS TO PREVENT OBESITY AND NON-COMMUNICABLE DISEASES	DR. AMOS LAAR	RBM6	EUR	521,300.00	11,155.00	69,288.17	10,393.23
84	ORID	EXAMINING THE IMPLICATIONS OF WOMEN'S EARNINGS FOR HOUSEHOLD DIVISION OF LABOUR AND WOMEN'S WELFARE OUTCOMES IN GHANA	PROF.ABENA D. ODURO	RBM7	EUR	92,203.48	1,945.44	12,083.91	1,812.59
85	ORID	OPTIMISATION AND OPERATION OF DAMS	DR. DANIEL NUKPEZAH	RE59	EUR	45,000.00	6,747.75	41,912.97	6,286.95
86	ORID	REOPTIMISATION AND REOPERATION OF STUDY OF AKOSOMBO AND KPONG DAMS	DR. DANIEL NUKPEZAH	RE61	EUR	8,694.47	1,301.92	8,086.75	1,213.01
87	ORID	MADE W/A - MIGRATION AND DEVT PARTNERSHI	PROF. MARIAMA AWUMBILA	RE94	EUR	255,773.00	15,739.02	97,761.35	14,664.20
88	ORID	GENDER AND GENERATION: UNDERSTANDING THE DYNAMICS OF	PROF. MARIAMA AWUMBILA	RBC6	GBP	103,081.00	8,051.52	58,908.14	8,836.22

		MIGRANT HOUSEHOLDS								
89	ORID	UNDERSTANDING THE STRUCTURE AND FUNCTIONING OF THE MIGRATION INDUSTRY IN AFRICA	PROF. MARIAMA AWUMBILA	RBD1	GBP	110,906.00	12,620.44	92,336.19	13,850.43	
90	ORID	INCOME AND REMITTANCES: A LONGITUDINAL STUDY OF HOW MIGRATION CONTRIBUTES TO LIVING STANDARDS	PROF. MARIAMA AWUMBILA	RBD2	GBP	159,576.00	12,493.81	91,409.71	13,711.46	
91	ORID	BROKED MIGRATION FOR DOMESTICS AND CONSTRUCTION WORK IN GHANA	PROF. MARIAMA AWUMBILA	RBE1	GBP	74,151.00	6,929.12	50,696.21	7,604.43	
92	ORID	NATURAL ENVIRONMENT RESEARCH COUNCIL	DR. MAWULI DZODZOMENYO	RBE4	GBP	225,619.20	12,519.49	91,597.60	13,739.64	
93	ORID	GCRF-CRICK AFRICAN NETWORK PROGRAMME	PROF. GORDON A. AWANDARE	RB12	GBP	181,131.79	4,092.65	29,943.46	4,491.52	
94	ORID	FF4 GHANA COUNTRY GRANT 1	DR. JAPHETH A. OPINTAN	RB13	GBP	1,842,668.69	74,074.86	541,961.31	81,294.20	
95	ORID	NIHR GLOBAL HEALTH RESEARCH GROUP ON CLEAN ENERGY ACCESS FOR THE PREVENTION OF NON-COMMUNICABLE DISEASE THROUGH CLEAN AIR IN AFRICA: CLEAN-AIR(AFRICA)AT THE UNIVERSITY OF LIVERPOOL	DR. REGINALD QUANSAH	RBK6	GBP	34,718.50	1,012.50	7,407.86	1,111.18	
96	ORID	OPERATIONALISING UNIVERSAL HEALTH COVERAGE FOR NON-COMMUNICABLE DISEASES IN GHANA	DR. JUSTICE NONVIGNON	RBK7	GBP	12,026.00	706.18	5,166.70	775.00	
97	ORID	USING COLLABORATIVE VISUAL RESEARCH METHODS TO UNDERSTAND EXPERIENCES	PROF. JOSEPH OSAFO	RBN4	GBP	36,296.00	1,528.80	11,185.31	1,677.80	

		RESISTENCE ON THE BEHAVIOUR AND FITNESS OF MALARIA VECTORS										
109	ORID	HEARING IMPAIRMENT GENETICS STUDIES IN AFRICA (HI-GENES AFRICA)	PROF. GORDON A. AWANDARE	RBH4	USD	2,057,742.00	2,188.33	12,109.56	1,816.43			
110	ORID	THE SKILLS DEVELOPMENT FUND, PHASE II(SDFII) OF THE DANISH SUPPORT TO PRIVATE SECTOR DEVELOPMENT, PHASEII(SPSDIII) GHANA 2016-2020)	PROF.ROBERT EBOW HINSON	RBH7	USD	200,000.00	1,500.00	8,300.55	1,245.08			
111	ORID	DISTRICT ASSEMBLIES COMMON FUND (DACF) MEDIA ENGAGEMENT	DR. CHARLES ACKAH	RBH9	USD	30,549.00	59,842.00	331,147.68	49,672.15			
112	ORID	GENETIC INTERACTIONS BETWEEN HUMAN POPULATIONS AND MALARIA PARASITES IN DIFFERENT ENVIRONMENT SETTINGS ACROSS AFRICA(PAMGEN)	DR. LUCAS AMENGA-ETEGO	RBLI	USD	415,800.00	5,471.06	30,275.20	4,541.28			
113	ORID	MEDICINAL CHEMISTRY PROGRESSION OF HITS IDENTIFIED FROM THE MMV PATHOGEN BOX FOR MALARIA AND TUBERCULOSIS	DR. RICHARD KWAMLA AMEWU	RBM2	USD	100,000.00	4,350.53	24,074.53	3,611.18			
114	ORID	WOMEN AND POLITICAL PARTICIPATION IN AFRICA: A COMPARATIVE STUDY OF THE REPRESENTATIVE ROLE OF FEMALE CHIEFS	DR. JENNIFER AMANDA COFFIE	RBN8	USD	500,000.00	10,000.00	55,337.00	8,300.55			

115	ORID	MEASURING THE HEALTHINESS OF GHANAIAN CHILDREN'S FOOD ENVIRONMENTS TO PREVENT OBESITY AND NON-COMMUNICABLE DISEASES	DR. ERNEST KENU	RBO3	USD	206,331.00	15,283.84	84,576.19	12,686.43
116	ORID	MAPPING AND SIZE ESTIMATION OF FEMALE SEX WORKERS ANTHIOLOGIC AND BEHAVIOURAL SURVEY FOR FSWs AND THEIR INTIMATE PARTNERS	PROF.AUGUSTINE ANKOMAH	RBO7	USD	1,379,888.00	639,410.10	3,538,303.67	530,745.55
117	ORID	SCREENING COLLABORATION AGAINST NON-FALCIPARUM SPECIES	DR.YAW ANIWEH	RBP4	USD	26,000.00	3,135.27	17,349.64	2,602.45
118	ORID	PREVENTING EMERGENCE AND SPILLOVER OF BAT VIRUSES IN HIGH-RISK GLOBAL HOTSPOTS	DR. RICHARD SUU IRE	RBO7	USD	113,400.00	6,300.00	34,862.31	5,229.35
119	ORID	CLINICAL TRIAL AGREEMENT	PROF. GEORGE ARMAH	RBR2	USD	4,259,354.00	28,152.00	155,784.72	23,367.71
120	ORID	ADVANCING REDD IMPLEMENTATION IN GHANA AND CAMEROON	DR. DIEUDONNE ALEMAGI/DR.DANIEL NUKPEZAH	RBR4	USD	84,300.00	3,850.00	21,304.75	3,195.71
121	ORID	ADOLESCENT SURVEY ON SMOKING	PROF. FRANCIS DODOO	RE91	USD	724,765.00	39,017.27	215,909.87	32,386.48
122	ORID	UNIVERSITY OF GHANA-TULLOW TERTIARY SCHOLARSHIP SCHEME	PROF. JULIUS FOBIL	RBK4	USD	366,848.00	3,554.53	19,669.70	2,950.46
			TOTAL					14,646,941.96	2,197,041.29

Overdue rental receivable – GH¢1,109,473.82

1218. Paragraph 10 of Policy Number 1401 of the UGFRG requires that the Director of Finance is responsible for ensuring that appropriate procedures are in operation so that debtors' invoices are raised promptly on official invoice stationery, in respect of all income due to the University.

1219. Whilst we recognised the efforts of the University to follow up on outstanding rental income, we also noted that out of the total amount of GH¢1,109,473.82 shown as rental receivable, an amount of GH¢906,794.78 (representing 81.73 %) remained uncollected beyond 3 months (120 days) as shown table 121.

Table 121: Overdue rental income receivable

Client Name	Rental Receivable as at 31 December, 2019		
	Less than 3 months	Beyond 3 months	Outstanding Receivable
	(GH¢)	(GH¢)	(GH¢)
Central Cuisine	37,463.89	0.00	37,463.89
Tasty Treats	133,000.00	0.00	133,000.00
Ghana Post	0.00	19,800	19,800.00
Basement Plus Company Ltd	28215.15	0.00	28,215.15
Baritas Restaurant		72,000.00	72,000.00
Krismartha Supermarket		7,094.78	7,094.78
Jilkk Company Ltd		18,000.00	18,000.00
Maxi Catering Services		60,000.00	60,000.00
Digital Plex	4,000.00	70,200.00	74,200.00
Nania Football Club		36,000.00	36,000.00
Accra Rugby Club		49,000.00	49,000.00
Hearts Of Lions Football Club		13,200.00	13,200.00
Accra Hearts of Oak Sporting Club		61,500.00	61,500.00
B. A. Construction Limited		500,000.00	500,000.00
Total	202,679.04	906,794.78	1,109,473.82

Source: Data from Rent receivable schedule as at 31/12/2019

1220. The continuous accumulation of overdue rental income does not improve the liquidity of the University to undertake its regular or earmarked operational activities.

1221. We recommended that the Director of Finance should recover all outstanding rental receivables and initiate appropriate steps to charge interest on all outstanding indebtedness at the prevailing Bank of Ghana 91-day treasury bill rate.

1222. Management explained that the Accounts Receivable Office together with the Deputy Director of PDMSD have been doing joint follow ups on overdue rental receivables. In these collaborative efforts, an amount of GH¢384,615 has been recovered and invoices to the tune of GH¢41,200 have been cancelled leaving an

amount of GH¢926,364.99 yet to be recovered. The invoices cancelled related to two institutions that had vacated the University's premises but were inadvertently billed.

Failure to recover outstanding imprest- GH¢3,563,167.78

1223. Regulation 102 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires that, unretired imprest shall be charged to the personal name of the Principal Spending Officer or the holder of the imprest or the ultimate recipient of the imprest, as appropriate. Again, Policy No. 1604 of the UGFRG requires that a special imprest issued for making a particular payment of group of payments shall be fully retired within ten days after completion of the activity.

1224. We noted that out of GH¢9,546,435.34 declared as staff loans and advances in 2019 financial statements, an amount of GH¢3,563,167.78 was identified as outstanding imprest. However, there was no evidence that the outstanding imprest was recovered from the salaries of the affected staff in the 2019 financial year. Details have been attached to the report as table 122.

Table 122: Failure to recover outstanding imprest

No	Code	Name	Type	Account	Amount (GH¢)
1	16875	AKUFFO-ADDO JOHN	4	PA	1,500.00
2	24220	ALFRED CUDJOE-ALL	4	PA	14,890.00
3	16249	ALFRED QUARTEY	4	PA	3,600.00
4	20113	ANTWI A. MICHEAL	4	PA	1,300.00
5	20829	AWUKU F.A.	4	PA	12,545.40
6	16234	BARFI-ADOMAKO OWU	4	PA	2,700.00
7	24216	BELLA BELO BITUGU	4	PA	259,722.75
8	20753	BENEDICT FOSU ADJ	4	PA	2,000.00
9	19100	BERNICE S. TAMAKL	4	PA	3,000.00
10	17108	BOADI ERIC	4	PA	1,950.00
11	18393	CATHERINE AKANDEK	4	PA	1,800.00
12	24469	CHARLES KOFINTI	4	PA	27,157.60
13	24731	CHRISTINA ADWUBI	4	PA	6,825.00
14	18561	CHRISTINE BANING	4	PA	4,910.00
15	23840	DANIEL A. AMEYAW	4	PA	1,247.13
16	20574	DANIEL ADU-AMEYAW	4	PA	5,000.00
17	15894	DANIEL O. BAIDOO	4	PA	5,830.00
18	18459	DEYEGBE REGINA	4	PA	1,450.00
19	16533	DORIS M. ASANTE	4	PA	35,480.00
20	15660	DR. AWO MANA ASIE	4	PA	8,000.00
21	17815	DR. BENJAMIN DAN	4	PA	12,490.00
22	16064	DR. JAMES KOJO AD	4	PA	5,000.00
23	22175	DR. OLIVIA ANKU-T	4	PA	5,000.00
24	20606	DR. PATRICK ASAMO	4	PA	5,000.00
25	17952	DR. ROSINA KYEREM	4	PA	29,988.00
26	17857	DR. STEPHEN AFRAN	4	PA	21,000.00
27	17728	DR. T. A. ADJADEH	4	PA	10,000.00
28	15893	ENOCH A. AMARTEY	4	PA	2,500.00
29	25088	ERIC GAISEY	4	PA	2,000.00
30	23844	EVANS KWABENA OWU	4	PA	4,577.30
31	18721	EVANS NANENU	4	PA	1,672.00
32	17019	EVELYN E. LARTEY	4	PA	3,030.00
33	20255	FRANCIS K. BOACHI	4	PA	3,990.00

34	20275	GODFRED A. BOKPIN	4	PA	3,520.20
35	19699	GOKA I. M	4	PA	8,600.00
36	115	HELEN ASARE	4	PA	56,419.84
37	5050	IBRAHIM BEDI	4	PA	740.00
38	25564	JOANA K. OMABOE	4	PA	460.00
39	19105	JOSEPH ODURO NKAN	4	PA	2,401.15
40	16655	JOYCE B. ANNAN	4	PA	1,500.00
41	16993	K.P. TWUMASI	4	PA	800.00
42	16604	KARIMU GBENE SUGL	4	PA	20,391.24
43	21521	KLUTSE C.A.	4	PA	500.00
44	150	KWAME OFFEI	4	PA	14,311.87
45	23813	LUCAS Y. CHIGABAT	4	PA	10,292.00
46	18990	LYDIA A. NYAKO-DA	4	PA	21,090.00
47	15542	MIKE EDUAH	4	PA	11,970.00
48	24060	MR. C.K. VORTIA	4	PA	250.00
49	17934	MRS. CHRISTY BADU	4	PA	3,700.00
50	19103	MRS. GLADYS OKYER	4	PA	4,105.00
51	16309	MS. PEARL A. MENS	4	PA	2,850.00
52	18415	PERPETUAL S. DADZ	4	PA	24,875.75
53	21009	PHILIP QUAYE	4	PA	6,384.00
54	20419	PHILOMINA AKU ANE	4	PA	6,000.00
55	90021	PROF. AARON N. L.	4	PA	6,103.14
56	14843	PROF. ABENNEY MIC	4	PA	17,215.00
57	2015027	PROF. ANTHONY AND	4	PA	25,968.26
58	19806	PROF. FIRIBU SAAL	4	PA	2,999.70
59	18452	PROF. FRANCIS GBO	4	PA	20,000.00
60	17152	PROF. KWAKU TANO-	4	PA	5,000.00
61	20093	REGINA AFARI-BOAT	4	PA	47,022.39
62	24933	SAMUEL ETSIBAH	4	PA	2,000.00
63	15395	SAMUEL KPAKPO BRO	4	PA	570.00
64	20576	SAMUEL OSEI MENSA	4	PA	1,000.00
65	18883	STELLA AMOA	4	PA	8,145.00
66	21106	AKAAMA ABUNKUDUGU	4	PAAC	95.00
67	17472	AMBROSE KUUBETERZ	4	PAAS	1,800.00
68	20399	EDEM ADOTEY	4	PAAS	59,133.50
69	23428	GIFTY APELETEY	4	PAAS	1,000.00
70	19719	MACLEAN DERRY	4	PAAS	1,314.00
71	20419	PHILOMINA AKU ANE	4	PAAS	141,481.79
72	5158	ABDUL RAZAK SULLE	4	PABS	10,510.00
73	5177	ABUBAKARI SADIC	4	PABS	3,000.00
74	5030	ACHEAMPONG OWUSU	4	PABS	4,000.00
75	5107	AFUMWAA DANKWA	4	PABS	2,000.00
76	5105	ALBERT AMOAKO-FAR	4	PABS	17,203.67
77	5140	ALEXANDER ADOMAKO	4	PABS	2,560.00
78	5204	ALFRED MENSAH	4	PABS	2,000.00
79	5151	ATSU KUDOHOR	4	PABS	1,500.00
80	5157	BAYI SAMUEL GMAPI	4	PABS	5,000.00
81	5159	BENEDICTA OPPONG	4	PABS	8,000.00
82	5094	BENJAMIN OHENE-DJ	4	PABS	700.00
83	5123	CHARLES ADDO ABRO	4	PABS	5,000.00
84	5095	CHRISTOPHER K SON	4	PABS	600.00
85	5165	DAVID KPORTI	4	PABS	5,000.00
86	5169	DOMEY SIMON	4	PABS	2,000.00
87	24541	DR. ABDULAI ABDUL	4	PABS	31,385.00
88	24487	DR. YAPOMAA GYE	4	PABS	10,000.00
89	21341	DR. KWAME ASAMOAH	4	PABS	94.00
90	24997	DR. SAINT KUTTU	4	PABS	10,000.00
91	24639	DR. THEOPHILUS MA	4	PABS	10,000.00
92	5202	DR. THOMAS BUABEN	4	PABS	10,000.00
93	18697	EDITH YAPOMAA	4	PABS	2,000.00
94	23806	EDWARD ATAKORA	4	PABS	10,000.00
95	23817	EMMANUEL BOADI	4	PABS	4,000.00
96	5145	EMMANUEL KOFI NKA	4	PABS	1,000.00
97	24711	EMMANUEL NYAMPONG	4	PABS	1,200.00
98	5137	EMMANUEL OWUSU	4	PABS	2,570.00
99	5034	EMMANUEL SARPONG-	4	PABS	8,000.00
100	23811	ERNEST OPOKU	4	PABS	1,100.00
101	5124	EVANS OSEI-WUSU	4	PABS	8,000.00

102	5147	FOSTER CUDJOE	4	PABS	2,510.00
103	5122	FRED ASAMOAH	4	PABS	2,200.00
104	25520	GEORGE ACHEAMPONG	4	PABS	10,000.00
105	5129	GLOVER TEI AMANOR	4	PABS	5,000.00
106	24719	GODSWAY GESALOG	4	PABS	5,000.00
107	5039	GORDON ABEKA-NKRU	4	PABS	8,000.00
108	20046	GORDON ABEKA-NKRU	4	PABS	2,814.09
109	23809	HARRISON KYEI	4	PABS	9,000.00
110	18822	HENRY Y EKLAH	4	PABS	400.00
111	24720	ISAAC OTU OFFEI	4	PABS	6,200.00
112	2130	JOHN NAM-ZONG	4	PABS	878.00
113	19149	JOHN NAM-ZONG	4	PABS	1,510.00
114	24714	JONATHAN NKANSAH	4	PABS	2,000.00
115	5144	JOSEPH ANACK	4	PABS	1,313.34
116	5083	JOSEPH ANANG TETT	4	PABS	2,118.00
117	24717	JOSEPH LOGOZA A	4	PABS	1,200.00
118	24624	KWAME ANTWI	4	PABS	8,010.00
119	5114	LEONORA KPOGLI	4	PABS	5,000.00
120	23816	MABEL MANU GYAU	4	PABS	1,300.00
121	20834	MAJOREEN O. AMANK	4	PABS	10,000.00
122	5097	MARY BODO-COFIE	4	PABS	3,009.98
123	5112	MAVIS NANA YAA SO	4	PABS	10,000.00
124	5120	MAXIMUS TETTEH OD	4	PABS	1,500.00
125	5171	MENSAH FORDJOUR F	4	PABS	500.00
126	5108	MICHAEL STEVENSON	4	PABS	10,000.00
127	5670	NATHANIEL ODAMTTE	4	PABS	5,000.00
128	24724	PATIENCE MAWUSE G	4	PABS	1,000.00
129	25040	PRINCE B. ATIA	4	PABS	1,120.00
130	5044	PRINCE KODUA	4	PABS	10,000.00
131	5024	ROBERT E HINSON	4	PABS	2,472.00
132	5079	ROBERT OSEI-KYERE	4	PABS	520.00
133	23023	ROGER ATINGA	4	PABS	620.00
134	5121	ROSE ADDOTEY-DEMO	4	PABS	3,600.00
135	5125	SAMUEL A ANAEFI	4	PABS	8,000.00
136	5139	SAMUEL KOFI BAAFI	4	PABS	2,560.00
137	5118	SAMUEL OBODAI TOR	4	PABS	3,611.00
138	23846	SELINA SAKA	4	PABS	10,150.00
139	16652	STELLA DOVLO	4	PABS	5,843.98
140	5002	STEPHEN TAKYI-ASI	4	PABS	8,000.00
141	23810	THEOPHILUS WEGBE	4	PABS	5,000.00
142	24718	THOMAS TACKIE QUA	4	PABS	1,200.00
143	5161	TONY SORY	4	PABS	1,000.00
144	5128	YAO AMAVI	4	PABS	1,910.00
145	23069	ABU YAYA	4	PACB	1,000.00
146	6031	ANDERSON KWASI AH	4	PACB	7,061.85
147	24367	ANGELA PARRY-HANS	4	PACB	6,000.00
148	17432	ANTHONY H. HOFE	4	PACB	213.00
149	6033	BABA MUTALA EDEM	4	PACB	7,194.00
150	15749	BRUCE BANOENG-YAK	4	PACB	64,848.00
151	24469	CHARLES KOFINTI	4	PACB	900.00
152	24009	CHRISTIAN BENYO	4	PACB	2,500.00
153	6028	COLLINS EBENEZER	4	PACB	7,218.00
154	20282	DILYS S. MACCARTH	4	PACB	14,000.00
155	21234	DOREEN NKRUMAH	4	PACB	1,000.00
156	24368	DR. ARTHA OHEME	4	PACB	2,567.19
157	43143	DR. CHARLES ANTWI	4	PACB	1,700.00
158	18942	DR. E.B. SABI	4	PACB	2,000.00
159	20018	DR. EDWARD EBO ON	4	PACB	11,000.00
160	23410	DR. ELVIS TIBURU	4	PACB	2,469.45
161	18859	DR. ERIC K. NARTE	4	PACB	2,000.00
162	20270	DR. HOPE R. OTSYI	4	PACB	1,500.00
163	22742	DR. L.P. CHEGBELE	4	PACB	36,600.00
164	24400	DR. MAAME YAAKWAA	4	PACB	28,000.00
165	17377	DR. OSEI-ASARE YA	4	PACB	62,914.03
166	20606	DR. PATRICK ASAMO	4	PACB	76,540.00
167	24051	DR. RALPH A. TWUM	4	PACB	2,000.00
168	24756	DR. SETH ADU-AFAR	4	PACB	6,000.30
169	23188	DR. SHERRY JOHNSO	4	PACB	3,000.00

170	19096	DR. THOMAS ARMAH	4	PACB	34,677.50
171	6032	ELORM DEDE KUMODZ	4	PACB	4,724.55
172	17929	EMMANUEL BAIDOO	4	PACB	280.00
173	25596	ERIC OPPONG DANSO	4	PACB	17,125.50
174	6027	FRANCIS ABEIKU AM	4	PACB	586.00
175	20711	GLORIA ESSILFIE	4	PACB	1,800.00
176	33177	GODSON EBOW ARHIN	8	PACB	30,850.00
177	16090	IRENE S. EGYIR	4	PACB	1,092.00
178	23834	JENNIFER AMPONSAH	4	PACB	9,600.00
179	25438	JOHN ADENAA BAWA	4	PACB	800.00
180	23184	JOSEPH OFORI	4	PACB	47,640.00
181	22418	KEN OKWAE FENING	4	PACB	45,000.00
182	21510	KOFI OBENG YEBOAH	4	PACB	800.00
183	24747	MR. EMMANUEL OSADU	4	PACB	1,052.00
184	23320	ONWONA-YEMAN B.	4	PACB	48,571.41
185	20307	PATRICIA TSIKATA	4	PACB	6,744.79
186	16195	PROF. BONIFACE B.	4	PACB	3,386.00
187	16268	PROF. CHRISTINA A	4	PACB	13,658.00
188	20466	PROF. ERASMUS H.	4	PACB	3,785.00
189	9846	PROF. F. K. KUM	4	PACB	50,484.00
190	19806	PROF. FIRIBU SAAL	4	PACB	2,000.00
191	16539	PROF. GEORGE WIAF	4	PACB	3,000.00
192	16822	PROF. J. OFOSU-AN	4	PACB	31,500.00
193	12672	PROF. K. AFREH-NU	4	PACB	22,000.00
194	16343	PROF. K.G. OFOSU-	4	PACB	68,286.00
195	21020	PROF. KWASI APPEA	4	PACB	39,959.00
196	16872	PROF. LANGBONG BI	4	PACB	6,435.00
197	15396	PROF. MARK KOFI A	4	PACB	2,000.00
198	16224	PROF. MATILDA STE	4	PACB	5,000.00
199	24885	PROF. PAA KOBINA	4	PACB	910.00
200	17893	PROF. PROSPER NUD	4	PACB	32,432.50
201	17679	PROF. S. ADJEI NS	4	PACB	5,100.00
202	21787	RICHARD DAAH	4	PACB	2,500.00
203	23746	RICHARD OWOARE	4	PACB	1,200.00
204	20935	ROBERT ADJETEY SO	4	PACB	2,000.00
205	20719	SANDOW M. YIDANA	4	PACB	45,890.90
206	17703	SARATU SALIFU	4	PACB	2,000.00
207	20223	STEPHEN NARH	4	PACB	40,712.70
208	20611	THOMAS N. N. NORT	4	PACB	13,499.80
209	14833	VINCENT EZIAH	4	PACB	4,076.50
210	20396	YVONNE S. A. LOH	4	PACB	6,380.00
211	6020	UG LEARNING CENTE	4	PACE	9,893.00
212	11764	WILLIAM DONKOR	4	PACE	36,720.00
213	21748	AUGUSTINE AMISSAR	4	PACH	1,950.00
214	22067	DR. JONATHAN QUAR	4	PACH	770.00
215	24616	DR. NEAL BOAFO	4	PACH	24,500.00
216	22382	DR. PATRICK ADJEI	4	PACH	6,623.55
217	21519	EMPI BARYEH	4	PACH	600.00
218	20580	ETHELDREDA THEODO	4	PACH	19,610.00
219	90160	EVELYN WILSON AMO	4	PACH	1,500.00
220	90162	FELICIA ANSAH OKA	4	PACH	24,246.00
221	90117	GAYO BASILIA	4	PACH	68,012.44
222	20720	KWAKU AMPONSAH	4	PACH	800.00
223	23121	MR. KWABENA OWUSU	4	PACH	3,678.00
224	21064	MUSA EBENEZER HAM	4	PACH	500.00
225	43060	PETER DOMENA	4	PACH	11,905.00
226	14901	PROSPER AMEGASHIE	4	PACH	9,200.00
227	24186	ROLAND NANA MOSES	4	PACH	9,475.40
228	21537	SIMON KOVE	4	PACH	788.00
229	22042	TETTE EDEM MDAL	4	PACH	1,000.00
230	17936	THEODORE AHUNO	4	PACH	450.00
231	21926	TSEGAH EMMANUEL	4	PACH	770.00
232	21523	YVONNE LARTEY	4	PACH	400.00
233	25488	THEODORA E. ARTHU	4	PACW	510.00
234	13427	BEATRICE RICHARDS	4	PAEF	2,789.00
235	23216	DIANA A. OWUSU AN	4	PAEF	916.50
236	20447	DODOO-ARHIN DAVID	4	PAEF	10,000.00
237	17675	DR. ADOTE ANUM	4	PAEF	15,560.00

238	20560	DR. ESI COLECRAFT	4	PAEF	5,000.00
239	22742	DR. L.P. CHEGBELE	4	PAEF	8,293.50
240	24213	DR. NAA DODUA DOD	4	PAEF	13,954.50
241	20255	FRANCIS K. BOACHI	4	PAEF	6,900.00
242	19880	NANA AKUA ANYIDOH	4	PAEF	5,000.00
243	22863	NANA OYE ANIAPIM	4	PAEF	976.00
244	14810	PROF. CHRISTOPHER	4	PAEF	8,000.00
245	18888	PROF. GORDON A. A	4	PAEF	4,054.80
246	17152	PROF. KWAKU TANO-	4	PAEF	5,000.00
247	23976	SELASIE AMAH	4	PAEF	1,115.00
248	25081	AKOSUA SERWA OTCH	4	PAHU	430.00
249	20672	BOSSMAN ERIC ASAR	4	PAHU	1,475.00
250	24469	CHARLES KOFINTI	4	PAHU	8,890.00
251	18287	DR. EKUA EKUMAH	4	PAHU	3,686.00
252	20044	DR. FRITZ BIVERID	4	PAHU	29,797.00
253	19527	DR. J.M. KUSIMI	4	PAHU	2,218.50
254	20755	DR. KWADWO OWUSU	4	PAHU	798.00
255	25360	DR. LLOYD AMOAH	4	PAHU	8,000.00
256	20697	DR. WAZI APOH	4	PAHU	35,315.00
257	24421	EDWARD ADUM NYARK	4	PAHU	19,100.00
258	12476	IBRAHIM AKABUTEY	4	PAHU	6,613.00
259	19557	PROF. B.W. KANKPE	4	PAHU	41,814.50
260	16863	PROF. JAMES BOACH	4	PAHU	34,020.00
261	19834	PROF. JOSEPH A YA	4	PAHU	2,503.20
262	20778	PROF. JOSEPH TEYE	4	PAHU	10,169.50
263	13137	PROF. KODZO GAVUA	4	PAHU	34,810.00
264	10401	PROF. PAUL W.K. YA	4	PAHU	29,300.00
265	17802	PROF. WILLIAM BAA	4	PAHU	5,512.00
266	19898	WILLIAM NORTEH GB	4	PAHU	35,600.00
267	14339	CECILIA ADJEI	4	PAPA	6,383.00
268	20170	DR ADWOA ARHINE	4	PAPA	1,842.00
269	21017	DR. DANIEL APPIAH	4	PAPA	4,220.00
270	18287	DR. EKUA EKUMAH	4	PAPA	28,852.00
271	19343	DR. FELICIA OWUSU	4	PAPA	2,210.00
272	18271	DR. JOSHUA AMUAH	4	PAPA	5,575.00
273	20233	DR. REV. AARON YE	4	PAPA	45,936.33
274	24538	DR. S. K. KUWOR	4	PAPA	27,263.64
275	23852	DR. SAMUEL BENR	4	PAPA	18,610.00
276	20234	HILARIUS WUAKU	4	PAPA	22,489.20
277	25047	DR. ADOLPHINA ADD	4	PAPH	4,145.70
278	25223	DR. JOHN K. GANLE	4	PAPH	13,042.13
279	21110	DR. PHYLLIS DAKO-	4	PAPH	5,000.00
280	19094	JULIUS FOBIL	4	PAPH	5,000.00
281	23612	DR. AYA A. BAWA	4	PARP	55,245.92
282	24140	DR. BENJAMIN D DO	4	PARP	502.25
283	24934	DR. MUMUNI ABU	4	PARP	36,545.52
284	24213	DR. NAA DODUA DOD	4	PARP	14,134.70
285	15170	MR.S.A. QUAYE	4	PARP	935.57
286	21513	MRS. ARHIZAH BLAY	4	PARP	15,260.05
287	25078	MS. VICTORIA A. A	4	PARP	4,701.50
288	20875	PROF. AMA DE-GRAF	4	PARP	14,000.00
289	19558	PROF. S.N.A CUDJO	4	PARP	25,000.00
290	25293	MRS. GLORIA ACHEM	4	PASN	8,362.50
291	20694	ALBERTA ANKU	4	PAST	4,000.00
292	25183	DAMARI YEI-FREM	4	PAST	8,000.00
293	20296	DR. CHARLES ACKAH	4	PAST	17,900.00
294	19420	DR. FRED DZANKU	4	PAST	4,000.00
295	17304	DR. ISAAC OSEI-AK	4	PAST	10,000.00
296	22429	DR. MARTHA AWO	4	PAST	6,177.84
297	21504	DR. SIMON BAWAKYI	4	PAST	65,935.00
298	15432	ECCLES ADWOA ANDO	4	PAST	7,194.00
299	19559	NANCY KKWAF KWAO	4	PAST	2,500.00
300	16624	PROF. FELIX ASANT	4	PAST	3,000.00
301	19887	PROF. ROBERT DARK	4	PAST	2,347.50
302	17462	ELENORA MANKROM	4	PAVH	5,298.00
303	43029	FLORENCE TWUM (MR	4	PAVH	4,991.00
304	20253	SENYO KWAME ZOWON	4	PAVH	6,633.00
Total					3,563,167.78

1225. Failure to ensure that staff retired outstanding imprest promptly hindered our ability to confirm whether these amounts were used wholly and exclusively for the purposes for which they were granted.

1226. We recommended that the Director of Finance should ensure that all outstanding imprest are validated by the Internal Audit Directorate (IAD) and recovered from the salaries of the affected persons. Again, any staff who fails to retire outstanding imprest after the reasonable ten days should not be granted subsequent imprest.

1227. Management indicated that monitoring of accountable imprest is one of the duties of the Accounts Receivable office which was set up in March 2019. The office has put in measures to ensure that staff retire their outstanding imprest by sending reminders to imprest holders through memos, emails and on some occasions phone calls to retire their outstanding imprest.

Non remittance of income taxes withheld- GH¢3,492,362.86

1228. Section 114 of the Income Tax Act, 2015 (Act 896) requires that, an employer shall withhold tax from the payment of an amount to be included in ascertaining the income of an employee from the employment. Policy Number 1607 of the University of Ghana Financial Regulations and Governance (UGFRG) also requires that the Payroll Section is responsible for ensuring that required tax forms are properly completed and submitted, and that all required taxes are withheld and paid.

1229. We noted that a total amount of GH¢3,492,362.86, being monthly income taxes (PAYE) withheld between 2018 and 2019, was not remitted to the Ghana Revenue Authority (GRA) as at 31 October 2020. Details are shown in table 123.

Table 123.: Non remittance of income taxes withheld

	Year Ended 31 December 2018		Year Ended 31 December 2019		
Month	No. of Staff	PAYE Withheld GH¢	No. of Staff	PAYE Withheld GH¢	TOTAL PAYE Withheld GH¢
January	183	48,030.46	352	108,034.79	156,065.25
February	235	82,971.30	419	145,908.91	228,880.21
March	230	93,716.88	421	131,793.03	225,509.91
April	220	55,472.27	453	168,682.61	224,154.88
May	222	56,158.50	543	169,535.12	225,693.62
June	245	75,880.83	580	172,774.91	248,655.74
July	248	71,469.53	596	170,048.60	241,518.13
August	287	84,572.71	642	223,021.50	307,594.21
September	326	154,193.28	655	295,383.11	449,576.39
October	339	141,819.45	659	291,852.52	433,671.97

November	316	95,833.77	575	252,210.82	348,044.59
December	350	162,778.98	602	240,218.98	402,997.96
Total		1,122,897.96		2,369,464.90	3,492,362.86

1230. The delay in the payment of employees' income taxes withheld was mainly due to cash constraint and the number of staff being paid from Internally Generated Funds.

1231. We recommended that Management should comply with Policy No. 1607 of UGFRG and ensure that all income taxes withheld are paid promptly to the GRA by the 15th day of the month following the month in which the deduction was or should have been made. Again, immediate steps should be taken to negotiate with GRA on the payment of the outstanding amount of GH¢3,492,362.86.

1232. Management accepted our recommendation and stated that the University has started payment of these outstanding tax.

Need to improve students' receivables management

1233. Policy Number 1402 requires that the Director of Finance is responsible for ensuring that all student fees due to the University are received. Again, the University Statutes require that students shall pay such fees representing charges due for admission, registration, tuition, accommodation, programmes of study, examinations, and conferment of degrees and otherwise, at such times, and in such manner, as may be fixed from time to time by the Council.

1234. We reviewed students' receivable management to determine whether there are adequate controls and procedures in place to ensure that student accounts (receivables) are properly recorded, and collection and write off processing are adequately managed.

1235. We noted that out of the total amount of GH¢25,843,084.74 reported in the financial statements as students' fees receivable, GH¢2,549,366.12 is owed by 700 students who were not in the active students list for the 2018/2019 and 2019/2020 academic years. We also noted the underlisted weaknesses in the records of the students' fees receivable. Details are shown in table 124.

Table 124: Weaknesses in Students' fees receivable

*Ref	Description	Number	GH¢
A	Likely students who have stopped the course	162	537,132.96
B	Double Billing of students	4	29,373.07
C	Students with Affiliate Institutions	11	250,002.47
D	Unknown student identification numbers	3	(3,407,815.63)
E	Students with credit balance (above GH¢1,000)	2,468	(14,020,999.54)

**Details have been attached as appendix (B – F)*

1236. These anomalies were as a result of; granting permission to staff to do back-office registration for students; students who have not paid the required fees but have been able to register; wrong coding of data entry on student bills; and the transfer of credit balance of student accounts after providing the necessary document before registration. Besides, the system setup requires a student to have a credit balance before he/she can register after which the relevant bills are then generated.

1237. The failure to ensure continuous monitoring of student indebtedness could result in misstatements of the total receivable balance. Again, students who have been wrongly billed are unable to register for graduation upon completion of their programmes.

1238. To enhance students' receivable management, we recommended that the Director of Finance should ensure the development of reports on students' receivable as part of the standard report that can be generated from the Integrated Tertiary System.

1239. The Internal Audit Directorate should also conduct a validation of the students' receivable balance to ascertain the accurate student indebtedness. We also recommended the following:

- a. the Director of Finance should ensure that monthly reconciliations of the student accounts receivable subsidiary ledger are done to avoid double billing of students.
- b. establish procedure for promptly collecting outstanding receivables from students with affiliated institutions.
- c. student fees received by the University in advance should be recognised as deferred revenue and payable in accordance with the University's accounting policy on revenue from exchange transactions.
- d. the Director of Finance should investigate the total amount of GH¢3,407,815.63 assigned to the unknown students; and
- e. establish a Standard Operating Procedures (SOP) for monitoring and promptly contacting students to enhance collections of outstanding receivables.

1240. Management explained that the ITS Integrator has been structured in a way that only students with the required credit balances are allowed to register. However, the back-office registration is being reviewed to make it more relevant and responsive to the needs of those who require it. This will eliminate the issue of students accounts receivable completely and improve cash flow. Nevertheless, the ITS Integrator has a facility for conducting analysis, and staff will be trained on the proper use of the facility.

1241. Currently, all the banks who are collecting fees on behalf of the University have been directed not receive fees without the required student identification number. A committee was instituted on 3rd December 2020 to ensure the reconciliation of these outstanding balances. Students with credit balances are a normal feature with the ITS set up due to instances such as students on scholarships who have already paid their fees.

Failure to update signatories to bank accounts

1242. Policy Number 1302 of the UGFRG requires that all cheques drawn on behalf of the University must be signed in the form approved by the Finance and General-Purpose Committee. Again, Provosts, Deans and Directors must conduct a regular review of the number of signatories that are required to permit the optimal financial management in their departments at least once a year by the Director of Finance to ensure that only current members of the University are included.

1243. Our bank confirmation conducted during the audit, disclosed that the underlisted separated staff continued to be on the approved signatories of the University's bank accounts. Details are shown in table 125.

Table 125: Failure to update signatories to bank accounts

Bank Name	Account Name	Separated Staff
CITI BANK	Bank 30-CITI Bank USA	Prof. Clifford Nii Boi Tagoe
GCB	C/HALL - GCB A/C	Alice Quartey
GCB	L/HALL GCB1 GHC A/C	George Kwame Owusu Appiakorang
GCB	GCB:UG GENERAL CACS - LEVENTIS PROJ. GHC GCB - UG ACCOUNT 2 A/C UG GHC OVERDRAFT A/C GCB GCB:UG GBP A/C GCB: FOREIGN USD GCB: AERC COLLAB M.A GCB: UG EURO GS-CC GCB GHC A/C	Edward Nii Mensah Tetteh
GCB	GS-CC GCB GHC A/C DE GHC STD FEE CALL CACS - LEVENTIS PROJ. GHC GCB-UG ACCOUNT 2 A/C UG GHC OVERDRAFT A/C GCB	Richard Okyere Boapea
GCB	ISSER-GCB GHC Current A/C	Clement Ahiadeke
GCB	ISSER-GCB GHC Current A/C	Nancy Sialeky Kwao
GCB	SN-GCB GHC A/C GCB	Abayomi Moshood-Amusa
GCB	ACC-GCB GHC Main Gc	Kwamena Korang
GCB	ACC-GCB MAIN GC	John Adarkwah
GCB	C/HALL- GCB USD A/C	Emmanuel Annoh
GCB	SPH - GCB USD Circle G	Matilda Pappoe
GCB	SPH - GCB USD Circle G	Prof Isabella A. Quakyi
GCB	SAHS - GCB USD A/C GCB	Barima Kesseku Afari Danso
GCB	L/HALL - GCB1 GHC A/C C/HALL - GCB A/C	Abigail Sey
Ecobank	UG College of Health Science	Edward Nii Mensah Tetteh

Ecobank	Institute of African Studies ISSER	Nancy Sialely Kwao
Ecobank	School of Public Health	Prof Julius Najah Fobil
Standard Chartered	Akuafu Hall Council	Sey Abigail

1244. This lapse was because of the failure of the designated officers to ensure that signatories to the University's bank accounts are reviewed annually and follow up with banks to replace separated staff on the signatory list of the bank accounts.

1245. The continuous failure to review the signatories list could lead to possible abuse or misappropriation of funds.

1246. We recommended that the Director of Finance should liaise with all Provosts, Deans and Directors to conduct a review of all bank accounts signatories and ensure that all separated staff are excluded from mandatory/optional signatory list.

1247. Management agreed to liaise with the University's bankers and conduct thorough work to address the anomalies to avoid recurrence.

Absence of ownership title on UG lands

1248. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires that, a Principal Spending Officer shall maintain a register of lands and buildings under the control or possession of the Principal Spending Officer. Again, the register referred to in subsection 3(a) shall contain a record of the details of each parcel of land and each building and the terms on which the land or building is held, with reference to the conveyance, address, area, date of acquisition, disposal or major change in use, cost, lease terms, maintenance contracts and other pertinent management details.

1249. We noted from the University landed register that out of the thirty-eight (38) parcels of land, only eleven (11) were duly supported with Land Title/Conveyance Deeds leaving twenty-seven (27) outstanding as shown table 126.

Table 126: Absence of ownership title on UG lands

No.	Property Landmark/ Description	Location	Size of Land in Acre	Type of Conveyance	Revalued GH¢
1	South West Legon	Kissiemman	Approximately 17.69	*N/P	9,365,200.00
2	SCDE Centre	Tema	Approximately 0.66	Leasehold	44,800.00
3	Danfa Community Clinic	Danfa, Accra	Approximately 6.0	Leasehold	1,200,000.00
4	No. 7 Sakumo Link	Latebiokoshie	Approximately 0.26	N/P	455,000.00
5	No. 1 Sixth Sakumo Link	Latebiokoshie	Approximately 0.16	N/P	280,000.00

6	No. 21 Adedentan Street	West Korle Gonno	Approximately 0.13	N/P	182,000.00
7	Soko Apartment	Latebiokoshie	Approximately 0.30	N/P	525,000.00
8	No. 73 and 74 Sunyani Avenue	Kanda	Approximately 0.92	Leasehold	6,810,300.00
9	No. F911/1 Ringway Estate	Osu – RE	Approximately 0.19	N/P	
10	SCDE Centre	Ho, near Kabore School	Approximately 7.32	N/P	897,475.00
11	SCDE Centre	Tsito, Volta Region	Approximately 4.33	N/P	362,880.00
12	SDCE Demonstration Farm	Tsawenu, Volta Region	Approximately 3.08	Freehold	232,207.00
13	Aquaculture Research and Production Centre	Degorme – Mepe	Approximately 5.34	Leasehold	160,200.00
14	No. 296 Ola Estates	Cape Coast	Approximately 0.90	Leasehold	208,500.00
15	No. 291 Ola Estates	Cape Coast	Approximately 0.61	Leasehold	152,622.00
16	Residence of the Centre Head	3rd Ridge, Cape Coast	Approximately 7.67	Leasehold	1,280,890.00
17	SDCE Centre	Chapel Hill, Takoradi	Approximately 2.82	N/P	12,820,000.00
18	No. E8	South Kweikuma, Sekondi	Approximately 0.30	Leasehold	70,000.00
19	SCDE Centre	Amakom, Kumasi	Approximately 8.86	Leasehold	8,803,296.00
20	Residence of the Centre Head	Asokwa, Kumasi	0.43	N/P	848,000.00
21	SCDE Centre	Sunyani	0.80	Leasehold	166,000.00
22	G-9 Tonsuom Estate	Sunyani	0.25	Leasehold	26,500.00
23	Undeveloped Site	Sunyani	1.68	Leasehold	252,150.00
24	SCDE Centre	Domba Street, Tamale	10.00	Restricted Lease	150,480.00
25	Baba Land	Opposite the Tamale Sports Stadium, Tamale	Approximately 3.59	Leasehold	359,000.00
26	SCDE Centre	Ministries, Bolgatanga	Approximately 0.86	N/P	N/P
27	2No Two Bedroom Semi-Detached Staff Bungalows	Bolgatanga Estates	0.56	Leasehold	N/P

**N/P means Not Provide*

1250. The failure to ensure that the landed properties of the University are duly registered with ownership title/conveyance deed could result in encroachment and misuse.

1251. We recommended that the Registrar should ensure that the Director of Physical Development and Municipal Services Directorate (PDMSD) is provided with financial resources to register all the assigned lands of the University.

1252. Management stated that the University started the process of documenting its Lands and this is an ongoing process for all landed properties. For example, the Baba Land has reached very advance stage now with the Regional Lands Commission and the University will prepare site plans for the other listed properties for the processing of the required documents.

Absence of comprehensive policy on rental facilities

1253. Section 12 of the University of Ghana Act, 2010 (Act 806) requires that the Council shall promote income generating activities for the operations of the University as part of the University's programme. Priority 6 of the Strategic Objective as outlined in the UG Strategic Plan (for 2014 to 2024) also provides that the University will competitively promote the use and hire of all University facilities within a regulatory framework.

1254. Contrarily, we noted that the University did not have a comprehensive framework or policy for the hiring and use of its facilities. These facilities are currently being operated under the discretion of the respective College, School, Directorate or Unit.

1255. The absence of a comprehensive framework or policy has resulted in ad hoc management and administration of rental facilities of the University, and this inhibits the maximisation of revenue from these sources.

1256. To enhance mobilization from non-core income generating sources, we recommended that the Registrar and the Director of Finance should develop a comprehensive framework or policy on the hiring and use of the University's facilities for the consideration of the Council.

1257. Management agreed with the recommendation and stated that the University will take steps to engage the services of experts from Physical Development and Municipal Services Directorate (PDMSD) in determining fees for rental properties and put in place a rental policy.

Absence of Business Continuity and Disaster Recovery Planning

1258. The University relies on its computing environment for maintaining several critical, financially sensitive and or confidential systems used to meet the University's needs. Hence, the nature of the University's decentralised operations requires an improve business continuity and disaster recovery planning process.

1259. We however, noted that the University did not have a baseline continuity and disaster recovery plans, including specific college procedures, financial and academic management information systems. Also, the University has not

ensured that all other Units or Departments outside the UG Computer System (UGCS) with specialised laboratory computer system (such as Noguchi) or responsible for their own electronic systems, had adequately developed and tested plans.

1260. Without adequate contingency planning, the University cannot ensure that all its critical systems could be recovered within an acceptable period and minimise the impact associated with a disaster.

1261. We recommended that the Chief Information Technology Officer should develop Business Continuity and Disaster Recovery Plans to ensure that all critical information systems can be recovered within a required timeframe. At a minimum, the plans should reflect the current environment, identify a prioritised list of critical operational system and minimum recovery times, outline recovery team responsibilities, contact information, and discuss alternative recovery locations as well as off-site store facilities.

1262. Management indicated that a draft policy is being worked on and the University currently has a real-time data replication to its DR site at Noguchi. Again, University of Ghana Computing Systems (UGCS) will embark on a sensitization drive and assist with the development of recovery plans for critical IT systems that may reside locally at any institute or College. Besides the University operates a centralised critical IT infrastructure and the development of a Business Continuity Plan (BCP) requires a collaboration among business owners and the Chief IT officer.

Noguchi Memorial Institute for Medical Research (NMIMR)

Absence of fee-paying regime on laboratory services

1263. Regulation 48 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires that a Principal Spending Officer responsible for collecting various types of fees and charges shall review annually the administrative efficiency of collection, the accuracy of past estimates and the relevance of rates, fees and charges to current economic conditions and submit proposals through the Minister to Parliament for approval.

1264. Policy Number 1400 of the UGFRG also requires that the procedures for collecting academic fees and other charges must be approved by the Finance and General-Purposes Committee (FGPC) on the advice of the Director of Finance.

1265. Our trend analysis of laboratory services provided by Noguchi Memorial Institute for Medical Research (NMIMR) showed a continuous increase in the number of such services and the revenue generated internally as shown table 127.

Table 127: Absence of fee-paying regime on laboratory services

Year	Number of services	GH¢	Percentage of increase
2017	40	5,607.04	-
2018	47	20,700.00	270
2019	87	44,861.00	117

1266. However, we noted that NMIMR did not have Standard Operating Procedures (SOP) to give guidance for conducting fee paying laboratory services and defined fees to be charged for such services to enhance internal revenue maximisation.

1267. In our view, considering the potential to leverage on the credibility of NMIMR in laboratory testing, we recommended that the Director of NMIMR should ensure the development of a SOP to give guidance in the provision of fee-paying laboratory services and avoid ad hoc approaches by officers/units handling the test cases. Again, the fee-paying rates or regime should be submitted for the consideration of the Finance-General Purpose Committee on the advice of the Director of Finance.

1268. Management explained that Laboratory services offered by NMIMR are Student research led and Laboratory Services to the general public and the University is in the process of developing the SOP.

Regional Learning Centres

Encroachment of UG landed properties

1269. Section 52 of the Public Financial Management Act 2016, (Act 921) requires that, a Principal Spending Officer of a covered entity, state owned enterprise or public corporation shall be responsible for the assets of the institution and ensure that proper control systems exist for the custody and management of the assets. In this regard, Status 17 of the University of Ghana provides that the Director of Physical Development and Municipal Services shall be specifically responsible for the management and control of land use and maintenance of records on all land transactions entered into by and on behalf of the University.

1270. During our physical visitation to three Regional Learning Centres (RLC) namely Volta, Eastern and Western Regions, we noted the continuous encroachment of the University's lands, and lack of routine maintenance of staff accommodation as shown in table 128

Table 128: Encroachment of UG landed properties

S. N	UG Learning Center	Audit Issue
1a	Volta Region, Ho	The landed property measuring 7.2 acres was allocated to UG in 1974. However, we noted a construction of foundation pillars by private developers behind the official bungalow of the coordinator.
1b	Volta Region, Tsawenu	Individual farmers in the Community have taken over UG demonstration farm of about 32 acres.
1c	Volta Region, Tsito	The current condition of residential facility does not attract students to pursue academic programme at the Centre. Hence, negatively affected student enrollment at the Centre.
2	Eastern Region	The outstanding compensation for WHITE House building situated on the land allocated to UG has not been paid since 1997. Hence, individual residence of the building has refused to vacate the property, and this imposes threat to staff of the Centre.

1271. Although the above landed properties have been recorded in the register of PDMSD, a dedicated Infrastructure Fund/comprehensive Capital Maintenance Plan for the University to fence and safeguard its landed properties is lacking.

1272. As a result, the health and safety protocols for students and staff is at risk and does not auger well for the University in its decentralisation of teaching and learning efforts as the premier University in Ghana.

1273. We recommended that Management of the University should establish an Infrastructure Fund and launch solicitation for external funding to augment the University's internal financial resources. This would provide dedicated or earmarked funding to conduct routine maintenance of its facilities and safeguard its properties. Also, the Director of PDMSD should be provided with financial resources to assess the current state of all landed properties across the Regional Learning Centres including staff bungalows and initiate clear action plans to resolve or eliminate encroachment of UG lands.

1274. Management indicated that the College and School of Continuing and Distance Education have had to deal with encroachment for a very long time because of the school's inability to secure the perimeters of the vacant lands. However, Management has tasked the school to provide evidence of ownership of the plot and follow-up with discussions with the PDMSD for estimates to fence the plot.

Inadequate teaching and learning facilities

1275. Priority 2 of the UG Strategic Plan provides that the University shall promote academic excellence using highest international standards of teaching, learning and leadership development. UG Quality Assurance Policy also stipulates that the University is committed to build on its core strengths of centre of excellence for high quality teaching and research, relevant institutions and good infrastructure and other unique competencies in disciplines to secure and sustain world class competitive advantages in stable democratic environment.

1276. We noted at Cape Coast Learning Centre that there was no internet and library facilities to aid studies and research during academic sessions. Again, at Tsito Learning Centre, the school's accommodation use for teaching is in a deplorable state with no access roads.

1277. We were also concerned about the lack of adequate teaching and learning facilities across the Regional Learning Centres, which has affected students' enrolment to pursue academic programmes of the University.

1278. We recommended that the Provost of the College should assess the current state of the Regional Learning Centres and develop a strategy or an action plan to revamp these centres to ensure effective teaching and learning.

1279. Management indicated that some refurbishments have been undertaken in a number of Learning centres namely Takoradi, Koforidua, Tamale and Kumasi and as well as the provision of library facilities to improve teaching and learning. Specifically, the underlisted action has been taken:

a. Cape Coast Learning Centre

Renovation works have been undertaken at the Cape Coast Learning Centre and a team from PDMSD undertook an assessment of works done at the Centre to determine the structural integrity and inspect facilities at the Learning Centre.

b. Bolgatanga Learning Centre

The Logistics Directorate has advertised for contractors to be selected to undertake the refurbishment of the Bolgatanga Learning Centre which is in a very deplorable state.

c. Kumasi Learning Centre

The College is seeking funds from the University to complete the construction of a fence wall to prevent encroachers and those who use the place as a thoroughfare. Efforts are being made to complete the refurbishment at the Kumasi Learning Centre.

d. **Wa Learning Centre**

The Wa Learning Centre which was one of the Centres initially slated for renovation will be part of the future refurbishments to be conducted.

MANAGEMENT ISSUES – 2020

Research Activities in the University not fully integrated

1280. Statute 9 of University of Ghana Statutes, 2011 provides that the Office of Research, Innovation and Development (ORID) shall have responsibility for the promotion, facilitation and coordination of research activities in the University as a whole; and ensuring effective distribution and efficient use of research funds, in line with priority areas identified in the University's strategic plan and national needs.

1281. In this regard, Priority 1 of the University's Strategic Plan (2014 to 2024) is to develop and implement a plan for increasing the pool of the University's controlled funds available for academic research.

1282. However, six years (2014 to 2020) into its implementation, the University had not succeeded in pooling all existing and new research grants and contracts, in line with the functions of ORID. Thus, we noted that:

- i. out of the total reported project overheads of GH¢12,687,919.44 in the period under review, only GH¢4,604,282.09 was reported by ORID, with the remaining GH¢8,083,637.35 reported from “self-administered” research contracts by Schools, Institutes and Centres within the University;
- ii. as at the year ended 31 December 2020 approximately 64% of contract research activities in the University as a whole were not coordinated by ORID contrary to the Statutes;
- iii. the 64% contract research activities done outside the University's pool of research also did not comply with the approved overhead share-out directives;
- iv. the University in the year under review was denied its 60-percentage share of GH¢4,850,182.41, due from projects administered outside ORID;
- v. the UG Research Endowment Fund was also underfunded by GH¢1,212,545.60, being its 15-percentage share due from projects administered outside ORID.

1283. The University's foremost priority to "creating a vibrant intellectual climate that stimulates relevant cutting-edge research and community engagement" as envisaged in its Strategic Plan may be hindered. Additionally, effective monitoring of outcomes, maximizing the University's share of overheads, and seamless management of multiple stakeholder interests may fall short.

1284. We recommended that in accordance with the University's Statutes all research activities should be coordinated by ORID to increase the pool of funds available for academic research. This will ensure effective distribution and efficient use of research funds in line with priority areas identified in the University's strategic plan and national needs.

1285. Management responded that "The University is in the process of operationalizing a collegiate review report which recommends the decentralization of project activities at ORID. For efficiency, ORID established satellite offices for ISSER, CBAS, NMIMR and Korle-Bu to support ethics and facilitate grant proposal submissions."

Funds locked-up in investment – GH¢1,234,767.59

1286. Policy No. 1301 of the UGFRG provides that the Finance and General Purposes Committee is responsible for approving a Treasury Policy Statement setting out strategies and policies for cash management, investments and borrowings.

1287. Consequently, the Vice-Chancellor issued a policy instruction referenced UG/VC/01/01 dated 4 October 2018 which states "all Units in the University will now be required to invest with only commercial banks that have met the minimum capital requirements of the Bank of Ghana."

1288. We noted that Management of the Office of Research Innovation and Development (ORID) could not retrieve a sum of GH¢1,234,767.59 (principal plus interest) due from matured investments placed with NDK Financial Services as per details in table 129.

Table 129: Funds Locked-Up in Investment

Institution	Due Date	Amount (GHS)	Redeemed	Date	Funds Locked – Up (GHS)
NDK Financial Services	15 Oct 2019	1,334,767.59	100,000.00	17 Mar 2020	1,234,767.59

1289. This anomaly was occasioned by the non-adherence to the University's investment policy directives, which restricted all investment activities to only commercial banks that have met the minimum capital threshold of the Bank of Ghana.

1290. Management's inability to ensure that surplus funds are invested with only approved financial institutions increases the University's investment risk exposure.

1291. We recommended that ORID should ensure strict adherence to the University's Investment Policy in all investment decisions and activities.

1292. Again, Management should take steps to retrieve the locked-up funds from NDK Financial Services

1293. Management responded that the investment with regards to NDK Financial Services, several reminders have been sent to the institution and so far, GH¢100,000.00 had been retrieved.

1294. Management will not relent in its efforts to retrieve amounts invested.

Need to take up Professional Indemnity Insurance Policy for medical staff

1295. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires that a Principal Spending Officer should ensure that proper control systems exist for the custody and management of assets and that the control systems shall be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage and misuse of assets.

1296. During our review of the University of Ghana Council minutes dated 23rd April 2020, we noted that the University Council approved in principle Management's request to make a compensation payment to a patient named Dr David Gobapen. Representing the claimant, Sory@Law in a letter dated 26th August 2019 demanded an amount of GH¢6 million compensation for his client following surgery complications suffered at the University of Ghana Hospital, Legon.

1297. A review of the University Council minutes further disclosed that the medical staff were not covered by any Professional Indemnity Insurance policy, hence the liability for compensation claims, such as the above could always fall on the University.

1298. This may deprive the University of much-needed resources to support its operations and ongoing capital-intensive projects.

1299. We recommended that Management should take immediate steps to procure Professional Indemnity Insurance Policy for all medical staff of the Hospital to prevent payment of claims in the event of injury/harm caused by staff in the discharge of their duties. We also recommended that Management should make a provision for the liability of GH¢6 million as required by IPSAS 19 in the 2020 Financial Statements.

1300. Management responded that “A provision of GH¢6,468,320 has been made based on Council's approval. The amount excludes his legal fees for the negotiation. The University is considering taking up some form of professional indemnity insurance to forestall such instances in future.”

Unaccredited Programmes

1301. Section 36 of the Education Regulatory Bodies Act, 2020 (Act 1023) provides that a person who runs or advertises a tertiary education programme that is not accredited; commits an offence and is liable on summary conviction to a fine of not less than ten thousand penalty units and not more than twenty thousand penalty units or a term of imprisonment of not less than fifteen years and not more than twenty years, or to both.

1302. Consequently, Section 18 of the University of Ghana Act, 2010 (Act 806) established the Academic Board of the University which is answerable to the University Council devise and regulate courses of instruction and study subject to accreditation by the National Accreditation Board (Ghana Tertiary Education Commission).

1303. On the contrary, we noted that the University advertised 374 academic programmes on the various web portals that had the accreditation expired or requires re-accreditation during the period under review. Summarised in table 300.

Table 130: summary of UG unaccredited programmes

Programmes	Number Of Unaccredited Programmes as at 31/12/2020
Diploma	14
Undergraduate	80
Post-Graduate	213
PhD	67
Total	374

1304. This may have resulted in the University issuing certificates for these non-accredited programmes. The University could also face reputational challenges and the possibility of sanctions from GTEC.

1305. We recommended that Management should expedite action for accreditation and re-accreditation of all new and expired academic programmes respectively. Again, Management should liaise with GTEC to take retrospective accreditations to cover all the non-accredited certificates issued to students. Management Responses are as follows in table 301.

Table 131: Management Responses

Management Responses	Diploma	Under-Graduate	Post-Graduate	PHD	Total	Audit Remarks
Programme under review	6	8	16	5	35	We recommended that Management should expedite action in the review processes, and apply to GTEC for accreditation or re-accreditation of all revised programmes
Applied to GTEC	-	5	13	1	19	We recommended that Management should follow-up on the status of all applications to GTEC, to get the re-accreditations started.
Re-accreditation ongoing	1	25	56	21	103	We recommended that all concerns raised by the visitation panel or team should be addressed without delay to enable the Board of GTEC complete the accreditation process.
GTEC lacks capacity	-	-	-	1	1	We recommended that management should liaise with GTEC and the appropriate authorities that have the capacity to work on the accreditation without further delay
Expired	2	5	21	8	36	We urged Management to comply with requirements of the Education Regulatory Bodies Act, 2020 (Act 1023)
No response	5	37	107	31	180	We reiterate our recommendation
Total	14	80	213	67	374	

Paid Oracle Audit vault module not in use

1306. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires that a Principal Spending Officer of a covered entity shall ensure that preventive mechanisms are in place to eliminate theft, loss, wastage and misuse of an asset.

1307. We noted that the University of Ghana paid RXV limited an amount of GH¢114,428.04 in January 2020 as a license renewal cost for the Oracle Database Software. Part of the payment included an Oracle Audit Vault and Database Firewall which is a complete Database Activity Monitoring System. However, the University did not use this module even though it was paid for during the year.

1308. Further checks indicated that the Internal Audit Directorate to whom the Oracle Audit Vault module is of primary importance were not aware of the existence of the module and as a result, the University was denied the full benefit of the Oracle Audit Vault.

1309. We recommended to Management to ensure that the Internal Audit Directorate receives the needed training on the use of the Oracle Audit Vault without any further delay.

1310. Management responded that “The Oracle Audit Vault has since been activated. Management will consider a suitable resource entity to train the Internal Audit team on the tool as recommended.”

Inadequate Information System Risk Management

1311. Section 7 of the Public Financial Management Act, 2016 (Act 921) requires, a Principal Spending Officer to establish an effective system of risk management, internal control, and internal audit in respect of the resources and transactions of a covered entity.

1312. ISO/IEC 17799 also requires that to establish security requirements for an organization, management should assess risks using a Risk Register. This risk assessment enables management to identify threats to assets and estimate its impact. The results of the risk assessment will help guide and determine security risks to implement controls against these risks.

1313. We noted that the University did not conduct a risk assessment of its IT infrastructure during the period under review.

1314. As a result, countermeasures, and controls in place to manage identified risks that could arise from the University’s business operations may not be adequate and effective.

1315. We recommended that Management should conduct a risk assessment and develop a comprehensive Risk Register for the University's IT systems which would mitigate the risks identified.

1316. Management Responded "The University maintains the minimum requirement of a risk register to protect the environment within that sector of IT. With the Risk Officer of the University now established, risk management will be enhanced in all areas of operation of the university."

School of Veterinary

Non-Recovery of Unearned Salary - GH¢65,815.00

1317. Regulation 92 of the Public Financial Management Regulations, 2019 (L.I 2378) requires that the head of a covered entity shall take the necessary action to retrieve any unearned compensation occasioned by death, dismissal, leave without pay, vacation of post, resignation or retirement of an employee.

1318. We noted that Dr Ann Nancy Mills-Thompson resigned from the University without serving a 22-month bond for a study leave with pay granted her from October 1, 2013, to July 31, 2016. As a result, Management objected to her resignation and indicated her indebtedness of GH¢65,815.00 as an unearned salary for 19 months. However, as at the time of our audit in November 2021, there was no evidence of recovery from Dr Mills-Thompson.

1319. This has resulted in a loss of GH¢65,815.00 to the University which could have been used for operational activities.

1320. We recommended that Management should take the necessary action to retrieve the GH¢65,815.00 from Dr Mills-Thompson.

1321. Management responded that "The University has notified Dr Ann Nancy Mills-Thompson about her indebtedness and the need to settle. No response or update has been received so far. Other alternate ways of retrieving debt may be pursued by the University."

Hall of Residence

Absence of Approval Threshold for Authorisation of Payments

1322. Section 7 of the Public Financial Management Act, 2016 (Act 921) provides that, a Principal Spending Officer may delegate a function or responsibility specified in this Act to a public officer who is under the control of that Principal Spending Officer but shall not be relieved of the ultimate responsibility for the performance of the delegated function or responsibility.

1323. It further states that where a Principal Spending Officer delegates a function or responsibility under subsection (4), that Principal Spending Officer shall give the directives necessary for the proper exercise or performance of that function or responsibility.

1324. We noted that the Management of three Halls (Volta, Legon Mensah Sabah) authorised the commitment and payment of transactions without recourse to the Principal Spending Officer (Vice-Chancellor). There was, also no documentary evidence from the Vice-Chancellor delegating the function and responsibility of spending and the approval of expenditure threshold to the Hall Masters.

1325. The Bursar attributed the anomaly to a conventional practice by the Management of the Hall.

1326. We recommended that the Management of the University should establish the approval thresholds for the Hall managers.

UNIVERSITY OF PROFESSIONAL STUDIES, ACCRA (UPSA)

Introduction

1327. This report relates to the audited financial statements of University of Professional Studies for the year ended 31 December 2020.

Financial Performance

1328. The University recorded a surplus of GH¢65,037,415.85 at the end of December 2020 as against 2019 surplus of GH¢44,612,699.98 connoting 45.78% increased over the period. Details are shown in the table 132.

Table 132: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Government Subvention	61,051,462.80	47,146,757.95	13,904,704.85	29.49
GETFund	248,558.47	354,298.53	(105,740.06)	(29.84)

Internally Generated Funds (I.G.F)	89,659,710.89	81,964,916.98	7,694,793.91	9.39
Income –Total	150,959,732.16	129,465,973.46	21,493,758.70	16.6
Expenditure				
Staff Compensation cost	67,636,211.66	55,203,187.05	12,433,024.61	22.52
Goods & Services	18,286,104.65	29,650,086.43	(11,363,981.78)	(38.33)
Expenditure - Total	85,922,316.31	84,853,273.48	1,069,042.82	1.26
Surplus/(Deficit)	65,037,415.85	44,612,699.98	20,424,715.87	45.78

1329. Total income increased by GH¢21,493,758.70 representing 16.6% of 2019 total income of GH¢129,465,973.46, The increase was due to increase in Internally Generated Fund (IGF) and Government subvention.

1330. Internally Generated Fund (IGF) increased from GH¢81,964,916.98 in 2019 to GH¢89,659,710.89 in 2020, representing 9.39%, whilst Government subvention increased from GH¢47,146,757.95 in 2019 to GH¢61,051,462.80 in 2020 also representing 29.49%.

1331. Staff Compensation increased by GH¢12,433,024.61 representing 22.52%. Expenditure on Goods and Services decreased from GH¢29,650,086.43 in 2019 to GH¢18,286,104.65 in 2020, representing 38.33%. This was largely due the COVID-19 pandemic.

Financial Position

1332. The Financial Position of the University as 31 December 2020 is shown in table 133.

Table 133: Financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	256,965,797.64	201,631,321.02	55,334,476.62	27.44
Total Current Assets	40,783,368.81	17,464,561.73	23,318,807.08	133.52
Total Assets	297,749,166.45	219,095,882.75	78,653,283.70	35.90
Long-Term Current Liabilities	10,546,318.85	295,011.90	10,251,306.95	3474.88
Current Liabilities	6,307,738.97	2,945,668.16	3,362,070.81	114.14
Total Liabilities	16,854,057.82	3,240,680.06	13,613,377.76	420.48

1333. Non-Current Assets of the University increased by 27.44% whereas current assets increased by a whopping 133.52%. The increment was largely due to additions to Plant, Property and Equipment and increases in student debtors because of the COVID-19 pandemic respectively.

1334. Total Assets increased from GH¢219,095,882.75 in 2019 to GH¢297,749,166.45 in 2020, representing an increase of 35.90%.

1335. The University also recorded a significant increase in total liabilities. Current Liabilities saw an increase of 114.14% or GH¢3,362,070.81 whereas long-term liabilities increased by GH¢10,251,306.95 representing 3474.88% thus, increasing total liability from GH¢3,240,680.06 in 2019 to GH¢16,854,057.82 in 2020 representing 420.48%.

1336. This was largely due to significant increase in the accounts payable and a funding loan arrangement between the University and Access Bank for the Twin Tower Project.

MANAGEMENT ISSUES

Payment not appropriately accounted for – GH¢318,982.54

1337. Regulation 78 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires that, a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity that evidence of services received, certificates for work done and any other supporting documents exist.

1338. We noted during our review that, twenty-five (25) payment vouchers totalling GH¢318,982.54 released to officers of UPSA to transact official business on behalf of the University were not supported with the relevant documents such as receipts, invoices, claim sheets, reports and other expenditure related documents to authenticate the transactions though the activities for which the funds were released had been completed. Details provided in the table 134.

Table 134: Payment not appropriately accounted for

S/N	Date	PV No.	Details	Amount (GH¢)	Remarks
1	1/13/20	3106	Being Payment of Out of Station Allowance for Official Assignment at University of Energy and Natura	4,800.00	Provide Evidence of Invitation Letter from The University
2	1/27/20	3190	Being Payment for Stamp Duty, Registration and Ancillary Fees for Acquired Property as Per the Atta	19,940.00	Provide Official Receipt
3	1/30/20	3217	Being Payment of Sponsorship Of 1989 Whgs Speech Day Project, As Per Tghe Attached	10,000.00	Provide Official Receipt
4	3/4/20	3466	Being Payment of Out of Station Allowance for Vice-Chancellor, Registrar and Director of Finance Wit	7,260.00	Provide Invitation Letter

5	2/20/20	3404	Being Payment of Per Diem and Travelling Time Allowance for A Group of Staff to Attend a Seminar	72,079.20	Provide Evidence of Travel
6	2/20/20	3405	Being Payment of Per Diem and Travelling Time Allowance for Vice-Chancellor's Trip to Birkbeck Unive	27,648.00	Provide Evidence of Travel
7	1/31/20	3228	Being Payment of Horarium for Qes-As Project Team Members as Per the Attached.	27,637.50	Provide Evidence of Project Report and Schedule of Responsibility
8	1/31/20	3229	Being Payment of Horarium for Qes-As Project Team Members as Per the Attached.	18,562.50	Provide Evidence of Project Report and Schedule of Responsibility
9	1/31/20	3230	Being Payment of Horarium for Qes-As Project Team Members as Per the Attached.	9,281.25	Provide Evidence of Project Report and Schedule of Responsibility
10	1/31/20	3231	Being Payment of Horarium for Qes-As Project Team Members as Per the Attached.	3,093.75	Provide Evidence of Project Report and Schedule of Responsibility
11	1/31/20	3232	Being Payment of Honorarium for Qes-As Project Team Member as Per the Attached.	2,578.12	Provide Evidence of Project Report and Schedule of Responsibility
12	1/31/20	3233	Being Payment of Honorarium for Qes-As Project Team Member as Per the Attached.	2,578.12	Provide Evidence of Project Report and Schedule of Responsibility
13	1/31/20	3234	Being Payment of Honorarium for Qes-As Project Team Member as Per the Attached.	7,734.37	Provide Evidence of Project Report and Schedule of Responsibility
14	1/31/20	3235	Being Payment of Honorarium for Qes-As Project Team Member as Per the Attached.	2,578.12	Provide Evidence of Project Report and Schedule of Responsibility
15	8/7/20	4036	Pmt For Catering Services for Council Meeting	2,065.50	Provide Official Receipt
16	8/13/20	4061	Being Payment for Breakfast and Lunch for Visiting Professors from UK For Collaboration with Upsa Ma	2,500.00	Proide Official Receipt
17	8/13/20	4059	Being Re-Imbursement of Eexpense for Clearing University of Professional Studies, Accra Land Situate	5,000.00	Provide Official Receipt
18	8/28/20	4201	Being Sponsorship Toward Homowo Celebration by The Ga State Akarshontse.	1,000.00	Provide Official Receipt
19	9/1/20	4229	Being Payment of Service Provided by Ghana Police Band at The Commissioning of Upsa Astro-Turf Field	2,000.00	Provide Official Receipt

20	9/14/20	4292	Payment For Repairs and Servicing of Veh No. Gt8047-17	1,094.54	Provide Official Receipt
21	9/14/20	4290	Payment For Installation of Radio Set - Veh No. Gr2762-12	3,208.19	Provide Official Receipt
22	10/13/20	4383	Being Funeral Donation to The Bereaved Family of The Late Dr. Godwin T. Anim, The Late Father of Dr	2,000.00	Provide Official Receipt
23	11/10/20	4481	Being Payment for Provision of Server Space in The Cloud to Host Usis Database for One Year.	27,025.00	Provide Official Receipt
24	12/21/20	4663	Being Refund of Overpaid School Fees	4,086.00	Provide Official Receipt
25	12/22/20	4676	Being Payment for Conference Package for Upsa 2020 Management Retreat At La Tua Villas in Prampram.	53,232.38	Provide Official Receipt
Total				318,982.54	

1339. Control weakness in the finance directorate of the overpayment's procedures accounted for the irregularity.

1340. We were unable to certify the authenticity of the transactions. In the absence of the identified key supporting documents, the appropriateness of payment and whether the funds were used for the intended purposes remains in doubt.

1341. We recommended that, the amount be recovered from the officers involved. Meanwhile, the head of accounts should step up his supervisory role to ensure payment vouchers are properly acquitted.

1342. No response was received from Management.

Utilisation of contingency amount without prior approval - GH¢389,063.04

1343. Section 7(2) of the Public Financial Management Act, 2016 (Act 921) provides that, a Principal Spending Officer in the exercise of duties, shall establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of the covered entity.

1344. In order to ascertain the veracity of the utilization of the contingency amount in the contract sum of some completed projects, we noted that, the Director of works of UPSA ordered the utilization in full of the contingency components of the contract sum of the underlisted completed projects totaling GH¢389,063.04 without seeking a written prior approval from Management. Details shown in the table 135.

Table 135: Utilisation of contingency amount without prior approval

Description	Cont. Package No.	Proc. Method	Supplier Name	Contract Sum (GH¢)	Contingency Sum (GH¢)
Sectional Painting Works	GR/UPSA/WK/023/20	PQ	ICZ Ghana Limited	95,221.35	4,534.35
Loading and collection of refuse and bin bay	GR/UPSA/WK/017/20	PQ	Saidmo realities LTD	82,498.75	7,499.89
construction of astro-turf to football field	GR/UPSA/WK/003/19	Restrictive	Wembley sports construction ltd	3,888,016.55	373,456.05
construction of a single storey gate house for UPSA-Mpeasem	GR/UPSA/WK/021/20	PQ	ICZ Ghana Limited	38,121.22	3,572.75
	Total			4,103,857.87	389,063.04

1345. The Director of works explained that there was a verbal discussion with Management prior to issuing instructions for the utilization of the contingency amount.

1346. In the absence of documentary evidence of seeking prior approval from Management, we find it very difficult to authenticate the transactions, making the payments quite irregular.

1347. The practice undermines effective internal controls system and could lead to misappropriation of public funds and excessive spending.

1348. We recommended that, the director of works should be meticulous in ensuring that a written approval is always sought from Management prior to issuing instructions for the consumption of contingencies and provisional amounts in contract management.

1349. No response was received from Management.

GHANA INSTITUTE OF LANGUAGES

Introduction

1350. This report relates to the audited financial statements of Ghana Institute of Languages for the two years ending 31 December 2019.

Financial Performance

1351. The Institute's operations for the year under review recorded a surplus of GH¢1,440,705 as against GH¢329,385 in 2018 representing a 337.4% rise. The performance indicators of the Institute for the two years ended 31 December 2019 are presented in table 136.

Table 136: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./(Decr.) GH¢	% CHANGE
Government Subvention	4,083,524	3,730,686	352,838	9.5
Internally Generated Fund	5,360,524	2,740,793	2,619,731	95.6
Other Income	177,496	436,047	(258,551)	(59.3)
Total Income	9,621,544	6,907,526	2,714,018	39.3
Expenditure				
Compensation for Employees	4,988,229	3,949,945	1,038,284	26.3
Goods & Services	2,889,122	2,458,288	430,834	17.5
Consumption of Fixed Assets	303,488	169,908	133,580	78.6
Total Expenditure	8,180,839	6,578,141	1,602,698	24.4
Surplus/(Deficit)	1,440,705	329,385	1,111,320	337.4

1352. The total Income of the Institute appreciated by 39.3% from GH¢6,907,526 in 2018 to GH¢9,621,544 in 2019. The rise in the Total Income was largely due to an increase in the Internally Generated Fund by 95.6%.

1353. Total Expenditure also increased by 24.4% from GH¢6,578,141 in 2018 to GH¢8,180,839 in 2019. The increase was primarily due to a rise in Compensation for Employees from GH¢3,949,945 in 2018 to GH¢4,988,229 in 2019, representing 26.3% increase.

Financial Position

1354. Table 137: is a summary of the Institute's financial position as at 31 December 2019.

Table 137: Statement s of Financial Position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./(Decr.) GH¢	% Change
Non-Current Assets	2,762,205	2,478,821	283,384	11.4
Current Assets	3,402,137	1,894,439	1,507,698	79.6
Non-Current Liabilities	2,122,125	1,772,842	349,283	19.7
Current Liabilities	12,637	11,543	1,094	9.5
Current Ratio	269.2:1	164.1:1		

1355. The Institute's Non-Current Assets increased by 11.4% or GH¢283,384 from GH¢2,478,821 in 2018 to GH¢2,762,205 in 2019. The rise was mainly due to additions of GH¢586,872 to Property, Plant & Equipment from GetFund.

1356. Current Assets went up by 79.6% from GH¢1,894,439 to GH¢3,402,137 in 2018 and 2019 respectively. The rise was principally due to GH¢705,717 increase in Accounts Receivables from GH¢512,166 in 2018 to GH¢1,217,883 in 2019.

1357. Non-Current Liabilities increased from GH¢1,722,842 in 2018 to GH¢2,122,125 in 2019 depicting 19.7% rise. The increment was largely as a result of GH¢586,872 rises in deferred income.

1358. Current Liabilities increased marginally by 9.5% from GH¢11,543 in 2018 to GH¢12,637 in 2019. The increase was due to GH¢1,094 rise in Sundry Creditors.

1359. The current Ratio in 2018 of (164.1:1) bettered in 2019 showing 269.2:1. This shows the Institute's ability to meet its short-term financial obligations as and when they fall due.

MANAGEMENT ISSUES

Unrecovered staff debts - GH¢157,195.66

1360. Section 91 (1) and (2) of the Public Financial Management (PFM) Act, 2016 (Act 921) requires that the Board of Directors of a Public Corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public Institute.

1361. Section 53(1) of the same Public Financial Management Act, 2016 (Act 921) states ‘the Minister shall seek the approval of Parliament to:

- i. abandon or remit a claim by or on behalf of the Government,
- ii. abandon or remit service to the Government and write off a loss of or a deficiency in public funds or public resources”.

1362. We noted during the audit that, Management granted salary advance and rent loans to forty-six (46) staff in the previous years. However, the loan balances in the sum of GH¢157,195.66 remained unrecovered since 2017.

1363. We further noted that the Board of Management of the Institute had caused eight (8) separated staff loan balance of GH¢54,029.39 to be written-off without recourse to the approval of Parliament. Details are shown in Tables 138, 139 and 140.

Table 138: Staff Advances

NO.	Name	F/O	2017 GH¢	2018 GH¢	2019 GH¢
1	A. Anab	253	2,381.43	2,381.43	2,381.43
2	Alfred B. Cudjoe	392	846.74	846.74	846.74
3	Amedahevi Stephen	536	18,513.14	18,513.14	18,513.14
4	Christiana Yelbert	91	1,132.51	1,132.51	1,132.51
5	Comfort Kumatse	89	904.74	904.74	904.74
6	E.J. Aryetey	17	1,069.96	1,069.00	1,069.00
7	E.K. Afatsawu	119	3,022.59	853.77	853.77
8	Enoch Lomotey	41	211.40	211.40	211.40
9	Ernest Nana Agyei Kawakye	530	1,700.00	1,700.00	1,700.00
10	Gibrilla Ayumba	685	3,642.00	3,642.00	3,642.00
11	GIL welfare	824	-	1,000.00	1,000.00
12	Isaac Berko	69	10,239.56	10,239.56	10,239.56
13	Joel M. Asiedu	277	6,572.00	17,973.00	17,973.00
14	Jonathan Amenu	739	1,622.00	1,622.00	1,622.00
15	Joseph Awini	655	4,529.51	4,529.51	4,529.51
16	Magdalene Zon	155	2,011.53	135.57	135.57
17	Martin Kwesi Awombu	760	2,400.00	2,400.00	2,400.00
18	Mary Krieger	20	120.88	120.00	120.00
19	Michael Doggu	398	78.75	78.75	78.75
20	Michael Owusu Ansah	647	1,679.00	1,679.00	1,679.00
21	Moro Busanga	687	1,373.30	1,373.30	1,373.30
22	Nti Acheampong Samuel	731	1,200.00	1,200.00	1,200.00
23	Renius E. Kabir	403	840.00	840.00	840.00
24	Stephen Tuma Inuo	745	3,365.00	3,365.00	3,365.00
25	Vivian Dibin	237	394.34	3,639.74	3,639.74
26	Yaba Fuseini	689	1,200.00	1,200.00	1,200.00
	Sub-Total		71,050.38	82,650.16	82,650.16

Table 139: Rent Loans

No.	Name	F/O	2017 GH¢	2018 GH¢	2019 GH¢
1	Benjamin Boakye	225	4,000.00	4,000.00	4,000.00
2	C.L. Voul	145	1,858.54	1,858.54	1,858.54
3	Camilus Zinle	69	8,825.60	8,825.60	8,825.60
4	Chabah L. Yvonne	121	6,762.39	6,662.39	6,662.39
5	Clement Quao	239	8,800.00	8,800.00	8,800.00
6	Daniel Patrick Nii Laryea Square	149	8,647.79	8,647.79	8,647.79
7	Edwin Nibenang	273	3,000.00	3,000.00	3,000.00
8	Emmanuel Edem Weto	277	9,300.00	7,900.00	7,900.00
9	Ernest Nana Agyei Kwakuy	235	4,000.00	4,000.00	4,000.00
10	Ernestina Amegatsey (service person)	229	200.00	200.00	200.00
11	Issahaku Iddrisu	209	236.41	236.41	236.41
12	J. Awini	101	1,467.70	1,467.70	1,467.70
13	Joel Mawuli Asiedu	201	800.00	800.00	800.00
14	Kada Kwasi Nimo	211	418.00	418.00	418.00
15	Lenus Abanya	207	418.00	418.00	418.00

16	Martin Segtub	33	1,046.00	1,046.00	1,046.00
17	Nicholas Tweneboah	45	4,003.00	4,003.00	4,003.00
18	Pius K. Bito	57	8,003.07	8,003.07	8,003.07
19	Prosper Adobor	9	2,200.00	2,200.00	2,200.00
20	Rose Appenteng	181	2,059.00	2,059.00	2,059.00
	Sub-Total		76,045.50	74,545.50	74,545.50
	Grand Total		147,095.88	157,195.66	157,195.66

Table 140: Loans written off on the authority of the Board

No.	Name Of Staff	Loan Amount GH¢
1	E. J. Aryeetey	3,335.87
2	C. K. Ankosaala	4,558.95
3	Isaac Berko	15,115.55
4	E. K. Afatsawu	853.77
5	D. P. N. I. Squire	8,647.79
6	Aggrey Anthony	13,824.95
7	Joseph Awuni	4,529.51
8	Dzifa Adali-Mortty	3,163.00
	Total	54,029.39

1364. These anomalies could be attributed to Management's failure to consider the affordability and retirement age of the staff before granting the loans and advances.

1365. The practice had caused the revolving fund to be depleted, thereby, preventing other staff from benefiting the facility.

1366. We recommended to Management to develop a strategy for the recovery of the outstanding loans and advances as early as possible and properly accounted for in the books of accounts, failing which Management emoluments shall be withdrawn or suspended in accordance with Section 91 of the PFM Act.

1367. We also recommended to the Board of Management to seek for retrospective approval from Parliament through the Sector-Minister for writing off the loan balances, failing which the amount would be recovered from them.

1368. In addition, Management should always assess critically loan applicants for affordability and the number of years to retire before granting new loans.

1369. Management responded that a total amount of GH¢100,373.63 was collected over the period leaving a balance of GH¢56,882.03. Part of the outstanding balance is over the loan term which will be received when they are

due. Management will take further action on the recommendations by pursuing the other debtors to settle their loan balances to the Institute.

1370. Management could not support their claim by evidence of repayment of loans and advances from staff hence we reiterate our earlier recommendations.

Loss of Value Books – GH¢9,220.68

1371. Regulation 150 (1) of the Public Financial Management Regulations, 2019 (L.I. 2378) stipulates that, a person to whom a value book is issued is responsible for the custody of the value book.

1372. Regulation 152 of the same quoted Regulations further outlines the cost of loss of value books as follows:

- (a) the cost of acquiring the value book,
- (b) the cost of the notice of the public, and
- (c) any loss of revenue or irregular payment occasioned by the loss of the Value books.

1373. Our audit of revenue collections for translations noted that 14 leaflets from the receipt booklet number 208801 to 208900, and 6 leaflets from booklet number 208201 to 208300 were missing. We further noted that, a committee was constituted to investigate the irregularity, but the committee could not estimate the cost of the missing receipts leaflets.

1374. However, according to our calculations (based on the Institute's charges of GH¢200 per translation), total revenue which should have been accrued per the missing receipt leaflets is estimated at GH¢4,000.00. The cost of the investigation also amounted to GH¢3,770.68, bringing the total loss of translation revenue to GH¢7,770.68.

1375. We also noted that original receipt number 0206214 (from school fees collection receipt booklet number 0206200 - 0206300) was issued out by the Accounting Assistant of the East Legon branch without a carbon paper, leaving the duplicate with no inscription. No amount was also recorded in the cash book against the receipt number, leading to non-accountability of the revenue collected with the receipt. Apparently, each student pays GH¢1,450.00 as school fees. As a result, the estimated revenue loss to the Institute during the period summed up to GH¢9,220.68. Details of the estimated translation revenue loss are shown in Table 141.

Table 141: Estimated loss of translation receipts leaflets

Date	Number of Missing Receipt Leaflets	Missing Receipt Leaflets	Details	Cost of lost Value Books GH¢
19/12/2019		-	Payment for advertisement on missing receipt book leaflets in Ghanaian Times	1,052.48
13/11/2019		-	Payment for advertisement on missing receipt book leaflets in Daily Graph	1,465.73
16/01/2019		-	Cost of printing of the receipt books- 20 leaflets	2.47
23/12/2019		-	Payment of allowance for the investigative committee on missing leaflets	1,250.00
			Total	3,770.68
Estimated Loss of translation Revenue				
	1	208887	Fees for Translation from English into Foreign Language-General Documents	200.00
	2	208888	Fees for Translation from English into Foreign Language-General Documents	200.00
	3	208889	Fees for Translation from English into Foreign Language-General Documents	200.00
	4	208890	Fees for Translation from English into Foreign Language-General Documents	200.00
	5	208891	Fees for Translation from English into Foreign Language-General Documents	200.00
	6	208892	Fees for Translation from English into Foreign Language-General Documents	200.00
	7	208893	Fees for Translation from English into Foreign Language-General Documents	200.00
	8	208894	Fees for Translation from English into Foreign Language-General Documents	200.00
	9	208895	Fees for Translation from English into Foreign Language-General Documents	200.00
	10	208896	Fees for Translation from English into Foreign Language-General Documents	200.00
	11	208897	Fees for Translation from English into Foreign Language-General Documents	200.00
	12	208898	Fees for Translation from English into Foreign Language-General Documents	200.00

	13	208899	Fees for Translation from English into Foreign Language-General Documents	200.00
	14	208900	Fees for Translation from English into Foreign Language-General Documents	200.00
	15	208295	Fees for Translation from English into Foreign Language-General Documents	200.00
	16	208296	Fees for Translation from English into Foreign Language-General Documents	200.00
	17	208297	Fees for Translation from English into Foreign Language-General Documents	200.00
	18	208298	Fees for Translation from English into Foreign Language-General Documents	200.00
	19	208299	Fees for Translation from English into Foreign Language-General Documents	200.00
	20	208300	Fees for Translation from English into Foreign Language-General Documents	200.00
			Total	4,000.00
			Grand Total	7,770.68

1376. The committee which was set up to investigate the issue in its report concluded that Mr. Stephen Cato, the Accounting Assistance was negligent, as he left the translation receipt books in the custody of Ms. Beverlyn Walker who was not a permanent staff of the Institute without supervising the issuance of the receipts.

1377. We attributed the infractions to weaknesses in the supervision over the work of the cashiers by the Accountant.

1378. The Institute is deprived of the needed funds for its operations.

1379. We recommended to Management to recover the GH¢7,770.68 from the Accounting Assistant, Mr. Stephen Cato. We further advised Management to recover the GH¢1,450 from the Accounting Assistant of the East Legon branch, and our office informed for verification, failing which the accountant should be made to account for the amount of GH¢9,220.68.

1380. In addition, we recommended that the accountant should intensify his supervisory role over the activities of the cashiers to prevent the reoccurrence of

these anomalies and ensure that monies due the Institution are appropriately collected and accounted for.

1381. Management did not respond to the observation.

Unearned Salary and allowances – GH¢18,220.47

1382. Regulation 86 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires that, a Principal Spending Officer shall ensure that the names of personnel who are eligible to receive payment for work done are kept on the payment voucher; and keep records of the nominal roll of the respective covered entity in a manner that ensure that the correct amount of emolument is paid.

1383. Our review of staff files noted that Mr. Clement Quao vacated his post on 10th April 2018 but was fully paid at the end of each month of April and May 2019.

1384. We also noted that Mrs. Esther Veddi-Glover who went on retirement on 11th November 2019 had her salary fully paid in November and December 2019.

1385. We further noted that Mr. Isaac Osei and Ms. Belinda Atingyena received double of the amount supposed to be paid to them as fuel allowance from January to December 2019. Details are shown in Table 142.

Table 142: Unearned salary and allowances

Name	Staff No	Grades	Status	Date	Amount to be refunded GH¢
Clement Quao	881827	Principal Administrative Assistant	Vacated post without authorisation	10/04/2018	2,543.44
Esther Veddi-Glover	680482	Lecturer	Retirement	11/11/2019	5,870.63
Isaac Osei	680602	Lecturer	Overpayment of fuel allowance	01/01/2019-31/12/2019	4,903.20
Belinda Atingyena	680735	Lecturer	Overpayment of fuel allowance	01/01/2019-31/12/2019	4,903.20
Total					18,220.47

1386. The payment of unmerited compensation led to a loss of funds of GH¢18,220.47 to the state which could have been diverted to different areas of the economy.

1387. We recommended to Management to retrieve the total amount of GH¢18,220.47 from the four officers and pay same to Government chest and

obtain a treasury receipt to support the payment, failing which the Human Resource Officer, the payroll validation officers and the Accountant should be held liable for the amount of GH¢18,220.47.

1388. Management said that Mrs. Esther Veddi-Glover (680482) retired on 11/11/2019. The branch manager of the Ghana Commercial Bank was notified not to credit her Bank Account with any salary that may be paid into her account from the Controller and Accountant General's Department after her retirement.

1389. Mr. Clement Quao vacated the post on 10th April 2018. The Controller and Accountant General's Department was informed to delete his name from the Institute's payroll.

1390. We reiterate that Management should provide evidence of recovery of the unearned salary and allowances, failing which the approving officers of these payments shall be held liable.

Taxes not withheld - GH¢32,224

1391. Section 116 of the Income Tax Act, 2015 (Act 896) requires that a resident person shall withhold tax at a rate provided for in paragraph 8 of the First Schedule where that person pays a service fee with a source in the country to a resident individual as fees or allowances, to a resident director, manager, trustee or board member of a company or trust.

1392. The applicable rate specified in paragraph 8 of the First Schedule (c) (i) is twenty per cent (20%).

1393. Contrary to the above quoted law, a total amount of GH¢322,240 was paid to the members of the governing Board and the various committees as sitting allowances and quarterly fees for the 2018 and 2019 financial years. However, GH¢32,224 representing 10% tax was withheld instead of 20%, leading to under deduction of tax of GH¢32,224 from the allowances paid. Summaries for 2018 and 2019 taxes under deducted are shown in table 143 and Table 144.

Table 143: Taxes under deducted for 2018

Meeting	Gross Amount GH¢	10% Tax Deducted	Required Wht Rate 20%	Difference To Be Refunded To GRA
Finance Committee Meeting	6,300.00	630.00	1,260.00	630.00
Board of Management Allowances & Fees	80,280.00	8,028.00	16,056.00	8,028.00
Appointment & Promotions Committee Meeting	6,300.00	630.00	1,260.00	630.00
Audit Committee Meeting	19,800.00	1,980.00	3,960.00	1,980.00

Search for Director Committee Meeting	12,700.00	1,270.00	2,540.00	1,270.00
Entity Tender Committee Meeting	11,600.00	1,160.00	2,320.00	1,160.00
Total	136,980.00	13,698.00	27,396.00	13,698.00

Table 144: Taxes under deducted for 2019

Meeting	Gross Amount	10% Tax Deducted	Required WHT Rate 20%	Difference To Be Refunded To GRA
	GH¢	GH¢	GH¢	GH¢
Finance Committee Meeting	1,700.00	170.00	340.00	170.00
Board of Management Allowances & Fees	57,180.00	5,718.00	11,436.00	5,718.00
Appointment & Promotions Committee Meeting	53,200.00	5,320.00	10,640.00	5,320.00
Audit Committee Meeting	50,980.00	5,098.00	10,196.00	5,098.00
Entity Tender Committee Meeting	22,200.00	2,220.00	4,440.00	2,220.00
Total	185,260.00	18,526.00	37,052.00	18,526.00

1394. This may attract a penalty in addition to the payment of the non-remitted withholding tax. This has also denied the government access to funds to support its fiscal activities.

1395. We advised Management to retrieve the underpaid withholding taxes of GH¢32,224 from the Board and Committee members and pay same to Ghana Revenue Authority (GRA) and present the receipt to our office for verification. Management should also ensure that the correct rates are applied in subsequent payment of Board and Committees allowances.

1396. Management responded that “The application of the inappropriate tax rate for the sitting allowances is regrettable. Management has taken note of the recommendation to recover the remaining amount underpaid from the affected persons and remit same to the Ghana Revenue Authority and inform you accordingly”.

Irregularities in the application of staff development policy

1397. Section 14 of the Ghana Institute of Languages staff development policy outlines that any beneficiary of the study leave facility who fails to serve the Institute for the required number of years shall:

- i. Refund the total cost of fees and/or allowances spent on him/her during the study leave period.
- ii. Refund all salaries paid to him/her during the with interest as the current lending rate to the Institute.
- iii. Failure on the part of the beneficiary to satisfy Section 14 (i) to (ii) above, shall have the following consequences.

iv. The guarantor shall be held liable.

1398. Section 10 (i) of the same policy further specifies that officers who are granted study leave shall be bonded to serve the Institute for the given number of years on the completion of their programme of study. The bond shall be duly executed by the applicant before proceeding on study leave, failing of which funds will not be released for the payment of fees.

1399. We noted that Mr. Clement Quao, a Principal Administrative Assistant with staff number 881827 was sponsored by the Institute to pursue a master's degree in Management Information System in 2015 – 2017 at the University of Ghana, Legon. He however vacated his post on the 10th April 2018 after completing his programme without serving his bond period as mandated by the Institute.

1400. We again noted that Mr. Clement Quao bonded form was not on file.

1401. Failure on the part of Management to strictly comply with the laid down policy contributed to these anomalies.

1402. Unbonded staff may decide to leave the organisation as and when they wish to leave, which would constitute loss of funds to the Institute.

1403. We urged Management to apply Section 14 of the staff development policy to get Mr. Clement Quao and the guarantors to refund the full sponsorship amount, salaries, and all other allowances paid to him by the Institute over the period or take legal action against him.

1404. We again recommended to Management to ensure that staff on study leave are bonded, and copies kept on file. Management should also ensure that progress reports are taken periodically from the Colleges to affirm that the officers are pursuing the said programme of study. This will enable the Institute to assure itself that resources used to sponsor these beneficiaries are not being wasted.

1405. Management responded that they would take necessary action to retrieve the amounts paid to the beneficiary including other benefits over the period in accordance with the provisions in the Institute's staff development policy and implement the other recommendations as well.

Non return of borrowed books

1406. Section 52 of the Public Financial Management (PFM) Act, 2016 (Act 921) directs that, a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. A control system specified in subsection (1) shall be capable of ensuring that:

- (a) preventive mechanisms are in place to eliminate theft, loss, wastage, and misuse; and
- (b) processes, whether manual or electronic, and procedures are in place for the effective, efficient, economical, and transparent use of the assets.

1407. We noted that students, lecturers, and administrative officers borrowed books from the library without a pre-determined period to return the books. Consequently, the borrowers either refuse to return the books or hold on to the books for several days before returning them. Details are shown in Table 145.

Table 145: Non return of borrowed books

Author/ Title of Book	Reader's name & Address	Level	Telephone	Date issued	Date Returned	Holding Period	Remarks
J.M. Adiaffi/ La Carte di wentite	Bani Samari Rachad	400	0547708825	05/02/2018	21/11/2018	289	Borrower returned the book after 289 days
No Longer at Ease	Coralie Penive Avodagbe	100	0560251674	05/02/2018	16/02/2018	11	Borrower returned the book after 11 days
Things Fall Apart	Coralie Penive Avodagbe	100	0560251674	12/02/2018	16/02/2018	4	Borrower returned the book after 4 days
Useful Basic Econs Abudu	Mr. William Tetteh	Staff	-	15/02/2018		-	The borrower did not return the book at all.
Economic Issues and Systems	Mr. William Tetteh	Staff	-	15/02/2018		-	Borrower did not return the book at all.
The Merchant of Venice	Coralie Penive Avodagbe	100	0560251674	19/02/2018	25/04/2018	65	Borrower returned the book after 65 days
JenneAfrique L' Afrique en 2018	Mr. Konu	Lecturer	-	21/02/2018	07/03/2018	14	Borrower returned the book after 14 days
Turgenev Ivan, Fathers & Sons	Ouattara Midawe S.M	100	0268233540	21/02/2018	16/05/2018	84	Borrower returned the

							book after 84 days
Fitzgerald, The Great Gatsby	Ewagnignon MIA	100	0557906946	21/02/2018	16/05/2018	84	Borrower returned the book after 84 days
Koimey & A. Angela, T'Aimer M. T	Brew Latifa	100	0559406611	21/02/2018	-	-	The borrower did not return the book at all.
Koimey & A. Angela, T'Aimer M. T	Asare Charity	100	0269119000	21/02/2018	-	-	The borrower did not return the book at all.
Gattegno, Mile Phrases	Adwoa Fremah	100	0546180532	22/02/2018	-	-	The borrower did not return the book at all.
Il N'y a pas de petite querelle Amadon	Alevi Divine	200	0241451732	26/02/2018	-	-	The borrower did not return the book at all.
Le Derrier Survivant de la caravane	Okanta Ruth	200	0279751634	26/02/2018	-	-	The borrower did not return the book at all.
De pere en fils?	Mr. Konu	Lecturer	-	07/03/2018	14/07/2020	860	Borrower returned the book after 860 days
La forteresse soro	Mr. Konu	Lecturer	-	07/03/2018	14/07/2020	860	Borrower returned the book after 860 days
Top 500 African Companies	Mr. Konu	Lecturer	-	07/03/2018	14/07/2020	860	Borrower returned the book after 860 days
Project work 16 Gati	Martinson Evenunye	400	0548365397	19/03/2018	06/06/2018	79	Borrower returned the book after 79 days
Du bist doch Sehin grop	Elizabeth Abena Nyarkoa	100	0544094937	22/03/2018	-	-	The borrower did not return the book at all.
Claire B., Andree vary Title ; Contes et legendes du Que bec	Agbolo Sylvain	100	0273736834	05/04/2018	18/05/2018	43	Borrower returned the book after 43 days
Project work 2016 Elinam	Linda Ampiah	400	0244517199	06/04/2018	11/04/2018	5	Borrower returned the book after 5 days
Project work July 2016 Sorge Donald	Tandoh Narcisse	400	0548689799	06/04/2018	-	-	Borrower did not return the book at all.

L' Afrique en 2018	Nove K. Eli	National Service	0246929665	09/04/2018	-	-	Borrower did not return the book at all.
Project work 2017	Nove K. Eli	National Service	0246929665	09/04/2018	-	-	Borrower did not return the book at all.
Project work 2017 Aidoo	Awuye Frihert Jewel	400	0576050143	16/04/2018	08/05/2018	22	Borrower returned the book after 22 days
Project work 2017 Eric	Esinam A. Amuzu	400	-	23/04/2018	18/05/2018	25	Borrower returned the book after 25 days
Project work 2016 Delali	Esinam A. Amuzu	400	-	23/04/2018	18/05/2018	25	Borrower returned the book after 25 days
Enid Blyton, Peronol's Polish	Ruth Kotey	200	0246530517	26/04/2018	09/05/2018	13	Borrower returned the book after 13 days
Enid Blyton, Three Bold Pixies	Ruth Kotey	200	0246530517	26/04/2018	09/05/2018	13	Borrower returned the book after 13 days
Enid Blyton, Twelve Silver Cups	Ruth Kotey	200	0246530517	26/04/2018	09/05/2018	13	Borrower returned the book after 13 days
Dictionary	Rebecca Opoku	100	0267814630	15/04/2018	16/05/2018	31	Borrower returned the book after 31 days
Project work	Toel Ashiagbor	400	0560891605	18/05/2018	-	-	The borrower did not return the book at all.
Project work 2017 Abigail	Famien Ashiagbor	400	0568096766	22/05/2018	-	-	Borrower did not return the book at all.
French Mastery 11 Spanish 2 Mast.	Etornam Abigail	300	0560599107	14/08/2018	13/12/2018	121	Borrower returned the book after 121 days
Voc. Pro. Chi fran des affar	Akrong Manjhjnnne	300	0260761694	24/09/2018	03/10/2018	9	Borrower returned the book after 9 days
Voc. Pro. Chi fran des affar	Frank Agble	Lecturer	-	04/10/2018	11/10/2018	7	Borrower returned the book after 7 days
Secretariat.com Daill	Salom Djokpe	Lecturer	0549443627	09/10/2018	15/10/2018	6	Borrower returned the book after 6 days

Civilisation en dialogues debutant et intermediar	Mr. Bertin B.	Lecturer	-	07/10/2018	-	-	Borrower did not return the book at all.
Fatou Philtre D' Amour	Frank Agble	Lecturer	-	25/10/2018	14/11/2018	20	Borrower returned the book after 20 days
Countes et legends du Quebec	Adu- Yeboah Patrick	100	0543665327	06/11/2018	27/11/2018	21	Borrower returned the book after 21 days
Peau Noire, Masques blancs	Mr. Frank Agble	Lecturer	-	22/11/2018	01/12/2019	374	Borrower returned the book after 374 days
Lart d'apprendre	Fatolou Joycelyne	100	0558485664	22/11/2018	29/11/2018	7	Borrower returned the book after 7 days
Discovering French	Mensah Yvette	100	0550506895	23/11/2018	15/01/2019	53	Borrower returned the book after 53 days
Voc. Prog. Du Francais d'Affaire	Mensah Bernard Prah	National Service	0556567885	26/11/2018	14/12/2018	18	Borrower returned the book after 18 days
Table 316 B							
Author/ Title of Book	Reader's name & Address	Level	Telephone	Date issued	Date Returned	Holding Period	Remarks
Grammaire prog. Du Franse	Mr. Adu- Adai P.	Lecturer	-	22/01/2019	30/01/2019	8	Borrower returned the book after 8 days
Philter d' Armour	Kumah Belinda	300	0556090252	12/02/2019	00/01/1900	-	Borrower did not return the book at all.
On y' va ! Bragger & Rice	Anima Amponsah	300	0243852858	14/02/2019	23/01/2020	343	Borrower returned the book after 343 days
L' Harmeittan Osumane	Adu- Yeboah Patrick	100	0543635327	20/02/2019	28/04/2019	67	Borrower returned the book after 67 days
Le Pagne noir- Dadie	Husent Abdul- Wahab	100	0545209763	25/02/2019	20/03/2019	23	Borrower returned the book after 23 days.
Project work 2017- Aidoo	Esther Osei	400	0244578968	12/03/2019	18/04/2019	37	Borrower returned the book after 37 days.
Project work 2016- Vorsah	Bernard Adjei Boateng	400	0273264867	12/03/2019	14/06/2019	94	Borrower returned the

							book after 94 days.
Piedra Preciosta- Yao	Abdul-Wahab Huseni	100	0545209763	20/03/2019	30/04/2019	41	Borrower returned the book after 41 days.
Phitre D' amour- Cisse	Zara Martha	200	0546420659	25/03/2019	-	-	Borrower did not return the book at all.
Project work Yawa 2018	Tagbor Jeannette	400	0545974464	10/04/2019	-	-	Borrower did not return the book at all.
Project work Hope 2018	Francis Agyemang K.	400	0248314115	10/04/2019	20/06/2019	71	Borrower returned the book after 71 days.
Project work Kamasa	Krakani Nukunu Pearl	400	0202769241	10/04/2019	19/06/2019	70	Borrower returned the book after 70 days.
Project work 2018- Serwaa	Erica Enam Fiamawle	400	0240221293	10/04/2019	19/06/2019	70	Borrower returned the book after 70 days.
Project work 2018- Galley	Anaglate Jeanita Aku Eyako	400	0548439957	10/04/2019	10/06/2019	61	Borrower returned the book after 61 days.
Jenne A. Abiy Ahmed	Dzisam	-	-	11/04/2019	-	-	Borrower did not return the book at all.
Project work 2017- Elinam	Adigbli Godwin	400	0245251608	17/04/2019	20/06/2019	64	Borrower returned the book after 64 days.
Romance a l' ike boulay	Awuku Y. Davida	100	0548282866	17/05/2019	-	-	Borrower did not return the book at all.
Piedra Preciosa	Kabutey Racheal Akuaku	100	0540910011	17/05/2019	24/09/2019	130	Borrower returned the book after 130 days.
Romance a l' ike boulay	Seraphine Nunekpeku	100	0544094937	17/05/2019	24/09/2019	130	Borrower returned the book after 130 days.
Piedra Preciosa	Nyarko Harmony	100	0552844188	17/07/2019	-	-	Borrower did not return the book at all.
La Net dans les nuages	Boahene Owusua Yaa Stacey	100	0579889955	-	19/09/2019	-	Borrower did not indicate the date on which the

							book was borrowed.
Le respect des morts	Abdul-Wahab Huseni	200	0545209763	19/09/2019	24/09/2019	5	Borrower returned the book after 5 days.
Treasure Island	Abdul-Wahab Huseni	200	0545209763	24/09/2019	03/10/2019	9	Borrower returned the book after 9 days.
Au bord de la riviere Cane-Tademy	Adu- Yeboah Patrick	200	0543665327	03/10/2019	-	-	Borrower did not return the book at all.
Romance a l'ike boulay	Abdul-Wahab Huseni	200	0545209763	03/10/2019	19/11/2019	47	Borrower returned the book after 47 days.
Bienvenidos, Schmitt	Mr. Ameyibor	Lecturer	-	21/10/2019	-	-	Borrower did not return the book at all.
La mala mujer Pastor	Enzeng Melvine	300	0277328721	29/10/2019	12/12/2019	44	Borrower returned the book after 44 days.
Le marchan de coquillages	Paul G. Mensah	200	0546241905	29/10/2019	-	-	Borrower did not return the book at all.
Le vieux negre et la medaille	David Koffi Dakpon	100	0248200951	01/11/2019	09/01/2020	69	Borrower returned the book after 69 days.
Peau Noire, Masques blancs	Christophe Kokou Ayivi	100	0245893439	01/11/2019	11/12/2019	40	Borrower returned the book after 40 days.
La crique tu plousses ne revellera personne	Lily Mensah	100	0207546957	01/11/2019	02/12/2019	31	Borrower returned the book after 31 days.
Secretariat.com Dail	Yvette Mensah	200	0550506895	04/11/2019	16/12/2019	42	Borrower returned the book after 42 days.
Nacos, Medias et Terroisome	Samuel Kerry	100	0241261142	06/11/2019	24/02/2020	110	Borrower returned the book after 110 days.
The Great Gods by Scott	Nyamadu Matthew	100	0577014069	06/11/2019	-	-	Borrower did not return the book at all.
Grammaire prog. Du Francais	Okyere Emmanuella	100	0244947161	07/11/2019	-	-	Borrower did not return the book at all.

La fete des masques	Grace Darkoa Otu	100	0553291941	12/11/2019	03/12/2019	21	Borrower returned the book after 21 days.
Un coup d'oeil sur la France	Abdul-Wahab Huseni	200	0545209763	21/11/2019	11/02/2020	82	Borrower returned the book after 82 days.
A-Level German	Efia Anani Komivi	400	0571312327	02/12/2019	29/01/2020	58	Borrower returned the book after 58 days.
Pride & Prejudice	Angela Azumah	-	0544006583	11/12/2019	16/12/2019	5	Borrower returned the book after 5 days.
Brovillet, Contes et Legendes du Quebec	Kotey Miriam	100	0509341423	13/12/2019	08/01/2020	26	Borrower returned the book after 26 days.
Hamlet	Angela Azumah	-	-	16/12/2019	22/01/2020	37	Borrower returned the book after 37 days.

1408. Lack of Library policy or guidelines and stringent sanctions against borrowed books defaulters, coupled with weaknesses in the internal controls over the management of the library accounted for the lapse.

1409. The non availability of the books deprived students and other lecturers the opportunity to access the books for reading, referencing, or borrowing to enhance their academic activities.

1410. We recommended to Management to develop a library policy or guidelines and adopt stringent sanctions against borrowed books defaulters and ensure proper management of the library to safeguard the assets of the Institute.

UNIVERSITY FOR DEVELOPMENT STUDIES

Introduction

1411. This report relates to the audited Financial Statements of the University for Development Studies for the financial year ended 31 December 2020.

Financial Performance

1412. The University recorded a deficit of GH¢8,409,288 in 2020 as against a surplus of GH¢16,365,812 in the 2019 financial year representing 151.4%. The detailed operational performance is shown in the table 146.

Table 146: Statement of Financial Performance for the year ended 31 December 2020

Income/ Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Central Government - Compensation of Employees	138,852,903	123,654,294	15,198,609	12.3
Central Government – GETfund	7,652,915	5,542,666	2,110,249	38.1
Projects and Research Grants (Counterpart Funds)	9,805,462	1,296,818	8,508,644	656.1
Internally Generated Funds	19,276,736	52,812,325	(33,535,589)	(63.5)
Total Income	175,588,016	183,306,103	(7,718,087)	(4.2)
Expenditure				
Compensation	143,548,221	126,150,117	17,398,104	13.8
Goods and Services	36,352,699	37,147,231	(794,532)	(2.1)
Depreciation	4,096,384	3,713,872	382,512	10.3
Total Expenditure	183,997,304	167,011,220	16,986,084	10.2
Surplus/(Deficit)	(8,409,288)	16,294,883	(24,704,171)	(151.6)
Exchange Gain	-	68,053	(68,053)	(100.0)
Profit on Disposal	-	2,876	(2,876)	(100.0)
Surplus/(Deficit)	(8,409,288)	16,365,812	(24,775,100)	(151.4)

1413. Total Income dropped from GH¢183,306,103 in 2019 to GH¢175,588,016 in 2020, representing 4.2%. The Internally Generated Funds reduced by GH¢33,535,589 due to the closure of the University as a result of Covid-19.

1414. Total expenditure however increased by 10.2% from GH¢167,011,220 in 2019 to GH¢183,997,304 in 2020. This situation was mainly due to a rise in the Compensation of Employees payment of GH¢17,398,104 (13.8%) during the 2020 financial year.

Financial Position

1415. The financial position of the University as at 31 December 2020 is shown in table 147.

Table 147: Statement of financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	111,139,276	102,446,664	8,692,612	8.5
Current Assets	37,305,649	47,584,125	(10,278,476)	(21.6)
Current Liabilities	14,786,585	7,579,562	7,207,023	95.1
Non-Current Liabilities	2,834,908	3,306,980	(472,072)	(14.3)
Accumulated Fund	130,823,432	139,144,247	(8,320,815)	(6.0)
Current Ratio	2.5 :1	6.3: 1		

1416. The University's Non-Current Assets increased from GH¢102,446,664 in 2019 to GH¢111,139,276 in 2020 representing a growth of 8.5%. This growth was mainly attributable to investments in Property, Plant, and Equipment amounting to GH¢12,783,858 by the University.

1417. Current Assets decreased from GH¢47,584,125 in 2019 to GH¢37,305,649 in 2020 representing 21.6%, and this was mainly due to a reduction of GH¢11,396,199 and GH¢6,080,594 in the receivables and short-term investments respectively.

1418. Current Liabilities increased significantly by GH¢7,207,023 or 95.1% from GH¢7,579,562 in 2019 to GH¢14,786,585 in 2020.

1419. The University recorded a 14.3% drop in the value of its Non-Current Liabilities from GH¢3,306,980 in 2019 to GH¢2,834,908 in 2020 due to repayments of long-term loan held by the University.

1420. The University's current ratio declined from 6.3:1 in 2019 to 2.5:1 in 2020, however, it is still capable of meeting its short-term commitments. Management should pay close attention and put in measures to prevent further deterioration of the University's current ratio.

MANAGEMENT ISSUES

Failure to Recover Salary – GH¢5,720.08

1421. The University's Service Terms and Conditions requires that any staff who wishes to resign from the University should give a minimum of three (3) months' notice or forfeit a month's salary instead of the short notice of resignation.

1422. Our review of personal files for separated staff disclosed that two staff of the University who resigned without serving the stipulated three months' notice

had also failed to pay the stipulated one-month salary of GH¢5,720.08 in-lieu of notice. Details are shown in table 148.

Table 148: Failure to Recover Salary

Name of Staff		Staff ID	Date of Notice of Resignation	Effective Date of Resignation	No. of Months
Abdul Samad Abdul Hafeez		P02.2813	19/06/2020	19/07/2020	1.0
Issah Huseini Yakubu		P18.2731	24/02/2020	11/03/2020	0.5
Name of Staff	Monthly Basic Salary	Vehicle Maintenance Allowance	Monthly Gross Salary	SSF Employer 13%	Total Wages to be Refunded
Abdul Samad Abdul Hafeez	2,339.72	193.68	2,533.40	304.16	2,837.56
Issah Huseini Yakubu	2,379.50	193.68	2,573.18	309.34	2,882.52
Total					5,720.08

1423. Management was advised to ensure strict adherence to the provisions of the Conditions of Service and take steps to recover the one-month salary of GH¢5,720.08 from the former officers.

1424. Management responded that the recommendation was well noted and that it had already initiated steps by writing to the affected staff to pay the one-month salary as recommended.

GHANA EDUCATION TRUST FUND (GETFund)

Introduction

1425. This report relates to the audited financial statements of the Ghana Education Trust Fund (GETFund) for the financial year ended 31 December 2020.

Financial Performance

1426. The year in review closed with a surplus of GH¢9,314,638 representing a growth of 89.7% compared with GH¢4,910,112 recorded in 2019. Details of the performance indicators of the Fund's operational results are shown in table 150.

Table 150: Statement of Financial Performance for the year ended 31 December 2020

Revenue/ Expenditure				%
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	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	Change
Allocation for Operations	26,747,000	19,657,529	7,089,471	36.1
Other Income	301,312	30,685	270,627	882.0
Total Income	27,048,312	19,688,214	7,360,098	37.4
Expenditure				
Personnel Emoluments	10,919,482	7,284,691	3,634,791	49.9
General & Administrative Expenses	6,814,192	7,493,411	(679,219)	(9.1)
Total Expenditure	17,733,674	14,778,102	2,955,572	20.0
Surplus/ (Deficit)	9,314,638	4,910,112	4,404,526	89.7

1427. Total Income increased by 37.4% from GH¢19,688,214 in 2019 to GH¢27,048,312 in 2020. This was primarily due to a rise of GH¢7,089,471 or 36.1% in the Income from the Allocation for Operations.

1428. Total Expenditure also increased by 20.0% from GH¢14,778,102 in 2019 to GH¢17,733,674 in 2020 and this was caused by a growth of GH¢3,657,268 or 59.6% in staff salaries and allowances during the year under review. Details are shown in table 151.

Financial position

1429. The financial position of the Fund as at 31 December 2020 is summarised in table 151.

Table 151: Statement of financial position as at 31 December 2020

Assets/ Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	15,735,359	72,156,940	(56,421,581)	(78.2)
Current Assets	2,622,766,950	1,364,373,856	1,258,393,094	92.2
Current Liabilities	678,318,611	344,001,174	334,317,437	97.2
Non-Current Liabilities	1,813,581,000	990,166,667	823,414,333	83.2
Net Assets	146,602,698	102,362,955	44,239,743	43.2
Current Ratio	3.9: 1	4.0:1		

1430. Non-Current Assets decreased by 78.2% from GH¢72,156,940 in 2019 to GH¢15,735,359 in 2020. The huge decline in the value of Non-Current Assets was due to the sale of the Ridge Office Building for GH¢64,774,896.

1431. Current Assets grew by 92.2% from GH¢1,364,373,856 in 2019 to GH¢2,622,766,950 in 2020. The increase was largely due to a 951.7% or GH¢1,248,875,792 rise in the amount due from beneficiaries which moved from GH¢131,224,759 in 2019 to GH¢1,380,100,551 in 2020.

1432. Current Liabilities similarly rose by 97.2% from GH¢344,001,174 in 2019 to GH¢678,318,611 in 2020. A 333.1% rise in creditors and accruals and a 28.3% increase in investment fund were the main reasons for the jump in the current liabilities during the year.

1433. Non-Current Liabilities also increased significantly from GH¢990,166,667 in 2019 to GH¢1,813,581,000 in 2020. This represents an increase of 83.2% resulting from increases in the value of bank loans and bonds at the end of 2020 due to Daakye Bonds of GH¢1,392,581,000 issued.

1434. The Fund's liquidity position as measured by the 2020 Current ratio of 3.9:1 (2019: 4.0:1) indicates that the Fund has the capacity to meet its immediate financial obligations.

STUDENT LOAN TRUST FUND (SLTF)

Introduction

1435. This report relates to the audited financial statements of the Student Trust Loan Fund (STLF) for the two years ending 31 December 2020.

Financial Performance

1436. The Fund's Surplus dropped to GH¢1,337,736 in 2020 from GH¢2,523,051 recorded in 2019, representing 47%. A summary of its performance for 2020 are shown in table 152.

Table 152: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	14,890,688	14,929,940	(39,252.00)	(0.3)
Total Income	14,890,688	14,929,940	(39,252.00)	(0.3)
Expenditure				
Employment cost	6,696,507	5,734,979	961,528	16.8
Administrative and other expenses	5,596,618	5,125,101	471,517	9.2
Financial and Professional charges	82,575	70,427	12,148	17.2
Charge/(reversal) for Bad & Doubtful Debt	1,177,252.00	1,476,382.00	(299,130)	(20.3)
Total expenditure	13,552,952	12,406,889	1,146,063	9.2
Surplus/ (Deficit)	1,337,736	2,523,051	(1,185,315)	(47.0)

1437. Total income of the Fund registered a drop of 0.3% from GH¢14,929,940 in 2019 to GH¢14,890,688 in 2020. The decline was driven by the receipt from

the College of Education Administrative Grant in 2019 of GH¢3,877,412 which was reduced to GH¢2,000,000 in 2020.

1438. Total expenditure however, increased by 9.2% from GH¢12,406,889 in 2019 to GH¢13,552,952 in 2020. The main drivers for these increases were a 16.8% and 9.2% rise in its staff cost and administrative and other expenses respectively.

Financial Position

1439. The financial position of the Fund as at 31 December 2020 is summarised in table 153.

Table 153: Statement of Financial Position as at 31 December 2020

Assets/ Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non- Current Assets	363,017,343	343,594,667	19,422,676	5.7
Current Assets	162,400,398	134,712,805	27,687,593	20.6
Non- Current Liabilities	246,701,575	194,206,478	52,495,097	27.0
Current Liabilities	2,253,053	30,165,342	(27,912,289)	(92.5)
Net Asset	276,463,113	253,935,652	22,527,461	8.9
Current Ratio	72.1:1	4.5: 1		

1440. Non-Current Assets increased by GH¢19,422,676, from GH¢343,594,667 in 2019 to GH¢363,017,343 in 2020 which represented 5.7%. This was due to a 5.5% rise in unmatured students' loan.

1441. Current Assets also increased by 20.6% from GH¢134,712,805 in 2019 to GH¢162,400,398 in 2020 due to a 54.4% or GH¢50,334,833 increase in matured students' loan.

1442. Non-Current Liabilities increased by GH¢52,495,097, representing a 27% rise as a result of a 27.3% increase in its deferred income.

1443. The Fund's current liabilities on the other hand reduced significantly by 92.5% from GH¢30,165,342 in 2019 to GH¢2,253,053 in 2020. The Fund's settlement of indebtedness to the College of Education Allowance by GH¢28,231,964 or 96.2% of its indebtedness accounted mainly for the reduction.

1444. The current ratio is a liquidity ratio that measures the Fund's ability to pay its short-term debts as it falls due for 2020 was 72.1:1 compared to 4.5: 1 in 2019. This is an indication shows that the Fund is highly liquid.

GHANA INSTITUTE OF MANAGEMENT AND PUBLIC ADMINISTRATION (GIMPA)

Introduction

1445. This report relates to the audited financial statements of the Ghana Institute of Management and Public Administration for the financial year ended 31 December 2019.

Financial Performance

1446. The Institute recorded a surplus of GH¢4,576,338 in 2019 as against a figure of GH¢4,028,157 recorded in 2018. The above represented a 13.6% improvement in the Institute's operational performance during the year. The detailed indicators on operational performance are shown in table 154.

Table 154: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
GIMPA Business School	23,350,665	24,649,600	(1,298,935)	(5.3)
Other Schools	39,670,407	31,326,656	8,343,751	26.6
Other Sources	16,911,678	17,654,132	(742,454)	(4.2)
Total Income	79,932,750	73,630,388	6,302,362	8.6
Expenditure				
Personnel Emoluments	43,302,339	39,541,615	3,760,724	9.5
Operating Expenses	11,314,529	9,094,161	2,220,368	24.4
Administrative and General Expenses	13,091,643	12,537,892	553,751	4.4
Depreciation	4,074,252	4,024,797	49,455	1.2
Travel and Transport	1,581,672	1,880,176	(298,504)	(15.9)
Repairs and Maintenance	1,991,977	2,523,590	(531,613)	(21.1)
Total Expenditure	75,356,412	69,602,231	5,754,181	8.3
Surplus for the Year	4,576,338	4,028,157	548,181	13.6

1447. Total Income improved from GH¢73,630,388 to GH¢79,932,750 in 2019 which translates to an increase of 8.6%. This improvement was mainly caused by an increase of GH¢8,343,751 in the income generated from other Schools.

1448. Total expenditure similarly rose by 8.3% after it increased from GH¢69,602,231 to GH¢75,356,412 in 2019. The rise was largely attributable to increases of GH¢3,760,724 and GH¢2,220,368 in the personnel emoluments and operating expenses respectively.

Financial Position

1449. The financial position of the Institute as at 31 December 2019 is shown in table 155.

Table 155: Statement of Financial Position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	61,898,283	52,528,799	9,369,484	17.8
Current Assets	15,758,946	15,431,535	327,411	2.1
Current Liabilities	16,414,109	10,180,111	6,233,998	61.2
Net Assets	61,243,120	57,780,222	3,462,898	6.0
Current Ratio	0.96:1	1.52:1		

1450. The Institute's non-current assets improved from GH¢52,528,799 to GH¢61,898,283 in 2019 representing a growth of 17.8%. This growth was mainly attributable to the acquisition of property, plant and equipment during the year.

1451. Current Assets rose from GH¢15,431,535 to GH¢15,758,946 in 2019 representing an increase of 2.1% during the year. This rise was because of increases in the inventories, investments and cash and cash equivalents.

1452. Current Liabilities also increased significantly by GH¢6,233,998 or 61.2% from GH¢10,180,111 to GH¢16,414,109 in 2019 and this was mainly due to a significant increase of GH¢6,090,793 in the payables and accruals at the end of the financial year.

1453. The Institute's current ratio declined from 1.52:1 to 0.96:1 in 2019 and this means that the Institute could struggle to meet its short-term financial obligations when they fall due.

MANAGEMENT ISSUES

Commercial rent without Tenancy Agreement

1454. Regulation 46 of the Public Financial Management Regulation 2019, (L.I. 2378) requires that a Principal Spending Officer should ensure the efficient collection of non-tax revenue.

1455. During the audit, we requested for rent agreements to support revenue of GH¢147,419.00 as stated per the 2019 trial balance and financial statements received from Management. However, we were provided with only two agreements for Private Enterprise Federation and Association of Marketing Companies for review.

1456. We were not able to ascertain the actual commercial rent income that should have been earned by the Institute since Management failed to provide us with relevant documents for the remaining 14 tenancy agreements. Details of the tenancy agreements not submitted by Management are shown in table 156.

Table 156: Commercial rent without Tenancy Agreement

No.	Business Name	Location	Area Sq. m	Agreement sited
1	Victoria's Essentials	GECC	13.159	No
2	EKA Business	UN Block Down	14.292	No
3	Quarene Beauty Clinic	SRC	35.945	No
4	Specifikz Grafikz	GECC	54.627	No
5	Specifikz Grafikz	SRC	13.224	No
6	Peak Systems	Law School	8.58	No
7	Peak Systems	Law School	2.56	No
8	Gyesi Aduful	Law School	4.31	No
9	Mazera Restaurant	SRC	48.815	No
10	Mazera Restaurant	SRC	14.744	No
11	Mazera Restaurant	SRC	10.925	No
12	Connie "B" Limited	Reference Library		No
13	Twins ER Works	Graduate Block		No
14	Perebrim Forex Bureau	GECC		No

1457. The absence of a dedicated unit or office to follow up on rent related issues such as keeping of tenancy agreements, invoices issued to tenants under the terms and conditions of the rental agreements and the inefficient enforcement of debt collection by the finance and the general service department resulted in this lapse.

1458. The absence of signed rent agreement with tenants makes it difficult to ascertain if the Institute has been able to collect all rent revenue receivable during the period. This anomaly could also lead to default from tenants which might adversely affect the liquidity of the Institute.

1459. Management was advised to ensure that rent agreements are signed with all tenants of the Institute. We further urged Management to maintain rent files for all rent related transactions which should include all signed rent agreements and relevant amendments, details of invoices issued, and payments made by tenants.

1460. We further recommended that Management should strengthen its oversight functions on the rental of its properties and enforce the timely collection of all outstanding debts. Tenants should be made to pay penalties at an agreed default interest rate to improve the Institute's cash flow position.

1461. Management accepted the recommendations and stated that the finance directorate had reconciled the receivables and all invoices have been issued for both the 2020 and 2021 financial years pending finalization of the tenancy agreements.

1462. Management further stated that tenancy agreements with all commercial tenants have been drafted and reviewed by the legal counsel. Invoices for 2020 have already been sent to all occupants to make payment on account pending finalisation of the tenancy agreements for signature by March 2021.

Outstanding debts of two (2) former staff sponsored – GH¢692,878.05

1463. Section 7 of the Public Financial Management Act, 2016 (Act 921) requires that, a Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

1464. We reviewed the list of sponsored students abroad by the Institute and noted that two persons completed their programmes of study in 2018 but did not return to the Institute. Details are shown in table 157.

Table 157: Outstanding debts of two (2) former staff sponsored

Name	Programme of Study	Institution	Period	GH¢
Dr. Dominic Dagbanja	PHD in Law	Auckland University, New Zealand	December 2011 – 2016 extended to December 2018	421,526.21
Seth Akonnor Adjei	PHD in Computer Science	Worcester Polytechnic Institute, USA	October 2012 to 2015 extended to August 2018	271,351.84
Total				692,878.05

1465. Seth Akonnor Adjei benefitted from sponsorship amount of GH¢404,866.89. Out of this, he paid GH¢133,515.05 during the period, and this has resulted in an unpaid amount of GH¢271,351.84 as stated in the table above.

1466. The Institute stands the risk of losing the amount of GH¢692,878.05 if unpaid and which could have been used to support the operational activities of the School.

1467. Management should take immediate steps to ensure the recovery of the unpaid amount from the two former members of staff or their guarantors.

1468. In response, Management stated that it had through the Human Resource and Finance Directorates contacted the relevant former members of staff for repayment. As of now, both Seth Akornor Adjei and Dr. Dominic Dagbajah have made significant payments. They have utilised their credit scheme contribution and staff provident funds to off-set part of their indebtedness. Seth Adjei's Balance is correct.

UNIVERSITY OF MINES AND TECHNOLOGY (UMaT)

Introduction

1469. This report relates to the audited financial statements of the University of Mines and Technology (UMaT) for the two years ending 31 December 2020.

Financial Performance

1470. The University recorded a surplus of GH¢709,582 in 2020 as against GH¢1,917,366 in 2019, representing a shortfall of 63% below the previous year's performance. The comparative performance indicators for the two years are shown in table 158.

Table 158: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Government Subvention	36,192,393	31,582,498	4,609,895	14.6
Student Fees	3,515,580	6,948,740	(3,433,160)	(49.4)
Capital Grant	5,923,361	5,923,361	-	-
Miscellaneous Income	8,087,106	13,869,922	(5,782,816)	(41.7)
Total	53,718,440	58,324,521	(4,606,081)	(7.9)
Expenditure				
Personnel Emolument	31,996,187	27,105,387	4,890,800	18.0
Service Activity	5,628,461	8,328,115	(2,699,654)	(32.4)
Administrative Activity	8,498,521	12,229,276	(3,730,755)	(30.5)
Impairment Allowance	0	1,432,419	(1,432,419)	100.0
Depreciation	6,885,689	7,311,958	(426,269)	(5.8)
Total	53,008,858	56,407,156	(3,398,297)	(6.0)
Surplus/(Deficit)	709,582.00	1,917,366	(1,207,782)	(63.0)

1471. Total income decreased by 7.9% from GH¢58,324,521 to GH¢53,718,440 in 2020 representing a drop of GH¢4,606,081. This was due to a 49.4% drop-in student fees and a 41.7% decrease in miscellaneous income.

1472. Total expenditure also reduced by GH¢3,398,297 or 6% from GH¢56,407,156 to GH¢53,008,858 in 2020. The fall in service and administrative activities by GH¢2,699,654 and GH¢3,730,755 respectively were the main causes of the reduction of the total expenditure.

Financial Position

1473. The financial position of the University as at 31st December 2020 is summarised in table 159.

Table 159: Financial position as at 31st December 2020

	2020 GH¢	2019 GH¢	Incr./ (Decr) GH¢	% Change
Non- Current Assets	111,083,610	97,630,521	13,453,089	13.8
Current Assets	27,063,700	30,162,134	(3,098,434)	(10.3)
Current Liabilities	3,603,223	5,631,197	(2,027,974)	(36.0)
Net Asset	134,544,087	122,161,458	12,382,629	10.1
Current Ratio	7.5: 1	5.4: 1		

1474. Non-Current Assets increased by 13.8% from GH¢97,630,521 to GH¢111,083,610 in 2020. This was largely due to the addition of GH¢16,564,182 to its Constructional projects during the year.

1475. Current Assets on the other hand decreased by 10.3% from GH¢30,162,134 to GH¢27,063,700 in 2020.

1476. Current Liabilities also reduced by GH¢2,027,974, representing 36%, as a result of a 35.7% fall in the University's sundry payables.

1477. The current ratio of 7.5: 1 (2019: 5.4:1) means that the University would be able to pay its short-term debts as they fall due.

MANAGEMENT ISSUES

Long outstanding receivables – GH¢286,616

1478. Section 90 of the Public Financial Management Act, 2016 (Act 921) requires that, the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

1479. We noted during our review that the University advanced a total sum of GH¢400,616 to four (4) construction companies in 2014 for various construction works on campus for which these contractors had failed to settle in full. At the time of our audit in March 2022, an amount of GH¢286,616 was still outstanding. Details are provided in table.160.

Table 160: Details of monies advanced to contractors

No.	Nature of contract	Name of contractor	Amount advanced (GH¢)	Amount Paid	Amount advanced (GH¢)
1.	Construction and completion of 2 store Cafeteria and external Works at University of Mines & Technology basic school	Ntico Construction	110,000	44,000	66,000
2.	Construction of Accra guest house founded by Mineral Development Fund	Teroc Limited	50,000	20,000	30,000
3.	The Loan facility was granted in respect of grassing of the playing field, transportation of 40 trips of black soil, river sand, and fiber goal post for the University Park	Dawudmoro Limited	220,001	50,000	170,001
4.	Rehabilitation of staff bungalows for the University of Mines & Technology (Lot 6)	Hope and Delight	20,615	0	20,615
Total			400,616	114,000	286,616

1480. Delayed payments of certificates issued by the Contractors are the reason for this development.

1481. This has deprived the University of the interest which could have been earned if the GH¢400,616 had been invested.

1482. We urged Management to take the necessary action to recover overdue debt balance of GH¢286,616 without further delay.

1483. Management responded that letters had been served to the four contractors to settle their indebtedness. Furthermore, these companies are working on Mineral.

1484. Development Fund-sponsored projects at UMaT and have drawn payment plans. Management will continue to engage them to pay up fully their debts.

MINISTRY OF HEALTH

NATIONAL HEALTH INSURANCE AUTHORITY

Introduction

1485. This report relates to the audited financial statements of the National Health Insurance Authority for the three years ending 31 December 2018.

Financial Performance

1486. The operations of the Authority for the year under review ended with surplus of GH¢182,978,882 as compared with a figure of GH¢194,863,333 in 2017 representing 6.1% decrease in the financial performance of the Authority. The performance indicators of the operations of the Authority for the two years are shown in table 161.

Table 161: Income Statement for the year ended 31 December 2018

Income/Expenditure	2018 GH¢	2017 GH¢	Incr./ (Decr.) GH¢	% Change
Levies Income	1,676,794,966	1,627,242,760	49,552,206	3.0
Investment Income	23,318,411	24,952,735	(1,634,324)	(6.5)
Premium & Processing Fees	103,250,675	73,919,232	29,331,443	39.7
Bilateral Donors	11,177,169	173,397	11,003,772	6,346.0
Other Income	1,666,633	2,839,288	(1,172,655)	(41.3)
Total Income	1,816,207,854	1,729,127,412	87,080,442	5.0
Expenditure				
Claims of Service Providers	1,008,449,279	1,165,612,644	(157,163,365)	(13.5)
Support to Partner Institution	237,034,317	89,922,343	147,111,974	163.6
General and Admin. Expenses	270,457,404	219,635,881	50,821,523	23.1
ID Card & Biometric Expenses	117,287,972	59,093,211	58,194,761	98.5
Total Expenditure	1,633,228,972	1,534,264,079	98,964,893	6.5
Surplus/(Deficit)	182,978,882	194,863,333	(11,884,451)	(6.1)

1487. Total Income increased marginally by 5.0% from GH¢1,729,127,412 in 2017 to GH¢1,816,207,854 in 2018. This was due to 3.0% or GH¢49,552,206 increase in levies Income.

1488. Total Expenditure in the same manner, increased by 6.5% to GH¢1,633,228,972 in 2018 from a figure of GH¢1,534,264,079 in 2017. The rise was mainly due to increase in support to partner institution by GH¢147,111,974 or 163.6%. Details are shown in table 162.

Financial Position

1489. The financial position of the Authority as at 31 December 2018 is summarised in table 162.

Table 162: Statement of Financial Position as at 31 December 2018

Assets/Liabilities	2018 GH¢	2017 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	75,991,268	87,529,439	(11,538,171)	(13.2)
Current Assets	1,301,302,090	1,160,286,670	141,015,420	12.2
Current Liabilities	1,042,682,389	1,097,863,614	(55,181,225)	(5.0)
Net Assets	334,610,969	149,952,495	184,658,474	123.1
Current Ratio	1.3:1	1.1:1		

1490. Non-Current Assets decreased by 13.2% from GH¢87,529,439 in 2017 to GH¢75,991,268 in 2018. The decrease was largely due to depreciation charge.

1491. Current Assets on the other hand, increased from GH¢1,160,286,670 in 2017 to GH¢1,301,302,090 in 2018 signifying 12.2%. The increase was principally due to a rise in levies receivables by GH¢203,196,722 or 21.0%.

1492. Current Liabilities conversely went down by 5.0% from GH¢1,097,863,614 in 2017 to GH¢1,042,682,389 in 2018. The fall was mainly due to increase in claims to service providers by GH¢46,113,256 or 4.8%.

1493. The Authority's liquidity profile as represented by its current ratio of 1.3:1 (2017: 1.1:1) indicated the ability to barely meet its short-term financial obligations when they fall due.

MANAGEMENT ISSUES

Head Office

Unapproved Forensic Audit/ Investigation

1494. Section 11 of 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.

1495. We noted during our audit that, the Authority engaged the services of private audit firm Baffour Awuah and Associates to conduct special audit. An amount of GH¢311,153.06 was paid by the NHIA to Baffour Awuah and

Associates on 23 October 2018 in respect of EOCO for forensic audit and investigation conducted.

1496. Management's inability to design and implement internal controls necessary for compliance with Section 11(1) of Audit Service Act, 2000 (Act 584) caused this observation.

1497. Non-compliance with Section 11(1) of Audit Service Act, 2000 (Act 584) may have legal consequences on the Authority.

1498. Management was advised to develop clear policies and procedures that will require that all engagement for auditing service is brought before the Auditor-General for approval irrespective of whether the firm to perform the services is appointed or selected by the other statutory agencies.

1499. Management did not have a choice considering where the authority/directives came from, especially EOCO, but to allow the forensic audit to be conducted. Management did not want to appear to be resisting a forensic audit, which was being alleged at the time. We note that next time we will take further steps to communicate to the Auditor General for approval before allowing such exercise to be performed.

Regional and Districts Issues

Asawase District

Revenue Collected not Banked - GH¢50,295

1500. Regulation 46 (1b) of the Public Financial Management Regulations, 2019 (L.I. 2378) states that "A Public Spending Officer shall ensure that non-tax revenue is immediately lodged in gross within twenty-four hours in the designated Consolidated Fund Transit bank accounts except in the case of internally-generated funds retained under an enactment."

1501. Section 24 (l) of the National Health Insurance Act, 2012 (Act 852) further states that the Authority shall keep books of accounts and proper records in relation to them in the form approved by the Auditor-General.

1502. During the review of revenue collected by the District Office and what was bank as at December 2018, we noted that revenue collections on specific days within the year amounting to GH¢50,295 were not traced to the bank statement provided. The details are listed in table 163.

Table 163: Revenue Collected not Banked

Date	GRC- Control	Total GH¢
06/04/2018	A15/7502127-A15/7502130	1,602
10/04/2018	A15/7502134-A15/7502135	1,548
25/08/2018	A15/7302840-A15/7302842	1,512
27/08/2018	A15/8289695-A15/8289699	1,529
08/10/2018	A15/1318923-A15/1318926	2,142
12/10/2018	A15/1318934-A15/1318936	1,332
16/10/2018	A15/1318940-A15/1318941	1,098
05/10/2018	A15/1318452-A15/1318457	1,467
12/10/2018	A15/1318481-A15/1318486	1,773
26/11/2018	B16/2650431-B16/2650433	1,944
27/11/2018	B16/2650434-B16/2650435	1,620
27/11/2018	B16/2651397-B16/2651400	1,330
27/11/2018	B16/2651401-B16/2651403	1,040
13/12/2018	B16/2650470-B16/2650472	2,358
17/12/2018	B16/2650481-B16/2650484	2,394
20/12/2018	B16/2650487-B16/2650489	2,016
21/12/2018	B16/2650490-B16/2650495	3,042
27/12/2018	B16/2650496-B16/2650497	720
28/12/2018	B16/2650498-B16/2650500	1,332
28/12/2018	B16/3610401	90
31/12/2018	B16/3610402-B16/3610403	1,278
04/12/2018	B16/2650515-B16/2650421	1,863
17/12/2018	B16/2650565-B16/2650571	1,870
18/12/2018	B16/2650572-B16/2650577	2,437
19/12/2018	B16/2650578-B16/2650584	1,772
20/12/2018	B16/2650585-B16/2650590	2,011
21/12/2018	B16/2650591-B16/2650600	2,498
24/12/2018	B16/3610301-B16/3610302	630
27/12/2018	B16/3610303-B16/3610306	910
28/12/2018	B16/3610307-B16/3610311	1,559
31/12/2018	B16/3610312-B16/3610316	1,578
	Total	50,295

1503. Ineffective supervision and monitoring of daily banking and cross-checking of processing fees and premium income records caused the accountant to refuse to deposit the monies sent to his outfit by the revenue collectors in full.

1504. This is a fraudulent act which led to financial loss to the Authority and in effect may lead to a misstatement in the financial statements and a loss to the scheme.

1505. We recommended to Management to investigate the undeposited fees collected and take the necessary actions.

1506. Management responded that “The Accounts Officer (Jones Nana Tsibu), who allegedly perpetuated the act has vacated post and all effort to arrest him by the Asawase police has proven futile. In the meantime, the accountant has been dismissed and we intend to go through the necessary legal and administrative procedures to use Mr. Tsibu’s provident fund of GH¢22,571.82 to defray part of the debt. In addition, we noted that the GH¢19,081.00 deposited in the bank statement without corresponding GCR was an attempt by the Accounts Officer to resolve the unbanked payments. Management will, however, request Internal Audit to verify this position. The position of District Accountant has been filled. We are currently using electronic receipting systems, which has enough controls to prevent the occurrence of this Act.”

Deposits without Supporting GCR – GH¢19,081

1507. Section 7 of the Public Financial Management Act, 2016 (Act 921) requires that a Principal Spending Officer of a covered entity shall, in exercise of its duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

1508. During the audit we noted that the under-listed deposits were made into the District Office GCB bank account without recourse to the GCR nor cash book to ascertain the period in which they were collected. Details are shown in table 164:

Table 164: Deposits that cannot be traced

Date banked	Total GH¢
08/10/2018	1,344
08/10/2018	1,464
11/10/2018	798
16/10/2018	1,090
18/10/2018	1,188
27/11/2018	2,370
12/11/2018	1,386
06/12/2018	2,178
21/12/2018	1,584
31/12/2018	2,350
12/12/2018	1,893
31/12/2018	1,436
Total	19,081

1509. This act can lead to a misstatement in the financial statements and a loss to the scheme.

1510. We recommended that Management to investigate the deposits that can not be traced to the source documents and take the necessary actions.

1511. Management responded that “Preliminary investigations showed that the Accounts Officer (Jones Nana Tsibu) attempted to refund some of the monies he allegedly embezzled to the District Office account. Management will request Internal Audit to conduct a verification exercise on the matter.”

Manhyia District

District office abandoned building acquired in 2008

1512. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires a Principal Spending Officer of a covered entity to be responsible for the assets of the company under the care of the Principal Spending Officer and ensure that proper control systems exist for the custody and management of the assets. Such a control system should be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage, and misuse of the assets.

1513. The Manhyia District office of the National Health Insurance Authority acquired a house No. 6, Block 5 located at Dichemso - Kumasi on September 4, 2008, at GH¢148,000 for use as office accommodation. They failed to put the building into use as at 31 December 2018 but instead they are operating from a rented apartment of which the Authority pays huge amount as rental every year.

1514. This had led to loss of public funds resulting in paying of rent from 2009 to date while owning a building which can be put to use for the same purpose.

1515. We advised Management to renovate the building acquired in 2008 for office accommodation and stop all future payments of rent on office accommodation as District Office.

1516. Management responded “The building structure acquired by the District Office has been assessed to be inhabitable. Management intends to demolish the structure and commence the construction a new one early part of 2022, which will give us value for money. Currently, the value of bare land in that catchment area is estimated at over US\$100,000.00.”

Akim Oda

Uncredited Lodgment - GH¢14,364.30

1517. Section 7 and 52 of the Public Financial Management Act, 2016 (Act 921) requires that, a Principal Spending Officer of a covered entity shall, in exercise of its duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions

of a covered entity. The control system specified shall be capable of ensuring that, preventive mechanisms are in place to eliminate theft or loss.

1518. We noted during re-performance of the monthly Bank Reconciliation Statement that, seven receipts with a total amount of GH¢14,364.30 paid into the Scheme's operational account number 2021130008473 held with GCB Bank, Akim Oda between the period 01/11/2019 and 30/06/2021 remained uncredited.

1519. We recommended that Management should report the issue to the Deputy Chief Executive Officer (CEO) in-charge of Finance and Administration at the Head Office through the Regional Accountant, NHIS Koforidua for redress.

Akropong-Akuapem

Outstanding Claims – GH¢1,987,433.24

1520. The Kropong District of the NHIA owed 32 Public Health Service providers in the municipality a total amount of GH1,987,433.24 for the period January 2019 to March 2021, contrary to Regulation 38(1) of National Health Insurance Regulations, 2004 (L.I.1809) as summarised in table 165.

Table 165: Outstanding Claims

Year	Claims Submitted GH¢	Payments GH¢	Amount Outstanding GH¢
2019	1,308,565.14	551,237.37	757,327.77
2020	1,459,709.87	756,505.16	703,204.71
2021	526,900.76	-	526,900.76
Total	3,295,175.77	1,307,742.53	1,987,433.24

1521. We recommended to Management to put in place measures to ensure that outstanding claims were processed and paid on time to facilitate quality healthcare delivery by the service providers for the effective implementation of the policy.

Jirapa

Absence of Substantive Scheme Manager since 2017

1522. Section 84 of the National Health Insurance Act, 2012 (Act 852) provides that, a scheme shall have a scheme manager who shall be responsible for the management of the scheme.

1523. Also, Section 84(5) provides that “Where a scheme manager or a person on the management team of a scheme ceases to be employed by the scheme, the

governing body of the scheme shall inform the Authority in writing and take immediate steps to appoint a new manager or any other person for the scheme”.

1524. Contrarily, the Jirapa Municipal Health Insurance Scheme have been without a Scheme Manager since 2017 due to the failure of the governing board and the National Health Insurance Authority to appoint a new manager for the scheme for over four years.

1525. This has affected the operations of the scheme as all financial and other decisions have to be sent to the regional office for approval, leading to increase cost of fuel and delays in the operations.

1526. We recommended that the governing board should work with the Authority for the appointment of a substantive Scheme Manager as early as practicable.

Sissala East, Tumu

Delay in transfer of NHIS renewal fees collected - GH¢11,760.28

1527. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) states that, “A Public Spending Officer shall ensure that non-tax revenue is immediately lodged in gross within twenty-four hours in the designated Consolidated Fund Transit bank accounts except in the case of internally-generated funds retained under an enactment.”

1528. Under the NHIS, clients have the option to pay for the renewal of their NHIS card electronically via mobile money transfer to any of the Telecommunication companies in the country. Upon receipt of those monies by the Telecoms, they make onward transfer to Emergent Technology who has been contracted by the NHIA, Head Office to finally transfer such monies into the bank accounts of the respective National Health Insurance Schemes in the country.

1529. Our review of the Sissala East NHIA revenue records disclosed that Emergent Technology unduly held on to revenue collected on 16 mobile money transfers totaling GH¢11,760.28 for the renewal of NHIS cards for periods ranging between six and 82 weeks before transferring the amount into the designated bank account of the National Health Insurance Authority, Sissala East.

1530. The undue delay in the transfer of the monies, apart from being in breach of financial discipline, could lead to unauthorised use of these monies by Emergent Technology for their personal gain and also deprived the Authority of the needed revenue for its programmes, hence in our opinion, a recipe for financial malfeasance.

1531. We advised Management of the Sissala East NHIA through its Head office to step up its monitoring activities over Emergent Technology to ensure prompt lodgement of revenue collected into the Authority's designated bank account, failing which Emergent Technology should be made to pay interest or penalty on the delayed lodgement.

Failure to remit NHIS renewal fees collected in Gross - GH¢3,168.94

1532. Regulation 50 of the Public Financial Management Regulations, 2019 (L.I. 2378) states that, "All public moneys collected shall be paid in gross into the Public Fund Account and a disbursement shall not be made from the moneys collected except as provided by an enactment."

1533. We noted during the review of the Sissala East NHIA bank reconciliation statement for 31 December 2020 that Emergent Technology failed to remit a total amount GH¢8,445.00 being collections between 11/01/2019 and 31/12/2020 in respect of mobile money renewal of NHIS cards.

1534. We also noted that Emergent Technology mistakenly over/double remitted a total amount of GH¢5,276.06 to the Sissala East NHIA. Thus, there is a net unremitted amount of GH¢3,168.94 as at the end of 31 December 2020 to the Authority.

1535. Failure on the part of Emergency Technology to remit the total collections of GH¢3,168.94 to the Sissala East NHIA denied the Authority of the timely inflow of revenue to undertake its programmes.

1536. We urged the Scheme Manager through the Regional Director and its Head Office as a matter of urgency to instruct Emergency Technology to transfer the net unremitted amount of GH¢3,168.94 into the designated bank account of the Authority without any further delay.

1537. We further advised Management of the Sissala East NHIA through its Head office to step up its monitoring activities over Emergent Technology to ensure lodgement of gross revenue collected into the Authority's designated bank account in all its future transaction as required by the Public Financial Management Regulations or Emergency Technology should be sanctioned accordingly.

Sissala West, Gwollu

Delay in the Lodgement of NHIA renewal fees – GH¢10,699.14

1538. Regulation 46 (1b) of the Public Financial Management Regulations, 2019 (L.I. 2378) states that, “A Public Spending Officer shall ensure that non-tax revenue is immediately lodged in gross within twenty-four hours in the designated Consolidated Fund Transit bank accounts except in the case of internally-generated funds retained under an enactment.”

1539. Under the NHIA new system, clients are allowed to pay for the renewal of their premium electronically via mobile money transfer to the various Telecommunication companies in the country. Upon receipt of those monies by the Telecoms, they make onward transfer to Emergent Technology who has been contracted by the NHIA, Head Office to finally transfer such monies into the bank accounts of the respective National Health Insurance Schemes in the country.

1540. We noted during our audit that revenue collected by Emergent Technology amounting to GH¢10,699.14 from 22 transactions for the periods 2019 and 2020 were not immediately lodged into the National Health Insurance Authority, Sissala West remittance account with GCB bank. The delay of the lodgement spans between two (2) months and thirteen (13) months.

1541. Delay in lodging revenue collected into the Authority’s remittance account by Emergent Technology could lead to teeming and lading and it also deprived the Authority of the needed revenue for its programmes.

1542. We urged the District Manager to contact the Head Office through the Regional Director to ensure that Emergent Technology pay interest or penalty on the delayed transfer monies.

1543. We further urged the District Manager to contact the Head Office through the Regional Director to ensure that Emergent Technology transfer any money received on behalf of NHIA into the Authority’s designated bank account timely without delay.

Delay in transfer of funds from GCB account to NHIA Consolidated account- GH¢82,268.70

1544. Regulation 46 (1b) of the Public Financial Management Regulations, 2019 (L.I. 2378) states that a Public Spending Officer shall ensure that non-tax revenue is immediately lodged in gross within twenty-four hours in the designated Consolidated Fund Transit bank accounts except in the case of internally generated funds retained under an enactment.

1545. We noted that funds deposited at GCB Bank by Sissala West NHIA and Emergent Technology in respect of revenue collected between 09/01/2020 – 15/04/2020 took over three months before being transferred by the bank into the NHIA Consolidated Account. As at April 2020, funds not transferred by GCB bank into the NHIA Consolidated account, stood at GH¢82,268.70.

1546. This anomaly could result in the bank trading with the money.

1547. We recommended to Management through the Regional Director that all revenues deposited into National Health Insurance Authority, Sissala West remittance account should be immediately transferred by the Bank into the designated NHIA Consolidated account in line with the above quoted regulation.

Akatsi South District -Akatsi

Non-existence of Cash Balance – GH¢60,014.15

1548. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) which requires, a Principal Spending Officer to ensure that non-Tax revenue is efficiently collected and immediately lodged in gross within twenty-four hours into the designated IGF account.

1549. Our review of financial statements for the year ended 2020 and other records disclosed that the cash balance of GH¢60,014.15 did not exist as at the time of preparing the financial statements.

1550. Further review disclosed that the said amount represents the balance of misappropriated revenue of premium and processing fees collected since 2015.

1551. The revenue collected was misappropriated by Mr. Joseph W. Ahadjie (Manager), Mr. Christian Dordi (PRO), Mr. Richard Combey (MIS Officer) and Ms. Alice Agumenu – deceased (Accountant).

1552. This act constitutes a financial loss to the Authority, a situation which would hinder its financial capabilities in order to achieve its main objectives.

1553. We recommended recovery of the amount of GH¢60,014.15 from the Municipal Manager, Municipal Accountant, Municipal MIS and the Municipal PRO who were in charge of affairs during the period.

FOOD AND DRUGS AUTHORITY

Introduction

1554. This report relates to the audited financial statements of Food and Drugs Authority for the year ended 31 December 2020.

Financial Performance

1555. The overall financial performance of the Authority during the period under review showed a surplus of GH¢46,314,321.28 as compared with GH¢18,683,607.09 recorded in the 2019 financial year, representing an increase of 147.89%. Table 166 provides the details.

Table 166: Statement of Financial Performance for the year ended 31 December 2020

Income	2020 GH¢	2019 GH¢	Increase/(Decrease) GH¢	% Change
Donor Inflows	5,053,880.16	1,745,280.76	3,308,599.40	189.57
GOG Compensation Received	25,176,398.05	16,826,334.36	8,350,063.69	49.62
Internally Generated Funds	84,980,584.59	61,835,392.87	23,145,191.72	37.43
Foreign Currency Conversion Gain	1,217,646.70	-	1,217,646.70	100.00
Total Income	116,428,509.50	80,407,007.99	36,021,501.51	44.80
Expenditure				
Compensation	40,941,934.87	30,402,379.35	(10,539,555.52)	(34.67)
Goods and Services	22,979,159.01	28,007,372.37	5,028,213.36	17.95
Depreciation	3,943,960.53	1,946,762.80	1,997,197.73	(102.59)
Donor Outflow	2,249,133.81	1,366,886.38	882,247.43	(64.54)
Total Expenditure	70,114,188.22	61,723,400.90	8,390,787.32	(13.59)
Excess of Income Over Expenditure	46,314,321.28	18,683,607.09	27,630,714.19	147.89
Transfer to the Consolidated Fund	28,651,158.24	12,000,000.00	16,651,158.24	138.76
Retained Earnings	17,663,163.04	6,683,607.09	10,979,555.95	164.28

1556. Total income for the year 2020 went up by GH¢36,021,501.51 from GH¢80,407,007.99 in 2019 to GH¢116,428,509.50 in 2020, representing 44.80% growth. The increase in income was due to the increases in all the income components over the 2019 figures.

1557. Total expenditure increased by 13.59% from GH¢61,723,400.90 in 2019 to GH¢70,114,188.22 in 2020. The increase in expenditure was due to the increases in all the expenditure components over the 2019 figures, with the exception of Goods and Services which decreased by 17.95%.

1558. As a result of the improved Financial Performance of the Authority, transfer to the Consolidated Fund for the year 2020 increased by GH¢16,651,158.24 from GH¢12,000,000.00 in 2019 to GH¢28,651,158.24 in 2020, representing 138.76%. This resulted in the increase in Retained Earnings for the year 2020 to GH¢17,663,163.04 from GH¢6,683,607.09 in 2019, representing 164.28% growth.

Financial Position

1559. The Financial Position of the Authority as at 31 December 2020 is shown in table 167.

Table 167: Statement of Financial Position as at 31 December 2020

Items	2020 GH¢	2019 GH¢	Increase/(Decrease) GH¢	Change %
Non-current Asset	68,905,924.51	56,699,974.51	12,205,950.00	21.53
Current Assets	24,479,774.37	6,270,672.73	18,209,101.64	290.39
Total Assets	93,385,698.88	62,970,647.24	30,415,051.64	48.30
Current Liability	13,943,410.21	1,994,335.36	11,949,074.85	599.15
Net Assets	79,442,288.67	60,976,311.88	18,465,976.79	30.28
Current Ratio	1.76:1	3.14:1		

1560. Non-current assets increased by 21.53% from GH¢56,699,974.51 in 2019 to GH¢68,905,924.51 in 2020. This was largely as a result of additions to property, plant and equipment.

1561. Current assets increased from GH¢6,270,672.73 in 2019 to GH¢24,479,774.37 in 2020, an increase of 290.39%. The increase was mainly due to the rise in Cash and Bank Balances to the tune of 293.6%.

1562. Current liabilities increased by 599.15% from GH¢1,994,335.36 in 2019 to GH¢13,943,410.21 in 2020. The upward movement was caused by increases in accounts payables.

1563. The Authority's liquidity ratio of 1.76:1, (2019: 3.14:1) is favourable, which indicates that the Institution has the ability to meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Absence of Ownership Documents for FDA Land

1564. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires that, a Principal Spending Officer shall maintain a register of lands and buildings under the control or possession of the Principal Spending Officer. Again, the register referred to in Subsection (3)(a) shall contain a record of the

details of each parcel of land and each building and the terms on which the land or building is held, with reference to the conveyance, address, area, date of acquisition, disposal or major change in use, cost, lease terms, maintenance contracts and other pertinent management details.

1565. We noted from an interview held with the Sunyani Regional Head that a parcel of land earmarked for the Branch's Office Accommodation was not duly supported with Land Title/Conveyance Deed. Details provided in table 168.

Table 168: Details of Sunyani Land

Land Description	Location	Land Size (Acreage)	Type of Conveyance
Ridge Residential Area – Sector 5, Plot No. 6A	Sunyani, Near RCC	0.90 acre	Donated by Land Use and Spatial Planning Authority (LUSPA)

1566. The failure to ensure that the landed property of the FDA is duly registered with ownership title/conveyance deed could result in encroachment and possible litigation which could deny the Authority early access or use.

1567. We recommended to Management to ensure that the Legal Department secure the land under title deed without further delay.

1568. Management said our observation is well noted. The Authority has begun the process of obtaining title document for all its lands.

GHANA RED CROSS SOCIETY

Introduction

1569. This report relates to the audited financial statements of Ghana Red Cross Society for the two years ending 31 December 2020.

Financial Performance

1570. The Society registered a surplus of GH¢3,292,693.47 in the 2020 financial year as compared with a deficit of GH¢83,016.76 recorded in 2019 representing a significant improvement of 4,066.3%. The details of the operational result are shown in table 169.

Table 169: Statement of Financial Performance for the year ended 31 December 202

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Changes
Government of Ghana (GoG) Support	0.00	17,500.00	(17,500.00)	(100.0)
Internally Generated Fund (IGF)	282,527.00	638,075.94	(355,548.94)	(55.7)
Financial Support / Donations	14,090,750.87	3,465,385.86	10,625,365.01	306.6
Total Income	14,373,277.87	4,120,961.80	10,252,316.07	248.8
Expenditure				
Operating Expenses	16,082.00	40,898.80	(24,816.80)	(60.7)
Programme Expenses	8,574,084.01	2,415,485.65	6,158,598.36	255.0
Administrative Overhead	2,490,418.39	1,747,594.10	742,824.29	42.5
Total Expenditure	11,080,584.39	4,203,978.55	6,876,605.85	163.6
Surplus/ (Deficit)	3,292,693.47	(83,016.76)	3,375,710.22	4,066.3

1571. Total income increased by 248.8% from GH¢4,120,961.80 in 2019 to GH¢14,373,277.87 in 2020 and this was mainly due to a 306.6% increase in Financial Support/Donations. Improvement in Financial Support/Donations was mainly attributed to financial support received from various donors and partners due to the COVID-19 pandemic.

1572. Total expenditure incurred in 2020 amounted to GH¢11,080,584.39 as against GH¢4,203,978.55 recorded in 2019. This represents an increase of -163.6%. Programme Expenses increased by a margin of 255.0% from GH¢2,415,485.65 in 2019 to GH¢8,574,084.01 in 2020 and this accounted for the significant rise in expenditure recorded during the year.

Financial Position

1573. The Society's financial position as at 31 December 2020, is provided in the table 170.

Table 170: Financial Position as at 31 December 2020

Items	2020	2019	Incr./ (Decr.) GH¢	% Changes
	GH¢	GH¢		
Non-Current Assets	1,332,645.84	1,191,400.02	141,245.82	11.9
Current Assets	3,035,255.29	115,719.87	2,919,535.42	2522.9
Current Liabilities	887,585.20	1,119,497.44	(231,912.24)	(20.7)
Net Current Assets	2,147,670.09	(1,003,777.57)	3,151,447.66	314.0
Net Assets	3,480,315.93	187,622.45	3,292,693.48	1755.0
Liquidity Ratio	3.42:1	0.10:1		

1574. Non-Current Assets increased from GH¢1,191,400.02 in 2019 to GH¢1,332,645.84 in 2020, representing an increase of 11.9%. This was mainly due to additions to Property, Plant and Equipment.

1575. The Current Assets registered a significant increase of 2,522.9% from GH¢115,719.87 in 2019 to GH¢3,035,255.29 in 2020. The increase was mainly due to an increase in bank balances which was caused by increased financial support received during the year as a result of the COVID-19 pandemic.

1576. Current Liabilities however decreased from GH¢1,119,497.44 in 2019 to GH¢887,585.20 in 2020 and this was mainly attributed to a reduction in the Payables as at the end of the 2020 financial year.

1577. The Society's liquidity ratio improved significantly from 0.10:1 in 2019 to 3.42:1 in 2020 and this indicates that the Society can meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Failure of the Management Board to implement the recommendations of an Audit report on the Internally Generated Funds and Other Project Funds

1578. Section 13 of the Audit Service Act, 2000 (584) states, "The Auditor-General shall examine in such manner as he thinks necessary the public and other government accounts and shall ascertain whether in his opinion:

- a. the accounts have been properly kept;
- b. all public monies have been fully accounted for, and rules and procedures applicable are sufficient to ensure an effective check on the assessment, collection and proper allocation of the revenue.
- c. monies have been expended for the purposes for which they were appropriated, and the expenditures have been made as authorised;
- d. essential records are maintained, and the rules and procedures applied are sufficient to safeguard and control public property; and
- e. programmes and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilised and results achieved.

1579. We noted from our examination of records that the Management Committee constituted an Investigative Committee to comprehensively investigate conflicts arising in the Greater Accra Regional Office and this exercise was to cover the period 01 January 2014 to 31 December 2019.

1580. As part of its terms of reference, the committee was tasked to among other things investigate all incomes received and disbursements made by the Greater Accra Regional Branch and its Districts, and all business transactions entered into by the Region in the name of the Society and make appropriate recommendations.

1581. The audit team reviewed the final report of the Investigate Committee which was duly signed by all its members in November 2020. Table 171 shows the details of some significant findings and the relevant recommendations made by the committee to address these findings.

Table 171: Significant findings and recommendations in Investigative Committee Report

No.	Findings	Recommendations
1	<p>The Greater Accra Region entered into a credit sales agreement with Japan Motors Trading Company Ltd on 15th January 2018 to purchase a FOTON 6 TONS TRUCK Vehicle at the cost of US\$32,766.20 (GH¢128,636.00) which was supposed to be paid during a period of 12 months. This contract was signed by the then Regional Manager Dr. Eric Asamoah Darko and guaranteed by Catherine Adasu, the Regional Youth Organiser (RYO) at the time without the knowledge of the Secretary General at the Head office. This has led to the then Regional Manager Dr. Asamoah Darko transferring the vehicle into his name after the transaction has been completed</p>	<p>The committee recommended to Management to ensure that all contracts at all levels should be signed by the Secretary General. It further recommended that all those involved should face disciplinary action</p>
2	<p>Cheques meant for the Society were lodge into an unauthorised account at Madina in the name of Ghana Red Cross Madina with A/C No. 3001120000087100. The bank statements from the said Bank, Abokobi Rural Bank Madina for a period of six years (1 January 2014 to 31 December 2019) revealed that cheques totaling GH¢787,608.00 were deposited into the accounts which had been withdrawn. However, all these monies were not receipted at the Greater Accra Regional office. The signatories to this Bank Account are not the authorised signatories. The signatories to the bank account were Theophilus Tackie, David Nana Osei and Dr. Eric Asamoah Darko</p>	<p>The committee recommended that Management should ensure that the signatories refund the amount involved to the National Society at 25% interest rate and also face disciplinary actions</p>

3	Financial records available at the Greater Accra Regional Office of the Society and contract documents indicates that the Region issued twelve (12) months postdated cheques (GH¢7,753.00) for the payment of the FOTON 6 TONS TRUCK vehicle. Seven (7) cheques were withdrawn from the Society's Access Bank Accounts totaling GH¢54,271.00 and GH¢35,600.00 from Abokobi Rural Bank Madina all summed up to GH¢89,871.00 to pay for the vehicle.	The committee recommended that, either Dr. Eric Asamoah Darko should either return the vehicle or refund the GH¢89,871 .00 at 25% interest rate and also face disciplinary action.
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Source: Report of the Investigative Committee to the Management Committee on Conflicts within the Greater Accra Branch of the Ghana Red Cross Society

1582. The audit team however did not see any effort on the part of the Management Committee to recover these funds from the alleged persons since November 2020 when this report was submitted by the Investigative Committee. Management has set up a Disciplinary Committee to investigate the various findings and recommendations of the Investigative Committee report. The disciplinary committee has finalised its work and has also submitted its report to the Management Committee for consideration. A demand notice dated 01 March 2021 was signed by the Secretary General and addressed to Dr. Eric Asamoah Darko to implement the recommendations of the report.

1583. Failure to implement audit recommendations reflects a weak control environment which could adversely affect the Society's ability to achieve its objectives. The above recommendations if implemented could lead to a significant amount of funds available to the National Society to enable it implement some of its programmes and pay off its outstanding statutory debts owed to institutions like the Ghana Revenue Authority and the Social Security and National Insurance Trust.

1584. Again, the delays on the part of Management in taking action to recover these funds will not serve as a deterrent to others. The funds may be lost if not recovered and the value of the funds will continue to diminish due to the concept of the time value of money.

1585. We recommended to Management to ensure that all the recommendations made by the committee are implemented and the audit team notified for verification. However, Management should also seek legal remedies if it is unable to recover the funds from these officers as stated in the committee's report.

1586. Management duly acknowledged and accepted the above recommendations.

Funds donated by MasterCard Foundation not fully accounted for by Central Regional Office – GH¢274,436.33

1587. Section 7 of Public Financial Management Act, 2016 (Act 921) provides that, a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity.

1588. We noted from our examination of records that Ghana Red Cross Society signed a Contract for Services agreement with Mastercard Foundation in May 2020. Under the terms of the contract, Mastercard Foundation agreed to pay a total of US\$645,635 (GH¢3,731,596.90) as its contribution to support the National Society's COVID-19 response programme.

1589. A total amount of GH¢3,731,596.90 was transferred by Mastercard Foundation into the Central Regional Office's bank account on 17 June 2020. However, the audit team could only confirm a total payment of GH¢3,457,160.57 from the amount received leaving a total of GH¢274,436.33 yet to be accounted for by the Central Regional Office. Details of the amount paid out by the Central Regional Office is outlined in the Table 172.

Table 172: Payments made by Central Regional Office

Date	Details	Amount GH¢
22/06/2020	Payment of Items to be supplied - Kwadans Nkunim Enterprise	105,936.00
22/06/2020	Payment of Items to be supplied - Ludikof Enterprise	719,920.00
22/06/2020	Payment of Items to be supplied - Willrosser Fortune Enterprise	600,080.00
23/06/2020	Payment of Items to be supplied - Elishnat Ventures	240,160.00
22/06/2020	Payment of Items to be supplied - Shamana Hospitality Businesses	999,920.00
23/06/2020	Funds for Master Card Activities transferred to Headquarters	276,881.32
05/10/2020	Funds for Master Card Activities transferred to Headquarters	514,263.25
	Total	3,457,160.57

1590. Funds not properly accounted for cast doubt on the regularity of disbursements and lacks transparency. The lapse could open the system to abuse and lead to fictitious expenditure.

1591. We recommended to Management to ensure that the amount of GH¢274,436.33 is properly accounted for by the Central Regional Office by providing the relevant supporting documents to the audit team for verification

failing which the amount involved should be recovered from the authorising and approving officers.

1592. Management stated that the recommendation was duly accepted.

Procurement Irregularities in the Mastercard Foundation Project

1593. Section 92 of the Public Procurement Act 2003, (Act 663) provides that any person who contravenes any provision of this Act commits an offence and where no penalty has been provided for the offence, the person is liable on summary conviction to a fine not exceeding 1000 penalty units or a term of imprisonment not exceeding five years or to both.

1594. We reviewed two reports on the implementation of the Mastercard Foundation Project which pointed out to various procurement infractions that occurred during procurement of COVID-19 relief items to be distributed to various communities within the Central, Western, Volta and Ashanti regions. The audit team noted the following findings from our review.

1595. As per the directives received from the International Federation of Red Cross and Red Crescent Societies (IFRC) on simplified procurement actions for the COVID-19 RESPONSE, the Head Office was made to be responsible for setting up a Local Committee on Contracts to deliberate on bids received and selection of successful bidders for the supply of various items. However, the selection and awarding of various contracts in relation to this project was done by the Central regional office without the knowledge of the Management team in the head office or the Management Committee of the National Society. The procurement committee which was wrongly constituted by the Central Regional Office was made up of Mr. John Ekow Aidoo (Regional Manager), Mr. Daniel Mensah (Monitoring and Evaluation Officer), Mr. Thomas Smith (an office support staffs in charge of procurement and logistics) and Madam Dora Ewusie (Secretary/Safeguarding Officer).

1596. Though the procurement method used is unknown, we also noted that no advertisements were placed in any newspaper to invite bidders especially considering the substantial values of contracts awarded.

1597. These procurement activities were initiated and concluded, and payments made to the various suppliers in just about a week (17 June 2020 to 23 June 2020) even though the items were yet to be supplied at the time as detailed in table 173.

Table 173: Suppliers chosen to supply relief items for the Mastercard Foundation Project

No.	Supplier	Amount GH¢	Details
1	Kwadans Nkunim Enterprise	105,936.00	Supply of Tissue Papers and Protective Gowns
2	Ludikof Enterprise	719,920.00	Supply of Veronica buckets and stands
3	Willrosser Fortune Enterprise	600,080.00	Supply of Nose Masks
4	Elishnat Ventures	240,160.00	Supply of Alcohol-based Hand Sanitizers and Carbolic Soaps
5	Shamana Hospitality Businesses	999,920.00	Supply of Disposable Gloves
Total		2,666,016.00	

1598. We noted from the committee's reports that the Project team had agreements with all the suppliers on the following terms.

1599. To supply lesser quantities of the items being procured contrary to the contracts awarded and the agreement with Mastercard Foundation.

1600. That the suppliers should supply items which were inferior to the specifications as outlined in the proposal sent to the Mastercard Foundation and also in the contract awards signed with them.

1601. That all suppliers should return to the Project team all the cash savings made from the supply of lesser quantity of items and items of inferior quality.

1602. Our further checks disclosed that, suppliers delivered less than the agreed quantities even though the items had fully been paid for. Details of supply deficit are shown in table 174.

Table 174: Details of Items paid for but not supplied under the Mastercard Foundation Project

No.	Supplier	Items to be supplied	Supply Deficit	Unit Cost per item GH¢	Value of Items not Supplied GH¢
1	Shamana Hospitality Businesses	Disposable Gloves	1,740	249.98	434,965.20
2	Elishnat Ventures	Carbolic Soaps	778	38.00	29,564.00
3	Elishnat Ventures	Alcohol-based Hand Sanitizers	797	8.00	6,376.00
4	Elishnat Ventures	Liquid Soap	50	41.00	2,050.00
5	Willrosser Fortune Enterprise	Surgical Nose Masks	130	170.00	22,100.00
6	Willrosser Fortune Enterprise	Non-branded Nose Masks	1,130	5.00	5,650.00

7	Kwadans Nkunim Enterprise	Tissue Papers Protective Gowns			12,276.00
8	Ludikof Enterprise	Veronica buckets and stands			9,920.00
Total					522,901.20

Source: Report on Management Meeting held on 23 November 2020

1603. However, the total amount of GH¢522,901.20 worth of goods which were not supplied have been established by Management as stated by Dr Eric Asamoah, the Project Coordinator, that:

- i. An amount of GH¢250,000.00 was paid to a representative of Mastercard Foundation.
- ii. A total amount of GH¢50,000.00 was paid to the five suppliers of the items.
- iii. A total amount of GH¢30,000.00 was also paid to Dr Eric Asamoah, the Project Coordinator Mr. Michael Asante the Project Accountant and Mr. John Aidoo, the Monitoring and Evaluation Officer of the project
- iv. The remaining value of GH¢192,901.20 worth of items was not supplied by the various suppliers.

1604. The above infractions occurred because all of the procurement activities for this project was conducted without the authorisation of the Management Committee and the Secretary General and by persons with no authority to do so.

1605. The infractions have led to a loss of GH522,901.20 of the funds received from the Mastercard Foundation. These funds could have been used more judiciously to acquire items to be given to vulnerable persons to help prevent and mitigate the impact of COVID-19.

1606. Again, the inability of Management of Ghana Red Cross Society to properly manage these funds as per the contract agreement with the Mastercard Foundation also constitutes a breach of contract which could come with serious sanctions.

1607. The above irregularities will also adversely affect the integrity and credibility of the Ghana Red Cross Society which could make it difficult for the Society to obtain donations to support its programme of activities in future.

1608. We reiterated the recommendations of the reports reviewed to the Management Committee to take steps to ensure that:

- a. The amount of GH¢250,000.00 paid to the representative of Mastercard Foundation is refunded 30 days upon the receipt of the Management Letter.
- b. The total amount of GH¢50,000.00 paid to the five suppliers are refunded 30 days upon the receipt of the Management Letter.
- c. The total amount of GH¢30,000.00 paid to Dr Eric Asamoah, Mr. Michael Asante and Mr. John Aidoo are refunded 30 days upon the receipt of the Management Letter.
- d. The remaining value of items not supplied by the suppliers (GH¢192,901.20) is refunded by the various suppliers 30 days upon the receipt of the Management Letter.

1609. We further recommended to Management to seek the appropriate legal remedies if it becomes difficult to implement the above recommendations.

1610. Management accepted our recommendations.

Uncompetitive Procurement – GH¢321,679.81

1611. Section 43 of 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.

1612. We however noted from our examination of documents that the Society made several purchases during the period under review amounting to GH¢321,679.81 without obtaining alternative quotations from other sources thereby defeating the purpose of ensuring value for money. Details are shown in table 175.

Table 175. Uncompetitive Procurement

No.	Date	Description	PV No	Bank	Cheque Number	Name of Supplier/ Payee	Amount Recognised in G1/ Cashbook	G1 Account Name
1	28/06/2019	Printing of First Aid Manual	0018491	Access 061	000223	Eniko Commercial Press Ltd	5,000.00	Printing & Stationery
2	24/07/2019	Printing of First Aid Manual	0018256	Access 061	000238	Eniko Commercial Press	2,125.00	Printing & Stationery
3	30/09/2019	Accommodation - Orientation Workshop	0015738	Access 061	000261	Gift Guest Hotel	7,225.00	Orientation Workshop

4	20/12/2019	Air Ticket to Geneva for National Presidents Conference	0018135	Access 061	000304	Kwame Gyimah Akwafo/ Translatic Travel Consultancy	9,294.00	International Travels
5	22/02/2019	Accommodation & Conference package	0020478	Ecobank 800	000200	Eastern Premier Hotel	14,582.09	WASH Review Meeting
6	27/05/2019	Travel Ticket for West Coast Meeting	0018404	Ecobank 800	000422	Storm Travel and Tour	3,015.00	International Travels
7	10/06/2019	Airfare for Westcoast group meeting	0018411	Ecobank 800	000432	Storm Travel and Tours	3,015.00	International Travels
8	28/06/2019	Conference package for Universal Health Coverage meeting 2030	0018487	Ecobank 800	000515	AH Hotel & Conference	11,614.69	Univ. Health Cover. Meeting Exp
9	16/07/2019	Toners/Cartridges for office printers	0018440	Ecobank 800	000552	Starlite Company Ltd	2,030.00	Repairs-Office Equipment
10	24/07/2019	Stationery for the office	0018258	Ecobank 800	000571	Kingdom books	4,811.00	Printing & Stationery
11	07/08/2019	Conference package for WASH Stakeholders meeting	0018280	Ecobank 800	000453	Oscarpark Royal Hotel	2,480.63	WASH Review Meeting
12	28/03/2019	Vehicle Repairs GE 916-13	0018010	SCB 003	158187	Henry Kofi Essel	2,300.00	Repairs-office Vehicles
13	07/08/2019	Lunch and Snack for participants of the AGM	0018286	SCB 003	158198	Royal Home Foods	4,015.80	AGM Expenses
14	08/08/2019	Accommodation - Annual General Meeting	0018287	SCB 003	158199	Nasco Hotel	24,750.00	AGM Expenses
15	08/08/2019	Accommodation - Annual General Meeting	0018287	SCB 003	158200	Nasco Hotel	3,560.00	AGM Expenses
16	20/03/2020	Toners/Cartridges for office printers	0018695	Ecobank 800	001080	Starlite Company Limited	5,060.00	Printing & Stationery
17	20/11/2020	Toners/Cartridges for office printers	0019469	Ecobank 800	001496	Starlite Company Ltd	2,182.50	Printing & Stationery

18	20/11/2020	Supply and installation of Grundfos scala2 3-45 completed booster pump in Amanhyia, Eastern Region	0019473	Ecobank 800	001607	Ako Engineering Limited	7,224.00	Handpump Installation
19	17/02/2020	Repairs of vehicle with registration number GR 7248-16	0018602	Fidelity 782	021959	Koppong Ventures	5,200.00	Repairs - Office Vehicles
20	01/07/2020	Servicing of vehicle	0001366	Fidelity 782	202208	Masare Motors	2,537.70	Repairs - Office Vehicles
21	28/07/2020	Cost of arrester products	0018916	Fidelity 782	202228	Moove Telecom	4,000.00	Communication-office Fix
22	10/08/2020	Being cost of accommodation conference package	0018969	Fidelity 782	202243	Nasco Hotel	30,014.14	Financial Management Workshop
23	01/09/2020	Servicing of vehicle	0019341	Fidelity 782	202274	Masare Motors	2,318.30	Repairs - Office Vehicles
24	28/10/2020	Cost of servicing and repairs of vehicle	0019610	Fidelity 782	202361	Masare Motors	2,943.95	Repairs - Office Vehicles
25	06/10/2020	Media Engagement under SMCH Covid 19 Activities	0019520	Fidelity 758	020191	Media Men Ghana Ltd	58,506.25	SMCH - Media Engagement
26	14/10/2020	Funds to purchase a laptop for the business unit	0019546	Fidelity 758	020198	Tricom B.A Ventures	4,316.50	IT Equipment
27	18/11/2020	Accommodation and Conference packages for COVID-19 lesson learnt workshop	0019456	Fidelity 758	200306	Platinum Hotel Limited	31,565.63	MCF Lessons Learnt Workshop
28	18/11/2020	Accommodation and Conference packages for COVID-19 lesson learnt workshop	0019456	Fidelity 758	200307	Platinum Hotel Limited	13,528.13	MCF Lessons Learnt Workshop
29	21/08/2020	Toners/Cartridges for office printers	0019268	SCB 004	838895	Starlite Company Limited	2,815.53	Printing & Stationery

30	20/04/2020	Printing of 320 Customised Nose Masks	0001307	SCB 005	767563	Portia Amoateng	3,104.00	Personal Protective Equipment (PPE's)
31	21/05/2020	Payment of Printing Lacoste, Posters and Stickers for COVID 19 Activities	0001467	SCB 005	767574	Eniko Commercial Press	30,797.50	Printing - SBCC Materials
32	10/07/2020	Megaphones & PA Systems for UNICEF COVID 19 Activities	0001360	SCB 005	152044	Unique Mini Mall	8,245.00	UNICEF COVID 19 - Megaphones & PA systems
33	19/11/2020	Stationery for the office	0019464	SCB 005	901984	His Majesty Bookshop	4,155.97	Printing & Stationery
34	15/12/2020	Toners/Cartridges for office printers	0019904	SCB 005	177009	Starlite Company Limited	3,346.50	Printing & Stationery
Total							321,679.81	

1613. The above finding could lead to dubious payments and other financial abuses as there is no transparency and competitiveness in the procurement process.

1614. We recommended that approval should be sought from the Public Procurement Authority before single source procurement method is applied. The Secretary General and the Finance and Administrative Manager should also in future obtain quotations from at least three different suppliers before selecting a supplier to transact business with.

1615. Management stated that they had service agreements with IBIS Hotel, Grandeur Travel and Tours, Masare Motors and Dasante which are available for inspection.

1616. We have reviewed the service agreements with IBIS Hotel, Grandeur Travel and Tours and Dasante. However, Management is yet to submit the service agreement with Masare Motors to the audit team for verification.

GHANA COLLEGE OF PHYSICIANS AND SURGEONS

Introduction

1617. This report relates to the audited financial statements of Ghana College of Physicians and Surgeons for the year ended 31 December 2019.

Operational Results

1618. The College recorded a surplus of GH¢4,038,178.14 in 2019 as compared with Gh¢3,890,104.53 recorded in 2018. This represent Gh¢148,073.61 or 3.81% rise over the previous year's surplus. The details of the are shown in the table 176.

Table 176: Statement of Financial performance

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Subventions	967,966.78	628,038.77	339,928.01	54.13
Fees	8,434,324.35	6,789,795.41	1,644,528.94	24.22
CPD	518,055.00	335,100.00	182,955.00	54.60
Investment Income	439,764.22	273,008.00	166,756.22	61.08
Other income	194,731.92	402,972.64	(208,240.72)	(51.68)
Total	10,554,842.27	8,428,914.82	2,125,927.45	25.22
Expenditure				
Compensation	1,052,549.13	699,941.29	352,607.84	50.38
Goods and Services	5,464,115.00	3,838,869.00	1,625,246.00	42.34
Total	6,516,664.13	4,538,810.29	1,977,853.84	43.58
Surplus/Deficit	4,038,178.14	3,890,104.53	148,073.61	

1619. Total income increased by 25.22% from GH¢8,428,914.82 in 2018 to GH¢10,554,842.27 in 2019. The rise was due to the increases in Continuous Professional Development (CPD), and Fees by margins of 54.60% and 24.22% respectively. The increases in CPDs and fees can be attributed to the increases in Residents and Senior Residents admitted to the Division of Physicians and Surgeons to pursue various programs, and Residents and Senior Residents who graduated as Members and Fellows respectively. Government Subvention also increased by 54.13% from GH¢628,038.77 in 2018 to GH¢967,966.78 in 2019. Investment income also increase by a margin of 61.08% from GH¢273,008.00 in 2018 to GH¢439,764.22 in 2019.

1620. The total expenditure incurred in 2019 amounted to GH¢6,516,664.13 as compared to GH¢4,538,810.29 spent in 2018, representing 43.58% increase. The increase in Expenditure was as a result of the increases in compensation of employees, and Goods and Services by 50.38% and 42.34% respectively.

Financial Position

1621. The College's financial position as at 31 December 2019 is shown in table 177.

Table 177: Statement of Financial Position as at 31 December 2019

Assets/liabilities	2019 GH¢	2018 GH¢	Incr/(Decr) GH¢	% Change
Non-Current Assets	2,936,316.38	3,196,762.23	(260,445.85)	(8.15)
Current Assets	24,549,958.02	20,535,780.00	4,014,178.02	19.55
Current Liabilities	0.00	24,000.00	(24,000.00)	(100)
Net Assets	27,486,274.40	23,708,542.23	3,777,732.17	15.93
Liquidity Ratio	-	855.66:1		

1622. Non-Current Assets of the College decreased by GH¢260,445.85 in 2019, from GH¢3,196,762.00 in 2018 to GH¢2,936,316.38 in 2019, representing a fall of 8.15%. This was due to the depreciation of Property, Plant and Equipment.

1623. The Current Assets increased by 19.55% from GH¢20,535,780.00 in 2018 to GH¢24,549,958.02 in 2019. This was as a result of an increase in the receivables.

1624. The College had no current liability for the year under review.

MANAGEMENT ISSUES

Mismanagement of Hospitality Facility

1625. Section 15.3 of Final Agreement between Ghana College of Physicians and Surgeons(GCPS) and ORCHID Hospitality Management Ltd. made in February 2013 in respect of managing the College Hospitality Facility states "The Property Manager shall keep proper books of accounts and records showing all income and expenditure relating to the management and operation of the Centre and the manager shall during business hours make such books of accounts available for inspection by the owner or their authorised representative. The property manager on weekly basis shall furnish the owners with the Week's Function Sheets derived from the operation of the Centre".

1626. The agreement also required that the profit from the operation shall be shared in the ratio 6:4 for the Owners (GCPS) and ORCHID Hospitality Management Ltd. In addition, since the owners are sharing the same block with the Hospitality facility, the cost of lighting was agreed to be shared at 61.33 % and 38.67% between the facility managers and the owners respectively.

1627. The facility comprises managing 30 double bed hotel rooms, restaurant, renting of Conference Rooms and Auditorium to the public.

1628. We noted that Management who are the owners of the facility failed to regularly monitor and supervised the business operations of the facility. This has resulted in mismanagement and misrepresentation in the preparation of the annual income statements of the facility over the period. We further noted that annual income of GH¢450,737.97 was declared as owners' portion of the profit shared for a period of 4 years (2016 to 2018 and July 2019 to December 2019). However, the College received a total of GH¢380,730.00 as profit from the facility during the period, leaving an outstanding profit of GH¢70,007.97 not paid by the Facility Managers. Nevertheless, in January to June 2019 a total of GH¢170,130.27 was charged as a loss due to be paid by the College.

1629. We noted in addition that the expenditure items charged against income before arriving at net profit shared as intended above are not reliable. For example, the electricity bill amounting to GH¢1,934,398.06 which Orchid Hospitality Management Services (OHMS) had to pay to the college was not paid but was charged against income in attenuating profit due to be shared.

1630. This action amount to the falsification of Accounts records to the benefit of the Facility Managers. Owners subsequently wrote to the managers (Orchid Hospitality Management Ltd) in April 2020 terminating the agreement. The facility has since being left idle after refurbishment.

1631. Considering the overhead cost incurred by the College on the facility and taking into consideration the present losses incurred by the Manager of the facility, the College has gained nothing from the venture but rather a loss.

1632. We recommended that Management should constitute a committee to access and identify the cause of non-performance of the facility managers and ensure a competent manager is engaged to run the facility for the benefit of the College.

1633. Management responded that a joint GCPS-OHMS Committee has been constituted and began the handing over of the properties to the College subject to both parties settling outstanding payments on either side. Management also indicated that the College invited eligible Hospitality and Property Management Companies to express their interest in managing the facility on a rental contract basis, but these three companies were not successful after the evaluation of tenders based on the Consultants qualifications stated in the Public Procurement Act.

1634. Management further stated that the College has decided to re-request for expression of interest with support from the Public Procurement Authority and assured that Hospitality and Property Manager will soon be engaged.

Uncollected Trainees Fees – GH¢18,577,544.36

1635. Section 96 of the Public Financial Management Act, 2016 (Act 921) requires that, a person, acting in an office or employment connected with the procurement or control of Government stores, or the collection, management or disbursement of amounts in respect of a public fund or a public trust who fails to collect money due to the Government commits an offence and is liable on summary conviction to a term of imprisonment of not less than six months and not more than five years or to a fine of not less than one hundred penalty units and not more than two thousand, five hundred penalty units or to both.

1636. We noted that balances of Trainees' fees in the sum of GH¢18,577,544.36 due to be collected from the Trainees of various institutions remain uncollected since 2017. A further review of the Trainees fees collection pattern indicated that receipts of Trainees fees continue to deteriorate yearly, leaving a huge balance to be brought forward as uncollected trainees fees in the ensuing year.

1637. Management indicated that, Previously, Residents were sponsored by the Government, but now, most Residents are sponsored by their Facilities. However, most of the Residents in one way or the other, end up not being financed by the original sponsor. As a result, the invoices sent to the sponsor are not paid until the Resident passes all required examinations to graduate and be inducted as a Member or Fellow.

1638. The analysis of the total bills due to be collected from Trainees and the amount collected during a three-year period is shown in table 179.

Table 179: Uncollected Trainees Fees

Year	Debt b/f	Bill	Total	Payment	Balance GH¢
2017	6,152,750.00	4,324,000.00	10,476,750.00	854,958.00	9,621,792.00
2018	9,621,792.00	5,977,500.00	15,599,292.00	1,450,934.44	14,148,357.56
2019	14,148,357.56	5,075,786.80	19,224,144.36	646,600.00	18,577,544.36

1639. Management inability to collect monies due for effective management of the College will affect the successful operations of the College.

1640. We recommended that strenuous efforts should be made by Management to collect the outstanding amount due from the Trainees to improve the College's financial situation.

1641. Management in their response indicated the following as the way forward to address the issue:

- i. Residents will only receive their certificate when they have cleared themselves of all financial obligations to the College.
- ii. Invoices would be issued to the Residents rather than their facilities to enable the Residents to follow up on their sponsors for the payment of their fees.
- iii. Constant calling and emails to follow up for payment of outstanding fees is being done regularly. Some have agreed to come to the College for some payment plan.

MINISTRY OF LANDS AND NATURAL RESOURCES

LANDS COMMISSION

Introduction

1642. This report relates to the audited financial statements of Lands Commission for the year ended 31 December 2020.

Financial Performance

1643. The Lands Commission closed the 2020 financial year with a surplus of GH¢20,581,735 compared with a surplus of GH¢26,663,601 recorded in 2019. Details of the Commission's performance indicators are shown in Table 180.

Table 180: The Commission's performance indicators for the year ended 31 December 2020

Income & Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Internally Generated Funds (IGF)	51,620,297	44,538,407	7,081,890	15.9
Gov't of Ghana Grant	43,124,618	33,758,366	9,366,252	27.7
Total Income	94,744,915	78,296,773	16,448,142	21.0
Expenditure				
Compensation of Employees	43,124,618	33,230,580	9,894,038	29.8
Goods and Services	28,127,027	17,354,250	10,772,777	62.1
Other Expenditure	2,911,535	1,048,342	1,863,193	177.7
Total Expenditure	74,163,180	51,633,172	22,530,008	43.6
Surplus/(Deficits)	20,581,735	26,663,601	(6,081,866)	(22.81)

1644. The total income increased significantly by 21% from GH¢78,296,773 in 2019 to GH¢94,744,915 in 2020. The increment is as a result of 27.7% and 15.9% rise in Government of Ghana Grants and IGF respectively over the previous year.

1645. Total expenditure increased by 43.6% from GH¢51,633,172 in 2019 to GH¢74,163,180 in 2020. The increase was partly as a result of; an increase in Compensation of Employees by 29.8% due to recruitment of new officers in 2020, increase in Goods and Services by 62.1%. due to a rise in insurance payments of GH¢2,911,534.65 for motor vehicles purchased in 2020, and Other Expenditure which recorded an increase of 177.7%.

Financial Position

1646. The financial position of the Lands Commission as at 31 December 2020 is summarised in Table 181.

Table 181: The Commission's financial position for the year ended 2020

Items	2020 GH¢	2019 GH¢	Change GH¢	% Change
Non-Current Assets	37,273,333	14,497,551	22,775,782	157.1
Current Assets	35,410,872	33,601,650	1,809,222	5.4
Current Liabilities	3,914,226	1,191,502	2,722,724	228.5
Net Current Assets	31,496,646	32,410,148	(913,501)	(2.8)
Net Asset	68,769,979	46,907,699	21,862,281	46.6
Liquidity ratio	9.05:1	28.20:1		

1647. Non-Current assets increased significantly by 157.1% from GH¢14,497,551 in 2019 to GH¢37,273,333 in 2020 due mainly to the acquisition of motor vehicles and other property, plant and equipment.

1648. Current Assets increased by 5.4% from GH¢33,601,650 in 2019 to GH¢35,410,872 in 2020. The increase was attributable to 2.1% rise in Cash and Cash Equivalents from GH¢31,256,855 in 2019 to GH¢31,915,776.93 in 2020.

1649. Current Liabilities increased significantly by 228.5% from GH¢1,191,502 in 2019 to GH¢3,914,226 in 2020.

1650. The Commission's liquidity position as measured by its Current Ratio of 9.05:1 (2019: 28.2:1) indicates that the Commission would be able to meet its short-term obligations when they fall due.

MANAGEMENT ISSUES

Corporate Division

Overpayment of interest to Contractor - GH¢152,782.03

1651. Section 7 of the Public Financial Management Act, 2016 (Act 921) requires that the Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity.

1652. We noted that Management paid a total amount of GH¢1,171,441.33 as price adjustments of a construction contract to the Contractor (Elegant Homes and General Construction Ltd).

1653. Management again paid GH¢264,573.76 as interest on delayed payments at the rate of 35.50% per annum as against the Bank of Ghana prevailing rate of 15.00% p.a. during the period of the claim (5 Sep 2017 to 19 Feb 2018), leading to an overpayment of the interest on delayed payments by GH¢152,782.03. Details are shown in Table 3.

Table 3: Interest rate computation

Client: Lands Commission												
Certificate number: 15												
Project Name: Construction of Office Complex for Greater Accra Regional Lands Commission												
Contractor: Messrs Elegant Homes & General Contractors Limited												
Ipc No.	Ipc Date	Due Date	Certified Amount	Amount Paid	Less Tax	Amount Attracting Interest	INTEREST RATE		Dela yed Days Com pound ed	Base Amount for Interest Calculation	Interest Per Annum	Total (Gh¢)
							From	To				
A	B	C	D		E	F	G	H	J	K	L	M
11	7-Aug-17	4-Sep-17	3,688,039.03	1,052,631.58	52,631.58	1,000,000.00						
				2,000,000.00	100,000.00	1,900,000.00	5-Sep-17	21-Dec-17	75	1,900,000.00	35.50%	138,595.89
				635,407.45	31,770.37	603,637.08	5-Sep-17	28-Dec-17	82	603,637.08	35.50%	48142.12
12	28-Sep-17	26-Oct-17	2,269,634.86	1,364,592.55	68,229.63	1,296,362.92	27-Oct-17	28-Dec-17	30	1,296,362.92	35.50%	37,825.38
				905,042.31	45,252.12	859,790.19	27-Oct-17	19-Feb-18	83	859,790.19	35.50%	69,407.45
												293,970.84
								Less Discount		10%		29,397.08
TOTAL INTEREST ON DELAYED PAYMENTS CARRIED TO VALUATION												264,573.76

1654. We attributed the infraction to Management's failure to effectively peruse the Contractor's certificates before approving for payment.

1655. Funds of the Commission which could be used for other financial obligations were used to pay these unwarranted interests.

1656. We recommended that Management should take steps to recover the amount of GH¢152,782.03 from the Contractor through future certificates yet to be submitted for payment, failing which the Head of Procurement, Head of Finance, Head of Internal Audit Unit and the Principal Spending Officer should refund the amount.

1657. Management responded that “interest on delayed payment as well as price adjustment are contractual provisions and ought to be honoured by both parties to the contract”.

1658. The Bank of Ghana prevailing interest rate for the period of the claim (5 Sep 2017 to 19 Feb 2018) was 15% but not 35.50% paid by the Commission to the Contractor. We, therefore, reiterate that Management should recover the overpaid interest of GH¢152,782.03 from the Contractor within the shortest possible time and notify us accordingly for verification.

Purchases without alternative quotations – GH¢197,602.20

1659. Section 43 of the Public Procurement (Amendment) Act, 2016 (Act 914) states that the procurement entity shall request for quotations from as many suppliers or contractors as practicable but at least three different sources.

1660. We noted that the Commission procured store items and services worth GH¢197,602.20 but did not source for three (3) or more alternative price quotations from different suppliers to ensure the entity purchases from the most favourable sources to obtain value for money. Details are shown in Table 182.

Table 182: Purchases without alternative quotations

S/N	Date	PV No.	Chq. No	Details	Payee	Amount GH¢
1	23.04.20	472616	EFT	Vehicle Tyres - GV 26-17	Rothstar Limited	4,800.00
2	10.07.20	519346	EFT	Payment for the supply and installation of Air Conditioners at LVD	Novotec Limited	27,200.00
3	30.06.20	512198	284479	Supply and installation of Reserve Fuel Tank for Generator Set at CSAU/LVD	Timtech Enterprise	13,204.01
4	06.07.20	515630	286239	Payment for Kardex Storage Cabinet Unit	Digital Document Services Ltd	45,835.00
5	29.09.20	579086	318924	Payment for Two new Tyres for Vehilce GV 465-14	Rothstar Limited	2,350.00
6	29.09.20	579107	318925	Payment for 17-Plate Battery GV 13-15	Rothstar Limited	1,400.00

7	28.10.20	602335	327518	Payment for the supply and installation of Compressors and Refrigerant at Records	Novotec Limited	5,800.00
8	02.11.20	606777	328295	Payment for the Supply and Installation of Cvisco Network Routers and Switches	Cytex Systems Ltd	88,580.00
9	30.10.20	604706	328150	Payment for the replacement of worn-out Tyres for vehicle with registration GV 465-14	CFAO Equipment Ghana Limited	6,277.40
10	07.10.20	519229	282269	Payment for the supply of Water Pumping Machine and Water Hose at CSAU/LVD	Timtech Enterprise	2,155.79
Total						197,602.20

1661. We attributed the anomaly to Management's failure to comply with the provisions in the Public Procurement Act as quoted above in its procurement activities.

1662. The anomaly could lead to overpricing due to a lack of competitive quotations or tendering.

1663. We urged Management to strictly comply with the provisions in the Public Procurement Act, 2003 (Act 663) as amended in its future procurements, to promote competition and transparency, obtain maximum value for money, and avoid sanctions.

1664. Management responded that they have a database of suppliers and service providers which do regular servicing and that the service providers use screen computerised bidding processes. Management again stated that the service agreement has been signed which is reviewed every three (3) years.

Non-payment of rent – GH¢47,049.80

1665. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) enjoins, a Principal Spending Officer to ensure that Non-tax Revenue is efficiently collected.

1666. Our examination of the rent register of Lands Commission-Corporate Services disclosed that 20 occupants of Government bungalows owe rent in the sum of GH¢47,049.80 as at 31 December 2020 due to the non-monthly rent deductions by the Commission. Details are shown in Table 183.

Table 183: Non-payment of Rent

S/N	Name Of Occupant (Employee)	Staff ID	Rank	Date Allocated	Location	Type Of Accommodation	Number	Annual Basic Salary GH¢	Rent Deduction Rate	Rent Payable GH¢
1	Mildred A. A. Essah-Okyere	911815	Assistant Admin. Officer	5/26/2020	Greater Accra/ Adenta Towers B	2 Bedroom Flat	B2/1	13,975.00	10%	1,397.50
2	Alexander Baah Boakye	912002	Procurement Officer	5/26/2020	Greater Accra/ Adenta Towers B	2 Bedroom Flat	B3/4	14,043.00	10%	1,404.30
3	Enyonam E. Ametepe Esq.	1221062	Legal Officer	5/26/2020	Greater Accra/ Adenta Towers B	2 Bedroom Flat	B4/1	16,380.00	10%	1,638.00
4	John T. Zida	61241		11/1/2016	Greater Accra/ Adenta Ssnit Flats	2 Bedroom Flat	A1	30,036.00	10%	3,003.60
5	Portia Antwi	1221035		2/1/2019	Greater Accra/ Adenta Ssnit Flats	2 Bedroom Flat	B1	22,944.00	10%	2,294.40
6	Isaac Cecil Afful	773398		11/1/2019	Greater Accra/ Adenta Ssnit Flats	2 Bedroom Flat	B3	27,587.00	10%	2,758.70
7	Frank Darko	769622		9/1/2019	Greater Accra/ Adenta Ssnit Flats	2 Bedroom Flat	B4	28,016.00	10%	2,801.60
8	Opoku Boateng	66007			Greater Accra/ Adenta Ssnit Flats	2 Bedroom Flat	B5	47,352.00	10%	4,735.20
9	Douglas Obeng	1221903	Legal Officer	2/1/2020	Greater Accra/ Adenta Towers Block A	2 Bedroom Flat	A2/3	25,740.00	10%	2,574.00
10	Lydia Opoku Donkor	62865	Principal Technical Officer	8/1/2019	Greater Accra/ Adenta Towers Block A	2 Bedroom Flat	A3/4	30,036.00	10%	3,003.60
11	Nana Osei Akuoko Oduro	911343	Senior Geomatic Technician	7/1/2019	Greater Accra/Borteyman	One Bedroom Special	BT/BU/BL/K2/1BR/2	26,966.00	10%	2,696.60
12	George Owusu	1255697	Assistant Land Admin. Officer	7/1/2019	Greater Accra/Borteyman	One Bedroom Standard	BT/BU/BL/K2/1BR/4	23,691.00	10%	2,369.10
13	Cecil Kwabla	1221079	Assistant Information Officer	7/1/2019	Greater Accra/Borteyman	One Bedroom Special	BT/BU/BL/K2/1BR/7	20,388.00	10%	2,038.80
14	Jephtah Danso Akyea	1221053	Assistant Information Officer	7/1/2019	Greater Accra/Borteyman	One Bedroom Special	BT/BU/BL/K2/1BR/8	20,388.00	10%	2,038.80

15	Gifty Ntowbea	912016	Senior Revenue Supt.	7/1/2019	Greater Accra/Borteyman	One Bedroom Standard	BT/BU/BL/K2/1BR/9	23,860.00	10%	2,386.00
16	Margaret Lamptey	741186	Supply Officer	5/26/2020	Greater Accra/Borteyman	One Bedroom Standard	BT/BU/BL/K2/1BR/15	17,234.00	10%	1,723.40
17	Hannah Gad Annan	824806	Stenographer Secretary	9/1/2020	Greater Accra/Borteyman	One Bedroom Standard	BT/BU/BL/K2/1BR/16	8,044.00	10%	804.40
18	Abdul-Wahab M. Salifu	637955		7/1/2019	Greater Accra/Borteyman	One Bedroom Special	BT/BU/BL/K2/1BR/19	27,612.00	10%	2,761.20
19	Bismark Amoah Ayeh	912554	Procurement Officer	7/1/2019	Greater Accra/Borteyman	One Bedroom Special	BT/BU/BL/K2/1BR/20	22,176.00	10%	2,217.60
20	Gideon Amofo	1221008	Assistant Admin. Officer	8/1/2019	Greater Accra/Borteyman	One Bedroom Standard	BT/BU/BL/K2/1BR/22	24,030.00	10%	2,403.00
Total								470,498.00		47,049.80

1667. The anomaly was as a result of the Commission's failure to submit updated records of the occupants of the bungalows to Controller and Accountant General Department (CAGD) for monthly deductions from their salaries.

1668. The officers are occupying government bungalows without paying monthly rents. The government is being denied the funds that could be generated through monthly rent payments to maintain the bungalows.

1669. We recommended that the Head of Estates should recover the outstanding rents by compiling an updated list of occupants of the bungalows and furnish same through HR to the CAGD for source deductions from the beneficiaries' salaries.

1670. Management responded " the rent deduction is done at source. At the time of your visit, rent deduction inputs have been prepared and submitted to Controller and Accountant-General's Department for deductions to start. We appreciate your recommendation".

1671. Management however did not provide the team with the evidence of the rent deduction as stated above. We reiterate our recommendation.

Failure to obtain ownership of residential buildings

1672. Section 52 of the Public Financial Management Act, 2016 (Act 921) demands that, a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. The

control system shall be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage, and misuse; and processes, whether manual or electronic, and procedures are in place for the effective, efficient, economical and transparent use of the assets.

1673. Our examination of records disclosed that the Commission paid GH¢2,614,400.00 to SSNIT to acquire two Flats at Borteyman Housing Estates, Nungua, Accra in May 2018 but failed to obtain title deeds for the properties.

1674. The unavailability of title deeds could expose the Commission to the risk of losing these properties in case of disputes in the court of law.

1675. We recommended to Management to as a matter of urgency liaise with SSNIT Management to obtain the title deeds for these properties to avoid any unforeseen disputes over ownership rights.

1676. Management indicated that, “the recommendation is well noted for compliance. Management had already written to Management of SSNIT for the title deeds and they are in the process”.

Survey and Mapping Division

Delays in Transferring collections to the Holding Account – GH¢2,926,377.20

1677. Regulation 46 of the Public Financial Management Regulations, 2019 (L. I. 2378) provides that the Spending Officer of a covered entity shall ensure that non-tax revenue is immediately lodged in gross within twenty-four hours in the designated Consolidated Fund Transit bank accounts.

1678. Our review of the records showed that clients of the Commission pay their service charges to the designated holding bank account at the Bank of Ghana through the Universal Merchant Bank. However, the Universal Merchant Bank delayed in transferring a total of GH¢2,926,377.20 into the designated account at the Bank of Ghana for a period ranging between 2 and 83 days. Details are provided in table 184.

Table 184: Collections to the holding account

Dates	Amount Collected	Transfer Date	Delays (Day)
02/01/20-03/01/20	6372.00	06/01/2020	4
08/01/20-09/01/20	30,771.00	10/01/2020	2
11/03/20-13/03/20	69,940.00	16/03/2020	5
05/05/20-08/05/20	96,519.40	11/05/2020	6
06/08/20-27/10/20	2,722,774.80	28/10/2020	83
Total	2,926,377.20		

1679. The Banks could be trading with the Commission's funds and generating an income without paying any interest to the Commission.

1680. We recommended to Management to ensure effective supervision over the timely transfer of the collected funds by the Universal Merchant Bank into the Holding Bank Account at the Bank of Ghana.

1681. Management explained that the revenue collection does not fall under the responsibilities of the Division. However, the Lands Commission has reported to the Ministry of Finance who signed the agreement with Universal Merchant Bank to transfer all revenues collected within 24 hours to the holding account at Bank of Ghana.

Land Valuation Division

Non-payment of Rent – GH¢2,419.00

1682. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) enjoins, a Principal Spending Officer to ensure that Non-tax Revenue is efficiently collected.

1683. Our examination of rent register of the Land Valuation Division of the Lands Commission disclosed that monthly rent deductions were not being done for 2 occupants of bungalows. The total rent owed is GH¢2,419.00. Details are shown in Table 185.

<i>Table 185: Non-payment of Rent</i>										
S/N	NAME OF OCCUPANT	STAFF ID	RANK	DATE ALLOCATED	LOCATION	TYPE OF ACCOMMODATION	NUMBER	ANNUAL BASIC SALARY	RENT DEDUCTION RATE	RENT PAYABLE
1	Miss Mariam Adam	858583	Accountant	26.05.20	Greater Accra, Borteyman	One Bedroom Standard	BT/BU/BL/K2/BR 3	14,281.00	10%	1,428.10
2	Peggy Sackey	4066	Senior Lands Admin Technician	26.05.20	Greater Accra, Borteyman	One Bedroom Special	BT/BU/BL/K2/BR 14	9,909.00	10%	990.90
								24,190.00		2,419.00

1684. The anomaly was as a result of the Division's failure to submit updated records of the occupants of those bungalows to CAGD for inputs to be done.

1685. Funds that could be generated through monthly rent payments to maintain and keep government bungalows in shape are being denied.

1686. We recommended that the Head of Estates should compile an update the list of occupants of bungalows and furnish same through HR to the CAGD for source deductions from the beneficiaries' salaries to ensure the recovery of the outstanding rents.

1687. In management response, they indicated that even though the other two (2) officers were inputted alongside the other staff that were also allocated bungalows, challenges of CAGD have delayed the deductions. They expressed hope that deduction may take place during the payment of salaries for the month of August 2021.

Land Registration Division

Unplanned Procurement – GH¢197,172

1688. Section 21 of the Public Procurement Act, 2003 (Act 663) states that, a procurement entity shall prepare a procurement plan to support its approved programme and the plan shall indicate the contract packages, the estimated cost for each package, the procurement method, and the processing steps and times.

1689. We noted from our review that Management of the Land Registration Division procured items to the tune of GH¢197,172. However, no provision was made in the approved procurement plan for the goods procured. Details are shown in table 186.

Table 186: Unplanned Procurement

Date	Particulars	PV No	Amount GH¢	Payee
1/10/2020	Purchase of IBM typewriter	LRD/GOG/2020/006	2,500.00	Sindo
1/15/2020	Purchase of Stationery	LRD/GOG/2020/012	8,290.00	Sly- Laudesso
1/28/2020	Payment for Cost of Overcoats	LRD/GOG/2020/024	9,180.00	Bright Way
1/28/2020	Payment for cost of Stationery	LRD/GOG/2020/025	8,580.00	Nickonnbeck
4/23/2020	Payment for the cost of toiletries	LRD/GOG/2020/060	9,505.00	Nickonnbeck
4/23/2020	Payment for cost of tonner	LRD/GOG/2020/061	9,690.00	Nickonnbeck
4/21/2020	Purchase of Personal Protective Equipment etc.	LRD/GOG/2020/057	5,320.00	LRD
7/29/2020	Payment for the cost of Records equipment	LRD/GOG/2020/135	7,440.00	OG& A Services
8/5/2020	Payment for cost of Toner	LRD/GOG/2020/141	9,480.00	Nickonnbeck
8/5/2020	Payment for the Cost of Office Consumable	LRD/GOG/2020/140	7,665.00	Nickonnbeck
8/5/2020	Payment for cost of toiletries	LRD/GOG/2020/143	9,300.00	Nickonnbeck
8/13/2020	Payment for A4 Printers	LRD/GOG/2020/144	9,700.00	Firako
13/08/2020	Payment for cost of Computers and accessories	LRD/GOG/2020/145	8,800.00	Firako
8/13/2020	Payment for cost of toner	LRD/GOG/2020/146	9,685.00	Zigash
8/24/2020	Payment for cost of Executive Tables and Chairs	LRD/GOG/2020/150	7,800.00	Bright Way

8/24/2020	Payment for cost of toiletries	LRD/GOG/2020/151	8,530.00	Bright Way
8/26/2020	Payment for cost of Toner	LRD/GOG/2020/152	9,460.00	Zigash
26/058/2020	Payment for cost of toiletries	LRD/GOG/2020/154	9,050.00	Bright Way
10/5/2020	Payment for Cost of Desktop Computer	LRD/GOG/2020/181	9,700.00	Zigash
10/5/2020	Payment for cost of A4 Sheets	LRD/GOG/2020/182	9,600.00	Zigash
10/5/2020	Payment for Cost of Toner	LRD/GOG/2020/183	9,660.00	Jamal Ent
11/11/2020	Payment for Cost of Steel Cabinet and Swivel Chair	LRD/GOG/2020/213	8,600.00	Firako
12/31/2020	Payment for the cost of stationery items	LRD/GOG/2020/247	9,637.00	Sekofex
Total			197,172.00	

1690. The practice could reduce funds available for the execution of the earmarked activities in the procurement plan. It could also lead to budget overrun at the Division.

1691. We advised Management to desist from making such unplanned expenditures in future, to ensure the execution of planned activities.

1692. Management has taken note of this observation and wishes to state that all planned procurements for the Division are done by the Corporate Head Office. However, the Division only steps in to purchase few urgent items when needed and are out of supply.

Absence of Vehicles Ownership Documents

1693. Section 52 of the Public Financial Management Act, 2016 (Act 921) provides that, Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. A control system specified in subsection (1) shall be capable of ensuring that (a) preventive mechanisms are in place to eliminate theft, loss, wastage and misuse.

1694. We noted from our review of the Transport records made available that files were kept for all the Division's vehicles. However, ownership documents for 12 vehicles were not on file to show evidence of right of ownership by the Division, and two vehicles were in the name of the Ministry of Lands and Natural Resources. The vehicles are listed in table 187.

Table 187: Absence of Vehicles Ownership Documents

No	Description	Vehicle Number	Current Owner
1	Nissan Patrol	GV444-14	Not on File
2	Nissan Hardbody	GV441-14	Not on File
3	Nissan Hardbody	GV473-V	Not on File
4	Nissan Hardbody	GV449-14	Not on File
5	Toyota Hiace	GV 844-14	Not on File
6	Nissan Hardbody	GV440-14	Not on File
7	Mitsubishi L200	GV 447-14	Not on File
8	Nissan Hardbody	GE 2119-W	Not on File
9	Toyota Hillux	GV1359-20	Not on File
10	Mitsubishi L200	GV821 – 14	Ministry of Lands and Resources
11	Nissan Hardbody	GV 174-18	Not on File
12	Mitsubishi L200	GV 823-14	Ministry of Lands and Resources
13	Toyota Land Cruiser	GV27-17	Not on File
14	Nissan Hardbody	GV12-X	Not on File

1695. In the event of insurance claims or circumstances where proof of ownership is required, the Lands Registration Division will be rendered incapacitated.

1696. We recommended to Management to take urgent steps to regularise ownership of these vehicles and keep them on file.

1697. Management has taken note of this observation and stated that the Transport Officer has been instructed to liaise with the Administration Unit for the necessary vehicle ownership documents to be put on the file for our inspection.

OFFICE OF THE ADMINISTRATOR OF STOOL LANDS

Introduction

1698. This report relates to the audited financial statements of Office of the Administrator of Stool Lands for the two years ending 31 December 2020.

Financial Performance

1699. The Organisation recorded a surplus of GH¢1,167,410.48 at the end of the 2020 financial year as against a figure of GH¢1,697,742.14 in 2019. This represented, a decrease of GH¢530,031.66 or 31.24% over the period. Details are shown in table 188.

Table 188: Statement of Financial Performance for year ended 31 December 2020

Income/Expenditure	2020 (GH¢)	2019 (GH¢)	Incr./ (Decr.) (GH¢)	% Change
Government Subvention	7,785,901.00	6,158,078.00	1,627,823.00	26.43
IGF Retained	9,790,492.22	8,253,265.19	1,537,227.03	18.63
Other Incomes	900.00	-	900.00	100.00
Total Income	17,577,293.22	14,411,343.19	3,165,950.03	21.97
Expenditure				
Employees Compensation	7,665,901.00	6,078,078.00	1,587,823.00	26.12
Goods and Service	120,000.00	80,000.00	40,000.00	50.00
IGF Goods and Services	8,623,981.74	6,555,523.05	2,068,458.69	31.55
Total Expenditure	16,409,882.74	12,713,601.05	3,696,281.69	29.07
Excess of Income Over Expenditure	1,167,410.48	1,697,742.14	(530,331.66)	(31.24)

1700. The increase in total income from GH¢14,411,343.19 in 2019 to GH¢17,577,293.22 in 2020, was due to a 26.43% increase in Government Subvention and 18.63% increase in the Internally Generated Fund.

1701. Total expenditure also increased from GH¢12,713,601.05 in 2019 to GH¢16,409,882.74 in 2020 representing 29.07% upwards movement.

1702. Personal Emolument increased by 26.12% from GH¢6,078,078 in 2019 to GH¢7,665,901 in 2020. General Goods and Services and IGF Goods and Services also increased by 50% and 31.55% respectively.

Financial position

1738. The analysis of the financial position of Office for 2020 and its comparative figures for 2019 are shown in table 189.

Table 189: Financial Position as at 31 December 2020

Assets/Liabilities	2020 (GH¢)	2019 (GH¢)	Incr./ (Decr.) (GH¢)	% Change
Non-Current Assets	3,437,229.93	3,610,645.10	(173,415.17)	(4.8)
Current Assets	1,000,458.17	265,892.47	734,565.70	276.26
Net Assets	4,437,688.10	3,876,537.57	561,150.53	14.48

1703. Non-Current Assets declined by 4.8% from GH¢3,610,645.10 in 2019 to GH¢3,437,229.93 at the end of 2020. The decrease was due to the depreciation charge for the year.

1704. Current Assets however, increased by 276.26% from GH¢265,892.47 in 2019 to GH¢1,000,458.17. The increase was due to a change in Management policy to consolidate the Regional balances with that of the Head Office.

1705. The OASL did not have any current liabilities. Indicating a very healthy short term financial position.

MANAGEMENT ISSUES

Non - Competitive Transaction - GH¢111,733.75

1706. Section 20 of the Public Procurement (Amendment) Act, 2016 (Act 914) states, “The procurement entity shall request for quotations from as many suppliers or contractors as practicable but shall compare quotations from at least three different sources that should not be related in terms of ownership, shareholding or directorship and principles of conflict of interest shall apply between the procurement entities and their members and the different price quotation sources.”

1707. Contrary to the above quoted Act, Management made payment for accommodation for Annual Conference at GS Plaza Hotel in Accra without obtaining the three (3) or more alternative price quotations from different suppliers to ensure purchasing from the lowest evaluated bid to achieve value for money. Details of the transaction provided in table 190.

Table 190: Non - Competitive Transaction

Date	Particulars	PV. NO.	Amount GH¢	Payee
24/01/2019	Hotel Accommodation for conference	224751	111,733.75	GS Plaza Hotel

1708. The anomaly could lead to over pricing of the transaction due to lack of competitive quotations or tendering.

1709. We urged Management to strictly comply with the provisions in the Public Procurement (Amendment) Act, 2016 (Act 914) to promote competition and transparency and obtain maximum value for money in all future procurements.

1710. Management accepted our recommendation and assured us that they would adhere to the Public Procurement (Amendment) Act, 2016 (Act 914) to obtain value for money.

Expired Strategic Plan

1711. Section 90 of the Public Financial Management Act, 2016 (Act 921) requires that the governing body of a public corporation or state-owned enterprise shall establish and maintain

- (a) policies,
- (b) procedures,
- (c) risk management and internal control systems, and
- (d) governance and management practices, to ensure that that public corporation or state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

1712. The Office of the Administrator of Stool Lands' strategic plan was to guide its position to enhance Stool Lands' revenue mobilization and disbursement to facilitate sustainable development and efficient management of stool lands for the benefit of present and future generations.

1713. Our review of the Strategic Plan for the OASL indicated that it had expired since 2018 without review.

1714. The ability of OASL to advocate for revenue mobilization and disbursement for sustainable stool lands development for the benefit of present and future generations will be in doubt.

1715. We urged Management to prepare a new strategic plan to enable the OASL achieve its mandate and ensure future directions.

1716. Management responded that they would make the necessary arrangement to review the old strategic plan to meet the current and future needs of the office.

Vehicles without Ownership documents

1717. Section 52 of the Public Financial Management Act, 2016 (Act 921) demands among others that, a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. A control system specified in subsection (1) shall be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage and misuse.

1718. We noted from our review of the Transport records made available that the Office has no legal title to two vehicles inherited from donor-funded projects because the ownership has not been transferred from the donors to the Office.

Details of the vehicles are shown in table 191.

Table 191: Vehicles without ownership documents

Description	Vehicle Number	Current Owner
Toyota Land Cruiser	GW2463-19	Ministry of Lands & Natural Resources
Mitsubishi Pick up	GV 825-14	Ownership documents are not on file.

1719. In the event of insurance claims or circumstances where proof of ownership is required, the Administrator of Stool Lands will be rendered incapacitated.

1720. We recommended to Management to take urgent steps to regularise ownership of these vehicles.

1721. Management responded that they are taking the necessary action to transfer the ownership of the vehicle with registration number GW 2463-19 from the present owner to the OASL.

Regional Issues

Undisbursed Revenue – GH¢21,897,680.03

1722. The core business of the Regional Land Administrator as indicated in Article 267 of the 1992 Constitution is to collect, account and disburse stool land revenue such as rent, dues and royalties in recommended proportions to various stakeholders as shown below:

- i. Ten per cent (10%) of the revenue to the Administrator of Stool Lands to cover administrative expenses.
- ii. Twenty-five per cent (25%) of the remaining revenue to the Stool through the traditional authorities.
- iii. Fifty-five per cent (55%) to the District Assembly within the area.
- iv. Twenty per cent (20%) to the Traditional Authorities

1723. Our review of the records of four (4) Regions disclosed that a total of GH¢21,897,680.03 have not been disbursed to the stakeholders accordingly, during the period under review. The monies are kept idle in the accounts of the affected Regions. Details are provided in table 193.

Table 193: Undisbursed Revenue

Region	2019 GH¢	2020 GH¢	Total GH¢
Ashanti	2,289,705.25	1,991,272.14	4,280,977.39
Central	198,786.11	178,341.81	377,127.92
Eastern	3,010,352.93	5,274,088.79	8,284,441.72
Greater Accra	4,020,805.06	4,934,327.94	8,955,133.00
Grand Total	9,519,649.35	12,378,030.68	21,897,680.03

1724. The lapse could be attributed to the failure of the Management of affected Regions to comply with the above-quoted Constitution.

1725. The stakeholders are being denied these monies which could have been invested to earn investment income or channelled to other beneficial purposes.

1726. We recommended to Management of the affected Regions to disburse the total amount of GH¢21,897,680.03 in accordance with the recommended proportions to the stakeholders without further delay. They could also engage all the stakeholders and determine the best way to apply these funds to the stakeholders' advantage.

Management Responses

Ashanti Region

1727. Management in their response indicated that the undisbursed balance in the account is as a result of vacant stools and outstanding disputes. Hence, the Ashanti Regional House of chiefs instructed the Office not to make any payment. They however added that they would adhere to whatever approval that would be received from the Head Office based on our recommendation. They also indicated that the schedule of the undisbursed balances is available for our verification.

Central Region

1728. Management indicated that the recommendation was well noted. They however added that the balances outstanding on the accounts were revenue collected in December which was disbursed in the following months.

1729. However, the funds had since not been disbursed.

Eastern Region

1730. Management accepted the recommendation for implementation and indicated that the office has initiated a discussion with the office of the Attorney General and Minister of Justice to enable the Office to make the right decision.

Greater Accra Region

1731. Management responded that the huge balances standing in the accounts at the end of the year were attributed to annual rent received on behalf of other Regions which would be disbursed in January and July 2022. Management further stated that families/stools disputes about rightful owners to benefit from the funds had caused their inability to disburse that portion of the fund until families/ stools have resolved the disputes. They added that the Greater Accra Office has initiated steps to help resolve disputes amongst families/stools.

Nkawie

Rent defaulters – GH¢10,500.00

1732. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) states that, “A principal spending officer shall ensure that non-tax revenue is effectively collected”.

1733. Contrary to the above, our review of the ground rent ledger of the Office of the Administrator of Stool Lands at Atwima Nwabiagya South revealed that, 83 landlords owed ground rent totalling GH¢10,500.00 for the year 2020.

1734. Management attributed the anomaly to difficulties they encountered in identifying the real landowners to demand for the payment of the outstanding fees from them.

1735. The situation has denied the Stool Lands the needed revenue for its activities.

1736. We urged the Municipal Officer to put in place effective measures to recover all the revenue from the defaulters and ensure that proper and efficient identification system is put in place to address the situation.

Ashanti Bekwai

Misappropriation of revenue – GH¢3,849.00

1737. Regulation 39 (2) (b) of the Public Financial Management Regulations, 2019 (L.I. 2378) provides that where revenue and other money is received directly by a revenue collector or cashier, the cashier or revenue collector shall, within twenty-four hours after the receipt of the revenue and other money, deposit the revenue and other money into the Treasury Single Account or a revenue transit account opened with a commercial bank.

1738. We noted during the audit of Administrator of Stool Lands, Ashanti Bekwai that, five revenue collectors collected total revenue of GH¢173,689.00 in respect of ground and farm rents but failed to account for an amount of GH¢3,849.00 without any justification. Details are provided in table 194.

Table 194: Misappropriation of revenue

Name	Amount Collected (GH¢)	Amount Accounted for (GH¢)	Amount Unaccounted (GH¢)
Nana Poku	6,015.00	5,475.00	540.00
David Adjei Kodie	73,109.00	71,827.00	1,282.00
Bright Nana Nsiah	46,180.00	45,100.00	1,080.00
Joseph Donkor	19,073.00	18,146.00	927.00
Alex Nuako	29,312.00	29,292.00	20.00
Total	173,689.00	169,840.00	3,849.00

1739. Lack of effective supervision on the part of the Revenue Superintendent, Mrs. Felicia Adu was the course of the anomaly.

1740. As a result, the State was denied the revenue of GH¢3,849.00 which was diverted for personal use.

1741. We recommended that, the five revenue collectors should refund the amount of GH¢3,849.00 without further delay, failing which, the Revenue Superintendent, Mrs. Felicia Adu should be held liable to pay the amount involved.

Manso Nkwanta

Misappropriation of revenue Collected – GH¢1,250.00

1742. We noted that, Mr. Kinn Gyau a revenue collector at Pakyi “II” collected a total amount revenue of GH¢2,000.00 between 23 February 2021 and 7 May 2021 but accounted for GH¢750.00 leaving an outstanding alance of GH¢1,250.00. This infraction is in contravention with Regulation 39 (2) (b) of the Public Financial Management Regulations, 2019 (L.I. 2378).

1743. The District Officer’s attributed the anomaly to Mr. Kinn Gyau’s sickness that prevented him from paying the amount collected to the bank.

1744. This infraction is a financial loss and has deprived the State from the use of the amount involved.

1745. We recommended that the District Stool Lands Officer should ensure that the misappropriated amount of GH¢1,250.00 is recovered from Mr. Gyau and paid into the designated bank account immediately.

1746. The District Officer indicated that he had discussed the issue with the family of the collector who pleaded for some time to mobilise the cash to settle the shortage.

Kukuom

Failure to collect grounds rent

1747. Regulation 51 of the Public Financial Management Regulations, 2019 (L. I. 2378) states that, except as otherwise provided in any other enactment, the collection of public and trust moneys shall be the responsibility of the Principal Spending Officer, who shall appoint supervising collectors for each area where collection is required.

1748. We noted during the audit of the Office of the Administrator of stool Lands – Kukuom failed to collect grounds rent.

1749. Management blamed the anomaly on inadequate staff to facilitate the collections.

1750. This situation has deprived the State the needed revenue to fund its programmes and activities.

1751. We recommended to management to prioritise the collection of grounds rent annually.

1752. Management responded that they have bonded five commission collectors to start work.

FORESTRY COMMISSION

Introduction

1753. This report relates to the audited financial statements of the Forestry Commission for the year ended 31 December 2020.

Financial Performance

1754. The 2020 financial year of the Commission ended with a deficit of GH¢51,317,989 as compared with a 2019 figure of GH¢14,348,673. This represents 257.6% deterioration in the financial performance of the Commission during the year. The details of the operational performance indicators of the Commission are shown in table 195.

Table 195: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Government Subvention	346,171,424	324,006,671	22,164,753	6.8
Internally Generated Funds	134,990,858	132,480,927	2,509,931	1.9
Grants from Donors	22,307,812	2,251,513	20,056,299	890.8
Total Income	503,470,094	458,739,112	44,730,982	9.8
Expenditure				
Compensation of Employees	123,008,564	103,704,324	19,304,240	18.6
Goods and Services	158,584,964	124,777,864	33,807,100	27.1
Depreciation Charge	7,872,537	7,767,501	105,036	1.4
Youth in Afforestation Program	265,322,017	236,838,095	28,483,922	12.0
Total Expenditure	554,788,083	473,087,785	81,700,298	17.3
Surplus/(Deficit)	(51,317,989)	(14,348,673)	(36,969,316)	(257.6)

1755. Total Income increased by 9.8% from GH¢458,739,112 to GH¢503,470,094 in 2020. This increase was largely due to a 6.8% increase in government subvention from GH¢324,006,671 to GH¢346,171,424 in 2020 and an 890.8% rise in the grants received from donors from GH¢2,251,513 in 2019 to GH¢22,307,812 in 2020.

1756. Total Expenditure also increased by 17.3% from GH¢473,087,785 to GH¢554,788,083 in 2020. The increase was mostly due to increases of 18.6%, 27.1% and 12.0% in compensation of employees, goods and services and the youth in afforestation program respectively.

Financial position

1757. The analysis of the financial position of Forestry Commission for 2020 and its comparative figures for 2019 are shown in table 196.

Table 196: Statement of financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	45,165,939	31,068,171	14,097,768	45.4
Current Assets	326,085,849	306,589,551	19,496,298	6.4
Current Liabilities	204,620,316	131,318,921	73,301,395	55.8
Net Assets	166,631,472	206,338,801	(39,707,329)	(19.2)
Current Ratio	1.6:1	2.3:1		

1758. Non-Current Assets increased by 45.4% from GH¢31,068,171 in 2019 to GH¢45,165,939 in 2020. This rise was mainly attributable to the acquisition of property, plant and equipment during the year.

1759. Current Assets similarly increased by 6.4% from GH¢306,589,551 in 2019 to GH¢326,085,849 in 2020.

1760. Current Liabilities also increased by 55.8% from GH¢131,318,921 in 2019 to GH¢204,620,316 in 2020. This was due to an increase in the stumpage fees payable and the Commission's trade creditors.

1761. The liquidity position of the Commission as measured by its current ratio stood at 1.6:1 in 2020 (2019:2.3:1). This means the Commission would barely be able to meet its short-term financial obligations as and when they fall due.

MANAGEMENT ISSUES

Forestry Services Division (FSD) Head Office

Long Outstanding Debtors - GH¢6,161,502

1762. Regulation 46 of the Public Financial Management Regulations, 2019 (L. I. 2378) states that a principal spending officer shall ensure that non-tax revenue is efficiently collected.

1763. We noted that the Commission had long outstanding receivables from contractors totalling GH¢6,161,502.

1764. This occurrence was attributed to the collapse or inactive operations of the contractors.

1765. Funds of the Commission were tied down in debts thus affecting the liquidity of the Commission.

1766. We advised Management to take steps to pursue over-aged debtors to recover the funds.

1767. Management stated that it had taken steps to retrieve all the old debts from the contractors involved. Management also stated that most of the debts are owed by companies which are defunct, and they are therefore taking steps to retrieve all the debts from the contractors involved. However, the current bills are collected promptly.

MINISTRY OF FOOD AND AGRICULTURE

GHANA COCOA BOARD

Introduction

1768. The report relates to the audited accounts of COCOBOD for the 2019/2020 financial year ended 30 September 2020.

Financial Performance

1769. Ghana Cocoa Board recorded a loss of GH¢426 million in the 2020 financial year as compared with a loss of GH¢320 million registered in 2019. This represents a 33% decrease in the Board financial performance over the period.

1770. Details of the comparative performance indicators for COCOBOD are shown in table 197.

Table 197: Statement of Financial Performance for the year ended 30 September 2020

Income/Expenditure	2020	2019	Incr./ (Decr.)	%
	GH¢000	GH¢000	GH¢	Change
Revenue	10,273,628	9,762,613	511,015	5.2
Direct Cost	(8,139,089)	(8,134,239)	(4,850)	0.1
Gross Profit	2,134,539	1,628,374	506,165	31.1
Other Operating Income	212,320	106,373	105,947	99.6
Distribution Expenses	(19,563)	(9,046)	(10,517)	116.3
Administrative Expenses	(1,754,192)	(1,313,828)	(440,364)	33.5
Impairment reversal/(loss) on receivables and Contract Assets	78,072	193,598	(115,526)	(59.7)
Operating Profit	651,176	605,471	45,705	7.5
Finance cost	(1,336,395)	(1,202,690)	(133,705)	11.1
Finance Income	255,489	320,155	(64,666)	(20.2)
Share of Associate Profit	710	(212)	922	(434.9)
Loss before Tax	(429,020)	(277,276)	(151,744)	54.7
Taxation	2,705	(43,289)	45,994	(106.2)
Loss for the year	(426,315)	(320,565)	(105,750)	33.0

1771. Revenue increased by 5.2%, from GH¢9.76billion in 2019 to GH¢10.27 billion in 2020. Even though Cocobod recorded a 4.41% fall in cocoa production over the previous year, the rise in revenue was largely attributed to a higher export price per tonne of US\$2,477 in 2020 compared with an average export price of US\$2,236 for 2019.

1772. Direct Cost increased marginally by 0.1% owing to an increase the cost of Pest and Disease Control by GH¢480 million indicating a 4.421% increase.

1773. Distribution Expenses and Administrative Expenses both increased by 116.3% and 33.5% respectively resulting in an Operating profit of GH¢651 million, representing a 7.5% increase over the previous year.

Financial position

1774. The financial position of the Board as at 30 September 2021 is summarised in Table 198.

Table 198: Financial Position as at 30 September 2020

Items	2020	2019	Change	%
	(GH¢000)	(GH¢000)	(GH¢000)	Change
Non-Current Assets	8,247,289	8,211,899	35,390.00	0.4
Current Assets	9,892,064	6,857,055	3,035,009.00	44.3
Current Liabilities	12,053,244	9,151,685	2,901,559.00	31.7
Net Current Assets	(2,161,180)	(2,294,630)	133,450.00	(5.8)
Non-Current Liabilities	3,179,371	2,968,394	210,977.00	7.1
Net Asset	2,906,738	2,948,875	(42,137)	(1.4)
Liquidity ratio	0.82:1	0.75:1		

1775. Non-Current Assets increased marginally from GH¢8.21 billion in 2019 to GH¢8.24 billion in 2020, representing an increase of 0.4%.

1776. The Current Assets went up by 44.3% from GH¢6.85 billion in 2019 to GH¢9.89 billion in 2020. This was as result of the Board holding much cash and cash equivalents at the end of the financial year and an increase in trade receivable.

1777. The Board's liquidity ratio (Current ratio) improved from 0.75:1 2019 to 0.82:1 in 2020. The increase notwithstanding, the Board would not be able to meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Head Office

Increasing debts burden on COCOBOD - GH¢12.30 billion

1778. Section 90 of the Public Financial Management Act, 2016 (Act 921) stipulates that, the governing body of a public corporation or state-owned enterprise shall establish and maintain policies, procedures, risk management and internal control systems, and governance and management practices, to ensure that that public corporation or state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

1779. Our examination of the records of COCOBOD noted that the Board have been burdened with relatively high loans portfolio over the years. The Board has debts totaling GH¢12,301,211,685.40 in its records as at the end of the 2019/2020 financial year. We also noted from our review that, the Board did not provide us any effective plans to reduce its debt burden into the future. Details of the debts as at 30/09/2020 are shown in table 199.

Table 199: Debts burden on COCOBOD

Facility Type	Outstanding Balances GH¢
Short Term Loan - Cocoa Bills	8,487,996,676.13
BADEA Loan Account	174,295.32
Medium Term Loan (Non-Current Liability)	427,702,500.00
BOG 10 Year Loan	1,389,393,213.95
Medium Term Loan (Current Liability)	855,405,000.00
AfDB Loan A/C (Non-Current Liability)	1,140,540,000.00
Totals	12,301,211,685.40

1780. The absence of sustainable debt plans coupled with the absence of effective long term cost control measures resulted in this state of affairs.

1781. The debt burden resulted in increased finance cost over the years. This if not managed effectively, could lead to crippling of the cocoa industry. The table 200 shows the increase in finance cost during the year.

Table 200: Increase in finance cost during the year

Items	Previous Year 2018/2019	Current Year 2019/2020	Increase over the Year	% Increase
Finance Cost	1,245,795,900.00	1,571,562,060.20	325,766,160.20	26.15

1782. We urged Management to deploy and implement effective plans and strategies that would lead to reduction of the Board's debt burden within the medium to long term.

1783. "Management has a detailed plan in place to reduce debt on the books of COCOBOD. COCOBOD is implementing tighter budgetary controls to ensure that debt is not accumulated but rather we make savings to repay all debts on our books. Below are outlined plan to reduce the debt.

Cocoa Bills

1784. Management has obtained approval from the Board of Directors for the issuance of a Bond of up to US\$3 billion to refinance the relatively expensive cocoa bills. The long-term debt which is relatively cheaper would be used to refinance the short-term debt that is expensive. According to the calendar in place, COCOBOD will be issuing its maiden Eurobond by January 2022, and the proceeds will be used to refinance the cocoa bills on the books.

Badea Loan

1785. The balance on the BADEA loan account of GH¢174,295.32 was a grant that was obtained by the Ministry of Finance on behalf COCOBOD some years ago. The amount was not meant to be repaid by COCOBOD because it was a grant. COCOBOD will contact the Ministry of Finance and obtain Parliamentary approval to be able to write-off the debt.

Medium Term Loan (MTL)

1786. The total balance of non-current and the current liabilities on the Medium-Term Loan of GH¢1,283,107,500 has been settled. The balance of US\$187,500,000 as at March 2021, was prepaid during the interest payment period of March 19, 2021. As a result of the prudent financial management being implemented, the MTL has fully been repaid 1-year ahead of schedule.

Ten-year Bank of Ghana Loan

1787. The balance on the 10-year BOG loan of GH¢1,389,393,213.95 is being serviced based on the repayment schedule agreed with the Bank of Ghana. Currently, the Central Bank has granted COCOBOD moratorium on the repayment of the principal amount until January 2022. The 10-year loan will be fully extinguished by November 2023.

AfDB Loan

1788. The US\$600 million 7-year AfDB/Credit Suisse loan with a moratorium of 2 years was contracted for the implementation of the Productivity Enhancement Programme (PEPs). So far, an amount of US\$200 million (GH¢1,140,540,000.00) has been drawn down on the facility. The amount drawn down is securitised with 110% cocoa sales contracts which does not impact negatively on the current finances/cashflow of the Board. The repayment of the loan will commence in November 2021 with proceeds accruing from the maturing sales contracts in the custody of the Security Agent of the Facility. The purpose for which the loan was contracted has started showing positive results with the over one million (1,000,000) metric tonnes of cocoa production for the 2020/2021 crop year. The increased production will facilitate the repayment of the loan facility.”

Receivable from Government – GH¢2,251,364,855.22

1789. Section 91 of the Public Financial Management Act, 2016 (Act 921) provides that, the Board of Directors of a public corporation shall ensure the efficient management of financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

1790. We noted from our review of financial transactions between COCOBOD and Government of Ghana (GoG) acting through Ministry of Finance (MoF) that, GoG as at 30 September 2020 owed the Board GH¢2,251,364,855.28 The details of the debt with their respective sources are shown table 201.

Table 201: Receivable from Government

No	Details	Amount (GH¢)	Source of the debt
1	Supply of Cocoa Beans Genertec International Corporation (GIC) (2008/2009 – 30/09/2019)	1,094,573,224.30	Annual Supply of 30,000 metric tonnes to GIC as part of debt payments for funds borrowed to construct Bui dame. The debt accrued as result of set of agreement between GoG/MoF and COCOBOD
2	Receivable from Government- Revenue support as at 30/09/2019	1,880,166,543.49	Government's revenue support on producer price of cocoa
3	Excess export duty	920,531,679.49	Excess export duties paid by the Board for GIC on cocoa beans
	Total Indebtedness as at 30/09/2019	3,895,271,447.28	
4	Proceeds received from Government	(1,739,468,190.77)	Bonds issued by government to defray part of the debt
		2,155,803,256.51	
5	Additional Cocoa deliveries to GIC in 2019/2020	63,192,496.92	
6	Interest accruing on the revenue support and exchanges differences on cocoa beans exported to GIC	32,369,101.85	
	Total Receivables from Government	2,251,364,855.28	

1791. The inability of the Board to adjust producer price of cocoa in line with world market prices and delay of MoF in paying the debts accounted for this situation.

1792. The anomaly contributes to increasing the debt burden on the Board, which poses a serious threat to the Cocoa industry.

1793. We recommended to the Board to continue to engage MOF to ensure the settlement of the debt and ensure that Producer price of cocoa is in line with the world market price of the product.

1794. Management responded that, “Following the receipt of GH¢1,739,468,190.77 from the Government, Management continues to engage with Ministry of Finance for the fully repayment of the receivable. COCOBOD has received an amount of GH¢993,811,926.37 in April 2021. In July 2021, COCOBOD received a further amount of GH¢476,482,910.44 from Government bringing the total receipt to GH¢3,209,763,027.58.

1795. The decision to reduce the cocoa producer price in line with the prevailing international market price of cocoa has been communicated to the supervising Ministry for the attention of Government.”

1796. Management provided evidence to corroborate swift transfer of GH¢1,460,294,836.81 by MoF to the Board as of July 2021 to bring the total receivable remaining from Government to GH¢791,070,018.47.

Unbudgeted expenditure – GH¢230.7Million

1797. Section 22 (2) of the Ghana Cocoa Board (Amendment) Law, 1991 (PNDCL 265) requires, the expenditure of the Board to be in accordance with its estimates as approved by the Parliament.

1798. Also, Regulation 78 (1d) of the Public Financial Management Regulations, 2019 (L.I. 2378) states that a principal spending officer of covered entity is personally responsible for ensuring in respect of each payment of that covered entity, ‘that there is a sufficient unspent amount of an appropriation for making the payment.

1799. We noted during our review of the 2019/2020 approved budget statement that, COCOBOD expended an amount of GH¢230,700,424.38 on the principal repayment of a ten-year loan with Bank of Ghana (BOG) which was not included in the approved budget for 2019/2020 financial year.

1800. Management did not provide estimate for the expenditure in the Budget statement.

1801. Management misapplied GH¢230,700,424.38 and thereby violated all the relevant sections of P.N.D.C.L. 265 and L.I. 2378.

1802. We advised Management to ensure that all the Boards' activities are adequately provided for in its estimates and ensure that it operates within approved budget.

1803. Management responded that "COCOBOD Management wrote to the Central Bank to request for the deferment of the principal repayment on the facility. This was due to the difficulty encountered in securing sufficient cocoa sales contracts due to the effects of COVID-19 on the general business/commerce environment. In interim before the response was obtained, the Bank of Ghana demanded payment of the principal and therefore Management had to oblige in order to avoid a technical default on the loan. The deferral was subsequently granted. However, Management has made provision for the principal repayment in the 2020/2021 approved budget."

Unrecovered Seed and Interest Fund – GH¢136,646,962.65

1804. Section 4 of the Ghana Cocoa Board (Amendment) Law, 1991 (PNDCL 265) states, "any person or purchasing organisation authorised to purchase cocoa by the Board that has received any money from the Board to purchase cocoa for the Board and has not purchased the cocoa or has purchased part only of the cocoa, shall repay such money or the balance thereof as the case may be to the Board."

1805. Our review of the recovery of seed funds from Licence Buying Companies (LBCs) noted that Management could not recover seed funds and accrued interest totaling GH¢47,024,911.28 from LBCs for more than four cocoa seasons contrary to the provisions in the law.

1806. Our Further review noted that two LBCs who were vibrant for the 2019/2020 crop season had outstanding obligations totaling GH¢89,622,051.37 to pay at the end of the financial year under review. Details of the affected LBCs are shown in table 202.

Table 202: Unrecovered Seed and Interest Fund

Name of LBC	Date Granted	Balance Brought forward	Total Seed fund Granted	Payment made during the year	Unpaid Seed Fund	Interest	Total Outstanding Amount (interest and Seed fund)
Unrecovered Funds for more than four seasons							
Diaby Co. Ltd		5,839,764.51			5,839,764.51	4,495,097.44	10,334,861.95
Dio Jean Co. Ltd		1,024,000.00	-	131,526.29	892,473.71	127,898.90	1,020,372.61
Aboafo Buyers		1,496,667.48			1,496,667.48	381,749.75	1,878,417.23
Hyperlink Commodities	17-01-19	7,312.80	1,500,000.00	150,462.51	1,356,850.29	220,327.62	1,577,177.91
Duapa Buyers		12,436.00			12,436.00	714,391.33	726,827.33

Evadox Ltd		2,405,774.50		5,137.74	2,400,636.76	587,332.93	2,987,969.69
Fortune Tree Co. Ltd		2398122.16		228.98	2,397,893.18	693,769.44	3,091,662.62
Splendid Business Serv.		6,038,872.07		416.26	6,038,455.81	1,215,138.33	7,253,594.14
Akoutech Ltd		707,186.12		8,445.85	698,740.27	100,115.46	798,855.73
Brosaman Co. Ltd		5,284,169.28		9,806.91	5,274,362.37	1,158,080.69	6,432,443.06
Nhyira Dua		2,327,610.00		3,210.33	2,324,399.67	533,511.61	2,857,911.28
Edebo Cocoa		86,062.80		4,042.85	82,019.95	9,605.60	91,625.55
Yemon GH. Ltd	17-01-19	-	2,000,000.00	586,870.75	1,413,129.25	235,138.85	1,648,268.10
Demeter Seed Fund		2,561,298.94		10,962.42	2,550,336.52	310,660.64	2,860,997.16
Sassh Alliance	20-12-18		1,000,000.00	430,838.74	569,161.26	56,920.42	626,081.68
Nkwa Dua Ghana Ltd	20-12-18		1,000,000.00	377,004.85	622,995.15	115,980.10	738,975.25
Five Stars Ltd	17-01-19		4,000,000.00	2,172,612.07	1,827,387.93	271,482.06	2,098,869.99
							47,024,911.28
Vibrant LBCs with Outstanding Balances							
PBC		41,891,988.33			46,868,328.44	25,367,933.71	72,236,262.15
Royal Commodities					15,450,333.34	1,935,455.88	17,385,789.22
							89,622,051.37
Grand Totals							136,646,962.65

1807. Management could not recover the GH¢47,024,911.28 from the performance guarantees issued by the financial institutions. Also, seventeen (17) of these companies have ceased operations.

1808. The anomaly may result in a loss of GH¢47,024,911.28 to the Board.

1809. We urged Management to recover the amount from the banks that guaranteed these facilities for the companies by 31 May 2022 failing the Board should pray the court to lift the veils of incorporation of these defaulting companies to demand the total indebtedness from the Directors and personalities behind these companies.

Management Response

1810. We provide table 7 the updates on each LBC, recoveries made as at April 30, 2021, and plans in place to recover the balance outstanding.

No.	Name of Licensed Buying Company	Total Outstanding Amount (GH¢)	Status
1.	PBC	72,236,262.15	Fully paid
2.	Sassh Alliance Ltd	626,081.68	Fully Paid
3.	Duapa Buyers	726,827.33	Fully Paid

Royal Commodities

1811. An amount of GH¢14,505,061.94 has been recovered from cocoa taken-over receipts delivered in 2020/2021 out the outstanding amount of GH¢17,345,646.22. The remaining balance of GH¢2,840,584.28 will be recovered from cocoa taken-over receipts by the end of the 2020/2021 crop season.

Fortune Tree Company Limited

1812. The Guarantors of the company, the defunct Capital Bank were officially liquidated. After calling on the Guarantee, COCOBOD had taken steps with the Guarantor to ensure repayment of the amount involved before the Bank was liquidated by the Bank of Ghana. A claim was lodged with GCB Bank Limited, which assumed the assets and liabilities of the liquidated Bank. The company has ceased operations and the amount involved is being pursued to ensure recovery.

Evadox Limited

1813. The Guarantor, OMNIBSIC has settled GH¢1,979,079.63 out of the 2016/2017 outstanding Seed Fund balance of GH¢2,158,995.95 as at March 31, 2021. COCOBOD has initiated legal proceedings against Evadox Ltd/FBN Bank for the recovery of the remaining outstanding Seed Fund balance of GH¢1,730,959.66 guaranteed by FBN Bank. The LBC has filed a defence and the case is at pre-trial stage. FBN Bank is yet to be served with the court process for the trial to proceed.

Aboafo Buying Company Limited

1814. COCOBOD obtained judgement against Unique Insurance as the Guarantor for Aboafo Buyers Company. The Guarantor filed an application for an order for stay of execution and a notice of appeal. The docket then got missing from the Registry of the Court.

1815. We have since built a docket for the Registry of the Court from our own docket and applied to the Registry to place the matter of the hearing of the application for stay of execution before a judge. The matter is therefore pending.

Brosaman Company

1816. COCOBOD has put together the required evidence to pursue court action against the Guarantor (OMNIBSIC Bank (GH) Ltd) to retrieve the amount owed. Presently, the case is at the pre-trial stage and the parties are in negotiation for the settlement of the debt.

Dio Jean Company Limited

1817. The guarantor (Delta Capital) of the Seed Fund granted to Dio Jean Company Limited have been served with court process and they are yet to enter appearance. Dio Jean is yet to be served with court process.

Diaby Company Limited

1818. Seed Fund was guaranteed by N.T.H.C. COCOBOD obtained judgement against N.T.H.C on 7th November 2017 as the guarantor for Diaby Company Limited. COCOBOD initiated steps to execute the judgement. Thereafter the company has made initial deposit of GH¢250,000.00. Further repayments have stalled and COCOBOD is exploring other lawful options of obtaining full payment of the amount due.

Hyperlink Commodities Limited

1819. COCOBOD is pursuing legal action against Hyperlink Commodities Limited and Heritage Energy Insurance Co. Ltd for the recovery of the debt. The LBC has filed their defence. The case is at the pre-trial stage and parties are negotiating. A petition has also been filed at the National Insurance Commission to assist COCOBOD to recover debts from Heritage Energy Insurance Co. Ltd.

Splendid Business Services Ltd.

1820. COCOBOD initiated court action against the LBC and the Guarantor (Star Assurance Co. Ltd) for the recovery of the outstanding Seed Fund. The Guarantor has filed a defence to the suit. Splendid Ltd is yet to be served with the court process. The case is at the pre-trial stage.

Five Star Limited

1821. COCOBOD has recovered GH¢957,815.26 out of the outstanding balance of GH¢1,915,630.52. COCOBOD has agreed with the Guarantor, GLICO General Insurance Co. Ltd. to settle the remaining balance of GH¢957,815.26 being 50% of the principal amount by the close of the 2020/2021 cocoa season.

Nhyira Dua Company Limited

1822. COCOBOD has initiated legal action against the LBC, Nhyira Dua Company Limited and Benjamin K. Appiah for the recovery of the outstanding Seed Fund. The parties to the suit are yet to be served with court processes.

Demeter Ghana Limited

1823. COCOBOD has initiated legal action against the LBC, Demeter Ghana Ltd and the Guarantor, Delta Capital Ltd for the recovery of the outstanding Seed Fund. The Guarantor has entered appearance and defence. The parties at pre-trial stage. However, Demeter is yet to enter appearance even though it has been served.

Nkwa Dua Ghana Limited

1824. COCOBOD has received four (4) post-dated cheques for the settlement of the outstanding Seed Fund of GH¢470,555.29 from the Guarantor, Imperial General Assurance Co. Ltd. Two (2) of the cheques have cleared remaining the other two (2) due to clear in May and June of 2021.

Yemon Ghana Limited

1825. COCOBOD has initiated legal action against the LBC, Yemon Ghana Ltd and the Guarantor, Heritage Energy Insurance Co. Ltd for the recovery of the outstanding Seed Fund. Heritage Energy Insurance is in distress therefore a petition has been filed at the National Insurance Commission to assist COCOBOD to recover debts owed by Heritage Energy Insurance Co. Ltd. Yemon Ghana limited has not been served with court process yet.

Edebo Cocoa Limited

1826. COCOBOD has initiated legal action against the LBC, Edebo Cocoa Ltd and the Guarantor, Delta Capital Co. Ltd for the recovery of the outstanding Seed Fund. Delta Capital has been served with court process but has not entered appearance. Edebo Kokoo is yet to be served.

Akuotech Limited

1827. COCOBOD has initiated legal action against the LBC, Akuotech Ltd and the Guarantor, Star Assurance Co. Ltd for the recovery of the outstanding Seed Fund. The Guarantor has filed a defence to the suit. The LBC is yet to be served with the court process. The case is at the pre-trial stage.”

Non-existent funds accounts - GH¢60,172,115.38

1828. Section 90 of the Public Financial Management Act, 2016 (Act 921) stipulates that the governing body of a public corporation or state-owned enterprise shall establish and maintain policies, procedures, risk management and internal control systems, and governance and management practices, to ensure that that public corporation or state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

1829. We noted that the COCOBOD had four specific activity funds with balances in the trial balance totaling GH¢60,172,115.38, which were non-existent as at the time of the audit. Details are shown in table 203.

Table 203: Non-existent funds accounts

No.	Funds Type	Amount (GH¢)
1.	Farmers Social Security Fund	28,898,676.88
2.	Farmers Housing Fund	1,695,529.00
3.	Depreciation Fund	2,000,000.00
4.	Farmers Welfare	27,577,909.50
	Totals	60,172,115.38

1830. Management asserted that the funds were invested but have depleted over time, hence the static figure in the trial balance over the two-year period.

1831. The funds could have been used up for other activities other than those earmarked thereby depriving COCOBOD of the purpose for which those funds were set aside.

1832. We urged Management to appropriate funds into the respective fund account and invest same to meet the purpose for which the funds were established. Additionally, Management should refrain from diverting funds from a specific purposed fund in all its future transactions.

1833. Management responded “Farmers’ Social Security Fund, Farmers Housing Fund, Depreciation Fund and Farmers Welfare Fund are expected to be funded through excess or surplus funds after all costs (i.e., direct cost, other direct cost, and farmer services cost) have been provided for in the budget. Consistently the world market prices of cocoa have been relatively low making it difficult for COCOBOD to finance the respective funds. The respective funds will be appropriately funded as prices on the international market improves to enable COCOBOD make the required contribution.”

Non-Recovery of Vehicles from Separated Staff

1834. Section 52 of Public Financial Management Act, 2016 (Act 921) states that a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.

1835. We noted that three (3) Management staff who retired from COCOBOD still have in their possession vehicles which were allocated to them when they were in active service. The Board on the 410th meeting ordered the recovery of the vehicles from these retirees. Our review further disclosed that, COCOBOD still pays motor insurance on these vehicles. whiles ownership documentation of the Nissan Sentra with registration number GR 4339-15 have been transferred to

Mr. Joseph Dadson, Details of the vehicles are shown Table 204.

Table 204: Non-Recovery of Vehicles from Separated Staff

No	Name	Vehicle make	Registration No
1	Mr Joseph Dadson	Nissan Sentra	GR 4339-15
2	Mr. Emmanuel Rover Swanzy	Nissan Sentra	GR 4340 -15
3	Mr. Ernest Delle Zatto	Nissan Sentra	GR 4323- 15

1836. Management did not carry out the Board's directives to retrieve the vehicles with respect to the retired officers.

1837. This may result in the misuse of official vehicles and staff retiring with COCOBOD assets without proper authorisation.

1838. We recommended to Management to recover the vehicle from the retired staff as instructed by the Board of Directors by 31 May 2022 and evidence of retrieval availed to the auditors for verification.

1839. Management responded that "Nissan Sentra vehicle with registration number GR 4323-15 has been recovered from the Ernest Delle Zatto and re-allocated to a managerial staff. The Special Services Department of COCOBOD has successfully recovered vehicle with registration no. GR 4340-15 that was allocated to Emmanuel Rover Swanzy. However, the recovery of the vehicle with registration no. GR 4339-15 from Joseph Dadson is being challenged legally and therefore the matter is with the Legal Department for advice."

Cocoa Marketing Company (CMC)

Over aged Vehicles

1840. Section 38.1(c) of the Ghana Cocoa Board Policy states, "Four Wheel Drive vehicles(4x4) shall be replaced after seven (7) years or 250,000 kilometres whichever comes first" "Trucks, tankers and the like shall be replaced after ten (10) years or 250,000 kilometers whichever comes first". "Saloon cars shall be replaced after four (4) years for Directors and five (5) years for Managers".

1841. We noted that contrary to the above, the Company continues to use ten (10) of its vehicles which were more than the stated number of years for official duties. The vehicles were purchased between the period 2007 and 2012. The details of the vehicles are stated in the table 205.

Table 205: Over aged Vehicles

S/No	Reg No	Make	Chasis No.	Year	Location
1	GT 1902-09	Toyota landcruiser	JTMHV093-504034217	2009	ACCRA
2	GT 1907-09	Toyota landcruiser	JTMHV09J-004034433	2009	ACCRA
3	GN 6007-11	Toyota Hilux	AHTFK22G203060843	2011	TEMA
4	GN 3590 -11	Toyota Corolla	AHTLC58E-303022870	2011	TEMA
5	GN 1844-11	KALAMAR TERMINAL TRUCK	7268	2009	TEMA
6	GN 1846-11	MAFI TERMINAL TRUCK		2011	TEMA
7	GM 5159-12	HILUX 4X4 DLX	AHTFK22G6030722204	2012	KUMASI
8	GS 7238 Y	BMC TRUCK	NMC180SHXLK100130	2007	TAKORADI
9	GS 7256 Y	BMC TRUCK	NMC1805HXLK100132	2007	TEMA
10	GS 7236 Y	BMC TRUCK	NMC1803HLK100131	2007	KUMASI

1842. The Transport Manager, Dr. Festus P.T. Caesar, indicated that, though these vehicles are overaged, they still help in the production activities of the Company. He also attributed the situation to lack of funds to procure new vehicles to replace the overaged ones.

1843. The use of over aged vehicles may result in high cost of maintenance as these vehicles will require regular service than the normal servicing period. It also put the lives of the users and third party at risk.

1844. To effectively manage the maintenance cost of the vehicles, we recommended to Management to adhere to the tenets of COCOBOD Policy Guidelines to reduce cost on insurance.

1845. Management responded that they have reviewed the vehicles performance and in their opinion the vehicles are still motorable and economically serviceable and efficient

Breach of Transport Policy on Insurance

1846. Section 38.1(d) of the Cocoa Board Policy Guidelines states that “All new vehicles shall be comprehensively insured up to five (5) years, after which they shall be insured Third Party.”

1847. On the contrary, our review of the transport management disclosed that, the Company continues to comprehensively insure nine of its official vehicles which were more than five years. Details of the vehicles are listed in table 206.

Table 206: Breach of Transport Policy on Insurance

Reg No	Make	Chasis No.	Year	Location	Amount Paid on Insurance	Date of comm to date of expiry
GT 1902-09	Toyota landcruiser	JTMHV093-504034217	2009	ACCRA	5,000.00	1/10/20-30/09/21
GT 1907-09	Toyota landcruiser	JTMHV09J-004034433	2009	ACCRA	5,000.00	1/10/20-30/09/21
GN 6007-11	Toyota Hilux	AHTFK22G203060843	2011	TEMA	5,000.00	1/10/20-30/09/21
GN 3590 -11	Toyota Corolla	AHTLC58E-303022870	2011	TEMA		
GN 1844-11	Kalamar Terminal Truck	7268	2009	TEMA	10,000.00	1/10/20-30/09/21
GN 1846-11	Mafi Terminal Truck		2011	TEMA	11,000.00	1/10/20-30/09/21
GM 5159-12	Hilux 4x4 Dlx	AHTFK22G6030722204	2012	KUMASI		
GS 7238 Y	Bmc Truck	NMC180SHXLK100130	2007	TAKORADI		
GS 7256 Y	Bmc Truck	NMC1805SHXLK100132	2007	TEMA	5,000.00	1/10/20-30/09/21
GS 7236 Y	Bmc Truck	NMC1803HLK100131	2007	KUMASI		
TOTAL AMOUNT PAID					41,000.00	

1848. The anomaly is putting a strain on the finances of the company since the cost of replacing the said vehicles may be more than the insurance claim to be received in case of any accident.

1849. To effectively manage the maintenance cost of the vehicles, we recommended to Management to adhere to the policy in order to reduce cost of insurance.

1850. Management responded that they are aware of the policy guidelines as stated. However, because these vehicles are still used to perform operational duties, we still insure them comprehensively. Steps has been taken to have the policy reviewed.

Over aged debtors – US\$179,572,915.48

1851. Section 91 of the Public Financial Management Act, 2016 (Act 921), states that, the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

1852. Section 11 and 13 of the appendices to the Sales Agreement with the buyers of the cocoa beans also stipulates that payment for cocoa beans shall be covered by bank guarantee from a reputable bank. In the absence of such bank guarantees, the buyer shall make prepayment. In the event of delays in payment, CMC shall request full payment of the contract sum from the buyer's bankers per the terms of the bank guarantee. CMC shall notify the buyer and shall halt all future transactions until the payment is settled in full.

1853. We noted during the review of the Company's receivable aging report that a total of US\$179,572,915.48 was overdue for payment as at 30th September 2020. Out of this amount, a total of US\$151,858,241.28 has been in arrears for more than a year while an amount of US\$ 5,898,424.20 is also overdue for more than six months. Also, a total amount of US\$14,640,250.00 and US\$7,176,000.00 were also overdue for payment for more than three months and one month and above respectively.

1854. The audit review also noted that out of the total amount of US\$179,572,915, Cocoa Processing Company (CPC) owes an amount of US\$101,069,126.31 representing fifty-six percent of the debt while WAMCO also owes US\$49,517,974.26 representing twenty-eight percent. We noted that US\$86,204,376.31 of the total receivables from CPC have been due for payment for more than one year and the receivable amount of US\$49,517,974.26 from WAMCO has also been in arrears for more than one year. This is stated in the table 207.

Table 207: Over aged debtors

4s/No	Buyers	One year & above (US\$)	Six Months and above (US\$)	Three Months and above (US\$)	One month and above (US\$)	Total (US\$)
1.	Afrotropic	1,755,004.16				1,755,004.16
2.	Bear Machines	172,593.13				172,593.13
3.	Barry Cal Gh	325,120.61				325,120.61
4.	Cargil Gh	118,340.16	376,141.53			494,481.69
5.	Chocomac	4,025,507.87	2,139,752.67	5,556,000.00	2,343,000.00	14,064,260.54
6.	CPC	86,204,376.31	3,382,500.00	9,084,250.00	2,398,000.00	101,069,126.31
7.	Niche	3,362,593.48			2,435,000.00	5,797,593.48
8.	Olam	104,333.33	30.00			104,363.33
9.	Real Product	2,240,000.00				2,240,000.00
10.	Plot	4,032,397.97				4,032,397.97
11.	WAMCO	49,517,974.26				49,517,974.26
	Total	151,858,241.28	5,898,424.20	14,640,250.00	7,176,000.00	179,572,915.48

1855. We attributed this anomaly to the Head of Accounts inability to institute rigorous and efficient measures to ensure that all customers pay their indebtedness timely.

1856. This may affect the liquidity of the company because of failure of clients to pay their debts when due.

1857. To effectively manage the recovery of the debts, we recommended to Management to institute innovative measures such as giving discounts to customers who will pay within a specified period, failure which supplies to them should be halted. We also advised that a legal action be taken against customers who fail to pay their debts one month after a demand notice is issued to them.

1858. Management responded as follows:

- i. “1.0 A total amount of US\$20,089,408.54 has been paid by Barry Cal. Ghana, Chococmax, Niche Cocoa Industry and Olam Ghana in settlement of their indebtedness. COCOBOD has made special arrangements with the Companies for repayment of the monies. These arrangements are as follows:

Afrotropic Cocoa Processing Company

1859. Afrotropic Cocoa has submitted a repayment plan for the payment of the outstanding debt. The company is honouring the obligation under the plan. Current lead from a reduction from USD1, 021,032.16 to USD733, 972.00.

Plot Enterprise

1860. COCOBOD and Plot Enterprise have entered into a payment plan for the payment of the outstanding debt. The company is honouring the obligation under the agreement.

Real Product:

1861. The legal department is pursuing the recovery of the debt at the High Court.

WAMCO

1862. The arrangement between COCOBOD/CMC under which products produced by Wamco are sold by CMC to enable us to recover the cost of the beans sold.

CPC:

1863. There is an arrangement between COCOBOD/CMC and CPC of ring-fencing of long-term loan and continuous supply of beans.

Bear Machine:

1864. Bear Machine has submitted payment scheduled to COCOBOD”

Absence of Major stakeholders Representative on the Board of Directors of CMC

1865. List of standing Committees in the policy Guidelines of Ghana Cocoa Board (2019) includes an 8-member Board of Directors for CMC which consisted of:

- | | | |
|----|---------------------------------|----------|
| a. | Chief Executive, COCOBOD | Chairman |
| b. | Managing Director, CMC | Member |
| c. | Bank Of Ghana Rep | Member |
| d. | Ministry of Trade and Ind. Rep | Member |
| e. | Ministry of Finance Rep. | Member |
| f. | Ministry of Food and Agric. Rep | Member |

g.	Farmers' Representative	Member
h.	Staff Representative	Member

1866. Contrary to the Policy, we noted during our review of the Board minutes and its composition that the membership of CMC Board did not include, the CEO of CocoBod or his representative, Staff Representative, and Farmers' representative.

1867. The situation may affect the depth of the decision of the Board since the views of these major stakeholders may not be effectively carried out as they may want it.

1868. We recommended to Management to liaise with the appointing authority to include all the required representative as stipulated by law.

1869. Management accepted our recommendation to liaise with appointing authority.

Official Bungalow not furnished

1870. Section 25.1 of the of the Policy guidelines of the Cocoa Board states "The Board shall provide furnished accommodation for Managers and Regional Managers, District Heads in the Regions.

1871. The Company contracted Berma Lynks Limited to renovate its official bungalow no. 2B/16 for the Regional Manager located at Cocoa Villa, Takoradi in November 2019 at a total cost of GH¢143,632.50. This bungalow we noted during our tour of the Western Regional office that, has not been furnished contrary to the provisions of the Section 25.1 quoted above.

1872. We also noted the absence of a wire mesh fence for security and properties of the occupants of the bungalow.

1873. The Regional Estate Officer-Mr. Ewudi, explained the situation has been reported to Management which is under consideration.

1874. Failure to furnish the bungalow may demotivate the Regional Manager which could affect his effectiveness on the job.

1875. We advised Management to take urgent step to furnish the bungalow as well as fence the surroundings of the building in order to provide security.

1876. Management accepted our recommendation to furnish the bungalows and indicate that budgetary allocation has been made in the 2021/2022 Budget to furnish the bungalow involved in line with the Policy of the Board.

1877. There was, however, no response on absence of Wire Mesh Fence for Security and Properties of the Occupants of the Bungalow that, the whole cocoa village facility has been fenced and gated with Security personnel on guard at the facility.

Field Inspection

1878. The audit team embarked on a five-day tour of the takeover centers in both Takoradi and Kumasi from the 22nd of March 2021 to the 29 March 2021 to inspect completed projects and the environmental conditions of the sheds. We present in the table 208 our observations and comments.

Table 208: Field Inspection

Location	Shed Number	Issues	Remarks
Takoradi			
KEJEBRIL	K2A	Malfunctioning of the Avery weighing scales Stacker machines not enough for the sheds (2 for each shed)	We recommend that the weighing scales should be repaired to enable work to take off smoothly during the peak season. The stacker machines in the sheds should be increased to 3 instead of the 2 allocated to all the sheds
	K2A, K2B, K3A, K3B, K4A & K4B	Difficulty in opening and closing some of the doors. Depot Keepers struggle to open and close them.	The doors need to be worked on immediately.
	Discrepant Shed	Open Drainage in front of the Shed Inadequate staff	The drainage should be covered to prevent accidents. Required number of staff should be sent to the shed to meet set targets
APOWA COMMODITY VILLAGE	Z1, Z5 & Z2	Sheds unutilised	Reroofing needed for occupancy

	Z6	No light Uneven pallets Needs wiring	We recommend that light should be provided for the shed at the earliest possible time to enable the workers work efficiently and effectively and also to prevent them from being harmed by predators in the evenings. We recommend the use of plastic pallets to ensure uniformity of the sizes
	Z4 & Z3	Faulty Doors	Doors need to be repaired since the difficulty in opening and closing poses a challenge to the Depot Keepers who are in charge of the Sheds.
		Short walls not up to the standard of ISO 2009	The heights of the security walls should be constructed to meet the standard of ISO 2009.
		Bad Roads	Roads from the main road to the car park need to be constructed in order to enable the trucks move freely without difficulty.
	Washroom for the Gangs	Not in good state	Should be made convenient for use by the Gangs
KUMASI TAKE OVER CENTRE			
ABUAKWA WAREHOUSE	Shed 18	No lights in the shed	Lights should be provided immediately to the shed.
	Weighing bridge	Dysfunctioning of the Weigh Bridge	Immediate action to be taken to ensure that the weighing bridge comes into full force for a smooth operational activity.
ASOKWA WAREHOUSE	Shed 12 and 13	No lighting	Light should be provided
	Shed 14	Weak roofing	Reroofing should be done to prevent Cocoa beans from being soaked in water when it rains.
	Shed 18	Short wall which is exposed to Criminals	We recommend that a barb wire should be put on the fence to ensure the security of the warehouse
	Washroom	The washroom being used by the Gangs is in a bad state.	Washroom should be refurbished to make it neat for use by the Gangs.
KAASE WAREHOUSE	KS 27	No lighting	Light should be provided in the shed
	Weigh Bridge	Weigh Bridge load cells problem. This makes information inaccurate	We recommend that the Service Provider should be contacted to repair the bridge and ensure that they are in good condition for operation.

	Absence of Stack Information Card Display	There was no stack information card display at all the Ashanti Regional Warehouses as a result of inadequate supply of the stack cards	Stack Information cards should be adequately supplied to ensure that all the warehouses have enough stack cards to display at the sheds
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1879. We recommended to Management to implement the respective recommendations for the various Takeover Centers to ensure their smooth operations.

Management Response

1880. Table 209 contains the Management response

Location	Shed Number	Issues	Remarks	Management Response
Takoradi				
KEJEBRIL	K2A	1. Malfunctioning of the Avery weighing scales	We recommend that the weighing scales be repaired to enable work to take off smoothly during the peak season.	The faulty weighing scales being maintained by avery are functional.
		2. Stacker machines not enough for the sheds (2 for each shed)	The stacker machines in the sheds should be increased to 3 instead of the 2 allocated to all the sheds	Management has already initiated the process to acquire additional stacker machines for each shed at Kejebril in Takoradi and other Take over centres.
	K2A, K2B, K3A, K3B, K4A & K4B	Difficulty in opening and closing some of the doors. Depot Keepers struggle to open and close them.	The doors need to be worked on immediately.	The assessment of the work would be done, and the repairs will be undertaken by CMC. The anticipated cost would be passed on the COCOBOD for reimbursement.
	Discrepan t Shed	1. Open Drainage in front of the Shed 2. Inadequate staff	1. The drainage should be covered to prevent accidents. 2. Required number of staff should be sent to the shed to meet set targets.	1. The assessment of the work would be done, and the cost would be passed on to COCOBOD for reimbursement. 2. The current number of staff is adequate as and when there is the need to engage more staff management will do so.

APOWA COMMODITY VILLAGE	Z1, Z5 & Z2	Sheds unutilised	Reroofing needed for occupancy	The re-roofing of the Apowa Commodity Warehouse is on- going. The second phase would soon commence to complete the project.
	Z6	1. No light	We recommend that light should be provided for the shed at the earliest possible time to enable the workers work efficiently and effectively and also to prevent them from being harmed by predators in the evenings.	The issue of the lighting has been reported to the Lordlord COCOBOD and the contract has been awarded for rewiring of facility. The work is on- going.
		2. Uneven pallets 3. Needs wiring		Management has issued instruction to the Regional Manager to segregate the pallets into sizes for each stack. The issue of the lighting and the wiring was reported to the Landlord (COCOBOD) and the contract has been awarded for rewiring of facility. The work is on-going.
	Z4 & Z3	Faulty Doors	Doors need to be repaired since the difficulty in opening and closing poses a challenge to the Depot Keepers who are in charge of the Sheds.	Approval has been granted to commence work on the faulty doors
		Short walls not up to the standard of ISO 2009	The heights of the security walls should be constructed to meet the standard of ISO 2009.	The height of the fence wall has been completed.
		Bad Roads	Roads from the main road to the car park need to be constructed in order to enable the trucks move freely without difficulty.	The road situation has been reported to COCOBOD, that road will be considered as part of cocoa road rehabilitation programmes
	Washroo m for the Gangs	Not in good state	Should be made convenient for use by the Gangs	All the washrooms are in good state and very convenient for use by the gangs at Apowa

KUMASI TAKE OVER CENTRE				
ABUAKWA WAREHOUSE	Shed 18	3. No lights in the shed	Lights should be provided immediately to the shed.	There was general power outage to the whole facility. However, power supply has now been restored and the necessary lighting system would be fixed to the said shed.
	Weighing bridge	Dysfunctioning of the Weigh Bridge	Immediate action to be taken to ensure that the weighing bridge comes into full force for a smooth operational activity.	The said facility is currently not in use because of the deplorable nature of the grounds and therefore the weighing bridge has not been repaired because there is no operational activity at the facility
ASOKWA WAREHOUSE	Shed 12 and 13	No lighting	Light should be provided	The lighting system to the listed sheds has been fixed.
	Shed 14	Weak roofing	Reroofing should be done to prevent Cocoa beans from being soaked in water when it rains.	A letter has been written to the Director, Gen. Services COCOBOD to re-roof the entire Asokwa warehouse facility. The subject matter would be considered in their 2021/22 budget.
	Shed 18	Short wall which is exposed to Criminals	We recommend that a barb wire should be put on the fence to ensure the security of the warehouse	The recommendation would be implemented to ensure security of the warehouse. The would be considered in 2021/22 budget
	Washroom	The washroom being used by the Gangs is in a bad state.	Washroom should be refurbished to make it neat for use by the Gangs.	The recommendation would be in 2021/22 budget proposal
KAASE WAREHOUSE	KS 27	No lighting	Light should be provided in the shed	Procurement process has begun for procurement of the necessary cables to the work.
	Weigh Bridge	Weigh Bridge load cells problem. This	We recommend that the Service Provider should be	The faulty weigh bridge was

		makes information inaccurate	contacted to repair the bridge and ensure that they are in good condition.	immediately reported and repaired by the service provider and the equipment has since been working satisfactorily.
	Absence of Stack Information Card Display	There was no stack information card display at all the Ashanti Regional Warehouses as a result of inadequate supply of the stack cards	Stack Information cards should be adequately supplied to ensure that all the warehouses have enough stack cards to display at the sheds	The Head of WPO in Kumasi has been requested to make the necessary request through the Regional Manager for the procurement Stack Information Card to be effected.

Quality Control Company (QCC)

Investment in Non-Financial Institution

1881. Section 33.1 of the Cocoa Board Investment Policy states that the Ghana Cocoa Board shall invest its funds in a manner which shall provide adequate security with the optimum investment return while meeting the daily cash flow demands of the Board and conforming to all state and local statutes governing the investment of the funds.

1882. Investment shall be made with seasoned judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

1883. We noted from our review of investment portfolio that QCC invested an amount of GH¢500,000.00 in a vehicle loan investment account at the UMB Investment Holdings Limited (UMB IHL) contrary to the above investment policy. We noted that UMB IHL was not part of the approved financial institutions that Cocoa Board had enjoined its Subsidiaries and Departments to place their investments. UMB IHL being a non-financial institution was not qualified for QCC Ltd to place any form of financial investment in.

1884. Non-compliance with the Board's investment policy and failure to exercise good judgment and prudence resulted in this anomaly.

1885. This lapse resulted in locking up capital of GH¢537,838.96 for over a year and half which impacted adversely on the liquidity position of the Company.

1886. Although UMB IHL and QCC Ltd have agreed to a five-month payment schedule starting December 2020 and a payment in excess of GH¢150,000.00 had been received, we urged Management to ensure that the payment schedule is strictly adhered to and recover all outstanding amounts by end of April 2021 as agreed. We further recommended to Management to avoid placing the Company funds in similar investment houses.

1887. Management responded that they have requested for the redemption of the principal sum of GH¢500,000.00 together with the accrued revenue. Management also stated that the installment payments totaling GH¢227,567.79 has been received. Management further stated that they will take all necessary steps to redeem the investment from the UMB Investment Holdings.

Cocoa Health and Extension Division (CHED)

Unretired Imprest – GH¢276,830.68

1888. We noted that a total imprest amount of GH¢515,280.66 was given to officers to undertake various activities for the Division. As at 30 September 2020, only GH¢238,449.98 had been retired leaving an amount of GH¢276,830.68 outstanding as unretired imprest. Details are shown in table 300.

Table 300: Unretired Imprest

Date	Payment Voucher Number	Payee	Item	Amount GH¢
19/11/2019	525	NANA AKUA ACHIAA MANSAH	Imprest to Cater for Refreshment	2,100.00
10/12/2019	819	NANA AKUA ACHIAA MANSAH	Imprest for Retire Staff meeting	1,650.00
16/01/2020	1239	NANA AKUA ACHIAA MANSAH	Imprest for Authentication of Certificates	100.00
30/09/2020	4977	NANA AKUA ACHIAA MANSAH	Imprest iro Stationery & Mask	2,228.00
30/09/2020	4976	MERCY ASAMOA (MRS.)	Imprest to host a 15 member Environ	425.00
23/03/2020	2249 A	JOSEPH ALUFA	Imprest for Medical Exps. On Behalf of Staff	950.00
28/04/2020	2604	JOSEPH ALUFA	Imprest for Medical Exps. On Behalf of Staff	1,875.00
30/01/2020	1427	KWADWO OSSEI ACHEAMPONG	Imprest iro trip to CR & ER	1,200.00
10/06/2019	3075	SAMUEL AYI DONKOR	Imprest to hire additional painter for 5days	350.00
20/05/2020	2812	SAMUEL AYI DONKOR	Imprest iro Field trip to Tepa	925.00
02/06/2020	3160	SAMUEL AYI DONKOR	Imprest iro Field trip to AR, BA, WN & WS	3,200.00

17/06/2020	3286	SAMUEL AYI DONKOR	Imprest iro trip to BA iro Cons. Fence	1,400.00
02/07/2020	3491	SAMUEL AYI DONKOR	Imprest to embark on official trip	2,600.00
23/07/2020	3812	SAMUEL AYI DONKOR	Imprest to embark on official trip to AR	500.00
20/01/2020	1290	FRANCIS KWAKU OYEH	Imprest for Tech. Meeting iro Scaling up	457.00
03/09/2019	4109	FARUK KWANSAH NYAME	Imprest to embark on trek iro Night Allow	800.00
28/02/2020	1842	FARUK KWANSAH NYAME	Imprest to Buy Cartridges HP	500.00
02/03/2020	1866	FARUK KWANSAH NYAME	Imprest to embark on trip to Training	4,000.00
19/03/2020	2214	FARUK KWANSAH NYAME	Imprest to hold Meeting with World Bank Officials	1,050.00
24/04/2020	2547	FARUK KWANSAH NYAME	Imprest to embark on 3Days Field trip to C/R	2,550.00
17/07/2020	3712	FARUK KWANSAH NYAME	Imprest to Repair & undertake General Servicing	4,000.00
27/08/2020	4405	FARUK KWANSAH NYAME	Imprest to embark on trek iro Night Allow	4,600.00
17/08/2020	4145	FARUK KWANSAH NYAME	Imprest to Host Rehabilitation Programm	494.00
15/09/2020	4691	FARUK KWANSAH NYAME	Imprest to host irrigation Teams	1,500.00
30/09/2020	4884	FARUK KWANSAH NYAME	Imprest to host pay outstanding expenditure	111,927.08
24/04/2020	2548	SAMUEL SAKA BOATENG	Imprest to embark on 5Days Field trip to monitor	4,500.00
09/09/2020	4609	SAMUEL SAKA BOATENG	Imprest iro trip to monitor Codapec/Hitech prog.	7,200.00
03/09/2020	4483	FRANK DANIEL OWUSU	Imprest for the Renewal of Roadworthy Certificates	1,406.00
10/08/2018	19	GODFRED ODURO-BAAH	Imprest iro night allow&fuel forTech. Mng and Driver's trip to monitor Hand pollination Project	7,600.00
12/02/2020	1526	GODFRED ODURO-BAAH	Imprest to Refresh Staff	350.00
07/02/2020	1494	GODFRED ODURO-BAAH	Imprest for a trip to monitor Farms	1,500.00
03/03/2020	1919	GODFRED ODURO-BAAH	Imprest for a trip to CVC Development project	2,350.00
14/05/2020	2717	GODFRED ODURO-BAAH	Imprest to emback on Field Monitoring	2,100.00
21/11/2018	516	ERNEST AYIVOR	Imprest to procure HP Dell keyboard and dell optiple	1,300.00

03/06/2019	2993	ERNEST AYIVOR	Imprest to embark on trip to Tafo, Oyoko & Oda	4,549.00
08/08/2019	3867	ERNEST AYIVOR	Imprest to emback on trip night allow	3,050.00
28/11/2019	691	ERNEST AYIVOR	Imprest to enable Print ID Cards	8,000.00
10/06/2020	3190	ERNEST AYIVOR	Imprest iro Automatic Document Feed	200.00
10/06/2020	3189	ERNEST AYIVOR	Imprest to Procure HP Power Pack	200.00
26/08/2020	4379	ERNEST AYIVOR	Imprest to Procure	300.00
09/04/2019	2251	ERIC BANI	Imprest iro trip for pruning exercise	3,700.00
19/02/2020	1663	ERIC BANI	Imprest iro M&E staff on Mass pruning exercise	1,175.00
27/05/2020	2969	ERIC BANI	Imprest for MOFA/COCOBOD Project	6,348.00
21/05/2020	2849	ERIC BANI	Imprest to embark on trip to WN, WS, & ER	4,500.00
06/08/2020	3986	DIVINE LOGOSU	imprest to host 36th National farmers Day C'ttee	783.00
18/08/2020	4184	DIVINE LOGOSU	imprest to host 36th National farmers Day C'ttee	700.00
30/09/2019	4441	JOSEPH OMANE BAAH	imprest to purchase toner for use	597.40
27/11/2019	668	JOSEPH OMANE BAAH	Imprest to provide snacks for	380.00
30/01/2020	1418	JOSEPH OMANE BAAH	Imprest for Facilitation of a Training	2,500.00
30/01/2020	1460	JOSEPH OMANE BAAH	Imprest to provide snacks & Lunch	1,000.00
11/02/2020	1514	JOSEPH OMANE BAAH	Imprest to Refresh for H/O	1,000.00
20/03/2020	2218	JOSEPH OMANE BAAH	Imprest iro printing educational inscriptions	150.00
16/04/2020	2478	JOSEPH OMANE BAAH	Imprest iro Lunch for COVID 19 Essential Staff	8,000.00
14/05/2020	2677	JOSEPH OMANE BAAH	Imprest to emback on trek	5,000.00
20/08/2020	4257	JOSEPH OMANE BAAH	Imprest to hosting 93rd.CHED Mgt.C'ttee	3,535.00
30/09/2020	4973	JOSEPH OMANE BAAH	Imprest to embark on trip to Essam	1,500.00
19/02/2020	1664	GEOFFREY SAM	Imprest for Ext.Field visit	4,500.00
15/07/2020	3664	GIDEON NARTEY	Imprest to shoot a documentary on UT	1,000.00
27/11/2019	467	EUNICE AMO	Imprest to Refresh Delegates	455.00
20/03/2020	2230	EUNICE AMO	Imprest to emback on Treck ED	4,450.00

30/06/2020	3437	STEPHEN BADU	Imprest iro field trip	7,600.00
30/06/2020	3438	STEPHEN BADU	Imprest iro field trip	4,200.00
12/02/2020	1550	DR. FELIX KWAME APPIAH	Imprest to emback on 5Days trip to Kade E/R	3,000.00
27/04/2020	2586	DR. FELIX KWAME APPIAH	Imprest to emback on 3Days trip to E/R	3,050.00
18/08/2020	4201	DR. FELIX KWAME APPIAH	Imprest to host training for tech. operators	303.00
20/08/2020	4263	JULYE ADARIKO TANADAGO	Imprest for verification o Certificate at UOG	200.00
24/07/2020	3851	ABRAHAM QUAYE TETTEH	Imprest to emback on trip to Dunkwa	1,400.00
30/07/2020	3959	ERIC PAUL BRAKO	Imprest to purch. Cocoa products refresh staff	500.00
16/09/2020	4703	ERIC PAUL BRAKO	Imprest iro annual stock taktng & cash count ex.	3,400.00
08/09/2020	4594	ERIC PAUL BRAKO	Imprest iro annual stock taktng & cash count ex.	9,200.00
20/08/2020	4258	GILBERT J. ANIM KWAPONG	Imprest to Host member strategic Plan	230.00
02/07/2020	3488	DESMOND OWUSU KORANTENG	Imprest to purch. 60pcs. Of paper towel	1,200.00
21/05/2020	2850	ENOCH E.K TETTEY	Imprest iro Survey & Prepare Cadastral plan	3,150.00
03/07/2020	3570	ENOCH E.K TETTEY	Imprest iro trip to confirm Bounderies	9,000.00
06/08/2020	3983	ENOCH E.K TETTEY	Imprest to Prepare Cadastral plan	2,319.00
03/09/2020	4482	ENOCH E.K TETTEY	Imprest to Prepare Cadastral site plan for E/R	2,969.00
25/09/2020	4858	ENOCH E.K TETTEY	Imprest iro signing	4,064.00
25/09/2020	4857	SIDNEY AKLIBOSU	Imprest iro field trip with Fairtrade	2,100.00
30/09/2020	4913	OPHELIA SERWAA FRIMPONG	Imprest iro Official Trip to B/A & Western	6,700.00
30/09/2020	4974	SOLOMON KWAME DONKOR	Imprest to Host an Ad-Hoc meeting	215.00
30/8/19	4086	SAMUEL AYI DONKOR	Imprest to purchase cylinder lock	250.00
04/09/2020	2431	SAMUEL AYI DONKOR	Trip for the assesment of office rental facility	400.00
27/4/2020	2573	SAMUEL AYI DONKOR	T&T for the verification of properties in in the V/R	2,000.00
05/06/2020	2658	SAMUEL AYI DONKOR	Imprest to purchase drinkables for chiefs iro land documentation	1,910.00
26/5/2020	2875	SAMUEL AYI DONKOR	Imprest to provide breakfast, snack & water	1,125.00
18/5/2020	2736	SAMUEL AYI DONKOR	Imprest iro labour cost for tiling bungalow	1,386.00

20/5/2020	2814	SAMUEL AYI DONKOR	Imprest to replace a faulty door lock at estate dept	150.00
20/5/2020	2847	SAMUEL AYI DONKOR	Imprest iro repair of leaking glazed window at H/O	5,220.00
25/6/2020	3409	SAMUEL AYI DONKOR	Imprest iro painting kumasi quest house	1,904.00
25/6/2020	3397	SAMUEL AYI DONKOR	Imprest to purchase pedroll pump	3,280.00
01/07/2020	3475	SAMUEL AYI DONKOR	Imprest iro items for embossment of furniture	390.00
13/08/2020	4116	SAMUEL AYI DONKOR	Imprest for installation of air condition at room 6	590.00
19/08/2020	4212	SAMUEL AYI DONKOR	Imprest to replace faulty door @ h/o	250.00
19/08/2020	4247	SAMUEL AYI DONKOR	Pmt imprest iro file room expansion at HR	1,400.00
25/08/2020	4349	SAMUEL AYI DONKOR	Imprest to purchase door lock at human resource registry	250.00
25/08/2020	4350	SAMUEL AYI DONKOR	Imprest to purchase main switch for room 100, h/o	350.00
02/09/2020	4475	SAMUEL AYI DONKOR	Imprest to purchase light system for exec director	1,447.00
02/09/2020	4465	SAMUEL AYI DONKOR	Imprest to tire the office of the deputy tech. mgrs office	2,805.00
03/09/2020	4484	SAMUEL AYI DONKOR	Imprest iro post-paid meter at Ajumako dist office, C/R	3,057.00
14/09/2020	4666	SAMUEL AYI DONKOR	Imprest iro faulty floor tiles at Acc. Mgr's office	3,430.00
14/09/2020	4667	SAMUEL AYI DONKOR	Imprest iro faulty floor tiles at telephone exchange	2,800.00
22/09/2020	4746	SAMUEL AYI DONKOR	Imprest iro replacement of fault	8,776.65
28/09/2020	4870	SAMUEL AYI DONKOR	Imprest to embarkon trip for electrical works, C/R	600.00
25/09/2020	4847	SAMUEL AYI DONKOR	Imprest iro labour cost for installation	1,050.00
14/09/2020	4665	SAMUEL AYI DONKOR	Imprest to replace a faulty floor tile at audit	2,030.00
30/09/2020	4981	SAMUEL AYI DONKOR	Imprest iro plumbing works at bungalow #8 for DED	2,050.00
30/09/2020	4980	SAMUEL AYI DONKOR	Imprest iro electrical wks at the registry	2,537.00

08/10/2020	4982	SAMUEL AYI DONKOR		Imprest to replace faulty floor tiles at A/C office	2,450.00
21/01/2020	1301	DESMOND OWUSU	KORANTENG	Imprest iro painting wks @ RM Bungalow	2,762.35
19/02/2020	1637	DESMOND OWUSU	KORANTENG	Imprest to procure glasses for comm. Meeting	910.00
28/02/2020	1849	DESMOND OWUSU	KORANTENG	Imprest to procure washroom items	300.00
28/02/2020	1848	DESMOND OWUSU	KORANTENG	Imprest iro trap doors at bungalow no. 4, labone	1,325.00
03/02/2020	1867	DESMOND OWUSU	KORANTENG	Imprest to purchase phone accessories, carto & registry	210.00
03/03/2020	1917	DESMOND OWUSU	KORANTENG	Imprest to procure RE cable	2,005.73
30/9/2020	4921	DESMOND OWUSU	KORANTENG	imprest iro carpentry items to patition	5,755.00
23/3/2020	2249	DESMOND OWUSU	KORANTENG	imprest to procure fillable auto 49 sanitizers	78,795.00
04/07/2020	2429	DESMOND OWUSU	KORANTENG	Printing of additional educational inscrip	463.50
21/4/2020	2483	DESMOND OWUSU	KORANTENG	purchase of veronica bucket for use at the head office	540.00
18/5/2020	2723	DESMOND OWUSU	KORANTENG	Imprest to procure mobile phone for Tech. mgr	1,299.00
21/5/2020	2851	DESMOND OWUSU	KORANTENG	Imprest to procure louvre carrier & blades at exec. Dir	150.00
28/7/2020	3927	DESMOND OWUSU	KORANTENG	Imprest to purchase items for use at head office	2,255.00
09/02/2020	4464	DESMOND OWUSU	KORANTENG	imprest to procure cat 6 shield to new off @ shop 4,5	3,600.00
09/09/2020	4636	DESMOND OWUSU	KORANTENG	imprest to procure plumbing & tilling	5,216.00
24/9/2020	4806	DESMOND OWUSU	KORANTENG	imprest iro paint for bungalow	1,410.00
24/9/2020	4805	DESMOND OWUSU	KORANTENG	imprest to procure toners for HR	3,493.70
22/9/2020	4787	DESMOND OWUSU	KORANTENG	Imprest iro carp items for 7 file shelves at HR dept	6,086.00
24/9/2020	4825	DESMOND OWUSU	KORANTENG	imprest to procure a 24 computer monitor for HR dept	1,519.25
29/8/2020	4874	DESMOND OWUSU	KORANTENG	imprest to procure 200 pieces of rexl battery	1,200.00
30/9/2020	4920	DESMOND OWUSU	KORANTENG	imprest to procure 2 pieces of ladd	2,800.00

30/9/2020	4922	DESMOND OWUSU	KORANTENG	imprest to procure mobile handset	4,000.00
30/9/2020	4932	DESMOND OWUSU	KORANTENG	imprest to procure mobile phone handset for DED	4,000.00
29/9/2020	4946	DESMOND OWUSU	KORANTENG	imprest to procure mobile phone handset for DED (ops)	4,000.00
30/9/2020	4933	DESMOND OWUSU	KORANTENG	imprest to print banners to outdoor shed attributes	2,457.00
30/9/2020	4979	DESMOND OWUSU	KORANTENG	imprest to procure stamp for replenishment of stock	300.00
30/9/2020	4978	DESMOND OWUSU	KORANTENG	imprest to procure 4 pcs of tonner to replenish stock	1,400.00
07/01/2020	3563	DESMOND OWUSU	KORANTENG	pmt for imprest iro call card for Dir & Manager	1,446.00
07/03/2020	3565	DESMOND OWUSU	KORANTENG	pmt of imprest iro computer network materials for H/O	4,710.00
07/03/2020	3564	DESMOND OWUSU	KORANTENG	Pmt of imprest iro telephone network materials	4,925.00
Total					515,280.66

1889. This contravenes Regulation 102 (l) (3) of the Public Financial Management Regulations, 2019 (L.I. 2378) which stipulates that the Principal Spending Officer of a covered entity shall ensure that the standing imprest is fully retired by the end of, the financial year. The unretired imprest shall be charged to the personal name of the Principal Spending Officer or the holder of the imprest.

1890. We attributed the lapse to the Finance Manager's failure to ensure the affected officers fully accounted for the funds.

1891. Such practice undermines the genuineness of the transactions.

1892. We recommended that the affected officers should fully account for the total amount of GH¢276,830.68, failing which the total amount of GH¢276,830.68 should be recovered from the affected officers and same paid to the Division's account.

1893. Management in response indicated that out of 29 officers granted imprest amounting to GH¢515,280.66, five (5) officers' imprest amounting to GH¢238,449.98 had been retired with twenty-four (24) officers imprest to the tune of GH¢276,830.68 yet to be retired.

Unearned Salary – GH¢6,138.74

1894. Regulation 92 of the Public Financial Management Regulations, 2019 (L.I. 2378) stipulates that, The Principal Spending Officer of a covered entity shall ensure the immediate stoppage of payment of salary to public servant in the following circumstances:

- a. On the death of an employee,
- b. On the conviction of an employee for an offence and sentence of that employee to imprisonment,
- c. On the dismissal of an employee or relief of post on administrative and other related grounds,
- d. On the grant of leave without pay to an employee,
- e. On the vacation of post by an employee; and
- f. On the resignation or retirement of an employee.

1895. The regulation 92 further states that the head of a covered entity shall take the necessary action to retrieve any unearned compensation occasioned by any of the occurrences under sub-regulation (1).

1896. On the contrary, our review of personnel files of CHED indicated that two officers namely, Mayfred Senya who had his appointment terminated and an officer on suspension received unearned salary amounting to GH¢6,138.74 for the months of November 2019 and August 2020. Shown in table 301 are the details.

Table 301: Unearned Salary

Name	Mode of separation	Grade	Retirement / Resignation Date	Amount GH¢
Mayfred Senya	Termination	Assistant Technical Officer (Ext)	19/11/2019	2,946.44
Ayitey T. Johnson	Suspension	Security Guard	19/08/2020	3,192.30
Total				6,138.74

1897. This anomaly occurred due to the Finance Manager's inability to delete the affected officers' names from the payroll and inform their bankers to return any unearned salary CHED.

1898. This led to the payment of salary for no service rendered to the division.

1899. We recommended to Management to recover the total amount of GH¢6,138.74 from Mayfred Senya and Ayitey T. Johnson to the Division's bank account, failing which the total amount of GH¢6,138.74 should be recovered from the Finance Manager and the schedule Officers.

1900. Management responded that the affected officers had not taken their benefits from the division, hence the total amount of GH¢6,138.74 will be recovered before their entitlement paid.

Non-Payment of Rent by Officers Occupying CHED Bungalows: GH¢45,547.91

1901. Policy 25.3 (b) of the Ghana Cocoa Board Policy Guidelines 2019 stipulates that rent deductions shall be made from the salary of employees who have been provided with accommodation in accordance with rent ceiling approved by Management.

1902. Our review of estate records disclosed that fourteen (14) officers occupying the division's bungalows did not pay rent. the approved rent deduction rate for the officers was between 2% to 8%. Details are shown in table 302.

Table 302: Non-Payment of Rent by Officers Occupying CHED Bungalows

Staff ID	Name	Position	% Rate	Expected Amount
3201047	Joseph Minka	Principal Technical Officer	8	6,294.21
3201018	Bismark Owiredue	Senior Technical Officer	8	5,786.12
3201063	Rita Vanessa Kamasa	Principal Cartography D'man	6	2,364.32
3200956	Benjamin Amo	Technical Officer (Ext)	4	2,372.86
3200649	Bright Effah Bediako	Assistant Technical Officer	2	899.68
3200350	Ambrose Kofi Amoah	Assistant Technical Officer	2	899.68
3200646	Gabriel Opoku Antwi	Technical Officer	2	1,098.63
3201589	Peregrino Amartey Amamoo	Cartography Officer	6	3,239.84
3201166	George Kwame Amponsah	Snr. Human Resource Officer	6	4,426.84
3201167	Eugene Agyeman	Principal Audit Officer	6	4,426.84
3200933	Edem K. Nutakor	Principal Technical Officer	6	4,720.65
3200029	Eric Kofi Tetteh	Assistant Cartography Officer	6	2,699.05
3201431	Alex Appiah Kubi	Assistant Technical Officer	6	2,907.60
3200782	Stephen Okrah	Technical Assistant	6	3,411.59
Totals				45,547.91

1903. The anomaly was caused by the Finance, Human Resource and Estate Managers not collaborating to effect rent deduction on the salaries of the fourteen (14) occupants.

1904. The non-payment of rent denied the division funds to undertake renovations on the bungalows.

1905. We urged the Finance Manager to deduct the rent due from affected officers' salaries. We also recommended effective collaboration among the Finance Manager, Human Resource Manager and Estate Manager.

1906. Management in response indicated that it had made proposals for review of the rent rates to occupants till renovation works carried out on the affected bungalows.

Seed Production Division

Failure to fully distribute 650,019 hybrid coffee seedlings

1907. Section 7(2) of the Public Financial Management Act, 2016 (Act 921) states that, A Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity. In line with the mandate of SPD, the division is not only required to produce seedlings but to also distribute them to the farmers.

1908. Contrary to the above, our review of the technical report submitted by the Senior Technical Manager of the SPD, disclosed that, out of the total number of 926,595 coffee seedlings which were ready for transplanting for the 2019/2020 crop season, only 276,576 representing 29.8% of the total coffee seedlings were distributed and the balance of 650,019 were discarded because they were overgrown. The audit team was unable to determine the value of the discarded coffee seedlings because Management of SPD could not value the seedlings. Details are stated in table 303.

Table 303: Number of Coffee Seedlings Produced and Distributed

Station	Number of Seedlings Ready for Transplanting				
	Old Stock (2018/2019)	New Stock (2019/2020)	Total	Number of seedlings Distributed	Stock Balance
Pankese	196,361.00	-	196,361.00	183,600.00	12,761.00
Akwadum	34,609.00	-	34,609.00	-	34,609.00
Akaa	23,000.00	-	23,000.00	5,000.00	18,000.00
Saviefe	-	3,345.00	3,345.00	3,345.00	-
Goaso	99,004.00	-	99,004.00	-	99,004.00
Akumandan	100,736.00	-	100,736.00	5,203.00	95,533.00
Dormaa Ahenkro	313,080.00	-	313,080.00	52,438.00	260,642.00
Bechem	30,140.00	-	30,140.00	-	30,140.00
Wenchi	32,955.00	5,405.00	38,360.00	5,350.00	33,010.00
Nkoranza	26,180.00	-	26,180.00	17,300.00	8,880.00
Techiman	44,110.00	4,340.00	48,450.00	4,340.00	44,110.00

Fumso	13,330.00	-	13,330.00	-	13,330.00
Toase	-	-	-	-	-
Total	913,505.00	13,090.00	926,595.00	276,576.00	650,019.00

1909. According to the Deputy Technical Manager at the SPD head office, it was government policy to resort to the using the cutting method instead of the seedlings, hence, the reason for not distributing the coffee seedlings. He added that the farmers did not also come for the seedlings.

1910. As a result of the anomaly, the Board did not obtain value for 90% of the cost incurred in the production of the seedlings.

1911. We recommended that Management should investigate the reason for the lapse and take corrective actions to forestall future occurrence. Also, Management should institute effective planning and decision-making process to forestall similar losses.

1912. Management responded that “SPD inability to distribute in the 2018/19 crop season was due to changes in Government Policy direction to produce and distribute only coffee clonal materials instead of hybrid coffee seedlings that had already been produced.”

Unearned Salary – GH¢6,384.69

1913. Regulation 92 of the Public Financial Management Regulations, 2019 (L.I. 2378) states that, the Principal Spending Officer of a covered entity to ensure the immediate stoppage of payment of salary to public servants on the death of the employee, and on the resignation or retirement of an employee.

1914. The above Regulation further requires the head of a covered entity to take the necessary actions to retrieve any unearned compensation occasioned by any of the occurrence under sub-regulation (1).

1915. Our review of payroll disclosed that three (3) staff members who were separated from employment of the Division were paid salaries in various months totaling GH¢6,384.69 without work done. We further noted that two of the staff had gone on statutory retirement and one passed on during the period under review. The details are shown in table 304.

Table 304: Unearned Salary

Employee (ID)	NAME	Basic Salary	Other Earnings	Salary Gross Y	Month		Exit Date	Exit Type
3040193	TAWIA CHRISTIANA	1080.13	121.01	1201.14	OCT,19	01/10/2019	RETIRED	
3040193	TAWIA CHRISTIANA	1080.13	121.01	1201.14	NOV,19	01/10/2019		
	SUB-TOTAL	2160.26	242.02	2402.28				
3143179	ELIASU IBRAHIM	1530.9	214.82	1745.72	NOV,19	19/10/2019	RETIRED	
6000897	ANOKYE RICHARD	2043.43	193.26	2236.69	JUL,20	26/06/2020	DEAD	
	GRAND TOTAL	5734.59	650.1	6384.69				

1916. The lapse occurred due to delay in timely communication of the staff separation by the Human resource department to Finance directorate.

1917. The action has denied the Division resources to carry out other budgeted expenditure.

1918. We advised the Human Resource Manager to promptly inform the salaries unit of the accounts department to effect the stoppage of salaries of separated staff. Also, the unearned salaries should be deducted from their unpaid end-of-service benefits, provident fund and other related benefits.

1919. Management responded that “Management is aware of the observations in relation to the three former employees and has already directed the Accounts to effect deductions from their unpaid end-of-service benefits.”

Cocoa Research Institute of Ghana (CRIG)

Unretired imprest – GH¢878,586.02

1920. Regulation 102 of the Public Financial Management Regulations, 2019 (L.I. 2378) states, “The Principal Spending Officer shall ensure that the-standing imprest is fully retired by the end of the financial year.”

1921. Contrary to the above Regulation, the schedule officer did not ensure that imprest totaling GH¢878,586.02 were retired by the end of 30 November 2020. Details are attached as Table 305 and 306.

Table 305: ` Project imprest schedule as at 30/12/2020

No	Name	Amount (GH¢)
1	Asibi Apotogse	4,581.00
3	Dr Amos K Quaye	21,725.00
4	Dr Atta Ofori	6,750.00
5	Dr Esther Gyedu-Akoto	3,241.25
6	Dr Frank Owusu-Ansah	28,654.65

9	Dr. Mercy Asamoah	12,532.06
10	Dr. Paul Adu-Gyamfi	37,899.11
11	Dr.E.O.K. Oddoye	5,397.00
12	Enock Kwame Nsiah	15,560.50
13	Eric Twum Barima	14,819.74
14	Frank Antwi Tayor	21,542.00
15	Julius Yeboah	72,189.00
17	Michael T. Barnor	16,770.00
18	Nelson Addae Tawiah	15,921.00
20	Richard B. Armah	24,080.00
21	Stephen Yaw Opoku	12,694.93
22	Samuel Anim-Sarfo	1,000.00
24	Ernest Attafuah	3,959.50
27	Sampson Botchuey	28,227.24
28	Dr George Akumfi Ameyew	6,477.16
29	Wisdom Edem Anyomi	4,700.00
30	Doris Smedley	2,000.00
32	Dr M O Opoku-Agyeman	85.00
34	Braimah Umar Ghanem	1,450.00
35	Boatey Joseph	3,967.00
	Total	366,223.14

Table 306: CRIG staff imprest schedule as at 31/12/2020

No	Name	Amount GH¢
1	Afari Gyimah	3,925.00
2	Aboagye Yeboah Edmund	4,950.00
3	Asibi Apotogse	1,967.50
4	Braimah Umar Ghanem	11,775.58
5	Daniel Nii Ashitey	16,670.12
6	Deborah Esseini	1,254.00
7	Dennis Kusi Kyeremeh	16,468.34
8	Dr Abu M. Dadzi	550.00
9	Dr Atta Ofori	1,850.00
10	Dr Julius Yeboah	250.00
11	Dr. Bukari Yahaya	12,628.50
12	Dr. Daniel Nyadenu	25,735.00
13	Dr. G. K. Awudzi	3,202.00
14	Dr. Micheal O Opoku-Agyeman	21,427.00
15	Dr. R. Adu-Acheampong	34,280.00
16	Edmund Bokorvi	800.00
17	Eric K Asare	1,361.60
18	Eric Twum Barima	24,900.46
19	Esther Anokye	2,800.00
20	Franklin K Mensah	60,729.31
21	Gertrude Idan	2,466.00
22	Gift Opoku Agyeman	5,540.00
23	J.A. Dogbatse	3,850.00

24	Janet Gaisie	1,500.00
25	Jerome Boateng	669.50
26	Johnson Nkansah	2,834.00
27	Lemuel Ollennu	14,820.00
28	Lloyd Brobbey Adasi	9,159.00
29	Mercy Mawusi Eweh	500.00
30	Nana Boakye Agyemang	15,087.90
31	Nelson Addae Tawiah	8,221.25
32	Obed Anarfi Appiah	16,250.00
33	Ofori Ntiamoah	25,821.50
34	Oheneba Boamah	1,260.00
35	Philip Koba Amanfi	1,200.00
36	Prince Pobee	4,610.00
37	Richard B. Armah	4,682.00
38	Rose Lowor	7,448.00
39	Sampson Kojo Botchuey	51,916.29
42	Samuel Obeng Adjei	17,774.10
43	Stephen Amofa Appiah	16,278.13
44	Stephen Yaw Opoku	5,400.00
45	Winifred O Kumi	300.00
46	Francis Opoku Mensah	1,900.00
47	Frank Osafo Antwi	3,100.00
48	Samuel Amoako Agyapong	5,705.00
49	Emmanuel Eweh	1,540.00
50	Johnson Bapana	3,200.00
51	Kent Boakye Agyemang	300.00
52	Abdul Ghaniu	1,865.00
53	Clifford Corquaye	1,500.00
54	Patricia Adu Yeboah	25,390.80
55	Dr. Owusu Domfeh	2,750.00
	Total	512,362.88

1922. This was as a result of the supervisor's inability to ensure that funds released for activities were duly retired within the specified period for which the funds were released are accounted for the anomaly.

1923. Lack of effective control over the utilization and accounting for imprest could result in misapplication and misappropriation of imprest funds.

1924. We recommended that the amount be converted into advances against the officers and recovered from their salaries.

1925. Management response: "Management has retired GH¢111,696.47 as at April 2021 and have started retiring the balance after they were notified."

Uncompetitive procurements – GH¢194,152.30

1926. Section 43 of the Public Procurement (Amendment) Act, 2016 (Act 914) requires that, procurement entities shall request quotations from as many suppliers or contractors as practicable but shall compare quotations from at least three different sources that should not be related in terms of ownership, shareholding or directorship and the principles of conflict of interest.

1927. Contrary to the above Act, management procured goods totaling GH¢194,152.30 without obtaining and comparing alternative quotations from other prospective suppliers to ensure competitive pricing. The Institute also had no approval from the Public Procurement Authority to apply single source method of procurement. Details are provided in table 307.

Table 307: Uncompetitive procurements

Date	PV No	Cheque No	Items	Amount GH¢	Supplier
16/12/2019	765/19-20	646743	Rice, oil, mackerel & corned beef	194,152.30	Sika Kroabea Co Ltd

1928. We could not confirm if the Institute obtained value for money from this procurement.

1929. We recommended that the Authorising and Approving officers who supervised the procurement process should be sanctioned according to Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914). We further urged Management of the Institute to ensure that all future purchases should follow due procurement processes.

1930. Management noted our recommendation for compliance.

Award of contracts to unqualified bidders – GH¢232,198.64

1931. Section 22 of the Public Procurement Act, 2016 (Act 914) as amended provides that a tenderer in public procurement shall possess the necessary professional and technical qualifications and competencies, financial resources, equipment, and the managerial capability to deliver the job efficiently and effectively.

1932. Our review of the supplier's documents disclosed that 10 suppliers who rendered services to the Institute were not pre-qualified to confirm their documents such as tax clearance certificate, SSNIT certificate and VAT

registration certificate. The suppliers were awarded seventeen (17) contracts valued at GH¢232,198.64 without having the necessary documents to qualify them to render such services. Table 308 shows the details:

Table 308: Uncompetitive procurements

S/n	Contract/item	Name of supplier	Memo date	Evaluation date	Amount GH¢
1	Supply of control panel	C.K Electricals Enterprise	08-Jan-20	17/06/2020	11,580.00
2	Supply of chocolate labels	Cri8 Company	13-Feb-20	18/11/2019	18,368.43
3	Supply of chocolate labels	Cri8 Company	23-Aug-19	12/11/2019	18,368.43
4	Supply of vacuum seal machine	Danica Plastics Limited	16-Jul-19	27/11/2019	14,500.00
5	Supply of printing material	Dee Royal Limited	22-Jan-19	16/01/2019	10,800.00
6	Supply of guest house items	Panaa Ventures	28-Nov-18	16/01/2019	5,470.00
7	Supply of electrical items	Panaa Ventures	14-Dec-18	01/08/2019	15,696.00
8	Supply of poly bags	Polypet Industries	16-Nov-18	01/08/2019	26,588.28
9	Printing of technical bulletin	Ppa Media	23-Aug-19	10/09/2019	7,087.50
10	Supply of air-conditioner	The Way Global Company Limited	6-Sep-2020	21/05/2019	9,900.00
11	Supply of laptop computers and printer	The Way Global Company Limited	6-Sep-2020	21/05/2019	7,150.00
12	Supply of 80bags of Fertisol plus compost	The Way Global Company Limited	08-Jun-20	20/8/2020	8,400.00
13	Supply of air conditioner	The Way Global Company Limited	10-Mar-20	21/05/2020	9,900.00
14	Supply of laptop computers and printer	The Way Global Company Limited	09-Apr-20	21/05/2020	7,150.00
15	Supply of safety boots	Wise Script Enterprise	20-Jan-20	24/08/2020	6,660.00
16	Supply of farm tools	Wise Script Enterprise	20-May-20	20/08/2020	8,380.00
17	Supply of Furniture	Yepon Ventures	29-Jan-19	27/11/2019	46,200.00
Total					232,198.64

1933. Management's failure to follow due process in engaging suppliers resulted in the lapse.

1934. The award process lacked transparency and competitiveness and also compromised concept of value for money.

1935. We advised Management to operate within the confines of the Public Procurement Laws.

1936. Management responded that “The institute are currently dealing with suppliers who have met all public procurement professional and technical qualifications.”

Unremitted SSF Contributions to SSNIT/Fund Manager – GH¢882,027.98

1937. Section 3 of the National Pensions Act, 2008 (Act 766) states that, ‘an employer who fails to remit total contributions within the time stipulated in subsection (3) commits an offence and is liable on summary conviction to a fine of two thousand penalty units or to a term of imprisonment for two years or both’.

1938. Our review of the Institute’s account payables disclosed that, Management deducted Social Security Funds (SSF) contributions of GH¢882,027.98 from salaries/wages of temporary and casual workers over a period of time but did not remit same to the SSNIT/Fund Manager.

1939. The schedule officer could not produce details of the affected casual workers with an outstanding SSF contributions and attributed the anomaly to the absence or wrong SSNIT numbers of the affected casual workers.

1940. He further noted that Management has been able to pay most of the outstanding SSF contributions to SSNIT/Fund manager.

1941. We urged Management of the Institute to ensure strict compliance with the National Pensions Act, 2008 (Act 766) and remit the outstanding SSF contributions to the SSNIT/Fund manager to avoid future litigation and payment of penalties.

1942. Management said an amount of GH¢467,365.27 have been paid to SSNIT and the fund managers. They have further sent validation and reconciliation request to SSNIT.

Lack of Production Equipment at the New Product Development Unit

1943. Section 7(2) of the Public Financial Management Act, 2016 (Act 921) states that, a spending officer shall, in exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transaction of a covered entities.

1944. Our interview and inspection of the New Product Development Unit (NPDU) disclosed that the unit produces 19 different products from Cocoa and Cashew by-product like the husk, pulp juice and butter to manufacture the following products:

- a. Cocoa Toilet Soap, Soft Soap (Alata Samina) and Liquid Soap
- b. Cashew Wine, Brandy and Gin
- c. Cocoa Wine, Brandy and Gin
- d. Cocoa and Coffee Biscuit
- e. Cashew nuts and Butter
- f. Cocoa Vinegar
- g. Shea butter Toilet Soap, Soft Soap (Alata samina) and liquid form
- h. Shea butter body Pomade and Cream

1945. The Unit has approval for its products from Food and Drugs Authority as well as Ghana Standard Authority since the inception of the unit in 1993. Our further enquiries confirmed that due to mass production and high demand for the products, a by-product store has been established to facilitate the sales in commercial quantities.

1946. We however noted that with the exception of the toilet soap machines and distillation machines procured in 1994 without any replacement, all other 17 products are made manually by the staff.

1947. The Unit head confirmed that she has informed Management about the situation and Management is yet to take action on it. Samples of the old machines are in the pictures A, B, C, and D.

Pict. A: Non-Functioning Soap Making Machine



Pict B: Cocoa Husk Crusher Purchased in 1994



Pict. C: Cocoa Husk Crusher Purchased in 1994



Pict. D; Oven for making Ash



1948. Management's failure to ensure that NPDU runs under a conducive atmosphere was attributed to the lapse. Lack of equipment has resulted in reduced production capacity. The wear and tear nature of equipment led to shortage of products in most cases and loss of revenue.

1949. We urged Management to liaise with the Unit head and procure the necessary equipment required for the Unit. This will help increase production capacity to meet demand and revenue.

1950. Management is in the process of procuring new equipment.

Four (4) Bank account balances not disclosed in the financial records – GH¢62,264

Section 7 of the Public Financial Management Act, 2016 (Act 921) states that, a principal spending officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

1951. We noted that four (4) bank account balances totalling GH¢62,264 were not disclosed in the Division's trial balance. Details are outlined in table 309.

Table 309: Four (4) Bank account balances not disclosed in the financial records

Account Number	Account Name	Balance per confirmation from bank GH¢
0284308120009	WIC-CRIG/Cashew Fund – CBG	59,547
600017003636	Investment/Savings account – SG	2,517
6012700127	Corporate Current Account – Zenith Bank	100
6012700135	Corporate Current Account – Zenith Bank	100
Total		62,264

1952. This occurred because the banks opened the accounts for the Institute for investment purposes without authorization.

1953. These bank accounts could be used to process unauthorised transactions.

1954. We urged Management to write to all the banks to confirm all active and dormant accounts and their respective balances and ensure that bank accounts that are no longer required are closed.

1955. Management indicated that the banks opened the accounts for the Institute for investment purposes without the instruction of the Institute. These accounts were opened as a clearance account by the banks. The Institute had discussed with the banks for the balances to be transferred to the recognised banks accounts of the Institute.

Cocoa Clinic

Indebtedness of corporate clients to Cocoa Clinic – GH¢19,018,763

1956. Regulation 51 of the Public Financial Management Regulations, 2019 (L.I. 2378) provides that, the collection of public and trust moneys is the responsibility of the Principal Spending Officer, who shall appoint supervising collectors in each area where collection is required.

1957. Our review of the debtor's ledger of the clinic disclosed that 175 corporate clients owed Cocoa Clinic to the tune of GH¢7,382,293.61 in respect of health services rendered to them as at 30 September 2020. We also noted that the corporate indebtedness to the Clinic continues to be high over the years and there had not been significant reduction in receivables over the past three years.

1958. We noted for instance that the total receivables from corporate clients for the year 2017/2018 and 2018/2019 were GH¢7,561,759.00 and GH¢8,521,558.35 respectively.

1959. We further noted that the Cocoa Board and its Subsidiaries and Divisions owed the Clinic an amount of GH¢11,636,470.30 as at 30 September 2020, for medical services rendered to the staff of the Cocoa Board Group.

1960. The anomaly was occasioned because the insurance companies and other corporate organizations did not pay bills in accordance with the contract agreement with the Clinic. Also, Cocobod did not release medical funds to the subsidiaries and Divisions to enable them pay medical services.

1961. The anomaly impacted negatively on the cash flow position of the Clinic and has led to the accumulation of service creditors to the tune of GH¢9,794,357.86. This could also lead to the inability of the clinic to deliver efficient and professional medical services.

1962. We recommended to Management to strengthen the debt recovery process of the Clinic to ensure that the debts are recovered on due dates. We also urged Management to send reminders to all companies including COCOBOD Group whose payment dates have elapsed and re-negotiate payment terms with financially distress companies. We further urged Management to use all legal debt recovery procedures to recover the debt for the Clinic to avoid bad debts.

1963. Management responded that they have recovered GH¢2,159,166.91 and GH¢14,113,118.43 from Corporate Clients and Cocobod and its Subsidiaries respectively as at 20 May 2021. Management further stated that a demand notice had been circulated to all debtors to pay for their outstanding bills. Management has also suspended services to debtors who failed to comply with the terms on the demand notice.

Unretired advances – GH¢95,417.80

1964. Regulation 102 of the Public Financial Management Regulations, 2019 (L.I. 2378) states that the Principal Spending Officer shall ensure that the standing imprest is fully retired by the end of the financial year. A special imprest issued for making a particular payment or group of payments shall be fully retired within ten days, after the completion of the activity. Again, Section 31.4 of Cocoa Board policy guidelines states that an account shall be rendered to the Accounts Manager for accountable advances within one week after completing the transaction for which the imprest was granted.

1965. We noted from our review of advances that, as of 30 September 2020, fourteen (14) staff failed to fully retire imprest totaling GH¢95,417.80. The imprest was given to them to undertake petty and emergency transactions. Details is shown in table 310.

Table 310: Unretired advances

Date	Name and voucher No.	Voucher amount	Retired Amount	Refund to Chest	Amount Retired	Outstanding
29/04/2019	Felix F. Nyame-Fb/18/19/3854	1,200.00	-		-	1,200.00
19-Sep-18	Akyaa Asamoah-Fb/17/18/4325	4,478.00			-	4,478.00
4-Feb-19	Akyaa Asamoah-Fb/18/19/1919	402.20			-	402.20

7-Oct-19	Nelson Amponsah-Fb/19/20/0048	1,188.00		-	-	1,188.00
11-Oct-19	Nelson Amponsah-Fb/19/20/0113	295.00		-	-	295.00
15-Nov-19	Gifty Brown Gaisie-Fb/19/20/0192	1,020.00		-	-	1,020.00
20-Nov-19	Nelson Amponsah-Fb/19/20/0204	2,270.00		-	-	2,270.00
21-Nov-19	Nelson Amponsah-Fb/19/2080211	1,800.00		-	-	1,800.00
6-Jan-20	Nana Kwaku Addo-Fb/19/20/0460	1,200.00		-	-	1,200.00
7-Apr-20	Augusta Nyako-Fb/19/20/0932	900.00		-	-	900.00
7-Apr-20	Wilhemina Mensah-Fb/19/20/0933	1,190.00	-	-	-	1,190.00
17-Apr-20	Augusta Nyako-Fb/19/20/0954	160.00	-	-	-	160.00
4-May-20	Nana Kwaku Addo-Fb/19/20/1018	3,600.00		-	-	3,600.00
20-May-20	Welhemina Mensah-Fb/19/20/1095	3,700.00		-	-	3,700.00
20-May-20	Wilhemina Mensah-Fb/19/20/1096	4,000.00	-	-	-	4,000.00
4-Jun-20	Gifty Brown Gaisie-Fb/19/20/1122	1,578.00	-	-	-	1,578.00
27-May-20	Nana Kwaku Addo-Fb/19/20/1105	2,920.00		-	-	2,920.00
18-Jun-20	Akyaa Asamoah-Fb/19/20/1178	162.00	-	-	-	162.00
22-Jun-20	Augusta Nyako-Fb/19/20/1172	200.00	-	-	-	200.00
5-Jun-20	Augusta Nyako-Fb/19/20/1136	1,819.00		-	-	1,819.00
10-Jun-20	Augusta Nyako-Fb/19/20/1117	4,477.00		-	-	4,477.00
5-Jun-20	Nana Kwaku Addo-Fb/19/20/1134	4,821.00		-	-	4,821.00
22-Jun-20	Nana Kwaku Adddo-Fb/19/20/1200	4,927.50		-	-	4,927.50
22-Jul-20	Gifty Brown Gaisie-Fb/19/20/1344	1,517.00			-	1,517.00
10-Jul-20	Nana Kwaku Addo-Fb/19/20/1273	4,734.00			-	4,734.00
23-Jul-20	Nana Kwaku Addo-Fb/19/20/1353	1,000.00			-	1,000.00
17-Jul-20	Richard Nii Ampah Adams-Fb/19/20/1302	4,831.00			-	4,831.00
03-Aug-20	Richard Nii Ampah Adams-Fb/19/20/1396	1,739.20			-	1,739.20
11-Aug-20	Akyaa Asomoah-Fb/19/20/1422	282.00			-	282.00

19-Aug-20	Nelson Amponsah-Fb/19/20/1442	1,455.00			-	1,455.00
21-Aug-20	Nana Kwaku Addo-Fb/19/20/1463	4,790.00			-	4,790.00
21-Aug-20	Nana Kwaku Addo-Fb/19/20/1464	405.00			-	405.00
27-Aug-20	Nelson Amponsah-Fb/19/20/1478	1,100.00			-	1,100.00
27-Aug-20	Nelson Amponsah-Fb/19/20/1479	390.00			-	390.00
01-Sep-20	Felix Ofori Nyame-Fb/19/20/1506	2,420.00			-	2,420.00
15-Sep-20	Richard Nii Ampah Adams-Fb/19/20/1555	650.00			-	650.00
15-Sep-20	Richard Nii Ampah Adams-Fb/19/20/1556	1,739.20			-	1,739.20
17-Sep-20	Emmanuel Quaye-Fb/19/20/1563	4,640.00			-	4,640.00
22-Sep-20	Nelson Amponsah-Fb/19/20/1564	483.50			-	483.50
22-Sep-20	Augusta Nyako (Mr)-Fb/19/1567	660.00			-	660.00
22-Sep-20	Emmanuel Quaye-Fb/19/20/1569	1,000.00	800.00		800.00	200.00
24-Sep-20	Nelson Amponsah-Fb/19/20/1593	2,368.00			-	2,368.00
24-Sep-20	Emmanuel Quaye-Fb/19/20/1594	4,680.00	3,742.20		3,742.20	937.80
29-Sep-20	Nana Kwaku Addo-Fb/19/20/1605	4,836.00			-	4,836.00
29-Sep-20	Seth Danso-Fb/19/20/1610	1,000.00			-	1,000.00
30-Sep-20	Augusta Nyako-Fb/19/20/1624	600.00			-	600.00
30-Sep-20	Emmanuel Quaye-Fb/19/20/1630	1,132.40			-	1,132.40
30-Sep-20	Rebecca Antwi-Fb/19/20/1642	600.00			-	600.00
30-Sep-20	Augusta Nyako-Fb/19/20/1644	2,600.00			-	2,600.00
	Total					95,417.80

1966. The lapse occurred as a result of internal arrangements with the officers to treat the unretired advances as closing balances standing in their names and brought forward in the ensuing year.

1967. This practice relaxes probity and accountability on the imprest account holders, and this could lead to misappropriations and misapplication of advances entrusted with these individuals.

1968. To ensure probity and accountability, we recommended to Management to ensure that staff retire advance given them in full compliance with Regulation 102 of the Public Financial Management Regulations, 2019 (L.I. 2378) and the Cocoa Board policy guidelines. We also urged Management to ensure that advances are retired at the close of every financial year such that fresh application for advances would be made for consideration in the current year.

1969. Management responded that most of the activities were not completed as at 30 September 2020 resulting in the unretired imprest. Management stated that all the advances have been retired as of 31 March 2021, except the imprest of GH¢1,188.00 which is yet to be retired by Mr. Nelson Amponsah.

Uncompetitive procurements – GH¢255,942.47

1970. Section 43 of the Public Procurement (Amendment) Act, 2016 (Act 914) requires among others that, a procurement entity shall invite quotations from as many suppliers or contractors as practicable but shall compare quotations from at least three different sources that should not be related in terms of ownership, shareholding or directorship and the principles of conflict of interest shall apply between the procurement entities and their members and the different price quotation sources.

1971. We noted that the Cocoa Clinic did not source for a minimum of three quotations in the procurement of goods and services totaling GH¢255,942.47 as shown in the table 311.

Table 311: Uncompetitive procurements

PV No	CHQ No	Details	Supplier	Amount GH¢
GCB/19/20/1750	668646	Payment of drugs purchased for the clinic	M&G Pharmaceuticals Ltd	28,682.50
GCB/19/20/1749	668645	Payment of drugs supplied to the clinic	Atlas Pharmacy	4,224.35
GCB/19/20/1748	668644	Payment of medicines purchased for the Clinic	Atlas Pharmacy	23,037.50
GCB/19/20/1747	668643	Payment of medicines purchased for the Clinic	Atlas Pharmacy	9,215.00
GCB/19/20/1746	668642	Part payment for drugs supplied to the clinic	Atlas Pharmacy	2,705.43
GCB/19/20/1744	668640	Payment of drugs of purchased for the clinic	East Cantoment Pharmacy	4,486.25
GCB/19/20/1743	668639	Payment of medicines purchased for the Clinic	East Cantoment Pharmacy	3,624.93
GCB/19/20/1742	668638	Payment of partly supplied medicine to the clinic	East Cantoment Pharmacy	6,675.09

GCB/19/20/1741	668637	Payment of partly supplied medicine to the clinic	East Cantoment Pharmacy	13,095.00
GCB/19/20/1739	668635	Payment of medicines purchased for the Clinic	East Cantoment Pharmacy	3,126.80
GCB/19/20/1738	668634	Payment of partly supplied medicine to the clinic	East Cantoment Pharmacy	2,545.57
GCB/19/20/1732	668628	Payment of partly supplied medicine to the clinic	Ernest Chemist Ltd	37,699.05
GCB/19/20/1720	668616	Payment for Tyres (245/79/16) Supplied	C.Woermann Ghana Ltd	4,956.00
GCB/19/20/0300	668245	Payment of drugs purchased for clinic	Hills Pharmacy Ltd	59,364.00
GCB/19/20/0805		Payment of drugs purchased	UNICHEM GH LTD	52,505.00
Total				255,942.47

1972. This anomaly could be attributed to non-compliance with the above provision by officers involved in the procurement processes. Again, COCOBOD procuring goods and services for and on behalf of the Clinic could also lead to missing procurement documentations to support procurements made.

1973. The lapses could result in goods and services being purchased at inflated costs, thereby undermining the concept of value for money.

1974. We advised Management to adhere to the requirements of the Section 43 and ensure competition, fairness, and transparency in its future procurements to maximise value for money.

1975. Management disagreed with our observation and stated that Cocoa Clinic has been procuring in a very competitive manner. They stated that items procured which are within the GH¢5,000.00 thresholds were done at the Clinic competitively. Management stated that approvals were also sought from COCOBOD for procurements above the Clinic's threshold and this was discussed extensively with the audit team.

1976. Again, Management stated that for the procurement of medicine a lot of factors are taken into consideration since majority of the items mentioned in the report were medicines. Some of these factors include availability of the medicine, approved by authority (i.e Food and Drugs Authority), agency certification and quality and in some cases urgent need to save a patient.

1977. Management maintained that these factors enable them to maintain quality and efficacy which helps them to avoid fake medicines that will have negative implication for the patients and clients. Management further stated

that the correct vehicle tyres procured was 245/70/16 and not 245/79/16 quoted in the report and that they were procured through proper procedure from a reliable and credible supplier C. Wormannn Ghana Limited which has over the years supply and deliver quality and durable vehicle tyres.

1978. Whiles we appreciate Management response on the above procurement issue, we still maintain that Management should furnish the audit team with the competitive procurement documents (Invitation for quotations letters, at least three alternative quotations from Suppliers, Evaluation reports, Award of contract letter, acceptance letter and the contract agreement) that showed that the items mentioned in this report were competitively procured

Single source procurements – GH¢319,703.43

1979. Section 40 of the Public Procurement Act, 2003 (Act 663) as amended requires, a public entity seeking to adopt a single source procurement method for goods, works or services above the head of entity or entity tender committee's threshold to seek approval from the Public Procurement Authority before undertaking such transactions.

1980. Contrary to the above Section, our review of payment vouchers disclosed that Cocoa Clinic single sourced the procurement of medical equipment (Colonoscopy) and drugs totaling GH¢319,703.43 to Life Care Technology and East Cantonment Pharmacy without obtaining approval from the Public Procurement Authority. Details of the transactions are provided in a table 312.

Table 312: Single source procurements

Date.	P.V No.	Description	Supplier	Amount GH¢
15/06/2020	GCB/19/2 0/1149	Payment For Medical Equipment, Colonoscopy	Life Care Technology	189,760.00
27/08/2020	GCB/19/2 0/1745	Payment Of Partly Supplied Medicine	East Cantoment Pharmacy	129,943.43
Total				319,703.43

1981. Non-adherence to the Public Procurement Act coupled with the fact that goods and services are being procured by COCOBOD for the Clinic resulted in the anomaly.

1982. Failure to seek approval from the Public Procurement Authority could lead to lack of transparency in the procurement of goods, works and services and this could result in undue procurements and procurement of low-quality.

1983. To ensure transparency and value for money in the procurement of goods, works and services, we urged Management to adhere to the procurement laws. We also urged Management to always seek approval from the Public Procurement Authority before embarking on single source procurements.

1984. Management responded that all procurements went through legitimate procurement process and that all approvals were secured through COCOBOD Head Office. Management indicated that COCOBOD and for that matter Cocoa Clinic have been adhering to the provisions in the Procurement Act 663 as amended.

1985. We urged Management to liaise with COCOBOD to provide us with all the documented approvals from the Public Procurement Authority for our verification.

Bonsu Cocoa College

Dilapidated residential Building

1986. Section 52. (1) of Public Financial Management Act, 2016 (Act 921) states, “A Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.”

1987. Our audit inspection of residential accommodation of the college at site 3 noted that blocks number 35A and B and 47 respectively have their roof ripped off by wind and most of the buildings are dilapidated beyond habitation. The occupants have been moved out from the buildings. Pictorial evidence of the buildings has been provided below:

Blocks number 35 A and B with roof ripped off



1988. The Estate Officer indicated to the audit team that a strong wind caused the damage, and that Management has informed COCOBOD Head office through Cocoa Health and Extension Department.

1989. Non-maintenance of the official residence will prevent staffs from getting accommodation and contribute their quota to the overall objective of COCOBOD.

1990. We urged Management of the Bunso Cocoa College as a matter of urgency to contact (CHED) Head Office for the necessary actions to make the buildings habitable or put-up new ones to reduce relatively high cost of repairs.

1991. Management response: “Management have written to COCOBOD requesting for renovation works on Staff bungalow, transit quarters and dormitories.”

IRRIGATION COMPANY OF UPPER REGION LIMITED (ICOUR)

Introduction

1992. This report relates to the audited financial statements of Irrigation Company of Upper Region (ICOUR) Limited for the year ended 31 December 2020.

Financial Performance

1993. The operations of the Company during the year under review recorded a profit of GH¢67,892.11 representing an increase of 629.63% over the 2019 profit of GH¢9,304.97. The performance indicators of the Company for 2020 and 2019 are detailed out in table 313.

Table 313: The performance indicators of the Company for 2020

Income/ Expenditure	2020 GH¢	2019 GH¢	INC/(DEC.) GH¢	% Change
Internally Generated Funds	635,761.00	420,802.82	214,958.18	(51.08)
Government subventions	756,999.22	658,469.23	98,529.99	14.96
GCAP	555,746.93	187,814.25	367,932.68	195.90
Total Income	1,948,507.15	1,267,086.30	681,419.85	53.78
Expenditure				
Personnel cost	813,748.76	668,029.38	145,719.38	(21.81)
Administration and General Expenses	455,686.00	317,647.33	138,038.67	(43.46)
Service activity Expenses	252,148.00	109,133.88	143,014.12	(131.04)
Provision for Depreciation	257,463.28	72,970.74	184,492.54	(252.83)
Provision for doubtful debt	101,569.00	90,000.00	11,569.00	(12.85)
Total Expenditure	1,880,615.04	1,257,781.33	622,833.71	(49.52)
Profit/(Loss) transferred to income surplus	67,892.11	9,304.97	58,587.14	629.63

1994. The Company realised a total income of GH¢1,948,507.15 in the year 2020, GH¢681,419.85 more than the total income of GH¢1,267,086.30 for 2019, representing 53.78% increase in income.

1995. The increase is largely due to significant increase in support from the Ghana Commercial Agriculture Project (GCAP) by 195.90% from GH¢187,814.25 in 2019 to GH¢555,746.93 in 2020.

1996. Total expenditure for the year also increased by GH¢622,833.71 from GH¢1,257,781.33 in 2019 to GH¢1,880,615.04 in 2020 representing a rise of 49.52%

1997. The rise in total expenditure was mainly due to corresponding increases in Administration and General, utilities, advertising and publicity, insurance, licenses, and depreciation expenses.

Financial Position

1998. The Company's statement of financial position as at 31st December 2020 is detailed out in the table 314.

Table 314: The Financial position of the company as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Inc/(Dec) GH¢	% Change
Non- Current Asset	749,933.00	664,646.63	85,286.37	12.83
Current Assets	1,760,127.00	1,632,619.09	127,508.00	7.81
Current Liabilities	197,587.00	268,890.00	(71,303.00)	(26.52)
Net Assets (Financed by)	2,312,473.00	1,933,577.71	378,895.29	19.60
Current Ratio	8.91:1	6.07:1	520,568.66	

1999. Additions to the pool of furniture and equipment during the year led to the 12.83% increase in non-current assets from GH¢664,646.63 in 2019 to GH¢749,933.00 in 2020.

2000. The current assets of the Company also increased from GH¢1,632,619.09 in 2019 to GH¢1,760,127.00 in 2020 representing 7.81% and is attributed to increase in staff advances and cash at bank.

2001. The Company was able to reduce its liabilities significantly by 26.52% from GH¢268,890.00 in 2019 to GH¢197,587.00 in 2020.

2002. The Company's current ratio of 6.07: 1 in 2019 went up further to 8.91:1 in 2020.

2003. The Company is in a position to meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Failure to execute planned audits

2004. Section 83(7) of the Public Financial Management Act, 2016 (Act 921) mandates, the Internal Auditor of a covered entity to submit quarterly reports on the execution of the annual audit work plan to the Principal Spending Officer of the covered entity concerned, the Audit Committee, the Auditor-General and the Director-General of the Internal Audit Agency.

2005. Our review of the internal audit function disclosed that, the internal auditor could not produce his fourth quarter 2020 report.

2006. The internal auditor indicated that his unit was not resourced to carry out its planned audit for the fourth quarter. The Managing Director stated that, the Internal Auditor per a staff assessment carried out by a consultant found the internal auditor not qualified for the post hence the internal auditor has been reassigned. This staff appraisal was however not made available to us.

2007. The lapse does not promote effective assessment of internal controls and weakness that may occur during the operations of the Company.

2008. We recommended that the internal audit unit be fully resourced with both personnel and logistics to enable it function effectively.

2009. Management responded that the staff was retained after the retrenchment exercise and was asked to handle the internal audit duties which the staff tried performing and but could not follow the reporting format. The consultant contracted by the Ghana Commercial Agriculture Program to carry out a staff assessment as part of the process to transform the company into a SME, came out with a confidential Staff Assessment report which did not favor the Internal Auditor; hence he was re-assigned to the position of Business Development officer.

Failure to fully collect rent from tenants – GH¢72,459.00

2010. Regulation 32 of the Public Financial Management Regulations, 2019 (L.I. 2378), enjoins the Managing Director of ICOUR Ltd to take effective steps to collect money due to the Company.

2011. Out of the total rent of GH¢105,507.00 due from tenants, the Company was able to collect GH¢33,048.00 at the time of audit leaving an amount of GH¢72,459.00 uncollected. The summary is provided in table 315.

Table 315: Failure to fully collect rent from tenants

January 2020 opening balance GH¢	Rent for the year GH¢	Total amount due GH¢	Total amount collected GH¢	Rent outstanding as at 31 December 2020 GH¢
74,427.00	31,080.00	105,507.00	33,048.00	72,459.00

2012. The irregularity denies the Company of funds to maintain these buildings.

2013. We recommended to Management to take the needed steps to recover the difference from the defaulters.

Outstanding debts – GH¢1,440,706.00

2014. Section 91 of the Public Financial Management Act, 2016 (Act 921) requires Board of Directors of a public corporation governed by this Act to ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

2015. The Management during the period under review could not ensure that, the Company recovers debts owed by its clients. These debts constituted 57.39 percent of the Company's assets. No significant process has been instituted to include demand notices served on the customers to collect these amounts owed the Company leading to an outstanding debtors' value of GH¢1,440,706.00 at the close of the year.

2016. We also noted that apart from current (2020) invoices previous debts were not being pursued.

2017. Management attributed the situation to weak canal system and inadequate control of water flow to farmers.

2018. Management stated that, most of the debts are over-aged and there are no adequate records to locate these debtors for collection.

2019. The anomaly could lead to loss of revenue.

2020. We recommended that, Management should analyse the total debtors to determine those that are recoverable and recover it or otherwise, seek approval to write off irrecoverable ones off the Company's books.

2021. Management accepted our recommendation and has served demand notices to all its customers who are indebted to the Company.

Failure to obtain Title Deeds to acquired land

2022. Section 7 of the Public Financial Management Act, 2016 (Act 921) requires that, the Principal Spending Officer in the exercise of duties under this Act, establish an effective system of risk management, internal control, and internal audit in respect of the resources and transactions of a covered entity.

2023. We noted however that the Company paid an amount of GH¢8,000.00 for a parcel of land at Gaani in the Kassena Nanakani Municipality on voucher number NBM 11/2 of 17/2/20 for the purpose of installing a solar energy system. However, the Company still have not been able to obtain the legal title to the land.

2024. Management attributed the anomaly to the closure of the customary land office in Navrongo.

2025. The anomaly could lead to future litigations.

2026. We urged Management to rigorously follow up on the registration process.

2027. Management noted our recommendation for compliance.

Encroachment of Company's land

2028. Section 90 of Public Financial Management Act, 2016 (Act 921) mandates, the governing body of state-owned enterprise to establish and maintain policies, procedures, risk management and internal control systems, and governance and management practices, to ensure that, state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which it was established.

2029. During our inspection of the project site in Tono (Gia) and Veaa, we noted that, lands which were acquired by the state for the Company were being encroached by private developers, as buildings, both residential and commercial are put up on the lands.

2030. We attributed the act to lack of clear demarcation of the ICOUR lands and failure on the part of Management to report these acts to appropriate authorities for necessary action.

2031. Management, however, attributed the situation to the traditional rulers and some officials at the survey department who allocate these lands to the developers. They also attributed it to the lack of support from the three MMDA's in the operation area to stop these encroachments.

2032. The encroachment reduces the irrigable land size and could impact negatively on the production of agricultural produce.

2033. We recommended that Management should as a matter of urgency should demarcate these lands and take legal steps to evict the encroachers.

NATIONAL FOOD BUFFER STOCK COMPANY LIMITED

Introduction

2034. This report relates to the audited financial statements of the National Food Buffer Stock Company Limited for the financial year ended 31 December 2020.

Financial Performance

2035. The Company ended the 2020 financial year with a net profit of GH¢1,739,083. This result compared with a net profit of GH¢4,342,344 recorded in 2019 representing a 60.0% deterioration in the financial performance of the Company during the year. The detailed operational performance indicators are shown in table 136.

Table 316: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	516,078,284	441,459,616	74,618,668	16.9
Other Income	561,558	1,853,326	(1,291,768)	(69.7)
Total Income	516,639,842	443,312,942	73,326,900	16.5
Expenditure				
Cost of Sales	498,517,570	432,618,335	65,899,235	15.2
General and Administrative Expenses	8,246,672	5,150,456	3,096,216	60.1
Finance Cost	7,542,605	1,201,806	6,340,799	527.6
Total Expenditure	514,306,847	438,970,597	75,336,250	17.2
Profit/ (Loss) before tax	2,332,995	4,342,345	(2,009,350)	(46.3)
Taxation	593,912	-	593,912	100
Net Profit/ (Loss)	1,739,083	4,342,345	(2,603,262)	(60.0)

2036. Total Income for the Company improved by 16.5%, from GH¢443,312,942 in 2019 to GH¢516,639,842 in 2020. This was mainly due to an increase of GH¢74,618,668 or 16.9% in the Revenue generated from the Company's operations.

2037. Total Expenditure similarly increased by 17.2% from GH¢438,970,597 in 2019 to GH¢514,306,847 in 2020. This was attributable to a 15.2% or GH¢65,899,235 rise in the Cost of Sales, a rise of 60.1% or GH¢3,096,216 in General and Administrative Expenses and a 527.6% or GH¢6,340,799 rise in Finance Costs.

Financial Position

2038. The financial position of the Company for the year ended 31 December 2020 is summarised in table 317.

Table 317: Statement of financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	2,421,817	2,377,408	44,409	1.9
Current Assets	137,629,403	146,091,267	(8,461,864)	(5.8)
Current Liabilities	124,436,397	133,523,860	(9,087,463)	(6.8)
Net Current Assets	13,193,006	12,567,407	625,599	5.0
Net Assets	15,614,823	14,944,815	670,008	4.5
Current Ratio	1.11:1	1.09:1		

2039. Non-Current Assets increased slightly by GH¢44,409 or 1.9% from GH¢2,377,408 in 2019 to GH¢2,421,817 in 2020. Interest accrued on investments (GH¢312,472) and additions made to the Property, Plant and Equipment (GH¢108,934) during the year accounted for the increase.

2040. Current Assets, however, fell by 5.8% from GH¢146,091,267 in 2019 to GH¢137,629,403 in 2020. The decline in the value of Current Assets was caused by a reduction of GH¢ 5,307,323 in the Cash and Bank and GH¢3,154,542 in the Accounts Receivables during the year.

2041. Current Liabilities also reduced by GH¢9,087,463 or 6.8% during the period under review from GH¢133,523,860 in 2019 to GH¢124,436,397 in 2020. A reduction of GH¢37,652,752 or 48.1% in the accounts payable which exceeded increases of GH¢26,820,830 and GH¢1,744,459 in the bank overdraft and current tax liability respectively accounted largely for the drop.

2042. The Company's current ratio during the period remained stable at 1.11:1 (2019 – 1.09:1). Management should take measures to improve the current ratio to an appreciable level.

MANAGEMENT ISSUES

Failure to Deduct and Pay Withholding Taxes – GH¢7,642.72

2043. Section 117 of the Income Tax Act, 2015 (Act 896) states that, a withholding agent shall pay to the Commissioner a tax that has been withheld or that should have been withheld under this subsection within fifteen days after the end of the month in which the payment subject to withholding tax was made by the withholding agent. It further stipulates that a withholding agent who fails to withhold tax in accordance with this Division shall pay the tax that should have been withheld in the same manner and at the same time as tax that is withheld.

2044. Our audit disclosed that Management did not deduct withholding taxes totalling GH¢7,642.72 on the purchase of goods and services worth GH¢114,016.85. Details are in table 318.

Table 318: Failure to Deduct and Pay Withholding Taxes

S/N	Date	PV No.	Cheque No.	Payee	Details	Amount	WHT
Media and Communication							
1	17/08/2020	198	3024	Arhin System Engineering	Payment of intercom	2,530.00	75.90
Vehicle Maintenance							
2	22/01/2020	8	935017	West Africa Tire Service	Being payment of vehicle repairs	8,817.00	661.28
3	31/01/2020	16	935025	Benson Kokoro Auto mechanic	Being payment for tyres	9,000.00	270.00
4	31/01/2020	20	935029	Johnko Auto Works	Being payment of vehicle repairs	30,812.90	2,310.97
5	31/01/2020	26	935035	Stoubos Ltd	Being payment for vehicle repairs	1,520.00	114.00
6	03/08/2020	198	935170	Benson Kokoro Auto mechanic	Pty of tyres	7,650.00	229.50
7	20/08/2020	15	935174	Stoubos Ltd	Vehicle servicing	1,560.00	117.00
8	31/08/2020	222	935187	Benson Kokoro Auto mechanic	Benson Kokoro-Payment for vehicle services	3,700.00	277.50
9	31/08/2020		935188	Stoubos Ltd	Vehicle servicing	1,160.00	87.00
10	15/10/2020		935228	Abdulia Saani	Payment for repairs	606.00	-
11	23/10/2020	310	935241	WUN-YAA AUTOMOBILE	VEHICLE REPAIRS	1,860.00	139.50
12	30/11/2020	353	935272	Stoubos Ltd	VEHICLE REPAIRS	2,690.00	201.75
13	30/11/2020	354	935273	Benson Kokoro Auto mechanic	Vehicle Repairs	14,810.95	1,110.82
14	01/12/2020	362	935278	SADAT CAR ACCESSORIES ENT	Vehicle repairs	17,500.00	1,312.50
15	21/12/2020	353	935293	WUN-YAA AUTOMOBILE		2,850.00	213.75
Office Equipment and Repairs							

16	17/04/2020	76	935079	Rabbie Technical Services	Being payment of photocopier repairs and toner	3,440.00	258.00
17	25/06/2020	165	935149	Rabbie Technical Services	Being payment of maintenance on office equipment	3,510.00	263.25
Total						114,016.85	7,642.72

2045. The infractions resulted from the lack of understanding of the Income Tax Act, 2015 (Act 896).

2046. This infraction has denied the Government of Ghana the needed tax revenue for its activities. The Company also risks paying penalties.

2047. We recommended that Management should immediately pay the GH¢7,642.72 to Ghana Revenue Authority and retrieve the same from the relevant suppliers or service providers. We also urged Management to ensure that staff at the Accounts Department are trained on Act 896.

Payments without Supporting Documents – GH¢136,929.60

2048. Regulation 78 of the Public Financial Management Regulations, 2019 (LI. 2378) provides that, a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity the validity, accuracy, and legality of the claim for the payment and that evidence of services received, certificate for work done and any other supporting documents exists.

2049. We noted during our review of payment vouchers that 26 payment vouchers amounting to GH¢136,929.60 were not supported with receipts, works orders and certificates of completion of work done certified by the department head or an appointed officer. Details are provided in table 319.

Table 319: Payments without supporting Documents

Date	PV No.	Cheque No.	Payee	Details	Amount GH¢	Comment
17/04/2020	75	935078	Print Bureau	Being payment of printing for covid 19 operations	2,340.00	Receipts not attached
24/04/2020	88	935100	2NFJ Ventures	Being payment of stationeries	1,561.00	Receipts not attached
25/06/2020		935148	Print Bureau	Being payment of printing works	5,300.00	Receipts not attached
14/12/2020	369	935279	Print Bureau	-printing	1,081.00	Supplier receipt not attached.
29/12/2020		935300	Print Bureau	Being payment of printing	22,000.00	No Receipt Attached
31/12/2020	363	935304	2NFJ Ventures	Being payment of toiletries and stationaries	3,521.10	No Receipt Attached

08/09/2020	243	935197	Arnold Ackah	SOM-pty of setting up basic IT infrastructure	4,944.00	No Receipt Attached
23/10/2020	304	583485	Compu Ghana	Purchase of Hard drive	570.00	No receipt attached
29/01/2020	10	935019	Rabbie Technical Services	Being payment for photocopier repairs	5,740.00	No Receipt Attached
25/02/2020	46	935052	Ghana Oil Company Limited	Being payment of coupons	15,000.00	Monitoring Report not attached.
25/06/2020	161	935144	Ghana Oil Company Limited	Being fuel for monitoring evaluation exercises	20,000.00	Monitoring Report not attached.
13/07/2020	157	582990	Ghana Oil Company Limited	Fuel for monitoring	10,000.00	Monitoring Report not attached.
30/09/2020	263	935209	Ghana Oil Company Limited	Being payment of coupons	8,500.00	Monitoring Report not attached.
21/12/2020	346	935286	Ghana Oil Company Limited	Being payment of coupons	8,500.00	Monitoring Report not attached.
31/08/2020	209	935176	Rebecca Mensah	HR-pty for training of staff at the head office	2,000.00	Receipts not attached
25/02/2020	36	935042	Kofi Amankwah	Being payment of official trip Kumasi	1,605.00	Flight receipt not attached.
02/03/2020	47	935053	Jatikay Initiative	Being payment of installation of CCTV	3,347.50	No receipt attached
12/10/2020	280	935224	Look and Pick Co. Ltd	Pty of repair works	1,130.00	No receipt attached
30/11/2020	368	935275		SKILLFULL TECHNICAL SERVICE	3,200.00	No receipt attached
16/03/2020	56	935059	3J's Pharmacy	Being payment of vitamin c	2,160.00	Receipts not attached
17/03/2020	58	935061	3J's Pharmacy	Being payment of hand sanitizers	1,080.00	Receipts not attached
23/03/2020	70	935074	Accounts Dept	Being payment of infrared thermometer and transportation	2,500.00	Receipts not attached
22/07/2020	183	582995	Official trip/bookshelf /printing bureau	Being payment for the supply of food items	4,850.00	Receipts not attached
05/05/2020	109	935112	Head Of Operations	Being payment of metal works as the head office	1,000.00	Receipts not attached
16/09/2020	255	935203	Mwenso Kaatar	-refund for an accident payment	1,000.00	Receipts not attached
19/11/2020	340	935257	Tamale	Per diem for 3 chiefs	4,000.00	No Attendance Sheet
Total					136,929.60	

2050. We attributed this anomaly to failure of management to ensure that all payment vouchers are supported before payments are effected.

2051. We were therefore unable to confirm whether payments were made in the interest of the Company.

2052. We recommended to Management to ensure that all 26 payments vouchers are supported to account for the funds released, failing which, the finance officer will have to refund the amount of GH¢136,929.60 to government chest.

2053. In response, management said it would make the supporting documents for the relevant payment vouchers available for verification by the audit team.

MINISTRY OF JUSTICE AND ATTORNEY-GENERAL'S DEPARTMENT

ECONOMIC AND ORGANISED CRIME OFFICE

Introduction

2054. This report relates to the audited financial statements of Economic and Organised Crime Office year ended 31 December 2020.

Financial Performance

2055. The office recorded a deficit of GH¢306,223.89 in 2020 financial year as compared with a deficit of GH¢762,348.97 recorded in 2019, representing an improvement by 59.8%. The details of the operational results are shown in the table 320.

Table 320: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Changes
Government Subvention	23,420,113.90	20,957,168.77	2,462,945.13	11.8
Other Income	3,185,609.13	209,005.85	2,976,603.28	1,424.2
Total Income	26,605,723.03	21,166,174.62	5,439,548.41	25.7
Expenditure				
Employees Compensation	22,404,455.76	19,726,942.31	2,677,513.45	13.6
Goods and Services	4,507,491.16	2,201,581.28	2,305,909.88	104.7
Total Expenditure	26,911,946.92	21,928,523.59	4,983,423.33	22.7
Surplus/(Deficit)	(306,223.89)	(762,348.97)	456,125.08	(59.8)

2056. The total income increased by 25.7% or GH¢5,439,548.41, from GH¢21,166,174.62 in 2019 to GH¢26,605,723.03 in 2020. The increment in

total income was due to the increases in both Government Subvention and other income by 11.8% and 1,424.2% respectively.

2057. Total expenditure incurred in 2020 amounted GH¢26,911,946.92 as against GH¢21,928,523.59 in 2019, an increase of 22.7%. This was as a result of 13.6% increase in Compensation and 104.7% increase in Goods and Services. The increase in Goods and Services was mainly due to an increase in payment of Other Allowances which recorded GH¢871,235.88 in 2020 as against GH¢468,543.74 in 2019.

Financial position

2058. The Organisation's financial position as at 31 December 2020 is summarised in table 321.

Table 321: Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Changes
Non-Current Assets	4,564,259.37	5,257,574.27	(693,314.90)	(13.2)
Current Assets	11,445,496.19	7,845,945.10	3,599,551.09	45.9
Total Assets	16,009,755.56	13,103,519.37	2,906,236.19	22.2
Accumulated Fund	4,869,733.23	5,175,957.12	(306,223.89)	(5.9)
Current Liabilities	82,920.68	122,414.31	(39,493.63)	(32.3)
Long-Term Liabilities	11,057,101.65	7,805,147.94	3,251,953.72	41.7
Total Accumulated Fund & Liabilities	16,009,755.56	13,103,519.37	2,906,236.20	22.2
Liquidity Ratio	138.03:1	64.1:1		

2059. Non-Current Assets decreased from GH¢5,257,574.27 in 2019 to GH¢4,564,259.37 in 2020, representing a decrease of 13.2 %. The decrease was mainly due to depreciation of GH¢1,003,893.34 charged for the year.

2060. The Current Assets registered an increase of 45.9% from GH¢7,845,945.10 in 2019 to GH¢11,445,496.19 in 2020. The increase was as a result of increase in Cedi Exhibit Account balances.

2061. Current liabilities decreased from GH¢122,414.31 in 2019 to GH¢82,920.68 in 2020, representing to a decrease of 32.3%.

2062. The Long-Term Liabilities which represent Exhibit held awaiting court ruling increased by 41.7%% from GH¢7,805,147.94 in 2019 to GH¢11,057,101.65 in 2020.

2063. The office's liquidity position as measured by current ratio of 64.1:1 in 2019 increased in the current year to 138.03:1, showing that the office has improved its ability to meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Unbudgeted and Unplanned Procurements – GH¢95,718.48

2064. Section 25 of the Public Financial Management Act, 2016 (Act 921) requires that, a Principal Spending Officer shall maintain records of all financial commitments chargeable to each appropriation or item of expenditure in respect of a covered entity and ensure that each commitment or expenditure is in accordance with the commitment control system prescribed under the Regulations.

2065. Our review of the 2020 financial year budget estimates and the Procurement Plan of the Office disclosed that items worth GH¢95,718.48 procured, were either not captured at all in the budget and the Procurement Plan or not accurately budgeted and planned for. Details are shown in table 322.

Table 322: Unbudgeted and Unplanned Procurements

Items	Qty	Budget Estimates GH¢	Qty	Procurement Plan GH¢	Actual Procurement GH¢	Qty	Unbudgeted Amount GH¢
Desktop Computers	35pcs	105,000.00	35pcs	105,000.00	145,145.60	50pcs	40,145.60
650va UPS	15pcs	12,000.00	15pcs	12,000.00	27,184.50	50pcs	15,184.50
Laptop Computers	Nil	Nil	Nil	Nil	40,388.38	16pcs	40,388.38
Total							95,718.48

2066. Management attributed the cause to donations and other support from some institutions which was not anticipated during the budget preparation.

2067. Lack of proper planning and budgeting could lead to misapplication of funds and unwarranted expenditures which could result in budget overrun.

2068. We recommended that Management should ensure that the Budget Unit of EOCO is properly constituted, and the Procurement Unit is decoupled from the Finance department with clearly defined job description and responsibilities in order to prepare a realistic budget and procurement plan for the organisation.

2069. Management accepted the recommendations of establishing a budget unit with clearly defined job description and responsibilities for the preparation of realistic budget.

COPYRIGHT OFFICE

Introduction

2070. This report relates to the audited financial statements of Copyright Office for the two years ended 31 December 2020.

Financial Performance

2071. The Copyright Office ended the year 2020 with a surplus of GH¢672,664 as against a deficit of GH¢109,892 recorded in 2019 showing a 712.1% improvement in financial performance. Details are shown in table 323.

Table 323: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
GOG	5,040,129	7,656,041	(2,615,912)	(34.2)
IGF	181,928	330,402	(148,474)	(44.9)
Other Income	-	19,546	(19,546)	(100.0)
Total Revenue	5,222,057	8,005,989	(2,783,932)	(34.8)
Expenditure				
Compensation of Employees	713,640	451,995	261,645	57.9
Goods and Services	277,154	618,781	(341,627)	(55.2)
Consumption of Fixed Asset	16,011	16,482	(471)	(2.9)
Other Payment	3,542,588	7,028,623	(3,486,035)	(49.6)
Total Expenditure	4,549,393	8,115,881	(3,566,488)	(43.9)
Surplus/(Deficit)	672,664	(109,892)	782,556	(712.1)

2072. Total revenue decreased from GH¢8,005,989 in 2019 to GH¢5,222,057 in 2020. The decrease was largely due a reduction in GoG Subvention by GH¢2,615,912 or 34.2%.

2073. Total expenditure equally decreased by 43.9% from GH¢8,115,881 in 2019 to GH¢4,549,393 in 2020. The decrease was mainly due to a drop in other payments from GH¢7,028,623 in 2019 to GH¢3,542,588 in 2020 representing 49.6%. Among the other payments were expenses for Copy Ghana, Ghana Music Rights Organization and Joint Collective Management activities.

Financial Position

2074. The Office's financial position as of 31 December 2020 is provided in Table 324.

Table 324: Statement of Financial Position as at 31 December 2020

Item	2020 GH¢	2019 GH¢	Variance GH¢	% Change
Non-Current Assets	406,034	391,243	14,791	3.8
Current Assets	1,043,582	332,922	710,660	213.5
Current Liabilities	408,199	355,411	52,788	14.9
Current Ratio	2.6:1	0.9:1		

2075. Non-Current Assets increased marginally by 3.8% from GH¢391,243 in 2019 to GH¢406,034 in 2020. The rise was due to additions of property, plant & equipment in 2020.

2076. Current Assets increased by GH¢213.5% or GH¢710,660 from GH¢332,922 in 2019 to GH¢1,043,582 in 2020. The increase was primarily due to increase in cash and cash equivalent.

2077. Current Ratio in 2019 of (0.9:1) improved in the current year to 2.6:1 from 0.9:1 in 2019. This indicates the ability of the Office to meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Absence of Internal Audit Unit

2078. Part II, Section 16(1) of the Internal Audit Agency Act, 2005 (Act 658) states, “there shall be established in each MDA and MMDA, an internal audit unit which shall constitute a part of the MDA or MMDA”.

2079. Management of the Office has not established an Internal Audit Unit permanently to ensure effective and efficient internal control systems in the Office, even though Internal Auditors from The Ministry of Justice visit the Office at regular intervals.

2080. Management’s failure to adhere to the above quoted regulations contributed to the anomaly.

2081. The absence of an Internal Audit Unit, which is a key component of internal controls systems, would not help Management to promptly detect errors, commissions, omissions, and irregularities for early rectification.

2082. We recommended that Management should step up efforts to establish an Internal Audit Unit in accordance with the Act to ensure sound financial practices in the Office.

2083. Management responded that the Office has requested the Office of the Head of Civil Service to post an Internal Auditor but that is yet to be done.

Challenges with the mandate of Copyright Office

2084. Section 66 of the Copyright Act, 2005 (Act 690) outlines the object and functions of the Copyright Office as follows:

- 1) The Copyright Office is responsible for the administration of copyright
- 2) In pursuance of its object the Copyright shall:
 - a) implement copyright and copyright related laws and regulations and provide for copyright administration;
 - b) investigate and redress cases of infringement of copyright, and settle disputes of copyright where those disputes have not been reserved for settlement by the Copyright Tribunal;
 - c) be responsible for the administration of external copyright relations;
 - d) administer copyrights of which the State is the Owner;
 - e) carry out other duties in relation to copyright administration.

2085. We noted during our audit that the Copyright office may not be sustained to execute its object or the mandate soon, if the under-listed challenges are not addressed.

- **Inadequate budgetary allocations:** The Office is unable to deliver its mandate nationwide due to insufficient resources to make an impact throughout the country. Resources are also needed to complete the rehabilitation of the Accra Office and acquisition of a permanent office space for the regional office in Kumasi.
- **Understaffing:** The Office has not been able to recruit or replace staff for many years even though the office has been budgeting for it every year. The Office needs two (2) lawyers, one (1) Administrative officer, one (1) Human Resource officer, one (1) Documentation and Research Officer and other personnel with specialised expertise to be able to pursue its activities and programmes effectively across the country.
- **Inadequate offices across the country:** The Copyright Office currently has only two operational office locations – Accra and Kumasi. Adequate funding is required to open zonal and regional offices to improve accessibility across the country.
- **Inadequate logistics:** The Office lacks state-of-the-art computerised infrastructure for storing registered copyright works, and the automation of the registration process. Additionally, the Kumasi regional office has no vehicle, while the vehicles at the head office are overaged.

2086. Lack of the budgetary support and low-income generation sources contributed to these challenges.

2087. The challenges may render the object or mandate of the Office unachievable if measures are not taken to save the situation.

2088. To ensure that the Copyright Office is transformed into a viable and sustainable organization, we recommended that the Acting Administrator together with the Office of the Attorney General and Ministry of Justice should come out with a comprehensive plan to deal with the challenges. We again recommended that Management in consultation with the Ministry should seek for funds from the government to assist in addressing the challenges of the office.

2089. Management responded that they have taken note and would take up the matter with the Office of Attorney-General and Ministry of Justice.

LEGAL AID COMMISSION

Introduction

2090. This report relates to the audited financial statements of Legal Aid Commission for the three years ended 31 December 2019.

Financial Performance

2091. The Commission registered a deficit of GH¢373,795.61 at the end of 2019 financial year against a Surplus of GH¢408,341.32 in 2018 representing 191.54% reduction. The performance indicators of the Commission are detailed in Table 325.

Table 325: Statement of Income for the year ended 31 December 2019

Income	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
GOG Subvention	5,881,948.05	9,621,427.25	(3,739,479.20)	(38.9)
Internally Generated Fund	25,093.10	30,795.60	(5,702.50)	(18.5)
Donation	0	5,000.00	(5,000.00)	(100)
Total Income	5,907,041.15	9,657,222.85	(3,750,181.70)	(38.8)
Expenditure				
Compensation of Employees	5,843,789.33	8,771,721.44	(2,927,932.11)	(33.4)
Goods & Services	317,166.91	452,542.09	(135,375.18)	(29.9)
Consumption of non-current asset	119,880.52	24,618.00	95,262.52	386.96
Total Expenditure	6,280,836.76	9,248,881.53	2,968,044.77	(32.1)
Surplus/ (Deficit)	(373,795.61)	408,341.32	(782,136.93)	(191.54)

2092. Total income decreased by 38.8% from GH¢9,657,222.85 in 2018 to GH¢5,907,041.15 in 2019. The decrease was because of non-payment of salary arrears in 2019.

2093. Total expenditure also decreased by 32.1% from GH¢9,248,881.53 in 2018 to GH¢6,280,836.76 in 2019. The decrease was due to reduction in subvention for compensation of employees in 2019.

Financial Position

2094. The Financial Position of Commission as of 31 December 2019 is shown in table 326.

Table 326: Financial Position as at 31st December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Change GH¢	% GH¢
Non-Current Assets	72,548.32	192,428.94	(119,880.62)	(62.3)
Current Assets	38,579.66	292,580.15	(254,000.49)	(86.8)
Total Assets	111,127.98	485,009.09	(373,881.11)	(77.1)
Current Liabilities	0	85.5	(85.5)	(100)
Net Assets/Liabilities	111,127.98	484,923.59	(373,795.61)	(77.1)
Liquidity ratio		3,422: 1		

2095. Non-Current Assets decreased by 62.30%, from GH¢192,428.94 in 2018 to GH¢72,548.32 in 2019. The reduction was as a result of depreciation charge during the period and disposal of some assets.

2096. Current Assets went down by 86.8% from GH¢292,580.15 in 2018 to GH¢38,579.66 in 2019. The reduction was due to withdrawal from the bank for payment of allowances in respect of 2018 in 2019.

2097. The Commission did not record any Current Liabilities in 2019 as against a 2018 figure of GH¢85.50.

2098. Liquidity position of the Commission remains strong as the Commission did not record any current liability during 2019 financial year.

MANAGEMENT ISSUES

Failure to Lodge Gross Amount – GH¢6,021.00

2099. Regulation 50 of Public Financial Management Regulations, 2019 (L.I. 2378) stipulates that, (1) All public moneys collected shall be paid in gross into Public Funds Accounts and a disbursement shall not be made from the moneys collected except as provided by an enactment. (2) A person who makes disbursement from public moneys collected in contravention of sub regulation (1) is in breach of Section 96 of the Act.

2100. Contrary to the above Regulation, we noted during the review of Commission's revenue collections that out of GH¢18,597.00 collected only GH¢12,576.00 was lodged leaving an amount of GH¢6,021.00 not lodged into the project bank accounts. Details are shown in table 327.

Table 327: Failure to Lodge Gross Amount

Collection Period	Date Banked	Difference in Payment Days	Receipts	Total Amounts GH¢	Amount Banked GH¢	Shortage GH¢
13/02 - 21/02	22/02/2017	7	9108508 - 591	490.00	280.00	210.00
27/03 - 07/03	8/3/2017	7	9108718 - 789	355.00	280.00	75.00
2/5 -10/05	11/5/2017	7	9107496 - 500	550.00	220.00	330.00
			9109701 - 777			
23/05 - 01/06	2/6/2017	8	9109894 - 991	485.00	245.00	240.00
6/6/ - 13/06	14/06/2017	6	9110019 - 098	350.00	330.00	20.00)
19/06 - 27/06	28/06/2017	7	9110316 - 407	460.00	360.00	100.00
10/07 - 18/07	19/07/2017	7	9110703 - 821	595.00	380.00	215.00
19/07 - 28/07	31/07/2017	8	9110822 - 919	1,220.00	295.00	925.00
23/08 -30/08	31/08/2017	6	9111106 - 166	305.00	225.00	80.00
31/08 - 05/09	6/9/2017	4	9111167 - 209	215.00	205.00	10.00
11/12 - 15/12	18/12/2017	5	14668511 - 560	282.00	216.00	66.00
18/12 - 21/12	-		14668561 - 584	120.00	-	120.00
						2,391.00

Collection Period	Date Banked	Difference in Payment Days	Receipts	Total Amounts GH¢	Amount Banked GH¢	Shortage GH¢
05/03 - 21/03	22/03/2018	13	14641308 - 500	1,025.00	735.00	290.00
			14670001 - 014			
28/03 - 04/04	5/4/2018	5	14670049 - 093	225.00	190.00	35.00
17/04 - 02/05	3/5/2018	13	14641593 - 859	820.00	615.00	205.00
07/05 -14/05	15/05/2018	6	14641888 - 286	490.00	410.00	80.00
25/06 - 29/06	3/7/2018	4	14640803 - 867	315.00	300.00	15.00
03/07 - 06/07	9/7/2018	4	14640868 - 918	255.00	250.00	5.00
23/07 - 30/07	31/07/2018	6	17254251 - 347	485.00	405.00	80.00
31/07 - 06/08	7/8/2018	5	17254348 - 419	355.00	345.00	10.00
14/08 - 22/08	23/08/2018	6	17254488 - 500	490.00	395.00	95.00
			17254701 - 785			
23/08 - 28/08	29/08/2018	4	17254786 - 840	290.00	215.00	75.00
03/09 - 07/09	10/9/2018	5	17254865 - 929	425.00	420.00	5.00
10/09 - 12/09	13/09/2018	3	17254930 - 989	300.00	25.00	275.00
29/10 - 2/11	5/11/2018	5	17255656 - 724	345.00	340.00	5.00
19/11 - 26/11	27/11/2018	6	17255796 - 960	415.00	380.00	35.00
3/12 - 10/12	11/12/2018	5	17256011 - 106	475.00	275.00	200.00
						1,410.00

Collection Period	Date Banked	Difference in Payment Days	Receipts	Total Amounts GH¢	Amount Banked GH¢	Shortage GH¢
14/01 - 23/01	24/01/2019	8	17256291 - 409	615.00	400.00	215.00
28/01 - 01/02	4/2/2019	5	17256444 - 524	430.00	425.00	5.00
04/02 - 11/02	12/2/2019	6	17256525 - 631	560.00	425.00	135.00
18/02 - 22/02	25/02/2019	5	17256685 - 750	330.00	325.00	5.00
23/04 - 29/04	30/04/2019	5	17257491 - 500	415.00	315.00	100.00
			701 - 773			
20/05 - 27/05	28/5/2019	6	17258185 - 256	360.00	315.00	45.00
1/07 - 05/07	8/7/2019	5	17259499 - 591	460.00	450.00	10.00
29/07 - 02/08	6/8/2019	5	17259208 - 289	410.00	170.00	240.00
26/08 - 4/09	5/9/2019	8	17258761 - 800	625.00	370.00	255.00
7/10 - 11/10	14/10/2019	5	3394028 - 100	370.00	365.00	5.00
28/10 - 4/11	5/11/2019	6	3394254 - 300	410.00	305.00	105.00
			3394801 - 835			
5/11 - 11/11	12/11/2019	5	3394836 - 900	420.00	375.00	45.00
			3395101 - 112			
2/12 - 23/12	-		3395023 - 100	1,055.00		1,055.00
			201 - 300			
			501- 506			
Total						2,220.00

2101. The Accountant's disregard for the above regulation occasioned the anomaly.

2102. Failure to lodge gross amount into the Project Funds Accounts before disbursement may result in teeming and lading.

2103. We advised Management to ensure that the shortage of GH¢6,016.00 is recovered from the cashier and lodged into the commission's account for our verification.

2104. Management accepted our recommendation and stated that steps would be taken to investigate the shortage and report findings accordingly.

Expenditure without supporting documents - GH¢25,168.05

Regulation 78 of Public Financial Management Regulations, 2019 (L. I. 2378) states that a principal spending officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy and legality of the claim for the payment and that evidence of services received, certificates for work done and any other supporting document exist:

2105. Our examination of the payment vouchers disclosed that, the Principal Accountant did not attach supporting documents like memos and receipts to the under stated payment vouchers to the tune of GH¢25,168.05 during the period under review. Details are stated in table 328.

Table 328: Expenditure without supporting documents

Date	P V No.	Payee	Details	Amount GH¢
13/6/17	438	Head of Civil Service	IPPD workshop	205.00
28/8/18	174	Director-LAS	Workshop	2,000.00
Total		Un-Accounted Expenditure		2,205.00
No Receipt				
Date	PV No	Name	Details	Amount GH¢
05/04/2017	25	Director-LAS	Staff development	2,850.00
05/01/2017	14	Northern Region-LAC	Maintenance & repairs	2,705.00
"	P11	GRA	income tax	953.40
11/12/2017	43	GRA	withholding tax	229.13
"	42	Mcgrays	cost of 6 tonner catridges purchased	2,917.52
13/11/2017	55	GRA	withholding tax	520.00
26/09/2018	23	Head of Admin.	cleaning materials	853.00
16/07/2018	14	Annewetey Auto Parts	topup to purchase car battery	200.00
10/07/2018	12	LAS-Eastern	accountable imprest	2,000.00
06/06/2018	77	Samuel Nyamekye	labour cost for fan fixing for 4 persons	200.00
"	74		conference cost	2,500.00
21/05/2018	68	Director	telephone charges	150.00
17/05/2018	66	Director	refreshment	183.00
"	57	Samadu Mahama	running cost	1,080.00
05/12/2019	248	telephone charges	Head of Admin./Board Sec.	1,200.00
10/09/2019	175	telephone charges	Head of Admin./Board Sec.	400.00
07/11/2019	222	acquisition of land	Director-Koforidua	2,040.00
17/10/2019	215	repairs & renewals	District Officer-Dodowa	512.00
10/09/2019	176	accident on Kasoa road	Ebenezer Amamoo	720.00
10/09/2019	175	telephone charges	Head of Admin./Board Sec.	400.00
04/03/2019	053	workmanship- painting	The Director-LAS, Accra	350.00
Total				22,963.05

2106. The above anomaly resulted from control weakness exercised over payments of claims and for goods and services.

2107. This anomaly makes it difficult to confirm whether payments made were genuine and the funds were used for the intended purpose.

2108. We recommended that the Head of Accounts should ensure that memos and receipts are attached to the payment vouchers and inform our office for verification.

2109. The Head of Accounts has been tasked to attach memos and receipts to the affected payment vouchers for inspection.

Unreceipted allowances – GH¢47,618.18

2110. Section 7 of Public Financial Management Act, 2016 (Act 921) states that, A Principal Spending Officer of a covered entity shall: (a) ensure the regularity and proper use of money appropriated in that covered entity; (c) manage the resources received, held or disposed of by or on account of the covered entity.

2111. We noted that, an amount of GH¢47,618.18 purported to have been paid to regional officers of the Commission were not acknowledged with receipts. Details are shown in table 329.

Table 329: Unclaimed allowances

Date	PV. No./Chq. No.	Name	Amount GH¢
25/10/2018	255	Abetifi-E/R	500.00
		Begoro	500.00
		Asesewa	500.00
		Kibi	500.00
		New Abirem	500.00
		Yendi	500.00
		Bimbila	500.00
		Bawku	500.00
		Zebila	500.00
		Nadowli	500.00
		Tumu	500.00
		Lawra	500.00
		Denu	500.00
25/10/2018	254	Eastern	2,000.00
"		Volta	2,000.00
"		Upper East	2,000.00
"		Upper West	2,000.00
"		Kumasi	2,000.00
"		Central	2,000.00
"		Northern	2,000.00
24/07/2018	155	IsrealZiggah	3,090.91
"		Augustine D. Agyare	3,090.91
"		Hawa Esi Obosu	3,090.91
"		Joseph Famiyeh	3,090.91
26/07/2018	145	Eugene Ofosuhene	225.00
26/7/2018		Justice Anim	225.00
31/05/2018	91	Philip A. Boateng	1,381.42
"		Edusei A. Sadik D.	3,166.39
"		Kingsley Botchway	2,851.05

"		Hannah O. Afriyie	1,963.19
"		Awal Sayibu M.	3,102.64
"		Wilhemina Afrifa	1,839.85
Total			47,618.18

2112. We attributed this lapse to poor supervision by the Principal Accountant over the paying officer.

2113. Officers' failure to acknowledge receipts for payments does not confirm the genuineness of the payments.

2114. We recommended that, the Principal Accountant should strengthen his supervisory role over the cashier's activities. Notwithstanding, the Principal Accountant should ensure that the payments are acknowledged by the officers involved and inform our office for verification, failure of which the total amount of GH¢47,762.18 shall be refunded by the authorising officers.

2115. Management responded that the Principal Accountant has been tasked to ensure that payments made to the affected officers are duly acknowledged.

Payment Vouchers not presented – GH¢4,862.68

2116. Regulation 78 of Public Financial Management Regulations, 2019 (L.I. 2378) stipulates that, a principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy and legality of the claim for the payment and that evidence of services received, certificates for work done and any other supporting document exist.

2117. We noted that, two (2) payment vouchers amounting to GH¢4,862.68 were not submitted for audit. Details are shown in table 6.

Table 6: Payment Vouchers Not presented

Date	PV No.	Details	Payee	Amount GH¢
01/11/2017	106	Medical expenses	Noah Tettey	182.68
25/01/2018	1	Board Committee Allowance	Board members	4,680.00
Total				4,862.68

2118. Improper filing and poor record keeping contributed to this anomaly resulting in our inability to establish the occurrence and accuracy of the expenditure.

2119. We recommend that Management should ensure that, filling is orderly made and also take the necessary steps to produce these payment vouchers for our examination or the said amount shall be recovered from the authorising and paying officers.

2120. Management responded that it would take steps to implement the recommendations made.

Unplanned Procurements - GH¢717,600.00

2121. Section 21 of Public Procurement Act, 2003 (Act 663) as amended, states that, a procurement entity shall prepare a procurement plan to support its approved programme and the plan shall indicate the contract packages, the estimated cost for each package, the procurement method, and the processing steps and times.

2122. Section 7 of the Public Procurement (Amendment) Act, 2016 (Act 914) also states “A procurement entity shall submit to its entity tender committee not later than one month to the end of the financial year the procurement plan for the following year for approval and shall post the procurement plan on the website of the Authority”.

2123. Section 7 of Act 914 further states, “After budget approval and at quarterly intervals, a procurement entity shall submit an update of the procurement plan to the entity tender committee and shall post the update of the procurement plan on the website of the Authority”.

2124. Our review of the Commission’s approved budget and procurement plan disclosed that, Management authorised the procurement of goods and services worth GH¢543,600.00 in 2018 and GH¢174,000.00 in 2019 that were not captured in the procurement plan of the Commission. Details are shown 330.

Table 330: Unplanned Procurements

Budgeted items that are not found in the Procurement work plan 2018 and 2019	
Activity	Amount GH¢
2018	
Telecommunication	29,100.00
Postages	12,000.00
Electricity charge	122,800.00
Water	40,000.00
Cleaning materials	14,700.00
Sanitation charges	10,000.00
Fuel and Lubricants	70,000.00
Local travel cost	18,000.00

Refreshment items	12,000.00
Public Education and sensitization	5,000.00
Staff Development	10,000
Local consultants' fees	200,000.00
Total	543,600.00
2019	
Running Cost of Official vehicles	20,000.00
Other travel and transportation	6,000.00
Other night allowance	5,000.00
Local travel cost	5,000.00
Recruitment Expenses	15,000.00
Staff development	18,000.00
Public education and sensitization	25,000.00
Local consultants' fees	80,000.00
Total	174,000.00
Grand Total	717,600.00

2125. Management's disregard for the provisions of the procurement law accounted for the anomaly.

2126. Unplanned procurements have a consequential effect of throwing the Commission's budget into disarray since it involves the use of budgeted resources for unplanned activities.

2127. We recommended that, Management should carry out a proper needs assessment to obtain adequate and reliable information to afford proper planning and implementation of ensuing procurement plans.

2128. Management accepted our recommendation.

Wrongful bonding of officers on study leave

2129. Section 2 and 3 of Human Resource Management Policy Framework and Manual for the Ghana Public Services as adopted by Legal Aid Commission stipulates that, a sponsored officer shall sign a bond to serve the organisation for periods stipulated in the bond. It went further to state that there shall be two (2) guarantors for each bond. Also, the length of Service of a bond as the period of service shall not exceed twice the duration of the sponsored training of the officer also bonding periods shall not exceed five (5) years.

2130. Contrarily, Management bonded two officers who have been granted study leave with pay to pursue various courses under the sponsorship programme wrongly and also failed to authorise bond forms for Mr. Savior Asase Senyo. Details are provided in table 331.

Table 331: Wrongful bonding of officers on study leave

No	Name	Staff	Date of Appointment	Programme	Starting And Ending Date	Number of Years Bonded	Number of years to Be Bonded
Study leaves not appropriated bonded							
1	Francis Teye Tetteh	8530 03	19/12/2011	Personnel file - (UPSA) Bachelor of Law (LLB). - 3yrs	17/10/14 13/9/18	30/09/18 3 years	5years
2	Georgina Bolah	1359 39	1/9/2014	Personal file: Degree program in LLB(KNUST) 4years	17/10/14 30/9/18	30/09/18 8 years	5years
Bond form not authorised							
No	Name	Staff Id	Date of Appointment	Programme	Starting and Ending Date	Number of Years to Be Served	
1	Savior Asase Senyo	77909	11/09/2010	Ghana school of law: Professional law course	16/10/2018 / 16/10/2020	-	

2131. Management's wrongful application of the Human Resource Manual resulted in the anomaly.

2132. Failure to bond the beneficiary officers appropriately may deprive the Institution the benefit to be derived from the investment made on them.

2133. We recommended that, the above-mentioned officers and subsequent beneficiaries should be bonded appropriately and submit bond forms to serve as a guarantee for the institution to recoup its investment in them.

2134. Management noted our recommendation for compliance.

MINISTRY OF COMMUNICATION AND DIGITISATION

ACCRA DIGITAL CENTRE

Introduction

2135. This report relates to the audited financial statements of Accra Digital Centre for the four years ending 31 December 2020.

Financial Performance

2136. The Centre recorded a Surplus of GH¢798,502.00 in 2020 financial year as compared with a deficit of GH¢199,124.00 registered in 2019. This represents a 501% improvement in the Centre's financial performance in 2020. The details of the operational result are shown in table 332.

Table 332: Statement of Comprehensive Income for the year 2020

Income/Expenditure	2020	2019	Incr./ (Decr.)	%
	GH¢	GH¢	GH¢	Change
Revenue	4,105,197	3,460,297	644,900	19.0
Administrative Expenses	3,634,152	3,738,140	(103,988)	(3.0)
Other Comprehensive Income	327,457	78,719	248,738	316.0
Net Profit/(Loss)	798,502	(199,124)	997,626	(501.0)

2137. Total Operating Income increased by 19% from GH¢3,460,297 in 2019 to GH¢4,105,197.00 in 2020. The rise in income was largely due to a 6.08% increase in rental income. Income from Events space rentals also increased by 279.14%. Receipt from sale of ECG also increased by 27.38%.

2138. Other comprehensive income also increased by 316% in 2020. The increase was due to receipts from GIFEC (Agency Support).

2139. Administrative expenses decreased by GH¢103,988.00, from GH¢3,738,140.00 in 2019 to GH¢3,634,152.00 in 2020 representing a 3% decrease. The movement was as a result of decrease in foreign travels in 2020 in relation to trainings conferences and seminars occasioned by Covid 19 travel restrictions.

Financial position

2140. The Centre's financial position as of 31 December 2020, is provided in table 333.

Table 333: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	565,744	280,046	285,698	102
Current Assets	2,201,823	1,381,967	819,856	59
Current Liabilities	54,592	33,239	21,353	64
Net Current Assets	2,147,231	1,348,728	798,503	59
Net Asset	2,712,975	1,628,774	1,084,201	67
Liquidity ratio	40.3:1	41.6:1		

2141. Non-Current Assets increased significantly by GH¢285,698 from GH¢280,046.00 in 2019 to GH¢565,744.00 in 2020 representing a 102% rise. The increase in Non-Current Assets was mainly due to additions of motor vehicle and office equipment during the year.

2142. Current Assets recorded an increase of 59% from GH¢1,381,967.00 in 2019 to GH¢2,201,823.00 in 2020. This was as a result of increase in trade receivables by 89.51%.

2143. Current Liabilities also increased significantly by a margin of 64% from GH¢33,239.00 in 2019 to GH¢54,592.00 in 2020. This was largely due to a rise in customer advance payments by 95.67% from GH¢23,544.00 in 2019 to GH¢46,067.00 in 2020.

2144. The Centre's liquidity ratio reduced from 41.6:1 in 2019 to 40.3:1 in 2020. The decline notwithstanding, the Centre will be able to honour its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

The need for Property Insurance Policy for Accra Digital Centre

2145. Section 184 of Insurance Act, 2006, (Act 724) states, "Every building engaged in commercial activity shall be insured with an insurer against the hazards of collapse, fire, earthquake, storm and flood, and an insurance policy issued for it." The insurance policy shall cover the legal liabilities of an owner or occupier of premises in respect of loss of or damage to property, bodily injury or death suffered by any user of the premises and third parties.

2146. Accra Digital Centre (ADC) has twelve (12) Blocks (each with 750 square meters giving a total of 9,000 square meters fully rented out and occupied by Forty (40) Technological Companies and part reserved for events. We however noted that the facility was not insured against unforeseen eventualities.

2147. With adequate insurance policy, the Centre may have a legitimate claim of compensations and avoidance of risk of going out of business.

2148. We recommended to the Management to liaise with the Ministry to insure the property as required by the Act without further delay to mitigate the risk posed to lives and property.

2149. Management accepted the recommendation and stated that process is underway to get Insurances brokers to begin with an assessment of the facility, after which board takes the next steps.

Use of unapproved accounting software

2150. Article 187 (4) of the 1992 Constitution and Section 11(3) of the Audit Service Act, 2000 (Act 584) provides that, procurement and utilization of Accounting Software packages in Public Institutions should be reviewed and approved by the Auditor-General.

2151. Our review disclosed that in June 2020, the Center procured an accounting software called Adroit ERP from Adroit Bureau to prepare accounts of the Center at a cost of GH¢11,000 (one-time installation cost) and GH¢4,800 annual charge without approval from the Auditor-General. A careful study of reports generated from this software showed that the systems do not include

important information such as detailed narration, Payee, Cheque and PV numbers in a columnar form to aid analysis. This makes reconciliations and analytical review very challenging for users of the report.

2152. This unapproved software may have weaknesses which could compromise the integrity of the data and the information that would be generated from the software. Again, the non-compliance by the Centre resulted in a breach of Audit Service Act, 2000 (Act 584).

2153. We recommended that Management should write to the Auditor General to review and approve the current applications in use without any further delay.

2154. According to Management the Center has contacted the software team to deal with the challenges, currently they are on the updates. Again, Management will also seek approval from the Auditor -General to regularise the use of the accounting software. As a company, Management is of the view that approval should come from the Board.

2155. In line with Section 11(3) of the Audit Service Act, 2000 (Act 584), we reiterated our recommendations.

Breach of Tenancy agreement - Ghana Innovation Hub

2156. According to paragraph 5(d) of the Tenancy Agreement between Ghana Innovation Hub and Accra Digital Center, “the Tenant thereby covenants with the Landlord to use and occupy the Premises only for the Permitted use and for no other purpose whatsoever, (l) not to assign, or part with possession of the premises or any part thereof without the previous consent in writing of the landlord”.

2157. We noted that Ghana Innovation Hub is one of the Tenants of ADC who benefits from the highly subsidised rent rate of \$8 per square meter per month and occupy 650 square meters. Contrary to the Terms of the Tenancy Agreements, our checks indicated that the Company sub-lets part of their allocated (office space) at a commercial rate (above the rate the Company paid to ADC) to the public as shown in the table 334 at a commercial rate.

Table 334: Breach of Tenancy agreement; Ghana innovation Hub

No.	Details	Period	Rate GH¢
1	Temporal Office space 4 persons	Month	3,000
	Temporal Office space 6 person	Month	2,500
2	Meeting room	Hour	50
3	Co-worker space	Day	30.00

2158. We neither sighted any special arrangement (MoU) with the Company nor any approval from the ADC or the Ministry that allows the company to sublet part of its space at a commercial rate to another Company.

2159. According to the Managing Director, there is a special arrangement between ADC and the Ghana Innovation Hub (World Bank) which allowed for such arrangement for future sustenance of the Company.

2160. In the absence of documentary special arrangements, this action amounts to breach of contract, and loss of revenue to the Center.

2161. We recommended that the Management should provide the team, if any, documentary proof of special arrangement between the ADC and Ghana Innovation Hub that culminated into that action of the latter.

2162. Management responded that in the Grant Management Contract document, the Ministry of Communications gave prospective bidders sustainability requirements to fulfill as one of the qualification criteria to get selected as the Grants Manager Contract.

2163. The Ghana Innovation Hub consortium as part of their bidding proposal sent sustainable business models showing potential revenue streams to the Evaluation committee and won the Contract partly because they satisfied this requirement.

2164. To prove that the sustainability model is being pursued, they do send quarterly reports to the Ministry of Communications. The snapshot below is one of such reports showing co-working spaces and private offices and meeting rooms they rent out for revenue to help sustain operations of the Center.

2165. We maintain our recommendation and further request that the Management should provide the audit team a copy of the quarterly financial operational reports of the Company to ensure the government obtains value for money.

Increasing Outstanding Trade Receivables – GH¢1,568,246.00

2166. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) enjoins, a Principal Spending Officer to ensure that Non-tax Revenue is efficiently collected.

2167. Our review of account receivables for the period disclosed that rent outstanding for the 4 years continued to increase by an average of 90%. An amount of GH¢45,070 represented total receivables for 2017 whilst 2018 and 2019 recorded end of year receivables of GH¢423,034.00 and GH¢827,546.00 respectively. The total receivables again increased to GH¢1,568,246.00 in 2020.

2168. Non availability of stringent and workable debt recovery policies accounted for the anomaly.

2169. Non-payment of rent by tenants deprived the Center of the necessary funds for the maintenance of the Center to achieve the objective of establishing

the Center. Again, long standing uncollectible debt could also compromise the reliability of the Center's Financial Statements.

2170. Since the spaces for rent is oversubscribed, we recommended that, Management should institute a more workable rent payment regime and enforce same. Also, Management should liaise with the Ministry of Finance to get Parliamentary approval for the write-off of the uncollectible debt.

2171. According to Management, it has stringent rent payment regimes including payment of rent in advance and eviction of tenants. Tenants pay 3 months' rent advance, but they would usually have a good payment record from the beginning and start defaulting when their startups have liquidity issues. Based on our customer service charter, we give reminders, disconnection of electricity supply and other interventions before doing evictions. By the time evictions are done, even if just a quarter rent is outstanding, it is still significant depending on the rent the tenant pays. We will continue to improve our processes to reduce the bad debts to the barest minimum.

Unauthorised write-off of Accounts Receivables – GH¢1,087,601.92

2172. Section 53 of the Public Financial Management Act, 2016 (Act 921) mandates that, write-off of public funds should be routed through the finance minister to seek approval from Parliament. It further states that the approval under subsection (1) shall specify the amount authorised for each abandonment or write off the total sum authorised.

2173. A review of the debtors' records disclosed several irregular write-offs and discounts of account receivables totaling Gh¢1,087601.92 as summarised in table 336.

Table 335: Unauthorised Write off of Accounts Receivables

No	Year	Year	Ref.	Amounts reversed/write-offs
1	2018	Initial debt write-off	Table 8a	694,250.00
2	2018	Reversal	Table 8b	388,028.92
3	2019	reversals	Table 8c	5,323.00
Total				1,087,601.92

Source: Accounts receivable ledger (Rent & Electricity)

2174. These write-offs were made without; proper justification, approval from the board, Ministry of Communication, Ministry of Finance or Parliament as required by law. For instance, we sighted a document which authorised a bulk receivable write-off of GH¢694,250.00 for 36 companies(tenants) in 2018 as detailed in table 336.

Table 336: Bulk Reversal/write-off of 2018 Year-end balances of tenants

No	Name Of Company	Sqm	Rent	Electricity	Bal Written Off in 2018
1	Corporate Passport	37	14,195	18,871	33,066
2	Cute Group International	23.5	5,386	1,921	7,307
3	Business Growth Network	47	9,152		9,152
4	Softedge Ltd	66	7,250		7,250
5	Pawk Solution	47	10,905		10,905
6	Softacom Bus Solution	20	2,304	2,456	4,760
7	Prodata	134	40,346		40,346
8	Escan	47		12,242	12,242
9	Integris 360	26	4,212	3,461	7,673
10	Institute of Chartered social media	20	2,169	3,043	5,213
11	Fanal Plus Ltd	200	61,782	5,607	67,389
12	Bring IT	108	58,320	14,890	73,210
13	DelaPhone	100	26,331	26,199	52,530
14	Medaccess Healthcare	42	20,488		20,488
15	Klah GR8 minds@work	59	6,797		6,797
16	Acturial Society of Ghana	30	18,432		18,432
17	Navare Bus Soln Ltd	100	12,330		12,330
18	Tek Pulse	200	57,600	42,825	100,425
19	Microensure	420		4,536	4,536
20	Coldsis Ghana Ltd	47	5,414		5,414
21	Africlassic Events Ltd	13	15,198	10,607	25,805
22	Cobalt Ltd	47	3,759	7,762	11,521
23	Luxm 3D Africa Ltd	23.5	3,376	2,930	6,306
24	Centrifuj Comm Ltd		11,996	18,869	30,865
25	Interactive Edge		3,370		3,370
26	Redric Consulting		5,069		5,069
27	SpeakUp Foundation		7,257		7,257
28	Yellow Media Pages		62,040		62,040
29	West Blue Consult		17,820		17,820
30	ISACA Accra Chapter		3,132		3,132
31	Green Concept Africa Ltd		21,600		21,600
Total					694,250

Source: Unauthorised list of 2018 debt record

Table 337: 2018 Unauthorised write-off/ write offs without justification

No.	Date	Description	Document Reference	Tenant/ Customer	Revenue Type	Amount GH¢
1	01/02/2018	Credit Note	CN000042020	AKADITI	RENT	846
2	01/10/2018	Credit Note	CN000052020	AKADITI	ELECTRICITY	1,283.00
3	21/02/2018	Credit Note	CN000062020	AKADITI	ELECTRICITY	1,305.00
4	5/4/18	Credit Note	ECG 4,536.00	MicroEnsure Ghana Ltd	RENT	40,500.00
5	28/8/18	Credit Note	ECG 4,536.00	MicroEnsure Ghana Ltd	RENT	59,220.00
6	04/03/2018	Credit Note	CN000072020	AKADITI	ELECTRICITY	1,305.00
7	23/01/2018	Credit Note	CN000262020	DELA PHONE	RENT	16,920.00
8	31/12/2018	Credit Note	CN000252020	FANAL PLUS LIMITED	ELECTRICITY	56,289.20
9	10/03/2018	Credit Note	CN000322020	COBALT LTD	ELECTRICITY	6,970.90

10	31/12/2018	Credit Note	CN000362020	COBALT LTD	ELECTRICITY	4,383.50
11	27/09/2018	Credit Note	CN000402020	SPEAK FOUNDATION	ELECTRICITY	7,257.60
12	15/10/2018	Credit Note	CN000182020	DALEX	ELECTRICITY	5,000.00
13	10/08/2018	Credit Note	CN000192020	DALEX	ELECTRICITY	3,800.00
14	19/11/2018	Credit Note	CN000192020	DALEX	ELECTRICITY	1,800.00
15	12/06/2018	Credit Note	CN000192020	DALEX	ELECTRICITY	1,800.00
16	09/12/2018	Credit Note	CN000192020	DALEX	ELECTRICITY	1,500.00
17	22/10/2018	Credit Note	CN000192020	DALEX	ELECTRICITY	3,600.00
18	15/10/2018	Credit Note	CN000202020	GHANA INNOVATION	ELECTRICITY	5,000.00
19	19/10/2018	Credit Note	CN000392020	GHANA ONLINE	RENT	7,488.00
20	31/12/2018	Credit Note	CN000292020	MICROENSURE	RENT	59,220.00
21	31/12/2018	Credit Note	CN000302020	MICROENSURE	RENT	40,500.00
22	31/12/2018	Credit Note	CN001332020	GREEN CONCEPT AFRICA LTD	RENT	21,600.00
23	31/12/2018	Credit Note	CN000492020	NATIONAL YOUTH AUTHORITY	ELECTRICITY	12,000.00
24	31/12/2018	Credit Note	CN001382020	MEDACCESS HEALTHCARE	RENT	4,860.00
25	31/12/2018	Credit Note	CN000882020	CUTE GROUP INTERNATIONAL	RENT	5,386.20
26	31/12/2018	Credit Note	CN000502020	AFRICCLASSIC EVENTS LTD	ELECTRICITY	4,868.00
27	31/12/2018	Credit Note	CN000222020	INTEGRIS 360	ELECTRICITY	3,585.60
28	31/12/2018	Credit Note	CN000232020	INTEGRIS 360	ELECTRICITY	2,817.80
29	31/12/2018	Credit Note	CN000962020	INTEGRIS 360	ELECTRICITY	3,461.56
30	31/12/2018	Credit Note	CN000972020	INTEGRIS 360	RENT	3,461.56
Total						388,028.92

Source: 2018 Accounts Receivable Ledger

Table 338: 2019 Unauthorised write-off/ write offs without justification

No	Date	Description	Document Reference	Credit
1	23/01/2019	Credit Note	CN000552020	5,323.50
Total				5,323.50

Source: 2019 Accounts Receivable Ledger

2175. We blamed the anomaly on the Center's override of controls and protocols to cancel debts and allowing discounts.

2176. There is the risk that monies might be duly received and at the same time cleared from the accounting system. Failure to use due process to write off public funds contravenes Section 53 (1 b) of the PFM Act.

2177. We recommend that Management should provide justification for the total account receivable write-offs of GH¢1,087,601.92 or reinstate the total amount. Management should also institute measures to strengthen the recovery of debt and also make provision for bad debts to minimise the impact of future bad debts.

2178. Management in the interim have resolved to restating the debt in the financial statements.

GHANA POST COMPANY LIMITED

Introduction

2179. This report relates to the audited financial statements of Ghana Post Company Limited for the two years ending 31 December 2020.

Financial Performance

2180. The 2020 financial year of Ghana Post ended with a Loss after Tax of GH¢6,173,548. This result compared with a Profit after Tax of GH¢995,908 recorded in 2019 represents 719.9% deterioration in the financial performance of the Company. The detailed indicators on operational performance are shown in table 339.

Table 339: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.)	% Change
Revenue	71,752,056	67,415,781	4,336,275	6.4
Other Income	5,413,615	5,619,038	(205,423)	(3.7)
Total Income	77,165,671	73,034,819	4,130,852	5.7
Expenditure				
Operating Cost	67,334,028	58,243,802	9,090,226	15.6
General, Selling & Admin Expenses	16,188,553	13,431,160	2,757,393	20.5
Finance Costs	510,202	363,949	146,253	40.2
Total Expenditure	84,032,783	72,038,911	11,993,872	16.6
Profit/(Loss) for the year	(6,867,112)	995,908	(7,863,020)	(789.5)
Income Tax (Expense)/Credit	693,564	-	693,564	-
Profit/(Loss) for the year after Tax	(6,173,548)	995,908	(7,169,456)	(719.9)

2181. Total Income for the period increased from GH¢73,034,819 in 2019 to GH¢77,165,671 in 2020 representing a 5.7% leap over the previous year's performance. The increment was mainly attributable to significant increases in revenue generated from Parcel Post and EMS Services during the 2020 financial year.

2182. Total Expenditure also recorded an increase of 16.6% after moving from GH¢72,038,911 in 2019 to GH¢84,032,783 in 2020 and this was due to increases of GH¢7,942,156 and GH¢1,560,549 in operational and compensation cost respectively.

Financial Position

2183. Details of the comparative performance indicators for Ghana Post are shown in table 340.

Table 340: Statement of Financial Performance for the year ended 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr/(Decr)	% Change
Non-Current Assets	26,577,482	28,145,342	(1,567,860)	(5.6)
Current Assets	53,124,945	37,611,923	15,513,022	41.2
Current Liabilities	63,901,198	53,852,175	10,049,023	18.7
Net Current Assets	(10,776,253)	(16,240,252)	5,463,999	(33.6)
Non-Current Liabilities	8,021,837	8,881,625	(859,788)	(9.7)
Net Assets	7,779,392	3,023,465	4,755,927	157.3
Current Ratio	0.8:1	0.7:1		

2184. Non-Current Assets decreased marginally by 5.6% from GH¢28,145,342 in 2019 to GH¢26,577,482 in 2020. This was because of relatively less investment of GH¢1,527,878 made in equipment by the Company during the year.

2185. Current Assets also increased from GH¢37,611,923 in 2019 to GH¢53,124,945 in 2020. This represents an upwards movement of 41.2% and it is attributable to an increase of GH¢13,046,051 in Cash and Cash Equivalents at the end of the financial year.

2186. Current Liabilities increased by 18.7% from GH¢53,852,175 in 2019 to GH¢63,901,198 in 2020. This was due to an increase of GH¢11,508,021 in the value of Trade and Other Payables.

2187. Non-Current Liabilities reduced slightly by GH¢859,788 from GH¢8,881,625 in 2019 to GH¢8,021,837 in 2020. This translates into a 9.7% decrease in the value of Non-Current Liabilities and was mainly due to payments of GH¢777,729 and GH¢582,810 made to reduce the value of the Retirement Benefit Obligations and the Bank Loan respectively.

2188. The Company's Current Ratio increased slightly from 0.7:1 in 2019 to 0.8:1 in 2020 which means a marginal improvement in the liquidity position of the Company. However, the Company is still not able to settle its short-term liabilities as and when they fall due.

MANAGEMENT ISSUES – 2019

Funds not accounted for – GH¢124,976.91

2189. Section 7 of the Public Financial Management Act, 2016 (Act 921) states, "A Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity".

2190. We noted that out of a total expenditure of GH¢180,123.92 made on thirty (30) payment vouchers, only GH¢55,147.01 was accounted for leaving an amount of GH¢124,976.91 on the Company's Cedi account unaccounted for. Details are shown in *Table 341*.

Table 341: Funds Not accounted for

NO	Date	PV. NO.	CHQ No	Account	Details	PAYEE	PV Amount GH¢	Totals Received GH¢	Amount Outstanding GH¢
1	4/10/2019	17/10	029169	Fidelity	Print Media Activities Iro World Post Day	Brandbelt Company Ltd/ Kobi Hema Osisiadan-Bekoe	30,810.49	-	30,810.49
2	2/10/2019	10/10	029063	Fidelity	Business Promotion of Brand Activities	Kobi Hema Osisiadan-Bekoe	4,000.00	-	4,000.00
3	2/10/2019	5/10	029061	Fidelity	Launch Of Mahatma Ghandi 150th Anniversary	Kobi Hema Osisiadan-Bekoe	2,300.00	-	2,300.00
4	4/10/2019	19/10	029066	Fidelity	Print Media Activities Iro World Post Day	Kobi Hema Osisiadan-Bekoe	6,000.00	-	6,000.00
5	21/10/2019	87/10	029073	Fidelity	Renovation Works on Dansoman Post Office	Head- Estates	5,169.00	-	5,169.00
6	10/10/2019	42/10	029071	Fidelity	Servicing Of Parcel Committee Meeting - 8/10/19	MD's Secretariat/ Ekow Paintsil	1,040.00	130.00	910.00
7	25/11/2019	64/11		Fidelity	Expenses Iro Launch of Post Assurance	Ag. Head- Financial Services	3,140.00	500.00	2,640.00
8	13/11/2019	80/11	029093	Fidelity	Sitting Allowance for Recruitment Panelist-Mails Trans Test	Head - Qty Mgt Unit/ Sheila Barketey	3,000.00	-	3,000.00
9	20/11/2019	60/11		Fidelity	Allowances Iro Jumia Black Friday Operations	Head - EMS & Int'l Affairs	20,520.00	18,000.00	2,520.00
10	4/12/2019	23/12	029097	Fidelity	Servicing Of Peak Season Meeting	Commercial Secretariat	2,338.00	650.00	1,688.00
11	12/9/2019	37/9	0290566	Fidelity	Connection Of Water Supply to Transshipment	Head-Estates	2,000.00	-	2,000.00
12	20/9/2019	56/9	029164	Fidelity	Publication Of New Rental Charges	Kobi Hema Osisiadan-Bekoe	1,987.50	-	1,987.50
13	27/8/2019	18/9	029053	Fidelity	Request For Information About Population and Land Size of Post Office	Head-Quality Mgt Unit	500.00	-	500.00
14	9/9/2019	1/9	258485	ADB	Cash Loaded on Visa Debit	Brands Manager/Rabi	11,920.00	-	11,920.00

					Card for Social Media Visibility Activities	atu Adams-Brown			
15	17/7/2019	2/7	258483	ADB	Accountable Imprest	Head-PR & Head-Commercial	2,000.00	-	2,000.00
16	1/11/2019	3/11	393	NIB	Payment For Officers to Participate in ICT Day Celebration	Head/Corporate Communication	2,470.00	-	2,470.00
17	16/1/19	32/1	28704	DO	TO SERVICE MGT MEETING ON 17/1/19	GM/HR&A	2,800.00	1,510.00	1,290.00
18	28/1/19	142/1	28718	FIDELITY	Payment Of Expense to Conduct Trial Purchase Exercise on The Ghana Post E-Commerce Plat Form	Head Sales	750.00	500.00	250.00
19	17/10/19	113/1	28709	FIDELITY	Supplementary Allowance Iro Wpd Activities	Anthony Forson	9,200.00	5,300.00	3,900.00
20	31/12/18	4/1	613	FIDELITY	Allowance To Staff to Clear Backlog of Reg. Mails	Head Mails	4,430.00	0.00	4,430.00
21	22/1/19	45/1	28712	FIDELITY	EXPENSES ON PERFORMANCE MGT TRAINING FOR HQ AND GAR, RIDERS, DRIVERS AND SOME GENERAL STAFF	VIVIAN KWAPONG	3,835.00	2,435.00	1,400.00
22	3/9/2019	49/8	29121	FIDELITY	PMT FOR WATER BILL FOR JUNE 2019	GHANA WATER CO.	2,699.93	2,142.01	557.92
23	30/8/19	PY03161	E-PAYMENT	FIDELITY	AUGUST 2019 ALLOWANCE TO YEA BENEFICIARIES	GM/HR&A	21,600.00	20,700.00	900.00
24	10/1/2019	80/1	28702	Fidelity	Protocol Facility in Relation To E-Services Project Team in The Completion of First Phase	Charles Aiedu	5,000.00	0.00	5,000.00
25	21/3/19	80/3	28747	Fidelity	PROTOCOL IRO EXPERTS/CONSULTANTS	HEAD/QUALITY MGT UNIT	3,765.00	0.00	3,765.00
26	11/3/2019	26/3	28741	Fidelity	PROTOCOL	AKROBOTU QUINTIN	3,679.00	0.00	3,679.00
27	14/2/19	47/2	28728	Fidelity	Lecturing Allowance Due Officers	Jude Owusu & Co.	1,100.00	0.00	1,100.00
28	30/04/2019	77/4	028774	Fidelity	To Handle Emergency Expenses and The Smooth Running of The Material Management Dept	Head Materials	10,000.00	0.00	10,000.00
29	7/05/2019	-	028876	Fidelity	Being Expenses IRO	GM/HR&A	10,420.00	2,660.00	7,760.00

					Western Union, MG & RIA Training				
30	21/06/2 019	75/6	029010	Fidelity	Being Air Tickets & Out of Station Allowance to Tamale	Charles Asiedu	1,650.00	620.00	1,030.00
	Total						180,123.92	55,147.01	124,976.91

2191. Weaknesses in the controls exercised over payments in the finance directorate accounted for the irregularity. This could lead to diversion of funds and possible fictitious payments.

2192. We recommended that, the Head of Finance and Administration (DMD F&A) should account for the amounts of GH¢124,976.91 or refund same for verification.

2193. Management in their response claimed the funds had been duly accounted for.

2194. Further verification conducted by the audit team disclosed that Management has accounted for GH¢70,526.99 of the figure leaving an amount of GH¢54,449.92 unaccounted for.

Unsupported Payment Vouchers - GH¢628,495.84

2195. Regulation 78 of the Public Financial Management Regulations, 2019 (L.I.2378) requires that, a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity that evidence of services received, certificates for work done and other supporting documents exist.

2196. We however noted that Management of Ghana Post made payments from one hundred and twenty-six (126) payment vouchers totalling GH¢628,495.84 to various vendors as well as some officers of the Company for varied assignments, but the paying office did not obtain signatures from the payees or official receipts to support the payments. Details are shown in *Table 342*.

Table 342: Unsupported Payment Vouchers – GH¢628,495.84

No	Date	PV.NO	Cheq No.	Bank	Details	PAYEE	PV AMT	REMARKS
1	16/1/19	93/1	1216	Fidelity	process Swiss visa for officials to attend UPU conference	Ekow Paintsil	1,216.00	no receipts
2	15/1/19	132/1	28645	Fidelity	payment of property rate and business operating permit for 2018	Kasena Nankana Municipal Assembly	10,000.00	no receipts
3	4/2/2019	134/1	28647	Fidelity	payment of business operating permit fee for Tamale post office		3,168.00	no receipts
4	23/1/19	129/1	28642	Fidelity	cost of MTN bill for january,2019	MTN ghana	3,700.00	no receipts
5	6/2/2019	22/2	28666	Fidelity	payment for data protection practitioners	Data Protection Commission	8,320.00	no receipts
6	5/2/2019	13/2	28660	Fidelity	to purchase combi seals for operational Use	Medazee ventures	1,500.00	no receipts
7	11/3/2019	28/3	28741	Fidelity	for card delivery service training for riders IRO Stanchart	DMD/C&T	5,810.00	no receipts
8	18/3/19	64/3	288823	Fidelity	Rent For Accra New Town Post Office	EBENEZER E. ARTHUR	15,600.00	No Receipts/ACKNOWLEDGEMENT BY PAYEE
9	12/3/2019	46/3	28882	Fidelity	Internet Broadband Connectivity at Transshipment	VODAFONE	1,590.00	No Receipt
10	16/8/19	60/8	29044	Fidelity	Medical Assistant to Officer	SOLOMON ADOM BOTCHWAY	2,000.00	No Medical Receipts
11	18/7/19	72/8	29137	Fidelity	Pmt Of Salary Deductions Iro Welfare Loan	WELFARE LOAN E/R	4,225.50	No Receipt
12	27/8/19	112/8	29050	Fidelity	To Pay for Visa Booking & Processing Fee Iro Upu Congress	GM/HR&A	2,989.00	No Receipt
13	1/8/2019	47/8	29043	Fidelity	Payment For Expenses-Western Union, Ria & Moneygram	GM/HR&A	15,140.00	No Disbursement Receipts/ No Signed Paysheets
14	17/7/19	70/8	29135	Fidelity	loan deduction for April and May ,2019	syndicated capital	18,957.00	original receipt from syndicated capital needed, not open market receipt
15	29/1/19	117/8	29050	Fidelity	Pay For Voice Over Video Ad	Kobi Hema Osisiadan Bekoe	2,000.00	No Receipt
16	26/8/19	109/8	29147	Fidelity	Pmt Of Bills for July 2019	Mtn Ghana	7,608.00	No Receipt, Duplicate Receipt Copy
17	7/8/2019	35/8	29039	Fidelity	Pmt Of Expenses for Vaccination and Training of Drivers	Gm/Hr&A	1,720.00	No Disbursement Receipts
18	29/8/19	114/8	29050	Fidelity	To Cater for Consultants on Site Review of E Commerce	Hr/Services	1,490.00	No Receipts
19	30/8/19	115/8	29050	Fidelity	Do	Gm/Special Projects	5,102.00	No Receipt
20	6/11/2019	66/11	29230	Fidelity	Payment For Mtn Bill for October 2019.	Mtn Ghana	8,274.60	No Receipt
21	1/8/2019	8-Jan	29032	Fidelity	Expenses On Agency Banking Training	Gm/Hr&A	2,706.00	No Disbursement Receipts

22	22/8/19	104/8	29049	Fidelity	Expenses Iro Vn's Training	Gm/Hr&A	2,905.00	No Disbursement Receipts
23	26/8/19	105/8	29049	Fidelity	To Organise Training Iro Sokopay-Gh Post Partnership	GM/HR&A	604.00	No Disbursement Receipt
24	22/8/19	103/8	29049	Fidelity	To Organise Orientation for New Staff	GM/HR&A	4,620.00	No Disbursement Receipts
25	14/2/19	43/2	28729	Fidelity	To Organise Orientation for NABCO Recruits	GM/HR&A	16,350.00	No Disbursement Receipts, Attendance Sheet
26	18/2/19	66/2	28736	Fidelity	To Service Mgt Meeting On 20/2/19	GM/HR&A	1,340.00	No Disbursement Receipts, Attendance Sheet
27	24/1/19	2-Sep	28722	Fidelity	To Service Expanded Mgt Meeting Scheduled For 30/1/19	GM/HR&A	2,200.00	No Disbursement Receipts, Attendance Sheet
28	25/2/19	59/2	28736	Fidelity	Funeral Refreshment Expenses Iro Ex-Staff	GM/HR&A	2,030.00	No Disbursement Receipts
29	21/10/2019	99/10	29211	Fidelity	Cleaning services rendered - Kaneshie, Madina, Kanda, Dansoman & Accra North	Yebb Cleaning Services	20,231.40	Proof of work done
30	22/10/2019	93/10	29073	Fidelity	Hiring of bus for funeral iro Late Ernestina Odum	Head-Transport/ Emmanuel Ofosu	1,402.00	No receipt
31	2/10/2019	10-Jul	29063	Fidelity	Medical assistance due officer	Daniel Wiredu	5,674.00	No receipts
32	22/10/2019	91/10	29073	Fidelity	Servicing of management meeting - 23/10/19	GM-HRA	1,455.00	No invoices; no receipts
33	21/10/2019	88/10	29073	Fidelity	To service meeting iro 3rd mission visit of FITAF Project	Ag. Head-Financial Services	1,927.00	No receipts
34	8/10/2019	27/10	29067	Fidelity	Servicing of management meeting - 10/10/19	GM-HRA	1,380.00	No invoices; no receipts
35	9/10/2019	77/10	29072	Fidelity	Refreshment of staff iro Late Ernestina Odum	HR - Services	2,145.00	No receipts; No invoices
36	8/10/2019	34/10	29177	Fidelity	Roadworthiness renewal of official vehicles	St. Acheam4 Co. Ltd	896.00	No DVLA Receipts
37	8/11/2019	48/11		Fidelity	T&T for officers who embarked on compliance audit	Patricia Antwi & Co	2,000.00	Reports on work done
38	20/11/2019	71/11		Fidelity	Additional expenses iro HR empowerment training	GM-HRA	785.00	No receipts
39	18/11/2019	56/11		Fidelity	Extra expense iro parcel training for southern sector	GM-HRA	718.00	No receipts
40	9/12/2019	12-Feb	29097	Fidelity	Servicing of management meeting - 11/12/2019	GM-HRA	1,405.00	No receipts
41	25/11/2019	64/11		Fidelity	Expenses iro launch of post assurance	Ag. Head-Financial Services	3,140.00	No receipts

42	31/10/2019	11-Oct	29078	Fidelity	Payment of medical assistance to Alex AmegBor	Alex Amegbor	1,500.00	No bills attached to ascertain claim
43	25/11/2019	75/11	29092	Fidelity	Payment for evaluation & monitoring of QSF projects	Head-Quality Management Unit	7,400.00	No reports
44	9/10/2019	84/10	29072	Fidelity	Phones for official use	Justus Doe Nyonator & Co	1,000.00	No invoice; no receipt
45	19/12/2019	31/12	29100	Fidelity	SNC Meeting scheduled for 23/12/2019	GM-HRA	2,935.00	No invoices; no receipts
46	3/12/2019	13/12	29095	Fidelity	Expenses iro Allianz Post Assurance	GM-HRA	2,355.00	No invoices; no receipts; no signed list
47	2/12/2019	12-Nov	29095	Fidelity	Ambulance service for health walk - Dec 7	GM-HRA	800.00	No receipt
48	9/12/2019	21/12	29097	Fidelity	Refreshment of staff sympathisers iro funeral for Judith	GM-HRA	2,200.00	No invoices; no receipts
49	4/12/2019	24/12	29097	Fidelity	Medical assistance due officer	Nana N K Fenning	1,000.00	No bills attached to ascertain claim; no receipt
50	4/12/2019	23/12	29097	Fidelity	Servicing of peak season meeting	Commercial Secretariat	2,338.00	No receipts and invoices
51	6/9/2019	22/9	29055	Fidelity	Purchase of mobile phone for official use	Quintin Akroboto	500.00	No invoice; no receipt
52	6/9/2019	33/9	29154	Fidelity	MTN bills for August 2019	MTN Ghana	7,448.18	No receipt
53	8/8/2019	27/9	29055	Fidelity	Payment for health walk	GM-HRA	4,350.00	No receipts
54	22/8/2019	28/9	29055	Fidelity	Renovation works iro bungalow no.108	Head-Estates	7,979.00	No receipts; stores; Works order;
55	12/9/2019	38/9	29056	Fidelity	Hiring of bus for funeral iro Joshua Danso's mother's funeral	Emmanuel Ofosu	700.00	No receipts
56	3/9/2019	9-Jul	29052	Fidelity	Catering services iro budget hearing	Head-Finance	852.00	No receipts
57	19/9/2019	55/9	29058	Fidelity	Expenses iro Sokopay Training	GM-HRA	1,751.00	No receipts
58	5/9/2019	9-Mar	26052	Fidelity	Refreshment for staff sympathisers iro the Late Godfred Botchway	HR - Services	2,145.00	No invoices; no receipts
59	26/9/2019	62/9	29060	Fidelity	Funds to organise staff durbar	GM-HRA	9,590.00	No invoices; no receipts
60	6/9/2019	48/9	29058	Fidelity	Budget hearing meeting on 4-5/9/2019	Head-Finance	2,631.00	No invoices; no receipts
61	11/9/2019	24/9	29055	Fidelity	Catering services for budget hearing on 9/9/2019	Head-Finance	1,234.00	No invoices; no receipts
62	20/9/2019	9-Mar	872	Gcb	Electricity bill for July 2019 iro GPO-ARN	PDS/ECG	2,920.88	No receipts
63	28/10/2019	10-Oct	894	Gcb	Electricity bill for September 2019 iro Headquarters	PDS/ECG	50,947.43	No receipts
64	21/2/2019	2-Jun	793	Gcb	Payment for vulnerability assessment and penetration test on selected web applications	E-Crime bureau Ltd	25,222.50	No report submitted on test conducted
65	7/10/2019	10-Aug	328408	Uba	Payment of 2015 ESB due late Matilda	Alexander K. Ofori Safo	5,343.05	No proof of ID from beneficiary

66	3/10/2019	10-Apr	328403	Uba	Property rate and business operating permit iro Tain District	Tain District Assembly	925.00	No receipt
67	3/10/2019	10-May	328404	Uba	Property rate and business operating permit iro West Akim Municipal Assembly	West Akim Municipal Assembly	3,526.18	No receipt
68	5/12/2019	12-Nov	328459	Uba	Final part payment of retirement benefits due officer	Michael Dankwah	9,115.12	Proof ID of Winifred Kouro being authorised recipient
69	2/12/2019	12-Jan	258490	Adb	Payment for inspection of E-Transform sites	Chief Commercial Officer	55,550.00	No reports from team leaders; Jonthan Ansah/Charles Asiedu/Kwaku Tabi Amponsah/Nii Armah Aryeetey/William Oppong. No proof of work done by the review team
70	12/4/2019	-	28760	Fidelity	Being funeral expenses at Keta IRO late John K. Kpormegbe	GM/HR&A	2,779.00	Unsupported, no receipts
71	4/4/2019	13/4	28759	Fidelity	For expense IRO Customs PAARS	GM/HR&A	1,970.00	Unsupported, no invoice
72	3/4/2019	4-Nov	28759	Fidelity	To service management meeting	GM/HR&A	1,324.00	Unsupported, no invoice
73	3/4/2019	4-Oct	28759	Fidelity	Being suppl. Training expenses IRO IPS	GM/HR&A	1,442.00	Unsupported, no invoice
74	25/04/2019	70/4	28772	Fidelity	To service management meeting	GM/HR&A	1,326.00	Unsupported, no receipts
75	21/02/2019	76/4	28871	Fidelity	To purchase hardrive to increase size of existing server size	Head/ICT	1,500.00	Unsupported, no invoice
76	23/05/2019	95/5	28789	Fidelity	To service management meeting scheduled for May 30, 2019	GM/HR&A	1,453.00	Unsupported, no invoice
77	3/5/2019	5-Dec	28876	Fidelity	To organise training on Sokopay operations & AML	GM/HR&A	586.00	Unsupported, no invoice
78	30/05/2019	108/5	28794	Fidelity	To pay for communication training for Ext. management training	GM/HR&A	2,147.00	Unsupported, no invoice
79	15/05/2019	52/5	28782	Fidelity	To purchase mobile phone for official use by commercial manager	GM/HR&A	1,000.00	Unsupported, no receipts
80	7/5/2019	54/5	28782	Fidelity	To service management meeting scheduled for May 9, 2019	GM/HR&A	1,353.00	Unsupported, no invoice
81	23/05/2019	94/5	28789	Fidelity	Being expenses IRO Sokopay-GH Post training	GM/HR&A	759.00	Unsupported, no receipts
82	15/05/2019	55/5	28782	Fidelity	For anti-money laundering & counter terrorist financing training	GM/HR&A	709.00	Unsupported, no receipts, no invoice
83	2/5/2019	5-Jan	28775	Fidelity	To organise WU, money gram & Ria training iro northern cluster	GM/HR&A	15,584.00	Unsupported, no invoice, no signed sheet

84	23/05/2019	93/5	28789	Fidelity	To service meeting on Callibration	GM/HR&A	709.00	Unsupported, no invoice
85	15/05/2019	80/5	28784	Fidelity	Being cost of awards to staff as customer service	GM/ Customer	3,100.00	Unsupported, no acknowledgement
86	3/5/2019	17/5	28877	Fidelity	Being cost of redecoration Hse No. D19	Head/Estates	2,000.00	Unsupported, no prove of work done
87	28/05/2019	109/5	28794	Fidelity	Being payment for Board of enquiry training (North. Sector)	GM/HR&A	8,583.00	Unsupported, no invoice, no receipts, no signed sheet
88	2/5/2019	5-Mar	28776	Fidelity	To service First quarter departmental meeting	COSOL	620.00	Unsupported, no invoice, no receipts, no signed sheet
89	6/6/2019	15/6	28800	Fidelity	Being payment for Board of enquiry training (South. Sector)	GM/HR&A	4,171.00	Unsupported, no invoice, no receipts, no signed sheet
90	4/6/2019	14/6	28800	Fidelity	Being payment of expenses- Procurement training for Management members	GM/HR&A	1,316.00	Unsupported, no invoice, no receipts, no signed sheet
91	3/6/2019	6-Aug	28800	Fidelity	Being cost of reconditioning and installation	Head/Estates	1,232.00	Unsupported, no work order
92	10/6/2019	23/6	29002	Fidelity	To service 2018 performance evaluation meeting b/n Ghana Post & State Ent. Commission	Head/ Corporate Planning	4,200.00	Unsupported, no invoice, no receipts, no signed sheet
93	20/06/2019	65/6	29007	Fidelity	Payment of allowances for staff participating in the trainer of trainers PMST	COSOL	5,200.00	Unsupported, no invoice, no receipts, no signed sheet
94	11/6/2019	54/6	29005	Fidelity	Being funeral refreshment expenses iro ex staff	GM/HR&A (Mathew Ativui & Co)	4,290.00	Unsupported, no invoice, no receipts, no signed sheet
95	17/06/2019	52/6	29005	Fidelity	For beautification & branding of frontage of GPO	Head/Estates	1,910.00	Unsupported, no works order
96	6/6/2019	16/6	28800	Fidelity	To service SNC meeting scheduled for 11/06/2019	GM/HR&A	2,810.00	Unsupported, no invoice, no receipts, no signed sheet
97	21/06/2019	76/6	29010	Fidelity	Servicing of procurement training iro internal auditors	GM/HR&A	4,828.00	Unsupported, no invoice, no receipts, no signed sheet
98	24/06/2019	74/6	29010	Fidelity	Servicing of management meeting slated for 27/06/2019	GM/HR&A	1,455.00	Unsupported, no invoice, no receipts, no signed sheet
99	24/06/2019	73/6	29010	Fidelity	Payment for hiring Bus to the burial services of three ex-staffs	Head/Transport	2,100.00	Unsupported, no receipts
100	11/6/2019	58/6	29005	Fidelity	To service regional security controllers meeting	Head/Investigation & Security	591.00	Unsupported, no invoice, no receipts, no signed sheet
101	19/06/2019	84/6	28972	Fidelity	Being payment for renewal of road worthy certificates	Ernest Osei Asante	730.00	Unsupported, no DVLA receipts

102	21/06/2019	77/6	29010	Fidelity	Being payment for two days internal auditors training	GM/HR&A	6,672.00	Unsupported, no invoice, no receipts, no signed sheet
103	10/6/2019	35/6	29004	Fidelity	To service trainer of trainers' performance management system training	GM/HR&A	9,222.00	Unsupported, no invoice, no receipts, no signed sheet
104	28/06/2019	-	28795	Fidelity	Being payment for basic postal OPS training (North. Sector)	GM/HR&A	15,625.00	Unsupported, no invoice, no receipts, no signed sheet
105	9/7/2019	43/7	29023	Fidelity	Being purchase of mobile phone GM/ Customer service	GM/HR&A	1,500.00	Unsupported, money not used for intended purpose
106	17/07/2019	71/7	29026	Fidelity	Being payment of expenses (Sokopay-Gh Post Partnership & Implementation)	GM/HR&A	604.00	Unsupported, no invoice, no receipts, no signed sheet
107	20/06/2019	59/7	29025	Fidelity	Being sitting allowance for members of BOE	Vera Adinkrah	1,000.00	Unsupported, no signed sheet
108	17/07/2019	72/7	29026	Fidelity	Being payment of expenses incurred on workshop	GM/HR&A	2,451.00	Unsupported, no invoice, no receipts, no signed sheet
109	5/7/2019	-	-	Fidelity	Being funeral grant due officer	Napoleon Nortey	1,500.00	Unsupported, no acknowledgement
110	14/06/2019	41/7	29023	Fidelity	Being payment of expenses for WU, MG & IRA training	GM/HR&A	1,520.00	Unsupported, no invoice, no receipts, no signed sheet
111	10/7/2019	42/7	29023	Fidelity	Being payment for the servicing of management meeting slated for 15/07/19	GM/HR&A	1,455.00	Unsupported, no invoice, no receipts, no signed sheet
112	9/7/2019	33/7	29023	Fidelity	Being payment of allowance due entity tender committee iro meeting held on 29/5/2019	Head/Procurement	9,150.00	Unsupported, no signed sheet
113	16/07/2019	75/7	29027	Fidelity	Being payment of expenses for human resource officers' mid-year review meeting	GM/HR&A	10,890.00	Unsupported, no invoice, no receipts, no signed sheet
114	5/7/2019	40/7	29023	Fidelity	Being cost of procurement training for management members	GM/HR&A	1,381.00	Unsupported, no invoice, no receipts, no signed sheet
115	10/7/2019	37/7	29023	Fidelity	Being payment for the servicing of mid-year review meeting	Head/Audit	1,105.00	Unsupported, no invoice, no receipts, no signed sheet
116	17/07/2019	73/7	29026	Fidelity	Payment of expenses for training management members	GM/HR&A	2,842.00	Unsupported, no invoice, no receipts, no signed sheet
117	3/7/2019	16/7	29018	Fidelity	Being medical assistance to officer	Emmanuel Takyi	1,000.00	Unsupported, no acknowledgement
118	17/07/2019	72/7	29027	Fidelity	Payment of allowance for Jumia duties	Nana N.K. Fenning	1,120.00	Unsupported, no acknowledgement
119	26/07/2019	85/7	29029	Fidelity	Being payment of cost of business promotion	Head Corporate Communication	8,600.00	Unsupported, no receipts
120	1/4/2019	4-Jan	809	Gcb	Being 3rd payment for the upgrade and development of EPS	JAMS Info Systems	55,000.00	Unsupported, no certification of work done

121	3/12/2018	-	-	Sg	Being wages for November 2018	Kofi John	250.00	Unsupported, no acknowledgement
122	3/12/2018	-	-	Sg	Being wages for November 2018	Attah Flowrence	250.00	Unsupported, no acknowledgement
123	1/11/2019	-	-	Sg	Being wages for October 2018	Kofi John	250.00	Unsupported, no acknowledgement
124	1/11/2019	-		Sg	Being wages for October 2018	Attah Flowrence	250.00	Unsupported, no acknowledgement
125	3/12/2018	-	-	Sg	Being wages for August 2018	Kofi John	250.00	Unsupported, no acknowledgement
126	3/12/2018	-	-	Sg	Being wages for August 2018	Attah Flowrence	250.00	Unsupported, no acknowledgement
TOTAL							628,495.84	

2197. Weaknesses in the controls exercised over payments in the finance directorate accounted for the irregularity.

2198. This situation undermines effective and efficient cash management practices as this could lead to payments to unidentified persons or payments for goods and services not delivered.

2199. We recommended that the Managing Director and the Head of Finance (DMD F&A) should ensure that the said payments are properly acknowledged with the necessary supporting documents and signatures, failing which they should be made to refund the amounts involved.

2200. In their response, Management claimed that the payment vouchers are supported with the appropriate supporting documents for our verification.

2201. Further verification conducted by the audit team disclosed that Management has accounted for GH¢144,759.22 of the figure leaving an amount of GH¢483,736.62 unaccounted for.

Failure to deduct Withholding Tax – GH¢12,130.91

2202. Section 116 of the Income Tax Act, 2015 (Act 896) states that a resident person other than an individual, shall withhold tax on the gross amount of the payment at the rate specified in the First Schedule when the person makes a payment to another resident person who does not fall within subsection 1 or section 114 for supply or use of goods or services.

2203. We noted that forty (40) payments totalling GH¢193,789.93 were made in respect of goods and services procured, but the Accounts Section did not deduct withholding tax amounting to GH¢12,130.91 from the vendors and remit same to the Ghana Revenue Authority. Details are shown in *Table 343*.

Table 343: Failure to Deduct Withholding Tax - GH¢12,130.91

No	Date	PV. No	CHEQ NO.	Bank	Details	PAYEE	Taxable Amt GH¢	Rate	WHT GH¢
1	31/12/18	13/1	28624	FIDELITY	Cost Of Producing Digital Addressing Tags	Perfect End Ltd	900.00	7.50%	67.50
2	18/1/19	138/1	28643	FIDELITY	payment for 4 verification devices	Bsystems	21,225.00	3%	636.75
3	23/1/19	114/1	28710	FIDELITY	payment of 3 mother boards and 3 power suppliers	Tripplesea Technologies Ltd	4,670.00	3%	140.10
4	5/2/2019	13/2	28660	FIDELITY	to purchase combi seals for operational Use	Medazee ventures	1,500.00	3%	45.00
5	7/2/2019	45/3	28667	FIDELITY	to purchase combi seals for operational Use	Medazee ventures	1,500.00	3%	45.00
6	7/8/2019	28/8	29110	FIDELITY	Cost Of Lunch for Transshipment	The Recipe	3,360.00	3%	100.80
7	6/8/2019	20/8	29038	FIDELITY	Cost Of Hiring a Bus	Emmanuel Ofosu	3,000.00	7.50%	225.00
8	27/8/19	111/8	29050	FIDELITY	Do	Do	700.00	8%	52.50
9	26/8/19	96/8	29049	FIDELITY	Hire Of Bus to Attend Funeral	Head Transport	700.00	7.50%	52.50
10	30/8/19	116/8	29050	FIDELITY	Cost Of Lunch	Treats Catering Services	4,269.00	3%	128.07
11	26/9/19	108/8	29145	FIDELITY	Payment Of Carpentry Items	Gquandy Ventures	2,410.00	3%	72.30
12	15/8/19	78/8	29143	FIDELITY	Payment For Clean Shine Bill for April -May 2019	Clean Shine Co. Ltd	3,661.88	7.50%	274.64
13	26/8/19	106/8	29049	FIDELITY	Hire Of Bus to Attend Funeral	Dd Texas Motors	3,000.00	7.50%	225.00
14	22/1/19	24/1	103658	UBA	Payment For Cleaning Services from Oct-Dec.2018	Clean Shine Ltd	4,713.00	7.50%	353.48
15	30/1/19	29/1	103662	UBA	Payment For Cleaning Services for Jan. June, July, August and Sept.20182018	Agonaman Green Land Co. Ltd	9,067.00	7.50%	680.03
16	21/10/2019	100/10	029212	Fidelity	Advance payment for the supply of carpentry items	V.K Takela Enterprise	2,056.91	3.00%	61.71
17	4/10/2019	17/10	029169	Fidelity	Print Media activities iro World Post Day	Brandbelt Company Ltd/ Kobi Hema Osisidan-Bekoe	30,810.49	7.50%	2,310.79
18	22/10/2019	98/10	029210	Fidelity	Third quarter rent	Ghana Trade Fair Co. Ltd	3,553.28	15%	532.99
19	14/10/2019	97/10	029209	Fidelity	Catering services rendered to transshipment	The Recipe	3,528.00	8%	264.60
20	4/10/2019	23/10	029171	Fidelity	Consultancy services for rehabilitation of 20 Revenue Generation Offices	Oclap Consult	22,500.00	7.50%	1,687.50
21	8/10/2019	26/10	029067	Fidelity	Marketing activities iro world post day	Devio Multimedia/ Brands Manager	1,500.00	7.50%	112.50
22	8/10/2019	25/10	029067	Fidelity	Creative works iro world post day	Devio Multimedia/ Brands Manager	1,000.00	7.50%	75.00

23	2/10/2019	8/10	029063	Fidelity	Hiring of bus for funeral iro Mr Wonder K Adoku	D.D. Texas Motors/ Emmanuel Ofosu	1,700.00	7.50%	127.50
24	13/11/2019	30/11		Fidelity	Bus hire iro funeral for father of staff	D.D. Texas Motors/ Emmanuel Ofosu	2,100.00	7.50%	157.50
25	6/11/2019	29/11		Fidelity	Bus hire for funeral iro Edmund Addo's father	D.D. Texas Motors/ Emmanuel Ofosu	700.00	7.50%	52.50
26	25/11/2019	74/11		Fidelity	Respraying & rebranding of Dansoman Post Office signage	Vision Art & Publicity Service	1,300.00	7.50%	97.50
27	16/9/2019	46/9	029162	Fidelity	Payment for copier lease iro April-June 2019	Ultimate Supplies	3,219.50	7.50%	241.46
28	12/9/2019	45/9	029167	Fidelity	Catering services rendered to transshipment - August 2019	The Recipe	3,696.00	7.50%	277.20
29	19/9/2019	32/9	029155	Fidelity	Catering services rendered to transshipment - July 2019	The Recipe	3,864.00	7.50%	289.80
30	19/8/2019	29/8	328373	UBA	Cleaning services rendered for Feb-Apr 2019	Agonaman Greenland Company Ltd	4,630.44	7.50%	347.28
31	3/04/2019	20/4	028839	Fidelity	To acquire price review poster for various post offices	OADMAG Media	2,000.00	3%	60.00
32	8/04/2019	34/4	028847	Fidelity	For supply of building materials	M&K Ghana limited	3,209.00	3%	96.27
33	14/05/2019	76/5	028915	Fidelity	To procure network installation items for Dansoman post office	Tripple Sea Technologies Ltd	3,690.00	3%	110.70
34	22/05/2019	89/5	028920	Fidelity	To pay for advert placement in Ghanaian Times newspaper	New Times Corporation	3,009.90	7.50%	225.74
35	2/05/2019	42/5	028892	Fidelity	For the supply of super motor oil	Goil	5,659.74	3%	169.79
36	20/06/2019	78/6	028966	Fidelity	Payment for printing of Ems staff ID cards	ADIPRINT	4,480.00	7.50%	336.00
37	3/07/2019	25/7	028982	Fidelity	To maintain official vehicle	Best Choice Motors	9,000.00	7.50%	675.00
38	16/06/2019	84/7	029101	Fidelity	Being payment of cost advert	Media Pulse	2,197.88	7.50%	164.84
39	28/06/2019	23/7	028979	Fidelity	Payment for placement of full-page coloured advert in the Daily Graphic	Premier media Gh. Com. Ltd	5,928.91	7.50%	444.67
40	16/07/2019	69/7	028999	Fidelity	Being payment to produce signage for Juaben Post office	Vision Art & Publicity serv.	3,780.00	3%	113.40
Total							193,789.93		12,130.91

2204. This irregularity was due to Management's disregard for the tax laws, thereby denying the Ghana Revenue Authority and also the state the needed resources for its economic activities.

2205. We recommended an urgent recovery of those taxes from the suppliers and service providers and same remitted to the Ghana Revenue Authority and receipts made available for our verification, failing which the Deputy Managing Director (DMD) Finance, Human Resource and Administration should be made to refund the amount of GH¢12,130.91.

2206. According to Management, it has initiated the process of recovering such taxes.

Unused Lands - 106.49 Acres

2207. Regulation 160 (1) of the Public Financial Management Regulations, 2019, (L.I. 2378) states “where the land, building or the vehicle of a state-owned enterprise is unused for more than one year or damaged, misused, or stolen, the Minister shall take at least one of the following measures:

- (a) Issue an instruction to request the Principal Spending Officer of the state-owned enterprise concerned to change the manner in which the land, building or vehicle is used;
- (b) Cause an investigation to be conducted in respect of the land, building or vehicle;
- (c) Transfer the management of the land, building and vehicle from the state-owned enterprise or the Ministry;
- (d) In the case of an unused land, building or vehicle issue an instruction to request the PSO to dispose of the land, building or vehicle in accordance with sub-regulation (2) of Regulation 155 and Regulation 157 within a specific period.

(2) where any land or building of a state-owned enterprise is illegally occupied or a vehicle is used by an unauthorised person, the Minister shall take at least one of the following measures:

- (a) eject the person concerned from the land or building;
- (b) request the return of the vehicle immediately or recover possession of the vehicle
- (c) request a law enforcement officer to remove that person from the land or building
- (d) order that person to pay rent that the person should have paid for use of the land or building;
- (e) request the person to pay for the use of the vehicle or damage caused to the vehicle; or
- (f) refer the case to the Attorney-General for advice

2208. We noted that Ghana Post has several acres of lands located at different parts of the country; These lands were not being put to any economic usage nor the purpose for which they were acquired. We did not sight legal titles to the lands as a security in case of litigations to their ownership. The lands under consideration are shown in the *Table 344*.

Table 344: List of Lands

No.	Location	Region	Size (Acres)
1	Dichemso	Ashanti	11.00
2	Bubuashie	Greater Accra	46.00
3	Lashibi	Greater Accra	48.66
4	Airport	Greater Accra	0.83
	Total Land Size		106.49

2209. The lack of commitment on the part of Management to secure the lands and landed properties of the Company caused this anomaly.

2210. In a related development the Ahinsan Post Office in Kumasi (3.4 acres) has been virtually abandoned with squatters taking over the facility. The Ejisu Post Office in the Ashanti Region has also been taken over by market women and the Akropong, Akuapem Post Office in the Eastern Region has also been abandoned.

2211. The Company did not have legal title to these properties, hence their encroachment. There is a possible of loss of revenue if these properties are not secured and put to economic use.

2212. We advised, and Management agreed to register these properties to secure them from further encroachment and ownership litigations. Management could also liaise with development partners to put these properties to economic use failing which the Minister should transfer the management of these properties to other agencies who have need for them in line with the regulation quoted.

Accra West Region

Unaccounted Cash withdrawals – GH¢16,995.39

2213. Regulation 78 of the Public Financial Management Regulations, 2019 (L. I. 2378) states that a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity that evidence of services received, certificates for work done and other supporting documents exist.

2214. We noted that the Office withdrew a total amount of GH¢16,995.39 during the 2019 financial year without evidence of disbursement.

2215. We further noted that apart from the cheques presented for the withdrawals, there were no evidence of memos, invoices and receipts to authenticate these payments. No payment vouchers were prepared to indicate the purpose of the expenditures. The transactions were however captured in the cash book. Details are provided in table 345.

Table 345: Unaccounted Cash withdrawals

Date	CHQ No.	PV Amount GH¢	Remarks
23/1/2019	1109	430.55	No payment and other supporting documents
25/1/2019	1113	4,155.00	Do
30/1/2019	1112	4,000.00	Do
30/1/2019	300119	4,155.00	Do
11/2/2019	1108	1,255.54	Do
11/2/2019	1111	2,999.30	Do
Total		16,995.39	

2216. The absence of full particulars of disbursements cast doubt on the transactions.

2217. We advised that the rules and regulations governing public fund management are strictly followed to promote sound fund management system and effective internal control.

2218. We also advised that the Regional Manager and the Regional Accountant of Accra West should account for or refund the total amount of GH¢16,995.39 to the Post Lodge Account for verification.

Western Region

Unreceipted Payments – GH¢15,758.60

2219. Regulation 78 of the Public Financial Management Regulations, 2019 (L. I. 2378) states, “A Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity that evidence of services received, certificates for work done and other supporting documents exist.”

2220. We noted to the contrary that Management of Western Regional Office of Ghana Post Company made payments from ten (10) payment vouchers totalling GH¢15,758.60 to suppliers and service providers as well as some officers in the Region for various assignments, but the Head of Finance neither ensured that the payees signed, nor official receipts were obtained to support and acknowledge

receipt for the payments to properly authenticate and acquit the transactions. Details are provided 346.

Table 346: Unreceipted Payments

Date	Pv No.	AMT GH¢	Payee	Details	Remarks	A/C
16/7/19	20/9	800.00	RH/WR	Cost Of Search for Aximland and Site Plan	No Receipt	Operations
7/2/19	2/2	1,500.00	Kingsdesco	Pmt For Swivel Chair for Internal Audit N District Mgr	No Receipt	Operations
7/2/19	8/2	1,208.00	Ajumakoma n Bookshop	Purchase Of Stationery for Office Use	No Receipt	Operations
16/1/19	105/1	600.00	Rh/W	Hiring Transport to Boyira to Attend Funeral	No Receipt	Operations
16/1/19	106/1	1,400.00	Do	Hiring Transport to Accra to Attend Funeral	NO RECEIPT	Operations
7/2/19	120/1	430.00	Do	Servicing Of Air Condition at Finance Office	No Receipt	Operations
1/4/19	42/4	2,880.00	Estates Manager	Cost Of Redecorating Market Circle Post Office Phase II	No Receipt	Operations
18/9/19	63/12	4,054.60	Kab Fam Gh. Ltd	Two Air Conditions for Regional Head's Office	No Receipt	
14/3/19	2/3	1,886.00	Regional Head/W	Servicing Of Funeral of Late Alfred Koomson	No Supporting Documents	Operations
31/7/19	1/8	1,000.00	Do	Purchase Of Delivery Materials to Dispatch Ttu and Umat Priority Envelopes to The Various Regions	No Receipt and Other Supporting Documents	Customised
Total		15,758.60				

2221. We attributed the irregularity to failure on the part of the Head of Finance and his pay officers to ensure that due diligence was done as to erase any doubt in the payments for the affected transactions.

2222. This situation undermines effective and efficient cash management practices as this could lead to payments to unidentified persons, or payments for goods and services not delivered.

2223. We recommended that the Regional Head and the Head of Finance should ensure that the said payments are appropriately acknowledged with official receipts and/or signatures of the payees to authenticate the payments, failing which they will be held liable to refund the amount involved to the company and our office notified for verification.

Volta Region

Unsupported Payment Vouchers – GH¢23,959.29

2224. Regulation 78 of the Public Financial Management Regulations, 2019 (L. I. 2378) states, "A Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity that evidence of services received, certificates for work done and other supporting documents exist."

2225. We however noted to the contrary that Management of Volta Regional Office made payments from twenty-two (22) payment vouchers totalling GH¢23,959.29 to suppliers and service providers as well as some officers in the Region for various assignments but the Head of Finance could not obtain signatures from the payees or official receipts to support the payments. Details are shown in table 347.

Table 347: Unsupported/Un-receipted Payment Vouchers

S/N	Date	PV. No	Cheq No. Bank		Details	Payee	PV Amt GH¢	Remarks
1	22/2/19	39/90	1719	GCB LTD	Repair Works on Gent Sets, Use of Invoice as Receipt, No Receipt	Samows Technical Service	380.00	No Rec
2	27/2/19	40/90	1719	GCB LTD	Replacement Of Taillight Accidentally Damaged by A Hit and Run Driver-Gn 5159-15	Rh/V	920.00	No Receipt
3	20/1/19	42/90	1719	GCB LTD	Funds To Repair Fans at Mail Office	Demuphy Ent	225.00	No Receipt
4	20/2/19	46/90	1719	GCB LTD	Funds To Buy Stamps for Kpando Office	Rh/V	350.00	No Receipt
5	21/2/19	47/90	1719	GCB LTD	Cost Of Protocol for Marketing	Act Rh/V	600.00	No Receipt
6	21/2/19	59/90	1719	GCB LTD	For Lunch and Other Incidental Expenses	Do	300.00	No Receipt
7	26/3/19	02/91	1729	GCB LTD	Pmt For Water Bill for Sogakope for Jan.,2019	Rh/V	275.52	Do
8	DO	03/91	1729	GCB LTD	Do	Do	283.27	Do
9	4/4/2019	65/91	1727	GCB LTD	Cost Of Hiring a Bus to Anloga to Mourn with Cynthia Tetteh	Rh/V	1,850.00	No Receipt
10	DO	66/91	1727	GCB LTD	Funds To Weed	Rh/V	300.00	No Receipt
11	26/2/19	74/90	1720	GCB LTD	Funds To Service Management Meeting	Acting Rh/V	1,000.00	Unsupp
12	7/3/2019	72/91	1726	GCB LTD	Cost Of Servicing Meeting	Acting Rh/V	390.00	Unsupp
13	19/11/19	NOT STATED	3028	GCB LTD	Estimate For Painting Denu Office	Rh/V	2,021.00	No Rec
14	22/2/19	NOT STATED	3137	GCB LTD	Se Cluster Meeting	Rh/V	4,934.50	No Rec
15	17/4/19	23/93	1735	GCB LTD	Protocol For Marketing Activities	Act Rh/V	600.00	No Receipt
16	24/6/19	55/96	1749	GCB LTD	Renovation Works on Leakages at Regional Office	Rh/V	2,700.00	No Receipt
17	25/1/19	24/89	1708	GCB LTD	Purchases Of Detergents for	Rh/V	300.00	No Receipt

					Cleaning Regional Office			
18	24/1/19	35/89	1708	GCB LTD	Funds For Electrical Works	Rh/V	294.00	No Receipt
19	30/4/19	38/98		GCB LTD	Cost Of Servicing Meeting	Rh/V	670.00	No Support Document
20	24/6/19	64/96	17476	GCB LTD	Budget For Funeral Late John Atuprah	Rh/V	4,410.00	No Support Document
21	30/04/2019	55/94		GCB LTD	Cost Of Hosting a Team from Estate and Ceps for The Month of April	Aflao	500.00	Unsupp
22	13/03/2019	64/94		GCB LTD	Funds To Furnish the Conference Room	Vivian A. Tese	656.00	Unsupp
Total							23,959.29	

2226. We attributed the irregularity to failure on the part of the Head of Finance and his pay officers to conduct due diligence before effecting payments.

2227. This situation undermines effective and efficient cash management practices as this could lead to payments to unidentified persons, or payments for goods and services not delivered.

2228. We recommended that the Regional Head and the Head of Finance should ensure that the said payments are properly supported or receipted with the necessary supporting documents and signatures, failing which they would be held liable for a refund.

MANAGEMENT ISSUES

Failure to deduct 15% withholding tax on rent - GH¢6,012.00

2229. Section 115 (paragraph 8 of the first schedule) of the Income Tax Act, 2015 (Act 896) requires, a withholding agent to deduct a tax rate of 15% from payment of rent to a person other than an individual for non-residential property.

2230. We noted that three (3) payments totalling GH¢40,080.00 were made in respect of rental charges for some Company post offices. We noted that the Accounts Section failed to subject the payments to 15% withholding tax amounting to GH¢6,012.00 and remit same to the Ghana Revenue Authority as required by law. Details are provided in *Table 348*.

Table 348: Failure to deduct 15% Rent Tax - GH¢6,012.00

Date	PV Number	Bank/ Cheque No.	Payee	Details	Rental Charge GH¢	Rate	WHT GH¢
2/9/2020	669/2	NIB/493	Prince Allotey	Renewal of Tenancy Agreement in Tema Com 11 Post Office.	30,000.00	15%	4,500.00
6/5/2020	620/2	NIB/445	Hayford Asare	Payment of rent in respect of Akraide Post Office 2017-2020.	4,080.00	15%	612.00
9/6/2020	640/3	NIB/457	Acheamfour Group Ltd	payment of rent- Kejetia Post Office.	6,000.00	15%	900.00
Total					40,080.00		6,012.00

2231. This irregularity was due to non-compliance with the tax laws, thereby preventing the Ghana Revenue Authority from achieving its revenue targets and also denying the state the needed resources for its economic and developmental projects.

2232. We recommended an urgent recovery of those taxes from the landlords and same remitted to Ghana Revenue Authority and receipts made available for our inspection.

2233. Management responded stating that taxes would be withheld from subsequent payments to Landlords. The suppliers have since been informed of this action.

Absence of Scheme of Service

2234. Section 90 of the Public Financial Management Act, 2016 (Act 921) requires that, the governing body of a public corporation or state-owned enterprise shall establish and maintain policies, procedures, risk management and internal control systems, governance and management practices, to ensure that the public corporation or state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

2235. It is the duty of the Board of a Public Corporation to develop a Scheme of Service for the Company which shall indicate the following:

- Recruitment and placement policies;
- Entry requirements into various grades of the Company;
- The career path, development, and progression in the Company; and
- Job descriptions for key positions in the Company.

2236. We noted from our review of policies, procedures, risk management and internal control systems of the Company that, the Board has not developed any Scheme of Service to govern its employees effectively and efficiently.

2237. There is no coherent framework to facilitate the recruitment, development and career progression of staff in the Company.

2238. We further noted that this lack of Scheme of Service has resulted in a situation where some employees have been on the same rank for more than ten years while others have been promoted about three times within four years.

2239. This was as result of the Board's inability to perform its duty as required by law.

2240. This situation could result in apathy and industrial unrest.

2241. We urged Management to address this issue to forestall any industrial unrest and harmonise the progress of each employee of the Company.

2242. According to Management, the Board had given assent to Management to contract Ernst & Young Ghana to update the current Scheme of Service. Work is ongoing.

Unpaid Taxes and Penalties from 2016 – 2018 – GH¢6,036,601.19

2243. Section 117 of the Income Tax Act, 2015 (Act 896) states, “a withholding agent shall pay to the Commissioner a tax that has been withheld or that should have been withheld under this subsection within fifteen days after the end of the month in which the payment subject to withholding tax was made by the withholding agent.”

2244. Section 50 of the Income Tax Act, 2015 (Act 896) states that, a person who fails to pay tax on or before the date on which the tax is payable is liable to pay an interest on the tax amount due for the period for which any of the tax is outstanding.

2245. The audit team reviewed a Tax Audit Report for the 2016, 2017 and 2018 Years of Assessment of the Company. This Tax Audit Report was issued in June 2020 by the Ghana Revenue Authority. The Total Tax Liability of the Company as assessed in the report amounted to GH¢6,036,601.19 consisting of GH¢4,963,470.40 representing unpaid taxes and GH¢1,936,276.58 representing penalties on the unpaid taxes during the period. Details are shown in Table 349.

Table 349: Procurement of services without recourse to the procurement laws

Description	Tax Liability GH¢	Penalty on Unpaid Taxes GH¢	Total Tax Liability GH¢
Corporate Taxes	309,674.43	-	309,674.43
Withholding Taxes	197,214.96	54,164.80	251,379.76
Pay As You Earn (P. A. Y. E.)	4,085,421.50	1,882,111.78	5,967,533.28
Indirect Taxes (VAT)	371,159.51	-	371,159.51
Total	4,963,470.40	1,936,276.58	6,899,746.98
Tax Paid			(863,145.79)
Total Tax Liability			6,036,601.19

2246. The above infraction was because of Management inability to honor these tax obligations to the state.

2247. Non-payment of taxes could deny government of the needed funds to execute its developmental agenda. The Company also incurred penalties of GH¢1,936,276.58 as due to its inability to pay the taxes assessed in the Tax Audit Report on their respective due dates. Furthermore, any additional delays in the settlement of this liability could lead to more penalties which could deprive the Company of funds that could be used to support its growth and operations.

2248. We recommended to Management to ensure that steps are taken to settle the entire tax liability of GH¢6,036,601.19 to GRA and to notify the audit team to verify same.

2249. Management Responded that Ghana Post actual paid the required debt for the period 2016-2018. However, GRA used the payment to settle outstanding legacy debts for prior years. Management went into a payment plan with GRA in 2020 to defray this debt. So far Ghana Post has Gh¢1,285,421.61 outstanding on the debt and are on course to achieve the payment plan.

REGIONAL VISITS

Accra-East Region

Unsupported Payments – GH¢8,886.00

2250. Regulation 78 of the Public Financial Management Regulations, 2019 (L. I. 2378) states that a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity that evidence of services received, certificates for work done and other supporting documents exist.

2251. We noted to the contrary that Management of Greater Accra Region/East of Ghana Post Company, made payments from five (5) payment vouchers totalling GH¢8,886.00 to suppliers and service providers as well as some officers in the Region for various assignments, but the Head of Finance neither ensured that the payees signed, nor official receipts were obtained to support and acknowledge receipt for the payments to properly authenticate and account for the transactions. Details are shown in table 350.

Table 350: Un-receipted/Unsupported Payments

Date	PV No	Details	Amount GH¢	Receipted GH¢	No Receipt GH¢	Payee	Remarks
31/3/20	65/Aug/20	Meeting and procurement training held on 26/2/20	2,500.00		2,500.00	Cluster Head/SE	No signed attendance, No signed Pay sheet
15/9/20	12/sept/2020	purchases of electrical material for works at Adenta Office	2,263.00		2,263.00	Nathaniel Gogo/KKB Electricals	no receipt
19/11/20	3/Dec/2020	Minor Maintenance works at Osu Office	1,263.00	300.00	963.00	Head Cluster Estate Manager/SE	No receipt,
15/9/20	50/july/20	T & T & lunch during mid-year appraisal meeting at ARE DIST. For postmaster on 23/7/20	1,600.00	750.00	850.00	Abraham Gogo & Co.	partial attachment, no signed list
19/3/20	128/march	expenses incurred during a 2-day cluster meeting at Tema ECG training school on 26th and 27th February 2020	2,310.00		2,310.00	Regional Administrative Manager	No disbursement receipts, signed list
Total					8,886.00		

2252. We attributed the irregularity to weak controls exercised over payments at the account Section of the Region.

2253. This situation undermines effective and efficient cash management practices as this could lead to payments to unidentified persons, or payments for goods and services not delivered.

2254. We recommended that the Regional Head GAR/East and the Head of Finance should ensure that the said payments are appropriately acknowledged with official receipts and or signatures of the payees to authenticate the payments, failing which they should be held liable to refund the amount involved to the Company and our office notified for verification.

Volta Region (Volta, Oti)

Unaccounted Cash withdrawals from Bank Account - GH¢24,378.30

2255. Regulation 78 of the Public Financial Management Regulations, 2019 (L. I. 2378) states, "A Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity that evidence of services received, certificates for work done and other supporting documents exist;"

2256. Our review of the bank statements of GCB (Ghana Post Co. Special Account) Account Number 5011130016676 for Volta Region indicated a total withdrawal of GH¢24,378.30 without being accounted for. Details are provided in table 351.

Table 351: Unaccounted Cash withdrawals from Bank Account

Date	Cheque No.	Cash Withdrawer	Description	Accounts No.	Amount GH¢
21/2/2020	3029	Regional Finance Manager/Volta	Withdrawal	5011130016676	300.00
2/3/2020	3030	Temanu Dickson Kofi	Withdrawal	5011130016676	1,000.00
16/3/2020	3032	Regional Finance Manager/Volta	Withdrawal	5011130016676	1,427.00
18/3/2020	3034	Regional Head/Volta	Withdrawal	5011130016676	4,848.80
19/3/2020	3035	Regional Head/Volta	Withdrawal	5011130016676	9,468.00
24/3/2020	3036	Regional Head/Volta	Withdrawal	5011130016676	2,872.00
3/4/2020	3037	Regional Finance Manager/Volta	Withdrawal	5011130016676	2,912.50
28/7/2020	3039	Regional Head/Volta	Withdrawal	5011130016676	1,550.00
Total					24,378.30

2257. The former Regional Finance Manager was not available to give explanations to the Audit team as he was on transfer to Sunyani. The Regional Head/Volta could also not explain the reason for the withdrawal.

2258. Inadequate controls exercised over payments and withdrawals in the regional accounts department of the Company occasioned the irregularity.

2259. The absence of payment vouchers, cash book entries and full particulars of disbursement particulars cast doubt on the authenticity of the transactions.

2260. Funds could be lost unjustifiably to persons for no work done or no activity for the Company.

2261. We recommended that the rules and regulations governing public financial management are strictly followed to promote sound financial management and effective internal controls.

2262. We also advised that the Regional Manager/Volta and the Regional Finance Manager/Volta who were in office from January to September 2020 be held liable to account for a total amount of GH¢24,378.30.

Western Region

Company Guest House in a state of disrepair

2263. Section 52 of Public Financial Management Act, 2016 (Act 921) states that a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. A control system specified in subsection (1) shall be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage and misuse; and the processes, whether manual or electronic, and procedures are in place for the effective, efficient, economical and transparent use of the assets.

2264. Ghana Post Company owns and operates a Guest House at Anaji, off St Peter's Street, Takoradi. We noted on the contrary that the facility has been left in a state of disrepair. Some of the doors were falling off, portions of the bath basins in the washrooms were removed and window nets torn apart. We also noted that the signpost to the guest house was defaced, and the entire guest house had not been painted for a long time.

2265. Management explained that Internally Generated funds (IGF) are being mobilised to put the place to shape.

2266. The team blamed Management for its failure to regularly do maintenance works on the property.

2267. The Company could lose revenue as a result of lack of patronage by the public, besides the Company's property could further deteriorate if maintenance is not done regularly.

2268. We urged Management to liaise with the Head Office for assistance to put the property in a good shape.

POSTAL & COURIER SERVICE REGULATORY COMMISSION

Introduction

2269. This report relates to the audited financial statements of Postal & Courier Service Regulatory Commission for the three years ending 31 December 2019.

Operational Results

2270. The Commission recorded a surplus of GH¢386,055.79 in 2019 as against GH¢34,937.41 recorded in 2018. The 1,004.99% rise in surplus was mainly due to the increase in Internally Generated Fund and Government Subvention.

Details of the financial performance over the comparative period are shown in table 352.

Table 352: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Government Subvention	775,118.06	393,741.90	381,376.16	96.86
Internally Generated Fund	516,966.71	313,742.53	203,224.18	64.77
Total Income	1,292,084.77	707,484.43	584,600.34	82.63
Expenditure				
Personnel Emoluments	441,045.29	241,590.10	199,455.19	82.56
Administrative Activity	395,712.94	352,835.24	42,877.70	12.15
Service Activity	69,270.75	78,121.68	(8,850.93)	(11.33)
Total Expenditure	906,028.98	672,547.02	233,481.96	34.72
Surplus/Deficit	386,055.79	34,937.41	351,118.38	1,004.99

2271. Total income increased by 82.63% from GH¢707,484.43 in 2018 to GH¢1,292,084.77 in 2019. This was mainly as a result of 96.86% and 64.77% increase in Government Subvention and Internally Generated Fund respectively.

2272. Total expenditure also increased by 34.72% from GH¢672,547.02 in 2018 to GH¢906,028.98 in 2019 following an increase in Compensation of Employees and Administrative Expenses.

Financial Position

2273. The Commission's financial position as at 31st December 2019 is shown in Table 353.

Table 353: Statement of Financial Position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	275,381.45	62,469.47	212,911.98	340.83
Current Assets				
Cash at Bank	352,260.14	35,058.17	317,201.97	904.79
Receivables	96,727.40	216,570.27	(119,842.87)	(55.34)
Total Current Assets	448,987.54	251,628.44	197,359.10	78.43
Current Liabilities				
Account Payables	51,516.18	27,300.95	24,215.23	88.70
Net Current Assets	397,471.36	224,327.49	173,143.87	77.18
Net Assets	672,852.81	286,796.96	386,055.85	418.01
Liquidity Ratio	8.7:1	9.2:1		

2274. The net current asset of the Commission stood at GH¢397,471.36 as of 31st December 2019.

2275. Non-current assets increased to GH¢275,381.45 in 2019 following an acquisition of new motor vehicles for the Commission.

2276. Current assets also recorded a rise from GH¢251,628.44 in 2018 to GH¢448,987.54 in 2019. This is attributed to 904.79% increase in the Commission's cash at bank.

2277. The liquidity ratio of 8.7:1 in 2019 as compared with 9.2:1 in 2018 indicated that the Commission has the ability to meet its short-term debts as and when they fall due.

Non-Recovery of Licence and Renewal Fees – GH¢202,300.00

2278. Regulation 46 (a) of the Public Financial Management Regulations, 2019 (L.I. 2378) states that, a principal spending officer shall ensure that non-tax revenue is efficiently collected.

2279. We noted that 34 Courier and Delivery Service providers defaulted in paying their annual Licence fees as prescribed by the above Act. The period of default ranges from 2017 to 2019 as detailed in table 354.

Table 354: Non-Recovery of Licence and Renewal Fees

No.	Name of Operator	Category	2017 GH¢	2018 GH¢	2019 GH¢	Total GH¢
1	Accra -Kumasi Highway Express	Domestic small	6,500.00	1,500.00	1,500.00	9,500.00
2	Adler Service Limited	Domestic Small			1,500.00	1,500.00
3	African Xpress Limited	Domestic Small			1,500.00	1,500.00
4	Akwaaba Assist Limited	International Small		5,500.00	2,500.00	8,000.00
5	Al- Corany Services	Domestic Small			1,500.00	1,500.00
6	Corporate Assist (GH) Limited	Domestic Small	1,500.00	1,500.00	1,500.00	4,500.00
7	Doobia Royal Company Limited	Domestic Small			1,500.00	1,500.00
8	Express Time Courier Services	Domestic Small		1,500.00	1,500.00	3,000.00
9	First Choice Express	Domestic Small		1,500.00	1,500.00	3,000.00
10	Flycon Express and Logistics Limited	International Small	5,000.00	5,000.00		10,000.00
11	Freight Consult Ghana Limited	International medium			10,000.00	10,000.00
12	GM Express Limited	Domestic Small			1,500.00	1,500.00
13	Goldcard Courier and Logistics Company	International Small	9,000.00	2,500.00		11,500.00
14	Great Imperial Transport Services Ltd	International small			2,500.00	2,500.00
15	Hellodelivery Services	International small			2,500.00	2,500.00
16	Kasi Express Limited	International small			2,500.00	2,500.00
17	Maranatha Air Lines Ghana Limited	Internataional Small	8,000.00	2,500.00	2,500.00	13,000.00
18	Mawuko Couriers	International small		2,500.00	2,500.00	5,000.00
19	Meriline Logistics Limited	International Small		2,500.00	2,500.00	5,000.00

20	Minute Link Courier Services	Domestic Small	4,500.00	1,500.00		6,000.00
21	Modern World Logistics Limited	International small			2,500.00	2,500.00
22	Newnet Express Limited	International small			2,500.00	2,500.00
23	PNA Express Courier Limited	Domestic medium			2,500.00	2,500.00
24	Premier K Services	Domestic Small	7,500.00	2,500.00		10,000.00
25	Press Xpress	Domestic Large			4,000.00	4,000.00
26	Quality Delivery Services Limited	International Medium		2,500.00	2,500.00	5,000.00
27	RH Express Courier Express Limited	International Large			20,000.00	20,000.00
28	Speed Delivery Limited	Domestic Small	1,300.00	1,500.00	1,500.00	4,300.00
29	Spring Couriers	Domestic Small	2,000.00	1,500.00	1,500.00	5,000.00
30	Stanbay Logistics Limited	Domestic Small	3,000.00	1,500.00		4,500.00
31	Unica Courier Line	International Small	2,500.00	2,500.00		5,000.00
32	Unique Express Courier Services	Domestic Small		1,500.00	1,500.00	3,000.00
33	Wayoosi Music And Business Services Limited	International Small	8,000.00	2,500.00		10,500.00
34	Western Express and Logistics Ghana	International medium		10,000.00	10,000.00	20,000.00
	Total		58,800.00	54,000.00	89,500.00	202,300.00

2280. Interaction with the Operations Manager indicates that most of these Companies have folded up hence their inability to recover the debt. The Commission's inability to collect revenue that is due for a particular period will deny the Commission the needed revenue to perform its supervisory role in the Postal and Courier Service delivery. The Commission will also not be able to undertake most of its operational activities funded by its Internally Generated Fund.

2281. We recommended that the Commission should establish a revenue collection task force to ensure that all monies due the Commission is paid regularly and on time. We also recommended that Management should introduce a policy that will ensure that any default or delay in renewal of licence will attract a penalty.

2282. Management responded that it has taken note of our recommendation and that the Commission will redouble its efforts to ensure the collection of outstanding licence fees. Efforts are also being taken to locate these folded-up courier operators. In spite of the covid-19 pandemic, the Commission said they are still pursuing them to settle their indebtedness.

Payment of Salary Arrears from the Internally Generated Fund - GH¢94,000.00

2283. Section 5 of the Retention of Funds Act, 2007 (Act 735) stipulates that, Internally Generated Funds can only be utilised when activities on which the expenditure will be incurred have been programmed and approved in that Ministry's, Department's and Agency's expenditure budget by Parliament.

2284. Section 5 of Act 735 also states that Internally Generated Funds shall not be used for the payment of salaries, staff benefits and other allowances except where all allowances are directly related to increase revenue.

2285. Contrary to the Act stated above, Management paid a total of GH¢94,000.00 from its Internally Generated Funds as salary arrears to the former Executive Secretary without any approval from the Ministry of Finance. We also noted that the salary arrears were not included in the budget approved by Parliament for the period under review. Detailed in table 355.

Table 355: Payment of Salary Arrears from the Internally Generated Fund

No.	Date	PV No.	Description	Amount GH¢
1.	18/1/17	15/17	Being amount released for the payment of 2 nd instalment of salary arrears	5,000.00
2.	30/1/17	23/1/17	Payment of 3 rd instalment of salary arrears due the Ex. Executive Secretary	15,000.00
3.	21/2/17	58/2/17	4 th instalment of salary arrears due the Ex. Executive Secretary	20,000.00
4.	3/3/17	63/17	5 th instalment of salary arrears due the Ex. Executive Secretary	10,000.00
5.	26/4/17		6 th instalment of salary arrears due the Ex. Executive Secretary	7,000.00
6.	22/5/17	12/5/17	7 th instalment of salary arrears due the Ex. Executive Secretary	10,000.00
7.	4/7/17	2/7/17	Being payment of 8 th instalment of salary arrears due the Ex. Executive Secretary	5,000.00
8.	19/12/17	22/7/17	Being payment of 9 th instalment of salary arrears due the Ex. Executive Secretary	12,000.00
9.	28/8/17	18/8/17	Being payment of 10 th instalment of salary arrears due the Ex. Executive Secretary	5,000.00
10.	6/12/17	5/12/17	Being payment of final instalment of salary arrears due the Ex. Executive Secretary	5,000.00
Total				94,000.00

2286. We attributed the anomaly to Management's failure to comply with the rules regarding the utilisation of Internally Generated Funds. Non-compliance with the regulation could put a strain on the finances of the Commission since monies budgeted for other programmes may be diverted into paying of salary arrears.

2287. We recommended that the Commission should write to Ministry of Finance to seek retrospective approval failing which the approving and authorising officers of this payment be made to refund the amount. Also, Management should seek prior approval in future cases.

2288. Management responded that, the Commission at that time sought permission to use such funds to pay the arrears and it was granted.

2289. The Commission produced a letter from the Ministry of Communication requesting for approval from Controller & Accountant General's Departments(C&AGD) to pay the arrears, however, there was no approval letter from Ministry of Finance through C&AGD for the payment. We recommended that the Management of the Commission should provide records showing approval letter from Ministry of Finance for our verification.

Non-Retirement of Accountable Imprest

2290. Regulation 102(1-3) of the Public Financial Management Regulations, 2019 (L.I. 2378), states "The Principal Spending Officer shall ensure that the standing imprest is fully retired by the end of the financial year. A special imprest, issued for making a particular payment, or group of payments shall be fully retired within ten days after completion of the activity. The unretired imprest shall be charged to the personal name of the Principal Spending Officer or the holder of the imprest or the ultimate recipient of the imprest, as appropriate.

2291. Our examination of the Payment Vouchers during the period under review disclosed that a total amount of US\$2,750.00 and GH¢7,630.00 which were given to the Executive Secretary for foreign and local travels to attend conferences were not accounted for. Details provided table 356.

Table 356: Non-Retirement of Accountable Imprest

S/N	Date	PV. No.	Description	Amount US\$	Amount GH¢	Payee
1	26/4/17	98/04/17	Per diem allowance, hotel accommodation and time allowance to Mr. Isaac Annan Riverson to participate in Ghana's 36 th congress of the Pan African Postal Union. Nairobi, Kenya	2,750.00		Mr. Annan Riverson
2	7/9/17	1/9/17	Being payment to enable the Former Executive Secretary to attend annual Bar Conference in Sunyani		2,730.00	Mr. Annan Riverson

3	7/8/17	4/8/17	Being release to the Former Executive Secretary i.r.o a workshop for Boards, Chief Executives Officers of public institutions at Akosombo		2,200.00 600.00	Mr. Annan Riverson Driver
4	05/1/18	17/4/18	Being funds released to enable the Executive Secretary travel to Kumasi		1,650.00 450.00	Mr. Annan Riverson Driver
	Total			2,750.00	7,630.00	

2292. Control weakness exercised at the accounts department occasioned the anomaly.

2293. We however could not ascertain whether the money was used for the intended purpose. This practice could also create opportunity for misapplication of funds.

2294. We urged Management to ensure that all imprest granted are properly retired accordingly within 30 days upon the receipt of this Management Letter and our office notified for verification.

2295. Management in its response said they have taken note of the recommendation and will ensure that subsequent travels are accounted for fully and properly.

DATA PROTECTION COMMISSION

Introduction

2296. This report relates to the audited financial statements of Data Protection Commission for the three years ending 31 December 2019.

Operational Results

2297. The Commission recorded a deficit of GH¢958,995 in 2019 as against a figure of GH¢528,439 recorded in 2018 representing 81.5% deterioration in the financial performance of the Commission. Details of the Performance indicators are shown in table 357.

Table 357: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./(Decr.) GH¢	% Change
Internally Generated Funds	1,255,583.42	921,881.37	333,702.05	36.2
Other Income	1,156,851.76	331,964.82	824,886.94	248.5
Total Income	2,412,435.18	1,253,846.19	1,158,588.99	92.4
Expenditure				
Compensation of employees	593,956.53	970,313.70	(376,357.17)	(38.8)
Goods and services	2,777,473.26	811,971.98	1,965,501.28	242.1
Total Expenditure	3,371,429.79	1,782,285.68	1,589,144.11	89.2
Surplus/(Deficit)	(958,994.61)	(528,439.49)	(430,555.12)	(81.5)

2298. Total Income increased by 92.4% from GH¢1,253,846.19 in 2018 to GH¢2,412,435.18 in 2019. The increase was largely due to 248.5% rise in Other Income, from GH¢331,964.82 in 2018 to GH¢1,156,851.76 in 2019.

2299. Total Expenditure also recorded an increase of 89.2% from GH¢1,782,285.68 in 2018 to GH¢3,371,429.79 in 2019. The rise was mainly due to a 242.1% or GH¢1,965,501.28 increase in Goods and Services, from GH¢811,971.98 in 2018 to GH¢2,777,473.26 in 2019.

Financial Position

2300. The analysis of the Financial Position of Data Protection Commission and its comparative figures for 2018 are shown in the table 358.

Table 358: Statement of financial position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./(Decr.) GH¢	% Chang
Non-Current Assets	189,268.98	283,234.21	(93,965.23)	(33.2)
Current Assets	370,961.48	354,934.58	16,026.90	4.5
Current Liabilities	1,009,548.67	128,492.39	881,056.28	685.7
Net Assets	(449,318.21)	509,676.40	(958,994.61)	(188.2)
Current Ratio	0.4:1	2.8:1		

2301. Non-Current Assets decreased by 33.2% from GH¢283,234.21 in 2018 to GH¢189,268.98 in 2019. The decrease in Non-Current Assets was due to the depreciation charges of GH¢127,171.93 for the period which exceeded the additions of GH¢33,206.50 made to fixed assets during the same period.

2302. Current Assets increased by 4.5% from GH¢354,934.58 in 2018 to GH¢370,961.48 in 2019. The rise was because of 45.4% increase in Cash and Bank Balances from GH¢188,797.58 in 2018 to GH¢274,587.16 in 2019.

2303. Current Liabilities rose to GH¢1,009,548.67 in 2019 from GH¢128,492.39 in 2018 representing an increase of 685.7%. This was due to an increase of GH¢881,056.28 in the Sundry Creditors at the end of December 2019.

2304. The liquidity position of the Commission as measured by current ratio worsened from 2.8:1 in 2018 to 0.4:1 in 2019. This means the Commission would not be able to meet its short-term obligations as and when they fall due, when compared with the benchmark ratio of 2:1.

2305. We therefore advised Management to improve upon its liquidity position.

MANAGEMENT ISSUES

Payments not supported with Official Receipts – GH¢515,282.07

2306. Regulation 78 of Public Financial Management Regulations, 2019 (L.I. 2378) provides that a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy, and legality of the claim for the payment, that evidence of services received, certificates for work done and any other supporting documents exist.

2307. Our examination of payment vouchers disclosed that payments for various services rendered to the Commission in the sum of GH¢515,282.07 were without official receipts from the payees to authenticate the payments. The details are provided in table 359.

Table 359: Unreceipted Payment Vouchers

Date	Cheque No.	PV NO.	Description	PAYEE	PV Amount GH¢
ADB					
02/03/2017	487215	DPC/025/17	Payment of expenses		7,125.00
10/10/2019	901345	190	Certified Data Protection Supervisor training 4-8 Feb 2019	Information Governance	24,962.50
					32,087.50
GCB					
14/06/2019	154	DPC/111/19	Part-payment of 10% mobilization fee for the 1 st Africa Region Data Protection and Privacy Conference 2019 to coordinate the campaign.	Activate Africa	123,544.57
19/06/2019	157	DPC/115/19	Full payment 10% mobilization fee for the 1 st Africa Region Data Protection and Privacy Conference 2019 to coordinate the campaign.	Activate Africa	100,000.00

21/06/2019	159		Imprest-conference expenses		46,650.00
05/07/2019	164	DPC/131/19	Part-payment for coordinating the campaign of ARDPPC Conf. from 24-27 June 2019	Activate Africa	50,000.00
24/07/2019	165	DPC/136/19	Part-payment for the Redesign of DPC Website and design of African Data Protection and Privacy Conference Website	Influence Technologies	13,000.00
02/08/2019	167	DPC/131/19	Part-payment for coordinating the campaign of ARDPPC Conf. from 24-27 June 2019	Activate Africa	150,000.00
					483,194.57
Grand Total					515,282.07

2308. We attributed the anomaly to the Accounts Officer's inability to demand official receipts from the payees to support the payments.

2309. We could not confirm that the payments were made for the intended purposes or were made to the right payees.

2310. We recommended to Management to ensure that original receipts from the payees are attached to the payment vouchers for our verification, failing which the authorizing and the paying officers would be made to refund the amount of GH¢515,282.07.

2311. Management responded that the office is pursuing the payees to retrieve the receipts for our verification.

Unpresented Payment Vouchers – GH¢131,053.95

2312. Article 187(3) of the 1992 Constitution of the Republic of Ghana directs that the Auditor-General or any person authorised or appointed for the purpose by the Auditor-General shall have access to all books, records, returns and other documents relating or relevant to those accounts.

2313. We noted from our review that 16 payment vouchers and the related records amounting to GH¢131,053.95 were not presented for audit notwithstanding several requests to Management. Details are shown in table 360.

Table 360: Unpresented Payment Vouchers

S/N	Date	Cheque No.	PV No.	Description	PV Amount GH¢
ADB					
1		487225	DPC/042/17	Being refund of expenses	2,000.00
2	23/06/2017	768758	DPC/096/17	Payment for fuel coupons	3,000.00
3		768751	DPC/122/17	Refund of expenses	5,000.00
4	18/10/2017	768810	DPC/158/17	Refund	4,951.00
5		Transfer		Pat Edusei Poku	600.00
6		Transfer		Jeff Konadu	280.00
7		768850	DPC/175/17	refund	10,000.00
8		768842	DPC/177/17	Payment of withholding taxes for November	2,656.76
9	29/01/2018	901050	DPC/001/18	Payment of withholding taxes for	3,675.66
10	07/03/2018	901066	DPC/021/18	Payment of withholding taxes for	7,607.90
11	10/10/2019	901347		Yutees	1,899.99
				Total	41,671.31
GCB					
12	05/07/2019	162	127/	ARDPPC Media -Cash	12,070.00
ECOBANK					
13	01-Apr-17	16		La Palm	60,000.00
14	05/09/2019			Petty Cash	1,120.00
15	08/10/2019			Patricia Adusei Poku	13,092.64
16				Registration Refund	3,100.00
				Total	77,312.64
				Grand Total	131,053.95

2314. This could be attributed to lack of Management's supervision on the activities of the Accounts Assistant, and improper records keeping.

2315. We could not confirm that the payments of GH¢131,053.95 were made for the intended purpose, and in the interest of the Commission due to the absence of proper documentation to show same.

2316. We recommended to Management to make available the payment vouchers totalling GH¢131,053.95 and the related records for audit scrutiny failing which the officers responsible for the payments should be made to refund the GH¢131,053.95.

2317. Management responded that majority of the payment vouchers are available for our verification.

2318. The GH¢131,053.95 represents the outstanding payment vouchers yet to be presented after we had verified Management's response. We, therefore, reiterate our recommendation.

Unsupported Payments – GH¢496,022.04

2319. Regulation 78 of the Public Financial Management Regulations, 2019 (L. I. 2378) requires that, a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy and legality of the claim for the payment; that evidence of services received, certificates for work done and any other supporting documents exist.

2320. Our review of the records disclosed that 41 payments vouchers totalling GH¢496,022.04 were without the relevant supporting documents such as Store Receipt Advice (SRA), distribution lists and signed claim sheets to authenticate the payments. Details are shown in table 361.

Table 361: Unsupported Payments

Date	Cheque No.	PV No.	Description	Net Amount GH¢	Irregularity
ADB					
03/02/2017	487192	DPC/008/17	Payment for the printing of flyers Target Roll Com. Consult	5,233.25	No SRA attached
06/02/2017	487194	DPC/010/17	Payment for toner	1,218.09	No SRA attached
20/02/2017	487204	DPC/016/17	Servicing of vehicle SMICE Int'l Ltd	2,823.70	No certification of performance
02/03/2017	487215	DPC/025/17	Payment of expenses	7,125.00	Imprest not accounted for
21/03/2017	487222	DPC/031/17	Transportation to media men	600.00	No signed claim sheet attached
22/03/2017	TRANSFER	DPC/033/17	Payment of allowance to retained staff	5,144.14	2 persons did not sign for
24/04/2017	487233	DPC/049/17	Payment of per diem and visa fee	2,379.12	No SRA attached
20/07/2017	768769	DPC/110/17	Payment for office Consumables ED	1,402.63	No SRA attached
13/09/2017	768793	DPC/135/17	Payment for toner	2,800.00	No SRA attached
21/11/2017	TRANSFER	DPC/165/17	Payment for pull-ups and fliers	6,600.00	No SRA attached
04/12/2017	768838	DPC/173/17	Payment of catering services-training 28-30/11/17	6,270.00	list of the participant not attached
02/05/2018	901181	DPC/045/18	Easol motors	3,245.00	no certification of performance attached
12/11/2018	901095		La Palm Royal	18,650.00	attendance sheet not attached

14/11/2018	901100	DPC/121/18	Payment for the provision of Certified Data Protection Supervisor Training by Info governance Solution	74,469.45	list of Participants not attached
14/11/2018	901101	DPC/122/18	Payment for the provision of Certified Data Protection Supervisor Training by Info governance Solution	62,669.10	list of Participants not attached
22/11/2018	901106		ED- End of year Review	3,225.00	the amount was not approved
29/11/2018	901113		ED- Petty Cash	5,000.00	no supporting document
11/12/2018	901115		Dot Concept	4,970.77	No SRA attached
11/01/2019	901131	DPC/006/19	ED-Imprest	5,000.00	No supporting documents attached
06/02/2019	901143		T & T for Media	3,600.00	PV not approved
18/02/2019	901149	DPC/019/19	The Page Hotel	6,792.38	PV not approved
18/02/2019	901150	DPC/022/19	Dot Concept	4,098.70	No SRA attached
18/02/2019	901152	DPC/024/19	Bless Hand Ventures	11,747.00	No SRA attached
05/03/2019	901171		T & T for Trade Fair	2,435.00	Money not signed for
01/04/2019	901174		Real Digital Solutions	2,212.50	PV not authorised
26/04/2019	901290		ED-Board Sitting Allowance	5,840.00	Donation of GHS1,120.00 not receipted or paid to the bank
21/05/2019	901303		ED- meeting Refreshment	700	no attendance sheet attached
28/05/2019	901312		Vodafone	5,244.75	Photocopy invoice attached
05/07/2019	901391		Information Governance	27,614.77	no attendance sheet attached
02/09/2019	901416		ED - Refreshment	600	PV not approved
06/09/2019	901421		ED - Board Sitting Allowance	6,720.00	no signed sheet attached
06/09/2019	901327		Ghana Revenue Authority	8,754.20	PV not authorised
10/10/2019	901345	190	Certified Data Protection Supervisor training 4-8 Feb 2019 Information Governance	27,614.81	no VAT Receipt and attendance sheet attached

10/10/2019	901346	192	Certified Data Protection Supervisor training 18-22 March Information Governance	54,510.46	no attendance sheet attached
07/10/2019	Letter	DPC/189/19	Salaries -Oct 2019 ED	34,134.88	payment not approved
11/11/2019	901358	205	purchase and supply of printer cartridges Hamlet Pro	4,068.30	No SRA attached
12/12/2019	901433	DPC/234/19	Payment for furniture and desk Orca Deco	6,990.29	No SRA attached
16/12/2019	901438	240	Cost of a new Battery- GV 69-14 Easol Motors	708.75	No SRA attached
Total				433,212.04	
GCB					
18-Apr-17	216	DPC/045/17	PRINTING OF BAGS-BNERI LTD	11,460.00	No SRA attached
18-Apr-17	217	DPC/046/17	Honorarium to speakers - Anolf Speakers	4,700.00	Amount not signed for
21/06/2019	159		Imprest-conference expenses	46,650.00	PV not approved
Total				62,810.00	
Grand Total				496,022.04	

2321. Complete disregard for the above quoted Regulation and lack of supervision on the operations of the account's unit contributed to the anomaly.

2322. Payment vouchers not supported with proper documents deny assurance of regularity of disbursements and lacks transparency. The lapse could also open the disbursement activities to abuse and fictitious expenditures.

2323. We recommended to Management to ensure that the payments are properly acquitted by providing the relevant documents such as Store Receipt Advice (SRA), distribution lists and signed claim sheets to justify the expenditure failing which the GH¢496,022.04 should be recovered from the authorizing and paying officers.

2324. In response, Management stated that the supporting documents are available for our verification.

2325. The figure above represents the outstanding unsupported amount after Management response had been verified. We therefore reiterate our recommendation.

Salary Advance not recovered – GH¢60,000.00

2326. Regulation 32 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires among others that, a Principal Spending Officer of each covered entity shall take effective and appropriate steps to collect money due to the covered entity.

2327. We noted that a total amount of GH¢60,000.00 was granted as Salary Advance to Miss Patricia Adusei – Poku in 2018 by the Board of the Commission upon her request as a stopgap payment to enable her to meet certain obligations whilst arrangements for emoluments were being processed.

2328. However, the amount remained unrefunded as at the time of the audit in October 2020. We further noted that the loan was granted without a detailed agreement or repayment schedule to ensure timely recovery. Details are shown in table 362.

Table 362: Executive Director Salary Advance

Date	Cheque No.	PV No.	Description	Payee	Amount GH¢	Remarks
07/03/2018	Eco 000031	DPC/025/18	Refundable Salary Advance to the Executive Director	ED	30,000.00	ED did not sign for the money
14/06/2018	Eco 000037	DPC/025/18	Refundable Salary Advance to the Executive Director	ED	30,000.00	ED did not sign for the money
Total					60,000.00	

2329. We attributed the anomaly to the Board's failure to sign an agreement with the payee or establish a repayment schedule.

2330. The action exposes the Commission to financial abuse.

2331. We recommended to the Board to take steps to recover the GH¢60,000.00 without further delay. We further advised the Board and Management to establish a loan repayment policy to ensure recovery of staff loans and advances.

2332. In response, Management stated that a schedule of payments has been shared with Accounts. However, they are waiting for a reconstituted Board of Directors to ratify the arrangement.

Commission's indebtedness to a service provider – GH¢823,156.28

2333. Section 30 of the Public Financial Management Act, 2016 (Act 921) demands among others that a Principal Spending Officer shall, plan and manage the activities of a covered entity in accordance with the policy statement and financial estimates of that covered entity. A covered entity shall not obtain a credit facility from any person if that covered entity has not obtained a permission from the Minister and does not have the capacity to pay for the expenditure from the approved estimates as appropriated by Parliament for that financial year.

2334. Our audit disclosed that Data Protection Commission owes Activate Africa an amount of GH¢823,156.28 for services provided during the Commission's 2019 conference activities.

2335. We attributed the cause to:

- The total cost of the conference was not captured in the main budget of DPC.
- The Commission did not have enough funds for the conference.

2336. The Commission committed the Government to financial liability to the tune of GH¢823,156.28 in violation of above quoted Act. The action could also result in legal battles.

2337. We recommended to Management to initiate steps to pay the outstanding amount of GH¢823,156.28. We also advised Management to ensure that subsequently, expenditures are in accordance with the planned activities, the policy statement, and the financial estimates of the Commission.

2338. In response, Management stated that the Commission is collaborating with the Ministry of Communication to address the issue.

NATIONAL COMMUNICATIONS AUTHORITY

Introduction

2339. This report relates to the audited financial statements of the National Communications Authority for the year ended 31 December 2020.

Financial Performance

2340. The operations of the Authority for the year under review ended with a surplus of GH¢83,541,137 as compared with GH¢58,456,539 in 2019 representing a 42.9% improvement in the financial performance. Details are

shown in the table 363.

Table 363: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020	2019	Incr./ (Decr.)	%
Income	GH¢	GH¢	GH¢	Change
Revenue	193,585,754	168,897,454	24,688,300	14.6
Other Income	32,106,375	50,209,999	(18,103,624)	(36.1)
Total Income	225,692,129	219,107,453	6,584,676	3.0
Expenditure				
Operating Expenses	138,437,956	152,654,558	(14,216,602)	(9.3)
Allowance for Expected Credit Loss	3,713,036	7,996,356	(4,283,320)	(53.6)
Total Expenditure	142,150,992	160,650,914	(18,499,922)	(11.5)
Surplus for the year	83,541,137	58,456,539	25,084,598	42.9

2341. Total Income went up marginally by 3.0% from GH¢219,107,453 in 2019 to GH¢225,692,129 in 2020. This was due to a 14.6% or GH¢24,688,300 increase in Revenue.

2342. Total Expenditure on the other hand, decreased by 11.5% to GH¢142,150,992 in 2020 from a figure of GH¢160,650,914 in 2019. The fall was mainly due to decrease in Consultancy Charges and Local and International Training, Seminars and Conferences.

Financial Position

2343. The financial position of the Authority as at 31st December 2020 is summarised in table 364.

Table 364: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020	2019	Incr./ (Decr.)	%
GH¢	GH¢	GH¢	Change	
Non-Current Assets	309,753,710	264,128,822	45,624,888	17.3
Current Assets	664,140,464	590,085,739	74,054,725	12.5
Non-Current Liabilities	244,105,147	229,767,139	14,338,008	6.2
Current Liabilities	58,736,656	37,507,722	21,228,934	56.6
Net Assets	671,052,371	586,939,700	84,112,671	14.3
Current Ratio	11:1	16:1		

2344. Non-Current Assets increased by 17.3% from GH¢264,128,822 in 2019 to GH¢309,753,710 in 2020. The increase was largely due to additions to property, plant and equipment.

2345. Current Assets also increased from GH¢590,085,739 in 2019 to GH¢664,140,464 in 2020 representing 12.5%. The increase was primarily due to a rise in DTT-Project by GH¢148,716,486 or 431.6%.

2346. Non-Current Liabilities went up by 6.2% from GH¢229,767,139 in 2019 to GH¢244,105,147 in 2020. The rise was mainly due to increase in Deferred Licence Fee by GH¢12,435,376 or 5.5%.

2347. Current Liabilities also recorded upwards movement of 56.6% from GH¢37,507,722 in 2019 to GH¢58,736,656 in 2020. The increment was primarily due to a rise in Accruals and Other Suppliers Payables from GH¢12,923,354 in 2019 to GH¢29,592,913 in 2020 representing GH¢16,669,559 or 129% increase.

2348. The Authority's liquidity profile as portrayed by its current ratio of 11:1 (2019: 16:1) indicated the ability to meet its short-term financial obligations when they fall due.

MANAGEMENT ISSUES

Unresolved Infractions by Tower Owners

2349. Section 1 of the National Communications Authority Act, 2008 (Act 769) empowers the NCA as a national body responsible for the licensing and regulation of communications activities and services in Ghana and endeavors to promote a stable regulatory environment for operators and investors by ensuring fair competition and efficiency. The Authority is to also ensure increase in communications infrastructure such as base stations and towers which are needed to ensure that there are adequate network coverage and access that guarantee minimum Quality of Service (QoS).

2350. The National Communications Authority (NCA) engaged the services of three (3) Contractors and a Project Management Consultant to carry out a Base Station Audit of all the towers used for telecommunications services in Ghana. The purpose of the audit was to assess conformance to the Guidelines for the Development of Communications Towers and BTS Site Technical Standards and Specifications.

2351. As part of our audit of the NCA, we embarked on a verification exercise to some selected tower sites to confirm whether the findings and non-conformities identified during the Base Station Audit have been remedied by the affected tower owners.

2352. At most of the sites visited, we found that the BTS Site Technical Standards and Specifications in force such as Site Access, General Site Conditions, Tower stubs and foundations including concrete equipment plinths,

UPS battery and rectifiers, Fire and Intrusion alarm system, standby and commercial power, RF exposure signs etc. were in place and functioning.

2353. Despite the above, a couple of tower owners were yet to implement recommendations contained in the base station audit reports. Table 365 provide details of non-compliance situations noted during the exercise.

Table 365: Unresolved Infractions by Tower Owners

No.	Tower/Site Owner	Tower Type	Site Name	Tower ID	Location	Tenants	Infractions
1	GLO	Lattice	Denkyemuso	KUM077	Kumasi	1. GLO	1. No RF exposure signs mounted to the tower. 2. No UPS batteries in the DC plant 3. No standby power plant 4. ECG switch over badly burnt for more than 2years now. 5. Rusted fuel tank. 6. Security Officer on site – Mr. Joseph Asare complains of 18months unpaid salary. 7. Security post/structure converted to tailoring shop as an alternative source of income by the site security officer. 8. No visitors logbook
2	GLO	Lattice	Kwadaso Estate	KUM087	Kumasi	1. GLO	1. Site decommission but the structure has not been removed as require by NCA's directive
3	HELIOS	Rooftop	Abeka	1052	Accra Metropolis	1. MTN 2. Vodafone 3. AirtelTigo	1. No intrusion alarm system on site and some sensitive equipment such as the DC plant. 2. Fence spacing/layouts loose to prevent burglary.
4	African Towers	Rooftop	U2229 LA_STPU_S	2229	La Dade-Kotopon Municipal	1. MTN	1. No fence and gate/door around the site/structure. 2. No intrusion alarm present.
5	GLO	Lattice	Awatidome	H00005	Ho Municipal	1. GLO	1. Standby power plant out-of-service 3years now. 2. No electronic pad lock 3. No UPS batteries for the DC plant. 4. 3months salary arrears of site Security Officers – Mr. Ruben Governor and Madam Comfort Alorgbordzi. 5. Rusted tower and fence. 6. No visitors logbook

6	HELIOS	Lattice	Galiaway	1432	New Juaben Municipal Assembly	1. Vodafone 2. AirtelTigo	1. No fire extinguisher present. 2. Electronic pad lock faulty and replaced with an ordinary pad lock. 3. No intrusion alarm present.
7	HELIOS	Rooftop	Koforidua Market Centre	1439	New Juaben Municipal Assembly	1. AirtelTigo	1. No gate/door and electronic pad lock at the entrance of the fence. 2. No fire extinguisher on site. 3. No intrusion alarm installed.
8	GLO	Lattice	Attakuame	KOFOO1	New Juaben Municipal Assembly	1. GLO	1. No RF exposure signs or signs post mounted to the tower as required. 2. Site not clean and well maintained. 3. No batteries installed on site 4. No visitor logbook 5. Security Officer – Mr. Mustapha Osman complained of his 11months salary arrears.
9	GLO	Lattice	Obuatari Hill	KOFOO2	New Juaben Municipal Assembly	1. GLO	1. Not operational 2. The site is bushy

2354. The non- sanctioning of defaulting Tower Owners to Technical Standards and Specification requirements prescribed by the NCA resulted in the anomaly, whose likely consequence could be bad network coverage; abrupt call drop rates; compromised quality of service to users of communications networks /communications services with reference to the interests of consumers' choice, quality of service and value for money.

2355. We encouraged the governing board together with Management of the NCA to ensure that the taxpayer receives value for money spent on the Base Station Audits by providing specific timelines to the Telco's listed in the table above for the remedying of the anomalies identified against them.

2356. We recommended that, remedial actions should be completed by the Telco's not later than 31 March 2022 and our office notified accordingly.

2357. Should the above also fail, we urge the NCA to invoke its sanctioning powers against the defaulting companies as prescribed by Regulation 10 of the National Communications Regulations, 2003 (L.I. 1719).

2358. Management responded that the NCA has not relented on issues of non-conformance raised by the audit and are following up to ensure that the non-conformed sites come up to the standard requirements as stipulated in the Guidelines.

Defective Closed-Circuit Television (CCTV) in Regional Offices

2359. Section 1 of the National Communications Authority Act, 2008 (Act 769) stipulates that the Authority may for the performance of its functions acquire and hold movable and immovable property. Section 7 of the Public Financial Management Act, 2016 (Act 921) requires the principal spending officer of a covered entity to manage the resources received, held or disposed of by or on account of the covered entity.

2360. Section 7 of Act 921 also states that a principal spending officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

2361. Our audit of the National Communications Authority (NCA) Regional Offices disclosed that Closed-Circuit Television (CCTV) systems installed in the buildings were either not functioning or displaying several blind spots.

2362. A CCTV system allows the use of video cameras to monitor the interior and exterior of a property, transmitting the signal to a monitor or television set. Table 366 shows the state of the CCTVs at the time of our inspection in November 2021.

Table 366: Defective Closed-Circuit Television (CCTV) in Regional Offices

No.	Region/Zone	Condition
1.	Ho	1. Only 12 mounted video cameras for the Office complex (both interior and exterior). Inadequate and needs expansion to cover other essential areas. 2. Records at the Region indicate that, the system has not been working / faulty since 17 th November 2020 (1year as at the time of the audit). 3. No dedicated LED television or monitor for the video cameras.
2.	Koforidua	1. Only 12 fixed cameras for the Office complex (both interior and exterior). Inadequate and needs expansion to cover other important areas. 2. Records at the Region indicate that, the system has not been working for more than year as the time of the audit-November 2020.) 3. No dedicated LED television or monitor for the video cameras

3.	Kumasi	<p>1. 16 video cameras for the whole office complex. Serving only the interior – common areas thus: Reception area of each floor and the fire exit stair way.</p> <p>2. Only 9 out of the 16 spot cameras installed were viewing, the rest were indicating blank.</p> <p>3. No installed cameras for the exterior – the car port, generator set area and the back of the building. The Office Complex is surrounded with a forest belt and very susceptible to criminal activities.</p>
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2363. We blamed the above on a non-existent functional estate unit with professional and technical expertise to manage NCAs investment properties. Estate officers/property managers make sure all of the facets of the property are handled, and that value is maintained while the property being lived in and have responsibility for the following:

- The property and its inhabitants are secured
- Set and handle rent
- Market for and screen tenants
- Handle tenant issues
- Schedule and track maintenance
- Manage finances and records etc.

2364. Aside the obvious advantage of being able to monitor the premises of the Authority, the benefits listed below could also be derived from the installed CCTV system:

- Deter criminal activities/burglary
- Improve property insurance rate – reducing insurance premium of the property.
- Enhance safety of life and property

2365. We encouraged Management to establish an estate unit, adequately resource it and make it functional.

2366. We further recommended to Management to, as a matter of urgency contact the vendor for the CCTV installation to service the blind spots with focus on the possible expansion of coverage for the exteriors of the properties.

2367. We also entreated Management to consider installing electric fence on the concrete walls around the NCA properties with a view to fortifying security at the Zonal/Regional Office Buildings which are also used as investment properties.

2368. Management responded that following a Security and Safety Risk Assessment of the NCA Tower, a proposal was made for the execution of the Security and Safety Revamp Project to cure the identified gaps. This comprised among others the maintenance of existing CCTV infrastructure and the expansion of same to cover identified blind spots, creation of a harmonised CCTV Command Centre and installation of an electric fences at all Regional Offices. The aim was to reduce and/or eliminate security breaches and beef up workplace safety at all NCA offices to be implemented in phases.

2369. Management further intimated that Plans are far advanced with budgetary provision made for implementation in 2022.

Circumvention of Car Loan Terms and Conditions – GH¢920,610.37

2370. Section 67 of the Public Financial Management Act, 2016 (Act 921) which legislates that, a government lending transaction shall be supported by appropriate legal documentation executed by the borrower agreeing to service the debt obligation of that borrower under the transaction. It further states that where a borrower neglects or fails to service a debt obligation under a government lending transaction, the Minister shall proceed to enforce the rights of Government under that transaction and pursue any action necessary to recover from the borrower, outstanding moneys owed to Government under the agreement.

2371. Regulations 108 of the Public Financial Management Regulations, 2019 (L.I. 2378) also emphasis that the Principal Spending Officer of a covered entity shall record in the Ghana Integrated Financial Management Information System, loans and advance provided from a revolving fund including, in respect of each loan and advance:

- a) the name of the borrower.
- b) the amount and date of the loan.
- c) the repayment period and repaid amount; and
- d) the interest, if any.

2372. We reviewed Vehicle Loan Agreements in the period covered by this audit and found that, the NCA granted vehicle loans to employees whose details appear in the table below with a view to facilitating staff movement to and from work.

2373. The terms and conditions of the vehicle loan agreement included:

- a. the Vehicle ownership shall be jointly registered in the names of the Authority and beneficiary, until payment is completed.
- b. The Vehicle purchased with this loan shall be comprehensively insured by the beneficiary until loan repayment is completed.

2374. There was however no evidence of copies of the Insurance Policy Certificates and DVLA's -Application Form to Transfer Ownership of a Motor Vehicle (FORM C) of the purchased vehicles on file.

2375. Our checks from the beneficiary personal files disclosed that none of the beneficiaries has complied with the loan conditions several months after disbursements as shown in table 367.

Table 367: Circumvention of Car Loan Terms and Conditions

No.	Names	Date of Loan Disbursement	Repayment Amount (Principal & Interest) GH¢	Repayment Period / Months Involved	Loan Balance Outstanding as at 30 th June, 2021	No. of Months Outstanding as at 30 th June, 2021	Vehicle Loan Terms and Conditions	
							Vehicle Ownership shall be jointly registered in the names of the NCA and Beneficiary	Comprehensively insured until loan repayment is completed
1.	Alfred Gaisie	21-May-20	94,840.42	60 months	74,628.54	47 months	Not Complied	Not Complied
2.	Nelson A. M. Eduful	07-Jul-20	87,545.01	60 months	70,323.09	48 months	Not Complied	Not Complied
3.	Harry McNinson	13-Jan-20	43,772.50	60 months	31,573.64	43 months	Not Complied	Not Complied
4.	George Amofah	15-May-20	62,740.59	60 months	48,101.07	46 months	Not Complied	Not Complied
5.	Marian Vanderpuije	03-Jun-20	64,199.67	60 months	51,570.27	48 months	Not Complied	Not Complied
6.	Agwei Yaw Kevorson	03-Jun-20	65,658.75	60 months	52,742.31	48 months	Not Complied	Not Complied
7.	Collins Boamah	05-Jun-20	64,199.67	60 months	51,570.27	48 months	Not Complied	Not Complied
8.	Frank Takyi	18-Jun-20	43,772.50	60 months	35,161.54	48 months	Not Complied	Not Complied
9.	Kwesi Anim Amponsah	02-JUL-20	40,854.34	60 months	32,683.42	48 months	Not Complied	Not Complied
10.	Anastacia Asare	14-Aug-20	28,233.94	60 months	23,057.67	49 months	Not Complied	Not Complied
11.	Francis K. Dompreeh		42,350.91	60 months	40,233.36	57 months	Not Complied	Not Complied
12.	Brandford Mettle		39,527.51	60 months	38,209.93		Not Complied	Not Complied
13.	Mariam Mahama		42,350.91	60 months	40,233.36	57 months	Not Complied	Not Complied
14.	Frank Enene		39,527.21	60 months	37,550.84	57 months	Not Complied	Not Complied
15.	Aikins Antwi		33,880.72	60 months	32,751.36	58 months	Not Complied	Not Complied
16.	Victor Owusu		39,527.51	60 months	38,209.93	58 months	Not Complied	Not Complied
17.	Paul Amoako		56,467.87	60 months	53,644.48	57 months	Not Complied	Not Complied
18.	James Akuatseh Sowah		53,644.48	60 months	51,006.22	57 months	Not Complied	Not Complied
19.	Stella Okley		53,644.48	60 months	51,856.34	58 months	Not Complied	Not Complied
20.	Gabriel Dah Yao Tettey		67,761.45	60 months	65,502.73	58 months	Not Complied	Not Complied
Total					920,610.37			

2376. We attributed the occurrence of the above irregularity to weak internal oversight control along with Management inaction as well as ineffectual pre-audit function at the NCA.

2377. We hold the view that, the irregular situation could adversely affect the finances of the NCA.

2378. We entreated Management to regularise the anomaly forthwith in order to minimise the risk of loss of public funds and further advised Management to provide explicit timelines for compliance with loan terms and conditions; we also urged Management to incorporate paragraphs 5.3.16 (e & f) of the NCA Human Resource Policy Manual into the standard loan agreement requirements to forestall a repeat of the irregularity.

2379. According to Management, staff in breach of the Terms and Conditions of the Vehicle Loan Agreement have been contacted, notified, and directed to have their vehicles jointly registered in their names and the NCA as well as to have the vehicles insured comprehensively insured within 2 weeks as per the conditions for the loan disbursement. As a remedial measure, fuel allocation to all such individuals who were not in compliance have been withheld until proof of compliance are provided and verified.

2380. Thirteen (13) out of the staff have since complied and have done the change of names as well as the comprehensive insurance. The rest have been given up to the end of March 2022 to ensure both the change of name as well as the comprehensive insurance of the vehicles are complied with.

2381. Management have also formed a committee to review the Vehicle Loan concept and to submit a report. The committee is to suggest reforms and recommendations to the whole process to ensure effective monitoring and enforcement of the Terms and Conditions.

2382. Management will continue to monitor and enforce the conditions on internal loans to staff.

Outstanding Revenue - GH¢11,033,925.50

2383. Section 91 of the Public Financial Management Act, 2016 (Act 921) requires that the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

2384. We discovered that government revenue amounting to GH¢11,033,925.50 has accrued as a result of varied activities and services including licenses for Numbering, 1% Annual Regulatory Fees, Microwave and other services undertaken by the NCA for various Telecommunication companies to enable them to operate within Ghana's Telecommunications Space. Table 368 shows amounts due from the Telecoms Companies as at February 16th, 2021.

Table 368: Outstanding Revenue

Date	Customer Name	Invoice Total GH¢	Total Paid GH¢	Outstanding GH¢
6/11/2020	Surflin Communications Limited	6,149,911.91	346,260.00	5,803,651.91
18/03/2021	AIRTEL TIGO	5,711,162.72	885,139.13	4,826,023.59
8/7/2021	Sos Global Investments Ltd	404,250.00		404,250.00
Total		12,265,324.63	1,231,399.13	11,033,925.50

2385. Weak internal controls over revenue accounting and management as well as lack of effective supervision accounted for this anomaly, which could lead to loss of public funds.

2386. We recommended to Management to increase supervision and tighten controls in the area of revenue management/accounting to avert the likelihood of the above anomaly repeating itself.

2387. We also urged Management to recover the unpaid balance of GH¢11,033,925.50 with interest at the prevailing Bank of Ghana Treasury bill discount rate with evidence of recovery for audit certification.

2388. We entreated Management to ensure that, all amounts owed the authority under transactions of similar nature are retrieved from the beneficiaries with documentary proof for audit verification.

2389. Management responded that it is aware of the indebtedness of the companies as stated and continuous efforts are being made to retrieve all outstanding revenues owed the Authority by all service providers including interest charges as per section 83(2) of the Electronic Communications (Amendment) Act, 2009 (Act 786).

Surflin

2390. Surflin has made management aware of its cash flow challenges which they are working on. Management, on some occasions had to mediate or intervene in order to avoid Operators and Tower Companies from disconnecting or withdrawing their services to Surflin. Management will continue to monitor, engage as well as retrieve all revenue owed the Authority by Surflin.

Airtel-Tigo

2391. Management is aware of the indebtedness of Airtel Tigo and is following up to ensure payment.

2392. Airtel-Tigo has since made additional payment of GH¢885,139.13 out of the outstanding amount of GH¢4,826,023.59. Payments were made in two tranches as below:

26th April 2021 – GH¢500,000.00

29th June 2021 – GH¢385,139.13

SOS Global Investments Ltd.

2393. SOS Global Investment Ltd was granted authorisation to operate an Internet Protocol (IP) Television Station. Since its authorisation, the company has not been on air. Management is following up for the necessary action to be taken

Under-deduction of Withholding Tax – GH¢40,380.57

2394. Section 116 of the Income Tax (Amendment) Act, 2016 (Act 907) states ‘a resident person, other than an individual, shall withhold tax on the gross amount of the payment at rate specified in the First Schedule when the person makes a payment to another resident person who does not fall within subsection (1) or Section 114 for

- a) the supply or use of goods,
- b) the supply of any works, or
- c) the supply of services, in respect of a contract between the payee and the resident person.

Under Paragraph 8 of the First Schedule to the Act:

2395. C (vii) in the case of service fees referred to in Section 116 (2) (c), 7.5 Paragraph 3.1.3 of the Practice Note Number: DT/2016/001 issued 6th October, 2016 interpreted or explained Service to mean ‘the furnishing of labour, time, or effort not involving the delivery of a specific end product other than reports, which are merely incidental to the required performance; and includes consulting, professional and technical services but does not include employment agreements or collective bargaining agreements; ‘Technical Services’ means services which are tendered and contracted on the basis of performance of a measurable physical output such as drilling, mapping, aerial photography, surveys, seismic investigations, maintenance of facilities or plant and similar operations’.

2396. Our audit disclosed that, the NCA engaged the services of three (3) vendors provided for in table 369 for varied activities but applied different tax rates in the computation of withholding taxes

Table 369: Under-deduction of Withholding Tax

Date of Payment	Details of Contract	Payee	Contract Amount GH¢	Rate used	Amount Withheld GH¢	Applicable WHT Rate	Actual Tax Amount due GH¢	Amount Under Charged GH¢
13-Feb-20	Kaspersky Endpoint Security for Advance Business with one year renewal upgrade License. Installation and one (1) year support included	M/S Genesol Ghana Limited	96,999.00	3%	2,997.27	7.5%	7,274.93	4,277.66
14-Jul-20	Maintenance and Technical Support for Network Monitoring Service	Ultimate Impression One	1,347,616.20	5%	67,380.81	7.5%	101,071.22	33,690.41
16-Nov-20	Supply of Assets Tags, Verification/Tagging Exercise/Report, Supply of 8 pieces of Barcode Scanner and Management Software of NCA Assets Nationwide	Topgy System and Management Consultant	96,500.00	5%	4,825.00	7.5%	7,237.50	2,412.50
Total								40,380.57

2397. The above was made possible through wrong application of the provisions of the Income Tax Act referred to above and the misclassification of services provided by these suppliers.

2398. The situation could result in loss of tax revenue to the State and if allowed to go unchecked would impact negatively on Government tax revenue mobilization drive and national development agenda.

2399. We recommended to Management to recover the outstanding tax revenue from the affected vendors, pay same to the Domestic Tax Revenue Division of the Ghana Revenue Authority (GRA) forthwith, and show proof for audit verification.

2400. We also encouraged Management to engage finance and procurement staffs in refresher courses on relevant third-party laws such as the Income Tax Act, Practice Notes of the Commissioner-General, the Procurement Act, etc., for purposes of continuous professional development and the proper discharge of government business.

2401. In response Management provided the following explanation M/S Genesol Ghana Limited.

2402. The application of 3% tax rate was for the goods supplied (Kaspersky Endpoint Security anti-virus for advance business). The contract was a contract for the supply of goods.

2403. Topgy Systems and Management Consultants and Ultimate Impression One.

2404. Management has noted the observation and the tax rate, which was inadvertently applied and will ensure going forward, that withholding tax rates applied for deduction on such payments will be segregated for goods, works and services as required.

MINISTRY OF TOURISM, CREATIVE ARTS AND CULTURE

GHANA MUSEUMS AND MONUMENTS BOARD

Introduction

2405. This report relates to the audited financial statements of Ghana Museums and Monuments Board for the four years ending 31 December 2020.

Financial Performance

2406. The operations of the Board ended with a surplus of GH¢395,747.58 in 2020 as against a deficit of GH¢807,337.69 recorded in 2019 showing a 149.02% improvement in the financial performance over the period. The details of the performance indicators of the Board are provided in table 370.

Table 370: Statement of Financial Performance for year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Government Subvention	6,387,319.43	4,918,572.53	1,468,746.90	29.7
Internally Generated Funds (IGF)	506,996.91	1,204,917.84	(697,920.93)	(57.9)
Other Income	469,244.21	76,373.71	392,870.50	514.4
Total Income	7,363,560.55	6,199,864.08	1,163,696.47	18.8
Expenditure				
Compensation for Employees	5,828,397.70	4,815,118.98	1,013,278.72	21.0
Use of Goods and Service	1,109,064.79	2,167,846.79	(1,058,782.00)	(48.8)
Investment Activity Expense	30,350.48	24,236.00	6,114.48	25.2
Total Expenditure	6,967,812.97	7,007,201.77	(39,388.80)	(0.6)
Surplus	395,747.58	(807,337.69)	1,203,085.27	149.0

2407. Total Income increased by 18.8% from GH¢6,199,864.08 in 2019 to GH¢7,363,560.55 in 2020. The increase was due to a rise in Government Subvention and the Other Income by GH¢1,468,746.90 or 29.86% and GH¢392,870.50 or 514.41% respectively. However, IGF decreased by 57.92% or GH¢697,920.93 due to the Government's ban on visits to the Castles and other Museums as measures for the prevention of the spread of the COVID-19.

2408. Total Expenditure went down slightly from GH¢7,007,201.77 in 2019 to GH¢6,967,812.97 in 2020 representing a decrease of 0.56% or GH¢39,388.80. The decrease was mainly due to a fall in the use of goods and services by GH¢1,058,782 or 48.84%.

Financial position

2409. The Organisation's financial position as at 31 December 2020 is summarised in table 371.

Table 371: Financial position as at 31 December 2020

Asset	2020 GH¢	2019 GH¢	(Inc/Dec) GH¢	% Change
Receivables	296,154.44	294,154.44	2,000.00	0.7
Bank	417,185.73	23,438.15	393,747.58	1679.9
Total Assets	713,340.17	317,592.59	395,747.58	124.6

2410. The Board's Receivables which comprised Loans and Advances increased by GH¢2,000.00 representing 0.68%.

2411. Management is advised to recover the loans on time to avoid locking up the funds.

2412. The bank balance of the Board recorded an increase of 1679.94% or GH¢393,747.58 compared with GH¢23,438.15 in 2019 to GH¢417,185.73 in 2020. The increase was largely due to a 2593.40% increase in Special Project balance from GH¢12,555.02 in 2019 to GH¢338,157.17 in 2020. This was because of the Board's inability to undertake any major project during the 2020 financial year due to the COVID 19 pandemic.

MANAGEMENT ISSUES

Outstanding loan of GH¢250,000.00 granted to the Ministry of Tourism, Arts and Culture

2413. Section 7 of the Public Financial Management Act, 2016 (Act 921) provides that a Principal Spending Officer of a covered entity shall manage the resources received, held or disposed of by or on account of the covered entity.

2414. Regulation 32 of the Public Financial Management Regulations, 2019 (L. I. 2378) also requires among others that, a Principal Spending Officer of each covered entity shall take effective and appropriate steps to collect money due to the covered entity.

2415. The Ministry of Tourism, Arts and Culture through the then Acting Chief Director, Mr Vitus Otto Langmagne requested for a loan of GH¢250,000.00 from the Board on 31 August 2018 to help the Ministry pay for the balance of \$50,000.00 due AFRIMA Secretariat. The money was paid into the Ministry's Bank of Ghana account number 1018631539238, High Street, Accra. The loan was to be refunded immediately after the Ministry gets its release from the Ministry of Finance and Economic Planning.

2416. We noted that almost three years after the grant of the above loan, the Ministry has not paid the loan to the Board. Our further review of the financial records disclosed that the loan was granted from a one million Ghana Cedis (GH¢1,000,000.00) grants from the Ghana National Petroleum Corporation for the rehabilitation of the National Gallery.

2417. The Accountant, Mr Isaac Aduko explained that the Board wrote to the Minister via letter-number GMMB/SCR.1950/Vol.3/170, dated 12 August 2020 requesting for the refund of the loan but the Ministry has since not repaid.

2418. The situation has delayed the completion of the project, causing price fluctuations to the original contract price. In addition, the Board has been denied the income which could have been generated during the delayed period.

2419. We recommended to Management to liaise with the Ministry of Tourism, Arts and Culture for the immediate recovery of the loan of GH¢250,000.00 plus interest at bank of Ghana prevailing interest rate to enable the Board to complete the rehabilitation of the Galley.

2420. Management responded that the Ag. Executive Director is in discussion with the Ministry, and they have indicated their willingness to review and refund the loan.

Overdue rent - GH¢19,520.00

2421. Regulations 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) stipulates that a Principal Spending Officer shall ensure that non-tax revenue is efficiently collected.

2422. We noted that sixteen (16) tenants of the Board owed a total of GH¢19,520.00 as rent as at 31 December 2020. The details are provided in table 372.

Table 372: Delay in payment of rent

S/No.	Names of tenants	Rent due As at January 2017 (GH¢)	Payment (GH¢)	Outstanding Balance as at (31 December 2020 (GH¢)
1	Jones Adjei Ntiamoah	2,160.00	1,000.00	1,160.00
2	Mrs Regina Ntiamoah	2,160.00	1,000.00	1,160.00
3	Ruby Mortey	2,160.00	720.00	1,440.00
4	Francisca Amoako Fiati	2,160.00	500.00	1,660.00
5	Grace Atta Onimakoo	2,880.00	1,000.00	1,880.00
6	Maxwell Adu	1,440.00	600.00	840.00
7	Serwaah Boateng	720.00	500.00	220.00
8	Anichima Joseph	2,160.00	500.00	1,660.00
9	Philomena Mireku	1,440.00	600.00	840.00
10	Evelyn Ofosua Antwi	1,440.00	500.00	940.00
11	Susana Sotobe	720.00	200.00	520.00
12	Osei Tutu	1,440.00	0.00	1,440.00
13	Yaw Danso	1,440.00	0.00	1,440.00
14	Abene Akolgo	1,440.00	0.00	1,440.00
15	Ruben Agbeyee	720.00	0.00	720.00
16	Inst of Engrn. Tech	2,160.00	0.00	2,160.00
	Total	26,640.00	7,120.00	19,520.00

2423. The Board has been denied a total of GH¢19,520.00 which could have been used for the maintenance of the buildings.

2424. We recommended to Management to take the necessary steps to collect all rent owed to the Board.

2425. Management accepted our recommendation and stated that it has begun issuing letters to the affected tenants to settle their debts.

Procurement without alternative quotations - GH¢397,351.25

2426. Section 20 of the Public Procurement (Amendment) Act, 2016 (Act 914) requires that the procurement entity shall request for quotations from as many suppliers or contractors as practicable but shall compare quotations from at least three different sources that should not be related in terms of ownership, shareholding or directorship and the principles of conflict of interest.

2427. Despite the explicit provision stated above, we noted that Management procured goods and services to the tune of GH¢397,351.25 during the period under review through price quotation without obtaining two or more other quotations for price comparisons and value for money considerations. Refer to table 373 for details.

Table 373: Procurement without alternative quotations

Date	PV Number	Cheque No.	Details	Payee	Amount GH¢
24/10/2018	04/10/2018	402558	Payment of assessment and provision of engineering estimate	Frahill Consult	20,130.37
01/11/2018	01/11/2018	402560	Payments of purchase of books for GMMB library	Kingdoms Books and Stationery	7,457.20
05/05/2019	01/02/2019	402 564	Payment of GMMB rehabilitation main work	Mustard Arch Concepts Int	68,000.00
23/08/2019	755564		Purchase of laptops for office use	Can-West ltd	8,000.00
21/08/2019	754378		Purchase of car tyres		5,203.88
13/08/2019	01/08/19	401189	Payment of installation of CCTV camera	K.S. K. Builders ltd	40,211.50
24/12/2019	03/12/2019	401403	Cost of renovation work at the museum	Life Mate GH. Ltd	56,209.52
26/2/2020	07/02/20	753226	Payment for the renovation of ED's office and Board Room	Life Mate GH. Ltd	62,138.78
19/02/2020	06/02/20	753224	Payment the renovation of ED's office and Board Room	Life Mate GH. Ltd	80,000.00
23/01/2020	05/01/20	753216	Payment for the renovation of the museum	Life Mate GH. Ltd	50,000.00
Totals					397,351.25

2428. We attributed the infraction to Management's failure to ensure that the procurement process was appropriately carried out by complying with the laws.

2429. This infraction defeats the intent and purpose of the Procurement Act and denied other qualified suppliers the opportunity to participate in the procurement process. Failure to allow competition may have also resulted in unreasonable pricing, inferior service delivery, leading to non-achievement of value for money.

2430. We recommended that Management should provide justification for the unapproved single source procurement, failing which sanctions as outlined in Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of the Public Procurement (Amendment) Act, 2016 (Act 914) shall be enforced against the Procurement and authorising officers. We further urged Management to comply with rules and regulations governing procurements in their future procurements to ensure economic, effective, and efficient use of the Board's resources.

2431. Management in their response accepted our recommendation for compliance.

Improper management of Renovation of the National Gallery

2432. Section 20 of the Public Procurement (Amendment) Act, 2016 (Act 914) provides that the procurement entity shall request for quotations from as many suppliers or contractors as practicable but shall compare quotations from at least three different sources that should not be related in terms of ownership, shareholding or directorship and the principles of conflict of interest.

2433. Regulation 113 of the Public Financial Management Regulations, 2019 (L. I. 2378) also provides that advance payment of a covered entity for goods and services and civil works shall meet the following conditions:

- a. the advance payment shall be by a written public contract
- b. the amount shall not be more than fifteen per cent of the total price to be paid under the contract
- c. a supplier or a contractor shall obtain from a financial institution a guarantee on payments of damages to the Government in case of the non-performance of contractual obligations by the supplier or contractor

2434. We noted from the review of the Board's contract management that, KSK Builder Network Ltd was contracted using single-sourced without the approval of the Public Procurement Authority to renovate the main gallery block of the Mesuem for a duration of four months at a total cost of GH¢1,036,672.7. The contract which commenced two weeks after the award is yet to be completed twenty-seven months after the contractor moved to the site.

2435. Again, the contractor was advanced a total of GH¢622,003.63 as mobilization representing, sixty-per cent (60%) of the total contract price instead of 15% contrary to the Regulation quoted above. Total payment to date amounted to GH¢876,400.25 as detailed in table 374.

Table 374: Contract payments

S/No	Date	Description	PV Number	Cheque Number	Amount GH¢
1	11/02/19	Payment for renovation works on GMMB gallery	02/02/19	402566	622,003.32
2	13/08/19	Payment for the first variation of GMMB national gallery	02/08/19	401189	28,200.93
3	13/08/19	Payment for 60% of the cost for the supply and installation of CCTV cameras at the GMMB gallery.	02/08/19	401190	26,196.00
4	14/01/20	Part-payment for the renovation of GMMB gallery	03/01/20	401410	100,000.00
5	16/04/20	Payment for renovation works on GMMB gallery	02/04/20	753230	100,000.00
Total					876,400.25

2436. These amounts paid were not accompanied by a certificate confirming details of work completed and the related cost for verification.

2437. We also sighted a certificate with a new gross value of the contract of GH¢1,123,499.00 different from the initial contract sum of GH¢1,036,672.21 representing an increase of GH¢86,826.79 over the negotiated contract sum. Again, a cost of GH¢147,523.30 was incurred on variation/omissions and additions of works in respect of the renovation without any recourse to the Entity Tender Committee.

2438. Messrs KSK Builders has on the 29th April 2021, also submitted a certificate valued at GH¢278,199.00 for payment. Our analysis further revealed that the contract sum will be varied upwards as a result of the variations and additional works carried out outside the initial contract.

2439. We attributed this anomaly to the absence of an effective Entity Tender Committee to scrutinise the contract to obtain value for money on the project.

2440. The situation has affected the duration of the renovation as well as the contract sum, thus affecting the finances of the Board. The continuous closure of the National Gallery has also depleted the revenue of the Board.

2441. We recommended to Management to provide justification to address the following:

- unapproved single sourced award of the contract
- 60% mobilization payment
- Payments without certificates to confirm details of work completed
- Increase in contract sum and variations and additional works without recourse to Entity Tender Committee, and
- Delay in the execution of the renovation, failing which sanctions as outlined in Section 92 of the Public Procurement Act, 2003 (Act 663) as amended by Section 51 of the Public Procurement Amendment Act, 2016 (Act 914) shall be enforced against the authorizing and paying officers.

2442. Management accepted our recommendation for compliance

Grounded vehicle

2443. Regulations 160 of the Public Financial Management Regulations, 2019 (L.I. 2378) provides that where the land, building or the vehicle of a covered entity is unused for more than one year or damaged, misused or stolen, the Minister shall take at least one of the following measures:

- a) issue an instruction to request the Principal Spending Officer of the covered entity concerned to how the land, building or vehicle is used.
- b) cause an investigation to be conducted in respect of the land, building or vehicle.
- c) transfer the management of the land, building and vehicle from the covered entity to another entity or the Ministry
- d) in the case of unused land, building or vehicle, issue an instruction to request the Principal Spending Officer to dispose of the land, building or vehicle in accordance with Regulation 155(2) and regulation 157 within a specific period.

2444. During our inspection of vehicles, we noted that a Mitsubishi Pajero with registration number GE-2732-W has been parked at the premises since 2013, causing further deterioration and compromising value for money.

2445. The Accountant, Mr Isaac Audio explained that the situation was due to lack of funds to replace the engine of the vehicle.

2446. We advised Management to ensure that the vehicle is repaired, or a Board of Survey is constituted for auctioning process to salvage it from further wear and tear.

2447. Management indicated that it has tasked the Accountant to pick quotations for the purchase of an engine for the maintenance of the vehicle.

Non-Maintenance of the Board's properties

2448. Section 52 of the Public Financial Management Act, 2016 (Act 921) provides that, a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.

2449. We noted during our visit to four selected forts-; James, Ussher, Elmina Castle and Regional Museum of Science and Technology that the buildings of three of them are deteriorating and having various forms of problems that need immediate attention to safeguard the properties. Detailed are provided in Table 375.

Table 375: Maintenance of the Board's properties

Location	Issues
James Fort	The Fort has been abandoned and has been taken over by growing weeds and reptiles. Thieves are scaling the walls and stealing some of the asbestos sheets and woods.
Ussher Fort	<ol style="list-style-type: none"> 1. Falling chunks of cement plaster from the ceilings of the offices and corridors 2. Cracks in masonry wall at window opening in offices 3. Falling chunks of concrete from the ceiling of prison cells 4. Falling chunks of concrete from roof slab base and corroded metal gate 5. Corroded metal bars at the Cellblock in Courtyard 6. Cellblock with caved in reinforced concrete slab roof on the adjoining structure 7. Concretes walls with deep structural cracks as well as dilapidated wooden frames at the former police station
Regional Museum of Science and Technology	<ol style="list-style-type: none"> 1. Roof Leakages on the former MST Gallery 2. Abandoned Amphitheatre

2450. We recommended to Management to as a matter of urgency liaise with the appropriate authorities and development partners for funds to renovate and properly maintain the Forts to ensure the preservation of the Country's history.

2451. The renovation would also boost the internal revenue generation of the Board.

2452. Management accepted our recommendation and has started engaging interested partners for the maintenance of the properties.

TOURISM DEVELOPMENT FUND

Introduction

2453. This report relates to the audited financial statements of the Tourism Development Fund for the year ended 31 December 2019.

Financial Performance

2454. The Fund ended the 2019 financial year with a Surplus of GH¢111,382 which was an improvement over the deficit of GH¢356,043 registered in 2018. A summary of its performance for are shown in table 376.

Table 376: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Levy collections	18,071,368	17,026,117	1,045,251	6.1
Other Income	3,669,921	4,151,490	(481,569)	(11.6)
Total Income	21,741,289	21,177,607	563,682	2.7
Expenditure				
Staff Cost	1,556,431	998,365	558,066	55.9
Operating and admin. expenses	19,750,031	16,188,579	3,561,452	22.0
Finance cost	321,837	782,097	(460,260)	(58.8)
Total Expenditure	21,628,299	17,969,041	3,659,258	20.4
Surplus/ (Deficit)	112,990	3,208,566	(3,095,576)	(96.5)

2455. Total Income increased by 2.7% from GH¢21,177,607 in 2018 to GH¢21,741,289 in 2019. This was due to a 6.1% increase in levy collections.

2456. Total Expenditure went up by 20.4% from GH¢17,969,041 in 2018 to GH¢21,628,299 in 2019. The increment was generally caused by a 22.0% or GH¢3,561,452 increase in operation and administrative expenses.

Financial Position

2457. The financial position of the Fund as at 31 December 2019 is summarised in table 377.

Table 377: Financial Position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Current Assets	21,713,637	21,764,555	(50,918)	(0.2)
Current Liabilities	3,657,815	2,927,165	730,650	25.0
Net Asset	18,055,822	18,837,390	(781,568)	(4.1)
Current Ratio	6:1	7.4:1		

2458. Current Assets went down by 0.2% from GH¢21,764,555 in 2018 to GH¢21,713,637 in 2019.

2459. Current liabilities on the other hand went up by GH¢ 730,650 from GH¢2,927,165 in 2018 to GH¢3,657,815 in 2019.

2460. The Fund's current ratio which measures its liquidity position of 6:1 in 2019 (7.4 :1 in 2018) demonstrates its ability to meet short-term financial obligations when they fall due.

MINISTRY OF INTERIOR

NARCOTICS CONTROL COMMISSION

Introduction

2461. This report relates to the audited financial statements of Narcotics Control Commission for the two years ending 31 December 2020.

Financial Performance

2462. The Commission's 2020 financial year ended with a deficit of GH¢1,222,878.00 representing a 216.7% decrease from the previous year's surplus of GH¢1,047,619.00. The comparative performance indicators for the two years are shown in table 378.

Table 378: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Subvention	39,069,076.00	28,466,703.00	10,602,373.00	37.2
Non-Tax Revenue-Precursor	218,857.00	761,813.00	(542,956.00)	(71.3)
Donor Funds	0	2,130,262.00	(2,130,262.00)	(100)
Other Receipts	0	87,100.00	(87,100.00)	(100)
Total Income	39,287,933.00	31,445,878.00	7,842,055.00	24.9
Expenditure				
Personnel Emoluments	34,520,337.00	25,466,703.00	9,053,634.00	35.6
Goods & Services	5,831,375.00	4,275,926.00	1,555,449.00	36.4
Precursor	159,099.00	655,630.00	(496,531.00)	(75.7)
Total Expenditure	40,510,811.00	30,398,259.00	10,112,552.00	33.3
Surplus/(Deficit)	(1,222,878.00)	1,047,619.00	(2,270,497.00)	(216.7)

2463. Total Income of the Commission increased by 24.9% from GH¢31,445,878.00 in 2019 to GH¢39,287,933.00 in 2020. The rise in the Total Income was mainly due to the increase in subvention by 37.2% from GH¢28,466,703.00 in 2019 to GH¢39,069,076.00 in 2020.

2464. Total Expenditure rose by 33.3% from GH¢30,398,259.00 in 2019 to GH¢40,510,811.00 in 2020. The increase was due to 35.6% and 36.4% or GH¢9,053,634.00 and GH¢1,555,449.00 increases in Personnel Emoluments and Goods and Services respectively from the previous year's figures.

Financial Position

2465. Table 379 shows a summary of the Commission's financial position as at 31 December 2020.

Table 379: Financial Position as at 31 December 2020

Item	2020 GH¢	2019 GH¢	Incr./ (Decr) GH¢	% Change
Non-Current Assets	7,434,956	6,993,237	441,719.00	6.3
Current assets	42,931	70,488.00	(27,557.00)	(39.1)
Net Assets	7,477,887	7,063,725.00	414,162.00	5.9

2466. The Commission's Non-Current Assets increased by 6.3% or GH¢441,719.00 from GH¢ 6,993,237 in 2019 to GH¢7,434,956 in 2020. The increase was due to additional assets of GH¢2,880,211 acquired during the year.

2467. Current Assets went down by 39.1% from GH¢70,488.00 to GH¢42,931.00 in 2019 and 2020 respectively. The reduction was principally due to a decrease in precursor account balance by 76% (GH¢22,098.00).

2468. The Commission does not have current liabilities to be able to determine the current ratio to represent the liquidity position. The Commission therefore has the ability (reference to current assets) to meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Failure to ensure transfer of ownership of the Commission's vehicles

2469. Section 52 of the Public Financial Management Act, 2016 (Act 921) stipulates that, a Principal Spending Officer of a covered entity, state owned enterprise or Public Corporation shall be responsible for the assets of the Institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the Assets.

2470. We noted during our review of records that, the Commission in 2016 took delivery of 39 vehicles and 20 motor bikes procured by the State from SVANI Gh. Ltd. per National Security Council Secretariat (NSCS) letter Ref. NSCS/35B/5/465 dated 10 February 2016. The NSCS Coordinator requested the SVANI Gh. Ltd to process the change of ownership to Narcotics Control Commission. However as at the time of audit, in August 2021, the change of ownership had not been done. Details of the vehicles are provided in table 380.

Table 380: Ownership of the Commission's vehicles not transferred

No	Vehicle	Qty
1	Nissan Navara DC Pick-up	15
2	Nissan Centra 1.6L A/T Saloon	8
3	Nissan Sunny 1.5L A/T Saloon	8
4	Toyota Camry 2.5L A/T Saloon	4
5	Toyota Prado L/C 3.0L A/TY 4x4	2
6	Yamaha Motor Bikes	20
7	Mitsubishi Rosa Buses	2
8	Nissan Patrol S/Wagon	3

2471. Management's failure to pursue for the change of ownership accounted for this lapse.

2472. Government might have fully paid for the vehicles without the ownership rights of same. The lapse also exposes the Commission to the risk of losing these properties in case of any litigation of ownership over them.

2473. We recommended to Management to pursue for immediate transfer of ownership of the vehicles and the motor bikes to the Commission to ensure that value for money is obtained and avoid any unforeseen disputes over ownership rights.

2474. Management has taken note of the recommendation and has instructed the Head of Transport to liaise with the appropriate department at the NSCS to follow up on the process to change the ownership of the affected vehicles into that of The Commission. Management had tried to effect such change. However, SVANI Gh Ltd refused to deal with The Commission, as they had no contract with The Commission.

NATIONAL DISASTER MANAGEMENT ORGANISATION (NADMO)

Regional and Districts

Mampong-Ashanti

Unearned salary – GH¢14,428.89

2475. Regulation 92 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires among others that, the Principal Spending Officer of a covered entity shall ensure the immediate stoppage of payment of salary to public servants and notify the Controller and Accountant-General on the vacation of post by an employee and the head of a covered entity shall take the necessary action to recover any unearned compensation occasioned by that.

2476. We noted that, Mr. Orstin Amoabeng Edward of the NADMO, Mampong, who was granted 18 Months Study Leave with pay ending 23 April 2019 to study in the Netherlands, failed to either resume duty after the leave expired or communicate to management for an extension. Despite his failure to resume duty after series of letters had been written to remind him, management validated and approved the payment of unearned salary amounting to GH¢14,428.89 between the period May to November 2019.

2477. Management could not provide any reason for this infraction.

2478. This constitutes loss of funds to the State.

2479. We recommended to the Co-ordinator to recover the unearned salary of GH¢14,428.89 from Mr. Orstin Amoabeng Edward or his guarantors into The Controller and Accountant General's Salaries Suspense Accounts, failing which, the Co-ordinator should personally refund the amount involved.

Ashanti Region, Kumasi

Unearned salaries-GH¢99,764.41

2480. Contrary to Regulation 92 of the Public Financial Management Regulations, 2019 (L.I. 2378), our payroll audit disclosed that Management of NADMO, Ashanti Regional Office, validated payment of unearned salaries totaling GH¢99,764.41 to five separated staff. The details are shown in table 381.

Table 381: Unearned salaries

	Name	Date of separation	Period of salary paid	Gross Salary - GH¢	Remarks
1	Osman Jamila	24 June 2020	Jul. 2020 to April 2021	23,088.00	Vacation of post
2	Clara Acheampong	5 Jan. 2021	Jan. 2021 to April 2021	5,758.56	Vacation of post
3	Adonteng Duah Boateng	16 April 2021	May 2021 to July 2021	7,703.31	Resignation
4	Bernard Tagoe	4 March 2019	March 2019 to June 2020	13,333.32	Vacation of post
5	Esther Owusu	31 May 2016	June 2016 to June 2019	49,881.22	Study leave with pay but abandoned the course and did not return to work
Total				99,764.41	

2481. The infraction was largely due to management's failure to follow-up on letters they wrote to the Banks to embargo the salaries of the officers.

2482. The infraction has caused the state to lose an amount of GH¢99,764.41, which could have been used for other developments.

2483. We recommended that the total unearned salaries of GH¢99,764.41 should be recovered (Less PAYE taxes) from the respective separated staff and paid to government chest, failing which, the salary validators, Mr. Ed. Koduah Atakora and Mr. Bernard Asare Boateng, should be jointly held liable to refund the amount involved.

Overpayment of salaries to staff - GH¢492,143.88

2484. The qualifications for direct entry into NADMO as contained under Part IV, Section 2.1.1 & 2.1. 2 of their Condition of Service are that:

- a. GCE ‘O’ Level, SSSCE, WASSCE, Stenographer Secretary or Equivalent Certificate from recognised Institution - Disaster Control Officer (DCO)
- b. GCE ‘A’ Level, School Diploma, Level one (1) of CIM, General Agric. and post-secondary Teachers’ Certificate – Assistant Senior Disaster Control Officer (ASDCO).
- c. Degree, Level two (2) of ACCA, CIMA, ICA or CIM – Senior Disaster Control Officer (SDCO).
- d. Degree plus Professional Diploma or Master’s degree in relevant subjects - Principal Disaster Control Officer (PDCO)
- e. Master’s Degree in relevant subjects or professional certificate (ACCA, ICA, CIMA) - Senior Principal Disaster Control Officer (SPDCO)
- f. Degree plus Diploma in Public Administration (DPA), Master’s degree or PHD - Assistant Chief Disaster Control Officer (ACDCO).

2485. Contrarily, we noted that between 2019 and 2021, management of NADMO recruited some staff who were either without the required basic certificates/qualifications at all or were inappropriately placed at higher ranks which resulted in overpayment of salaries totaling GH¢492,143.88 to them. Table 382 provides a summary of the overpayments.

Table 382: Overpayment of salaries to staff

Year	No. of staff without qualifications	No of staff with qualification but placed at higher grades	Total No. of staff	Actual Gross Salary paid GH¢	Required Salary to be paid GH¢	Overpayment GH¢
2019	4	8	12	327,871.44	191,381.76	136,489.68
2020	5	8	13	385,480.08	216,614.52	168,865.56
2021	6	8	14	418,931.52	232,142.88	186,788.64
Total				1,132,283.04	640,139.16	492,143.88

2486. This anomaly was also in contravention with Section 7 of the Public Financial Management Act, 2016 (Act 921) which requires that a Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity.

2487. Management explained that the appointment letters were issued to the staff at NADMO Head Office, which they did not have control over.

2488. The anomaly constitutes loss of funds to the State, which could have been used to employ more people to reduce unemployment.

2489. We recommended that the amount of GH¢492,143.88 should be recovered from the affected staff and they should be placed on their right grades, commensurate with their qualifications. Further, we urged the Director General to ensure that staff are placed on their appropriate positions in all future appointments.

Konongo

Unearned salary – GH¢ 5,233.00

2490. Contrary to Regulation 92 of the Public Financial Management Regulations, 2019 (L.I 2378), management of NADMO, Konongo failed to ensure the immediate stoppage of salary of Mr. Bartholomew K. Ayitey who retired in June 2018 but validated and paid a total unearned salary of GH¢5,233.00 to him from July 2018 to May 2019.

2491. The Municipal Co-ordinator could not ascribe any reason as the cause of this infraction.

2492. We urged the Municipal Coordinator to take steps to recover the amount from the separated staff and pay same to Controller and Accountant General's Suspense Account, failing which, he should personally refund the amount.

MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS

NATIONAL VOCATIONAL TRAINING INSTITUTE (NVTI)

Introduction

2493. This report relates to the audited financial statements of National Vocational Training Institute for the four years ending 31 December 2020.

Financial Performance

2494. The Institute recorded a deficit of GH¢2,098,689.58 during the 2020 financial year. The position represented 35.9% worsened performance over the previous year's deficit of GH¢1,544,173.90.

2495. The comparative performance indicators for the year are shown in table 383.

Table 383: Statement of Revenue and Expenses for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.)	% Change
Govt. Subvention	18,396,774.39	16,044,565.18	2,352,209.21	14.7
Internally Generated Fund	11,634,451.27	16,572,971.35	(4,938,520.08)	(29.8)
Development Partners	1,202,801.95	2,311,074.71	(1,108,272.76)	(48.0)
Total Income	31,234,027.61	34,928,611.24	(3,694,583.63)	(10.6)
Expenditure				
Compensation for Employees	18,264,424.39	15,763,249.78	2,501,174.61	15.9
Goods and Services	15,068,292.80	20,709,535.36	(5,641,242.56)	(27.2)
Total Expenditure	33,332,717.19	36,472,785.14	(3,140,067.95)	(8.6)
Surplus/(Deficit)	(2,098,689.58)	(1,544,173.90)	(554,515.68)	35.9

2496. Total revenue decreased by 10.6%, from GH¢34,928,611.24 in 2019 to GH¢31,234,027.61 in 2020. The downward movement was due to a 29.8% decrease in IGF, from GH¢16,572,971.35 in 2019 to GH¢11,634,451.27 in 2020 and a 48% decrease in Donor fund from GH¢ 2,311,074.71 in 2019 to GH¢1,202,801.95 in 2020 because of the COVID-19 pandemic.

2497. Total Expenditure went down by 8.6% from GH¢36,472,785.14 in 2019 to GH¢33,332,717.19 in 2020. This was due to decrease in Goods and Services by 27.2%, from GH¢20,709,535.36 in 2019 to GH¢ 15,068,292.80 in 2020.

Financial Position

2498. The Institute's financial position as of 31st December 2020 is shown in Table 384.

Table 384: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.)	% Change
Non-Current Assets	28,803,704.12	29,673,949.71	(870,245.59)	(3.0)
Current Assets	5,058,726.93	5,858,835.89	(800,109.91)	(13.7)
Total Assets	33,862,431.05	35,532,785.60	(1,670,355.50)	(4.7)
Current Liabilities	2,191,797.04	1,913,374.38	278,422.66	14.6
Net Assets	31,670,634.01	33,619,411.22	(1,506,530.00)	(5.8)
Liquidity ratio	2.3:1	3.1:1		

2499. Non-Current Assets decreased by GH¢870,245.59 representing 3% from GH¢29,673,949.71 in 2019 to GH¢28,803,704.12 in 2020 this was due to reduction in the acquisition of new assets.

2500. Current Assets went down by 13.7% from GH¢5,858,835.89 in 2019 to GH¢5,058,726.93 in 2020. The downward trend was because of decrease in cash deposit at bank.

2501. Current Liabilities recorded an increase of 14.6% from GH¢1,913,374.38 in 2019 to GH¢2,191,797.04 in 2020.

2502. The liquidity position as measured by a current ratio of 2.3:1 in 2020 financial year indicates the ability of the Institute to meet its short-term debts when they fall due.

MANAGEMENT ISSUES

Delay in executing youth in trade and vocation project

2503. Section 13(e) of the Audit Service Act, 2000 (Act 584) states that, the Auditor-General shall examine in such manner as he thinks necessary the public and other government accounts and shall ascertain whether in his opinion the programmes and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilised and results achieved.

2504. In this regards an effective contract administration requires that projects are properly executed and within the dates specified in the proposal.

2505. Our review of the projects account (Donors) disclosed that the Institute received GH¢1,320,000.00 from Youth Employment Authority for the training of 5000 trainees in all the 10 regions within 10 skill trade areas in 2016. We however, noted that from 2016 to 2020 Management trained trainers and developed a curriculum for the programme at a total cost of GH¢560,835.90 but could not train the trainees who were the primary focus of the project. Table 385 outlines the details.

Table 385: Expenditure on Trainers

Date	Inflow	Expenditure GH¢	Balance GH¢
2016	1,320,000.00	418,991.56	901,008.44
2017	NIL	24,738.83	876,267.82
2018	NIL	116,128.72	760,139.10
2019	NIL	975.00	759,164.10
2020	NIL	NIL	759,164.10
Total		560,835.90	759,164.10

2506. The situation could be attributed to Managements of the Institute and Youth Employment Authority's inability to raise the needed funds to ensure the execution of the proposed project on the scheduled date.

2507. This practice if not checked could lead to an increase in the total cost of the project to completion.

2508. We recommended to Management to ensure that Youth Employment Authority fulfils its part of the agreement by releasing the funds or NVTI uses the money released to train a number of the trainees on some of the trade areas.

2509. Management accepted our recommendation and indicated that the institute will liaise with Youth Employment Authority to fulfil their part of the agreement or allow the Institute to train a number of the trainees on some of the trade areas with the remaining funds with the Institute.

SOCIAL SECURITY AND NATIONAL INSURANCE TRUST (SSNIT)

Introduction

2510. This report relates to the audited financial statements of Social Security and National Insurance Trust (SSNIT) for the year ended 31 December 2020.

Financial Performance

2511. SSNIT recorded a surplus of GH¢1.1billion in 2020 financial year as compared with a deficit of GH¢472 million registered in 2019. This represents a 314.4% increase in the Trust's financial performance over the period. The details of the operational results are shown in table 386.

Table 386: Statement of Changes in net assets available for benefits for the year ended 31 December 2020

Income	2020 GH¢ 000	2019 GH¢ 000	Incr./ (Decr.) GH¢ 000	% Change
Net Contributions Received	4,106,623	2,466,286	1,640,337	66.5
Net Investment Income	469,474.00	391,728.00	77,746	19.9
Other Income	88,671.00	78,977.00	9,701	12.3
Total Operating Income	4,664,768	2,936,991	1,727,784	58.8
Expenditure				
Direct Cost and Expense				
Operational Cost	234,951	222,171	12,780	5.8
Benefits	3,302,751	2,945,708	357,043	12.1
Total Direct Cost and Expense	3,537,702	3,167,879	369,823	11.7

Surplus of income over direct Cost	1,127,066	(230,888)	896,185	(588.15)
Administrative Expenses	309,552	270,943	38,609	14.2
Impairment Gain/(Loss)	324,359	28,904	295,455	
Net Surplus/ (Deficit)	1,141,873	(472,927)	1,614,807	341.4

2512. Net Contributions Received increased by a GH¢1.6 billion or 66.5% from GH¢2.4 billion in 2019 to GH¢4.1 billion in 2020. The rise is as a result of the settlement of Government of Ghana employees' contributions in arrears paid by the Controller and Accountant General Department with bonds which was recognised on cash basis.

2513. Net Investment Income also increased by 19.9% or GH¢77.7 million following the rise in dividend received, returns on corporate loans and term paper deposit by 25.3%, 14.6% and 241.7% respectively, among others.

2514. Penalty on delayed contributions and profit on disposal of fixed assets mainly accounted for the rise in other income.

2515. Direct cost also increased by GH¢369 million, from GH¢3.1 billion in 2019 to GH¢3.5 billion in 2020 representing a 11.7% rise. The rise is mainly due to an increase in benefit payment by 12.1%, emanating from an increase in the number of pensioners from 215,850 in 2019 to 227,407 in 2020.

2516. Administrative expense also increased by 14.2%.

Financial position

2517. The Trust's financial position as at 31 December 2020, is provided in the table 387.

Table 387: Statement of Net Assets available for benefit as at 31 December 2020

Assets/Liabilities	2020 GH¢000	2019 GH¢000	Incr./ (Decr.) GH¢000	% Change
Non-Current Assets	10,415,942	9,359,624	1,056,318	10.9
Current Assets	1,043,745	604,704	439,041	72.6
Current Liabilities	574,811	885,554	(310,743)	(35.1)
Net Current Assets	468,934	(280,850)	749,784	(267.0)
Net Asset	10,884,876	9,078,774	1,806,102	19.5
Liquidity ratio	1.82	0.68		

2518. Non-Current Assets increased by GH¢1 billion from GH¢9.3 billion in 2019 to GH¢10.4 billion in 2020, representing a 10.9% rise. The increase in Non-Current Assets was mainly attributed to the increase in Investment Properties following a GH¢24.9 million additions to Real Estate under construction and a 92.1% increase in Non-Current Financial Asset Specifically Securities in Ghana Government Bonds.

2519. Current Assets increased by 72.1% from GH¢604million in 2019 to GH¢1.04 billion in 2020. This was mainly as a result of increase in the Trust's cash and bank balances by 887.7% and Current Financial Asset, particularly Fixed Deposits maturing within and after 91 days by 130.3%.

2520. The Trust's liquidity ratio (Current ratio) has improved from 0.68:1 to 1.82:1 which indicates that the Trust can honour its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Arrears of Contribution from GoG employees not fully settled - GH¢4,334,387,226.39

2521. Section 91 of the Public Financial Management Act, 2016 (Act 921) requires the Board of Directors of a public corporation governed by this Act to ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

2522. We noted during our review of contribution management that, Controller and Accountant General Department (CAGD) as at 31 December 2020 owed the Trust GH¢1,124,568,970.17 in respect of contribution receivable from Government of Ghana (GOG) employees. Also, per Section 64(1) of the National Pensions Act, 2008 (Act 766) and based on our previous recommendation, the Trust has imposed a penalty of 3% on delay payments by CAGD over the years to the tune of GH¢3,209,818,256.22 bringing the total indebtedness of CAGD to GH¢4,334,387,226.39. The table 388 provides the details.

2523. CAGD did not make timely payment of employees' contributions to SSNIT.

2524. The delay erodes the time value of money, reduce the Trust's ability to pay pension and thereby posed threats to retirement income security of workers.

2525. We recommended that Management should liaise with CAGD and Ministry of Finance on the payment plan to defray the outstanding debt.

2526. Management responded that “SSNIT already has a payment plan with the Ministry of Finance to ensure that the outstanding debt is paid.”

2527. Government has so far made some efforts to settle the indebtedness. In 2020, two (2) Bonds totaling GH¢1.00 billion were received as part payment of the indebtedness.

2528. It is worthwhile to indicate that a demand notice which captured total indebtedness as of June 2021, was sent to the Controller & Accountant General on August 05, 2021, all in an effort to update the CAGD of their current indebtedness including that for the period ending December 2020.

Table 388: Arrears of Contribution from GoG employees not fully settled- GHS4.33billion

Month Contribution is due	Bills (GH¢)	Amount paid (GH¢)	Date of Payment	Over /Under Payment (GH¢)	Contribution (GH¢)	Penalty (GH¢)	TOTAL (GH¢)
2016							
Balance B/F from Dec 2015*	10,480,499.46	-		10,480,499.46	10,480,499.46		10,480,499.46
January	78,851,057.95	77,601,064.20	29 Feb 16	1,249,993.75	11,730,493.21	314,414.98	12,044,908.19
February	77,876,202.07	77,245,588.36	22 Mar 16	630,613.71	12,361,106.92	1,861,813.32	14,222,920.24
March	76,993,944.13	77,803,488.00	12 Apr 16	(809,543.87)	11,551,563.05	2,877,987.49	14,429,550.54
April	79,466,584.86	79,344,016.20	11 May 16	122,568.66	11,674,131.71	3,320,588.53	14,994,720.24
May	86,112,220.79	85,747,550.56	28 Jun 16	364,670.23	12,038,801.94	3,768,769.53	15,807,571.47
June	75,477,750.00	-		75,477,750.00	87,516,551.94	5,438,357.00	92,954,908.94
July	79,876,376.19	-		79,876,376.19	167,392,928.13	7,204,402.49	174,597,330.62
August	76,612,703.43	-		76,612,703.43	244,005,631.56	11,360,126.35	255,365,757.91
September	82,693,459.18	-		82,693,459.18	326,699,090.74	17,948,521.23	344,647,611.97
October	81,272,723.55	-		81,272,723.55	407,971,814.29	27,167,586.60	435,139,400.89
November	86,017,859.86	83,157,034.69	30 Dec 16	2,860,825.17	410,832,639.46	39,083,950.49	449,916,589.95
December	80,695,078.42	-		80,695,078.42	491,527,717.88	53,830,281.42	545,357,999.30
2017							
January	93,055,516.15	90,317,602.96	11 Apr 17	-	491,527,717.88	69,097,733.24	560,625,451.12
		2,737,913.19	10 May 19				
February	93,135,333.55	9,682,397.04	11 Apr 17	-	491,527,717.88	87,312,329.52	578,840,047.40
		81,707,577.97	14 Jul 17				
		1,745,358.54	10 May 19				

March	93,425,147.34	93,057,167.56	31 May 17	-	491,527,717.88	109,001,422.88	600,529,140.76
		367,979.78	10 May 19				
April	99,282,617.81	95,540,999.49	31 May 17	-	491,527,717.88	132,197,824.95	623,725,542.83
		3,741,618.32	10 May 19				
May	101,784,869.38	99,996,680.99	17 Jul 17	-	491,527,717.88	157,931,430.34	649,459,148.22
		1,788,188.39	10 May 19				
June	100,262,814.42	102,908,589.95	08 Aug 17	(2,645,775.53)	488,881,942.35	181,752,776.13	670,634,718.48
July	91,387,774.78	91,140,496.42	29 Sep 17	0.00	488,881,942.35	206,664,220.29	695,546,162.64
		247,278.36	10 May 19				
August	92,355,697.47	50,000,000.00	06 Nov 17	-	488,881,942.35	230,142,224.88	719,024,167.23
		42,079,270.80	14 Nov 17				
		276,426.67	10 May 19				
September	96,195,774.97	95,527,897.82	12 Jan 18	-	488,881,942.35	256,152,565.55	745,034,507.90
		667,877.15	10 May 19				
October	94,618,455.17	93,656,962.97	05 Feb 18	-	488,881,942.35	283,175,697.46	772,057,639.81
		961,492.20	10 May 19				
November	99,596,139.61	99,205,896.11	05 Mar 18	-	488,881,942.35	311,953,447.88	800,835,390.23
		390,243.50	10 May 19				
December	97,702,495.49	97,126,197.12	04 Apr 18	-	488,881,942.35	343,668,596.52	832,550,538.87
		576,298.37	10 May 19				
2018							
January	106,111,196.62	105,868,937.11	04 Jun 18	-	488,881,942.35	377,535,449.61	866,417,391.96
		242,259.51	10 May 19				

February	110,373,452.13	109,692,190.44	12 Jul 18	-	488,881,942.35	411,916,356.08	900,798,298.43
		681,261.69	10 May 19				
March	115,944,613.76	50,000,000.00	17 Sep 18	-	488,881,942.35	447,738,296.92	936,620,239.27
		62,118,818.65	28 Sep 18				
		3,825,795.11	10 May 19				
April	109,474,960.48	50,000,000.00	22 Oct 18	(280,314.92)	488,601,627.43	484,980,082.40	973,581,709.83
		59,755,275.40	22 Nov 18				
May	109,157,495.26	40,244,724.60	22 Nov 18	-	488,601,627.43	526,374,880.92	1,014,976,508.35
		68,451,547.95	01 Feb 19				
		461,222.71	10 May 19				
June	107,541,513.00	31,548,452.05	01 Feb 19	-	488,601,627.43	569,488,660.11	1,058,090,287.54
		75,502,143.57	02 Apr 19				
		490,917.38	10 May 19				
July	110,524,308.82	24,497,856.43	02 Apr 19	-	488,601,627.43	614,752,892.27	1,103,354,519.70
		3,856,802.85	10 May 19				
		82,169,649.54	15 May 19				
August	114,455,250.12	174,307.19	10 May 19	-	488,601,627.43	663,376,523.80	1,151,978,151.23
		17,830,350.46	15 May 19				
		96,450,592.47	29 May 19				
September	121,979,373.68	88,429,966.15	10 May 19	-	488,601,627.43	716,013,336.76	1,204,614,964.19
		3,549,407.53	29 May 19				
		30,000,000.00	07 Jun 19				
October	110,655,755.68	110,655,755.68	10 May 19	-	488,601,627.43	770,668,412.96	1,259,270,040.39
November	111,099,984.79	27,681,037.26	10 May 19	-	488,601,627.43	828,566,902.47	1,317,168,529.90

October	133,737,488.10	24,030,653.31	09 Jun 20	-	428,925,921.44	1,676,050,378.39	2,104,976,299.83
		109,706,834.79	30 Jun 20				
November	130,910,369.13	130,910,369.13	30-Jun.-20	-	428,925,921.44	1,775,599,139.14	2,204,525,060.58
December	134,486,657.52	134,486,657.52	30 Jun 20	-	428,925,921.44	1,793,327,921.90	2,222,253,843.34
2020							
January	146,351,020.91	124,896,138.56	30 Jun 20	-	428,925,921.44	1,903,464,220.68	2,332,390,142.12
		21,454,882.35	7-Aug-20				
February	147,950,496.71	146,373,989.96	04 May 20	-	428,925,921.44	1,927,306,674.40	2,356,232,595.84
		1,576,506.75	7-Aug-20				
March	143,866,295.18	100,000,000.00	01 Jun 20	(356,133,704.82)	72,792,216.62	1,957,015,029.07	2,029,807,245.69
		400,000,000.00	05 Jun 20				
April	142,843,971.31	16,968,610.90	7-Aug-20	45,875,360.41	118,667,577.03	2,332,715,824.13	2,451,383,401.16
		30,000,000.00	12-Aug-20				
		20,000,000.00	17-Aug-20				
		30,000,000.00	21-Aug-20				
May	162,079,954.82			162,079,954.82	280,747,531.85	2,457,394,279.62	2,738,141,811.47
June	149,201,295.34	40,000,000.00	12 Oct 20	-	280,747,531.85	2,563,748,229.78	2,844,495,761.63
		30,000,000.00	15 Oct 20				
		30,000,000.00	30 Oct 20				
		40,000,000.00	10 Nov 20				
		9,201,295.34	31 Dec 20				
July	149,280,746.66	70,798,704.66	31 Dec 20	78,482,042.00	359,229,573.85	2,685,700,918.85	3,044,930,492.70
August	148,844,387.08			148,844,387.08	508,073,960.93	2,776,882,334.82	3,284,956,295.75

September	151,219,548.62			151,219,548.62	659,293,509.55	2,872,534,994.37	3,531,828,503.92
October	148,948,103.78			148,948,103.78	808,241,613.33	2,984,020,896.18	3,792,262,509.51
November	163,180,220.63			163,180,220.63	971,421,833.96	3,094,573,691.28	4,065,995,525.24
December	153,147,136.21			153,147,136.21	1,124,568,970.17	3,209,818,256.22	4,334,387,226.39
Total	6,795,218,419.37	5,670,649,449.20		1,124,568,970.17	1,124,568,970.17	3,209,818,256.22	4,334,387,226.39

Unlisted Equities without Dividend payments

2529. Section 90 of the Public Financial Management Act, 2016 (Act 921) requires the governing body of a public corporation or state-owned enterprise to establish and maintain, policies, procedures, risk management and internal control systems, and governance and management practices, to ensure that, public corporation or state-owned enterprise manages its resources prudently and operates efficiently in accordance with the objectives for which the public corporation or state-owned enterprise was established.

2530. We noted from our review of the Unlisted Equity Portfolios and Asset Allocation Report for 2020 that, ten (10) out of the forty-five (45) companies with total investment of GH¢150,307,700.00 have not been paying dividend to the Trust for the past 10 years. The review further disclosed that except four (4) of the Companies, which are as at December 2020 had capital appreciation over the investment value, the rest of the companies have their individual values less than the amount invested in them. The total portfolio value of the (45) unlisted equity was GH¢3.26 billion as of 31 December 2020. Table 389 provides the details.

Table 389: Unlisted companies that have not paid dividends for the past 10 years

No.	Name of investee	Sector	Year of Investment	Current value of company- 31/12/2020 (GH¢)	SSNIT's Share of Current Value (GH¢)	% Shareholding	Amount invested up to date	Last Financial year Dividend was Received	Return on Equity
1	Golden Beach Hotel Services	Service	1999	52,897,221.51	52,897,221.51	100.00	54,265,000.00	None	None
2	Kumasi Abattior Company Ltd.	Service	Jul-96	817,501.00	436,627.28	529700.00	437,000.00	None	None
3	CDH	Financial Service	Jul-86	375,071.20	4,875.93	1.30	375,000.00	None	None
4	Accra Abattoir Ltd.	Service	Jul-96	952,744.00	384,990.91	36.63	412,000.00	None	None
5	Bayport Financial Service Ltd.	Financial Service	Apr-06	133,512,288.91	1,484,467.07	1.11	2,102,000.00	None	None
6	Trust Logistic Ltd.	Service	2001	25,510,293.00	129,510,293.00	100.00	29,510,000.00	None	None
7	Intercity STC Ltd.	Service	Jul-00	90,168,899.00	72,135,119.20	80.00	7,638,000.00	None	None
8	African World Airlines Ltd.	Service	Aug-12	109,228,012.00	9,830,521.00	10.00	6,072,700.00	None	None
9	Simnet	Service	Jul-04	49,464,759.00	42,045,046.00	85.00	42,045,000.00	None	None
10	Metro Mass Transit Ltd.	Service	Jul-03	56,321,859.50	18,242,761.00	11:67	7,451,000.00	None	None
	Total			519,248,649.12	326,971,922.90		150,307,700.00		

2531. The SSNIT's representatives on the Boards of the companies explained that the companies involved have not been making profit for the past ten years.

2532. The inability of these companies to pay dividends or grow their value in respect of the 6 companies denies the Trust the expected income to pay pension benefits. If this situation is not remedied, it could have serious effect on the sustainability/solvency of the Trust in the long-term.

2533. We recommended that Management should assess the operations of these companies to take strategic decisions that would safeguard the interest of the Trust.

Management response

1. Golden Beach Hotel Limited

2534. The company continues to record losses hence their inability to declare and pay dividends. Recent weak performance has been due to the impact of the COVID-19 pandemic. The Trust is at an advanced stage in the process of seeking a strategic investor, and a transaction adviser has been working on the selection process.

2. Kumasi Abattoir Company Limited

2535. Company continues to record losses. Low cost of slaughter services (charges/prices) against high cost of operations as butchers consider the company as a social project. Butchers are to be educated to accept the fact that, the company can only be viable if realistic slaughter rates are charged. Board of company working on the above. SSNIT working to exit the company.

3. CDH

2536. SSNIT has a 1.3% equity stake in CDH. The company is not doing well as two key subsidiaries i.e., Ivory Finance and CDH Asset Management have been liquidated and licenses withdrawn by their respective regulators during the financial sector clean up. SSNIT stake has been for sale since 2014 but there has been no offer for the past five years.

4. Accra Abattoir Company Limited

2537. Company recorded losses over the period. The company recorded low number of animals slaughtered. A new diversification strategy is to be considered by a new board to be formed. SSNIT is working to exit the company.

5. Bayport Financial Services limited

2538. Company has not paid dividends since the merger between CFC Savings and Loans and Bayport Financial Services in 2016, mainly because of the integration of the operations of the two companies. Integration has been completed and staff

downsized. Currently, the company has a positive Income Surplus so looking forward to paying dividends when it records profit. Monitoring the company's current progress.

6. Trust Logistics Limited

2539. The very competitive logistics industry exacerbated by an aging fleet of trucks has meant that the company continues to make losses. As a result, it has not been able to pay dividends. Board and management are implementing a new strategy to diversify revenue sources and improve performance. As part of the strategy, it is leveraging its landed assets to improve its performance through agreements that will utilise its land more effectively. The company has now physically secured its land and is in the process of perfecting the title to the land to facilitate the new strategy.

2540. SSNIT has also worked to complete a long-standing asset split between the company and ISTC. It is therefore able to either monetise these assets if needed and to leverage others to improve its finances. Additionally, Trust Logistics has struck a deal with Goil and Marado Automated Safety and Vehicle Inspection Company (MASVIC) to generate further income from its landed assets.

7. Intercity STC Coaches Limited

2541. The company continues to record losses hence their inability to declare and pay dividends. The current border closure due to the COVID-19 pandemic, has affected travel to Togo and Cote d'Ivoire, which forms a significant source of revenue for the company. The acquisition of buses through an ADB Bank loan and from the Government is complimenting management's new strategy to turn the business around. Monitoring progress of company to ensure it turns profitable to pay dividends

8. African World Airlines

2542. Company started operating with leased aircraft in the year 2013/2014, which was expensive when compared to market rates. Company has now agreed a new payment arrangement with Hainin Airlines for the existing aircraft, which is more beneficial to AWA. There has also been a significant drive to try and reduce operating costs of the company. The company is expected to be able to pay dividends by the year 2024. Progress is being monitored.

9. Simnet Company Limited

2543. SIMNET paid dividends in 2009 financial year of GH¢302,443.93. Although the company made profits in 2019, they are not able to pay dividends due to an accumulated negative income surplus from the past years. Management and New Board are undertaking a diversification strategy to transform the company into a Fintech business. The Trust continues to monitor the company.

10. Metro Mass Transit Limited (MMT)

2544. MMT has not been able to make profits as it hardly increases its fares despite consistent increases in its cost of operation. The company has been making losses for the past five (5) years. This reflects the fact that what it offers customers is partly a social service. Through MMT, the Government offers subsidised transportation services to the Public. Government has compensated for MMT's lack of fare increases by providing buses to it on a grant basis to enable it break-even, at the least, to continue to be in operation to provide the services. Based on the current business model and the accumulated losses, dividends are not expected in the short-term".

Failure to charge penalty for Non delivery of the 84 flats by Trust F-Line – US\$6.72 million

2545. The Trust F-Line Properties Ltd is a Joint Venture Company (JVC) between the Social Security & National Insurance Trust (SSNIT) and SGPS S.A. of Portugal with shareholdings of 70% and 30% respectively. The main objective of the joint venture was to construct and sell housing units.

2546. SSNIT entered into a sales and purchase agreement with F-Line Ltd on 5 December 2019 to buy eighty-four (84) flats at a discounted price per flat. The Agreement states that, the 84 flats would be provided from six blocks namely, block four, five, six, nine, ten and eleven.

2547. Clause 15.1 & 2 of the Sale and Purchase stipulates that, failure to deliver the 84 flats by the end of the eighteen (18) months shall attract a penalty of fifteen thousand United States Dollars (US\$15,000.00) every week for three (3) months.

2548. Also, Section 7 of the Public Financial Management Act, 2016 (Act 921) states that a Principal Spending Officer shall in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

2549. On the contrary, we noted from our review of investment files and inspection of the project, that as at 30 June 2021 Trust F-Line was unable to deliver the 84 flats and SSNIT had also not triggered the penalty clause contained in the sales and purchase agreement. We noted at project site that, only blocks four, five and six were still under construction and were at various stages of completion. Blocks nine, ten and eleven have not started.

2550. In our view the Trust did not carry out effective due diligence to ensure that The Trust F-Line Ltd cost estimates were accurate to deliver the whole flats within the time. Also, Trust F Line may be having difficulties in selling the three almost completed flats.

2551. Delays in completing and handing over the flats to SSNIT would deny the Trust the opportunity to sell the flats to receive income as envisaged. The Trust may also lose the interest due from the breach. The value of money has been eroded due to the delay. All these will impact negatively on the Trust's liquidity.

2552. We recommended that Management should institute rigorous cost reviews in similar transactions take steps to reduce its exposure in the F-Line transactions and ensure that value is obtained for every expenditure in the Joint Venture.

2553. Management in their response says that "Our comment is that there are 12 blocks in total including external works. Per the company's project plan and budget at the time of restarting the project in 2020, the funds received from the sale of the 84 flats to SSNIT was to complete the first 6 blocks of flats and not all the 12 blocks. The entire project (including blocks 9, 10 and 11) as at the time of the audit was over 80% completed, with blocks 1 to 6 substantially completed for handing over by the contractor to the company.

2554. Again, the main reasons for the flats not being delivered on time were as follows: Progress of work from 2016 to 2019 was limited because the JV partner, DVM sought and was unable to raise the funding needed to partner SSNIT in the next phase of the project. Additionally, SSNIT carried out value-for-money audits on the project to ensure value for money before granting the approval to continue with the project. This took some time to complete. To prevent the project from further stalling and losing value SSNIT as the majority shareholder with a 70% equity stake, entered into a sales and purchase agreement with Trust F-Line to buy 84 flats at a discounted price in an effort to fund the construction as against further equity or a debt, which could further overexpose SSNIT to the company.

2555. The Board of SSNIT was aware the funds from the purchase could not complete the outstanding works required to fully complete the project. The Board expected the company to make some sales and use the proceeds to complete the construction. In the circumstance that enough sale proceeds would not be realised, the Board directed that the company could issue additional rights to shareholders to raise funds to complete the project if income from sales was not enough.

2556. The expectation is that when the flats are taken over by SSNIT they would be sold at the company's market price. This will compensate for the holding costs of the flats and potentially a gain on the discounted price at which the flats were acquired.

2557. The comments above notwithstanding, the audit recommendations are noted. The shareholders have held a number of meetings to consider various funding options to complete the remaining blocks of flats. The company has also approached shareholders with offers they have received from prospective buyers that are below the price range approved by shareholders. We note that, the offers the company presented to shareholders for approval are significantly above the price at which SSNIT purchased the flats from the company to enable it to fund the project. SSNIT agrees with the new pricing point for marketing and is awaiting approval by the Board of Trustees to implement”.

Payment in excess of work performed – US\$36,890,553.79

2558. RSS Ltd. is a joint venture company between SSNIT and Regimanuel Gray Ltd set up to develop houses for sale. The company entered into loan agreements with SSNIT for funding its developments. Based on the loan agreement, SSNIT disbursed funds totaling GH¢600,053,746.06 to RSS. The loan was disbursed in 2011, 2013, 2014 and 2015. RSS made payments to its contractor, Regimanuel Gray Ltd. The total loan outstanding (including Interest and Principal) as at 31/12/2015 was GH¢652,246,210.72.

2559. We noted from review of RSS file at SSNIT that Regimanuel Gray Ltd (Contractor for project) as at 2015 did not undertake construction works to the tune of US\$36,890,553.79. We further noted that the General Counsel Division of SSNIT has since June 2020 sued RSS Developers Ltd and all the Board members seeking several reliefs including a declaration that the defendant has failed in their fiduciary duties. Our review further disclosed that SSNIT as part of their attempt to collect the debt from RSS, has completed a swap of all the completed RSS housing units as part payment of the debt.

2560. This is in contradiction to Section 7(1) of the Public Financial Management Act, 2016 (Act 921), which provides that, a Principal Spending Officer of a covered entity shall ensure proper use of money appropriated in that covered entity.

2561. In our view, the anomaly was due to the failure of SSNIT to ensure that its representation at the Board of RSS ensures that, RSS design system to ensure funds was disbursed to the contractor-Emmanuel Gray Ltd on work performed bases.

2562. This has resulted in delay of project completion beyond schedule which could also result in cost overrun. The action of Regimanuel has resulted in misappropriation of the pension funds.

2563. We recommended that SSNIT Board should ensure that the representatives of the Trust on the Boards of investee companies effectively monitor and ensure that funds released are used for the intended purpose. SSNIT should intensify their efforts in ensuring that, the remaining works are performed, or the overpayment is recovered from Regimanuel Gray Ltd and RSS.

2564. Management responded “RSS Ltd. is a company set up to develop houses for sale. The company entered into loan agreements with SSNIT for funding its developments. SSNIT disbursed the funds to the company according to the terms of the loan agreements, in 2011, 2013, 2014 and 2015. It was the company, RSS that made payments to its contractor, Regimanuel Ltd.

2565. There is no evidence or document in SSNIT that indicates that funds from SSNIT moved directly to the RSS contractor for the project. All funds were disbursed to the company (RSS).

2566. SSNIT is aggressively pursuing the recovery of all due payments from RSS. To this end, it has completed a swap of all the completed housing units with part of the debt”.

SSNIT’s non-performing loans – GH¢858,380,662.10

2567. Section 91 of the Public Financial Management Act 2016, (Act 921) states that the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

2568. We noted from our review of the loan schedule that between 1995 and 2019, seven (7) companies were not servicing a total loan facility of GH¢473,138,686.98 from SSNIT. The table 390 provides the details.

Table 390: SSNIT’s non-performing loans

No.	Company	Type of Facility	Date of Disbursement	Amount Disbursed	Accumulated Interest	Outstanding Loan Balance (Prinp Inst.)
1	RSS	Loan 1	1 April 2011-19 Dec 2011	163,682,754.45	10,468,827.92	174,151,582.37
	RSS	Loan 2	23 Jan 13-02 Sept 2015	384,832,220.23	40,129,816.22	424,962,036.45
	RSS	Loan 3	19 Nov. 2014	51,538,825.38	1,593,820.52	53,132,645.90
2	Aluworks	Loan	15-May-12	122,238,141.45	3,373,880.64	125,612,022.09
3	Switchback	Loan	28 May 2019-12 July 2019	30,279,757.68	309,416.11	30,589,173.79
4	InterCity STC	Loan	23 Oct. 2012	10,684,889.85	449,582.80	11,134,472.64
5	Trust Logistics Ltd.	Loan	22 Nov.14	35,321,661.50	726,217.22	36,047,878.73

6	Kumasi Abattoir	Loan	29 Sept. 2014	2,036,344.39	73,497.14	2,109,841.53
7	GICEL	Loan	Oct. 2010	632,642.51	8,366.09	641,008.60
Total				801,247,237.44	57,133,424.66	858,380,662.10

Source: *Loan Schedule from Fixed Income Department 2020*

2569. The schedule officers indicated that the companies involved have not been making profits over the years as evidenced in their financial statements for the past five years.

2570. The non-payment of the loans has impacted negatively on the cash flows of SSNIT and if continue, will significantly affect the sustainability of the Trust.

2571. We recommended that Management should review the loan portfolios with the respective companies and put in place measures to recover them. We also recommended that Management should take possession of the underlying assets of the defaulting companies to defray parts of the loans. We further recommended that Management should seek redress at the law court where appropriate to recover the loans.

Management response

1. RSS Developers Ltd. (Loans1, 2, 3)

2572. Loan 1– Ghana cedi equivalent of US\$50.0 million was disbursed in tranches to the company in 2011 (April, June and December).

2573. Loan 2 – Ghana cedi equivalent of US\$115.0 million was disbursed to the company in tranches as follows:

- 2013 (January, February, April, September and October).
- 2014 (March and April).
- 2015 August and September).

2574. Loan 3 (Bridge) - Amount Approved US\$17.0 million. The Trust disbursed Ghana cedi equivalent of US\$12.75 million in two tranches to the company in November 2014 and February 2015. The company was to repay the loan with proceeds from sale of its property developments. The development has however faced a myriad of challenges including a slowdown in the real estate market, overpriced units of its development, and inability of the contractor, being a partner in the company, to complete the development, which in our estimation, arises from the contractor's own financial challenges.

2575. SSNIT has swapped part of its debt with the completed housing units of the company to lower its financial exposure. SSNIT Management has put in place a new Investment Policy and Guidelines document to guide the Trust on such transactions in future that includes that, SSNIT shall not enter into any joint venture agreement where a partner in the JV will be the contractor for the project the JV is to undertake. SSNIT is preparing to aggressively market the sale of the units that have been taken over.

2. Aluworks Limited

2576. Aluworks defaulted on its contractual obligations to the Trust due to financial and operational challenges arising from what they termed as unfair competition from abroad. SSNIT bought land from Aluworks to enable the company get funds to pay its debt owed to VALCO and get funds for working capital. The proceeds were used for the purpose and as a result the company currently has a credit balance with VALCO. This has freed up working capital making it easier for the company to operate. Discussions for a strategic investor is still ongoing.

2577. Aluworks Ltd., being a public listed company, is preparing to hold an Annual General Meeting (AGM) tentatively set for October 2021 where it will table the SSNIT proposal for a strategic investor for shareholders' discussion and direction. A draft resolution to be considered at the AGM has been received from the company's Management. Injections by a strategic investor will be used to retire a significant portion of the SSNIT debt.

3. Switchback Developers Limited

2578. The construction of Phase I of the project experienced delays due to a lack of adequate construction finance. Sale proceeds received, which were to be used to pay for the loan, have been used for the construction. Thus, the company's inability to pay back the loan when it fell due.

2579. Phase I of the project is about 95% complete. The Trust has injected funding by acquiring 6.18 acres of the land and responded to a rights issue to purchase flats at a significant discount. Sales are ongoing and is expected that the loans will be repaid from the proceeds. In addition, Shareholders are also considering selling additional parcels of land. It is expected that the sales of the land and apartments will exceed the value of the loans.

4. Intercity STC Coaches Limited

2580. The company continues to record losses and is unable to generate adequate cash flows to service the debt. The current border closure due to the COVID-19 pandemic, also affected travel to Togo and Cote d'Ivoire which are a significant source of revenue for the company. The acquisition of buses through an ADB Bank

loan and from the Government is complimenting management's new strategy to turn the business around. The Trust is monitoring the progress of the company to ensure repayment is done.

5. Trust Logistics Limited

2581. Strong competition within the logistics industry has been made worse by an aging fleet of trucks. This has meant that the company continues to make losses. This has meant that the company has not been able to repay the loan. Board and management are implementing a new strategy to diversify revenue sources and improve performance. As part of the strategy, it is leveraging its landed assets to improve its performance through agreements that will utilise its land more effectively.

2582. The company has now physically secured its land and is in the process of perfecting the title to the land to facilitate the new strategy. SSNIT has also worked to complete a long-standing asset split between the company and ISTC. It is therefore able to either monetise these assets if needed and to leverage others to improve its performance.

6. Kumasi Abattoir Company Limited

2583. The company continues to record losses. Low cost of slaughter services (charges/prices) against high cost of operations as butchers consider the company as a social project. Butchers are to be educated to accept the fact that, the company can only be viable if realistic slaughter rates are charged. Board of company working on the above.

7. GICEL (Shareholder Advance)

2584. GICEL failed to settle the first instalment of GH¢62,206.97 scheduled for 9th November 2020, due to cash flow challenges occasioned by refusal of tenants to pay rent to the company during a pendency of a court case at the High Court.

2585. The litigation that caused the company to take the loan from SSNIT was determined in favour of SSNIT/GICEL by the High Court on 21st October 2020. However, the plaintiff (Ghana National Association of Garages), dissatisfied with the ruling, filed an appeal at the Court of Appeal, Accra. The appeal case is pending.

2586. In March 2021, SSNIT used a portion of SSNIT Weija Branch's rent due to the company (GH¢31,878.00) to defray part of loan owed SSNIT. The company made another payment of GH¢50,000.00 on 27th August 2021. SSNIT and GICEL (i.e., the defendants) are working together to legally secure the ownership of the estate so as to sustain the company's operations to enable it to service the loan".

Locked up funds in four (4) Joint Venture Projects

2587. Section 7 of the Public Financial Management Act, 2016 (Act 921) states that, a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity.

2588. Section 2 (2.64) of SSNIT's Investment Policy and Guidelines (IPG) 2019 requires assets to be managed in relation to projected cash flows (i.e., liquidity), portfolio quality and avoidance of excessive exposure to a particular sector/companies.

2589. We reviewed the investment reports on Unlisted Companies 2021 and noted that the Trust has over US\$206 million of its investible funds locked up in 4 joint ventures projects. Our reviews showed that, between 2008 and 2014, SSNIT and four other companies entered into a joint venture agreement to undertake projects in the real estate sector. The projects included: RSS, Switchback, Trust F-Line and West Hills Ridge project. The Switchback Ltd project started in 2008, RSS started in 2009 whilst the Trust F-Line and West Hills Ridge commenced in 2014. All the four projects were estimated to cost US\$240 million.

2590. Our review of projects files and inspection of 3 of the projects disclosed that, they were at various stages of completion. We noted during our inspection that, phase 1 of RSS projects had completed whilst phases 2, 3 and 4 were halted. Our review of unlisted equities reports also showed that, SSNIT has so far spent US\$ 206 million on RSS, F-Line and West Hill projects. Table 391 shows the details. The amount of money spent on Switchback project and updated expenditure on RSS, F-Line and West Hill Ridge were not provided by Trust to the team despite all efforts.

Table 391.: Work-In-Progress Projects as at December 2020

No.	Name of project	Detail of Company	Description of project	Estimated Cost (USD\$)	Amount spent by SSNIT	Status of project
1	RSS	A Joint Venture Company (JVC) formed in 2008 by SSNIT and Regimanuel Gray Ltd. with SSNIT having 60% shareholding.	This consisted of construction of phases 1, 2 3 & 4 two and three semi-detached bedrooms at Eagles Place and Klagon in Sakumono	206,465,000.00	50,355,115.81	Phase 1 100% Phase 2,3and 4 halted
2	Trust F-Line	A JVC between SSNIT and SGPS S.A. of Portugal,	This involved 3-bedroom semi-detached	40,920,000.00	16,216,666	

		formed in 2014 with SSNIT having 70% shareholding.	apartments at Sakumono- They were to build 12 blocks but only 3 blocks had been completed as at the time of the audit.			
3	Switchback	A JVC between SSNIT and Trasacco Estate Development Company (TEDC) and Lifeforms Ltd. (LF) formed in 2008 with SSNIT having 70% shareholding.	This involved 2 & 3 semi-detached residential for accommodation at Switchback Road near 37 Military Hospital	not provided	not provided	96%
4	West Hill Ridge Ltd.	JVC between SSNIT and Amandi Group Ltd. (Amandi) formed in 2014. Shareholding SSNIT-80%	This consisted of construction of phase 1 & 2 housing units for sale	Not provided by Trust	138,938,616.00	Phase 1 - 62.10% and Phase 2 - 26.50%
Total				247,385,000.00	205,510,397.81	

Source: Report on SSNIT Unlisted 2021

2591. The schedule Officer-in-charge of Unlisted Equity disclosed to the audit team that, the projects have stalled due to lack of funds to complete them. He indicated that, starting the projects concurrently in 2008 and 2014 created financial challenges to the Trust. The KPMG Value for Money Audit (VFM) conducted in 2018 also attributed the delay in completing RSS project for instance, to financial challenges.

2592. The schedule Officer-in-charge of Unlisted Equities further indicated that the projects started at a time when the real estate market showed signs of growth with high demand from prospective buyers, however, the unexpected economic crisis resulted in a decline in demand for real estate properties.

2593. The audit team is of the view that, Management did not take due care and the Board did not exercise effective control over the Trust's funds especially when the investment in the RSS and Trust F-Line have not been completed or yielded returns within 5 to 6 years, but the Trust still went ahead with similar investment with Switchback and West Hill Ridge Ltd in 2014.

2594. The four projects, of which two started concurrently have either been stalled or are in serious need of funds to continue. The JVCs are struggling to sell the completed apartments. Pension funds have been locked up in these projects, thereby aggravating the liquidity challenges of the Trust. It is uncertain when the funds already invested in these projects would be recouped to ensure sustainability of the Trust.

2595. Although the Board's control over investment has improved lately, we recommended that the Trust takes steps to reduce its exposure on these projects. We also recommended that the Trust should avoid investing in multiplicity projects. We further urged Management to update the audit team with the various cost associated with the 4 projects, especially, Switch Back and West Hill projects.

2596. Management in their response stated that "As a general solution common to all four investments, SSNIT Management has put in place a new Investment Policy and Guidelines document to guide the Trust on such transactions in future that includes that, SSNIT shall not enter into any joint venture agreement where a partner in the JV will be the contractor for the project the JV is to undertake.

RSS Developers

2597. The real estate industry has been going through difficult times for the past four years and more. This is partly due to the oversupply of medium-to-high end properties, and economic downturns in the country and other parts of the world. Processes are almost complete for SSNIT to take over some of the assets of RSS to defray part of the loan owed SSNIT.

2598. The strategy following the swap is to sell the apartments at current market rates which are much lower than the selling prices at the inception of the project. The Trust will also look to rent some of the properties in order to generate income and also to create greater visibility for the development in the market. The land that will be swapped will also be sold to attract more buyers to the development.

Trust F-Line Limited

2599. Progress was limited from 2016 to 2019 due to the inability of the other partner, DVM Group, to secure its debt component for the completion of the project. SSNIT has provided additional finance by buying some of the units at a significant discount to help the company complete the project. It is expected that once the project is completed, the units would be quickly sold, due to the project's location, quality, and competitive sale price of the apartments. Marketing and sale of the apartments are currently ongoing.

Switchback Developers Limited

2600. Financing has become a challenge for this project as the first phase, Adinkra Heights is yet to be completed. SSNIT has purchased some of the land owned by the company and also, purchased some of the apartments at a significant discount to enable the company to have enough funds to complete the first phase. Marketing and sale of the apartments are ongoing.

West Hills Ridge Company Ltd.

2601. The SSNIT Management/Board conducted a value for money audit on the company. The audit led to the company saving US\$30 million on the construction cost. SSNIT further stopped the continuation of the Phase 2 except for six blocks that construction was advanced and the Sports Centre, which is a very necessary complimentary facility. The project is steadily going on with sales ongoing for the completed units.”

MANAGEMENT DEVELOPMENT AND PRODUCTIVITY INSTITUTE (MDPI)

Introduction

2602. This report covers the audited financial statements of the Management Development and Productivity Institute (MDPI) for the year ended 31 December 2019.

Financial Performance

2603. The operations of the Institute ended with a deficit of GH¢67,933 as against a surplus of GH¢155,417 recorded in 2018 showing a 143.7% drop in surplus. Details are shown in table 392.

Table 392: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019	2018	Incr./(Decr.)	%
Income	GH¢	GH¢	GH¢	Change
Subvention from GoG	2,261,771	1,612,503	649,268	40.3
Internally Generated Fund	950,605	1,388,289	(437,684)	(31.5)
Other Income-External Funding	96,430	-	96,430	100
Total Income	3,308,806	3,000,792	308,014	10.3
Expenditure				
Personnel Emolument	2,138,690	1,612,503	526,187	32.6
Service Activity	159,776	293,054	(133,278)	(45.5)
Administrative Activity	1,078,273	856,763	221,510	25.9
Depreciation Charges	-	83,055	(83,055)	(100.0)
Total Expenditure	3,376,739	2,845,375	531,364	18.7
Surplus/(Deficit)	(67,933)	155,417	(223,350)	(143.7)

2604. Total Income increased by 10.3% from GH¢3,000,792 in 2018 to GH¢3,308,806 in 2019. The increment in total income was due to increase in Subvention from GoG from GH¢1,612,503 in 2018 to GH¢2,261,771 in 2019 showing 40.3% change.

2605. Total Expenditure for the year went up from GH¢2,845,375 in 2018 to GH¢3,376,739 in 2019, representing an increase of 18.7% due to a rise in salaries by GH¢526,187 or 32.6%.

Financial Position

2606. Table 393 is a summary of the Institute's statement of financial position as at 31 December 2019.

Table 393: Statement of Financial Position as 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	354,113	347,064	7,049	2.0
Current Assets	730,820	745,008	(14,188)	(1.9)
Current Liabilities	580,146	268,119	312,027	116.4
Current Ratio	1.3:1	2.8:1		

2607. Non-Current Assets recorded an increase of GH¢7,049 or 2% from GH¢347,064 in 2018 to GH¢354,113 in 2019. The increment was largely due to the acquisition of property, plant & equipment amounting to GH¢7,050.

2608. Current Assets, on the other hand, went down by 1.9% from GH¢745,008 in 2018 to GH¢730,820 in 2019. The decrease was mainly due to a 20.4% drop in accounts receivable from GH¢718,153 in 2018 to GH¢571,753 in 2019.

2609. Current Liabilities increased by 116.4% from GH¢268,119 in 2018 to GH¢580,146 in 2019. The rise was due to an increase of 817% in accruals from GH¢35,126 in 2018 to GH¢322,116 in 2019.

2610. The current ratio of 2.8:1 in 2018 reduced to 1.3:1 in 2019. This indicates the Institute can barely meet its short-term financial obligations when they fall due despite the fall in the current ratio.

MANAGEMENT ISSUES

Underpayment of Withholding Tax – GH¢16,772

2611. Section 116 of the Income Tax Act 2015, (Act 896) states that, a resident person shall withhold tax at a rate provided for in paragraph 8 of the First Schedule where that person pays a service fee with a source in the country to a resident individual as fees or allowances, to a resident director, manager, trustee or board member of a company or trust.

2612. The applicable rate specified in paragraph 8 of the First Schedule (c) (i) is twenty percent (20%).

2613. We noted during our review of payment vouchers that management deducted a withholding tax of 10% on Board and other committee allowances instead of 20% required by law resulting in a shortfall of GH¢16,772. The Details are shown in table 394.

Table 394: Underpayment of withholding tax

Date	Name/Meeting	Gross Amount GH¢	Client's Amount of Tax GH¢	Right Amount of Wht GH¢	Difference GH¢
01/02/2019	Score Trainers	8,644	-	1,728.80	1,728.80
03/04/2019	Kweku Odame Takyi	4,300	-	860.00	860.00
20/06/2019	MDPI Land Committee	4,900	-	980.00	980.00
17/07/2019	MDPI Baatsona Min Committee	5,700	570	1,140.00	570.00
22/07/2019	MDPI Baatsona Min Committee	6,550	655	1,310.00	655.00
16/08/2019	Dorcas Amofa Obeng	2,100	210	420.00	210.00
14/10/2019		5,100	510	1,020.00	510.00
17/10/2019	Budget Committee	3,510	351	702.00	351.00
21/10/2019	NCPA	4,350	435	870.00	435.00
29/10/2019	NCPA Members	4,350	435	870.00	435.00
05/11/2019	Budget Committee	3,159	316	631.80	315.90
21/11/2019	Score Trainers	3,150	315	630.00	315.00
22/11/2019	Kweku Odame Takyi	9,000	900	1,800.00	900.00
19/12/2019	NCPA	3,800	380	760.00	380.00
		68,613	5,077	13,723	8,646
14/01/2019	Board Members	7,830	NIL	1,566	1,566
01/02/2019	L I Members	24,050	NIL	4,810	4,810
29/10/2019	Board Members	17,500	1,750	3,500	1,750
		49,380	1,750	9,876	8,126
Total		117,993	6,827	23,599	16,772

2614. The irregularities may attract a penalty in addition to the underpaid withholding tax.

2615. Underpayment of tax denied the government funds to undertake its activities.

2616. We recommended that Management should apply the correct rate of withholding tax on allowances and ensure that the GH¢16,772 is remitted to the GRA.

2617. Management accepted our recommendations for compliance.

MINISTRY OF TRANSPORT

GHANA SHIPPERS' AUTHORITY

Introduction

2618. This report relates to the audited financial statements of Ghana Shippers' Authority for the year ended 31 December 2020.

Financial Performance

2619. The Authority ended the financial year with a surplus of GH¢24,098,779.01 representing 6.8% increase over the previous year's surplus of GH¢22,566,492.47. The comparative performance indicators for the two years are shown table 395.

Table 395: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue from contracts with customers	67,181,461.30	57,223,367.15	9,958,094.15	17.4
Other Income	2,518,608.94	9,352,485.55	(6,833,876.61)	(73.1)
Finance Income	1,567,551.50	1,211,750.67	355,800.83	29.4
Total Revenue	71,267,621.74	67,787,603.37	3,480,018.37	5.1
Less Expenditure				
General & Administration Expenses (Including Personnel Emoluments)	47,119,481.32	45,128,359.08	1,991,122.24	4.4
Finance Cost	49,361.41	92,751.82	(43,390.41)	(46.8)
Total Operating Expenses	47,168,842.73	45,221,110.90	1,947,731.83	4.3
Surplus of Income Over Expenditure	24,098,779.01	22,566,492.47	1,532,286.54	6.8

2620. Total revenue increased from GH¢67,787,603.37 in 2019 to GH¢71,267,621.74 in 2020, representing an increase of 5.1% over the period. This was largely due to the 29.4% increase in finance income in 2020, which was as a result of the increase in returns on fixed deposit, from GH¢924,867.48 in 2019 to GH¢1,335,951.21 in 2020 representing 44.5%.

2621. Total expenditure also increased by 4.3% from GH¢45,221,110.90 in 2019 to GH¢47,168,842.73 in 2020. This was mainly attributed to a 11.28% increase in Personnel emoluments from GH¢18,622,233.90 in 2019 to GH¢20,722,708.76 in 2020.

Financial Position

2622. The Authority's financial position as at 31 December 2020 is shown in Table 396.

Table 396: Financial Position as at 31 December 2020

Assets/Liabilities	2020 (GH¢)	2019 (GH¢)	Incr./ (Decr.) (GH¢)	% Change
Non-Current Assets	78,967,690.74	78,315,070.26	652,620.48	0.8
Current Assets	91,292,919.83	66,059,048.31	25,236,777.29	38.2
Current Liabilities	36,358,525.45	25,286,821.57	11,071,703.88	43.8
Net Assets	133,902,085.12	119,087,297.00	14,814,788.12	12.4
Liquidity ratio	2.5:1	2.6:1		

2623. Non-Current Assets increased by GH¢652,620.48 representing 0.8% in 2020, largely due to the acquisition of plant, property and equipment during the year.

2624. Current Assets also went up by 38.2%, from GH¢66,059,048.31 in 2019 to GH¢91,292,919.83 in 2020. The increase in Current Assets was as a result of increase in accounts receivables, from GH¢40,664,329.77 in 2019 to GH¢54,523,897.12 in 2020 representing 34.1% increase.

2625. Current Liabilities recorded an upwards movement of 43.8%, from GH¢25,286,821.57 in 2019 to GH¢36,358,525.45 in 2020. This was due to an increase in account payables from GH¢24,902,427.89 in 2019 to GH¢36,277,436.51 in 2020 representing 45.7% increase.

2626. The Liquidity position represented by current ratio decreased from 2.6:1 in 2019 to 2.5:1 in 2020. However, regardless of the decrease in the current ratio, the Authority still can meet its short-term obligations as and when they fall due.

Default in Rent Payment GH¢3,692,457.71

2627. Ghana Shippers' Authority's Lease agreement requires tenants of Ghana Shippers' Authority to pay their rent in advance (quarterly, yearly, or half-yearly). We noted that eight (8) out of the sixteen (16) tenants, occupying portions of Accra Shippers House and Takoradi Shippers Centre owed rent to the tune of GH¢3,692,457.71 as at 31 December 2020. The period of the rent due ranges from 4 to 48 months. Details are shown in table 397.

Table 397: Default in Rent Payment

Name	Period Owed	Monthly Rent Charge USD \$/ per square meter per month US\$	Total Amount Owed US\$	Total Amount Owed in GH¢
Cbg Bank-Banking Hall	4 months	US\$24	26,880.00	155,904.00
Venture Capital	4 months	US\$15	31,380.00	182,004.00
Florentini	3 Months	US\$23	8,280.00	48,024.00
Movis Ghana Limited	8 Months	US\$3.50	55,200.00	320,160.00
Apex Shipping & Commercial Company Ltd	4 Months	US\$ 3.50	66,228.56	384,125.65
Ghana Revenue Authority	main one 6 months and the additional one is 12 months	US\$15	222,674.25	1,291,510.65
Jdl	6 moths	US\$3.50	223,827.83	1,298,201.41
Macro Logistics	3 months	US\$12	2,160.00	12,528.00
Total				3,692,457.71

2628. Management attributed the cause of the arrears as a result of the COVID-19 pandemic which affected the activities of some of the Companies who subsequently appealed for waivers as well as additional time to reorganise and pay.

2629. The situation denied the Authority rent revenue of GH¢3,692,457.71 if not recovered.

2630. We urged Management to pursue the defaulters for the rent arrears of GH¢3,692,457.71 or terminate the Tenancy agreement accordingly.

2631. Management response, "Management has studied your observation of default in rent payment of GH¢6,692,457.71. These arrears happened as a result of the Covid-19 which affected the activities of some of the companies who appealed for waivers as well as additional time to reorganise and pay. Indeed, some Companies have made part payments as a result of the pressure from Management since the observations were issued. Management can assure you that the defaulters are being actively pursued to recover the amounts owed."

PSC TEMA SHIPYARD LIMITED

Introduction

2632. This report relates to the audited financial statements of PSC Tema Shipyard Limited for the year ended 31 December 2020.

Financial Performance

2633. The Company recorded after tax loss of GH¢15,554,788 in 2020 as compared with a deficit of GH¢11,071,200 in 2019 representing 40% increase in after tax loss. The comparative performance indicators for the two years are shown in table 398.

Table 398: Statement of Comprehensive Income for the year ended 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	19,656,410	25,902,000	(6,245,590)	(24.0)
Cost of Sales	(16,468,920)	(19,770,300)	3,301,380	(17.0)
Gross Profit	3,187,490	6,131,700	(2,944,210)	(48.0)
Other Income	118,133	419,500	(301,367)	(72.0)
General and Administrative Expenses	(14,366,003)	(15,764,200)	1,398,197	(9.0)
(Loss)/Profit Before Taxation	(11,060,380)	(9,213,200)	(1,847,180)	20.0
Tax Expense	(4,494,408)	(1,858,200)	(2,636,208)	142.0
(Loss) / Profit After Taxation	(15,554,788)	(11,071,200)	(4,483,588)	40.0

2634. The Shipyard's revenue decreased from GH¢25,902,000 in 2019 to GH¢19,656,410 in 2020 representing 24% downward turn. This was due to decrease in revenue from Ship repairs because of the COVID-19 Pandemic.

2635. Cost of sales recorded a decreased of GH¢3,301,380.00 from GH¢19,770,300 in 2019 to GH¢16,468,920 in 2020 this connotes a downward turn of 17%. This was as a result of reduction in materials consumed, repair and maintenance and other cost related to production. The percentage decrease of 17% in cost of sales is marginal as compared with the percentage drop in revenue of 24%.

2636. Gross Profit dropped to GH¢3,187,490 in the year 2020 as compared with GH¢6,131,700 in 2019 representing 48% decrease. This was due to decrease in revenue.

2637. Other income decreased from GH¢419,500 in 2019 to GH¢118,113 representing 72% decrease. This was due to a drop in interest income and exchange gains.

2638. General and Administrative Expenses decreased from GH¢15,764,200 in the year 2019 to GH¢14,366,003 in 2020, this represents only 9 % decrease as compared with 24% decrease in revenue.

2639. The loss before tax increased from GH¢9,213,000 in 2019 to GH¢11,060,380 in 2020, representing 20% upwards movement. This was due to a relatively huge decrease in revenue and a corresponding marginal decrease in expenditure.

2640. Tax expense increased from GH¢1,858,200 in 2019 to GH¢4,494,408 in 2020. This represents 142% increase. This increase was due to the Company's deferred tax position.

Financial Position

2641. The Shipyard's financial position as at 31 December 2020 is shown in table 399.

Table 399: Statement of Financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non - Current Assets				
Property Plant and Equipment	8,705,342	9,934,500	91,229,158)	(12.0)
Deferred Tax Asset	0	1,507,800	(1,507,800)	(100.0)
Total Non- Current Asset	8,705,342	11,442,300	(2,736,958)	(24.0)
Current Assets				
Inventory	2,315,570	2,208,200	107,370	5.0
Accounts Receivable	3,399,163	3,962,300	(563,137)	(14.0)
Taxation	1,130,515	874,400	256,115	29.0
Cash and Bank Balances	3,601,086	4,520,000	(918,914)	(20.0)
Total Current Asset	10,446,334	11,564,900	(1,118,566)	(10.0)
Total Asset	19,151,676	23,007,200	(3,855,524)	(17.0)
Current Liabilities				
Accounts Payable	11,576,470	9,287,300	2,289,170	25.0
Deferred Income	28,920	37,000	(8,080)	(922)
Deferred Tax	2,986,608	0	2,986,608	100
Total Current Liabilities	14,591,998	9,324,300	5,267,698	56.0
Net current Assets	(4,145,664)	2,240,600	(6,386,264)	(285.0)
Liquidity Ratio	0.71: 1	1.2:1		
Non-Current Liabilities				
GPHA Loan Account	9,043,900	9,043,900	0	0
Amount due to GOG/GPHA	10,730,428	10,308,600	421,828	4.0
GOG Investment 1 & 2	6,009,738	0	6,009,738	100
Total Non-Current Liabilities	25,784,066	19,352,500	6,431,566	33.0
Equity				
Stated Capital	4,500,800	4,500,800	0	0
Income Surplus	(25,725,188)	(10,170,400)	(15,554,788)	153
Total Equity	(21,224,388)	(5,669,600)	(15,554,788)	274

2642. The Non-Current Assets of the Company decreased from GH¢11,442,300 in 2019 to GH¢8,705,342 in 2020 representing 24% decrease. This was due to decrease in Non-Current Assets and Deferred Tax Assets.

2643. Current Assets decreased by 10% from GH¢11,564,900 in 2019 to GH¢10,446,334 in 2020. The decrease was due to decrease in account receivables.

2644. The Current Liabilities recorded 56% increase from GH¢9,324,300 in 2019 to GH¢14,591,998 in 2020. This was mainly due to increase in trade payables and Deferred Tax Liabilities.

2645. Non-Current Liabilities increased from GH¢19,352,500 in 2019 to GH¢25,784,066 in 2020 representing 33% increase. This was due to increase in Amount due to GOG/GPHA and GOG COVID Support to the Company.

2646. The liquidity position as measured by current ratio of 0.71: 1 in 2020 and 1.2:1 in 2019 financial years indicate the inability of the Shipyard to meet its short-term obligations when they fall due.

MANAGEMENT ISSUES

Payment without valid Contract Documents – GH¢860,283.94

2647. Regulation 78 of Public Financial Management Regulations, 2019 (L.I. 2378) stipulates that a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy, legality of the claim for payment, evidence of services received, certificates for work done and any other supporting documents exists.

2648. On the contrary, our vouching of payments disclosed that the Shipyard paid total amount of GH¢860,283.94 to Fifty-Three (53) service providers without contract or agreement to determine the kind of services, pricing, and others to authenticate the payment. The audit team only sighted payment vouchers with signed list and bills from the service providers, hence it could not verify the work done against what was expected to be done and unit price charged. Details are shown in table 400.

Table 400: Payment to Service Providers without valid Contract Documents

PV Num.	Date	Cheque/ Trans. Number	Details	Payee	Amount (GH¢)
GCBPV 268 C	24/07/2020	ACH 197	Cost of Labour Supplied	Maritime Labour	14,445.62
GCBPV 274 O	12/08/2020	ACH205	Cost of Labour Supplied	Maritime Labour	3,845.71
GCBPV 285 D	03/09/2020	ACH 217	Cost of Labour Supplied	Maritime Labour	7,321.73
GCBPV 293 F	06/10/2020	ACH 229	Cost of Labour Supplied	Maritime Labour	14,597.15
GCBPV 305 C	29/10/2020	ACH 239	Cost of Labour Supplied	Maritime Labour	15,375.63
GCBPV 297 M	15/10/2020	ACH 233	Cost of Labour Supplied	Maritime Labour	16,488.68
GCBPV 309 I	05/11/2020	ACH 241	Cost of Labour Supplied	Maritime Labour	18,081.32
GCBPV 325 D	30/12/2020	ACH 272	Cost of Labour Supplied	Maritime Labour	9,041.21
GCBPV 329 D	30/12/2020	ACH 272	Cost of Labour Supplied	Maritime Labour	9,594.02
Total					108,791.07
GPHA Clinic					
PV Num.	Date	Cheque Num.	Details	Payee	Amount (GH¢)
GCBPV 023	10/01/2020	001323	Part Payment of October 2019 Med. Bill	GPHA Hosp.	5,375.00
GCBPV 066	22/01/2020	001367	Part Payment of December 2019 Med. Bill	GPHA Hosp.	32,250.00
GCBPV 067	22/01/2020	001368	Final Payment of October 2019 Med. Bill	GPHA Hosp.	6,901.76
GCBPV 140	19/02/2020	001443	Nov.19 Medical Bill	GPHA Hosp.	17,200.00
GCBPV 141	19/02/2020	001444	Payment of December 2019 Med. Bill	GPHA Hosp.	5,375.00
GCBPV 171	25/02/2020	001476	Payment of December 2019 Med. Bill	GPHA Hosp.	6,450.00
GCBPV 172	29/02/2020	001477	Payment of November 2019 Med. Bill	GPHA Hosp.	10,750.00
GCBPV 219	24/03/2020	001525	Final Payment of December 2019 Med. Bill	GPHA Hosp.	10,100.99
GCBPV 235 E	08/04/2020	ACH 166	Final Payment of November 2019 Med. Bill	GPHA Hosp.	21,773.23
GCBPV 237 J	27/04/2020	ACH 168	Part-Pyt Jan.2020 Med Bill	GPHA Hosp.	44,014.78
GCBPV 239 I	13/05/2020	ACH 172	Final Pyt Jan. 2020 Bill	GPHA Hosp.	44,014.78
GCBPV 279 G	24/08/2020	ACH 210	Pyt 1st Install Mar.&Apr. Bill	GPHA Hosp.	26,592.91
GCBPV 297 F	14/10/2020	ACH 233	2nd & 3rd Mar&Apr. .2020 Bill	GPHA Hosp.	53,185.82
GCBPV 297 G	14/10/2020	ACH 233	1st Pyt Feb. 2020 Bill	GPHA Hosp.	29,367.26

GCBPV 309 D	05/11/2020	ACH 241	2nd Pyt Feb.2020 Bill	GPHA Hosp.	29,367.26
GCBPV 315 B	24/11/2020	ACH 253	Final Pyt Feb.2020 Med. Bill	GPHA Hosp.	29,367.27
GCBPV 324 B	17/12/2020	ACH 265	Prt-Pyt Mar.Apr.Jul.Aug.20 Bill	GPHA Hosp.	54,139.47
UMBPV 005	23/01/2020	326681	Part Pyt Nov.19 Medical	GPHA Hosp.	32,250.00
UMBPV 018	13/02/2020	326694	Part Pyt For Dec, 2019 Bill	GPHA Hosp.	16,125.00
UMBPV 019	13/02/2020	326695	Part Pyt For Nov, 2019 Bill	GPHA Hosp.	16,125.00
GCBPV 324 B	17/12/2020	ACH 265	Prt-Pyt Mar.Apr.Jul.Aug.20 Bill		27,546.56
Total					518,272.09
Jireh Eye Clinic					
PV Num.	Date	Cheque Num.	Details	Payee	Amount (GH¢)
GCBPV 036	10/01/2020	001336	Pyt Of Nov, 2019 Med. Bills	Jireh Eye Clinic	6,886.04
GCBPV 049	22/01/2020	001350	Pyt Of Dec,2019 Medical Bills	Jireh Eye Clinic	5,263.22
GCBPV 127	19/02/2020	001430	Pyt Jan.2020 Medical Bill	Jireh Eye Clinic	10,818.80
GCBPV 215	24/03/2020	001521	Pyt Feb.2020 Bill	Jireh Eye Clinic	6,602.65
GCBPV 240 N	13/05/2020	ACH 173	Pyt March 2020 Medical Bill	Jireh Eye Clinic	8,599.36
GCBPV 242 D	28/05/2020	ACH 177	Pyt April,2020 Bill	Jireh Eye Clinic	5,118.04
GCBPV 263 D	16/07/2020	ACH 200	Pyt May,2020 Medical Bill	Jireh Eye Clinic	3,757.74
GCBPV 285C	03/09/2020	ACH 217	Pyt June & July 2020 Bill	Jireh Eye Clinic	11,956.37
GCBPV 288 C	23/09/2020	ACH 224	Pyt August,2020 Medical Bill.	Jireh Eye Clinic	10,398.17
GCBPV 305 H	29/10/2020	ACH 239	Pyt Sept.2020 Medical Bill	Jireh Eye Clinic	9,328.00
GCBPV 324 K	17/12/2020	ACH 265	Pyt Oct. 2020 Bill	Jireh Eye Clinic	29,690.00
Total					108,418.39
Narh-Bita Clinic					
PV Num.	Date	Cheque Num.	Details	Payee	Amount (GH¢)
GCBPV 048	22/01/2020	001349	Pyt Of Nov,2019 Medical Bills	Narh-Bita Clinic	8,189.00
GCBPV 089	06/02/2020	001391	Dec, 2019 Med. Bill	Narh-Bita Clinic	6,998.42
GCBPV 128	19/02/2020	001431	Pyt Jan.2020 Medical Bill	Narh-Bita Clinic	4,468.46
GCBPV 237 F	27/04/2020	ACH 168	Pyt Feb.2020 Medical Bill	Narh-Bita Clinic	10,152.92
GCBPV 239 E	06/05/2020	ACH 172	Pyt March 2020 Medical Bill	Narh-Bita Clinic	12,500.80
GCBPV 242 I	28/05/2020	ACH 177	April 2020 Medical Bill	Narh-Bita Clinic	3,954.64
GCBPV 255 C	29/06/2020	ACH190	Pyt May,2020 Medical Bill	Narh-Bita Clinic	6,015.90

GCBPV 268 P	24/07/2020	ACH 197	Pyt June,2020 Medical Bill	Narh-Bita Clinic	17,910.14
GCBPV 279 G	24/08/2020	ACH 210	Pyt July,2020 Medical Bill	Narh-Bita Clinic	7,252.78
GCBPV 288 I	23/09/2020	ACH 224	Pyt August 2020 Bill	Narh-Bita Clinic	8,807.33
GCBPV 309 C	05/11/2020	ACH 241	September 2020 Bill	Narh-Bita Clinic	7,839.08
GCBPV 324 J	17/12/2020	ACH 265	Pyt Oct&Nov.2020 Bill	Narh-Bita Clinic	30,712.92
Total					124,802.39
Grand Total					860,283.94

2649. We blamed the anomaly on weak internal controls exercised over cash management by Management of the Shipyard.

2650. This could result in diversion of the Shipyard funds for personal gains.

2651. We recommended that the Chief Executive Officer and the Head of Finance should produce the contract agreement, evidence of work done, and the basis of the amount paid to authenticate the payments.

2652. Management in response blamed the anomaly on Covid-19 which prevented from entering into or renew the affected service providers contracts.

Payment without Evidence of Work done – GH¢263,455.35

2653. Our vouching of payments disclosed that the Shipyard paid total amount of GH¢263,455.35 to Maritime Labour Organisation as service fees without evidence of work done such as reports from supervisors or heads of units indicating work performed, name of vessels Maritime Labour Organisation worked on, the offices and places Maritime Labour Organisation provided cleaning services and others to substantiate the payment. Details are shown in table 401.

Table 401: Payment to Maritime Labour without Evidence of Work done

PV Num	Date	Cheque Number	Details	Payee	Amount (GH¢)
GCBPV 038	10/01/2020	001339	Cost of Labour Supplied	Maritime Labour	2,799.26
GCBPV 038 A	10/01/2020	001339	Cost of Labour Supplied	Maritime Labour	7,283.22
GCBPV 050 B	22/01/2020	001351	Cost of Labour Supplied	Maritime Labour	7,593.52
GCBPV 050 A	22/01/2020	001351	Cost of Labour Supplied	Maritime Labour	5,148.40
GCBPV 088	06/02/2020	001390	Cost of Labour Supplied	Maritime Labour	8,211.02
GCBPV 131	19/02/2020	001434	Cost of Labour Supplied	Maritime Labour	12,886.54
GCBPV 142	19/02/2020	001445	Cost of Labour Supplied	Maritime Labour	7,151.61
GCBPV 155	25/02/2020	001458	Cost of Labour Supplied	Maritime Labour	9,034.82
GCBPV 198	10/03/2020	001504	Cost of Labour Supplied	Maritime Labour	9,857.43
GCBPV 209	24/03/2020	001515	Cost of Labour Supplied	Maritime Labour	9,041.21
GCBPV 235 I	08/04/2020	ACH 166	Cost of Labour Supplied	Maritime Labour	20,233.85
GCBPV 239 C	06/05/2020	ACH 172	Cost of Labour Supplied	Maritime Labour	12,754.53
GCBPV 240 D	13/05/2020	ACH 173	Cost of Labour Supplied	Maritime Labour	5,755.48
GCBPV 241 G	21/05/2020	ACH 176	Cost of Labour Supplied	Maritime Labour	3,010.05
GCBPV 242 F	28/05/2020	ACH 177	Cost of Labour Supplied	Maritime Labour	7,032.60

GCBPV 258 D	08/07/2020	ACH 194	Cost of Labour Supplied	Maritime Labour	9,729.00
GCBPV 268 C	24/07/2020	ACH 197	Cost of Labour Supplied	Maritime Labour	4,445.62
GCBPV 274 O	12/08/2020	ACH205	Cost of Labour Supplied	Maritime Labour	3,845.71
GCBPV 285 D	03/09/2020	ACH 217	Cost of Labour Supplied	Maritime Labour	7,321.73
GCBPV 293 F	06/10/2020	ACH 229	Cost of Labour Supplied	Maritime Labour	14,597.15
GCBPV 305 C	29/10/2020	ACH 239	Cost of Labour Supplied	Maritime Labour	15,375.63
GCBPV 297 M	15/10/2020	ACH 233	Cost of Labour Supplied	Maritime Labour	16,488.68
GCBPV 309 I	05/11/2020	ACH 241	Cost of Labour Supplied	Maritime Labour	18,081.32
GCBPV 325 D	30/12/2020	ACH 272	Cost of Labour Supplied	Maritime Labour	9,041.21
GCBPV 329 D	30/12/2020	ACH 272	Cost of Labour Supplied	Maritime Labour	9,594.02
UMBPV 021	13/02/2020	326697	Cost of Labour Supplied	Maritime Labour	27,141.74
Total					263,455.35

2654. This contravenes Regulation 78(1)(a)(b) of Public Financial Management Regulations, 2019 (L.I. 2378) which stipulates that a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy, legality of the claim for payment, evidence of services received, certificates for work done and any other supporting documents exists.

2655. We blamed the anomaly on supervisors or heads of unit's failure to report non-performance of work by service providers.

2656. This could result in diversion of the company funds for personal gains.

2657. We recommended that the Chief Executive Officer and Finance Manager should produce evidence of work done such as reports from supervisors or heads of units indicating work performed, name of vessels Maritime Labour Organisation worked on, the offices and places Maritime Labour Organisation provided cleaning services and others to substantiate the payment, failure of which the total amount of GH¢263,455.35 be recovered from the Chief Executive Officer and Finance Manager.

2658. Management in response indicated that it had put in place control process by way of "Three Way Matching Concept" involving Invoices, LPO and Certificate of Work Done before processing payments for service providers.

Payments of Medical Bills to Dr. Daniel Tettey Baddoo Instead of GPHA Clinic - GH¢27,330.00

2659. We noted that the Shipyard paid medical bills amounting to GH¢27,330.00 to Dr. Daniel Tettey Baddoo for providing medical services to Shipyard workers at the GPHA clinic without paying or recourse to GPHA Clinic. We are of the view that since the doctor took care of the officers at GPHA Clinic facility all medical payments should be made to GPHA Clinic other than the individual. Details are shown in table 402.

Table 402: Payments of Medical Bills to Dr. Daniel Tettey Baddoo Instead of GPHA Clinic

PV Number	Date	Cheque Num	Details	Payee	Amount (GH¢)
GCBPV 247 L	11/06/2020	ACH 180	Cost of Surgery - Fatima Ibrahim, Wife of Ibrahim Yahaya	Dr. Daniel Tettey Baddoo	10,330.00
GCBPV 271C	30/07/2020	ACH 201	Medical Bill Wife of Melissa Hateka Dependant of Gherson HATEKA	Dr. Daniel Tettey Baddoo	3,460.00
GCBPV 274A	12/08/2020	ACH205	Pyt Medical Bill -Thomas. Mensah	Dr. Daniel Tettey Baddoo	4,680.00
GCBPV 279 A	24/08/2020	ACH210	Cost of SURGERY Rebecca Boateng Dependant of Clement BOATENG	Dr. Daniel Tettey Baddoo	4,480.00
GCBPV 311 U	13/11/2020	ACH247	Pyt Med.Bill of Elvis Nartey Dependent of Christopher Amoatey	Dr. Daniel Tettey Baddoo	4,380.00
Total					27,330.00

2660. This contravenes Regulation 78(1)(a)(b) of Public Financial Management Regulations, 2019 (L.I. 2378) which stipulates that a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy, legality of the claim for payment, evidence of services received, certificates for work done and any other supporting documents exists.

2661. We blamed the anomaly on the Finance Manager's inability to ensure that payments are made to institutions other than individuals.

2662. This resulted in paying Government Health Facility fees to an individual.

2663. We recommended that the Finance Manager should produce consent or authorisation from the GPHA Clinic to pay total amount of GH¢27,330.00 to Dr. Daniel Tettey Baddoo, failing which the total amount of GH¢27,330.00 should be recovered from Dr. Daniel Tettey Baddoo and same paid to the GPHA Clinic Account.

2664. Management responded that they are in the process of rectifying the anomaly to avoid future occurrence.

GHANA PORTS AND HARBOURS AUTHORITY (GPHA)

Introduction

2665. This report covers the audited financial statements of the Ghana Ports and Harbour Authority for the year ended 31 December 2020.

Financial Performance

2666. The Authority recorded a surplus of GH¢112,673,645 in 2020 as against GH¢185,946,360 in 2019, representing a decrease of GH¢73,272,715 or 39.4%. Details are shown in table 403.

Table 403: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Income	1,310,125,590	1,188,806,996	121,318,594	10.2
Other Income	157,247,907	169,261,543	(12,013,636)	(7.1)
Share of profit from investment in associate	269,352,474	93,964,129	175,388,345	186.7
Exchange differences on translation of investment in associate	40,933,650	96,108,411	(55,174,761)	(57.4)
Released of deferred tax	54,941,923	128,726,837	(73,784,914)	(57.3)
Total Income	1,832,601,544	1,676,867,916	155,733,628	9.3
Expenditure				
Operating expenses	1,083,655,799	941,872,055	141,783,744	15.1
General & Administrative expenses	178,062,992	133,075,549	44,987,443	33.8
Finance cost	59,063,849	75,881,407	(16,817,558)	(22.2)
Exchange losses	261,039,744	251,832,562	9,207,182	3.7
Income tax expense	138,105,515	88,259,983	49,845,532	56.5
Total Expenditure	1,719,927,899	1,490,921,556	229,006,343	15.4
Surplus/(Deficit)	112,673,645	185,946,360	(73,272,715)	(39.4)

2667. Total income increased by 9.3% from GH¢1,676,867,916 in 2019 to GH¢1,832,601,544 in 2020. The increase was mainly due to a rise in income from vessel services, cargo services and share of profit from investment in associate.

2668. Total expenditure increased by GH¢229,006,343 or 15.4% from GH¢1,490,921,556 in 2019 to GH¢1,719,927,899 in 2020. The increment was mainly due to a GH¢141,783,744 or 15.1% increase in operating expenses from GH¢941,872,055 in 2019 to GH¢1,083,655,799 in 2020.

Financial position

2669. The financial position of the Authority as at 31 December 2020 is shown in table 404.

Table 404: Financial position of the Authority as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Variance GH¢	% Change
Non-Current Assets	10,981,043,224	10,306,392,530	674,650,694	6.5
Current Assets	793,537,757	692,353,960	101,183,797	14.6
Current Liabilities	762,994,044	457,066,751	305,927,293	66.9
Non-Current Liabilities	4,025,129,110	3,735,676,588	289,452,522	7.7
Current Ratio	1.0 :1	1.5 :1		

2670. Non-Current Assets registered an increase of 6.5% to GH¢10,981,043,224 in 2020 from GH¢10,306,392,530 in 2019. The increase was largely due to acquisition of additional property, plant & equipment and additional investments made.

2671. Current Assets increased by 14.6% from GH¢692,353,960 in 2019 to GH¢793,537,757 in 2020. The increase was due to increase in amount due from related parties, accounts receivables & prepayments and cash & cash equivalents.

2672. Current Liabilities recorded a 66.9% increase from GH¢457,066,751 in 2019 to GH¢762,994,044 in 2020.

2673. Non-Current Liabilities increased by 7.7% from GH¢3,735,676,588 in 2019 to GH¢4,025,129,110 in 2020. This was mainly due to an increase in long term loans.

2674. The liquidity position measured by current ratio reduced from 1.5:1 in 2019 to 1.0:1 in 2020. The Authority can barely meet its short-term financial obligations as they fall due.

MANAGEMENT ISSUES

Head Quarters

Long outstanding receivables GH¢260,350

2675. Section 91 of the Public Financial Management Act, 2016 (Act 921) states that the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

2676. We noted that Amber Quality Food Limited had been indebted to the Authority to the tune of GH¢260,350 since 2016 without making any payment.

2677. The amount of GH¢260,350 could be lost to the Authority as the company has ceased to operate in the GPHA Tower building.

2678. We urged Management to take immediate action to recover the amount.

2679. Management responded that several demand notices including the Authority's Legal department writing to threaten legal action have all not been successful in recovering the amount owed. The issue has been forwarded to the Board for approval to write-off.

Tema Unit

Uncharged towage for extra tugs used

2680. Section B Subsection 6 of the General Condition of the Ghana Ports and Harbours Authority Ports Tariffs requires that, towage is compulsory for all vessels calling at the port. Towage with one tugboat is compulsory for all vessels up to 10,000 GT and two tugboats for vessels above 10,000 GT. The deployment of an extra tugboat shall attract 50% towage charge.

2681. Some vessels with GT below 10,000 were towed with two tugs and there was no extra charge. Examples are shown in table 405.

Table 405: Uncharged towage for extra tugs used

Vessel Name	Gross Tonnage	Vessel Type	No. of tugs used	
			Towage In	Towage Out
Lubersac	7222	Bulk Carrier	2	2
Lady Ayse	9978	General Cargo	2	2
Valley Oak	8530	Cargo Operations	2	2
Gogland Reefer	8864	Refrigerated Vessel	2	2
Savanna Breeze	6300	Refrigerated Vessel		2
Joseph Wisdom	5848	Tanker	2	2
Frio Poseidon	9072	Fishing Vessel	2	2
Orange Spirit	6088	Refrigerated Vessel	2	2
Frio Chikuma	7367	Refrigerated Vessel	2	2
Monjasa Ranger	7456	Cargo Operations	2	2
Prince of Seas	6363	Refrigerated Vessel	2	2
Savanna Wind	6300	Refrigerated Vessel	2	2
Sagitta	9556	General Cargo	2	2
Grietje	8397	General Cargo	2	2
Frio Las Palmas	9070	Refrigerated Vessel	2	2
Tide Navigator	5425	General Cargo	2	2
ITS Luigi Rizzo	6900	Naval Vessel	2	2
Morgenstond II	8999	General Cargo	2	2

2682. Non application of port tariff has resulted in this lapse.

2683. The cost of deploying additional tugboat brings in no revenue but rather increase operating cost GPHA.

2684. We recommended that the guidelines in the port tariff must be adhered to.

2685. Management explained that these were because of initial misrepresentation of the amended port tariff. The issue has been forwarded to corporate headquarters for further clarification, and the companies duly charged for the extra service if confirmed.

Wrong deductions from Bank Account – GH¢36,610.85

2686. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires a principal spending officer of a covered entity, state owned enterprise or public corporation to be responsible for the assets of the institution under the care of the principal Spending Officer and should ensure that proper control systems exist for the custody and management of the assets.

2687. We noted that six (6) unidentified deductions totalling GH¢36,610.85 from the Ecobank disbursement account had not been rectified as at 31 December 2020. The details are shown in table 406.

Table 406: Wrong deductions from Bank Account

Date	Description	Amount GH¢
12 March 2020	DIRECT DEBIT RE DD.08-07-19 GCB ACHTRF	3,553.22
19 March 2020	TRN IFO POOLSTN KE-ACH-OMNNAPS	6,219.70
22 April 2020	TRN IFO POOLSTN ELECTRONIC	182.00
22 April 2020	TRN IFO POOLSTN ELECTRONIC	3,648.55
22 April 2020	TRN IFO POOLSTN ELECTRONIC	9,777.12
10 July 2020	NAPS ELECTRONIC TRANSFER	13,230.26
	Total	36,610.85

2688. Inadequate supervision of bank reconciliation statements accounted for this anomaly.

2689. This may encourage fraudulent transfers from these accounts and loss to the Authority.

2690. We urged Management to follow up with the bank to obtain a clear description of the transactions.

2691. Management responded that the bank's attention had been drawn to the errors which are currently being resolved.

Damages to Port Properties Unassessed

2692. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires, a principal spending officer of a covered entity, state owned enterprise or public corporation to be responsible for the assets of the institution under the care of the principal Spending Officer and should ensure that proper control systems exist for the custody and management of the assets.

2693. We noted that damages caused by some port users were yet to be assessed by the responsible department for them to be surcharged. Details are shown in table 407.

Table 407: Damages to Port Properties Unassessed

Date of occurrence	Driver's name	Area/item damaged	Responsible department
13 April 2020	Evans Amponsah	Four (4) concrete pendants	Civil
30 May 2020	Daniel Aseidu	Portion of the metal rail	Civil
2 June 2020	Kwasi Akoto	Boom barrier's arm	Civil
30 September 2020	Mohammed Abdul Rafat	Bunker Hose	Civil
30 September 2020	Amidu Issaka	Portion of the road	Civil
5 October 2020	Sylvanus Mensah	Two window glasses with its frame	Civil

2694. Lack of supervision contributed to the lapse and the Authority may end up repairing these damages at its own cost.

2695. We advised Management to ensure that damages are assessed on time and invoices issued to the responsible port users for payment.

2696. Management indicated that efforts were underway in conjunction with the Police and Driver Vehicle and Licensing Authority (DVLA) to get the actual owners of the trucks that they were unable to trace. However, other truck drivers have been contacted and will be served with their bills as soon as practicable for payment.

GHANA MARITIME AUTHORITY

Introduction

2697. This report relates to the audited financial statements of the Ghana Maritime Authority for the year ended 31 December 2020.

Financial Performance

2698. The Authority's operations for the year under review ended with a surplus of GH¢88,943,474 compared with GH¢70,539,716 recorded in 2019, representing an increase of 26.1%. The performance indicators are shown in table 408.

Table 408: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020	2019	Incr./ (Decr.)	%
Income	GH¢	GH¢	GH¢	Change
Service Charges	58,192,957	50,339,150	7,853,807	15.6
Maritime Safety Charges	134,237,748	99,793,853	34,443,895	34.5
Other Income	25,010,624	13,996,085	11,014,539	78.7
Total Income	217,441,329	164,129,088	53,312,241	32.5
Expenditure				
Administrative & Overhead Expenses	121,917,322	89,151,817	32,765,505	36.8
Audit Fees	153,594	132,301	21,293	16.1
Depreciation Charge	6,426,939	4,305,254	2,121,685	49.3
Total Expenditure	128,497,855	93,589,372	34,908,483	37.3
Surplus/(Deficit)	88,943,474	70,539,716	18,403,758	26.1

2699. Total Income for the year was GH¢217,441,329 as against GH¢164,129,088 recorded in 2019. This represents an improvement of 32.5% and was mainly due to an increase of 34.5% in Maritime safety charges from GH¢99,793,853 in 2019 to GH¢134,237,748 in 2020.

2700. Total Expenditure also increased by 37.3% from GH¢93,589,372 in 2019 to GH¢128,497,855 in 2020. The increase was mainly attributable to a 36.8% rise in the administrative and overhead expenses from GH¢89,151,817 in 2019 to GH¢121,917,322 in 2020.

Financial position

2701. The Authority's financial position as at 31 December 2020 is summarised in table 409.

Table 409: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020	2019	Incr./ (Decr.)	%
	GH¢	GH¢	GH¢	Change
Non-Current Assets	192,978,551	114,111,472	78,867,079	69.1
Current Assets	141,075,444	111,936,137	29,139,307	26.0
Non-Current Liabilities	11,309,453	-	11,309,453	100
Current Liabilities	29,944,336	12,045,049	17,899,287	148.6
Current Ratio	4.7:1	9.3:1		

2702. Non-Current Assets which included Intangible Assets, went up by 69.1% from GH¢114,111,472 in 2019 to GH¢192,978,551 in 2020. The rise was due to the acquisition of property, plant and equipment during the year.

2703. Current Assets also increased significantly by 26.0% from GH¢111,936,137 in 2019 to GH¢141,075,444 in 2020. The variation was mainly due to an increase of GH¢19,891,109 or 38.7% in trade and other receivables which rose from GH¢51,375,052 in 2019 to GH¢71,266,161 in 2020.

2704. Current Liabilities also saw an increase of 148.6% from GH¢12,045,049 in 2019 to GH¢29,944,336 in 2020. The increase was due to a provision of GH¢14,919,947 made for end of service benefits in 2020.

2705. Non-Current Liabilities increased to GH¢11,309,453. This represents long-term loan procured from Ecobank to finance the construction of office building in Accra, Tema and Takoradi.

2706. The liquidity position of the Authority was 4.7:1 in 2020 as compared with 9.3:1 in 2019. This is an indication that the Authority is still in a position to discharge its short-term financial obligations as and when they fall due.

VOLTA LAKE TRANSPORT COMPANY LIMITED

Introduction

2707. This report relates to the audited financial statements of the Volta Lake Transport Company Limited for the year ended 31 December 2020.

Financial Performance

2708. The Company closed the 2020 financial year with a deficit of GH¢11,736,884 compared to a deficit of GH¢14,881,848 in 2019. This represented an improvement of 21.1% in the Company's financial performance during the year. A summary of the performance indicators for 2020 are shown in table 410.

Table 410: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	14,912,329	10,968,931	3,943,398	35.9
Other Income	1,453,619	1,229,974	223,645	18.1
Total income	16,365,948	12,198,905	4,167,043	34.2
Expenditure				
Operating Cost	21,657,528	22,056,928	(399,400)	(1.8)
General And Administration Expenses	6,445,304	5,023,825	1,421,479	28.3
Total expenditure	28,102,832	27,080,753	1,022,079	3.8
Surplus/(Deficit)	(11,736,884)	(14,881,848)	3,144,964	(21.1)

2709. Total income increased by 34.2% from GH¢12,198,905 in 2019 to GH¢16,365,948 in 2020. The increase was mainly attributable to an increase of GH¢3,943,398 or 35.9% in the revenue reported for the year.

2710. Total expenditure also increased by 3.8% from GH¢27,080,753 in 2019 to GH¢28,102,832 in 2020. The rise was due to an increase in general and administration expenses.

Financial Position

2711. The financial position of the Company as at 31 December 2020 is summarised in table 411.

Table 411: Statement of Financial Position as at 31st December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	190,924,281	201,295,147	(10,370,866)	(5.2)
Current Assets	7,558,799	3,373,687	4,185,112	124.1
Current Liabilities	10,847,631	32,765,545	(21,917,914)	(66.9)
Non-Current Liabilities	39,225,089	40,434,377	(1,209,288)	(3.0)
Current Ratio	0.7:1	0.1:1		

2712. Non-Current Assets dropped from GH¢201,295,147 in 2019 to GH¢190,924,281 in 2020, representing 5.2%. The decrease was because of depreciation charged during the year.

2713. Current Assets improved by 124.1% from GH¢3,373,687 in 2019 to GH¢7,558,799 in 2020. This was mainly attributable to a significant increase in cash and cash equivalents from GH¢1,134,017 in 2019 to GH¢3,439,846 in 2020 representing difference of GH¢2,305,829 or 203%.

2714. Current Liabilities decreased by 66.9% from GH¢32,765,545 in 2019 to GH¢10,847,631 in 2020. The decrease was mainly due to a reduction in related party liabilities by GH¢21,277,567 or 93.9% during the year.

2715. Non-Current Liabilities reduced by 3.0% from GH¢40,434,377 in 2019 to GH¢39,225,089 in 2020.

2716. Current ratio improved to 0.7:1 for 2020 from 0.1:1 in 2019. The improvement notwithstanding, the Company will still struggle to meet its short-term financial obligations.

MANAGEMENT ISSUES

Non-Payment of statutory deductions – GH¢731,495

2717. Section 96 of the National Pensions Act, 2008 (Act 766) states that, an employer of an establishment shall remit a mandatory contribution of 5% to approved trustees of occupational pension schemes, out of the total contribution of 18.5% made on behalf of the worker and the contribution shall be remitted by the employer within fourteen days from the end of each month.

2718. Sections 114 and 117 of the Income Tax Act, 2015 (Act 896) require an employer to withhold Pay as You Earn (P.A.Y.E.) taxes from payment of salaries to their employees and to pay all taxes withheld within fifteen days after the end of each calendar month a tax that has been withheld to the Ghana Revenue Authority.

2719. We noted that Tier 2 contributions deducted from 2013 to date totalling GH¢454,552 were not paid. We also noted that late payments of P.A.Y.E to Ghana Revenue Authority amounting to GH¢3,616,194.88 attracted a penalty of GH¢276,943.

2720. The infraction was attributed to inadequate funds.

2721. The Company risked facing legal actions if the outstanding tier 2 contributions are not settled. GRA could also levy penalties on the PAYE amount outstanding as a result of delays in payment and this may cause extra liability to the Company that could affect funds available to run its activities.

2722. We reiterate our previous recommendation for Management to take immediate steps to pay all outstanding statutory deductions without further delay.

2723. Management was also advised to work out a payment plan and discuss with the institutions involved, to have the outstanding liabilities settled.

2724. Management responded that they have engaged the officials of GRA and the Corporate Trustees to update them on the cash flow challenges of the Company with the intention to start paying these obligations as soon as cash flow situation improves. Additionally, Management has held meetings with the Executives of the VLTC Retirees Association in 2021 and has commenced payments in instalments of their Tier 2.

2725. Management also reiterated that it had taken notice of this outstanding amount as penalty to SSNIT. We have inquired from SSNIT on several occasions without any concrete feedback from SSNIT. The preliminary indications were that

payments were received late by SSNIT but the exact period when these penalties were incurred and how much has accrued as interests could not be provided to us.

2726. Management has met with SSNIT officials and the SSNIT officials have indicated that the penalty amount is a systematic error and steps are being taken to address the problem. According to Management, SSNIT will officially write to VLTC based on the response from the meeting.

MINISTRY OF TRADE AND INDUSTRY

GHANA EXPORT PROMOTION AUTHORITY

Introduction

2727. This report relates to the audited financial statements of Ghana Export Promotion Authority for the two years ending 31 December 2020.

Financial Performance

2728. The 2020 financial year ended with a surplus of GH¢2,521,666.79 representing a 262.3% increase from the previous year's deficit of GH¢1,553,396.29. The comparative performance indicators for the two years are shown in table 412.

Table 412: Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Government of Ghana Subvention	2,431,304.50	2,588,894.60	(157,590.10)	(6.1)
Support from EADIF/EXIM	25,680,777.34	22,066,777.10	3,614,000.24	16.4
Other Income	268,778.52	454,169.04	(185,390.52)	(40.8)
Total Income	28,380,860.36	25,109,840.74	3,271,019.62	13.0
Less Expenditure				
Compensation of Employees	7,321,945.15	6,404,058.23	917,886.92	14.3
Goods and Services/work Programme	18,537,248.42	20,259,178.80	1,721,930.38	(8.5)
Total Expenditure	25,859,193.57	26,663,237.03	(804,043.46)	(3.0)
Excess of Income Over Expenditure	2,521,666.79	(1,553,396.29)	4,075,063.08	262.3

2729. Total Income increased from GH¢25,109,840.74 in 2019 to GH¢28,380,860.36 in 2020, representing an increase of 13% over the period. This was largely due to the 16.4% increase in Support from EADIF/EXIM bank in 2020.

2730. Total Expenditure, however, recorded a decrease of 3% from GH¢26,663,237.03 in 2019 to GH¢25,859,193.57 in 2020. This was largely attributed to the decrease in goods and services/work programme from GH¢20,259,178.80 in 2019 to GH¢18,537,248.42 in 2020.

Financial Position

2731. The Authority's financial position as of 31 December 2020 is shown in Table 413.

Table 413: Financial Position as of 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	5,517,634.07	3,544,541.84	1,973,092.23	55.7
Current Assets	3,920,640.56	3,372,066.00	548,574.56	16.3
Current Liabilities	233,121.35	233,121.35	0.00	0.00
Net Current Assets	3,687,519.21	3,138,944.65	548,574.56	17.5
Current ratio	16.8:1	14.9:1		

2732. Non-Current Assets increased by GH¢1,973,092.23 representing 55.7% in 2020. This was largely due to the acquisition of assets during the year.

2733. Current Assets also went up by 16.3%, from GH¢3,372,066.00 in 2019 to GH¢3,920,640.56 in 2020. The increase in Current Assets was a result of the increase in accounts receivables, from GH¢1,380,691.67 in 2019 to GH¢1,950,701.62 in 2020 representing a 41.3% increase. Current Liabilities remained unchanged from 2019 to 2020.

2734. The liquidity position as measured by a current ratio is 16.8:1 in 2020 as compared with 14.9:1 in the 2019 financial year. The Authority's ability to meet its short-term obligations as and when they fall due has improved.

MANAGEMENT ISSUES

Ineffective management of Exporters loans

2735. Section 13.0 of the Policy Guidelines for assessment of applications for Agricultural and Other Products Support, incorporated in the Ghana Export Promotion Authority Operating Policies Manual requires among others that applicant must be properly registered with the Registrar General's Department. He/she must also be a registered exporter with GEPA certificate. Section 5.1 of the same Policy Guidelines further demands that all applications for assistance should seek to improve the export supply capacities of Companies to help address the low production base of Ghana's export products.

2736. During the review of the records of the Exporter's Loans, we noted that the Authority had an exporters loan balance of GH¢1,892,557.92 as at 31 December 2020. Our further checks showed that GH¢904,059.50 out of the debt is owed by six Companies who have not registered with the Registrar General's Department. Again, a total of GH¢3,682.89 out of the loan balance was granted to individuals other than Companies in contravention of the above-quoted policy. The audit team also did not sight the Company's registration certificates attached to all loans granted.

2737. Our review also noted that the Exports Loan policy was not designed to minimise the risk of defaults, as repayment of loans only takes place after the full amount of loan is granted. In addition, beneficiaries were not obliged to submit financial documents such as financial statements that will demonstrate their capacity to repay loans received. Details of the outstanding loans are shown in table 414.

Table 414: Balance of Loans

S/N	Name	Registered Companies Loan Balance as at 2020 GH¢	Unregistered Companies Loan Balance as at 2020 GH¢	Individual Loan Balance GH¢
1	Afua Sarpong			787.46
2	Kwaku Jebuni - Import			300.00
3	Victory Farm Complex	300.00		
4	William Bogoro			2,200.00
5	Gifty G. Assunda			395.43
6	Heel The world	36,790.25		
7	Abuesi Fish Processing	247,727.28		
8	Yewudze Enterprise		137,500.00	
9	Jeokopan Ltd		125,000.00	
10	Shrigan Farms		363,307.50	
11	Matamiss Pottery	100,000.00		
12	Savana Basket		85,000.00	
13	New Vision		90,000.00	
14	Tekura Ent. Ltd	200,000.00		
15	Kaeme Body Care Ltd	150,000.00		
16	Slid Industries Ltd	250,000.00		
17	Sarian Company Ltd		103,250.00	
	Total	984,817.53	904,057.50	3,682.89

2738. The lapse could be attributed to the failure of Management to comply with the above-quoted policy. The absence of strict provisions on loan repayments in the loan policy could also lead to difficulties in the recovering of the Loans.

2739. We urged Management to ensure immediate recovery of the outstanding loans of GH¢904,057.50 and GH¢3,682.89 granted to unregistered Companies and individuals respectively and desist from granting loans to them henceforth in compliance with the loan policy, failing which the authorizing officers should be held liable for any loss of funds.

2740. We also recommended to Management to revise the loan policy to incorporate measures that would minimise defaults in loan repayments including submission of financial documents. We further recommended to Management to furnish us with the business registration documents of the Exporters loans beneficiaries for verification.

2741. Management responded that, in the execution of their mandate of export facilitation and with the approval of the Governing Board supported a few Export businesses with trade financing support to enable them to meet export order agreements and return the support. COVID-19 presented economic challenges that affected scheduled plans. There has been a demonstration of management commitment and the business' willingness to ensure 100% recovery.

2742. Management would further request direction and or approval from the Ministry of Finance as per recommendation from Auditors on GH¢3,682.89 individual/exporters loan balances. Copies of registrations for Exporters are attached except for MATAMMIS Pottery which is outstanding. It will be forwarded to the audit team in due course.

Unrecovered staff loans - GH¢34,926.69

2743. Section 91 of the Public Financial Management Act 2016, (Act 921) requires that the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of money due to that public corporation.

2744. Our review of the payroll documents disclosed that a total of GH¢59,252.50 granted to staff as rent and staff loans at the beginning of 2019 had an unpaid balance of GH¢ 34,926.69 as at 31 December 2020. Details are shown in table 415.

Table 415: Unrecovered staff loans

Name	Staff ID	Balance as at 31/12/2020 GH¢
Cathrine Gordor	641729	1,982.08
Anthoinette Quayson	641995	4,750.93
Ruth Acquaaah	641960	1,556.95
Nii Ashitei Kwame Tetteh	1260792	2,609.15
Hamza Abdallah	756599	840.56
Fortune Komla Worlanyo	862427	430.21
Francis Arthur	645209	178.45
Francis Yeboah	651841	546.57
Obed Asiedu	641998	13,587.47
Athanasius Ziku	641980	8,444.32
Totals		34,926.69

2745. The anomaly was due to the non-establishment of the loan policy to regulate loan repayment. Also, the use of the quarterly incentive allowance to defray the loans instead of a monthly deduction from the salaries of the beneficiaries contributed to the lapse.

2746. Management's inability to recover the loans on time would deplete the funds of the Authority, which would result in depriving other officers from benefiting from the funds.

2747. We recommended to Management to ensure that staff loans are recovered through source deductions from the beneficiaries' salaries by the Controller and Accountant General Department. We also recommended to Management to establish staff loan policy indicating an effective loan repayment plan, before granting loans to staff.

2748. Management noted our recommendation for compliance and will ensure a staff loan policy is in place. Management has sent letters to the CAGD to activate source deductions and has also written reminder letters internally to all relevant staff. Management has also shown detailed evidence on how the Director, Finance is managing the staff loans with documentation on repayments by the staff.

Unearned salary – GH¢36,462.00

2749. Regulation 86 of the Public Financial Management Regulations, 2019, (L.I. 2378) specifies that, a Principal Spending Officer shall ensure that the names of personnel who are eligible to receive payment for work done are kept on the payment voucher; and keep records of the nominal roll of the respective covered entity in a manner that ensure that the correct amount of emolument is paid.

2750. We noted that Mr. Kwadwo Adubofour, a former Deputy Director of the Authority with Staff ID 641733 did not report to work after his secondment to the Ministry of Trade and Industry on the 25 February 2019. However, he received salary and other allowances of GH¢36,462.00 until 20th December 2019. We again noted that, Mr. Adubofour was officially written to by the Authority to refund all salaries and allowances enjoyed over the period but to no avail. Details of the unearned salary are shown in table 416.

Table 416: Unearned Salary - Mr. Adubofour

Year	Month	Gross Salary GH¢	Total deduction GH¢	Net pay GH¢
2019	March	4,370.64	934.95	3,435.69
2019	April	4,370.64	934.95	3,435.69
2019	May	4,370.64	934.95	3,435.69
2019	June	4,370.64	934.5	3,435.69
2019	July	4,370.64	934.95	3,435.69
2019	August	4,370.64	934.95	3,435.69
2019	September	4,484.64	968.16	3,516.48
2019	October	4,427.64	951.55	3,476.09
2019	November	4,427.64	951.55	4,427.64
2019	December	4,427.64	951.55	4,427.64
Total				36,462.00

2751. The payment of unearned salaries led to the loss of revenue to government, as these monies could have been channelled to beneficial purposes.

2752. We recommended to Management to recover the salaries that were unduly paid to Mr. Kwadwo Adubofour and pay same to government chest. Copies of receipts for payment should be made available to us for review.

2753. Management said that through the Human Resource and Finance directorates, they have taken the appropriate steps to recover. Letters have been sent to the Chief Director of the Ministry of Trade & Industry for further directions and advice. Letters have also been sent to the staff in question.

Non-payment of rent – GH¢31,872.28

2754. Article 23 (e) of the Collective Bargaining Agreement of the Authority requires that rent shall be deducted from the employee's salary where the officer is provided with accommodation by the Authority. Again, appropriate rents charged by the Government shall be deducted at the source, towards the maintenance of such houses.

2755. Contrary to the policy stated above the under listed staff occupying the Authority's bungalows at Sakumono have not been paying the appropriate 10% rent maintenance fee as required. This had led to outstanding rent fees of GH¢31,872.28 as at December 2020. Details are provided in table 417.

Table 417: Non-payment of rent

Name	Staff ID	Amount Due GH¢
Anthoinnett Quayson	641995	3,819.52
George Kwame Bamfo	641749	5,382.00
Janet Armah	641779	2,858.80
Zakari Abdullah K. Banda	694402	6,588.00
Stephen Normeshie	641674	8,842.16
Joyce Owusu Kwarteng	694402	4,382.00
Total		31,872.28

2756. Management's failure to ensure that rents are deducted from the salaries of the affected staff at source (i.e., Controller and Accountant General's Department) occasioned the anomaly.

2757. The Authority' bungalows will continue to deteriorate, as monies meant to be deducted and used in maintaining them are not collected.

2758. We urged Management to recover all outstanding rent from the affected officers and the prove of payments submitted to our office for verification failing which the approving officers shall be held liable. We again recommended to Management to ensure that all rent fees are deducted from the salaries of the affected officers by Controller and Accountant General Department, and same paid into an appropriate account to avoid future occurrence.

2759. Management has caused the Director of Finance to issue rent demand notices to be given to the affected staff involved.

Non-payment of SSNIT for contract staff – GH¢517,520.16

2760. Section 63 (1) of the National Pensions Act, 2008 (Act 776) states, "An employer shall remit thirteen and a half per centum out of the total contributions of eighteen and a half per centum on behalf of the worker to the first-tier mandatory social security scheme within fourteen days after the end of each month to the Trust. 2761. Section 64 of the same Act further requires that subject to subsection (2) if a contribution is not paid within the specified period a sum equal to three per centum per month of the contribution payable shall be added to the contribution as a penalty.

2762. Contrary to the above quoted Sections of the National Pensions Act, Management did not make regular contributions on behalf of the Contract workers to SSNIT during the period under review. Table 418 details the monthly employees' and employers' SSNIT contributions from July 2019 to December 2020.

Table 418: Non-payment of SSNIT for contract staff

Year	Month	No. of employee	Total Employees' contribution	Total Employers' Contribution	Total SSF
			5.50%	13%	18.50%
2019	July	45	7,711.64	18,227.50	25,939.14
2019	August	46	7,909.64	18,695.50	26,605.14
2019	September	45	7,784.62	18,393.00	26,177.62
2019	October	52	8,177.04	19,320.52	27,497.56
2019	November	55	8,400.74	19,849.28	28,250.02
2019	December	56	8,510.74	20,109.28	28,620.02
2020	January	56	8,510.74	20,109.28	28,620.02
2020	February	56	8,515.86	20,128.39	28,644.25
2020	March	56	8,515.86	20,128.39	28,644.25
2020	April	56	8,515.86	20,128.39	28,644.25
2020	May	57	8,860.16	20,942.19	29,802.35
2020	June	56	8,280.46	19,571.99	27,852.45
2020	July	56	8,820.73	20,849.00	29,669.73
2020	August	57	9,042.68	21,373.62	30,416.30
2020	September	57	9,042.68	21,373.62	30,416.30
2020	October	58	9,126.11	21,570.81	30,696.92
2020	November	57	9,016.11	21,310.81	30,326.92
2020	December	58	9,126.11	21,570.81	30,696.92
Totals			153,867.78	363,652.38	517,520.16

2763. Management's refusal to perform its obligation under the National Pensions Act accounted for this anomaly.

2764. Continues default of statutory payments would attract penalties which would affect the cash flow of the Authority. Legal actions can also be taken against the Authority by the affected employees.

2765. We recommended that Management with immediate effect should settle all outstanding SSNIT payments of all affected staff. Measures should be put in place to ensure that monthly payments of statutory deductions are paid within 14 days of the ensuing month to avoid penalties.

2766. Management responded that they are investigating this issue and will ensure appropriate payments are done to SSNIT in favour of the affected staff immediately.

Failure to Bond Sponsored officers

2767. Article 22 (ix) of the Authority's Collective Bargaining Agreement (CBA) specifies that an employee granted study leave or on Ghana Export Promotion Authority (GEPA) sponsored training programme exceeding three months' duration shall be bonded to serve GEPA for a period of One and a Half (1.5) times the duration of the programme. A beneficiary is required to enter into a bond before proceeding with a training programme. In case of a default, the employee should refund the full cost of the training to GEPA.

2768. We noted that the Authority in 2019 sponsored Mr. Fred Omane Asante and Mrs. Nelley Spio-Abaidoo to attend a one-year Executive Masters programme in Regional Integration and African Development at Ghana Institute of Management and Public Administration (GIMPA). Management, however, did not bond these officers.

2769. We also noted that certificates have not been awarded to them after the completion of the programme. Again, we did not sight any academic progress report on their files.

2770. Management's failure to strictly comply with the laid down policy contributed to these anomalous conditions.

2771. The full benefit may not be obtained from these trained staff after utilizing the scarce resources of the Authority to develop their capacities if the officers leave the Authority after the training programmes.

2772. We recommended to Management to bond Mr. Fred Omane Asante and Mrs. Nelley Spio-Abaidoo to rectify the anomaly. Copies of Master's degree certificates awarded to them should be obtained and kept on their files to affirm that resources used to sponsor their education were not wasted. In addition, Management should always comply strictly with the Authority's policy on staff development and training.

2773. Management responded that they have taken note of this observation and the Human Resource head has been directed to take the appropriate steps to comply as soon as practicable.

GHANA TRADE FAIR COMPANY LIMITED

Introduction

2774. This report relates to the audited financial statements of Ghana Trade Fair Company Limited for year ended 31 December 2020.

Financial Performance

2775. The Company's operations for the year under review recorded a deficit of GH¢491,849 compared with a profit of GH¢1,001,127 in 2019 this represents a

significant drop of 149% in the Company's financial performance over the period. The details of the performance indicators are shown table 419.

Table 419: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr/(Decrse) GH¢	% Changes
Revenue	3,664,203	6,599,411	(2,935,208)	(44)
Other Income	2,011	1,005	1006	100.1
Total Income	3,666,214	6,600,416	(2,934,202)	(44)
Expenditure				
Direct Operating Expenses	510,075	640,385	(130,310)	(20)
Administrative Expenses	2,672,390	2,812,624	(140,234)	(5)
Staff Expenses	942,792	2,112,833	(1,170,041)	(55)
Finance Expenses	32,447	33,447	(1,000)	(3)
Total Expenditure	4,157,703	5,599,289	(1,441,586)	(26)
Profit/(Loss)	(491,489)	1,001,127	(1,492,616)	(149)

2776. Total income decreased by 44% from GH¢6,600,416 in 2019 to GH¢3,666,214 in 2020. The decrease in total income was mainly due to fall in Rent-Permanent in 2020.

2777. Total expenditure incurred in 2020 amounted to GH¢4,157,703 as compared with GH¢5,599,289 in 2019, a decrease of 26%. This was mainly as a result 62% and 55% increases in administrative expenses and Staff expenses respectively.

Financial position

2778. The financial position of the Company as at 31 December 2020 is summarised in Table 420.

Table 420: The Company's Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./(Decr.) GH¢	% Changes
Non-Current Assets	660,113	723,840	(63,727)	(9)
Current Assets	4,426,772	4,740,031	(313,259)	(7)
Current Liabilities	6,396,981	6,317,452	79,529	1
Net Current Assets	(1,970,208)	(1,577,421)	392,787	25
Net Assets	1,310,095	(853,581)	2,163,676	(253)
Liquidity Ratio	0.90:1	0.75:1		

2779. Non-Current Assets decreased from GH¢723,840 in 2019 to GH¢660,113 in 2020, representing a decrease of 9%. This was mainly due to depreciation charge for the year.

2780. The Current Assets decreased by 7% from GH¢4,740,031 in 2019 to GH¢4,426,772 in 2020. This was mainly due to decrease in Trade and other receivables over the period.

2781. The Current Liabilities however increased by 1% from GH¢6,317,452 in 2019 to GH¢6,396,981 in 2020. This was mainly due to increase in other payables over the period

2782. The Company's liquidity ratio (Current ratio) increased slightly from 0.75:1 2019 to 0.90: 1 in 2020. Despite the 0.15% increase in the liquidity position of Ghana Trade Fair Company, it could barely make good its short-term obligations as and when they fall due. The main reason is that the Company is surrounded with a lot of debts.

MANAGEMENT ISSUES

Arrears to SSNIT and other fund managers – GH¢98,740.65

2783. Section 63(1) of the National Pensions Act, 2008 (Act 766) states “An employer shall remit thirteen and half per centum out of the total contributions of eighteen and a half per centum on behalf of the worker to the first-tier mandatory social security scheme within fourteen days after the end of each month to the Trust”.

2784. Subsection (3) further states “Despite subsection (1) the maximum contribution shall not exceed thirteen and half per centum of a maximum amount that may be determined periodically by the Trust in consultation with the Board of the Authority”.

2785. Section 64(1) of the National Pensions Act, 2008 (Act 766) states “Subject to subsection (2) if a contribution is not paid within the specified period (a) a sum equal to three per centum per month of the contribution payable shall be added to the contribution as a penalty...”

2786. Contrary to the aforementioned, we noted that the Company did not pay SSNIT contributions of employees amounting to GH¢36,268.60 which was standing in the ledgers for the year 2020 (January to May).

2787. We further noted that the 2nd and 3rd Tier pension schemes were also in arrears of GH¢36,029.70 and GH¢26,442.35 respectively. As a result, the Company owed a SSNIT and other fund managers statutory payments amounting to GH¢98,740.65 as at December 31, 2020. Details are shown in the tables 421.

Table 421: Arrears to SSNIT and other fund managers

Description	Amount GH¢	Remarks
SSNIT TIER 1	36,268.60	Unpaid
Quality Life Insurance TIER 3	26,442.35	Unpaid
Enterprise Insurance TIER 2	36,029.70	Unpaid
Total Arrears	98,740.65	Unpaid

2788. The anomaly occurred as a result of the serious financial challenges confronting the Company.

2789. The Company is likely to pay penalties on these unliquidated statutory obligations.

2790. We urged Management to take the appropriate steps to settle the outstanding statutory obligations without further delay to avoid further penalties and other sanctions as required by the Pension's Act.

2791. Management stated that steps have been taken and payments are being made to redeem these outstanding. Management, however, wish to emphasis that this has come about as a result of non-filing of monthly contribution reports in arrears, which we inherited and had to file resulting in penalties being imposed on the company. Management desire to clear it to avoid further financial burden on the company.

Non-payment of End-of-Service Benefit - GH¢1,695,731.71

2792. Article 38 of the Collective Agreement between the Ghana Trade Fair Company Ltd and the Public Services Workers' Union of GTUC states, 'The modes by which an employee may leave the service of the Company with entitlements shall be as follows:

- i. On being declared redundant;
- ii. On reaching voluntary or compulsory retirement;
- iii. On being retired from the service on grounds of physical or mental incapacity;
- iv. On appointment being terminated after five (5) years of continues service other than summary dismissal; ..."

2793. Article 39 further states, "With reference to Article 38, at the time of leaving the service, an employee is entitled to an End-of Service Benefit of one and half (1½) months gross salary times the number of years served".

2794. We noted from the review of the ledgers that the Company owed twenty-two (22) former employees, End-of-Service Benefits as at 31st May 2020 which is currently under mediation with Public Service Workers Union and GTFCL.

2795. According to Management, the termination of the service of the affected employees coupled with financial challenges caused the irregularity.

2796. The unlawful termination of the service of the affected employees has exposed the Company to possible legal penalties and reputational risk. Additionally, some of these former employees have sued the Company demanding their accrued benefits.

2797. We urged Management and the Board to corporate with the mediation process to resolve the unpass with the affected employees towards the liquidation of the debt to avoid prolong legal battle and penalties for the Company.

2798. Management responded that its legal representation is fully co-operating with all stakeholders for a peaceful settlement of the matter as advised. Although the mediation process is yet to start, Management hopes all concern will give off their best for a quick resolution soon.

Withheld Taxes not remitted to GRA - GH6,838.58

2799. Section 117 of the Income Tax Act, 2015 (Act 896) states that, a withholding agent shall pay to the Commissioner-General within fifteen (15) days after the end of each calendar month a tax that has been withheld in accordance with this Division during the month.

2800. Contrary to the above provision, our review of the Company's records disclosed that a total amount of GH¢6,838.58 withheld from the payment for goods, works and services procured were not remitted to the Ghana Revenue Authority (GRA). Details are outlined in table 422.

Table 422: Withheld Taxes not remitted to GRA

No.	Description	Payee	Date	PV No.	Cheque No.	Taxable Amount	Tax Amount
1	Withholding Tax	Dinayart Cleaners	2/6/2020	1,174.00	3,261.00	4,095.70	183.30
2	Withholding Tax	Gloria Nyarko	11/3/2020	897.00	2,385.00	416.10	416.10
3	Withholding Tax	Dinayart Cleaners	4/3/2020	882.00	2,370.00	10,000.00	525.00
4	Withholding Tax	Dinayart Cleaners	11/3/2020	1,114.00	3,202.00	2,046.00	91.70
5	Withholding Tax	Vertas International	27/4/2020	1,132.00	3,220.00	1,762.00	112.50

		Nominees and Trustees					
6	Withholding Tax	Vertas International Nominees and Trustees	27/4/2020	1,136.00	3,225.00	2,541.53	163.00
7	Withholding Tax	Vertas International Nominees and Trustees	7/5/2020	1,142.00	3,230.00	2,555.04	163.00
8	Withholding Tax	Vertas International Nominees and Trustees	7/5/2020	1,142.00	3,230.00	2,555.04	163.00
9	Withholding Tax	Manasseh Konney	18/5/2020	1,155.00	3,243.00	5,040.00	311.85
10	Withholding Tax Security Allowance-May 2020	James Sekou-Toure	2/6/2020	1,166.00	3,254.00	2,653.50	234.00
11	Withholding Tax	Manasseh Konney	13/1/2021	2,471.00	2,961.00	5,040.00	311.85
12	Withholding Tax	Dinayart Cleaners	22/12/2020	2,469.00	2,959.00	2,046.85	153.51
13	Withholding Tax	James Sekou-Toure	21/12/2020	2,466.00	2,956.00	2,591.60	136.40
14	Withholding Tax	James Sekou-Toure	26/11/2020	2,299.00	2,939.00	3,994.20	171.80
15	Withholding Tax	Abamuewie Enterprise	4/11/2020	2,283.00	2,922.00	5,040.00	311.85
16	Withholding Tax	Dinah Yartey	3/11/2020	2,271.00	2,910.00	3,000.00	225.00
17	Withholding Tax	James Sekou-Toure	29/9/2020	1,276.00	2,864.00	3,499.50	40.50
18	Withholding Tax	James Sekou-Toure	29/9/2020	1,273.00	2,861.00	2,494.70	131.30
19	Withholding Tax	James Sekou-Toure	1/9/2020	1,251.00	2,838.00	2,392.10	125.90
20	Withholding Tax	James Sekou-Toure	22/8/2020	1,242.00	2,828.00	1,999.50	40.50
21	Withholding Tax	James Sekou-Toure	26/11/2020	2,259.00	2,898.00	1,499.50	40.50
22	Withholding Tax	James Sekou-Toure	26/10/2020	2,263.00	2,902.00	2,494.70	131.30
23	Withholding Tax	Abamuewie Enterprise	20/8/2020	1,250.00	2,836.00	5,040.00	311.85
24	Withholding Tax	Dinayart Cleaners	20/8/2020	1,249.00	2,834.00	1,955.85	91.70
25	Withholding Tax	James Sekou-Toure	30/7/2020	1,227.00	2,811.00	2,275.00	202.50
26	Withholding Tax	James Sekou-Toure	30/7/2020	1,228.00	2,812.00	1,499.50	40.50
27	Withholding Tax	James Sekou-Toure	6/7/2020	1,205.00	3,291.00	3,678.50	219.00
28	Withholding Tax	Abamuewie Enterprise	20/7/2020	1,223.00	2,807.00	5,040.00	311.85
29	Withholding Tax	James Sekou-Toure	6/3/2020	1,203.00	3,289.00	2,399.50	40.50
30	Withholding Tax	Dinayart Cleaners	22/6/2020	1,194.00	3,280.00	2,873.10	183.39
31	Withholding Tax	Ignite Graplix Ltd.	20/2/2020	1,041.00	2,326.00	2,159.75	483.75

32	Withholding Tax (Casual Workers)	James Sekou-Toure	6/2/2020	1,020.00	2,498.00	1,999.50	40.50
33	Withholding Tax (Cleaning Service)	Dinayart Cleaners	6/2/2020	1,023.00	2,302.00	1,955.85	91.70
34	Withholding Tax (Refuse Collection)	Abamuewie Enterprise	6/2/2020	1,024.00	2,303.00	4,728.15	311.85
35	Withholding Tax	Vertas International Nominees and Trustees	13/1/2020	825.00	2,456.00	2,873.10	162.63
36	Withholding Tax	Vertas International Nominees and Trustees	6/2/2020	1,017.00	2,476.00	2,000.00	163.00
Total						110,235.36	6,838.58

2801. We attributed the lapse to the Management non-compliance with the timelines set by Act 896.

2802. The state has been denied the tax revenue of GH¢6,838.58 for its activities. The Delayed payment could result in payment of penalties to the detriment of the Company.

2803. We recommended to Management to remit the withheld taxes amounting to GH¢6,838.58 to the Ghana Revenue Authority and make available the evidence of the payment for our verification. We further advise that Management should comply with the deadlines set in Act 896 to avert payment of penalties on delay filing of returns and payment of withholding taxes.

2804. In response Management stated, “Management takes the advised as given and shall take steps to pay outstanding and current taxes when due in compliance with Act 896”.

2805. In the meantime, prudent investment decision should be taken in relation to its excess funds.

2806. In response, Management stated that in consultation with the Board of Directors various investment options are being considered to realise maximum returns on the funds, just as the Audit Team have also suggested.

2807. We therefore take this opportunity to thank the Team for expressing their view on the need for the Company to earn a return on the funds.

GHANA FREE ZONES AUTHORITY

Introduction

2808. This report covers the audited financial statements of the Ghana Free Zones Authority for the two years ending 31 December 2020.

Financial Performance

2809. The Authority recorded a surplus of GH¢13,576,847 in 2020 as against GH¢7,564,759 in 2019, thus registering an increase of 79.5%. The performance indicators for the period are provided in table 423.

Table 423: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Operating income	47,000,287	32,677,754	14,322,533	43.8
Other income	2,333,955	6,796,370	(4,462,415)	(65.7)
Foreign Exchange Difference	5,014,985	8,880,164	(3,865,179)	(43.5)
Released from construction fund	348,730	348,730	-	-
Total Income	54,697,957	48,703,018	5,994,939	12.3
Expenditure				
Operating expenses	2,497,363	2,293,976	203,387	8.9
Employee costs	14,348,883	13,131,283	1,217,600	9.3
Board and committee expenses	1,043,403	800,926	242,477	30.3
Financial and professional charges	447,232	311,563	135,669	43.5
Travelling & transport	1,006,629	3,239,144	(2,232,515)	(68.9)
Repairs and maintenance	11,389,477	9,941,000	1,448,477	14.6
Administrative and general expenses	10,388,123	11,420,367	(1,032,244)	(9.0)
Total Expenditure	41,121,110	41,138,259	(17,149)	(0.0)
Surplus/(Deficit)	13,576,847	7,564,759	6,012,088	79.5

2810. Total income increased by 12.3% from GH¢48,703,018 in 2019 to GH¢54,697,957 in 2020. The increase was due to 43.8% increase in operating income from GH¢32,677,754 in 2019 to GH¢47,000,287 in 2020. Operating income is made up of leased land premiums, ground rent income, annual license & renewal fees, vehicle registration & clearing fees, sale of forms and processing fees.

2811. Total expenditure decreased by GH¢17,149 from GH¢41,138,259 in 2019 to GH¢41,121,110 in 2020. The decrease was mainly due to 68.9% and 9.0% decline in travelling & transport and administrative & general expenses respectively.

Financial position

2812. The Authority's financial position as at 31 December 2020 is summarised in table 424.

Table 424: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	40,331,733	44,445,433	(4,113,700)	(9.3)
Current Assets	110,814,995	98,038,550	12,776,445	13.0
Current Liabilities	9,825,660	14,391,033	(4,565,373)	(31.7)
Current Ratio	11.3:1	6.8:1		

2813. Non-Current Assets decreased by 9.3% from GH¢44,445,433 in 2019 to GH¢40,331,733 in 2020. The decrease was mainly due to depreciation charged for the year.

2814. Current Assets increased by 13.0% from GH¢98,038,550 in 2019 to GH¢110,814,995 in 2020. Current assets comprise of assets held for trading, accounts receivable, assets available for sales and cash & cash equivalent.

2815. Current Liabilities decreased by 31.7% from GH¢14,391,033 in 2019 to GH¢9,825,660 in 2020. This was due to a decrease in trade and other payables.

2816. The liquidity position measured by the current ratio increased from 6.8:1 in 2019 to 11.3:1 in 2020. This improvement puts the Authority in a better position to meet its short-term financial obligations when they fall due.

GRATIS FOUNDATION

Introduction

2817. This report relates to the audited accounts of Gratis Foundation (Consolidated) for the two years year ending 31 December 2014.

Financial Performance

2818. The Foundation recorded a loss of GH¢85,073 compared with GH¢247,077.00 made in 2013, representing 65.57% improvement in the financial performance of the Foundation. The performance indicators are shown in table 425

Table 425: Statement of Comprehensive Income for the year ended 31 December 2014

Income/Expenditure	2014 GH¢	2013 GH¢	Incr./ (Decr.) GH¢	% Change
Operating Income	1,586,151	1,219,675	366,476	30.1
Other Income	159,419	112,874	46,545	41.2
Non-Cash Income	65,936	81,431	(15,495)	(19.0)
Subvention	1,682,487	1,358,615	323,872	23.8
Total Income	3,493,993	2,772,595	721,398	26.0
Expenditure				
Operating Cost	890,938	674,617	216,321	32.1
Employment Cost	1,722,997	1,316,522	406,475	30.9
Administrative Expenses	962,893	1,027,825	(64,932)	(6.3)
Financial charges	2,241	708	1,533	216.53
Total Expenditure	3,579,069	3,019,672	559,397	18.53
Profit/(Loss)	(85,073)	(247,077)	162,004	(65.57)

2819. Income for the year amounted to GH¢3,493,993 as against GH¢2,772,595 recorded in 2013, an improvement of 26.02%. over 2013. The rise was mainly due to increases in manufacturing income and government subvention from GH¢857,866 and GH¢1,358,615 in 2013 to GH¢1,328,674 and GH¢1,682,487 in 2014 respectively.

2820. Total Expenditure also increased by 18.53% from GH¢3,019,672 to GH¢3,579,069 in 2014. The increase was due to upward movement of Employment cost and operating cost from GH¢1,316,522.00 and GH¢674,617 in 2013 to GH¢1,722,997.00 and GH¢890,938 in 2014 respectively.

Financial position

2821. The Foundation's financial position as at 31 December 2014 is shown in Table 426.

Table 426: Financial position as at 31 December 2014

Assets/Liabilities	2014 GH¢	2013 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	1,962,311	2,140,635	(178,324)	(8.33)
Current Assets	1,362,772	1,326,118	36,654	2.76
Current Liabilities	544,419	535,671	8,748	1.63
Current Ratio	2.5:1	2.5:1		

2822. Non-Current Assets went down by 8.33% from GH¢2,140,635 to GH¢1,962,311 in 2014. The decline was due to depreciation charge on Property, Plants and Equipment.

2823. Current Assets increased slightly by 2.76% from GH¢1,326,118 to GH¢1,362,772 in 2014. The increase was mainly due to a rise in inventories.

2824. Current Liabilities went up by 1.63% from an amount of GH¢535,671.00 to GH¢544,419.00 in 2014. The increase was due mainly to a 2.3 % rise in Trade and other payables.

2825. The liquidity position of the Foundation remained 2.5:1 in 2013 and 2014. The Foundation had the standing of meeting its short-term obligations when they fall due.

MINISTRY OF INFORMATION

GHANA NEWS AGENCY

Intruduction

2826. This report relates to the audited financial statements of Ghana News Agency for year ended 31 December 2019.

Financial Performance

2827. The operations of the Agency for the financial year, 2019 ended with a surplus of GH¢162,807.00 as compared with a deficit of GH¢43,777.51 for the year 2018. Details are provided in table 427.

Table 427: Statement of Financial Performance for the year ended 2019

Incomes/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
GoG Subvention	4,206,419.19	4,752,893.00	(546,473.81)	(11.5)
Internally Generated Fund	20,404.81	275,124.14	(254,719.33)	(92.6)
Donor (Sponsorship)	8,220.00	0.00	8,220.00	100
Other Revenue	182,847.66	21,950.35	160,897.31	733.0
Total Incomes	4,417,891.66	5,049,967.49	(632,075.83)	(12.5)
Expenditure				
Employees Compensation	3,436,831.50	4,492,806.00	(1,055,974.50)	23.5
Use of Goods & Services	576,177.48	560,388.00	15,789.48	2.8
Consumption of Fixed Capital	67,108.37	40,551.00	26,557.37	65.5
Social Benefits	25,394.77	0.00	25,394.77	-
Other Expenses	149,572.54	0.00	149,572.54	-
Total Expenditure	4,255,084.66	5,093,745.00	(838,660.34)	(16.5)
Income Surplus/Deficit	162,807.00	(43,777.51)	206,584.51	471.9

2828. Total Income for the Agency decreased by GH¢632,075.83 representing 12.52% from GH¢5,049,967.49 in 2018 to GH¢4,417,891.66 in 2019. The above decrease was due to a reduction in GoG Subvention by GH¢546,473.81 representing 11.50% from GH¢4,752,893.00 in 2018 to GH¢4,206,419.19 in 2019 and also a decrease in the Internally Generated Fund by GH¢254,719.33 representing 92.58%. However, other revenue increased by GH¢160,897.31 representing 733% over the period

2829. Total Expenditure also decreased by GH¢838,660.34 representing 16.46% from GH¢5,093,745.00 in 2018 to GH¢4,255,084.66 in 2019. This was largely due to decrease in employees' compensation.

Financial Position

2830. The Financial Position of the Agency as at 31 December 2019 is shown in table 428.

Table 428: Financial position for the year ended 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr/(Decr) GH¢	% Change
Non-Current Assets	893,777.97	541,586.00	352,191.97	65%
Current Assets	1,156,598.37	906,094.14	250,504.23	27.6%
Total Assets	2,050,376.34	1,447,680.14	602,696.20	41.6%
Current Liabilities	1,045,059.34	605,171.14	439,888.20	72.7%
Net Assets	1,005,317.00	842,510.00	162,807.00	19.3%
Current ratio	1.11	1.50		

2831. Non-Current Assets increased by GH¢352,191.97 or 65% from GH¢541,586.00 in 2018 to GH¢893,777.97 in 2019 because of procurement of new assets by the Agency.

2832. Current Assets also recorded an increase of GH¢250,504.23 representing 27.6% from GH¢906,094.14 in 2018 to GH¢1,156,598.37 in 2019. This was due to increase in cash at bank.

2833. Current Liabilities increased by GH¢439,888.20 from GH¢605,171.14 in 2018 to GH¢1,045,059.34 in 2019 representing an increase of 72.7%

2834. The liquidity position represented by current ratio plummeted from 1.50:1 in 2018 to 1.11:1 in 2019. This depicts that the Agency's ability to meet its short-term obligations as and when they fall due declined and also does not augur well for the Agency as a whole considering the standard ratio of 2:1.

MANAGEMENT ISSUES

Study leave with pay-Mr. Ebenezer Tackie - GH¢57,673.27

2835. Article 16(c) of the Collective Bargaining Agreement of the Ghana News Agency staff provides, "Study leave with pay shall be granted to an employee who has served the Agency for not less than three (3) years to pursue a course or training either in Ghana or overseas relating to the field of work with the approval from Management. Such an employee shall be required a proof of study every semester".

2836. Article 16(d) of the same Collective Bargaining Agreement also states that staff shall be bonded to serve the Agency in accordance with the existing Government Policy before the commencement/completion of his/her course for which he or she has been granted study leave with pay. Staffs who fail to serve the bond shall be made to refund the cost of the training incurred by the Agency.

2837. Contrary to the above, we noted that, Mr. Ebenezer Tackie who was granted a two-year study leave with pay to pursue a Master of Science programme in Global Human Resources Management at the University of Roehampton, London did not submit progress report on his academic work. The programme was scheduled to commence on March 20, 2018, and end on March 20, 2020. We noted that Mr. Tackie was paid a total amount of GH¢57,673.27 as salary for the period of the study. Details are stated in table 429.

Table 429: Study leave with pay- Mr. Ebenezer Tackie

2020					
Month	Gross	Income Tax	Net	13% SSF	Total
January	2,546.00	356.12	2,189.88	330.98	2,520.86
February	2,546.00	356.12	2,189.88	330.98	2,520.86
March	2,546.00	343.72	2,202.28	330.98	2,533.26
April	2,546.00	343.72	2,202.28	330.98	2,533.26
Total	10,184.00		8,784.32	1,323.92	10,108.24
2019					
Month	Gross	Income Tax	Net	13% SSF	Total
January	2,273.00	313.97	1,959.03	295.49	2,254.52
February	2,273.00	313.97	1,959.03	295.49	2,254.52
March	2,273.00	313.97	1,959.03	295.49	2,254.52
April	2,273.00	313.97	1,959.03	295.49	2,254.52
May	2,273.00	310.97	1,962.03	295.49	2,257.52
June	2,273.00	310.97	1,962.03	295.49	2,257.52
July	2,273.00	310.97	1,962.03	295.49	2,257.52
August	2,273.00	310.97	1,962.03	295.49	2,257.52
September	2,273.00	310.97	1,962.03	295.49	2,257.52
October	2,273.00	310.97	1,962.03	295.49	2,257.52
November	2,273.00	310.97	1,962.03	295.49	2,257.52
December	2,067.00	279.91	1,787.09	268.71	2,055.80
Total	27,070.00		23,357.42	3,519.10	26,876.52
2018					
Month	Gross	Income Tax	Net	13% SSF	Total
March	2,203.11	302.41	1,900.70	286.40	2,187.10
April	2,066.13	279.76	1,786.37	268.60	2,054.97
May	2,067.00	279.91	1,787.09	268.71	2,055.80
June	2,067.00	279.91	1,787.09	268.71	2,055.80
July	2,067.00	279.91	1,787.09	268.71	2,055.80
August	2,067.00	279.91	1,787.09	268.71	2,055.80
September	2,067.00	279.91	1,787.09	268.71	2,055.80
October	2,067.00	279.91	1,787.09	268.71	2,055.80
November	2,067.00	279.91	1,787.09	268.71	2,055.80
December	2,067.00	279.91	1,787.09	268.71	2,055.80
Total	20,805.20		17,983.83	2,704.68	20,688.51
Grand Total					57,673.27

2838. Management via letter number PS/1505/67 and dated 3 January 2020 requested Mr. Ebenezer Tackie to submit academic records on his academic progress at the University which he failed to produce. Consequently, the appointment of Mr. Ebenezer Tackie was terminated effective 15th April 2020 when he failed to report to work after the expiration of the study leave period. Management also requested both the Controller & Accountant General's Department and Mr. Tackie's bankers to withhold his salary effective January 1, 2019.

2839. The Agency has been denied the full benefit of the service of the applicant since he did not return to serve his bond. Consequently, the Agency has lost a total of GH¢57,673.27 due to his actions through the payment of monthly salaries.

2840. We recommended to Management to recover the total amount of GH¢57,673.27 being the total salary paid to Mr. Tackie for the period March 2018 to March 2020 and pay same to chest.

2841. Management explained that the previous scheduled staff at the Administration did not follow due processes and adherence to the conditions of study leave with pay. However, the new Management took action to withhold the salaries of Ebenezer Tackie when its attention was drawn to non-compliance with the conditions of the study leave with pay. Efforts were also made to at least reach him through several means including contacting his colleagues and friends, also scouting for the whereabouts of his parents which proved futile. Management also stated that several email letters to him went unanswered. The bank was instructed to return any funds accrued to the staff to government chest. Management will commit to following up to the bank to see to it that the process of returning funds is completed.

Failure to fully transfer the non-Tax revenue into the Consolidated Fund bank account – GH¢65,575.27

2842. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) stipulates, "A Principal Spending Officer shall monitor and ensure that non-tax revenue lodged into the transit bank accounts are promptly transferred into the main Consolidated Fund bank account.

2843. We however, noted during our review of the revenue management that the Agency failed to transfer a total of GH¢65,575.27 being internally generated for the period under review to the Consolidated Fund Bank account. The Agency collected a total of GH¢58,900.00 as rent proceeds but transferred only GH¢6,500.00 leaving a difference of GH¢52,400.00 unpaid. Advert/Sponsorship collections also summed up to GH¢15,175.27 but only GH¢2,000.00 was remitted leaving an amount of

GH¢13,175.27 yet to be transferred into the consolidated fund bank account. Details are stated in table 430.

Table 430: Failure to fully transfer the non-Tax revenue into the Consolidated Fund bank account

S/No	Description	Amount Collected (GH¢)	Amount Transferred (GH¢)	Balance (GH¢)
1	Rent	58,900.00	6,500.00	52,400.00
2	Advert/Sponsorship	15,175.27	2,000.00	13,175.27
Total		74,075.27	8,500.00	65,575.27

2844. The anomaly may expose the system to abuse since the funds not transferred could be used for purposes other than what the government would have intended it for.

2845. We recommended to Management to ensure that the total of GH¢65,575.27 is transferred to the Consolidated 30 days upon the receipt of our Management Letter.

2846. Management in their response explained that the anomaly was due to the Bank of Ghana's failure to transfer the monies after a letter was written for the transfer of the funds. Management also indicated that it is still pursuing, the Ministry of Finance through the Ministry of Information for the approval to retain and utilise the funds to undertake urgently needed repair works on the Agency's buildings, among others.

Maintenance of the Agency's properties

2847. Section 52(1) of the Public Financial Management Act, 2016 (Act 921) states "A Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets".

2848. We noted during our visit to four selected regions-; Eastern, Volta, Northern and Upper East Regional offices of the Agency that the buildings were deteriorating and having various forms of problems with need for maintenance and renovation. Details are shown in table 431.

Table 431: Maintenance of the Agency's properties

Region	Condition
Eastern Region (Koforidua)	1. SSNIT estate need thorough renovation 2. SSNIT flats need Water proofing treatment
Volta Region (Ho)	A. Plumbing defects at the SSNIT Flat B. Faulty doors
Northern Region (Tamale)	1. Roof leakages 2. Cracked walls 3. Loose louver frames 4. Absence of bugler proofs at the front windows 5. Peeling off paints
Upper East Region (Bolgatanga)	a. Roof leakages b. Cracked walls c. Loose louver frames d. Absence of bugler proofs at the front windows e. Peeling off paints f. Cracked floors

2849. The Director of Administration attributed the situation to lack of funds making it difficult to act on their concerns. He further explained that the Agency is not allowed to retain part of the rent collected from the tenants to renovate the buildings, though several requests have been forwarded to the Ministry of Finance and Economic Planning for approval to retain its internally generated funds.

2850. The state of the building makes it dangerous for habitation. The Agency is not able to charge standard rent for the property due to the nature of the building leading to loss of revenue.

2851. We recommended to Management to liaise with the Ministry of Finance and Economic Planning for the approval for the retention of the internally generated funds to enable the Agency repair and maintain the properties, in order to allow the Agency, charge the standard of rent for the property.

2852. Management in their response indicated that the Agency does not have the approval to retain and spend on maintenance and repairs of its office building bungalows, from the internally generated funds from the rental of the Agency's properties. Management stated that it would continue to pursue the approval from the Ministry of Finance for the retention of the funds in order to undertake such repairs to keep both the office buildings and flats in good shape.

Delay in collection of rent - GH¢24,000.00

2853. Regulations 46(a) of the Public Financial Management Regulations, 2019 (L.I. 2378) stipulates "A Principal Spending Officer shall ensure that non-tax revenue is efficiently collected".

2854. We noted during our visit to the Upper East Regional Office of the Agency that, Swap Restaurant a tenant owes a rent of GH¢24,000.00 for the period January 1, 2018, to 31 December 2019 at a monthly rent of GH¢1,000.00. We also noted that the tenant was at the time of our visit yet to sign the tenancy agreement which was sent for action.

2855. The head of Swap Restaurant explained that the delay in signing and subsequent payment of the rent due was because of the increase in the monthly rent from GH¢350.00 to GH¢1,000.00 making it difficult for him to pay. Mr, Emmanuel Takyi Mensah, the proprietor of the restaurant also stated that he spent an amount of GH¢60,000.00 to develop the land which is in front of his restaurant. Mr. Takyi further explained that the structures were to serve the locals since the current restaurant which serve only continental dishes is too expensive for the indigenes. However, that segment of the restaurant operated for only a year and was closed due to low patronage.

2856. The state is denied a total of GH¢24,000.00 which could have been used for other pressing needs. The anomaly may also result in loss of value for money since what the GH¢24,000.00 could have been used for the period under review may not be the same at the time of payment.

2857. We recommended to Management to take over the structures put up by the tenant and rent them out for generation of income. We also urged Management to reach an agreement with the tenant for the early recovery of the rent and ensure that in future delays in the collection of rent income are reduced.

2858. Management accepted our recommendation for compliance.

GRAPHIC COMMUNICATIONS GROUP LIMITED

Introduction

2859. This report relates to the audited financial statements of Graphic Communications Group Limited for the two years ending 31 December 2020.

Financial Performance

2860. The Group closed the 2020 financial year with a deficit of GH¢1,940,879.00 compared with a surplus of GH¢1,407,793.00 recorded in 2019 representing a decrease of 238% in the financial performance of the Group. Details of the Group's performance indicators are shown in table 432.

Table 432: Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	(Incr/(Decr) GH¢	% Change
Revenue	55,945,161	68,302,497	(12,357,336)	(18.1)
Other Income	1,477,228	3,036,328	(1,559,100)	(51.3)
Total Income	57,422,389	71,338,825	(13,916,436)	(19.5)
Expenditure				
Cost of Sales	27,973,404	34,776,402	(6,802,998)	(19.6)
Selling and Distribution Expenses	7,671,640	7,836,160	(164,520)	(2.1)
General and Administrative Expenses	22,411,110	24,504,949	(2,093,839)	(8.5)
Finance Costs	1,122,278	1,441,388	(319,110)	(22.1)
Income Tax Expense	184,836	1,372,133	(1,187,297)	(86.5)
Total Expenditure	59,363,268	69,931,032	(10,567,764)	(15.1)
Profit/(Loss) for the Year	-1,940,879	1,407,793	(3,348,672)	(237.9)

2861. Total Income decreased significantly by 19.5% from GH¢71,338,825 in 2019 to GH¢57,422,389 in 2020. The decrease was mainly due to reduction in sales of two products, namely, Daily Graphic and Advertisement of the parent company for 2020 financial year. Sales of Daily Graphic decreased by 12.6% from GH¢17,040,250 in 2019 to GH¢14,897,840 in 2020 while Advertisement decreased by 21.9% from GH¢39,843,356 in 2019 to GH¢31,134,978 in 2020.

2862. Total Expenditure decreased by 15.1% from GH¢69,931,032 in 2019 to GH¢59,363,268 in 2020. This was due to decreases in all expenditure lines.

Financial position

2863. The financial position of the Group as at 31 December 2020 is summarised in table 433.

Table 433: Consolidated Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2020 GH¢	(Incr/Decr) GH¢	% Change
Non-Current Assets	17,788,437	21,050,772	(3,262,335)	(15.5)
Current Assets	43,317,527	41,399,283	1,918,244	4.6
Non-Current Liabilities	2,877,200	3,233,522	(356,322)	(11)
Current Liabilities	21,396,931	18,543,478	2,853,453	15.4
Net Assets	36,831,833	40,673,055	(3,841,222)	(9.4)
Current Ratio	2.0:1	2.2:1		

2864. Non-Current assets decreased significantly by 15.5% from GH¢21,050,772 in 2019 to GH¢17,788,437.00 in 2020 the reduction was mainly due to depreciation of property, plant and equipment for the period.

2865. Current Assets increased from GH¢41,399,283 in 2019 to GH¢43,317,527 in 2020. The increase was due to a 23.1% rise in Trade Receivables of the subsidiary Company, G-Pak, from GH¢5,392,322 in 2019 to GH¢6,639,483 in 2020.

2866. Non-Current Liabilities decreased by 11.0% from GH¢3,233,522 in 2019 to GH¢2,877,200 in 2020. This was attributable to repayment of 33.2% of a loan facility with GCB Bank Ltd in 2020.

2867. Current Liabilities increased significantly by 15.4% from GH¢18,543,478 in 2019 to GH¢21,396,931 in 2020. This was as a result of 85.9% rise in Staff accrued expenses from GH¢1,414,154 in 2019 to GH¢2,628,201 in 2020.

2868. The Group's liquidity position as measured by its Current Ratio of 2.0:1 (2019: 2.2:1) indicates that the Group would be able to meet its short-term obligations when they fall due.

MANAGEMENT ISSUES

Purchases without alternative quotation – GH¢588,929.64

2869. Section 43 of the Public Procurement Act, 2003 (Act 663) as amended states, “The procurement entity shall request quotations from as many suppliers or contractors as practicable, but from at least three different sources.”

2870. We noted that the Company procured store items and services worth GH¢584,679.64 but did not source for three (3) or more alternative price quotations from different suppliers to ensure the company purchased from the most favourable sources in order to obtain value for money. Details are shown in *Table 434 & 435*.

Table 435: Purchases without alternative quotation - GH¢584,679.64

No.	Date	PV. No	Chq. No	Details	Payee	PV AMT GH¢
1	11/03/2019	87/32019	649810	Work done by way of conducting power quality analysis	Saflex Engineering Co. Ltd	3,940.50
2	11/02/2019	64/22019	649812	Server Dell PE R320 intel xeon E5-2407/ NSCAN00071/ Samsung brand for server ram 8GB	Guardiantech	23,509.00
3	02/04/2019	07/42019	649820	Epson LQ 2190 Cartridge	DT Hardware	1,900.00
4	20/03/2019	149/32019	649922	Purchase of pressure sensor plus transportation	Integrity Engineering Resources	1,600.00
5	15/04/2019	157/42019	649933	Ipad Mini 4Cellular/Wifi 128GB	ES-IT	5,626.00
6	12/04/2019	06/42019KK	649956	Perforator/Staple Machine/Foolscap Notebook	Kennex Care	4,060.00

7	19/12/2019	220/122018	649832	Room Alert 32E Monitor	Dita Dang	8,980.58
8	01/11/2018	02/112018	649832	DJI Mavic Pro Drone/ Battery for Mavic Pro	Dita Dang	7,200.00
9	02/04/2019	08/422019	649836	500 GB Hard Drive/Power supply Unit/Memory Card	Intel Computers	4,650.00
10	22/07/2019	228/72019	652653	Payment for drum of oil eater for maintenance works on KBA press	Gentse Trading	1,940.00
11	14/05/2019	32/62019	652667/680571	Folder interface LOO70389	R.O. Kwapong Enterprise	35,910.00
12	09/09/2019	63/92019	651818	Repairs carried on laser jet printer	Dintax Limited	2,682.50
13	04/11/2019	181/112019	653384	Brand and advertisement	Outlinesintact	15,000.00
14	12/11/2019	116/112019	653158	Air freshener Canisters/ Urinal Blocks/Liquid soap	Super Christ Cares Plus Ventures	10,164.00
15	13/12/2019	109/122019	653170	Cost of cutting g 250 pieces of printing plates to size	Wahab Home of Papers	1,200.00
16	12/12/2019	69/122019	653189	Procurement of 27inch Lenovo monitor & 42inch digital television for use by graphic web designer	Compu-Ghana	2,661.10
No.	Date	PV. No	Chq. No	Details	Payee	PV AMT GH¢
17	13/11/2019	129/112019	653194	17plate battery/ 13 plate battery/ 11 plate battery	Rainbow Trading Co. Ltd	3,475.73
18	18/12/2019	180/122019	653200	Being 60% payment towards buffet for end-of- year thanksgiving service	Duquai Catering Services	8,949.37
19	24/12/2019	217/122019	678650	Monica CTP Plates 30mm 1030*770mm TP FIT INVADO	KEF Company Ltd	20,000.00
20	12/12/2018	83/122018	649436	SERVICING OF GENT SET	ANOINTED ELECTRICAL ENG.SERVICES LTD	5,663.74
21	1/3/2019	03/32019	649443	1 PLY 11X9.5	SO FINE	2,000.00
22	7/5/2018	339/52018	649444	WEB O/S MAGENTA INK	DOROTHEE ENTERPRISE	7,760.00

23	13/3/19	125/32019	649392	repair works on bus. Vehicle no	David Ayisala	1,700.00
24	8/3/2019	125/22019s	649398	repairs on co. ltd	Samuel K. Obeng	6,315.00
25	6/2/2019	185/92018	649118	repairs of drone	Dronehub Ghana Limited	1,079.00
26	11/2/2019	84/122018	649142	5.0 compressor, gauge manifold and charging hose	Rontec Ent	4,730.00
27	11/2/2019	252/12019	671449	WEB O/S MAGENTA INK, yellow ink and cyan ink	Swingfield Ent	38,700.00
28	26/2/19	44/22019	649550	6 &9 Kg fire extinguisher	Afritech Solutions	26,881.69
29	23/7/19	149/72019	653404	Repairs on vehicle no.gn 6947	Phillip Eng.Works	2,835.00
30	25/6/19	311/62019	671047	Repairs & servicing of vehicle no GCG-50-12	Majestic Engineering	2,340.00
31	25/6/19	303/62019	671047	Repairs of vehicle no Gt 6826-16	Majestic Engineering	1,505.00
32	25/6/19	302/62019	671047	Repairs of vehicle no. GW 3387-12	Majestic Engineering	1,530.00
33	25/6/19	300/62019	do	Repairs of vehicle no.9568-12	Majestic Engineering	3,720.00
34	30/7/19	150/72019	653437	accountable imprest granted to staff for payment of materials purchases to construct foam	David Ayisala/Yaya Abaibu Ent	3,805.00
35	12/03/19	258/52019H	650915	Payment for 2.5HP Aircondition compressor and refrigerant	Humbleman Enterprise	10,094.00
36	08/04/19	33/42019H	650690	Payment for aircondition materials	Humbleman Enterprise	27,346.50
37	02/10/2019	152/102019	676434	Toilet Roll	Fon Limited	10,559.20
38	17/01/2020	267/12020	651575	Web O/S Yellow Ink	Offiap Enterprise	9,660.00
39	21/01/2020	27/22020	679802	Liquid Soap - 5,700/ Urinal Blocks - 4,000/ Air Freshner Carnisters - 3,096	Super Christ Cares Plus Ventures	12,796.00
40	06/01/2020	159/12020	651202	Web O/S Yellow Ink- 9,660/ Web O/S Magenta Ink-9,660	Offiap Enterprise	19,320.00

41	11/02/2020	69/22020	651275	Cutthing of printing plates (Resizing of Plates) for KBA Press	Wahab Home of Papers/Samuel Eduful Abban	900.00
42	11/02/2020	70/22020	651275	Cutthing of printing plates (Resizing of Plates) for KBA Press	Wahab Home of Papers/Samuel Eduful Abban	900.00
43	11/02/2020	71/22020	651275	Cutthing of printing plates (Resizing of Plates) for KBA Press	Wahab Home of Papers/Samuel Eduful Abban	900.00
44	11/02/2020	72/22020	651275	Cutthing of printing plates (Resizing of Plates) for KBA Press	Wahab Home of Papers/Samuel Eduful Abban	900.00
45	27/05/2019	137/72019	651205	Outer covers 245/60*18	Samir Engineering & Trading Co. Ltd	2,834.96
46	20/02/2020	224/22020	679806	Airconditioner Materials	Humbleman Enterprise	31,050.00
47	11/02/2020	225/22020	671200	Web O/S Yellow Ink	Offiap Enterprise	9,660.00
48	16/03/2020	260/32020	652031	Web O/S Cyan Ink	Offiap Enterprise	18,630.00
49	29/04/2020	150/42020	651890	Purchase of medical equipment for the clinic and for the security at the points of entry	David Ayisala-	4,250.00
50	22/04/2020	43/52020	651706	Printing of self-adhesive car stickers	Blueshot Media	2,878.13
51	12/03/2020	197/32020	651718	Anniversary 3D cut logo	Saki Publicity Ltd	3,165.94
52	29/05/2019	109/62019	nil	Swivel chairs - Qty 5	Yepon Ventures	4,400.00
53	29/05/2020	254/52020M	652564	HP Pavilion 15 CS3063CL 1TB HDD, 8GB RAM	Hub Computers	3,203.88
54	20/05/2019	327/52019	652581	Visitors Chairs	Yepon Ventures	8,555.41
55	31/05/2020	85/52020	651680	Outer covers 235 65 R17 G015 Yokohama	Samir Engineering & Trading Co. Ltd	3,398.07
56	20/02/2020	98/32020	651700	A4 Paper	Fon Limited	4,200.00
58	17/02/2020	141/22020	680038	Toilet Roll	Fon Limited	12,240.00
52	23/06/2020	166/62020	652487	Refund for two infrared thermometer guns procured	David Ayisala	1,100.00
60	02/09/2020	08/82020K	655323	Office Desk 120x75 Cherry-2,550/Office Swivel Chair PVC-2,550	Mat-Bans Ventures	5,100.00
61	19/11/2020	242/112020	678709	Jumbo Toilet Roll Dispenser	Fon Limited	5,700.00
62	5/3/2020	175/32020	651638	engine servicing and repairs of faulty clutch system on vehicle no.GT 9447-17	Cedar engineering	2,620.00

No.	Date	PV. No	Chq. No	Details	Payee	PV AMT GH¢
63	2/3/2020	252/92019	651755	servicing & repairs of Nissan Pick-up	Majestic engineering Services	2,349.50
64	3/3/2020	275/72019	651782	construction of wooden partitions for new offices in Takoradi	Manna Green Facilities	8,878.60
65	10/3/2020	272/1220G	651795	Respraying of Doors, Balustrade and staircase Handrails at the head Office	G-Plan Furniture Works	11,470.00
66	1/10/2020	34/92020	654294	Dell	Intel Computers	7,500.00
67	7/10/2020	138/82020	653832	50kg,25kg,6kg of powder extinguishers etc	royal technique Services	3,943.27
68	7/10/2020	172/92020	653833	Repairs on Hyundai i10 GW 3387-12	David Barfi Auto Mechanic	2,207.10
69	9/10/2020	120/92020	653848	engine servicing and repairs on Mitsubishi Canter truck GE 4248-14	Kwame Mensah Fitting W/shop	3,713.00
70	9/10/2020	267/52020	653849	Check and Carry Out engine service, General service and Mechanical service	New Life Engineering	2,266.25
71	20/10/20	32/72020	652449	general servicing of the 1000kva perkins genset	Anointed electrical engineering services Ltd	4,514.62
72	20/10/20	55/82020	6520534	Electrical voltage/resistance tester AC/DC & 9 other items	A.K. Asare	9,558.00
73	12/12/19	285/112019M	676403	Web O/S Magenta and Yellow ink	Offiap Enterprise	37,904.00
					Total	584,679.64

2871. In a related development, Mr David Ayisala, the head of procurement, procured medical equipment for the company's clinic without obtaining the required alternative price quotations. Details are shown in the *Table 436*.

Table 436: Purchases without alternative quotation

Date	PV. No	Items	Quantity	Unit Px	Amounts	Supplier
29/04/2020	150/42020	Omron BPM M7	1	650.00	650.00	Medsurgi Care
		Omron BPM M3	1	450.00	450.00	
		Omron BPM M2	1	350.00	350.00	
		Beurer Oximeter	2	650.00	1,300.00	
		Infrared Thermometre	3	500.00	1,500.00	Stelmed Ghana Ltd
		Total			4,250.00	

2872. We attributed this anomaly to Management's failure to comply and adhere to the provisions in the Public Procurement Act, 2003 (Act 663) as amended.

2873. This anomaly could lead to over pricing due to lack of competitive quotations or tendering.

2874. We urged Management to strictly comply with the provisions of the Public Procurement Act, 2003 (Act 663) as amended to promote competition and transparency to obtain maximum value for money in all future procurements.

2875. Management did not respond to the observation.

Penalty for Delayed Tax Payments – GH¢52,142.82

2876. Section 7 of the Public Financial Management Act, 2016 (Act 921) states, "A Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity".

2877. We noted that Management made twelve (12) individual payments totalling GH¢52,148.82 as penalty charged for delayed remittances of taxes due Ghana Revenue Authority. Details are provided in *Table 437*.

Table 437: Penalty for Delayed Tax Payments – GH¢52,142.82

No.	Date	Pv. No	Cheque No.	Details	Payee	No of Days Delayed	PV Amt GH¢
1	28/02/2019	57/42019	649963	Penalty on Management staff PAYE for Feb. 2019	GRA	25	1,819.59
2	28/02/2019	58/42019	649964	Penalty on unionised staff PAYE for Feb. 2019	GRA	25	1,614.96
3	30/11/18	118/12019	649056	Penalty on late payment for Unionised staff PAYE for Nov 2018	GRA	30	2,107.48
4	30/11/18	117/12019	649057	Penalty on late payment for management staff PAYE for Nov 2018	GRA	30	2,284.65
5	12/2/2019	91/22019	649353	Penalty on late payment for Unionised staff PAYE for Dec 2018	GRA	27	1,724.10
6	30/11/18	177/12019	649058	Penalty on late payment of VAT Payable for Oct 2018	GRA	52	7,430.39
7	12/2/2019	90/22019	649359	Penalty on late payment for management staff PAYE for Dec 2018	GRA	27	1,913.08
8	30/11/18	222/22019	649369	Penalty on late payment of VAT Payable for Nov 2018	GRA	46	9,316.09
9	28/02/19	189/62019	671026	Penalty on late payment of GET Fund & NHIL for Feb 2019	GRA	75	6,281.91
10	28/02/19	188/62019	671027	Penalty on late payment of VAT for Feb 2019		75	13,989.57
11	31/07/20	160/92020		Penalty on late payment of management staff PAYE for July 2020	Ghana Revenue Authority	33	2,022.71

Auction of Company Assets without Ministerial Approval

2888. Regulation 158 of the Public Financial Management Regulations, 2019, (L.I. 2378) states among others that the principal spending officer of a state-owned enterprise shall obtain prior written approval of the Minister for the transfer, exchange, sale, donation, contribution-in kind, trust and any other disposal of any vehicle of the entity. Any disposal, lease and other action referred to in sub-regulation (1) that is made without the prior written approval of the Minister, is void.

2889. We noted that Management of the Company auctioned eighteen (18) vehicles without prior written approval from the Minister. Details are shown in *Table 438*.

Table 438: List of vehicles auctioned

No	Vehicle Details	Veh. Reg. No
1	Isuzu NQP (Midi Truck)	GN 8052 Y
2	Isuzu NPR (Midi Truck)	GE 1578-09
3	Isuzu NPR (Midi Truck)	GE 1577-09
4	Isuzu S/Cab (Pick Up)	GE 6295-11
5	Isuzu S/Cab (Pick Up)	GE 6294-11
6	Suzuki APV (Mini Van)	GB 5603-12
7	Mitsubishi S/Cab (Pick Up)	GS 769-09
8	Mitsubishi S/Cab (Pick Up) Van	GE 1948-13
9	Mitsubishi S/Cab (Pick Up)	GB 2431-12
10	Mitsubishi S/Cab (Pick Up)	GE 1947-13
11	Nissan S/Cab Pick Up	GN 3460-11
12	Nissan Hardbody D/Cab	GE 8784 Y
13	Honda Civic (Saloon)	GE 2049-09
14	Honda Accord (Saloon)	GW 9824 W
15	Hyundai I10 (Back Lift)	GW 1107-11
16	Hyundai I10 (Back Lift)	GS 8968-09
17	Hyundai I10 (Back Lift)	GW 4854-11
18	Mitsubishi S/Cab (Pick Up) Van	GS 6849-12

2890. This anomaly could be attributed to Management and the Board's non-compliance with the provisions of the regulation.

2891. The non-compliance of sub-regulation (1) of Regulation 158 PFMR makes the auction void as stated in sub-regulation (6).

2892. We recommended to Management to seek retrospective approval from the Minister in order to regularise the auction.

2893. Management is yet to respond to the observation.

Failure to Submit Internal Audit Reports

2894. Section 83 of the Public Financial Management Act, 2016 (Act 921) states that, a covered entity shall have an Internal Audit Unit and, the Internal Auditor of a covered entity shall submit quarterly reports on the execution of the annual audit work plan to the Principal Spending Officer of the covered entity concerned, the Audit Committee, the Auditor-General and the Director-General of the Internal Audit Agency.

2895. Contrary to the above provision, the Head of Internal Audit Unit of the Company could not make copies of its quarterly internal audit reports available to the audit team as spelt out in the law.

2896. The head of the Internal Audit unit could not give any tangible reason for not complying with the Act, despite the team's several visits to the unit.

2897. Monitoring of the Group's internal controls by Management and other external bodies could be impaired.

2898. We recommended that the Unit should make copies of its quarterly internal audit reports to the audit team as prescribed by law or be sanctioned under Section 98(1)(a) of the Act which states "A person who refuses or fails to produce or submit any information required under this Act commits an offence and where no penalty is provided for the offence, is liable on summary conviction to a fine of not less than one hundred and fifty penalty units and not more than two hundred and fifty penalty units or to a term of imprisonment of not less than six months and not more than two years or to both".

Barter Agreement without Due Procurement Processes – GH¢849,335.07

2899. The Fifth Schedule of the Public Procurement Amendment Act, 2016 (Act 914) stipulates that, a procurement entity may engage in single source procurement and selection with the approval of the Board of the Public Procurement Authority.

2900. We noted that Management entered into barter agreements to procure vehicles and other items worth GH¢849,335.07. These transactions were single sourced without seeking approval from the Public Procurement Authority. Details are shown in table 439.

Table 439: Barter Agreement without Due Procurement Processes

Date	PV No	Payee	Items	Qty.	Unit Price GH¢	Amount GH¢
21/6/19	B/COM001	Compu-Ghana	Electronic appliances and Computers	Several		272,567.92
19/09/2019	45/92019J	Japan Motors Trading	Nissan Micra Automatic Model (FDWULCK13 4G5 AC-C REF: KL002) (Qty	3	82,354.95	247,064.84
9/5/2019	MGT/1905001	Silver Star	Mercedes Benz Saloon C180	1	329,702.31	329,702.31
Total						849,335.07

2901. We blamed the anomaly on Management's disregard for the prescriptions of Act 914.

2902. We recommended that the Head of Procurement together with Management should be sanctioned in accordance with Section 92 of Act 914 which prescribes that any person who contravenes any provision of this Act commits an offence and where no penalty has been provided for the offence, the person is liable on summary conviction to a fine not exceeding 2,500 penalty units or a term of imprisonment not exceeding five years or both.

2903. Management is yet to respond to the observation.

Contract above Head of Entity's Threshold without authority – GH¢849,335.07

2904. The second schedule of the Public Procurement (Amendment) Act, 2016 (Act 914) sets the threshold for the head of a procurement entity under Category 'B' in approving procurement for goods and services up to GH¢100,000.00.

2905. Contrarily, we noted that the Company entered into contract agreements with suppliers for the procurement of vehicles and other items totalling GH¢849,335.07 which is above the entity head's threshold. Details are shown in Table 440.

Table 440: Contract above Head of Entity's Threshold without Authority

Date	Pv No	Payee	Items	Quantity	Unit Price GH¢	Amount GH¢
21/6/19	B/COM001	Compu-Ghana	Electronic appliances and Computers	Several		272,567.92
19/09/2019	45/92019J	Japan Motors Trading	Nissan Micra Automatic Model (FDWULCK13 4G5 AC-C REF: KL002) (Qty	3	82,354.95	247,064.84
9/5/2019	MGT/1905001	Silver Star	Mercedes Benz Saloon C180	1	329,702.31	329,702.31
Total						849,335.07

2906. We blamed the anomaly on the Managing Director's failure to refer the transactions to the entity tender committee.

2907. Non-compliance with the provisions of the Public Procurement Law impacts negatively on transparency and proper accountability and also compromises the value for money concept.

2908. We recommended that Management should refer the contracts to the entity tender committee for ratification, failing which the sanctions in Section 92 (1) of the Public Procurement Act should be applied.

2909. Management is yet to respond to the observation.

Procurement of services of a Research Consultant without recourse to the Procurement Laws

2910. Section 40 (2) of the Public Procurement (Amendment) Act, 2019 (Act 914) states, 'A procurement entity may engage in single-source procurement with the approval of the Board after public notice and time for comment where procurement from a particular supplier or contractor is necessary in order to promote a policy specified in Sections 59(4)(c), (d) or 69(2)(c)(i) or socio-economic policy and procurement from another supplier or contractor cannot promote that policy'.

2911. We noted that Management contracted the services of a Research Consultant, Dr. Abena Animwaa Yeboah-Banin without recourse to the Public Procurement laws.

2912. Disregard for the provisions of the Act resulted in the anomaly.

2913. We were unable to ascertain the value for money obtained for the research as well as its impact on the company.

2914. We recommended to Management to seek concurrent approval from PPA for the contract entered with the consultant.

2915. Management is yet to respond to the observation.

GHANA BROADCASTING CORPORATION

Introduction

2916. This report relates to the audited financial statements of Ghana Broadcasting Corporation for the five years ending 31 December 2018.

Financial Performance

2917. The Corporation's operations for the year under review recorded a deficit of GH¢12,613,646 as against a deficit of GH¢11,830,541 in 2017 representing 6.6% increase in deficit. Details are shown in table 441.

Table 441: Income Statement of Ghana Broadcasting Corporation for year ended 2018

Income	2018 GH¢	2017 GH¢	Incr./ (Decr.) GH¢	% Change
Government Subvention	44,001,106	39,814,167	4,186,938	10.5
Internally Generated Funds	21,915,304	22,808,726	(893,422)	(3.9)
Total Income	65,916,410	62,622,893	3,293,516	5.3
Expenditure				
Personnel Cost	45,974,541	43,151,102	2,823,439	6.5
Programme Expenses	5,699,365	4,856,101	843,264	17.4
Goods & Services	18,260,588	18,547,702	(287,114)	(1.5)
Provision for Impairment-Trade Debtors	4,933,400	3,899,721	1,033,679	26.5
Consumption of PPE	3,662,162	3,998,808	(336,647)	(8.4)
Total Expenses	78,530,056	74,453,434	4,076,622	5.5
Loss for the year	(12,613,646)	(11,830,541)	(783,105)	6.6

2918. Total Income of the Corporation appreciated by 5.3% from GH¢62,622,893 in 2017 to GH¢65,916,410 in 2018. The rise in the total income was largely due to increase in government subvention by 10.5% or GH¢4,186,938.

2919. Total Expenditure increased by 5.5% from GH¢74,453,434 in 2017 to GH¢78,530,056 in 2018. The increase was primarily due to rise in personnel cost from GH¢43,151,102 in 2017 to GH¢45,974,541 in the year under review representing 6.5% or GH¢2,823,439.

Financial Position

2920. Table 442 is a summary of the Corporation's financial position as of 31 December 2018.

Table 442: Financial Position of the Corporation as of 31 December 2018

Assets/Liabilities	2018 GH¢	2017 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	52,918,721	56,230,173	(3,311,452)	(5.9)
Current Assets	18,684,256	22,554,196	(3,869,940)	(17.2)
Current Liabilities	60,331,272	54,899,017	5,432,254	9.9
Current Ratio	0.3:1	0.4:1		

2921. The Corporation's Non-Current Assets decreased by 5.9% or GH¢3,311,452 from GH¢56,230,173 in 2017 to GH¢52,918,721 in 2018. This was mainly due to depreciation charge for 2018 amounting to GH¢3,662,162.

2922. Current Assets also went down by 17.2% from GH¢22,554,196 to GH¢18,684,256 in 2017 and 2018 respectively. The decline was principally due to GH¢3,164,970 fall in Trade Debtors from GH¢17,688,487 in 2017 to GH¢14,523,517 in 2018.

2923. Current Liabilities increased by 9.9% from GH¢54,899,017 in 2017 to GH¢60,331,272 in 2018. The increase was due to GH¢5,509,446 rise in trade and other payables.

2924. Current Ratio of (0.4:1) in 2017 further deteriorated in the current year to (0.3:1). This shows the Corporation's inability to meet its short-term financial obligations as and when they fall due.

MANAGEMENT ISSUES

Judgement debt arising out of failure to pay long service awards GH¢184,136.11

2925. Article 61 of the GBC Collective Agreement (1st January 2006) states among others that Long Service Awards (LSA) shall be paid yearly to employees who have served the Corporation for the following years:

- 10 years (1) month's basic salary plus fan,
- 15 years (2.5) month's basic salary plus Sewing machine,
- 20 years (2) month's basic salary plus 20" TV,
- 25 years (3) month's basic salary plus tabletop fridge.
- 30 years (3.5) months basic salary plus double Decker fridge,
- 35 years (4) months basic salary plus sound system and
- 40 years (4) months basic salary plus deep freezer.

2926. We noted that the Corporation was saddled with the payment of overdue long service award emanating from unsustainable provisions in the GBC Collective Agreement. As a result of the above, the Corporation is faced with a judgement debt of GH¢184,136.11. Some of the court actions against GBC are shown below:

2927. The Plaintiff (Dina Aku Paintsil) who was a former Deputy-Director of the Corporation sued for her unpaid Long Service Award (LSA) at the court (General Jurisdiction Division (5) and was granted a summary judgement of an GH¢68,220.78.

2928. GBC could not abide by the parties' terms of settlement, having made a payment of GH¢10,000.00 leaving an amount GH¢58,220.78. Based on the non-payment of the balance, the court further awarded an interest of GH¢6,790.90 on the balance for lapse of time. This brought the total judgement debt to GH¢75,011.68. On 9th March 2019 the court issued a Garnishee Order (Order 47 of C.I 47) on the Corporation's accounts with Bank of Ghana.

2929. In another instance, Francis Nyame & David Kurentsir, both retired workers of the Corporation also sued GBC for their Long Service Award (LSA) and the court granted a summary judgement of GH¢90,372.96.00 with a cost of GH¢10,000.00 and interest of GH¢8,751.47. On 1st March 2019 Francis Nyame & David Kurentsir also obtained Garnishee order on GBC accounts with Bank of Ghana.

2930. The financial statements of the Corporation also indicated that the Corporation has an overdue Long Service Award owed to staff.

2931. Given the current unhealthy financial position and operational performance of GBC, the long Service Award which must be paid from internally generated fund of GBC is not sustainable.

2932. As a result, the challenging liquidity position of GBC, there is the likelihood of more suits against GBC for nonpayment of long service award and that may lead to more judgment debts on the Corporation.

2933. We recommended that Management should find a more sustainable source to finance the Long Services Award, instead of financing the scheme from the GBC's IGF or have the Collective Agreement reviewed to reflect the current position or strength of the Corporation.

2934. Management responded that in a recent case of Johnson Adu and two others vrs. GBC, the Court held that despite the validity of the contract between Management and the Union to pay Long Service Award (LSA), an Accra High Court held that IGF cannot be used to pay LSA. In consequence of this, Management is seeking direction from the Board on the way forward.

Long Outstanding Trade Receivables - GH¢3,239,278.00 at the Regional Offices

2935. Section 91(1&2) of Public Financial Management Act, 2016 Act 921 requires that the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation. (2)

Where a public corporation willfully or negligently fails to ensure that moneys due to that public corporation are collected or received, the Minister shall, upon the recommendation of the Auditor-General, withdraw or suspend the emoluments of the members of the governing body of the public corporation, either jointly or severally".

2936. Section 53 (1 b) of the Public Financial Management Act, 2016 (Act 921) mandates that, write off public funds should be routed through the finance minister to seek approval from Parliament. Sub-section (3) states that the approval under subsection (1) shall specify the amount authorised for each abandonment or write off the total sum authorised.

2937. Our review of receivables records from nine (8) Regional Offices and two (2) District offices disclosed the existence of over aged receivables amounting to GH¢3,239,278.00. These balances have been outstanding in the books between 3 and 10 years and remained unrecovered at the end of 2019.

2938. The indifferent posture of Management towards the recovery of the overdue receivables accounted for the irregularity.

2939. This has adversely affected the cash flow position of the Corporation and may lead to eventual loss of revenue and thus hindering its operations. Also, continuously posting this over aged receivables in the financial statements of the Corporation has the tendency of misstating same.

2940. We recommended that, Management should carry out a reconciliation of the ledger balances and introduce a pragmatic debt recovery strategy, including the use of legal means to avoid or mitigate the occurrence of bad debts. Management should also, in line with Section 53 (1 b) of the Public Financial Management Act, 2016 (Act 921) begin the process of writing off debts that have become uncollectible.

2941. In a response to the above infractions, Management indicated that prior to the audit exercise have set-up a team to reconcile and establish the authenticity of the receivable balances as reported in the Financial Statements at the Head Office.

2942. Management had also decided to extend the reconciliation to the regions. Management is also embarking on aggressive debtors' circularization to help classify the debt profile, collectible and uncollectible. The entire exercise is planned to be completed in three months (3) starting from June 2021.

**Avoidable Judgement Debt against GBC In Favour of Media General Ghana
US\$600,000 and GH¢20,000.00**

2943. Section 6 of the Public Financial Management Act, 2016 (Act 921) stipulates that, a Principal Spending Officer, the Chief Director shall coordinate the promotion and enforcement of a transparent, efficient, and effective management of public revenue, public expenditure, and the assets and liabilities of a covered entity.

2944. We noted that GBC entered into agreement with Media General (TV3) on 22nd August 2012 whereby GBC bought the right to broadcast the UEFA Champions and Europa League for 2012/13 to 2014/15 seasons. This agreement was signed by Company Secretary of Media General, Agbesi K. Dzakpasu and Director- General of GBC, Berfi Apenteng and witnessed by Enock Aboagye (GBC Solicitor Secretary). GBC and TV3 mutually agreed to market and solicit for sponsors to defray the cost of the right.

2945. We noted that no sponsor came on board and as a result, the Corporation breached the terms of the contract since it was making losses on the telecasting and had to fall on other sources to pay an amount of US\$498,016.05. Subsequently, GBC terminated the license agreement on 28th February 2013. Media General then sued GBC at the High Court, Commercial Division and obtained judgement against GBC in the sum of \$600,000.00 with a further cost of GH¢20,000.00. An agreement was reached for GBC to pay this debt in installment.

2946. This anomaly was as a result improper due diligence done by GBC before entering into the agreement coupled with unachievable marketing plan before signing the agreement.

2947. This judgement debt would have a negative impact on the Corporation's cash flows and smooth running of its operations.

2948. We recommended that Management should investigate into the circumstances prior to the signing of the agreement and why GBC could not market the right. Also, Management should comply with laws, rules, and regulations in their operations and involve the Attorney-General in the execution of future contracts to mitigate the risk of judgement debts.

2949. Management noted the observation as well as the recommendations and as a result has decided to set-up a committee to investigate, identify all the shortcomings and execution of the contract and make the necessary recommendations for redress.

2950. The recommendations of the Committee shall further serve as a guideline to develop a standard operating procedure for the acquisition and management of rights to ensure effective management of such projects in future.

Absence of substantive officers for key positions in GBC

2951. Article 17 (a)(v) of the Collective Agreement between GBC and Public Service Workers Union of TUC (GH) 2006, states that, on recommendation of the Director of the Division concerned, the Director-General shall appoint an employee not below Salary Code “D” to perform the duties of a higher post. The period of appointment should not exceed twelve (12) months; within which steps should be taken to fill the post provided it is vacant.

2952. We noted at the time of the audit in April 2021, that six (6) key Director Positions were vacant for a period ranging between 6 months and 6 years. These positions were occupied by non-substantive officers. Details are in the table 443.

Table 443: Absence of substantive officers for key positions in GBC

No	Mame	Staff No	Division	Period Of Acting	Excess Months Over 12mths
1	Mr. Yaw Opoku Agyemang	7906	Radio	1/2/16 to Date	63mths or 5 yrs.
2	Mr. Ebenezer Botwi	9253	Finance	1/6/16 to Date	59mths or 5yrs
3	Mr. Eric N. Odonkor	7427	Engineering	3/12/20 to Date	5mth
4	Mr. Ebenezer Ampaabeng	7155	Televisión	6/1/20 to Date	16mths or 1.3yr
5	Mr. Alexander A. Fletchyann	6869	Tech. Production	1/4/20 to Date	13mths or 1 yr.
6	Mrs. Joanna G. Erskine-Atadja	9254	Internal Audit	17/11/20 to Date	5mths

Source: Personal files of Staff

2953. The anomaly in our view was as a result of Management’s disregard for policies and required procedures.

2954. The absence of key officers in charge of such important roles undermines the Management’s ability to achieve its corporate objectives. Maintaining officers unduly in an acting position breeds insecurity, discontent and erodes confidence which eventually affects their output. Again, Management incurs extra expenditure on officers acting in such positions as well as other perks which come as additional cost to the Corporation.

2955. We recommended to Management and the Governing Board of the GBC to take steps to ensure that either the acting officers are confirmed, or substantive officers are appointed in accordance with Section 6 of the GBC Act, 1968 and Article 17 (a)(v) of the GBC Collective Agreement to ensure smooth running of the Corporation.

2956. According to Management, the issue of the absence of substantive officers for key positions as observed in GBC is currently being considered by the Board and has directed the Governance Sub-Committee to evaluate and interview the Acting Directors for confirmation or replacement. Extracts of the Board minutes is available for verification.

Avoidable Pending Judgement Debt - Termination of Appointment of William Ampem-Darko – GH¢2,492,566.43

2957. During our review of records at Ghana Broadcasting Corporation (GBC) for 2015 – 2018 audit, we noted that National Media Commission (NMC) being the appointing authority of the Director-General of GBC appointed William Ampem-Darko as the Director-General of GBC for a Six (6) year contract effective 2nd July 2007 to July 2013.

2958. We further sighted a letter dated 15th March 2011 and signed by H.E. Kabral Blay-Amihere, the then Chairman of NMC, terminating the appointment of Mr. William Ampem-Darko, the then Director-General with immediate effect. Thus, twenty-seven months before the expiration of his contract.

2959. Records indicated that, Mr. William Ampem-Darko in 2011 sued NMC and attached GBC and obtained court judgement of GH¢2,492,566.43 in his favor as detailed below, of which the financial burden is on Ghana Broadcasting to pay. Details are provided in table 444.

Table 444: Avoidable Pending Judgement Debt

Total entitlement for the unexpired 27 months	700,000.00
The 3 months terminal benefit in lieu of notice	56,880.01
Total	756,880.00
Interest @ 24% from 03/2011 to 09/2020 (9.5yrs)	1,725,686.42
Other cost	10,000.43
Total	2,492,566.43

2960. The first and second respondents i.e National Media Commission and Ghana Broadcasting Corporation appealed against the decision of the court in 2020.

2961. The audit team on the 29th of June 2021 wrote to the National Media Commission requesting the Commission to provide the Auditor General, with the basis for the termination of Mr. William Ampem-Darko's appointment.

2962. At the said meeting, the Executive Secretary of MNC indicated to the audit team that the Commission has appealed against the decision of the court and hence the Commission would continue to explore all legitimate means before the case would be finally determined by the courts. The Executive Secretary also opined that the Commission did what was constitutionary right within their remit in terminating the appointment of Mr. William Ampem Darko, the then Director-General of the Corporation.

2963. GBC is likely to suffer the burden, should the court rule in favor of the Plaintiff, this would further worsen the delicate financial situation of the Corporation and may result in loss of resources to the state.

2964. We urged the NMC and GBC to see to the speedy trial of the case to bring finality to the protracted case.

Unearned Salary - GH¢88,094.08

70. Regulation 92 of the Public Financial Management Regulations 2019 (L.I 2378) requires that the head of a covered entity shall take the necessary action to retrieve any unearned compensation occasioned by death, dismissal, leave without pay, vacation of post, resignation, or retirement of an employee.

2965. We noted during our review of the monthly electronic salary payment vouchers (e-SPVs) and staff personal files that, between 2015 and 2018 Management validated and approved the payment of a total salary of GH¢88,094.08 to fifteen (15) members of staff who either vacated posts, retired or whose appointments were terminated. Details are shown in Table 445.

Table 445 Unearned Salary

Name of staff	Staff Number	Grade	Months/Year	Total Unearned Salary GH¢	Period	Type of Separation
Graham Biney	9196	Operation Officer	Sept.2015-Mar. 2016	12,164.71	7 months	Termination
			Transfer Grant	1,378.28		
Daniel Lartey	8467	Operation Officer	Dec.2016 -Feb. 2017	5,284.47	3 months	Termination
Prince Gafa	8291	Operation Officer	Sept. 2015- Dec. 2015	5,858.55	4 months	Termination
Edward Gafa	8290	Technical Assistant	Sept.2015- Nov. 2015	4,415.54	3 months	Termination
Nanice S. Yerenkyi	8619	Operation Officer	June 2017-July 2017	4,220.65	2 months	Termination
Yemoh Odoi B.	8722	Editing	May 16 & July 17	3,543.91	2 months	Termination

Mercy N.S Nenonnene	7697	Manager, Marketing	Sept. 2016	4,241.65	7month	Resignation
Other Allowance				3,323.07		
Stepanie Adzimah	8665	Operation Officer	July 2015- August 2015	3,169.46	2 months	Resignation
Eugene Okyere- Akuoko	8530	HR Officer	Dec. 2015	1,448.55	1 month	Resignation
Prosper Kpeli	8519	Snr. Operations officer	Mar.18 -August 18	5,288.80	6months	Resignation
Alex Agyeman- Duah	7956	Manager, Finance	Mar. 2017	2,772.98	1month	Resignation
Doreen Appau- Duah	9089	Snr. HR Officer	Jan 2016 - April 2016	7498.16	4 months	Resignation
Albert Kwabena Twum	8369	Snr. Operations Officer	Nov. 2018 - July 2019	14,492.87	9 months	Resignation
Benjamin Tamale	8198	Operation Officer 1	May - June 2020	6118.12	2 months	Resignation
Robert Arthur	6800	Snr. Admin. Assis.	Nov. 2015 - Jan 2016	2,874.31	3 months	Retirement
TOTAL				88,094.08		

Source: Personal files and electronic salary vouchers (C&AG system)

2966. Management's inability to promptly write to inform the banks of the separated staff to ensure immediate stoppage of their salaries accounted for the irregularity.

2967. The state had been denied access to a total of GH¢88,094.08 to cater for other budgetary needs.

2968. We recommended that the total amount of GH¢88,094.08 should be recovered from the beneficiaries, failure of which the amount should be refunded by the authorizing officers and the validators.

2969. Management responded that it has already communicated their obligation to refund the unearned salaries paid to them, failure of which legal actions will be instituted to recover the debts.

Failure to Refund Unearned Salary - Peggy Amofa Sowah - GH¢55,734.89

2970. Regulation 92 of the Public Financial Management Regulations 2019 (L.I 2378) requires that the head of a covered entity shall take the necessary action to retrieve any unearned compensation occasioned by death, dismissal, leave without pay, vacation of post, resignation, or retirement of an employee.

2971. We noted during our review that Peggy Amofa Sowah applied for 4years study leave with pay effective 5th September 2016 to 29th May 2020. She however resigned on 8th August 2018 without completing the course. Though, Management on 5th

November 2019 requested her to refund the bond value of GH¢55,734.89 there was no evidence to the effect that Peggy Amofa Sowah obliged as at the time of the audit.

2972. The anomaly was as a result of Management's ability to fully enforce the tenets of bond agreement.

2973. The state is therefore denied the use of a total amount of Gh¢55,734.89.

2974. We recommended that Management should go ahead and enforce the conditions contained in the Bond Agreement between the Corporation and Peggy Amofa Sowah in the instance of breach on the part of one party.

2975. In response Management stated that Mrs. Peggy Amofa Sowah has indicated her position to make good her pledge to execute her bond. She had therefore requested for an installment plan to enable her act accordingly. Furthermore, she has also given her consent for her Provident Fund to be used to defray part of her debt. HR is waiting for the official communication to start the process. Failure of which will refer to Legal Division for legal action to be taken.

Late Payment of 1st and 2nd Tier Contributions – GH¢171,912.09

2976. Section 3 (1-3) of the National Pensions Act, 2008 (Act 766) stipulates that an employer of an establishment shall deduct from the salary of every worker in the establishment immediately at the end of the month, a worker's contribution of an amount equal to five and half per centum of the worker's salary for the period, irrespective of whether or not the salary is actually paid to the worker.

2977. An employer of an establishment shall pay for each month in respect of each worker, an employer's contribution of an amount equal to thirteen per centum of the worker's salary during the month. Out of the total contribution of 18.5% (eighteen and a half per centum) an employer shall within fourteen days from the end of each month transfer the following remittances to the mandatory schemes on behalf of each worker:

- (a) thirteen and half per centum to the first-tier mandatory basic National Social Security scheme; and
- (b) five per centum to the second-tier mandatory occupational pension scheme.

2978. We noted that the Corporation could not remit a total of GH¢125,449.36 on time in respect of 1st tier deductions to Social Security and National Insurance Trust. However out of GH¢46,462.73 deductions, for 2nd tier nothing was remitted to

approved Licensed Trustee on behalf of staffs as of 14th April 2021. Details are shown in table 2a and 2b attached.

2979. The irregularity denied the contributors access to interest that would have accrued on these contributions. The Corporation could also suffer penalty from SSNIT.

2980. We recommended that Management should reconcile the payroll with the 1st and 2nd tier payments to avoid any oversight of unpaid deductions.

2981. We further recommended that 1st and 2nd tiers should be paid on time as stipulated in the above provisions so that interest could accrue unto the contributions of staff or beneficiaries.

2982. We again recommended that Management should negotiate on behalf of staff (IGF/Contract) on the selection of approved Licensed Trustee so that all deductions made could be remitted together with interest to the Trustee to manage on behalf of the staffs. The accrued interest thereon should be borne by the Corporation for not remitting the deductions on time using prevailing Bank of Ghana prevailing discount rate.

2983. According to Management the delay was because of weak controls to prepare schedules for timely payment. Reconciliation of tier 1 & 2 contributions are currently being carried out to ensure the settlement of all outstanding statutory payment as early as possible.

2984. Management has also set up a system to ensure prompt and regular payment going forward. Details are shown in table 445a & b.

Table 446a: Late payment of SSNIT deductions

DATE	PV NO.	CHQ NO.	DETAILS	AMOUNT GH¢	DUE DATE FOR PMT	DATE OF PAYMENT	NO OF DAYS IN DEFAULT
21-Oct-16	PV004950	ECNo. 000296	SSNIT 1st Tier Contribution for January 2016	1,565.51	14-Feb-16	23-Nov-16	283
21-Oct-16	PV004951	ECNo. 000296	SSNIT 1st Tier Contribution for February 2016	1,565.51	14-Mar-16	23-Nov-16	254
21-Oct-16	PV004958	ECNo. 000296	SSNIT 1st Tier Contribution for March 2016	1,565.51	14-Apr-16	23-Nov-16	223
21-Oct-16	PV004959	ECNo. 000296	SSNIT 1st Tier Contribution for April 2016	6,978.26	14-May-16	23-Nov-16	193
21-Oct-16	PV004960	ECNo. 000296	SSNIT 1st Tier Contribution for May 2016	7,073.30	14-Jun-16	23-Nov-16	162

21-Oct-16	PV004961	ECNo. 000296	SSNIT 1st Tier Contribution for June 2016	7,073.30	14-Jul-16	23-Nov-16	132
21-Oct-16	PV004962	ECNo. 000296	SSNIT 1st Tier Contribution for July 2016	7,073.30	14-Aug-16	23-Nov-16	101
4-Aug-16	PV003221	ECNo. 000296	SSNIT 1st Tier Contribution for August 2016	7,079.24	14-Sep-16	23-Nov-16	70
1-Jun-17	PV007650	SPNo. 048292	SSNIT 1st Tier Contribution for January 2017	6,882.68	14-Feb-17	5-Jun-17	111
1-Jun-17	PV006563	SPNo. 048292	SSNIT 1st Tier Contribution for February 2017	6,882.68	14-Mar-17	5-Jun-17	83
1-Jun-17	PV007651	SPNo. 048292	SSNIT 1st Tier Contribution for March 2017	7,793.49	14-Apr-17	5-Jun-17	52
1-Jun-17	PV007652	SPNo. 048292	SSNIT 1st Tier Contribution for April 2017	7,793.49	14-May-17	5-Jun-17	22
1-Jun-17	PV007643	SPNo. 048293	SSNIT 1st Tier Contribution for June 2015	1,586.40	14-Jul-15	5-Jun-17	692
1-Jun-17	PV007644	SPNo. 048293	SSNIT 1st Tier Contribution for July 2015	1,583.43	14-Aug-15	5-Jun-17	661
1-Jun-17	PV007645	SPNo. 048293	SSNIT 1st Tier Contribution for August 2015	1,583.43	14-Sep-15	5-Jun-17	630
1-Jun-17	PV005712	SPNo. 048293	SSNIT 1st Tier Contribution for September 2015	1,565.51	14-Oct-15	5-Jun-17	600
1-Jun-17	PV005714	SPNo. 048293	SSNIT 1st Tier Contribution for October 2015	1,565.51	14-Nov-15	5-Jun-17	569
1-Jun-17	PV002197	SPNo. 048293	SSNIT 1st Tier Contribution for November 2015	1,586.90	14-Dec-15	5-Jun-17	539
1-Jun-17	PV002198	SPNo. 048293	SSNIT 1st Tier Contribution for December 2015	1,583.43	14-Jan-16	5-Jun-17	508
11-Sep-17	PV008922	SPNo. 048419	SSNIT 1st Tier Contribution for May 2017	5,633.56	14-Jun-17	16-Jan-18	216
11-Sep-17	PV008918	SPNo. 048419	SSNIT 1st Tier Contribution for June 2017	5,633.56	14-Jul-17	16-Jan-18	186
11-Sep-17	PV008920	SPNo. 048419	SSNIT 1st Tier Contribution for July 2017	5,633.56	14-Aug-17	16-Jan-18	155
11-Sep-17	PV008921	SPNo. 048419	SSNIT 1st Tier Contribution for August 2017	5,633.56	14-Sep-17	16-Jan-18	124
3-Oct-17	PV009206	SPNo. 048419	SSNIT 1st Tier Contribution for September 2017	5,633.56	14-Oct-17	16-Jan-18	94
22-Nov-17	PV009750	SPNo. 048628	SSNIT 1st Tier Contribution for October 2017	5,633.56	14-Nov-17	26-Apr-18	163
12-Jan-18	PV010079	SPNo. 048628	SSNIT 1st Tier Contribution for December 2017	5,633.56	14-Dec-17	26-Apr-18	133

13-Mar-18	PV010576	SPNo. 048628	SSNIT 1st Tier Contribution for January 2018	5,633.56	14-Jan-18	26-Apr-18	102
Total				125,449.36			

Source: Sampled payment vouchers of GBC Cashbook & PVs 2015-2018

Table 446b: Non-payment of 2nd tier

DETAILS	AMOUNT GH¢	MONTH DEDUCTED	DATE DUE	NO PAYMENT AS 10/03/2021	NO OF DAYS IN DEFAULT
Second Tier Contribution for January 2016	579.82	January	14-Feb-16	10-Mar-21	1,851
Second Tier Contribution for February 2016	579.82	February	14-Mar-16	10-Mar-21	1,822
Second Tier Contribution for March 2016	579.82	March	14-Apr-16	10-Mar-21	1,791
Second Tier Contribution for April 2016	2,584.54	April	14-May-16	10-Mar-21	1,761
Second Tier Contribution for May 2016	2,619.74	May	14-Jun-16	10-Mar-21	1,730
Second Tier Contribution for June 2016	2,619.74	June	14-Jul-16	10-Mar-21	1,700
Second Tier Contribution for July 2016	2,619.74	July	14-Aug-16	10-Mar-21	1,669
Second Tier Contribution for August 2016	2,621.94	August	14-Sep-16	10-Mar-21	1,638
Second Tier Contribution for January 2017	2,549.14	January	14-Feb-17	10-Mar-21	1,485
Second Tier Contribution for February 2017	2,549.14	February	14-Mar-17	10-Mar-21	1,457
Second Tier Contribution for March 2017	2,886.48	March	14-Apr-17	10-Mar-21	1,426
Second Tier Contribution for April 2017	2,886.48	April	14-May-17	10-Mar-21	1,396
Second Tier Contribution for June 2015	587.56	June	14-Jul-15	10-Mar-21	2,066
Second Tier Contribution for July 2015	586.46	July	14-Aug-15	10-Mar-21	2,035
Second Tier Contribution for August 2015	586.46	August	14-Sep-15	10-Mar-21	2,004
Second Tier Contribution for September 2015	579.82	September	14-Oct-15	10-Mar-21	1,974
Second Tier Contribution for October 2015	579.82	October	14-Nov-15	10-Mar-21	1,943
Second Tier Contribution for November 2015	587.74	November	14-Dec-15	10-Mar-21	1,913
Second Tier Contribution for December 2015	586.46	December	14-Jan-16	10-Mar-21	1,882
Second Tier Contribution for May 2017	2,086.50	May	14-Jun-17	10-Mar-21	1,365
Second Tier Contribution for June 2017	2,086.50	June	14-Jul-17	10-Mar-21	1,335
Second Tier Contribution for July 2017	2,086.50	July	14-Aug-17	10-Mar-21	1,304
Second Tier Contribution for August 2017	2,086.50	August	14-Sep-17	10-Mar-21	1,273

Second Tier Contribution for September 2017	2,086.50	September	14-Oct-17	10-Mar-21	1,243
Second Tier Contribution for October 2017	2,086.50	October	14-Nov-17	10-Mar-21	1,212
Second Tier Contribution for December 2017	2,086.50	November	14-Dec-17	10-Mar-21	1,182
Second Tier Contribution for January 2018	2,086.50	December	14-Jan-18	10-Mar-21	1,151
Total	46,462.73				

Source: Sampled payment vouchers of GBC Cashbook & PVs 2015-2018

Summary

No	Detail	Amount GH¢
1	Non-payment of 2 nd tier	125,449.36
2	Non-payment of 2 nd tier	46,462.73
	Total	171,912.09

Failure to Respond to Regional internal Audit Findings

2985. Section 7(1a) of the Public Financial Management Act, 2016 (Act 921) states “a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity”.

2986. Internal audit reports are only of value when managers address the challenges and deficiencies identified by the auditors or make timely implementation of recommendations. Line Management is required to review all audit findings and provide action plans and dates for implementation before or soon after the audit report is issued.

2987. Review of the operations of the Internal Audit Units at the Regions we visited disclosed that, Regional Internal Auditors conduct audit on financial management and operations of the Regions. However, the practice is that observations issued to management were not responded to and neither were recommendations made implemented, although some of the findings by the regional auditors required immediate attention and investigation.

2988. We attributed the anomaly to Management’s indifferent posture towards the implementation of the recommendations contained in the Regional Internal Auditors reports.

2989. This anomaly could lead to loss of assets to the Corporation since recommendations that require immediate actions from Management to seemingly safeguard the resources of the Corporation are left unattended to. Again, the objectives for establishing the Regional Internal Audit units may not be achieved.

2990. We advised Management to liaise with the Deputy Director of Internal Audit to ensure that all the outstanding Regional Internal Audit recommendations as well as future ones are implemented to safeguard the assets of the Corporation.

2991. Management responded that it has taken note of the observation and has introduced Audit Clinics to consider all Audit Reports and ensure that the recommendations are promptly responded to and implemented.

2992. Management also intends to organise Regional Training and Workshops to build the capacity of Regional Audit staff, Regional Directors, and other key regional staff with specific focus on best and standard Audit practices to reduce the audit issues in the future.

Challenges with the objects of the Corporation at the Regional Level

2993. Section 2 of the Ghana Broadcasting Corporation Act, (Act 168) (N.L.C.D 220) outlines the objects of the Corporation as follows:

- (a) to undertake sound, commercial and television broadcasts;
- (b) to prepare programmes reflecting national progress and aspiration in the field of culture, education, information, and entertainment;
- (c) to broadcast the programmes prepared under paragraph (b) in the main Ghanaian Languages and in English and any other foreign languages that the Corporation may determine
- (d) to carry on an external service of sound broadcasting
- (e) to enter into an agreement for the utilization of programmes prepared in the other countries; and
- (f) to carry on any other activities that are incidental or conducive to the attainment of all or any of the objects of the Corporation.

2994. Section 2 of Act 168 further provides that without prejudice to subsection (1), the Corporation may:

- (a) erect, maintain and operate transmitting and receiving stations
- (b) install and operate wired broadcasting services
- (c) enter into arrangement for the purpose of obtaining rights, privileges, and concessions
- (d) produce, manufacture, purchase or otherwise acquire films, television, gramophone, and any other mechanical or electronic records, and materials and apparatus associated with the materials, and may use them in connection with the broadcasting services
- (e) provide to and to receive from other corporations and persons, material to be broadcast

- (f) organise, provide and subsidise public entertainment for the purpose of broadcasting
- (g) collect news and information in a matter that the Corporation considers fit in any part of the world and subscribe to news agencies and services
- (h) acquire copyrights
- (i) publish printed matter that may be conducive to the performance of a function of the Corporation
- (j) do any other thing conducive to the attaining the objects of the Corporation, including the provision of facilities for training and education for the purpose of advancing the skills of persons employed by the Corporation, and the carrying out of research to improve the efficiency of the equipment of the Corporation and the manner in which that equipment is operated.

2995. We noted during our review of regional offices of the Corporation that the entity stands the risk of losing its relevance in the media space in the near future if pragmatic steps are not taken to address the underlisted challenges gathered from our visit. Details are shown in table 447.

Table 447: Challenges faced by the regional stations

Station	Challenges
Volta Star Radio, Ho	<p>1. Inadequate Staff:</p> <p>(i) There is no permanent staff for Radio News Reporting for the past four (4) years. The radio newsroom is being manned by volunteers and National Service Personnel.</p> <p>(ii) There are only four (4) permanent programme staffs – two (2) for Ewe and two (2) for English. The rest are volunteers, National Service Personnel and Non-Formal Education Officers.</p> <p>(iii) There is no Revenue Officer. This leaves the accountant as the sole finance officer responsible for receipting of revenue, making book entries, bank transactions, purchasing etc. thus no segregation of duty.</p> <p>2. Very old transmitters and other studio equipment leading to frequent break down of the Station.</p> <p>3. Very old and highly inefficient generator sets at Ho and Amadzofe stations.</p> <p>4. High electricity bills from transmitter stations of Ho and Amadzofe</p> <p>5. Lack of in-service training for staffs to keep them abreast with modern trends in the broadcast industry.</p>
Kwakye Fm-Kete-Krachi	<p>1. The console is totally outmoded.</p> <p>2. The generator at the station is faulty and not working since 2017.</p> <p>3. Low electric current during evenings and there is no generator to use during this period when they have to run adverts.</p> <p>4. There is no programme staff at the station. Two (2) artists have been converted to assist at the programmes department.</p> <p>5. No official vehicle for station, they have only one motorbike which is quite old.</p> <p>6. Inadequate office accommodation as there is no place to store key documents.</p> <p>7. Due to financial difficulties the Ho regional internal auditor has not able to visit the station for audit since 2019.</p>

<p>Sunrise Fm – Koforidua</p>	<ol style="list-style-type: none"> 1. High electricity debt which is an albatross on the neck of the station. 2. Imprest must be increased. 3. Studio equipment is very old. 4. Studio console must be changed. 5. One camera is not sufficient for the region. 6. Delay in broadcasting news from the Headquarters to the region. 7. The uncompleted renovation of the office reception causes inconvenience to staff and client. 8. The newsroom needs recorders and modern furniture. 9. Lack of proper accommodation for technical staff at Odweanoma and Obuotabiri transmitter stations created inconveniences for staff on duty. 10. The two (2) operational vehicles are old; we need additional one. 11. The contract staff must be given permanent status. 12. The station has no photocopier machine. 13. Need computers and printers in the offices especially newsroom for editing. 14. Need of modern office furniture-existing ones are very old and tattered. 15. Some retired staff are still occupying the Corporation's bungalow depriving serving staff a place. They are not paying rent so calculation must be made based on rent control current monthly rate to defray their entitlements.
<p>Twin City Radio- Western Region</p>	<ol style="list-style-type: none"> 1. Foremost amongst these challenges is the transmission of B.B.C.104.7 FM. B.B.C. Radio is a 24-hour long transmission, and this requires constant supply of unimpeded electricity. However, the bureaucratic nature within which the financial administration of the B.B.C. transmission is currently being run is a great disincentive to the smooth running of the system. Most often than not several calls put through to inform Accra that B.B.C. transmission is going off is either unheeded or at best ignored. Sometimes, the Regional Director had to solicit for funds from the Corporations Welfare Associations or other Corporate social groupings. At worst individuals' funds have been relied upon to solve this problem. When all these options had been exhausted the Regional Director had no option but breach the rather " obnoxious" directives of not using revenue to solve critical issues as executing commercials and Programmes which have been contracted and under strict sponsorship rules. 2. Another, point of great concern is the directives of transferring funds to Accra immediately they are received. However, when these funds are received there are no clear policies lines in sending the monies back to the regions for its operational activities. Even, as these monies are sent, they are a little short of what has been sent. 3. Another key problem to be addressed is the origination of Programmes from Accra. e.g., are Programmes like Ghana Learning. This takes off most of our primetime. Sadly, monies accrued from such Programmes stays in Accra and not to the Region. 4. Inadequacy of office spaces especially for the Programme staff. 5. The few offices available are poorly furnished with inadequate furniture especially chairs, tables, and cabinets. 6. The only old rickety pickup is 10 years old and is a drain on the meagre resources of the station due to its constant breakdowns.

	<p>7. Out of the 10 bungalows the station owns, seven (7) is occupied by retirees who are still holding on to the property since they still have not been paid their severance awards.</p> <p>8. Finally, the current transmitter and the studio equipment are a shadow of its former self having outlived their usefulness.</p>
Radio Central- Central Region	Need New Transmitters, Mixture for production studio, outside broadcast equipment, Air-conditions, new computers, microphones and headphones
Obonu Fm-Tema, Greater Accra	<p>1. Need for 5k transmitter because the 2k transmitter is not capable for Obonu be heard in certain parts of our catchment area. Some areas like Ada, Weija, Sege, and Somanya are not receiving our signals. So, we are not able to reach them with our good programs which shape society for the better.</p> <p>2. Need for computers for our work.</p> <p>3. Need for chairs for both the studio and for staff to use in their offices.</p> <p>4. Need for three (3) security personnel for the Station. This has not been possible because of our inability to employ.</p> <p>5. Need for a new generator with a bigger capacity.</p>
Radio Sunyani B.A.R.-	<p>1. The station is in dire need of computer-currently only one computer is working.</p> <p>2. The Station is challenged with transport as it has to compete with the numerous departments specially the news team to have access to the one vehicle available at the Station.</p> <p>3. Obsolete studio equipment (console) at the Station is affecting their effort of doing outside broadcast to enhance listenership.</p> <p>4. Lack of personnel in the Kintampo station and in various departments</p> <p>5. The Station is confronted with the payment of huge electricity bill. We need small and modern transmitters to be installed to cut down electricity consumption.</p>
Enchi	<p>1. No records of receipts and payments from January 2015 to July 2016.</p> <p>2. Entries have been made in the cashbook from August 2016 to December 2018, but no receipt books were provided for audit verification from August 2016 to 8th June 2018.</p>
Garden City Fm- Kumasi	<p>1. Electricity bill arrears in Kumasi, Jamasi and Osei Kojokrom is a major challenge in the Ashanti region. Kumasi is over GH¢2.8m. Jamasi and Oseikojokrom are GH¢250,000 and GH¢150,000 respectively.</p> <p>2. Land encroachment across the region is a threat to our future development plans.</p> <p>3. Transport is a major challenge to the station, especially with the introduction of the GCTV, the News and Marketing teams will critically need transport to prospect and produce news. There is no operational vehicle as at today.</p>

	<p>4. The over age radio transmitter (19 years +) is affecting our radio operations greatly.</p> <p>5. The GCTV platform is on T1 and only covers only some parts of the Ashanti and Greater Accra regions and this affects market and competition. Needs to move to T2.</p> <p>6. Equipment and Logistics – lack of Console, storage facilities, computers (desk and laptops), ACs, Printers, Cameras, Tripod, lapels, microphones, talk-back devices, CPU, V-mix among others are critical logistical issues that need urgent attention.</p> <p>7. Dilapidated office and staff accommodation.</p> <p>8. Lack of capacity training and orientation of staff.</p> <p>9. Untraceable and high debt profile</p>
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2996. The affected stations inability to generate the needed revenue to cater for their expenses coupled with irregular imprest releases from Head office to the Stations contributed to those challenges.

2997. The challenges may put the object of the Corporation in jeopardy if measures are not taken to save the situation and salvage the ailing national broadcaster.

2998. We recommended that Management should take pragmatic steps to resolve the current challenges at GBC to allay public fears about the eventual collapse of the national broadcaster.

2999. We further recommended that the Board of the Corporation together with the National Media Commission comes out with a comprehensive and holistic plan for transforming GBC into a truly viable and sustainable public service broadcaster.

3000. Management responded that the audit observations are well noted. The Board and Management have already started engagements with key stakeholders (NMC, MOI, and Parliament) for the restructuring process of the Corporation.

3001. The Broadcasting Bill which is yet to be placed before parliament is also expected to define the funding sources and the structure of GBC.

Encroachment of GBC's Lands

3002. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires, a Principal Spending Officer of a covered entity to be responsible for the assets of the company under the care of the Principal Spending Officer and ensure that proper control systems exist for the custody and management of the assets. Such a control system should be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage, and misuse of the assets.

3003. Our review of the inventory of GBC Lands disclosed that seventy-four (74) out of the ninety (90) parcels of land owned by the corporation were not fenced and were being encroached on by squatters. Details are as shown in table 448.

Table 448: Encroachment of GBC's Lands

No.	Region	Location of land	Size of land	Use	Remarks
1	Greater-Accra	Adjangote	640 Acres	TV Transmitters Studio and staff Quarters	Not Fenced (Encroached)
2	Greater-Accra	Weija	64 Acres	Monitoring Station/ staff quarters	Not Fenced (Heavily encroached)
3	Greater-Accra	Pokuase	2.52 Acres	Revenue Office	Not Fenced (encroached)
4	Central	Kisi	24.014	Staff Accommodation Generator Room	Not Fenced (Encroached)
5	Central	Agona Swedru	0.22	Revenue Office	Not Fenced (Encroached)
6	Central	Cape Coast	25.41	Regional Office	Not Fenced (Encroached)
7	Central	Apam	18.39 Acres	Released to the District Assembly for community F. M	Not Fenced (Encroached)
8	Central	Dunkwa-On-Offin	1.266 Acres	Revenue Office	Not Fenced (Encroached)
9	Central	Apam	12. 05 Acres	Revenue Office	Not Fenced (Encroached)
10	Central	Assin Fosu	21.30 Acres	Revenue Office	Not Fenced (Encroached)
11	Central	Agona Swedru	4.74	Revenue Office	Not Fenced (Encroached)
12	Western	Enchi	4.13 Acres	Relay Station	Not Fenced (Encroached)
13	Western	Sekondi-Takoradi	9.65 Acres	Regional Office	Not Fenced (Encroached)
14	Western	Takoradi	0.9 Acres	Revenue Office	Not Fenced (Encroached)
15	Western	Sekondi-Takoradi	1.03 Acres	Revenue Office	Not Fenced (Not encroached)
16	Western	Tarkwa	8.11 Acres	Transmitter Hall Staff Quarters	Not Fenced (Encroached)
19	Western	Tarkwa (2)	1.09 Acres	Revenue Office	Not Fenced (Not encroached)
20	Western	Tarkwa (3)	6.59 Acres	Relay Station Staff Quarters	Not Fenced (Not encroached)
21	Western	Axim (2)	2.092 Acres	Studio block Staff quarters	Not Fenced (Encroached)
22	Western	Sefwi Wiawso	4.62 Acres	Revenue Office	Not Fenced (Not encroached)
23	Western	Bibiani	1.38 Acres	Transmitter Station	Not Fenced (Not encroached)
24	Western	Esiamana	6.88 Acres	Broadcasting	Not Fenced (Encroached)
25	Western	Prestea	10.66 Acres	Studio/Quarters	Not Fenced (Not encroached)
26	Volta	Hohoe	5.21 Acres	Studio Complex	Not Fenced (Encroached)
27	Volta	Keta	1.959 Acres	Studio Complex	Not Fenced (Encroached)
28	Volta	Kpando		Staff Quarters	Not Fenced (Encroached)
29	Volta	Kpando	2.62 Acres	Studio Complex Staff Quarters	Not Fenced (Not encroached)

30	Volta	Jasikan	8.332 Acres	Studio/Quarters	Not Fenced (Encroached)
31	Volta	Amedzofe	21.82 Acres	Studio/Quarters	Not Fenced (Encroached)
32	Volta	Akatsi	1.25 Acres	Transmitter Studio	Not Fenced (Encroached)
33	Volta	Kete-Krachi	20.66 Acres	Studio/ Offices	Not Fenced (Not encroached)
34	Volta	Denu	10.49	Revenue Office	Not Fenced (Encroached)
35	Eastern	New Tafo	0. 92	Revenue office	Not Fenced (Not encroached)
36	Eastern	Mpraeso	19.6	Studio Complex	Not Fenced (Not encroached)
37	Eastern	Kibi-Suhum-Apedwa	5.74	Revenue office	Not Fenced (Seriously encroached)
38	Eastern	Mampong Akwapim	2.971	Studio Complex	Not Fenced (Encroached)
39	Eastern	Aburi		Revenue office	Not Fenced (Not encroached)
40	Eastern	Akropong-Akuapim	2.971 Acres	Revenue Office	Not Fenced (Not encroached)
41	Eastern	Nkawkaw	0.122 Acres	Revenue Office	Not Fenced (Not encroached)
42	Eastern	Akwatia	4.132 Acres	Relay Station	Fenced (Seriously Encroached)
43	Eastern	Asamankese	2.97 Acres	Relay Station	Not Fenced (Not encroached)
44	Eastern	Apedwa	5.4 Acres	Relay Station	Not Fenced (Seriously Encroached)
45	Eastern	Kpong	2.84 Acres	Relay Station	Not Fenced (Not encroached)
46	Eastern	Nsawam	0.81 Acres	Revenue Office	Not Fenced (Not encroached)
47	Eastern	Adeiso	2.75 Acres	Relay Station	Not Fenced (Seriously encroached)
48	Eastern	Odweanoma	19.6 Acres	Transmitter Hall	Not Fenced (Not encroached)
49	Ashanti	Ejura	763.655 ACRES	Transmitter Block Staff Quarters	Not Fenced
50	Ashanti	Mampong Ashanti	6.90 Acres	Relay Station	Not Fenced
51	Ashanti	Jamasi	15.00 Acres	Transmitter Block	Not Fenced (Encroached)
52	Ashanti	Kumasi-Adum	0.491 Acres	Revenue Office	Not Fenced
53	Ashanti	Bekwai	10.00 ACRES	An office block Staff quarters	Not Fenced
54	Ashanti	Obuasi A	0.07 Acres	Studio Complex Generator room	Not Fenced
55	Ashanti	Obuasi B	0.17 Acres	Undeveloped	Not Fenced
56	Ashanti	Konogo	2.83 Acres	Relay Station	Not Fenced
57	Brong-Ahafo	Atebubu	5.26 ACRES	Studio Block	Not Fenced
58	Brong-Ahafo	Goaso	5.74 ACRES	Studio/Office	Not Fenced
59	Brong-Ahafo	Berekum	15.57 ACRES	Transmitter	Not Fenced (Encroached)
60	Brong-Ahafo	Duayaw/Nkwanta	8.26 ACRES	Leasehold	Not Fenced
61	Brong-Ahafo	Dormaa-Ahenkro	22.17 ACRES	Undeveloped	Not Fenced (Encroached)
62	Brong-Ahafo	Kintampo		Transmitter Hall	Not Fenced
63	Northern	Tamale	82.82 Acres	Regional Office	Not Fenced

64	Northern	Bimbila	9.64. Acres	Relay Station	Not Fenced
65	Northern	Bole	8.26 Acres	Relay Station	Not Fenced
66	Northern	Damango	9.64 Acres	Relay Station	Not Fenced
67	Northern	Gambaga	7.64 Acres	Relay Station	Not Fenced
68	Northern	Salaga	12.78 Acres	Relay Station	Not Fenced
69	Northern	Yendi	2.755 Acres	Relay Station	Not Fenced
70	Upper East	Bolgatanga	14.30 Acres	Leasehold	Not Fenced
71	Upper East	Navrongo	5.15 Acres	Leasehold	Not Fenced
72	Upper East	Sandema	8.24 Acres	Leasehold	Not Fenced
73	Upper West	Lawra	11.01 Acres	Relay Station	Encroached
74	Upper West	Tumu	13.77 Acres	Relay Station	Not Fenced (Encroached)

3004. If proactive steps are not taken by the Corporation to secure these lands, it might lose these lands to squatters. Loss of these lands also means the Corporation would in future have to use parts of its funds to acquire lands in these same areas at a relatively very high cost.

3005. We urged Management to gradually fence the lands and take steps to evict squatters already on it.

3006. According to Management, as part of the measures taken by them to safeguard the landed properties, warning signposts have been sent to the Upper East Region to be mounted on the critical lands to warn encroachers. However, the Estate Department has submitted a plan to gradually fence all GBC lands. The Department has recommended that two most priced and threatened lands in such Region are to be fenced as phase one of the fencing project.

Absence of Title Documents for GBC Lands

3007. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires a Principal Spending Officer of a covered entity to be responsible for the assets of the company under the care of the Principal Spending Officer and ensure that proper control systems exist for the custody and management of the assets. Such a control system should be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage, and misuse of the assets.

3008. Our review of the inventory of the Corporation's Lands disclosed that eight (8) out of the ninety (90) parcels of land owned by the Corporation had no legal titles covering them. Details are as shown in table 449.

Table 449: Details of lands without titles

No.	Region	Location of land	Size of land	Use
1	Western	Sefwi Wiawso	4.62 Acres	Revenue Office
2	Western	Bibiani	1.38 Acres	Transmitter Station
3	Western	Esiam	6.88 Acres	Broadcasting
4	Volta	Kete Krachi	20.66 Acres	Studio/ Offices
5	Eastern	Koforidua	2.76 Acres	Regional Office
6	Eastern	Nkawaw	0.122 Acres	Revenue Office
7	Eastern	Kpong	2.84 Acres	Relay Station
8	Eastern	Adeiso	2.75 Acres	Relay Station

3009. The unavailability of these legal titles makes GBC susceptible to losing these lands in case of disputes over the ownership of the lands.

3010. Management is advised to as a matter of urgency ensure that legal titles to these lands are acquired to forestall any disputes over the ownership of the property.

Unpaid Rent – GH¢34,484.67

3011. Ministry of Finance Circular Number 133385/05/06/NTRCADG of 15/5/2006 requires occupants of government bungalows, flats, quarters to pay 10% of their basic salary as rent.

3012. Our review of staff occupying GBC Bungalows for 2014 disclosed that 55 staff occupied GBC bungalows but continued to receive rent allowances without the deduction of 10% from their salaries. Details are shown in table 450.

Table 450: Rent allowance received in 2014 by staff who occupied GBC Bungalows

No.	Name	Staff No.	Date of Occupied	No of Months Occupied	Rate Per Month	Total	Refund
	Greater Accra						
1	Ebenezer Odzawo	7366	1-Jun-14	7	83.78	586.46	586.46
2	Cecelia Lumor	7446	11-Aug-14	5	78.65	393.25	393.25
3	Yaw Opoku Agyapong	7906	1-Jun-14	7	97.95	685.65	685.65
4	Kwame Insaaidoo	7406	9-Jan-14	12	72.62	871.44	871.44
5	Benjamin Adjei	6565	18-Jul-14	6	74.08	444.48	444.48
6	Christian Eduful	7514	1-Jul-14	6	81.22	487.32	487.32
7	Evans Acheampong	9088	7-Jun-13	12	64.19	770.28	770.28
8	Godknows Lumor	5672	5-May-10	7	86.23	603.61	603.61
9	Andrews Madjitey	6550	7-May-14	8	72.62	580.96	580.96
10	Emmanuel Adafia	8571	1-Dec-99	12	64.19	770.28	770.28
11	Frederick K Ackon	8411	1-Jun-14	7	62.21	435.47	435.47
12	Maxwell Asante	7294	1-Feb-10	12	56.47	677.64	677.64
13	Kofi Nkrumah	7583	1-Jun-99	12	43.93	527.16	527.16
14	Enoch Antwi	8675	1-May-13	12	42.47	509.64	509.64
	Total				980.61	8,343.64	8,343.64
	Volta						
15	John Ayivor	8234	1-Mar-11	12	62.21	746.52	746.52
16	Wisdom Kumawu	7735	1-Mar-11	12	55.57	666.84	666.84

17	John E Abigbi	8854	8-Apr-13	12	62.21	746.52	746.52
	Total				179.99	2,159.88	2,159.88
	Central					-	-
18	Thoodore Astu Bensah	8305	1-Apr-11	12	68.75	825.00	825.00
19	Thomas Dela Donkor	8022	2-Jul-11	12	63.20	758.40	758.40
	Total				131.95	1,583.40	1,583.40
	Ashanti						
20	Francis Owusu	4208	6-Jan-10	8	81.22	649.76	649.76
21	Victor Vanderpuye	8025	16-Jan-09	12	68.09	817.08	817.08
22	Godfred Agyen	7898	1-Jan-09	12	72.62	871.44	871.44
23	Joseph Sarpong	8611	5-Jan-01	12	42.48	509.76	509.76
24	Nkansah K Gyimah	8872	31-Dec-18	12	55.57	666.84	666.84
25	Isaac Y Owusu	9061	5-Feb-13	12	62.21	746.52	746.52
26	Enock Adjei	8785	1-Dec-10	12	50.69	608.28	608.28
27	Nicholas Osei- Wusu	8121	22-Apr-08	8	67.41	539.28	539.28
28	Andrews Opoku Mensah	8100	1-Nov-09	12	67.41	808.92	808.92
29	Phyllis Tracy Cobblah	8402	1-Dec-10	12	55.57	666.84	666.84
30	Papa Yaw Asamoah	8572	1-Dec-10	12	62.21	746.52	746.52
31	Kwadwo Ofori Ampofo	8400	1-Dec-10	12	62.21	746.52	746.52
32	Rose Maron Lartey	8850	1-Dec-10	12	55.57	666.84	666.84
33	Raynolds J Brew	8846	1-Dec-10	12	62.21	746.52	746.52
34	Andrews Z. Omohei	8176	1-Dec-10	12	55.57	666.84	666.84
35	George Adjei	8851	1-Dec-10	12	55.57	666.84	666.84
36	Ussif Adams	5694	1999	12	47.23	566.76	566.76
	Total				1,023.84	11,691.56	11,691.56
	Upper West						
37	Judith Bagiro	6976	2013	12.00	80.43	965.16	965.16
38	Clement Kanjatanga	8654	2014	12.00	62.21	746.52	746.52
	Total				142.64	1,711.68	1,711.68
	Upper East						
39	Norbert Atuk	9163	7-Sep-14	4.00	62.20	248.80	248.80
40	Isaac Asare Owusu	9061	22-Aug-10	12.00	62.21	746.52	746.52
41	Philip Asaah	8603	1-Jan-10	12.00	62.21	746.52	746.52
43	Johnson Ebo	8512	20-Apr-11	8.00	57.46	459.68	459.68
44	Abdul Malik Ibrahim Yusif	912643	7-Nov-14	2.00	62.21	124.42	124.42
45	Elias Yen Nabire	8599	11-Dec-13	12.00	62.21	746.52	746.52
	Total				368.50	3,072.46	3,072.46
	Northern						
46	Egbemewonya Evans	8753	1-Oct-14	3	62.21	186.63	186.63
47	Baba Mejida	8072	30-Sep-05	12	65.16	781.92	781.92
48	Joshua Wumbei	8758	1-Sep-10	12	55.57	666.84	666.84
49	Lawrence Tetteh- Mens	8742	1-Jan-09	10	62.21	622.10	622.10
50	Abdul-Rahman M. Saeed	8757	1-Jan-10	12	62.21	746.52	746.52
	Total				307.36	3,004.01	3,004.01
	IGF						
51	Azuma Godwin Atamid	8902	1-Jan-14	12.00	62.20	746.40	746.40

52	Hamidu Abdul Fatawu	8905	1-Jan-14	12.00	62.21	746.52	746.52
53	Kanyiri Bal Nestor	8965	1-Jan-14	12.00	56.55	678.60	678.60
54	Kantam Joyce Kolamong	9176	1-Jan-14	12.00	62.21	746.52	746.52
	Total				243.17	2,918.04	2,918.04
	Grand Total				3,378.06	34,484.67	34,484.67

3013. The Corporation is thus deprived of the opportunity to use the GH¢34,484.67 to refurbish its bungalows let alone adding more to its housing units.

3014. We recommended to Management to retrieve the amount of GH¢34,484.67 from the affected staff, failure of which the amount be treated as loan and deducted from their salaries.

3015. Management responded that adequate work has been done to deduct the 10% Rent Allowance from the staff salary. We have noted and written to the Controller and Accountant General's Department to deduct the allowance and pay same to the Corporation.

Absence of vehicle ownership documents

3016. Regulation 78 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires that a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of that covered entity, the validity, accuracy, and legality of claim for payment and evidence of services received, certificates for work done and any other supporting documents exist.

3017. Regulation 47 of the Conditions of Service of GBC management staff requires that a member of management who uses his/her vehicle in the discharge of his/her official duties shall be entitled to fuel as predetermined by the conditions.

3018. From our review of thirty (30) files selected for Management staff who are paid fuel allowance, we noted that twenty-two (22) of them do not have vehicle ownership documents on their files. Details are shown in table 451.

Table 451: Absence of vehicle ownership documents

No.	Name	Rank	Division
1	Serrah Mills	Senior Manager	Corporate Affairs
2	Hilda T. Anepe	Senior Manager	Television
3	Angela Manor	Deputy Director	Human Resource
4	Ibrahim Musah	Senior Manager	Marketing
5	Ruth Adzotor Tay	Senior Manager	Finance
6	Joyce Anim-Ayeko	Senior Manager	Radio
7	Peter Opoku-Mensah	Director	Internal Audit
8	Ebenezer Botwi	Ag. Director	Finance
9	Claiire Banoeng-Yakubu	Ag. Director	Marketing
10	Sena Tsikata	Senior Manager	Radio

11	Harriet Tieki Caesar	Senior Manager	Human Resource
12	Emmanuel Ashitey	Deputy Director	Finance
13	Jonathan Assan	Deputy Director	Television
14	Isaac Kwamena Baisel	Senior Manager	Television
15	George Lomo-Mensa Lomotey	Senior Manager	Television
16	Helena Dottey	Senior Manager	Human Resource
17	Frederick N. Kumassey	Ag. Director	Technical Production
18	Mamle Asare	Director	Corporate Affairs
19	John Osei Korasare	Director	Human Resource
20	James T. Adeabah	Manager	Radio
21	Joana Grace Erskine-Atadza	Deputy Director	Internal Audit
22	David Max-Fugar	Director	Marketing

3019. The absence of these vehicle ownership documents makes it difficult to authenticate the payments made to these management staff.

3020. Payments to unqualified staff may reduce the Corporation's funds for other programmes and activities.

3021. We recommended that the staff furnish the audit team with their vehicle ownership documents and vehicles for examination and inspection within 30 days upon the receipt of this Management Letter. Failure of which amounts paid to staff should be refunded to the Corporation.

3022. Management was also advised to ensure that copies of vehicle ownership documents of qualified staff are kept on their files.

Lack of Store management System at the Regional level

3023. Section 52 of the Public Financial Management Act, 2016 (Act 921) provides that, a Principal Spending Officer shall maintain adequate records of government stores. It further states that the Principal Spending Officer is discharged of accountability of government stores where the stores have been:

- (a) consumed in the course of public business and records are available to show that the stores have been consumed;
- (b) worn out in the normal course of public business and deletion from the accounts has been approved by the Minister and they have been disposed of in accordance with the directives of the Minister; or
- (c) lost, stolen, destroyed, damaged, or rendered unserviceable other than by fair wear and tear and deletion from the accounts has been approved by Parliament.

3024. We noted that the most regional stations do not have store management system in place even-though store receipt vouchers are normally attached to the payment vouchers and other supporting documents, but they do not translate the items received unto the stores ledger.

3025. Goods are issued to the user departments without store requisition from that user department and subsequent issuance of store issue vouchers. Table 452 provides the stations involved.

Table 452: Lack of Store management System at the Regional level

Station	Region
Obonu FM	Tema-Greater Accra-Tema
Sunrise FM	Koforidua-Eastern
Central Radio	Central-Cape Coast
	Enchi
Volta Star	Ho-Volta
Twin City Radio	Sekondi Takoradi-Western
Radio B.A. R	Brong Ahafo
Savanna	Tamale
URA Radio	Bolga

3026. Lack of store management system has the tendency of causing financial loss to the Corporation through the payment for items not supplied or items short supplied or inferior quality items supplied.

3027. We recommended that Management should institute store management system in all the regions and employ dedicated staff to man the stores.

3028. Management responded that it has taken note of the observation and is taking the necessary steps to build the capacity in the regions to handle stores management processes.

3029. Management is of the view that considering the low volume of stores transactions, no additional dedicated staff are needed to man the regional stores.

Regional Reports

Ho (Volta Star)/Expending Directly from Revenue Collected - 91,928.16

3030. Regulation 50 of the Public Financial Management Regulations, 2019 (L.I. 2378) states that all public moneys collected shall be paid in gross into the Public Funds Accounts and a disbursement shall not be made from the moneys collected except as provided by an enactment.

3031. On 20th February 2018, a memo from the Acting Director General -Ing. Augustus Yamson to all Regional Directors and copied to all Regional Accountants, Acting Director of Finance and Director of Internal Audit on the Regional Remittances to Headquarters instructed the following:

1. Regional Directors and Regional Accountants are to pay all revenue and any other money collected on behalf of GBC into the Regional Imprest Account.
2. Directors are by this memo given the authorization to withdraw and use amount to the limit of their monthly returns.
3. All excess collection should be paid into the Unibank Account number 0210104730013 before the end of the month.

3032. Our review of the Ho (Volta Star) cash book disclosed that out of the total amount of GH¢212,828.25 revenue received, GH¢119,900.09 was expended directly from the collection instead of lodging the whole amount into the imprest accounts before spending from that account. Details are shown in table 453.

Table 453: HO (Volta Star)/Expending Directly from Revenue Collected

Month	Revenue Generated GH¢	Expending Without Lodging into The Bank GH¢	Amount Lodged GH¢
February to March 2018	53,384.97	53,384.97	-
July to September 2018	80,626.28	28,178.10	52,448.18
Oct-18	27,060.00	15,549.02	11,510.98
November to December 2018	50,757.00	22,788.00	27,969.00
Total	211,828.25	119,900.09	91,928.16

3033. Non-Compliance with the above regulation and directives caused the infraction.

3034. Failure to lodge revenue into the bank makes it difficult to keep track of revenue realised within a period under consideration, leading to high cash holdings at a particular point in time, which contravenes Regulation 48 (1) of the Financial Administration Regulations, 2004. This can also lead to misapplication and misappropriation of funds.

3035. We recommended that all revenue received should be lodged in gross to the bank before disbursement to ensure proper controls and accountability.

3036. In a response the Ho Regional office stated that it was as a result of a directive from Ag. Director General to all regional offices to retain some amount of revenue equivalent to imprest level and transfer the reminder to the head office.

3037. According to Management, a zoom meeting was recently held on the 31st of March 2021 and Regional Directors and Finance Officers were directed to ensure that all revenues so collected at the regions are lodged in gross without any compromise within 24 hours. A follow-up will be done with a written notice to ensure that the regions comply with this directive.

NEW TIMES CORPORATION

Introduction

3038. This report relates to the audited financial statements of New Times Corporation for the year ended 31 December 2020.

Financial Performance

3039. The operations of the Corporation for the financial year, 2020 ended with a surplus of GH¢77,363.00 as compared with a deficit of GH¢719,384.00 recorded in 2019, representing an improvement in the financial operations of the entity by 110.8% over the reporting period. Details of the performance indicators of the Corporation's operational results are shown in Table 454.

Table 454: Statement of Comprehensive income for the year ended 31 December 2020

Revenue/Expenditure	2020 GH¢	2019 GH¢	Incr./(Decr.) GH¢	% Change
Revenue				
Revenue/Turnover	11,737,891	12,075,640	(337,749)	(2.8)
Other Income	255,565	270,467	(14,902)	(5.5)
Total Income	11,993,456	12,346,107	(352,651)	(2.9)
Expenditure				
Cost of production	6,680,802	7,562,957	(882,155)	(11.7)
General Admin, Selling & Dist. Exp.	5,231,337	5,502,534	(271,197)	(4.9)
Total Expenditure	11,912,139	13,065,491	(1,153,352)	(8.8)
Profit/Loss before Tax	81,317	(719,384)	800,701	(111.3)
Tax	3,954	0	3,954	100.0
Profit / Loss after Tax	77,362	(719,385)	796,747	(110.8)

3040. Income for the Corporation decreased by GH¢352,651 representing 2.8% from GH¢12,346,107.00 in 2019 to GH¢11,993,456.00 in 2020. The decrease was due to a drop in Revenue/Turnover by GH¢337,749 or 2.8% as a result of a drop in the Corporation's subscriptions and adverts placed by customers due to the Covid-19 pandemic.

3041. Total Expenditure also decreased by GH¢1,153,352 representing 8.8% from GH¢13,065,491 in 2019 to GH¢11,912,139 in 2020. This was mainly due to 11.7% drop in the cost of production due to a decrease in the purchase of raw materials for production.

Financial Position

3042. The Financial Position of the Corporation as at 31 December 2020 is shown in table 455.

Table 455: Statement of Financial Position as at 31st December 2020

Item	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	19,676,500.00	20,193,976.00	(517,476.00)	(2.6)
Current Assets	8,407,296.00	8,905,032.00	(497,736.00)	(5.6)
Current Liabilities	7,025,870.00	8,118,445.00	(1,092,575)	(13.5)
Net Asset	21,057,926.00	20,980,563.00	77,363.00	0.37
Quick ratio	1.2: 1	1.1: 1		

3043. Non-Current Assets decreased by 2.6% from GH¢20,193,976.00 in 2019 to GH¢19,676,500 in 2020 due to disposal of Furniture and fittings, Office Equipment and Motor Vehicle during the year.

3044. Current Assets also decreased by 5.6% from GH¢8,905,032 in 2019 to GH¢8,407,296 in 2020. This was due to a reduction in the Corporation's Trade Receivables by 10.9% because of a drop in sales during the year.

3045. Current Liabilities decreased by GH¢1,092,575 from GH¢8,118,445 in 2019 to GH¢7,025,870 in 2020. This was as a result of a decrease in the Corporation's statutory payments by 31%.

3046. The liquidity position represented by current ratio improved slightly from 1.1:1 to 1.2:1 indicating that the Corporation has marginally increased its liquidity ratio. However, the Corporation does not have the ability to meet all its short-term obligations as and when they fall due, when compared the current ratio with the benchmark ratio of 2:1.

3047. We therefore advised Management to improve upon its liquidity position.

MANAGEMENT ISSUES

Missing receipt leaflets from receipts books – GH¢10,457.50

3048. Regulation 56 of the Public Financial Management Regulations, 2019 (L.I. 2378) states, "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 Departmental Accounting Instructions".

3049. Contrary to the above, the cashier could not make available for audit scrutiny, the original, duplicate, and triplicate copies of eight serially numbered receipt leaflets which were torn out from six receipt books. The receipt books were used to collect revenue on adverts, newspaper sales and subscription fees. The receipt leaflets were therefore deemed to have been used to collect unspecified sum of revenue. Details are provided in table 456.

Table 456: Details of torn out leaflets

S/No.	Date		Receipt		Receipt leaflets missing	Remarks
	From	To	From	To		
1	20/7/20	23/7/20	15101	15150	15105	Torn out
2	16/9/20	24/9/20	16101	16150	16114	Torn out
3	16/9/20	24/9/20	16101	16150	16149	Torn out
4	16/1/2020	21/1/20	11601	11650	11612	Torn out
5	30/1/20	4/2/2020	11851	11900	11900	Torn out
6	27/2/20	5/3/2020	15001	15050	15002	Torn out
7	2/4/2020	21/4/20	21001	21050	21043	Torn out
8	19/6/20	24/6/20	29055	29100	29061	Torn out

3050. The Chief Accountant's failure to supervise the work of the Cashier caused the infraction.

3051. The situation could facilitate misappropriation of revenue, leading to loss of funds to the Corporation.

3052. We recommended to Management to ensure that the eight receipt leaflets are provided for audit scrutiny, failing which an amount of GH¢32,457.50 being the average of the highest value of advert placed (GH¢40,000.00) and subscription fees paid (GH¢24,915.00) should be recovered from the cashier.

3053. Management in its response stated that the cashier has been queried to assist in unravelling the missing leaflets latest by 8 November 2021. The cashier in response proposed three installment payment plans from 8 November 2021 – 20 December 2021.

- First payment – GH¢10,000.00 on 8 November 2021.
- Second payment – GH¢10,000.00 on 22 November 2021.
- Final payment – GH¢12,457.00 on 20 December 2021.

3054. A follow-up on Management's response on 10 December 2021 indicated that the cashier had refunded GH¢22,000.00 leaving a balance of GH¢10,457.50 yet to be refunded.

Misappropriation of revenue – GH¢15,584.58

3055. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) states, "A Principal Spending Officer shall ensure that non-tax revenue is immediately lodged in gross within twenty-four hours in designated Consolidated Fund transit bank accounts except in the case of internally generated funds retained under an enactment".

3056. We noted from our review that revenue totaling GH¢15,584.58 collected by Madam Salome Quarcoopome (the cashier) was not lodged into the Corporation's bank accounts, indicating that the money had been misappropriated. Details are provided in table 457.

Table 457: Details of misappropriated funds

S/N	Date	Receipt No	Amount GH¢
1	14/12/2020	0018225	1,740.00
2	1/11/2020	0016199	1,740.49
3	-	0015860	1,093.64
4	11/9/2020	0015950	500.00
5	-	0017162	1,806.40
6	3/12/2020	0017558	2,175.59
7	9/3/2020	0012657	1,052.48
8	27/4/20	0022041	1,495.00
9	4/4/2020	0013636	2,175.59
10	14/1/20	0011752	1,805.39
		Total	15,584.58

3057. We attributed the irregularity to ineffective supervision over the work of the cashier by the Chief Accountant.

3058. The practice if not checked, would deny the Corporation the needed revenue to support its planned activities.

3059. We recommended to Management to recover the GH¢15,584.58 from the cashier immediately, and the receipts made available for our verification. We also, advised the Chief Accountant to ensure regular supervision of the work of the cashier.

3060. Management responded that the Cashier has been queried to assist in getting the details of the above observation latest by 10 November 2021.

3061. However, as at 10 December 2021, the Cashier had not refunded the GH¢15,584.58.

Receipt books not presented for audit

3062. Section 11 of the Audit Service Act, 2000 (Act 584) requires that the Auditor-General or any person authorised or appointed for the purpose by the Auditor-General should have access to all books, records returns and other documents including documents in computerised and electronic form relating to or relevant to those accounts.

3063. Regulation 150 of the Public Financial Management Regulations, 2019 (L.I. 2378) also stipulates that a person to whom a value book is issued is responsible for the custody of the value book.

3064. We noted that six officers of the Corporation could not account for 17 receipt books issued out to them for collection of revenue. In a related development, an officer did not sign for a receipt book issued to him/her in the Stock Register. Details provided in table 458.

Table 458: Details of unrepresented receipt books

S/No.	From	To	Issued on	Person Issued To
1	3201	3250	7/6/2012	C.K Tsatsu
2	11951	12000	27/1/2020	Salome Quarcoopome
3	23801	23850		Name of the collector not recorded
4	30951	31000	14/3/2014	Tsatsu C. K
5	11701	11750	8/1/2020	Salome Quarcoopome
6	32201	32250	18/12/2019	Kofi O. Addo
7	32051	32100		Tsatsu C. K
8	18301	18350	26/11/2020	Salome Quarcoopome
9	20001	20050	14/12/2020	Naomi Nartey
10	18051	18100	23/11/2020	Cassandra Cato
11	14801	14850	19/6/2020	Salome Quarcoopome
12	17501	17550	26/10/2020	Salome Quarcoopome
13	17001	17050	25/9/2020	Salome Quarcoopome
14	16401	16450	25/9/2020	Salome Quarcoopome
15	16351	16400	25/9/2020	Salome Quarcoopome
16	32001	32050	15/4/2014	Tsatsu C. K
17	15251	15300	12/7/2020	Salome Quarcoopome
18	29601	29650	4/8/2014	Elfreda Cleland

3065. The suppression of the value books could be attributed to dereliction of duty on the part of the Chief Accountant who could not supervise the revenue collectors. Weak internal control systems over the allocation and accountability of the receipt books also contributed to the lapse.

3066. The infraction could lead to misappropriation of monies collected, and thereby result in loss of revenue to the Corporation.

3067. We recommended to Management to ensure that the 18 receiptbooks are provided by the collectors for audit scrutiny, failing which the officer responsible for the issue of the receipt books and the Chief Accountant should be made to account for them.

3068. Management in its response stated that, the Cashier and the other affected officers have been queried to assist in making the receipt books available for audit scrutiny.

Tax withheld without Tax Credit Certificate – GH¢26,580

3069. Regulation 78 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires that, a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of that covered entity, the validity, accuracy, and legality of claim for payment and evidence of services received, certificates for work done and any other supporting documents exist.

3070. We noted during our review of ledgers and bank statements that, even though First Paper Converters Ltd. (a tenant of the Corporation's warehouse) withheld 15% tax of GH¢26,580.00 from rent paid to the Corporation, there was no tax credit certificate to confirm that the tax withheld was remitted to the Ghana Revenue Authority (GRA).

3071. The Chief Accountant's failure to ensure that all transactions are supported with sufficient supporting documents occasioned the lapse.

3072. The situation could deny the state of potential inflow of revenue into the Consolidated Fund.

3073. We recommended to the Chief Accountant to retrieve the Tax Credit Certificate from the tenant and make it available for audit scrutiny.

3074. Management accepted our recommendation for implementation.

High cost of overdraft facility interest

3075. Section 7 of the Public Financial Management Act states that, a Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

3076. Regulation 32 of the Public Financial Management Regulation, 2019 (L.I. 2378) also requires among others that, a Principal Spending Officer of each covered entity shall take effective and appropriate steps to collect money due to the covered entity.

3077. We noted that Management took an overdraft of GH¢1,095,611.75 with a high interest of GH¢231,326.00 from Ghana Commercial Bank during the year under review. However, the Corporation's Trade Receivables at the end of the same year (31 December 2019) stood at GH¢7,902,439.00.

3078. The anomaly is as results of lack of effective controls over the Corporation's receivables and lack of good credit policy to manage its receivables to improve liquidity position.

3079. The finance cost of GH¢231,326.00 could have been channeled to other productive use to improve the Corporation's difficult liquidity position.

3080. To ensure prudent cash management, we recommended to Management to take pragmatic steps to collect the receivables to finance its operations.

3081. Management accepted our recommendation and further stated that, it has designed a sales management guideline which provides incentives to motivate buyers and debtors to pay instantly and timely to improve collection of receivables to pay off the overdraft.

Penalty on delayed payments of Staff SSNIT contributions – GH¢9,278.11

3082. Section 63 of the National Pension Act, 2008 Act 766 states “An employer shall remit thirteen and half per centum out of the total contribution of eighteen and a half per centum on behalf of the worker to the first tier mandatory Social Security Scheme within fourteen days after the end of each month to the Trust”.

3083. Section 64 (1) of the National Pensions Act, 2008 (Act 766) further specifies that subject to subsection (2) if a contribution is not paid within the specified period (a) a sum equal to three per centum per month of the contribution payable shall be added to the contribution as a penalty.

3084. We noted during our review of payment vouchers that, the Corporation paid an amount of GH¢9,278.11 as penalty on delayed payment of its Staff Tier 1 Social Security Contribution to the Trust. Details are as shown in table 5.

Table 5: Details of penalty paid

Date	Details	Amount GH¢	Reference
21/1/2020	Penalty on late payment of Nov. 19	1,018.48	NTC/ADM/02/002
10/6/2020	Penalty on late payment of SSNIT (May – July 19)	8,259.63	May-July 2020
	Total	9,278.11	

3085. The situation resulted in reduction of funds for planned programmes. It also increased unbudgeted expenditure.

3086. We recommended to Management to ensure prompt payment of the SSNIT contributions of staff in accordance with the above stated Pension laws to avoid paying penalties with the Corporation's scarce funds.

3087. Management accepted our recommendation and stated that it is making efforts to pay on time in future.

Obsolete Web Offset Press

3088. Section 52 of the Public Financial Management Act, 2016 (Act 921) requires, a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the Assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the Assets. A control system shall be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage and misuse.

3089. We noted during physical inspection that the Corporation's web offset Press Printer was not in use since 30 November 2020. The Corporation subsequently outsourced the printing of its newspapers to Graphic Communications Group Limited.

3090. The Head of Technical Services blamed the situation on the inefficiencies, high maintenance cost and obsolete nature of the printer.

3091. We recommended to Management to constitute a Board of Survey to evaluate and dispose of the printer to prevent the machine from further deterioration.

3092. Management stated that it is currently making efforts to buy a new printing machine and intend to dispose of the obsolete printing machine when the new one comes. Management also stated that, the obsolete machine has been kept as a fallback option should the outsourced options develop a fault, to at least get newspaper for the market even if it will be of bad quality.

G-PAK LIMITED

Introduction

3093. This report relates to the audited financial statements of G-PAK Limited for the financial year ended 31 December 2020.

Financial Performance

3094. The Company closed the year with a profit of GH¢154,878 compared to GH¢350,447 in 2019. This represents a reduction of 55.8% over the previous year's performance. The performance for the period is provided in table 460.

Table 460: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	10,394,663	11,895,524	(1,500,861)	(12.6)
Cost of Sales	7,418,451	8,588,752	(1,170,301)	(13.6)
Gross Profit	2,976,212	3,306,772	(330,560)	(10.0)
Other Income	37,597	151,364	(113,767)	(75.2)
Loss on Disposal	12,780	-	12,780	-
General, Selling & Administrative Expenses	2,637,019	2,685,709	(48,690)	(1.8)
Profit Before Finance Charges and Taxation	364,010	772,427	(408,417)	(52.9)
Finance Charges	5,000	-	5,000	-
Profit Before Taxation	359,010	772,427	(413,417)	(53.5)
Taxation	204,132	421,980	(217,848)	(51.6)
Profit/(Loss)	154,878	350,447	(195,569)	(55.8)

3095. Revenue reduced by 12.6% from GH¢11,895,524 in 2019 to GH¢10,394,663 in 2020. This was mainly attributed to a reduction of GH¢2,364,979 or 62.6% in revenue generated from Brochure and Others.

3096. The Cost of Sales also decreased by 13.6% from GH¢8,588,752 in 2019 to GH¢7,418,451 in 2020. Factory overheads and Other Direct Expenses decreased by GH¢459,458 (26.3%) and GH¢775,387 (46.8%) respectively.

3097. General, Selling & Administrative Expenses reduced slightly by 1.8% or GH¢48,960 and this was primarily due to decreases in staff travel expenses and wages and salaries during the year.

Financial Position

3098. The financial position of the Company as at 31 December 2020 is summarised in table 461.

Table 461: financial position of the Company as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	3,511,929	4,110,423	(598,494)	(14.6)
Current Assets	10,508,912	8,697,926	1,810,986	20.8
Current Liabilities	5,932,563	5,137,185	795,378	15.5
Net Current Assets	4,576,349	3,560,741	1,015,608	28.5
Non-Current Liabilities	400,426	432,875	(32,449)	(7.5)
Equity	7,687,852	7,238,289	449,563	6.2
Current Ratio	1.8:1	1.7:1		

3099. Non-current assets decreased by 14.6% from GH¢4,110,423 in 2019 to GH¢3,511,929 in 2020 and this was primarily due to Depreciation charged during the audit period.

3100. Current assets increased by 20.8% during the year from GH¢8,697,926 in 2019 to GH¢10,508,912 in 2020. Inventory increased by GH¢779,927 (29.5%) and Trade and Other Receivables also increased by GH¢1,307,310 (23.9%) and this explains the growth in the value of the Company's current assets at the end of the period under review.

3101. Current liabilities also increased by 15.5% from GH¢5,137,185 in 2019 to GH¢5,932,563 in 2020. A GH¢ 818,649 or 17.3% rise in the Company's Trade and Other Payables accounted for the above increase at the end of the 2020 financial year.

3102. Non-current liabilities which is the movement on the deferred income tax account decreased by 7.5% from GH¢432,875 in 2019 to GH¢400,426 in 2020.

3103. The current ratio improved from 1.7:1 in 2019 to 1.8:1 in 2020 which means that the Company is still capable of meeting its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Non-deduction of Withholding Tax on Rent – GH¢45,000.00

3104. Section 117 of the Income Tax Act, 2015 (Act 896) specifies that a withholding agent shall pay to the Commissioner a tax that has been withheld or that should have been withheld under this subsection within fifteen days after the end of the month in which the payment subject to withholding tax was made by the withholding agent. It further states that a withholding agent who fails to withhold tax by this Division shall pay the tax that should have been withheld in the same manner and at the same time as a tax that is withheld.

3105. We noted during the audit that the Company did not withhold a tax amount of GH¢45,000 from a rent of GH¢300,000 paid to Graphic Communications Group Limited.

3106. Failure to withhold and pay taxes to Ghana Revenue Authority (GRA) deprived the government of the needed revenue for its activities. The Company may also face sanctions for the above infraction from GRA.

3107. We recommended to Management to ensure that the withholding tax amount of GH¢45,000.00 is immediately paid to GRA and subsequently take steps to retrieve the same from the Graphic Communications Group.

3108. Management stated that Graphic Communications Group Limited had accepted to refund the tax not withheld and expected payment to be made to GRA by the end of July 2021.

MINISTRY OF WORKS AND HOUSING

ARCHITECTURAL AND ENGINEERING SERVICES LIMITED

Introduction

3109. This report relates to the audited financial statements of Architectural and Engineering Services Limited for the period 1 January 2020 to 31 December 2020.

Financial Performance

3110. The Company recorded a deficit of GH¢141,381 in 2020 as against a deficit of GH¢5,946,573 in 2019 representing 97.6% improvement in the financial performance of the Company. Details are in table 462.

Table 462: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	13,314,573	13,899,045	(584,472)	(4.2)
Other Income	522,842	247,002	275,840	111.7
Total Income	13,837,415	14,146,047	(308,632)	(2.2)
Expenditure				
General Selling & Admin. Exp.	13,565,519	21,310,613	(7,745,094)	(36.3)
Total Expenditure	13,565,519	21,310,613	(7,745,094)	(36.3)
Profit/(Loss) before Tax	271,896	(7,164,566)	7,436,462	(103.8)
Taxation	(413,277)	1,217,993	(1,631,270)	(133.9)
Profit/ (Loss)	(141,381)	(5,946,573)	5,805,192	97.6

3111. Total Income decreased marginally by 2.2% from GH¢14,146,047 in 2019 to GH¢13,837,415 in 2020. This was due to a 4.2% decrease in revenue from GH¢13,899,045 in 2019 to GH¢13,314,573 in 2020.

3112. Total Expenditure also decreased by 36.3% from GH¢21,310,613 in 2019 to GH¢13,565,519 in 2020. The decrease was mainly due to a drop in Other Costs by GH¢7,416,627 or 53.7%.

Financial Position

3113. The Company's financial position as at 31 December 2020 is summarised in table 463

Table 463: Statement of Financial Position as at 31 December 2020.

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	11,012,321	9,377,967	1,634,354	17.4
Current Assets	7,582,628	14,889,189	(7,306,561)	(49.1)
Current Liabilities	19,079,458	24,610,284	(5,530,826)	(22.5)
Net Asset	(484,509)	(343,128)	(141,381)	(41.2)
Current Ratio	0.4:1	0.6:1		

3114. Non-Current Assets increased by 17.4% from GH¢9,377,967 in 2019 to GH¢11,012,321 in 2020. This was mainly due to additions of GH¢2,465,955 to property, plant & equipment made during the year under review.

3115. Current Assets, however, decreased significantly by 49.1% from GH¢14,889,189 in 2019 to GH¢7,582,628 in 2020. The drop was due to a 72.0% or GH¢9,984,000 decrease in accounts receivables and repayments.

3116. Current Liabilities also decreased by 22.5% from GH¢24,610,284 in 2019 to GH¢19,079,458 in 2020. This was due a 16.7% decrease in accounts payables and accrual from GH¢22,903,159 in 2019 to GH¢19,079,458 in 2020.

3117. The Company's liquidity position as measured by the current ratio of 0.4:1 (2019: 0.6:1) indicates the company's inability to meet its short-term debts as and when they fall due.

MANAGEMENT ISSUES

Inability to collect debts from project clients – GH¢22,035,533

3118. Section 91 of the Public Financial Management Act, 2016 (Act 921) states that, the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

3119. Our review of client's indebtedness showed an outstanding of GH¢ 22,035,533 as at 31 December 2020. The Ministry of Education's indebtedness makes up 77% or GH¢16,982,845 of the total indebtedness at the end of the year. Details are shown in table 464.

Table 464: Summary of total indebtedness of projects clients as at 31st December 2020

Clients	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Ministry of Education	16,982,845	16,486,038	496,807	3.0
Other Clients	5,052,688	14,622,727	(9,570,039)	(65.4)
Total Project Client	22,035,533	31,108,765	(9,073,232)	(29.2)

3120. Management's inability to put in place a clear debt recovery mechanism resulted in this long-standing debt.

3121. This has resulted in the Company's inability to retrieve growing debts owed by the government agencies especially the Ministry of Education.

3122. We recommended that Management put in pragmatic efforts to retrieve its outstanding debts.

3123. Management responded by assuring their continued efforts at engaging the Ministry to pay the debt. The debt collection unit or the claims department has been moved to the Ministry of Finance for effective management. Management will ensure that the department is well resourced to carry out its activities effectively.

STATE HOUSING COMPANY LIMITED

Introduction

3124. This report relates to the audited financial statements of the State Housing Company Limited for the two years ending 31 December 2020.

Financial Performance

3125. The company's operations for the year under review recorded a net profit after tax of GH¢9,654,506 as against GH¢11,792,574 in 2019 representing a reduction of 18.1% in net profit. Details are shown in table 465.

Table 465: Statement of Comprehensive Income for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./(Decr.) GH¢	% Change
Revenue	12,528,950	7,447,913	5,081,037	68.2
Operating Income	30,618,901	29,522,282	1,096,619	3.7
Non-Operating Income	3,464,907	3,357,544	107,363	3.2
Total Income	46,612,758	40,327,739	6,285,019	15.6
Expenditure				
Project Cost of Sales	8,273,224	4,610,947	3,662,277	79.4
General and Admin. Expenses	25,840,243	20,300,209	5,540,034	27.3
Total Expenditure	34,113,467	24,911,156	9,202,311	36.9
Profit/(Loss) before tax	12,499,291	15,416,583	(2,917,292)	(18.9)
Taxation	2,844,785	3,624,009	(779,224)	(21.5)
Net Profit/(Loss) after tax	9,654,506	11,792,574	(2,138,068)	(18.1)

3126. The total Income of the Company increased by 15.6% from GH¢40,327,739 in 2019 to GH¢46,612,758 in 2020. The rise in the total income was largely due to an increase in the sale of houses during the year by 68.2% or GH¢5,081,037.

3127. Total Expenditure also increased by 36.9% from GH¢24,911,156 in 2019 to GH¢34,113,467 in 2020. The increase was primarily due to a rise in salaries and wages from GH¢10,620,608 in 2019 to GH¢14,905,781 in the current year representing 40.3%.

Financial Position

3128. Table 466 is a summary of the Company's financial position as at 31 December 2020.

Table 466: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./(Decr.) GH¢	% Change
Non-Current Assets	15,273,679	11,132,358	4,141,321	37.2
Current Assets	106,005,477	66,990,646	39,014,831	58.2
Non-Current Liabilities	836,821	802,033	34,788	4.3
Current Liabilities	65,513,619	31,732,183	33,781,436	106.5
Current Ratio	1.6:1	2.1:1		

3129. The Company's Non-Current Assets increased by 37.2% or GH¢4,141,321 from GH¢11,132,258 in 2019 to GH¢15,273,679 in 2020. The increase was mainly due to additions to property, plant, and equipment in 2020 amounting to GH¢3,051,083.

3130. Current Assets went up by 58.2% from GH¢66,990,646 in 2019 to GH¢106,005,477 in 2020. The rise was due to a GH¢22,596,465 or 405% increase in held for trading assets (land and finished houses) from GH¢5,578,995 in 2019 to GH¢28,175,460 in 2020.

3131. Non-Current Liabilities increased slightly by 4.3% or GH¢34,788 from GH¢802,033 in 2019 to GH¢836,821 in 2020. The movement is in respect of the Depositors Fund.

3132. Current Liabilities increased by 106.5% from GH¢31,732,183 in 2019 to GH¢65,513,619 in 2020. The increase was due to a GH¢31,116,651 or 149.8% rise in trade and other payables.

3133. The current ratio in 2020 of was 1.6:1 showing a decline from 2.1:1 in 2019.

MANAGEMENT ISSUES – 2019

Failure to collect debts – GH¢424,796

3134. Section 91 of the Public Financial Management Act 2016, (Act 921) provides that, the Board of Directors of a public corporation shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

3135. Customers who purchased flats/units at the Borteyman Housing Estate on a hire purchase were given the right of entry and were required to make annual or monthly instalment payments in accordance with the payment plans selected by the customers. However, we noted from the review of receivables that six clients who bought six of these houses between August 2016 and March 2017 had defaulted payments totalling GH¢430,796. Out of the total amount only one person had paid GH¢6,000 as at the end of 2019. Table 467 shows the details.

Table 467: Uncollected Debts

Name	Effective Date	Amount Outstanding GH¢	Total Payment in the Year 2019 GH¢
Mr. Samuel Sarpong	August 3, 2016	86,056	0
Dr. Harry Benjamin Korli Glover	March 20, 2017	86,056	0
Ms. Dora Nyantakyi	August 3, 2016	68,056	6,000
Mr. Alfred Dawuona-Hammond	August 3, 2016	31,056	0
Ms. Nana Yaa Akyempim Jantuah	August 3, 2016	86,056	0
Nana Esi Aferba Ahlijah	August 2016	73,516	
Total		430,796	6,000

3136. The Company risks facing cash flow problems in the future in case it is unable to recover debts from clients.

3137. Management should take steps to recover the GH¢424,796 and other outstandings due for collection from clients.

3138. Management replied that Borteyman Housing has had few challenges concerning correspondence and the offer provided to these clients during the initial sale period of these properties. Whilst the Marketing Department is working to reconcile and put their files in order, it has also started a debt collection exercise to retrieve all overdue debts owed to the Company.

Overdue Receivable from ECG – GH¢223,595.17

3139. We noted that the Electricity Company of Ghana (ECG) possesses plots of land belonging to State Housing Company Limited in Takoradi. The table 4568 shows the details.

Table 468: Overdue Receivable from ECG

Location of Land	Value of Land GH¢
South Effiakuma Estate	134,881.11
Anaji Housing Estate	88,712.06
Total	223,595.17

3140. Since the year 2003, several efforts had been made by Management to sell or recover these lands from ECG without success and the company risks losing the lands.

3141. We recommended that Management should consider taking legal action against the Electricity Company of Ghana to recover the land.

3142. Management responded that they had a meeting with the Electricity Company of Ghana (ECG) and ECG had agreed to pay the amount in instalments therefore State Housing Company Limited is in the process of drafting a payment plan for ECG.

TEMA DEVELOPMENT COMPANY (TDC) LIMITED

Introduction

3143. This report relates to the audited financial statements of the Tema Development Company Limited for the year ended 31 December 2020.

Financial Performance

3144. The Company ended the year 2020 with a net profit of GH¢28,395,489 as against GH¢26,284,759 recorded in 2019 representing an increase of 8.03% increase in the financial performance over the period. Details of the Company's performance indicators are shown in table 469.

Table 469: Statement of Comprehensive for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Income				
Revenue	92,186,023	76,716,100	15,469,923	20.17
Other Income	-	167,400	(167,400)	(100.00)
Investment Income	4,877,504	1,909,904	2,967,600	155.38
Total Income	97,063,527	78,793,404	18,270,123	23.19
Expenditure				
Direct Cost	31,311,757	16,405,052	14,906,705	90.87
General and Administrative Expenses	28,171,751	27,645,165	526,586	1.90
Taxation	9,184,530	8,458,428	726,102	8.58
Total Expenditure	68,668,038	52,508,645	16,159,393	30.77
Net Profit / (Loss)	28,395,489	26,284,759	2,110,730	8.03

3145. Total Income grew by 23.19% from GH¢78,793,404 in 2019 to GH¢97,063,527 in 2020 and was mainly due to a 20.17% rise in revenue from GH¢76,716,100 in 2019 to GH¢92,186,023 in 2020. This growth in revenue is explained by an increase of GH¢17,427,128 in revenue from estate development during the year. Investment Income also increased by 155.38% or GH¢2,967,600 from GH¢1,909,904 in 2019 to GH¢4,877,504 in 2020.

3146. Total Expenditure also rose from GH¢52,508,645 in 2019 to GH¢68,668,038 in 2020 representing an increase of 30.77%. This was mainly due to a significant increase of 90.87% or GH¢14,906,705 in direct cost incurred from GH¢16,405,052 in 2019 to GH¢31,311,757 in 2020.

Financial Position

3147. The financial position of the Company is presented in table 470.

Table 470: Statement of Financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non- Current Assets	66,172,001	69,447,017	(3,275,016)	(4.72)
Current Assets	314,547,909	239,206,011	75,341,898	31.50
Current Liabilities	108,516,542	77,515,272	31,001,270	39.99
Non- Current Liabilities	1,250,049	1,250,049	-	-
Net Asset	270,953,319	229,887,707	41,065,612	17.86
Current Ratio	2.9:1	3.1:1		

3148. Non-Current Assets decreased by 4.72% from GH¢69,447,017 in 2019 to GH¢66,172,001 in 2020. This was largely because of decreases of 2.48% or GH¢1,289,172 in investment property and 11.79% or GH¢1,103,200 in investment property under construction.

3149. Current Assets increased by GH¢75,341,898 or 31.50% from GH¢239,206,011 in 2019 to GH¢314,547,909 in 2020. This was mainly due to a GH¢43,208,592 increase in fixed deposits and a GH¢29,501,686 increase in the trade and other receivables.

3150. Current Liabilities also increased from GH¢77,515,272 to GH¢108,516,542 in 2020 representing 39.99% and was mainly caused by increases in trade and other payables and the current tax liability.

3151. Non- Current liabilities however remained unchanged as deferred tax liability stood at GH¢1,250,049 for both the 2019 and 2020 financial years.

3152. The liquidity position of the Company as measured by its current ratio in 2020 was 2.9:1 (2019: 3.1:1) and shows that the Company can meet its immediate financial obligations as and when they fall due.

MANAGEMENT ISSUES

Rent in Arrears- GH¢128,543.83

3153. Section 91 of the Public Financial Management Act, 2016 (Act 921) states that, the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

3154. The tenancy/rental agreement of TDC limited also states that rent due are payable on the 1 January of every year.

3155. We noted that tenants owed the Company a total of GH¢128,543.83 from rental charges for old shops and offices as at December 2020. Details are provided in table 471.

Table 471: Rent in Arrears

Description	Amount GH¢
Community 1	53,502.15
Community 4	11,016.40
Community 7	29,335.28
Community 8	5,848.02
Community 9	22,650.01
Community 11	6,191.97
Total	128,543.83

3156. Management's failure to ensure that monthly rental charges are collected from tenants accounted for this anomaly.

3157. Management would be denied funds needed to support its operational activities and to do periodic maintenance of the facilities.

3158. We urged Management to recover all accumulated rent arrears from tenants occupying the various shops and offices.

3159. Management responded that 2020 was a very challenging year due to the COVID-19 pandemic and its associated restrictions on movements and the partial lockdown affected the rent collection exercise. The list of rent defaulters had been handed over to the estates and legal departments for necessary action to recover the rent arrears. Management further indicated that the legal department is currently pursuing the recovery of all rent in arrears.

MINISTRY OF SANITATION AND WATER RESOURCES

WATER RESOURCES COMMISSION

Introduction

3160. This report relates to the audited financial statements of Water Resources Commission for the year ended 31 December 2020.

Financial Performance

3161. The Commission ended the year with a deficit of GH¢176,387 representing a 129.3% decrease in the financial performance as compared with a surplus of GH¢601,740 in 2019. Details of the Commission's operational performance are shown in table 472.

Table 472: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	1,703,885	1,781,623	(77,738)	(4.4)
IGF	1,813,818	1,620,166	193,652	12.0
Other Income	394,874	1,254,000	(859,126)	(68.5)
Total Income	3,912,577	4,655,789	(743,212)	(16.0)
Expenditure				
Staff Cost	2,197,392	2,028,465	168,927	8.3
Administrative Expenses	1,891,572	2,025,584	(134,012)	(6.6)
Total Expenditure	4,088,964	4,054,049	34,915	0.9
Surplus/(Deficit)	(176,387)	601,740	(778,127)	(129.3)

3162. Total Income decreased by 16.0% from GH¢4,655,789 in 2019 to GH¢3,912,577 in 2020. The fall was primarily due to a 68.5% or GH¢859,126 reduction in Other Income.

3163. Total Expenditure marginally increased by 0.9% to GH¢4,088,964 in 2020 from GH¢4,054,049 in 2019. Accounting for this mainly was an 8.3% rise in staff cost.

Financial Position

3164. The financial position of the Commission as at 31 December 2020 is summarised in table 473.

Table 473: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	983,748	1,103,435	(119,687)	(10.8)
Current Assets	2,590,262	2,735,883	(145,621)	(5.3)
Current Liabilities	390,315	359,549	30,766	8.6
Current Ratio	6.6:1	7.6:1		

3165. Non-Current Assets decreased by 10.8% from GH¢1,103,435 in 2019 to GH¢983,748 in 2020. This decrease was due to depreciation charged for the year.

3166. Current Assets went down marginally by 5.3% to GH¢2,590,262 in 2020 from GH¢ 2,735,883 in 2019. This resulted from a reduction in Cash and Cash Equivalent of GH¢368,252.

3167. Current Liabilities increased by 8.6%, from GH¢359,549 in 2019 to GH¢390,315 in 2020.

3168. The Commission's liquidity position as measured by its current ratio of 6.6:1 in 2020 and 7.6:1 in 2019 indicates that the Commission would be able to meet its immediate financial obligations as they fall due.

COMMUNITY WATER AND SANITATION AGENCY

Regional and Districts

Abodom, Ashanti Bekwai

Failure to collect outstanding revenue from 136 Private Household Customers – GH¢10,100.55

3169. We noted that contrary to Regulation 46 (a) of the Public Financial Management Regulations, 2019 (L.I. 2378), the management of CWSA, Abodom, had not recovered revenue amounting to GH¢10,100.55 from 136 private household customers for water used between January 2020 and April 2021.

3170. Inadequate internal controls over revenue collection and ineffective supervision over revenue collectors largely accounted for this lapse.

3171. This situation has denied the Agency revenue for its operations to enhance water delivery and expand water supply to new or emerging settlements.

3172. We recommended that, the Accountant, Mr. Asare Jacob, should recover the outstanding amount of GH¢10,100.55 due the Agency by instituting demand notices and disconnection.

3173. Management responded that, the Agency has instituted weekly public announcements and bi-weekly disconnection exercise as remedial measures to recover all the debts.

Ejura Water Supply System, Ejura

Unremitted Tier 2 Pension deductions - GH¢25,967.48

3174. The National Pensions (Amendment) Act, 2014 (Act 883) requires, mandatory defined contribution scheme to which every employee contributes 5% of their basic salary to be managed by a trustee.

3175. The Financial Statements of Ejura Water Supply System showed that as of September 2020, there was a liability of GH¢25,967.46 in respect of Tier 2 pension contributions deducted from the salaries of staff but not paid to the Fund Manager, Vanguard Assurance. Some of these deductions dated as far back as 2017.

3176. The Accountant explained that the Water System experienced some cash flow problems which compelled them to use the amount deducted to run the System to address operational challenges.

3177. Should any of the employees retire, he or she would be denied the full pension package expected to be paid them.

3178. We advised the management of the Ejura Water Supply System to pay the total amount of GH¢25,967.46 to the Fund Manager, without further delay, to avoid any penalties or sanctions.

Kokofu Water Board - Ashanti Bekwai

Failure to Account for unspent Cash Balance – GH¢3,824.05

3179. Our review of the cash book disclosed that, a closing balance of GH¢3,824.05 as at 31 December 2019 was not accounted for in the ensuing year. The system manager, Mr. Samuel Boahen could not carry forward, the cash balance of GH¢3,824.05 to the records relating 1 January 2020.

3180. The omission occurred because the former system manager, Mr. Jacob Asare misappropriated the amount involved and refused to refund it.

58. The cash balance of GH¢3,824.05 required to meet essential payments was unjustifiably kept privately at the expense of the Agency.

59. We recommended that the manager, Mr. Boahen should recover the amount of GH¢3,824.05 from Mr. Jacob Asare immediately, failing which, he would be held liable to refund the amount involved in accordance with Article 187(7) of the 1992 Constitution of Ghana.

60. Management said, court processes have been initiated against Mr. Jacob Asare (former System Manager) to recover the said amount as soon as possible.

Ahafo Region-Goaso

Corporate debtors – GH¢538,613.06

3181. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires amongst others that, a Principal Spending Officer shall ensure that non-tax revenue is efficiently collected.

3182. However, we noted during our audit that out of total expected revenue of GH¢975,687.37, for the period between January 2020 and March 2021, from standpipes and private customers, only GH¢437,074.33 was recovered leaving an outstanding debt of GH¢538,613.04.

3183. Ineffective internal controls and poor supervision over the collection of revenue from customers by management was the course of the anomaly.

3184. This had affected the cash inflow to cater for needs of the water System.

3185. We recommended to management to ensure that the defaulters are served with demand notices after which they resort to disconnection for the recovery of the debt totalling GH¢538,613.04 was accounted for, leaving a balance GH¢23,059.50 outstanding.

3186. The situation occurred because the Accounts Clerk failed to exercise effective supervisory control over the Revenue Collector and the standpipe Vendors to ensure full and prompt payment of all revenue collected.

3187. The situation could lead to diversion and misappropriation of public funds.

3188. We recommended to management to ensure that the shortage of GH¢23,059.50 is recovered from the Accounts Clerk, the Revenue Collector and the 16 standpipe Vendors immediately, failing which the amount involved should be recovered from the Accounts Clerk.

Direct cash disbursement from revenue collected – GH¢86,333.05

3189. Regulation 50 of the Public Financial Management Regulations, 2019, (L.I. 2378) specifies that all public moneys collected shall be paid in gross into the Public Funds Accounts and a disbursement shall not be made from the moneys collected except as provided by an enactment.

3190. Contrarily, the Water Board made direct cash disbursements totalling GH¢86,333.05 from revenue collected without first lodging the moneys in gross into the designated bank account.

3191. Management could not explain why it did direct cash disbursement out of the revenue collected.

3192. The practice can increase the risk of misappropriation, unauthorised borrowing for private purposes and other cash irregularities which could result in financial loss to the Board.

3193. We therefore recommended to management to desist from such practice and ensure that all moneys received are lodged into the designated bank account in gross before disbursement. Subsequently, management should justify the cash disbursement of GH¢86,333.05 or refund the amount and pay same into the designated bank account.

Unearned salaries (Mr. Hector Embaga) – GH¢5,920.00

3194. Section 92 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires that the Principal Spending Officer of a covered entity shall ensure the immediate stoppage of payment of salary to public servants and notify the Controller and Accountant-General in the circumstance of vacation of post by an employee.

3195. We noted during the audit that Mr. Hector Embaga (the Manager), was absent from post for the period January 2019 to June 2020 without any evidence of leave. However, he was paid a total unearned salary of GH¢5,920.00.

3196. Our interaction with the staff disclosed that the Manager asked for permission to seek medical attention but there was no record on file to verify this claim.

3197. Mr. Hector Embaga did not follow the right procedure for seeking sick leave and had therefore vacated post and should not have been paid his salaries for the period to the tune of GH¢5,920.00.

3198. We therefore recommended to management to ensure that Mr. Hector Embaga refund the unearned salaries of GH¢5,920.00 for no work done.

Purchases from Non-VAT registered persons/entities - GH¢3,846.50.

3199. Section 41(1) of the VAT Act (Act 870) requires among others that, a taxable person shall, on making a taxable supply of goods or services, issue to the recipient, a tax invoice in the form and with the details that are prescribed by the Commissioner-General.

3200. We noted that Management procured various items totalling GH¢21,850.00 from non-VAT registered persons/entities thereby incurring a tax loss of GH¢3,846.50 to the State.

3201. Management responded that, they taught that VAT was inclusive in the invoices given by the service providers. This has resulted in the non-payment of VAT of GH¢3,846.50 to the Ghana Revenue Authority.

3202. We recommended that Management should pay the VAT component of GH¢3,846.50 to the Ghana Revenue Authority.

Debtors of the Water Board – GH¢179,213.70

3203. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I. 2378) states that a Principal Spending Officer shall ensure that non-tax revenue is efficiently collected.

3204. Our review of available records disclosed that 46 customers owed the Ayomso Water Board a total amount of GH¢17,100.60 for the period audited. Meanwhile a total amount of GH¢171,214.10 served under the Government free water supply during the novel COVID-19 pandemic, only GH¢9,101.00 was paid by the Government on 23 December 2020, leaving a balance of GH¢162,113.10.

3205. The lapse was attributed to Management's failure to apply stringent punishment to defaulters to deter others from defaulting as well as Government's delay in honouring its promise.

3206. The unpaid bills have affected the smooth administration of the Water Board which had subsequently affected the production and distribution of water to the populace. Salaries of the workers have also remained outstanding for over three months.

3207. We urged Management to immediately recover the total amount of GH¢17,100.60 from the individuals. We further recommended to the Board and the Asunafo North Municipal Assembly to impress upon the Government to pay the outstanding amount of GH¢162,113.10 to ensure the continuous operation of the Ayomso Water Board.

GHANA WATER COMPANY LIMITED

Introduction

3208. This report relates to the audited financial statements of Ghana Water Company Limited for the year ended 31 December 2019.

Financial performance

3209. The Company's operations for the year ended with a loss of GH¢1,885,166,215 compared with a profit of GH¢35,766,522 recorded in 2018. This represented a decrease of 5,370.76% in the Company's financial performance. The performance indicators are shown in table 474.

Table 475: Statement of Comprehensive Income for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue	901,957,013	914,660,494	(12,703,481)	(1.4)
Other income	23,859,607	19,366,996	4,492,611	23.2
Total Income	925,816,620	934,027,490	(8,210,870)	(0.9)
Expenditure				
Production Cost	667,469,366	656,221,508	(11,247,858)	1.7
Transmission/Boosting Cost	(39,629,840)	46,675,861	7,046,021	(15.1)
Distribution Cost	392,416,861	366,520,852	(25,896,009)	7.1
Commercial/Marketing Cost	168,506,074	164,462,047	(4,044,027)	2.5
General Administration and Other Cost	2,207,528,665	342,715,084	(1,864,813,581)	544.1
Finance Charge	70,613,853	25,363,876	(45,249,977)	178.4
Total Expenditure	3,546,164,659	1,601,959,228	1,944,205,	120.5
Profit/Loss for the year	(2,620,348,039)	(667,931,738)	(1,952,416,301)	292.3
Transfer from Revaluation Surplus	735,181,824	703,698,259	31,483,565	4.5
Total Comprehensive Income for the Year	(1,885,166,215)	35,766,522	(1,920,932,737)	(5,370.76)

3210. Total Income for the year amounted to GH¢925,816,620 as against GH¢934,027,490 recorded in 2018, a drop of 0.9% over 2018. The decrease was mainly due to a fall in revenue from GH¢914,660,494 in 2018 to GH¢901,957,013 in 2019, representing 1.4%.

3211. Total Expenditure however, increased by 120.5% from GH¢1,576,595,352 in 2018 to GH¢3,475,550,806 in 2019. The General Administration and other cost rose by 544.1% from GH¢342,715,084 in 2018 to GH¢2,207,528,665 in 2019.

Financial position

3212. Table 476 is a summary of the Institute's financial position as at 31 December 2019.

Table 476: Financial position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	11,878,889,710	12,509,361,655	(630,471,945)	(5.0)
Current Assets	743,571,859	1,125,926,385	(382,354,526)	(33.9)
Non-Current Liabilities	3,949,643,239	934,500,551	3,015,142,688	322.6
Current Liabilities	1,547,167,843	1,259,471,699	287,696,144	22.8
Current Ratio	0.48:1	0.89:1		

3213. Non-Current Assets decreased by 5 % from GH¢12,509,361,655 to GH¢11,878,889,710 in 2019. The decline was mainly due to depreciation charged for the year.

3214. Current Assets also dropped significantly by 33.9% from GH¢ 1,125,926,385 in 2018 to GH¢743,571,859 in 2019. The variation was as a result of a decrease in mainly Accounts receivables which dropped from GH¢926,631,311 in 2018 to GH¢540,784,041 in 2019 representing 41.6%.

3215. Current Liabilities on the other hand went up by 22.8% from an amount of GH¢1,259,471,699 in 2018 to GH¢1,547,167,843 in 2019. The increase was due mainly to 329.8% rise in current portions of long-term loans.

3216. Non-Current Liabilities also recorded a rise of 322.6% from an amount of GH¢934,500,551 to GH¢3,949,643,239 in 2019. The increase was due mainly to a 329.8% (GH¢3,015,142,688) surge in long term loans from GH¢934,500,551 to GH¢3,949,643,239 in 2019.

3217. The current ratio deteriorated from 0.89:1 in 2018 to 0.48:1 in 2019, an indication of the Company's inability to meet its short-term financial obligations when they fall due.

MANAGEMENT ISSUES

Long outstanding and uncollectible debts – GH¢11,187,580

3218. Section 10 of the GWCL revenue manual stipulates that it shall be the responsibility of the Regional Customer Care Manager/District Commercial Officer/District Marketing Officer to collect debts by establishing efficient and effective systems which shall be based on GWCL's debt management process as provided for under section 10.1 of the revenue manual and that recovery plans must be provided for all delinquent accounts (beyond three (3) months after billing).

3219. Section 19 of the GWCL accounting manual provides that accounts receivable must reflect the amount collectible. An account receivable should be declared as a bad debt, closed and written off when it is duplicated, untraceable, repudiated and when it is legally not possible to collect as a result of lapse of time.

3220. Our analysis of customers debt balances in five (5) Regions disclosed that some customers who owed GWCL a total amount of GH¢11,187,580.04 had not made any payment over a considerable period yet they continue to enjoy water supply and no effort was made to ensure collection of these debts owed to the region. Table 477 gives the details.

Table 477: Long outstanding and uncollectible debts

Region	No. of customers	Amount GH¢
Ashanti North	6	6,391,384.65
Brong Ahafo	10	811,269.52
Central	34	1,836,654.15
Northern	34	1,286,065.98
Ashanti South	1	862,205.74
Total		11,187,580.04

3221. Failure of management to institute aggressive measures to collect debt owed by these customers will put a strain on liquidity of the region and the company at large. The accounts receivable balances would have been overstated or enhanced by this seemingly uncollectible amount and this ultimately inflate the size of the balance sheet.

3222. We advised Management to collect such debts immediately and ensure that all customers who have not been making payment on their bills are subjected fully to the company's policy on delinquent customers.

3223. Management said Chapter 10.1 of the GWCL's Revenue Manual 2019, 2nd Edition states that debt management process can be broken down into the following:

- Monitor the account
- Present a bill
- Disconnect the service
- Send demand notices
- Send final demand notices
- Reschedule debt
- Take legal action
- Write- off debt

3224. There is therefore a clear-cut policy for managing arrears and this is carried out through:

- Monthly revenue mobilization and daily disconnection exercises carried out to manage receivable
- Monthly electronic demand notices (SMS through call centre) are served on customers with overaged arrears, asking them to settle their indebtedness. The company making it easier for customers to make payments through the electronic system ie, telcos, banks and third-party collectors

3225. Status of long disconnected customers are monitored monthly through:

- Disconnection and reconnection registers in the e-billing and the manually system.
- Physical monthly visits by GWCL's monitoring team e.g., meter readers, loss control supervisors.

3226. All the above measures ensure that the status of long disconnected customers is reviewed appropriately.

Accra East Region

Significant number of metered customers billed on estimates

3227. Section 6.2(c) of the GWCL revenue manual provides that unmetered customer can be billed based on estimates. According to the GWCL revenue manual, a customer can be billed using estimate when the customer is unmetered.

3228. The revenue manual also provides the procedures for billing unmetered customers including carrying out assessments at the customer's premises for the purposes of determining his/her consumption for billing through sample metering for three to six months to arrive at a reasonable average and assessing the facilities in the household and the household size.

3229. We noted that a high percentage of metered customers were billed on estimates. We could not however, sight any documentation or justification to substantiate the basis for billing customers on estimates because same is not attached to the customers records. The table below shows the percentage of customers billed based on estimates compared to the total active customers. Details are shown in table 478.

Table 478: Significant number of metered customers billed on estimates

District	Active customers	Customers billed on estimates	
		Number	%
Accra Central	9,135	3,183	35
Accra East	11,221	2,105	19
Accra North	10,925	4,090	37
Accra North East	17,853	4,127	23
Dome	8,588	2,081	24
Kwabanya	3,077	815	26
Dodowa	4,341	67	2
Teshie	8,968	1,921	21
Nungua	12,204	3,387	28
Adenta	12,055	1,632	14
Total	98,367	23,408	

3230. Failure to read meters of active customers by the customer care assistants contributed to the increasing use of estimates to bill customers and could lead to revenue losses due to failure to bill customers on actual consumption of the product.

3231. We recommended that Management should take steps to bill all metered clients with actual consumption and ensure that adequate documentation of the reason for resorting to the use of estimates to bill customers are made available.

3232. Management responded that customers are billed on estimates when water meters installed in the premises are defective or when meter readers do not have access to the customer's premises.

3233. Based on the previous three (3) months consumption the system calculates the estimates.

Failure to bill active customers

3234. The Section 6.1 of revenue manual of GWCL states that customers are to receive within two (2) weeks of the ensuing month of the meter reading, a bill showing volumes consumed, price charged, payments made and any other adjustments.

3235. We noted that a high percentage of customers classified as active with working meters were not billed for water consumed at the end of the year. Table 479 shows the details.

Table 479: Failure to bill active customers

District	Total active billable customers	Customers unbilled	%
Nungua	12,204	2,540	20.81
Dodowa	4,341	550	12.67
Accra North East	17,841	2,864	16.05
Accra North	10,925	1,443	13.21
Accra Central	9,135	1,533	16.78
Teshie	10,131	1,909	18.84
Accra East	11,221	2,626	23.40
Adenta	12,055	1,391	11.54
Kwabanya	3,077	631	20.51
Dome	8,588	2,349	27.35
Total	99,518	17,836	17.92

3236. The action impacted revenue generation which affected cash flow and liquidity of GWCL.

3237. We urged the Regional and District Commercial Managers to ensure that customer care assistants were properly supervised to read customers' meters in order to bill them for their consumptions. There should be a clear target with success criteria established for the meter readers as this is a critical activity in the revenue generation chain.

3238. Management explained that customer care assistants are supervised by Regional and District Commercial Managers to read meters in order to bill customers. Additionally, GWCL's e-billing system is a state-of-the art system that can remotely monitor activities of the meter reader. The system has a GPS facility which monitors their walks/movement of Customer Care Assistants. Management has in place measures to genuinely bill all customers. Meter readers or customer care assistants visit the premises of all GWCL's customers monthly to capture the consumptions of our customers.

3239. Active customers are sometimes not billed due to:

- No flow of water to customer's premises.
- Newly connected customers are not billed in the initial months of connection.
- If the active customers have not used the product of GWCL
- Some lines are also cut off by road contractors hence no flow of water to the premises

Accra West Region

Significant number of metered customers billed on estimates

3240. Section 6.2(c) of the GWCL revenue manual provides that unmetered customer can be billed based on estimates. According to the GWCL revenue manual, a customer can be billed using estimate where a customer is unmetered.

3241. The revenue manual also provides for the procedures for billing unmetered customers including assessments of the customer's premises for the purposes of determining his/her consumption for billing through sample metering for three to six months to arrive at a reasonable average and assessing the facilities in the household and the household size.

3242. We noted that a high percentage of metered customers as indicated in the table below are billed on estimates. We could not however, sight any documentation to substantiate the basis for billing customers on estimates because same is not attached to the customers records. Details are shown in table 480.

Table 480: Significant number of metered customers billed on estimates

Name of district	Total active billable	Total billed on estimates	Percentage %
Mamprobi	3,643	1,505	41
Amasaman	644	23	4
Bortianor	5,453	526	10
Dansoman North	12,278	1,833	15
Dansoman South	8,241	2,316	28
Kasoa	7,413	172	2
Kaneshie	6,019	1,370	23
Darkuman	11,851	1671	14
Nyanyano	8,356	540	6%
Odorkor	7,114	1,246	18%
Sowutuom	8,335	1,475	18%
Weija	8,000	1,356	17%

3243. This could lead to revenue losses due to failure to bill customers on actual consumption of water.

3244. We recommended that Management should take steps to bill all metered clients with actual consumption with immediate effect and also ensure that adequate documentation of the reason for resorting to the use of estimates to bill customers are made available.

3245. Management responded that they all the time adhere to the revenue manual in its operations. Customers are billed on estimates when water meters installed in the premises are defective and when meter readers do not have access to the

customer's premises. Based on the previous three (3) months consumptions the system calculates the estimates.

Tema Region

Failure to enforce service level agreement with banks for transfer of bills collected

3246. The GWCL service level agreement with banks requires that regions and districts maintain cash collection accounts upon which daily cash collections shall be paid into it. It also requires banks to sweep cash collections from the regions and districts accounts to the Head Office revenue account on daily basis.

3247. Contrary to the above agreements, we noted that the banks did not comply with the transfer of cash balances as captured by the service level agreement. We noted that an amount of GH¢2,143,069,21 was not transferred as covenanted per the agreement. We could not obtain any evidence of action taken by Management to ensure that the banks comply with the agreement. The outstanding amount in the various districts bank accounts at the end of the year are indicated in table 481.

Table 481: Failure to enforce service level agreement with banks for transfer of bills collected

No.	Account No.	Account Name	Amount outstanding as of December
1	1071130007877	Regional Revenue (GCB Tema Main)	667,124.31
2	1071200000049	Sakumono Baatsona	1,007,107.18
3	1071130007915	Tema Industrial (GCB Branch)	407,744.86
4	1071130007922	Tema West (GCB Branch)	24,540.86
5	1211130006158	Ashaiman East (GCB)	36,552.00

3248. Failure on the part of the district management to insist on compliance with the provisions of the service level agreements with the banks contributed to this lapse.

3249. Failure of the banks to comply with this provision will defeat the objective of Management which is primarily to enable Management of GWCL to have visibility over its funds and ultimately ensure the judicious use of the company's financial resources to meet its objectives as far as the company's liquidity is concerned.

3250. We recommended that the treasury department must closely monitor the bank accounts at the districts to ensure due compliance with the provisions of the service level agreement.

3251. Management said letters had been written to the banks to comply with the provision of the agreement on daily sweeping of balances. Management currently ensures that daily sweeps by the bank into the head office revenue account is being adhered to. Management is constantly monitoring all the activities of the banks.

ATMA Production Unit

Disparity in electricity cost

3252. Section 7 of the Public Financial Management Act, 2016 (Act 921) provides that, a Principal Spending Officer shall ensure the regularity and proper use of money and other resources belonging to a covered entity.

3253. We obtained and reviewed data on the volume of water produced from each of the treatment plants and water transmitted from booster stations under the jurisdiction of ATMA production and analysed it against the cost of electricity usage per month. Our analysis focused on the China Gerzouba and the Kpong New Works treatment plants which produce relatively comparative volumes of water but procure electricity from Electricity Company of Ghana and GRIDCO/VRA.

3254. We noted that the China Gerzouba treatment plant procures power from GRIDCO at wholesale tariff and the New Works treatment plant procures power from ECG at retail tariff. This has resulted in huge differences in electricity cost between the two treatment plants as analysed in table 482.

Table 482: Disparity in electricity cost

Month	China (Production volume)	New Works (Production volume)	Electricity cost per month (China)	Electricity Cost per month (New Works)	Difference
January	4,609,652	4,396,438	2,216,348	5,465,453	(3,249,105)
February	4,181,439	3,905,348	1,988,110	4,980,822	(2,992,712)
March	4,604,339	4,109,708	2,174,698	5,241,733	(3,067,035)
April	4,447,907	3,565,413	2,206,844	4,732,424	(2,525,580)
May	4,613,340	4,376,981	2,208,795	5,597,492	(3,388,697)
June	4,430,903	3,778,389	2,131,724	4,923,383	(2,791,659)
July	4,590,254	4,228,543	2,206,716	6,967,945	(4,761,229)
August	4,581,625	4,358,494	2,194,461	7,138,575	(4,944,114)
September	4,290,723	4,167,547	2,103,420	6,940,876	(4,837,456)
October	4,263,681	4,209,979	2,041,914	7,352,914	(5,310,000)
November	4,436,458	3,637,691	2,110,141	6,272,885	(4,162,744)
December	4,645,833	4,327,159	2,110,141	6,583,219	(4,473,078)
Total	53,696,154	49,061,690	25,693,312	72,197,721	(46,504,409)

3255. A clear cost savings opportunity which could improve the company's cash flow was not being explored. Thus, the company's profitability and cash flow continue to be negatively impacted.

3256. We recommended to Management to explore the potential cost saving opportunity available from procuring electricity from GRIDCO/VRA instead of ECG to reduce total electricity expenditure.

3257. Management responded that GWCL is taking steps to migrate from ECG to GRIDCO/VRA. At Kpong, we have two platforms of sourcing or procuring power ie. GRIDCO/VRA and ECG.

3258. Attempts have been made to get our power supply off ECG to GRIDCO/VRA. This was discussed at a ministerial level and a letter was sent to Energy Commission for approval. However, Energy Commission declined and ruled that GWCL cannot get off ECG because we are one of their major customers, and GWCL was taken into account in ECG's strategic investment.

3259. The position of Energy Commission notwithstanding, we recommend further that GWCL should engage ECG to scale down the charges on GWCL for provision of power since the apparent high electricity charges on GWCL affects their financial resources and by extension, culminates into higher tariff charges on the customers of GWCL.

Central Stores Unit

Absence of inventory insurance

3260. Section 52 of the Public Financial Management Act, 2016 (Act 921) states, "A Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets".

3261. Good stock management practice requires that an entity's inventories are insured to mitigate the risk of losses when unforeseen accidents occur.

3262. Our review of the Central Stores inventory management practices disclosed that the company did not insure its inventory. The Central Stores located at Tema serves as the central store from where all the company's stores across the country are served. The total inventory value at the year-end is valued at GH¢72,943,320.90.

3263. Lack of commitment on the part of management to insure the company's inventories contributed to this lapse.

3264. Failure to insure the Central Store and the entire inventory pose risk of huge losses which could not be mitigated should an unforeseen incident occurs, and Management could be cited for dereliction of duty.

3265. We recommended to Management to insure the Central Stores and the entire inventory to protect the company against future losses.

3266. Management responded that they have engaged an insurance broker. The broker visited Central Stores and was provided with all necessary information. A proposal has been submitted by the broker for management consideration.

Central Workshop Unit

Underutilisation of the Central Workshop

3267. Section 90 of the Public Financial Management Act, 2016 (Act 921) provides that, the governing body of a public corporation or state-owned enterprise shall establish and maintain policies, procedures, risk management and internal control systems, and governance and management practices to ensure that that institution manages its resources prudently and operates efficiently in accordance with the objectives for which it was established.

3268. The GWCL Central Workshop was established and equipped with the responsibility to undertake repairs and maintenance works at the various Headworks and Booster Stations. Our review of the repair and maintenance works undertaken during the year noted that repair works which could have been undertaken by the Central Workshop was outsourced to third parties without the Central Workshop being given the opportunity to carry out such repairs.

3269. We noted that the Central Workshop has the potential and the capacity to undertake repair and maintenance works that were outsourced to third parties.

3270. It is also significant to note that one of the major components of the operational cost of the company include repairs and maintenance cost which represent about 13% of the total operating cost of about GH¢1,268,022,141.

3271. Lack of commitment on the part of Management to harness the potential of the Central Workshop to carry out repairs and maintenance needs of the company attributed to this lapse.

3272. GWCL incurs huge cost in maintaining about 25 permanent and skilled staff in addition to other administrative cost, with less output to compensate for the expenditure. The utilization of the Central Workshop could lead to a reduction in the repair and maintenance costs incurred by the company, and this will ultimately contribute to the profitability of the company.

3273. We advised Management to ensure the Central Workshop is operational to serve the original purpose for which it was established and make it the first reference point for all repairs and maintenance works before any decision to outsource to third parties.

3274. Management responded that they have restructured the unit which is now headed by a Chief Manager (Business Development) who is currently in charge of the unit. A business plan has been drawn for all the supporting units ie, Drilling Unit, Base Workshop, Central Stores and Central Workshop by GWCL's business development unit on how to make them viable. The plan is available to confirm the strategies in place to turn around the units. Management has directed all the regions to, as a matter of urgency, engage the services of the supporting units by awarding jobs to the units first before outsourcing to a third party to make them financially viable.

Northern Region

Long outstanding and uncollectible debts – GH¢307,104.65

3275. Section 10 of the GWCL revenue manual stipulates that it shall be the responsibility of the Regional Customer Care Manager/District Commercial Officer/District Marketing Officer to collect debts by establishing efficient and effective systems which shall be based on GWCL's debt management process as provided for under section 10.1 of the revenue manual and that recovery plans must be provided for all delinquent accounts (ie, beyond three (3) months after billing).

3276. We noted long outstanding accounts receivable balance amounting to GH¢307,104.65 for which no effort had been made to collect. The details are as shown in table 483.

Table 483: Long outstanding and uncollectible debts

No.	Date	Name	Amount GH¢
1	Jan-2005	Mfantseman District Assembly	3,606.10
2	Jan-2005	Construction & Mining Co. Ltd.	618.20
3	Jan-2005	Catholic Diocese – Obuasi	667.10
4	Jan-2005	Tropical Glass Co.	3,132.74

5	Jan-2005	Land G. Resources Ltd.	1,075.00
6	Jan-2005	Michael Kofi Darko	1,024.00
7	May-2008	F.F. Antoh	1,350.00
8	Jan-2005	Catholic Parish Diocese - Koforidua	1,600.60
9	Jan-2005	Ben Anim Mensah	1,100.00
10	Jan-2005	B & Q Guest Inn Ltd.	1,038.00
11	Aug-2008	John Opoku	600.00
12	Jan-2005	Enacent Agency	705.00
13	Jan-2005	Forafrique / Foramat	12,678.45
14	Jan-2005	Charles Opoku Amankwah	970.00
15	Jan-2005	Tedson Drilling & Construction Works	2,265.00
16	Jan-2005	Feenet Co. Ltd.	12,238.00
17	Jan-2005	Ofori Amoah	2,600.00
18	Jan-2005	Jamens Co. Ltd.	7,868.00
19	Aug-08	Aduman Secondary School	279.50
20	Nov-08	Baffour Oduro Ampomah	1,200.00
21	Jan-2006	Opoku Ansah	3,000.00
22	Apr-07	D.K. Adjei	1,174.00
23	Apr-07	Nana Ama Agyemang	850.00
24	May-07	Sumani Abdul Samed	850.00
25	Oct-07	T. Mensah	1,000.00
26	Jan-08	Andrews S.Y. Nukpe	3,800.00
27	Oct-08	Akua Afriyie	967.00
28	Apr-08	Mr. Yeboah	3,200.00
29	Mar-08	Boachie Agyemang	1,150.00
30	May-06	GWCL - Cape Coast	1,943.97
31	Jan-2005	Kapital Const. & Trading Co. Ltd	2,753.05
32		John K. Ntsiful	2,000.00
33	Nov-10	Emany Filtered Water	7,600.00
34	Nov-10	Alex Tenkorang	2,200.00
35	Jun-09	Vodafone	4,700.00
36	Jun-09	Yaw Kwakwa	6,000.00
37	May-10	Kwadwo Osei Adu	3,500.00
38	2011	GWCL, Kumasi	18,670.01
39	Nov-10	Kwame Owusu Basoah	2,600.00
40		Dr Emmanuel Sarfo Asante	2,846.48
41	Nov-10	Samuel Opoku	4,000.00
42		Tina Opoku	4,700.00
43		Patrick Anim Addo	1,165.26
44		Dr Hanna Bisiw	4,700.00
45		GWCL, Western Region	6,424.00
46		Bole District Assembly	35,350.65
47		K. Badu Agro Chemical	750.00
48		Paulina Boampong	1,800.00
49		M-Plaza	14,900.00
50		Timothy Nyame	600.00
51		Joseph Azumah	1,000.00
52		Offinso District Assembly	23,100.00
53		GWCL - Head Office	15,890.57
54		GWCL - Brong Ahafo	1,335.60
55		Danso Yeboah	3,000.00
56		GWCL - Volta	800.00
57		Atibie Midwifery Training School	3,842.37
58		Boakye Frimpong	1,000.00
59		Nana Kwaku Kwarteng	1,500.00

60		Beatrice Kodzi	5,500.00
61		Major Gen. Adusei Poku	800.00
62		PURC	47,526.00
Total			307,104.65

3277. Failure on the part of Management to institute appropriate debts recovery plan and failure to carry out review of the receivable portfolio to determine its recoverability or otherwise contributed to this lapse.

3278. Accounts receivable may be overstated as debt may not be recoverable and this may lead to erroneous inflation of the asset base of the unit.

3279. We advised Management to recover the unpaid debts and ensure that all customers who have not been making substantial payment on their bills were subjected fully to the company's policy on delinquent customers.

3280. Management responded that they constituted a committee to validate the receivable balance. The recommendation of the committee indicates that some outstanding balances on the customers' ledger are collectible.

3281. Management promised to pursue the customers to collect the unpaid balances and seek approval to write off others that were not collectible.

MINISTRY OF ENVIRONMENT, SCIENCE AND TECHNOLOGY INNOVATION

NUCLEAR REGULATORY AUTHORITY

Introduction

3282. This report relates to the audited financial statements of Nuclear Regulatory Authority for the year ended 31 December 2020.

Financial Performance

3283. The Nuclear Regulatory Authority closed the 2020 financial year with a surplus of GH¢650,928.30 as compared with a surplus of GH¢94,501.02 recorded in 2019, representing an increase of 588.81%. Details of the Authority's performance indicators are shown in Table 484.

Table 484: Statement of Financial Performance for the year ended 31 Dec 2020

Revenue/Expenditure	2020 GH¢	2019 GH¢	Incr/(Decr) GH¢	% Change
GoG Subvention	6,149,600.43	5,011,553.05	1,138,047.38	22.71
Internally Generated Fund	1,893,800.37	2,006,363.17	(112,562.80)	(5.61)
Donor	201,643.84	160,132.80	41,511.04	25.92
Other Revenue	9,941.32	14,404.63	(4,463.31)	(30.99)
Total Income	8,254,985.96	7,192,453.65	1,062,532.31	14.77
Expenditure				
Compensation of Employees	5,892,072.19	4,742,760.40	1,149,311.79	24.23
Goods and Services	475,100.64	505,232.51	(30,131.87)	(5.96)
Other Expenditure (IGF)	1,236,884.83	1,849,959.72	(613,074.89)	(33.14)
Total Expenditure	7,604,057.66	7,097,952.63	506,105.03	7.13
Surplus/(Deficit)	650,928.30	94,501.02	556,427.28	588.81

3284. The total income increased by 14.77% from GH¢7,192,453.65 in 2019 to GH¢8,254,985.96 in 2020. This was due to a 22.71% and 25.92% increase in GoG subventions and Donor receipt respectively. GoG subventions rose from GH¢5,011,553.05 in 2019 to GH¢6,149,600.43 in 2020, whereas Donor receipt increased from GH¢160,132.80 in 2019 to GH¢201,643.84 in 2020.

3285. Total expenditure also increased slightly by 7.13% from GH¢7,097,952.63 in 2019 to GH¢7,604,057.66 in 2020. The increase was mainly as a result of an increase in Compensation of Employees by 24.23% from GH¢4,742,760.40 in 2019 to GH¢5,892,072.19 in 2020.

Financial position

3286. The financial position of the Authority as of 31 December 2020 is summarised in Table 485.

Table 485: Statement of Financial Position as at the year ended 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr/(Decr) GH¢	% Change
Non-Current Assets	2,035,521.50	1,540,573.29	494,948.21	32.13
Current Assets	1,247,029.69	845,214.81	401,814.88	47.54
Current Liabilities	03,345.79	57,511.00	245,834.79	427.46
Net Assets	2,979,205.40	2,328,277.10	650,928.30	28.78
Current Ratio	4.1:1	14.7:1		

3287. Non-Current assets increased significantly by 32.13% from GH¢1,540,573.29 in 2019 to GH¢2,035,521.50 in 2020, mainly due to construction of office accommodation for the Authority.

3288. Current Assets increased by 47.54% from GH¢845,214.81 in 2019 to GH¢1,247,029.69 in 2020. The increase was due to a significant rise of 137.22% in cash and cash equivalents value, from GH¢370,434.32 in 2019 to GH¢878,760.34 in 2020.

3289. Current Liabilities also increased significantly by 427.46% from GH¢57,511.00 in 2019 to GH¢303,345.79 in 2020. This was as a result of GH¢245,834.79 short term borrowings secured for the construction of office accommodation for the Authority in 2020.

3290. The Authority's liquidity position as measured by its Current Ratio of 4.1:1 (2019: 14.7:1) indicates that the Authority would be able to meet its short-term obligations when they fall due.

MANAGEMENT ISSUES

Grounded motor vehicle maintenance charges

3291. Section 52 of the Public Financial Management Act 2016, (Act 921) among other things, states "A Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. The control system shall be capable of ensuring that; preventive mechanisms are in place to eliminate theft, loss, wastage and misuse; and processes, whether manual or electronic, and procedures are in place for the effective, efficient, economical and transparent use of the assets."

3292. Our examination of the assets register disclosed that an official vehicle of the Authority, Nissan Navarra Pick-Up, with registration number GV 06/04 49-14 was grounded at the premises of the Authority since October 2015. The vehicle was said to have been involved in an accident and has since not been roadworthy. However, in December 2017 the Authority was invoiced to the tune of GH¢57,511.00 by a garage operator, Professional Auto Centre Ltd for allegedly maintaining and servicing the vehicle during the period. Nevertheless, we did not sight works order indicating the type of servicing carried out by the service provider, and a signed completion certificate showing satisfaction of work done to confirm the legitimacy of the invoice submitted.

3293. The absence of the works completion certificate could result in the Authority paying for a service which may not have been provided.

3294. We attributed the lapse to Management's inability to exercise due diligence and care, in dealings with the garage.

3295. Even though, the invoice had not been paid by the Authority, we recommended to Management to provide the works order and completion certificate showing satisfactory work done including the reason for the vehicle's non-roadworthiness after the alleged maintenance works to confirm the legitimacy and the Authority's obligation to pay for the invoice submitted.

3296. Management accepted our recommendation and, in their response, indicated that they would take necessary steps within their authority to prevent the possibility of payment of any unforeseen judgement debts.

ENVIRONMENTAL PROTECTION AGENCY

Introduction

3297. This report covers the audited financial statements of the Environmental Protection Agency for the two years ending 31 December 2020.

Financial Performance

3298. The Agency recorded a surplus of GH¢10,546,429 in 2020 as against GH¢1,302,482 in 2019, thus registering a 709.7% increase in financial performance during the year. Details of the performance indicators of the Agency's operational results are shown 486.

Table 486: Statement of Financial Performance for 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Exchange Operating Income	91,140,609	77,199,010	13,941,599	18.1
Finance Income	1,496,326	1,488,780	7,546	0.5
Other Operating Income	235,407	518,977	(283,570)	(54.6)
Total Income	92,872,342	79,206,767	13,665,575	17.3
Expenditure				
Operating expenses	20,063,496	31,107,233	(11,043,737)	(35.5)
Finance Charges	33,408	6,185	27,223	440.1
Administrative Expenses	62,229,009	46,790,867	15,438,142	33.0
Total Expenditure	82,325,913	77,904,285	4,421,628	5.7
Surplus/ (Deficit)	10,546,429	1,302,482	9,243,947	709.7

3299. Total income increased by 17.3% from GH¢79,206,767 in 2019 to GH¢92,872,342 in 2020. The increase was due to an 18.1% increase in Exchange operating income from GH¢77,199,010 in 2019 to GH¢91,140,609 in 2020. During the year 2020, the Agency introduced a new stream of revenue from E-Waste which yielded GH¢8,295,693.

3300. Total expenditure increased by GH¢4,421,628 or 5.7% from GH¢77,904,285 in 2019 to GH¢82,325,913 in 2020. The increase was mainly due to a GH¢15,438,142 or 33.0% increase in administrative expenses.

Financial position

3301. The details of the Agency's financial position are shown in table 487.

Table Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	79,801,473	89,354,591	(9,553,118)	(10.7)
Current Assets	55,668,275	37,858,238	17,810,037	47.0
Current Liabilities	2,450,566	558,315	1,892,251	338.9
Current Ratio	22.7 :1	67.8 :1		

3302. Non-Current Assets registered a decrease of 10.7% from GH¢89,354,591 in 2019 to GH¢79,801,473 in 2020. The decrease was mainly due to a 365 days' fixed deposit investment (CBG) in 2019 converted to 182 days' fixed deposit investment in 2020.

3303. Current Assets increased by 47.0% from GH¢37,858,238 in 2019 to GH¢55,668,275 in 2020.

3304. Current Liabilities recorded 338.9% increase from GH¢558,315 to GH¢2,450,566 in 2020. This was due to increases in payables and accruals.

3305. The current ratio decreased from 67.8:1 to 22.7:1 in 2020. Notwithstanding the decline, the Agency could still meet its short-term financial obligations when they fall due.

MANAGEMENT ISSUES – 2020

Differences between amounts collected and remitted for Chemical Clearance and E-Waste revenue

3306. Section 47 of the Public Financial Management Act, 2016 (Act 921) states, “A Covered entity shall not collect or receive revenue except where the covered entity is authorised by an Act of Parliament to collect or receive the revenue.

- 1) The revenue collected or received by a covered entity under subsection (1) shall:
 - ✓ Be paid into and form part of the consolidated fund;
 - ✓ Be receivable into a public Fund; and
 - ✓ Be receivable into a public fund established for a specific purpose where authorised by the constitution or an act of Parliament.
- 2) A covered entity may retain revenue collected or received, where the revenue is in the form of a levy, license fee or administrative penalty and the covered entity is authorised through appropriation by Parliament to retain the revenue”.

3307. We confirmed from the trial balance and ledgers of the Agency that the revenue generated from Chemical Clearance and E-Waste amounted to GH¢21,623,801.

3308. Invoices were issued to proponents and in most cases permits clearance were made electronically by the Chemical Control and Management Center of the Agency using the GCNet platform from January to April and the UNIPASS platform from May to December 2020.

3309. It was noted that the GCNet platform payments by the proponents which were made at either GCB or Ecobank could be traced and reconciled with bank statements from the banks by the finance department of the Agency. However, the UNIPASS platform payments by proponents at designated commercial banks

could not be traced and reconciled by the finance department as there were no bank statements.

3310. The collections by the designated banks were transferred in bulk to the EPA Holdings Account at Bank of Ghana. The finance department was therefore unable to reconcile bulk transfers to the detailed monthly reports from the UNIPASS platform which revealed a discrepancy of GH¢5,752,406.38 as at 31 December 2021. The table 487 shows the details of the discrepancies identified.

Table 487: Differences between amounts collected and remitted for Chemical Clearance and E-Waste revenue

Month	Collections From Proponents by GRA from Any Bank GH¢	Total Transfer From GRA To BoG Holding & GCB Or Ecobank Of EPA GH¢	Balance Outstanding GH¢
January	1,414,073.64	1,643,261.61	(229,187.97)
February	2,679,332.15	1,463,172.91	1,216,159.24
March	1,842,664.82	2,086,605.85	(243,941.03)
April	1,705,088.99	1,521,664.09	183,424.90
May	1,935,603.34	1,869,423.32	66,180.02
June	1,694,253.09	34,207.82	1,660,045.27
July	2,002,337.58	0	2,002,337.58
August	1,531,989.91	528,074.25	1,003,915.66
September	1,705,362.69	250,814.52	1,454,548.17
October	1,599,947.20	2,721,285.79	(1,121,338.59)
November	1,512,251.60	1,591,960.88	(79,709.28)
December	2,000,896.87	2,160,924.46	(160,027.59)
Total	21,623,801.88	15,821,360.50	5,752,406.38

3311. The audit trail to monitor cash payment by the proponents and transfer of same to the holding account at BOG was interrupted since the amounts transferred in bulk were without details, thus making it difficult to link some of the transfers to specific commercial banks.

3312. The internal checks and internal controls set up by the Agency is impaired because of Agency's inability to have access to the detailed bank statements from the designated banks. The Agency risked losing significant revenue or delay in receiving the revenue generated.

3313. We recommended that Management should engage GRA to reconcile the records and ensure that the outstanding amount is transferred to the Agency.

3314. We also recommended that the GRA should instruct the designated banks to provide monthly bank statements on the collections to enable the Agency to reconcile and track same from the UNIPASS platform to accurately account for the revenue generated from the system.

3315. Management stated that they wrote to GRA on the observation in October 2020 based on which reconciliation was done and arrived at a difference of GH¢3,859,823.25. This amount was paid on 9 February 2021 by CAGD. MOF had been notified of the challenges faced by the current arrangement and is finding solutions to address them. The current reconciliation prepared as at 30th June 2021 between amount collected on the UNIPASS platform and the amount remitted to the EPA Holding Account with Bank of Ghana showed that the difference had been reduced to an amount less than GH¢500,000.

BUILDING AND ROAD RESEARCH INSTITUTE (CSIR)

Introduction

3316. This report relates to the audited financial statements of CSIR - Building and Road Research Institute for the year ended 31 December 2020.

Financial Performance

3317. The Institute recorded a surplus of GH¢235,149 in 2020, a decrease of 85.6% from the 2019 surplus of GH¢1,632,088. Performance details are shown in table 488.

Table 488: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Government Subvention	11,647,194	10,645,184	1,002,010	9.4
Internally Generated Funds	7,771,837	6,640,663	1,131,174	17.0
Total Income	19,419,031	17,285,847	2,133,184	12.3
Expenditure				
Compensation of Employees	11,629,579	10,645,184	984,395	9.2
General & Admin. Expenses	1,116,192	928,667	187,525	20.2
Repair & Maintenance	263,369	226,119	37,250	16.5
Travel & Transport	1,223,311	265,811	957,500	360.2
Financial Charge	174,624	126,642	47,982	37.9
Training & Conference	54,774	219,162	(164,388)	(75.0)
Consultancy & Research Expenses	4,722,033	3,242,174	1,479,859	45.6
Total Expenditure	19,183,882	15,653,759	3,530,123	22.6
Surplus/(Deficit)	235,149	1,632,088	(1,396,939)	(85.6)

3318. Total Income increased by 12.3% from GH¢17,285,847 in 2019 to GH¢19,419,031 in 2020. The increase was mainly due to a 17.0% rise in internally generated funds which moved from GH¢6,640,663 in 2019 to GH¢7,771,837 in 2020.

3319. Total Expenditure also increased by 22.6% from GH¢15,653,759 in 2019 to GH¢19,183,882 in 2020. The rise was significantly due to a 9.2% increase in Compensation for Employees and a 45.6% surge in Consultancy and Research costs.

Financial Position

3320. The analysis of the Financial Position of the Building and Road Research Institute – (CSIR) and its comparative figures for 2019 are shown in table 489.

Table 489: Statement of financial position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	49,908,247	49,029,762	878,485	1.8
Current Assets	594,710	1,167,072	(572,362)	(49.0)
Current Liabilities	40,859	29,767	11,092	37.3
Non-Current Liabilities	247,633	187,749	59,884	31.9
Net Assets	50,214,465	49,979,318	235,147	0.5
Current Ratio	14.6:1	39.2:1		

3321. Non-Current Assets increased by 1.8% from GH¢49,029,762 in 2019 to GH¢49,908,247 in 2020. This was mainly due to additions to Property, Plant, and Equipment worth GH¢1,634,359 during the year.

3322. Current Assets on the other hand decreased by 49.0% from GH¢1,167,072 in 2019 to GH¢594,710 in 2020. The drop was because of a 52.6% decrease in Cash and Bank Balances thus from GH¢983,775 in 2019 to GH¢466,137 in 2020.

3323. Non-Current Liabilities also increased by 31.9%. This was a result 164.5% increase in Welfare Funds Payables from GH¢77,749 in 2019 to GH¢205,608 in 2020.

3324. Current Liabilities increased to GH¢40,859 in 2020 from GH¢29,767 in 2019 representing 37.3%. This was due to an increase in Sundry Creditors from nil balance in 2019 to GH¢8,568 in 2020.

3325. The liquidity position of the Institute as measured by the current ratio stood at 14.6:1 in 2020 (2019:39.2:1). This means the Institute would be able to meet its short-term debts as and when they fall due even though the ratio dropped.

FOOD RESEARCH INSTITUTE (CSIR)

Introduction

3326. This report relates to the audited financial statements of the Food Research Institute (CSIR) for the year ended 31 December 2020.

Financial Performance

3327. The Institute ended the year 2020 with a Surplus of GH¢88,724 as against GH¢11,350 recorded in 2019 showing a 681.7% rise in surplus. Details are shown in table 490.

Table 490: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Recurrent Grant	9,651,127	8,383,778	1,267,349	15.1
Commercialisation Surplus	1,423,986	1,294,389	129,597	10.0
Total Income	11,075,113	9,678,167	1,396,946	14.4
Expenditure				
Employment Cost	9,606,300	8,383,778	1,222,522	14.6
General and Admin. Expenses	1,099,375	1,049,692	49,683	4.7
Repairs and Maintenance	230,621	178,674	51,947	29.1
Travelling and Transport	50,093	54,673	(4,580)	(8.4)
Total Expenditure	10,986,389	9,666,817	1,319,572	13.7
Surplus/(Deficit)	88,724	11,350	77,374	681.7

3328. Total Income increased by 14.4% from GH¢9,678,167 in 2019 to GH¢11,075,113 in 2020. The increase in total income was due to a rise in Recurrent Grant by GH¢1,267,349 or 15.1%.

3329. Total Expenditure also increased from GH¢9,666,817 in 2019 to GH¢10,986,389 in 2020. The increment was largely due to the increase in the Employment Cost by GH¢1,222,522 representing 14.6%.

Financial Position

3330. Table 491 shows the summary of the Institute's Statement of Financial Position as at 31 December 2020.

Table 491: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	1,374,601	984,531	390,070	39.6
Current Assets	2,064,955	2,103,143	(38,188)	(1.8)
Current Liabilities	604,195	297,893	306,302	102.8
Current Ratio	3.4:1	7.1:1		

3331. The Institute's Non-Current Assets increased by 39.6% or GH¢390,070 from GH¢984,531 in 2019 to GH¢1,374,601 in 2020. The increase was due to additions to Work-In-Progress by GH¢469,529.

3332. Current Assets went down by 1.8% from GH¢2,103,143 in 2019 to GH¢2,064,955 in 2020. The decrease was mostly due to GH¢70,514 or 3.9% fall in Cash and Cash Equivalent from GH¢1,811,859 in 2019 to GH¢1,741,345 in 2020.

3333. Current Liabilities, however, increased by 102.8% from GH¢297,893 in 2019 to GH¢604,195 in 2020. The increase was primarily due to the GH¢440,013 rise in CSIR Provident Special Loan in 2020.

3334. The current Ratio in 2019 of 7.1:1 dropped in the current year showing 3.4:1. The decrease notwithstanding, the Institute still has the ability to meet its short-term financial obligations as and when they fall due.

MANAGEMENT ISSUES

Unpaid Staff Salary Advances – GH¢5,700.00

3335. Section 91 of the Public Financial Management Act, 2016 (Act 921) requires that, the Board of Directors of a public corporation governed by this Act shall ensure the efficient management of the financial resources of the public corporation including the collection and receipt of moneys due to that public corporation.

3336. Section 91 further states that where a public corporation wilfully or negligently fails to ensure that moneys due to that public corporation are collected or received, the Minister shall, upon the recommendation of the Auditor-General, withdraw or suspend the emoluments of the members of the governing body of the public corporation, either jointly or severally.

3337. We noted during our review of salary advances that out of a total sum of GH¢15,302.06 granted to ten staff in 2018, only GH¢9,602.06 had been recovered, leaving an amount of GH¢5,700.00 outstanding at the end of the 2020 financial year. Details of the unpaid salary advances are provided in table 492.

Table 493: Details of Unpaid Salary Advances

Name	Amount Owing as at 1/1/2020 GH¢	Date Loan was granted	Amount Paid In 2020 GH¢	Amount as at 31/12/2020 GH¢
Richard Tackli	3,000.00	08/05/2018	400.00	2,600.00
Mariam Yakubu	800.00	07/05/2018	-	800.00
Blankson Dadzie	800.00	07/05/2018	-	800.00
Sunday Akontondinjin	1,500.00	14/12/2018	-	1,500.00
TOTAL	6,100.00		400.00	5,700.00

3338. Non-adherence to the laid down repayment plan could have a cash flow implication on the Institute.

3339. We urged Management to ensure that employees granted salary advances adhere strictly to the repayment plans to reduce any cash flow challenges and also recover the remaining balance of GH¢5,700.00 without further delays from the staff.

3340. Management noted our recommendations for compliance.

WATER RESEARCH INSTITUTE (CSIR)

Introduction

3341. This report covers the audited financial statements of the Water Research Institute (CSIR) for the year ended 31 December 2019.

Financial Performance

3342. The Institute closed the year 2019 with a surplus of GH¢1,519,874 as against GH¢1,397,866 recorded in 2018, representing 8.7% improvement. The detailed performance indicators are shown in table 494.

Table 494: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Recurrent Grant	11,424,002	10,177,860	1,246,142	12.2
Internally Generated Funds	4,169,381	4,683,868	(514,487)	(11.0)
Donor	5,415,180	3,784,725	1,630,455	43.1
Release from research and development fund	67,289	211,744	(144,455)	(68.2)
Exchange Gain	247,434	137,348	110,086	80.2
Total Income	21,323,286	18,995,545	2,327,741	12.3
Expenditure				
Personnel Emoluments	11,570,942	10,363,697	1,207,245	11.6
Travelling and Transport	292,148	264,806	27,342	10.3
Administrative and General Expenses	1,222,009	1,106,142	115,867	10.5
Repairs and Maintenance	474,673	431,088	43,585	10.1
Project Expenses	5,795,364	4,232,123	1,563,241	36.9
Depreciation Charges	448,276	1,199,823	(751,547)	(62.6)
Total Expenditure	19,803,412	17,597,679	2,205,733	12.5
Surplus for the year	1,519,874	1,397,866	122,008	8.7

3343. Total Income increased by 12.3% from GH¢18,995,545 in 2018 to GH¢21,323,286 in 2019. The increment in total income was largely due to an upsurge in donor fund from GH¢3,784,725 in 2018 to GH¢5,415,180 in 2019 showing a change of GH¢1,630,455 or 43.1%

3344. Total Expenditure recorded a 12.5% increase to close at GH¢19,803,412 in 2019 from GH¢17,597,679 in 2018. The increase was primarily due to a rise in the project expenses by 36.9% and an 11.6% increase in personnel emoluments.

Financial Position

3345. Table 465 is a summary of the Institute's financial position as at 31 December 2019.

Table 495: Statement of Financial Position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	11,169,024	10,639,941	529,083	5.0
Current Assets	4,665,002	2,382,545	2,282,457	95.8
Current Liabilities	268,495	187,446	81,049	43.2
Net Asset	15,565,531	12,835,040	2,730,491	21.3
Current Ratio	17.4:1	12.7:1		

3346. Non-Current Assets increased by 5.0% from GH¢10,639,941 in 2018 to GH¢11,169,024 in 2019. The increment was basically because of additions to property, plant & equipment.

3347. Current Assets went up by 95.8% from GH¢2,382,545 in 2018 to GH¢4,665,002 in 2019. The increase was mainly due to 189.6% rise in Cash and Cash Equivalents from GH¢1,402,894 in 2018 to GH¢4,062,490 in 2019.

3348. Current Liabilities also increased by 43.2% from GH¢187,446 in 2018 to GH¢268,495 in 2019. The rise was principally due to a 62.8% increase in Other Creditors from GH¢140,466 in 2018 to GH¢228,617 in 2019.

3349. The current ratio in 2018 was 12.7:1 and improved in 2019 to 17.4:1. This indicates the ability of the Institute to meet its short-term financial obligations as and when they fall due.

SCIENCE AND TECHNOLOGY POLICY RESEARCH INSTITUTE (CSIR)

Introduction

3350. This report relates to the audited financial statements of the Science and Technology Policy Research Institute for the year ended 31 December 2019.

Financial Performance

3351. The Institute recorded a surplus of GH¢155,593 in 2019 as against deficit of GH¢132,505 in 2018 representing an improvement of 217.4% in the financial performance during the year. Details are in table 496.

Table 496: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Subvention from government of Ghana	4,045,195	3,503,787	541,408	15.5
Internally Generated Funds	610,206	413,953	196,253	47.4
Project Income	1,793,381	1,203,607	589,774	49.0
Grant- Assets	-	26,613	(26,613)	(100.0)
Income-miscellaneous	205,704	-	205,704	-
Total Income	6,654,486	5,147,960	1,506,526	29.3
Expenditure				
Compensation of employees	4,053,856	3,512,393	541,463	15.4
Goods and services	2,445,037	1,768,072	676,965	38.3
Total Expenditure	6,498,893	5,280,465	1,218,428	23.1
Surplus/ (Deficit)	155,593	(132,505)	288,098	217.4

3352. Total income for the Institute rose by 29.3% from GH¢5,147,960 in 2018 to GH¢6,654,486 in 2019. This was mainly due to an increase in project income from GH¢1,203,607 in 2018 to GH¢1,793,381 in 2019 representing 49.0% or GH¢589,774 and an increase of 15.5% in subvention from government of Ghana.

3353. Total expenditure also increased by 23.1% from GH¢5,280,465 in 2018 to GH¢6,498,893 in 2019. The movement was largely due to 38.3% increase in goods and services from GH¢1,768,072 in 2018 to GH¢2,445,037 in 2019.

Financial Position

3354. The Institute's financial position is summarised in table 497.

Table 497: Statement of Financial Position as at 31st December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	330,342	341,195	(10,853)	(3.2)
Current Assets	1,359,862	1,215,760	144,102	11.9
Current Liabilities	62,591	265,304	(202,713)	(76.4)
Net Assets	1,627,613	1,291,651	335,962	26.0
Current Ratio	21.7:1	4.6:1		

3355. Non-Current Assets decreased marginally by 3.2% from GH¢341,195 in 2018 to GH¢330,342 in 2019. The difference between the additions to property, plant & equipment and depreciation charge for the year accounted for the decrease.

3356. Current Assets increased by 11.9% from GH¢1,215,760 in 2018 to GH¢1,359,862 in 2019. The rise was mainly due to an increase in bank and cash which went up by 13.48% or GH¢151,079.

3357. Current Liabilities significantly decreased by 76.4% from GH¢265,304 in 2018 to GH¢62,591 in 2019 thereby causing the current ratio to improve from 4.6:1 in 2018 to 21.7:1 in 2019.

SOIL RESEARCH INSTITUTE (CSIR)

Introduction

3358. This report covers the audited financial statements of Soil Research Institute for the year ended 31 December 2020.

Financial Performance

3359. The Institute recorded a surplus of GH¢70,136 in 2020 as against a deficit of GH¢374,007 in 2019, thus registering 118.75% increase in the performance during the year. The performance indicators for the year shown below in table 498.

Table 498: Statement of Financial Performance for the year ended 31 December 2020

Income /Expenditure	2020 GH¢	2019 GH¢	Incr. / (Decr.) GH¢	% Change
Subvention from Government of Ghana	9,418,190	8,628,213	789,977	9.16
Research Grant from Donor Projects	1,160,719	973,136	187,583	19.28
Internally Generated Funds	833,716	598,474	235,242	39.31
Total Income	11,412,625	10,199,823	1,212,802	11.89
Expenditure				
Wages and Salaries	5,523,093	5,123,275	399,818	7.80
Allowances	3,864,678	3,505,928	358,750	10.23
Repairs and Maintenance	85,3781	66,891	18,487	27.64
Travelling Transport Exp	114,752	98,449	16,303	16.56
Financial Charge	3,595	3,238	357	11.03
Administrative And General Expenses	539,452	450,503	88,949	19.74
Research And Donor Funded Project	1,211,548	1,325,546	(113,998)	(8.60)
Total Expenditure	11,342,489	10,573,830	768,659	7.29
Surplus/(Deficit)	70,136	(374,007)	444,143	118.75

3360. Total Income increased by 11.89% from GH¢10,199,823 in 2019 to GH¢11,412,625 in 2020. The increase was largely due to a GH¢789,977 or 9.16% increase in subvention from government of Ghana.

3361. Total Expenditure also increased by GH¢768,659 or 7.29% from GH¢10,573,830 in 2019 to GH¢11,342,489 in 2020. The increase was mainly due to 7.80% and 10.23% increases in wages & salaries and allowances respectively.

Financial position

3362. The financial position of the Institute is illustrated in table 499.

Table 499: Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	327,065	481,581	(154,516.00)	(32.09)
Current Assets	835,904	418,301	417,603.00	99.83
Current Liabilities	367,348	174,398	192,950.00	110.64
Current Ratio	2.28:1	2.40:1		

3363. Non-Current Assets registered a decrease of 32.09% from GH¢481,581 in 2019 to GH¢327,065 in 2020. The decrease was due to depreciation charge for the year.

3364. Current Assets rose by 99.83% from GH¢418,301 in 2019 to GH¢835,904 in 2019.

3365. Current Liabilities recorded 110.64% increase over the 2019 amount of GH¢174,398 to GH¢367,348 in 2020.

3366. The liquidity position as measured by the current ratio decreased from 2.40:1 in 2019 to 2.28:1 in 2020. This indicates that the Institute can meet its short-term financial obligations when they fall due.

INSTITUTE OF INDUSTRIAL RESEARCH (CSIR)

Introduction

3367. This report relates to the audited financial statement of the Institute of Industrial Research (CSIR) for the year ended 31 December 2019.

Financial Performance

3368. The Institute ended the year 2019 with a surplus of GH¢521,232 as compared with GH¢733,472 recorded in 2018 and this represented a decrease of 28.94% during the period. The details of the performance indicators of the Institute are shown in table 500.

Table 500: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Revenue from non-exchange transactions	6,906,680	6,137,131	769,549	12.54
Project Research fund release	1,697,789	970,792	726,997	74.89
Capital grants release to income	412,225	412,225	-	-
Revenue from exchange transactions	348,615	354,540	(5,925)	(1.67)
Other Income	8,504	545,739	(537,235)	(98.44)
Total Income	9,373,813	8,420,427	953,386	11.32
Expenditure				
Employee compensation	6,906,680	5,941,101	965,579	16.25
Research & Development Expenses	928,324	689,223	239,101	34.69
General & Administrative Expenses	476,327	394,029	82,298	20.89
Depreciation of Asset	541,250	580,280	(39,030)	(6.73)
Finance Cost	-	82,322	(82,322)	(100.00)
Total Expenditure	8,852,581	7,686,955	1,165,626	15.16
Surplus / (Deficit)	521,232	733,472	(212,240)	(28.94)

3369. Total income increased from GH¢8,420,427 to GH¢9,373,813 in 2019 representing an 11.3% increase. The rise was due to an increase of 74.89% in project research fund release from GH¢970,792 to GH¢1,697,789 in 2019. Revenue from non-exchange transactions also increased by 12.54% from GH¢6,137,131 to GH¢6,906,680 in 2019. However, this was offset by a decrease of 98.44% in other income after it reduced from GH¢545,739 to GH¢8,504 in 2019.

3370. Total Expenditure also rose from GH¢7,686,955 to GH¢8,852,581 in 2019 representing an increase of 15.16% and was mainly attributable to an increase of GH¢965,579 or 16.25% in employee compensation.

Financial Position

3371. The financial position of the Institute is presented in table 501.

Table 501: Statement of financial position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non- Current Assets	1,021,193	1,349,100	(327,907)	(24.31)
Current Assets	1,225,311	725,467	499,844	68.90
Current Liabilities	340,163	346,095	(5,932)	(1.71)
Non- Current Liabilities	122,760	122,760	-	-
Net Asset	1,783,581	1,605,712	177,869	11.08
Current Ratio	3.6:1	2.1:1		

3372. Non-Current Assets for the period went down by 24.31% from GH¢1,349,100 to GH¢1,021,193 in 2019 and was caused by the depreciation charged during the year.

3373. Current Assets however went up by 68.90% from GH¢725,467 to GH¢1,225,311 in 2019.

3374. Current Liabilities decreased by 1.71% from GH¢346,095 to GH¢340,163 in 2019 and was caused by a decrease in the amount due to related parties.

3375. Non-Current Liabilities remained unchanged during the year.

3376. The liquidity position of the Institute for 2019 as measured by its current ratio was 3.6:1 (2018: 2.1:1) and indicates the Institute's ability to meet its short-term financial obligations when they fall due.

MINISTRY OF YOUTH AND SPORTS

NATIONAL SPORTS AUTHORITY

Introduction

3377. This report relates to the audited financial statements of National Sports Authority for the two years ended 31 December 2019.

Financial Performance

3378. The Authority recorded a deficit of GH¢219,306.15 compared with the 2018 surplus of GH¢12,582.79 representing a fall of 1842.9% in the performance of the Authority. The result of the financial performance analysis is shown in table 502.

Table 502: Statement of financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
GOG Fund	7,697,293.37	7,537,208.83	160,084.54	2.12
Internally Generated Fund	3,806,779.10	1,451,639.02	2,355,140.08	162.24
Total Income	11,504,072.47	8,988,847.85	2,515,224.62	27.98
Expenditure				
Compensation of Employees	6,146,361.79	5,839,524.65	306,837.14	5.25
Goods and Services	5,577,016.83	3,136,740.41	2,440,276.42	77.80
Total Expenditure	11,723,378.62	8,976,265.06	2,747,113.56	30.60
Surplus/(Deficit)	(219,306.15)	12,582.79	(231,888.94)	(1,842.91)

3379. Total Income for the period under review went up by 27.98% from GH¢8,988,847.85 in 2018 to GH¢11,504,072.47 in 2019. This significant increase was due to 162.24% rise in Internally Generated fund in 2019.

3380. Total Expenditure for the period also increased by GH¢2,747,113.56, representing 30.6% of the 2018 figure of GH¢8,976,265.06. This increase was as a result of a significant increase in Goods and Services during the year under review.

Financial Position

3381. The Financial of Position of the Authority as at 31 December 2019 is shown 503.

Table 503: Statement of Financial Position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Asset	1,794,045.44	1,818,929.38	(24,883.94)	(1.4)
Current Assets	555,331.97	649,953.17	(94,621.20)	(14.6)
Current Liabilities	342,827.00	243,026.00	99,801.00	41.1
Liquidity Ratio	1.6:1	2.7:1		

3382. The Authority's non-current asset decreased by GH¢24,883.94 from GH¢1,818,929.38 in 2018 to GH¢1,794,045.44 in 2019 representing 1.37% drop. This difference was mainly due to depreciation during the year.

3383. The Current Assets, which are represented by inventories, trade receivables and cash & bank balances decreased by 14.56% from GH¢649,953.17 in 2018 to GH¢555,331.97 in 2019.

3384. The Liquidity Ratio of the Authority for the year reduced drastically. The Current Ratio for year was 1.6:1 as against 2.7:1 for the preceding year. This do not depict a stronger ratio to meet short term financial obligations. Management should ensure improvement in liquidity position of the Authority.

MANAGEMENT ISSUES

Official vehicle stolen

3385. Section 52 of the Public Financial Management Act 2016 (Act 921) states “a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.”

3386. We noted from our review of the Board's minutes that, at an emergency meeting of the Board on 30th October 2019, the Director General (reported of a theft case involving the Authority's Vehicle with the registration number GX 6551-18 valued at GH¢150,000 during an official trip to Kumasi. We again noted that, though a report was said to have been made to the Police, Management could not provide the police report to confirm the assertion.

3387. The anomaly resulted in the Authority being denied the opportunity to use the vehicle for its intended purposes. This could also result in financial loss to the state.

3388. We advised Management that since the vehicle has been comprehensively insured, a claim should be forwarded to the Insurance Company for its replacement.

3389. Management is yet to respond to the observation.

Unaccounted for expenditure – GH¢68,328

3390. Regulation 102 of the Public Financial Management Regulations, 2019 (L.I. 2378) requires that, a special imprest issued for making particular payment or group of payments shall be fully retired within ten (10) days after completion of their activity. It further states that the unretired imprest shall be charged to the personal name of the Principal Spending Officer or the imprest holder or the ultimate recipient of the imprest as appropriate.

3391. Contrary to the above stated regulation, we noted that a total amount of GH¢68,328 being operational imprest given to an officer and two (2) suppliers for the period under review was not accounted for as detailed in table 504.

Table 504: Un-accounted for expenditure

Date	PV No/Chq. No	Amount GH¢	Narrations	Payee
16/5/2019	NSA/05/2019/018	9,328.00	Honorarium to members of selection board the appointment of DG & DDG	S. Abdul-Rahim
19/7/18	005218	40,000.00	Part payment for supply of glass doors and accessories for the gym	Kwabena C. Sukzize
24/7/18	005236	15,000.00	Part payment for repairs and Maintenance and supply of Tyres on NSA vehicle	NiiLantey

7/6/2019	005118	4,000.00	Part payment of travel expenses to Eva Oteng for participating in Beijing China semina	Eva Oteng
Total		68,328.00		

3392. Weak controls associated with the payments procedures in the accounting department occasioned the irregularity.

3393. We could not ascertain whether the money was used for the intended purpose. This practice could also create opportunity for misapplication of funds.

3394. We advised Management to ensure that, the outstanding imprest are accounted for, and our office notified for verification failing which the amount should be adjusted to the personal advance account in the name of the imprest holders 30 days upon the receipt of this Management Letter.

3395. Management responded that they are pursuing the receipts to attach as early as practicable and will notify the Audit team for verification.

Unpresented Value Books

3396. Regulation 153 of the Public Financial Management Regulations 2019 (L.I. 2378) enjoins, the Principal Spending Officer to retain used value books for a period of seven years.

3397. We noted that 4 General Counterfoil Receipts that were issued in January 2018 were not presented for audit. Details in table 505.

Table 505: Un-presented Value Books

Rept. No.	Issued To	Issued On
14524501-14524600	Ephraim Afiencya	1/16/2018
14524601-14524700	Ephraim Afiencya	1/16/2018
14524701-14524800	Ephraim Afiencya	1/16/2018
14524801-14524900	Ephraim Afiencya	1/16/2018

3398. The situation occurred as a result of the Chief Accountant not ensuring the use of a standard stock register and the issuance of the value books.

3399. In the absence of used books, we could not ascertain whether or not these receipt books were fully utilised and properly accounted for in the interest of the Authority.

3400. We urged the Chief Accountant to produce the value books that were not presented for audit 30 days upon the receipt of the Management Letter.

3401. Management responded that fourteen (14) out of the eighteen (18) used General Counterfoil receipts (GCR) books are available for your verification. The remaining four (4) are being pursued vigorously.

NATIONAL YOUTH AUTHORITY

Introduction

3402. This report relates to the audited financial statements of National Youth Authority for the two years ended 31 December 2019.

Financial Performance

3403. The overall financial performance of the Authority during the period under review showed a surplus of GH¢45,561,779 as compared with GH¢48,907,667 recorded in the 2018 financial year, representing a reduction of 6.8%. Table 506. provides the details.

Table 506: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
GoG Subvention	6,739,834	6,622,514	117,320	1.8
Internally Generated Fund	22,668	13,758	8,910	64.8
Donor	850,613	485,440	365,173	75.2
Other Revenue	69,218,235	80,555,253	(11,337,018)	(14.1)
Total Income	76,831,350	87,676,965	(10,845,615)	(12.4)
Expenditure				
Compensation of Employees	7,834,553	7,338,560	495,993	6.8
Goods and Services	20,330,742	29,466,3007	(9,135,565)	(31.0)
Consumption of Fixed Asset	2,449,226	1,964,431	484,795	24.7
Other Expenses	655,050	0	655,050	100
Total Expenditure	31,269,571	38,769,298	(7,499,727)	(19.3)
Surplus/(Deficit)	45,561,779	48,907,667	(3,345,888)	(6.8)

3404. Total income for the year 2019 reduced by GH¢10,845,615 from GH¢87,676,965 in 2018 to GH¢76,831,350 in 2018, representing 12.37% decline. The decrease was mainly as a result of delay in the receipt of the Authority's allocation of District Assemblies Common Fund.

3405. Total expenditure also decreased by 19.34% from GH¢38,769,298 in 2018 to GH¢31,269,571 in 2019. This was primarily due to a 31% or GH¢9,135,565 decrease in goods and service expenditure. The make-up of this expenditure was a 56% or GH¢3,260,254 reduction in travel and transport; 100% or GH¢5,379,264 non-occurrence of consultancy expenses and a 29% or GH¢2,039,088 reduction of special services/monitoring expenses.

Financial Position

3406. The financial position of the Authority as of 31 December 2019 is summarised in table 507.

Table 507: Financial Position as at 31 December 2019

Assets/Liabilities	2019	2018	Incr./	%
Non-Current Asset	GH¢	GH¢	(Decr.)	Change
Property Plant and Equipment	14,166,658	14,637,317	(470,659)	(3.22)
Work-in-Progress	102,642,309	57,963,681	44,678,628	77.08
Total non-current asset	116,808,967	72,600,998	44,207,969	60.89
Current Assets (Cash and Cash equivalent)	4,135,924	2,515,343	1,620,581	64.43
Current Liabilities	266,773	580,992	314,219	(54.08)
Net Assets	120,678,118	74,535,348	46,142,770	61.91
Current Ratio	15.5:1	4.3:1		

3407. Non-Current Assets registered an increase of 60.89% from GH¢72,600,998 in 2018 to GH¢116,808,967 in 2019. Ongoing construction of 10 youth resource centres across 10 regions in the country accounted mainly for the increase.

3408. Current Assets also rose to GH¢4,135,924 in 2019 from GH¢2,515,343 in 2018 an increase of GH¢1,620,581 or 64.43%. This comprised cash and cash equivalent only.

3409. Current Liabilities decreased by 54.08% from GH¢580,992 in 2018 to GH¢266,773 in 2019. This was as a result of payment to a service provider that the Authority engaged in 2013.

3410. The Authority's liquidity position as measured by current ratio improved significantly from 4.3:1 in 2018 to 15.5:1 in 2019, giving the indication that the Authority can meet its immediate financial obligations as the ratio is far above the accepted industry measure of 2:1.

MANAGEMENT ISSUES

Payment of Board and Board Committee allowances without recourse to Ministry of Finance directives – GH¢1,181,777.50

3411. Government of Ghana through the Ministry of Finance in a circular on allowances for Boards and Councils in the public services dated 2nd November 2018 with Ref. No. BD/CMU/BCA/2018/001, states in paragraph 2 that, Boards and Councils of various Institutions are requested to apply to the Ministry of Finance for the approved rates applicable to their respective Institutions”.

3412. Section 9, of National Youth Authority Act, 2016 (Act 939) states that, “members of the Board and members of a committee of the Board shall be paid the allowances approved by the Minister in consultation with the Minister responsible for Finance”.

3413. In contravention of the above directives and provisions, our review of financial transactions of the Authority disclosed that a total of GH¢1,181,777.50 was paid as Board and Board committee allowances and Management retreat/workshops during the period of the audit without adhering to the directive from the Ministry of Finance. Refer to details in table.

Table 508: Payment of Board and Board Committee allowances without recourse to Ministry of Finance directives

No.	Date	PV No	Cheque Number	Description	Payee	Amount GH¢
1	15-Jan-18	None	376102	Sitting Allowance for NYA Board Meeting (Hon. Franscica Oteng Mensah - George Orwell)	Acting CEO	6,840.00
2	17-Jan-18	04/2018	376104	Sitting Allowance for Evaluation Tender Committee on Youth Resource Centres	Acting CEO	14,220.00
3	17-Jan-18	06/2018	376106	Payment of Sitting Allowance for Entity Committee Meeting on construction of Youth Centre	Acting CEO	4,960.00
4	19-Jan-18	011/2018	376111	Honorarium to AU-YVC Committee training program at GIMPA	Acting CEO	23,400.00
5	8-Feb-18	046/2018	376152	Payment of allowance with respect to NYA Board Retreat 8-10 February	Acting CEO	30,300.00
6	15-Feb-18	073/2018	376184	Board Subcommittee Allowance: Finance and Audit Committee and Legal Committee	Acting CEO	3,820.00

7	15-Feb-18	075/2018	376187	Board Subcommittee Allowance: Finance and Audit Committee 15/02/18	Acting CEO	5,950.00
8	21-Feb-18	085/2018	376197	Sitting Allowance for NYA Board and Supporting Staff	Acting CEO	7,830.00
9	14-Mar-18	129/2018	525445	Payment of Audit Committee sitting allowance	Acting CEO	5,410.00
10	20-Mar-18	154/2018	525478	Being payment of Board sitting allowance on 10th March 2018	Acting CEO	7,015.00
11	2-May-18	269/2018	525606	Entity Committee sitting allowance to deliberate and approve bids for the supply 2,400 tablets computers ...held on 2nd May 2018	Acting CEO	4,510.00
12	9-May-18	275/2018	525612	Sitting allowance & other expenses for NYA board meeting on 09/05/18 at NYA Head Office	Acting CEO	9,480.00
13	9-May-18	284/2018	525621	Funds for Sitting Allowance for Legal Committee of NYA Board members on 09/05/2018	Acting CEO	2,250.00
14	9-May-18	279/2018	525616	Sitting allowance for Entity Tender Committee meeting for construction of Youth Resource Centre at Northern, Ashanti & Western and Central Region dated 18/04/2018 - 2nd ETC meeting	Acting CEO	10,350.00
15	24-May-18	322/2018	525665	Payment of sitting allowance for evaluation Committee on construction of Youth Resource Centre at Northern, Ashanti, Western & Central Regions	Acting CEO	4,320.00
16	24-May-18	323/2018	525666	Payment of sitting allowance for evaluation Committee on bids for supply of Portable Tablets	Acting CEO	4,680.00
17	31-May-18	362/2018	525709	Funds for accommodation, allowance etc for a Retreat at Sogakope - Holy trinity SPA	Acting CEO	10,939.50
18	6-Jun-18	385/2018	525741	Funds for sitting Allowance for Legal & finance Sub-Committee of NYA Board members	Acting chief executive	6,485.00
19	22-Aug-18	None	525968	Funds for Board Sub-Committee members allowance of finance Audit & Legal	Acting chief executive	6,485.00
20	27-Aug-18	None	526005	Being allowance for NYA Board sub-committee Finn., Audit & Legal allowance & support staff held on 17th Aug 2018	Acting chief executive	4,600.00
21	03-Oct-18	None	526120	Funds for National Youth Authority Board meeting	Acting CEO	8,840.00

				scheduled for 20th september,2018		
22	18-Oct-18	None	526179 526180	Being payment for National Youth Authority Board joint sub-committee sitting allowance (legal and finance) on 4th September,2018 at National services scheme (NSS) Head office	Acting CEO	4,350.00
23	18-Oct-18	None	526181 526182	Being payment for National youth Authority Board joint sub-committee sitting allowance (legal and finance) on 17th October,2018 at World trade centre	Acting CEO	4,550.00
24	06-Dec-18	None	526346	Being payment for outstanding night allowance for National Youth Authority Governing Board Members on official visit to four Regions	Acting CEO	35,848.00
25	18-Dec-18	None	526382	Being payment in respect of outstanding allowance for National Youth Authority Board members	Acting CEO	4,784.00
26	18-Dec-18	None	526386	Being payment of sitting allowance for Entity Committee members for approval of procurement plan	Acting CEO	4,240.00
27	18-Dec-18	None	328901	Being outstanding Night allowance for National Youth Authority (NYA) Board Members Working visit to four Regions of Ghana	Acting CEO	25,514.00
28	17-Jan-19	None	328959	Being accountable imprest workshop for management and Regional Directors Frontline officers of National Youth Authority from 17th - 20th January, 2019	Acting CEO	59,800.00
29	05-Mar-19	None	329082	Being accountable imprest for allowance in respect of NYA Board official working visit to the Western, Eastern, Central and Ashanti Regions	Acting CEO	96,480.00
30	28-Mar-19	None	329110	Being payment of sitting allowance of NYA governing Board meeting on 28th March 2019	Acting CEO	24,340.00
31	28-Mar-19	None	329112	Being payment of sitting allowance of Technical Committee on review of National Youth Policy on 26th March 2019	Acting CEO	5,790.00
32	28-Mar-19	None	329113	Being payment of sitting allowance of Audit	Acting CEO	6,060.00

				Committee on 26th March 2019		
33	4-Apr-19	None	329127	Being allowance for Board Welfare sub - committee meeting	Acting CEO	8,180.00
34	16-Apr-19	None	329144	Being payment of a three-day training programme for NYA Governing Board at Peduase Valley Resort	Acting CEO	89,915.00
35	16-Apr-19	None	329145	Being payment for sitting allowance for NYA Governing Board joint Sub committee on Legal, Finance and Audit on 17th April, 2019	Acting CEO	13,404.00
36	05-Mar-19	None	329082	Being allowance in respect of NYA Board official working visit to the Western, Eastern, Central and Ashanti Regions	Acting CEO	96,480.00
37	28-Mar-19	None	329110	Being payment of sitting allowance of NYA governing Board meeting on 28th March 2019	Acting CEO	24,340.00
38	04-Mar-19	None	329052	Being payment for sitting allowance of Technical Committee meeting on Review of the National Youth Policy	Acting CEO	5,790.00
39	24-Apr-19	None	329157	Being sitting allowance of technical committee meeting on Review of National Youth Policy	Acting CEO	5,890.00
40	29-Apr-19	None	329169	Being sitting allowance balance for NYA Board Legal and Finance joint committee meeting on 24th - 27th April 2019.	Acting CEO	38,812.00
41	8-May-19	None	329182	Being funds for NYA Board of Trustees meeting on 8th May, 2019	Acting CEO	24,640.00
42	9-May-19	None	329185	Being funds for NYA Board meeting on 9th May, 2019	Acting CEO	25,600.00
43	22-May-19	None	329203	Being funds for management retreat from 24th - 26th May 2019 at Eastern Region	Acting CEO	75,900.00
44	2-Jul-19	None	329294	Being funds for sitting allowance in respect of NYA Board meeting schedule for Tuesday 2nd July 2019	Acting chief executive	25,630.00
45	27-May-19	None	329211	Being payment for sitting allowance of Technical Committee meeting on one day orientation meeting for Thematic working Groups (National Youth Policy Review) on Tuesday 28th May 2019 at Alisa Hotel.	Acting CEO	37,190.00

46	27-Sep-19	None	329504	Being payment in respect of sitting allowance for NYA Board members meeting held on 18th September, 2019 at NYA Head quarters	Acting CEO	17,220.00
47	03-Oct-19	None	329521	Being sitting allowance balance for retreat for the NYA Governing Board of NYA and resource person from 3rd to 6th October 2019 at Ada	Acting CEO	96,815.00
48	25-Oct-19	None	329585	Being payment in respect of sitting allowance for the Governing NYA Board welfare committee meeting on 24th October 2019 at NYA Head office	Acting CEO	14,206.00
49	21-Nov-19	None	329661	Being payment of sitting allowance for Audit Committee third quarter meeting which will be held on 28th November 2019	Acting CEO	14,385.00
50	02-Dec-19	None	329678	Being payment of sitting allowance for NYA Governing Board meeting on 3rd December 2019 November, at NYA Conference room	Acting CEO	26,670.00
51	16-Oct-19	None	329556	Being funds for allowance and transportation for Management Retreat from 17 October 2019 at Prampram	Acting CEO	59,600.00
52	02-Dec-19	None	329678	Being payment of sitting allowance for NYA Governing Board meeting on 3rd December 2019 November, at NYA Conference room	Acting CEO	26,670.00
Total						1,181,777.50

3414. Management's disregard for government directives resulted in the infraction.

3415. We recommended that Management should apply to the Ministry of Finance for the approved rates applicable to the Authority and notify audit accordingly.

3416. In response, Management explained that the payments were made based on category 2 of the letter from the Ministry of Finance and advice from the Sector Ministry. The Authority however has applied to the Ministry of Finance for the specific approved rates applicable and would notify Audit team accordingly.

Failure to obtain VAT Invoices – GH¢177,372.63

3417. Section 41 of the Value Added Tax Act, 2013 (Act 870) provides that a taxable person shall, on making a taxable supply of goods or services, issue to the recipient, a tax invoice in the form and with the details that are prescribed by the Commissioner-General.

3418. We noted that the Ministry of Youth and Sports on behalf of National Youth Authority engaged Messrs Joe Kingsley Hackman as consultant in the design and supervision of the construction of Youth Resource Centres across ten regions in Ghana at a contract price inclusive of VAT/NHIL. During the payment for his consultancy services in 2018, the Authority withheld the VAT/NHIL GETFund component amounting to GH¢167,466.25 without remitting same to GRA.

3419. In the case of Mr. Arnold Boateng who is a Board member of the Authority, was engaged to develop a Medium-Term Strategic plan for 2018 - 2019 for the Authority. An amount of Gh¢86,482.72 inclusive of Value Added Tax (VAT) of GH¢9,906.38 was paid to him however, no VAT invoices were issued to the Authority by Mr. Arnold Boateng. Details are shown in table 509.

Table 509: Failure to obtain VAT Invoices

No.	Date	PV No.	Cheque No.	Description	Payee	Amount GH¢	VAT Amount GH¢
1	15/02/2018	054/2018	376163	Preparation of detailed architectural and structural design services proposed for the construction the Youth Resource Centres	Joe Kingsley Hackman	89,595.00	14,253.75
2	15/02/2018	058/2018	376167	Pre- contract Consultancy services for Upper West Lot 7: GR/NYA/YRC/WKS/07/17	Joe Kingsley Hackman	192,610.00	30,642.50
3	15/02/2018	060/2018	376169	Consultancy services for Volta Region Lot 9: GR/NYA/YRC/WKS/09/17	Joe Kingsley Hackman	192,610.00	30,642.50
4	15/02/2018	062/2018	376171	Consultancy services for B/A lot 5: GR/NYA/YRC/WKS/09/17	Joe Kingsley Hackman	192,610.00	30,642.50
5	24/05/2018	328/2018	525671	Payment of consultancy services for the construction of Youth Resource Centre at Central Region	Joe Kingsley Hackman	192,610.00	30,642.50
6	24/05/2018	330/2018	525673	Payment of consultancy services for the construction of Youth Resource Centre at Northern Region	Joe Kingsley Hackman	192,610.00	30,642.50

7	21/12/2018	N/A	328924	Payment for Development of Medium-Term Strategic plan for 2018 - 2019 for the Authority	Arnold Boateng	86,482.72	9,906.38
TOTAL						1,139,127.72	177,372.63

3420. The Consultant, Messrs Joe Kingsley Hackman was not VAT registered, hence his inability to ensure compliance with the tax laws, the Director of Finance withheld the VAT/NHIL component and remitted to GRA at later dates however these deductions were inadvertently omitted.

3421. The delay in remitting taxes to GRA denies the Government of revenue to support national development. In some instances, these taxes may not be paid to GRA thereby causing a loss to the state.

3422. We advised Management to remit the VAT/NHIL withheld of GH¢167,466.25 to GRA and ensure that Mr. Arnold Boateng provide VAT invoices covering the total amount of GH¢86,482.72 failing which Mr. Arnold Boateng should be made to refund the VAT/NHIL of GH¢9,906.38 and notify the audit team for verification.

3423. According to Management, the Authority is indebted to the firm and would take steps to deduct the VAT amounts from subsequent payments upon submission of certificate for payment.

Avoidable Expenditure – GH¢25,753.73

3424. Section 7 of the Public Financial Management Act, 2016 (Act 921) provides that, a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity and manage the resources received, held or disposed of by or on account of the covered entity.

3425. We noted during our review of the Authority's records that the Authority had to pay an interest of 3.4% due to overdue debt for the purchase of official vehicles from Auto Mall Ghana Limited after delivery of the cars on 22 September 2016. Similarly, the Authority had to bear the cost of cancellation of official trip to Angola. Refer to table 510 for details.

Table 510: Avoidable Expenditure

No	Date	PV No	Chq No.	Description	Payee	Amount GH¢
1	31/05/18	360/2018	525706	3.4% interest on outstanding debt owed on the purchase of 3 No. Toyota Corolla 1.8L Petrol Engine 2016 model and 3 No. Nissan Navara LE 2.5L diesel Engine 2016 Model	Auto Mall Gh Ltd	19,753.73
2	21/01/19	None	328963	Being payment in respect of cancellation of economy class air ticket for DCEO- F/A and Director - RPPME for official trip to Angola	Special T - Travels Ltd	6,000.00
Total						25,753.73

3426. The Director of Finance explained that the interest payment for the vehicles arose because the Authority did not have sufficient funds to pay for the vehicles at the time of purchase and rather had to use the available funds to fund the feeding grant of students which had been in arrears for two years as directed by the Chief Executive. Again, the cancellation of the trip to Angola was not in their control, however, Management could not provide the audit team with evidence to that effect.

3427. The above situations resulted in a drain on its scarce resource of the Authority.

3428. We advised Management that in instances of these nature, they should leverage on the pre-existing relationships with these vendors and engage them in a negotiation so as to reduce the fines and charges that arise as a result of a failure or delay in fulfilling an obligation. These practices can prevent the occurrence of avoidable expenditures.

3429. Management responded that “The cancellation of air ticket for the foreign trip was not avoidable. The Ministry of Foreign Affairs cancelled the trip in view of the inability of the government of Angola to host the Ghanaian delegation at the earlier agreed date.

3430. Secondly, the 3.4% interest paid could not be avoided as the delay in payment was not caused by the Authority. When the Authority was ready to pay for the vehicles, the then Honourable Minister for Youth and Sports instructed that the IGF be used to pay for outstanding debt of five (5) school terms of feeding

grants to our ten (10) Youth Leadership and Skills Training Institutes to prevent closure of the Institutions. The feeding grant which was to be paid by government through the Ministry of Finance had delayed for two years”.

Procurement without securing alternative price quotations – GH¢288,265.20

3431. Section 20 of the Public Procurement (Amendment) Act, 2016 (Act 914) states, “The procurement entity shall request quotations from as many suppliers or contractors as practicable but shall compare quotations from at least three different sources that should not be related in terms of ownership, shareholding or directorship and the principles of conflict of interest shall apply between the procurement entities and their members and the different price quotation sources.”

3432. We however noted from our review that the Authority procured services spanning the period 2018 to 2019 to the tune of GH¢288,265.20 from service providers without obtaining alternative quotations thereby defeating the purpose of ensuring value for money. Details are attached as table 511.

Table 511: Procurement without securing alternative price quotations

No.	Date	Cheque Number	Description	Name Of Supplier/ Payee	Amount GH¢
1	29/08/2018	526039	Being payment for 4 economy Air tickets to participate 18th IYD in Malaysia	TSL Transport Solutions Ltd	32,390.00
2	08/10/2018	526141	Air ticket for Vida Amoah and Joseph Oppong youth activist who participated in the international conference on youth violence extreme in Malaysia	TSL Transport Solutions Ltd	17,631.00
3	28/11/2018	526330	Being payment of Air ticket in respect of official travels to Malta by the Minister, CEO and four others	TSL Transport Solutions Ltd	50,942.00
4	21/12/2018	328905	Air fare top-up for CEO, Abena Nuamah Dugan, at a high-level side Event at the UN General Assembly in New York, USA	TSL Transport Solutions Ltd	18,209.00
5	17/07/2019	329337	Being payment in respect of Air ticket for the Chief Executive officer to participate in the African cup of nations to show its support and solidarity as the Nations Young People participate in the tournament, 2019 in Egypt	Jubilee Tours Ltd	8,558.00

6	17/07/2019	329341	Being payment in respect of air ticket for CEO to participate in the MIT Regional Entrepreneurship Acceleration Program in Boston, United states of America from 24th - 26th June, 2019	TSL Transport Solutions Ltd	31,713.00
7	05/11/2019	329609	Being payment in respect of air ticket for CEO to participate in the India- Africa Higher Education and Skill Development Summit from 26th - 27th August 2019 in New Delhi India	TSL Transport Solutions Ltd	31,595.00
8	11/11/2019	329629	Being payment in respect of air ticket for Director - RPPME to participate in the workshop on country Acceleration Strategy for the African Plan of Action for Youth Empowerment (APAYE) was held in Addis Ababa, Ethiopia from 16th - 20th September 2019	TSL Transport Solutions Ltd	5,808.00
9	10/12/2019	329708	Being payment in respect of air ticket for CEO and four officials of NYA and ten Youth Activists to participate in the Youth Connect African Summit, Kigali, Rwanda from 9th - 11th October 2019	TSL Transport Solutions Ltd	74,608.00
10	10/12/2019	329709	Being payment in respect of air ticket purchased for two Youth Activist to participate in the African Youth on Integration Programme in Cairo, Egypt from 20th - 26th November 2019	TSL Transport Solutions Ltd	8,601.20
11	10/12/2019	329710	Being payment in respect of air ticket purchased for DCEO'S - F/A to participate in the 2019 Singapore Fintech Festival (SFF) and Singapore Week of Innovation and Technology (SWITCH), Singapore from 11th - 15th November 2019	TSL Transport Solutions Ltd	8,210.00
Total					288,265.20

3433. This anomaly occurred due to the inability of the Head of Procurement, Director of Finance, and the Chief Executive Officer to obtain at least three quotations from different suppliers to ensure compliance with the PPA law.

3434. We could not determine if value for money was achieved. This could also lead to financial abuses as there is no transparency and competitiveness in the procurement process.

3435. We recommended that approval should be sought from the Public Procurement Authority before single source procurement method is applied. Again, the Head of Procurement, Director of Finance and Chief Executive Officer should in future obtain quotations from at least three different suppliers before selecting a supplier to transact business with.

3436. We further advised that a contract agreement can be entered with service providers detailing the expected mode of delivery and payment terms by the Authority which should be reviewed periodically.

3437. Management noted your recommendation for compliance.

Absence of youth sponsorship policy

3438. A function of the Authority as provided for in Section 3, of the National Youth Authority Act, 2016 (Act 939) is to formulate policies and implement programmes that will promote in the youth a sense of friendship and co-operation through exchange of ideas with recognised youth organisations in other countries in Africa and the world.

3439. Following from the above law, we noted that the Authority did well in offering financial support to individuals and youth groups. However, these sponsorships were granted without laid down criteria. Refer to details in table 512.

Table 512: Absence of youth sponsorship policy

No.	Date	PV No.	Chq No.	Description	Payee	Amount GH¢	Remarks
1	13/04/18	239/2018	525575	Being financial support to Ms Eunice Eleanor Dziedzorm Klinogo to contest for African Regional Representative of Commonwealth Youth council	Ms Eunice Eleanor Dziedzorm Klinogo	90,000.00	Only signed sheet by the payee attached
2	12/06/18	None	525785	Funds to support World Youth Summit at Legon	International Youth Fellowship-Ghana	50,000.00	Ministry of Youth and Sports Request for sponsorship attached
3	04/03/19	None	329069	Being funds to support the International Youth Empowerment Summit (IYES) Foundation	International Youth Empowerment Summit (IYES) -	100,000.00	Receipt attached
4	5/04/19	None	329140	Being financial support to International Young	International Young	81,032.00	Organization has no

				Democrat Union (IYDU) for participation in freedom Forum in Arabat Monrocco as per the attached memo dated 5th April 2019.	Democrat Union -Ghana		letter head and Invitation letter not signed
5	25/07/19	None	329352	Being financial support for training Ghanaian in Youth in Entrepreneurship	International Young Democrats Union	80,000.00	Ministry of Youth and Sports Request for sponsorship attached
6	30/07/19	None	329368	Being financial support in respect of the 2019 World Youth Summit in Ghana to be held at Legon from 30th July - 3rd August 2019	International Youth Fellowship-Ghana	50,000.00	Ministry of Youth and Sports Request for sponsorship attached
7	15/08/19	None	329409	Being Financial support for the International Youth Summit from the 21st - 23rd August, 2019	International Youth Empowerment Summit (IYES) Foundation	200,000.00	Receipt attached
8	04/12/19	N/A	329691	Being financial support to participate in the 2019 Council meeting in Brussels Belgium from 12th - 14th December, 2019	International Young Democrats Union	85,000.00	Receipt attached
9	16/12/19	N/A	329750	Being financial support as Ghana's Representative and Candidate for Pan African Youth Union Secretary General for the upcoming elections in 2019 at Johannesburg in South Africa	Bening Ahmed	75,000.00	Only signed authority note by the recipient attached and request for financial support attached
Total						811,032.00	

3440. This is as a result of the absence of an approved criterion in the determination and selection of the kind of activity that deserves financial support and who gets sponsored or not.

3441. This may lead to the refusal of equally good individuals and well-meaning youth groups the opportunity to be exposed to environments that would develop their creative and leadership intuition.

3442. Again, the absence of a criteria results in disparity and unfairness as well as discrimination among the youth.

3443. We recommended that Management with approval from the Board, should develop criteria for the approval of financial support to individuals and youth groups with the aim of harmonizing and standardising the way of operation.

3444. Management will take steps to develop a policy for the approval of financial support to individuals and youth groups with the aim to have a harmonised and standard way of operating as recommended.

Roof Leakages on the Ajumako Afranse YLSTI Boys Dormitory

3445. Section 7 of the Public Financial Management Act, 2016 (Act 921) provides that, a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity and manage the resources received, held or disposed of by or on account of the covered entity.

3446. We noted leakages on the roof of the newly constructed boy's dormitory block, during our visit to the Youth Leadership and Skills Training Institute at Ajumako Afranse in the Central Region. This was a contract awarded by the Authority to Messrs Nesstra Ghana Limited at a contract sum of GH¢990,300.00 of which GH¢940,785.00 has since been paid leaving a retention of GH¢49,515.00 yet to be paid. Details is shown as Picture 'A'

Picture 'A': Roof Leakages on the Ajumako Afranse YLSTI Boys Dormitory



3447. These leakages occurred due to the contractor's inability to install and seal off the joints in the roof properly thereby causing gaps which allows for rainwater to easily seep through.

3448. The leakages are virtually destroying the plywood used for the ceiling and creating drawings on the walls thereby weakening them. Additionally, the electrical and fixtures and fitting installations are at risk if the leakages are not remedied immediately.

3449. We recommended to the Director of Technical Project and Procurement to invite the contractor to site to fix the leakages and inform the audit team for inspection before the retention of GH¢49,515.00 is paid to him, failing which the retention withheld should be used to fix the leakages. We further recommended that the Consultant to the project, Architectural and Engineering Services Limited (A.E.S.L) should be notified.

3450. Management responded that they have taken note of our recommendations and has written to the Consultant (AESL) to inform the contractor to fix the leakages and invite the audit team for inspection.

MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

INSTITUTE OF LOCAL GOVERNMENT STUDIES (ILGS)

Introduction

3451. This report relates to the audited financial statements of the Institute of local Government Studies for the year ended 31 December 2020.

Financial Performance

3452. The Institute's operations for the year ended with a surplus of GH¢1,992,869 compared with GH¢2,364,173 recorded in 2019, representing a decrease of 15.7%. The performance indicators are shown in table 513.

Table 513: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Rentals	368,148	628,666	(260,518)	(41.4)
Collaborations	9,800,707	4,594,781	5,205,926	113.3
Academic Programmes	909,290	1,422,710	(513,420)	(36.1)
Management Development Programmes	-	207,400	207,400	(100.0)
Other Income	84,361	46,960	37,401	79.6
Amortised Differed Income	-	50,616	50,616	(100.0)
Total Income	11,162,506	6,951,133	4,211,373	60.6
Expenditure				
Compensation	1,160,127	1,381,130	-221,003	(16.0)
Goods and Services	8,009,510	3,205,830	4,803,680	149.8
Total Expenditure	9,169,637	4,586,960	4,582,677	99.9
Surplus/Deficit	1,992,869	2,364,173	-371,304	(15.7)

3453. Total Income for the year amounted to GH¢11,162,506 as against GH¢6,951,133 recorded in 2019, an improvement of 60.6%. The rise was mainly due to an increase in collaborations income by GH¢5,205,926 or 113.3%.

3454. Total Expenditure also increased by 99.9% from GH¢4,586,960 in 2019 to GH¢9,169,637 in 2020. Goods and Services rose by 149.8% from GH¢3,205,830 in 2019 to GH¢8,009,510 in 2020.

Financial position

3455. The details of the Institute's financial position as at 31 December 2020 are illustrated in table 514.

Table 514: Statement of Financial Position as at 31 December 2020

Assets/Laibilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	1,466,200	1,015,690	450,510	44.4
Current Assets	13,464,124	11,908,105	1,556,019	13.1
Current Liabilities	617,119	603,459	13,660	2.3
Current Ratio	21.8:1	19.7:1		

3456. Non-Current Assets went up by 44.4% from GH¢1,015,690 in 2019 to GH¢1,466,200 in 2020. The rise was due to property, plant and equipment procured during the year.

3457. Current Assets also increased by 13.1% from GH¢11,908,105 to GH¢13,464,124 in 2020.

3458. Current Liabilities increased by 2.3% from GH¢603,459 to GH¢617,119 in 2020.

3459. The liquidity position of the Institute registered 21.8:1 in 2020 as compared to 19.7:1 in 2019; an indication of the Institute's capacity to discharge its short-term liabilities when they fall due.

MANAGEMENT ISSUES – 2019

Withdrawal from bank without payment vouchers GH¢1,366,168.75 and €5,000

3460. Regulation 82 of the Public Financial Management Regulations, 2019 (L. I. 2378) states that a payment by a covered entity shall be accompanied with a payment voucher authorised by the head of accounts and approved by the Principal Spending Officer.

3461. We noted during the audit that a total amount of GH¢1,366,168.75 and €5,000 were withdrawn from the Institute's bank account without payment vouchers. Details of the withdrawals are shown in tables 515.

Table 515: Withdrawal from Bank Without Payment Vouchers

	Date	Bank	Details	Amount - Euros
1	27/8/19	BANK OF AFRICA (GH) EURO ACCOUNT	CASH WITHDRA to € 5,000 WAL	5,000.00
				5,000.00
	Date	Bank	Details	Amount - Gh¢
2	17/04/2019	STANDARD CHARTERED BANK (0100126551604)	INW CLG 947883 In clearing chq - DEBIT0000947883	1,500.00
3	29/04/2019	STANDARD CHARTERED BANK (0100126551604)	In Clearing chq - DEBIT0000947900	2,000.00
4	9/4/2019	STANDARD CHARTERED BANK (0100126551601)	0000405670 cash withdrawal - A.S. SEIDU	5,000.00
5	10/5/2019	STANDARD CHARTERED BANK (0100126551601)	0000405676 cash with-Nana Korantema	1,500.00
7	14/05/2019	STANDARD CHARTERED BANK (0100126551601)	0000405678 cash withdrawal By A.S. SEIDU	100,000.00
8	14/05/2019	STANDARD CHARTERED BANK (0100126551601)	0000405682 cash withdrawal by signat A. Saedd Seidu	300,000.00

9	15/05/2019	STANDARD CHARTERED BANK (0100126551601)	0000405679 cash withdrawn by A.S. SEIDU	500,000.00
10	22/05/2019	STANDARD CHARTERED BANK (0100126551601)	0000405688 cash withdrawn by A.S. SEIDU	240,000.00
11	24/05/2019	STANDARD CHARTERED BANK (0100126551601)	0000405687 cash withdrawal A S Seidu signatory	200,000.00
12	30/04/2019	STANDARD CHARTERED BANK (0100126551600)	0000654103 Cash withdrawal - Nana Korantemah	1,600.00
13	15/07/2019	STANDARD CHARTERED BANK (0100126551600)	In clearing Chq- Debit 0000419232	14,568.75
Total				1,366,168.75

3462. The Finance Officer failed to apply the provisions under Regulation 82 of L. I. 2378. Withdrawals from bank were made without approved payment vouchers, memos, and authorizations from the Head of Accounts and the Principal Spending Officer.

3463. Withdrawals without payment vouchers and the required approvals could result in misappropriation of funds and fraud.

3464. We recommended to Management to investigate the circumstances that led to the situation and take appropriate action against the officers involved.

Management responded as follows:

3465. Six (6) transactions (item 7-11) amounting to GH¢1,340,000 related to a matter that the Institute's Council has reported to the Police CID (Financial Forensic Unit) as dishonest appropriation of funds by three (3) interdicted staff of the Institute namely, Dr. Abdulai Darimani, Mr. Simon Bokor and Mr. Adenanr Saeed Seidu. The said suspects have refunded an amount of GH¢869,360. An amount of GH¢470,640 is yet to be refunded as at the date of this response. The promissory notes issued by the three suspects have been dishonoured.

3466. Five (5) transactions (item 2,3,4,5&12) amounting to GH¢11,600 were withdrawals by the former Finance Officer, Mr. Adenanr Saeed Seidu without payment vouchers (PVs). He has been contacted to make available the PVs and has failed to deliver them for audit review. The issue was also reported to the Police.

3467. One transaction (item 13) to the tune of GH¢14,568.75 was established to be a dishonest and fraudulent transaction by the former Finance Officer without the authorisation of Management. The issue has been reported to the Police CID for investigations.

3468. One transaction (Item 1) amounting to €5,000 has been established as another fraudulent transaction by former Finance Officer. The issue has been reported to the Police CID for investigations.

Payments without Supporting Documents – GH¢65,880.00

3469. Regulation 78 of the Public Financial Management Regulations, 2019 (L.I. 2378) provides that, a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity the validity, accuracy, and legality of the claim for the payment and that evidence of services received, certificate for work done and any other supporting documents exists.

3470. We noted that seven (7) payment vouchers amounting to GH¢65,880.00 were without receipts. Table 516 are the details

Table 516: Payments without Supporting Documents

No.	Date	Chq No.	Details	Amount GH¢
1	26/03/2019	SCB 405667	Being funds for quality Assurance-Executive Programme in local Governance - A.S. SEIDU	25,000.00
2	25/04/2019	STANDARD CHARTERED BANK (0100126551604)	0000947887 Cash withdrawal – Mohammed	2,000.00
3	2/1/2019	STANDARD CHARTERED BANK (0100126551601)	0000405652 cash withdrawal. A.S. SEIDU	20,000.00
4	2/1/2019	STANDARD CHARTERED BANK (0100126551601)	0000405653 cash withdrawal A.S. SEIDU	3,850.00
5	11/1/2019	STANDARD CHARTERED BANK (0100126551601)	0000405654 cash withdrawal A.S. SEIDU	10,000.00
6	9/5/2019	STANDARD CHARTERED BANK (0100126551601)	0000405675 cash withdrawal by Thomas	2,030.00
7	1/4/2019	STANDARD CHARTERED BANK (0100126551600)	0000238062 cash withdrawal - A.S Seidu	3,000.00
Total				65,880.00

3471. The Finance Officer failed to apply the provisions under Regulation 78 of L. I. 2378.

3472. Payments without receipts could result in misappropriation of funds or fraud.

3473. We recommended to the Council of the Institute to ensure that receipts covering such payments are provided, failing which the amount should be refunded by the finance officer.

3474. Management responded that, except for one transaction (item 1) amounting to GH¢25,000, the remaining six (6) transactions amounting to GH¢40,880 were initially not found for audit purposes. The former Finance Officer was notified and subsequently returned the PVs covering the transactions but without the supporting receipts. He has since been contacted to make available the documentations necessary to retire the Payment Vouchers fully.

Second Tier SSNIT deductions not paid – GH¢268,183.58.

3475. Section 96 of the National Pensions Act, 2008 (Act 766) requires that where an employer deducts contributions from the salary of a worker, the contributions shall be held by the employer in trust until remitted to the trustees of the occupational pension scheme.

3476. We noted that the Institute had not paid the Tier 2 contribution of staff since 2015 even though an amount of GH¢268,183.58 had been deducted from workers' salaries.

3477. We also noted that the Institute did not have a Fund Manager to manage its Second-Tier funds.

3478. The disregard by the finance officer for the provisions contained in Act 766 resulted in this irregularity.

3479. Failure to remit deductions to Trustee of an Occupational Pension Scheme is in breach of the National Pensions Act, 2008 (Act 766).

3480. We admonished Management to ensure that the previous deductions of GH¢268,183.58 are paid immediately and ensure that subsequent deductions are paid on time. We further recommended to Management to expedite action to engage a fund manager to manage the Second-Tier contributions for the benefit of staff.

3481. Management explained that in November 2020, three (3) fund managers made presentations/proposals to the staff of ILGS. Management has shortlisted two fund managers, namely, Axis and Petra Trust. A recommendation will be made to Council as soon as it is reconstituted to enable the Institute to settle its obligations.

MINISTRY OF RAILWAY DEVELOPMENT

GHANA RAILWAY COMPANY LIMITED

Introduction

3482. This report relates to the audited financial statements of the Ghana Railway Company Limited (GRCL) for the year ended 31 December 2019.

Financial Performance

3483. The year closed with a deficit of GH¢ 3,311,988 representing a 153.6% deterioration in the Company's financial performance from a deficit of GH¢1,306,158 in 2018. Details of the financial performance of the Company are shown in table 517.

Table 517: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Subventions	-	7,123,890	(7,123,890)	(100)
Internally Generated Funds	18,449,336	22,127,488	(3,678,152)	(16.6)
Other Income	19,793,479	1,317,000	18,476,479	1,402.9
Total Income	38,242,815	30,568,378	7,674,437	25.1
Expenditure				
Operating Expenses	28,634,482	21,282,591	7,351,891	34.5
Administrative Expenses	12,920,321	10,591,945	2,328,376	22.0
Total Expenditure	41,554,803	31,874,536	9,680,267	30.4
Surplus/(Deficit)	(3,311,988)	(1,306,158)	(2,005,830)	(153.6)

3484. Total Income increased by 25.1% from GH¢30,568,378 in 2018 to GH¢38,242,815 in 2019. This was primarily due to a rise in Other Income of 1,402.9%, which moved from GH¢1,317,000 in 2018 to GH¢ 19,793,479 in 2019. Total Expenditure increased by 30.4% to GH¢41,554,803 in 2019 from GH¢31,874,536 in 2018. This increase was largely due to rise in operating expenses of 34.5% and administrative expenses of 22%.

Financial Position

3485. The financial position of the Company as at 31 December 2019 is summarised in table 518.

Table 518: Statement of Financial Position as at 31 December 2019.

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	195,160,338	195,041,498	118,840	0.1
Current Assets	5,998,415	6,041,191	(42,776)	(0.7)
Current Liabilities	26,616,413	82,428,884	(55,812,471)	(67.7)
Current Ratio	0.2:1	0.1:1		

3486. Non-Current Assets increased marginally by 0.1% from GH¢ 195,041,498 in 2018 to GH¢ 195,160,338 in 2019. This was due to additional acquisition of non-current assets during the year.

3487. Current assets however, decreased to GH¢5,998,415 in 2019 from GH¢6,041,191 in 2018 representing 0.7%.

3488. Current liabilities also decreased by 67.7% from GH¢82,428,884 in 2018 to GH¢26,616,413 in 2019. This was mainly due to the settlement of a GH¢52,429,164 facility from India Exim Bank.

3489. The Company's liquidity position as measured by its current ratio of 0.2:1 (2018: 0.1:1) indicates that the Company might struggle to meet its immediate financial obligations.

MANAGEMENT ISSUES

Wrongful Payment of Salaries – GH¢2,456

3490. Regulation 92 of the Public Financial Management Regulations, 2019 (L. I. 2378) requires the Principal Spending officer of a covered entity to ensure the immediate stoppage of payment of salary to public servants on the dismissal or relief of post on administrative and other related grounds and the head of a covered entity shall take the necessary action to retrieve any unearned compensation.

3491. We noted that a former security officer, Mr. Richard Amoah with staff number 804117 was dismissed from the company and yet continued to receive salaries amounting to GH¢5,456 from September 2018 to April 2019. Further investigations revealed that he had paid GH¢3,000 leaving a balance of GH¢2,456 outstanding as at the close of 31 December 2019. As at the close of

audit, 13 November 2020, the amount was yet to be settled. We were informed that the case had since been lodged with the police.

3492. The action denied the Company the use of funds to support its operational activities.

3493. Management should take immediate action to recover the outstanding amount of GH¢2,456 and pay into an appropriate account of the Company.

3494. According to Management, an agreement was reached between GRCL and the mother of Richard Amoah to pay the difference of GH¢2,456 by the end of November 2019. However, GH¢500 was paid on 29 November. 2019 leaving a balance of GH¢1,956 to be settled.

MINISTRY OF DEFENCE

KOFI ANNAN INTERNATIONAL PEACEKEEPING TRAINING CENTRE

Introduction

3495. This report relates to the audited financial statements of the Kofi Annan International Peacekeeping Training Centre for the two years ending 31 December 2020.

Financial Performance

3496. The Centre recorded a surplus of GH¢1,227,557 in 2020 compared to a surplus of GH¢1,474,045 in the 2019 financial year. The detailed indicators of operational performance are shown in table 519.

Table 519: Statement of Financial Performance for 2020 financial year

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Operating Income	35,344,683	47,385,035	(12,040,352)	(25.4)
Investment Income	499,774	866,119	(366,345)	(42.3)
Total Income	35,844,457	48,251,154	(12,406,697)	(25.7)
Expenditure				
Direct Costs	14,782,930	22,529,929	(7,746,999)	(34.4)

Administrative and General Expenses	4,817,903	9,611,586	(4,793,683)	(49.9)
Staff Costs	15,016,067	14,635,594	380,473	2.6
Total Expenditure	34,616,900	46,777,109	(12,160,209)	(26.0)
Surplus/(Deficit)	1,227,557	1,474,045	(246,488)	(16.7)

3497. Total Income fell significantly by GH¢12,406,697 after it decreased from GH¢48,251,154 in 2019 to GH¢35,844,457 in 2020. This represents a 25.7% decrease and was mainly caused by a reduction of GH¢12,040,352 in the operating income.

3498. The Centre's total expenditure similarly fell from GH¢46,777,109 in 2019 to GH¢34,616,900 in 2020 representing a substantial reduction of 26.0%. This was due to decreases of GH¢7,746,999 and GH¢4,793,683 in the direct costs and administrative and general expenses respectively.

Financial Position

3499. The financial position of the Centre as at 31 December 2020 is shown in table 520.

Table 520: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./(Decr.) GH¢	% Change
Non-Current Assets	24,123,658	23,768,045	355,613	1.5
Current Assets	15,937,685	13,574,975	2,362,710	17.4
Current Liabilities	5,908,227	4,417,461	1,490,766	33.7
Net Asset	34,153,116	32,925,559	1,227,557	3.7
Current Ratio	2.70:1	3.07:1		

3500. Non-Current Assets of the Centre increased by GH¢355,613 from GH¢23,768,045 in 2019 to GH¢24,123,658 in 2020 representing a rise of 1.5%. This increase was due to the acquisition of new assets.

3501. Current Assets also increased by GH¢2,362,710 from GH¢13,574,975 in 2019 to GH¢15,937,685 in 2020. This was largely due to an increase of GH¢2,054,044 in its cash and bank balances at the end of 2020.

3502. Current Liabilities similarly increased by 33.7% from GH¢4,417,461 in 2019 to GH¢5,908,227 in 2020. This was mainly attributable to a 170.3% increase in the trade debtors with credit balances for the year.

3503. The current ratio at the end of the 2020 financial year was 2.70:1 (2019 - 3.07:1) and this means that the Centre will be capable of settling its short-term financial obligations as and when they fall due.

EXTRA MINISTERIAL AGENCIES

NATIONAL MEDIA COMMISSION

Introduction

3504. This report relates to the audited financial statements of National Media Commission for the two years ended 31 December 2019.

Financial Performance

3505. The year 2019 ended with a total surplus of GH¢1,169,202.64 representing a 59% increase from the previous year's total surplus of GH¢735,124.95. The comparative performance indicators for the two years are shown in Table 521.

Table 521: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Gov't of Ghana Subvention	4,974,213.00	4,194,816.00	779,397.00	18.6
Internally Generated Funds	11,200.00	9,400.00	1,800.00	19.2
Other Revenue	25,750.00	17,700.00	8,050.00	45.5
Total Income	5,011,163.00	4,221,916.00	789,247	18.7
Expenditure				
Compensation for Employees	3,222,520.93	2,318,637.28	903,883.65	38.9
Goods & Services	619,439.43	924,984.26	(305,544.83)	33.0
Consumption of Fixed Asset	-	228,169.51	(228,169.51)	(100)
Social Benefits	-	15,000.00	(15,00.00)	(100)
Total Expenditure	3,841,960.36	3,486,791.05	355,169.31	10.2
Surplus/(Deficit)	1,169,202.64	735,124.95	434077.7	59.0

3506. Total income increased from GH¢4,221,916.00 in 2018 to GH¢5,011,163.00 in 2019 representing an increase of GH¢789,247.00 or 18.7%. The increase was attributed to a rise in Government Subvention by 18.6%, Internally Generated Fund by 19.2% and Other Revenue by 45.5%.

3507. Total expenditure also increased by GH¢355,169.31 or 10.2% from GH¢3,486,791.05 in 2018 to GH¢3,841,960.36 in 2019. This was mainly due to an increase in Compensation for Employees by GH¢903,883.65 or 38.9% from GH¢2,318,637.28 in 2018 to GH¢3,222,520.93 in 2019.

Financial position

3508. The Commission's financial position as at 31 December 2019 is shown in Table 522.

Table 522: Statement of financial position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-current Assets	890,891.65	890,891.65	-	-
Current Assets	1,594,721.32	425,518.68	1,169,202.64	274.8
Net Assets	2,485,612.97	1,316,410.33	1,169,202.64	88.8

3509. Non- current assets did not record any change in the carrying amount because there was no depreciation charge. The assets useful life has been fully depreciated.

3510. Current assets increased by GH¢1,169,202.64 representing 274.8%, from GH¢425,518.68 in 2018 to GH¢1,594,721.32 in 2019. The upwards movement was mainly due to an increase in the receivables.

3511. The Commission did not have any current liabilities, indicating a very healthy short term financial position.

MANAGEMENT ISSUES

Unreceipted payment voucher – GH¢30,000.00

3512. Regulation 78 of Public Financial Management Regulations, 2019 (L.I. 2378) provides that, a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy, and legality of the claim for the payment, that evidence of services received, certificates for work done and any other supporting documents exist.

3513. Our examination of the payment vouchers disclosed that an amount of GH¢30,000.00 was used to purchase fuel coupons without obtaining a receipt from the payee to authenticate the payment. Details of the transaction are shown in table 523.

Table 523: Unreceipted Payment Voucher

No	Date	Description	PV No.	Gross Amt GH¢	Payee	Comments
1	25/04/18	Purchase of fuel coupons	128269	30,000.00	GOIL	No receipt

3514. The omission was because of weak supervision by Management and failure on the part of the paying officer to ensure that a receipt was obtained after the transaction.

3515. Unsupported payment voucher denies assurance of regularity of disbursements and lacks transparency.

3516. We recommended to Management to provide the receipt for us to authenticate the transaction, failure of which the GH¢30,000.00 should be refunded by the approving and the authoring officers.

3517. Management is yet to provide a receipt to cover this transaction.

Payment of Overtime Allowances without Daily Attendance Sheet – GH¢24,455.58

3518. Section 7 of the Public Financial Management Act, 2016 (Act 921) demands that, a Principal Spending Officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity.

3519. We noted during our review that, an amount of GH¢24,455.58 was paid to seven (7) officers as overtime allowances from May 2019 to November 2019. However, there were no daily attendance sheets with names and signatures to show the evidence of work done. Details are shown in table 524.

Table 524: Payment of Overtime Allowances without Daily Attendance Sheet

Date	Particulars	Amount GH¢	PV No.	Cheque No.	Payee
16/12/18	Payment in respect of overtime allowances from May to November 2019.	24,455.58	49	331131	Executive Secretary

3520. The Accountant's failure to insist on signing of daily attendance sheet by the officers contributed to this lapse.

3521. Payment without evidence of a daily attendance sheet could result in payment for no work done.

3522. We advised the Head of Accounts to get the beneficiaries to sign the attendance sheets for our verification, failing which the approving and the authorising officers shall be made to refund the GH¢24,455.58. We further recommended that, Management should endeavour to use the attendance sheet in all future overtime transactions.

3523. Management said they have taken note of the observation for implementation.

Absence of Internal Audit Unit

3524. Part II, Section 16(1) of the Internal Audit Agency Act, 2005 (Act 658), states that there shall be established in each MDA and MMDA, an internal audit unit which shall constitute a part of the MDA or MMDA.

3525. Section 7(2) of the Public Financial Management Act, 2016 (Act 921) also provides that, a Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

3526. We noted that the National Media Commission does not have an internal audit unit to ensure effective and efficient operations of internal control systems at- the Commission.

3527. Due to the absence of an internal audit unit, no payment voucher was pre-audited before payment was done. The omission does not also, help Management to promptly detect errors and irregularities of transactions for early rectification.

3528. We recommended that Management should establish an internal audit unit in accordance with the Acts stated above to ensure sound financial management practices at the Commission.

3529. Management stated that the Commission has made considerable effort to secure Internal Auditor and still pursuing all options to enable it to recruit one.

Non-Compliance with Government Directives

3530. Reference to the office of the president, flagstaff house directives number SCR/A. 30/7 the Ministry of Transport launched the re-registration of all government vehicles belonging to MDA's, RCC's and MMDA's on January 6, 2014.

3531. We observed during our inspection of National Media Commission vehicles that, they were not tagged with green number plates. The old registration numbers were still in use; GE 6902-Y; GS 413-09; GN 3587-12; GR 7621-16.

3532. Management's failure to comply with government directives contributed to this lapse. The situation could also lead to abuse and theft of government vehicles, thereby, defeating the purpose of the directives.

3533. We advised Management to ensure that Government directives are adhered to by re-registering the vehicles.

3534. Management responded that National Media Commission is not an MDA, RCC or MMDA. The application of the directive is doubtful, and the issuing authority has not served them.

3535. We insisted that since the vehicles were purchased from the government budget, the Commission should comply because the directives aimed at protecting all government vehicles.

INTERNAL AUDIT AGENCY

Introduction

3536. This report relates to the audited financial statements of Internal Audit Agency for the two years ending 31 December 2020.

Operational Results

3537. The Agency recorded a surplus of GH¢150,877.29 in 2020 as compared with a deficit of GH¢537,531.91 recorded in 2019. This represents 128% improvement in performance. The comparative performance indicators for the two financial years are shown in a Table 525.

Table 525: Statement of Financial Performance for the year ended 31st December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
GOG-Subventions	5,147,065.06	4,047,636.21	1,099,428.85	27
Other Income	348,373.65	1,080,759.01	(732,385.36)	(68)
Total Income	5,495,438.71	5,128,395.22	367,043.49	7
Expenditure				
Compensation of Employees	3,699,655.41	3,142,538.52	(557,116.89)	(18)
Use of Goods & Services	802,955.08	1,101,202.94	298,247.86	27
Other Expenditure	310,046.59	991,033.23	680,986.65	69
Unreceived warrants	17,214.31	-	(17,214.31)	(100)
Depreciation	514,690.04	431,152.44	(83,537.60)	(19)
Total Expenditure	5,344,561.42	5,665,927.13	321,365.71	6
Surplus/(deficit)	150,877.29	(537,531.91)	(688,409.20)	128

3538. The Agency recorded an increase of 7% in total income from GH¢5,128,395.22 in 2019 to GH¢5,495,438.71 in 2020. This slight increase in total revenue was because of increase in GoG Subventions to the Agency. Other Income reduced drastically by 68% or GH¢732,385.36 because the Agency could not organise Internal Auditors Annual Conference due to the COVID-19 restrictions.

3539. Total expenditure decreased by 6% from GH¢5,665,927.13 in 2019 to GH¢5,344,561.42 in 2020. This was mainly because of reduction in use of goods and services and other expenditure. However, there was an increase in cost of consumption of fixed assets and compensation of employees by 19% and 18% respectively. The surge in the compensation of employees was because of engagement of new employees by the Agency in 2020, and general increases in salary of government workers in 2020. The depreciation of capital assets bought in 2019 in the current financial year also contributed to the increase in depreciation cost.

Financial Position

3540. The Agency's Financial Position as at 31 December 2020 is shown in the Table 526.

Table 526: Financial Position as at 31st December 2020

Items	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Asset	1,486,321.71	1,748,564.47	(262,242.76)	(15%)
Current Assets	374,510.81	1,833,954.68	(1,459,443.87)	(80)
Non-Current Liabilities	250,612.80	334,150.40	(83,537.60)	(25)
Current Liabilities	753,248.81	2,542,275.08	(1,789,026.27)	(70)
Net Asset	856,970.91	706,093.67	150,877.24	(21)
Current Ratio	0.50:1	0.72:1		

3541. Non-Current Assets decreased by 15% from GH¢1,748,564.47 in 2019 to GH¢1,486,321.71 during the period. This was mainly occasioned by an increase in depreciation cost.

3542. Current Assets also went down by 80%, from GH¢1,833,954.68 in 2019 to GH¢374,510.81 in 2020, this is because significant part of commitment receivables in 2019 were released to the Agency in the current financial year. Although Management made stringent efforts including issuing demand notices to recover its conference receivables, some organizations have still not paid their overdue conference fees. We advised that the Agency should develop a credit policy and establish systems where conference participants who wants credit to be extended to them should do so formally through their respective organization to enable the Agency to hold the organization to their commitments.

3543. Current Liabilities on the other hand reduced by 70% during the period from GH¢2,542,275.08 in 2019 to GH¢753,248.81 in 2020.

3544. Current Ratio of 0.50:1 indicates that the current assets will not be able to meet its immediate financial obligations. This also indicates a drop in current ratio compared with 0.72:1 recorded in 2019. To ensure sustainability of the Agency operations, we advised Management to efficiently manage its working capital, since the Agency's operations is vital to the public financial management systems in the country.

MANAGEMENT ISSUES – 2020

Vehicles Without Road Worthy Certificates and/or Insurance Cover

3545. Section 7 of the Public Financial Management Act, 2016 (Act 921) provides that the Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

3546. Section 92 of the Road Traffic Act, 2004 (Act 683) also states, ‘A vehicle used on a road shall be submitted for examination in accordance with this Act or the Regulations (3) The examination shall be conducted every six months in respect of commercial vehicles and once every year in respect of private vehicles or within the prescribed period and shall be conducted to determine that (a) the motor vehicle conforms to the prescribed requirements relating to the construction and condition of the motor vehicle, its accessories and other equipment, and (b) the condition of the motor vehicle is such that its use on the road will not involve a danger of injury to a person or damage to property.

3547. Furthermore, Article 5.15 of the Agency’s policy on fleet management also mandates the Director General to set up a committee to investigate accidents involving the Agency’s vehicles. The committee must, inter alia, ascertain the cause of the accident and whether the officer or driver has authority to use the vehicle as well as the vehicle has valid certificates.

3548. We noted however that, ten (10) vehicles of the Agency did not have insurance cover to mitigate risk emanating from motor accident. Out of the ten (10), six (6) have no valid road worthy certificates. Table 527 give the details.

Table 527: Vehicles without Road Worthy Certificates and/or Insurance cover

No.	Vehicle Number	Insurance Cover		Roadworthiness	
		Date Expired	Status	Status	Date expired
1	GV 591-19	15-Apr-19	Expired	Expired	14-Sep-20
2	GV 592-19	07-Mar-19	Expired	Expired	14-Oct-20
3	GV 593-19	07-Mar-19	Expired	Expired	16-Oct-20
4	GV 869-14	15-Apr-19	Expired	Expired	21-Sep-16
5	GV 870-14	15-Apr-19	Expired	Expired	20-Sep-16
6	GV 871-14	15-Apr-19	Expired	Expired	19-Aug-17
7	GX 5512-18	07-Nov-19	Expired	Note Expired	19-Jan-22
8	GX 5513-18	07-Nov-19	Expired	Note Expired	19-Jan-22
9	GX 5515-18	07-Nov-19	Expired	Note Expired	19-Jan-22
10	M18 GR 9216	07-Aug-19	Expired	Note Expired	25-Jan-22

3549. Failure on the part of the Principal Spending Officer to ensure that all the Agency’s vehicles have valid documents at all times accounted for this lapse.

24 These vehicles could pose a threat to users and unwarranted court suit and fines in the event of motor accident.

3550. We recommended to the Principal Spending Officer to make funds available for the insurance and renewal of road worthy certificates of the affected

vehicles. We also advised the Principal Spending Officer to ensure that, all vehicles of the Agency are always covered with the requisite valid documents.

3551. Management indicated that it has initiated the process to get all official vehicles road worthy and insurance certificates renewed by 31st December 2021.

Failure to Review Transport Policy

3552. Paragraph 8 of the Transport Policy of the Internal Audit Agency, January 2013 enjoins, the Internal Audit Board to review the Agency's transport policy bi-annually.

3553. We noted however that the transport policy of the Agency has not been reviewed since January 2013 to reflect the current issues in the transport unit.

3554. Failure on the part of the Internal Audit Board to review transport management policy accounted for this anomaly.

3555. Operating with an outdated policy may present difficulty in handling current issues in the management of vehicles of the Agency.

3556. We recommended that the Internal Audit Board should review the transport policy to cater for current issues with respect to managing the Agency's vehicles.

3557. Management responded that the Agency has been renewing its transport policy as stipulated by Article 8 of the Transport Policy of the Internal Audit Agency and that the current policy will be reviewed in January 2022. But Management failed to produce evidence to substantiate their claim during verification.

NATIONAL POPULATION COUNCIL

Introduction

3558. This report relates to the audited financial statements of National Population Council for the year ended 31 December 2020.

Financial Performance

3559. The overall financial performance of the Council during the period under review showed a deficit of GH¢342,628.45 as compared with a surplus of GH¢1,391,622.63 recorded in the 2019 financial year, representing a decrease of 124.62%. The details are provided in Table 528.

Table 528: Statement of Financial Performance for the year ended 2020

Receipts	2020 GH¢	2019 GH¢	Incr./Decr. GH¢	% Change
GoG Subvention	2,683,369.34	4,040,764.88	(1,357,395.54)	(33.59)
GoG Subvention - Additional Release (Special Programmes)	620,000.00	-	620,000.00	100.00
Other Receipts/Donations	84,275.78	143,791.37	(59,515.59)	(41.39)
Total Receipts	3,387,645.12	4,184,556.25	(796,911.13)	(19.04)
Expenditure				
Compensation of Employees	1,866,019.64	1,775,473.33	90,546.31	5.10
Goods and Services	1,864,253.93	1,017,460.29	846,793.64	83.23
Total Expenditure	3,730,273.57	2,792,933.62	937,339.95	33.56
Surplus /Deficit	(342,628.45)	1,391,622.63	(1,734,251.08)	(124.62)

3560. Total Revenue for the financial year reduced by 19.04% from GH¢4,184,556.25 in 2019 to GH¢3,387,645.12 in 2020. The reduction was largely due to GH¢1,357,395.54 or 33.59% decrease in Government Subvention, from GH¢ 4,040,764.88 in 2019 to GH¢2,683,369.34 in 2020.

3561. Total expenditure went up by 937,339.95 or 33.56%, from GH¢2,792,933.62 in 2019 to GH¢3,730,273.57 in 2020. The rise was mainly due to an increase in the Compensation of Employees and the Consumption of Goods and Services which went up by 5.10% and 83.23% respectively.

Financial Position

3562. The financial position of the Council as of 31 December 2020 is summarised in table 529.

Table 529: Statement of Financial Position as at 31 December 2020

Item	2020 GH¢	2019 GH¢	Incr/Decr GH¢	% Change
Non-Current Assets	1,422,670.41	1,773,677.94	(351,007.53)	(19.79)
Current Assets	13,686.49	5,337.00	8,349.49	156.45
Current Liabilities	13,869.41	13,899.39	(29.98)	(0.22)
Current Ratio	0.99:1	0.38:1		

3563. Non-Current Assets recorded a decrease of 19.79% from GH¢1,773,677.94 in 2019 to GH¢1,422,670.41 in 2020. The decrease was as a result of the depreciation charges for the year.

3564. Current Assets increased significantly from GH¢5,337.00 to GH¢13,686.49 in 2020; an increase of 156.45%.

3565. Current liabilities declined marginally by GH¢29.98 or 0.22% to GH¢13,869.41 in 2020 from GH¢13,899.39 in 2019.

3566. Even though the Current Ratio increased from 0.38: 1 in 2019 to 0.99: 1 in 2020, the Council will still not be able to meet its short-term financial obligations as and when they fall due considering the benchmark ratio of 2:1.

MANAGEMENT ISSUES

Absence of an Internal Audit Unit

3567. Section 16(1) of Part II of the Internal Audit Agency Act, 2005 (Act 658) requires, the establishment of an Internal Audit Unit in each MDA and MMDA,

3568. Section 83 (3) of the Public Financial Management Act, 2016 (Act 921) also authorises, the Internal Audit Unit (IAU) to carry out various forms of audit engagements including but not limited to financial, operational, performance and compliance auditing aimed at contributing to the improvement in risk management and governance process of the covered entity.

3569. We noted that the Council has no Internal Auditor after the Internal Auditor had retired in 2018. Our further checks indicated that, internal auditors from the Office of Government Machinery (OGM) conduct quarterly audits for the Council.

3570. According to Management, efforts made over the years to get a replacement from the Office of the Government Machinery (OGM) had proved futile.

3571. The absence of an in-house Internal Audit Unit, which is a key component of internal control systems, would not help Management to promptly detect errors, commissions, omissions, and irregularities for early rectification.

3572. To ensure sound financial practices, the Executive Director should liaise with the Head of HR and Administration at the Office of the Government Machinery and Head of Civil Service for a permanent internal auditor(s) for the Council.

3573. Management responded that they taken note of the observation. NPC currently utilises the services of the OGM internal audit unit at the Castle. Processes are far advanced to set-up our own unit at the Head office.

Study Leave and Educational Sponsorship Without Bonds

3574. Paragraph 6.9.1 of the Human Resource Management Policy Framework and Manual for the Public Services states “Sponsored training Programmes (tuition, salaries, accommodation etc. paid by the Organisation and any other awarding body) exceeding three months’ duration shall generally attract a bond”.

3575. Our review of staff files disclosed that three officers who were granted study leave to pursue various courses from 2018 to 2022 did not sign bond forms. Table 530 shows the details.

Table 530: Educational Sponsorship Without Bonds

No.	Name	School	Academic Year	Course	Bonded	Sponsorship
1.	Kojo A. Adih	Cairo Demographic Center (Egypt)	2020/2021	Diploma in Population and Sustainable Development	No bond	Scholarship
2.	Obeng Owusu Kwasi	University of Ghana	2021/2022	M.A Population Studies	No bond	No Scholarship
3.	Naomi Osei	Cairo Demographic Center (Egyp	2018/2019	Diploma in Population and Sustainable Development	No bond	Scholarship

3576. The salaries received by the officers during the studies leave period could be a loss to the State if the officers fail to serve the Council the required number of years after completing the programmes.

3577. We recommended to Management to bond the officers immediately to regularise the anomaly and inform our office for verification.

3578. Management said that they have taken note of the Audit observation and have already initiated urgent steps to have the Officers sign the bond documents as stipulated and made available for verification. Also processes to avoid this situation arising again in future has been discussed.

Unsupported Payments – GH¢62,366.69

3579. Regulation 78 of the Public Financial Management Regulations, 2019 (L.I. 2378) demands that a Principal Spending Officer of a covered entity is personally responsible for ensuring in respect of each payment of that covered entity, the validity, accuracy, and legality of the claim for the payment, that evidence of services received, certificates for work done and any other supporting document exists.

3580. Our review of payment vouchers revealed that Management of the Council could not substantiate payments totalling GH¢62,366.69 with activity reports and other appropriate source documents like receipts and signed sheets to legitimise the payments. Details are furnished in table 531.

Table 531: Unsupported Payments

No	Date	PV. No.	Cheque No.	Payee	Receipts	Source	Payment	Misstated GH¢	Remarks
1	06/02/2020	428060		Refresh Items	Big Initiative Ent.	GIFMIS	27,590	27,590	prov original receipt prov distribution list
2	18/02/2020	434170		Transfer to GOG A/C	Executive Dir. NPC budget prep	GIFMIS	6,000	6,000	Unsupported pmt. Prov evidence of receipt of cash
3	29/01/2020	NPC/PR OJ/01/20			Seminars/Conferences/W/shops/Meetings Exp.	A/c # 2	2,564.69	2,564.69	Provide original receipt
4	10/08/2020	NPC/13/20	123461	Executive Dir. NPC	World Pop. Day	A/c # 1	50,000	14,612	Provide the source documents
5	03/09/2020	NPC/19/20	123470	Executive Dir. NPC	Seminars/Conferences/W/shops/Meetings Exp.	A/c # 1	10,000	10,000	Provide Report on the prog
6	13/11/2020	NPC/34/20	123487	Executive Dir. NPC	Imprest to cater of outstanding Adm expenses	A/c # 1	24,000	1,600	Provide receipts
Total								62,366.69	

3581. This lapse was due to ineffective control over expenditures.

3582. This cast doubts over the judicious use of funds, because it could lead to misappropriation, misuse, and misapplication of public funds.

3583. We recommended to the Executive Director to provide the activity report and the relevant source documents like receipts and signed sheets to authenticate the payments, failing which the amount of GH¢62,366.69 should be recovered from the approving authority and beneficiaries. Management should also ensure that henceforth the needed reports and relevant source

documents on activities held are available to ensure proper accountability and effective control over the use of government funds.

3584. Management observed our recommendation and stated that, this situation occurred due to misfiling and GIFMIS system. Subsequently all receipts and other evidence of payments relating to the various activities have been made available for audit verification.

PUBLIC UTILITIES REGULATORY COMMISSION

Introduction

3585. This report covers the audited financial statements of the Public Utilities Regulatory Commission for the year ended 31 December 2019.

Financial Performance

3586. The year closed with a surplus of GH¢25,725,191 thus registering a 9.9% decrease over GH¢28,564,586 recorded in 2018. Details of the indicators of the Commission's financial performance are shown in table 532.

Table 532: Statement of Financial Performance for the year ended 31 December 2019

Income/Expenditure	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Regulatory Levies	53,658,685	52,679,677	979,008	1.9
Other Income	338,750	330,006	8,744	2.6
Total Income	53,997,435	53,009,683	987,752	1.9
Expenditure				
Personnel Cost	17,188,419	14,381,050	2,807,369	19.5
Commissioner's Allowances	674,600	355,375	319,225	89.8
Operational Expenses	5,982,838	5,552,749	430,089	7.7
Goods and Services	4,426,387	4,155,923	270,464	6.5
Total Expenditure	28,272,244	24,445,097	3,827,147	15.7
Surplus/ (Deficit)	25,725,191	28,564,586	(2,839,395)	(9.9)

3587. Total Income increased by 1.9% from GH¢53,009,683 in 2018 to GH¢53,997,435 in 2019. This was largely due to an increase of GH¢979,008 or 1.9% in regulatory levies.

3588. Total Expenditure also increased by 15.7% as it rose from GH¢24,445,097 in 2018 to GH¢28,272,244 in 2019. This was primarily due to a 19.5% increment in Personnel Cost.

Financial Position

3589. The financial position of the Commission as at 31 December 2019 is summarised in table 533.

Table 533: Statement of Financial Position as at 31 December 2019

Assets/Liabilities	2019 GH¢	2018 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	11,416,308	10,971,925	444,383	4.1
Current Assets	523,519,445	418,418,068	105,101,377	25.1
Current Liabilities	395,004,996	315,184,427	79,820,569	25.3
Current Ratio	1.33	1.33		

3590. Non-Current Assets went up marginally by 4.1% from GH¢10,971,925 in 2018 to GH¢11,416,308 in 2019. This increase can be attributed to additions to property, plant and equipment during the year.

3591. Current Assets also rose by GH¢105,101,377 or 25.1% to GH¢523,519,445 in 2019 from GH¢418,418,068 in 2018.

3592. Current Liabilities increased by 25.3% from GH¢315,184,427 in 2018 to GH¢395,004,996 in 2019.

3593. The Commission's liquidity position as measured by its current ratio of 1.33:1 (2018: 1.33:1) indicates that the Commission could barely meet its immediate financial obligations.

ELECTORAL COMMISSION

Introduction

3594. This report relates to the audited financial statements of the Electoral Commission for the year ended 31 December 2018.

Financial Performance

3595. The year closed with a deficit of GH¢123,520,608 after it decreased from GH¢129,918,658 in 2017. This represents an improvement of 4.92% in the financial performance of the Commission. Details of the performance indicators of the Commission are shown in table 534.

Table 534: Statement of Financial Performance for the year ended 31 December 2018

Income/Expenditure	2018 GH¢	2017 GH¢	Incr./ (Decr.) GH¢	% Change
Consolidated fund	83,708,580	100,968,558	(17,259,978)	(17.09)
Internally Generated Fund	1,368,393	3,902,743	(2,534,350)	(64.94)
Donor Grant	-	3,067,968	(3,067,968)	(100.00)
Other Income	-	51,693	(51,693)	(100.00)
Total Income	85,076,973	107,990,962	(22,913,989)	(21.22)
Expenditure				
Compensation of employees	37,664,379	29,533,262	8,131,117	27.53
Goods and services	91,267,377	119,061,975	(27,794,598)	(23.34)
Consumption of fixed asset	79,665,825	89,314,383	(9,648,558)	(10.80)
Total Expenditure	208,597,581	237,909,620	(29,312,039)	(12.32)
Surplus/ (Deficit)	(123,520,608)	(129,918,658)	6,398,050	(4.92)

3596. Total Income for the period decreased by 21.22% as it moved to GH¢85,076,973 in 2018 from a figure of GH¢107,990,962 in 2017. The decrease was mainly due to a 17.09% or GH¢17,259,978 decrease in remittance from the consolidated fund.

3597. Total Expenditure also decreased by 12.32% or GH¢29,312,039 due to a fall in Goods and services and Consumption of fixed asset by GH¢27,794,598 and GH¢9,648,558 respectively.

Financial Position

The financial position of the Commission as at 31 December 2018 is summarised in table 535.

Table 535: Statement of Financial Position as at 31 December 2018

Assets/Liabilities	2018 GH¢	2017 GH¢	Incr./ (Decr.) GH¢	% Change
Non-Current Assets	346,463,409	302,527,392	43,936,017	14.52
Current Assets	38,704,652	60,197,264	(21,492,612)	(35.70)
Current Liabilities	(618,518)	1,571,835	(2,190,353)	(139.35)

3598. Non-Current Assets increased by 14.52% from GH¢302,527,392 in 2017 to GH¢346,463,409 in 2018. The increase of GH¢43,936,017 was as a result of additions to property, plant and equipment for the year.

3599. Current Assets decreased significantly by GH¢21,492,612 or 35.7% from GH¢60,197,264 in 2017 to GH¢38,704,652 in 2018.

3600. Current Liabilities also decreased by 139.35%.

MANAGEMENT ISSUES

Management Staff

3601. Article 9 (1) of the Commission's Collective Bargaining Agreement (CBA) of 2018 states, "Every employee will be required to give particulars about himself/herself on the STANDARD FORM (called PERSONAL RECORDS), which will be inserted on his/her personal file".

3602. Article 9 (2) of the Agreement stipulates, "Concealment of any of these facts or intentional false statement may be considered sufficient grounds for non-employment, subsequent to termination of employment." The employee must state: Date of Birth certified by an original birth certificate or affidavit, hometown, whether convicted of criminal offence and number of children, next of kin, etc.

3603. We sampled the personal files of 21 top management staff, including Directors and noted that none of them had personal records, passport pictures, police background check reports and declaration of assets and liabilities on their files.

3604. Non provision of these personal records on the personal files amounted to concealment of facts and intentionally refusing to provide them and could lead to the risk of termination of employment.

3605. Management was advised to ensure that personal records of all employees are compiled and put on individual staff files.

3606. Management responded that the Commission has taken note of the recommendations and has directed all staff to immediately submit their personal records and passport pictures. With regards to the declaration of assets and liabilities, the Commission will ensure that the government directive is complied with accordingly. Management also stated that it would ensure that every staff provides a police background check report.

Fixed Assets Register not in existence

3607. Section 52 of the Public Financial Management Act, 2016 (Act 921) states that, a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the principal spending officer and shall ensure that proper control systems exist for the custody and management of the assets.

3608. Section 52 of Act 921 further states that a principal spending officer shall maintain a register of lands and buildings under the control or possession of that principal spending officer and all other assets under the control or possession of the principal spending officer.

3609. We noted that the Commission did not have an Asset Register to capture its numerous assets such as landed properties, office premises, guest houses, residential accommodations, motor vehicles, office equipment, furniture and fittings, computers and accessories in various locations across the country.

3610. The ineffective managerial control of these assets caused the anomaly.

3611. The Commission risks losing some of its assets through theft, pilferage and misuse.

3612. We recommended that Management should conduct a nationwide audit of all the fixed assets of the Commission to determine their existence and ownership and ensure that an asset register is in place to capture all the assets of the Commission.

3613. Management responded that a comprehensive fixed asset register is being developed. Compilation and recording of assets have started and will be institutionalised going forward.

GHANA AIDS COMMISSION

Introduction

3614. This report relates to the audited financial statements of Ghana Aids Commission for the year ended 31 December 2020.

Financial Performance

3615. The year closed with a surplus of GH¢2,272,304 representing a 327.8% increase from GH¢531,155 recorded in 2019. The details of the performance indicators of the Commission's operational results are shown in table 536.

Table 536: Statement of Financial Performance for the year ended 31 December 2020

Income/Expenditure	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Receipts from Funding Partners	630,683	1,443,869	(813,187)	(56.3)
Receipts from Government of Ghana	11,926,140	11,849,236	76,904	0.6
Other Income	18,780	72,328	(53,549)	(74.0)
Total Income	12,575,602	13,365,433	(789,831)	(5.9)
Expenditure				
Compensation for Employees	2,615,621	2,813,828	(198,207)	(7.0)
Goods and Services	7,687,677	10,020,450	(2,332,773)	(23.3)
Total Expenditure	10,303,298	12,834,278	(2,530,980)	(19.7)
Surplus/(Deficit)	2,272,304	531,155	1,741,149	327.8

3616. Total Income decreased by 5.9% from GH¢13,365,433 in 2019 to GH¢12,575,602 in 2020. The reduction was caused mainly by a decrease of 56.3% or GH¢813,187 in the receipts from funding partners in 2020. Other Income also fell by 74.0% or GH¢53,549 from GH¢72,328 in 2019 to GH¢18,780 in 2020.

3617. Total Expenditure was GH¢10,303,298, representing a decrease of 19.7% from GH¢12,834,278 recorded in 2019. This was mainly attributable to a reduction of goods and services by 23.3% from GH¢10,020,450 in 2019 to GH¢7,687,677 in 2020.

Financial Position

3618. The financial position of the Commission as at 31 December 2020 is shown in table 537.

Table 537: Statement of Financial Position as at 31 December 2020

Assets/Liabilities	2020 GH¢	2019 GH¢	Incr./ (Decr.) GH¢	% Change
Current Assets	2,706,381	482,654	2,223,727	460.7
Current Liabilities	55,886	72,586	(16,700)	(23.0)
Net Assets	2,650,495	410,068	2,240,427	546.4
Current Ratio	48.4:1	6.7:1		

3619. Current Assets increased by 460.7% from GH¢482,654 to GH¢2,706,381 in 2020.

3620. Current Liabilities for the year stood at GH¢55,886 after a decrease from GH¢72,586 in 2019, representing a fall of 23.0%

3621. The Commission's liquidity position as measured by its Current ratio improved from 6.7:1 in 2019 to 48.4:1 in 2020 and this indicates that it will be able to meet its immediate financial obligations when they fall due.

DIVESTITURE IMPLEMENTATION COMMITTEE

Introduction

3622. This report relates to the audited financial statements of Divestiture Implementation Committee for the period 01 January 2009 to 30 June 2019.

3623. The Committee ceased to exist on 9 June 2019 when its successor organization came into being in 2019, by an Act of Parliament, State Interests and Governance Authority Act, 2019 (Act 990). The assets and liabilities of the Committee have since been taken over by SIGA.

Financial Performance

3624. The Committee recorded a surplus of GH¢8,597 for the six (6) month period ended 30 June 2019. The performance indicators for the period ended 30 June 2019 are shown in table 538.

Table 538 Statement of Financial Performance for the six (6) month period ended 30 June 2019

Income/Expenditure	For the 6 months period to 30 June 2019 GH¢	For the 12 months period to 31 December 2018 GH¢
Divestiture Income	-	-
Other Income	673,399	1,143,878
Total Income	673,399	1,143,878
Expenditure		
Divestiture Expenditure	-	-
Selling, General and Administrative Expenses	664,802	668,179
Total Expenditure	664,802	668,179
Surplus/(Deficit)	8,597	475,699

3625. Total income for the six (6) month period ended 30 June 2019 stood at GH¢673,399. In the same vein, total expenditure of GH¢664,802 was recorded during the six (6) month period ended 30 June 2019.

Financial position

3626. The financial position of the Committee as at 30 June 2019 is shown in table 539.

Table 539: Statement of Financial position as at 30 June 2019

Assets/Liabilities	For the 6 months period to 30 June 2019 GH¢	For the 12 months period to 31 December 2018 GH¢
Non-Current Assets	794,145	-
Current Assets	49,643,745	45,849,099
Current Liabilities	26,361,143	22,475,832
Non-Current Liabilities	694,882	-
Net Assets	23,381,865	23,373,267
Current Ratio	1.9:1	2.0:1

3627. Non-Current Assets and Current Assets stood at GH¢794,145 and GH¢49,643,745 respectively as at 30 June 2019.

3628. An amount of GH¢26,361,143 was also reported as Current Liabilities on 30 June 2019.

3629. The Committee's current ratio as at the reporting date was 1.9:1 which indicates that the Committee would be able to meet its short-term financial obligations when they fall due.

MANAGEMENT ISSUES

Unavailability of minutes of Board Meetings

3630. Section 11 of the Audit Service Act, 2000 (Act 584) states that, the Auditor-General or any person authorised or appointed for the purpose by the Auditor-General shall have access to all books, records, returns and other documents including documents in computerised and electronic form relating to or relevant to those accounts.

3631. Section 6 of the Divestiture of State Interests (Implementation) Act, 1993 (P.N.D.C.L. 326) requires meetings to be held regularly.

3632. Management was unable to provide us with minutes of meetings requested to enable us carry out our review work. According to Management, the minutes of previous board meetings (held up to 31 December 2015) were with Criminal Investigation Department of the Ghana Police Service and that the Committee

had been unsuccessful in retrieving these minutes from them. We were also not provided with minutes of meetings of the board and senior management held after 31 December 2015.

3633. We attributed the above finding to the poor judgement on the part of the Committee for not keeping copies of minutes submitted to the Ghana Police Service.

3634. The absence of evidence to support significant financial and economic transactions in the financial statements requiring the review and approval of senior management and board could be an attempt to hide information necessary for understanding and interpreting the financial statements.

3635. We urged Management to redouble its efforts in obtaining copies of the minutes which were submitted to the Ghana Police Service and present them for audit verification.

3636. According to Management, they are doing everything possible to obtain copies of the minutes from the Ghana Police Service.

Absence of key information and other records on divestiture sales

3637. Section 52 of the Public Financial Management Act, 2016 (Act 921) states that, the principal spending officer in a public corporation shall ensure that proper control systems exist for the custody and management of all assets.

3638. Section 11 of the Audit Service Act, 2000 (Act 584) states that, the Auditor-General or any person authorised or appointed for the purpose by the Auditor-General shall have access to all books, records, returns and other documents including documents in computerised and electronic form relating to or relevant to those accounts.

3639. During the period under review, there was a reported sale of five (5) divested enterprises as shown in table 540.

Table 540: Absence of key information and other records on divestiture sales

No.	Divested enterprise	Investor	Reported year of sale	Sale Price GH¢	Balance due GH¢	Sale price US\$	Balance due US\$
1	Tema Printing Press	St Albans Book Enterprise	2009			3,000,000	1,900,000
2	Ghana Consolidated Diamond Company	Great Consolidated Diamond Company	2011			17,000,000	13,200,000
3	GIHOC footwears	Knights Limited	2012			700,000	480,000
4	Subri Industrial Plantations Limited	Intercultures S.A.	2012			10,000,000	-
5	GAMMA films	TV3	2013	6,000,000	3,300,000		
Total				6,000,000	3,300,000	30,700,000	15,580,000

3640. Our review of these transactions disclosed the following:

3641. The documentation on the processes followed in conducting and concluding all these sales were not made available to us. We did not obtain evidence of tender invitations, offers received (in terms of the technical and financial proposals submitted), evaluation of offers, recommendations made to the approving authority and the decision of the approving authority.

3642. We were provided with only the valuation report for Tema Press Limited. The asset valuation report guides the Committee in negotiating and agreeing a sales price for the assets of the enterprise. We were therefore unable to determine and assess the fairness and reasonableness of the prices at which the assets of these enterprises were sold.

3643. We did not have any certified liabilities report for all 5 enterprises sold. Every divested enterprise requires an asset valuation report as well as a certified report on the liabilities of these enterprises. The Certified liabilities report forms the basis of absorbing the liabilities of the divested enterprises into the Committee's books of account for the purposes of using the proceeds from the sale of that enterprise to defray all outstanding liabilities.

3644. Apart from Intercultures S.A who fully settled the sales price in the year of sale, all the remaining four (4) investors above defaulted. There was no evidence of measures taken by the Committee to recover outstanding debts including taking measures to repossess the enterprises. We were informed that the Government of Ghana had repossessed Ghana Consolidated Diamond Company, but no documentary evidence was provided for our review.

Absence of key information and other records on divestiture sales

3645. We attributed the above findings to inadequate record keeping. The above anomalies resulted in inaccurate/incomplete reporting of financial transactions thus undermining the credibility of the financial statements. The above findings also posed reputation risk to the Committee due to a lack of transparency in the tender bids and sale processes.

3646. We recommended that the Committee intensify its efforts to find and file all missing documents and submit them for audit verification. We also advised Management to review and implement a robust accounting and other systems to address the problems identified.

3647. According to Management, the Secretariat did its best to provide information requested by the audit team. However, the audit was undertaken during a period the office was undergoing renovations and most of the documents were relocated making search rather difficult. With regards to the whereabouts of tender and other related documents, Management indicated that the tender invitations, offers received (in the terms of technical and financial proposals), and evaluation of offers were held under the supervision of the then Executive Secretary (Mr. Asakkua Agambila). The Finance Department were not privy to this information.

3648. With respect to the corresponding divestiture expenditures for divestiture sales, Management stated that Divestiture sales is recognised as the full cost of a property which is credited to the Divestiture Receipts Account in the year of sale. Similarly, all expenses accruing as liabilities with respect to the enterprise sold were captured as Direct Divestiture Expenses. In 2008, according to Management, there were no identifiable liabilities with respect to properties sold within the year. All properties sold within the year were subsidiaries of GNTC and their liabilities had already been captured in the earlier years. In 2011, only Ghana Consolidated Diamonds was divested. Its reported liabilities identified in the Committee's files was GH¢22,949,117.43. Finally, Management also explained that Subri Industrial Plantation was divested in 2012 and total liabilities identified in the Committee's files was GH¢3,240,211.77.

Absence of agreement on income generated from processing maize at Good Food Distribution facility at Berekum

3649. Section 52 of the Public Financial Management Act, 2016 (Act 921) states that, the principal spending officer in a public corporation shall ensure that proper control systems exist for the custody and management of all assets. It further states that the control system specified in this section shall be capable of ensuring that preventive mechanisms are in place to eliminate theft, loss, wastage, and misuse of assets and that the processes, whether manual or electronic, and procedures are in place for the effective, efficient, economical, and transparent use of the assets.

3650. We noted that the Ghana Food Distribution Corporation is on the divestiture list but was yet to be fully divested. We further noted that it had a silo at Berekum in the Bono region where maize was processed by caretakers and the proceeds from sales were remitted to the Divestiture Implementation Committee. We did not sight any agreement regarding the engagement of the caretakers to manage the facility.

3651. The absence of any formal arrangement with the caretakers could lead to an ineffective system of resource management.

3652. We recommended to Management to immediately formalise the arrangement with the caretakers and conduct a special audit into the activities of the facility.

3653. Management stated that the recommendation was noted. They further explained that there is a Manager at Sunyani with oversight responsibility for the caretaker staff and facilities at the Berekum Silo Service Site who is tasked to visit, receive proceeds from processing activities at the site and submit (via cheque) to the Divestiture Implementation Committee (DIC). In Management's opinion, it clearly indicates that there is some form of agreement and management arrangement with the caretaker staff though there is no documentation on this. Management will conduct a comprehensive review and put appropriate measures in place to formalise the agreement with caretakers.

Poor and ineffective management of Divestiture debtors

3654. Section 52 of the Public Financial Management Act, 2016 (Act 921) states that, the principal spending officer in a public corporation shall ensure that proper control systems exist for the custody and management of all assets.

3655. Regulation 46 of the Public Financial Management Regulations, 2019 (L.I.2378) states that a Principal Spending Officer shall ensure that non-tax revenue is efficiently collected.

3656. Our review of debtors disclosed that there were several issues rendering the completeness, accuracy, existence and valuation of divestiture debtors in serious doubt.

List of debtor balances does not agree with the nominal ledger balance

3657. We noted that the list of debtor balances does not agree with the nominal ledger balance. The total on the list of debtors the Committee provided did not tally with the nominal ledger balance from 2009 to 2011, which is the period the Committee prepared the books of accounts for DIC. Therefore, the opening balance of divestiture debtors on 01 January 2012 could not be relied upon in preparing the accounts of the Committee from 2012 to date.

Missing offer letters and sale and purchase agreements

3658. We requested for the offer letters and sale and purchase agreements (SPA) for eleven (11) investors listed as Divestiture Debtors to confirm indebtedness of investors and whether payment terms were being met. The Committee could not provide agreements for eight (8) of them. *Agreements not provided:*

- i. Kwaku Afrifa Nsiah-Asare, Esq
- ii. Hillpok Limited
- iii. ASD Lumber (Gh) Ltd
- iv. International Generics Ltd (Interger House 65-67)
- v. MOTI & PSI on Oil Palm
- vi. GIMPA
- vii. Dakoma Ventures
- viii. Imperial Broadcasting Corporation (Kapital Radio)

3659. Our analysis of the agreements provided and discussions we had with the Committee revealed that default in payment were pervasive amongst the debtors. There was no evidence of action taken by the Committee to recover the debts. This raised serious questions on the recoverability of the stated debts in the books of accounts.

Status of confirmation of investor indebtedness

3660. We circularised the investors in the debtors list provided by the Committee. A total of 26 debtors were circularised. Response has been very poor but none of the debtors circularised agree to the figure of indebtedness disclosed in the Committee's books of accounts. The few responses received confirmed that these debts would be difficult to recover.

Disputes with investors

3661. We also noted that some investors were in dispute with the Committee over assets sold to them and what was actually delivered/handed over to investors.

3662. These lapses were due to poor record keeping and absence of clearly defined debt recovery system.

3663. The above irregularities could lead to the loss of state assets.

3664. We recommended that the Committee should:

- i. take inventory of Sale and Purchase Agreements for all state enterprises divested.
- ii. reconstruct the debtor ledger account for each divested enterprise reflecting the corrected effective sale date, payments made to date, interest accrued from delayed payments including correct translation of foreign currency denominated debts.
- iii. institute a debt recovery system adequately resourced to effectively recover debts including prosecuting and repossessing government assets.

3665. Management stated that the Committee's Legal Division, the Investment and Divestment Division and the Finance Divisions are working hand in hand to draw a debt recovery strategy by reviewing all existing Sale and Purchase Agreements for all state enterprises divested. Management also indicated that documents like offer letters will also be reviewed to ascertain the basis for the transaction.

Inability to determine the completeness and accuracy of divestiture liabilities of enterprises divested

3666. Section 7 of the Public Financial Management Act, 2016 (Act 921) states that, the Principal Spending Officer of a covered entity should ensure the regularity and proper use of money appropriated in that entity and establish an effective system of risk management, internal control, and internal audit in respect of the resources and transactions of that entity.

3667. We requested for a list of divestiture liabilities by enterprise and type of expenditure, but the Committee was unable to provide us with such a list.

3668. We also noted that DIC recorded expenditures incurred and paid for other enterprises on the divestiture list but not yet divested, against the divestiture liabilities account. This treatment is incorrect because it wrongfully reduced the divestiture liabilities amount hence understating divestiture liabilities. With the assistance of the Committee's staff, we identified a total of about GH¢1.3 million from 2012 to 2018 which we have now treated under debtors as "Amounts Due from Enterprises Not Yet Divested".

3669. We also requested similar information that relate to the period prior to 2012, however, the DIC was unable to identify such transactions. We were unable to make the necessary adjustments to the recorded divestiture liabilities figures for the period prior to 2012.

3670. We also noted that divestiture liabilities are established on the basis of a review carried out by a firm of chartered accountants who certify the completeness and accuracy of the outstanding liabilities of the state enterprise sold. These liabilities are absorbed by the Committee and paid as and when sales proceeds are paid by investors. The Committee were unable to provide us with any of the reports certifying the amount of liabilities assumed by DIC. In the absence of the certified divestiture reports, we were unable to confirm with any degree of certainty, the value of the divestiture liabilities disclosed in the Committee's books of account.

3671. Furthermore, we noted that divestiture liabilities are settled with proceeds from sale of the related divested enterprises. Proceeds from the sale of divested enterprises are paid/transferred to an Escrow account with Ecobank. We also noted that the disbursements from the escrow account to defray the divestiture liabilities are done by staff of both the Committee and Ecobank. We requested for the agreement and arrangement governing the administration of the escrow account but was informed that there is no agreement.

3672. We were therefore unable to establish the basis of disbursements made to date and whether the escrow account was and is being properly managed. Management could also not provide records of all disbursements made to date since its inception because according to them the records prior to 2015 were lost due to renovation of the SIGA annex building where DIC used as its offices. Also, the DIC did not also provide the relevant records with regards to disbursements made from 2015 to date.

3673. We were provided with banks statements of the escrow account, but we could not carry out an effective review and reach a reasonable and fair conclusion on the use of this account without the missing records and a correct and verifiable description of how the escrow account ought to be and/or have been administered.

3674. In this regard, we were unable to confirm the completeness, accuracy and authenticity of the divestiture liabilities amount in the books of accounts of the Committee. We have therefore qualified our opinion on the financial statements as a result.

3675. We attributed all the above anomalies to poor record keeping, and weak controls with regards to the custody and safeguarding of state assets and the lack of procedural guidelines on management of escrow account.

3676. The Committee's inability to determine quantum of debt owed could result in lawsuits and loss of funds to the government. There could also be a risk of fraud being perpetrated because of poor record keeping, custody and safeguarding of information and other documents.

3677. We recommended that the Committee:

- obtain (from engaged consultants) copies of all reports on liabilities certified of enterprises divested. The reports would allow the Committee to reconstruct the opening balances of the divestiture liabilities account by major class of liability;
- formalise the arrangement with Ecobank on the administration of the Escrow account and document procedures followed in all past disbursements made;
- determine the outstanding liability due for each divested enterprise and under each major liability class
- With the advice of its legal counsel, consider an appropriate means of determining and settling all outstanding liabilities of divested enterprises it had assumed.

3678. Management stated that they agreed to these recommendations and will take immediate steps to rectify them.

Unreconciled differences in the books of accounts

3679. Section 13 of the Audit Service Act, 2000 (Act 584) states that, the Auditor-General shall examine in such manner as he thinks necessary the public and other government accounts and shall ascertain whether in his opinion the accounts have been properly kept.

3680. We noted unexplained differences in the Committee's trial balance which had been treated as an exceptional item and recorded as revenue in the Statement of Financial Performance. The details are shown in table 541.

Table 541: Unreconciled differences in the books of accounts

Year	GH¢
2009	5,602,203
2010	6,153,210
2011 – 2018	4,499,903

3681. The Committee's proposed treatment was to write off the difference without carrying out an investigation and making recommendation to the appropriate decision authority on measures to address the differences. We therefore reclassified these differences as a balance sheet item as an investigation was required before such significant differences could be written off or not. We also qualified our opinion on the financial statements as a result.

3682. We also noted that an amount of GH¢1,953,639 had also been recorded in the 2008 financial statements as an exceptional item and written off as revenue in 2008. We requested the Committee to provide support for this amount, but no response was provided by Management of the Committee. This amount appeared to have same characteristics as the exceptional items that the Committee had recorded in its book of accounts in 2009, 2010 and 2011.

3683. The book of accounts and financial statements lacked credibility and could not be relied upon by stakeholders. The above could lead to material misstatements and serves as a reason for the qualification of these accounts.

3684. We recommended that the Committee should investigate and clear all these unexplained differences in its book of accounts.

3685. Management responded that it had taken notice of these differences since 2008 and is taking steps to ascertain the root cause of it and propose possible actions to resolve the differences.

Mission Statement

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