

SENIOR MINISTER CHALLENGES THE AUDITOR GENERAL AND HIS STAFF TO “STOP PEOPLE FROM STEALING GOVERNMENT MONEY BELONGING TO ALL FOR SOCIAL AND INFRASTRUCTURAL DEVELOPMENT”

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A SPEECH DELIVERED BY HON. ING YAW OSAFO-MAAFO, SENIOR MINISTER OF THE REPUBLIC OF GHANA, AT THE 5TH DELEGATES CONFERENCE OF THE AUDIT SERVICE DIVISIONAL UNION OF TUC GHANA AT THE PUBLIC SERVICES WORKERS UNION CENTRE, ADIEMBRA, KUMASI, ON TUESDAY THE 29TH JANUARY, 2019

1. Introduction

It is with much pleasure that I join the Audit Service Divisional Union at your 5th Delegates Conference of the Union with the theme: ‘The Role of the State Auditor in Protecting the Public Purse’ This is very appropriate and timely in the national context coming at a time the government is putting in measures to ensure that the country’s resources are protected for optimal use.

2. Chairman, our resources are not sufficient considering the huge developmental gap that exists today, and the high demand for various public goods and services that put pressure on these resources. In spite of these constraints, the government of Nana Addo Dankwa Akufo-Addo, the President of the Republic has ambitious plans to transform Ghana Beyond Aid. In this regard, I am of the conviction that efficient, effective and sound management of our national resources and indeed our tax payers’ money would

definitely be essential in our efforts to develop this country to the level of the 'Ghana Beyond Aid' vision of the President.

3. Chairman, it is therefore imperative that 'Accountability' should be the hallmark in the management of our resources as we seek to make progress in our developmental efforts. Public office holders should be accountable for their decisions, actions, inactions and general behavior in the use of public resources. Public officers should be responsive to the people from whom they derive their power. The Effect of Corruption on the Public Purse
4. Chairman, one critical issue that has taken over our national discourse in our recent past has been the subject of corruption. Therefore, persistent complaints about perceived corruption in our public services leading to the loss of public trust in our public officials and government. This has resulted in the emergence of pressure groups such as Occupy Ghana which had to take the Auditor General to the Supreme Court to recover monies deemed to have been stolen by public officials.
5. Ladies and Gentlemen, corruption is a complex issue to deal with and remains one of the most daunting development challenges confronting the country and many countries particularly in Africa. Several studies and surveys in Ghana and elsewhere support the view that corruption is a major impediment to economic progress, social welfare, service delivery and good governance in Ghana and the African continent as a whole.
6. Monies lost through corruption runs into several millions of cedis annually, which could otherwise be channeled into other development needs such as the development of the national infrastructure and the transformation of the productive economy. A former Managing Director of the IMF once said, "Corruption is the enemy of the Poor" The Role of the State Auditor in protecting the Public Purse
7. Chairman, the role of the State Auditor cannot be over emphasized in protecting the public purse and ensuring that public officers are accountable. According to Article 175 of the 1992 Constitution of the

Republic of Ghana, Public Funds are defined to include the Consolidated Fund, the Contingency Fund and such other public funds as may be established by or under the authority of an Act of Parliament. In summary, public funds include all revenues generated by the State including loans and grants.

8. Ladies and Gentlemen, the Audit Service is widely viewed as an independent watchdog of public interest and is well situated to promote transparency and ethical behavior. The era of adding value to an audit has evolved beyond the emphasis of error correction and minimizing waste, but to ensuring compliance with financial and administrative laws and regulations in achieving value for money. The responsibilities of the Audit Service calls for an urgent need to institute deliberate measures and initiatives to ensure that public office holders comply with the will of Parliament (as expressed through parliamentary appropriations), the promotion of ethical behavior, efficiency and cost effectiveness and the encouragement of sound internal financial controls to reduce the opportunities for corruption and increase the likelihood of its detection.
9. One area where government is short changed is the area of PROCUREMENT. Can you only rely on Competitive Tender to get the best deal for Ghana if your specifications are loose and not technically qualitative? How do our auditors treat issues related to mismanagement of vital resources which leads to loss of billions of cedis-allowing expensive sensitive equipment at the mercy of the weather? Instead of buying 100 pieces of an item you buy 1000 pieces. Buying items which are about to expire in large quantities- finally, many of same items go to waste.
10. Article 187 of the 1992 Constitution creates the Office of the Auditor-General and clearly specifies the authority as well as the role of the Auditor-General. The constitution mandates the Auditor General to audit 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 and report to Parliament.

11. The Audit Service Act, 2000 (Act 584) further explains the role expected of the Auditor-General (the State Auditor) who is supported by staff of the Audit Service in carrying out His mandate. Administrative functions of the State Auditor.
12. Chairman, the Auditor-General may in addition to the audit of public accounts, carry out in the public interest such special audits or reviews as he considers necessary and shall submit reports on the audits or review undertaken by him to Parliament.

The Auditor General examines the public and other government accounts and shall ascertain whether in his opinion:

1. the accounts have been properly kept
2. 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
3. monies have been expended for the purposes for which they were appropriated and the expenditures have been made as authorised;
4. essential records are maintained and the rules and procedures applied are sufficient to safeguard and control public property; and
5. programmes and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilised and results achieved.
6. Chairman, fortunately, we have the new Public Financial Management (PFM) Act, 2016 (Act 921) that serves to regulate financial management of the public sector within macroeconomic and fiscal frameworks. The new law defines responsibilities of persons entrusted with public funds, assets, liabilities and resources to ensure that public funds are protected and that the level of public debt is sustainable. It also provides for accounting of public funds as well as matters relating to auditing. I wish to state here that the government of His Excellency, Nana Addo Dankwa Akufo-Addo shall ensure that the new Public Financial Management Act works to bring sanity into the public financial administration. I wish to reiterate here and I hereby pledge that we will uphold all provisions of the PFM Act.

7. Ladies and Gentlemen, it is also the responsibility of the State Auditor to ensure compliance of the provisions of the PFM. It is heartwarming to acknowledge the works of Mr. Daniel Yaw Domelevo, Auditor General, and be assured that he will ensure compliance of the provisions of the PFM.
8. Chairman, government has been impressed by the collaboration between the Auditor General and Occupy Ghana in the application of Article 187 (7) of the Constitution which had resulted in the disallowance of government liabilities to the tune of GH¢ 5.48 billion cedis.
9. Ladies and Gentlemen, government is also grateful to the Auditor General and his staff for the recovery of about GH¢67 million from public officers, individuals and institutions who committed financial infractions in the course of performing their duties. With a lot more cases at various stages of determination. This action of the Auditor-General not only seeks to recover misappropriated funds but also serves as a deterrent to would-be wrong doers to realise that the status quo has been broken and that the Auditor General is out to get anyone who misappropriates public funds.
10. From the foregoing, it is clear that the responsibilities given to the Audit Service are enormous and therefore require that the Board, Management and the Staff work together in harmony and in partnership towards protecting the Public Purse diligently. The Role of Government in enhancing the work of the State Auditor.
11. Chairman, Government has within the framework of our party's manifesto, laid down clearly, the vision for fighting corruption; among them is the full implementation of the Public Financial Management System (PFM) which will ensure the migration of MDAs onto the GIFMIS. Working knowledge of all staff including Directors, Chief Directors, CEOs on the working of GIFMIS is absolutely essential. But as I speak, this is not the case. Creating a lot of delays in the smooth implementation of government programmes
12. Ladies and Gentlemen, the adherence to the existence of laws, regulations and policies to regulate behavior of officials and even

institutions are important, if we are to ensure the optimal and efficient use of resources for development. However, the sad reality is our inability to enforce these laws. I seriously appeal to all and sundry to support our public institutions and officers to ensure that the law works irrespective of personalities, power or political affiliation.

13. Chairman, government will ensure an effective collaboration with Public Institutions such as the Internal Audit Agency (IAA), the Audit Service as well as other bodies of accountability like the Public Accounts Committee of Parliament (PAC), the Economic and Organised Crime Office (EOCO), the Commission on Human Rights and Administrative Justice (CHRAJ) and the Office of the Special Prosecutor in the fight against misappropriation of public resources. This will also work towards entrenching sound financial management in the public sector. It is important to mention that government has increased budgetary allocations to all these institutions (albeit, not still enough to meet their needs) to improve their efficiencies.
14. Ladies and Gentlemen, government late last year, 2018 through an Act of Parliament established the Fiscal Responsibility Act as well as the Fiscal Responsibility Advisory and Fiscal Stability Advisory Councils. The Act will ensure fiscal responsibility, macroeconomic stability and debt sustainability. The Act also provides for the Minister of Finance to be sanctioned when he/she spends beyond defined limits. The Act will also to restrict politicians from sacrificing prudent economic management on the altar of political expediency.
15. Chairman, before I take my seat, I should like to state that productivity in the public sector remains an issue of great concern to government. It is important to note that when time and other resources under our control are not efficiently and effectively utilised, revenue generation becomes a problem, compensation of staff become affected 'The vicious cycle of inadequate resources, low productivity and low compensation continues'. We need to break this jinx and I believe you, as key players of Public Financial Management System, would come out with suggested recommendations for consideration by government.

16. Chairman, I wish all participants very well in their deliberations. I hope discussions at this Conference will be fruitful and should bring positive changes in the public financial management system of our country. The ultimate result isto see people upholding accountability, transparency and to be more economical, efficient, effective and ethical in the use of our public resources.