



REPUBLIC OF GHANA

REPORT OF THE AUDITOR-GENERAL

ON THE

PUBLIC ACCOUNTS OF GHANA

PUBLIC BOARDS, CORPORATIONS AND OTHER STATUTORY INSTITUTIONS

**FOR THE PERIOD ENDED
31 DECEMBER 2014**

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

Richard Quartey
Auditor General
Ghana Audit Service
21 December 2015

This report can be found on the Ghana Audit Service website at www.ghaudit.org

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GHANA - PUBLIC BOARDS, CORPORATIONS AND OTHER
STATUTORY INSTITUTIONS FOR THE PERIOD
ENDED 31 DECEMBER 2014**

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TRANSMITTAL LETTER

Ref. No. AG.01/109/Vol.2/97

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21 December 2015

Dear Mr. Speaker,

**REPORT OF THE AUDITOR-GENERAL ON THE
PUBLIC ACCOUNTS OF GHANA - PUBLIC BOARDS,
CORPORATIONS AND OTHER STATUTORY INSTITUTIONS
FOR THE YEAR ENDED 31 DECEMBER 2014**

I have the privilege to forward my audit report on the Public Accounts of Ghana-Public Boards and Corporation to you to be tabled in the House in pursuant to Article 187(5) of the 1992 Constitution.

2. As usual, the report has been structured into three parts. Part I provides overall summary of significant findings and recommendations and 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 Parts III gives the full details of my findings and recommendations.

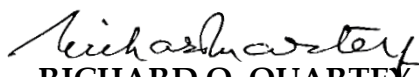
3. Mr. Speaker, this report highlights the significant findings arising from my audit of the financial operations of Public Boards, and Corporations and other Statutory Institutions in accordance with Section 13 of the Audit Service Act of 2000 (Act 584). It includes details of financial errors and irregularities arising out of the breakdowns of internal controls and provides recommendations, where possible to rectify the weaknesses identified in the financial control systems.

4. Aware of the extent of my reliance on others to produce my report, I would like to thank my staff and the contracted Audit Firms for the invaluable assistance provided in preparing this report.

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


RICHARD Q. QUARTEY
AUDITOR-GENERAL

**THE RT. HON. SPEAKER
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REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA – PUBLIC BOARDS, CORPORATIONS AND OTHER STATUTORY INSTITUTIONS FOR THE YEAR ENDED 31 DECEMBER 2014

Introduction

In accordance with Article 187(2) of the 1992 Constitution of the Republic of Ghana the audit of the accounts of the Public Boards, Corporations and other Statutory Institutions for the period ended 31 December 2014 have been conducted.

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

3. I also evaluated the adequacy of the system of internal financial 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 my notice during the period ended 31 December 2014. The observations, and recommendations arising out of the audits were discussed with managements of the affected Institutions and comments received where appropriate, have been incorporated in this report. The report is in three parts:

- Part I of the report provides overall summary of significant findings and recommendations arising from my audit of the financial operations of Public Boards and Corporations and other Statutory Institutions

- Part II of the report highlights the significant findings and recommendations made in respect of each Sector Ministry and their respective Public Board and Corporation and Statutory Institutions.
- Part III of the report gives the operational results and financial position as well as the full details of financial errors and irregularities arising out of the breakdowns of internal controls and provides recommendations, where possible to rectify the weaknesses identified in the financial control systems.

PART I

SUMMARY OF SIGNIFICANT 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 2014.

No	Type of Irregularities	%	Amount (US\$)	Amount (GH¢)	Amt. Naira (₦)	Amt. CFA	Total Amount (GH¢)
1	Outstanding Debtors/Loans Recoverable charges	96.6	52,638,952	1,572,756,040	-	-	1,740,679,561
2	Cash Irregularities	1.1	369,637	17,924,395	121,100	29,000	19,105,859
3	Payroll Irregularities	0.1	-	941,675	-	-	941,675
4	Procurement Irregularities	0.3	-	5,063,172	-	-	5,063,172
5	Tax Irregularities	0.5	107,372	8,550,236	-	-	8,892,763
6	Stores Irregularities	1.3	-	23,272,123	-	-	23,272,123
	Contract Irregularities	0.1	500,000	410,048	-	-	2,005,098
	Total	100	53,615,961	1,628,917,689	121,100	29,000	1,799,960,251

6. Table 1 shows that the irregularities in monetary terms totaled GH¢1,803,646,727 which included US\$53,615,961 converted into cedis at the prevailing exchange rate of GH¢3.1901 to the US\$1 as at 31 December 2014, ₵121,100 converted into cedis at the prevailing exchange rate of GH¢1 to the ₵57.34 as at 31 December 2014 and CFA29,000 converted into cedis at the prevailing exchange rate of GH¢1 to the CFA167.86 as at 31 December 2014 .

Table 2: Summary of Financial irregularities according to sector Ministries

	Outstanding: Debtors/Loans Recoverable Charges		Cash Irregularities				Payroll Irregularities	Procure ment Irregulari ties	Tax Irregularities		Stores Irregulariti es	Contract Irregularities	
Sector Ministry	GH¢	US\$	GH¢	US\$	₵	CFA	GH¢	GH¢	GH¢	US\$	GH¢	GH¢	US\$
Min of Energy	1,535,003,831	50,000000	199,405	-	-	-	-	-	24,122	107,372	22,996,165	-	-
Min Finance & Econ. Planning	12,554,415	-	77,566	-	-	-	-	-	-	-	-	-	-
Min of Education	186,149	-	4,049,685	144,000	-	-	-	-	303,572	-	10,913	161,567	500,000
Min of Trade and Industry	507,526	-	5,559,959	-	-	-	6,705	-	800,043	-	253,953	-	-
Min of Environment Science and Technology	1,062,085	-	-	-	-	-	-	-	954,107	-	-	-	-
Min of Health	-	-	163,342	-	-	-	369,416	-	209,496	-	-	-	-
Min. of Transportation	411,205	2,638,952	1,315,701	223,837	-	-	-	199,663	-	-	-	-	-

<i>Min. of Water Resources, Works & Housing</i>	93,653	-	84,760	-	-	-	495,693	-	4,723,931	-	11,092	-	-
<i>Min. of Information</i>	-	-	98,119	-	-	-	-	-	1,432,040	-	-	-	-
<i>Min. of Justice</i>	-	-	190,879	-	-	-	5,934	23,865	3,600	-	-	139,000	-
<i>Min. of Youth and Sport</i>	-	-	4,136,742	-	-	-	-	50,780	73,011	-	-	78,241	-
<i>Extra Ministerial Agencies</i>	22,937,176	-	2,048,237	1,800	121,100	29,000	63,927	4,788,864	26,314	-	-	31,240	-
Total	1,572,756,040	52,638,952	17,924,395	369,637	121,100	29,000	941,675	5,063,172	8,550,236	107,372	23,272,123	410,048	500,000

Outstanding Debts/ Loans/ Recoverable Charges - GH¢1,740,679,561

7. These irregularities represent trade debtors, staff debtors and outstanding loans. Lack of debt collection policies, the absence of credit controllers to retrieve the debts and management's apathy towards loan recovery contributed significantly to the anomalies. 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 noncompliance with rules and regulations accounted for these irregularity.

8. I recommend that management of Public Boards, Corporations and other Statutory Institutions should strictly adhere to rules and regulations pertaining to debts management. They should put in place proper policies on the granting of loans and should also ensure that loans are repaid on due dates to avoid or mitigate the occurrence of bad debts.

Cash Irregularities - GH¢19,105,859

9. Cash irregularities mostly related to the misapplication of funds, overestimation of budgets, outstanding retirement of imprest, payments not authenticated and outright cash shortages. These occurred as a result of poor oversight responsibility, lack of control, management's failure to review approved budgets and the failure of Paying Officers to demand receipts for payments made. Other contributory factors were Accountants' 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 and management's inertia in complying with procedures stipulated

in the Financial Administration Act coupled with poor accounting systems.

10. I therefore urge the management of the Public Boards, Corporations and other Statutory Institutions to strengthen supervisory controls over their Accountants and ensure that they adhered to the stipulations of the Financial Administration Act. I also recommend the authentication of all payment vouchers, the review of approved budgets and the prompt retirement of imprest.

Payroll Irregularities - GH¢941,675

11. These lapses were caused by the failure of management to exercise due diligence and the failure of officers in charge of payroll to review payment vouchers to ensure salaries were paid to only those who were entitled. They were also caused by management's failure to notify banks to stop the payment of unearned salaries.

12. They mostly comprised payments of unearned salaries to separated staff, non-payment of unearned salaries to chest and payment to staff members who were not entitled to receive those salaries.

13. I advised management of the affected Institutions to promptly notify the bankers of the separated staff to withhold and pay to chest all unearned salaries. I also recommend that officers in charge of payroll should exercise due care in the discharge of their duties.

Procurement Irregularities-GH¢5,063,172

14. These irregularities occurred as a result of management procuring goods and services without recourse to the procurement

committees of the various Institutions, contrary to the provision of the Procurement Act.

15. I once again recommend that the management of the various Institutions should transact procurement dealings strictly in accordance with the provisions of the Public Procurement Act, 2003 (Act 663).

Tax Irregularities - GH¢8,892,763

16. The Tax irregularities related to misapplication of tax revenue, failure to pay statutory deductions on due dates contrary to the law and non-adherence to the provisions in the tax laws. They also relate to transaction of business with non VAT registered persons.

17. I recommend that the Finance Officers should strictly adhere to tax laws to ensure that all tax revenue are promptly collected and paid to the responsible revenue agencies.

Stores Irregularities - GH¢23,272,123

18. These irregularities includes non-documentation of store items and unaccounted fuel, resulting from the absence of store ledgers, lack of awareness of officers assigned to store duties, inadequate supervision, use of deficient and improvised logbooks and management's failure to produce the relevant books for record keeping.

19. I recommend the strengthening of controls over store items, improving supervision and the procurement of store ledgers for effective record keeping. I also recommend the strict adherence to the store regulations and the Financial Administration Regulations.

Contracts – GH¢2,005,098

20. These mainly relates to overpayment of contract sum, absence of the signing of contract agreements, failure to comply with tendering procedures, delay in construction, ineffective control over contracts and the absence of transparency in the disbursement of funds and award of contracts.

21. I therefore urge management to strengthen controls over contracts and comply with tendering procedures. I also recommend that responsible officials for the overpayment of contract sum be surcharged with the difference.

AUDIT OPINION

22. Most of the financial statements submitted for validation were prepared under generally accepted accounting principles and my office was satisfied in all material respects that the 96 audited financial statements complied with the Ghana Accounting standards and relevant legislation.

23. In my opinion except for the financial statements of Export Development and Agricultural Investment Fund which had an exception they presented a true and fair view of the financial position and performance of the organisations.

Accounts submission

24. In the year 2014, only National Sports Authority and Savannah Accelerated Development Authority failed to submit their financial statements for audit as at the time of writing this report. As such, I am unable to report on the current status of these organisations to provide accountability assurance to Parliament.

25. The failure by organizations to prepare financial statements stifles effective planning and decision making by stakeholders.

26. There is still the need for organisations to improve upon their processes for preparing their financial statements and annual reports and pay more attention to compliance with the submission deadline of 31 March each year.

27. As stated in my previous reports, to enhance accountability and timely stewardship of public funds, I recommend that Board of Directors as a matter of urgency should take the following remedial measures among others to enhance the performance of Public Boards, Corporations and Statutory Institutions:

- Fill the position of Heads of Accounts Unit with personnel with the requisite skill and experience;
- Install computerized accounting software to accelerate the production of financial statements for audit;
- Resource their accounts departments to enable them clear the back log of outstanding accounts and submit them for audit by 31 December 2014;
- Sanction any Chief Executive who fails to prepare and submit for audit the organisation's financial statements by the 31 March deadline.
- Sanction any official whose inaction resulted in these and future irregularities to serve as a deterrent to others.

Conclusion

28. As part of the processes of good governance, I urge the appointing Authorities to ensure that Board of Directors are constituted immediately for organisations having none including places where there have been reshuffles. This is because the absence of these Boards tend to delay the signing of the financial statements resulting in audit delays thereby stifling my ability to meet the constitutional deadline.

29. The operational results and financial positions of the Public Corporations and other Statutory Institutions during the year under review, could have been healthier if there had been effective supervision of schedule officers. I reiterate my advice to Management to strengthen their Internal Audit Units to support and ensure sound financial practice in accordance with the Internal Audit Agency Act 2003, (Act 658). I also recommend that management should establish and strengthen the audit Report Implementations Committees within the organisations with Section 30 of the Audit Service Act 2000 (Act 584) to ensure that recommendations made in this report are duly implemented.

PART II

SUMMARY OF FINDINGS AND RECOMMENDATIONS BY MINISTRIES

MINISTRY OF ENERGY AND PETROLEUM

NATIONAL ELECTRIFICATION SCHEME

30. Contrary to an Administrative directives establishing the Scheme, we observed that three organisations had not remitted a total amount of GH¢ 616,636 to the Fund. PURC, also owed the Scheme an amount of GH¢10,979,533 as at 31 December 2013 and remitted only GH¢100,000 resulting in an outstanding balance of GH¢10,879,533. As a result, the total amount owed the Scheme by these four Institutions as at 31 December 2013 stood at GH¢11,496,169. We recommended that management of the Scheme ensures that all levies collected are remitted to the fund without delay.

31. At Sedorm, we noted that 10 low voltage (LV) poles were poorly erected as well as the use of Sub-Standard poles for the provision of service to the households. We therefore recommended immediate correction and restoration of the LV poles to avert any danger in the future.

32. We noted that at Kwaku Ansah, a Project which was yet to be completed had been captured in the list of completed projects in the 2012 financial year. At Kwame Wyetty, we observed that sixty (60) untreated LV poles were to be erected by the contractor, but as at the time of our visit, this had not been done. We recommended that, the

Consultants monitor the projects during the execution stage to prevent the use of wrong materials procured for the electrification project with its attendant additional cost.

ELECTRICITY COMPANY OF GHANA LIMITED

33. We noted that in 2012 out of 7943.72 Ghs power purchased only 6078.87 Ghs was sold leaving 1,864.85 representing 23.48%. Similarly, in 2013 out of 8,447.46 Gwhs of power purchased, only 6,528.37 Gwhs was sold leaving a balance of 1,949.09 Gwhs representing 22.99% unaccounted for. We advised Management to determine losses which are due to technical and commercial challenges so as to deploy measures to reduce those losses in order to improve the liquidity position of the Company.

34. We observed that an amount of GH¢3,817,000 included in other trade debtors was in respect of materials given out on loan to some of the Company's associates without any specific agreement. We advised Management to pursue the return of these materials or the parties concerned should be requested to effect immediate payment of the cost of the materials as considered appropriate.

35. We noted that the Ghana Water Company Limited (GWCL) and other developers damaged ECG poles and cables amounting to GH¢13,925.00 as far back as 2008 and 2009. We recommended that ECG redouble its efforts to collect these debts.

GHANA NATIONAL PETROLEUM CORPORATION

36. Sections 18.6 of the Petroleum Agreements empower GNPC to audit the operations of the partners in the oil industry. However, we observed that management of the Corporation has not exercised

this right directly so far. We recommended that management should exercise the right to audit the Petroleum Partners without further delay.

37. Contrary to Section 30 of the Audit Service Act, 2000 (Act 584), GNPC failed to constitute an Audit Report Implementation Committee (ARIC). We recommended that Management should constitute an ARIC without any further delay.

38. An amount of US\$50,000,000 advanced to the Ministry of Finance in December 2013 which was to be repaid within three months had not been paid as at the time of our audit. Also, an amount of GH¢102,537,354 representing the net effect of assets and liabilities transferred to the state has been outstanding since 2010. We advised Management to intensify its efforts at recovering these out standings.

39. During our review we noted that some state owned enterprises owed the Corporation to the tune of US\$92,112,277. We urged Management to step up efforts to recover these amounts from the debtors.

40. An impairment review had written down the recoverable amount due from SOPCL to US\$5.99 million (GH¢12.97 million). We recommended to Management to pursue SOPCL for the recovery of this debt.

NATIONAL PETROLEUM AUTHORITY

41. We observed that an amount of GH¢1,813,271 representing provision for bad debts in the year 2012 was repeated in the current

year. We urged Management to follow up the non-recoverable portion of the amount and seek the Board's approval with adequate reasons to write-off the figure otherwise the balance should be adjusted to reflect the current estimate.

PETROLEUM COMMISSION GHANA

42. Contrary to Regulation 288(1) of the Financial Administration Regulations (FAR), 2004 L.I. 1802 imprest amounting to GH¢4,396.00 given for travels was not retired with the appropriate receipts as at the time of writing this report. We recommended that the officer concerned should be made to retire the imprest failing which the amount should be adjusted as advance to his personnel account.

43. Contrary to Regulation 20 of F.A.R. 2004 L.I.1802 we observed that rates, fees and charges did not have parliamentary approval. We recommended that Management use the appropriate channels to have their rates, fees and charges approved to have legal support.

44. Purchases made by the Commission totaling GH¢24,122 were not accompanied by VAT receipts contrary to the VAT Service Act, 1998 (Act 546), Section 57. We recommended that future purchases should be made from only VAT registered persons in compliance with the law to increase government revenue base.

45. Our review of financial operations of the Commission revealed that, the Commission did not have an approved annual estimate (budget) to guide its operations. We recommended that,

Management ensure that annual budget is prepared and approved for its operational activities.

GHANA ATOMIC ENERGY COMMISSION -

RADIATION PROTECTION INSTITUTE

46. The examination of bank statement revealed that various direct credit transfer payments by customers totalling GH¢35,805.66 cannot be traced to individual customer's ledger accounts. We suggested to Management to ensure frequent follow ups on the various unidentified credit transfers to facilitate proper reconciliation of debtor's balances.

PUBLIC UTILITIES REGULATORY COMMISSION

47. Due to Managements inability to collect an amount of GH¢10,761,277.11 from GRIDCO the Commission was unable to distribute the levies due to beneficiaries in full. We recommended that Management should ensure the amount of GH¢10,761,277.11 is collected from GRIDCO and henceforth all revenues are received as and when it is due.

48. We observed that, an amount of GH¢99,663 for the purchase of hampers was not retired nor adjusted to the personal advance account of the imprest holder, instead the entire amount was expensed at the end of the year in violation of the provisions of FAR 288(2). We recommended that Management should put in place a mechanism to ensure that advances are retired promptly; otherwise it should be adjusted to the personal advance account of the imprest holder.

49. The Commission failed to withhold taxes amounting to US\$107,371.76 on payments made to Power Systems and Energy Consulting of USA contrary to Section 84(2) of the Internal Revenue Act, 2000 (Act 592). We advised Management to be abreast with the tax laws and act accordingly and put in place measures to immediately remit the total sum of US\$107,371.76 to the tax authority.

50. PURC charges 25% as Management Fees on the revenue due Pro-Poor Programmes. These fees were not provided for in the PURC (Amendment) Act 2010, Act 800. We recommended that steps should be taken to make pro-poor activities autonomous in order to regularize such charges.

BULK OIL STORAGE AND TRANSPORTATION COMPANY LIMITED (BOST)

51. We noted that the Volta River Authority (VRA) is indebted to BOST to the tune of GH¢17,265,829.00 since 2009. We recommended that efforts should be made to recover these debts to help BOST honour its obligations to creditors when they fall due.

BUI POWER AUTHORITY

52. An account with the Bank of Ghana was closed based on a directive of the Controller and Accountant General's Department (CAGD) to the bank to close down all dormant accounts of Government institutions without the knowledge and consent of Management. The balance on the accounts which was GH¢1,801.35 had not been transferred to BPA as at the time of audit. We advised

Management to follow up and recover the closing balance from the Bank of Ghana.

MINISTRY OF FINANCE AND ECONOMIC PLANNING

SECURITIES AND EXCHANGE COMMISSION

53. Our audit revealed that Mr. Kenneth Okwabi, a former staff who owes the Commission to the tune of GH¢6,077.30 was no longer with the Commission. We recommended that management should recover the amount of GH¢6,077.30 from him.

COCOA MARKETING COMPANY

54. Due to the absence of regular reconciliation, we noted differences between ledger balances and control balances amounting to GH¢1,747,483.96. We recommended regular reconciliation of staff accounts.

STUDENTS' LOAN TRUST FUND

55. We observed that the total loans disbursed to students have been declining by 9.6% from 2010 to 2011 and a further 28% from 2011 to 2012. We advised management on the need to intensify its efforts at addressing the declining trend. We further recommended to management to consider reviewing the scheme's operations to make it more attractive and easier to access.

56. Though a Loan Recovery Department was established in 2011 to improve timely and full recovery of loans due, we however noted that total loans recovered in 2012 amounted to GH¢1,983,869.07 representing 36% of the total amount of GH¢ 5,519,096 due for recovery. We recommended that an action plan be

developed, approved and pursued to recover not only the overdue amounts but also amounts due currently as failure to recover the due amounts deprive the Fund of funds for disbursement to other students.

57. The Fund's Head Office operate from a rented premise, with the rent (in US Dollars) payable every two years at the prevailing exchange rate. Total amount paid in June 2011 as rent advance amounted to US\$178,080 (GH¢280,119.84). We further noted that an amount of GH¢356,168 has been budgeted for the payment of another two years rent in June 2013. We advised that Management must put in place plans for acquiring a permanent premise.

58. Currently the Fund is depending on only one source of funds which represents 10% of inflows into the Student Loan Trust Fund (SLTF) being allocation from GET-Fund. We advised Management to take advantage of the other sources of funding in line with ACT 820(3) in order not to stifle the Funds objectives.

59. The Fund had not established an Audit Report Implementation Committee (ARIC) contrary to Section 30(2) of Act 584. We recommended that the Board should expedite action on the process of setting up an ARIC to oversee the implementation of audit reports to minimize the risk of recurrences of irregularities.

60. We noted that the amount paid as Board fees and allowances to members of the Board of Trustees increased by 77% in 2013, due to the payment of End of Service Benefits without ministerial approval contrary to Act 2011 (Act 820). We recommended that the Board

should take appropriate steps to regularize the payments by seeking the statutory ministerial approval.

VENTURE CAPITAL TRUST FUND

61. Contrary to Regulation 288(2) of the FAR some Directors and Staff failed to retire their accountable imprest totaling GH¢77,566. We recommended that Management put in place measures to compel both Directors and Staff to retire their imprest when they return from their trips otherwise the amount should be adjusted as advances to their respective personal accounts.

62. Although a land acquired by the Fund for the construction of an office complex has been fully paid for, we did not sight the land title documents. We recommended that, Management should intensify its efforts in obtaining Title Deeds for the property to avoid litigation in the future.

63. We noted that, though a monitoring team was put together to aid the collection of debts most of the clients were still not adhering to the repayment agreement. Consequently, GH¢6,710,849.57 of long overdue loans were still outstanding. We advised Management to take precautionary measures to avoid high probability of the Trust Fund losing money.

MINISTRY OF EDUCATION

UNIVERSITY OF GHANA

64. We noted that transactions amounting to GH¢65,710 were without supporting documents. We could therefore not establish the

authenticity of the payments. . We recommended that management should justify the payment or the amount refunded by the responsible officials into the University's account. We also advised management to in future ensure that supporting documents are properly filed for easy retrieval.

65. During our review of journal entries, we were not provided with source documents in respect of accommodation rentals and part-time teaching amounting to GH¢23,392.00. We recommended that management should provide the supporting documents for our verification.

UNIVERSITY OF EDUCATION, WINNEBA

66. Though, Miss Rita Ekua Abaidoo, a staff of the UEW, Kumasi Campus failed to serve the four (4) years required by the Study Leave Policy, she did not refund the Bond Price of GH¢29,000.00 to the University. We recommended that management should ensure that she refunds to the University the amount spent on her in the course of her study leave.

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY - KUMASI

67. The University failed to provide for our scrutiny Memorandum of Understanding/Terms of Agreements and other relevant records on affiliated institutions and the payment of annual fees. We recommended that all relevant information on this affiliation should be made available for our examination.

68. We noted that five students of the College of Architecture and 13 of the Institute of distance learning owed an amount of

GH¢33,509.50 and GH¢39,400.00 respectively. We recommended that measures are put in place to reduce the possibility of students who owe the University graduating and collecting their certificates.

69. We did not sight relevant contracts agreements supporting the payment for an amount of GH¢161,567.21 made for the provision of services. We recommended that a formal contract should be drawn up between the prospective suppliers and the school authorities and copies made available for our verification.

GHANA INSTITUTE OF MANAGEMENT AND PUBLIC ADMINISTRATION (GIMPA)

70. The Institute made payments totaling GH¢113,943 to King Thomas Hotel and Ghana Broadcasting Corporation for the rental of accommodation to run programmes. These contracts were abrogated and the amount treated as prepayments in the accounts. We recommended that efforts should be made to recover the amount from the organisations.

NATIONAL ACCREDITATION BOARD

71. As a result of Management's failure to put in place adequate measure to enforce the recovery of loans, 25 Officers who were granted loans/advances totaling GH¢143,377.18 between 2010 and 2013 paid back only GH¢58,999.16 leaving GH¢84,378.02 in arrears as at 31 December 2013. We urged Management to introduce and strictly enforce a recovery schedule by preparing input forms immediately to the Controller and Accountant General Department to ensure timely settlement of the outstanding advances and loans.

72. Contrary to Section 5(a) of the Retention of Funds Act, 2007; the Board did provide for the payment of an amount of GH¢376,197.00 in the annual budget estimate for the financial year 2013. The expenditure includes a loan to National Accreditation Board Staff Association (NABSAF), staff salary and rent advances .We recommended and Management accepted to include in its annual estimate budget covering the use of the Internally Generated Funds (IGF) for Parliamentary approval.

73. We noted that the Board received cash payments totaling GH¢163,430.97 from various Institutions during the period under review in contravention of Regulation 48(2) of the FAR, 2004 (L.I. 1802). We recommended that Management should ensure that all collection of revenue is made by cheque, bank transfer or direct payment to the Board's bank accounts to ensure effective control over revenue.

NATIONAL COUNCIL FOR TERTIARY EDUCATION

74. Contrary to FAR 79 and 15, Mr. Jerry Sarfo who doubled up as the Administrator and Accountant collected special revenue [Complex Conference Room] to the tune of GH¢7,000.00 between August and September, 2013 but failed to account for it. To ensure accountability and prevent diversion of public funds, we advised Management to comply strictly with rules and regulations governing the collection of revenue. Meanwhile, Mr. Jerry Sarfo should be made to account for the revenue collected and disciplinary action taken against him as stipulated in Regulation 8 of the FAR.

75. Contrary to Regulation 28 of the FAR 2004 L.I 1802, we noted that receipts were not provided to support a total payment of

GH¢3,389,276.25 made to various institutions and contractors. We advised Management to ensure that the paying officer obtains the relevant receipts for these payments and future ones for authenticity, failing which the amount involved should be recovered from the paying officers.

76. The Accountant failed to deduct the required 5% withholding tax totaling GH¢175,496.93 from payments made to 12 suppliers of goods and services in contravention to, Section 84 (2) of the IRS Act 2000. We recommended adherence to Section 88 of Act 592 and advised Management to recover the amount of GH¢175,496.93 from the suppliers and remit same to the Commissioner of Domestic Tax Revenue (DTRD) of Ghana Revenue Authority (GRA).

77. In violation of Sections 71, 56[1a-c] and 57 of the VAT Act 1998 [Act 546], a service provider, Didan Cleaning Service in some instances charged VAT of 15% but failed to issue VAT invoice whilst at other instances VAT invoice issued cover only 3% VAT although the VAT charged was 15%. In other instances, a different Tax Payer Identification Number [TIN] was quoted on the VAT invoice issued. We recommended that management should request Didan Cleaning Service to issue the appropriate invoice for the 15% VAT charged and collected.

78. Management granted car loans and salary advances to the tune of GH¢28,860.84 to its staff but failed to put in place appropriate mechanism to recover the loans and advances from the beneficiaries. We urged Management to consider the risk associated with giving

out loans without putting in measures of recovery and formulate policies that will enhance recovery of the money.

79. Our audit of vehicle files and unserviceable ledger disclosed that, out of the 20 vehicles belonging to the Council, five of them had been grounded. We further noted that some office equipment had become unserviceable. To avoid further deterioration and loss in value, we advised management to consider using the appropriate channel to dispose of the items as soon as possible.

GHANA ACADEMY OF ARTS AND SCIENCES

80. In contravention of Part XII, Section 42 of the Ghana Academy of Arts and Sciences Bye-Laws, cheques and other negotiable instruments drawn on behalf of the Academy were signed by either the President, Honorary Treasurer or Honorary Secretary (members of the Governing Council) of the Academy instead of the Finance Officer, Secretary or the Treasurer as mandated by the Bye-Laws of the Academy. The practice resulted from the absence of a substantive Finance Officer over the years. We advised that the Finance Officer who has been employed for almost a year now should be made to perform his functions as stipulated by the Bye-laws to enhance smooth running of the Academy.

81. We noted the lodgment to bank of IGF totaling GH¢45,166.49 for the period under review delayed between periods ranging from 5 to 99 days in contravention to Regulation 15(1) of the FAR 2004. We recommended that Management should improve on its supervisory role to ensure prompt banking and prevent any revenue loss.

82. Contrary to Section 29(2) of the Financial Administrative Act (FAA) 2003, the Academy did not prepare annual estimate for its IGF. We urged Management to prepare annual estimates for each class of its IGF in all future annual estimates.

83. The Academy did not have an Internal Audit Unit to ensure prompt detection of omissions and irregularities for early rectification. We advised Management to step up efforts to establish an Internal Audit Unit in accordance with the Part II Section 16(1) of the Internal Audit Agency Act (Act 658) 2005 to strengthen the internal control systems of the Academy.

COUNCIL FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (COTVET) - (GSTDP) IDA CREDIT # 4875- GH

84. Agreement signed with OWA Consult for rental purposes in foreign currency to the tune of US\$144,000 was in violation of Ministry of Finance directives. We recommended that, management should comply with all Circulars and Directives in public financial management.

85. COTVET made a rent advance payment of GH¢403,920.00 without ascertaining whether the building was covered by an Insurance Policy. We recommended that, the Project Coordinator should impress upon the property owner to comply with relevant laws.

86. Contrary to Paragraph 7.8.2(iv) IDA of the Project Implementation Manual (PIM), and Section 81 of Internal Revenue Act 2000, (Act 592), allowances were paid to SDF Committee members without deducting withholding tax of GH¢ 7,869.30. We

recommended that, management should recover the total amount and pay same to the Ghana Revenue Authority (GRA) and also strengthen its supervisory control to avoid reoccurrence.

87. We noted the failure to pay to the Commissioner withheld taxes of GH¢115,610.59 on due dates. We recommended that, Management should strengthen its supervisory control to avoid recurrence which might result in the payment of penalties.

88. An amount of US\$500,000.00 allocated for the construction of an office building for the Science, Technology and Innovation (STI) Directorate, had still not commenced. We recommended that management should expedite action to ensure that outstanding activities are executed without further delays.

MINISTRY OF TRADE AND INDUSTRIES

GHANA HEAVY EQUIPMENT LIMITED

89. We observed that the tax liability of the Company has been reducing over the years but it still represented 25% of total liabilities. By not paying the required tax, the company is over exposed to legal risk. We therefore advised management to discharge its tax obligations in order to avoid penalties.

90. Out of GH¢2,840,286.00 of the stated outstanding debtors, GH¢2,270,327.00 (i.e. 80%) has been outstanding for more than three years. The risk is that debts standing for a long time may not be recovered and the Company's assets position may be impaired as a result. We recommended that management should pursue the recovery, investigate the non-recovery of any of the debt in order to

put in place a policy for bad or doubtful debt for the account to reflect a true and fair position.

GIHOC DISTILLERIES COMPANY LIMITED

91. We observed that an amount of GH¢459,357.00 was spent as market activation on goods sent to the Nigerian market. We could however not sight any report on these activities. We advised management to evaluate the impact of the strategic policy of the recent market activation and its benefit to the Company. The Board must also call for the Nigeria Market Activation Report to assess the cost/benefit and its impact on the company.

92. During our audit, we could not verify the outstanding debtor's balances of the Company. We however observed that an amount of GH¢507,526.16 was declared bad and doubtful and written off. This was due to the mode of payment and credit policy granted to customers of the company. This may lead to revenue loss to the company. We advised Management to put in place plans to recover these debts and institute good credit policies to forestall future occurrence.

EXPORT DEVELOPMENT AND AGRICULTURAL INVESTMENT FUND (EDAIF)

93. We noted that, EDAIF was not aware of the existence of the Fund's Fixed Deposit Investment of GH¢309,414 and GH¢128,007 with Bank of Africa and as a result was omitted from its records. Also, Fixed Deposit Investment of GH¢124,562.54 with Zenith Bank included in the trial balance could not be traced in the general ledger. We recommended that EDAIF should actively monitor its investments. Management should also obtain bank statements on its

investments on regular basis and reconcile with its records. Differences noted should be followed up with the banks for timely resolution.

94. We noted that EDAIF does not actively monitor the performance of the credit facilities granted to DFI's for onward disbursement to beneficiaries. We recommended that Management should ensure that they frequently engage the DFIs to update them on the performance of beneficiary businesses. EDAIF should also hold regular quarterly meetings with the DFI's to update management on the performance of EDAIFs credit facilities. Management should also follow up to ensure progress reports are submitted by DFIs and issues identified in the reports submitted are rectified.

95. EDAIF could not provide the repayment schedules and breakdown of loan balances per beneficiary under each of the twenty-two DFI's and as a result, it was impossible for EDAIF to calculate the total outstanding loan repayments as at 31 December 2012. We recommended that EDAIF should conduct a rigorous exercise by comparing the actual repayments made with the loan repayment schedule for each beneficiary under all the DFI's to ascertain the actual amount that is overdue after which EDAIF should take steps to recover the overdue amounts.

96. EDAIF charges interest of 2.5% on the credit facilities granted to DFIs for onward disbursement to beneficiaries. We noted that EDAIF does not accrue for interest income when earned but instead interest income is recognized by EDAIF only when actual payments have been made by beneficiary/DFI's. We recommended that

Management should recognize interest income when interest has been earned per the loan repayment schedule and in line with the accrual basis of accounting.

97. Our review of transactions under the mango project revealed that there were no guidelines for effective management of the project, as a result total recoverable grants amounted to GH¢10,725,468.95 with balances per beneficiary farmers ranging from GH¢10,000 to GH¢2,177,600 in 2012. We could also not obtain the repayment schedule for the facilities to confirm when actual repayments from farmers were to commence. We recommended that Management should ensure that clear guidelines are documented for the management of the mango project. Also regular monitoring visits should be conducted on the mango farms in order for management to be well informed on the progress and activities under the mango project.

98. We noted that a total amount of GH¢9,413,201 was disbursed to government institutions and other non-governmental associations as part of grant expenditure for 2012 without any signed agreement with the organizations. We were therefore unable to obtain sufficient audit evidence on an amount of GH¢4,522,316.96 as the agencies concerned had not submitted adequate returns on the amounts granted to them by the fund. We recommended that Management should ensure that grant agreements or offer letters to beneficiaries, including government institutions, for approved grants include clauses such as submission of financial returns, activity reports and the right of audit of funds by internal or external auditors to ensure judicious use of EDAIFs financial resources.

99. Due to an on-going legal action instituted in 2012 by a dismissed staff and four management members for alleged mismanagement of EDAIF's fund under the Mango Project, we noted during our audit in April 2014 that only one out of the four vehicles with them had been returned. We recommended that Management should follow-up and retrieve the vehicles from the officers while waiting on the court's ruling for the outcome of the legal proceedings.

100. We noted EDAIF did not give out much credit and grant facilities for the year reviewed resulting in most of EDAIF's idle cash been invested in fixed deposits. We recommended that Management should intensify marketing and publicity of the Fund to create awareness of its operations and activities to inform the public and attract more applications from prospective beneficiaries. This notwithstanding, Management should ensure that the necessary due diligence and approval procedures are rigorously carried out prior to disbursement of new facilities to ensure the recoverability of credit facilities.

NATIONAL BOARD FOR SMALL SCALE INDUSTRIES

101. Contrary to Section 16 (1a) of the FAA 2003, which prohibits pre-financing of procurement, we observed that the Director of Finance made an advance payment of GH¢5,000 to CFAO Ghana Ltd. out of the estimated cost of GH¢9,989 in respect of repair works on Vehicle No. GS 4854 Z. We recommended to Management to ensure strict compliance with the provisions of the FAA to prevent loss of funds to the State.

102. Due to Management's failure to comply with Regulation 297 of the FAR, 2004 (L.I 1802), three separated staff were wrongly paid unearned salaries of GH¢6,704.99. We recommended that the unearned salaries should be recovered from either the separated staff or their bankers. Management was also advised to adhere to the dictates of the Regulation to prevent further loss of funds to the State.

MINISTRY OF ENVIRONMENT, SCIENCE AND TECHNOLOGY

BUILDING AND ROAD RESEARCH INSTITUTE

103. We observed that included in Other Receivables is Government Subvention of GH¢1,062,085 which has been outstanding since 2012. We advised Management to assess the possibility of getting these amounts paid to the Institute.

104. We observed that for the fourth consecutive year, the Institute has not received any research grant. We recommended that Management should take this issue up with the Government through CSIR Head Office.

OIL PALM RESEARCH INSTITUTE, KUSI-KADE (COUNCIL FOR SCIENTIFIC AND INDUSTRIAL RESEARCH)

105. We observed that three 4 wheeled Yamaha motor bikes purchased from Japan Motors had been parked at the transport department for over four years and were not receiving any attention. We recommended that the motor bikes should be serviced and put to

use or authorization should be sought to dispose of them to avoid further deterioration.

SOIL RESEARCH INSTITUTE (CSIR)

106. Records available showed that the office buildings in Accra and Kumasi were not insured. This could lead to the Institute incurring huge losses without any compensation in case of any eventuality, especially fire outbreak. We advised Management to insure the office buildings without further delay.

107. We also noted that the Institute did not have title deeds for the land on which the office building was situated and this could lead to unnecessary land litigation. To forestall unnecessary land litigation in the future, we advised Management that immediate steps be taken to obtain title deeds for the Institute's properties.

MINISTRY OF HEALTH MEDICAL AND DENTAL COUNCIL

108. Contrary to Section 16(1) of Internal Audit Agency Act, 2003 (Act 658), the Council did not have an Internal Audit Unit (IAU). We recommended that Management take the necessary steps to engage an Internal Auditor in conformity to the Act.

PHARMACY COUNCIL

109. In contravention of Regulation 18 of the FAR 2004, (L.I.1802) and management instructions to transfer all IGF collected into the Head Office accounts by the close of the financial year, the Northern and Western Regional Accountants delayed in transferring IGF amounting to GH¢14,490.00 and GH¢1,672.00 respectively into the Head office bank account. Management was advised to ensure that

the Regional Officers comply with the above regulations to ensure prompt payment of IGF collected into the Head Office accounts, failing which defaulting officers should be sanctioned as stipulated in Regulation 8 of the FAR.

110. Contrary to Regulation 39(c) of the FAR 2004 (L.I.1802), we noted that the Accounts Officer made payments totaling GH¢18,249.00 to various suppliers for goods and services without obtaining official receipts. For proper accountability and transparency in the use of public funds, we recommended to Management to ensure that the payees involved are made to acknowledge receipt for payments made to them or the Accounts Officers who made the payment be made to account for the amount involved.

111. In spite of persistent recommendations in our previous reports and contrary to Section 5 (a&c) of the Retention of Funds Act, 2007 (Act 735), we noted that Management continue to pay unapproved professional allowances to the pharmacists from the IGF without budgeting for it. The total amount paid for the period reviewed was GH¢128,931.00. Management was advised to desist from payment of unapproved allowances from the IGF. Furthermore, Management was to ensure that the unapproved allowances paid be retrieved from the pharmacists and paid into the IGF account.

RED CROSS SOCIETY OF GHANA

112. Management failed to withhold 5% tax of GH¢7,495.85 from gross payment of GH¢149,917.00 made to suppliers of the Ghana Red Cross Society in contravention to Section 84(2) of the Internal

Revenue Act, 2000 (Act 592). We recommended that Management should ensure that the taxes are refunded by these companies and future transactions are taxed appropriately and forwarded to the Commissioner of IRS to avoid sanctions.

113. Contrary to Section 87(1&2) of the Internal Revenue Act, 2000 (Act 592), management failed to remit a total of GH¢202,000.00 as tax withheld from employees' compensation to the Commissioner of IRS. We recommended that Management should step up efforts to remit the arrears of income tax owing to avoid sanction.

114. Mr. Timothy Dassah Kayelle, who resigned from the organization during the period under review failed to give three months' notice in writing or pay three months' salary in lieu of notice to management before leaving the Society. Failure to apply the provision in the condition of service of the Society has led to a loss of GH¢2,400.00 to the Society. We recommended that management should recover the amount of GH¢2,400.00 from Mr Kayelle without further delay.

115. Contrary to the Pension Act 2008, Act 766, the Society has accrued over the years a total of GH¢367,016.27 as SSF contributions which is yet to be remitted to SSNIT. We urged Management to step up efforts to clear all arrears of the SSNIT contributions to avoid sanctions.

116. We noted during our audit that, the Act that established the Ghana Red Cross Society was enacted as far back as 1958. We also noted that there had not been any amendment since its inception. We recommended that Management in consultation with the Board

should as a matter of urgency liaise with the Parliament of Ghana to have this Act amended to conform to contemporary humanitarian issues confronting our Society and also conform to International Standards.

MINISTRY OF TRANSPORTATION

GHANA RAILWAY COMPANY LIMITED

117. In spite of our persistent recommendations, we still noted cash shortage of GH¢25,404.29 for the year ended 2009 bringing the accumulated cash shortfall to GH¢1,506,344.67, not lodged into the company's bank account. We advised management to pursue this case seriously as recommended in previous audits.

118. We noted that, an accumulation of statutory debt which arose as a result of deduction made from staff salaries and other payments made to appropriate Government Agencies amounted to GH¢9,465,235.52. We urged Management to take steps to pay these statutory debts or negotiate the terms of payments.

119. We observed that staff loan balances at the end of 2009 totalled GH¢186,281.78 as a result of a bloated staff loans register. We recommended that a follow up should be made to identify the accounts of those resigned, retired, retrenched or deceased and their names removed from the ledger.

120. We noted shortages made by some separated station masters over the years amounting to GH¢12,058.72 which were unrecovered from their monthly salaries or directly paid to the Chief Cashier. We

urged Management to pursue the recovery. We also advised that debts should be recovered from ex-staff who are yet to be paid their benefits before payments are made to them and those whose debts are irrecoverable should be written off.

GHANA SHIPPERS AUTHORITY

121. Due to non-adherence of Regulation 39 (2c&d) of the FAR, 2004 (L.I 1802), 35 payment vouchers totalling GH¢235,522.95 for the period reviewed, were without relevant supporting documents. We recommended that the Accountant should ensure the supporting documents are made available for audit verification, failing which the responsible officer must be surcharged with the amount involved.

122. Contrary to Regulation 43 of the FAR, 2004 (L.I.1802), claims and other expenses totaling GH¢242,919.39 and US\$67,077.00 received by staff members on behalf of persons named on the voucher, were not supported by authority notes. To prevent payment of funds to illegitimate recipients, we advised that the paying officer should obtain authority notes from the payees to substantiate the payments, failing which the amounts involved should be recovered from the recipients.

123. Payments totaling GH¢824,329.90 and US\$156,760.00 made to various service providers were not supported with receipts in contravention of Regulation 39 of the FAR 2004. We recommended that in the absence of official receipts authenticating that the funds were used for the intended purposes; the amounts should be recovered from the paying officer and paid back to the Authority's coffers.

124. Owing to weak managerial supervision, unclaimed sitting allowances amounting to GH¢7,000.00 was yet to be paid back into the original accounts by the Accounts office. We advised management to bring pressure to bear on the paying officer to pay back all unclaimed sitting allowances into the original accounts and the receipt made available for our verification.

125. In breach of Regulation 288 (1) of the FAR, 2004 (L.I. 1802), imprest totalling GH¢5,929.00 granted to three members of staff to run various programmes was not accounted for even though the programmes had been completed. We recommended that the officers involved should be made to account for the moneys received without any further delay or the amount adjusted to the personal accounts of the imprest holders in accordance with Section 288 (2) of the FAR.

126. As a result of non-compliance with Section 43 (1) of the Public Procurement Act (PPA) 2003, goods and services worth GH¢199,662.65 procured during the period reviewed, were not supported with at least three quotations from suppliers. To secure value for money in the procurement of goods and services for the Authority, we advised Management to strengthen supervision on the procurement officers and ensure strict compliance with the provisions of the Act.

127. Due to ineffective credit control, we noted an outstanding service charge of \$3,438,933.52 equivalent to GH¢6,190,080.34 owed by 49 Shippers as at December 2012. We recommended that, Management should improve its credit management to facilitate the

recovery of the outstanding debts of \$3,438,933.52 from the Shippers' who have already benefited from the services of the Authority.

MINISTRY OF WATER RESOURCES, WORKS AND HOUSING

STATE HOUSING COMPANY LIMITED

128. We observed that statutory deductions relating to the period under review amounting to GH¢518,751.86 had not been paid to the Ghana Revenue Authority (GRA) and SSNIT respectively. We advised Management to comply with the statutory provisions to avoid any penalties.

129. We observed during our review that payments totaling GH¢14,800 made in respect of professional charges were not supported by invoices and receipts. We advised Management to receive invoices or debit notes from prospective vendors before the payment process is initiated and all payments must be duly supported with receipts. Management should justify the expenditure.

130. Contrary to Section 84(2) of Internal Revenue Act, 2000 (Act 592) withholding taxes totalling GH¢45,685.86 were not deducted from the payments made to various suppliers of goods and services during the period under review. We advised Management to withhold taxes from payments for goods and services and pay to GRA within fifteen days after the end of the month in which they were withheld failure of which Section 88 of Act 592 should be enforced.

ARCHITECTURAL & ENGINEERING SERVICES LTD

131. We noted that an amount of GH¢4,655,187 representing 74.2% of Accounts payable was owed to Ghana Revenue Authority (GRA) and Social Security and National Insurance Trust (SSNIT). We advised Management to take the necessary steps to meet these statutory obligations to avert payment of penalties and delay in payments to retiring staff.

GHANA WATER COMPANY LIMITED

132. As a result of the absence of any form of documented reconciliation for all balances between the Commercial Department and the Accounts Department, the revenue account balance between the two departments showed a difference of GH¢5,700,482.02. We recommended that, Management should ensure that the Commercial and Accounts Department perform regular documented reconciliation of all balances to avoid any difficulties that may arise as a result of the differences.

133. Review of the bank reconciliation statement revealed that a number of deposits in transit amounting to GH¢28,812.45 have been outstanding in the books for some time. We recommended that Management should follow up and establish the authenticity of these lodgments in collaboration with the banks.

134. We noted from recordings in the general ledger that materials valued at GH¢3,439.14 were stolen and this was included in the total general ledger balance of GH¢434,827.11. Currently the issue is being pursued at the law court. We recommended that, Management should ensure that the issue is followed-up in court to its final conclusion.

135. During our visit to the Kpong Akuse District we observed that the office space for the entity was inadequate and there was no place of convenience for the staff. In spite of the inadequate space, the rent is increased by 50-100% each time its due for renewal. We recommended that Management should make effort to get a permanent structure for the district.

136. The balance obtained from the Management Information Systems office which manages the billings of customers and subsequent payments was in great disparity to that reported by the statistical department which intends feeds the accounts department by as much as GH¢145,231,574 .44. We recommended that Management takes a thorough review of the software and its operations to help curb this issue as the validity of the billing process is in doubt.

MINISTRY OF INFORMATION

NEW TIMES CORPORATION

137. Our review of cash payments revealed that cash withdrawals amounting to GH¢17,100.00 were ostensibly paid to some individuals and described as protocol and business promotions, meanwhile the actual business and promotions ledger which stood at GH¢22,759.00 as at 31 December 2012 did not include any of these payments. We recommended to Management to institute measures for the recovery of these unorthodox and illegal payments from the officials involved.

138. Contrary to (FAR) 2004, Section 288 (2); an amount of GH¢56,042.56 paid to various officers as imprest remained un-retired as at the time of the audit. Additionally, an amount of GH¢26,445.56 debited to Mr. Dave Torgbor since 2011 remained outstanding. We recommended that all beneficiaries should redeem their imprest immediately or refund such monies immediately when the purpose for which the imprest was taken is completed.

139. We noted that there were no clearly defined procedures for rewarding members of the Board of Directors. An amount of GH¢550.00 was paid as fixed monthly allowance for all members. Consequently, a member who consistently absented himself from Board meetings received the same as members who dutifully attended all meetings. We recommended that Management should draw up a clearly defined mode of rewarding Board members and sitting allowance should be separated from regular monthly allowance.

140. We observed that an amount of GH¢4,675.55 withheld from the Ashanti Regional Manager, Mr. Frank Othere Francis as rent for occupying Government Bungalow dating back from 2008 had not been paid to the Controller and Accountant General's Department as at 31 December 2012. We recommended that Management should ensure that all monies deducted are paid to government chest as a matter of urgency and subsequent deductions paid without further delay.

141. Contrary to Section 87 (1) of Part (x) of the Internal Revenue Act, 2000 (Act 592); PAYE deductions from staff salaries for the year totaling GH¢1,432,040.23 were not remitted to the Ghana Revenue

Authority (GRA). We recommended that Management ensure that the entire amount deducted is paid to GRA as a matter of urgency to avoid the payment of penalties.

MINISTRY OF JUSTICE AND ATTORNEY GENERAL

LAW REFORM COMMISSION

142. The Commission failed to promptly remit withholding tax of GH¢3,599.76 to the Domestic Tax Revenue Division (DTRD) of the Ghana Revenue Authority (GRA) in contravention of Section 87(1) of the Internal Revenue Act, Act 2000 by delaying between twenty-three and sixty-seven days before the payment. We recommended prompt payment of withheld taxes to avoid penalties and improve government revenue. We recommended that in future the Accountant should be held liable for any losses incurred due to the above anomaly.

143. Management failed to generate its own funds to supplement receipts from the central government to enable them achieve planned activities contrary to Section 12(a & b) of the Commission's Act, Act 822. We advised that, in addition to government funding, Management should generate its own funds through its activities in adherence to the Act to enable it implement its activities.

COPYRIGHT OFFICE

144. As a result of dereliction of duty by the management of the Copyright Office, documents on two vehicles purchased from Toyota Ghana Company Ltd; remained registered in the name of the supplier. The Office stands the risk of losing the vehicles in the event

of any litigation. We recommended the correction of the anomaly to ensure ownership of the vehicles is transferred immediately to Copyright.

COUNCIL FOR LAW REPORTING

145. Due to poor supervision, the sales officer delayed sales revenue totaling GH¢28,104.70 for periods ranging between 2 to 13 days before paying to the cashier in contravention of Regulation 15(1) of the FAR 2004 and Paragraph 2.3.2.5 of the Council's accounting instruction. We recommended that Management should improve on supervision over the activities of the sales office to prevent any revenue loss.

146. Alluding to staffing constraint, management had not prepared its financial statements for the 2011 and 2012 financial years for validation in contravention of Section 41(1a) FAA 2003, (Act 654). This omission deprived stakeholders of the needed information for effective planning and Management was advised to address the staffing needs of the Accounts Office in order to ensure compliance with Section 41(1a) of the FAA.

GENERAL LEGAL COUNCIL

147. We noted weaknesses in the tenancy agreement coupled with the non-payment of utility bills signed between GLC and Magwin's Catering Services Limited, a tenant operating the School's Canteen. . We recommended that management should review the contract agreement and install separate meters for Magwin's Catering Services Limited to enable them contribute fairly to the payment of utility bills.

148. Due to lack of supervision, fuel purchased for pool vehicles in 2012 and 2013 amounting to GH¢26,915.00 were not accounted for in a vehicle logbook. We recommended that Management should account for the use of fuel purchased and ensure full enforcement of Chapter 16, Paragraph 1605 of the Stores Regulation in future.

149. Contrary to Regulation 297 of the FAR, 2004 (L.I.1802), we noted two separated staff enjoyed unearned salaries totaling GH¢3,042.46. We recommended that Management should make efforts to recover the unearned salaries and pay same to Government chest or be held liable for the loss.

150. Two officers were supported with GH¢5,000.00 each to pursue courses of study without being bonded with one having completed the course and no longer with the Council. We advised that management should ensure that officers are bonded to serve the school for an agreed period on completion of their courses of study.

151. Management procured goods and services worth GH¢23,864.66 from five service providers without requesting for quotations from at least three different sources in contravention of Section 43 (1) of the Public Procurement Act (PPA) 2003. We advised management to comply with the dictates of the PPA to ensure fairness, transparency and value for money in its procurement dealings.

LEGAL AID SCHEME

152. Management failed to establish an Audit Report Implementation Committee (ARIC) in violation of Section 30(1) of Act 584, to pursue the implementation of matters contained in audit

and other monitoring reports. We recommended that Management should establish an ARIC as required by Act 584 to facilitate management's implementation of audit recommendations.

153. Our review of cash deposited with the Accountant at the Alternate Dispute Resolution (ADR) Office for onward payment to beneficiary petitioners revealed that he neither maintained a cashbook nor issued official receipt to cover receipt of a total amount of GH¢132,550.21 collected for the period reviewed. To enhance transparency and accountability in the cash collected, we recommended that Management should ensure the Accountant introduce a cash book and also issue official receipts to cover them.

154. Procedures for variation of contract were not fully complied with as an office block for Legal Aid Committee Ho, awarded with an initial cost of GH¢80,672.92 was irregularly varied to GH¢139,000.00. The variation which represented 72% of the original contract amount was alluded to price hikes resulting from untimely release of funds. We urged Management to intensify efforts to ensure early execution of outstanding job to avoid escalation of the contract sum.

155. Two separated staff were paid unearned salaries of GH¢2,891.98 due to Management's non-adherence to Regulation 298 of the FAR, 2004 (L.I.1802). We recommended that efforts be made by Management to recover the total amount of GH¢2,891.98 and pay same to Government chest and obtain a Treasury Receipt to support the payment.

MINISTRY OF YOUTH AND SPORTS

NATIONAL SPORTS AUTHORITY

156. Management failed to prepare and submit 2012 Financial Statement for audit contrary to Section 41 of the FAA 2003, Act 654. We recommended that Management should comply with the FAA and prepare 2012 financial statement for our validation immediately. Additionally, the Head of Accounts should be disciplined as stipulated in the FAR 8(1).

157. Thirty-two payment vouchers amounting to GH¢141,359.01 paid by the Ministry on behalf of National Sport Authority were not entered in the Authority's accounts. We recommended that the payments be recorded in the ledgers and disclosed in the financial statement to make the accounts accurate and acceptable.

158. Management on three different occasions withdrew a total amount of GH¢3,500,000.00 from the Donor Fund Account sponsored by Anglo Gold, invested it and returned the money several months later without any reasonable explanation. Returns of GH¢36,479.45 on the first two investments were withdrawn immediately they were credited to the account without indicating how they were utilized. We recommended that management should account for the accrued interest and also follow up on the interest on the last investment. Management was also advised to desist from such illegitimate dealings.

159. Management misapplied an amount of GH¢380,000 from a donation of GH¢3,090,380 from Anglo Gold Ashanti meant for the construction of Multi-purpose courts on administrative expenses. We

recommended that the practice must be stopped in order not to discourage donor funding and the funds misapplied refunded and used for the intended purpose.

160. Four contractors who were awarded contract to construct the multi-purpose court project, were paid GH¢78,241.11 in excess of the certified amount. We recommended that Management should recover the excess amount from the contractors and pay it to the account and our office informed for verification.

161. Contrary to Regulation 39(2) of the FAR, 2004 (L.I.1802), we did not sight payment voucher to support an amount of GH¢20,000.00 withdrawn from the Authority's bank account. The purpose for which the amount was withdrawn was also not indicated in the cash book. We recommended that management provided particulars to justify the withdrawal or the amount recovered immediately and paid into the Authority's account.

162. Contrary to Regulation (1&2) of the FAR 2004 (L.I.1802), 9 payment vouchers totalling GH¢79,149.00 were not presented for our examination. We recommended that, management makes effort to submit the payment vouchers for our examination or the amount be recovered from the authorising and approving officers.

163. The National Hockey Pitch generated a total amount of GH¢57,527.50 from renting of its facilities and paid the revenue collected into Ghana Hockey Association's account instead of NSA's account. We recommended that Management should ensure the amount is recovered from Ghana Hockey Association immediately and paid into NSA's account.

164. Contrary to Regulation 15(1) of the FAR, 2004 (1802) only GH¢1,100.00 out of a total revenue collection of GH¢7,269 was lodged into the Authority's account due to the absence of an effective system to monitor revenue collection and lodgments. We recommended that the outstanding amount of GH¢6,169.00 be recovered without further delay and the Revenue Officer sanctioned.

165. An amount of GH¢67,636 granted to the Chief Accountant as imprest for various programs was not accounted for even after the completion of the programs. We recommended that the officer involved be made to account for the imprest or the sum adjusted to a personal advance account in his name as directed by Regulation 288 of the FAR 2004.

166. A total budget of GH¢75,364.00 submitted to the Ministry of Sports by the Authority for the organization of Maria Tsako National Junior Championship in Tamale from 15 -18 March 2012, was exceeded by GH¢25,160.00 without approval from the Ministry in contravention of Regulation 39 of FA R. We recommended that authority be sought from the Ministry for the amount to stand charged to the account.

167. The Authority failed to remit an amount of GH¢25,967.48 being 5% WHT withheld from service providers to the Commissioner of Domestic Tax Revenue Division (DTRD). We recommended that management should quickly comply with the tax regulations and pay the amount to the Commissioner of tax.

168. We noted that payments made to three different service providers were supported with VAT invoices from the same VAT

booklet contrary to the VAT laws. We recommended that management should desist from transacting business with companies that are not VAT registered and the paying officer, who failed to properly scrutinize the supporting documents before payment sanctioned.

169. The procurement of items valued at GH¢50,779.50 for the Ghana Hockey Team to travel to South Africa for the Junior Africa Cup of Nations tournament was divided into lots and awarded to the same Company- Ananada ENT. Ltd in violation of Section 21 of the PPA, (Act 663). We recommended that Management should strictly comply with provisions in the Procurement Act.

170. We noted that NSA did not maintain an assets register to control its numerous assets spread across the country. To control and safeguard its assets, we recommended to Management to immediately open an assets register as stipulated by chapter 1504 of the stores regulation.

171. Due to an inactive Audit Report Implementation Committee (ARIC), management failed to respond to our previous management letter referenced CAD/DA/TF/VOL.1/01 dated 14 October 2012 as at the close of our audit in March 2014, 18 months after it was issued in contravention of Section 29 of Act 584. We recommended that the ARIC should be more responsive to its role by ensuring that recommendations made in audit and other financial reports and internal monitoring units are duly implemented to enhance accountability and best financial management. We also urged Management to endeavour to respond to management letters within the mandated period of 30 days.

EXTRA MINISTERIAL AGENCIES

ELECTORAL COMMISSION

172. The titled documents of the Commissions landed property acquired during the year were not made available for our verification though requested. We recommended that, the Estate Manager should endeavour to contact the regions for the title deeds and other related documents on the acquisitions and transfers of the properties.

NATIONAL COMMISSION FOR CIVIC EDUCATION

173. We noted that procurements worth GH¢135,351.49 were fragmented in order to circumvent the requirement of Section 21 of the Public Procurement Act (PPA), 2003 (Act 663). We recommended compliance with Section 21 of the PPA to enable the Commission obtain value for money from its procurement dealings.

174. Due to poor supervision, our review indicated that fuel coupons purchased amounting to GH¢296,460.00 were not receipted in the fuel register. We recommended that for effective and efficient supervision to be realized, the transport unit should be supervised by the Director of Administration as the organisational chart of the Commission provides and not the Commission's Secretary as was the case during the audit. We also recommended that Management should ensure that the fuel coupons purchased are recorded in the register and reconciled with the stock balance.

NATIONAL DEVELOPMENT PLANNING COMMISSION

175. We observed that three staff members have been sponsored for various educational programs and have not been bonded. We

recommended to management to ensure that all beneficiaries of educational sponsorship are bonded and copies put on their personal file.

176. Contrary to the Audit Service Act 584, Section 30, the Commission did not have an Audit Report Implementation Committee. We recommended that, management ensure that the committee is formed as early as practicable as required by the statute.

177. Our review of the payroll of the Commission revealed that four officers, enjoyed unearned salaries totalling GH¢9,953.48 between the months of January to May 2012, contrary to Regulation 298 of the FAR, 2004 L.I. 1802. We recommended that Management trace the officers involved and recover the amount from them, lodged it into the consolidated fund or be surcharged with the amount if it fails to do same.

178. Contrary to Section 14(3) of the FAA, 2003 [Act 654] the Commission received an amount of GH¢757,320.00 from the Office of the President out of which only GH¢225,000.00 had been used for the payment of honorarium with an amount of GH¢532,320.00 still outstanding. We recommended that, the balance of GH¢532,320.00 be returned to Government chest in compliance with FAR or be utilized for its intended purpose.

179. Contrary to Regulation 39 of the FAR a total amount of GH¢225,000.00 was paid as honorarium with no Contract Agreement. We recommended that, management make available to

the team the Contract Agreement so as to ascertain the appropriateness of the honorarium paid.

ECONOMIC AND ORGANISED CRIME OFFICE

180. Management submitted the draft financial statements for 2010 and 2011 for audit 24 and 12 months late respectively in contravention of Regulation 41 of the FAA , 2003 (Act 654). We recommended that, the Executive Director of EOCO should instigate measures to ensure subsequent accounts would be submitted timely.

181. We noted that various currencies amounting to US\$50,000.00 and GH¢1,518,410.10 were paid into EOCO Exhibit accounts; Dollar, Cedis and two GoG Accounts respectively between June and November 2012 from a range of payees without issuing official receipts to the payees. To enhance transparency in the collection of these exhibits, we recommended that, official receipts should be issued whenever the office is satisfied with the payment.

182. Our review of the revenue account revealed that, various amounts in different currencies had cash on hand of GH¢460.00, US\$1,800.00, Naira 121,100.00 and CFA 29,000.00 at the close of 2012 financial year not lodged to bank as at April 2013. We recommended that the head of accounts should ensure that all cash on hand are lodged at the close of the year to avoid any possible misappropriation.

183. Contrary to Regulation 183(4) of the FAR management purchased various items amounting to GH¢74,960.34 from suppliers who were non-VAT registered thereby denying the government of

an accrued tax of GH¢9,370.00. We recommended that Management should comply with the tenets of the regulation in future.

184. Owing to poor supervision by the Transport Officer and the Accountant, fuel and lubricants purchased valuing GH¢200,623.00 for the running of official vehicles for the period under review were neither entered into the fuel ledger nor a vehicle log book. We recommended that, a fuel ledger must be kept by both the Accountant and the Transport Officer and should be reconciled monthly to identify any variances. Also, Management should as a matter of urgency educate drivers on the need for keeping a log book.

185. A review of the mechanized payroll disclosed that, an amount of GH¢53,974.50 was paid to twenty officers as unearned salary between March 2010 and November 2011 contrary to Regulation 298 of the FAR 2004 (L.I. 1802). We urged Management to recover the amount from the officers involved.

186. A proper handing over was not done to facilitate a smooth and a comprehensive take over when the new administration came into office in September 2009 in contravention of Regulation 3 of the FAR, 2004 (L.I. 1802). We recommended that in future Management should ensure proper handing over process is carried out as required by the regulation.

SAVANNAH ACCELERATED DEVELOPMENT AUTHORITY

187. We observed that out of a total of GH¢22,845,099.85 advanced to 72 Technical Service Providers (TSPs) in the 2013 farming season, only GH¢995,924.00 representing 4.36% of the total

input cost had been paid eighteen months after the farming season, resulting in an unpaid balance of GH¢21,849,175.85 (95.64%). We recommended to management to institute legal action against the defaulting TSPs to collect the amount to serve as deterrent to others and to safeguard state resources from abuse.

188. Management entered into a contract with two companies namely Yahwe Salom Enterprise, Ejura and Genesis Farms Limited, Kumasi in respect of the sale of 17,000 bags of maize with a total value of GH¢910,000.00. The companies made payment of GH¢104,000.00 leaving balance of GH¢816,000.00 which has remained outstanding to date. Management also failed to obtain four (4) postdated cheques to cover the full payment from the companies as stated in the contract agreement. We recommended to management to take legal action against the companies to recover the amount together with interest at the current commercial bank lending rate.

189. Management relied on the expected cultivation instead of the actual hectares of land cultivated to pay mobilization for the 2013 farming season. This resulted in an over payment totaling GH¢284,433.00 to thirty TSPs because they were not able to meet the target bases for the mobilisation fees received. We recommended that the amount be recovered from the affected TSPs without further delay and our office informed for verification.

190. Management in September 2012 sold 68 corn shellers to 16 TSPs at a unit price of GH¢8,000.00 totalling GH¢544,000.00. The terms of payment was for them to make down payment of GH¢2,000.00 and the balance spread over a three year period. The

TSPs paid the initial deposits, but failed to pay the 2013 and 2014 instalments totaling GH¢272,000.00. We recommended that management should issue final warning letters to the defaulting TSPs and adopt an effective debt recovery mechanism or take legal action to recover the outstanding amount.

191. We noted that payments totaling GH¢508,940.00 were made without the necessary expenditure documents to properly authenticate disbursement in breach of Regulation 39(2) of the FAR, 2004, LI 1802. We urged management to produce all the relevant supporting documents for our examination, or the officers' concerned be made to refund the amount to chest without any delay.

192. Management failed to deduct 8% rent tax of GH¢6,448.00 from rent of GH¢80,600.00 paid to Ghana Cotton Company Limited for renting warehouses. We urged management to retrieve the tax component of GH¢6,448.00 from the Company and pay same to the DTRD of the GRA, or the amount should be surcharged against the Finance Director.

193. We observed that procurements worth GH¢57,060.37 from six suppliers were made without obtaining VAT invoices as evidence of payment of GH¢8,883.75 VAT on the transactions in contravention of Section 183 (4) of the FAR. We recommended that management should obtain the VAT invoices from the entities in compliance with the VAT regulation or recover the VAT component GH¢8,883.75 from the suppliers and remit same to the Ghana Revenue Authority.

194. We noted that management in October 2012 sole sourced the procurement of 50 Hydraform block making machines valued at

GH¢4,653,513.00 and have kept them in a warehouse over two years after the procurement. We urged management to develop strategies to put the machines to good use in order to avert the total amount of GH¢4,653,513.00 spent on the machines from going down the drain or management be made to refund the full amount and sanctioned for causing loss of funds to SADA and the state.

195. Management in December 2013 paid mobilization of GH¢31,240.00 to the Krachi West District Assembly for the construction of a passenger waiting lounge at Kete Krachi. We observed that the project was still at the foundation level two years after the amount was released and the project has since been abandoned. We urged management to sign an MOU with the District Assembly as to how the project is to be funded and supervised to ensure the timely completion of the project so that the amount of GH¢31,240.00 already spent would not go waste.

NATIONAL MEDIA COMMISSION

196. We observed that two official vehicles belonging to the Commission were not available for inspection during our audit, contrary to Regulation 1608 of the Stores Regulations. Management was advised to ensure that the vehicles are brought to the Commission's premises in accordance with the Store Regulations to safeguard the assets and ensure their use is in the interest of the Commission.

PART III

DETAILS OF FINDINGS AND RECOMMENDATIONS

MINISTRY OF ENERGY AND PETROLEUM

NATIONAL ELECTRIFICATION SCHEME

Introduction

197. This report relates to the audited accounts of the National Electrification Project (Ministry of Energy) for the years ended 31 December 2012 and 2013.

Operational results

198. Presented in table 3 are the performance indicators for the Project.

Table 3: Revenue and Expenditure Statement for 2013

Item	2013 GH¢	2012 GH¢	% Change
Income	8,526,595	7,634,319	11.7
Other Income	482,024,170	487,183,064	(1.1)
Total Revenue	490,550,765	494,817,383	(0.9)
Expenses			
Direct Project Expenditure	479,324,089	487,223,679	(1.6)
Administrative & General Expenses	2,838,317	2,661,733	6.6
Total Expenses	482,162,406	489,885,412	(1.6)
Surplus/ (Deficit)	8,388,359	4,931,971	70.1

199. The Project's Total Revenue decreased by 0.9% from GH¢494,817,383 in 2012 to GH¢490,550,765 in 2013. This was because the rise in income of 11.7% was not adequate enough to cover the 1.1% drop in Other Income.

200. Total Expenditure also decreased by 1.6% from GH¢489,885,412 in 2012 to GH¢482,162,406 in 2013 because the 1.6% drop in Direct Project Expenditure from GH¢487,223,679 in 2012 to GH¢479,324,089 in 2013 was enough to offset the 6.6% rise in administrative & general expenses.

201. The year ended with a surplus of GH¢8,388,359 as against a surplus of GH¢4,931,971 recorded in 2012.

Financial position

202. Table 4 shows the financial position of the Project as at 31 December 2013.

Table 4: Balance sheet as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	3,875,245	3,832,145	1.1
Current Assets	256,736,212	243,163,990	5.6
Current Liabilities	242,357,804	237,130,842	2.2
Net Assets	18,253,653	9,865,294	85.0
Current Ratio	1.06:1	1.03:1	

203. Non-Current Assets increased marginally by 1.1% from GH¢3,832,145 in 2012 to GH¢3,875,245 in 2013. This was as a result of additions to all assets owned by the Project.

204. Current Assets also increased by 5.6% from GH¢243,163,990 in 2012 to GH¢256,736,212 in 2013. This was due to increases in Accounts Receivables and Inventory.

205. Current Liabilities made up of Accounts Payable and Deferred Income increased by 2.2% from GH¢237,130,842 in 2012 to GH¢242,357,804 in 2013.

206. The liquidity position of the Project stood at 1.06:1 (2012:1.03:1). This is an indication that the Project cannot meet its short-term obligation when they fall due since this falls below the benchmark of 2:1.

MANAGEMENT ISSUES

Remittance of levy on domestic consumption of electricity to the National Electrification Fund (NEF)

207. The PNDC administrative directives which mandates the ECG and VRA to impose and collect 1% levy on domestic consumers of electricity stipulates that the levies so collected by the ECG and VRA shall be paid into the NEF account within 30 days of collection.

208. We observed that the balance of GH¢350,143 from ECG represented four months levies collected, GH¢153,182 from VRA represented seven months levies collected and GH¢113,311 from NED had not been remitted for the period of 2013. The PURC also remitted only GH¢100,000 out of the total levies accrued as at the end of 2013 of GH¢10,979,000 to the NEF in December 2013. This brings the total amount due to the fund from PURC as at 31 December 2013 to GH¢10,879,533.

209. As a result the total amount owed the Scheme by these 4 Institutions as at 31 December 2013 stood at GH¢11,496,169.

210. This implied that none of the revenue collectors had complied with the provisions of the administrative directive. Consequently this has denied the Project of the needed funds leading to delay in implementing its activities.

211. We recommended that management of the Scheme ensures that all levies collected are remitted to the fund without delay.

Deficiencies in projects

212. The team visited eight districts/municipalities for the site inspection of completed electrification projects for the 2013 financial year and reviewed the status of completed projects in the 2009 and 2010 financial years.

213. These were Kintampo North and South in the Brong Ahafo Region, Talensi-Nabdam and Kassena Nankana districts in the Upper East Region, and Wa Municipality in the Upper East Region. The rest were Asuogyaman and Suhum Kraboa Coalta Districts in the Eastern Region, and Awutu Efutu Senya District in the Central Region. The areas for the 2009 and 2010 financial years' incomplete projects were Akote Krom in the Birim South District in Eastern Region, and Sasigri and Guntingli in the Yendi Municipality in the Northern Region.

Brong-Ahafo Region: Kintampo North District

214. At Portor Kokomba, Alhassan Akura, Cheranda, and Dawadawa No.1, transformers which have been mounted had mineral oil leaking from them.

215. The leaking transformers could constitute additional cost to the project in terms of repairs or replacement.

216. We recommended to the Consultants to closely supervise the various projects during the execution stages as well as follow ups by the Ministry of energy to ensure total completion of the projects at all times.

217. We also advised that, the leaking transformers be replaced or repaired immediately to avoid unnecessary delay in completing these projects.

218. Management responded that, the leaking transformers have been replaced with new ones since December 2013, however, a visit to the project site revealed that the problem still persist.

Kintampo South District

219. At Anokyekrom, the transformer had been commissioned and energized yet service meters have not been provided to the households though the community had been added to the list of completed projects.

220. The delays in the completion of these projects will result in additional cost to the projects as well as loss of revenue to the state, the VRA-Nedco and the communities. Also, statistics on projects

will be misleading where incomplete projects are classified as completed and vice versa.

221. We advised the Consultants to closely monitor projects during their execution as well as follow ups by Ministry of Energy to ensure total completion of the projects at all times.

222. We also recommended to Management to properly classify projects as completed or work in progress to prevent wrong statistics on the project listing.

223. Management responded that, the projects in the above mentioned communities are being executed by Messrs Weldy Lamont under a 350 million SHEP turnkey project in the Brong Ahafo region.

Asuogyaman District

224. At Sedorm, we noted that ten low voltage (LV) poles were poorly erected as well as the use of substandard poles for the provision of service to the households.

225. The collapse of these poles at Sedorm may lead to loss of lives and property.

226. We therefore recommended immediate correction and restoration of the LV poles at Serdom to avert any danger in the future.

227. Management responded that , in line with the SHEP policy , it is the responsibility of the beneficiary community to

provide the Low Voltage poles but the Low Voltage poles provided by the community were substandard, hence the Ministry is in the process of replacing the poles.

Ewutu Efutu Senya District

228. At Kwaku Ansah, we noted that the Project was yet to be completed even though it had been captured in the list of completed projects in the 2012 financial year.

229. Management responded that, it was noted in their report and that of the consultant that the electrification project in the mentioned community is still pending and therefore the community being mentioned as completed in 2012 financial year was therefore unintended.

230. At Kwame Wyetty, we observed that sixty untreated LV poles were to be erected by the contractor, but as at the time of our visit, this had not been done. Wrong materials procured for the electrification project will lead to additional cost since the materials will have to be replaced in the shortest possible time.

231. We therefore recommended that, the Consultants monitor the projects during the execution stages.

232. Management responded that , contractors under the SHEP programme only carry out installation works and are not responsible for the supply of materials. The sixty untreated LV poles were provided by the Assembly to support the electrification project in the district. The Ministry has arranged to

have treated wooden poles supplied to bring the project to completion.

Yendi Municipality-Northern Region

233. Our follow up visit to the project sites in the Yendi Municipality revealed the following:

234. At Wori Yipala, the loose conductors on the LV lines have been well strung and connected. However, as the community has still not been provided with a substation (transformer) of its own since it continues to feed on the adjoining community's substation (transformer). A similar situation existed at Sasigri which also had to rely on a transformer near Yendi Senior High School.

235. The continuous use of the substations of the adjoining communities by Wori Yipala and Sasigri may cause an overload on the respective transformers with its attendant consequences. Any breakdown of these transformers will result in revenue loss as well as additional cost in repairing or replacing them.

236. We advised the project management team to expedite action on the installation of the transformers in the respective communities of Wori Yipala and Sasigri.

237. Management responded that, the Ministry is in the process of issuing materials to Messrs E.F Electricals to commence works on the construction of the HV network and the substation at Wori Yipala while the necessary documentations are done to cover the project.

238. It could however, not confirm Sasigri as a community that has been electrified under SHEP but were of the view that Sasigri might be a section of Yendi Community which was connected to the National electricity grid some years ago.

Failure to undertake inventory count

239. We observed that none of the five material stores of the National Electrification Scheme (NES) located at Kpone, Sunyani, Tamale, Bolgatanga and Wa undertook an inventory count at any point in time during 2013 financial year.

240. However, tests carried out on selected high-valued electrification materials at Tamale stores revealed the following discrepancies as at 31 December 2013.

Transformers:

Item Code	Item Description	UOM	Balance per AAK Computation	Balance per Inventory list	Diff.
3.3	33/0.433, 50kva, 3-ph	Pcs	2	3	-1
3.3	33/0.433, 100kva, 3-ph	Pcs	7	0	7
3.5	33/0.433, 200kva, 3-ph	Pcs	11	12	-1
3.5a	11/0.433, 50kva, 3-ph	Pcs	-5	2	-7
3.9	11/0.433, 100kva, 3-ph	Pcs	0	2	-2
3.1	11/0.433, 200kva, 3-ph	Pcs	-2	0	-2

Conductors:

Item Code	Item Description	UOM	Balance per AAK Computation	Balance per Inventory list	Difference
4.1	120sqmm HD Alum	Mtrs	5,000	46,300	-40,800
4.2	50sqmm HD Alum	Mtrs	184,300	230,360	-46,060
	25sqmm PVC Alum	Mtrs	-54,735	155,265	-210,000
5.15.4	35sqmm PVC Cu Con	Mtrs	2,742	2,962	-220
5.16	16sqmm PVC Cu Con	Mtrs	252,524	53,424	199,100

241. The value of inventory for the scheme as at 31 December 2013 amounted to GH¢229,996,165.46 and the mis-management of such substantial amount of inventory could have serious implication for the running of the scheme.

242. Failure to observe inventory count periodically may not show the true value of inventory in the financial statements at the year-end, since the physical balance may differ from the recorded amount in the books.

243. Management should ensure that, inventory count is undertaken at periodic intervals or at year end at all the storage sites of the NES for easy reporting in the financial statements.

244. Management has not responded to our observation.

Storage facility environment

245. We observed at the materials management unit store at Kpone in the Greater Accra Region that the second phase of the construction works for the provision of shed for the storage of electrification materials is yet to commence two years after the completion of the first phase.

246. We were informed that the construction works for the provision of sheds in the other region was yet to commence.

247. At Tamale, Bolgatanga and Wa, inventory materials were still left in the open, subjected to the vagaries of the weather and covered with weeds. The materials were also not adequately arranged and labeled according to any laid down specification and categorization.

248. Extreme weather variations could reduce the life spans of the materials or easily render them unusable. Poor arrangement and labeling of store materials could make retrieval very difficult. Inadequate security of the store yard could facilitate pilfering of materials with its attendant cost implications.

249. We recommended that, Management should expedite action on the construction works for the provision of storage shed to house

the materials across the country. We also advised that measures be put in place for the periodic clearing of weeds at the store sites.

250. Management responded that, a major re- organization exercise has been carried out at Kpone stores and a report issued by the Manager MMU confirmed that the shed has been constructed , and labeling has been done for the various materials.

251. Management added that re-organization works has started at the other stores at Tamale, Sunyani Bolgatanga and Wa.

Absence of fire insurance policy for electrical materials

252. We noted that there was still no fire insurance policy covering the electrification materials at the stores visited.

253. The implication is that the NES risks losing the electrification materials at the stores should there be a fire outbreak and the eventual loss of resources.

254. We recommended to the management to take an insurance policy to cover the materials at the various stores.

255. Management responded that, it was working with its Broker to identify and advise the Ministry on the fire Insurance Policy for materials.

ELECTRICITY COMPANY OF GHANA LIMITED

Introduction

256. This report covers the audited accounts of the Electricity Company of Ghana Limited for the years ended 31 December 2012 and 2013.

Operational results

257. Shown in table 5 are the performance indicators for the years 2013 and 2012.

Table 5: Income Statement for 2013

Income	2013 GH¢ '000'	2012 GH¢ '000'	% Change
Revenue	1,952,252	1,435,358	36.0
Direct Costs	1,747,541	1,287,926	35.7
Gross Margin	204,711	147,432	38.9
Distribution Expenses	106,664	77,499	37.6
Administrative Expenses	224,335	171,598	30.7
Other Income	3,323	6,907	(51.9)
Operating Loss	(122,965)	(94,758)	29.8
Net Finance Costs	(82,875)	(14,274)	480.6
Share of Profit of Associate	(409)	247	(265.6)
Loss before Tax Expense	(206,249)	(108,785)	89.6
Tax (Expense)/ Credit	(40,005)	(27,527)	45.3
Loss after Tax	(246,253)	(136,312)	80.7

258. Revenue, made up of sale of electricity, public lighting levy, government and custom contribution amortization, street lighting shortfall recovery, and reconnection and meter maintenance fee increased by 36.0% from GH¢1,435,358,000 in 2012 to GH¢1,952,252,000 in 2013.

259. Net Finance Costs increased by 480.6% from GH¢14,274,000 in 2012 to GH¢82,874,000 in 2013. This was as a result of an increase in the finance income which exceeded that of the rise in finance cost.

260. Share of profit of associates decreased by 265.6% from GH¢247,000 in 2012 to GH¢409,000 in 2013. This was due to a significant decrease in the share of profit of Nexans Kabelmetal Ghana Limited within the period under review.

261. Direct Cost rose from GH¢1,287,926,000 in 2012 to GH¢1,747,541,000 in 2013, registering a 35.7% increase. This resulted from increases in Power Purchases, Transmission Cost, Operation Cost, Maintenance, Transportation Cost, and Depreciation Charge for the year.

262. Distribution Expenses increased by 37.6% from GH¢77,499,000 in 2012 to GH¢106,664,000 in 2013. Direct Distribution Cost, Depreciation Charge, and Transportation Cost contributed to the increase.

263. Administrative Expenses also increased by 30.7% from GH¢171,598,000 in 2012 to GH¢224,335,000 in 2013; an increase in Overhead Expenses was the main contributor to this.

264. The Company's operations ended with a loss of GH¢246,253,000 as against a loss of GH¢136,312,000 recorded in 2012.

Financial position

265. Provided in table 6 is the financial position of the Company as at 31 December 2013

Table 6: Balance Sheet as at 31 December 2013

Item	2013 GH¢ '000'	2012 GH¢ '000'	% Change
Non-Current Assets	5,204,981	4,294,408	21.2
Current Assets	1,317,380	751,778	75.2
Current Liabilities	2,028,457	946,326	114.4
Net Current Liabilities	(711,077)	(194,548)	265.5
Non-Current Liabilities	1,460,453	1,209,007	20.8
Net Assets	3,033,450	2,890,852	4.9
Current Ratio	0.6:1	0.8:1	

266. Non-Current Assets appreciated by 21.2% from GH¢4,294,408,000 in 2012 to GH¢5,204,981,000 in 2013. Revaluation and addition to Property, Plant and Equipment accounted for this rise.

267. Current Assets grew by 75.2% to GH¢1,317,380,000 in 2013 from GH¢751,778,000 in 2012. Increases in Inventories, Trade and Other Receivables and Cash and Cash Equivalents accounted for the growth.

268. Current Liabilities also rose by 114.3% from GH¢946,326,000 in 2012 to GH¢2,028,457,000 in 2013. This was due to an Overdraft Facility of GH¢9,019,000 from Merchant Bank Ghana Limited, a 118.4% rise in Trade and Other Payables, and an 80.6% increase in Borrowings within one year.

269. Non-Current Liabilities increased by 20.8% to GH¢1,460,453,000 in 2013 from GH¢1,209,007,000 in 2012. This was as a result of increases of 13.5% in Deferred Credit, a 27.5% in Deferred Tax Liabilities, a 12.0% rise in Borrowing due after one year.

270. The liquidity position as depicted by a current ratio of 0.6:1 (2012: 0.8:1) showed the inability of the Company to meet its short-term obligations when they fall due.

MANAGEMENT ISSUES

System losses

271. We observed that a significant amount of power purchased could not be accounted for in the year. This was as a result of commercial losses which the Company could not account for and this had a toll on its operational and financial performances.

272. The Company could however not determine which of the losses were due to technical or commercial challenges so as to deploy the necessary measures to reduce them.

The details are as follows:

	2013 GWhs	2012 GWhs
Power purchased	8,477.46	7,943.72
Power sold	6,528.37	6,078.87
Loss	1,949.09	1,864.85
Percentage	22.99	23.48

273. This implies the Company is losing about a quarter of its potential revenue which is affecting its profitability and viability.

274. We advised Management to determine losses which are due to technical and commercial challenges so as to deploy measures to reduce those losses.

275. Management said it was implementing strategies to curb the losses.

Title deeds and insurances

276. In spite of our recommendation made in the audit management letter dated September 16, 2014 management was yet to secure relevant title documents and insurance needs to cover its assets.

277. In our opinion the company stood the risk of losses in times of disputes and accidents.

278. We re-iterated our previous recommendations as contained in our management letter of September 16, 2014 on the accounts for the year ended 31 December 2012 that Management should:

- a) vigorously pursue the relevant documents of title and perfection of same so as to forestall any possible embarrassment in the future.
- b) carry out urgent review of the Company's insurance needs with a view to ensuring that the Company is adequately covered at all times.

Materials on loan – GH¢3,817,000

279. We observed that an amount of GH¢3,817,000 included in other trade debtors was in respect of materials on loan to some of the Company's associates. Apparently these materials were given out between April 2010 and August 2011 without any specific terms.

280. In the absence of any agreement specifying when and how the materials are to be returned the associate company do not deem the return of the material as a matter of urgency. As such, the implication of this situation is that ECG is being deprived of the use of these materials for its own activities.

281. We advised Management to pursue the return of these materials or the parties concerned are requested to effect immediate payment of the cost of the materials as considered appropriate. We also advised that material loans in future should have modalities and specific dates for return.

282. Management said action is being taken and the balance has been brought down to GH¢1.4 million in 2013.

Sundry job debtors - GH¢13,925.04

283. We observed that ECG poles and cables were damaged by GWCL and other developers in 2008 and 2009. Cost to the destroyers has been outstanding since then but ECG has not been able to collect these debts.

284. This was as a result of laxity on the part of the management of ECG in collecting these debts.

285. We urged Management to make sure these debts are collected.

GHANA NATIONAL PETROLEUM CORPORATION

Introduction

286. This report relates to the audited accounts of the Ghana National Petroleum Corporation for the years ended 31 December 2012 and 2013.

Operational results

287. The Corporation made a surplus of GH¢70,331,206 in 2013 compared with a surplus of GH¢44,539,636 in 2012. The summary of the Corporation's operational performance for the reviewed period is shown in table 7 :

Table 7: Income statement for 2014

Income	2013 GH¢	2012 GH¢	% Change
Sales	1,476,373,046	1,005,941,376	46.8
Non-Trading Income	87,125,662	56,674,085	53.7
Total Income	1,563,498,708	1,062,615,461	47.1
Expenditure			
Government Royalties	411,044,613	280,031,675	46.8
Government 60% Share	558,639,482	297,023,106	88.1
Operating Costs	159,810,306	123,069,416	29.9
Loss from Refined Products	9,078,240	11,441,313	(20.7)
Admin and General Expenses	47,027,280	36,898,816	27.4
Petroleum Project Expend.	26,965,435	20,174,449	33.7
Finance Charges	3,991,049	-	

Statutory Transfers:			
Equity Funding	(176,558)	110,412,131	(100.2)
Project Funding	276,787,655	139,024,919	99.1
Total Expenditure	1,493,167,502	1,018,075,825	46.7
Surplus / (Deficit)	70,331,206	44,539,636	57.9

288. There was an increase in Total Income of 47.1% from GH¢1,062,615,461 in 2012 to GH¢1,563,498,708 in 2013. This was mainly attributed to increases in Sales and Non-trading Income.

289. Total Expenditure also went up from GH¢1,018,075,825 in 2012 to GH¢1,493,167,502 in 2013, a rise of 46.7%, mainly resulting from increases in Government 60% Share, Operating Costs, Petroleum Project Expenditure, Finance Charges and Administrative and General Expenses.

Financial position

290. Presented in the table below is the summarized balance sheet as at 31 December 2013.

Table 8: Assets and Liabilities as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	447,074,574	421,502,276	6.1
Current Assets	655,234,192	422,960,865	54.9
Current Liabilities	54,509,567	129,463,562	(57.9)
Non-Current Liabilities	37,658,803	-	-
Net Current Assets	600,724,625	293,497,303	104.7
Net Assets	1,047,799,199	714,999,579	46.5
Current Ratio	12.0:1	3.3:1	

291. Non-Current Assets rose by 6.1% from GH¢421,502,276 in 2012 to GH¢447,074,574 in 2013. This was attributed to increases in Petroleum Projects, Investment in Joint Venture and additions to Property, Plant and Equipment.

292. Current Assets also grew by 54.9% from GH¢422,960,865 in 2012 to GH¢655,234,192 in 2013. This was as a result of increases in Debtors and Short Term Investments.

293. Current Liabilities, however, decreased by 57.9% from GH¢129,463,562 in 2012 to GH¢54,509,567 in 2013. This was due to the settlement of the short term facility from BNP Paribas and a 92.8% drop in Deferred Income.

294. Non-Current Liabilities which was TEN partner financing amounted to GH¢37,658,803 in 2013.

295. The liquidity position as shown by the current ratio of 12.0:1 (2012: 3.3:1) indicates the Corporation's ability to discharge its short term obligations when they fall due.

MANAGEMENT ISSUES

Pre-audit of petroleum operators

296. Sections 18.6 of the Petroleum Agreements empower GNPC to pre-audit the operations of the partners in the oil industry.

297. However, we observed that Management of the Corporation failed to exercise this right.

298. Management's failure to exercise this right was seen to be an anomaly which could lead to losses

299. The absence of internal audit gives the partners the freedom to engage in over and under invoicing, all aimed at short changing the state of its oil resources.

300. We recommended that Management should exercise the right to pre-audit the Petroleum Partners without further delay.

301. Management responded that, the Ministry of Finance in conjunction with the Ministry of Petroleum and GNPC have appointed PWC to undertake the diagnostic and compliance audit of petroleum operations under the Deep Water Tano and West Cape Three Point and Jubilee Field Phase 1 development plan and utilization agreement for the period 2008 to 2014.

Non- Existence of Audit Report Implementation Committee (ARIC)

302. Section 30 of the Audit Service Act, 2000 (Act 584) provides that, an institution, body or organisation, which is subject to audit by the Auditor-General should establish an Audit Report Implementation Committee (ARIC).

303. We noted that GNPC failed to constitute an ARIC in contravention of the above quoted regulation.

304. As such the Corporation stood the risk of recurrences of irregularities detected in other monitoring report

305. We recommended that Management should constitute an ARIC without any further delay.

306. Management responded that The Board constituted the ARIC in July 2014 and that the Draft Internal Audit Charter has been forwarded for their consideration and approval.

Amount due from Government

307. We observed that the Ministry of Finance owed the Corporation an amount of US\$50,000,000 advanced to it in December 2013 for three months. The amount had not been paid as at the time of our audit.

308. Also, an amount of GH¢102,537,354 representing the net effect of assets and liabilities transferred to the state has been outstanding since 2010.

309. GNPC's funds for other developments have been unduly locked up by the government. This was as a result of Government's inability to settle its indebtedness to GNPC and also management's inability to pursue government for the amount.

310. We advised Management to intensify its efforts at recovering these balances.

Amount due from state owned enterprises

311. During our review we noted that two state owned enterprises owed the Corporation to the tune of US\$ 92,112,277 as at 31 December 2013 as follows:

Tema Oil Refinery (TOR)	US\$58,404,874
Ghana Gas Company	US\$33,707,403
Total	<u>US\$92,112,277</u>

312. Following an impairment review the amount owed by TOR had been reviewed down to US\$52,348,305. The other receivables are fully recoverable however the Corporation does not hold any collateral over these balances.

313. The GNPC is contributing to these entities to which it has no equity interest and is not benefitting financially from. The Corporation's funds for other ventures have been locked up in these receivables.

314. We urged Management to take steps to recover these amounts from the debtors.

Saltpond Offshore Company Limited (SOPCL)

315. The GNPC books as at 31 December 2013 showed balances due from SOPCL (an associate company in which the Corporation has a 45% shareholding) of US\$22.76 million (GH¢49.22 million). An impairment review has written down the recoverable amount to US\$5.99 million (GH¢12.97 million).

316. This was due to insufficient production of oil from SOPCL averaging 287 barrels per day which could not be used to settle this indebtedness.

317. We recommended to Management to pursue SOPCL for the recovery of this debt.

NATIONAL PETROLEUM AUTHORITY

Introduction

318. This report relates to the audited accounts of the National Petroleum Authority for the year ended 31 December 2013.

Operational results

319. The Authority's operations for the year under review ended with a surplus of GH¢30,851,943 compared with GH¢43,999,348 recorded in 2012, representing a decrease of 29.9%. The drop in the Authority's surplus was due to a 1,619.1% rise in operating costs. The performance indicators are shown in table 9:

Table 9: Income Statement for 2013:

Item	2013 GH¢	2012 GH¢	% Change
Income	63,016,149	55,660,277	13.2
Other Income	5,709,643	5,820,211	(1.9)
Total Income	68,725,792	61,480,488	11.8
Expenditure			
Operating Cost	(21,837,416)	(1,270,289)	1,619.1
Administrative & General Expenses	(16,036,433)	(16,210,851)	(1.1)
Total Expenditure	(37,873,849)	(17,481,140)	116.7
Surplus	30,851,943	43,999,348	(29.9)

320. Total Income for the year amounted to GH¢68,725,792 as against GH¢61,480,488 recorded in 2012, an increase of 11.8%. The rise was mainly due to increases in income composition from GH¢55,660,277 in 2012 to GH¢63,016,149 in 2013.

321. Total Expenditure also increased by 116.7% from GH¢17,481,140 in 2012 to GH¢37,873,849 in 2013. The Operational Cost rose by 1,619.1% from GH¢1,270,289 in 2012 to GH¢21,837,416 in 2013.

322. General and Administration Expenses went down by 1.1% from GH¢16,210,851 in 2012 to GH¢16,036,433 in 2013. This decrease was as a result of the elimination of PPMS Contract Fee, Clearing Charges and Service Charges.

Financial position

323. Shown in table 10 is the financial position of the Institution

Table 10: Financial position as at 31 December 2013

Item	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	3,342,479	1,597,772	109.2
Current Assets	110,575,858	96,253,020	14.9
Current Liabilities	7,416,455	22,200,853	(66.6)
Net Assets	106,501,882	75,649,939	40.8
Current Ratio	14.9:1	4.3:1	

324. Non-Current Assets which included Intangible Assets, went up by 109.2 % from GH¢1,597,772 in 2012 to GH¢3,342,479 in 2013. The increase was due to additions to all Tangible Fixed Assets.

325. Current Assets also increased by 14.9% from GH¢96,253,020 in 2012 to GH¢110,575,858 in 2013. The variation was as a result of increases in Inventory, Advance and Prepayments, Cash and Bank Balances and a Short Term Investment of GH¢34,626,301.

326. Current Liabilities on the other hand saw a decrease of 66.6% from an amount of GH¢22,200,853 in 2012 to register GH¢7,416,455 in 2013. This was due to a 28.1% drop in Accounts Payable and a 78.7% drop in Accruals.

327. The liquidity position of the Authority was 14.9:1 in 2013 (2012:4.3:1) an indication of the Authority being in a position to discharge its short term liabilities when they fall due.

MANAGEMENT ISSUES

Provision for Doubtful Debt - GH¢1,813,271

328. We observed that an amount of GH¢1,813,271 representing provision for bad debts in the year 2012 was repeated in the current year.

329. This was as a result of Management's failure to notify the board to pass a resolution to write off the provisional figure in the year under review.

330. This presents a misleading picture of the receivable balance as the provision reduces the amount due from debtors.

331. We urged Management to follow up on the non-recovery of this amount and seek the board's approval with adequate reasons to write off the figure or adjust the balance to reflect the current estimate and recovery be pursued.

UNIFIED PETROLEUM PRICE FUND

Introduction

332. This report covers the audited financial statements of the Unified Petroleum Price Fund for the year ended 31 December 2013.

Operational results

333. The Fund closed the year with a surplus of GH¢50,930,143 as against GH¢26,807,643 deficit recorded in 2012 or 290.0% decrease in deficit. The decrease in deficit was due to a net fund gain of GH¢54,740,474 in the year under review as compared with a loss of GH¢19,018,115 recorded in 2012. Performance indicators for 2013 are shown in table 11.

Table 11: Income statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Fund Income	284,900,345	180,086,445	58.2
Other Income	2,123,183	4,232,908	(49.8)
Total Income	287,023,528	184,319,353	55.7
Expenditure			
Freight Charges	230,159,871	199,104,560	15.6
Levy/Charges on the Fund	3,198,057	10,579,587	(69.8)
General & Admin. Expenses	2,735,457	1,442,849	89.6
Total Expenditure	236,093,385	211,126,996	11.8
Surplus/(Deficit)	50,930,143	(26,807,643)	(290.0)

334. Total Income for the period rose by 55.7% from GH¢184,319,353 in 2012 to GH¢287,023,528 in 2013. The increase

came about because the 58.2% rise in Fund Income was adequate enough to cover the fall of 49.8% rise in Other Income. The increment constituted a high demand for petroleum products by the OMC's during the year under review.

335. Total Expenditure went up by 11.8% from GH¢211,126,996 in 2012 to GH¢236,093,385 in 2013. The increase was due to rising cost of hauling petroleum products by the OMCs to the various filling and service stations across the country, thus gave rise to decrease in deficit.

Financial position

336. A summarized balance sheet of the Fund as at 31 December 2013 showing its financial position is provided in table 12

Table 12: Balance Sheet as at 31 December 2013

Income	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	9,856,278	314,109	3,037.9
Current Assets	52,843,157	17,909,985	195.0
Current Liabilities	8,818,209	15,273,011	(42.3)
Net Assets	53,881,226	2,951,083	1,725.8
Current Ratio	6.0:1	1.2:1	

337. Non-Current Assets increased significantly by 3,037.9% from GH¢314,109 in 2012 to record GH¢9,856,278 in 2013. The rise in Non-Current Assets was mainly due to the acquisition of BRV Tracking Device, Furniture & Fittings and Computers & Software in the year under review.

338. Current Assets also recorded a 195.0% rise from GH¢17,909,985 in 2012 to GH¢52,843,157 in 2013. This was due to rises in Accounts Receivables, Ministry of Energy (NPA) and Cash & Bank Balances.

339. Current Liabilities declined by 42.3% from GH¢15,273,011 in 2012 to GH¢8,818,209 in 2013. The drop was as a result of decreases in Trade Creditors (OMC's), Kerosene Promotion Fund and National Petroleum Authority (NPA) Payables.

340. Net Assets, on the other hand, increased considerably by 1,725.8% from GH¢2,951,083 in 2012 to GH¢53,881,226 in 2013 mainly due to significant additions in Accounts Receivable and a sharp rise in Overdraft facilities.

341. The liquidity position of the Fund rose from 1.2:1 in 2012 to 6.0:1 in 2013, an indication that the Fund can exceedingly meet its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Mandatory conversion from Ghana GAAP to IFRS

342. We noted that the Financial Statements or the accounts of the Fund are not IFRSs compliant in keeping with the directives of the Institute of Chartered Accountants, Ghana (ICAG).

343. The Institute of Chartered Accountants, Ghana (ICAG) had adopted the International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS) as the Generally Accepted Accounting Principles (GAAP) for financial

reporting in Ghana and had requested all companies to convert from Ghana GAAP to the IFRS/IPSAS.

344. Failure to convert from the current Ghana GAAP to IFRS/IPSAS could lead to qualification of the Fund's accounts.

345. We recommended that Management takes steps to ensure compliance with the directives of the ICAG regarding the adoption of the IFRS/IPSAS in the preparation of the Fund's accounts.

346. Management responded that, NPA will liaise with the Accountant Generals' Office on the implementation. The implementation has not started for Government agencies.

PETROLEUM COMMISSION GHANA

Introduction

347. This report relates to the audited accounts of the Petroleum Commission Ghana for the year ended 31 December 2013.

Operational results

348. The Operations for the year under review closed with a reduction of 4,222.3% in a deficit of GH¢394,440 obtained in 2012 to a surplus of GH¢16,259,911 in 2013. Table 13 shows the performance indicators:

Table 13: Income and expenditure account for 2013

Income	2013 GH¢	2012 GH¢	% Change
Revenue (IGF)	8,679,929	1,756,194	394.2
Grants	18,296,499	1,602,342	1,041.9
Investment Income	521,572	-	-
Total Income	27,498,000	3,358,536	718.7
Expenditure			
Personnel Emolument	6,162,079	1,575,031	291.2
Administration Expenses	792,951	734,559	7.9
Service Expenses	1,409,545	782,878	80.0
Foreign Exchange Loss	2,582,853	660,508	291.0
Depreciation	290,661		
Total Expenditure	11,238,089	3,752,976	199.4
Surplus/(Deficit)	16,259,911	(394,440)	(4,222.3)

349. Total Income witnessed an increase of 718.7% from GH¢3,358,536 in 2012 to GH¢27,498,000 in 2013. Internally Generated Fund, which was 31.6% of Total Income, increased by 394.2% from GH¢1,756,194 in 2012 to GH¢8,679,929 in 2013. IGF comprised Permits and Application Forms. Grants which comprised GOG Subvention and World Bank Grant constituted 66.5% of Total Income and increased from GH¢1,602,342 in 2012 to GH¢18,296,499 in 2013; an increase of 1,041.9%.

350. Total Expenditure of which Personal Emoluments and Service expenses accounted for 54.8% and 23.0% respectively, upsurged by 199.3% to GH¢11,238,089 from the 2012 figure of GH¢3,752,976. The increases in expenditure on Personal Emoluments and Foreign Exchange Loss accounted largely to increases in expenditure.

Financial position

351. Table 14 provides the financial position of the Commission.

Table 14: Balance sheet as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	20,305,511	15,968,101	27.2
Current Assets	10,609,958	457,864	2,217.3
Non-Current Liabilities	8,479,751	10,811,506	(21.6)
Current Liabilities	6,570,247	6,008,900	9.3
Net Assets	15,865,471	(394,440)	(4,122.3)

352. Non-Current Assets comprised of Property, Plant and Equipment. This went up by 27.2% from GH¢15,968,101 in 2012 to GH¢20,305,511 in 2013. The increase in Non-Current Assets was due to additions in Property, Plant and Equipment totalling GH¢4,626,989.

353. Current Assets consist of Account Receivable, Prepayments and Cash and Bank Balances. This went up by 2,217.3% from GH¢457,864 in 2012 to GH¢10,609,958 in 2013. The 2,217.3% increase was due to increases in Cash and Bank Balance from GH¢438,952 in 2012 to GH¢10,577,335 in 2013 due to addition of GCB Call Account amounting to GH¢5,947,128 and UBA Call Account of GH¢4,380,195.

354. Non-Current Liabilities decreased by 21.6% from GH¢10,811,506 in 2012 to GH¢8,479,751 in 2013. The payment of UBA loan facility accounted for the drop.

355. Current Liabilities increased marginally by 9.3% from GH¢6,008,900 in 2012 to GH¢6,570,247 in 2013.

356. A current ratio of 1.6:1 showed the Commission's inability to meet its short-term obligation when due.

357. The accumulated fund of the Commission stood at GH¢15,865,471 (2012: GH¢394,677.21).

MANAGEMENT ISSUES

Unretired Imprest: GH¢4,396.00

358. Contrary to Regulation 288(1) of F.A.R. 2004 L.I.1802 , our examination of payment vouchers of the Commission revealed that imprest amounting to GH¢4,396.00 given to Mr. Kwaku Boateng for a trip to the UK was not retired with the appropriate receipts.

359. This situation occurred as a result of management's failure to put in place measures that would compel staff to retire imprest granted to them timely.

360. Non retirement of the imprest is indicative of the amount not used for the intended purpose which could result in individuals pocketing un-retired imprest.

361. We recommended that Management should ensure that imprest are appropriately retired with receipts or the amount adjusted to the individual officer's personal account.

362. Management responded that most of the amounts were retired in February 2014 with the exception of Mr. Kwaku Boateng's trip to UK amounting to GH¢4,396.00. Management's response is an indication that imprests are not retired timely.

363. We therefore reiterated our earlier recommendation.

Review of Rates, Fees and Charges

364. In contravention of Regulation 20 of F.A.R. 2004 L.I.1802 we did not sight any Parliamentary approval for the rates, fees and charges at the Commission.

365. As a result, the fees being charged do not have legal backing of Parliament and in times of disputes the Commission stands to lose.

366. We recommended that Management use the appropriate channels to have its rates, fees and charges approved to have the legal support.

367. Management responded that it had sent reminders to the Sector Ministry to expedite action for further Parliamentary approval.

Failure to Prepare Procurement Plan for 2013

368. We noted that the Commission did not prepare any procurement plan for the financial year contrary to Section 21 (1) of the Public Procurement Act 2013, Act 663 which requires that Institutions prepare a Procurement Plan to support its approved programme.

369. This lapse could have the effect of the Commission overspending on its plan.

370. We recommended that this important guiding document should be prepared in subsequent years, in compliance with the Public Procurement Act, 2003.

371. Management responded that though there was no procurement plan for 2013 because procurements were made directly by the World Bank for the period, it has prepared one for 2014.

Purchases made without VAT Receipts: GH¢24,122

372. Notwithstanding Section 57 of the VAT Service Act, 1998 (Act 546), requiring procurement to be made from registered VAT companies, we observed that the Commission procured goods totaling GH¢24,122 from non VAT registered suppliers.

373. We attributed the lapse to management's failure to ensure that the Commission transacts business with only VAT registered persons.

374. As a result government lost accrued tax revenue totaling GH¢4,221.35 which could have been used for developmental projects.

375. We recommended that future purchases should be made from only VAT registered persons in compliance with the law to increase government revenue base.

376. Management responded that steps have been put in place to ensure that the Commission procures goods and services from only VAT registered companies.

Non-maintenance of a contract register

377. Best management practice require that the Accounts Section should keep records of all Contracts for an effective audit trail and for the correction of any anomaly.

378. Contrary to the above, the Accounts Section failed to provide us with Contract Register.

379. This occurred because management failed to ensure that the Accounts Section kept records on all Contracts entered into.

380. The absence of the contract register could lead to wrong payment of contract sums and also prevent easy and effective monitoring of contract works.

381. We therefore advised that the Contract Register should be maintained and in future all contracts should be recorded therein.

382. Management accepted our recommendation.

Disbursement of public moneys without approved budget

383. Contrary to Section 14(3) of the FAA 2003 [Act 654] Management of the Commission, could not make available to the audit team a copy of their approved estimate [budget] to enable us determine whether the Commission's expenditure was within its

ambits and that payments were classified and lawfully made by the Commission. However, management submitted to the team its request for initial capitalization made through the Sector Minister to the Ministry of Finance.

384. This practice is a breach of financial discipline as detailed in regulation 8(1) which could lead to over expenditure and derail government programmes.

385. We urged Management to liaise with the Sector Ministry and, get its budget approved by Parliament and incorporated in the national budget for monitoring and compliance with statutory regulations.

386. Management responded that there was no Parliamentary approved budget or allocation for the Commission in the 2013 Central Government Budget, though it made a representation at the Parliamentary budget hearing.

GHANA ATOMIC ENERGY COMMISSION SECRETARIAT

Introduction

387. This report relates to the audited accounts of the Ghana Atomic Energy Commission Secretariat for the years ended 31 December 2011 and 2012.

Operational results

388. Total Income increased significantly by 380.2% from GH¢8,620,219 in 2011 to register GH¢41,390,971 in 2012. The rise in

total income was largely due to a 394.9% addition in Government Subvention from GH¢8,079,576 in 2011 to GH¢39,985,943 in 2012 as well as a 159.9% rise in Miscellaneous Income from GH¢540,643 in 2011 to GH¢1,405,028.

389. Presented in table 15 is the operational results:

Table 15: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government Subvention	39,985,943	8,079,576	394.9
Miscellaneous Income	1,405,028	540,643	159.9
Total Income	41,390,971	8,620,219	380.2
Expenditure			
Personnel Emolument	39,644,063	7,405,624	435.3
Travelling & Transport	117,192	103,547	13.2
General Expenses	653,473	128,047	410.3
Repairs & Maintenance	103,251	44,025	134.5
Other Recurrent Expenses	1,526,875	1,136,190	34.4
Total Expenditure	42,044,853	8,817,433	376.8
Surplus/(Deficit)	(653,882)	(197,214)	231.6

390. Total Expenditure also increased considerably by 376.8 % from GH¢8,817,433 in 2011 to GH¢42,044,853 in 2012. The substantial increase was due to a 435.3% increase in Personnel Emolument, 410.3% increase in General Expenses and 134.5% increase in Repairs and Maintenance.

391. The Secretariat's operations ended in a 231.6% rise in deficit recorded from GH¢197,214 in 2011 to GH¢653,882 in 2012.

Financial position

392. Summary of the Secretariat's financial position as at 31 December 2011 and 2012 are shown in table 16

Table 16: Balance Sheet as at 31 December 2011 and 2012.

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	2,444,033	3,123,147	(21.7)
Current Assets	56,544	144,481	(60.9)
Current Liabilities	611,969	481,107	27.2
Net Assets	1,888,608	2,786,521	(32.2)
Current Ratio	0.1:1	0.3:1	

393. Non-Current Assets dropped by 21.7% from GH¢3,123,147 in 2011 to GH¢2,444,033 in 2012. The drop was as a result of transfers of Non-Current Assets in the year under review.

394. Current Assets also recorded a 60.9% drop from GH¢144,481 in 2011 to GH¢56,544 in 2012. The decline was due to decreases in Accounts Receivables and Cash and Bank Balances at the end of the year.

395. Current Liabilities increased by 27.2% from GH¢481,107 in 2011 to GH¢611,969 in 2012. This was due mainly to rises in Accounts Payable and Accruals for the period.

396. The current ratio dropped to 0.1:1 from 0.3:1 from the preceding year. This is an indication of the inability of the Secretariat to settle its short-term debts as and when they fall due.

GHANA ATOMIC ENERGY COMMISSION RADIOLOGICAL AND MEDICAL SCIENCE RESEARCH INSTITUTE

Introduction

397. This report relates to the audited account of the Ghana Atomic Energy Commission – Radiological and Medical Science Research Institute for the financial year ended 31 December 2012.

Operational results

398. Table 17 provides the operational results for the year under review.

Table 17: Income Statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Income	18,294	36,120	(49.4)
Other Income	16,679	3,624	360.2
Total Income	34,973	39,744	(12.0)
Expenditure			
General & Administrative Expenses	50,005	33,305	50.1
Total Expenditure	50,005	33,305	50.1
Surplus/(Deficit)	(15,032)	6,440	(333.4)

399. Total Income decreased by 12.0%; to GH¢34,973 in the year under review from GH¢39,744 in 2011. This was as a result of a 49.4% decline in contributions from GAEC SEC, NNRI, BNARI and RPI.

400. Total Expenditure however increased by 50.1% from GH¢33,305 in 2011 to GH¢50,005 in 2012. This was due to increases in Depreciation, Vehicle Insurance, Honorarium and Other Recurrent Expenses

401. The Institute's financial year ended with a deficit of GH¢15,032 as against a surplus of GH¢6,440. This represented a drop of 333.4%.

Financial position

402. The financial position of the School for the period ended 31 December 2012 is shown in the table below:

Table 18: Balance sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	50,367	13,108	284.2
Current Assets	9,996	9,290	7.6
Current Liabilities	15,098	10,613	42.3
Net Assets	45,265	11,787	284.0
Current Ratio	0.7:1	0.9:1	

403. Non-Current Assets rose by 284.2 % from GH¢13,108 in 2011 to GH¢50,367 in 2012. The increase was as a result of additions to Motor Vehicles during the period under review.

404. Current Assets also went up by 7.6% from GH¢9,290 in 2011 to GH¢9,996 in 2012. An increment of Cash and Bank Balances accounted for rise in Current Assets.

405. Current Liabilities which was made up of Creditors and Accruals also rose by 42.3% from GH¢10,613 in 2011 to GH¢15,098 in 2012. The liquidity position of the Institute as depicted by a current ratio of 0.7:1 (2011: 0.9:1) indicates its inability to meet its short term obligations whenever they fall due.

GHANA ATOMIC ENERGY COMMISSION - RADIATION PROTECTION INSTITUTE

Introduction

406. This report relates to the audited accounts of the Ghana Atomic Energy Commission Radiation Protection Institute for the years ending 31 December 2011 and 2012.

Operational results

407. Total Income of the Institute for the period under review increased by 230.1% from GH¢1,876,161 in 2011 to GH¢6,193,197 in 2012. The increase was mainly due to a 65.2% rise in Miscellaneous Income and a 325.6% upsurge in Government Subvention.

408. Table19: Shows the performance indicators.

Table 19: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government Subvention	5,056,008	1,187,972	325.6
Miscellaneous Income	1,137,189	688,189	65.2
Total Income	6,193,197	1,876,161	230.1
Expenditure			
Personnel Emolument	5,010,734	1,131,507	342.8

Travelling & Transport	85,685	63,676	34.6
General Expenses	285,025	160,152	78.0
Repairs & Maintenance	74,368	14,745	404.4
Other Recurrent Expenses	470,802	180,390	161.0
Total Expenditure	5,926,614	1,550,470	282.2
Surplus	266,583	325,691	(18.1)

409. Total Expenditure also increased by 282.2% from GH¢1,550,470 in 2011 to GH¢5,926,614 in 2012. This was mainly due to a 342.8% increase in Personnel Emolument, 161.0% in Other Recurrent Expenses and 78.0% in General Expenses during the year. Foreign Travels, Printing and Stationery and Insurance Expenses accounted for the rise in General Expenses.

410. The year ended with a surplus of GH¢266,583 as against a surplus of GH¢325,691 recorded in 2011, representing a 18.1% drop.

Financial position

411. Summarised in table 20 are the movements in the financial position.

Table 20: Balance Sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	724,186	575,246	25.9
Current Assets	537,330	479,731	12.0
Current Liabilities	40,552	100,595	(59.7)
Net Assets	1,220,964	954,382	27.9
Current Ratio	13.3:1	4.8 :1	

412. Non-Current Assets stood at GH¢724,186 at the end of 2012 as compared to GH¢575,246 recorded in 2011 showing an increase of 25.9%. Additions to Non-Current Assets accounted for the increase.

413. Current Assets also showed an increase of 12.0% from GH¢479,731 in 2011 to GH¢537,330 in 2012. This rise was mainly due to an 18.5% increase in Accounts Receivable at the end of the year from GH¢419,876 in 2011 to GH¢497,535 in 2012.

414. Current Liabilities went down from GH¢100,595 in 2011 to GH¢40,552 in 2012, representing a decrease of 59.7% which was attributed to a drop in Accounts Payable.

415. The current ratio of the Institute showed a favourable position of 13.3:1 (2011: 4.8:1) depicting the ability of the Institute to discharge its short-term obligations as and when they fall due.

MANAGEMENT ISSUES

Unidentified direct credit transfers – GH¢35,805.66

416. The examination of bank statement revealed that various direct credit transfer payments by customers totalling GH¢35,805.66 cannot be traced to individual customer's ledger accounts due to difficulty in tracing such transfers to a particular customer's ledger.

417. The inability of the Institute to reconcile the transactions could lead to the financial statements not showing the true and fair view of the status of the Institute, thus the balances shown will be understated.

418. We therefore advised Management to take necessary steps and frequent follow ups on the various unidentified credit transfers to ensure proper reconciliation of debtors balances.

419. Management in its response accepted the observation and has written to all customers to furnish them with all direct credit transfer payments. Meanwhile, Management has also directed that, the Radiation Protection Institute should be notified in all subsequent direct credit transfer payments.

GHANA ATOMIC ENERGY COMMISSION - GRADUATE SCHOOL OF NUCLEAR AND ALLIED SCIENCES

Introduction

420. This report relates to the audited accounts of the Ghana Atomic Energy Commission – Graduate School of Nuclear and Allied Sciences for the years ended 31 December 2011 and 2012.

Operational results

421. The operational results for the period ended 31 December 2012 are summarised in table 21:

Table 21: Income and Expenditure Account for the year ended 31 December 2012

Income	2012 GH¢	2011 GH¢	% Change
IAEA Training Programme	-	381,735	-
Government Subvention	16,044	170,678	(90.6)
Academic User Fee	1,263,624	228,881	452.1
Miscellaneous Earnings	140,422	97,741	43.7
Total Income	1,420,090	879,035	61.6

Expenditure			
General & Administrative Expenses	1,419,015	451,080	214.6
Excess of Income over Expenditure	1,075	427,955	(99.7)

422. Total Income went up by 61.6% or GH¢541,056 to register GH¢1,420,090 in 2012 as compared with the 2011 figure of GH¢879,035. Academic User Fee and Miscellaneous Earnings were the major contributors to the School's Income for the period under review contributing 452.1% and 43.7% respectively.

423. Total Expenditure also went up by 214.6% from GH¢451,080 in 2011 to GH¢1,419,015 in 2012. The increase in total expenditure was mainly due to a 275.3% rise in Other Recurrent Expenditure to the School's operations, contributing to 78.9% of Total Expenditure.

424. The operations for the year closed with a surplus of GH¢1,075 in 2012 as compared to a surplus of GH¢427,955 in 2011, representing a decline of 99.7%.

Financial position

425. The financial position of the School as at 31 December 2012 is shown in table 22.

Table 22: Balance sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	270,308	169,299	59.7
Current Assets	286,248	305,536	(6.3)
Current Liabilities	50,545	31,992	58.0
Net Current Assets	235,703	273,544	(13.8)
Net Assets	556,556	474,836	17.2
Current Ratio	5.7:1	9.6:1	

426. Non-Current Assets made up of Property, Plant and Equipment went up by 59.7% from GH¢169,299 in 2011 to GH¢270,308 in 2012. The growth was due to additions to all items of Non-Current Assets nature within the year.

427. Current Assets which stood at GH¢305,536 in 2011 went down to GH¢286,248 in 2012, a decrease of 6.3%. The drop was due to a 6.3% decline in Cash and Bank Balances.

428. Current Liabilities increased by 58.0% from GH¢31,992 in 2011 to GH¢50,545 in 2012. A rise in Creditors and Accruals resulted in the increase.

429. The School's liquidity ratio at the yearend was 5.7:1 (2011: 9.6:1). Although the ratio dropped, the School is in a good position to meet its short term obligations as and when they fall due.

**GHANA ATOMIC ENERGY COMMISSION
NATIONAL NUCLEAR RESEARCH INSTITUTE**

Introduction

430. This report relates to the audited account of the Ghana Atomic Energy Commission – National Nuclear Research Institute for the financial years ended 31 December 2011 and 2012.

Operational results

431. Table 23 provides the operational results for the year under review.

Table 23: Income Statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government Subvention	8,267,650	2,650,127	212.0
Miscellaneous Income	488,290	482,302	1.2
Total Income	8,755,940	3,132,429	179.5
Expenditure			
Personnel Emolument	8,164,929	2,550,127	220.2
Travelling & Transport	110,635	117,505	(5.8)
General Expenses	196,642	171,857	14.4
Repairs & Maintenance	33,524	18,109	85.1
Other Recurrent Expenses	149,155	310,718	(52.0)
Total Expenditure	8,654,885	3,168,315	173.2
Surplus/(Deficit)	101,055	(35,886)	(381.6)

432. Total Income increased by 179.5% to GH¢8,755,940 in 2012 from GH¢3,132,429 in 2011. This was as a result of a 212.0% rise in Government Subvention and a 1.2% rise in Miscellaneous Income.

433. Total Expenditure also up surged by 173.2% from GH¢3,168,315 in 2011 to GH¢8,654,885 in 2012. This was due to increases in Personnel Emolument, General Expenses, and Repairs and Maintenance.

434. The Institute's financial year ended with a surplus of GH¢101,055 as against a deficit of GH¢35,886 recorded in 2011.

Financial position

435. The Institutes financial position is summarised in Table 24.

Table 24: Balance sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	176,008	146,484	20.2
Current Assets	142,823	91,333	56.4
Current Liabilities	74,091	94,133	(21.3)
Net Assets	244,740	143,684	70.3
Current Ratio	2.0:1	1.0:1	

436. Non-Current Assets increased by 20.2% from GH¢146,484 in 2011 to GH¢176,008 in 2012 due to additions to furniture and fittings, office equipment and Motor Vehicles.

437. Current Assets rose by 56.4% from GH¢91,333 in 2011 to GH¢142,823 in 2012 due to increases in Accounts Receivable and Cash and Bank Balances.

438. Current Liabilities decreased by 21.3% from GH¢94,133 in 2011 to GH¢74,091 in 2012. This was mainly due to a decrease in Accounts Payable.

439. The liquidity position of the Institute as depicted by a current ratio of 2.0:1 (2011: 1.0:1) indicates its ability to meet its short term obligations whenever they fall due.

**GHANA ATOMIC ENERGY COMMISSION -
BIOTECHNOLOGY AND NUCLEAR AGRICULTURE
RESEARCH INSTITUTE**

Introduction

440. This report relates to the audited accounts of the Ghana Atomic Energy Commission - Biotechnology and Nuclear Agriculture Research Institute for the year ended 31 December 2012.

Operational results

441. Total Income of the Institute for the period under review increased by 238.2% from GH¢2,136,126 in 2011 to GH¢7,224,156 in 2012. The increase was mainly due to a 245.8% rise in Government Subvention and a 133.0% rise in Other Income which was made up of Interest on Investment, Grant, Deferred and Research Grants.

442. Table 25 shows the performance indicators.

Table 25: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government Subvention	7,018,243	2,029,674	245.8
Miscellaneous Income	67,020	46,844	43.1
Other Income	138,893	59,608	133.0
Total Income	7,224,156	2,136,126	238.2
Expenditure			
Personnel Emolument	6,980,647	1,929,397	261.8
Travelling & Transport	17,348	24,306	(28.6)
General Expenses	43,222	43,172	0.1
Repairs & Maintenance	18,106	46,337	(60.9)
Other Recurrent Expenses	181,953	229,591	(20.7)
Total Expenditure	7,241,276	2,272,803	218.6
Deficit	(17,120)	(136,677)	(87.5)

443. Total Expenditure also increased by 218.6% from GH¢2,272,803 in 2011 to GH¢7,241,276 in 2012. This resulted from a 261.8% rise in Personnel Emolument from GH¢1,929,397 in 2011 to GH¢6,980,647 in 2012.

444. The year ended with a deficit of GH¢17,120 as against a deficit of GH¢136,677 recorded in 2011.

Financial position

445. Summarised in table 26 are the movements in the financial position.

Table 26: Balance Sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	1,335,026	1,395,627	(4.3)
Current Assets	71,277	55,205	29.1
Current Liabilities	19,878	10,916	82.1
Non-Current Liabilities	386,462	396,072	(2.4)
Net Assets	999,963	1,043,844	(4.2)
Current Ratio	3.6:1	5.1:1	

446. Non-Current Assets stood at GH¢1,335,026 at the end of 2012 as compared to GH¢1,395,627 recorded in 2011 showing a decrease of 4.3%. This was as a result of a 74.4% drop in Investment from GH¢159,218 in 2011 to GH¢40,768 in 2012.

447. Current Assets grew by 29.1% from GH¢55,205 in 2011 to GH¢71,277 in 2012. This rise was mainly due to a 30.1% increase in Cash and Bank balances at the end of the year from GH¢53,400 in 2011 to GH¢69,471 in 2012.

448. Current Liabilities also went up from GH¢10,916 in 2011 to GH¢19,878 in 2012, representing an increase of 82.1% which was attributed to increases in Accounts Payable and Accruals.

449. The current ratio of the Institute showed a favourable position of 3.6:1 (2011: 5.1:1) depicting the ability of the Institute to discharge its short-term obligations as and when they fall due.

PUBLIC UTILITIES REGULATORY COMMISSION

Introduction

450. This report relates to the audited accounts of Public Utilities Regulatory Commission for the years ended 31 December 2011 and 2012.

Operational results

451. Total Income increased by 6.8% from GH¢12,170,943 in the previous year to GH¢13,004,054 in 2012 as a result of increases in Regulatory Levies, Donor Funds and Others. The Regulatory Levy represents Regulatory Levies from GRIDCO as per PURC Act 538 as amended.

452. Table 27 shows the performance indicators.

Table 27: Income Statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Regulatory Levies	10,084,652	9,284,436	8.6
Donor and Others	2,919,402	2,886,507	1.1
Total Income	13,004,054	12,170,943	6.8
Expenditure			
Personnel Cost	5,807,043	3,909,900	48.5
Commissioners Allowance	357,134	311,924	14.5
Administrative Expenses	1,742,422	1,248,019	39.6
Operational Expenses	8,631,492	3,271,035	163.9
Total Expenditure	16,538,091	8,740,878	89.2
(Deficit)/Surplus	(3,534,037)	3,430,065	(203.0)

453. Total Expenditure of the Commission for 2012 amounted to GH¢16,538,091 compared with GH¢8,740,878 recorded in 2011, representing an increase of 89.2%. The major items which accounted for the increase in expenditure were Personnel Cost which rose by 48.5%, Commissioners Allowances 14.5%, Administrative Expenses 39.6% and Operational Expenses 163.9%.

454. As a result of the significant expenditure incurred in the year under review as shown above, the Commission recorded a deficit of GH¢3,534,037 as compared to a surplus of GH¢3,430,065 in 2011. A reduction of 203.0%.

Financial position

455. Summary of the financial position are shown in the table 28:

Table 28: Financial position as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	9,220,522	6,162,351	49.6
Current Assets	13,197,718	14,387,754	(8.3)
Current Liabilities	12,740,749	7,364,980	73.0
Net Assets	9,677,491	13,185,125	(26.6)
Total Assets	22,418,240	20,550,105	9.1
Current Ratio	1.0:1	2.0:1	

456. Non-Current Assets rose from GH¢6,162,351 in 2011 to GH¢9,220,522 in 2012 representing a 49.6% increase. This was attributed to increases in Capital Work-In-Progress and Intangible Assets. Capital Work-in-Progress went up by 7,125.5% from GH¢36,556 in 2011 to GH¢2,641,369 in 2012 and Intangible Assets

also went up by 2,203.7% from GH¢35,604 in 2011 to GH¢820,218 in 2012.

457. Current Assets, however, decreased by 8.3% from GH¢14,387,754 in 2011 to GH¢13,197,718 in 2012. This was largely due to an 82.1% reduction in Cash and Bank Balance.

458. Current Liabilities rose from GH¢7,364,980 in 2011 to GH¢12,740,749 in the year 2012, registering a 73.0% increase. This was largely due to a rise in Accounts Payable and Accruals.

459. The Commissions current liquidity position measured by the current ratio at the end of the year was 1.0:1 (2011:2.0:1) an indication that it could be unable to meet its short-term obligations as and when they fall due.

PUBLIC UTILITIES REGULATORY COMMISSION- PRO POOR WATER PROGRAMMES

460. PURC Amendment Act 2010, (Act 800) was enacted to enable the Commission impose levies on Electricity and Natural gas transmission. By the promulgation of this Act, GRIDCO pay levies based on bills collected from its clients.

461. In accordance with the Act the following rates were to be used in the distribution of the levies.

PUBLIC UTILITIES REGULATORY COMMISSION -	40%
PURC - PRO- POOR WATER PROGRAMMES	20%
ENERGY COMMISSION	15%
RURAL ELECTRIFICATION	25%

462. We noted that, there was no Legislative Instrument (L.I.) establishing PRO-POOR WATER PROGRAMMES. It did not not have a separate office nor bank accounts, as such PURC acts on its behalf and charges management fees of 25% of the levies due Pro-Poor Water Programmes.

463. Table 29 is a summary of the Receipts and Payments.

Table 29: Receipts and Payments for 2012

Receipts	2012 GH¢	2011 GH¢	% Change
Levies	5,042,326	4,637,238	8.7
Payments			
Polytanks	3,900	-	-
Drilling of Boreholes	3,308,202	-	-
Workshops, Seminars & Monitoring	100,175	-	-
Administrative Support Fee	1,260,582	927,848	35.9
Consultancy Fee	57,350	-	-
	4,730,209	927,848	409.8
Surplus	312,117	3,711,390	(91.6)

464. Total Receipts of the Pro-Poor Water Programme which was made up of inflows from electricity transmission as per PURC Act 800 went up by 8.7% from GH¢4,639, 238 in 2011 to GH¢5,042,326 in 2012, as a result of an increase in inflows from Electricity transmission.

465. Total Expenditure also increased by 409.8% from GH¢927,848 in 2011 to GH¢4,730,209 in 2012. The rise was mainly due to

payments in respect of Poly tanks, drilling of Boreholes, Workshops & Seminars, management fees by PURC and Consultancy services.

466. Pro-Poor Water's Operations for 2012 ended with a surplus of GH¢312,117 as against a surplus of GH¢3,711,390 reported in the previous year, representing a decrease of 91.6%.

MANAGEMENT ISSUES

Regulatory Levy

467. PURC Amendment Act 2010, Act 800 was enacted to enable the Commission impose levies on Electricity and Natural Gas transmission. By the promulgation of this Act, the Commission was weaned off Government Subvention by December 2012.

468. We noted that an amount of GH¢25,163,214.15 was to be realized from levies for the year under review and applied in accordance with the Act as follows:

Application	Rate	Amount GH¢
Public Utilities Regulatory Commission	40%	10,084,652.46
PURC Pro-Poor Water Programmes	20%	5,026,187.23
Energy Commission	15%	3,769,640.42
Rural Electrification	25%	6,282,734.04
Total		25,163,163.15

469. However, GH¢10,761,277.11 of the above was not collected from GRIDCO as at the end of the year as a result, the Commission was not able to distribute the levies due to the beneficiaries in full.

470. We recommended that Management should ensure that the amount of GH¢10,761,277.11 is paid by GRIDCO and henceforth all Revenues are received as and when it is due.

471. Management responded that, GRIDCO pays the Levy based on “bills collection from its clients and pays to the Commission its due after two months, following the bill date. Consultations are ongoing to ensure timely and sustained collection of the levy from GRIDCO.

Accountable imprest to purchase Christmas hampers

472. Funds amounting to GH¢99,663 was released for the purchase and distribution of Christmas Hampers for the year ended December 2012.

473. We observed that the amount of GH¢99,663 for the purchase of hampers was not retired nor adjusted to the personal advance account of the imprest holder, instead the entire amount was expensed at the end of the year in violation of the provisions of FAR 288. This was due to the absence of a mechanism in place to ensure that such advances were retired promptly.

474. We recommended that Management should put in place a mechanism to ensure that advances are retired promptly.

475. Management responded that the hamper purchases were undertaken and distributed to beneficiaries during the 2012 Christmas and New Year break. The retirement could only take place in 2013.

Investment interest

476. The following amounts were invested for the staff Provident Fund at the value dates stated therein.

Investee Company	Principal GH¢	Interest GH¢	Value Date	Maturity
Ghana Commercial Bank	1,350,000	32,232.07	18/9/12	5/11/12
Ghana Commercial Bank	896,7580	25,507.22	24/9/12	16/11/12
Ghana Commercial Bank	596,837.05	N/A	14/11/12	N/A

477. Our checks however revealed that the balance on the Provident Fund Account at the time of the investment was not enough to support the amount invested. It stands to reason therefore that the amount invested is the Commission's own money and not that of the Provident Fund.

478. We therefore recommended that the interest earned on the investment is not for the Provident Fund and must be regarded as investment income for the Commission.

479. Management responded that its decision to add some of the interest earned on the Commission's investment was to compensate staff for the loss of interest on their investments as a result of the non investment of the Provident Fund contributions in Treasury Bills at an agreed time.

480. We still stand by our recommendations and insist that Management must find a better way to compensate its staff for its inability to invest the staff Provident Fund.

Acquisition of software and ancillary service

481. A contract was entered into between the Commission and Power Systems Energy Consulting of USA on June 8, 2012 for the supply of software for the Commission's operations and to provide Ancillary Services as detailed below;

Item	Amount (US\$)
Software cost	400,000.00
Ancillary pricing services	208,440.00
15%Withholding Tax	<u>107,731.76</u>
	<u>715,811.76</u>

482. We observed that only 50% of the software cost had been paid leaving 50% outstanding as at the end of 2012.

483. We also noted that the total cost of the Ancillary Service have been paid and expended accordingly.

484. However, the Commission did not withhold taxes amounting to US\$107,371.76 on the payments made to Power Systems and Energy Consulting of USA contrary to Section 84(2) of Internal Revenue Act 2000 (Act 592).

485. We advised Management to be abreast with the tax law and act accordingly. We also recommended that management should put in place measures to remit the 50% of the total sum of US\$107,371.76 which is due to the tax authority and pay the outstanding amount immediately it falls due.

486. Management responded that the original contract of US\$608,440 approved by the Public Procurement Authority (PPA)

was net of taxes. This formed the basis for the 50% payment net of taxes made to Power Systems Energy Consulting for work completed to date.

487. Subsequently, approval has been given by the Public Procurement Authority to revise the contract price of the procurement of the Dayzer Ghana Power model, Ancillary Services pricing and Equilibrium Capacity pricing from Messrs Power Systems Energy Consulting to include 15% as the tax component to bring the total cost from US\$608,440 to US\$715,811.76. Therefore the outstanding tax payments will be made for the 50% already paid and tax deductions made for the remaining subsequent 50% payments based on the new PPA approval which is inclusive of tax.

Pro-poor Management Fees

488. We observed that the Commission charges 25% as Management Fees on the revenue due Pro-poor Programmes. This fee was not provided for in the PURC (Amendment) Act 2010, Act 800.

489. Management responded that this is to cover activities undertaken by the Secretariat in managing, implementing monitoring and evaluation of the pro-poor water project in accordance with the provisions of the PURC Amendment Act 2010.

490. We recommended that, the Commission should take steps to make the pro-poor activities autonomous in order to regularize such charges.

BULK OIL STORAGE AND TRANSPORTATION COMPANY LIMITED (BOST)

Introduction

491. This report relates to the audited accounts of the Bulk Oil Storage and Transportation Company Limited (BOST) for the financial year ended 31 December 2013.

Operational results

492. The Company's operations for the year 2013 ended with a deficit of GH¢30,910,708.00 compared with a surplus of GH¢11,351,048.00 recorded in the previous year, registering a negative performance of 372.3%. The performance indicator is shown in table 30.

Table 30: Income statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Turnover	-	3,331,508	-
Cost of Sale	-	(3,331,508)	-
Gross Profit	-	-	
Other Income	142,001,111	187,614,996	(24.3)
Finance Charges	(42,972,761)	(38,871,851)	10.5
Selling, General & Administrative Expenses	(129,939,058)	(137,392,097)	(5.4)
Net (loss)/Profit	(30,910,708)	11,351,048	(372.3)

493. There were no sales of petrol and diesel in the year under review hence the nil turnover recorded.

494. Other Income also decreased by 24.3% from GH¢187,614,996.00 in 2012 to GH¢142,001,111.00 in 2013. The decrease was due to a fall in revenue accrued from Pipe Line and Loading Rack Fee from GH¢30,357,634.00 in 2012 to GH¢14,832,132.00 in 2013, representing a 51.1% reduction and no revenue from Haulage Expenditure Refund for the year 2013 as against GH¢33,383,802.00 released in 2012.

495. Finance Charges which comprised Interest on Bank Overdraft, Interest on Loans and Trade Finance Costs increased by 10.5% from GH¢38,871,851.00 in 2012 to GH¢42,972,761.00 in 2013. Selling, General and Administrative Expenses decreased marginally by 5.4% from GH¢137,392,097.00 in 2012 to GH¢129,939,058.00 in 2013, as a result of no Haulage Expenses incurred during the year 2013.

Financial position

496. The statement of financial position for the company is presented in table 31

Table 31: Financial position as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	1,023,122,966	325,669,973	214.2
Current Assets	216,933,477	191,240,665	13.4
Current Liabilities	210,973,800	176,888,864	19.3
Non-current Liabilities	387,435,028	371,661,006	4.2
Net Assets	641,647,615	(31,639,232)	(2,128.0)
Current Ratio	1.0:1	1.1:1	

497. Non-Current Assets grew significantly by 214.2% from GH¢325,669,973.00 in 2012 to GH¢1,023,122,966.00 in 2013. This was as a result of revaluation and addition to Property, Plant and Equipment.

498. Current Assets stood at GH¢216,933,477.00 (2012: GH¢191,240,665.00) to register an increase of 13.4%. The increase resulted from 188.4% rise in Marketable Securities; 9.2% increase in Accounts Receivable and Prepayments and 5.4% rise in Bank Balance and Cash.

499. Current Liabilities increased from GH¢176,888,864.00 in 2012 to GH¢210,973,800.00 in 2013, representing a 19.3% rise. The increase was as a result of a 64.6% rise in Accounts Payable and Accruals.

500. The liquidity position as measured by the current ratio of 1.0:1 (2012:1.1:1) did not fall within the benchmark, an indication that the Company would not be able to meet its short term obligations when they fall due.

MANAGEMENT ISSUES

Volta River Authority (VRA) owed GH¢17,265,829.00

501. We noted during the validation of the Financial Statements that Volta River Authority (VRA) was indebted to the tune of GH¢17,265,829.00 since 2009.

502. This outstanding item risk the cash flow position of BOST, if no effort is made to recover the amount.

503. Ministry of Finance, who contracted this transaction on behalf of Volta River Authority has failed to honour its obligations.

504. We therefore recommended that, efforts should be made to recover these debts to help BOST honour its obligations to creditors when they fall due.

505. Management responded that, this balance is actually owed by the Ministry of Finance (Government) who requested that BOST gave Gas Oil to VRA to generate electricity for the Country. Government accepts responsibility for the liability. VRA on the other hand rightly refuses to accept responsibility for the liability.

BUI POWER AUTHORITY

Introduction

506. This report covers the audited financial statement of the Bui Power Authority for the year ended 31 December 2012.

Operational results

507. The Authority closed the year 2012 with a surplus of US\$1,053,526 as against a US\$534,831 deficit recorded in 2011 or 297.0% decrease in deficit.

508. Performance indicators for 2012 are shown in table 32.

Table 32: Income Statement for 2012

Receipts from Sinohydro	2012 US \$	2011 US \$	% Change
Employer's engineering & Adm. Costs	4,622,280	3,880,000	19.1
Irrigation	-	1,650,000	-
Fibre Optic- Vodafone	-	116,438	-
	4,622,280	5,646,438	(18.1)
Other Receipts			
Borrowing from Government of Ghana	785,669	318,471	146.7
Other Receipts	87,499	38,623	126.5
Total Receipts	5,495,448	6,003,532	(8.5)
Payments			
Employer's Engineering & Adm. Costs	4,250,196	5,703,906	(25.5)
Irrigation	138,150	625,211	(77.9)
Resettlement	53,576	209,246	(74.4)
Total Payments	4,441,922	6,538,363	(32.1)
Surplus/ (Deficit_	1,053,526	(534,831)	(297.0)
Exchange Gain/ (Loss)	97,953	(20,262)	(583.4)
Closing Cash Balance	1,151,479	(555,093)	(307.4)

509. Total Income made up of receipts from Sinohydro and other receipts decreased marginally by 8.5% from US\$6,003,532 in 2011 to US\$5,495,448 in 2012. This was due to non-receipt for Irrigation and Fibre Optic – Vodafone for the year under review, though receipts from Employer's Engineering and Administration Costs and borrowing from Government of Ghana have gone up by 19.1% and 146.7% respectively.

510. Total Expenditure for the year under review was US\$4,441,922 as compared to the figure of US\$6,538,363 for 2011 representing a decrease of 32.1%. The fall was due to significant reduction in Employer's Engineering and Administration Costs and Irrigation as well as Resettlement Costs.

511. The decrease in Total Expenditure has resulted in recording a surplus figure for the year 2012. The Closing Cash Balance also decreased significantly by 307.4% from a deficit figure of US\$555,093 in 2011 to a positive figure of US\$1,151,479 in 2012.

Financial position

512. Presented in table 33 is the financial position of the Authority as at 31 December 2012.

Table 33: Financial Position as at 31 December 2012

	2012 US \$	2011 US \$	% Change
Capital Work-in-Progress	574,724,109	424,412,570	35.4
Current Assets	27,948,599	59,010,838	(52.6)
Liabilities	63,043,331	67,386,772	(6.4)
Represented by:			
Investment by Government of Ghana	539,629,377	416,036,636	29.7

513. Capital Work-In-Progress increased by 35.4% from US\$424,412,570 in 2011 to US\$574,724,109 in 2012. This increase was mainly due to additional payments for work certified.

514. Current Assets made up of advance payments and prepaid insurance decreased significantly by 52.6% from US \$59,010,838 in 2011 to US\$27,948,599 in 2012. This variation was due to a 91.3% decrease in Advance Payments from US \$34,010,838 in 2011 to US \$2,948,599 in 2012, as a result of the recovery of advance.

515. Liabilities also dropped marginally by 6.4% from US \$67,386,772 in 2011 to US \$63,043,331 in 2012. Though, the accounts payable increased by 54.9% over the year, there was no retention hence marginal reduction in liabilities.

516. Investment by Government of Ghana (GOG) increased by 29.7% from US \$416,036,636 in 2011 to US \$539,629,377 in 2012.

MANAGEMENT ISSUES

Closing bank balance of GH¢1,801.35 not transferred to BPA

517. We noted during the audit that an account with the Bank of Ghana was closed without the knowledge and consent of BPA management. The balance on the bank account as at 31 December 2011 was GH¢1,801.35 and this balance had not been transferred to Bui Power Authority (BPA).

518. According to the Management, the closure of the bank account was based on a directive from Controller and Accountant-General's Department to Bank of Ghana for all dormant accounts of government institutions to be closed.

519. We therefore advised Management to follow up to recover the closing balance of GH¢1,801.35 in the bank account.

520. Management said that, it will follow up with the Bank of Ghana and the Controller and Accountant-General Department in an effort to recover the closing balance.

Gaps in communication of financial information

521. We noted that transactions that occurred between the Ministry of Finance and Economic Planning (MOFEP) and Sinohydro Corporation Limited or Export-Import Bank of China in relation to the Bui Project were not always communicated to the Authority on time to update their records.

522. Lack of prompt transmission of information to the Authority on transactions entered into or settled by the Ministry of Finance and Economic Planning (MOFEP) in relation to the Bui Project could lead to misstatement of financial statements.

523. Management should institute on a monthly or quarterly reconciliation of records between the Ministry and the Authority to help identify transactions that have been inaccurately recorded or omitted from the books of either party.

524. Management responded that, it will follow up with the Ministry of Finance and Economic Planning (MOFEP) to ensure that the balances are always reconciled.

MINISTRY OF FINANCE AND ECONOMIC PLANNING

SECURITIES AND EXCHANGE COMMISSION

Introduction

525. This report covers the audited accounts of the Securities and Exchange Commission for the year ended 31 December 2013.

Operational results

526. The summary of the operations for the year under review is provided in table 34:

Table 34: Performance Indicators for 2013

Income	2013 GH¢	2012 GH¢	% Change
Ghana Government Subvention	1,480,096	2,121,014	(30.2)
Other Income	2,798,973	1,304,762	114.5
Total Income	4,279,069	3,425,776	24.9
Expenditure			
Emoluments and Allowances	1,548,364	1,659,556	(6.7)
Commissioners Remuneration	222,338	230,422	(3.5)
Goods and Services Activity Expenses	2,002,561	1,814,696	10.4
Audit Fees	7,077	6,900	2.6
Total Expenditure	3,780,340	3,711,574	1.9
Excess of Income Over Expenditure	498,129	(285,798)	(274.3)

527. Total Income for the period increased by 24.9% from GH¢3,425,776 in 2012 to GH¢4,278,469 in 2013. This was mainly because an increase in Other Income adequately covered the drop in Government Subvention.

528. Total Expenditure went up marginally by 1.9% from GH¢3,711,574 in 2012 to GH¢3,780,340 in 2013. The increase was as a result of a rise in Goods and Services Activity Expenses.

529. The operations of the Commission for the period closed with a surplus of GH¢498,129 as against the previous year's deficit of GH¢285,798, showing a fall of 274.3% in the deficit.

Financial position

530. Table 35 shows the financial position of the Commission as at 31 December 2013.

Table 35: Balance Sheet as at 31 December 2013.

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	1,895,920	1,933,916	(2.0)
Current Assets	3,745,815	3,079,656	21.6
Total Assets	5,641,735	5,013,572	12.5
Current Liabilities	155,788	25,754	504.9
Current Ratio	24.0:1	119.6:1	

531. Non-Current Assets dropped by 2.0% from GH¢1,933,916 in 2012 to GH¢1,895,920 in 2013 due to depreciation charges for the year.

532. Current Assets increased from GH¢3,079,656 in 2012 to GH¢3,745,815 in 2013, recording an increase of 21.6%. Increases in Short-term Investment, Receivables and Prepayments accounted for the rise.

533. Current Liabilities also increased significantly by 504.9% from GH¢25,754 in 2012 to GH¢155,788 in 2013. The increment was as a result of a rise in payables.

534. The liquidity position of the Commission as depicted by the current ratio of 24.0:1 in 2013 (2012:119.6:1) showed that the Commission has enough resources to meet its short-term debts when they fall due.

MANAGEMENT ISSUES

Staff debtors

535. The staff debtor account below remained dormant for some years now.

Name	Rent Loan GH¢	Personal Loan GH¢	Total GH¢
Kenneth Okwabi	1,196.49	4,880.81	6,077.30

536. A follow up revealed that Mr. Kenneth Okwabi was no longer with the Commission.

537. Such practice whereby separated staff fail to honour their loan obligation before leaving the Commission would negatively affect its cash position.

538. We recommended that management should recover the amount of GH¢6,077.30 from Mr. Okwabi and put in place measures which would ensure that separated staff pay their debt before leaving the Commission.

539. Management responded that the recoverability of Mr. Okwabi's debt is likely since he is yet to receive his retirement benefit from the Government. Management assured us that the amount would be retrieved when his entitlements are paid to him.

COCOA MARKETING COMPANY (GHANA) LIMITED

Introduction

540. This report covers the audited accounts of the Cocoa Marketing Company (Ghana) Limited for the year ended 30 September 2013.

Operational results

541. The Company's performance indicators for the period under review are provided in table 36.

Table 36: Income and Expenditure Statement for 2013

Item	2013 GH¢	2012 GH¢	% Change
Share of FOB	37,149,243	39,694,426	(6.4)
Sales Commission	20,442,943	22,889,461	(10.7)
Other Income	21,520,713	16,381,738	31.4
Total Income	79,112,899	78,965,625	0.2
Expenditure			
Operating Cost	31,939,486	39,565,675	(19.3)

Personnel cost	32,738,561	24,691,773	32.6
Establishment Cost	3,718,841	5,473,988	(32.1)
Administrative Cost	1,810,964	1,644,832	10.1
Professional & Financial Charges	567,816	117,739	382.3
Depreciation	1,030,720	568,308	81.4
Company Tax	1,881,251	1,685,420	11.6
Total Expenditure	73,687,639	73,747,735	(0.1)
Net Profit	5,425,260	5,217,890	4.0

542. Total Income rose marginally by 0.2% from GH¢78,965,625 in 2012 to GH¢79,112,899 in 2013. This was because though there was a 31.4% rise in other income this could not adequately cover the 6.4% drop in the value of FOB and a 10.7% drop in Sales Commission.

543. Total Expenditure also dropped by 0.1% from GH¢73,747,735 in 2012 to GH¢73,687.639 in 2013. This was attributed to decreases in Operating and Establishment Cost.

544. The Company's operations for the year ended with a net profit of GH¢5,425,260 as compared to a net profit of GH¢5,217,890 in 2012 representing an increase of 4.0%.

Financial position

545. The financial position of the company is shown in table 37 :

Table 37: Financial position as at 30 September 2013

Item	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	3,211,055	3,271,274	(1.8)
Current Assets	718,816,128	120,417,609	496.9
Current Liabilities	695,692,947	115,092,796	504.5
Net Current Assets	23,123,181	5,324,813	334.3
Net Assets	26,334,236	8,596,087	206.4
Current Ratio	1.0:1	1.0:1	

546. Non-Current Assets decreased by 1.8% from GH¢3,271,274 in 2012 to GH¢3,311,055 in 2013 due to depreciation charge for the year. However, no title deeds and leasehold agreements in respect of some of the leasehold buildings stated in the Company's assets schedule was sighted to establish ownership. We advised management to obtain these relevant documents.

547. Current Assets on the other hand increased by 496.9% from GH¢120,417,609 in 2012 to GH¢718,816,128 in 2013. This was mainly due to an amount of GH¢619,765,567 attributed to accounts receivable and a rise in short term investment.

548. Current Liabilities also increased by 504.5% from GH¢115,092,796 in 2012 to GH¢695,692,947 in 2013. This resulted from accounts payable value of GH¢619,765,567 obtained in 2013.

549. The liquidity position as depicted by a current ratio of 1.0:1 for 2013 did not appear favorable as it fell below the bench mark of 2:1 indicating the inability of the Company to meet its short-term obligations when they fall due.

MANAGEMENT ISSUES

Differences on Staff Debtor Balances - (GH¢1,747,483.96)

550. We noted differences between the ledger balances and the control balances amounting to GH¢1,747,483.96 during our review. The details are shown in the table below:

Item	Ledger Balance GH¢	Control Balance GH¢	Difference GH¢
H/ownership	2,361,709.52	3,599,339.68	(1,237,630.16)
Management car Facility	2,168,819.73	2,506,894.63	(338,044.90)
Car Repair Loan	83,796.73	91,764.86	(7,968.13)
Household Durables	79,828.37	88,180.77	(9,352.40)
Rent Advance	88,438.42	156,388.40	(67,949.98)
Salary Advance	-	75,932.60	(75,932.60)
Funeral Loan	12,233.88	16,514.96	(4,281.08)
Insurance Loan	4,912.55	11,194.32	(6,281.77)
Educational Loan	50.00	92.94	(42.94)
Total			(1,747,483.96)

551. This was due to the absence of regular reconciliation and interrogation of differences that arose between the staff payroll (ledger balance) as against the general ledger balance.

552. Such significant differences may be an indication of a poor internal control system on payroll and this may create room for non-detection of irregularities.

553. We recommended that differences on reconciliation of staff accounts should be reviewed and interrogated.

554. Management responded that the balances arose from their previous Payroll software transferred to the new software and that a team has been set-up to retrieve documents on the issues from archives and investigate the differences.

STUDENTS' LOAN TRUST FUND

Introduction

555. This report relates to the audited accounts of the Students' Loan Trust Fund for the years ended 31 December 2012 and 2013.

Operational results

556. Total Income of the Fund which is made up of Administrative Grant, Interest on Students' Loan, Investment Income and Other Income witnessed a modest rise of 15.3% from GH¢2,496,849 in 2012 to GH¢2,879,978 in 2013. This was due to a phenomenal 690.0% increase in Interest on Student's Loan in 2013.

557. The Income and Expenditure statement for the year ended 31 December 2013 showing the performance indicators for the two years is provided in table 38.

Table 38: Income statement for 2013

Items	2013 GH¢	2012 GH¢	% Change
Income	2,879,978	2,496,849	15.3
Less Expenditure			
Staff Cost	1,197,402	1,232,861	(2.9)
Travelling and Transport	213,026	171,594	24.1
Financial & Professional Charges	22,680	17,286	31.2
Administrative & Other Expenses	1,081,440	870,303	24.3
Provision for Bad & Doubtful Debt	238,009	-	-
Total Expenditure	2,752,557	2,292,044	20.1
Surplus / (Deficit)	127,421	204,805	(37.8)

558. Total Expenditure incurred in 2013 was GH¢2,752,557 as against GH¢2,292,044 recorded in 2012 representing an increase of 20.1%. The upward revision in Travelling & Transport, Financial and Professional Charges, Administrative and Other Expenses and Provision for Bad and Doubtful Debts which was previously not present accounted for the rise.

559. The Fund ended its operations with a surplus of GH¢127,421 while 2012 recorded a surplus of GH¢204,805, representing a drop of 37.8%.

Financial position

560. The Fund's financial position is summarized in table 39:

Table 39: Balance sheet as at 31 December 2013

Items	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	93,713,196	85,083,052	10.1
Current Assets	16,640,893	12,006,326	38.6
Current Liabilities	137,473	157,260	(12.6)
Net Current Assets	16,503,420	11,849,066	39.3
Net Assets	110,216,616	96,932,118	13.7
Current Ratio	121.0:1	76.3:1	

561. The Fund's Non-Current Assets rose by 10.1% from GH¢85,083,052 in 2012 to GH¢93,713,196 in 2013. This was due to an increase in Students Loan – Un-matured which rose by GH¢8,648,216 or 10.1%.

562. Current Assets also recorded an increase of 38.6% to GH¢16,640.893 in 2013 from an amount of GH¢12,006,326 obtained in 2012. Though there was a fall in Investment and Inventory, a substantial increase of 260.3% in Cash and Bank Balance, a rise of 134.6% and 137.4% in Students Loan – Matured and Accounts Receivables and Prepayments respectively resulted in the increase in Current Assets.

563. Current Liabilities fell by 12.6% from GH¢157,260 in 2012 to GH¢137,473 in the year under review as a result of a fall in Accounts Payable and Accruals.

564. Liquidity outlook as measured by a current ratio of 121.0:1 (2012:76.3:1) remained favourable indicating that the Fund can meet its short term obligations as and when they fall due.

MANAGEMENT ISSUES

Decline in loan disbursement

565. The core activity of the fund is disbursement of loans to tertiary programmes in accredited institutions in Ghana.

566. A review of the loans disbursed over a three year period showed a decline. Loans granted decreased significantly by 9.6% from 2010 to 2011 and a further 28% from 2011 to 2012. Table below shows the details.

Loan disbursement

Year	Budget (GH¢)	Actual Amt. (GH¢)	No. of Students
2012	13,500,000	8,755,623	13,293
2011	12,600,000	12,140,192	19,293
2010	10,890,000	13,428,543	26,424

567. The purpose for the establishment of the Fund will be defeated if the loan disbursement continues to decline indefinitely.

568. Whilst appreciating Managements caution in disbursement as well as recovery of advances there is also the need to intensify its efforts at addressing the declining trend by engaging in Communication, campus seminars, information on application forms of qualifying institutions and other electronic media to advance the Funds aim at supporting needy students. There may also be the need to review the scheme in total to enable it become more attractive and easier to access.

569. Management responded that it has embarked on numerous measures to investigate and to address the decline in loan disbursement.

Loan recovery

570. A Loan Recovery Department was established in 2011 to ensure that loans due are received on time and in full. However, total loans recovered during the year amounted to GH¢1,983,869.07 representing 36% of the total amount due for recovery.

571. The table below illustrates the shortfall in the recovery generated from the funds application program (SLMS).

Year	No. of Students	Amount Due (GH¢)	Amount Received (GH¢)	Outstanding (GH¢)
2012	10466	5,519,096	1,983,869	3,535,227
2011	3381	1,051,952	497,175	554,777

572. We pointed out to management that, the risk of default increases significantly when the amounts become long overdue.

573. We therefore recommended that an action plan be developed, approved and pursued to recover not only the overdue amounts but also amounts due currently as failure to recover the due amounts deprive the fund of funds for disbursement to other students.

574. Management responded that it is fully aware of the risk of default in loan recovery and has put in place measures to recover the loans.

Rent payable

575. The Fund's Head Office operate from a rented property, the rent (in US Dollars) is payable every two years at the prevailing exchange rate. Total rent paid in June 2011 as Rent advance amounted to US\$178,080 (GH¢280,119.84).

Year	Rent Expense US\$	Rent Expense (GH¢)
2012	89,040	140,060
2011	86,940	133,467
2010	84,000	124,236

576. An amount of GH¢356,168 has been budgeted for the payment of another two years rent in June 2013.

577. We advised that Management must put in place plans for acquiring a permanent premises.

578. Management responded that several attempts have been made by SLTF over the years to acquire its own premises. Such attempts include application to University of Ghana and Lands Commission for land to be released for the SLTF to build a permanent structure. SLTF has also held discussions with the Deputy Minister of Education in charge of Tertiary Education who has promised to identify government property for SLTF.

Other sources of funds

579. Currently the only source of funds is the allocation from GET-Fund representing 10% of inflows into the Student Loan Trust Fund (SLTF) has not received the full amount of allocations made over the last two years. For example, during the year under review, the Fund received GH¢13,624,751 out of the total allocation of GH¢15,000,000.

580. Act 820, establishing the Fund (SLTF) permits other sources of funding to augment the allocations from the GET-FUND. Even though, we have noted that Management has made effort to engage in Private Public Partnership (PPP) through Ministry of Finance and Economic Planning (MOFEP) with the aim of addressing this issue, management's attention was drawn to the following:

581. In order not to stifle the objectives of the Fund management must take advantage of the other source of funding in ACT 820(3) such as:

- Voluntary contributions which are tax deductible.
- Mobilisation of resources from local and international partners interested in the advancement of tertiary education.
- Contribution from the corporate sector that shall be tax deductible equivalent to 0.3% of the company's annual profit before tax.
- Money from tax exempt bonds issued with the approval of the Minister of Finance.
- One percent of money's taken from the communications service tax revenue.

582. Management responded that attempts have been made by SLTF for additional funding including:

- SLTF completed a pre-feasibility study under the Private Public partnership (PPP) project in the year under review and received approval to conduct a full feasibility study with the assistance of a resource person at the Ministry of Finance and Economic planning (MOFEP).
- SLTF is pursuing the Communication Service Tax through the Ministry of Education, Ministry of Finance and Economic Planning and the Ministry of Communication

Audit Report Implementation Committee (ARIC)

583. Contrary to Section 30(2) of Act 584 the Fund had not established an ARIC.

584. The absence of an ARIC could negatively impact on management's effort at addressing audit issues timely and adequately.

585. We recommended that the Board should expedite action on the process of setting up an ARIC to oversee the implementation of audit reports to minimize the recurrences of irregularities,

586. Management responded that plans are advanced in establishing an ARIC.

Board allowance

587. Following our observation of a rise in the amount for Board fees and allowances paid to members of the Board of Trustees for 2013 of 77% (GH¢194,157 in 2012 to GH¢344,272 in 2013) further work showed that there was a component for End of Service Benefits.

588. The Students Loan Trust Fund Act 2011 (Act 820) regarding Board Allowances – Section 11 provides that “Members of the Board and members of a Committee of the Board shall be paid allowances approved by the Minister in consultation with the Minister responsible for finance”. We found no evidence of such ministerial approval. There was however minutes from the 60th Board Meeting giving approval for the payment of end of service benefit to members.

589. We recommended that the Board should take appropriate steps to regularize the payments by seeking the statutory ministerial approval.

590. Management responded that there is a difference between the allowances provided for under Section 11 of SLTF ACT 820 and payment for relevant retirement benefits provided for under Section 14 of 2012 Presidential Transitional Act. The amount paid to the Board Members that resulted in the increase in the payment for Board was as a result of payment for relevant retirement benefit.

NATIONAL INSURANCE COMMISSION

Introduction

591. This report is on the audited accounts of the National Insurance Commission for the year ended 31 December 2013.

Operational results

592. The Commission ended the year with a surplus of GH¢220,282 as against GH¢687,503 for the year ended 31 December 2012. This represented a 68.0% fall over the previous figure. A summary of the Commission's performance for the period under review is shown in table 40.

Table 40: Income Statement for 2013

Item	2013 GH¢	2012 GH¢	% Change
Income	8,558,673	7,420,726	15.3
Other Income	317,291	37,033	756.8
Total Income	8,875,964	7,457,759	19.0
Expenditure			
Staff Cost	5,382,732	3,692,914	43.1
Auditors' Remuneration	14,100	9,075	55.4
Directors' Emoluments	823,943	910,767	(9.5)
Depreciation	302,634	257,564	17.5
Sticker & Adhesive Cost	129,142	139,943	(7.7)
Loss on Disposal of Assets	14,384	-	-
Other Expenditure	1,988,747	1,759,993	13.0
Total Expenditure	8,655,682	6,770,256	27.8
Surplus/(Deficit)	220,282	687,503	(68.0)

593. Total Income for the year was GH¢8,875,964, an increase of 19.0% of GH¢7,457,759 obtained in 2012. The increase in regular

income was attributed mainly to increases in Levies on Life and Non-Life Insurers. Refund of utilities from tenants of the Commission accounted for the increase in Other Income.

594. Total Expenditure rose by 27.8% to GH¢8,655,682 in the current year from GH¢6,770,256 obtained in 2012. The increase in Total Expenditure was mainly due to a significant rise in Staff Cost, General Office Expenses, and Vehicle Running Cost.

Financial position

595. Summary of the Commission's financial position as at 31 December 2013 is provided in table 41.

Table 41: Balance sheet as at 31 December 2013

Items	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	1,263,861	1,238,470	2.1
Current Assets	5,046,158	4,407,665	14.5
Current Liabilities	945,296	476,259	98.5
Net Current Assets	4,100,862	3,931,406	4.3
Net Assets	5,364,723	5,169,876	3.8
Current Ratio	5.3:1	9.3:1	

596. Non-Current Assets increased marginally by 2.1% from GH¢1,238,470 in 2012 to GH¢1,263,861 in 2013. The Non-Current Assets included Property, Plant and Equipment and Equity Shareholding in the Ghana Insurance College. The marginal increase was as a result of acquisition and disposal of Fixed Assets within the year.

597. Current Assets also increased by 14.5% to GH¢5,046,158 in 2013 as against GH¢4,407,665 in the previous year. The upward movement was as a result of a rise in Accounts Receivable, Short-Term Investments, Cash and Bank Balances.

598. Current Liabilities which is made up of Accounts Payable and Accruals increased significantly by 98.5% from GH¢476,259 in 2012 to GH¢945,296 in 2013. The significant increase was due mainly to a rise in Accrued Expenses, Accrued Directors' Remuneration which was not present the previous year, Provident Fund and other Payable Compensation Fund, Motor Contribution Payable PAYE and SSF Payable.

599. The Current ratio of 5.3:1 (2012:9.3:1) showed that the Commission is solvent and can meet its short term obligation when they fall due.

VENTURE CAPITAL TRUST FUND

Introduction

600. This report relates to the audited accounts of the Venture Capital Trust Fund for the year ended 31 December 2012.

Operational results

601. Presented in table 42 are the summarized operational results for the review period.

Table 42: Income and Expenditure statement for 2012

	2012 GH¢	2011 GH¢	% Change
Income	4,123,942	2,887,277	42.8
Expenses			
Administrative Expenses	2,950,140	3,121,062	(5.5)
Trustee Emoluments	245,719	123,595	98.8
Auditors Remuneration	14,000	12,000	16.7
Depreciation	127,815	92,230	38.6
Impairment charge on loans	900,914	195,121	361.7
Net changes in fair value of Financial Assets at Fair value through Profit and loss	249,642	2,068,143	(87.9)
	4,488,230	5,612,151	(20.0)
Profit/(Loss)	(364,288)	(2,724,874)	(86.6)

602. Total Income increased from GH¢2,887,277 in 2011 to GH¢4,123,942 in 2012 showing a rise of 42.8%. The increase was due to a 43.7% growth in interest on Fixed Deposits and Loans. Other Income also increased by 109.5%.

603. Total Expenditure showed a reduction from GH¢5,612,151 in 2011 to GH¢4,488,230 in 2012 registering a decrease of 20%.

604. The reduction in Total Expenditure was due to a decrease in Administrative Expenses and a decline in net changes in fair value of financial assets at fair value through profit and loss.

605. The year ended with a deficit of GH¢364,288 as compared to a deficit of GH¢2,724,874 in 2011, recording a decrease in deficit of 86.6%.

Financial position

606. Presented in table 43 is the financial position as at 31 December 2012.

Table 43: Balance sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	14,637,742	11,967,919	22.3
Current Assets	25,423,418	16,985,451	49.7
Current Liabilities	270,839	407,070	(33.5)
Net Current Assets	25,152,579	16,578,381	51.7
Net Assets	39,720,321	28,546,300	39.1
Current Ratio	93.9:1	41.7:1	

607. Non-Current Assets increased by 22.3% from GH¢11,967,919 in 2011 to GH¢14,637,742 in 2012, as a result of increase in Financial Assets at fair value through profit or loss.

608. Current Assets also rose by 49.7% from GH¢16,985,451 in 2011 to GH¢25,423,418 in 2012 due to increases in Loans, Receivables and Cash and Cash Equivalent.

609. Current Liabilities however decreased by 33.5% from GH¢407,070 in 2011 to GH¢270,839 in 2012 as a result of a decline in Payables.

610. The current ratio of 93.9:1 (2011:41.7:1) remains favourable as it indicates that the Company can meet its short term commitments when they fall due.

MANAGEMENT ISSUES

Imprest not accounted for - GH¢77,566

611. Contrary to Regulation 288(2) of the FAR we observed that during the year under review, some Directors and Staff who were given accountable imprest for travelling purposes did not retire them. The total accountable imprest not retired as at the end of the year was GH¢77,566.

612. Consequently we could not authenticate whether the amount concern was used in the interest of the Commission.

613. We recommended that, Management should put in place measures that will ensure that both Staff and Directors retire their imprest when they return from their trips, otherwise the funds should be adjusted as advances to the personal account of the imprest holder.

614. Management responded that the Audit and Finance Committee has given both staff and Directors concerned, 90 days to account for all outstanding imprest or the related amount be deducted from Board fees or employees salaries respectively. The Committee has also advised Management to enforce a 48 hour imprest retirement policy with immediate effect.

No title deeds for land acquired by the fund

615. We observed that although the land acquired by the Fund for the construction of an office complex has been fully paid for, we did not sight the land title documents.

616. In the absence of title deed the Fund cannot claim legal ownership of the land resulting in losses in times of disputes.

617. Management should intensify its efforts in obtaining the Title Deeds.

618. Management responded that, the Land document has gone through the judicial stages and is currently at valuation. From valuation, the next step will be land title for finalization of all documentation.

DAF and SPV clients – Loan repayment - GH¢6,710,849.57

619. We noted that, though a monitoring team was put together to aid the collection of debts most of the clients were still not adhering to the repayment agreement and as a result GH¢6,710,849.57 of the total outstanding loans was long overdue as stated below:

Special purpose vehicle	GH¢5,906,699.96
Development Assistance Fund	<u>804,149.61</u>
	<u>GH¢6,710,849.57</u>

620. The recoverability of overdue loans may be challenging with its attendant risk of losses.

621. We recommended that Management should take precautionary measures to avoid high probability of the trust Fund losing money.

622. Management responded that it is currently in the process of recruiting more national service personnel to intensify the monitoring and collection of the loans.

MINISTRY OF EDUCATION

UNIVERSITY OF GHANA

Introduction

623. This report relates to the audited accounts of the University of Ghana for the year ended 31 December 2010.

Operational results

624. Details of the performance indicators are provided in table 44

Table 44: Income Statement for 2010

Item	2010 GH¢	2009 GH¢	% Change
Government Grants	52,194,970	47,257,617	10.4
Internally Generated Income	39,089,523	38,176,202	2.4
Total Income	91,284,493	85,433,819	6.8
Expenditure			
Staff Emoluments	51,983,748	41,999,231	23.8
Admin. & General Exp.	6,613,269	6,503,945	1.7
Other Expenses	34,869,194	31,889,522	9.4
GETFUND Expenses	218,520	3,190,622	(93.2)
Total Expenditure	93,684,731	83,583,320	12.1
(Deficit)/Surplus	(2,400,238)	1,850,499	(229.7)

625. Total Income rose by 6.8% from GH¢85,433,819 in 2009 to GH¢91,284,493 in 2010. Government Grants accounted for 57.2% of total income for the year while IGF accounted for 42.7%.

626. Total Expenditure for the year also went up from GH¢83,583,320 in 2009 to GH¢93,684,731 in 2010, representing an increase of 12.1%. This increase was due mainly to a 23.8% rise in Staff Emoluments.

627. The operations of the University ended with a deficit of GH¢2,400,238 as compared to a surplus of GH¢1,850,499 representing a fall of 229.7%.

Financial position

628. Shown in table 45 is the financial position of the University as at 31 December 2010.

Table 45: Balance Sheet as at 31 December 2010

Item	2010 GH¢	2009 GH¢	% Change
Non-Current Assets	12,252,764	12,252,764	-
Current Assets	28,074,996	35,186,029	(20.2)
Current Liabilities	4,027,238	12,804,235	(68.6)
Net Current Assets	24,047,758	22,381,794	7.5
Net Asset	36,300,522	34,634,558	4.8
Current Ratio	7.0:1	2.8:1	

629. Non-Current Assets which was made up of long term investment did not see any movement.

630. Current Assets dropped by 20.2% from GH¢35,186.029 in 2009 to GH¢28,074,996 in 2010. This was a result of decreases in Cash and Bank Balances as well as debts and other receivables.

631. Current Liabilities also decreased by 68.6% from GH¢12,804,235 in 2009 to GH¢4,027,238 in 2010.

632. The liquidity outlook as depicted by a current ratio of 7.0:1 (2009:2.8:1) was very favourable. This showed the ability of the University to meet its short term obligations when they fall due.

MANAGEMENT ISSUES

Journals were prepared and approved by the same official

633. Our review of journals confirmed that certain journal entries were passed and approved by the same official. Details are shown below:

Date	Reference	Amount (GH¢)
21/05/13	FA/JO/RECGCB	1,644,910.26
11/06/13	FA/JO/LASPBL01	5,422.21
10/06/13	FA/JO/LASPBL01	33,830.30
07/06/13	FA/JO/ICDEADB02	1,000,000.00
07/06/13	FA/JO/ICDEADB02	1,133,358.60
10/07/13	FA/JO/RESAB	724,011.50
1305/06/13	FA/JO/RECGCB	887,870.00
11/07/13	FA/JO/RESAB	935,407.29
10/07/13	FA/JO/RECSAB	733,647.28
10/07/13	FA/JO/RECSAB	1,071,687.89
11/06/13	FA/JO/RESAB	13,104.00
10/06/13	FA/JO/RESAB	131,564.74
Total		8,314,814.08

634. This was as a result of lack of segregation of duties which could lead to illegal payments.

635. We recommended to Management to enforce segregation of duties on journal preparations.

636. Management accepted our recommendation and responded that journals are now being reviewed and approved by a senior official.

Too many bank accounts maintained

637. We noted that the Main University's bank balances are held in seventy seven (77) different bank accounts. Some of the accounts were under the control of the departments and halls.

638. This made it difficult to effectively monitor the bank accounts, which could lead to errors and unauthorized transactions not being detected on time for the necessary corrective actions to be taken.

639. We advised Management to review the bank accounts and close those that are not needed.

640. Management responded that the introduction of the new Accounting software, ITS enabled Self Accounting Units which were hitherto preparing their own accounts and had separate bank accounts migrate unto the new system with their many project and operational bank accounts. Management has therefore established Bank Accounts Rationalization Committee

which has been reviewing the various bank accounts and have so far succeeded in closing some of the bank accounts.

Transactions posted to Memorial Fund and Operating Expense account without supporting documentation - GH¢65,710

641. We noted that transactions amounting to GH¢65,710 were without supporting documentation. The details are shown below:

Date	Reference	Description	Amount (GH¢)
17/11/10	125300	Memorial Fund (Field Expense)	14,196
Operating Expenses:			
8/9/10	120957	Blinkstar Technologies Gh. Ltd	3,815
24/9/10	121664	Datasoft Computer Services Ltd	4,102
28/01/11	AN639329	Bn33135996 Vodafone	3,241
08/9/10	120950	Messrs. Membrew Const. & Trading	25,405
08/9/10	120921	Messrs. Kanof Ltd	14,951
Total			65,710

642. This was as a result of Management's failure to supervise the accounts staff.

643. We could therefore not establish the authenticity of the payments since the supporting documents were not made available.

644. We advised that Management should ensure that supporting documentations are properly filed for easy retrieval. We recommended that the payment should be justified or the amount refunded by the responsible officials into the University's account.

Unsupported Transactions under Internally Generated Income - GH¢23,392

645. During our review of journal entries, we were not provided with source documentation in respect of the transactions below:

Date	Reference	Description	Amount (GH¢)
7/6/13	FA/JO/IASPBL	General Journal Correction (Accommodation Rental)	12,640.00
11/6/13	FA/JO/GCB61	General Journal Correction (Part-time-teaching)	10,752.00
Total			23,392.00

646. This was due to lack of supervision in the accounts department. We were unable to confirm the validity and occurrence of these transactions.

647. Management should follow up the transactions and ensure that the supporting documents are retrieved.

UNIVERSITY OF EDUCATION, WINNEBA

Introduction

648. This report relates to the audited accounts of the University of Education, Winneba for the year ended 31 December 2012.

Operational results

649. Total Income for the year under review grew by 35.4% from GH¢69,151,325.85 in 2011 to GH¢93,661,595.66 in 2012. The increase was due to a 43.1% increase in Government Subvention and Grants and a 28.0% increase in Fees and Other Incomes. Government Subvention alone grew by 48.9% from GH¢32,814,561.93 in 2011 to GH¢48,855,840.93 in 2012 and accounted for 52.2% of Total Income.

650. Presented in table 46 are the performance indicators.

Table 46: Income Statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government Subventions & Grants	50,367,709.46	35,192,912.27	43.1
Donor Funds	57,317.00	179,188.07	(68.0)
Fees and Other Income	43,236,569.20	33,779,225.51	28.0
Total Income	93,661,595.66	69,151,325.85	35.4
Expenditure			
Cost of Employee Compensation	54,006,705.42	30,066,648.70	79.6
Cost of Goods & Services – Non - Teaching	10,265,664.28	10,425,276.18	(11.5)
Cost of Goods & Services – Teaching	11,545,678.16	9,969,288.96	15.8

Cost of Investment written off	5,236,348.47	4,531,593.70	15.6
Total Expenditure	81,054,396.33	54,992,807.54	47.4
Surplus for the year	12,607,199.33	14,158,518.31	(11.0)

651. Total Expenditure also rose by 47.4% from GH¢54,992,807.54 in 2011 to GH¢81,054,396.33 in 2012. Cost of Employee Compensation accounted for 66.6% of total expenditure. A 79.6% rise in Cost of Employee Compensation was due to upward adjustment of Personnel Emoluments – established post from GH¢27,837,847.54 in 2011 to GH¢50,085,283.27 in 2012, representing 79.9% increase.

652. The University recorded a surplus of GH¢12,607,199.33 for the year 2012 (2011: GH¢14,158,518.31), representing a decrease of 11.0%. The decrease in the surplus was as a result of a high expenditure incurred on Employee Compensation.

Financial position

653. Presented in table 47 is the financial position of the University for the year under review.

Table 47: Balance Sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	38,803,925.24	29,404,972.96	32.0
Current Assets	33,720,129.97	30,183,868.34	11.7
Current Liabilities	1,065,705.02	732,713.28	45.5
Total Assets	72,524,055.21	59,588,841.30	21.7
Current Ratio	31.6:1	41.2:1	

654. Non-Current Assets increased by 32.0% to GH¢38,803,925.24 in 2012 as against GH¢29,404,972.96 in 2011 due to acquisition of additional assets during the year, especially Classrooms and Laboratory and Work-In-Progress (WIP) which amounted to GH¢7,742,684.25 in 2012 alone.

655. Current Assets also experienced a marginal 11.7% rise from GH¢30,183,868.34 in 2011 to GH¢33,720,129.97 in 2012. Increases in Short-Term Investments and Account Receivables accounted for the rise.

656. Current Liabilities at the close of 2012 was GH¢1,065,705.02 as against GH¢732,713.28 in 2011, representing an increase of 45.5%. The increase was mainly due to increases in Payroll Deductions and Other Payables.

657. Current ratio dropped from 41.2:1 in 2011 to 31.6:1 in 2012. The decrease, however, will not affect the short term solvency and the University can therefore meet its short-term financial obligations when they fall due.

MANAGEMENT ISSUES

Failure to serve bond before resigning: Rita Ekua Abaidoo - GH¢29,000.00

658. We noted during the course of the audit that Miss Rita Ekua Abaidoo, a staff of the UEW, Kumasi Campus resigned one and half years after benefiting from the Study Leave Policy of the University without serving all the four (4) years required by the Study Leave Policy. Our investigations also revealed that, having failed to serve

the rest of the period, she did not also refund the said amount of GH¢29,000.00 (Bond Price) to the University.

659. Lack of proper control and monitoring mechanism by management caused this anomaly which can deny other qualified beneficiaries the facility.

660. We therefore, recommended that Management should ensure that Miss Rita Ekua Abaidoo refund to the University amount spent on her in the course of her study leave.

661. Management said that, it had taken action to retrieve the amount spent on Miss Rita Ekua Abaidoo and as a result had written to her to refund the money to the University with interest at the prevailing Treasury bill rate which she agreed. She however, requested for a more flexible payment term from the university and this is yet to be agreed on.

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY – KUMASI

Introduction

662. This report relates to the audited accounts of the Kwame Nkrumah University of Science and Technology for the financial years ended 31 December 2011, 2012 and 2013.

Operational results

663. The University recorded a surplus of GH¢31,574,312 in 2013 as against a surplus of GH¢20,628,383 registering an improvement

over the 2012 surplus of 53.1%. Table 48 provides the performance indicators for the last two years.

Table 48: Income and Expenditure Statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Income from Regular Sources	215,287,240	174,651,367	23.3
Miscellaneous Income	23,894,838	14,559,555	64.1
Total Income	239,182,078	189,210,922	26.4
Expenditure			
Teaching Faculties	117,488,795	99,821,185	17.1
Research & Outreach	2,816,546	2,284,288	23.3
General Education Expenses	27,020,719	16,079,670	68.0
Library Expenses	2,310,564	2,157,001	7.1
Central Administration	12,443,860	8,756,844	42.1
Staff/students Facilities	25,198,085	22,874,535	10.2
Municipal Services	15,911,508	12,045,145	32.1
Miscellaneous	2,031,707	1,394,143	45.7
Depreciation	2,385,482	3,169,729	(24.7)
Total Expenditure	207,607,266	168,582,540	23.1
Surplus/(Deficit)	31,574,812	20,628,383	53.1

664. Total Income rose by 26.4% from GH¢189,210,922 in 2012 to GH¢239,182,078 in 2013. This was as a result of increases in Income from regular sources and Miscellaneous Income. Income from regular sources formed a significant part of the Total Income; representing 90.0%.

665. Total Expenditure also increased by 23.1% from GH¢168,582,540 in 2012 to GH¢207,607,266 in 2013. This was due to increases in all the expenditure items, especially, General Education Expenses, Central Administration and Miscellaneous Expenses.

Financial position

666. Presented in table 49 is the financial position of the University as at 31 December 2013.

Table 49: Balance sheet as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	51,890,417	38,468,487	34.9
Current Assets	122,320,457	88,987,274	37.5
Current Liabilities	33,098,598	18,936,242	74.8
Net Assets	141,112,277	108,509,519	30.0
Current Ratio	3.7:1	4.7:1	

667. The University's Non-Current Assets went up by 34.9% from GH¢38,468,487 in 2012 to GH¢51,890,417 in 2013. The Increase resulted from additions to Property, Plant and Equipment.

668. Current Assets also rose by 37.5% from GH¢88,987,274 in 2012 to GH¢122,320,457 in 2013. There were increases in Departmental Stocks & Stores, Sundry Debtors, Staff Loans and Cash Funds.

669. Current Liabilities also increased from GH¢18,936,242 in 2012 to GH¢33,098,598 in 2013, a rise of 74.8%. This was as a result of

increases in Bank Overdraft, Sundry Creditors and Accruals & Other Credit Balance.

670. The University's current ratio of 3.7:1 (2012:4.7:1) showed that it has enough resources to meet its short term debts when they fall due.

MANAGEMENT ISSUES

Affiliation

671. An Organisation which grants affiliation to other institutions/colleges is expected to keep records of all relevant documents with respect to that affiliation.

672. Contrarily, the Memorandum of Understanding (M.O.U) / Terms of Agreement with the various affiliated institutions were not made available for our verification

673. In a further development we sighted an instance at the College of Health Sciences, where an amount of GH¢5,640 was received in 2013 as against an amount of GH¢8,699 collected in 2012. However in the absence of relevant documents such as;

- New Registrations of Affiliated Institutions
- Recorded keeping of Annual fees received from Institutions affiliated to the University; the audit team was unable to authenticate whether there have been any lapses for redress.

674. According to management, the officer was not available during the duration of the audit and therefore could not make the documents available to the Auditors. However, documents relating to Affiliations are Memorandum of Understanding, Affiliation Agreement and Instrument of Affiliation are all available at the Affiliation Office and would be made available to the Auditors on their next visit.

675. We did not accept management's explanation and stated that in line with best management practice another officer should be available to act for the substantive officer in his absence in order not to stall operations.

676. Management's response that the amounts mentioned in the Auditors report as affiliation Fees collected at College of Health Sciences are not Affiliation Fees but Examinations Registration Fee can only be authenticated on the availability of the relevant documents.

Excess Cash and Bank balances and Investments

677. At the School of Post-Graduate Studies, it was noted that bank balance ranged from a minimum of GH¢177,443.18 in January 2012 to GH¢763,678.68 in December 2012. The Bank Balance increased to GH¢1,052,774.93 as at December 2013. This was caused by the failure to set levels of Cash balances for units beyond which excess balances are to be invested. The absence of a Departmental budget also contributed to the under-utilisation or investment of the excess funds.

678. We recommended that:

- (i) There should be a policy on excess funds and
- (ii) Excess idle funds should be invested in call or fixed Deposits to ensure proper financial management of school funds.
- (iii) Budgets should also be prepared for the period ahead and variances be investigated.

679. Management accepted our recommendations.

Student debtors

680. We noted that students in the various colleges owed tuition fees as detailed below:

Faculty	No. of Students	Amount
Owed		
College of Architecture	5	GH¢33,509.50
Institute of Distance Learning	13	<u>39,400.00</u>
		<u>GH¢72,909.50</u>

681. Many students were not registering but only appeared at the exam hall during examinations as a result of which made it difficult for the college to retrieve the tuition fees from the students.

682. This could put the College into financial distress.

683. We recommended that measures are put in place to reduce the possibility of students who owe the University graduating and collecting their certificates.

684. Management responded that a student is awarded a certificate after the Finance Office has cleared the student as not owing any fees , however recommendation of the Auditors have been noted for implementation to avoid a situation where student debtors manage to collect their certificates.

Contracts

685. We noted that payments were made to the following for the provision of services however, we did not sight the relevant contracts/pro-forma invoices supporting the payment vouchers sampled as detailed below:

Payee	Purpose	Amount GH¢
West-House Enterprise	Snacks	13,587.40
Mrs. Doris Eyeson Ghansah	Snacks	13,882.00
Value Properties Limited	Snacks	98,977.81
Acropolis Maranatha Academy	Rent	25,050.00
Obuasi Municipal Assembly	Rent	10,070.00

686. Besides, the above payments were fraught with the following irregularities:

- The supply of snacks was not put to tender and the choice of caterers was selected during a “Blind Tasting Exercise” in which the students voted by taste.
- Based on a letter received from Value Properties dated 1 August 2011, an amount of GH¢10,070 was paid to Obuasi Municipal Assembly by the Institute for using its

conference Hall for lectures conducted for MBA students of the KNUST Business school for the period 2010-2012.

- Tenancy agreement for the rent paid to Acropolis Maranatha Academy were not made available for our inspection to determine the basis and the tenure of the rent.
- No contract was seen to have been signed authorizing Value Property to act as the school's Estate Agent and a contract was not signed to determine the basis and the tenure of the rent

687. We recommended that:

- (i) A formal contract should be drawn up between the prospective suppliers and the school authorities at all times.
- (ii) Copies of contracts are to be made available at all times for verification.
- (iii) Steps should be taken by putting the future supply of EMBA snacks to tender.
- (iv) An established Estate Agent should be appointed to act on their behalf or
- (v) The Estate Office could be asked to act as Estate Agents when the need arise to rent properties off Campus.

GHANA INSTITUTE OF MANAGEMENT AND PUBLIC ADMINISTRATION (GIMPA)

Introduction

688. This report covers the audited accounts of the Ghana Institute of Management and Public Administration (GIMPA) for the year ended 31 December 2012.

Operational results

689. An Income Surplus of GH¢1,325,412 was registered in the year 2012 as against GH¢1,776,928 in 2011. This represented a reduction of 25.4% over the 2011 figure. The operational performance for the year is detailed in table 50:

Table 50: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Income	33,014,601	28,813,926	14.6
Expenditure			
Personnel Emoluments	13,676,930	11,387,788	20.1
Operational Expenses	7,190,064	6,523,498	10.2
Administrative and General Expenses	8,762,922	6,987,978	25.4
Travel and Transport	757,909	638,870	18.6
Repairs and Maintenance	1,301,364	1,498,864	(13.2)
Total Expenditure	31,689,189	27,036,998	17.2
Excess of Income over Expenditure	1,325,412	1,776,928	(25.4)

690. Total Income rose by 14.6% from GH¢28,813,926 in 2011 to GH¢33,014,601 in 2012. An increase in incomes from Business School, Other School and Other Sources accounted for the rise.

691. Total Expenditure also went up by 17.2% from GH¢27,036,998 in 2011 to GH¢31,689,189 in 2012. Increases in personnel Emoluments, Operating Expenses, Administrative and General Expenses and Travel and Transport accounted for the upward movement.

Financial position

692. The financial position of the institution as at 31 December 2012 is summarized in table 51:

Table 51: Balance sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	19,334,119	15,486,915	24.8
Current Assets	10,444,837	9,071,157	15.1
Current Liabilities	7,422,127	5,350,425	38.7
Non-Current Liabilities	1,372,529	1,345,813	2.0
Net Assets	22,356,829	19,207,647	16.4
Current Ratio	1.4:1	1.7:1	

693. Non-Current Assets rose by 24.8% from GH¢15,486,915 in 2011 to GH¢19,334,119 in 2012. This was due to additions to Property, Plant and Equipment and an increase in Long Term Investment.

694. Current Assets recorded a rise of 15.1% from GH¢9,071,157 in 2011 to GH¢10,444,837 in 2012. The rise was as a result of increases in Consumable Stocks, Debtors and Prepayments, Short term Investments and Cash and Bank Balances.

695. Current Liabilities similarly rose from GH¢5,350,425 in 2011 to GH¢7,422,127 in 2012. An increase of 38.7%. This was largely due to an increase in Creditors and Accruals.

696. The liquidity position for 2012 was 1.4:1 as against 1.7:1 recorded in 2011. As this falls below the bench mark, the Institute would not be able to meet its short-term financial obligations as and when they fall due.

MANAGEMENT ISSUES

Accommodation expenses not recovered - GH¢113,943

697. We observed that the Institute made payments to the following organizations for rental of accommodation to run programmes.

	GH¢	
Kings Thomas Hotel	69,218	August 2008
Ghana Broadcasting Corp.	44,725	July 2009
Total	113,943	

698. However, the contract to run those programmes were abrogated and the GH¢113,943 has been treated as prepayments in the accounts.

699. We recommended that efforts should be made to recover these amounts.

700. Management accepted our recommendation and said the case have been referred to GIMPA's solicitors for further action.

Expired stock items - GH¢10,913

701. We observed that various stock items valued at GH¢10,913.40 have expired. Additionally tonner and cartridges purchased did not match the printers and photocopiers in use.

702. We attributed the above lapses to the failure of responsible personal to exercise due diligence in the performance of their responsibility.

703. This has resulted in avoidable loss to the Institute.

704. We advised that Management should ensure that due diligence is done on stock items needed for effective operations of the Institutes activities before purchases are made. Management should further ensure that all responsible officials exercise their responsibility with the utmost care otherwise they should be sanctioned for any avoidable losses.

705. Management responded that it has formed a board of survey to dispose of all expired items.

NATIONAL ACCREDITATION BOARD

Introduction

706. This report relates to the audited accounts of the National Accreditation Board for the period 1 January 2013 to 31 December 2013. A summary of the Board's operational performance is provided in table 52.

Table 52: Income statement for 2013

Income	2013 (GH¢)	2012 (GH¢)	% Change
GOG-Subvention	1,762,387.73	786,328.76	124.1
Internally Generated Funds	3,405,172.07	2,526,122.69	34.8
Other Funds and Int. On Investment	346,220.77	514,400.81	(32.7)
Total Income	5,513,780.57	3,826,852.26	44.1
Expenditure			
Personal Emoluments	1,724,897.48	406,482.69	324.4
Administration	1,150,899.83	1,013,226.62	13.6
Service Activity	2,156,370.55	1,443,092.13	49.4
Total Expenditure	5,032,167.86	2,862,801.44	75.8
Excess/(Deficit) Income over Expenditure	481,612.71	964,050.82	(50.0)

707. Total Income of the Board increased by a margin of 44.1% from GH¢3,826,852.26 in 2012 to GH¢5,513,780.57 in 2013. This resulted from increase of 124.1% in Government Subvention (i.e. Employees Compensation) and 34.8% in Internally Generated Fund from GH¢2,526,122.69 in 2012 to GH¢3,405,172.07 in 2013.

708. Total Expenditure also saw a rise of 75.8% from GH¢2,862,801.44 in 2012 to GH¢5,032,167.86 in 2013. This was mainly due to 324.4% upward revisions in Personal Emolument and 49.4% in Service Activity from GH¢1,443,092.13 in 2012 to GH¢2,156,370.55 in 2013.

709. The Board's Income Surplus declined by 50.1% from GH¢964,050.82 in 2012 to GH¢481,612.71 in 2013.

Financial position

710. Financial position as at 31 December 2013 of the Board is provided in table 53

Table 53: Balance sheet as at 31 December 2013

Assets	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	1,365,251.61	538,572.96	153.5
Current Assets	2,937,396.36	3,284,140.59	(10.6)
Sundry Creditors	7,131.08	3,559.37	100.4
Total Net Assets (Equity)	4,295,516.89	3,819,154.18	12.5
Liquidity	411.9:1	922.7:1	

711. Non-Current Assets up surged by a margin of 153.5% from GH¢538,572.96 in 2012 to GH¢1,365,251.61 in 2013. This was mainly due to additions during the year.

712. Current Assets decreased by 10.6% from GH¢3,284,140.59 in 2012 to GH¢2,937,396.36 in 2013. This was mainly due to a 24.5% decrease in Investment. Net Assets; also saw an increase by a percentage of 12.5% during the period.

713. Liquidity position of the Board measured by its current ratio of 411.9: 1 (2012: 922.7:1) remained solvent an indication that the Board can conveniently meet its short term obligations as and when they fall due.

MANAGEMENT ISSUES

Delay in the recovery of staff advances and loans-GH¢84,378.02

714. Notwithstanding FAR 113(1) and 112, we observed that 25 officers who were granted loans/advances totaling GH¢143,377.18 between 2010 and 2013 paid back only GH¢58,999.16 leaving GH¢84,378.02 in arrears as at 31 December 2013 as summarized in the table below:

Advances	Balance as at 1/1/2013 GH¢	Payment in 2013 GH¢	Balance as at 31/12/2013 GH¢
Rent	49,984.36	14,116.18	35,868.18
Staff advances to old employees	23,988.02	18,615.83	5,374.08
Salary Advance to newly employed staff	69,404.80	26,267.15	43,137.65
Total	143,377.18	58,999.16	84,378.02

715. The delay in recovery was due to management's failure to prepare input forms for the deduction of the loans/advances at source when the Board was put on the Controller and Accountant General's Department payroll system.

716. Consequently the untimely payment of these debts has not only deprived other staff of the loan facility but would negate the Board's finances for smooth running of its operations.

717. We urged management to introduce and strictly enforce a recovery schedule by preparing input forms immediately to the

Controller and Accountant General Department to ensure timely settlement of the outstanding advances and loans. Management could also employ any other means such as direct payment in to Board's Account by the borrower or any other means it deems feasible.

Unbudgeted staff advances and loan -GH¢376,197.60

718. Contrary to Section 5(a) of the Retention of Funds Act, 2007, the Board granted an amount of GH¢300,000.00 and GH¢76,197.60 as loans, salary and rent advances from its IGF. This expenditure was not included in the annual budget estimate for the 2013 financial year for Parliamentary approval.

719. The lapse was as a result of non-adherence to the above regulation.

720. The irregularity caused the expenditure not to be subject to approved limits and could, lead to over spending as result of which priority programmes might not be undertaken.

721. We recommended and Management accepted to include in its annual estimate budget covering the usage of the IGF for Parliamentary approval

Control over cash revenue

722. In spite of Regulation 48(2) of the FAR 2004 (L.I. 1802) as well as management's policy to collect revenue by cheque, bank transfer or direct payment to bank accounts, we observed that the

Board received a total of GH¢163,430.97 as cash revenue during the period under review.

723. We further noted that the banking of the revenue collected was not consistent with the monies collected for a period. This revenue was mainly from Certificate Evaluation, Processing Fees, Programme Accreditation, Accreditation of Certificate and Staff Loan Refund.

724. This was as a result of management not ensuring that the Institutions and Individuals that require services of the Board pay by any of the means stipulated by the above regulation.

725. The irregularity could result in loss of revenue and could also lead to using current moneys collected to account for an already existing cash shortage

726. We recommended and Management accepted to ensure that all collection of revenue is made by cheque, bank transfer or direct payment to the Board's bank account.

NATIONAL COUNCIL FOR TERTIARY EDUCATION

Introduction

727. This report relates to the audited accounts of the National Council for Tertiary Education for the period 1 January 2012 to 31 December 2013.

Operational results

728. Total Income of the Council fell from GH¢405,604,205 in 2012 to GH¢351,105,091 in 2013, representing a decrease of 13.4%. The fall was mainly due to a 12.9% reduction in Tertiary Institution Transfer from GH¢400,659,586 in 2012 to GH¢349,102,563 in 2013. Subvention for Administration and Services also reduced by 86.6% from GH¢2,701,342 in 2012 to GH¢361,103 in 2013. Though other income rose by 36.2%, the increase could not make up for the significant drop in the Subvention, hence the fall in Total Income.

729. Presented in table 54 are the operational results

Table 54: Income Statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Personnel Emoluments	1,573,418	2,193,342	(28.3)
Subvention (Admin & Service)	361,103	2,701,342	(86.6)
Other Income	68,007	49,935	36.2
Tertiary Institution Transfers	349,102,563	400,659,586	(12.9)
Total Income	351,105,091	405,604,205	(13.4)
Expenditure			
Personnel Emoluments	1,573,418	1,079,223	45.8
Council Members Allowance (PE)	997,932	1,308,410	(23.7)
General Administration	1,520,526	1,726,535	(12.2)
Service Activities	354,307	346,255	2.3
Transfer to Tertiary Institutions	349,179,071	400,544,708	(12.8)
Total Expenditure	353,625,254	405,005,131	(12.7)
Surplus/ (Deficit)	(2,520,163)	599,074	(520.7)

730. Total Expenditure for the year 2013 also decreased by 12.7% from GH¢405,005,131 in 2012 to GH¢353,625,254 in 2013.

731. The Council operations for the year ended with a deficit GH¢2,520,163 compared with a surplus of GH¢599,074 recorded in 2012. The deficit occurred as a result of meager Subvention received to cater for huge general Administration and Service expenses. Again, Council members allowance for 2013 was paid by NCTE hence huge deficit arose.

Financial position

732. Detailed in table 55 is the financial position of the Council as at 31 December, 2013.

Table 55: Financial statement for 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	733,961	269,732	172.1
Current Assets	3,946,968	20,792,845	(81)
Current Liabilities	1,542,390	15,403,977	(90)
Net Assets	3,138,539	5,658,600	(44.5)
Current Ratio	2.55:1	1.34:1	

733. Non-Current Assets of the Council rose significantly by 172.1% from GH¢269,732 in 2012 to GH¢733,961 in 2013. The rise was attributed to acquisition of Motor Vehicle, Furniture and Fittings and Office/House Hold Equipment in 2013.

734. Current Assets decreased by 81.0% from GH¢20,792,845 in 2012 to GH¢3,946,968 in 2013. The decrease was caused by a fall in

Bank Balances due to the settlement of bills from two newly established Universities [UHAS & UENR].

735. Current Liabilities also decreased by 90.0% from GH¢15,403,977 in 2012 to GH¢1,542,390 in 2013. This was due mainly to significant drop in the undisbursed Tertiary Institution Fund. In other words, the settlement of 2012 unpaid bills in 2013 caused the total reduction in Current Liabilities.

736. The Council's liquidity position as indicated by the current ratio of 2.6:1, shown an improvement over that of the previous year, [2012; 1.4:1] and also indicates the Council's ability to meet short term obligations as and when they fall due.

MANAGEMENT ISSUES

Special funds not accounted for - GH¢7,000.00

737. Contrary to FAR 79 and 15 as well as the Council's procedures in place for hiring of the Complex Conference Room, Mr. Jerry Sarfo who doubled as the Administrator and Accountant, failed to keep proper books of accounts.

738. Consequently, Mr. Jerry Sarfo collected special revenue in respect of the Complex Conference Room to the tune of GH¢7,000.00 between August and September, 2013 but failed to account for it. He failed to produce revenue collector's cash book and evidence of lodgement to the bank. When he was invited to make available his records for examination, he refused the invitation, but forwarded one receipt book to the audit team.

739. This irregularity occurred as result of management's flexibility in handling financial issues and the governing of revenue collection.

740. To avoid violation of accounting regulations and rendering of proper account for moneys collected, we advised management to adhere strictly to Departmental Accounting Instruction and comply with the rules and regulations governing the collection of revenue. Meanwhile, Mr. Jerry Sarfo should be made to keep appropriate books of accounts, account for the moneys collected and our office informed for verification.

741. Our examination of the necessary documents attached to management's response and the Council's payment vouchers revealed that, Mr. Jerry Sarfo was paid every expenses incurred on the Conference Centre and had no excuse to keep the money collected.

742. We therefore reiterate our recommendation that Management should ensure the amount of GH¢7,000.00 collected by him is accounted in full and disciplinary action taken against him as stipulated in Regulation 8 of the FAR.

Un-receipted payments - GH¢3,389,276.25

743. Regulation 28 of the FAR 2004 L.I 1802 requires that official receipts shall be obtained for all payments made.

744. Contrary to the above regulation, we noted that no receipts were provided to support a total amount of GH¢3,389,276.25 paid to various institutions and contractors for work done.

745. The irregularity was attributed to the failure of the paying officer to demand the relevant receipts from the recipients to authenticate the payments.

746. We could therefore not determine whether the payments were made to the intended payees.

747. We advised Management to ensure that the paying officer obtains the relevant receipts for these payments and future ones for authenticity, failing which the amount involved should be recovered from the officer involved.

748. Management agreed and promised to obtain the receipts from the institutions concerned.

Non-deduction of 5% withholding tax - GH¢175,496.93

749. Our examination of payment vouchers disclosed that the Accountant failed to deduct the required 5% withholding tax of GH¢175,496.93 from payments made to 12 contractors and suppliers of goods and services in contravention of Section 84(2) of the Internal Revenue Service Act, 2000 (Act 592) .

750. We attributed the lapse to the failure of the authorizing and approving officer's non-compliance to the relevant provisions of the Act.

751. As a result the state was deprived of accrued tax revenue of GH¢175,496.93.

752. We therefore advised Management to be conversant with the relevant tax laws. Meanwhile, the necessary arrangements should be put in place to ensure that the amount of GH¢175,496.93 is recovered and remitted to DTRD of GRA.

753. Management responded that, it has since written to the suppliers involved to refund the amount for onward transmission to the DTRD.

Unauthorized Charging and Collection of VAT GH¢4,595.39

754. Notwithstanding Section 57 of the VAT Act 1998 (Act 546), our examination of payment vouchers of the Council disclosed that a service provider, Didan Cleaning Service charged VAT of 15% but failed to issue VAT invoice in some instances, whilst 3% VAT invoices were issued on other occasions although the VAT charged was 15%. Similarly, we noted that in other instances 15% VAT invoices were issued but with different Tax Payer Identification Number [TIN].

755. This anomaly was occasioned by Management's failure to properly scrutinize VAT invoices before payments are made. As a result, the state was denied revenue of GH¢4,595.39 which could have been used for developmental projects.

756. We recommended that Management should request Didan Cleaning Service to provide the appropriate VAT invoice as evidence of payment of the 15% VAT charged.

757. Management acknowledged our recommendation and said, it had written to the service provider. It also promised to take appropriate measures on the Council's relationship with the company.

**Failure to recover loans and advances granted to staff members
GH¢28,860.84**

758. In violation of FAR 110 and 114(1), we observed that management granted a total amount of GH¢28,860.84 as car loans and salary advances to its staff but failed to put in mechanism to recover the loans and advances from the beneficiaries.

759. Failure by management to strictly comply with conditions attached to the advances is an indication of weaknesses in respect of formulation and implementation of sound financial policies at the Council's office.

760. Management stands the risk of losing the GH¢28,860.84 if measures are not taken to recover the loan from the staff.

761. We urged management to institute stringent measures to recover the loans.

762. Management intimated that it has taken steps to collect part of the debts and assured the team that the rest would be collected.

Unserviceable Items

763. Contrary to Chapter 11, Section 1101 of Stores Regulation 1984, our examination of vehicle files and unserviceable ledger disclosed that out of the 20 vehicles belonging to the Council, five of them had been grounded. We also noted that other office equipment had become unserviceable.

764. The continuous grounding of these vehicles and office equipment would contribute to their further deterioration and loss in value which could lead to little or no value realised during their disposal.

765. We advised and Management accepted to consider disposing of the items in line with existing regulations as soon as possible to avoid further deterioration and loss in value.

GHANA ACADEMY OF ARTS AND SCIENCES

Introduction

766. This report relates to the audited accounts of the Ghana Academy of Arts and Sciences for the period 1 January 2012 to 31 December 2013.

Operational results

767. The Academy registered a deficit of GH¢25,190.89 in 2013 as against a surplus of GH¢45,901.80 in 2012.

768. Total Income increased by a margin of 42.4% from GH¢777,001.62 in 2012 to GH¢1,106,750.43 in 2013. The placement of

the Academy's staff on the Single Spine Salary Structure resulted in the increase of Compensation of Employees Subvention by 58.6% from GH¢612,432.16 in 2012 to GH¢916,097.68 in 2013 hence the significant rise in subvention. Shown in table 56 are the performance indicators.

Table 56: Income statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Subvention	1,026,540.05	647,270.98	58.6
Other Income	80,210.38	129,730.64	(38.2)
Total Income	1,106,750.43	777,001.62	42.4
Expenditure			
Employee Compensation	916,097.68	612,432.16	49.5
Goods and Services	214,473.00	118,001.86	81.8
Cost of Goods Sold	1,370.64	665.80	105.9
Total Expenditure	1,131,941.32	731,099.82	54.8
Excess in income over Expenditure/(Deficit)	(25,190.89)	45,901.80	(154.9)

769. Total Expenditure also increased by 54.8% from GH¢731,099.82 in 2012 to GH¢1,131,941.32 in 2013. This was mainly due to the rise in expenditure on Goods and Services by 81.7% from GH¢118,001.86 in 2012 to GH¢214,473.00 in 2013.

770. Table 57 provides the financial position of the Institution as at 31 December 2013.

Table 57: Balance sheet as at 31 December 2013

Particulars	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	230,591.19	302,148.96	(23.7)
Current Assets	102,107.24	70,352.87	45.1
Current liabilities	(48,525.11)	(739.70)	6,460.1
Long-Term liabilities	(225,347.00)	(287,744.92)	(21.7)
Net Asset	58,826.32	84,017.21	(29.9)
Liquidity ratio	2.1:1	113.9:1	

771. Non-Current Assets declined by 23.7%, depreciating from GH¢302,148.96 in 2012 to GH¢230,591.19 in 2013.

772. Current Assets on the other hand saw a rise of 45.1% from GH¢70,352.87 in 2012 to GH¢102,107.24 in 2013. This was as a result of 249.3% increase in cash at bank and 28.1% in staff receivables.

773. Though current liabilities up surged significantly in 2013 hence a significant drop in the liquidity outlook measured by a current ratio it remained strong in 2013 recording 2.1:1.

MANAGEMENT ISSUES

Undue delay in lodgement of revenue

774. In violation of Regulation 15(1) of the FAR, 2004 the Account Officer in charge of lodgment delayed banking of cash received totalling GH¢45,166.49 for periods ranging between 5 to 99 days.

775. Lack of internal check and effective supervision by management to ensure that the Accounts Officer complied with the FAR resulted in the anomaly.

776. The irregularity could result in loss of revenue and could also lead to using current moneys collected to account for an already existing cash shortage.

777. We advised and Management agreed to improve on its supervisory role to prevent any revenue loss by ensuring prompt banking.

Internally generated fund not budgeted for

778. In spite of Section 29(2) of the FAA, our examination of the Academy's estimates for the years reviewed revealed that, the Academy failed to prepare annual estimates for its IGF for Parliamentary approval.

779. The Academy's failure to prepare estimates and set targets for its revenue generation, resulted in the lack of seriousness attached to the performance of activities that could enhance revenue generation; (i.e. the selling of publications).

780. We advised and Management agreed to prepare annual estimates for each class of IGF in all future annual estimates.

Absence of internal audit unit

781. Contrary to Part II Section 16(1) of the Internal Audit Agency Act (Act 658) 2005, we observed that the Ghana Academy of Arts

and Sciences did not have an Internal Audit Unit to ensure effective and efficient internal controls of the Academy.

782. The absence of the Internal Audit Unit which is a key component of internal controls systems did not help management to promptly detect errors, commissions, omissions and irregularities for early rectification.

783. We recommended that Management should step up efforts to establish an Internal Audit Unit in accordance with the Internal Audit Act to ensure sound financial practices in the Academy.

784. Management in response stated that, it had requested the Internal Audit Agency as a matter of urgency to post an Internal Auditor to the Academy.

COUNCIL FOR TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (COTVET) - GSTDP IDA Credit # 4875 - GH

Introduction

785. This report relates to the audited accounts of the Council for Technical and Vocational Education and Training (COTVET) - GSTDP IDA Credit # 4875 - GH for the year ended 31 December, 2014.

Operational results

786. Details of the operational results are as summarised in table 58.

**Table 58: Statement of Sources and Expenditure
for 2014**

SOURCES	Translations for the year US\$	Cumulative to Date US\$
Transfer from IDA	16,565,504.65	31,882,325.65
Bank Interest & Refunds	-	93,948.00
Other Income	-	5,936.00
Total Sources	16,565,504.65	31,982,209.65
EXPENDITURE		
Goods	230,034.57	958,508.51
Consultancy	1,905,649.77	3,696,304.77
Training/Workshop	408,200.59	971,556.59
Transfer to SDF&STI Grantees	12,827,621.07	17,954,854.89
Operating Cost	3,292,401.17	6,003,822.35
Total Expenditure	18,663,907.17	29,585,047.11
Bank Balance as at 31 December 2014	<u>(2,098,402.52)</u>	<u>2,397,162.54</u>

787. The Funds received during 2014 was US\$16,565,504.65. This was transfers from IDA.

788. However, total expenditure for the period under review amounted to US\$18,663,907.11. Prominent among the expenditure was consultancy US\$1,905,649.77, Transfer to SDF and STI Grantees of US\$12,827,621.07 and Operating cost of US\$3,291,401.17. The year ended with an unfavourable bank balance of US\$2,098,402.46.

Financial Position

789. The financial position of the Project is summarised in table 59:

Table 59: Financial Position as at 31 December 2014

	2014 US\$	2013 US\$	% Change
Non-Current Asset	958,508.51	728,474.00	31.0
Current Assets	2,397,162.54	4,495,565.00	(46.7)
Accumulated Non - Capital Expenditure	28,626,538.60	10,584,666.00	(18.5)
Total Assets	31,982,209.65	15,808,705.00	102.3

790. Non-Current Assets increased by 31.0% from US\$728,474.00 in 2013 to US\$958,508.51 in 2014. This was as a result of additions to Property, Plant and Equipment.

791. Current Assets however, went down by 46.7% to US\$ 2,397,162.54 in 2014 from an amount of US\$4,495,565.00 in the

previous year. The decrease was due to a reduction in the Project Bank and Cash balances.

792. Accumulated Non-Capital expenditure significantly rose from US\$10,584,660.00 in 2013 to US\$28,626,538.67 in the year under review. This represented payments for non-capital items.

MANAGEMENT ISSUES

Contract awarded in foreign currency

793. Ministry of Finance directive dated 18th February 2014 prohibits all MDAs on the award of Contract in Foreign Currency, except prior approval from the Minister in special cases.

794. However, we noted that a signed agreement between COTVET and OWA Consult, a commercial building owner, for rental purposes was in US Dollars at a contract sum of US\$144,000 and this was not supported with the required approval from the Minister.

795. Failure by the Project management to comply with the directives resulted in the above anomaly.

796. We recommended and management agreed to in future comply with all rules and regulations including circulars and directives in respect of public financial management.

Noncompliance of compulsory insurance on office premises

797. COTVET made an advance payment of GH¢403,920 equivalent of US\$144,000 to OWA Consult, for the rental of its commercial building located at East Legon, Accra.

798. We however noted that the premises were not covered with an Insurance Policy contrary to Section 184 of the National Insurance Commission Act 2006, (Act 724) as a compulsory requirement.

799. Management's failure to ensure that the Building was insured resulted in this anomaly.

800. To mitigate any future financial distress, loss of documents and other assets of COTVET in case of any accident, we recommended that the Project Co-ordinator should impress upon OWA Consult to comply with the law.

801. Management stated that, OWA Consult has been contacted as a matter of urgency to insure the premises with immediate effect and serve COTVET with a copy of the insurance documents.

Non deduction of withholding tax on allowances paid to SDF Committee Members - GH¢7,869.30

802. Section 84(1b) of Internal Revenue Act, 2000 (Act 592) as amended requires a withholding tax agent to withhold tax on fees emoluments and any other benefit to a manager, board member or body of persons and in accordance with Section 87 of Act 592 pay to the Commissioner a tax withheld or that should have been withheld within 15 days after the end of the month in which payment subject to withholding tax (WHT) is made by the withholding agent. Paragraph 7.8.2 (iv) IDA of the Project Implementation Manual (PIM) also states that the Project Accountant shall ensure that appropriate WHTs are made and paid to domestic division of the GRA.

803. Contrarily, 14 payments totalling GH¢157,386 for allowances were made to SDF committee members without deducting withholding tax of GH¢ 7,869. Lack of supervisory control accounted for the situation.

804. The Project risk losing money through sanctions on payment of penalties not budgeted for. We recommended and management accepted to recover the total amount due and pay same to GRA and also strengthen its supervisory control to avoid recurrence.

Delayed payment of withholding tax –GH¢115,610.59

805. During the audit we noted that COTVET deducted WHT from several payments made to payees but failed to pay to the Commissioner the withheld taxes on due dates in contravention of Section 87 of the Internal Revenue Act 2000, (Act 592) and Paragraph 7.8.2 (iv) of the PIM. Below are details.

Deduction Date	WHT Amount GH¢	Due Date	Actual Payment Date
January 2013	13,612.75	February 15, 2013	March 7, 2014
February 2013	18,334.37	March 15, 2013	March 7, 2014
March 2013	21,579.39	April 15, 2013	March 7, 2014
September 2013	1,501.89	October 15, 2013	March 7, 2014
November 2013	24,173.59	December 15, 2013	January 23, 2014
May 2014	36,408.60	June 15, 2014	July 2014
Total	115,610.59		

806. Lack of supervisory control over accounting duties accounted for this anomaly.

807. To mitigate any risk resulting from penalty payments, we urged and management agreed to strengthen its supervisory control to avoid recurrence.

Delay in the construction of Science, Technology and Innovation (STI) Directorate

808. The STI under the Ministry of Environment, Science, Technology and Innovation (MESTI) was allocated an amount of US\$500,000.00 for the construction of an office which has still not commenced. A further review indicated that only the bills of quantities and structural design have been obtained.

809. Management's inability to relocate a group of food vendors on their sites accounted for the delay which could hamper the expected output of the project considering the Project duration ending June 2016.

810. We recommended that Management should expedite action to ensure that outstanding activities are executed without further delays.

811. Management indicated that MESTI is in close collaboration with the World Bank team to ensure none of the expected project outputs are hampered.

MINISTRY OF TRADE AND INDUSTRIES

GHANA HEAVY EQUIPMENT LIMITED

Introduction

812. This report relates to the audited accounts of the Ghana Heavy Equipment for the year ended 31 December 2013.

Operational results

813. Presented in table 60 is the Company's operational result for the year under review.

Table 60: Income Statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Sales	1,863,644	3,704,695	(49.7)
Less Cost of Sales	(1,167,471)	(2,169,513)	(46.2)
Gross Profit	696,173	1,535,182	(54.7)
Add Other Income	33,982	123,901	(72.6)
	730,155	1,659,083	(60.0)
Less Operating Expenses	(2,166,646)	(1,613,968)	34.2
	(1,436,491)	45,115	(3284.1)
Finance Cost	(19,915)	(20,290)	(1.8)
Exchange Gain/ (Loss)	469,241	(328,033)	(243.0)
(Loss)	(987,165)	(303,208)	225.6

814. Sales dropped by 49.7% from GH¢3,704,695 in 2012 to GH¢1,863,644 in 2013. This was due mainly to a 60.0% decline in the sale of machines.

815. Cost of Sales of GH¢1,167,471 also dropped by 46.2% from GH¢2,169,513 in 2012.

816. Operating expenses recorded an increase of 34.2% from GH¢1,613,968 in 2012 to GH¢2,166,646 in 2013.

817. The Company's operations for the year ended with a loss of GH¢987,165 from a loss of GH¢303,208.

Financial position

818. Summarized in table 61 is the financial position of the Company.

Table 61: Balance Sheet as at 31 December 2013.

Income	2013 GH¢	2012 GH¢	% Change
Fixed Assets	950,445	887,041	7.2
Long Term Receivables	-	2,356,558	(100.0)
Current Assets	6,692,110	5,662,154	18.2
Current Liabilities	3,142,474	3,418,507	(8.1)
Net Assets	4,500,081	5,487,246	(18.0)
Current Ratio	2.13:1	1.66:1	

819. Non-Current Assets increased marginally by 7.2% from GH¢887,041 in 2012 to GH¢950,445 in 2013 Long-term receivables of GH¢2,356,558 which represents amount due from Ministry of Trade and Industry for funding the rehabilitation of Ghana House was fully settled in 2012.

820. Current Assets rose by 18.2% from GH¢5,662,154 in 2012 to GH¢6,692,110 in 2013. This was as a result of increases in Inventory and Accounts Receivable.

821. Current Liabilities on the other hand decreased by 8.1% from GH¢3,418,507 in 2012 to GH¢3,142,474 in 2013. This was as a result of drop in bank and other loans.

822. The current ratio of the Company showed a favourable position of 2.13:1 an indication that the company can meet its short term obligations when they fall due.

MANAGEMENT ISSUES

Payment of corporate tax

823. We observed that the tax liability of the company has been reducing over the years but it still represented 25% of total liabilities.

824. The details are as follows:

Year	Outstanding Tax GH¢
2013	800,043
2012	859,426
2011	874,991
2010	913,768

825. Upon enquiry we were informed that the Government of Ghana owed the company over 2 million Ghana Cedis as such, management intended to set off the tax liability against the Government's debt.

826. By not paying the required tax, the company is over exposed to significant reputation and legal risk.

827. We advised Management to discharge its tax obligations in order to avoid penalties.

828. Management explained that the outstanding tax obligations were issues dating back to times before the year 2000 and will look at it and resolve it accordingly.

Disposal of obsolete stock

829. We observed that obsolete stock worth GH¢253,953.00 was written off and sold as scrap at a price of GH¢9,934.20 without informing the Ghana Revenue Authority (GRA).

830. The Company stands the risk of having the write off reversed and the sale transaction revalued at the current sale price for the purpose of re-computing potential income tax on the disposal.

831. The implication is that the Company can be made to pay taxes in respect of that particular sale when in principle no profit had been made on the sale.

832. We asked Management to ensure that GRA is consulted or informed before decisions of that nature are taken.

833. Management accepted our recommendation and promised to act accordingly.

Misclassification of fixed assets

834. Standard practice requires that fixed assets be recorded at their costs, including all normal expenditure incurred to bring the asset to a location and condition for its intended use.

835. Also, assets should be correctly classified and management should apply the classification consistently.

836. As per the Company's policy on asset capitalization, all assets with cost above GH¢1,000.00 should be capitalized. We however observed that there were instances where assets were wrongly classified as follows:

- (i) Three air conditioners with a total value of GH¢3,345 purchased within the period were wrongly classified as office expenses.
- (ii) A motor bike amounting to GH¢1,600.00 was classified as an "office equipment.

837. Expensing fixed assets will result in the overstatement of expenses for the period and subsequently understatement of profit and taxes. Also, wrong and inconsistent classifications of transactions pose a risk of loss with regard to the asset involved.

838. We advised Management to ensure that all transactions are correctly classified and that there is consistency in the application of accounting policies.

Provision for bad debt

839. Out of GH¢2,840,286.00 of the stated debtors outstanding, GH¢2,270,327.00 (i.e. 80%) has been outstanding for more than three years.

840. The risk is that debts standing for a long time may not be recovered. The Company's asset position may be impaired as a result.

841. We recommended that Management should pursue the recovery, follow up any non-recovery in order to put in place a policy for bad or doubtful debt for the account to reflect a true and fair position.

842. Management accepted our recommendation.

GIHOC DISTILLERIES COMPANY LIMITED

Introduction

843. This report relates to the audited accounts of the GIHOC Distilleries Company Limited for the year ended 31 December 2013.

Operational results

844. Performance indicators for 2013 are shown in table 62.

Table 62: Income statement for 2013

	2013 GH¢	2012 GH¢	% Change
Sales	46,597,711	35,755,953	30.3
Cost of sale	33,749,115	27,691,825	21.9
Gross Profit	12,848,597	8,064,128	59.3
Other Income	807,590	283,886	184.5
Total Income	13,656,187	8,348,014	63.6
Admin, Selling Dist & Staff Cost	7,234,995	4,588,138	57.7
Financial Charge	1,671,658	756,063	121.1
Net Profit before Tax	4,749,534	3,003,813	58.1
Taxation	871,693	758,837	14.9
Net Profit after Tax	3,877,841	2,244,976	72.7

845. Total Sales went up by 30.3% from GH¢35,755,953 in 2012 to GH¢46,597,711 in 2013. Other income, which was made up of Interest Earned and Sales of Scraps/Empty Drums increased by 184.5% from GH¢283,886 in 2012 to GH¢807,590 in 2013. The increase was due mainly to an 810.6% rise in Interest Earned.

846. Administration, Selling, Distribution and Staff Costs went up by 57.7% from GH¢4,588,138 in 2012 to GH¢7,234,995 in 2013.

847. Financial Charges also went up by 121.1% from GH¢756,063 in 2012 to GH¢1,671,658 in 2013.

848. The Company's operations for the year ended with a net profit of GH¢3,877,841 as against a profit of GH¢2,244,976 recorded in 2012.

Financial position

849. Presented in table 63 is the balance sheet for the two comparative years.

Table 63: Balance sheet as a 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	23,174,485	19,398,539	19.5
Current Assets	9,068,528	11,260,621	(19.5)
Current Liabilities	7,826,368	7,330,063	6.8
Non-Current Liabilities	10,140,271	10,300,000	(1.6)
Net Assets	14,276,375	13,029,097	9.5
Current Ratio	1.2:1	1.5:1	

850. Non-Current Assets increased by 19.5% from GH¢19,398,539 in 2012 to GH¢23,174,485 in 2013. The increase was due to additions to Property, Plant and Equipment.

851. Current Assets which stood at GH¢11,260,621 in 2012 dropped by 19.5% to GH¢9,068,528 in 2013. This was as a result of decreases in Trade and Other Receivables, Short-Term Investments, and Cash and Cash Equivalent.

852. Current Liabilities increased by 6.8% from GH¢7,330,063 in 2012 to GH¢7,826,368 in 2013. This was as a result of increases in Trade and Other Payables and Short-Term Loans.

853. The current ratio of 1.2:1 (2012:1.5:1) is an indication that the Company cannot settle its short-term debts when they fall due.

MANAGEMENT ISSUES

Market activation – GH¢459,357.00

854. We observed that an amount of GH¢459,357.00 was spent as market activation cost on goods sent to the Nigerian market. We could however not sight any report on these activities.

855. We advised management to evaluate the impact of the strategic policy of the recent market activation and its benefit to the Company. The Board must also call for the Nigeria Market Activation Report to assess the cost/benefit and its impact on the company.

Debtors' balances

856. During our audit, we could not verify the outstanding debtors' balances of the company. We however observed that an amount of GH¢507,526.16 was declared bad and doubtful and written off.

857. This was due to the mode of payment and credit policy granted to customers of the company. This may lead to revenue loss to the company.

858. We advised Management to put in place plans to recover these debts and institute good credit policies to forestall future occurrence.

EXPORT DEVELOPMENT AND AGRICULTURAL INVESTMENT FUND (EDAIF)

Introduction

859. This report covers the audited accounts of Export Development and Agricultural Investment Fund (EDAIF) for the years ended 31 December 2010, 2011 and 2012.

Operational results

860. The details of the operations of the Fund for the last two years are provided in table 64:

Table 64: Income statement for 2012.

Revenue	2012 GH¢	2011 GH¢	% Change
Levies	96,372,040	73,708,416	30.7
Other Income	23,370,826	16,346,939	43.0
Total Revenue	119,742,866	90,055,355	33.0
Expenditure			
Operating Expenses	7,075,903	3,994,409	77.1
Grant Expenses	13,700,738	10,211,424	34.2
Total Expenditure	20,776,641	14,205,833	46.3
Surplus	98,966,225	75,849,522	30.5

861. Total Revenue increased by 33.0% to GH¢119,742,866 in 2012 from GH¢90,055,355 in 2011. The increase was due to a 43.0% rise in other Income and a 30.7% upward movement in Levies. Levies represented 0.5% of the CIF values of non-petroleum imports received during the year.

862. Total Expenditure for 2012 amounted to GH¢20,776,641 as against GH¢14,205,833 recorded in 2011. This showed an increase of 46.3% over the 2011 expenditure. The rise was as a result of increases in operating expenses and Grant expenses. Grant Expenses which was for the development and promotion of export products constituted about 65.9% of the total expenditure.

863. The operations for 2012 ended with a surplus of GH¢98,966,255, as against GH¢75,849,522 reported in the previous year.

Financial position

864. Shown in table 65 is the financial position as at 31 December 2012.

Table 65: Balance sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	559,147	485,697	15.1
Current Assets	397,620,312	297,646,419	33.6
Current Liabilities	605,082	339,923	78.0
Net Assets	396,758,418	297,792,193	33.2
Current Ratio	657.1:1	875.6:1	

865. Non-Current Assets made up of Property, Plant and Equipment went up by 15.1% from GH¢485,697 in 2011 to GH¢559,147 in 2012. The increase was as a result of acquisition of Motor Vehicles, Office Equipment, Furniture & Fittings and Computers and Accessories.

866. Current Assets rose by 33.6% from GH¢297,646,419 in 2011 to GH¢397,620,312 in 2012. This was due to increases in Cash and Cash Equivalent, Loan Receivables, Grants, Debtors and Other Receivables.

867. Current Liabilities also registered a significant rise of 78.0% from GH¢339,923 in 2011 to GH¢605,082 in 2012. This was largely attributed to increases in Accounts payable and Accrued Expenses.

868. The current ratio stood at 657.1:1 in 2012 compared with 875.6:1 in 2011 indicating that the Fund will be able to discharge its short-term obligations as and when they fall due.

Basis for qualifying opinion

869. Included in the statement of financial performance under grant expense is an amount of GH¢4,522,317 provided by the Fund to certain government ministries and agencies. We were unable to obtain sufficient and appropriate audit evidence about the amount because the agencies concerned have not submitted adequate returns on the amounts granted to them by the Fund. Consequently, we are unable to determine whether any adjustments to grant expenses recognised in the statement of financial performance were necessary.

Qualified opinion

870. In our opinion, except for the possible effects of the matters described in the Basis for Qualification Opinion paragraph above, the accompanying financial statements give a true and fair view of the financial position of the Export Development and Agricultural Investment Fund as at 31

December 2012 and of its financial performance and its cash flows for the year then ended in accordance with Ghana Accounting Standards.

MANAGEMENT ISSUES

Investments not adequately monitored

871. We noted that some investments were not adequately monitored by EDAIF. For instance, EDAIF was not aware of the existence of the Funds fixed deposit investment of GH¢309,414 and GH¢128,007 with Bank of Africa and as a result was omitted from its records. These balances were however confirmed by the bank following confirmation procedures we performed.

872. Fixed deposit investment of GH¢124,562.54 with Zenith Bank included in the trial balance was not included in the general ledger. Further enquiries showed that the amount in question was confirmed by the bank during the 2010 audit but EDAIF has not followed up with the bank on this investment and as a result has not included it in the general ledger.

873. Bank errors on investment transactions may not be identified and corrected in time and this may lead to misstatements in investment balances.

874. We recommended that EDAIF should actively monitor its investments. Management should also obtain bank statements on its investments on a regular basis and reconcile with its records. Differences noted should be investigated and followed up with the banks for timely resolution.

875. Management responded that, EDAIF has since the beginning of 2013 assigned an officer to this schedule and the monitoring has been quite effective. On a monthly basis, bank statements are obtained and reconciled to the accounts. Further-more the investments are monitored daily due to the different dates for maturity of the investments.

Inadequate monitoring of DFIs

876. We noted that EDAIF does not actively monitor the performance of the credit facilities granted to DFI's for onward disbursement to beneficiaries. We did not sight evidence of quarterly progress meetings required to be held between EDAIF and the DFI's contrary to section 5.4 of the guidelines for the operation of the credit facility. We did not also obtain any evidence of joint monitoring by EDAIF and DFIs on beneficiary projects which received EDAIF funding. Some of the DFIs visited during our review were not aware of their responsibilities to EDAIF.

877. We recommended that Management should ensure that they frequently engage the DFIs to update them on the performance of beneficiaries businesses. In addition, EDAIF should also hold regular quarterly meetings with the DFI's to update management on the performance of EDAIFs credit facilities in accordance with section 5.4 of the guidelines for the operation of credit facility. Management should also follow up to ensure that progress reports are submitted by DFIs in accordance with section 7 of the guidelines for the operation of credit facility. In addition, management should follow up on issues identified in the reports submitted by the DFI's and ensure that corrective actions are taken.

878. Management responded that as part of improving the financial management system, EDAIF has acquired a Credit Management Software (CMS) in addition to the Financial Management Software (FMS), the sun systems to effectively monitor and account for the credit disbursed through the DFI's and grants disbursed directly to the beneficiaries.

879. Management will review the current policy on monitoring DFI's and make the necessary changes as appropriate in the light of current circumstances. Currently, EDAIF's monitoring and Evaluation (M&E) unit monitors the activities of the beneficiaries independently, however, the periodic meetings with the DFI's happens on adhoc basis when issues come up for discussion.

Late repayment of loans by DFI's

880. We visited some selected DFI's such as National Investment Bank, UT Bank, EcoBank and First Atlantic Merchant Bank, to understand the implementation arrangements. Based on discussions with focal persons at those banks, we understood there were delays in repayments of loans by the beneficiaries and this affects their own repayment to EDAIF. Also, EDAIF could not provide the repayment schedules and breakdown of loan balances per beneficiary under each of the twenty-two DFI's. As a result, it was impossible for EDAIF to calculate the total outstanding repayments as at 31 December 2012.

881. Funds may not be retrieved from beneficiaries resulting in loss of financial resources to EDAIF.

882. We recommended that EDAIF should conduct a rigorous exercise of comparing actual repayments made with the loan repayment schedule for each beneficiary under all the DFI's to ascertain the actual amount that is overdue. Following this, EDAIF should take steps to recover the overdue amounts from the DFI's.

883. Management responded that, it is their expectation that once the credit Management Software is installed and implemented, it would be possible to produce the necessary reports to facilitate the monitoring of outstanding loan balances on real time basis. Management may also consider the possibility of assigning an officer to the credit controller role if it becomes necessary.

No clear basis for allocating loan repayments between Principal repayments and interest earned

884. We noted that most monthly loan repayments made into EDAIF's loan recovery accounts with the various DFIs show bulk figures with no breakdown into principal repayments and interest income and breakdown per beneficiary. EDAIFs allocation of loan repayments into principal repayments and interest was not in line with the repayment schedules and we could not ascertain the basis for their allocation of loan repayments between principal repayments and Interest Income. From EDAIFs records, monthly loan repayments were stated per DFIs and we could not obtain the breakdown of loan repayments per beneficiary for each DFI. This makes it difficult for EDAIF to review the performance of each beneficiary's credit facility and to ascertain beneficiaries not making repayments for the necessary corrective action to be taken.

885. This may result in interest earned on loans and loan receivables balance with DFIs being misstated.

886. We recommended that, Management should work closely with the DFIs and ensure that:

- Repayment schedules for all the credit facilities are obtained from DFIs and kept on file for future reference.
- Detailed schedule showing monthly repayments and balances per beneficiary are obtained from DFIs and kept on file.
- Loan repayments are correctly allocated into principal repayments and interest income in line with the agreed loan repayment schedules.

887. Management responded that, this situation occurred because loan repayment advice from the banks did not provide any detail, however the situation has changed since 2013 with the exception of a few banks that are sorting out. Management expects that with the implementation of the CMS this issue would be solved.

Interest on loans not accrued

888. EDAIF charges interest of 2.5% on the credit facilities granted to DFIs for onward disbursement to beneficiaries. During our review of the loan balances with DFIs, we noted that EDAIF does not accrue for interest income when earned but instead interest income is recognized by EDAIF only when actual payments have been made by beneficiary / DFI's.

889. We recommended that Management should recognise interest income when interest has been earned per the loan repayment schedule and in line with the accrual basis of accounting.

890. Management responded that, the policy implemented was to take a prudent view of not accruing for interest receivable (until the year end) but to recognize it on when the repayment was received. This is in recognition of the fact that accruing for interest receivable would project a much higher income which might not come as expected in view of the liberal policy regime that EDAIF is currently pursuing. Management is expecting that with the introduction of the CMS, the issue of accruing for interest receivable will be resolved.

Poor design and management of the mango project – grant debtors

891. As part of EDAIF's export development and promotion activities, EDAIF launched a project in 2009 to provide financial assistance to farmers in the following regions, Northern, Upper East, Upper West, Brong Ahafo and Volta regions. These grants are given to farmers at no interest rate and at relaxed payment terms. EDAIF fully manages the grants and bears full credit risk of these grant facilities.

892. In 2012, total recoverable grants amounted to GH¢10,725,468.95 with balances per beneficiary farmers ranging from GH¢10,000 to GH¢2,177,640 from our review of transactions under the mango project, we noted that there were no guidelines in place for effective management of the project. We noted that most of the signed agreements between EDAIF and farm owners under the mango projects were not dated even though signed by both parties.

893. From Section 5 of the facility agreements between EDAIF and farmers, the duration for the grant is ten years from the date of first disbursement. Further discussions with management indicated that farmers are to start repaying these grants after seven to eight years, as the maturity period for mangoes are within that timeframe. This was however in contradiction to what was in the facility agreements that shows a moratorium of two years from date of first disbursement. We could also not obtain the repayment schedule for the facilities to confirm when actual repayments from farmers were to commence. Our discussions with management also indicated that some of the farms had been burnt in 2011 and 2012 during the dry and harmattan seasons.

894. During the period under review, EDAIF did not conduct regular field visits to monitor the farms and to interact with farm owners. As a result we could not obtain monitoring reports for 2012 for our review.

895. We recommended that Management should put an effective system in place for managing the mango project. In particular management should ensure that the initial due diligence procedures carried out prior to approval and disbursement of grant facilities are rigorous to ensure the viability and recoverability of grants.

896. Management should ensure that agreements signed under the projects are duly dated and include clauses such as the submission of progress reports by beneficiaries to enhance ownership and accountability amongst beneficiaries.

897. Additionally, we recommended that management should review the MOU's and align the moratorium period to the maturation of mangoes to ensure that farmers can use proceeds from sale of produce from the farm to service the loans.

898. Finally, Management should ensure that clear guidelines are documented for the management of the mango project. Also regular monitoring visits should be conducted on the mango farms in order for management to be well informed on the progress and activities under the mango project.

899. Management responded that, it recognized the problem and in late 2012, the Adventist Development and Relief Agency (ADRA) were contracted as project implementation partners to provide the technical and supervisory support needed to address the issues raised. ADRA through their field officers in the project areas directly monitor and advice EDAIF on the performance of the beneficiaries. Indeed ADRA submits recommendation on what support to give the beneficiaries before EDAIF makes any disbursements. In addition EDAIF's monitoring and Evaluation (M&E) unit have been conducting periodic monitoring visits to the farms on regular basis since 2013. The situation has improved tremendously since ADRA came on Board.

Grant expenditure not adequately accounted for by beneficiaries

900. We noted that a total amount of GH¢9,413,201 was disbursed to government institutions and other non-governmental associations as part of grant expenditure for 2012. Our discussions with management indicated that EDAIF did not sign any agreements with these organizations.

901. However, documents such as detailed activity budgets and work plans are submitted by applicants for review prior to the approval of the grant facilities by the board. Based on our testing on this balance, we were unable to obtain sufficient appropriate audit evidence on an amount of GH¢4,522,316.96 as the agencies concerned had not submitted adequate returns on the amounts granted to them by the fund.

902. Consequently, we were unable to determine how the funds had been utilized by these organizations.

903. We recommended that Management should ensure that grant agreements or offer letters to beneficiaries, including government institutions, for approved grants include clauses such as submission of financial returns, activity reports and the right of audit of funds by internal or external auditors to ensure judicious use of EDAIFs financial resources.

904. Management responded that, as regards the GH¢4,522,316.96, its understanding is that as auditors we were expecting to see financial and accompanying receipts which we could not sight. Management would like to submit that besides the financial reports received, there was enough evidence to show that the grants were properly applied and appraised and approved for by the EDAIF Board and subsequently disbursed to the Agencies concerned.

905. Management however noted the short comings in the financial reporting and added that it has since 2013 instituted a system where funds to Ministries, Departments and Agencies

(MDAs) are disbursed in tranches after receipt of adequate reports in respect of earlier disbursements.

Late accounting for advances by staff

906. Even though EDAIF has no written policy on the timeframe within which advances taken by staff should be accounted for, we noted that advances given to staff take unduly long to be accounted for. For instance an amount of GH¢11,301 taken in June 2012 had not been accounted for as at 31 December 2012.

907. We recommended that Management should include in its accounting manual policy on the timelines within which advances taken by staff should be accounted for.

908. Management should also ensure that this policy is complied with by all staff.

909. Management responded that EDAIF now has a policy that requires staff who have a working advance to account for it as soon as the activity for which it was given is completed. A staff having an outstanding working advance should not be given another one until the first one has been accounted for.

Funds assets in the possession of dismissed staff

910. In 2011, EDAIF dismissed one staff and four members of the management team owing to issues arising from the alleged mismanagement of EDAIF's funds under the mango project. Following this, the dismissed staff instituted legal action against the Fund in 2012.

911. From the 102nd Board Meeting of EDAIF held on 20 December 2012, the board directed management to formally inform the Minister for Trade and Industry of the Board's decision to recover the Fund's vehicles from the dismissed officers. However as at the time of our audit in April 2014, one out of the four vehicles had been returned to EDAIF. Our enquiries with management revealed that the cases were still on-going and a ruling has not yet been made by the court. Below is the details of the dismissed staff and the vehicles in their possession.

Staff	Type of vehicle
Former Chief Executive Officer	Toyota Camry
Director of Internal Audit	Toyota Fortuner
Director of Finance	Toyota Fortuner

912. We recommended that Management should follow-up and retrieve the vehicles from the officers while waiting on the court's ruling for the outcome of the legal proceedings.

913. Management responded that two employees were dismissed for an offence not related to the Mango Project. Management's statement of defense was amended to include the recovery of the vehicles.

Inadequate publicity of the fund's activities

914. We noted that EDAIF has not given out much credit and grant facilities as at the year ended 31 December, 2012. Out of the fund's total assets of GH¢403,450,434, credit and grant facilities were made up of GH¢134,652,962 representing 33% of its total assets. As a result, most of EDAIF's idle cash had been invested in fixed deposits.

The low percentage of loans granted is mainly due to inadequate marketing by the Fund to inform and create awareness of its existence and activities.

915. We recommended that Management should intensify marketing and publicity of the Fund to create awareness of its operations and activities to inform the public and attract more applications from prospective beneficiaries. This notwithstanding, management should ensure that the necessary due diligence and approval procedures are rigorously carried out prior to disbursement of new facilities, to ensure the recoverability of credit facilities.

916. Management responded that, it had taken note and will implement the recommendation as stated.

NATIONAL BOARD FOR SMALL SCALE INDUSTRIES

Introduction

917. This report relates to the audited accounts of the National Board for Small Scale Industries (NBSSI) for the period 1 January 2012 to 31 December 2013.

Operational results

918. The Board ended the 2013 financial year with a surplus of GH¢419,396.98 as against a deficit of GH¢5,838.10 for the 2012 financial year. Presented in table 66 is a summary of the Income and Expenditure for 2013 which shows the performance indicators for the audited period.

Table 66: Income statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Subvention	4,484,342.00	5,450,053.80	(17.7)
Other Income	2,037,621.00	424,568.60	379.9
Total Income	6,521,963.00	5,874,623.40	11.0
Expenditure			
Employee Compensation	4,432,342.00	5,012,187.80	(11.6)
Goods & Services	1,670,225.00	868,273.70	92.4
Total Expenditure	6,102,567.00	5,880,461.50	3.8
Surplus/(Deficit)	419,396.00	(5,838.10)	(7,282.5)

919. Total Income for the Board increased by GH¢647,341.06 representing 11.6% from GH¢5,874,622.40 in 2012 to GH¢6,521,963 in 2013. This was largely due to increase in Other Income by GH¢1,623,052.60 representing 379.9% from GH¢424,568.60 in 2012 to GH¢2,037,621.37 in 2013 due to receipt of Goods and Service Support from EDAIF and Ministry of Trade and Industry of GH¢1,013,680.00 and GH¢916,841.25 respectively. Income from Rural Enterprise Program of GH¢15,300.00 in 2013 also accounted for the increase in Other Income which was absent in 2012.

920. The Board's Total Expenditure increased by GH¢222,105.50 representing 3.8% from GH¢5,880,461.50 in 2012 to GH¢6,102,567 in 2013. The increase was attributed to the payment of Administrative and Service Activities funded by the Ministry of Trade in 2013 but not paid in 2012, such as Rural Enterprise Program and Consultancy Fee of GH¢14,800.00 and GH¢258,402.33 respectively.

Financial position

921. Total Assets increased by GH¢419,396.00 representing 30.9% from GH¢1,355,994.00 in 2012 to GH¢1,775,390.00 in 2013. This was due to the purchase of Office Machines and Furniture amounting to GH¢29,659.40 in 2013, although a total depreciation of GH¢990,984.15 was charged at the end of the year.

922. The Board's Current Assets increased by GH¢546,704.00 representing a 121.9% rise from GH¢448,375.00 in 2012 to GH¢995,079.00 in 2013. This was due to funds received from EDAIF for Training Activities which could not take place in 2013 but was later organized in January 2014.

923. The Board's Current Liabilities remained the same, GH¢273,000 in 2013 (2012:GH¢273,000.00), being the amount borrowed from MASLOC Secretariat to be given out as loans to Micro Finance Companies which was omitted from the financial statement in 2011 and has now been included in 2012 and 2013.

924. Current ratio of 3.6:1 as at the end of 2013 indicates that the Board would be able to meet its short term obligations when they fall due.

MANAGEMENT ISSUES

Pre-Finance of Repair works - GH¢5,000.00

925. Contrary to Section 16 (1) of the Financial Administration Act 2003, Act, we noted that management pre-financed repair works on vehicle No.GS4854Z by paying GH¢5,000.00 out of the estimated cost

of GH¢9,989.48 to CFAO Ghana Ltd. We also did not sight any technical report on the condition of the vehicle which could cost GH¢9,989.48.

926. The lapse was due to Management's failure to comply with the provisions of the Act. It must be emphasized that, non-adherence to government regulations weakens controls put in place and could also cause losses to the state.

927. We could therefore not authenticate the payment as we could not assure ourselves that value for money was achieved for the above amount paid.

928. We recommended that management should henceforth strictly comply with the provisions of the Act and also ensure that such repairs should be accompanied with technical report.

929. In response, Management stated that because the vehicle was just 4 years old and could not be left to deteriorate, it was compelled to make the advance payment of GH¢5,000.00 as requested by CFAO.

930. We find the above response unacceptable because we did not sight any official letter from CFAO demanding an advance payment of GH¢5,000 before the payment was made.

931. We therefore re-iterate that Management should ensure strict compliance with the Act and ensure that such repairs are accompanied by technical reports, failure of which the Accountant should be surcharged with the amount involved.

Unearned Salary -GH¢6,704.99

932. In spite of Regulation 297 and 298, we noted that three separated staff, who either retired or died enjoyed unearned salary totaling GH¢6,704.99 during the period under review as detailed below:

No.	Name	Type of separation	Date of separation	Month of deletion	No. of months	Salary per month (GH¢)	Unearned Salary (GH¢)
1	Ms. Alice Sackey	Retirement	16-Feb-2012	Jul-12	4	353.7 Plus 141.48 provident fund	1,556.28
2	Bansa Samuel	Retirement	20th August 2012	Dec-12	3	1,374.83 Plus 412.44 provident fund	4,536.93
3	Mr. Awuni Sampa Billa	Death	10th Sept. 2012	1/1/2013	3	185.39 Plus 55.61 provident fund	611.78
Total							6,704.99

933. The anomaly was as a result of management's failure to notify the Controller and Accountant-General's Department for the deletion of their names from the payroll. We further noted that management did not promptly inform the bankers of the affected separated staff to stop payment of any unearned salary credited to their account and transfer the amount to the consolidated fund.

934. Management's inaction could result in the loss of the amount to the state if not recovered.

935. We urged Management to step up efforts to recover the total amount of GH¢6,704.99 and pay same to Government chest and obtain a Treasury Receipt to support the payment for our verification. Management should also ensure strict adherence to the dictates of the FAR in future to avoid loss of funds to the state.

936. In response Management accepted the recommendation and stated that the Board has written to the bankers to transfer any unearned salaries paid them into the consolidated fund account. It has also written to the officers to refund any unearned salaries paid to them.

Failure to Submit Annual Reports

937. Contrary to Section 16(4) of the Internal Audit Agency Act 2003, Act 658 our review of the Internal Audit function revealed that the Unit failed to submit annual reports on the activities of the Board for the years under review to management and other organizations enumerated in the Internal Audit Act.

938. The omission denied Management the required information for decision making to effectively run the Board. Additionally, errors and omissions, which might have occurred in the books of accounts, could not be detected early enough for correction.

939. We urged Management to compel the Internal Audit Unit to submit periodic and annual audit reports on the activities of the Board to management and copies to the Auditor-General as required

by the Internal Audit Agency Act. The report should also indicate areas of the internal control system that require strengthening.

940. Management accepted the recommendation for compliance.

MINISTRY OF ENVIRONMENT, SCIENCE AND TECHNOLOGY

BUILDING AND ROAD RESEARCH INSTITUTE

Introduction

941. This report relates to the audited account of the Building and Road Research Institute of the Council for Scientific and Industrial Research (CSIR) for the year ended 31 December 2013.

Operational results

942. The details of the operations of the Institute are provided in table 67.

Table 67: Income statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Government Grants	2,132,444	5,249,809	(59.4)
Consultancy Income	186,382	121,310	53.6
Other Income	373,990	482,422	(22.5)
Total Income	2,692,816	5,853,541	(54.0)
Expenditure			
Administrative Expenses	589,720	498,668	18.3
Employment Cost	1,609,884	5,525,279	(70.9)
Travelling & Transport	244,466	138,236	76.9

Repairs & Maintenance	118,021	109,946	7.3
Financial Charges	52,347	252,381	(79.3)
Total Expenditure	2,614,438	6,524,510	(59.9)
Surplus / (Deficit)	78,378	(670,969)	(111.7)

943. Total Income decreased from GH¢5,853,541 in 2012 to GH¢2,692,816 in 2013 representing 54% which was primarily due to a 97.5 reduction in Government Grants.

944. Total Expenditure also decreased by 59.9% from GH¢6,524,510 in 2012 to GH¢2,614,438 in 2013. This resulted mainly from a 70.9% drop in Employment Cost from GH¢5,525,279 in 2012 to GH¢1,609,884 in 2013.

945. The year ended with a surplus of GH¢78,378 as compared to a deficit of GH¢670,969 recorded in 2012.

Financial position

946. The financial position of the Institute is shown in table 68.

Table 68: Income statement for 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	10,027,759	10,025,368	-
Current Assets	1,733,967	2,634,582	(34.2)
Current Liabilities	1,880,646	3,493,183	(46.2)
Net Current Assets	(146,679)	(853,601)	82.8
Net Assets	9,881,080	9,166,767	7.8
Current Ratio	0.9:1	0.8:1	

947. The Institute's Non-Current Assets as at the close of 2013 stood at GH¢10,027,759 as against GH¢10,025,368 in the preceding year.

948. Current Assets dropped by 34.2% from GH¢2,634,582 in 2012 to GH¢1,733,967 in 2013. The drop resulted from decreases in Inventories, Trade & Other Receivables, and Cash and Cash Equivalent.

949. Current Liabilities also declined by 46.2% from GH¢3,493,183 in 2012 to GH¢1,880,646 in 2013. This was made up of Trade and Other Payables.

950. The Institute's liquidity position as depicted by the Current Ratio of 0.9:1 (2012: 0.8:1) shows that the Institute might not be in the position to settle its short term obligations as and when they fall due.

MANAGEMENT ISSUES

Outstanding Government Subvention - GH¢1,062,085

951. We observed during the audit that included in other receivables under trade and other receivables is outstanding government subvention of GH¢1,062,085 which has been outstanding since 2012, as follows:

		GH¢
Subvention for April 2011	-	360,966
Subvention for October 2011	-	338,966
Subvention for December 2012	-	<u>362,153</u>
Total		<u>1,062,085</u>

952. This was as a result of Management not receiving the amount due from Government.

953. These payments which have been outstanding for more than a year would adversely affect the Institute's programmes.

954. We advised Management to assess the possibility of getting these amounts paid to the Institute. If there is any doubt as to the Institute receiving the amount, then we recommended a write off in the income statement.

955. Management promised to follow up by making representation to the Ministry of Finance through CSIR.

Statutory deductions – GH¢954,107

956. We noted during our review that included in the accounts payables is statutory deductions of GH¢954,107 analysed as follows:

	GH¢
Social Security Fund	604,943
Ghana Revenue Authority	<u>349,164</u>
Total	<u>954,107</u>

957. The lapse resulted from Government's failure to pay these deductions on behalf of the Institute as at 2013.

958. This amount indirectly overstates the liability of the Institute when the actual liability is paid by the Government.

959. We advised Management to have discussions with the head office with the possibility of transferring this liability to the Government.

960. Management accepted our recommendation and said it will make representation to CSIR.

Research grant

961. We observed that for the fourth consecutive year, the Institute has not received any research grant.

962. This situation makes it difficult for any research work to be carried out. Under this circumstance, one of the core businesses of the Institute is not being met.

963. Management should take this issue up with the government through CSIR head office.

964. Management accepted our recommendation.

OIL PALM RESEARCH INSTITUTE, KUSI-KADE (COUNCIL FOR SCIENTIFIC AND INDUSTRIAL RESEARCH)

Introduction

965. This report covers the audited accounts of Oil Palm Research Institute for the years ended 31 December 2008, 2009, 2010, 2011 and 2012.

Operational results

966. Presented in table 69 is the income statement for 2012 showing the performance indicators for the last two years.

Table 69: Income Statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Subvention from Government of Ghana	6,532,420	5,226,108	25.0
Internally Generated Funds	754,248	1,151,041	(34.5)
Total Income	7,286,668	6,377,149	14.3
Expenditure			
Personnel Emoluments	5,426,334	3,644,767	48.9
Repairs and Maintenance Expenses	200,564	286,217	(29.9)
Financial Charges	41,936	10,002	319.3
Travel and Transport Expenses	281,372	315,155	(10.7)
Admin. and General Expenses	1,519,466	1,701,575	(10.7)
Total Expenditure	7,469,672	5,957,716	25.4
Surplus/(Deficit)	(183,004)	419,433	(143.6)

967. Total Income went up by 14.3% from GH¢6,377,149 in 2011 to GH¢7,286,668 in 2012. The increase was mainly due to a rise in Subvention from the Government of Ghana.

968. Total Expenditure also increased by 25.4% from GH¢5,957,716 in 2011 to GH¢7,469,672 in 2012. This was attributed to increases in Personnel Emoluments and Financial Charges.

969. The Institute recorded a deficit of GH¢183,004 in 2012 as compared to a surplus of GH¢419,433 in 2011.

Financial position

970. Table 70 provides the financial position as at 31 December 2012.

Table 70: Balance sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	234,791	407,944	(42.4)
Current Assets	1,009,927	870,827	16.0
Current Liabilities	455,609	306,658	48.6
Net Current Assets	554,318	564,169	(1.7)
Net Assets	789,109	972,113	(18.8)
Current Ratio	2.2:1	2.8:1	

971. The Non-Current Assets of the Institute in 2011 was GH¢407,944 which reduced by 42.4% to an amount of GH¢234,791 in 2012. The reduction was as a result of Depreciation Charges.

972. Current Assets, however saw an increase from GH¢870,827 in 2011 to GH¢1,009,927 in 2012. The rise of 16.0% was as a result of increases in Stocks and Cash and Bank Balances.

973. Current Liabilities also went up by 48.6% from GH¢306,658 in 2011 to GH¢455,609 in 2012. This was due to an increase in Creditors, Accruals and Other Credit Balances.

974. The current ratio for year 2012 was 2.2:1 as compared to 2.8:1 for the previous year. This indicates that the Company can meet its short-term obligations when they fall due.

MANAGEMENT ISSUES

Parked Yamaha GR 122LY Motor Bikes

975. We observed that three 4 wheeled Yamaha motor bikes purchased from Japan Motors had been parked at the transport department for over 4 years and were not receiving any attention.

976. The motor bikes are losing value due to wear and tear as they remained parked.

977. We recommended that the motor bikes should be serviced and put to use or authorisation should be sought to dispose of them.

978. Management responded that the motor bikes were purchased by the CSIR Head office together with Navara pickups in the year 2007 for carting of Fresh Fruit Bunches (FFB). Unfortunately management found the bikes to be unsuitable for the intended purpose. They are however kept under good condition to minimize wear and tear.

979. Nevertheless, the recommendations are well noted and management has decided to dispose of them. The motor bikes were delivered without documents, so it is difficult to dispose them. Efforts are being made to get the documents or at least the initial price from Japan Motors.

SOIL RESEARCH INSTITUTE (CSIR)

Introduction

980. This report relates to the audited accounts of the Soil Research Institute (Council for Scientific and Industrial Research) for the year ended 31 December 2011.

Operational results

981. Total Income for the year under review increased by 13.0% from GH¢4,321,494.00 in 2010 to GH¢4,883,041.00 in 2011. This was as a result of a 13.4% rise in Subvention from Government of Ghana and a marginally 2.6% rise in IGF.

982. Shown in table 70 are the performance indicators.

Table 70: Income Statement for 2011.

Income	2011 GH¢	2010 GH¢	% Change
Subvention from GOG	4,729,699	4,172,082	13.4
Internally Generated Fund	153,342	149,412	2.6
Total Income	4,883,041	4,321,494	13.0
Expenditure			
Personnel Emoluments	4,315,624	3,883,582	11.1
Repairs and Maintenance Expenses	69,178	49,596	39.5
Financial Charges	9,315	1,839	406.5
Travelling and Transport	144,984	132,400	9.5
Administrative & General Expenses	399,384	406,611	(1.8)
Total Expenditure	4,938,485	4,474,028	10.4
Surplus/ (Deficit)	(55,444)	(152,534)	(63.7)

983. Total Expenditure for the year also rose to GH¢4,938,485 from GH¢4,474,028 in 2010 registering a 10.4% increase. Personnel Emoluments which witnessed a rise of 11.1% due to increases in Basic Salary and Allowances, contributed significantly to the increase in Total Expenditure.

984. The Institute recorded an operational deficit of GH¢55,444 in 2011 as against deficit of GH¢152,534 in 2010, resulting in a 63.7% reduction in the deficit.

Financial position

985. Provided in table 71 is the financial position as at 31 December 2011.

Table 71: Balance Sheet as at 31 December 2011

	2011 GH¢	2010 GH¢	% Change
Non-Current Assets	277,262	334,138	(17.0)
Current Assets	400,053	283,938	40.9
Current Liabilities	460,415	345,732	33.2
Current Ratio	0.9:1	0.8:1	

986. Non-Current Assets, which stood at GH¢334,138 in 2010 decreased by 17.0% to close at GH¢277,262 in 2011, arising from depreciation charges.

987. Current Assets rose by 40.9% to GH¢400,053 in 2011 from GH¢283,938 in 2010. The rise was attributed to 148.1% increase in Accounts Receivable.

988. Current Liabilities registered a 33.2% increase from GH¢345,732 in 2010 to GH¢460,415 in 2011. This was largely due to an increase in Sundry deductions which alone accounted for 40.8% of the liabilities figure.

989. The liquidity position of the Institute at the end of 2011 was 0.9:1 (2010:0.8:1). This showed that the Institute will not be able to meet its short-term financial obligations as and when they fall due.

MANAGEMENT ISSUES

Official buildings in Accra and Kumasi not insured

990. Our observation on the records available to us revealed that the office buildings in Accra and Kumasi were not insured against fire.

991. We pointed to Management that, in case of any eventuality, especially a fire outbreak, the Institute would incur huge losses without any compensation.

992. We therefore advised Management that the office buildings should be insured without delay.

993. Management responded that, this had been discussed at its management Board meeting but the problem was the cost involved which is beyond the Institute threshold, hence have written to CSIR Head Office.

No title deeds

994. We also noted that the Institute did not have title deeds for the land in which the office building was situated.

995. The non-existence of title deeds could lead to unnecessary land litigation.

996. To forestall unnecessary land litigation in future, we advised management that immediate steps be taken to obtain title deeds for the Institute's properties.

997. Management responded that, the title deeds have expired since June, 2008 and CSIR-Head office has formed a committee to deal with it.

INSTITUTE OF INDUSTRIAL RESEARCH (IIR)

Introduction

998. This report relates to the audited accounts of the Institute of Industrial Research for the year ended 31 December 2012.

Operational results

999. Operations for the year under review ended with a deficit of GH¢117,510 as against a deficit of GH¢56,426 obtained in 2011. A summary of the Institute's performance for the year under review is shown in table 72.

Table 72: Income Statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Subvention – GOG	2,941,068	2,548,687	15.4
Internally Generated Fund	129,756	314,623	(58.8)
Total Income	3,070,824	2,863,310	7.2

Expenditure			
Personnel Emoluments	2,657,187	2,345,821	13.3
Repairs & Maintenance Expenses	35,339	48,728	(27.5)
Financial Charges	170	60	183.3
Travel & Transport	48,126	36,747	31.0
Administrative & General Expenses	447,512	488,380	(8.4)
Total Expenditure	3,188,334	2,919,736	9.2
Surplus/(Deficit)	(117,510)	(56,426)	108.3

1000. Total Income increased by 7.2% from GH¢2,863,310 in 2011 to GH¢3,070,824 in 2012. This was mainly due to a 15.4% rise in government subvention to the Institute resulting from salary arrears for 2011. Unfavourable business environment experienced by the Institute however resulted in a significant decline in its IGF.

1001. Total Expenditure rose by 9.2% to GH¢3,188,334 in 2012 from GH¢2,919,736 in the previous year. Increases in Personnel Emoluments, Financial Charges, Travel and Transport by 13.3%, 183.3% and 31.0% respectively accounted for the rise. The rise in Personnel Emoluments resulted from increase in salaries and allowances, Financial Charges due to increase in bank charges whilst Travel and Transport expenses as a result of a rise in vehicle running expenses and travelling expenses.

Financial position

1002. The financial position of the Institute is shown in table 73.

Table 73: Balance Sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	190,178	295,033	(35.5)
Current Assets	997,062	977,735	2.0
Current Liabilities	815,253	783,271	4.1
Net Current Assets	181,809	194,464	(6.5)
Net Assets	371,987	489,497	(24.0)
Current Ratio	1.2:1	1.2:1	

1003. Non-Current Assets decreased from GH¢295,033 in 2011 to GH¢190,178 in 2012 registering a decline of 35.5%. This was as a result of disposal of Motor Vehicles and depreciation charge for the year.

1004. Current Assets however increased marginally by 2.0% from GH¢977,735 in the previous year to GH¢997,062 in 2012.

1005. Current Liabilities also went up slightly by 4.1% from GH¢783,271 in 2011 to GH¢815,253 in current year. The rise was as a result of an increase in Accounts Payable and Deposit held in EDIF fund at the end of the year.

1006. The liquidity position of the Institute as shown by the current ratio of 1.2:1 remained the same as the previous year. It showed that the Institute will not be able to meet its short-term obligations when they fall due.

MINISTRY OF HEALTH

MEDICAL AND DENTAL COUNCIL

Introduction

1007. This report relates to the audited accounts of the Medical and Dental Council for the financial period 1 January 2012 to 31 December 2012.

Operational results

1008. Operations for the year under review closed with an increase of 120.2% in the surplus income, from GH¢156,617.31 in 2011 to GH¢344,861.70 in 2012. Table 74 shows the performance indicators.

Table 74: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government Subvention	370,828.72	439,282.00	(15.6)
Internally Generated Fund	1,585,978.20	881,593.73	79.9
Bank Interest	7,650.11	526.60	1352.7
Foreign Currency Translation	5,822.58	1,544.07	277.1
Total Income	1,970,279.61	1,322,946.40	48.9
Expenditure			
Personnel Emolument	223,644.59	156,958.25	42.5
Administrative Expenses	365,646.35	357,719.13	2.2
Service Expenses	887,114.28	628,565.45	41.1
Investment	149,012.69	23,086.26	545.5
Total Expenditure	1,625,417.91	1,166,329.09	39.4
Surplus/(Deficit)	344,861.70	156,617.31	120.2

1009. Total Income witnessed an increase of 48.9% from GH¢1,322,946.40 in 2011 to GH¢1,970,279.61 in 2012. Government Subvention, which was 18.8% of Total Income, decreased by 15.6% from GH¢439,282.00 in 2011 to GH¢370,828.72 in 2012. IGF which comprised Retention, Registration and Examination Fees as well as fees from continuing professional development programs was the main source of income of the Council. This contributed 80.5% of total income, increasing by 79.9% from GH¢881,593.73 in 2011 to GH¢1,585,978.20 in 2012. Sundry Income, comprising Bank Interest and Foreign Currency Translation Gain, contributed 0.68% of Total Income.

1010. Total Expenditure of which Personal Emoluments and administrative expenses accounted for 13.8% and 22.5% respectively, increased by 39.4% to GH¢1,625,417.91 from the 2011 figure of GH¢1,166,329.09. The increases in expenditure on Office Cleaning, Printing and Publication, accounted for the rise in Administration Expenses whilst increase in Training and Conferences and Foreign Travel Cost and Expenses contributed largely to rise in Service Expenditure.

Financial position

1011. The financial position of the Council as at 31 December 2012 is provided in table 75.

Table 75: Balance sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Current Assets	791,465.61	479,785.96	65.0
Current Liabilities	9,309.39	42,491.44	(78.1)
Net Assets	782,156.22	437,294.52	78.9

1012. Current Assets comprised Debtors, Cash and Bank Balances. This went up by 65.0% from GH¢479,785.96 in 2011 to GH¢791,465.61 in 2012. The 65.0% increase was due to increases in Cash and Bank Balance from GH¢453,977.36 in 2011 to GH¢772,013.77 in 2012 due to increased activities of regulating the newly introduced Physician Assistants Program.

1013. Staff Debtors decreased by 24.6% from GH¢25,808.60 in 2011 to GH¢19,451.84 in 2012. Management was advised to put in place mechanism, which would ensure full recovery of all debts.

1014. Cash and Bank Balances were reconciled with the cashbook and relevant bank statements. It increased by 70.1% from GH¢453,977.36 in 2011 to GH¢772,013.77 in 2012. This was due to increased IGF of GH¢1,585,978.20 from the previous year's figure of GH¢881,593.73, an increase of 79.9%.

1015. Sundry Creditors decreased from GH¢42,491.44 in 2011 to GH¢9,309.39, a drop of 78.1%. This was due to the payment of withholding tax arrears of GH¢30,784 to the DTRD of the GRA.

1016. The liquidity position measured by a current ratio of 85:1 showed the Council's ability to meet its short-term obligation as and when they fall due.

1017. The accumulated fund of the Council stood at GH¢782,156.22 (2011: GH¢437,294.52).

MANAGEMENT ISSUES

Absence of an Internal Audit Unit

1018. Contrary to Section 16(1) of the Internal Audit Agency Act 2003 Act 658, we noted that the Council did not have an Internal Audit Unit.

1019. This occurred because management had not budgeted for the recruitment of an Internal Auditor.

1020. In effect transactions would not be reviewed for its appropriateness to ensure necessary corrections are effected where applicable before payments are made among others.

1021. We recommended that management should take the necessary steps to engage an Internal Auditor in conformity with the Act.

1022. Management responded that a reminder had been forwarded to the Internal Audit of the Ministry of Health for the secondment of an Internal Auditor to the Council.

PHARMACY COUNCIL

Introduction

1023. This report relates to the audited accounts of the Pharmacy Council for the period 1 January 2012 to 31 December 2012.

Operational results

1024. The operations of the Council resulted in a deficit of GH¢152,411.78 in the year under review as against a surplus of GH¢101,954.70 in the previous year. A summary of the income and expenditure account for the year reviewed is shown in table 76.

Table 76: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Internally Generated Fund (IGF)	1,724,914.11	1,496,075.00	15.3
Government of Ghana (GOG)	1,689,553.58	845,544.53	99.8
Donor Fund	225,881.00	345,613.50	(34.6)
Total	3,640,348.59	2,687,233.03	35.5
Expenditure			
Compensation of Employees	2,154,614.16	1,336,579.95	61.2
Use of Goods & Services	1,525,662.31	1,185,285.57	28.7
Assets	112,483.90	59,041.06	90.5
Total	3,792,760.37	2,580,906.58	46.9
Deficit	(152,411.78)	106,326.45	(243.3)

1025. Total Income for the year increased by GH¢228, 839.01, representing 15.3% rise over the previous year's income.

Government Subvention which represented 46.4% of Total Income also increased significantly by GH¢844,009.05 in 2012 which is 99.8% increase over the previous year's figure. The increase was as a result of arrears paid on the Single Spine Salary Structure in 2012. IGF which accounted for 47.4% of the Total Income, also increased by GH¢228,839.01. This was due to increase in receipt for Renewal Fees for Pharmacies, Licence Chemical Sellers (LCS), and Processing Fees for Pharmacies, and Disciplinary Committee Fees. However, Donor Fund which represented 6.2% of Total Revenue rather decreased by 34.6% from GH¢345,613.50 in 2011 to GH¢225,881.00 in 2012.

1026. Total Expenditure increased by 46.9% from GH¢2,580,906.58 in 2011 to GH¢3,792,760.37 in 2012. Compensation for Employees, Goods and Services and Assets increased by 61.2%, 28.2% and 90.5% respectively. Payment of arrears of salary and market premium for staff of the Council accounted for the increase in compensation for employees in 2012.

1027. The rise in expenses on Goods and Services could be attributed to increase in cost of printed materials and stationery, electricity charges, fuel and lubricants, night allowances, local travel cost and repairs to building. Diarrhoea in Children Management Programme, WAPCP, Communication Workshop and legal expenses which were one off expenses also accounted for the rise in Goods and Services expenses in 2012.

1028. Assets also increased significantly by 90.4% from GH¢59,091.50 in 2011 to GH¢112,483.90 in 2012 due to payments made in respect of two official vehicles given to the Council by the

Ghana Health Service on hire purchase, and the purchase of computer software in 2012.

Financial position

1029. The Council's Current Assets reduced by 55% from GH¢276,869.45 in 2011 to GH¢124,707.30 in 2012. This was mainly due to reduction in Donor Pool Support fund from the government during the year under review.

1030. Current Liabilities increased slightly to GH¢23,197.26 in 2012 and this represented 1.1% rise over the amount of GH¢22,947.63 for 2011. An increase in the National Drug Information Research Centre (NDIRC) liabilities accounted for the above increase.

1031. The Council's current ratio of 1.2:1 as at the end of 2012 indicates that the Council would not be able to meet its Current liabilities as and when they fall due.

1032. The Council's Fund balance however reduced by 60% from GH¢253,921.79 in 2011 to GH¢101,510.04 in 2012. This could be attributed to the deficit of GH¢152,411.78 in the income statement for the year ended December, 2012.

MANAGEMENT ISSUES

Delay in transferring IGF into Head Office Accounts

1033. Contrary to Regulation 18 of the FAR 2004, LI 1802 and management directives, we observed that out of a total amount of GH¢111,810.00 collected by the Northern Regional Office for 2012,

GH¢97,320.00 was transferred into head office account by the end of December, leaving GH¢14,490.00 which was later transferred on 11 January 2013.

1034. We also noted that GH¢1,672.00 out of an amount of GH¢142,110 collected by the Western Regional Office was transferred into head office account in March 2013, three months after the end of the financial year.

1035. The above situation was due to disregard to the above provisions of the FAR and instructions of management by the Regional Accountants. This practice, if not checked could lead to misappropriation of funds that will result in loss of revenue to the Council.

1036. We recommended to management to ensure that the Accounts Officers comply with the regulations concerning prompt payment and transfer of IGF collected into bank to prevent misappropriation and subsequent loss of funds to the Council. Additionally, defaulting officers should be sanctioned as stipulated in Regulation 8 of the FAR.

1037. Management accepted our recommendation and further stated that the delay in the case of the Northern Regional Officer was because he was away on official assignment in Accra and could not return to Tamale on time to authorize the transfer to Head Office until 11 January 2013.

Payment made without acknowledgement of receipt- GH¢18,249.00

1038. Our examination of payment vouchers disclosed that no official receipts were provided to support payments of GH¢18,249.00 made to service providers for goods and services for the period reviewed.

1039. The above practice contravenes Regulation 39(c) of the FAR, L.I. 1802 which enjoins the head of the accounts section of a department to control disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

1040. We attributed the irregularity to failure of the paying officer to obtain relevant receipts from recipients to substantiate the payments. We could therefore not confirm whether the payments were made to the intended recipients.

1041. For proper accountability and transparency in the utilization of public funds, we recommended to management to ensure that the accounts officer obtain receipts in acknowledgement of all payments made failing which he should be surcharged with the amount involved.

1042. Management accepted our recommendation and promised to ensure that the payments mentioned above are properly receipted and produced for our inspection.

Payment of Unauthorized Allowances

1043. In spite of persistent recommendations in our previous reports and Section 5 (a&c) of the Retention of Funds Act, 2007 (Act 735), our scrutiny of the payment vouchers showed that management continue to pay professional allowance from the IGF without budgeting for it. The allowances were also not directly related to provision of services that will lead to revenue generation as required by the above mentioned regulation. For the period January to December 2012, the Council paid a total amount of GH¢128,931.00 as professional allowance to its staff without authority.

1044. We further noted that, management continued to pay the professional allowances, even when government started paying them the Single Spine Salaries and market premium from August to December 2012.

1045. The practice, if not discontinued, could lead to the distortion of planned activities of the Council.

1046. The above irregularity which did not only result in duplication of allowances to staff members, also contributed to the deficit of GH¢152,411.78 in the income statement of the Council for 2012.

1047. Management was advised to desist from payment of unapproved allowances from the IGF and to ensure strict compliance with Regulation 5 of the Retention of Funds Act (735).

1048. Furthermore, management should ensure that the above stated amount of professional allowance paid to staff members are retrieved and paid into the IGF.

1049. In response, management stated that payment of Single Spine salary and market premium arrears started in September 2012 but took retrospective effect from January 2010, a period during which professional allowances had already been paid. They also explained that it was a Board decision to pay the pharmacists the professional allowance in lieu of private practice to prevent them from indulging in activities that would create conflict of interest.

1050. We however reiterated that, the professional allowances paid to staff should be retrieved because there was no approval from Ministry of Finance, authorizing them to pay such allowances from the IGF. Furthermore, the condition of service of the Council did not provide for such allowances.

RED CROSS SOCIETY OF GHANA

Introduction

1051. This report relates to the audited accounts of the Red Cross Society of Ghana for the period 1 January 2012 to 31 December 2013.

Operational results

1052. The operational results for the audited period are provided in the income statement for 2013 in table 77.

Table 77: Income statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Subvention	43,000.00	73,226.35	(41.3)
External Support	2,103,251.22	990,735.57	112.3
Fundraising –GRCS	170,411.70	123,680.92	37.8
Total Income	2,316,662.92	1,187,642.84	95.1
Expenditure			
General and Administrative Expenses	477,558.66	281,369.80	69.7
Personal Emolument	927,856.86	427,746.75	116.9
Branch/Membership Dev't	63,740.00	25,571.75	149.3
Programmes and Projects	1,287,728.34	551,410.62	133.5
Total Expenditure	2,756,883.86	1,286,098.62	114.4
(Deficit)	(440,220.94)	(98,455.78)	(347.1)

1053. Total Income for the Society increased by a margin of 95.1% from GH¢1,187,642.84 in 2012 to GH¢2,316,662.92 in 2013. This was mainly due to a 112.3% increase in External Support from GH¢990,735.57 in 2012 to GH¢2,103,251.22 in 2013.

1054. Total Expenditure also went up by a margin of 114.4% from GH¢1,286,098.62 in 2012 to GH¢2,756,883.86 in 2013.

1055. This was mainly due to 116.92% increase in Personnel Emolument. The Personnel Emolument amount includes arrears of income tax and SSF contribution yet to be remitted to the Commissioner and SSNIT respectively. The Branch/Membership Development Expenses also increased by 149.3% from GH¢25,571.75

in 2012 to GH¢63,740.00 in 2013. The rise in expenditure was also due to a 133.5% increase in expenses on Programmes and Projects Activities.

1056. The Society recorded a deficit of GH¢440,220.94 in 2013 (2012: GH¢98,455.78)

Financial position

1057. The Society's financial position as at 31 December 2013 is shown in table 78.

Table 78: Balance sheet as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	204,987.27	203,120.77	0.9
Current Assets	258,275.92	10,686.77	2,316.8
Current Liability	(887,016.27)	197,339.68	(549.5)
Accumulated Fund	(453,637.11)	16,467.86	(2,854.7)
Liquidity Ratio	(0.29:1)	0.05:1	

1058. Non-Current Assets increased marginally by 0.9% from GH¢203,120.77 in 2012 to GH¢204,987.27 in 2013.

1059. Current Assets also increased by a margin of 2,316.8% from GH¢10,686.77 in 2012 to GH¢258,275.92 in 2013. This was mainly due to increase in Cash and Bank Balances.

1060. Current Liabilities increased by 549.5% from GH¢197,339.68 in 2012 to GH¢887,016.27 in 2013. Net Assets was negative

GH¢453,637.11 at the end of 2013(2012: GH¢16,467.86), a fall of 2,854.68%.

1061. The Society recorded a negative Accumulated Fund of 2,854.68% from GH¢16,467.86 in 2012 to GH¢453,637.11 in 2013.

1062. The Society's liquidity position as shown by the current ratio of -0.29: 1 indicates that the Society will not be able to discharge its short term obligations when they are due. This anomaly has occurred as result of indebtedness to SSNIT, Ghana Revenue Authority (income tax) and service providers and suppliers of the Society. Inability of the Society to pay salaries of employees over the years and inability to deduct and pay statutory deduction from the payroll of employees over the years has resulted in this debt.

1063. The Society is an International organisation and therefore the nation cannot do without a Red Cross Society.

1064. We urged the Government to come to the aid of the Ghana Red Cross Society in terms of the payment of employees' compensation to enable management of the Society meets its statutory obligations.

MANAGEMENT ISSUES

Non deduction of withholding tax-GH¢7,495.85

1065. In violation of Section 84(2) of Act 592, we observed that Management failed to withhold 5% tax of GH¢7,495.85 from gross payment of GH¢149,917.00 paid to suppliers of the Society.

1066. This anomaly occurred as a result of Management not adhering to the provisions in the tax law. Failure to withhold tax has denied the state of much needed revenue for national development.

1067. We recommended and Management accepted to ensure that all the taxes are refunded from these companies and future transactions are taxed appropriately and forwarded to the Commissioner of Internal Revenue to avoid sanctions.

Non Remittance of Income Tax-GH¢202,000.00

1068. Contrary to Section 87(2) of Act592, management failed to remit a total of GH¢202,000.00 as tax withheld from the employees' income to the Commissioner of Ghana Revenue Authority.

1069. This was as a result of non-adherence to the above regulations. Failure to remit this amount to the Commissioner has denied the State much needed revenue for developmental projects.

1070. We recommended that Management should step up efforts to remit the arrears of tax owing to avoid sanctions.

1071. Management responded that this amount is an accumulated bill and an agreement has been signed with the GRA to pay on monthly installments.

Non recovery of salary in lieu-GH¢2,400.00

1072. The Condition of Service of the Ghana Red Cross Society of Ghana states that, 'An employee who wishes to resign from the

Service of the Society will be required to give three months' notice in writing or pay to the Society three months' salary in lieu of notice.

1073. Contrary to this regulation, Mr. Timothy Dassah Kayelle who resigned from the organisation during the period under review failed to give three months' notice in writing or pay three months' salary in lieu of notice to management before leaving the organisation.

1074. In our opinion Management failed to ensure that the condition of service is adhered to.

1075. Failure to apply the sanction in the condition of service has led to a loss of GH¢2,400.00 to the Society.

1076. We urged Management to recover the amount of GH¢2,400 from Mr. Kayelle without further delay.

Delay in the payment of SSNIT- GH¢367,016.27

1077. Contrary to the Pension Act 2000, Act 766, the Society has accrued over the years a total of GH¢367,016.27 as SSF contributions which is yet to be remitted to SSNIT. We further noticed that the Ghana Red Cross is basically supported by donors and therefore these donations did not include the day to day administration and employees' compensation.

1078. Lack of Government support in the day to day administrative activities and payment of Employees compensations of the Ghana Red Cross Society has resulted in this anomaly.

1079. Failure to deduct and pay SSF contribution does not ensure efficient and effective pension scheme of the future for the employees of the Society.

1080. We urged Management to step up efforts to clear all arrears of the SSNIT contributions to avoid sanctions. We also recommended that management should liaise with the appropriate authorities to have the Administrative Staff Employees compensations paid by Government to ensure smooth running of the office.

1081. Management in their response stated that, a payment agreement has been signed with SSNIT to enable them pay off the debt within a span of time.

Outmoded Act 1958

1082. For an effective and efficient functioning of institutions, organizations, groups, or associations, there should be a regular amendment of Act, regulations, laws or rules to deal with contemporary issues confronting them.

1083. We noted that the Act that established the Ghana Red Cross Society was enacted as far back as 1958. We further observed that there had not been any amendment since its inception. The situation did not allow the Red Cross to deal with the contemporary humanitarian issues in the society and the nation as a whole.

1084. This anomaly could be attributed to apathy on the part of successive management to have the Act amended.

1085. In our opinion, the Red Cross lacks financial support from the Government because the Act 1958, did not indicate the source of funding for the Society. As a result of this anomaly, the Ghana Red Cross is not functioning effectively and efficiently.

1086. We recommended that Management in consultation with the Board should as a matter of urgency liaise with the Parliament of Ghana to get the Act amended without further delay.

1087. Management accepted our recommendation.

GHANA COLLEGE OF PHYSICIANS AND SURGEONS

Introduction

1088. This report relates to the audited accounts of the Ghana College of Physicians and Surgeons for the financial period 1 January 2011 to 31 December 2012.

Operational results

1089. Total Income registered a decline of 21.2% in 2012 from GH¢1,684,234 in 2011 to GH¢1,326,816 in 2012. The fall was mainly due to a 27.2% fall in Other Income which dropped from GH¢1,402,892 in 2011 to GH¢1,021,138 in 2012. The major components of Other Income which contributed to the decline were; Fees, Ministry of Health Resident Support and Hospitality. Shown in table 79 is the income statement for 2012 indicating the performance indicators for the audited period as well.

Table 79: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Subvention	305,678.00	281,342.00	8.7
Other Income	1,021,138.00	1,402,892.00	(27.2)
Total Income	1,326,816.00	1,684,234.00	(21.2)
Expenditure			
Personnel Emoluments	221,881.00	136,416.00	62.7
Administration	166,789.00	113,326.00	47.2
Service	856,374.00	835,383.00	2.5
Others: Depreciation	96,205.00	103,463.00	(7.0)
Total Expenditure	1,341,249.00	1,188,588.00	12.8
Income surplus	(14,433.00)	495,646.00	(102.9)

1090. Total Expenditure increased from GH¢1,188,588 in 2011 to GH¢1,341,149 in 2012. The rise was due to an increase in expenditure components of Personnel Emoluments due to an approved increment in 2012 and a rise in Administrative Expenditure.

1091. An operational deficit figure of GH¢14,433 was realized in 2012 as against a surplus of GH¢495,646 in 2011, a decrease of 102.9%.

Financial position

1092. The College's Fixed Assets registered GH¢3,135,734 in 2012 compared with GH¢3,231,939 in 2011 representing a decline of 3.0% due to depreciation charge.

1093. Current Assets for 2012 rose to GH¢1,443,115 as against GH¢1,266,922 in 2011; an increase of 13.9% or GH¢176,193 over the

2011 figure, resulting from additions made to Short-Term Investment and an increase in Bank Balance.

1094. Current Liabilities also increased by 116.8% from GH¢16,507 in 2011 to GH¢35,794 in 2012. This was due mainly to 2011 unpaid bills in 2012.

1095. The College's current ratio of 40.3:1 in 2012 portrayed that it could meet its short term obligations when they fall due (2011: 76.8:1).

MINISTRY OF TRANSPORTATION

GHANA RAILWAY COMPANY LIMITED

Introduction

1096. This report relates to the audited financial statements of the Ghana Railway Company Limited for the year ended 31 December 2009.

Operational results

1097. The details of the operations of the Company are provided in table 80.

Table 80: Income statement for 2009

Item	2009 GH¢	2008 GH¢	% Change
Turnover	2,986,936.36	4,126,751.19	(27.6)
Other Income	194,623,410.07	5,359,867.77	3,531.1
Total Income	197,610,346.43	9,486,618.96	1,983.0

Operating Expenses	6,174,573.12	6,125,067.39	0.8
Gen. & Adm. Expenses	244,089,872.87	244,336,704.55	(0.1)
Interest & Bank Charges	20,262.91	46,395.38	(56.3)
Total Expenditure	250,284,708.90	250,508,167.32	(0.1)
Deficit	(52,674,362.47)	(241,021,548.36)	(78.1)

1098. Total Income for the year amounted to GH¢197,610,346.43 (2008:9,486,618.96) representing a 1,983% increase. The increase was due to receipt of Sundry income in 2009 which was absent in 2008.

1099. Total expenditure also decreased marginally by 0.1% from GH¢250,508,167.32 in 2008 to GH¢250,284,708.98 in 2009. This was due to decreases in General and Administrative expenses as well as Bank Charges.

1100. The Company recorded a net deficit of GH¢52,674,362.47 in the year reviewed compared to a deficit of GH¢241,021,548.36 recorded in 2008 representing a decrease of 78.1%.

Financial position

1101. Table 81 shows the financial position of the Company as at 31 December 2009.

Table 81: Balance sheet as at 31 December 2009

Item	2009 GH¢	2008 GH¢	% Change
Non-Current Assets	1,616,932,023.10	1,858,097,326.71	(12.9)
Current Assets	3,121,833.71	3,596,123.91	(13.2)
Total Assets	1,620,053,856.81	1,861,693,450.62	(12.9)
Current Liabilities	20,244,438.32	209,638,232.80	(90.3)
Non-Current Liabilities	2,623,427.26	2,623,427.26	-
Net Assets	1,597,185,991.23	1,649,431,790.56	(3.2)
Current Ratio	0.15 :1	0.17 :1	

1102. Non-Current Assets which stood at GH¢ 1,858,097,326 in 2008 decreased by 12.9% to GH¢1,616,932,023.10 in 2009. This was due to depreciation charge on property, plant, and equipment for the year.

1103. Current Assets also declined by 13.2% from GH¢3,596,123.91 in 2008 to GH¢3,121,833.71 in 2009. This was as a result of decreases in inventories, accounts receivables and bank and cash balances.

1104. Current liabilities also, decreased by 90.3% from GH¢209,638,232.80 in 2008 to GH¢20,244,438.32 in 2009 due to a decrease in accounts payable.

1105. The liquidity position of the Company as at the end of 2009 was 0.15:1 (2008:0.17:1). This shows that the company will not be

able to meet its short-term financial obligations as and when they fall due.

MANAGEMENT ISSUES

Unaccounted cash – GH¢1,506,344.67

1106. As reported in the previous years' management letters summarized below, we also noted that total cash received as at the end of 2009 amounted to GH¢ 3,422,574.76, out of which GH¢3,397,170.47 was banked leaving a balance of GH¢25,404.29 which could not be traced .

Year	GH¢
2006	688,533.20
2007	695,974.25
2008	96,432.93
2009	<u>25,404.29</u>
Total	<u>1,506,344.67</u>

1107. Management always assured us that internal control policies are being complied with and that the cases were under investigation yet the situation still persist.

1108. These imply that the debts are becoming irrecoverable.

1109. We recommended that management should pursue this case seriously.

1110. Management responded that, they have recognised the weaknesses in the internal control system and are taking steps to restructure the internal control system.

Maintenance of Assets

1111. We noted that the facilities of the Company have declined massively and the entire structures are dilapidated without any intervention in its arrest. Buildings, stores, vehicles and many others are left to ruin at the mercy of the weather.

1112. The continuing keeping of the items exposed them to danger.

1113. Management should make effort to undertake regular maintenance of the assets to prevent further deterioration and also create hygienic, safe and clean working environment.

1114. Management agreed to our observation but reiterated that the situation came about as a result of weak financial position of the Company.

Statutory Debts

1115. We noted from records that much efforts have not been made over the years to settle various statutory deductions made on staff salaries and other payments to the appropriate Government Agencies. This has resulted in the following accumulated balances as at the end of the year under review.

	GH¢
Social Security Contributions	6,370,877.99
Withholding Taxes	366,424.05
P.A.Y.E Deductions	<u>2,727,933.48</u>
Total	<u>9,465,235.52</u>

1116. The implication is that the Company stands to face imposition of heavy penalties.

1117. We urged management to take steps to pay these statutory debts or negotiate the terms of payment.

1118. Management responded that they have noted our recommendation for compliance.

Outstanding Staff Loans

1119. We observed that staff loan balances as at the end of 2009 was GH¢186,281.78 however, an analytical review of the ledger and explanations given revealed that some of the retired, resigned, retrenched or deceased staff still had their names in the ledger with balances but their names have been removed from the payroll and therefore no deductions could be made.

1120. The staff loans register is bloated and could therefore not be relied upon. Efforts to ascertain individual balances as at the year-end proved futile.

1121. We recommended that a follow up should be made so that the account of those resigned, retired, retrenched or

deceased are identified and their names removed from the ledger.

1122. Secondly, an ageing analysis of those not at post as at the end of the year should be done and those found to be irrecoverable dealt with appropriately.

1123. Management responded that they have directed the Acting Financial Controller and the Data Processing Manager to correct the anomalies.

Absence of Performance Contract

1124. We noted that for some years now, the Ghana Railway Company Limited (GRCL) has not been signing or submitting its performance contract to the State Enterprises Commission . A further review revealed that the sector Ministry through the State Enterprises Commission has not been performing its part of the contract hence their inability to honour it.

1125. This implies that the board or management and the sector Ministry are shirking their responsibilities, which is seriously affecting the performance of the Company.

1126. We recommended a dialogue between Management and the Board on one hand and the sector Ministry and State Enterprises Commission on the other hand to trash out the issues.

1127. Management responded that a draft performance contract will be sent to the Board for necessary action.

Twifo - Praso Bridge

1128. We noted from minutes of Management meeting held on 20TH October 2009 that a Parliamentary approval will be sought to collect tolls on the Twifo-Praso Bridge but no action has been taken at the time of audit.

1129. This implies that decisions made at management meetings are not implemented.

1130. We recommended that the issue must be revisited .

1131. Management responded that all their assets have been taken over by Ghana Railway Development Authority (GRDA) by virtue of the Railway Act 779 and that discussions are under way with GRDA to collect the tolls.

Annual Budget

1132. A request for the Company's budget for 2009 and its previous financial years' proved futile.

1133. This implies that no budget was prepared.

1134. We recommended that a Budget should be prepared annually and compared with actual to know how the Company is faring.

1135. Management responded that the years 2008 and 2009 were turbulent, characterised by labour unrest leading to disruption in operations and uncertainties, hence no budget was prepared.

Wooden Sleepers

1136. Our review revealed that almost all the wooden sleepers on the rail tracks are rotten. Train movement to cart manganese from Nsuta is therefore hampered.

1137. Currently the old abandoned sleepers on the tracks are being removed for new ones, but the contractors of the wooden sleepers are reluctant to supply because the price being quoted by Ghana Railway Company Limited is woefully inadequate.

1138. This implies that derailment would be on an increase resulting to very low income and consequently labour force would be indirectly rendered redundant.

1139. We recommended that management should present a situational paper to the Ministry for consideration.

1140. Management responded that a situational report has been presented to the Ministry of Transport and the price has been revised.

Property Plant and Equipment

1141. A cursory look at the tangible fixed assets register revealed that it is very difficult to ascertain the cost of some assets and their location. For instance, the value of the Head Office building and the Transit Quarters building could not be ascertained.

1142. We noted that two of the Company's buildings namely, Transit quarters and Beach Road Estates were auctioned by

SSNIT to recover part of GRCL's indebtedness. However, the actual cost of these buildings are unknown to be taken out from their books because records available showed a total cost of all the buildings put together.

1143. The ownership of these two buildings are also questionable because management could not give any documentary evidence on the sale.

1144. This implies that the assets in question are not properly safe-guarded and the true legal ownership of these buildings might be challenged.

1145. We recommended that a substantive tangible fixed assets register be opened for all assets with brief description, location and cost.

1146. Management should as a matter of urgency ascertain all documents and if not available make efforts to get legal ownership of the two and all other buildings.

1147. Management responded that The Financial Controller is taking steps to up-date the records.

Errors Advice (Shortages)

1148. Below are shortages made by some station masters over the years which were supposed to have been recovered from their monthly salaries or paid directly to the Chief Cashier. The amounts are in the names of individual station masters, most of whom might have left the Company.

	Takoradi GH¢	Accra GH¢	Kumasi GH¢	Total GH¢
Balance as at 31 ST December, 2008	9,193.56	1,639.49	614.87	11,447.92
Balance as at 31 ST December, 2009	610.80	0	0	610.80
Balance as at 31 ST December, 2009	9,804.36	1,639.49	614.87	12,058.72

1149. Management failed in its responsibility to ensure that deductions were made from their monthly salaries.

1150. The implications are that the debts are over- aged and therefore seemed irrecoverable.

1151. We urged management to pursue recovery. We also advised that debts should be recovered from ex-staff who are yet to be paid their benefits before payments are made to them and those who resigned, retired or deceased whose debts are irrecoverable should be written off.

1152. Management should also ensure that policies are strictly adhered to.

1153. Management noted our recommendation for compliance.

Miscellaneous Creditors

1154. We noted that GRCL has not made any efforts over the past three years to settle the following debts:

	2008 GH¢	2009 GH¢
Ghana Oil Company Ltd	577,446.88	576,736.39
RUCOMAS	217,457.67	217,566.67
Local Loan -GPHA	1,970,700.18	1,970,700.18
Ghana Manganese Co. (Track Maintenance)	461,747.61	461,747.61
Ghana Manganese Co (Fuel)	20,637.87	20,637.87
Ghana Bauxite Co. Ltd (Track Maintenance)	(69,865.43)	(69,865.43)
GPHA	592,171.98	592,171.98
Stores Balances	332,227.15	332,227.15
Merchant Bank (GMC)	1,343,390.88	1,343,390.88
Zenith Bank	1,794,488.65	1,794,488.65
Bank of Ghana	30,887.35	30,887.35

1155. This implies that the Company is heavily indebted and stands the risk of paying huge interest if the creditors take legal action.

1156. We recommended that Management should make mutually beneficial arrangements with the creditors and have the debts settled.

1157. Management noted our recommendation for compliance.

GHANA SHIPPERS AUTHORITY

Introduction

1158. This report relates to the audited accounts of the Ghana Shippers Authority for the period 1 January 2012 to 31 December 2013.

Operational results

1159. The operations of the Authority for 2013 financial year ended with a surplus of GH¢2,933,678.69 as compared to GH¢1,824,849.09 for the 2012, registering an increase of 60.8%.

1160. The summary of the Income and Expenditure accounts for 2013 providing comparative performance indicators for 2012 and 2013 are shown in table 82.

Table 82: Income statement for 2013

	2013 GH¢	2012 GH¢	% Change
Income	21,554,016.47	17,798,067.39	21.1
Expenditure			
General & Adm. Expenses	17,274,377.82	15,324,841.21	12.7
Operational Surplus	4,279,638.65	2,473,226.18	73.0
Other Comprehensive Income			
Exchange Gain/Loss	(1,345,959.96)	(699,808.08)	92.3
Gain or Loss on Disposal of assets	-	(51,430.99)	-
Surplus for the period	2,933,678.69	1,824,849.09	60.8

1161. Total Income for the Authority increased by GH¢3,755,949.08 representing 21.1% from GH¢17,798,068.39 in 2012 to GH¢21,554,016.47 in 2013. This resulted from an increase in Service Charge by GH¢2,405,545.03, representing 17.9% from GH¢13,433,963.79 in 2012 to GH¢15,847,243.25 in 2013.

1162. Total Expenditure also increased by GH¢1,949,536.61, representing a 12.7% rise from GH¢15,324,841.21 in 2012 to GH¢17,274,377.82 in 2013. The increase was largely due to a rise in Other Current Expenditure by GH¢878,578.03 representing 15.2% from GH¢5,767,528.01 in 2012 to GH¢6,646,106.04 in 2013.

1163. The Authority's loss on foreign exchange increased by GH¢646,151.88 representing 92.3% from GH¢699,808.08 in 2012 to GH¢1,345,959.96 in 2013 was attributed to the persistent depreciation in the value of the Cedi against the Dollar in 2013.

1164. However, the Authority ended the year with an increase in net income by GH¢1,108,829.60 representing 60.7% from GH¢1,824,849.09 in 2012 to GH¢2,933,678.69 in 2013.

Financial position

1165. Fixed Assets increased by GH¢8,079,080.11 representing 21.6% from GH¢37,459,211.60 in 2012 to GH¢45,538,291.77 in 2013. The construction of new office complex and other projects in Kumasi and Takoradi accounted for the increase.

1166. The Current Assets of the Authority increased by GH¢2,566,236.70 representing 26.0% from GH¢9,862,849.36 in 2012 to GH¢12,426,086.06 in 2013.

1167. Current Liabilities increased by GH¢8,864,647 representing 101.52% from GH¢8,731,500.48 in 2012 to GH¢17,596,147.99 in 2013. This largely resulted from repayment of loans due contracted for the construction of the Office Complex and other projects in Kumasi and Tarkoradi.

1168. The Authority's Current Ratio of 0.7:1 indicates that it would not be able to meet its current liabilities as and when they fall due until the above projects are completed.

1169. Accumulated Fund of the Authority also increased by GH¢2,933,678.69 representing 9.8% from GH¢29,959,549.77 in 2012 to GH¢32,893,228.46 in 2013. This was due to the surplus of income over expenditure of GH¢2,933,678.69 in the year under review.

MANAGEMENT ISSUES

Inadequate supporting documents- GH¢235,522.95

1170. In contrast to Regulation 39 (2) of the FAR, we noted during our audit that 35 payment vouchers amounting to GH¢235,522.95 for the payments of goods and services during the year under review were without the relevant supporting documents.

1171. We could therefore not authenticate the payments made with these vouchers.

1172. The anomaly resulted from the Accountant's failure to comply with the provisions of the Regulations by periodically reviewing filing and maintenance of payment vouchers to ensure completeness.

1173. We recommended that the Accountant should ensure that all payments are supported with relevant supporting documents to prevent loss of funds to the Authority otherwise the responsible personnel should be surcharged with the amount.

1174. Management accepted the recommendation for compliance.

Payments without authority notes: GH¢242,919.39 & US\$67,077.00

1175. Notwithstanding Regulation 43 of the FAR, 2004 (L.I. 1802) our review of the payment vouchers revealed that a total amount of GH¢242,919.39 and US\$67,077.00 being payment for various claims to 13 members of staff were paid to payees other than those named on the payment vouchers without authority notes.

1176. The irregularity resulted from the Paying Officer's failure to insist on the representatives of the payees submitting properly authorized notes to justify their claim.

1177. The omission could cause payments to be made to undeserving staff. The system if not checked could also be abused.

1178. We recommended that Management should ensure strict compliance with the provisions of the Regulations. Meanwhile, the representatives of the payees should provide duly authorized notes or be made to refund the amounts collected.

1179. In response, Management accepted the recommendation with the assurance of ensuring a written authorization is obtained anytime it becomes necessary for a staff to collect payment on behalf of another officer.

Payments not supported by official receipts- GH¢824,329.90 & US\$156,760.

1180. Our review of payments, with the view to ascertain the genuineness and propriety of expenditure made during the audit period disclosed that, the Accounts Office made payments amounting to GH¢683,730.90 for procurement of goods and services without obtaining official receipts. Additionally, amounts totalling US\$156,760.00 and GH¢140,599.00 transferred to contractors and a consultant accounts according to their respective contract certificates, were not supported with official receipts.

1181. The practice contravenes established practice in public expenditure control which requires that, all payments must be supported by receipts and relevant documents to serve as evidence of funds expended for the intended purpose and that value for money was received by the paying entity.

1182. Consequently, we could not confirm the propriety or otherwise of the payments in the absence of valid receipts to support the payments.

1183. The anomaly was largely due to the Accountant's failure to ensure payees provide receipts to serve as evidence of payment.

1184. We recommended that in the absence of official receipts authenticating that the funds were used for the intended purposes; the amounts should be recovered from the paying officer and paid back to the Authority's coffers. Additionally, disciplinary action should be instituted against the scheduled officer whose inaction contributed to the lapse.

Unclaimed allowances GH¢7,000.00

1185. Good cash management practice requires unclaimed allowances to be immediately paid back into the accounts from which they were originally paid and receipts issued as evidence of the payment.

1186. We noted during our review of the records that 6 Board members did not attend board meetings at particular times during the year, thereby leaving their allowances totaling GH¢7,000.00 unclaimed.

1187. We however noted during the audit that those allowances had not been refunded into the original accounts from which they were paid.

1188. The above practice could be attributed to lack of Management's supervision on the accounts officers work, leaving the amount not refunded to the Authority's account.

1189. We recommended to Management to ensure that the amount is recovered and paid into its original accounts and the receipts made available for our inspection.

1190. Management accepted the recommendation for compliance.

Imprest not accounted for GH¢5,929.00

1191. Contrary to Regulation 288(I) of the FAR 2004, our review of the records showed that a total amount of GH¢5,929.00 granted three members of staff to undertake various programmes during the year have not been accounted for.

1192. The foregoing situation, resulting from Management's failure to put in place measures to compel staff to retire their imprest, could lead to suppression or loss of funds as unused imprest will be pocketed by the imprest holders to the detriment of the Authority.

1193. We recommended to Management to ensure that, the payees produce receipts and the necessary documents to retire the imprest given to them or the amounts be adjusted to their personal advance accounts in their names as stipulated by the regulation.

1194. In response, Management stated that the imprest have been accounted for by the staff members involved but due to the sizes of

the documents they have been placed on separate files and therefore promised to get them for our verification on our follow up visit.

Single source procurement- GH¢199,662.65

1195. Regardless of Section 43(1) of the PPA 2003 and our previous audit comments, we noted that the Authority continued to procure goods and services without recourse to the law. Procurements made in such manner during the year amounted to GH¢199,662.

1196. We therefore could not certify that the Authority obtained value for money in procuring the goods and services.

1197. From the above lapse, it is evident that Management did not obtain the goods and services at the most competitive bid, thereby ensuring transparency.

1198. We recommended and Management accepted to comply with the requirements of the Act to ensure the Authority obtains value for money in the procurement of goods and services.

Outstanding Service Charges GH¢2,638,952.24

1199. Section 4 (1) of Ghana Shippers Authority Regulations, 2012 (L.I 2190 states, “The Authority shall provide a platform for mutual consultations among (a) shippers, (b) ship-owners, (c) shipping lines and agents, (d) ports (e) railways, (f) terminal operators, (g) freight forwarders, (h) customs house agents, (i) receipt and delivery operators, (j) freight consolidators, (k) haulers, and (l) airline carriers agents whose activities impact on shippers.

1200. In line with the above requirement the Authority provides a consultancy service for her members thereby generating revenue which is classified under Service Charge Revenue.

1201. Our examination of the records for the period reviewed revealed that, out of an amount of US\$17,725,254.45 owed by 49 shipping Lines, US\$14,286,320.93 had been paid leaving an outstanding bill of US\$3,438,933.52 equivalent to GH¢6,190,080.34 at an exchange rate of US\$1 = GH¢1.8 as at December 2012.

1202. Though the Authority grants members three months' credit facility, management failed to enforce payment by these Shipping Lines after the grace period, resulting in the Authority not realizing the needed funds to support its budget.

1203. We recommended to Management to instigate the necessary measures to retrieve the outstanding service charge of GH¢6,190,080.34 from the members. Also, Management should introduce measures that would compel the shipping lines settle their indebtedness within the stipulated time.

1204. Management responded that its regulations have been revised and have empowered them to effectively collect the service charge and sanction defaulters.

1205. Our follow up indicated that an amount of US\$586,026.17 was still outstanding for 2012. We further noted that, US\$14,080,388.32 was paid out of the total bills of US\$16,133,314.56 raised in 2013 leaving an outstanding service charge of US\$2,052,926.24 for 2013. We urged Management to strengthen their

debt collection machinery to enable them recover all outstanding bills totalling US\$2,638,952.24.

GHANA PORTS AND HARBOURS AUTHORITY

Introduction

1206. This report relates to the audited accounts of Ghana Ports and Harbours Authority for the years ended 31 December 2012 and 2013.

Operational results

1207. The year 2013 ended with a surplus of GH¢61,809,962 as against GH¢56,645,658 for 2012 registering an increase of 9.1%.

1208. Presented in table 83 is a summary of the income statement for 2013 indicating the performance indicators for the years under review.

Table 83: Income Statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Revenue	371,039,011	318,214,379	16.6
Other Income	44,455,453	35,051,118	26.8
Share of Profit from Investment in Associates	24,853,588	22,733,924	9.3
Total Income	440,348,052	375,999,421	17.1
Expenditure			
Operating Expenses	296,246,118	264,527,775	12.0
Gen. & Admin. Expenses	55,440,641	37,451,712	48.0
Finance costs	11,858,261	2,429,717	388.1
Income Tax	14,993,070	14,944,559	0.3
Total Expenditure	378,538,090	319,353,763	18.5
Surplus	61,809,962	56,645,658	9.1

1209. The Total Income of the Authority including Share of Profit from Investment in Associates registered an increase of 17.1% from GH¢375,999,421 in 2012 to GH¢440,348,052 in 2013. This was mainly due to increases in Revenue, Other Income and Share of Profit from Investment in Associates.

1210. Total Expenditure incurred in 2013 was GH¢378,538,090 as against GH¢319,353,763 in 2012 representing an increase of 18.5%. The Increase can be attributed to a 388.1% rise in Finance Cost and a 48.0% rise in General and Administrative Expenses.

Financial position

1211. Table 84 provides a summary of the financial position as at 31 December 2013.

Table 84: Balance sheet as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	1,151,378,519	879,516,135	31.0
Current Assets	198,822,695	179,590,919	10.7
Current Liabilities	48,303,907	43,381,788	11.3
Non-Current Liabilities	436,237,870	211,875,791	105.9
Net Assets	1,301,897,307	1,015,725,266	28.2
Current Ratio	4.1:1	4.1:1	

1212. The Authority's Non-Current Assets went up by 31% from GH¢879,516,135 in 2012 to GH¢1,151,378,519 in 2013. This was due to acquisition of Property Plant and Equipment and revaluation of Land and Buildings.

1213. Current Assets also rose by 10.7% from GH¢179,590,919 in 2012 to GH¢198,822,695 in 2013 due to increases held in Maturity Investments and Cash and Bank Balances.

1214. Current Liabilities went up by 11.3% from GH¢43,381,788 in 2012 to GH¢48,303,907 in 2013. This was as a result of an increase in Accounts Payable.

1215. Non-Current Liabilities made up of Deferred Income and Borrowings increased from GH¢211,875,791 in 2012 to GH¢436,237,870 showing a huge leap of 105.9%. A 486.7% increase in borrowing accounted for the rise.

1216. The liquidity position as measured by a current ratio of 4.1:1 (2012:4.1:1) remained favourable, indicating the ability of the Authority to discharge its short term obligations as and when they fall due.

MANAGEMENT ISSUES

Staff debtors' confirmation not responded to – GH¢224,923.27

1217. We did not receive responses to some staff debtor confirmation letters circulated during the audit. Below is a table showing the details:

Staff No.	Staff Name	A/c Bal. (GH¢)
0004550	Dzene ECA	56,837.77
0004556	Griffin M.A.E	37,245.99
0004622	Barnes Dabban Harry	47,061.19
0005006	Belinda Osei	53,017.71
0005048	Ben Parker Wilson	<u>30,760.61</u>
	Total	<u>224,923.27</u>

1218. The confirmation of staff debtor balances aids in ascertaining the completeness, existence and correct valuation of balances. They also aid in supporting the amounts reflected in the Authority's records. Staff debtor balances in the receivable ledger could be misstated.

1219. We recommended that Management should encourage staff to respond to staff debtor confirmations in order to aid in providing adequate support for amounts in the Authority's accounting records.

1220. Management indicated that some of the employees had traveled and others were on medical leave.

MINISTRY OF WATER RESOURCES, WORKS AND HOUSING

TEMA DEVELOPMENT CORPORATION

Introduction

1221. This report relates to the audited accounts of the Tema Development Corporation for the year ended 31 December 2013.

Operational results

1222. Table 85 provides the performance indicators for the year under review.

Table 85: Income Statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Rental Income	4,804,733	4,755,235	1.0
Land Management Fees	7,504,340	6,317,838	18.8
Property Operating Income	5,026,778	4,153,370	21.0
Estate Development Income	14,845,092	10,288,337	44.3
Other Income	19,181	22,314,726	(99.9)
Investment Income	7,552,005	3,314,473	127.9
Dividend Income	2,558	2,944	(13.1)
Total Income	39,754,687	51,146,923	(22.3)
Expenditure			
Service Charge Expenses	387,920	79,922	385.4
Cost of Sales	10,409,064	7,247,758	43.6
Administrative Expenses	13,113,291	11,240,506	16.7
Taxation	3,210,670	2,012,008	49.6
Deferred Tax Liability	-	1,125,312	(100.0)
Total Expenditure	27,120,945	21,705,506	25.0
Profit	12,633,742	29,441,417	(57.1)

1223. Total Income decreased by 22.3% from GH¢51,146,923 in 2012 to GH¢39,754,687 in 2013. This was as a result of the 99.9% drop in Other Income which is made up of profit on disposal of investment properties, valuation gains on completed investment properties and valuation gains on investment properties under construction.

1224. Total Expenditure on the other hand went up by 25.0% from GH¢21,705,506 in 2012 to GH¢27,120,945 in 2013. This was due to rises in almost all the expenditure lines.

1225. The year ended with a drop in profit of 57.1% from GH¢29,444,417 in 2012 to GH¢12,633,742.

Financial position

1226. Details of the Corporation's financial position as at 31 December 2013 are shown in table 86.

Table 86: Balance sheet as at 31 December 2013

Item	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	35,546,542	34,049,313	4.4
Current Assets	78,459,585	65,484,176	19.8
Current Liabilities	29,958,370	37,673,159	(20.5)
Non-Current Liabilities	1,250,049	1,250,049	-
Net Assets	82,797,708	60,610,281	36.6
Current Ratio	2.6:1	1.7:1	

1227. Non-Current Assets increased by 4.4% from GH¢34,049,313 in 2012 to GH¢35,546,542 over the period under review. This was due mainly to a 17.9% rise in investment properties under construction.

1228. Current Assets also rose by 19.8% from GH¢65,484,176 in 2012 to GH¢78,459,585 in 2013. This was due to increases in Inventories, Short-term Investments and Cash and Bank Balances.

1229. Current Liabilities on the other hand decreased by 20.5% from GH¢37,673,159 in 2012 to GH¢29,958,370 in 2013 mainly as a result of a 161.7% drop in tax liability.

1230. The Corporation's liquidity position as measured by a current ratio of 2.6:1 (2012:1.7:1) shows that it can meet its short term obligations when they fall due.

STATE HOUSING COMPANY LIMITED (SHC)

Introduction

1231. This report covers the audited accounts of State Housing Company Limited for the year ended 31 December 2012.

Operational results

1232. The summary of the Company's operations are provided in table 87.

Table 87: Income statement for 2012

Item	2012 GH¢	2011 GH¢	% Change
Turnover	1,785,154	2,012,185	(11.3)
Cost of Sales	(1,323,779)	(1,411,181)	(6.2)
Gross Profit	461,375	601,004	(23.2)
Other Income	9,196,292	3,627,370	153.5
Staff Cost	(2,920,949)	(2,271,260)	28.6
Administrative Cost	(1,716,027)	(1,117,199)	53.6
Selling & Distribution Cost	(119,707)	(56,536)	111.7
Finance Income	43,334	46,096	(6.0)
Finance Expense	(32,835)	(13,240)	148.0
Taxation	-	(169,819)	(100.0)
Net Profit	4,911,483	646,416	659.8

1233. Turnover of houses decreased by 11.3% from GH¢2,012,185 in 2011 to GH¢1,785,154 in 2012.

1234. Other Income, on the other hand, rose sharply by 153.5% from GH¢3,627,370 in 2011 to GH¢9,196,292 in 2012. This resulted from increases in Ground Rent, Development/Plot Release Fee, Leasehold Income, and Miscellaneous Income.

1235. Staff Cost rose by 28.6% from GH¢2,271,260 in 2011 to GH¢2,920,949 in 2012. This was due largely to an increase in Salaries and Wages. Administrative Cost also went up by 53.6% from GH¢1,117,119 in 2011 to GH¢1,716,027 in 2012.

1236. Finance Income made up of Interest on Investment and Interest on Bank Account dropped by 6.0% from GH¢46,096 in 2011 to GH ¢43,334 in 2012.

1237. Net Profit rose significantly by 659.8% from GH¢646,416 in 2011 to GH¢4,911,483 in 2012.

Financial position

1238. Table 88 shows the financial position of the company as at 31 December 2012.

Table 88: Balance sheet as at 31 December 2013

Item	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	3,675,013	2,394,070	53.5
Current Assets	12,801,174	6,417,860	99.5
Current Liabilities	9,502,085	6,706,806	41.7
Non-Current Liabilities	937,243	958,543	(2.2)
Current Ratio	1.35:1	0.96:1	

1239. Non-Current Assets increased by 53.5% from GH¢2,394,070 in 2011 to GH¢3,675,013 in 2012. This resulted from additions to Motor Vehicle, Furniture and Fittings, and Computer and Accessories. A rise of 73.8% in Development Expenditure also contributed to the increase.

1240. Current Assets which stood at GH¢6,417,860 increased significantly by 99.5% to GH¢12,801,174 in 2012. This was mainly due to increases in Stocks and Work-In-Progress, Debtors and Payments, and Cash and Bank Balances.

1241. Current Liabilities also went up by 41.7% from GH¢6,706,806 in 2011 to GH¢9,502,085 in 2012. This was as a result of an overdraft facility of GH¢243,306 and an increase in Trade and Other Payables.

1242. The liquidity position of the Company as indicated by a current ratio of 1.35:1 (2011: 0.96:1) appeared unfavourable and indicated the inability of the Company to meet its short-term obligations when they fall due.

MANAGEMENT ISSUES

Non- Payment of statutory deductions – GH¢518,751.86

1243. We observed that statutory deductions relating to the period under review amounting to GH¢518,751.86 had not been paid to the GRA and SSNIT respectively. Details are as follows:

Region/ Branch	WHT-GH¢	PAYE – GH¢	SSF – GH¢
Western	55, 510.00	-	-
Gt. Accra	131,558.00	110,521.00	-
Ashanti	45,685.86		
Northern	-	32,944.00	2,428.00
Eastern	43,988.00	52,710.00	12,221.00
Central	46,518.00	-	-
Volta	23,743.00	12,667.00	3,768.00
Total	291,492.86	208,842.00	18,417.00

1244. Failure of Management to comply with tax and other statutory regulations renders the Company liable to penalties which could lead to additional cost.

1245. We advised Management to comply with the statutory provisions to avoid any penalties

1246. Management responded that, it identified this sometime ago and have negotiated settlement with GRA.

Accrual of Ground Rent- Eastern & Volta Region

1247. Management was unable to provide us with reliable basis for the accrual of ground rent for the Eastern and Volta regions amounting to GH¢93,653.00. Also ground rent for 9 months

amounting to GH¢18,000 on the parcel of land at head office for 2012 was not accounted for in the financial statements though GH¢100,000 received on the execution of agreement had been recognised.

1248. The amounts accrued in the financial statements could be misstated. Also, the omission of the ground rent income earned from the financial statements makes recovery efforts futile and could result in revenue losses to the Company.

1249. Management should take responsibility for the accrual, collection, and accounting for ground rent irrespective of the fact that the function is outsourced.

1250. Management responded that , the client has fully settled the bill and the accounting entries will be posted to reflect it.

Absence Of Supporting Documents On Construction Works On House No.103ASHC3A Eastern Region – GH¢11,340

1251. We noted that there were no supporting documents for expenditure incurred on the construction works on house No.103ASHC3A amounting to GH¢11,340

1252. The absence of supporting documents could impact adversely on the integrity of the financial statement for management reporting and decision making.

1253. We recommended to management to ensure that duly authorized vouchers are raised to support transactions and thus payments are made accordingly.

1254. Management responded that it was working with the regional heads to avoid this issue which relates mainly to labour construction activities. In the interim the company has an approved construction cost per property type which serves as control in such activities.

Differences between bank balances per trial balance and balance per cashbook -Ashanti Region

1255. We observed during our review that the bank balances presented in the trial balance did not agree with cashbook balances. The details are:

Bank Account	Balance per Trial Balance	Balance per Cashbook
GCB Account 'A'-Kumasi	(8,955)	(9,410.14)
GCB Account 'B'-Kumasi	32,426	33,099.58
ADB Account 'C'- Kumasi	(1,660)	6,012.46

1256. This was due to laxity on the part of the supervising officer in the account department.

1257. We recommended to Management to take immediate steps to reconcile the differences and ensure that regular reconciliations are undertaken and properly reviewed by designated officials.

1258. Management responded that, it will ensure that in all accounts balances.

Lack of supporting documents on payments for professional charges-GH¢14,800 Ashanti Region

1259. We observed during our review that payments totalling GH¢14,800 made in respect of professional charges were not duly supported by invoices and receipts.

1260. Management's failure to authenticate all payments before they are made was the cause of the anomaly. We could therefore not confirm the validity of the payments.

1261. We advised Management to receive invoices or debit notes from prospective vendors before the payment process is initiated and all payments must be duly supported with receipts. Management should justify the expenditure.

1262. Management responded that the matter will be investigated and necessary action taken.

Withholding taxes - GH¢45,685

1263. We noted that withholding tax totalling GH¢45,685.86 were not deducted from the payments made to various suppliers of goods and services during the period under review contrary to section 84(2) of Internal Revenue Act 2000 (Act 592) which requires taxes to be withheld when making payments for taxable goods and services.

1264. The non-enforcement of the provisions of the above Act deprived the state of the appropriate tax revenue.

1265. Consequently, we advised management to withhold taxes from payments for goods and services exceeding GH¢500 and pay same to GRA within fifteen days after the end of the month in which they were withheld. Failure of this Section 88 of Act 592 should be enforced.

1266. Management has tasked all operational managers to settle all outstanding bills and refer any unsettled bill to the head office.

Stationery not received into stores

1267. Our review revealed that stationery purchased were not received into stores, as a result, the value of stationery in the financial statements of GH¢55,696 differed from the value of stationery in stores of GH¢44,603.81.

1268. This situation creates the environment for payment to suppliers without acknowledgement of the receipt of goods and this could result in misappropriation of stocks and misstatement in the financial statements.

1269. We advised management to investigate and reconcile the differences in stock variance. Management should also ensure that the control procedures are implemented and all purchases should pass through stores before its use.

1270. Management assured us that , it will ensure that all stationery are received into stores before request is honoured and the difference in balance will also be investigated.

WATER RESOURCES COMMISSION

Introduction

1271. This report covers the audited accounts of the Water Resources Commission for the year ended 31 December 2013

Operational results

1272. Total Income of the Commission for the year under review was GH¢5,902,469.00 from GH¢3,118,474.00 in 2012, representing a significant rise of 89.3%. The increase was due mainly to a 124.9% rise in Water Revenue from GH¢738,720.00 in 2012 to GH¢1,661,470.00 in 2013. A 122.4% rise in abstraction fees alone gave upward movement to water revenue. The other Revenue of GH¢4,240,999.00 in 2013 (2012: GH¢2,379,754.00) also gave rise to the total revenue. The contribution of African Development Bank of GH¢3,272,950.00 in 2013 (2012: GH¢1,182,476.00) or 176.9% accounted for the increase in Other Revenue.

1273. Performance indicators are shown in table 89.

Table 89: Income Statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Revenue	1,661,470	738,720	124.9
Other Revenue	4,240,999	2,379,754	78.2
Total Revenue	5,902,469	3,118,474	89.3
Expenditure			
Gen. Administration expenses	4,054,412	1,779,031	127.9
Surplus for the year	1,848,057	1,339,443	38.0

1274. Total Expenditure comprising General Administration Expenses increased significantly by 127.9% from GH¢1,779,013.00 in 2012 to GH¢4,054,412.00 in 2013. Increases in Consultancy Service fees of GH¢1,523,960 (2012: GH¢89,615.00) or 1,600.6% accounted for high increase in General Administration Expenses. Also accounting for the increase are Travelling & Transport Expenses of GH¢334,898.00 (2012: GH¢108,734.00) 208.0% rise and Motor Vehicle Running Cost of GH¢183,246.00 (2012: GH¢82,635.00) or 121.8% rise.

1275. The Commission's operations for the year ended with a surplus of GH¢1,848,057.00 as against a surplus of GH¢1,339,443.00 in 2012, representing an increase of 38.0%.

Financial position

1276. Table 90 shows the financial position of the Commission for the period reviewed.

Table 90: Balance Sheet as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	585,661	719,856	(18.6)
Current Assets	3,946,505	1,982,278	99.1
Current Liabilities	34,313	68,605	(50.0)
Net Assets	4,497,853	2,633,529	70.8
Current ratio	115.0:1	28.9:1	

1277. Non-Current Assets decreased by 18.6% from GH¢719,856 in 2012 to GH¢585,661 in 2013. The decline was as a result of Depreciation Charges and Disposals within the year under review.

1278. Current Assets rose significantly by 99.1% from GH¢1,982,278 in 2012 to GH¢3,946,505 in 2013. The rise was mainly due to increases in Account Receivables from GH¢417,623 in 2012 to GH¢923,820 in 2013 and Cash and Cash Equivalents from GH¢1,556,945 in 2012 to GH¢2,962,685 in 2013.

1279. Current Liabilities on the other hand, decreased from GH¢68,605 in 2012 to GH¢34,313 in 2013, representing a fall of 50.0%. The decrease was caused by a reduction in Sundry Payables.

1280. The net assets of the Commission grew from GH¢2,633,529 in 2012 to GH¢4,497,853 at the end of 2013.

1281. Current ratio measuring the liquidity position of the Commission for 2013 shows a healthy position of 115.0:1, meaning the Commission can meet its short-term obligations when they are due.

CSIR - WATER RESEARCH INSTITUTE

Introduction

1282. This report relates to the audited accounts of the CSIR - Water Research Institute for the year ended 31 December 2012.

Operational results

1283. Shown in table 90 is the summarized Income Statement.

Table 90: Income Statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Recurrent Grant	5,924,025	5,211,433	13.7
Internally Generated Funds	1,510,689	1,164,727	29.7
Total Income	7,434,714	6,376,160	16.6
Expenditure			
Personnel Emoluments	5,198,314	4,795,122	8.4
Travelling and Transport	124,814	84,593	47.5
General & Administrative	288,665	204,238	41.3
Repairs & Maintenance	197,076	95,163	107.1
Training & Conference	202,463	186,343	8.7
Consultancy	602,962	415,195	45.2
Depreciation	282,670	320,286	11.7
Total Expenditure	6,896,964	6,100,940	13.0
Surplus	537,750	275,220	95.4

1284. Total Income increased by 16.6% from GH¢6,376,160 in the previous year to GH¢7,434,714 in 2012. The increase was as a result of a rise in Recurrent Grant and IGF.

1285. Total Expenditure also increased from GH¢6,100,940 in 2011 to GH¢6,896,964 in 2012. The rise of 13.0% was as a result of increases in Personnel Emoluments, Travelling and Transport, General and Administrative, Repairs and Maintenance, Training and Conference and Consultancy Expenses.

1286. Surplus for the year 2012 was GH¢537,750 as against a surplus of GH¢275,220 recorded in 2011.

Financial position

1287. Summarised in table 91 is the financial position as at 31 December 2012.

Table 91: Balance sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	329,948	425,941	(22.5)
Current Assets	2,502,028	1,614,238	55.0
Current Liabilities	102,706	98,740	4.0
Net Assets	2,729,270	1,941,439	40.6
Current Ratio	24.4:1	16.3:1	

1288. Non-Current Assets stood at GH¢329,948 in 2012 registering a decrease of 22.5% over the 2011 figure of GH¢425,941. This change was due to Depreciation Charges.

1289. Current Assets rose by 55.0% from GH¢1,614,238 in 2011 to GH¢2,502,028 in 2012. A significant increase of 60.1% in Cash and Bank Balances accounted for the rise.

1290. Current Liabilities also increased marginally by 4.0% from GH¢98,740 in 2011 to GH¢102,706 in 2012. An increase in Payables accounted for the rise.

1291. Liquidity position as measured by current ratio showed an increase from 16.3:1 in 2011 to 24.4:1 in 2012, which signifies a healthy position.

ARCHITECTURAL & ENGINEERING SERVICES LTD

Introduction

1292. This report relates to the audited accounts of the Architectural and Engineering Services Ltd for the year ended 31 December 2013.

Operational results

1293. The operational results for the period under review are as shown in table 92.

Table 92: Income Statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
Turnover	9,109,191	9,910,681	(8.1)
Other Income	529,314	486,317	8.8
Total Income	9,638,505	10,396,998	(7.3)
Expenditure			
Administrative & General Expenses	8,569,883	8,046,215	6.5
Income Tax Expenses	249,706	627,619	(60.2)
Total Expenditure	8,819,589	8,673,834	1.7
Net Profit	818,916	1,723,164	(52.5)

1294. Total Income for the year under review amounted to GH¢9,638,505 (2012: GH¢10,396,998) representing a fall of 7.3%. The drop was as a result of a fall in income from Fees Charged though Other Income experienced a marginal increase.

1295. Total Expenditure registered a 1.7% increase from GH¢8,673,834 in 2012 to GH¢8,819,589 in 2013. This was due to 6.5% rise in Administrative and General Expenses and 60.2% drop in Income Tax expenses.

1296. The Company's operations for the year ended with a Net Profit of GH¢818,916 as compared with the 2012 figure of GH¢1,723.164 representing a significant fall of 52.5%.

Financial position

1297. The financial position of the Company is provided in table 92.

Table 92: Balance Sheet as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	10,921,318	11,118,771	(1.8)
Current Assets	13,481,991	10,160,141	32.4
Current Liabilities	7,371,271	5,045,887	46.1
Net current Assets	6,110,720	5,114,254	19.5
Net assets	17,032,038	16,233,025	4.9
Current Ratio	1.8:1	2.0:1	

1298. Non-Current Assets registered a decrease of 1.8% from GH¢11,118,771 in 2012 to GH¢10,921,318 in 2013. This was mainly

due to disposal of Motor Vehicles, Furniture and equipment and Depreciation charge for the year.

1299. Current Assets however grew from GH¢10,160,141 in 2012 to GH¢13,481,991 in the year under review. Increases in Inventory and Accounts receivable accounted for the rise.

1300. Current Liabilities also appreciated from GH¢5,045,887 in 2012 to GH¢7,371,271 in 2013, representing a rise of 46.1%. The upward movement was as a result of increases in Accounts payable, Bank Overdraft and Taxation.

1301. The Company's current ratio of 1.8:1 (2012:2.0:1) fell below the bench mark of 2:1 thus indicating its inability to meet its short term obligations when due.

MANAGEMENT ISSUES

Default in payments of statutory deductions

1302. Contrary to Section 87 (I) of Act 592 and the National Pension Act, 2008 (Act 766) we noted that an amount of GH¢4,655,187 representing 74.21% of Accounts payable was owed to GRA and Social Security and National Insurance trust (SSNIT). Details are as shown below:

	GH¢
VAT	2,958,498
SSNIT	477,276
PAYE	1,211,725
5% Withholding Tax	<u>7,688</u>
	<u>4,655,187</u>

1303. Though the current ratio calculated was about 1.8:1 and seems adequate, a continuous build-up of these debts will negatively impact on the credit worthiness of the organization. It could also result in high penalties and surcharges to the Company. The state was also denied the use of the accrued tax revenue on its developmental projects.

1304. We recommended that VAT elements on Government contracts should be separated with outstanding VAT calculated at the end of the year to enable such indebtedness as notes to the financial statements to allow for a better interpretation of the financial statements.

1305. We further advised Management to take the necessary steps to meet these statutory obligations to avert paying of penalties and delay in payments to retiring staff.

1306. Management accepted our recommendation for compliances and explained that the VAT on Ministry of Education/GETFUND bills are not paid but VAT Relief Purchase Orders (VRPOs) are issued to set off after they have been settled. These, management said takes a very long time for settlement and for their corresponding VRPOs issued to reverse the VAT/NHIL in their books. Hence making the accounts payable and receivable appear so high.

1307. Management promised appealing to the Commissioner to be exempted from the charging of VAT/NHIL on Ministry of Education/GETFUND Projects.

GHANA WATER COMPANY LIMITED

Introduction

1308. This report relates to the audited accounts of the Ghana Water Company Limited for the year ended 31 December, 2012.

Operational results

1309. Table 93 shows the income and expenditure statement for the year ended 31 December 2012.

Table 93: Income Statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Sale of Water	172,234,124	168,708,583	2.1
Other Income	9,618,624	3,882,911	147.7
Total Income	181,852,748	172,591,494	5.4
Expenditure			
Production	94,570,211	80,719,610	17.2
Transmission/Boostering	4,829,611	5,133,612	(5.9)
Distribution	25,299,220	20,790,224	21.7
Commercial/Marketing	21,174,017	20,033,877	5.7
General Administration	44,999,216	43,804,294	2.7
Loan Interest	2,839,023	2,900,249	(2.1)
Exchange Loss	14,817,951	13,915,924	6.5
Total Expenditure	208,529,249	187,297,790	11.3
Profit/(Loss)	(26,676,501)	(14,706,296)	81.4

1310. Total Income rose by 5.4% from GH¢172,591,494 in 2011 to GH¢181,852,748 in 2012. This was due to a 2.1% increase in Sale of Water and a 147.7% rise in Other Income.

1311. Total Expenditure also increased by 11.3% to GH¢208,529,249 in 2012 from a figure of GH¢187,297,790 in 2011. This was mainly due to increases in Production, Transmission/Boosting, and Distribution Costs.

1312. The Company recorded a deficit of GH¢26,676,501 in 2012 as against a deficit of GH¢14,706,296 registered in 2011. This represented a rise of 81.4% in deficit.

Financial position

1313. Table 94 presents a summary of the balance sheet as at 31 December, 2011.

Table 94: Balance Sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	1,139,637,794	845,870,309	34.7
Current Assets	121,646,571	132,305,783	(8.1)
Long-Term Liabilities	84,003,631	89,392,306	(6.0)
Current Liabilities	159,735,204	175,989,578	(9.2)
Net Current Liabilities	(38,088,633)	(43,683,795)	(12.8)
Net Assets	1,017,545,530	712,794,208	42.8
Current Ratio	0.8:1	0.8:1	

1314. Non-Current Assets increased by 34.7% from GH¢845,870,309 in 2011 to GH¢1,139,637,794 in 2012. This increase was mainly due to additions to structures, Motor Vehicles, Construction in Progress, Machinery and Equipment.

1315. Current Assets on the other hand, decreased by 8.1% from GH¢132,305,783 in 2011 to GH¢121,646,571 in 2012. This was due to a drop in receivables made up of Government's Trade Receivables and Investments in Treasury Bills and Fixed Deposits.

1316. Current Liabilities also declined by 9.2% from GH¢175,989,578 in 2011 to GH¢159,735,204 in 2012. This resulted from decreases in the Accounts Payable.

1317. The Company's liquidity profile as portrayed by its current ratio of 0.8:1 (2011: 0.8:1) indicated that the Company continued not to meet its short term financial obligations when they fall due.

MANAGEMENT ISSUES

Accra West Region

No reconciliation between the Commercial Department & Account's Departments on all balances

1318. It is anticipated that, the Commercial Department and the Accounts Department would perform a regular reconciliation of all balances between the two departments to avoid any instances of discrepancies of balances and reconciliation difficulties later between them.

1319. In the course of our audit, we realized that, there was no form of documented reconciliation whatsoever for all balances between the two departments. The review of the account revenue balance between the two departments showed a difference of GH¢5,700,482.02 as follows:

Month	Accounts Department GH¢	Commercial Department GH¢	Difference GH¢
Total per Schedule	20,257,978.29	25,958,460.31	(5,700,482.02)

1320. This could lead to a misstatement in the financial statement.

1321. We recommended that, Management should ensure that the Commercial and Accounts Department perform regular documented reconciliation of all balances to avoid any difficulties that may arise as a result of this gap.

1322. Management responded that, a reconciliation committee was formed in 2011 but scarcely meet. Management added that it would ensure that the team functions regularly. Also, Accounts Department will pick data from the same source documents as Commercial Department to reduce the occurrence of the discrepancies.

Long outstanding deposits in transit

1323. Review of the bank reconciliation statement revealed that a reasonable number of deposits in transit have been standing in the books for some time. Examples of these outstandings are shown in the table below:

No.	Date	Bank Account Name	DCR Number	Amount GH¢
1	09/08/2012	GCB - 1111130013813	-	7,443.00
2	25/07/2012	GCB - 1111130013813	-	9,279.20
3	30/07/2012	GCB - 1111130013813	-	4,200.00
4	01/10/2012	GCB - 1111130010937	52467	2,619.75
5	29/10/2012	GCB - 1111130010937	62222	5,270.50

1324. The fact that some of these deposits in transit have been outstanding since July 2012 is an indication that this could have been an irregularity.

1325. We recommended that, Management should investigate the authenticity of these lodgments in collaboration with the banks.

1326. Management responded that it will investigate and reconcile the differences.

Stolen PVC pipes

1327. It was recorded in the general ledger that some materials were stolen. The value of the materials were GH¢3,439.14 and this was included in the total general ledger balance of GH¢434,827.11.

1328. There was no evidence of investigations that has been conducted in relation to the stolen pipes. Currently the issue is being pursued at the law court.

1329. We recommended that, Management should ensure that the issue is followed-up in court and brought to proper closure.

1330. Management responded that the theft was reported and investigations were conducted. The case however is currently before the law courts awaiting final judgment.

Lack of supporting documents

1331. During the audit the staff of the Accra West Region could not provide supporting documents that is the payment vouchers, receipts and invoices for the underlisted transactions:

Date	Details	PV #	Cheque #	Amount GH¢
30/07/2012	Bolts and Nuts supplied	110	643754	1,881.00
30/07/2012	Servicing vehicle	283	None	100.00
30/07/2012	Rent advance for 2yrs for Mallam-Kasoa Collection Point	294	643779	3,600.00
03/06/2012	Fuel and lubricant used in the month of June 2013	317	645045	24,900.00
30/12/2012	Fuel and lubricant used in the month of December 2012	392	644391	24,700.00

1332. Due to this, the audit team could not perform the required audit procedures to ascertain the propriety of the payment.

1333. We recommended that, Management should ensure that it provide the audit team with all the information required to perform its work otherwise the expenditure is disallowed and recovery made into the Company's account..

1334. Management responded that the documents will be traced and made available for scrutiny.

Tema

Permanent office structure – Kpong/Akuse District

1335. During our visit to the Kpong Akuse District we realised that the office space for the entity was inadequate. Enquires revealed that the district assembly has given them a plot of land to put up a permanent structure. According to the district head this has been made known to the head office but no response has been received from them. Apart from the inadequate space, the rent is increased by about 50-100% each time they have to renew their lease and there is no place of convenience for the staff so they use the nearby house who are also customers of the district creating familiarity with them.

1336. Familiarity with these customers may deter the staff from disconnecting them for non-payment of bills.

1337. We recommended that Management should make effort to get a permanent structure for the district.

1338. Management responded that, this is a capital project which falls within the jurisdiction of the Head Office.

Ashanti city and rural

Accounts receivable listing does not tie up with the trial balance

1339. The accounts receivable listing from system (utility 2000) does not tie up with the trial balance. The balance obtained from the Management Information Systems office which manages the billings of customer and subsequent payments was in great disparity to that reported by the statistical department which intends feeds the accounts department as shown in the table below:

	MIS report	Trial balance	Difference
Receivables	167,469,966.29	22,238,391.85	145,231,574.44

1340. This wide gap calls for an immediate review of the system.

1341. We recommended that Management takes a thorough review of the software and its operations to help curb this issue as the validity of the billing process is in doubt.

1342. Management responded that, it suspect the MIS figure of GH¢167,469,966.29 cannot be verified and not correct and added that it was going to make the necessary investigations.

Northern region

Differences in account balances

1343. Our review of some account balances revealed that there was no proper reconciliation of these balances between the two

departments. Some of such account balances not reconciled as at the year end 2012 are:

Code	Type of Account	Accounts Department	Customer Care Department	Differences
620	Ghana Government (MDAs)	1,421,483.70	344,586.68	1,076,897.02
621	Security Services Sales	0.00	1,106,640.92	(1,106,640.92)
611	Domestic	2,876,125.39	2,880,339.32	(4,213.93)
624	Government Institutions	605,103.58	621,119.53	(16,015.95)
643	Metered Stand Pipes	553,795.07	591,234.93	(37,439.86)

1344. We recommended that efforts must be made by management to ensure that these figures are reconciled with the departments concerned.

1345. Management responded that, a committee has been set up by Management to investigate and resolve differences

MINISTRY OF INFORMATION

NEW TIMES CORPORATION

Introduction

1346. This report relates to the audited accounts of New Times Corporation for the year ended 31 December 2012.

Operational results

1347. Summarised in table 95 is the Corporation's income and expenditure statement for the period.

Table 95: Income statement for 2012

Item	2012 GH¢	2011 GH¢	% Change
Turnover	11,717,583	9,774,426	19.9
Cost of Production	5,471,334	6,317,079	(13.4)
Gross Profit	6,246,249	3,457,347	80.7
Adm. & Selling Expenses	6,705,069	3,643,391	84.0
Net Operating Loss	458,820	186,044	146.6
Other Income	168,736	93,938	79.6
Loss before Tax	290,084	92,106	215.0
Provision for Tax	-	55,088	(100.0)_
Net Loss after Tax	290,084	147,194	97.1

1348. The Turnover of the Corporation increased by 19.9% from GH¢9,774,426 in 2011 to GH¢11,717,583 in 2012. Cost of Production on the other hand decreased by 13.4% to GH¢5,471,334 (2011: 6,317,079) resulting in an 80.7% increase in Gross Profit. Administrative and Selling Expenses for the year increased by 84.0% to GH¢6,705,069 from GH¢3,643,391 recorded in 2011.

1349. The year's trading activities ended with a Net Loss before tax of GH¢290,084 and this represents an increase in loss of 215.0% over the previous year's performance.

Financial position

1350. The Financial position of the Corporation for the period is shown in table 96:

Table 96: Balance sheet at 31 December 2012

Item	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	2,373,791	2,206,343	7.6
Current Assets	4,165,845	3,949,653	5.5
Current Liabilities	4,654,434	3,980,710	16.9
Net Current Liabilities	(488,589)	(31,057)	1,473.2
Net Assets	1,885,202	2,175,286	(13.3)
Current Ratio	0.9:1	1.0:1	

1351. Non-Current Assets of the Corporation rose by 7.6% from GH¢2,206,343 in 2011 to GH¢2,373,791 in 2012. The increase was due to additions to Property, Plant and Equipment.

1352. Current Assets grew by 5.5% from GH¢3,949,653 in 2011 to GH¢4,165,845 in 2012. This was due to increases in Stocks, Trade Debtors, Prepayments and Taxation.

1353. Current Liabilities also grew by 16.9% from GH¢3,980,710 in 2011 to GH¢4,654,434 in 2012. This resulted from increases in Trade Creditors, Sundry Creditors, and Bank Overdraft of GH¢238,753.59.

1354. An unfavourable liquidity position was recorded at the end of 2012 as indicated by a current ratio of 0.9:1 (2011: 1.0:1). This shows that the Corporation will not be able to meet its short-term financial obligations as and when they fall due.

MANAGEMENT ISSUES

Bank reconciliation

1355. Even though the Corporation regularly prepared monthly bank reconciliation statements for all active bank accounts some payments into the Corporation's bank account were not reflected in the cash book. These deposits continue to be shown as outstanding items in the monthly reconciliation statement until 31 December 2012. Few outstanding items are listed below:

Date	Cheque No.	Amount (GH¢)
13/6/12	BB084713	1,435.22
12/11/12	BOG59456	398.00
12/11/12	BOG594516	2,034.00
27/12/12	MB454571	20,000.00
Total		23,867.22

1356. There were some lodgments into the Corporation's account which as at the time of our audit were also not credited to the accounts. Details are shown below:

Date	Cheque No.	Amount (GH¢)
13/1/12	GCB658454/2	294.00
23/1/12	SSB002648798	2,651.30
3/7/12	NIB944972/37	623.65
22/3/12	0004525-00045	2,186.00
4/2/12	GCB51264411	513.00
23/8/12	GCB000614113	500.00
Total		6,767.95

1357. These were as a result of the chief accountant not doing proper supervision of the treasury department. The financial statement at the end of the year might not accurately portray the true financial position of the cash and bank balance. Also, the Corporation could be denied the use of the funds which have not been credited to its bank account.

1358. We recommended that Management should follow up on these deposits as well as the un-credited lodgments to ascertain the correct financial position of the corporation.

1359. Management responded that efforts were being made to trace the origin of the deposits which were not reflecting in the Corporations cash book.

Protocol and Business Development

1360. Our review of cash payments revealed that cash withdrawals amounting to GH¢17,100.00 were ostensibly paid to some individuals and described as protocol and business

promotions, meanwhile the actual business and promotions ledger which stood at GH¢22,759.00 as at 31 December 2012 did not include any of the payments stated below:

Date	Cheque No	Name	Description	Amount (GH¢)
13/ 1/ 12	639535	Kofi Asuman	Protocol	1,000.00
26/ 1/ 12	639535	Patrick A Boadu	Protocol	4,000.00
4/ 4/ 12	642090	Patrick A Boadu	Protocol	2,000.00
10/ 4 / 12	642095	Kofi Asuman	Protocol	2,000.00
17/ 4/ 12	640153	Patrick A Boadu	Business Devt	1,600.00
30/4/12	640205	Patrick A Boadu	Business Devt	1,500.00
10/5/12	640267	Patrick Adamu	Business Devt	5,000.00
Total				17,100.00

1361. These anomalies were due to Management's failure to supervise the work of the treasury department.

1362. This practice could also lead to the Corporation's funds being misappropriated.

1363. We recommended to Management to institute measures for the recovery of these illegal payments from the officials involved. We also advised Management to desist from these practices.

1364. Management responded that a committee of enquiry has been instituted to investigate into the payment of protocol and business development payments and two officials mentioned in the report are on interdiction, awaiting the submission of the committee's report.

Staff imprest not accounted for

1365. We observed that contrary to (FAR) 2004, Section 288 (2) which states that " Failure to retire an imprest by due date unless occasioned by the death or incapacity of the imprest holder is a breach of financial discipline", An amount of GH¢56,042.56 paid to various officers as imprest remained un-retired as at the time of the audit. Also, an amount of GH¢26,445.56 debited to Mr. Dave Torgbor since 2011 remained outstanding. Details are shown below:

Name	Amt. (GH¢)
Can E. Tamakloe	1,183.00
Ferdinand Cofie	6,835.65
Joyce A George	9,156.00
Martin A Owusu	4,345.50
Paul Dwamena	3,328.80
Dave Agbene	1,000.00
Manaseh Duhu	3,748.00
Dove Torgbor	<u>26,448.56</u>
	<u>56,042.56</u>

1366. We attributed the lapse to the failure of Management to put in measures to ensure prompt retirement of imprest. We intimated that the funds could be misapplied or misappropriated.

1367. We recommended that all beneficiaries should redeem the imprest immediately or refund such monies immediately when the purpose for which the imprest was taken is completed.

1368. Management responded that , the reconciliation difference of GH¢26,445.56 debited against Mr. David Torgbor's account has been transferred to General and Administrative Expenses and in addition had put in place measures to ensure sanity and accountability in the administration of imprest..

Directors' remuneration

1369. We observed that there were no clear defined procedures for rewarding members of the Board of directors. At a point, an amount of GH¢100.00 was approved as sitting allowance and GH¢450.00 as monthly allowance for each member.

1370. Our further review revealed that, the monthly allowance and the sitting allowance were combined as fixed monthly allowance which was paid for both emergency and all other meetings. Instances are as follows:

Date	Chq No.	Voucher	Amount (GH¢)	Remarks
14/5/12	640268	45/5/12	5,075.00	Emergency Meeting
29/5/12	640330	128/5/12	5,075.00	Regular Meeting
14/6/12	640427	62/6/12	5,075.00	Emergency Meeting
29/6/12	640485	111/6/12	5,075.00	Regular Meeting
Total			20,300.00	

1371. This apparent anomaly was more glaring when it was observed that a member who consistently absented himself from Board meetings received the same amount as other colleagues who dutifully attended all meetings.

1372. This situation arose because of Management's inability to clearly define the procedure for the payment of board allowances.

1373. The effect of this practice is that monies may be paid for services not rendered and the Corporation's fund could be misappropriated.

1374. We recommended that Management should draw up a clearly defined mode of rewarding Board members and the sitting allowance should also be separated from regular monthly allowance.

1375. Management responded that, it had already put in place measures to separate the sitting allowance from monthly fixed remuneration.

Rent payables – GH¢4,675.55

1376. We observed that an amount of GH¢4,675.55 withheld from the Ashanti Regional Manager, Mr. Frank Othere Francis who was occupying Government Bungalow dating back from 2008 had not been paid to the Controller and Accountant General's Department as at 31 December 2012.

1377. This was as a result of laxity on the part of Management to supervise the work of the Accounts Department and ensure that all deductions are paid promptly.

1378. The effect of this practice is that the Corporation is denying the state of the much needed funds.

1379. We recommended that Management should ensure that all monies deducted are paid to government chest as a matter of urgency and subsequent deductions paid without further delay.

1380. Management responded that , though the deductions remained un-remitted it has identified the Ashanti Regional Coordinating Council as the landlord and that payment will soon be made.

Outstanding P.A.Y.E - GH¢1,432,040.23

1381. Contrary to Section 87(1) of Part (x) of the Internal Revenue Act, 2000 (Act 592), we noted that P.A.Y.E deductions from staff salaries for the year totaling GH¢1,432,040.23 were not remitted to the Ghana Revenue Authority.

1382. The practice of not paying taxes would deny the state the use of potential revenue and also increase the operating cost of the Company as this could attract the payment of penalties.

1383. We therefore, recommended that Management ensure that all the amount deducted is paid to GRA as a matter of urgency to avoid the payment of penalties.

1384. Management has entered into payment arrangements with the GRA where postdated cheques had been issued to defray the PAYE debt outstanding, current deductions are paid as soon as deductions are made.

MINISTRY OF COMMUNICATION

GHANA INVESTMENT FUND FOR ELECTRONIC COMMUNICATION (GIFEC)

Introduction

1385. This report covers the audited accounts of the Ghana Investment Fund for Electronic Communication (GIFEC) for the year ended 31 December 2012.

Operational results

1386. Total Income for the year under review amounted to GH¢22,236,929.00 as compared to GH¢21,080,058.00 in 2011, representing a marginal increase of 5.5%. Contributions from operators were the major source of income to the Fund .It constituted about 83.9% of the Total Income. Scancom Limited, realised a total revenue of GH¢18,663,401.00 from the operators, this accounted for the rise.

1387. Other Income for the year which was made up of interest on Investment, Insurance Income and Profit on disposal went down by 30.3% due to reduction in Interest on Investment from GH¢5,119,588 in 2011 to GH¢3,042,388.00.

1388. The main performance indicators are shown in table 97.

Table 97: Income Statement for 2012

Item	2012 GH¢	2011 GH¢	% Change
Contribution from Operators	18,663,401.00	15,953,970.00	17.0
Other Income	3,573,528.00	5,126,088.00	(30.3)
Total Income	22,236,929.00	21,080,058.00	5.5
Expenditure			
Admin & General Expenses	2,074,422.00	1,858,240.00	11.6
Personnel Emolument	1,344,001.00	1,101,793.00	22.0
Universal Access to Electronic Telecommunication (UACP)	25,758,230.00	26,414,327.00	(2.5)
Total Expenditure	29,176,653.00	29,374,360.00	(0.7)
Surplus/(Deficit)	(6,939,724.00)	(8,294,302.00)	(16.3)

1389. Total Expenditure for the year under review decreased marginally by 0.7% from GH¢29,374,360.00 in 2011 to GH¢29,176,653.00 in 2012. The marginal decrease was due to reduction on Universal access to Electronic Telecommunication (UACP) Expenses from GH¢26,414,327.00 in 2011 to GH¢25,758,230.00 in 2012. UACP expenses include School Connectivity Project and Common Telecom Facility.

1390. The GIFEC ended its operations for the year 2012 with decrease in deficit by 16.3% from a deficit of GH¢8,294,302.00 in 2011 to a deficit of GH¢6,939,724.00 in 2012. Increase in total income against a slight decrease in expenditure resulted in the improvement in the deficit position.

Financial position

1391. Detailed in table 98 are the movement in the financial position.

Table 98: Balance sheet as at 31 December 2012

Item	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	11,253,535.00	25,769,978.00	(56.3)
Current Assets	21,068,074.00	12,243,214.00	72.1
Current Liabilities	2,002,351.00	754,210.00	165.5
Net Assets	30,319,258.00	37,258,982.00	(18.6)
Current Ratio	10.5:1	16.2:1	

1392. Non-Current Assets which decreased significantly by 56.3% during the year was made up of fixed assets and Investment. Fixed Assets decreased marginally by 10% from GH¢383,253.00 in 2011 to GH¢344,998.00 in 2012. This was due to disposal and depreciation charges during the year. On the other hand, total Investment of GH¢25,386,725.00 in 2011 was reduced to GH¢10,908,537.00 in 2012, representing a 57.0% redemption of some Fixed Deposit Investment to make project payments.

1393. Current Assets increased by 72.1% from GH¢12,243,214 in 2011 to GH¢21,068,074.00 in 2012. This rise was mainly due to the increase in Call Account from GH¢1,268,198.00 in 2011 to GH¢10,109,562.00 in 2012.

1394. Current Liabilities also rose by 165.5% from GH¢754,210.00 in 2011 to GH¢2,002,351.00 in 2012. This was mainly as a result of amounts owed Airtel Ghana Limited and Ibisoft.

1395. Current ratio measuring the liquidity position for 2012 showed a healthy position of 10.5:1, meaning GIFEC can meet its short-term obligations when they fall due.

NATIONAL FILM AND TELEVISION INSTITUTE

Introduction

1396. This report covers the audited accounts of the National Film and Television Institute (NAFTI) for the year ended 31 December 2013.

Operational results

1397. The financial year 2013 ended with a significant surplus of GH¢178,725 as against a surplus of GH¢96,666 recorded in 2012, representing a rise of 84.9%. The rise in the surplus was as a result of an 18.0% reduction in Total Expenditure. The performance indicators of the Institute for the year under review are shown in table 99

Table 99: Income Statement for 2013

Item	2013 GH¢	2012 GH¢	% Change
Government Subvention	3,381,539	4,200,355	(19.5)
Other Income	651,611	614,996	6.0
Deferred Income	75,392	73,464	2.6
Total Income	4,108,542	4,888,815	(16.0)
Expenditure			
Compensation of Employees	3,134,598	3,797,877	(17.5)
Goods and Services	795,219	994,272	(20.0)
Total Expenditure	3,929,817	4792,149	(18.0)
Surplus/(Deficit)	178,725	96,666	84.9

1398. Total Income for the year 2013, amounted to GH¢4,108,542 as compared to GH¢4,888,815 recorded in 2012, representing a 16.0% decrease. Government Subvention which remained a major source of income, decreased by 19.5%. The other components made up of Other Income and Deferred Income went up marginally by 6.0% and 2.6% respectively.

1399. Total Expenditure recorded in 2013 was GH¢3,929,817 as compared to 2012 figure of GH¢4,792,149, representing a fall of 18.0%. This was mainly due to a 17.5% and 20.0% decreases in Compensation of Employees, Goods and Services respectively.

Financial position

1400. Shown in table 100 is the financial position as at 31 December 2013

Table 100: Balance Sheet as at 31 December 2013

Item	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	474,217	481,247	(1.5)
Capital Work-In-Progress	331,387	331,387	-
Current Assets	484,652	371,578	30.4
Current Liabilities	265,252	270,252	(1.9)
Net Current Assets	219,400	101,326	116.5
Current Ratio	1.8:1	1.4:1	

1401. Non-Current Assets went down marginally by 1.5% from GH¢481,247 in 2012 to GH¢474,217 in 2013, as a result of Depreciation Charges for the year.

1402. There was no movement in Capital Work-In-Progress in the year under review.

1403. Current Assets rose by 30.4% from GH¢371,578 in 2012 to GH¢484,652 in 2013. The rise was due to a significant increases in Debtors and Prepayments from GH¢125,326 in 2012 to GH¢206,580 in 2013, a rise of 64.8%.

1404. Current Liabilities dropped marginally by 1.9% from GH¢270,252 in 2012 to GH¢265,252 in 2013.

1405. The liquidity position though not very favorable to enable the Institute meet its short-term debts when they fall due, yet it showed a slight improvement over the 2012 position of 1.4:1 (1.8:1 in 2013).

MINISTRY OF FOOD AND AGRICULTURE

IRRIGATION DEVELOPMENT AUTHORITY

Introduction

1406. This report is in relation to the audited accounts of the Irrigation Development Authority for the year ended 31 December 2010.

Operational results

1407. The Authority's operations for the year under review ended with a deficit of GH¢7,739 compared with a surplus GH¢212,006 in 2009, a fall of 103.7%. The decline was as a result of a significant fall in Total Income for the year.

1408. The performance indicators are shown in table 101.

Table 101: Income Statement for 2010

Income	2010 GH¢	2009 GH¢	% Change
Government Subvention	5,015,625	9,956,402	(49.6)
Miscellaneous Income	122,005	174,187	(30.0)
Total Income	5,137,630	10,130,589	(49.3)
Expenditure			
Personnel Emoluments	2,243,498	2,835,448	(20.9)
Travelling & Transport	145,752	45,235	222.2
Repairs & Replacement	102,329	41,916	144.1
General Expenses	287,519	125,194	129.7
Investments (Dam Rehabilitation)	2,366,271	6,870,790	(65.6)
Total Expenditure	5,145,369	9,918,583	(48.1)
(Deficit)/Surplus for the year	(7,739)	212,006	(103.7)

1409. Total Income for the year decreased by 49.3% from an amount of GH¢10,130,589 in 2009 to GH¢5,137,630 in 2010. A decline in Government Subvention on Personnel Emoluments as a result of Non-Replacement of Retired Staff, Services, Investment and decline in Miscellaneous Income accounted for the significant fall in Total Income.

1410. Total Expenditure also fell by 48.1% to GH¢5,145,369 in 2010 as against GH¢9,918,583 in 2009. A reduction in expenses on Personnel Emoluments due to some staff on retirement brought about the decrease in Total Expenditure.

Financial position

1411. The statement of financial position for the Authority is shown in table 102.

Table 102: Balance sheet as at 31 December 2010

Item	2010 GH¢	2009 GH¢	% Change
Non-Current Assets	785,854	779,434	0.8
Current Assets	254,630	613,222	(58.5)
Current Liabilities	43,483	387,192	(88.8)
Net Current Assets	211,147	226,030	(6.6)
Net Assets	997,001	1,005,464	(0.8)
Current Ratio	5.9:1	1.6:1	

1412. Non-Current Assets which stood at GH¢785,854 at the close of 2010 increased from GH¢779,434 in 2009 by 0.8%. The increase was due to additions to Equipment.

1413. Current Assets which was made up of Cash and Bank balances, Receivables and Inventories decreased by 58.5% from GH¢613,222 in 2009 to GH¢254,630 in 2010. Cash and Bank Balances and Inventories brought about the decline.

1414. Current Liabilities also fell by 88.8% from GH¢387,192 in 2009 to GH¢43,483 in 2010 due to non-availability of Accounts Payable which was present in the previous year.

1415. The Authority had enough resources to meet its short-term debts when they fall due as current ratio for the year stood at 5.9:1 (2009:1.6:1).

MINISTRY OF JUSTICE AND ATTORNEY GENERAL

LAW REFORM COMMISSION

Introduction

1416. This report relates to the audited accounts of the Law Reform Commission for the period 1 January 2012 to 31 December 2012.

Operational results

1417. The Commission recorded a surplus of GH¢56,480.64 for the 2012 financial year rising by an impressive 526% over the 2011 amount of GH¢9,022.12.

1418. Table 103 shows the financial indicators for the 2012 financial year.

Table 103: Income and Expenditure

Incomes	2012 GH¢	2011 GH¢	% Change
Subventions	616,587.25	369,264.37	67.0
Expenditure			
Compensation of Employees	501,844.25	234,916.74	113.6
Goods and Services	58,262.37	125,325.51	(53.5)
Total Expenditure	560,106.62	360,242.25	55.5
Surplus	56,480.64	9,022.12	526.0

1419. Total Income increased by GH¢247,322.88 from GH¢369,264.37 in the previous year to GH¢616,587.25 in the year reviewed. This was due to 67% increase in Government of Ghana Subvention to the Commission. The growth in subventions can be

attributed to the 113.6% rise in the salaries of the staff of the Commission due to their migration onto the Single Spine Salary Structure. Investment also contributed to the growth in income as it rose by 154% at the end of the financial year.

1420. Total Expenditure at the end of the 2012 financial year was GH¢560,480.63 as against a figure of GH¢360,242.25 for 2011 increasing by GH¢199,864.37 or 55.5%. The reason for the rise as pointed out earlier was due to the migration of the staff onto the Single Spine Salary Structure.

1421. It is instructive to note that income in respect of Goods and Services fell by 53.5% due to the government's inability to release funds to the Commission to implement some of its planned activities.

Financial position

1422. Shown in table 104 is the financial position of the Commission

Table 104: Balance sheet as at 31 December 2012

Non-Current Assets	2012 GH¢	2011 GH¢	%
			Change
Property, Plant and Equipment	220,276.72	192,211.98	14.6
Current Assets			
Cash in Hand	-	1,440.00	(100.0)
Bank Balance	35.01	7,847.01	(99.6)
Accounts Receivable	667.90	-	-
Total	702.91	9,287.01	(92.4)

Current Liability			
Creditors-PHC Motors Ltd	-	37,000.00	(100.0)
Net Current Assets	702.91	(27,712.99)	(102.5)
Net Assets	220,979.63	64,498.99	34.3

1423. Non-Current Assets grew marginally by 14.6% from GH¢192,211.98 in 2011 to 220,276.72 to close the 2012 financial year. The growth in the assets was due to the acquisition of some Office Equipment to the tune of GH¢43,000.

1424. Current Assets on the contrary fell by GH¢9,287.01 or 92.4% while Current Liabilities also dropped by 100% due to the payment of the amount owed to PHC Motors Ltd.

MANAGEMENT ISSUES

Delayed remittance of withholding tax- GH¢3, 599.76

1425. In contravention of Section 87 (1) of the Internal Revenue Act, 2000, Act 592, we noted the Commission withheld taxes from various suppliers but delayed between twenty three (23) and sixty seven (67) days before paying the withheld amount to the Ghana Revenue Authority.

1426. We attributed the lapse to the dereliction of duty on the part of the Accountant which might result in losses to the Commission through payment of penalties.

1427. We recommended and Management agreed to remit withheld taxes to avoid penalties and improve government revenue.

We also recommended that the Accountant should be held liable for any losses made by the Commission due to this anomaly.

Lack of funds to implement planned activities

1428. Section 12(a & b) of the Law Reform Commission Act, 2011 Act 822 provides that, “The Sources of money for the Fund (i.e. the Law Reform Fund) are:

- (a) moneys approved by parliament
- (b) Moneys accruing to the Commission in the performance of its functions’.

1429. Our review of the Commission’s budget for 2012 showed that the total income of GH¢567,244.60 was sourced from only Government and none accruing from its own activities, though the Commission has the mandate to print its reformed laws in the form of booklets or generate in electronic form and sell to the public with the view of updating the public in the process of law reform thereby earning IGF to augment government releases.

1430. Management failed to achieve part of its performance targets due to lack of funds. This could have been avoided if management had been proactive and made efforts to generate its own IGF.

1431. We urged Management to in addition to government funding, generate its own IGF to be able to effectively achieve the purpose of its establishment.

1432. Management indicated in its response that the Commission when permitted would source for funds even from outside the country.

1433. Audit is of the view that Act 822 has given the needed permit to the Commission and no additional permit is needed. Additionally, at the exit conference the Executive Director indicated that the Commission used to, through the sale of printed reformed laws, generate some IGF but the Board of the Commission during 2006 gave a directive for the practice to be stopped. She said that the sensitivity of their activities requires government to fund them adequately to achieve their mandate.

1434. We reiterated that the Commission should not only rely on government funding since it will not be adequate for the running of its programmes.

Disparities in store records

1435. Contrary to Section 32(1&2) a physical check of stores balances revealed disparities between the ledger balances and the physical stocks. The balances in the books were either more than the physical stocks or less.

1436. For instance, four laptops entered in the stores ledger were not available for inspection during the physical check. Our follow up revealed that the laptops were in the custody of the Research Officer, who doubles as IT officer even though, the officer never requisitioned for the items to be issued to him.

1437. The situation occurred because Management did not put in place adequate measures to properly control store for an effective audit trail. It is essential that store issue vouchers, supported by an authorised requisition are raised and recorded in the stores ledger to give assurance that goods issued out are receipted by authorised users.

1438. Management's failure to ensure that proper custody, care and use of government stores are adhered to could lead to pilfering of store items. As a result, items purported to have been issued were in stock and vice versa.

1439. To ensure accountability, control and monitoring of use of items purchased including those for immediate use, we recommended that items purchased should be properly recorded in the ledgers and issued on the basis of duly authorised requisition. Meanwhile management should correct the anomaly and the excesses taken on ledger charge.

1440. Management assured us of its readiness to ensure that the appropriate entries are done to arrive at the right balances and that proper record keeping would be adhered to by the storekeeper in future.

COPYRIGHT OFFICE

Introduction

1441. This report relates to the audited accounts of the Copyright Office for the financial period 1 January 2012 to 31 December 2012.

Operational results

1442. The year 2012 closed with a surplus of GH¢111,880.32 as against a deficit of GH¢22,367.92 recorded in 2011. The performance indicators for the period under review are summarized in table 105.

Table 105: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government of Ghana	482,565.22	286,804.96	68.3
Internally Generated Fund	23,520.00	24,010.00	(2.0)
Other Income	34,099.70	20,520.57	66.2
Total Income	540,184.92	331,335.53	63.0
Less Expenditure			
Employees Compensation	244,482.35	165,090.93	48.1
Goods & Services	137,644.85	86,912.38	58.4
Service	-	34,749.00	-
Depreciation	46,177.40	39,151.14	17.9
Transferred to Cons. Fund	-	27,800.00	-
Total Expenditure	428,304.60	353,703.45	21.1
Surplus/Deficit for the year	111,880.32	(22,367.92)	(600.2)

1443. The Copyright Office recorded a Total Income of GH¢540,184.92 for the year ended 2012, a rise of GH¢208,849.39 representing 63.0%. The rise was occasioned by the increases in GoG from GH¢286,804.96 in 2011 to GH¢482,565.22 (68.3%) and Other Income- GH¢20,520.57 in 2011 to GH¢34,099.70 in 2012 representing 66.2%. However, IGF dropped by GH¢490.00 from GH¢24,010.00 in 2011 to GH¢23,520.00 in 2012 representing 2.0%.

1444. The Total Expenditure for the year under review was GH¢428,304.60 as against GH¢353,703.45 in 2011; an increase of GH¢74,601.15 representing 21.1%. Employees Compensation rose by GH¢79,391.42 from GH¢165,090.93 in 2011 to GH¢244,482.35 registering a 48.1% increase. This was due to the implementation of the Single Spine Pay Policy. Goods and Service also increased by GH¢50,732.47 from GH¢86,912.38 in the previous year to GH¢137,644.85 in the year under review representing 58.4%.

Financial position

1445. Table 106 presents the financial position of the Office

Table 106: Balance Sheet as at 31 December 2012

Income	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	207,218.82	-	-
Current Asset			
Cash on Hand	-	-	-
Cash at Bank	13,152.10	10,070.60	30.6
Staff Advances (receivable)	250.00	-	-
Total	220,620.92	10,070.60	2,090.7
Current Liabilities			
Deposits	-	-	-
Creditors (payable)	98,570.00	-	-
Net Current Assets	121,950.92	10,070.66	1,111.0
Financed By:			
Accumulated Fund	10,070.60	32,438.52	(69)
Surplus/Deficit for the year	111,880.32	(22,367.92)	600.2
Total	121,950.92	10,070.60	1,111.0

1446. Non-Current Assets of the Copyright Office for the year under review recorded GH¢207,218.82 as against nil recorded in 2011. The 2012 figure represents assets purchased for the year when the Office started recognizing its assets.

1447. Current Assets for the year under review rose to GH¢13,402.10 as against GH¢10,070.60 in 2011; an increase of GH¢3,331.50 or 33.1% over the previous year's figure, resulting from an increase in Bank Balances.

1448. Current Liabilities was made up of debts owed various organisations for the year 2012.

1449. The current ratio of 0.14:1 fell below the 2:1 bench mark. In this regard, the Copyright Office cannot meet its obligation when they fall due.

COUNCIL FOR LAW REPORTING

Introduction

1450. This report relates to the audited accounts of the Council for Law Reporting for the year ended 31 December 2012.

MANAGEMENT ISSUES

Delay in lodgment of sales revenue - GH¢28,104.70

1451. Regulation 15(1) of the FAR 2004 mandates a revenue collector to issue official receipts for all monies collected and pay them into the relevant bank account within 24 hours of receipt.

1452. Paragraph 2.3.2.5 of the Council's Accounting Instructions also states that, "cash and cheques received shall be banked intact on the succeeding business day by the Cashier".

1453. We noted during our audit that, the sales officer delayed sales revenue received during the period under review totaling GH¢28,104.70 for periods ranging between 2 to 13 days before paying the proceeds to the Cashier.

1454. Lack of internal check and effective supervision by the Finance Officer to ensure that the sales officer complied with the FAR and the Council's Accounting Manual had resulted in the anomaly.

1455. The irregularity could result in loss of revenue as the sales office did not have the proper facility to secure the collections. The delay could also lead to using current moneys collected to account for an already existing cash shortage.

1456. We recommended that the Finance Officer should improve on his supervisory role to prevent any revenue loss.

1457. Management responded that measures have been instituted to eliminate recurrence of the practice.

Failure to prepare financial statements

1458. In contravention of Section 41(1a) of the FAA, 2003 (Act 654), management failed to prepare and submit financial statements for the 2011 and 2012 financial years for validation as at the time of

reporting. This was due to the inability of the Accounts Office which is manned by one person to update relevant records for the preparation of the financial statements.

1459. In a related development, though management prepared and submitted financial statements for 2009 and 2010 financial years which were validated, management failed to sign the accounts alluding to change in management.

1460. As a result of the omission, we were unable to express our opinion on the status of the accounts of the Council for the period reviewed. The practice also deprived stakeholders of needed information for effective planning and financial decision making.

1461. We advised and Management agreed to address the staffing needs of the Accounts office in order to ensure compliance with Section 41(1a) of the FAA. We further urged management to be responsive to the duties their new office repose on them.

GENERAL LEGAL COUNCIL

Introduction

1462. This report relates to the audited accounts of the General Legal Council for the period 1 January 2012 to 31 December 2013.

Operational results

1463. The School's operations for the period under review closed with a drop of 38.3% in excess income, from GH¢685,216.54 in 2012 to GH¢422,495.87 in 2013. Details of the performance indicators are shown in table 107.

Table 107: Income Statement for 2013

Income	2013 GH¢	2012 GH¢	% Change
IGF	3,539,379.52	2,790,722.79	26.8
Subvention (GOG)	256,087.78	541,274.60	(52.7)
Total Income	3,795,467.30	3,331,997.39	13.9
Expenditure			
Provision for Depreciation	436,526.28	410,636.16	6.3
Personal Emoluments	1,058,914.79	1,120,147.29	(5.5)
Goods and Services	1,877,530.36	1,115,997.40	68.2
Total Expenditure	3,372,971.43	2,646,780.85	27.4
Excess Income over Expenditure	422,495.87	685,216.54	(38.3)

1464. Total Income increased by 13.9 % from GH¢3,331,997.39 in 2012 to GH¢3,795,467.30 in 2013. This was largely due to a 26.8 % increase in IGF from GH¢2,790,722.79 in 2012 to GH¢3,539,379.52 in 2013. The increase is mainly due to a 57.3% rise in Miscellaneous Receipt from GH¢625,561.79 in 2012 to GH¢984,201.52 in 2013 and a 142.5% increase in Post Call Fees from GH¢ 150,006.00 in 2012 to GH¢363,718.00 in 2013.

1465. Total Expenditure increased by 27.4 % from GH¢2,646,780.85 in 2012 to GH¢3,372,971.43 in 2013. The increase was mainly due to a rise in Goods and Services by 68.2% from GH¢1,115,997.40 in 2012 to GH¢1,877,530.36 in 2013.

Financial position

1466. The financial position of the School is presented in table 108.

Table 108: Balance sheet as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	1,515,436.59	1,821,650.54	(16.8)
Current Assets	4,605,052.78	3,876,342.96	18.8
Current Liabilities	-	-	-
Current Ratio	-	-	-

1467. Non-Current Assets of the Council fell by 16.8% from GH¢1,821,650.54 in the previous year to GH¢1,515,436.59 in the current year. The drop was attributed to Depreciation Charged for the year.

1468. Current Assets, however, rose to GH¢4,605,052.78 in 2013 from GH¢3,876,342.96, an increase of 18.8 %. The rise in cash and bank balances by GH¢740,023.24 accounted for the increase.

1469. No Current Liability was recorded over the period under review.

MANAGEMENT ISSUES

Canteen Rentals- Magwin's Catering Services Limited

1470. Established contract management requires that a written agreement stating the terms of the contract should be signed by the parties involved. Also Regulation 17(a) of the FAR, 2004 (L.I. 1802) requires management to ensure that all non-tax revenue including rent on government lands and buildings are efficiently collected.

1471. Our audit revealed the following on the operations of Magwin's Catering Services Limited, a tenant operating the School's Canteen.

- The Operator started work over two decades without a written agreement signed by both parties until February 2014.
- The Canteen uses deep freezers, fridges and microwave ovens, in addition to connecting water from GLC but pays no utility bills.
- Rent paid by the canteen was as low as GH¢200.00 per month as compared to rent between GH¢500.00 to GH¢1,000.00 paid for similar type of facility in the same environs.

1472. The situation which made it possible for the tenant to earn income at the expense of GLC was due to management's delay in entering into a written agreement with the tenant and to ensure it abides by the terms of the agreement.

1473. We recommended that Management should review the contract agreement and install separate metres for Magwin's Catering Services Limited to facilitate payment of a reasonable rent and utility bills consumed by the canteen.

1474. Management accepted our recommendation but added it considered the purpose of the canteen (i.e. to serve meals to staff and

students at subsidized rate and not for profit) before fixing the fees. Management however agreed to pursue and install separate meters from ECG and Ghana Water Company Ltd as recommended.

1475. In our view the canteen operator, a private person is in to make profit and could therefore not agree with management's assertion. We therefore stand by our earlier recommendation.

Fuel not accounted for - GH¢26,915.00

1476. Our audit disclosed that fuel purchases by the School in 2012 and 2013 amounting to GH¢26,915.00 were not recorded in the vehicle logbook contrary to Chapter 16, Paragraph 1605 of the Stores Regulation 1984 . The use of fuel for the period reviewed was therefore not accounted for.

1477. Management's failure to institute proper supervision over the maintenance of log books by the drivers contributed to this lapse.

1478. The situation suggests that the unrecorded fuel may not have been entirely used in furtherance of the programmes of the School.

1479. We recommended that Management should account for the use of fuel in all future transactions and ensure that the drivers are given Log Books and adequate training on the maintenance of the vehicle log book.

1480. Management in response stated the anomaly has been corrected in 2014 and all the vehicles now have log books. Additionally, the drivers have been trained on use of log books and defensive driving at a seminar held on the 9 and 10 May, 2014.

Unearned salaries GH¢3,042.46

1481. Contrary to Regulation 297 of L.I. 1802 we observed that two officers who were separated through death enjoyed unearned salaries totaling GH¢3,042.46. Blay Akumah who passed away on 27 November 2013 enjoyed a total unearned salary of GH¢2,305.84 for December 2013 and January 2014, while Mr. Emmanuel T. Tetteh who died on 1 December 2013 also enjoyed unearned salary of GH¢736.62 for December 2013 and January 2014.

1482. Though Management informed Controller and Accountant-General's Department (C&A-G Dept) for the deletion of the names of the affected staff from the pay roll in December 2013, but failed to notify the banks of the deceased for the stoppage of the salaries.

1483. The omission could lead to loss of GH¢3, 042.46 to the state if not recovered.

1484. We recommended that efforts be made by management to recover the total amount of GH¢3,042.46 and pay same to Government chest and obtain a Treasury receipt to support the payment.

1485. Management agreed to write to the respective banks to withhold the salaries and transfer the amount to Government Suspense Account if not collected by the next of kin of the deceased.

Unbonded staff on study leave with financial support

1486. Best practice requires that staff who benefit from study leave must be bonded to serve the Institution for an agreed period proportionate to the duration of the course. Beneficiaries who fail to

serve their bond are required to refund any benefit enjoyed while on study leave with pay.

1487. On the contrary, our examination disclosed that GLC supported two officers, Ms. Dzidzo Abra Amoa and Mrs. Louisa Condobery-Asamoah with GH¢5,000.00 each to pursue courses of study without ensuring the affected staff sign a bond.

1488. Management explained that its decision to advance funds to Ms. Dzidzo Abra Amoa, a Teaching Assistant, to pursue a course of study in LLM International Trade at Nottingham Trent University between 28 September 2012 and 11 October 2013 was based on GET-Fund assurance to reimburse the GLC.

1489. We however noted that, the officer has since completed her course and left the School without a refund of the tuition fee advanced by management.

1490. Mrs. Louisa Condobery-Asamoah, who was given part Sponsorship of GH¢5,000.00 for Distance Learning in MBA- at University of Leicester, London in 2013 is still in the School.

1491. We attributed the weakness in the system to management's failure to institute measures that would bind and retain officers who are granted financial assistance to pursue further studies to enable the school benefit from the investment before the beneficiaries decide to leave.

1492. The lapse resulted in loss of investment in much needed human capital since one officer has already left the School.

1493. We recommended that Management should ensure that officers, who apply for sponsorship in future, are bonded to serve the school over an agreed period on completion or refund the financial support enjoyed before they are allowed to leave. Meanwhile, Mrs. Louisa Condobery-Asamoah should be made to complete a bond form while, Ms. Dzidzo Abra Amoa should be contacted to refund the GH¢5,000.00 she enjoyed but failed to serve on completion of her course.

1494. Management agreed to bond Mrs. Louisa Condobery-Asamoah for one year. Regarding Ms. Dzidzo Abra Amoa, efforts will be made to get her to refund the sponsorship money.

Single source procurement of service- GH¢23,864.66

1495. Contrary to Section 43(1) of the PPA management transacted business with five service providers at a total cost of GH¢23,864.66 without requesting for quotations from at least three different sources. We did not sight any approval from the Public Procurement Authority authorizing the single sourcing as stipulated by Section 40(2) of Act 663.

1496. The trail off resulted from ineffective control by management over the procurement processes which could lead to inflated costs and undermine the principle of value for money in public financial management.

1497. We advised Management to comply with the dictates of the PPA to ensure fairness, transparency and value for money in its procurement dealings in future.

1498. Management agreed and noted our observation for compliance in future procurement.

LEGAL AID SCHEME

Introduction

1499. This report relates to the audited accounts of the Legal Aid Scheme for the period 1 January 2011 to 31 December 2012.

Operational results

1500. The Scheme registered an income surplus of GH¢135,569.63 for 2012 as compared to an amount GH¢7,801.81 recorded in 2011, showing an increase of 1,637.7%.

1501. Presented in table 109 the performance indicators for the comparative years.

Table 109: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government Subvention	2,225,079.60	1,140,964.31	95.0
Other Income	700.00	1,257.00	(44.3)
Total	2,225,779.60	1,142,221.31	94.9
Expenditure			
Personnel Emolument	1,663,821.94	961,405.84	73.1
Administrative Expense	265,273.14	76,333.67	247.5
Service Expense	71,450.09	11,212.20	537.3
Investment	89,664.80	85,467.79	4.9
Total	2,090,209.97	1,134,419.50	84.3
Surplus/(Deficit)	135,569.63	7,801.81	1,637.7

1502. Total Income went up significantly by 94.9% from GH¢1,142,221.31 in 2011 to GH¢2,225,779.60 in 2012. This resulted from the rise in Subvention, the main component of Total Income.

1503. Total Expenditure also increased by 84.3% from GH¢1,134,419.50 in 2011 to GH¢2,090,209.97 in 2012. This was mainly due to Staff Allowances of GH¢170,699.72 paid in 2012. No such allowance was received in 2011. Administrative Expenses, another expenditure component also experienced a 247.5% rise from GH¢76,333.67 in 2011 to GH¢265,273.14 in 2012. Service Expenditure, also rose by 537.3% from GH¢11,212.20 in 2011 to GH¢71,450.09 in 2012, which was due to the payment of arrears of Lawyers' Fees in 2012.

Financial position

1504. Table 110 presents the financial position of the Scheme.

Table 110: Balance sheet as at 31 December 2012

Item	2012 GH¢	2011 GH¢	% Change
Current Assets	162,386.53	19,729.78	723.1
Current Liabilities	4,504.86	1,226.40	267.3
Net Current Assets	157,881.67	18,503.38	753.3
Net Assets	157,881.67	18,503.38	753.3
Current Ratio	36.05:1	16.09:1	

1505. Current Assets rose by 723.1% from GH¢19,729.78 in 2011 to GH¢162,386.53 in 2012. This was as a result of an increase of GH¢135,822.93 in Bank Balance, which rose from GH¢19,729.78 in 2011 to GH¢155,552.71.

1506. Current Liabilities rose by 267.3% from GH¢1,226.40 in 2011 to GH¢4,504.86 in 2012. These included withholding tax due the Commissioner of GRA, which increased from GH¢1,226.40 in 2011 to GH¢3,310.66 in 2012.

1507. The Scheme's current ratio of 36.05:1 in 2012 showed an improvement over that of 2011 which was 16.09:1. This portrayed that the scheme could meet its short term obligations when they fall due.

MANAGEMENT ISSUES

Audit Report Implementation Committee (ARIC)

1508. Contrary to Section 30 of the Audit Service Act, 2000 (Act 584) our audit revealed that management did not establish an ARIC. Management claimed its inability to form an ARIC was due to lack of funds to pay their sitting allowances.

1509. In our view failure to establish an ARIC in line with the regulation, could delay the implementation of recommendations made in audit reports and this may hinder the Scheme's efforts to prevent recurrence of weaknesses.

1510. We recommended and Management accepted to establish an ARIC which will also be made functional as required by Section 30 (1) of Act 584 for prompt rectification of identified weaknesses in audit and other reports.

Poor cash management at the Greater Accra Alternative Dispute Resolution (ADR) office

1511. The Legal Aid Scheme provides legal and alternative dispute resolution services across the country. Respondents accept to pay moneys to applicants either in bulk or by installment; which could be paid directly to applicants or indirectly through the ADR office according to the outcome of the dispute resolution. Applicant and respondent as well as ADR officials complete relevant portions of the agreement forms to attest commitment to the terms of the agreement.

1512. Our audit review disclosed that, the ADR officers collect and deposit moneys paid by respondents to the Accountant for safe keeping. However contrary to best practice the Accountant did not issue official receipt to acknowledge receipt of such moneys. Also a cash book was not maintained to record receipt and payment of these monies. Information gathered from pieces of acknowledgement forms at the accounts office confirmed that a total of GH¢130,859.21 (i.e. GH¢50,737.21 in 2011 and GH¢80,122.00 in 2012 :) was given to the Accountant for safe keeping for delivery to respondents but he neither issued official receipt to acknowledge receipt nor maintained a cash book to record the transactions to enhance transparency.

1513. The anomaly was as a result of non-observance of basic best practices and could lead to abuse. The Scheme also stands a high risk of losing funds that may not be collected immediately by applicants and are held for long periods in the office instead of being banked.

1514. We recommended and Management agreed to ensure that the Accountant introduce a cashbook and receipt book to receive and record moneys paid out, to enhance transparency and accountability.

Delay in construction of office block for Ho Regional Office

1515. For effective management and control over contracts, a condition for exceeding the original contract sum is to prepare variation orders for the employer's endorsement and approval. Variation work in excess of 15% of the initial contract sum demands that the contract should be packaged separately as a new contract and tender processes followed before it is awarded.

1516. Our audit revealed that the office block for Legal Aid Committee, Ho, with an initial contract sum of GH¢80,672.92 was awarded to Messrs. Defiat Development Company Limited on 9 June 2007 to be completed on 16 December 2007. We noted that, the work remained uncompleted five years, eight months after the award of the contract.

1517. Our review of records made available to us disclosed that, the contract sum had increased to GH¢139,000.00, an increase of 72%. When we requested for the contract file, management intimated that the project was being managed from head office and could not provide us with the required information. We could therefore not ascertain how the increase in contract sum, which management attributed to price fluctuations due to delayed payment was packaged and priced and whether tender board was involved.

1518. This practice violates the procurement Act and undermines procedures and control established under contract management.

1519. We recommended and Management agreed that the price fluctuations, which gave rise to the initial contract sum, should be packaged separately and regularized for our review. We also urged Management to intensify efforts to ensure early execution of outstanding job to avoid further escalation of the contract sum.

Unearned Salaries of Separated Staff - GH¢2,891.98

1520. Contrary to Regulations 297 and 298(3b) of the FAR, 2004, we noted that two officers, Yunusah Iddrisu and Selasi Kofi Fumey enjoyed unearned salaries totaling GH¢2,891.98. Yunusah Iddrisu resigned on 1 March 2012 while Selasi Kofi Fumey was dismissed on 23 February 2012. The two officers had their names deleted from the pay roll in May 2012, resulting in a total unearned salaries of GH¢2,891.98 for the two months delay. Details shown below:

Name/ Staff No.	Type of Separation	Date of Separation	Month of Deletion	Monthl y Net Salary	No. Of Months Delay	Amt. Gh¢
Yunusah Iddrisu	Resignation	1/ 03 /2012	1/05/12	Mar- 308.97 April- 228.63	2 months	536.60
Selasi Kofi Fumey	Dismissal	23/02 /2012	1/05/12	Mar- 1,333.68 April- 1,021.70	2 months	2,355.38
Total						2,891.98

1521. Though management notified the Controller and Accountant-General for the deletion to the names of the separated staff from the mechanised voucher, its inability to inform the bank promptly to stop the payment resulted in the anomaly which might lead to the loss of GH¢2,891.98.

1522. We recommended that efforts be made by Management to recover the total amount of GH¢2,891.98 (Yunusah Iddrisu-GH¢536.60; Selasi Kofi Fumey GH¢2,355.38) from the officers and pay same to Government chest and obtain a Treasury Receipt to support the payment.

1523. Management accepted our recommendation.

MINISTRY OF YOUTH AND SPORTS

NATIONAL SPORTS AUTHORITY

Introduction

1524. This report relates to the audited accounts of the National Sports Authority for the year ended 31 December 2012.

MANAGEMENT ISSUES

Inability to prepare Financial Statement

1525. In spite of Section 41 (1) of the FAA 2003, Act 654 management failed to submit the financial statements for the year ended 2012 for audit. We could therefore not express an opinion on the financial position of the Authority in order to provide

accountability assurance to Parliament and other stakeholders. Additionally, the non-submission of the financial statement affected our audit planning.

1526. We attributed the lapse to the Accountant's inability to prepare monthly trial balance, revenue and expenditure statements to Controller and Accountant General contrary to provisions in Regulation 2 (b and j) of the FAR, 2004.

1527. We recommended that, Management should comply with the FAR and prepare timely financial statements to help parliament and other stakeholders make an informed decision on performance and achievement of NSA. The Accountant, whose inaction resulted in the Authority's inability to submit its financial statement for audit should be disciplined as stipulated by Regulation 8 of the FAR, 2004.

Unauthorised investment-GH¢3,500,000.00

1528. It is expected that for every investment, records from conceptualization to maturity of the investment would be maintained by the organization in a coherent manner such that every aspect of the investment could be effected by referencing to their respective file.

1529. Contrary to the above expectation , our examination of the bank statement for the Donor Fund Account sponsored by Anglo Gold revealed that, management on three different occasions withdrew a total amount of GH¢3,500,000 from the account and irregularly invested it in an undisclosed source. These amounts were returned after several months without assigning any reasonable explanation for the withdrawals. Details are as indicated below:

Date of Withdrawal	Date The Amount Was Return Into The Account	Duration	Amounts GH¢
4/11/10	3/2/11	3 Months	1,000,000.00
15/3/11	30/3/11	Two Weeks	1,500,000.00
28/3/11	31/1/12	Ten Months	1,000,000.00
Total			3,500,000.00

1530. A further scrutiny of the account disclosed that the first two investment yielded interest of GH¢32,410.96 and GH¢4,068.49 respectively. The accrued interests were withdrawn by management immediately they were credited into the accounts.

1531. Nevertheless, no interest was credited for the last investment of GH¢1,000,000 which was returned after ten months. Management also refused to disclose how much interest accrued on that investment during our interviews.

1532. It is worth noting that these transactions were not recorded in the cash book as required by best accounting practice. The transactions lack transparency and accountability.

1533. We could therefore not obtain assurance that the investment was complete and reliable. There was also no transparency in the dealings leading to the making of those investment decisions.

1534. We recommended that the earlier interest of GH¢36,479.45 should be recovered from the authorizing and approving officers and same paid into the donor account. Additionally, Management should follow up at the bank and demand the accrued interest on the last investment without further delay failing which the authorizing and paying officials should be surcharged with the amount involved and disciplinary action taken against them in accordance with Regulation 8 (1) of the FAR. Management should also desist from such illegitimate dealings.

1535. Management responded it had paid the GH¢32,410.96 to the Ministry of Youth and Sports but failed to provide evidence to substantiate the claim.

1536. We therefore reiterated our earlier recommendation.

Misapplication of project fund- GH¢380,000.00

1537. Our audit revealed that AngloGold Ashanti donated a total amount of GH¢3,090,380.00 to NSA for the construction of Multi-Purpose courts at selected locations in the country.

1538. We noted however that, Management misapplied GH¢380,000.00 of the amount contrary to Section 179(1) of the FAR 2004, L.I.1802 on administrative expenses on the following dates:

Date	Amount GH¢	Purpose
14/12/12	100,000.00	Loan to meet admin expenses
15/2/13	100,000.00	Loan to meet admin expenses
7/7/13	180,000.00	Loan to meet admin. expenses
Total	380,000.00	

1539. Management's non-compliance to the above regulation could affect the successful execution of the project and also attract the displeasure from the donors.

1540. We recommended that the amount of GH¢380,000 should be returned to the project account without delay. Additionally, Management should desist from the practice of misapplication of donor funds in order not to discourage donor funding.

1541. Management responded that it had refunded an amount of GH¢180,000 leaving a balance of GH¢200,000 which it promised to refund as soon as it receives subvention from Government.

Overpayment of cost of work done on Multi-purpose Court Project - GH¢78,241.11

1542. It is the responsibility of the Consultant to design, monitor, supervise, measure and certify work by raising payment certificates. It is also the duty of the employer to examine the certificates to ensure that amount of work certified for payment is accurate and reasonable.

1543. We observed that four (4) contractors, who were awarded the multi-purpose court project, were paid an amount of GH¢78,241.11 in excess of an amount certified for payment. Details below:

Excess payment over contract certificate

NAME OF COMPANY	CONTRACT SUM	LOCATION OF PROJECT	STATUS	PERIOD	DATE/NO. OF LAST CERT.	AMOUNT OF WORK CERTIFIED	AMOUNT PAID TO DATE	DIFFERENCE
M/S CAKS Construction	130,910.95	Wa	Work in Progress	Dec. 2011 to Mar 2012	7/3/2012 No.2	68,387.08	91,090.06	22,703.01
M/S G.T Freeman Const.	139,040.00	Enchi	Work in Progress	-do-	13/3/2012 No.2	76,371.00	98,275.60	21,904.60
M/S Desmith Const.	139,040.00	Accra	Complete	-do-	27/6/2012 No.4	161,985.20	164,329.30	2,344.10
M/S Charles & Stephen	147,708.55	Obuasi (Lot.1)	Complete	-do-	20/4/2012 No.3	138,699.80	154,344.50	15,644.70
M/S Charles & Stephen	147,708.55	Obuasi (Lot.2)	Complete	-do-	20/4/2012 No.3	138,699.80	154,344.50	15,644.70
Totals								78,241.11

1544. Furthermore, our physical inspection of the Enchi (Dadieso) project being executed by M/S GT Freeman Construction Ltd also revealed that, the consultant erroneously certified that 100% work up to the top of the floor was completed by the contractor and valued it at GH¢76,371.00. Our inspection however proved otherwise. Besides enquiries revealed the contractor had abandoned the project site over eighteen months ago as at the time of reporting.

1545. Laxity on the part of management to review and analyze consultant's certificates supporting claims before effecting payments coupled with its failure to put in place measures to properly supervise and manage the projects contributed to the anomalies. The Consultant also failed to diligently monitor and supervise the projects.

1546. We recommended that the excess payments made to the contractors should be recovered and paid into the project account without further delay. Additionally management should in future scrutinize certificates properly before payments are made. Meanwhile, the paying officer and the Consultant whose inaction caused the anomaly should be sanctioned as stipulated in regulation 8 of the FAR 2004.

1547. Management responded that it had informed the affected contractors to refund the over payment.

Cash withdrawal without supporting document-GH¢20,000.00

1548. Contrary to FAR 39(2) our examination revealed that, an amount of GH¢20,000.00 was withdrawn from the Playing Field Maintenance (PFM) accounts without supporting payment voucher.

The purpose for the withdrawal was not disclosed. Management's disregard for the above quoted regulation caused the omission.

1549. We were therefore not able to authenticate the legitimacy of the transaction and were also not sure whether the amount withdrawn was expended in the interest of the Authority.

1550. We recommended that Management should provide the necessary particulars to justify the withdrawal or the amount be recovered immediately.

1551. Management responded that the payment was part payment of a loan taken from the Ministry and the cheque was issued to the Ministry but there was however no receipt attached to substantiate the claim.

1552. We therefore reiterated our earlier recommendation.

Unpresented payment vouchers GH¢79,149.00

1553. In violation of FAR 1(1&2), 28 payment vouchers totaling GH¢175,932.20 were not presented for our examination.

1554. We were therefore unable to ascertain whether:

- a) The payment were properly approved and authorized.
- b) Goods were supplied and services rendered
- c) Payments were made to deserving beneficiaries;
- d) Payment were in the interest of the Authority

1555. This irregularity was attributed to the failure of the account office to properly file and maintain essential records or making payments before raising vouchers.

1556. Payments not supported by duly authorised payment voucher deny assurance of regularity of disbursements made. The omission could give rise to fictitious expenditure and provide opportunity for abuse.

1557. We recommended that, Management should produce the payment vouchers for examination or the amount be recovered from the authorizing and paying officials.

1558. Management produced 19 payment vouchers totaling GH¢96,783.02 for examination during the exit conference. We urged management to produce the remaining 9 payment vouchers totaling GH¢79,149.00 without further delay.

Unaccountable revenue (Hockey Pitch) -GH¢57,527.50

1559. We noted during the audit that, the National Hockey Pitch generated a total amount of GH¢57,527.50 as revenue by renting of the Pitch, VVIP, Conference Room, Gymnasium, Restaurant and Hostel facility. Besides the revenue collected by the use of unauthorized receipt books which was in the name of Ghana Hockey Association (GHA), the amount collected was paid into GHA account instead of the Authority's account.

1560. Management's failure to effectively control revenue generation activities contributed to the loss and denied the Authority of much needed funds for planned projects.

1561. We recommended that, Management must ensure that the amount is recovered from GHA immediately, pay same to chest and our office informed for verification.

1562. Management responded that, it has written to Ghana Hockey Association to refund the amount.

Non-display of rate for use of sport facilities

1563. Contrary to Regulation 27 (1 and 2) of the FAR 2004, we noted that the Gym at the stadium, hockey pitch, as well as the hostel facility at the hockey pitch was opened for public use, but individuals who patronized the facilities for a fee were not registered and the amount due from the use of the facility for any period was not indicated.

1564. This made it difficult to ascertain the completeness of both fees collected and actual members who subscribed to the use of the Gym and hostel.

1565. Lack of effective supervision on the part of Management to ensure compliance with financial rules and regulations to enhance revenue generation from use of these facilities is denying the Authority opportunity of maximizing its revenue collection.

1566. The Authority would be denied funds needed for continuous maintenance program of the facilities as resources needed for maintenance remained uncollected.

1567. We recommended that Management must ensure that members who patronize the facilities for a period are registered and

details of fees payable indicated. Management should also enhance its revenue collection efforts.

1568. Management noted our observation for compliance.

Revenue not accounted for- GH¢7,269.00

1569. Regulation 15 (1) of the FAR, L. I .1802 require any public officer or revenue collector who collects or receives public and trust moneys to pay them into the relevant public bank account within twenty- four (24) hours.

1570. A review of the hawkers account, disclosed that an amount of GH¢7,269.00 collected from the hawkers was not accounted for. Below are the details:

Dates Of Collection	Receipt No.	Amount GH¢
1/3/12 - 24/4/12	2361752 -800	1,428.00
24/4/12 - 7/7/12	1452001 - 2100	1,054.00
19/7/12 - 7/9/12	1452101 - 2200	2,430.00
7/9/12 -9/11/12	1452401 - 500	1,896.00
22/11/12 - 28/12/12	1452601 - 657	461.00
Totals		7,269.00

1571. The lapse was occasioned by the absence of an effective system to monitor revenue collection and lodgment. The situation, if not checked could facilitate the misuse of collections and thereby deny the Authority of funds needed for its activities.

1572. At the instance of the audit, Management recovered an amount of GH¢1,100.00 from the defaulting officer Mr. Kinsley Asante leaving a balance of GH¢6,169.00.

1573. We recommended that the outstanding amount of GH¢6,169.00 be recovered without further delay and the officer disciplined accordingly.

Unaccountable imprest- GH¢67,636.00

1574. During the period under review we noted that an amount of GH¢67,636.00 granted the Chief Accountant, Mr. Eric Banoeyele as imprest for the execution of various programs had not been accounted for even though the programs had been executed in contravention of Regulation 288 (1) of L.I. 1802 .

1575. As at the time of reporting, the amount had neither been retired nor treated as an advance to the imprest holder's account.

1576. We could therefore not determine whether the monies were used for the intended purpose and attributed the lapse to the existing weak internal control system.

1577. We recommended and Management agreed that Mr. Eric Banoeyele be made to account for the imprest or the sum adjusted to his personal advance account in accordance with FAR 288(1)

Unauthorized expenditure

1578. Contrary to Regulation 39(2b) of the Financial Administration Regulation, 2004, the Authority submitted a total budget of GH¢75,364.00 to the Ministry of Sports towards organization of Maria Tsako National Junior Championship in Tamale from 15 -18

March 2012. The budget was approved and the amount was released to the Authority to organize the tournament.

1579. Our audit disclosed that, the Authority exceeded the approved amount by GH¢25,160.00 thus increasing the tournament's expenditure to GH¢100,524.00.

1580. No supplementary budget was prepared to seek approval for the additional expenditure. Management unilaterally decided to increase the approved budget without the consent of the Ministry.

1581. Failure by Management to ensure strict compliance with conditions attached to budgetary allocation is an indication of weaknesses in the implementation of sound financial policies.

1582. We recommended that authority should be sought from the Ministry for the amount to stand charged to the account failing which the excess expenditure be recovered from the authorizing and paying officials.

Failure to remit 5% withholding tax

1583. We noted that, in contravention of Part X, Section 87 (1) of the Internal Revenue Act 2000, Management failed to remit withholding tax of GH¢25,967.48 from service providers to the Commissioner of DTRD of the GRA for the period under review.

1584. The continuous retention and utilization of 5% withholding tax is a breach of IRS Act and has denied the Government of revenue for planned activities.

1585. We recommended and Management agreed to comply with the tax law.

Payment supported with invalid VAT invoice

1586. In violation to Section 19(3) of Value Added Tax Regulation, 1998 (1646), we noted that payment to three different service providers was supported with VAT invoices from the same VAT booklet as shown below:

Date	PV No.	Chq. No	Amount GH¢	Vat No.	Payee	Purpose
13/3/12	11/9/12	444904	2,363.85	6164658	Gbanzaa Hotel Ltd	Accommodation for 21 people for 3 nights
13/3/12	11/9/12	444904	9,800.00	6164674	Stansen Ent.	Food for Athletes
7/6/12	7/10	444925	34,880.50	6164657	Rocky Kitchen	Food for Athletes

1587. The failure of the procurement unit to do due diligence before engaging the companies for their services, contributed to the irregularity. The use of unauthorized invoice to support transactions is not only unacceptable, but also causes the transactions to lack credibility.

1588. We recommended that, Management desist from transacting business with companies which are not VAT registered but are in habit of providing fake VAT invoices to support payments.

1589. Management stated that, it had noted the observation and will desist from transacting business with non VAT registered companies.

Violation of Procurement Act

1590. Examination of the procurement plan revealed that the Authority planned to procure various items valued at GH¢50,779.50 for the Ghana Hockey Team to travel to South Africa for the Junior Africa Cup of Nations tournament during the year.

1591. We noted that, the contract which was awarded on the 25 May 2012 was divided into three lots and awarded to the same company- Ananada ENT. Ltd in violation of Section 21(5) of the Public Procurement Act (PPA), 2003 Act 663.

1592. The act is a clear attempt to bring the procurement to a threshold that required the use of quotations as to avoid the lawful process that is involved in the procurement procedure. The breakdown is as shown below.

Date	Vat no.	Chq. No.	Items	Amount GH¢	Payee
8/6/12	6727168	444923	4sets of Jersey&Hoses 55pcs Sticks Bags 55pcs Team Bags	5,820.00 5,335.00 4,801.50	AnandaEnt. Ltd.
8/6/12	6727166	444923	55pcs. Track Suits 2 sets of Goalkeepers	8,536.00 6,208.00	AnandaEnt. Ltd

			Equipment's		
8/6/12	6727163	444923	60pcs. Hockey Sticks 55pairs Playing Shoe 50pcs of Mouth Guards 55pcs of Shin Guards	8,730.00 7,469.00 1,212.50 2,667.00	AnandaEnt. Ltd.
Totals				50,779.50	

1593. The procedure lacked transparency and was opened to abuse. We could also not obtain assurance that Management sought for value for money in awarding this contract.

1594. We recommended and Management agreed to strictly comply with provisions in the Procurement Act.

Non-maintenance of assets register

1595. The management of National Sport Authority did not maintain an assets register in contravention of FAR (2n). We also noted that, NSA's properties at the Hockey Pitch were not embossed with identification marks contravening the rules and regulations.

1596. Negligence of duty by Management to enforce the regulation resulted in the above lapse.

1597. Management's failure to compile and maintain assets register could lead to misuse of property, plant and equipment and also expose the assets to theft.

1598. We therefore recommended that Management should immediately comply and maintain assets register to safeguard the authority's properties, plants and equipment all round the country.

1599. Management responded that, it has informed the Estate officer to immediately open an assets register to control and safeguard the Authority's assets.

Inactive ARIC

1600. Regulation 196(4) of FAR 2004 enjoins institutions subjected to auditing by the Auditor- General to establish an ARIC in accordance with Section 30 of the Audit Service Act 2000 (Act 584).

1601. Though the Authority had an ARIC, management could not produce minutes of their meetings for our review, indicative that the ARIC was inactive. We also observed that most of the recommendations made in the 2011 audit report referenced CAD/DA/TF/VOL.1/01 dated 14 October 2012 had not been implemented.

1602. We drew Management's attention to the fact that our previous audit report was issued in October 2012, so the Committee could have met to pursue the implementation of recommendations contained therein. Additionally, due to the Committee's inactivity,

the report had not been responded to as at the close of our audit in March 2014, 18 months after issuance.

1603. This has resulted in Management glossing over audit recommendations, culminating in the recurrence of anomalies and irregularities highlighted in other segments of this report.

1604. We therefore recommended that the ARIC should be more responsive to its role by ensuring that recommendations made in audit and other financial reports of internal monitoring units are duly implemented to enhance accountability, improved services and best financial management. We also urged management to endeavour to respond to management letters within the mandated period of 30 days in order to avoid sanctions stipulated in Section 29 (2) of the Audit Service Act.

EXTRA MINISTERIAL AGENCIES

FINANCIAL INTELLIGENCE CENTRE

Introduction

1605. This report relates to the audited accounts of the Financial Intelligence Centre for the year ended 31 December 2013.

Operational results

1606. The Centre's operations for the year under review ended with a surplus of GH¢167,505 compared with 2012 surplus of GH¢104,604, an increase of GH¢62,901 or 60.1%. The performance indicators for the year 2013 are shown in table 111:

Table 111: Income Statement for 2013

Revenue	2013 GH¢	2012 GH¢	% Change
Revenue	2,294,471	1,933,784	18.7
Expenditure			
General & Admin. Expenses	2,126,966	1,829,180	16.3
Surplus/(Deficit)	167,505	104,604	60.1

1607. Total Revenue rose by 18.7% from GH¢1,933,784 in 2012 to GH¢2,294,471 in 2013. This was due to a 1,285.1% rise in the receipt of Other Income.

1608. Total Expenditure for the period rose by 16.3% from GH¢1,829,180 in 2012 to GH¢2,126,966 in 2013. This mainly accounted for increases in Gross Wages and Salaries, Secondment Allowances, Board Fees and Allowances.

Financial position

1609. A summarised balance sheet of the Centre for the year 2013 is provided in table 112:

Table 112: Balance Sheet as at 31 December 2013

	2013 GH¢	2012 GH¢	% Change
Non-Current Assets	113,423	119,427	(5.0)
Current Assets	1,360,006	740,997	83.5
Current Liabilities	459,232	13,732	3,244.2
Net Current Assets	900,774	727,265	23.9
Net Assets	1,014,197	846,692	19.8
Current Ratio	3.0:1	54.0:1	

1610. Non-Current Assets decreased by 5.0% from GH¢119,427 in 2012 to GH¢113,423 in 2013 due to depreciation charges for Networking Equipment, Computer & Accessories, Furniture & Fittings and Leasehold Land.

1611. Current Assets, however, rose significantly by 83.5% to GH¢1,360,006 in 2013 from GH¢740,997 in 2012. Increases in Cash at Bank balance accounted for the rise.

1612. Current Liabilities also up surged, from GH¢13,732 in the previous year to GH¢459,232 in the current year, recording an increase of 3,244.2%. This was mainly because the Centre registered Accounts Payable which was not available in the previous year.

1613. The adverse decline in the current ratio from 54.0:1 in 2012 as against 3.0:1 in 2013 shows that the Centre has subtle resources and can still meet its short-term liabilities as and when they fall due.

ELECTORAL COMMISSION

Introduction

1614. This report relates to the audited accounts of the Electoral Commission for the year ended 31 December 2012.

Operational results

1615. The operational results for the period ended 31 December 2012 are summarised in table 113.

Table 113: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Income	272,945,799	77,514,133	252.1
Expenditure			
Registration & Electoral Expenses	130,465,025	26,520,826	391.9
General & Administration Expenses	22,209,227	14,122,890	57.3
Depreciation	35,188,911	21,249,231	65.6
Surplus/ (Deficit)	85,082,636	15,621,186	444.7

1616. Total Income of the Commission went up by 252.1% from GH¢77,514,133 in 2011 to GH¢272,945,799. The rise in the Total Income was largely due to increases of 244.2% in Government Subvention, 422.9% in Donor Grants and 789.9% in Miscellaneous Income.

1617. Total Expenditure for the period under review also rose to GH¢187,863,163 in 2012 from GH¢61,892,947 in 2011, a 2,035.3% increase. The significant rise was partly due to increases of 391.9% in Registration and Electoral Expenses, 65.6% in Depreciation and 57.3% in General and Administrative Expenses.

1618. The Commission's operating surplus for the year rose by 444.7% from GH¢15,621,186 in 2011 to GH¢85,082,636 in 2012; which was subsequently transferred to the Accumulated Fund.

Financial position

1619. A summarised balance sheet of the Commission for the year 2012 is provided in table 114.

Table 114: Balance Sheet as at 31 December 2012

	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	128,341,707	43,956,851	192.0
Current Assets	5,293,552	4,847,439	9.2
Current Liabilities	185,313	439,292	(57.8)
Net Current Assets	5,108,239	4,408,147	15.9
Net Assets	133,449,946	48,364,998	175.9
Current Ratio	28.6:1	11.0:1	

1620. Non-Current Assets increased by 192.0% from GH¢43,956,851 in 2011 to GH¢128,341,707 in 2012. This was as a result of additions to Property, Plant and Equipment.

1621. Current Assets, on the other hand, showed a marginal increase of 9.2% to GH¢5,293,552 in 2012 from GH¢4,847,439 in 2011. This was as a result of increase in Cash and Cash Equivalents.

1622. The liquidity ratio of the Commission increased to a favorable position of 28.6:1 as against 11.0:1 in the previous year. This shows the Commission's ability to pay off its debts as and when they fall due.

MANAGEMENT ISSUES

Property Title Deeds

1623. We observed the following acquisitions of landed properties in the year:

- a) Two plots of land were transferred to Electoral Commission at Garu – Tempene District in the Upper East Region.
- b) Commission's property situated on plot No. 39, Block B – Gyinyase, Kumasi
- c) Purchase of landed property at Sekondi (2011) in the Western Region.
- d) Purchase of SNNIT property in Tamale in the Northern Region.
- e) Warehouse being constructed at Akosombo in the Eastern Region.
- f) Purchase of State Housing Corporation building in Koforidua in the Eastern Region.

1624. Though we requested for, management could not provide us with the title deeds.

1625. Its absence could result in losses to the Commission's properties in times of dispute.

1626. We recommended that, the Estate Manager should endeavour to contact the regions for the title deeds and other related documents for the above purchases and transfers.

1627. Management responded that, the Commission considers this observation valuable in its quest to take ownership of its landed properties. As a result, Management has instructed the Estate Manager to take appropriate steps to acquire the title deeds that will entrust legitimate ownership of these properties to the Commission. Management also hopes to complete this exercise in due course.

NATIONAL COMMISSION FOR CIVIC EDUCATION

Introduction

1628. This report relates to the audited accounts of the National Commission for Civic Education for the period 1 January 2011 to 31 December 2012.

Operational results

1629. NCCE ended the 2012 year with a surplus of GH¢194,084.50 as against GH¢397,340.43 for 2011. Table 115 provides the Income statement for 2012.

Table 115: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government of Ghana (GoG)			
Personnel Emolument	23,777,578.16	11,958,736.54	98.8
Goods and Services	4,594,056.93	5,897,393.64	(22.1)
Service Donor Funds	2,704,990.96	873,024.68	209.8
Investment	3,526,633.94	-	-
Total Income	34,603,259.99	18,729,154.86	84.8
Expenditure			
Personnel Emolument	23,777,578.16	11,973,126.21	98.6
Goods and Services	5,427,393.45	5,918,104.96	(8.3)
Service Donor Funds	1,677,569.94	440,583.26	280.8
Investment	3,526,633.94	-	-
Total Expenditure	34,409,174.49	18,331,814.43	87.7
Surplus /Deficit	194,084.50	397,340.43	(51.2)

1630. The Total Income for 2012 increased by GH¢15,874,105.13, representing 84.8% rise. This was attributed to:

- An increase of 98.8% in Personnel Emolument, from GH¢11,958,736.54 in 2011 to GH¢23,777,578.18 in 2012 due to general increase in the salary of public servant workers and the payment of arrears of salary;
- a rise of 209.8% in the receipt of donor funds, from GH¢873,024.68 in 2011 to GH¢2,704,990.96 in 2012

1631. Total Expenditure also increased by GH¢16,077,361.06 or 87.7%. This was due to corresponding increase of 98.6% in the payment of Salaries and Arrears and a rise of 280.8% in Donor Fund Expenditure which rose from GH¢440,583.26 in 2011 to GH¢1,677,569.94 in 2012.

Financial position

1632. Non-Current Assets stood at GH¢3,412,650.47 in 2012 as against GH¢715,267.14 in 2011. The increase was due to the construction of the Commission's Ho Office Phase 1 and the procurement of vehicles.

1633. The Current Assets which included Debtors and Bank Balances went up to GH¢1,483,293.33 as against GH¢459,958.22 representing a 222.5% increase in the liquidity of the Commission mainly due to the increases in Donor Funds and Bank Balance.

1634. The Car Loan Revolving Fund remain unchanged at GH¢11,566.02 due to non-deduction of loan by Controller and Accountant General Department.

MANAGEMENT ISSUES

Fragmentation of purchases - GH¢135,351.49

1635. Our review of procurements records disclosed that between October 2011 and December 2011, procurement of various office equipment worth GH¢82,975.30 were fragmented into 12 lots and awarded to five suppliers contrary to Section 21 (5) of the PPA 2003, Act 663. We also observed that between May 2012 and December

2012, procurements amounting to GH¢52,376.19 were split into nine and awarded to five suppliers.

1636. Management's disregard of the provisions of the procurement law cited above resulted in the anomaly. Such practice blurs transparency and defeats competition as a result of which value for money might not be achieved.

1637. We recommended that Management should comply with the relevant provisions of the Procurement Act to allow for competitive pricing, transparency and to minimise procurement losses.

1638. Management agreed to our recommendation. However, it stated that, the Commission's difficulty is the late release of funds and to reduce the threats of long delay of payment to their suppliers.

Fuel coupons purchased not recorded in the fuel register - GH¢296,460.00

1639. Effective transport management requires that fuel purchases should be taken on ledger charge and recorded in a fuel register before they are issued out to respective officers and vehicles.

1640. Contrary to the above requirement, we observed that during the period reviewed, fuel coupons purchased amounting to GH¢296,460.00, were not recorded in the fuel register as having been received before issues were made to various officers and vehicles.

1641. The omission was due to lack of supervision by the Commission's Secretary which made it difficult for the audit team to

determine whether all coupons paid for had been received and to confirm the stock on hand. The lapse has a high risk of abuse.

1642. We recommended and Management accepted to ensure that the fuel coupons purchased are recorded in the register and reconciled with the stock balance.

Improper keeping of store records

1643. Contrary to the provisions of FAR (1c), the store keeper did not keep proper records. We noted that SIVs were not serially numbered. Consequently, issue vouchers omitted from the store ledger would not be detected. Additionally, the SIVs were not countersigned by the supervising officer. We further observed that the store ledger was fraught with writing over figures, an indication of either capacity gap or concealment of stores misused.

1644. This anomaly arose due to the non-supervision of the store keeper by the Commission's Secretary.

1645. The improper keeping of store records could lead to misuse of store items resulting in loss of funds.

1646. We recommendation and Management agreed that, the store keeper should be supervised by the Director of Administration as indicated by the Commission's organizational chart. We also urged Management to ensure that the store keeper is trained in basic store keeping.

NATIONAL DEVELOPMENT PLANNING COMMISSION

Introduction

1647. This report relates to the audited accounts of the National Development Planning Commission (NDPC) for the period 1 January 2013 to 31 December 2014.

Operational results

1648. Operations for 2014 rose by a surplus of 2,533.3% in the income statement, from a deficit of GH¢176,853.26 in 2013 to a surplus of GH¢4,303,421.46. Table 116 presents the performance indicators.

Table 116: Income statement for 2014

Income	2014 GH¢	2013 GH¢	% Change
Compensation of Employees	2,689,225.15	2,203,445.25	22.0
Use of Goods and Services	1,604,503.70	2,551,701.15	(37.1)
Non-Financial Assets	623,525.89	-	-
Other Receipts	8,455,758.40	112,348.00	7,426.4
Total Income	13,373,013.14	4,867,494.40	174.7
Expenditure			
Compensation of Employees	2,689,225.15	2,203,445.25	22.0
Use of Goods and Services	1,604,503.70	2,551,701.15	(37.1)
Other Expenses	4,775,862.83	289,201.26	1,551.4
Total Expenditure	9,069,591.10	5,044,347.11	79.8
Surplus / (Deficit)	4,303,421.46	(176,853.26)	(2,533.3)

1649. Total Income witnessed an increase of 174.7% from GH¢4,867,494.40 in 2013 to GH¢13,373,013.14 in 2014. Compensation of Employees, which was 20.1% of Total Income, increased by 22.0% from GH¢2,203,445.25 in 2013 to GH¢2,689,225.15 in 2014. Goods and Services contributed 12.0% of total income, decreasing by 37.1% from GH¢2,551,701.15 in 2013 to GH¢1,604,503.70 in 2014. Other Receipts, which contributed 63.2% to Total Revenue increased significantly by 7,426.4%. This was due to the Grants from EDAIF, BOG, Danish Embassy, OOP, CDM and UNICEF.

1650. Total Expenditure which comprised mainly of Employee Compensation, Goods and Services increased significantly by 79.8% to GH¢9,069,591.68 from the 2013 figure of GH¢5,044,347.66. The increase in expenditure from Other Payments from GH¢289,201.26 in 2013 to GH¢4,775,862.83 in 2014 an increase of 1,551.4%, accounted largely to increase in expenditure. Employee Compensation also increased from GH¢2,203,445.55 in 2013 to GH¢2,689,225.15 in 2014, an increase of 22.0%.

Financial position

1651. Shown in table 117 is the financial position of the Commission

Table 117: Balance sheet as at 31 December 2014

	2014 GH¢	2013 GH¢	Change %
Non Current Assets	623,525.89	-	-
Current Assets	5,096,344.22	1,416,448.65	259.8
Current Liabilities	-	-	-
Net Assets	5,719,870.11	1,416,448.65	303.8

1652. Current assets comprised mainly of cash and cash equivalent. This went up by 259.8% from GH¢1,416,448.65 in 2013 to GH¢5,096,344.22 in 2014. This comprised Bank of Ghana and JICA account.

1653. The accumulated fund of the Commission stood at GH¢5,719,870.11 (2013: GH¢1,416,448.65).

MANAGEMENT ISSUES

Bonding of Sponsored Employees

1654. Institutional Best Practice requires that employees sponsored for educational programs are required to sign a bond form ensuring that employers benefit from such sponsorship.

1655. During our review of payment vouchers and personal files of employees, we noted that three staff members Juliet Aseidu, Vivian Kwakye and Vera Baffoe who were sponsored for various educational programs were not bounded contrary to the above best practice.

1656. This occurred because management did not comply with best practice. In effect the Commission may not benefit from the knowledge acquired in furtherance of the Commission's objectives in the event that they leave immediately after their education.

1657. We advised management to ensure that all beneficiaries of educational sponsorship signed a bond form and copy put on their personal files.

1658. Management responded that Juliet Asiedu was made to sign a bond, however the observation is well noted.

Audit Report Implementation Committee

1659. The Audit Service Act, Section 30 requires that all government departments shall have an Audit Report Implementation Committee (ARIC).

1660. During the course of our audit for the periods under review, we observed that the Commission did not have an ARIC.

1661. This occurred because the Commission is yet to put together a Committee to form the ARIC.

1662. The non-existence of the ARIC could lead to delays in the implementation of recommendations made in all audit reports.

1663. We recommended that, management ensure that the committee is formed as early as practicable as required by the statute.

1664. Management responded that, with the dissolution of the former Commission members, the ARIC was also dissolved, however with the formation of new Commission members an ARIC will be put in place immediately.

Unearned Salary-GH¢9,953.48

1665. Regardless of Regulation 297 of L.I.1802 and our recommendation in 2012 report for Management to trace Mr. Linus E. C. Klu and Mr. Jacob Clay who enjoyed unearned salaries of

GH¢738.95 and GH¢1,051.91 respectively between the months of January to May 2012, we further noted that, two officers were separated but were still earning their salaries, Lucas Ahiadekey GH¢3,587.52 and Isaac Ayikwei GH¢4,575.10 totalling unearned salary of GH¢8,162.62.

1666. This occurred as a result of management failure to inform the Controller and Accountant-General immediately the above officers were separated.

1667. The omission led to the State losing scarce resources which could be channeled into developmental projects.

1668. We urged management to make strenuous efforts to trace the above officers to recover the total amount of GH¢9,953.48 from the four officers and lodged into the consolidated fund, failure which management should be surcharged with the amount.

1669. Management responded that Mr. Ayikwei though retired was now on contract and with Mr. Amedeka his bank was informed in September 2013 and the amount was returned to chest; however no documentary evidence was made available to the audit team.

Unutilized Funds – GH¢532,320.00

1670. Contrary to Section 14[3] of the FAA, 2003 [Act 654] we noted that the Commission received an amount of GH¢757,320.00 from the Office of the President out of which only GH¢225,000.00 had been used for the payment of honorarium with an amount of GH¢532,320.00 still outstanding.

1671. We attributed the lapse to the fact that the activity to which the amount was intended for was not adequately planned hence the outstanding balance.

1672. The balance would be spent on unapproved activities contrary to the provision of the Act.

1673. We recommended that, the surplus of GH¢532,320.00 be returned to Government chest in compliance with FAR and/or utilized for its intended purpose.

1674. Management is yet to respond.

Honorarium with no Contract Agreement – GH¢225,000

1675. Notwithstanding Regulation 39 of the FAA, during our review of payment vouchers of the Commission for the years under review, we observed that a total amount of GH¢225,000.00 was paid as honorarium with no Contract Agreement.

1676. This occurred because management did not ensure there was a Contract Agreement before payment was effected.

1677. As such the team was unable to determine the terms of the Contract Agreement and the level of work done for honorarium to be paid.

1678. We recommended that, management make available to the team the Contract Agreement so as to ascertain the appropriateness of the honorarium paid. Failure for which the amount should be refunded by management.

1679. Management is yet to respond.

ECONOMIC AND ORGANISED CRIME OFFICE

Introduction

1680. This report relates to the audited accounts of the Economic and Organised Crime Office for the period 1 January 2010 to 31 December 2012.

Operational results

1681. The year 2012 closed with a surplus of GH¢6,536,379.91 representing a 1,259.2% increase over that of 2011 surplus of GH¢480,898.45. Table 118 provides a comparative summary of the performance indicators recorded by EOCO for 2012.

Table 118: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government Subvention	25,711,709.76	7,581,936.88	239.1
Donor Funds	101,004.53	70,350.50	43.6
Other Income	-	600.00	(100.0)
Total Income	25,812,714.29	7,652,887.38	237.3
Expenditure			
Compensation	6,253,879.98	4,357,061.91	43.5
Goods and Services	13,022,454.40	2,814,927.02	362.6
Total Expenditure	19,276,334.38	7,171,988.93	168.8
Surplus/ (Deficit)	6,536,379.91	480,898.45	1259.2

1682. Total Income rose significantly by GH¢237.3% from GH¢7,652,887.38 in 2011 to GH¢25,812,714.29 in 2012. This occurrence was mainly due to the rise in Government Subvention which rose by GH¢18,129,772.88 or 239.1% from GH¢7,581,936.88 in the previous year to GH¢25,711,709.76 in the current year. Income from Donor Funds also registered an increase of 43.6% from GH¢70,350.50 in 2011 to GH¢101,004.53 in 2012.

1683. Total Expenditure of GH¢7,171,988.93 recorded in 2011 increased to GH¢19,276,334.38 in 2012 representing a 168.8% rise. Expenditure relating to Goods and Services increased significantly from GH¢2,814,927.02 in 2011 to GH¢13,022,454.40 in 2012 or 362.62%. The primary cause for the occurrence was due to a rise in General Expenses, which rose over the previous year figure by GH¢10,202,437.50.

Financial position

1684. Table 119 shows the balance sheet of EOCO as at 31 December 2012 providing comparative summary of the financial position of the Office as at 31 December 2012 and 2011.

Table 119: Balance sheet as at 31 December 2012

Item	2012 GH¢	2011 GH¢	% Change
Non-Current Assets	8,404,235.85	1,972,808.76	326.0
Current Assets	6,148,035.23	8,906,372.08	(31.0)
Current Liabilities	105,634.63	540,846.16	(80.5)
Non-Current Liabilities	5,167,533.15	7,595,611.29	(32.0)
Net Assets	9,279,103.30	2,742,723.39	238.3
Current Ratio	58.20:1	16.47:1	

1685. Non-Current Assets registered a net increase of GH¢6,431,427.09 or 326% increased from GH¢1,972,808.76 in 2011 to GH¢8,404,235.85 in 2012. This was mainly due to the construction of a Headquarters facility as well as the acquisition of additional Vehicles, Fixtures and Fittings, Computers, Furniture and Security Equipment.

1686. Current Assets, which was mainly made up of Bank Balances declined by 31.0%, from GH¢8,906,372.08 in 2011 to GH¢6,148,035.23 in 2012.

1687. Current Liabilities registered a fall of GH¢435,211.53 or 80.5%, from GH¢540,846.16 in 2011 to GH¢105,634.63 in the current year, resulting from part settlement of debt owed to contractors.

1688. Exhibits held by the Crime Office formed the only component of Non-current assets. This fell from GH¢7,595,611.29 in 2011 to GH¢5,167,533.15 in 2012 or 32.0%.

1689. The liquidity position measured by a current ratio of 58.2:1 (2011: 16.47:1) indicated the Office's ability to discharge its short term obligations when they fall due.

MANAGEMENT ISSUES

Late submission of 2010 and 2011 Financial Statements for audit

1690. In spite of the provisions of Section 41 of the FAA, the draft financial statements for 2010 and 2011 were submitted to the audit

team twenty four and twelve months respectively after the end of the year for validation.

1691. We attributed this to apathy of management in ensuring that the Accountant adhered to the tenets of the relevant provisions of the FAA, coupled with poor accounting system which resulted in the books of account containing numerous errors.

1692. This situation does not provide sound financial management and consequently would not enhance stakeholder's decision making on financial matters.

1693. We recommended that the Executive Director of EOCO should instigate measures to ensure the Accountant is made more responsive to his duties by improving the accounting systems to facilitate the early submission of subsequent accounts.

1694. Management accepted our recommendation.

Money received without Issuing Official Receipts

1695. Notwithstanding the requirements of Regulation 28 of the FAR, 2004, we noted that amounts in different currencies totaling US\$50,000.00, and GH¢1,518,410.10 paid into EOCO Exhibit Dollar, Exhibit Cedis and two GoG accounts respectively between June and November 2012 from various payees were not covered with official receipt.

1696. Although these moneys were recorded in the respective cash books and lodged into the respective accounts, the non-issuance of receipt blurs transparency and denies assurance of completeness.

1697. The omission could be attributed to ineffective supervision by the Head of Finance to ensure that, official receipts are issued for all moneys received. If this practice is not stopped, money received could end up in private pockets without Management easily detecting it.

1698. We recommended and Management agreed to ensure the Head of Finance supervise and reconcile the work of the cashier to confirm that official receipts are issued to cover all receipts in future.

Excessive cash holding

1699. Contrary to Regulation 48 of the FAR, a review of the revenue received and lodged to bank revealed that cash on hand of GH¢460.82 and US\$1,800.00 as at 31December 2012 had not been lodged to the bank at the time of the audit in April 2013.

1700. An interview with the cashier indicated that, an attempt was made to lodge the US\$1,800.00 to the exhibit account at Bank of Ghana but was refused by the bank official due to a dirty US\$100.00 note.

1701. We are of the view that, the difference of US\$1,700.00 could have been banked leaving the balance of US\$100.00 for necessary steps to be taken.

1702. In a related development, we observed that an amount of 121,100.00 Naira and 29,000.00 CFA was kept with the Cashier. We further noted that, the Accountant neither maintained a cash book to record the transactions nor open bank accounts for these two

currencies. Unbanked cash holdings could easily be misappropriated and also exposed to theft.

1703. We recommended that, the sum of GH¢460.82 and US\$1,800.00 cash be lodged to the bank without further delay. Additionally, cash books should be opened to record the Naira and CFA exhibits. Bank accounts should also be opened for these currencies to reduce the risk involved in excess cash holdings.

1704. At the instance of the audit, Management paid the US\$1,800.00 to bank but expressed some reservation on the opening of the CFA and Naira accounts, alluding to a number of unexplained factors.

1705. We still stand by our earlier recommendation.

Purchases from Non-VAT registered suppliers – GH¢74,960.34

1706. Management of EOCO overlooked Regulation 183(4) of the FAR 2004, (L.I 1802) and made purchases amounting to GH¢74,960.34 from non-VAT registered entities between January 2011 and December 2012.

1707. Management's deliberate disregard to the above regulation resulted in the state losing revenue of GH¢9,370 which could have been used for developmental projects.

1708. We recommended and Management accepted to in future comply with provisions of the regulation.

Fuel and lubricants not accounted for – GH¢200,623.00

1709. In contravention of Regulation 183(2) of the FAR, our examination of fuel and lubricants purchased for the period January 2010 to December 2012 for the running of official vehicles disclosed that, fuel purchases totaling GH¢200,623.00, were neither entered in fuel coupon ledger nor recorded in the vehicle log books.

1710. We could not ascertain whether the fuel coupons were actually issued to EOCO drivers and used for the furtherance of EOCO's programmes as there was no audit trail.

1711. The lapse occurred because the Accountant failed to keep proper records on the acquisition of fuel coupons and also supervise the drivers to ensure accountability.

1712. The transport officer however intimated that, he maintained the fuel coupons ledger when it was under his charge; and also ensure the drivers made entries in the log books and supported his assertion with evidence. The practice however ceased when the Accountant, Mr. Abdul Rashid Rahen took over the fuel management in 2010.

1713. Our interaction with some drivers indicated that, they were made to go to the fuel damp with accounts personnel who instruct the fuel attendant to fill the vehicles without the drivers sometimes knowing how much fuel was issued to the vehicles, hence the difficulty in entering in their log books.

1714. This could lead to an individual enriching himself at the expense of the office without management detecting it.

1715. We recommended that, Management should as a matter of urgency; ensure the Head of Accounts introduce a fuel coupon ledger to keep track of fuel coupons purchased, indicating the serial numbers, issues made and the recipients to enhance proper fuel management practice. Additionally, the drivers should be educated on the need to maintain a log book.

1716. Management explained that some of its vehicles are used for monitoring and surveillance and logging of the log books would pose operational challenge.

1717. We disagree with management and therefore stand by our earlier recommendation.

Unearned Salary and Allowances – GH¢53,974.05

1718. Our payroll audit revealed that twenty officers who were either dismissed resigned, died or vacated post were wrongly paid a total unearned salary of GH¢53,974.05 for the period under review contrary to FAR 297.

1719. Management's failure to promptly inform the banks to stop the payment of salaries to the officers involved in violation of FAR 298 resulted in the anomaly.

1720. We recommended the enforcement, where applicable, of the three months notice to management before resignation, to afford

management ample time to notify various stakeholders to stop the salaries of such staff, to avert loss of funds which drains government coffers. Management should also ensure the recovery of the unearned salary of GH¢53,974.05 from the officers involved and pay same to chest and our office informed.

1721. Management is yet to respond.

Improper Handing Over

1722. Contrary to FAR 1 (3&5), we observed there was no proper handing over when the Executive Director took over the position in September 2009. We did not also sight any handing over notes when the Head of Finance took over the position in August 2010. An interview with the Stores Officer, the Estates Officer and the Procurement Officer indicated that there were no handing over notes when they assumed office in September 2011, November 2011 and January 2012 respectively.

1723. The irregularities were made possible because Management failed in its duty to ensure that detailed handing over notes were prepared contrary to the tenets of the aforementioned regulation. The situation if not corrected could create room for uncertainties as to what management took over.

1724. We accordingly recommended that, proper handing over process should be ensured by Management in future as required by the above regulations. Meanwhile, the necessary steps should be taken to regularize the situation.

1725. Management stated it will comply with our recommendation.

SAVANNAH ACCELERATED DEVELOPMENT AUTHORITY

Poor recovery of cost of farm inputs supplied-GH¢21,849,175.85

1726. Technical Service Operators (TSPs) were required to recover the cost of farming inputs released to farmer groups after the end of the farming season and pay same to SADA as contained in the Service Agreement between SADA and the TSPs.

1727. We noted that management released funds and farm inputs under input support programme totalling GH¢22,845,099.85 to 72 TSPs to engage in farming activities with farmer groups in their catchment areas in the 2013 farming season. We noted that the TSPs refunded GH¢995,924.00 representing 4.36% of the total input cost, leaving an outstanding balance of GH¢21,849,175.85 (95.64%), eighteen months after the farming season.

1728. Poor supervision over the activities of the TSPs coupled with poor debt recovery strategies accounted for the anomaly.

1729. The situation is affecting the sustainability of the programme since the non-payment is eroding the financial resources of the Authority.

1730. We recommended to management to institute legal action against the defaulting TSPs to collect the amount to serve as deterrent to others.

1731. Management accepted our recommendation for compliance. They indicated that they have already published the names of the defaulting TSPs in the media as a final warning to settle their debts

and have also contracted a debt collection agency to collect the outstanding debts.

Overdue payment from sale of maize -GH¢816,000

1732. We noted that management in November 2013, entered into a contract with two companies namely, Yahwe Salom Farms Limited of Ejura and Genesis Farms Limited of Kumasi in respect of the sale of 17,500 bags of maize with a total value of GH¢910,000.00.

1733. According to the contract agreement, the companies were to provide 10% cash payment and the balance spread with four post-dated cheques for full payment.

1734. Each of the two companies in December 2013, paid GH¢52,000.00 totaling GH¢104,000.00 to SADA, leaving a total amount of GH¢816,000.00 which has remained outstanding to date. Details are shown below:

Name of Company	Quantity of maize (bags)	Value of Maize GH¢	Amount received GH¢	Outstanding GH¢
Yahwe Salom Farms	10,000	520,000.00	52,000.00	468,000.00
Genesis Farms Ltd	7,500	390,000.00	52,000.00	348,000.00
TOTALS	17,500	910,000.00	104,000.00	816,000.00

1735. Management again failed to obtain the four post dated cheques for the full payment of the maize sold as stated in the contract terms.

1736. This anomaly was caused by management's failure to insist on the contract terms for the payment.

1737. The continuous delay in payment by the companies could result in the amount of GH¢816,000.00 becoming a bad debt.

1738. We urged management to institute legal action against the companies to recover the amount with interest at the commercial bank lending rate.

1739. Management indicated that it was making efforts to collect the amount and that the process of taking legal action against the defaulters was underway.

Overpayment of mobilization fees to TSPs – GH¢284,433.00

1740. Our audit discovered that management relied on the expected, instead of the actual hectares of land cultivated to pay mobilization for the 2013 farming season. This resulted in an over payment totaling GH¢284,433.30 to thirty TSPs. This occurred because the TSPs concerned were not able to meet the targets on which they received the mobilisation fees. We also noted that management failed to recover the amount overpaid from the TSPs in clear contravention of Regulation 45 of the FAR, 2004 (LI 1802) which requires that if any expenditure is made in excess of the amounts actually due, the overpayment shall be recovered immediately and paid into the account from which it was originally paid.

1741. The situation is locking up the much needed capital of the Authority for other important projects.

1742. Poor cash management practices caused the irregularity.

1743. We recommended that the amount should be recovered from the affected TSPs without further delay and inform our office for verification.

1744. Management agreed to comply with the recommendation.

Sale of Corn shellers not paid for by TSPs – GH¢272,000.00

1745. Management in September 2012 sold 68 corn shellers to 16 TSPs at a unit price of GH¢8,000.00 totaling GH¢544,000.00. The terms of payment specified that the TSPs were to make down payment of GH¢2,000.00 per sheller and the balance spread over a three year period, that is, annual payment of GH¢2,000.00 per sheller for the next three years.

1746. We however noted that the TSPs failed to pay the 2013 and 2014 installments totaling GH¢272,000.00.

1747. The continuous delay in the payment of the overdue debt is denying the Authority access to its funds for operational activities.

1748. The non-payment by the TSPs was caused by poor debt recovery strategy being adopted by management.

1749. We recommended that management should issue final warning letter to the defaulting TSPs or take legal action to recover the outstanding amount.

1750. Management promised to comply with the recommendation.

Payments without supporting documents - GH¢508,940.00

1751. We noted that payments totaling GH¢508,940.00 were made without the necessary expenditure documents such as receipts, memos and statement of claims to properly authenticate them in contravention of FAR 39(2). Details of the payment are provided below:

Date	Pv No	Details of payment	Payee	Amount GH¢
3/02/14	-	Being 70% payment of corn shellers		469,000.00
29/5/14	SB/0210	Payment for janitorial services	Top Zone Co Ltd	4,120.00
6/1/14	SB/011/	Training material for Hydroform	M.Z.I Co.	35,820.00
Total				508,940.00

1752. The Finance Director's failure to ensure that supporting documents were obtained before making payments accounted for the irregularity.

1753. This practice could be an avenue for financial impropriety.

1754. We urged management to produce all the relevant supporting documents for our examination, or the officers' concerned be made to refund the amount to chest without any delay.

1755. Management stated that it would make all the relevant documents available for our inspection, but had not done so at the time of reporting.

Failure to deduct 10% rent tax – GH¢8,060.00

1756. Contrary to Regulation 16 (1) of L.I. 1802, management failed to deduct 10% rent tax amounting to GH¢8060.00 on payment of GH¢80,600.00 made to Ghana Cotton Company for renting of warehouses. PV No.SB/035 of 27/01/14 refers.

1757. This anomaly emanated as a result of non- compliance with relevant tax laws by the Finance Director.

1758. The non-deduction of the rent tax negatively affected the accrued government tax revenue.

1759. We urged management to retrieve the tax component of GH¢8060.00 from the Company and pay same to the DRDT of the GRA, or the amount should be surcharged against the Finance Director.

1760. Management promised to deduct the outstanding tax from subsequent payments to the company.

Procurement without VAT invoice – GH¢57,060.00

1761. A review of the Authority's paid vouchers disclosed that, procurements worth GH¢57,060.37 from six suppliers were made without obtaining VAT invoices as evidence of payment of GH¢8,883.75 VAT on the transactions contrary to FAR 183(4). Details are provided below.

Date	PV No	Details	Payee	Amount GH¢	VAT GH¢
13/1/14	SB/016	Servicing of vehicle	Ansuare Motors	2660.37	399.05
11/02/14	SB/29	Cleaning and janitorial services	Top Zone Cleaning Services	4120.00	618.00
24/1/14	SB/038	Laser jet printer cartridge	GAM Electricals	540.00	173.70
6/1/14	SB/011	Training material for hydroform machine	M Z I Co	35,820.00	5,373.00
15/05/14	SB/185	Purchase of car tyres		9,280.00	1624.00
10/4/14	SB/0127	Purchase of car tyres		4640.00	696.00
Total				57,060.37	8,883.75

1762. Management's disregard for the above cited regulation was the cause of the anomaly.

1763. The government was therefore denied tax revenue of GH¢8,883.75.

1764. We recommended that, management should obtain the VAT invoices from the entities in compliance with the VAT Act and make them available for our inspection or recover the VAT component of GH¢8,883.75.

1765. Management accepted our recommendation and promised to obtain the VAT invoices from the entities.

Hydraform Machines locked up in a warehouse - GH¢4,653,513.00

1766. We noted that an amount of GH¢4,653,513.00 was expended on the importation of fifty Hydraform Interlocking block making machines from MZI Company Ltd in October 2012.

1767. We further noted that the contract did not go through competitive tendering process.

1768. Management also failed to produce the contract documents such as service agreement and bill of quantities for our examination.

1769. We further observed that all the 50 machines were still locked up in a warehouse at SADA premises, two years after they were procured.

1770. The continuous keeping of the machines in the warehouse defeats the purpose for which the tax payers' money was committed into the project.

1771. Management's failure to think through the commercial viability of the project and its implementation before procuring the machines accounted for the anomaly.

1772. We entreated management to develop strategies to put the machines to good use in order to avert the total amount of GH¢4,653,513.00 spent on the machines from going down the drain or management be made to refund the full amount and sanctioned for causing loss of funds to SADA and the state.

1773. Management explained that it had advertised and received bids for the sale of the equipment.

Delay in construction of Ferry Waiting Lounge at Kete Krachi - GH¢208,263.00

1774. Management on 12 December 2013 vide cheque number 928782 released an amount of GH¢31,240.00 to the Krachi West District Assembly now Krachi Nchumuru District Assembly for the construction of a ferry/passenger waiting lounge at Kete Krachi.

1775. The District Assembly subsequently awarded the contract on 10 January 2014 to M/s Ninsalaa Ghana Limited at a contract sum of GH¢208,263.72. The project was expected to be completed within eight calendar months.

1776. We however noted during our visit to the project site on 13 October 2014 that the project was at the foundation level. We further observed that the contractor has not been on site for a couple of months and the project seemed to have been abandoned.

1777. The situation arose because of management's failure to have a written agreement with the District Assembly as to whether the project is to be co-funded between the two entities or to be funded solely by SADA. This has accounted for the delay since the contractor has not received any further funds to continue the project apart from the initial mobilization.

1778. The continuous delay of the project could lead to cost overrun due to inflation which can result in value for money being compromised.

1779. Passengers to and from the District are also being denied good resting place at the river bank.

1780. We urged management to sign an MOU with the District Assembly as to how the project is to be funded and supervised to ensure the timely completion of the project so that the amount of GH¢31,240.00 already spent does not go waste.

1781. Management stated that it would discuss the issue with the management of the District Assembly for the necessary action.

NATIONAL MEDIA COMMISSION

Introduction

1782. This report relates to the audited accounts of the National Media Commission for the period 1 January 2011 to 31 December 2012.

Operational results

1783. Operations for the year 2012 ended with a surplus of GH¢160,726.47 as against a surplus of GH¢29,256.86 for the preceding year, improving by 449.4%. Presented in table 120 is a summary of the Income statement of the Commission for the year ended 31 December 2012.

Table 120: Income statement for 2012

Income	2012 GH¢	2011 GH¢	% Change
Government Vote	935,883.50	933,416.83	0.3
Internally Generated Fund	13,460.00	3,190.00	321.9
Donation	-	8,400.00	-
Other Income	42,833.00	100,618.75	(57.4)
Total Income	992,176.50	1,045,625.58	(5.1)
Expenditure			
Personal Emolument	314,772.36	604,186.62	(47.9)
Other Expenses	42,833.00	109,018.65	(60.7)
Goods & Services/ Administrative Expenses	473,844.67	303,163.42	56.3
Total Expenditure	831,450.03	1,016,368.69	(18.2)
Income Surplus	160,726.47	29,256.89	449.4

1784. Total Income decreased by 5.1% from GH¢1,045,625.58 in 2011 to GH¢992,176.50 in 2012. The drop in Total Income was due to a 57.4% decrease in Other Income from GH¢100, 618.75 in 2011 to GH¢42, 833 in 2012. However, Government vote which is the main source of income, increased slightly by 0.3% from GH¢933,416.83 in 2011 to GH¢935, 883.50 in 2012. IGF also increased by 321% from GH¢3,190.00 in 2011 to GH¢13,460.00 in 2012. This was due to an upward adjustment in the Registration Fee for Newspapers and Magazines in April 2012.

1785. Total Expenditure decreased by 18.2% from GH¢1,016,368.69 in 2011 to GH¢831,450.03 in 2012. Personal Emolument decreased by 47.9% from GH¢604,186.62 in 2011 to GH¢314,772.36 in 2012. This was because in 2011 Staff and Commissioners were paid salary arrears thereby increasing the wage bill. Other Expenses also decreased by 60.7% from GH¢109, 018.65 in 2011 to GH¢42,833 in 2012.

1786. Under the GIFMIS system, Administrative and Service Expenses were put under Goods and Services. This expenditure increased by 56.3% from GH¢303,163.42 in 2011 to GH¢473,844.67 in 2012.

Financial position

1787. The Commission acquired two new motor vehicles at the cost of GH¢235,336.20 in 2012. This increased the net assets to GH¢257,675.93 as against GH¢ 155,799.19 in 2011.

1788. Current Assets, which was solely made up of bank balances rose from GH¢71,283.12 in 2011 to GH¢122,559.50. These bank

balances have been reconciled with the cash book and relevant bank statements.

MANAGEMENT ISSUES

Commissions vehicles not available for inspection

1789. Contrary to Store Regulation 1608, our physical verification to ascertain the existence of the Commission's assets revealed that 2 Toyota Hilux Pickups with registration numbers GS413 09 and GE6902 Y were not available for inspection. We could also not sight the documents of ownership of the vehicles in the records of the Commission.

1790. The Transport Officer informed us that vehicle no. GS6902Y was sent to a monitoring centre at Kumasi but could not offer any explanation on the whereabouts of vehicle no. GS413-09. Our review further revealed that there was neither a responsible officer nor any driver in charge of the vehicle at the said monitoring centre. Records available disclosed that a temporal staff whose contract expired in March 2013 was in charge of the said monitoring centre. This indicate that the above vehicle was assigned to a temporal staff without an official driver in contravention of regulation 1609 of Store Regulations 1984, which states that government vehicles shall be driven by only officially employed drivers.

1791. Upon several requests, vehicle no. GS 6902 Y was brought to the Commission's premises without its documents whilst vehicle no. GS413 09 was still not made available for our inspection as at the time of writing this report.

1792. We attributed the above situation to Management's disregard of the above quoted regulations and recommended that, vehicle number GS413-09 as well as the original copies of the documents of both vehicles should be provided for our verification.

1793. Management was advised to comply with the Store Regulations aforementioned in order to monitor and control the use of the vehicles.

1794. Management responded that it needed more vehicles for monitoring work in all the regions, but we are of the view that allocating an official vehicle to a temporal staff without an official driver could lead to misuse of the vehicle, especially when the use of the vehicle is not being monitored and controlled by any responsible officer.

1795. Management accepted our recommendations for compliance.

Mission Statement

The Ghana Audit Service exists

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

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

**And
reporting to Parliament**