



REPUBLIC OF GHANA

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REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA MINISTRIES, DEPARTMENTS AND OTHER AGENCIES (MDAs)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014



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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**REPORT OF THE AUDITOR-GENERAL ON
THE PUBLIC ACCOUNTS OF GHANA-MINISTRIES,
DEPARTMENTS AND OTHER AGENCIES (MDAs)
FOR THE YEAR ENDED 31 DECEMBER 2014**

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TRANSMITTAL LETTER

Ref. No. AG.01/109/Vol.2/95

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21 December 2015

Dear Mr. Speaker,

**SUBMISSION OF AUDITOR-GENERAL'S
ANNUAL REPORT ON THE PUBLIC ACCOUNTS OF
GHANA - MINISTRIES, DEPARTMENTS AND
OTHER AGENCIES (MDAs) FOR THE YEAR ENDED
31 DECEMBER 2014**

I am empowered by Article 187(2) of the 1992 Constitution to carry out the audit of the public accounts of Ghana and to report thereon to Parliament.

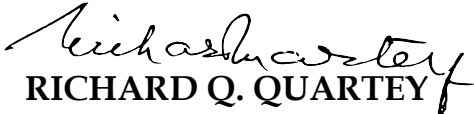
2. In accordance with that mandate, it is my honour to submit to the House of Parliament my report on my audit of Ministries, Departments and other Agencies (MDAs) of

Central Government, and the Courts, for the year ended 2014.

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

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

Yours Sincerely,


RICHARD Q. QUARTEY
AUDITOR-GENERAL

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

PART I

AUDITOR-GENERAL'S ANNUAL REPORT ON THE PUBLIC ACCOUNTS OF GHANA - MINISTRIES, DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE YEAR ENDED 31 DECEMBER 2014

EXECUTIVE SUMMARY

Introduction

I have conducted my audit of the accounts and records of Ministries, Departments and Agencies for the financial year ended 31 December 2014 under the authority given me by Article 187(2) of the Constitution of Ghana and Section 11 of the Audit Service Act, 2000, Act 584.

2. I am pleased to present my annual report on the MDAs to Parliament. The report is separated into three Parts. It highlights major findings of my audits and such matters as are to be reported upon by me in accordance with Section 20 of the Audit Service Act, Act 584.

Audit Objectives

3. My overall objective in auditing the public accounts of Ghana and reporting to Parliament is to determine and report whether:

- ❖ proper records and books of accounts have been maintained
- ❖ the accounts have been properly kept;
- ❖ all public monies due have been fully accounted for, and rules and procedures applicable are sufficient to ensure an effective check on the assessment, collection and proper allocation of the revenue;
- ❖ monies have been expended for the purposes for which they were appropriated and the expenditures have been made as authorised;
- ❖ essential records have been maintained and the rules and procedures applied are sufficient to safeguard and control public property; and
- ❖ programmes and activities have been undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilised and results achieved.”

4. My audit is intended to provide assurance to the citizens of this country and other stakeholders about the regularity of

actions and the propriety of government revenues, expenditures and assets, as well as the integrity and adequacy of systems and procedures to perform their intended roles as would lead to orderly, efficient, effective and economical achievement of programme objectives by State institutions and other governmental agencies given the use of State resources.

Benefits/Outcomes of my audit

5. The Public Financial Management System of Ghana is intended, overall, to guide the conduct of Government financial business and to address all risks in such a manner as to provide reasonable assurance that in the pursuit of all planned programmes and activities the following general objectives are being achieved:

- (i) Operations are executed in an orderly, ethical, economical, efficient and effective manner;
- (ii) accountability obligations are fulfilled;
- (iii) applicable laws and regulations are complied with;
and
- (iv) resources are safeguarded against loss, misuse and damage.

6. However, I cannot guarantee that all instances of breach of financial discipline and malfeasance were identified in the audit process although the audit examinations were planned and conducted to the extent necessary for the effective performance of our work, such that there was reasonable chance that breaches or infractions would be detected.

Summary of Significant Findings & Recommendations

7. I present below the results of my audit.

8. I found that due to poor cash management and procurement practices, MDAs exhibited difficulties in payroll administration because of the prevalence of unearned salary payments; there was also poor management of loans and debts for agricultural purposes, as well as poor collection of taxes due to the State.

9. The resulting financial weaknesses and other irregularities are presented in two Tables in this Executive Summary. They have been grouped under seven broad categories as follows

- ❖ Cash irregularities
- ❖ Outstanding debts/loans
- ❖ Payroll Irregularities

- ❖ Tax Irregularities
- ❖ Contract Irregularities
- ❖ Stores/ Procurement Irregularities, and
- ❖ Rent payment Irregularities

Audit Results

The overall financial impact of weaknesses and irregularities identified amounted to GH¢252,786,587.43.

A summary table is provided below:

SUMMARY OF IRREGULARITIES						
Irregularities	GH¢	US\$ (GH¢3.20)	CFA (GH¢0.0064)	EURO GH¢3.89)	GBP (GH¢4.98)	TOTAL GH¢
Tax	203,680,144.36	4,220,746.59	-	-	-	217,186,533.45
Cash	2,519,821.96	607,756.60	4,435,000.00	152,733.62	440.00	5,089,352.06
Loans	13,359,386.03	123,911.40	-	-	-	13,755,902.51
Payroll	11,426,144.03	-	-	-	-	11,426,144.03
Stores/ Procurement	2,373,354.81	-	-	-	-	2,373,354.81
Rent	38,273.85	41,500.00	-	-	-	171,073.85
Contract	1,056,779.68	539,827.20	-	-	-	2,784,226.72
Total	234,453,904.72	5,533,741.79	4,435,000.00	152,733.62	440.00	252,786,587.43

Cash irregularities -GH¢5,089,352.06

10. Total cash irregularities noted during the period amounted to GH¢5,089,352.76. The irregularities cut across MDAs and were attributable to the undernoted occurrences.

- ❖ Unsupported payment vouchers
- ❖ Unclaimed salaries
- ❖ Payments not audited prior to payment
- ❖ Misappropriation and theft of cash, etc.
- ❖ Wrong withdrawal of funds from vested lands accounts

11. We recommended that heads of MDAs should strengthen their internal controls to minimize the risk of recurrence and pursue recovery of funds wrongly taken or not properly accounted for.

Tax Irregularities - GH¢217,186,533.45

12. Tax irregularities amounting to GH¢217,186,533.45 was recorded during the year under review. The irregularities could be traced mainly to delays in the transfer of GcNET Revenue Collected by GCB Bank and failure to collect tax revenue.

13. We recommended that GRA should take steps to improve the efficiency of its tax administration to minimise the risk of delays and loss of tax revenue. Tax payers' education should also continue.

Stores/Procurement Irregularities - GH¢2,373,354.81

14. Stores and procurement irregularities involved stores not properly recorded and accounted for, as well as institutions not following correctly the Public Procurement Act in terms of obtaining minimum quotations, exceeding authorised threshold limits and unauthorised sole sourcing of suppliers.

Payroll irregularities - GH¢11,426,144.03

15. Payroll irregularities mainly involving payments of unearned salaries to separated individuals, amounting to GH¢11,426,144.03 was recorded during the period under review.

Outstanding Loans/Debts -GH¢13,755,902.31

16. This amount was made up of advances given in the form of forming inputs and equipment to block farmers who failed to pay back as well as debt stock in respect of petroleum supplies to the Armed Forces and unpaid advances made to various staffs.

Contract Irregularities -GH¢2,784,226.72

17. The Irregularities referred to under this heading involved unapproved contracts, payments for work not certified, failure to retain 10% contract retention funds, outstanding mobilization fees due on abandoned projects.

Rent Irregularities - GH¢171,073.85

18. Rent irregularities were in respect of defaulted and uncollected rents due, non-payment of rent due on Government bungalows and failure to issue official receipts for rent paid.

Table 2: Summary of domestic, tax, cash irregularities and outstanding debts/loans classified according to MDAs

Ministries, departments, & agencies	Tax		Cash					Loan		Payroll
	GH¢	\$	GH¢	US\$	€	£	CFA	GH¢	US\$	GH¢
Finance	202,586,518.75		2,190.00					-		633,247.40
Health	-		337,976.00	2,000.00				-		642,107.00
Agric	748.12		124,668.17					790,179.00		139,069.46
Education	1,335.51		633,846.99					11,376.00		122,846.00
Employment	5,953.39		117,066.94					-		190,318.00
Youth & Sports	10,905.99		158,583.15					-		1,183,603.34
Interior	-		2,728.35					-		74,129.58
Works & Housing	51,183.00		438,023.00					1,600.00		4,780.00
Local Government	-		10,924.00					-		-
Lands & Forestry	11,856.60		333,139.23					-		-
Information	-		20,601.00					-		-
Communication	-	3,990,238.00	-					-		-
Defence	-		-					12,503,355.20	123,911.40	-
Justice & Attorney-General's	-	230,508.59	-	353,974.60				5,100.00		8,416,646.85
Foreign Affairs	-		-	248,174.00	152,733.62		4,435,000.00	-		-
Judicial Service	1,011,643.00		305,279.13	3,608.00		440.00		-		-
Govt. Machinery	-		34,796.00					47,775.83		19,396.40
Total	203,680,144.36	4,220,746.59	2,519,821.96	607,756.60	152,733.62	440.00	4,435,000.00	13,359,386.03	123,911.40	11,426,144.03

Table 2 continued: Summary of domestic, tax, cash irregularities and outstanding debts/loans classified according to MDAs

Ministry Of	Stores/ Procurement	Rent		Contract		Grand Total				
		GH¢	US\$	GH¢	US\$	GH¢	US\$	GBP	EURO	CFA
Finance	10,948.00	-				203,232,904.15	-	-	-	
Health	1,153,259.00	-	27,100.00	388,488.10	539,827.20	2,521,830.10	568,927.20			
Agric	93,632.42	11,801.00				1,160,098.17				
Education	282,072.00	-		146,077.58		1,197,554.08				
Employment	11,730.00	-				325,068.33				
Youth & Sports	-	-				1,353,092.48				
Interior	-	-				76,857.93				
Works & Housing	68,815.00	-		404,286.00		968,687.00				
Local Government	4,655.00	-				15,579.00				
Lands & Forestry	64,385.00	-				409,380.83				
Information	-	5,587.95				26,188.95				
Communication	-	-					3,990,238.00			
Defence	-	-				12,503,355.20	123,911.40			
Justice & Attorney- General's	614,594.39	-	14,400.00			9,036,341.24	598,883.19			
Foreign Affairs	-	-					248,174.00		152,733.62	4,435,000.00
Judicial Service	-	-				1,316,922.13	3,608.00	440.00		
Govt. Machinery	69,264.00	20,884.90		117,928.00		310,045.13				
Total	2,373,354.81	38,273.85	41,500.00	1,056,779.68	539,827.20					

PART II

SUMMARY OF FINDINGS AND RECOMMENDATIONS BY MDAs

MINISTRY OF FINANCE



CONTROLLER AND ACCOUNTANT-GENERAL'S DEPARTMENT -

CAPE COAST REGIONAL DIRECTORATE

Payments of Unearned Salary and Pensions - GH¢442,146.12

19. Twenty four (24) pensioners and forty four (44) staff were paid unearned salaries and pensions totalling GH¢442,146.12.

20. We recommended recovery of the amounts involved and the deletion of the names from the mechanized payroll.

Failure to Transfer unclaimed Salaries by seven District Treasury Offices – GH¢124,364.91

21. Seven District Treasury Offices failed to transfer unearned salaries and pensions of GH¢124,364.91 into the Controller and Accountant-General Suspense Account.

22. We recommended to the Treasury Officers to strengthen their oversight responsibilities on the banks.

GHANA REVENUE AUTHORITY

Tax Arrears

23. A total of GH¢201,096,188.66 were outstanding in respect of Income Taxes, PAYE, Withholding Taxes, VAT and Rent Taxes in the books of Greater Accra region during the 2013 year of assessment. We therefore urged management to strengthen its control over revenue collections.

CUSTOMS DIVISION – SUNYANI

Tax arrears – GH¢193,258.60

24. Ayumso Forest Products owed the GRA, Customs Division an amount of GH¢193,258.60 as at 31 December 2014.

25. We recommended to management to put in place pragmatic measures to collect the outstanding taxes due from Ayumso Forest Products without delay.

Non Payment of Interest on the Delayed Transfer of GcNET Revenue Collection by GCB Bank - GH¢1,033,329.49

26. Management of GRA, Custom Division failed to compute and recover interest of GH¢1,033,329.49 from GCB for late transfer of collections totalling GH¢745,816,607.52.

27. We therefore recommended recovery of the said amount from the Bank.

MINISTRY OF HEALTH



MINISTRY OF HEALTH (HEADQUARTERS)

Failure to Obtain Concurrent Approval from CTRB- US\$539,827.20

28. The Ministry failed to submit its recommendations to the Central Tender Review Board (CTRB) for concurrent approval on the awards of two (2) contracts for the procurement of condoms costing \$539,827.20.

29. We advised management to obtain retrospective approval from the CTRB and to ensure compliance with the Public Procurement Act.

Single source procurement without prior approval from PPB - GH¢750,000.00

30. The Ghana Health Service single sourced 300 refurbished adjustable hospital beds, orthopaedic mattresses and bedside lockers costing GH¢750,000.00 from Associated Medical Engineering Company Ltd without approval of the PPA.

31. We urged management to fully comply with the provision of the PPA.

Funds released to Ghana Supply Commission not accounted for-GH¢301,833

32. Ghana Supply Commission was granted GH¢301,833 for clearance and handling charges of non-drug consumables for measles.

33. However the Schedule Accounts Officer failed to ensure that the Commission provided the appropriate third party records to properly account for the funds.

34. We could therefore not confirm that the GSC applied the funds efficiently and economically in the best interest of the Service.

35. We recommended that the Director-General should ensure that the GH¢301,833 was appropriately accounted for by the Ghana Supply Commission.

Falsification of Store Requisition and Issues-GH¢100,976

36. Our sample review of the store records at the Limb Fitting Centre showed that, the Store Keeper altered the Combined Requisition and Issue Vouchers (CRIVs), thereby inflating quantities requested and issued.

37. We urged management to investigate the extent of the financial loss and surcharge all officers found culpable.

Payment of Unearned Salary - GH¢146,541

38. We noted that names of twenty six (26) separated staff from various Management Units under the Ministry of Health which continued to appear on GoG mechanised payroll during the period under review were paid unearned salary of GH¢146,541.17 including unearned salary of GH¢77,585.86 paid to four (4) House Officers who had completed their rotation at Tema General Hospital.

39. We recommended full recovery of the total unearned salaries of GH¢146,541.75 from the separated staff.

Unapproved Contract Variations - GH¢355,744

40. We noted during our review of contract documents that, the Service released funds to various Health Directorates to make payments to nine (9) contractors for works executed without requesting for evidence of clearance from the Tender Review Boards for variations exceeding 10 per cent.

41. We advised the Director-General to ensure that, revision of contract sums beyond 10 percent of the original are in accordance with the provisions of the Act.

KORLE-BU TEACHING HOSPITAL

Retirement package paid to former Chief Administrator- GH¢92,667

42. We noted that the former Chief Administrator of the hospital, Prof. N. O. Nartey, was wrongfully paid a retirement package of GH¢92,667.20 on 23 December 2013, after five years service.

43. We recommended that the Board should consult the Minister of Health who should, in consultation with the Minister of Finance, review the package paid, with a view to recovering any unjustified payments made to the retired Chief Administrator.

Avoidable loss incurred through the payment of judgment debt-GH¢402,899

44. KBTH on two occasions paid a total amount of GH¢402,899.08 as judgement debts occasioned by the failure to seek proper clearance for recruitment from MoF.

45. We advised management to follow proper administrative procedures for hiring and firing employees.

Outsourcing of revenue collections not supported with contract document

46. We noted that revenue collection had been outsourced to HFC bank since September 2013. Our further review disclosed that, no formal agreement had been signed with the HFC Bank.

47. To safeguard the interest of management, we advised management to ensure that its relationship with HFC was regularized with a valid contract.

Uncollected rent on operations of automated teller machines (ATM)-US\$27,100

48. KBTH leased land to various banks to construct and operate Automated Teller Machines (ATMs). However, no formal agreement existed between KBTH and the Banks.

49. We recommended that the Chief Administrator should sign a formal rent agreements with the Banks on their ATM operations on KBTH land.

MINISTRY OF FOOD AND AGRICULTURE (MOFA)



Payment of Unearned Salaries – GH¢117,875

50. Fifteen (15) separated staff from various Management Units under the Ministry of Agriculture continued to appear on GoG mechanised payroll for periods ranging between one (1) and twenty six(26) months. As at the time of writing this report, total of GH¢117,874.99 had been paid as unearned salaries to separated staff.

51. We recommended full recovery of the total unearned salaries from the separated staff.

Unsubstantiated Payments made by 4 District Agric. Offices– GH¢40,460

52. Our examination of the payment vouchers of four (4) District Offices of the MoFA, showed that PVs totalling GH¢40,460.09 were not properly acquitted with the relevant supporting documents.

53. We recommended that both the authorising officers and the accountants should refund the amounts shown against their respective institutions.

Indebtedness to Eight Block Farm Projects – GH¢772,178

54. Eight (8) Block Farm Projects failed to recover an amount of GH¢772,178.00 from the beneficiary farmers during their respective farming seasons.

55. We recommended that the management of the various Block Farm Projects take the necessary steps to efficiently manage the projects and ensure full recovery of all outstanding debts.

Failure to Account for revenue Collections from Agricultural Services

56. Four (4) District Directors failed to ensure that GH¢84,209.00 revenue collected in respect of Extension and other Clinical Services were accounted-for.

57. We urged management to take the necessary steps to retrieve the total amount from the affected officers, failure of which they should be surcharged.

Procurements without alternative price quotation

GH¢21,350.77

58. We noted that procurements totalling GH¢21,350.77 were made without satisfying the minimum quotations from three suppliers.

59. We urged management to comply with the provisions of the Procurement Act.

MINISTRY OF EDUCATION



Payment of Unearned Salary - GH¢122,846

60. Twenty one (21) separated staff from various Management Units under the Ministry of Education continued to appear on GoG mechanised payroll for periods between one (1) and twenty five(25) months. As at the time of writing this report, a total of GH¢122,846.04 had been paid as unearned salaries to separated staff.

61. We recommended full recovery of the total unearned salaries from the separated staff.

Unsubstantiated Payments made by 9 Educational Offices- GH¢529,741.37

62. Nine (9) district and municipal educational offices failed to properly acquit payment vouchers totalling GH¢529,741.37.

63. We recommended that both the authorising officers and the accountants should refund the amounts shown against their respective institutions.

Non-competitive procurement - GH¢87,330

64. Procurements totalling GH¢87,330.43 were made in seven (7) district education offices without satisfying the minimum quotations of three suppliers.

65. We urged management to comply with the provisions of the Procurement Act.

Unauthorised Possession of Six Official Vehicles

66. We noted that six (6) separated officers including former ministers failed to hand over their official vehicles when leaving office.

67. We urged management to retrieve the vehicles from the unauthorised users without further delay.

Failure to Present Receipt Books for Inspection

68. The District Accountant of GES, Dodowa failed to present five (5) receipt books for inspection upon request, contrary to Section 33 of the Audit Service Act, 2000.

69. We urged the Director to ensure that the receipt books are produced for inspection.

Unpresented Payment Vouchers – GH¢91,270.62

70. The District Education Office GES, Dodowa, failed to produce 61 payment vouchers totalling GH¢91,270.62 for the period January 2012 – December, 2013 for inspection.

71. We urged the Director to produce the vouchers for inspection, failing which the amount should be recovered from the Director and the Accountant.

Failure to use Approved Receipt Books – GH¢81,337

72. The GES office in Odumase-Krobo procured and used receipt books other than the General Counterfoil Receipt books (GCRs) approved by the Controller and Accountant General to collect Examination Fees totalling GH¢81,336.70.

73. We advised management to discontinue the use of unauthorised receipt books and use only General Counterfoil Receipt books supplied by the Controller and Accountant-General to acknowledge receipt of all amounts in compliance with the Financial Administration Regulations.

MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS

Payment of Unearned Salary - GH¢13,103.94

74. Five (5) separated staff from Public Services Commission and one (1) from the Ministry of Employment and Labour Relations continued to appear on GoG mechanised payroll for periods between 2 and 12 months and were paid unearned salary totalling GH¢13,103.94.

75. We recommended full recovery of the total unearned salaries of GH¢13,103.94 from the separated staff.

COMMUNITY DEVELOPMENT - BOLGATANGA

Delays in the Lodgment of Revenue to Bank - GH¢110,187.00

76. Revenue collected totalling GH¢110,187.00 in respect of registration and renewal of Day Care Centres and Non-Governmental Organisations (NGOs) in Community

Development, Bolgatanga, were belatedly paid to bank, over periods ranging between three (3) and eight (8) weeks.

77. We recommended that, revenue collections must be promptly paid into the appropriate bank account.

MINISTRY OF YOUTH AND SPORTS



GHANA YOUTH EMPLOYMENT ENTREPRENEURIAL- DEVELOPMENT AGENCY (GYEEDA)

Payment of Salaries to Unqualified Staff - GH¢895,536.18

78. Contrary to GYEEDA's restructuring and migration guidelines approved by Cabinet for the recruitment of programme staff who have successfully passed interviews for placement as public servants, we found that 126 staff who could

not successfully pass the interview were migrated as employees of GYEEDA and were paid a total amount of GH¢895,536.18 as salaries between November 2012 to December 2013.

79. We recommended that the amount of GH¢895,536.18 wrongfully paid to the 126 unqualified staff be retrieved. The DNC Human Resource and DNC Finance and Administration and the Internal Auditor should be sanctioned appropriately.

Addition of non-existing programme staff to migration list - GH¢157,196.31

80. Again, contrary to the approved policy guidelines, that only staff existing on NYEP/GYEEDA payroll as programme staff as at October 2012 could apply for migration with the required qualifications specified by the Public Service Commission (PSC) and be placed on the GYEEDA payroll, we observed from our review of both 2012 and 2013 payrolls and interview reports that nineteen (19) persons who were not existing programme staff had been included in both interview reports and the paid migrated payroll.

81. We urged management to investigate how the 19 names came to be on the payroll and also ensure the refund of a total

amount of GH¢157,196.31 being arrears and salaries for November 2012 to December 2013 respectively paid to these non-existing programme staff. Their names should be deleted from the payroll and the DNC-Human Resource, DNC-Finance and Administration and the Internal Auditor sanctioned appropriately.

**Staff placed on grades without required qualifications –
GH¢105,850.05**

82. An interview report issued by the Public Service Commission recommended that nineteen staff should provide the interview panel with their certificates, required qualifications and obtain authentication of their certificates before being placed on grades applied for. However, we found that salaries totalling GH¢105,850.05 were paid to these staff based on the grades they applied for without the necessary authentication of certificates and the other requirements as requested.

83. We recommended that the salaries paid to the 19 staff should be recovered by Management on account of their failure to provide necessary records to support their recruitment and placement.

Unapproved system used in payment of salaries to migrated staff

84. We found that although staff at GYEEDA have been migrated onto a new salary scheme as public servants, management prepared its own salary vouchers and paid a total of GH¢4,424,800.86 as arrears and salaries for November and December 2013 without approval of the payment system by the Controller and Accountant-General, contrary to Section 295 of the FAR. GYEEDA also failed to obtain financial clearance from Ministry of Finance.

85. Management was advised to seek the necessary assistance from Controller and Accountant-General for proper salary management in order to prevent payroll irregularities.

MINISTRY OF YOUTH AND SPORTS

NATIONAL SPORT COLLEGE, WINNEBA

Withholding tax irregularities - GH¢10,905.99

86. National Sports College failed to pay to GRA Gh¢10,689.99 withheld as withholding tax and also failed to deduct GH¢216.00 tax on supply of training kit totalling GH¢4,230.00.

87. We urged management to ensure that the outstanding withheld taxes are paid without delay.

NATIONAL SPORTS COUNCIL-SUNYANI

Wrongful Payment of Allowances - GH¢ 13,120.00

88. The Regional Director of the National Sports Council paid a total amount of GH¢13,120.00 to ten (10) officers as duty and incentive allowances without any documentary evidence of the extra duty performed.

89. We advised management to recover the whole amount from the officers.

MINISTRY OF INTERIOR



Payment of Unearned Salary

90. Twenty two (22) separated staff from various Management Units under the Ministry of Interior continued to appear on GoG mechanised payroll during the period under review and were paid unearned salary of GH¢74,129.58.

91. We urged management to fully recover the unearned salaries paid, from the separated staff.

Failure to follow Police Service Instruction in the Release of Exhibits

92. Our inspection at the Afiencya Police Station in Shai Osudoku District showed that one Trailer Head with Registration No. GW 3885P, two unregistered shot guns and 13 cartridges were released without the relevant parties signing the Court Exhibit Register as required.

93. We recommended that, the laid down procedures are followed in the release of exhibits.

MINISTRY OF INTERIOR

GHANA POLICE SERVICE

REGIONAL POLICE HEADQUARTERS, CAPE COAST

Court Exhibits Handed Over Without Court Restitution Order (CRO)

94. Our review of the Court Exhibits Register at the Cape Coast Regional Police Headquarters disclosed that, though Court Restitution Orders were issued, the police failed to enter them in the Exhibit Register before handing exhibits over to the purported owners.

95. We advised the Commander to ensure that, Court Restitution Orders are always entered in the Court Exhibits Register.

MARINE RAILWAYS AND PORTS POLICE –

TAKORADI HARBOUR

Issuance of Firearms Licenses without vetting

96. We observed that only 5 out of 33 applicants who applied for firearms licences were vetted but all of them were issued with firearms licences by the Station Officers in their respective localities, contrary to Section 61(2) of the Arms and Ammunition Regulation 1962. Additionally, only 13 of the 33 renewed their

firearms licences in accordance with Section 69(2) of the same Regulation.

97. We advised the Divisional Crime Officer to ensure that, applicants are properly screened before issuance of licences to them and that guns are not placed in the hands of unfit and unlicensed persons.

MINISTRY OF WATER RESOURCES, WORKS & HOUSING



**MINISTRY OF WATER RESOURCES, WORKS AND
HOUSING, GOASO**

**Abandoned projects with outstanding mobilization –
GH¢404,286**

98. The project for the construction of reinforced concrete rectangular drain at Goaso Water Resources, Works and Housing for GH¢2,330,494.40 awarded to Buoko Ventures Ltd was abandoned at 19 per cent stage of completion.

99. We urged Management to terminate the contract and ensure full recovery of the outstanding mobilisation fee balance of GH¢404,286.08.

Failure to withhold tax – GH¢51,183

100. Management of Goaso Water Resources, Works and Housing failed to withhold an amount of GH¢51,183.15 in respect of the payments for the re-development of UNDP Flats.

101. We urged Management to ensure that, the total taxes are paid without delay.

Failure to collect Revenue - GH¢414,456

102. Three (3) district Water and Sanitation Boards failed to collect revenue amounting to GH¢414,456 from consumers for the supply of water services.

103. We recommended that the Boards should ensure the recovery of the outstanding debt from the consumers and vendors, and also put in mechanisms to ensure efficient revenue collection.

PUBLIC WORKS DEPARTMENT - HEAD OFFICE

Disbursements not supported with payment vouchers - GH¢10,466

104. We identified that disbursements recorded in the cash book of the Public Works Department, head office in respect of 12 transactions totalling GH¢10,466.00 lacked supporting payment vouchers.

105. We urged Management to ensure that payment vouchers are made available for review.

MINISTRY OF LANDS, FORESTRY AND MINES



Unsubstantiated Payment- GH¢252,439.23

106. Ho and Sekondi Lands Commission offices failed to properly acquit expenditure totalling GH¢252,439.23 with the relevant supporting documents.

107. We recommended that both the authorising officers and the accountants should refund the amounts shown against their respective institutions, if they fail to properly acquit the payments.

REGIONAL LANDS COMMISSION - CAPE COAST
Unauthorised Withdrawals from Vested Lands Account -
GH¢45,800.00

108. Management of the Regional Lands Commission, Cape Coast failed to refund amount of GH¢45,800.00 they withdrew from the Vested Lands account without authority.

109. We recommended that the amount be paid back into the Vested Stool Lands account without further delay.

OFFICE OF THE ADMINISTRATOR OF STOOL LANDS -
SEKONDI

Non-competitive procurement - GH¢64,835.00

110. Procurements totalling GH 64,835.00 were made at Sekondi Office of the Administrator of Stool Land without satisfying the minimum quotations from at least three suppliers.

111. We urged management to comply with the Public Procurement Act.

LANDS COMMISSION-SEKONDI

Non-Payment of Withholding Tax

112. Our audit of the Lands Commission, Sekondi disclosed that withholding tax of GH¢11,856.60 deducted from various payments during the period under review were not paid to the Ghana Revenue Authority.

113. We recommended that, the Commission should pay the outstanding taxes without further delay.

Misapplication of funds-GH¢ 30,000.00

114. Management of Lands Commission, Sekondi failed to refund an amount of GH¢ 30,000.00 they withdrew from the Stool Lands account into the IGF expenditure accounts.

115. We urged management to refund the amount into the Stool Land account.

MINISTRY OF INFORMATION



GHANA BROADCASTING CORPORATION

Failure to Lodge Revenue Collections – GH¢20,601

116. Two departments of the Ministry of Communication namely Information Service and Ghana Broadcasting Corporation in Sekondi failed to lodge total revenue of GH¢20,600.91 into the designated bank accounts.

117. We urged management to ensure that all revenue collected is lodged at the bank within 24 hours after receipt.

MINISTRY OF COMMUNICATIONS

GHANA METEOROLOGICAL AGENCY

Non Payment of 10% Landing Charges- US\$3,990,238

118. We noted long outstanding balances from 2006 of US\$ 3,376,808.67 and US\$ 613,428.88 standing against the names Ghana Airports Company and the Ghana Civil Aviation Authority respectively.

119. We urged Management to use the appropriate mechanism to enforce the MoU for the recovery of the outstanding debt.

MINISTRY OF DEFENCE



Indebtedness to suppliers (GH¢6,130,494.12 and US\$123,911.40)

120. We observed that, total debts amounting to GH¢12,503,355.20 and \$123,911.40 owed to Goil Ghana Ltd. and Total Ghana Ltd. respectively had not been paid, despite demand notices issued from some of the suppliers.

121. We recommended that, the Ministry of Defence should impress upon the Ministry of Finance to release funds to the Ghana Navy and the Air Force to settle the outstanding debts to ensure that opportunities continue to exist for maintaining operational efficiency. We were subsequently informed that the Ghana cedi debt stock had been reduced to GH¢6,130,494.12.

Single Sourced Procurement –GH¢79,675.00

122. The Air Force Base, Takoradi purchased various building materials and other items totalling GH¢79,675.00 without requesting for price quotations from at “least three different sources”.

123. We recommended that, management should ensure strict compliance with the Public Procurement Act to promote competitiveness to obtain value for money for the service.

**MINISTRY OF JUSTICE AND ATTORNEY-GENERAL'S
DEPARTMENT**



Payment of Unearned Salary – GH¢190,318

124. Some separated staff from various Management Units under the Ministry of Justice and Attorney General were paid unearned salary of GH¢190,318.

125. We recommended full recovery of the total unearned salaries from the separated staff.

Fraudulent transfer of government funds into private business accounts US\$163,510

126. A Principal Accountant at the Registrar-General's Department, Tahiru Haruna, fraudulently transferred a total amount of US\$163,510 from the foreign exchange account of the Department into the bank account of his private company, Green Zone Construction Co. Ltd. with Access Bank and has failed to refund the amount on demand.

127. We recommended that the total amount be recovered from the Principal Accountant and that he should be prosecuted after recovery of the amount of US\$163,510 with interest at Bank of Ghana rate.

Failure to Lodge Non Tax Revenue into consolidated account US\$230,508.62

128. The Registrar General Department failed to transfer an amount of US\$230,508.59 into the consolidated fund.

129. We recommended that the amount be transferred into the consolidated fund without delay.

**Failure to credit the dollar accounts with 20% share of IGF -
US\$61,420**

130. Our review of the swift reports on the dollar accounts provided by the Fidelity Bank showed that, receipts totalling USD\$61,420 received by the bank on behalf of the department was not credited to the accounts of the department.

131. We recommended that the Principal Accountant should step up his supervisory and monitoring roles in ensuring that all revenue collected by the bank on behalf of the department are credited to the department accounts.

**Failure to return unclaimed pension to government chest-
GH¢8,226,328.85**

132. Our review of Pension payment at the Estate Unit of the Registrar General Department disclosed that pension payments referred to the Administrator-General by the Controller and Accountant-General since 2011 to 2013 and totalling GH¢8,226,328.85 had not been claimed by the beneficiaries. Neither had the funds been returned to the Controller and Accountant General.

133. We recommended that, the total amount should be transferred into the Salary and Pensions Suspense Account of CAGD.

Purchases not accounted for – GH¢293,582.08

134. Our review of procurement of stores and equipment at the Registrar General’s Department revealed that procurements totalling GH¢293,582.08 were not accounted for in the store records.

135. We recommended that, the Registrar General and the Principal Accountant should be called upon to account for the amount, failure of which they should be surcharged.

Unreceipted Payments – US\$69,970.00

136. Our review of payment vouchers at the Registrar General’s Department revealed that, various payments totalling US\$69,970.00 purported to have been paid to the Ministry of Justice for various programmes and activities were not receipted by the recipients in acknowledgement.

137. We recommended that, the Ministry should acknowledge receipt of the payment or the Registrar General be called upon to account for it.

**Payment not supported with relevant receipts –
GH¢281,057.04**

138. We noted that payments totalling GH¢281,057.04 made to various suppliers and service providers including cash payments made in the name of the Registrar-General did not have relevant supporting documentation attached to the PVs.

139. We recommended that the relevant supporting documentations such as VAT receipts and invoices should be produced for inspection.

**MINISTRY OF FOREIGN AFFAIRS AND REGIONAL
INTERGRATION
LUSAKA MISSION**

Misappropriation of Funds

140. A total of US\$160,640 and £29,332 being revenue collected were misappropriated by the Accounting Officer of the Lusaka Mission, Mr. Thomas A. Amoak.

141. We recommended recovery of the amount and appropriate sanctions applied against him.

LUANDA MISSION

Misappropriation of Funds

142. Our review of cash management of the Luanda Mission showed that, a total of €64,655.00, US\$96,094.00 and CFA 4,435,000.00 being consular fees collected between April and November 2014, could not be accounted for by Mr. King Pratt Ainooson and Madam Mandy.

143. The amounts involved should be recovered from the two persons.

BRUSSELS MISSION

Unapproved Disbursements – €58,746.62

144. Our review of the Brussels Mission's account showed that out of €143,090.10 retained IGF transferred into the Retention Fund Account, a total of €58,746.62 was disbursed by the Mission without authority.

145. We urged the Mission to seek appropriate authorisation before making any disbursement from the Retained IGF Account.

OTTAWA MISSION

Missing GCR's

146. We noted that 32 GCRs issued to Ottawa Mission and its Consulates could not be produced for audit inspection.

147. We advised management to trace all unrepresented GCRs for audit inspection.

JUDICIAL SERVICE



Revenue Collections not accounted for by seven Magistrate and Circuit Courts

148. Six (6) Cashiers from various Magistrates and Circuit Courts and one from the HFC Bank failed to account for various Court Fines collected amounting to GH¢28,980.91.

149. We advised management of the affected Courts to strengthen their controls on revenue collections and ensure full recovery of all unaccounted revenue from the respective Cashiers.

Auction sales paid into IGF instead of consolidated fund – GH¢258,308.22

150. We noted that proceeds from the sale of vehicles auctioned by the Judicial Service totalling GH¢258,308.22 was lodged into the IGF Retention Account instead of the Consolidated Fund bank account.

151. We recommended that the amount of GH¢258,308.22 should be transferred from the IGF Retention account into the Consolidated fund.

CIRCUIT COURT 'A' - SUNYANI

Exhibits returned without Court Order

152. Our audit of Circuit Court "A", Sunyani revealed that two (2) exhibits were returned to the original owners without a Court order.

153. We recommended that the Registrar should produce the authority for releasing the exhibits.

OFFICE OF GOVERNMENT MACHINERY

NATONAL IDENTIFICATION AUTHORITY

Undistributed National Identification Cards: 1.5million cards

154. We observed that about 1.5 million Identification Cards printed in 2008 for distribution to Ghanaians still remained in the custody of the Authority.

155. We urged management to expedite action to ensure the distribution of the cards to the owners without any further delay.

**Procurements not approved by Entity Tender Committee –
GH¢117,928.00**

156. The Head of National Identification Authority approved six separate procurements beyond the approved threshold of the entity.

157. We advised management to adhere to the requirements of the Public Procurement Act in their procurement processes.

PART III

MINISTRY OF FINANCE

INSTITUTE OF ACCOUNTANCY TRAINING

Institute operating without enabling law

158. The Institute of Accountancy Training (IAT) operates under the Ministry of Finance and offers courses leading to the award of Diploma Certificates in Public Finance, Administration and Business Studies.

159. We noted during our review that, the institute has been in existence since 1970 and operates without an enabling Act of Parliament for its establishment and administrative functions. This condition in our view does not give legal effect to the operations of the institute.

160. We therefore urged management to expedite action in getting legislative approval for all their operational activities.

161. Management in response agreed with our observation and indicated that a draft legislation had been prepared for the attention of the Ministry of Finance for onward submission to the

Attorney-General. This, according to the Institute, is a process towards ensuring legislative approval.

Failure to collect outstanding academic user fees

162. Regulation 2(d) of the Financial Administration Regulations enjoins Heads of Departments to secure the due and proper collection of government revenue collectable within the terms of any enactment or of instructions issued or approved by the Controller and Accountant-General.

163. Our review of the collection and accounting procedures for academic User Fees of the Institute revealed that the Principal failed to collect total academic user fees of GH¢1,290.00 in respect of nine students who completed their courses in the 2012/2013 academic year.

164. The Principal explained that most of the DBS students accessed their results online and did not return to the Institute to settle their indebtedness when they did not pass.

165. We recommended that management should institute a mechanism to ensure that all debts owed the Institute are fully paid.

166. Management stated that, they would ensure that all students settle their bills in full before writing their final examinations.

CONTROLLER AND ACCOUNTANT-GENERAL'S

DEPARTMENT -

CAPE COAST REGIONAL DIRECTORATE

Payments of Unearned Salary and Pensions - GH¢442,146.12

167. Regulation 293 (1f) of the FAR 2004 (L.I. 1802) states that "A head of department shall keep records of all personal emoluments of staff employed in the department in a form that ensures that payments are not made to staff who do not belong to the department or unit".

168. Our Payroll audit disclosed that, 24 pensioners were paid unearned salaries amounting to GH¢96,840.80 and 44 staff of various institutions were paid unearned salaries amounting to GH¢345,305.31 for the period 1 January 2013 to August 2014. The total amount of unearned salaries and pensions, amounted to GH¢442,146.12.

169. Failure of the Controller and Accountant-General's Department to delete the names from the Department's

mechanised payroll immediately they retired resulted in the situation.

170. Continuous payment of salary to separated staff constitutes loss of funds to the State.

171. We recommended that, the total unearned salaries of GH¢442,146.12 should be recovered from the retired staff and paid back to chest and their names deleted from the mechanised pension payroll.

Failure to Transfer unclaimed Salaries by seven District Treasury Offices - GH¢125,084.91

172. During our review of the salaries and pensions suspense account held in seven (7) banks, we noted that unearned salaries and pensions amounting to GH¢125,084.91 were not transferred by banks into the Controller and Accountant-General Suspense Account over the period under review. The table provides the details;

Table 1: Unclaimed salaries not transferred.

Treasury	Bank	Period (Months)	Amount GH¢
South Tongu	Agave Rural Bank		1,714.84
North Tongu	Mepe Rural Bank		25,278.38
Adidome	Amuga Rural Bank	4	8,810.38
Kumasi	BoG, Kumasi	12	32,389.12
Kpando	GCB, Kpando		2,770.00
Nsawam	3 Banks		39,913.86
Fanteakwa/ Begoro	Atiwa Rural Bank & Mumuadu Rural Bank	1 to 13	14,208.33
			125,084.91

173. The anomaly was due to the failure of the Treasury Officers to monitor the banks and ensure regular transfer of all credit balances into the Consolidated Fund.

174. We recommended that the Treasury Officers should strengthen their oversight responsibilities on the banks to ensure that all credit balances in favour of GoG are promptly transferred into the Consolidated Fund.

175. Management from Adidome, Kumasi and South Tongu District Treasuries agreed with our recommendations. The

remaining four District Treasuries did not respond to the findings.

MUNICIPAL TREASURY- NSAWAM

Delays in remittances by banks – GH¢66,736.37

176. Regulation 2 (d) of the Financial Administration Regulations, 2004 (FAR) stipulates that “A head of Government department shall secure the due and proper collection of Government revenue collectable by the department within the terms of any enactments or of instructions issued or approved by the Controller and Accountant-General”.

177. We noted delays in the transfer of Unclaimed Salaries, Wages and Pensions of GH¢66,736.37 into the Consolidated Fund by three banks for periods ranging between three (3) to 21 months thereby unduly depriving the State access to its resources to fund its expenditure budgets.

178. The anomaly occurred as a result of the failure of the Nsawam Treasury Officer to monitor the operations of the Suspense Accounts with the banks and also enforce directives issued by the Regional Accountant.

179. We advised management to constantly monitor the Suspense Account with the banks and ensure the prompt transfer of such funds into the Consolidated Fund in line with the Regulation.

DISTRICT TREASURY OFFICE - AYENSUANO

Misapplication of funds

180. Regulation 179(1) of the Financial Administration Regulations, 2004 enjoins heads of departments not to authorise payments to be made out of funds earmarked for specific activities for any purposes other than those activities.

181. We noted however that an amount of GH¢900.00 out of GH¢3,500.00 earmarked for the procurement of ICT equipment meant for training and data collection by the Ministry of Food and Agriculture was used in the payment of rent.

182. This anomaly occurred as a result of the District Finance Officer's failure to ensure that the District Health Directorate expended its funds strictly in line with their approved Work Plan.

183. We urged management of the Treasury to ensure that departments only incur expenses according to their approved Work Plans/Budgets.

184. Management did not respond to this observation.

GHANA REVENUE AUTHORITY

Tax Arrears (Headquarters)

185. Regulation 2 (d) of the FAR, 2004 states that a “Head of Government Department shall secure the due and proper collection of government revenue collectable by the department within the terms of any enactment or of instructions issued or approved ...”

186. We observed during our sampling of tax files of 10 Domestic Tax Revenue Offices in the Greater Accra Region, that total of GH¢201,096,188.66 were outstanding in respect of Income Taxes, PAYE, Withholding Taxes, VAT and Rent Taxes in 2013 year of assessment. The Table below provides the details;

No.	Tax Office	Income Taxes (GH₵)	PAYE	Directors	WHT	VAT	Rent Tax	Total
1.	LTO	19,189,606.00	41,412,372.33	30,938,234.11	30,938,234.11			122,478,446.55
2.	Spintex MTO	203,253.30	10,367.03	469,486.05		710.73		683,817.11
3.	Legon MTO	3,266,936.04	216,527.18	313,417.71	469,486.05			4,266,366.98
4.	Kaneshie MTO	2,073,630.25	423,504.36	65,765.08	313,417.71	89,605.51	328,233.80	2,980,739.00
5.	Kaneshie STO				65,765.08	21,018.88		86,783.96
6.	Nima STO	811,626.19	436,688.63	160,831.43				1,409,146.25
7.	Kaneshie STO	1,794,578.24	830,163.27	18,302.75				2,643,044.26
8.	Matheko	839,858.62	10,698.74	836.1	160,831.43	67,013.16	9,242.82	1,088,480.87
9.	Weija STO	1,309,993.86		60,833.90	836.1	6,133.89	1,582.40	1,379,380.15
10.	Ashaiman STO	289,701.85	205,176.53	32,027,707.13	18,302.75		59,763.76	32,600,652.02
11.	Madina STO	435,367.58	18,548.24	30,938,234.11	60,833.90	26,347.68		31,479,331.51
Total		30,214,551.93	43,564,046.31	94,993,648.37	31,714,289.42	210,829.85	398,822.78	201,096,188.66

187. Out of the total outstanding taxes, 61 per cent related to uncollected Tax Revenue by the Large Tax Office. The Small Tax Offices (STOs) accounted for 35 percent of these uncollected Tax Revenue with Ashaiman and Madina Offices recording the highest.

188. We urged management of GRA to strengthen its control on revenue collections and also take the necessary steps as required by law to ensure that all outstanding Tax Revenue are collected.

189. In relation to Income Taxes, Management stated that the Companies have been served with Demand Notices in pursuance of the outstanding debt. On the issue of Withholding Tax, Management explained that the debt would be pursued after reconciliation with the Withholding Agents.

DOMESTIC TAX REVENUE DIVISION - TARKWA

Non-submission of audited accounts

190. Contrary to Section 72(1) of Internal Revenue Act 2000 (Act 592) as amended that requires a person to furnish a return of income for a year of assessment not later than four months after the end of a basis period ending within the year to the Commissioner-General, we noted that 47 companies out of a sampled figure of 150 did not submit audited accounts as stipulated by the Act. Our further review of the submitted accounts showed that eight were not examined as required in Section 77 (1) of Internal Revenue Act 2000 (Act 592).

191. This anomaly, in our view, stemmed from the fact that management failed to compel taxpayers to comply with the provision of the Act to submit audited accounts for proper tax examination to be conducted.

192. We recommended to management to put in the necessary control mechanisms to ensure that tax payers file their returns together with audited accounts on due date.

CUSTOMS DIVISION - SUNYANI

Tax arrears – GH¢193,258.60

193. Section 135(2) of the Internal Revenue Act 2000, (Act 592), states that “tax that has not been paid when it is due and payable may be sued for and recovered in any court by the Commissioner-General. Section 149 further states that “A person who without a reasonable excuse fails to pay a tax including an amount treated by this Act as if it were a tax on or before the due date for payment commits an offence, and is liable on summary conviction”.

194. Contrary to the above, our review of the records of GRA (Customs Division-Sunyani) disclosed that, Ayumso Forest Products owed the GRA Customs Division GH¢193,258.60 as at 31 December 2014.

195. This state of affairs deprived the State of resources needed to execute its programs.

196. We recommended to management to put in place pragmatic measures to collect the outstanding taxes due from Ayumso Forest Products without delay.

Non Payment of Interest on the Delay Transfer of GcNET

Revenue Collection by GCB Bank – GH¢1,033,329.49

197. Article 3.1.3 of the agreement signed on 6th November 2002 between Ghana Commercial Bank (GCB) on one hand and Ghana Revenue Authority on the other hand, stated that “GCB shall record and credit all duty, tax, and other collections to a specialized designated Customs Accounts at GCB. Collections from the levies, charges and fees referred to in clause 3.1.1 hereof shall be deposited in non-comingled separate accounts for each collection. All monies collected, with the exception of the network charges, shall be transferred to designated Government account at BoG latest by 9:00 a.m. of the third business day after collection by GCB or as the parties may agree from time to time. Monies collected shall bear interest at the prevailing BoG prime rate after the mandatory period for transfer of such funds to BoG”.

198. Contrary to the above article, we observed that, revenue collected by GCB Bank through the GC-Net operations were sometimes transferred to Bank of Ghana late.

199. The schedule attached as appendix C, indicates the late transfer of funds by GCB Bank to BoG amounting to GH¢745,816,607.52.

200. The GCB Bank's correspondence to Ag. Assistant Commissioner-Revenue stated that, the stipulated period for a cheque to be cleared is 2days (i.e. T+1).

201. We therefore computed the interest on the delayed transfers which totalled GH¢1,033,329.49(Our computation of the time lapse excluded the mandatory three (3) working days grace period, holidays and weekends).

202. The failure of management of GRA (Custom Division) to monitor transfer of revenue collection by GCB Bank to BoG and to enforce compliance with the above article had resulted in this state of affairs.

203. The non-compliance to the above article denied the government early access and utilisation of its funds.

204. We therefore recommended to GRA to ensure that GCB Bank pays GH¢1,033,329.49 as penalty interest as stipulated in the Agreement. We further recommended to management of Custom Division to strengthen its monitoring over GCB revenue collections and transfers on GcNET.

205. Management stated that, the response from GCB Bank in connection with its request for explanation to the delays was that, under the new clearing system which is automated, it was only cleared funds that could be transferred to BoG. The Bank also said that, with the new clearing arrangement instant value was not given to the cheques.

206. In our view, the existing agreement of transferring funds within three days had not been affected by the new clearing arrangement which require clearing to be done within the day of deposit plus one additional day.

Failure to follow-up on returned cheques –GH¢263,742

207. Section 143(1) of Internal Revenue Amendment Act 669 of 2004 stipulates that, a person who fails to pay tax, including an amount treated by this Act as if it were tax, on or before the due date for payment is liable in a case where the failure is for period exceeding three months to pay a penalty equal to 20% of the tax payable in addition to the tax unpaid.

208. Our review of the Returned Cheques Register revealed that cheques totalling GH¢263,742 issued by 74 taxpayers in settlement of their tax obligations were not honoured by their respective banks. We observed at the Spintex MTO that, the maintenance of the returned cheques register was characterised by inadequate information to facilitate easy monitoring of dishonoured cheques. The same situation existed at the Legon MTO. Details are provided below:

No.	Tax Office	Tax Payer	Cheque Details		Amount outstanding (GH¢)
			Cheque date	Cheque No.	
	Spintex MTO				
1.		Maxnock Ventures	10/6/2012	'081744	221.38
2.		Maxnock Ventures	10/6/2012	'081741	300.12
3.		Mark Asiedu Duah	4/12/2013	'000440	152,260.05
4.		Intelligent Card Production	3/5/2012	'000149	25,000.00
5.		Intelligent Card Production	3/5/2012	'000150	25,000.00
6.		Sakfa Printing Service	28/9/2012	432973	500.00
7.		Ismail Abass Iddrisu	30/11/2013	'000015	1,000.00
					204,281.55
	Legon MTO				
8.		Rocare Herbal Centre	19/3/2012	310097	314.03
9.		Emigoh Gh. Ltd	30/3/2012	104104	1,238.11
10.		Chief of Staff Sundries	3/4/201	543760	236.60
11		Chief of Staff Sundries	24/4/2012		693.57
12		Recare Herbal Centre	18/5/2012	738805	422.05
13		Emigoh Gh. Ltd	22/5/2012	104102	2,541.40

14		Ba YsengEnt. Ltd	5/6/2012		1,015.11
15		Ba YsengEnt. Ltd	5/6/2012		1,055.96
16		De Montag Co.	31/7/2012	203336	2,000.00
17		De Montag Co.	22/8/2012		647.00
18		Racing Link	28/8/2012		1,000.00
19		KinoretEnt.	10/9/2012	424015	466.00
20		Fairlop Int. Ltd.	4/10/2012	323605	20,183.44
21		Chez Afrique	5/10/2012		832.52
					32,645.79
22-53	STO Kaneshie	Various			26,814.15
Total					263,741.49

209. We urged Management to ensure that, the taxpayers involved are pursued to settle the outstanding taxes in accordance with Section 143 of Act 669.

210. No response was received in respective of this observation from management.

Non-filing of returns

211. Out of 2495 corporate tax files reviewed we noted that 663 of them did not file their returns for the 2013 year of assessment. We submit underneath the details of the non-filers at the various tax offices.

No.	Tax Office	No. of Companies which could not file
1.	Legon MTO	24
2.	Nima STO	269
3.	Kaneshie STO	116
4.	Mataheko STO	102
5.	Weija STO	31
6.	Ashaiman STO	102
7.	Madina STO	19
Total		663

212. Section 72(1) of IRS Act 592 as amended requires that a person shall furnish a return of income for a year of assessment of that person not later than four months after the end of the basis period of that person ending within the year.

213. Again, Section 77(1) of the Act as amended also mandates the Commissioner- General to make a final assessment of the chargeable income of a person based on the person's income and on any other information available.

214. Weak management oversight in the enforcement of tax returns in our view accounted for this poor state of affairs of non-submission of returns.

215. We urged management to institute adequate controls to ensure the enforcement of the Sections of Act 592 as amended.

216. Management concurred with our recommendation and stated that, the defaulting taxpayers will be denied Tax Clearance certificates when they apply for tax clearance to serve as a deterrent. Again, penalties will be imposed on those who submit their returns late.

Failure to produce relevant document for audit

217. Section 11(2) of the Audit Service Act 2000, Act 584 states that the Auditor-General or any person authorised by him shall have access to all documents, returns and other documents in computerised and electronic form relating to, or relevant to those accounts.

218. During our tax revenue audit, management of the Kaneshie STO failed to submit for our examination the relevant

bank statements to enable us reconcile it with their collections and lodgements for 2011, 2012 and 2013.

219. In view of this, we were unable to ascertain the completeness and accuracy of the total revenue disclosed by the STO.

220. We recommended that, Management should ensure effective monitoring of their bank lodgement by obtaining regularly bank statements for the purpose of reconciliation. We also advised management to obtain statements for the periods mentioned in this report and ensure that, the respective lodgements have been confirmed from the relevant bank statements.

221. Management failed to respond to this observation.

GHANA STATISTICAL SERVICE

STATISTICAL SERVICE -SUNYANI

Uncompetitive procurement – GH¢10,948.00

222. Section 43(1) of Public Procurement Act (PPA), 2003, (Act 663), requires among others that a procurement entity shall

invite quotations from as many suppliers or contractors as practicable, but from at least three different sources.

223. Our audit disclosed that, three (3) procurements amounting to GH¢10,948.00 for repairs and spare parts for an official vehicle were done without alternative quotations.

224. The Service was therefore, likely not to have paid fair and competitive prices for the items and services rendered.

225. We recommended that, management should ensure strict compliance with the Public Procurement Act to promote competitiveness and to obtain value for money for the services.

MINISTRY OF HEALTH

HEADQUARTERS

Poor management of Project Funds

226. The Rockefeller Foundation provided grants for the implementation of a 24-month project on Health Policy Analysis and Management Strengthening in Ghana. We noted the following lapses in the implementation of the project:

- a) The project guidelines required the Ministry to bond officers who benefited from training courses to serve the Ministry for three years after completion of their courses. However, management failed to bond five officers who benefitted from the training courses.
- b) Although 30 participants attended a conference at the Forest Hotel, Dodowa, in July 2013, the hotel billed the ministry with the cost of 60 participants resulting in an overpayment of GH¢8,519.94 to the hotel.
- c) Imprest of US\$2,000 paid under the project was not accounted for with transaction documents.

227. Lack of supervision over the Project Accountant and Coordinator and ineffective activity planning resulted in these lapses.

228. We recommended that the Chief Director should ensure that the five (5) officers who benefitted from the training programmes are duly bonded in accordance with the terms of the project guidelines. Also, we urged the Project Coordinator to liaise with the officer who organized the conference to recover the overpayment of GH¢8,520.00 from Forest Hotel, Dodowa.

Furthermore, we advised that the imprest of US\$2,000.00 should be accounted for with transaction documents or the amount recovered.

**Failure to Obtain Concurrent Approval from CTRB -
US\$539,827.20**

229. Section 17 (2c) of the Public Procurement Act (PPA), 2003 requires that the Tender Committee shall refer to the appropriate Tender Review Board for approval, any procurement above its approved threshold.

230. In contravention of this provision, the Ministry awarded two Condom procurement contracts to Tianjin Human Care Latex Corporation of China through International Competitive Tendering (ICT), but failed to submit its recommendations to the Central Tender Review Board (CTRB) for concurrent approval. The details of the two (2) contracts totalling \$539,827.20 are as shown in the table below:

Contract No	Bidder	Item	Total Contract Sum US\$
MOH/2013/ICT/B.2.1/34./C01	Tianjin Human-care Latex corporation	BE SAFE' Natural Latex Rubber male condom	380,160.00
MOH/2013/ICT/B.2.1/34./C02	Tianjin Human-care Latex corporation	BAZUKA' Natural Latex Rubber male condom	159,667.20
Total			539,827.20

231. We advised management to obtain retrospective approval from the CTRB and to ensure compliance with the Public Procurement Act in all future contracts.

GHANA HEALTH SERVICE (HEADQUARTERS)

Single source procurement without prior approval from PPB - GH¢750,000.00

232. Section 40 (1) of the Public Procurement Act (PPA), 2003 (Act 663) requires a procurement entity to obtain the approval of the Public Procurement Board (PPB) before it undertakes single source procurements.

233. We noted that the Service ordered 300 slightly used but refurbished adjustable hospital beds, orthopaedic mattresses and bedside lockers from Associated Medical Engineering Company Ltd, which was paid for at the cost of GH¢750,000.00.

234. Our review of the procurement documents indicated that the beds were single sourced from the supplier without approval of the PPA, in contravention of the Procurement Act.

235. We urged management to seek retrospective approval from PPA to regularize the transaction. Also, we advised management to fully comply with the provision of the PPA.

236. Management justified their position with the explanation that, the items were urgently required and single sourcing them from the Associated Medical Engineering Company Ltd offered them value for money.

237. We reiterated our position that, management should follow the procurement procedures as defined in the PPA.

Funds released to Ghana Supply Commission not accounted for-GH¢301,833

238. Regulation 2(a) of the FAR, 2004 requires head of government department to manage and operate the department's accounting systems, so as to ensure the accountability of all officers transacting such business and facilitate the efficient discharge of such business.

239. We noted during our review of transactions that, Ghana Supply Commission was granted GH¢301,833 for clearance and handling charges of non-drug consumables for measles.

240. However the Schedule Accounts Officer failed to ensure that the Commission provided the appropriate third party records to properly account for the funds.

241. We could therefore not confirm that the GSC applied the funds efficiently and economically in the best interest of the Service.

242. To ensure transparency and accountability, we recommended that the Director-General should ensure that the

GH¢301,833 was appropriately accounted for by the Ghana Supply Commission.

Falsification of Store Requisition and Issues – GH¢100,976

243. Regulation 2(d) of the FAR states that “the head of government department shall secure the due and proper collection of government revenue collectable by the department within the terms of any enactment or of instructions issued or approved by the Controller and Accountant General”.

244. We noted during our sample review of the store records at the Limb Fitting Centre that, the Store Keeper altered the Combined Requisition and Issue Vouchers (CRIVs), thereby inflating quantities requested and issued to the various sections of the Centre resulting in the loss of GH¢100,976.58 to the Service. The table below provides the details:

Falsification of Store Requisition and Issues-GH¢100,976

DATE	REQ NO.	DEP'T	ITEM	UNIT	QTY REQUESTED ON ORIGINAL CRIV	QTY REQUESTED ON DUPLICATE CRIV	QTY SUPPLIED ON ORIGINAL CRIV	QTY SUPPLIED ON DUP CRIV	QTY INFLATED	UNIT PX	VALUE-GH¢
6/2/2013	76563	Prosthetics	Thinner	Gal	14	1	4	1	3	38	114
			Adhesive Solution	Gal	14	1	4	1	3	410	1230
			Vaseline	Btle	4	0	4	0	4	15	60

			Upper Dark Brown	Sqft	700	0	700	0	700	6.5	4550
			3/4 Buckles	No	200	0	200	0	200	8.5	1700
			Plastic Zote	Sht	6	0	6	0	6	150	900
			Velcro Strap Fem/Mel	Roll	28	0	8	0	8	18	144
			Velcro Black	Roll	20	0	20	0	20	18	360
11/6/2013	60592	Orthotics	Webbing Drap	Roll	9	1	0	3	3	90	270
			Velcro Black Loop N Hook	Roll	9	1	0	2	2	18	36
			Evostic	Gal	4	0	4	0	4	410	1640
			Bona	Sheet	2	2	0	2	2	25	50
			Swiss Lock	No	4	0	4	0	4	824	3296
6/11/~13	60593	Orthotics	Foam High Density	Sheet	2	2	2	0	2	28	56

			Evostic	Gal	4	1	3	0	3	410	1230
			Thinner	Gal	4	1	4	0	4	38	152
			Plastic Zote	Sheet	13	2	3	0	3	150	450
			Pee Light	Sheet	114	0	100	0	100	75	7500
11/6/2013	60591	Orthotics	Velcro Black Loop N Hook	Roll	19	1	18	0	18	18	324
			Swiss Lock	No	7	0	7	0	7	824	5768
1/17/2013	60576	Orthotics	Velcro	Roll	9	1	9	1	8	18	144
			Poly Prene(3mm)	Sheet	8	5	8	5	3	127.9	383.7
			Poly Prene(4mm)	Sheet	8	5	8	5	3	152.9	458.7
			Poly Prene(5mm)	Sheet	15	10	15	5	5	209.2	1046
			Evostic	Gal	7	1	6	1	5	410	2050

			Eyelit	Pkt	10	0	10	0	10	38	380
			Sewing Thread Black	No	10	0	10	0	10	2	20
			Flat Bar	No	15	0	10	0	10	38	380
			Brown Paper	Sheet	100	0	70	0	70	70	4900
1/17/2013	60575	Orthothics	Upper Dark Brown	Sqft	420	Alt	350	83.5	266	5.5	1463
			Linning Leather	Sqft	350	Alt	350	181	169	5.3	895.7
			Bellies	Pounds	280	ALT	250	85	265	65	17225
			Sole Bend	Sheet	188	Alt	188	25	225	75	16875
			Bladdle Butt	Pounds	250	Alt	250	129	121	75	9075
			Velcro (Fem/Male)	Roll	34	Alt	31	1	30	18	540
10/28/13	60537	Corset	Countile Grey	Yd	55	55	55	0	55	10	550
			Molesting Grey	Yd	55	55	55	0	55	10	550

			Steel Support	No	164	164	164	0	164	2.31	378.84
			Velcro Hook & Loop	Roll	55	55	55	0	55	18	990
			Thinner	Gal	4	0	4	0	4	38	152
			Velcro	Roll	1	0	1	0	1	18	18
			Machine oil	Gal	4	0	4	0	4	68	272
9/26/13	60536	Corset	Steel Support	No	192	92	192	92	100	2.31	231
			Buckle ½	No	18	0	10	0	18	8	144
			Velcro Rough	No	10	0	5	0	10	18	180
			Velcro Smooth 25×25	No	26	0	26	0	26	18	468
			Vaseline	Bottle	4	0	4	0	4	65	260
6/11/2013	60533	Corset	Molesting Grey	Yd	89	89	89	0	89	10	890
			Countile Grey	Yd	89	89	89	0	89	10	890

			Velcro Hook & Loop	Roll	16	6	16	0	16	18	288
			Steel Support	No	104	104	104	0	104	2.31	240.24
			Steel Support	No	240	0	240	0	240	2.31	554.4
			Solution	Gal	13	0	13	0	13	410	5330
			Thinner	Gal	4	0	4	0	4	38	152
			Webbing	Roll	20	0	20	0	20	90	1800
			Velcro Black Smooth	Roll	34	0	34	0	34	18	612
			Velcro Black Rough	Roll	20	0	20	0	20	18	360
Total											100,976.58

245. We urged management to investigate the extent of the financial loss and surcharge all officers found culpable.

246. Management agreed with our observation and stated that the issue has been referred to the Director of Internal Audit, GHS, for investigation and advice.

Payment of Unearned Salary – GH¢146,541

247. Regulations²⁹⁷ and 298 of FAR, 2004 requires that a Head of Department shall cause the stoppage of payment of salary to a public servant when that public servant has retired, vacated post, resigned or died, failure of which, amounts to breach of financial discipline.

248. Contrary to the above regulations, we noted that names of twenty six (26) separated staff from various Management Units under the Ministry of Health continued to appear on GoG payroll during the period under review and they were paid unearned salary of GH¢146,541.17 which included unearned salary of GH¢77,585.86 to four (4) House Officers who had completed their rotation at Tema General Hospital. The details are as provided in Appendix A.

249. The causes of anomalies noted included delays by Heads of management Unit in promptly notifying serving banks of separated staff to freeze and ensure the transfer of the unearned salaries into the Consolidated Fund. Others related to poor response by the IPPD of Ghana Health Service (GHS) in taking actions on request for deletion of names of separated staff.

250. We recommended full recovery of the total unearned salaries of GH¢146,541.75 from the separated staff.

251. Whereas some Management Unit Heads responded that they would ensure full recovery of the unearned salaries others did not respond to the observation.

252. Whilst recognising the effort of CAGD for the introduction of the ESPV in 2014, we urge all Heads of Management Unit to take advantage of the facility to minimise the occurrence of unearned salaries.

Unapproved Contract Variations - GH¢355,744

253. Section 87 (1) of the Public Procurement Act, 2003 (Act 663) states that, “except in cases of extreme urgency, where there will be an aggregate increase in the original amount of the contract by more than 10 per cent of the original price, a

procurement entity shall inform the appropriate Tender Review Boards in the case of a contract subject to review by the Tender Review Board of any proposed extension, modification or variation order with reasons”.

254. Contrary to the above regulation, we noted during our review of contract documents that, the Service released funds to various Health Directorates to make payments to nine (9) contractors for works executed without requesting for evidence of clearance from the Tender Review Boards for variations exceeding 10 per cent.

255. We further noted that, the original contract sum of the nine contracts totalling GH¢600,175.63 were reviewed to GH¢955,919.59 representing an increase of GH¢355,743.96 (59%).

Details provided below:

S/N	Contractor	Project title	Original contract sum- GH¢	Revised contract sum/value of work executed- GH¢	Percentage % increase in project cost
1	Messrs Merkude Ent.	Const. Of 1 No. Two Bedroom Detached Staff Quarters At Karaga	29,438.64	43,456.64	48%

2	Messrs 80b Co. Ltd	Const. Of 1 No. One Bedroom (Semi Detached) Staff Quarters At Sawla Health Centre	58,220.03	85,843.98	47%
3	Messrs Ramboll Co. Ltd	Electrical Installation & Const. Of 2 Storey Male Ward At Dunkwa-On-Offin Hospital	192,224.36	267,596.36	39%
4	Otapos Co. Ltd	Pay't For Const. Of Sewage And Drainage Works At Ankaful Psychiatric	32,969.05	48,375.89	47%
5	Atta PokuEnt	Pay't For Const. Of Staff Bungalow At Sandema	33,391.32	67,000.00	101%
6	Messrs. Johnabs Ent	Rehab. Of Pusiga Hc	46,319.18	76,135.18	64%
7	Ayeng- Bou Co Ltd	Pay't For Const. Of M.C.H At Sandema	52,000.00	69,894.20	34%
8	D. Yam- Saa Ent	Pay't For Const. Of Supplementary Feeding Centre At Gbee/ Datuko In The Talensi /Nabdam District	48,829.00	72,937.50	49%
9	Karim Musah Contract Works	Completion Of Mortuary At Zebilla Hospital	106,784.05	224,679.84	110%
Total			600,175.63	955,919.59	

256. We advised the Director-General to ensure that, revision of contract sums beyond 10 percent of the original are made in accordance with the provisions of the Act.

Failure to withhold 10% retention on contract sums

257. In order to safeguard the interest of organizations contracting out projects, up to 10 percent of contract sum is retained against defects that may be identified within six months after handing over of a project and only released to a contractor when the period expires without defects being detected on the project or after detected defects are remedied by the contractor.

258. Our review of the Payment Certificates of the under listed projects, showed that provision was not made for the 10 per cent retention of the contract sums against any future defects. Details of the transactions are as follows.

S/N	Project Title	Contractor	Contract Sum - GH¢	Remarks
1.	Const. Of Staff Bungalow For GHS at Tongo	Messrs. Mort Ent	46,291.42	Full Payment Made Without Retention

2.	Const Of Chips Compound At Tanga	Messr. Tinsungu Ent	53,519.22	Full Payment Made Without Retention
3.	Rehabilitation Of Bungalow No. 64 Jahan Residential Area, Wa	Baba Alim & Co Ltd	40,693.47	Full Payment Made Without Retention
4.	Rehabilitation Of Bungalow No.19 Catering Residential Area, Wa	Osman Dogo Ent	36,905.67	Full Payment Made Without Retention

259. In our view, the failure of the Estate department and the Internal Audit Unit to carefully review the Payment Certificates before approval was the cause of this anomaly.

260. We recommended that management should ensure that 10 per cent retention is provided for and enforced on all contracts.

Charged on Civil Works Contract – GH¢15,004

261. Danash Engineering Ltd was engaged as a sub-contractor for the installation of ICT infrastructure at the Limb Fitting Centre. We noted that in the Priced Bill of Quantities submitted by the company, the Contract Sum of GH¢93,997.60 included a VAT charge of GH¢12,260.55. Also, cost of additional works on the information technology building of GH¢21,032.32 included a VAT charge of GH¢2,743.34. The total unlawful VAT charged and paid was therefore GH¢ 15,003.89. However, the company did not issue VAT invoices or receipts to the Service in acknowledgement of receipt of the amount.

262. This anomaly could be due to oversight on the part of the officers who authorised and made the payments.

263. In accordance with Section 14 of the VAT Act (1998) Schedule 1 Civil Works is included in the list of exempt supply and not subject to Value Added Tax. For that matter, VAT paid by Contractors in the procurement of materials is included in the cost of materials and they do not have to charge VAT on the works.

264. The Service has suffered unfair charge which increased the project cost by GH¢15,003.89. Additionally, without issuing VAT receipt or invoice, it is possible that the company may not have accounted for the VAT component in filing VAT returns with the Ghana Revenue Authority.

265. In case the Company has not included the receipts from transaction in its VAT returns, the Director General should recover the GH¢15,003.89 from the Company. On the other hand should it be proven that it was filed, VAT invoices or receipts should be obtained from the company to support the payments.

266. Management accepted to contact the contractor for the VAT returns, failing which it would obtain refund from him.

KORLE-BU TEACHING HOSPITAL

Retirement package paid to former Chief Administrator – GH¢92,667

267. We noted that the former Chief Administrator of the hospital, Prof. N. O. Nartey, was paid a retirement package of GH¢92,667.20 on 23 December 2013, after five years' service. A Committee headed by Rev. Albert Botchway, a Board Member

and Acting Chief Administrator, arrived at the package, which is detailed in the table below:

No.	Package	Value -GH¢
1.	Value of Duty Post saloon car (two years old)	17,214.00
2.	Two months Total Income SSPS + Market Premium for each year served in office	61,683.20
3.	Standard Living Room Furniture43 Star TV	8,690.00
4.	A Refrigerator, a Deep freezer and a Gas Cooker	5,080.00
5.	Comprehensive Health Insurance for him and the family (i.e. children under 21)	Undefined
Total		92,667.20

268. The Committee said the package was based on retirement awards paid in entities like COCOBOD, Bank of Ghana and Ghana Commercial Bank. We were however of the view that the committee should have rather considered what pertained in similar organisations like Komfo Anokye and Tamale Teaching Hospitals, since KBTH's core mandate is health-care delivery and not a corporate body mandated to make profit.

269. Since market premium is a form of allowance, we found it inappropriate for it to be used in determining end-of-service benefit.

270. Furthermore, the Board and management did not obtain the approval of the Minister of Finance through the Minister of Health, as required by section 37 (6) of GHS/TA Act, 1996 (Act 525).

271. We undertook an assessment of retiring awards paid to retiring Chief Administrators by previous KBTH Boards and management and we noted that, prior to the assumption of the Board headed by Mr. Edward Annan, Korle-Bu had not paid out expensive retiring packages to its retiring Chief Administrators. Table below is informative.

Name Of Retired Chief Administrator	Period Of Service	Retirement Award
Dr. Henry Holdbook-Smith	1997-2002	A five-year old Toyota Corona Vehicle was valued and sold to him. No monetary package was paid
Prof. K. Frimpong-Boateng	2002-2007	A five-year old Toyota Avensis Vehicle was valued and sold to him. No monetary package was paid

272. We also found that a similar organization, Komfo Anokye Teaching Hospital (KATH), Kumasi, had not paid such allowances to its retiring Chief Administrator. Again, the Table below is informative.

Name Of Hospital	Name Of Retired Chief Administrator	Period of Service	Retirement
Komfo Anokye Teaching Hospital	Dr. Nsiah Asare	2001-2009	Seven-year old Toyota Avensis was valued and sold to him. No monetary package was paid.

273. In our opinion, there was no justification for the Board and management to vary Korle-Bu's practice of modest retirement packages for its retiring Chief Executives, especially when the hospital remains a health service provider and not a commercial entity.

274. As a health service provider which is not profit making, such enhanced packages for retiring management staff might not be sustainable and could affect its cash flow, impacting negatively on health care delivery at the hospital. The amount

could have been channelled into areas that would enhance the hospital's core business of delivering quality health care to patients.

275. Since the payment was not supported by the hospital's past practice and its financial capacity or the officer's terms of appointment as Chief Administrator, we recommend that the Board should consult the Minister of Health who should, in consultation with the Minister of Finance, review the package paid, with a view to recovering any unjustified payments made to the retired Chief Administrator.

276. Also, management should ensure that VW Passat with registration number GN 3669-11, which the officer took away for free, is recalled and valued by a certified state valuer and the officer made to pay for it.

Avoidable loss incurred through the payment of judgement debt – GH¢402,899

277. We observed that the KBTH on two occasions paid a total amount of GH¢402,899.08 as judgement debts occasioned by the failure of management to seek proper clearance from MoF before

employing and also wrongful dismissal of some employees.

Details of the judgement debt amount are as follows:

Nature	Plaintiff	Date	Amount
Failure to obtain MoF Clearance	Dr (Mrs) Kramankero Mensah	Sept. 2013	13,671.54
Wrongful Dismissal	Revenue Collectors	July 2013	389,227.54
Total			402,899.08

278. We advised management to follow proper administrative procedures for hiring and firing employees. Also, we recommended that the officers whose negligence resulted in the loss should be surcharged.

279. Management disagreed with our recommendation with the explanation that it took all the necessary steps to win the cases in court.

Outsourcing of revenue collections not supported with contract document

280. Valid contract is the basis for which parties to a contract can hold each other accountable.

281. During our review of the revenue management system of KBTH we noted that revenue collection had been outsourced to HFC since September 2013. Our further review disclosed that, no formal agreement had been signed with the HFC Bank. This condition, in our view, puts the Hospital in a weaker position to effectively monitor the performance of the Bank and hold them to account.

282. To safeguard the interest of the Hospital, we advised management to ensure that its relationship with HFC is regularized with a valid contract.

283. In response to the audit observation, management presented an unsigned Memorandum of Understanding as an agreement it has with HFC Bank. Management has also indicated its intention to sever relations with the Bank and sign on another bank due to unsatisfactory service.

Outstanding receivables - GH¢323,981

284. Regulation 17 (a) of FAR, 2004 requires a head of department to ensure that all Non- Tax Revenue is efficiently collected.

285. We noted that, as at 31 December 2014, management had not recovered revenue totalling GH¢323,981.14 due from services rendered to different categories of patients. The incidence of unrecovered debts due to the phenomenon of absconders and paupers had persisted and increased over the years. Details presented below:

Items	Absconders GH¢	Paupers GH¢	Staff GH¢	Prisoners GH¢	Social Welfare GH¢	Total GH¢
Surgical	16,113.31	0	0	0	39,862.44	55,975.75
Allied Surgery	0	0	0	0	21,574.85	21,574.85
Laboratory		609.00	4,082.00	548.00		5,239.00
Plastics	2,760.80	10,986.00	0	0	15,212.18	28,958.98
Maternity	0	0	0	0	2,047.60	2,047.60
Gynae	10,862.42	140.00	0	0	7,577.47	18,579.89
Child Health	2,008.87	0	0	0	4,168.23	6,177.10
Pathology	0	17,568.00	13,737.05	0	0	31,305.05
Radiology	7,065.95	719.28	19,606.11	979.99	0	28,371.33
Polyclinic	664.00	2,651.00	0	0	229.23	3,544.23
Sme	2,527.11	0	430.97	0	0	2,958.08
Accident	23,515.15	95,734.11	0	0	0	119,249.26
Total	65,517.61	128,407.39	37,856.13	1527.99	90,672.00	323,981.12

286. In our view, this anomaly arose as a result of laxity on the part of the Director of Finance to pursue recovery of the debts,

management's inability to put in place stringent security measures at the wards and lack of policy on waivers for members of staff.

287. This could result in loss of revenue, which might affect efficient health care delivery.

288. We advised management to take effective steps to recover the debts and apply to parliament through the Minister to write off irrecoverable debts. We also urged management to strengthen its security mechanism to minimize the increasing rate of absconders and develop a clear policy on staff waivers.

Uncollected rent on operations of automated teller machines (ATM)-US\$27,100

289. Regulation 12 (d) of the FAR, 2004 states that, "It is the duty of heads of institutions to ensure that debts owed by their departments are promptly paid and debts due them are recovered".

290. We noted that, KBTH has leased land to various banks to construct and operate Automated Teller Machines (ATMs). We however noted that, no formal agreement existed between

KBTH and the Banks. We observed during our review that, three of the Banks had defaulted in rent payments totalling US\$27,100.00. Our further review also showed that, the Director of Finance failed to follow up to ensure the collection of the revenue.

291. With respect to three other Banks, we could not determine their total indebtedness due to lack of information. Details provided below.

No	Banking Institution	Last period of payment	Amount Paid	Period Outstanding	Outstanding Amount
1.	Ecobank	-	-	-	9,600.00
2.	SG. SSB Bank	26/10/12 – 29/4/13	17,890.80	1/5/13 – 31/12/13	Not determined
3.	Barclays Bank	31/7/09 – 29/4/13	7,438.31	1/5/13 – 31/12/13	Not determined
4.	Merchant Bank Limited	-	-	-	9,600.00
5.	Guarantee Trust Bank	-	-	-	7,900.00
6.	Standard Chartered Bank	1/7/08 – 30/6/13	17,764.03	1/7/13 – 31/12/13	Not determined
Total					27,100.00

292. We recommended that the Chief Administrator should sign formal rent agreements with the banks on their ATM operations on KBTH land. We advised that all rent due should be collected from the Banks without further delay.

GHANA INSTITUTE OF CLINICAL GENETICS

Revenue not accounted for – GH¢5,475.70

293. During our review of revenue records we noted that, a total of GH¢6,442.20 was not accounted for. The table below provides the details:

Description	Collections	Lodgment	Balance
Consultation & Laboratory	17,594.20	14,898.00	2,696.20
Salary Advance Recovery	1,500.00	-	1,500.00
Sale of Tender Documents	700	-	700
Revenue Collected (2012)	1,546.00	-	1,546.00
Amount recovered		966.5	(966.50)
Total	21,340.20	15,864.50	5,475.70

294. The failure of Management to ensure an effective operation of the internal control system over revenue collection and banking in our view accounted for the anomaly.

295. We recommended that the Main Cashier should refund the amount of GH¢5,475.70. Also we advised management to strengthen its internal control over revenue collection.

MINISTRY OF FOOD AND AGRICULTURE (MOFA)

Payment of Unearned Salaries – GH¢117,875

296. Regulations 297 and 298 of FAR, 2004 require that, a Head of Department shall cause the stoppage of payment of salary to a public servant when that public servant has retired, vacated post, resigned or died, failure of which, amounts to breach of financial discipline.

297. Contrary to the above regulations, we noted that names of fifteen (15) separated staff from various Management Units under the Ministry of Agriculture continued to appear on GoG payroll for periods ranging between one (1) and twenty six(26) months. As at the time of writing this report, a total of GH¢117,874.99 had been paid as unearned salaries to separated staff as detailed in Appendix B.

298. The causes of the anomalies noted included delays by Heads of management Unit in promptly notifying serving banks

of separated staff to freeze and ensure the transfer of the unearned salaries into the Consolidated Fund.

299. We recommended full recovery of the total unearned salaries of GH¢117,874.99 from the separated staff.

300. Whereas some Management Unit Heads responded that they would ensure full recovery of the unearned salaries others did not respond to the observation.

301. Whilst recognising the effort of CAGD for the introduction of the ESPV in 2014, we urged all Heads of Management Unit to take advantage of the facility to minimise the occurrence of unearned salaries.

MUNICIPAL AGRICULTURE OFFICE; AGONA SWEDRU

Collection of revenue without using official Tickets

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

303. We noted that from January 2012 to December 2013, a period of 24 months Messrs Ebo Bekoe, and Isaac Sam, both Veterinary Officers had accounted for a total revenue of GH¢5,339.30 realised from clinical services, inspection at abattoir and other permits issued without issuing official tickets to customers.

304. Mr. Ebo Bekoe, an Assistant Chief Technical Officer affirmed that due to the nature of the veterinary work, officers sometimes rendered services to customers on the field without issuing official tickets as a result of not carrying the tickets on hand to issue, however, they do account for revenue realized.

305. We found the explanation untenable because the official tickets are very handy and could be carried along to the field at all times.

306. Revenue collected without official tickets could lead to diversion of funds for personal use at the expense of the Ministry of Food and Agriculture.

307. We advised management to ensure that, Mr. Ebo Bekoe desist from collecting revenue without issuing official tickets and adhere to the regulation.

Non-Maintenance of Stock Register

308. Regulation 214(1) of the FAR, 2004 states that, “A head of department shall ensure the effective and efficient control of stocks of Value Books.” This includes recording the Value Books procured in a Stock Register to track and monitor officers to whom Value Books were issued.

309. Contrary to the above regulation, we observed that, Mr. Ebo Bekoe, an Assistant Chief Technical Officer of the Veterinary Unit did not maintain a Stock Register to record the underlisted Value Books received from the Regional Office.

Date	Description	Quantity
08/07/2010	GH¢ 0.10 ticket	10
	GH¢ 0.20 ticket	10
	GH¢ 0.50 ticket	10

	GH¢ 1.00 ticket	10
	GH¢ 0.10 ticket	10
05/05/2011	GH¢ 0.20 ticket	10
	GH¢ 0.50 ticket	10
	GH¢ 1.00 ticket	10

310. Mr. Ebo Bekoe, blamed the former Veterinary Officer for not handing over the Stock Register to him.

311. Value books used in collection of revenue may not be fully accounted for if no proper records were maintained to monitor receipts, and usage.

312. We recommended to Mr. Ebo Bekoe to liaise with the Accountant to maintain a Stock Register to properly control Value Books used by the Veterinary Unit.

Failure to constitute Board of Survey on Expired Vaccines

313. Section 83(1) of PPA, 2003, Act 663, requires that the Head of a procurement entity shall convene a Board of Survey comprising representatives of departments with unserviceable, obsolete or surplus stores, plant and equipment which shall report on the items and subject to a technical report on them, recommend the best method of disposal after the officer in charge has completed a Board of Survey form.

314. Contrary to the above, our review of the store records indicated that various quantities of vaccines received from the Regional Office though had expired were still stored in the refrigerator. Below are the details:

Vaccine	Date received	Quantity	Status	Expiry Date
I2	14/12/2007	2,460.00	Expired	2010
PPR	14/12/2007	300.00	Expired	2010
Rabies	2011		Expired	08/04/11

315. Our further review has shown that, this state of affairs has been reported in the monthly report submitted to the Municipal

Director and the Regional Veterinary officer since 2012 by the Assistant Chief Technical Officer but no action has been taken.

316. The expired vaccines besides occupying space in the fridge, could mistakenly be used for animals.

317. We therefore recommended that, the Municipal Director should constitute a Board of Survey to dispose of the expired vaccines without any further delay.

318. The Municipal Director indicated that, the vaccines were supplied directly to the Veterinary Unit by the Regional Veterinary Officer; therefore the Municipal Directorate had no mandate to constitute a Board of Survey on expired vaccines, since the vaccine were not routed through the Municipal stores.

319. We remained of the view that efforts should be made to comply with Regulation 2 (a) of the FAR which states that “the head of government department shall manage and operate the department’s accounting system, so as to ensure the accountability of all officers transacting such business and facilitate the efficient discharge of such business.

Staff members on study leave with pay without approval letter from Head office

320. Best practices require that staff members who apply for study leave to pursue further studies should be given approval letters and be bonded before pursuing the course.

321. We noted that Messrs Richard K Afelie and Jackson Asiamah Boateng applied for study leave with pay to pursue Bachelor of Science in Agriculture Extension at the University of Cape Coast for 2011 -2015 and 2012 -2014 academic years respectively. We however did not sight any approval letter nor bond forms signed by both management and the applicants.

322. We further noted that, from January to October 2013 Messrs Afelie and Boateng were paid gross salaries of GH¢6,871.04 and GH¢14,323.42 respectively.

323. We recommended that, the applicants should seek retrospective approval for their study leave or be made to refund all the salaries paid to them.

324. Management indicated that the Municipal Director's responsibility as far as granting of study leave was concerned

ended when staff application letters were forwarded to Headquarters.

DISTRICT AGRICULTURAL DEVELOPMENT UNIT - TUMU

Failure to Recover Cost of Motorbikes from Staff - GH¢5,000.00

325. Section 110 of the FAR, 2004 requires a head of department to ensure that advances granted were duly recovered in accordance with the appropriate agreement.

326. On the contrary, management failed to recover the total cost of GH¢5,000 from five (5) officers who were supplied motorbikes in 2012 on credit.

327. We further observed that one of the beneficiaries, Mr. Kogromo Stephen, retired in September 2012.

328. In our view, this was due to management's failure to ensure that monthly deductions were made from the salaries of the beneficiaries.

329. We recommended that appropriate steps should be taken to ensure recovery of the total amount of GH¢5,000.00 from the officers.

MINISTRY OF FOOD AND AGRICULTURE - GOASO
Non-Payment of Rent for use of Government Bungalow -
GH¢5,441.41

330. Ministry of Finance Circular No. 133385/05/06/MTR CAGD of 15/06/06 stipulates that occupants of government bungalows/flats/quarters are required to pay 10% of their basic salary as rent.

331. We however, noted that Dr. Sam A. Quarshie, the Sunyani Municipal Veterinary Officer who lived in a government bungalow from September 2012 to July 2014 did not pay the 10% rent totalling GH¢5,441.41.

332. The Accountant's failure to prepare inputs to effect the deductions at source resulted in the anomaly.

333. We advised the Accountant to prepare inputs specifying the period of occupation to the Controller and Accountant

General's Department for the deduction of GH¢5,441.41 to be effected.

334. Management responded that the officer had been informed to contact the Controller and Accountant General's Department to pay the rent of GH¢5,441.41 in cash. Inputs had also been processed to effect the subsequent monthly deductions on the salary of Dr. Quarshie.

METRO AGRIC OFFICE - KUMASI

Rent Defaulters - GH¢6,360.00

335. Regulation 17 (a) of the FAR, 2004 requires that a head of department shall ensure that all non-tax revenue is efficiently collected.

336. Our review of rent records however revealed that management of the department failed to collect rent totalling GH¢6,360.00 as at 31 December 2014 from nine (9) employees occupying official residential quarters.

Details are provided below:

No.	Name of Occupant	Arrears (GH¢)	Current Year 2014 (GH)	Total rent (GH¢)
1.	Armah Ashiboye	360.00	-	360.00
2..	Cecilia Frimpong	600.00	105.00	705.00
3.	Amina Issaka/Janet Somua	600.00	105.00	705.00
4.	Atta Forson	720.00	105.00	825.00
5.	Peter Acheampong	390.00	105.00	495.00
6.	Asare Bediako	720.00	90.00	810.00
7.	Bentil James	720.00	90.00	810.00
8.	Kwame Michael	720.00	105.00	825.00
9.	Thomas Amoah	720.00	105.00	825.00
Total		5,550.00	810.00	6,360.00

337. The situation was attributed to failure of management to put in place appropriate mechanism to retrieve the outstanding rent from the officers concerned.

338. We advised management to recover the outstanding rent of GH¢6,360.00 from the defaulters and put in mechanisms to ensure that officers promptly pay their rent.

339. Management agreed with our recommendation and indicated that only officers who are prepared to pay rent are allowed to occupy the quarters.

MOFA - NAVRONGO

Overpayment of fertilizer -GH¢13,500.00

340. Regulation 39 (2c) of the FAR 2004, enjoins the head of accounts to ensure that transactions are properly authenticated to show that the amounts are actual, due and payable.

341. Contrary to this regulation, we noted that under the Alliance for Green Revolution in Africa (AGRA), a non-governmental organisation, the Unit procured 150 bags of fertilizer (i.e sulphate of Ammonia) via payment voucher number 1251932 of 8/8/14 from Messrs Ayeri Atia Kambasi Enterprise at an inflated price of GH¢180.00 instead of GH¢90.00 per bag leading to overpayment of GH¢13,500.00.

342. We attributed this anomaly to weak internal control over procurement and handling of fertilizer.

343. We recommended to management to take appropriate disciplinary action against Madam Doris Nabare, the Project Coordinator and recover the total of GH¢13,500.00 from her.

344. Management did not respond to this observation.

Failure to obtain VAT receipts –GH¢748.12

345. Regulation 183(4) of the FAR 2004 requires, all government departments and agencies to procure goods and services from only VAT registered suppliers in order to generate revenue for the state.

346. On the contrary, we noted during our review that, management procured goods and services at a total value of GH¢4,275.50 on four payment vouchers but failed to obtain VAT receipts/invoices.

347. We recommended that, the unit should desist from procuring goods and services from unregistered VAT suppliers.

Failure to dispose of unserviceable items

348. Section 83(1) of PPA, 2003, Act 663, requires that the Head of a procurement entity shall convene a Board of Survey

comprising representatives of departments with unserviceable, obsolete or surplus stores, plant and equipment which shall report on the items and subject to a technical report on them, recommend the best method of disposal after the officer in charge has completed a Board of Survey form.

349. On the contrary, we noted there was no effort by management to dispose of the following three items.

No.	Item	Reg. No	Quantity
1.	Nissan Pick up	GR 1346 S	1
2.	AG Motor Bikes	UE 3753 C	1
3.	Car Tyres (Marshalls)	--	7

350. Failure of the Director to constitute a Board of Survey for the disposal of the items was the cause of this anomaly.

351. We recommended to management to constitute a Board of Survey to ensure the disposal of these items in order to ease congestion at the department's compound and at the stores.

MINISTRY OF AGRIC TONGO

Fuel purchases not accounted for –GH¢4,236.00

352. Section 1604 of Store Regulations 1984 states that “A vehicle Log book shall be maintained for each vehicle and always be carried on the vehicle. Journeys undertaken shall be recorded and full particulars of receipt of fuel, oil and lubricants shall be entered up daily in the Log book by the driver.”

353. Contrary to the above regulation, we noted that the driver failed to record fuel purchases totalling GH¢4,236.00 in the Vehicle logbook.

354. Failure by management to ensure that the driver recorded the fuel usage in the log book led to the lapse.

355. In the absence of the entries in the log book, we could not ascertain the validity of the fuel usage by the vehicle.

356. We advised management to ensure that, the driver records the fuel usage in the log book regularly; failure of which the District Director should be held accountable.

Unsubstantiated Payment made by 4 District Agric. Offices– GH¢40,460

357. Regulation 39 (2c) of the FAR 2004 requires Heads of Accounts to control disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

358. During our examination of the payment vouchers of four (4) District Offices of the MoFA, we noted that PVs with total value of GH¢40,460.09 were not properly acquitted with the relevant supporting documents. The table below provides the details;

Unsubstantiated Payments

Office	Date	P.V. No.	Details	Amount GH¢	Mgt. Respon se
Tongo	Xxxx	xxxxxxx	Six Payments	15,038.60	Nil
Wulensi	Xxxx	xxxxxxx	Various Payment Vouchers	10,818.39	Nil
Paga	Xxxx	xxxxxxx	Various Payment Vouchers	7,102.10	Nil
Navrongo	Xxxx	xxxxxxx	Two PVs	7,501.00	Nil
				40,460.09	

359. These anomalies in our view, occurred largely as a result of weak supervision over the processing of payments. We were therefore unable to ascertain the genuineness of the payments made by the district offices.

360. None of the four affected districts offices responded to the observations.

361. In view of managements' failure to substantiate the payments made during the period under review, we recommended that both the authorising officers and the accountants should refund the amounts shown against their respective institutions in the table provided above.

362. We reiterated our recommendation that relevant supporting documentations should always be obtained and pre-audited prior to payment for goods and services.

Indebtedness to Eight Block Farm Projects - GH¢772,178

363. Section 2(d) of the FAR, 2004 states that "the Head of Department shall secure the due and proper collection of government revenue collectable by the department within the

forms of any enactment or of instruction issued or approved by the Controller and Accountant-General”.

364. The Agricultural Development Unit operates revolving fund under the Block Farm Projects. Under this Project, farm inputs such as Seeds, Fertilizer and Machinery are distributed to farmers during farming seasons with the expectation of cost recovery after harvesting.

365. Our analysis on these facilities together with their recovery rates however indicated that eight (8) of the Block Farm Projects failed to recover an amount of GH¢772,178.00 from the beneficiary farmers during the respective farming seasons.

366. Notwithstanding the indebtedness of some farmers, we noted that they continued to enjoy the facilities annually.

Location	Details	Beneficiary	Amount GH¢
Tumu	Seeds	18 Apr Ent.	30,000
Goaso	Seeds	135 Farmers	21,170
Sunyani	Seeds	Farmers	2,968
Kintampo	Seeds	28 Farmers	5,048

Nkoranza North	Fertilizer and Seeds	Farmers	38,204
Bolga	Farm Inputs	13 Districts	378,039
Bolga	Agric Machinery		138,717
Salaga	Input Supplies		148,272.05
Bole	Input Supplies		9,760
			772,178.05

367. We attributed these anomalies to management's failure to conduct due diligence before granting such facilities as well as lack of effective follow up.

368. To ensure sustainability of the Projects for the benefit of all farmers, we recommended that the management of the various Block Farm Projects take the necessary steps to efficiently manage the projects and ensure full recovery of all outstanding debts.

369. Except for the management of the Projects in Tumu, Bolga, Salaga and Bole who failed to respond to our observation the rest agreed and indicated that efforts are being made to ensure recovery of the outstanding amounts.

Failure to account for revenue collections from Agricultural Services - GH¢84,208.67

370. Regulation 15(1) of the FAR states, “Any public officer or Revenue Collector who collects or receives public trust moneys shall issue receipts for them and pay them into Public Fund Bank Account within twenty-four hours of receipt except in circumstances to be identified by the Minister”.

371. Contrary to the above, we noted that four (4) District Directors of the MoFA, in Paga, Navrongo, Gambaga and Agona Swedru failed to ensure that GH¢84,209.00 revenue collected in respect of Extension and other Clinical Services were accounted for. The table below provides the details:

Office	Irregularities	Amount
Paga	Failure to lodge Revenue collections from Animal Health and Production	49,537.57
Navlongo	Failure to issue receipt on Rice and Grains to farmers	20,879.00
Navlongo	Fictitious issues of Farm Inputs	5,338.00

Gambaga	Failure to issue receipt on Sale of Vaccines to Farmers	3,114.80
Agona Swedru	Failure to issue receipt on Clinical Services & Permits to Abattoir	5,339.30
Total		84,208.67

372. We urged management to take the necessary steps to retrieve the total amount of GH¢84,208.67 from the affected officers, failure of which they should be surcharged.

Advances not accounted for – Bole (GH¢13,001.00)

373. Regulation 2C of the FAR 2004 requires the head of government departments to secure the efficient and effective use of appropriations under departmental control within the ambit of government policy and in compliance with any enactment, regulations or instructions issued under the authority of any enactment.

374. We observed however that, the Bole District Agric Office could not account for advances totalling GH¢13,001.00.

375. We advised management to recover the advances from the beneficiary officers.

Procurements without alternative price quotation

GH¢21350.77

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

377. However, during our review of payment vouchers in Sawla and Wulensi District Agric Offices, we noted that procurements totalling GH¢21,350.77 were made without satisfying the minimum quotations from three suppliers. The details provided below:

Wulensi District Agriculture Office	-	15,394.77
Sawla District Agriculture Office	-	<u>5,956.00</u>
		GH¢<u>21,350.77</u>

378. Failure to obtain alternative quotations in our view exposed the district offices to the risk of uneconomic use of Public Funds.

379. To ensure that value for money is obtained in all procurements, we urged management to comply with the provisions of the Act.

Purchases not routed through stores - GH¢54,546.42

380. We observed that, three (3) District Offices of MoFA procured goods and services totalling GH¢54,546.42 but failed to route the items involved through their respective stores.

Details are as follows:

		GH¢
Ministry of Agriculture, Sawla	-	5,500.00
Ministry of Agriculture, Bole	-	18,116.00
Ministry of Agriculture, Tamale Metro	-	<u>30,930.42</u>
		<u>54,546.42</u>

381. The lapse contravened Store Regulations 316 of 1984 which requires that, goods procured are routed through store. This omission could result in payment for goods not supplied.

382. We recommended to management of the three (3) departments to desist from the practice and ensure that all future purchases were routed through stores.

MINISTRY OF EDUCATION

HEADQUARTERS

Unauthorised possession of six official vehicles

383. Section 65 of the FAA, 2003 (Act 654) states that “No transfer, lease or loan of property owned by the Government shall be made to any person except in accordance with the appropriate law in force for the purpose.”

384. Contrary to the regulation we noted that six (6) officers who were either appointed or posted to the Ministry and exited between 2011 and 2013 failed to hand over their official vehicles assigned them for their official duties. The details are as follows:

List of Vehicles

Names	Designation	Type Of Vehicle/No.
Hon Alex Tettey Enyo	Former Minister of Education	Toyota Hilux Pick Up/GN 825 Y
Hon. Elizabeth Amoah	Former Deputy Minister	Toyota Hilux Pick Up/GN 7261 Y
Hon. Elizabeth Amoah	“ “	Honda Accord/GE 540-11 (Saloon)
Hon. Mahama Ayariga	Former Deputy Minister	Honda Accord (Saloon) GT 2927-11

Dr. Alhaji Seidu	Former Board Chairman (Kumasi Polytechnic)	Nissan Pick Up GV 68 Z
Mr. J.A. Tham	Chief Accountant	Nissan Sunny (Saloon)/ER 5644 Z

385. We attributed this to Management's failure to ensure that the vehicles were handed over prior to their separation.

386. As a result the Ministry had to source for fund to acquire new vehicles in order to operate efficiently.

387. In order to safeguard GoG properties, we urged management to retrieve the vehicles from the unauthorised users without further delay.

388. Management responded that, they have written to the ex-officers concerned to return the vehicles but the directive has not been complied with.

Cost of private newspapers purchased - GH¢19,114.00

389. Regulation 38(1) of FAR, 2004 requires a head of department to prioritize the department's activities and ensure

that related expenditures are within the budget ceilings or such other ceilings as determined by the Minister.

390. Our review of payment vouchers revealed that a total amount of GH¢19,114.00 was spent in purchasing private newspapers for seven months; September 2012 – March 2013 for management staff.

391. Although supplies were made to ten different locations within the Ministry, no signed distribution list was provided for our audit to confirm the recipients.

392. This anomaly was due to inadequate administrative measures put in place to regulate expenditure on newspapers.

393. Purchasing such large quantities of private newspapers could be a drain on limited resources.

394. We urged management to liaise with the Public Relations Unit to ensure efficient and effective information management and also to drastically reduce the number of private newspapers bought for the office which has been accepted for consideration.

Payment of Unearned Salary - GH¢122,846

395. Regulations 297 and 298 of FAR, 2004 require that, a Head of Department shall cause the stoppage of payment of salary to a public servant when that public servant has retired, vacated post, resigned or died, failure of which, amounts to breach of financial discipline.

396. Contrary to the above regulation, we noted that the names of twenty one (21) separated staff from various Management Units under the Ministry of Education continued to appear on GoG payroll for periods between one (1) and twenty five(25) months. As at the time of writing this report, total of GH¢122,846.04 had been paid as unearned salaries to separated staff, as detailed in Appendix C.

397. The causes of anomalies noted included poor response by the IPPD of GES in taking action on requests for deletion of names of separated staff. Others related to delays by Heads of management Unit in promptly notifying serving banks of separated staff to freeze and ensure the transfer of the unearned salaries into the Consolidated Fund.

398. We recommended full recovery of the total unearned salaries of GH¢122,846.04 from the separated staff. We further, recommended that prompt action should be taken on input forms submitted for deletion.

399. Whereas some Management Unit Heads responded that, they would ensure full recovery of the unearned salaries, others did not respond to the observation.

400. Whilst recognising the effort of CAGD for the introduction of the ESPV in 2014, we urge all Heads of Management Unit to take advantage of the facility to minimise the occurrence of unearned salaries.

Unsubstantiated Payment made by 9 Educational Offices- GH¢529,741.37

401. Regulation 39 (2c) of the FAR 2004 requires Heads of Accounts to control disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

402. During our examination of the payment vouchers of nine (9) district and municipal educational offices namely Biakoye,

Somanya, Odumase Krobo, Nsawam, Suhum, Begoro, Ve-Golokuati, Kibi and Dodowa, we noted that PVs with total value of GH¢529,741.37 were not properly acquitted with the relevant supporting documents. The table below provides the details;

Unsubstantiated Payment Vouchers					
Office	Date	No. of PVs	Details	Amt.	Management Response
Biakoye		18	18 PVs were not properly acquitted with the requisite supporting documents.	65,265.96	Nil
Ve Golokuati	15/5/14	4	Samuel Akposor	1,600.00	Nil
Ve Golokuati	22/1/14	2	Emmanuel Kafui Agyemang	100.00	Nil
Ve Golokuati	1/4/2014	1	M.J.D Zidga	1,810.00	Nil
Ve Golokuati	2/4/2014	7	District Director Imprest	170.00	Nil
Ve Golokuati	27/1/14	1/1/2014	P.E. Cordinator	168.00	Nil
Ve Golokuati	1/8/2014	11/8/2014	P.E coordinator	287,300.00	Nil
Somanya			MPs Education Project.	2,150.00	Nil
Odumase-Krobo	24/7/14	1/8/2014	Conference of Director's	2,000.00	Nil
Odumase-Krobo	24/7/14	4/8/2014	Maint. Of Veh.	75.00	Nil

Odumase-Krobo	28/8/14	8/8/2014	Capitation Audit	1,000.00	Nil
Odumase-Krobo	28/8/14	9/8/2014	Maint. Of Equip.	330.00	Nil
Begoro	10/6/2014	7/6/2014	Culture Coordinator	200.00	Nil
Kibi	8/10/2014	36/10/14 & 37/10/14	Capitation Fees for six basic schools	1,549.63	Nil
Kibi		1/0/1900	Capitation Grants of 265 schools to head teachers	49,207.68	Nil
Nsawam			Municipal Director of Education	10,120.00	Nil
Suhum			workshops, maintenance of office equipment, General Sports Meeting and National Culture of Arts Programme	4,458.00	Nil
Dodowa	2012 & 2013		36 payment vouchers were lacking relevant attachments such as receipts and memos, and other expenditure records	102,237.10	
				529,741.37	

403. Whereas management of Biakoye district educational office promised to provide the relevant documentation for audit inspection, the other affected districts did not respond to the observation.

404. These anomalies in our view occurred largely as a result of weak supervision over the processing of payments. We were therefore unable to ascertain the genuineness of the payments made by the district and municipal educational offices.

405. In view of managements' failure to substantiate the payments made during the period under review, we recommended that both the authorising officers and the accountants should refund the amounts shown against their respective institutions in the table provided above.

406. We reiterated our recommendation that relevant supporting documentations should always be obtained and pre-audited prior to payment for goods and services.

Misapplication of Sports and Culture funds - GH¢2.578.00

407. Regulations 179 (1) and (2) of the Financial Administration Regulations, 2004, state that, a Head of Department shall not

authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities.

408. In contravention to this Regulation, we noted that four (4) District Educational Offices (GaruTempane, Kpando, Biakoye and Enchi) misapplied Capitation Grants and Sports and Cultural Funds totalling GH¢2.578.00 for other unrelated activities .

409. The table below provides the details

Date	PV No	Payee	Details	Amount GH¢
06/01/2014	GES/GT/S P/02/14	District Director of Education (DDE)	Funds for DDE and staff attend girls Pass training	1,376.00
10/02/2014	GES/GT/C UL/3/2014	GES Bolga Accounta nt	Funds to support financial statement preparation	512.00
17/04/2014	GES/GT/C UL/4/2014	Issaka Amoli	Funds to support IPPD officer submit inputs	200.00

18/09/2014	GES/GT/C UL/5/2014	Adalingea Christian and 2 others	Funds to DDE I officer and driver to attend budget preparation at Kumasi	490.00
Total				2,578.00

410. The wrongful use of these funds in our view, affected the schools in the area of sports and cultural development.

411. Management of Biakoye Educational Office explained that, the Funds were borrowed in anticipation of their regular GoG releases. No explanations were however received from the other 3 District Educational Offices.

412. To achieve the desired objectives of Ghana Education Service, we recommended to Heads of the affected institutions to ensure that they applied Funds in accordance with the purpose for which they were released. We further advised management to reimburse the sports and cultural accounts accordingly.

Non-competitive procurement- GH¢87,330

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

414. During our review of payment vouchers in seven (7) district education offices, we however noted that procurements totalling GH¢87,330.43 were made without satisfying the minimum quotations of three suppliers. The table below provides the details.

Office	Date	Details	Amount	Mgt. Response
Dodowa	Jan 2012 & Dec 2013	Procurement of goods and services	25,235.93	Nil
Daboase	Mar 2013 & Jan 2014	Procurement of Services	14,529.00	Nil
Garu Tempane	Feb & Jun 2014	Procurement of goods and services	15,471.00	Nil
Zebilla	Jan & Jun 2014	Procurement of goods and services	1,270.00	Nil
Asiwa		Purchase of Building Materials	13,045.00	Nil

Sawla		Procurement of goods and services	12,433.50	Management accepted and promised compliance with our recommendation.
Odumase Krobo		Procurement of Store Items	5,346.00	Nil
			87,330.43	

415. Failure to obtain alternative quotations in our opinion exposed the district offices to the risk of uneconomic use of Public Funds.

416. To ensure that value for money is obtained in all procurements, we urged management to comply with the provisions of the Act.

417. Management of Sawla accepted our recommendation and promised to comply. The other affected districts however, did not respond to our observation.

GHANA EDUCATION SERVICE - DODOWA

Failure to Remit withholding Tax -GH¢1,335.51

418. Contrary to Section 84(2) and 87(1) of the Internal Revenue Act 2000, Act 592 as amended, management failed to remit to the Commissioner, GRA 5% withholding tax deducted from various suppliers totalling GH¢1,335.51 for the period of January 2012 and December 2013.

419. We urged management to remit the tax withheld without further delay.

420. Management did not respond to this observation.

Failure to Present Receipt Books for Inspection

421. Section 11 (2) of the Audit Service Act 2000, Act 584 states that the Auditor-General or any person authorised by him shall have access to all documents, returns and other documents in computerised and electronic form relating to, or relevant to those accounts.

422. Contrary to the above, the District Accountant failed to present five (5) receipt books for inspection upon request.

423. We were therefore unable to ascertain the amount collected with these receipt books or what had become of them.

424. The receipt books if not found could be used to perpetrate fraud leading to financial loss.

425. We urged the Director to produce the receipt books and account for monies collected with them else disciplinary action be taken against Madam Cecilia Agbeko, the District Accountant as required by Regulation 8 of FAR 2004.

Unpresented Payment Vouchers – GH¢91,270.62

426. Regulation 1b of the FAR, 2004, states that “Any Public Officer who is responsible for the receipt, custody and disbursement of public and trust money shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Minister, Auditor – General, Controller and Accountant General or any officers authorised by them. A Public Officer who fails to keep or produce any records under sub – regulation 9(1)) is in breach of financial discipline as defined in Regulation 8 (1).

427. Contrary to these regulations management of the District Education Office failed to produce 61 payment vouchers valuing GH¢91,270.62 for the period January 2012 – December, 2013 for inspection.

428. The anomaly was a result of the failure of the Accountant to maintain and safeguard the payment vouchers. In our view, this act does not promote transparency and could lead to the perpetration of fraud.

429. We urged the Director to produce the vouchers for inspection, failing which the amount of GH¢91,270.62 should be recovered from the Director and the Accountant.

GHANA EDUCATION SERVICE - KPANDO

Funds Borrowed not Refunded-GH¢6,476.00

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

431. We noted that funds totalling GH¢6,476.00 were borrowed from Bungalow Rent and Motorbike Accounts and used for

various activities. However, these amounts had not been refunded as at the time of audit. Indicated below are the details:

Date	Accounts Borrowed From	Accounts Transferred To	Amount GH¢
6/2/14	G.E.S. Headmasters bungalow rent	G.O.G. Administration	1,100.00
19/6/14	G.E.S Headmasters bungalow rent	D.D.E. Imprest	1,346.00
26/2/14	Motorbike account	Sports	1,530.00
7/5/14	Motorbike account	G.O.G Administration	1,000.00
18/6/14	Motorbike account	Director's imprest	1,500.00
Total			6,476.00

432. We recommended to the District Director to immediately refund the amount of GH¢6,476.00 into the two accounts.

Motorbike Debtors-GH¢4,900.00

433. Regulation 110 of the FAR 2004, requires that a head of department, or the officer to whom the duties of the head of department have been delegated shall ensure that advances

issued are duly recovered in accordance with the appropriate agreement.

434. We noted that an amount of GH¢21,046.00 was used as a Revolving fund for the purchase of motorbikes for Circuit supervisors and other staff of the Directorate for which payments were to be made in monthly instalments, to be completed in two years.

435. However, we noted that, out of nine officers who benefitted from the facility, six of them had defaulted in the payment of GH¢4,900.00 as shown below:

Name	Date Taken	Cost Of Bike GH¢	Last Payment	Amount Paid GH¢	Balance GH¢
Tsuiatofe Stephen	31/1/11	1,620.00	27/11/12	670.00	950.00
Amenyo Andrews	25/7/11	1,620.00	29/8/14	1,380.00	240.00
Safo Charity	3/11/11	1,410.00	16/12/13	1,040.00	370.00
Jerry Nyame Adom	1/6/12	2,000.00	4/8/14	1,320.00	680.00
Eric Fiah	1/6/12	2,000.00	28/2/14	1,070.00	930.00

Shittor Michael	24/4/12	2,340.00	3/7/14	610.00	1,730.00
Total					4,900.00

436. This anomaly occurred as a result of the laxity on the part of management to recover same from the defaulters.

437. Failure to pay the debts would put the sustainability of the fund at risk and deny other prospective beneficiaries access.

438. We recommended that management should take the necessary steps to recover the debt from the affected staff. We also advised management to make provision for guarantors in future agreements.

NATIONAL SERVICE SCHEME – AGONA ASHANTI

Failure to Issue Counterfoil Receipts –GH¢10,257.00

439. Regulation 15 (1) of the FAR 2004, requires that “any public officer or revenue collector who collects or receives public and trust monies shall issue official receipts for them and pay them into the relevant public Fund bank accounts within 24 hours of receipts except in exceptional circumstances to be identified by the Minister”.

440. Contrary to the above requirement, we noted that official receipts were not obtained from the Regional Accountant of the National Service Scheme, Kumasi to authenticate three payments of unclaimed allowances totalling GH¢10,257.00 which were made between February and July 2014. Details provided below:

Date	Particulars	Cheque No.	Payee	Amount GH¢
12/2/14	Unclaimed allowances For Nov & Dec. 2013	018599	Reg. Accountant N.S. Scheme, Kumasi	4,497.00
20/3/14	Unclaimed allowances For Feb. 2014	018883	Reg. Accountant N.S. Scheme, Kumasi	3,568.00
3/7/14	Unclaimed allowances For March – May 2014	015348	Reg. Accountant N.S. Scheme, Kumasi	2,192.00
Total				10,257.00

441. To ensure full accountability of all cash receipts, were commended that the District Director should ensure that official receipts are obtained from the Regional Accountant to cover all the unclaimed allowances paid.

GHANA EDUCATION SERVICE - BIMBILLA

Procurement above threshold - GH¢14,616.00

442. Schedule 3(B1) of the Public Procurement Act, 2003, Act 663, defines the threshold of approval for Head of Entity of up to GH¢5,000 for the Procurement of goods, technical service and consultancy and up to GH¢10,000 for works.

443. During our review of procurement made by management of the GES, Bimbilla, we noted that the office procured goods and services worth GH¢14,616.00 which was over and above the threshold of the Head of the Entity.

444. To ensure that value for money is obtained, we recommended that, the Regional Director should provide an oversight responsibility to ensure that all procurement beyond the threshold of the District Director is referred to the District Tender Review Committee for approval.

GHANA EDUCATION SERVICE - ODUMASE-KROBO

Failure to use Approved Receipt Books -GH¢81,337

445. Regulation 211 (1) of the FAR states that “the Controller and Accountant-General, is responsible for approving the form

and content of value books and ordering supplies of value books from printers”.

446. We observed, however, that the management of the District Education Office procured and used receipt books other than the General Counterfoil Receipt books (GCRs) approved by the Controller and Accountant General to collect Examination Fees totalling GH¢81,336.70 .

447. The use of unofficial receipts books in our view could lead to misappropriation.

448. We advised management to discontinue the use of unauthorised receipt books and use only General Counterfoil Receipt books supplied by the Controller and Accountant-General to acknowledge receipt of all amounts in compliance with the Regulation.

449. The Accountant in response explained that he inherited the unauthorised books from the previous Accountant.

MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS

Payment of Unearned Salary - GH¢190,318

450. Regulations 297 and 298 of FAR, 2004 requires that a Head of Department shall cause the stoppage of payment of salary to a public servant when that public servant has retired, vacated post, resigned or died, failure of which, amounts to breach of financial discipline.

451. Contrary to the above regulations, we noted that names of five (5) separated staff from Public Services Commission and one (1) from the Ministry of Employment and Labour Relations continued to appear on GoG mechanised payroll for periods between 2 and 12 months and were paid unearned salary totalling GH¢13,103.94. The Appendix D provides the details.

452. The causes of anomalies noted included delays by Heads of management Unit in promptly notifying serving banks of separated staff to freeze and ensure the transfer of the unearned salaries into the Consolidated Fund.

453. We recommended full recovery of the total unearned salaries of GH¢13,103.94 from the separated staff.

454. Management of MELR noted our observation for compliance and further stated that the Ministry had contacted the ADB for the transfer of the amount. Public Service Commission also explained in their response that the separated staff had been contacted to refund the unearned salaries.

455. Whilst recognising the effort of CAGD for the introduction of the ESPV in 2014, we urge all Heads of Management Unit to take advantage of the facility to minimise the occurrence of unearned salaries.

Failure to Remit Withholding Tax Deduction to GRA - GH¢5,953.39

456. Section 87(1) of the Internal Revenue Service (IRS) Act 2000 (Act 592) as amended requires a withholding agent to pay to the commissioner the tax that has been withheld or that should have been withheld fifteen (15) days after the end of the month in which the payment subject to withholding is made by the agent.

457. Contrary to the above requirement, we noted that withholding tax deduction amounting to GH¢5,953.39 made

between July 2013 to December 2013, had not been remitted to Ghana Revenue Authority (GRA).

458. We urged Management to ensure that, the amount of GH¢5,953.39 is remitted to Ghana Revenue Authority (GRA) without any further delay.

NPECLC ACCOUNT

Payments to third parties without authority notes - GH¢6,879.94

459. Regulation 43 of FAR 2004 requires that, a payment shall be made only to the person or persons named on the payment voucher or to their representatives duly authorised in writing to receive the payment.

460. On the contrary, we observed that a total amount of GH¢6,879.94 was paid from the NPECLC account to persons other than those named on the payment vouchers without authority notes.

461. Payments to third parties without authority notes could result in diversion of funds to persons other than those named on the payment vouchers.

462. We recommended that authority notes should be obtained to cover the amount, failure of which, the accountant should be surcharged.

463. Management noted our observation for compliance.

DISTRICT LABOUR OFFICE

Failure to undertake factory Inspections

464. Section 122 (a) of Labour Act, 2003 states “There shall be carried out inspection to secure the enforcement of the provision of this Act relating to conditions of work and the protection of workers at their work places, including the provisions relating to hours of work, wages, safety, health and welfare of the workers and the employment of young persons”.

465. On the contrary, management did not conduct factories inspection on labour issues in respect of 2012 and 2013. Management also failed to provide list of factories that should have been inspected to the audit team for scrutiny.

466. As a result, labour abuses and other employees’ welfare issues could not be guaranteed.

467. To avert labour unrest, we recommended to management to ensure periodic inspection of factories and offices as enshrined in the Labour Act and reports sent to the Labour Department, Head office for action.

468. Meanwhile, the list of factories and offices for inspection should be made available to assist us in our work.

469. Management accepted our recommendation for implementation.

DEPARTMENT OF SOCIAL WELFARE – (NSAWAM)

Unpresented Stores (Stolen Camera)

470. Regulation 2(h) of FAR, 2004 states that “It is the duty of a head of department to preserve in good order and secure the economic use of equipment and stores by the department”.

471. We noted that a Sony cyber-shot camera (DSL 570D) given to the Department by the Livelihood Empowerment Against Poverty Programme (LEAP) Management Unit to be used to take photographs of LEAP beneficiaries could not be presented for our physical verification.

472. The inability of the office to present the camera for our inspection did not provide assurance that the camera was available.

473. We advised management to investigate and ensure that the camera is produced for verification. Where the outcome of the investigation shows that the item is missing due to the negligence of an officer, we recommended that the officer culpable should be surcharged.

COMMUNITY DEVELOPMENT REGIONAL OFFICE - BOLGATANGA

Delays in the Lodgment of Revenue to Bank - GH¢110,187.00

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

475. During the period under review, we noted that, revenue collected totalling GH¢110,187.00 in respect of registration and renewal of Day Care Centres and Non-Governmental

Organisations (NGOs) were belatedly paid to bank, over periods ranging between three (3) and eight (8) weeks. Details are per appendix “B” attached.

476. Lack of effective supervision by management over the accounts officer was the cause for this lapse which could result in misappropriation of revenue.

477. We recommended that, revenue collections must be promptly paid into the appropriate bank account.

478. Management accepted our recommendation for implementation.

Fuel Coupons not Accounted for – GH¢11,730.00

479. Out of fuel coupons purchased valued at GH¢36,000.00, only GH¢24,270.00 was entered in the Fuel Coupons Register, leaving a difference of GH¢11,730.00 not accounted for as per summary below:

Month	Fuel purchased	Fuel accounted	Difference
	GH¢	GH¢	GH¢
July, 2013	3,000.00	2,320.00	680.00
Aug, 2013	4,000.00	1,620.00	2,380.00
Sept, 2013	3,000.00	870.00	2,130.00
Oct, 2013	5,000.00	3,060.00	1,940.00
Nov, 2013	4,000.00	2,320.00	<u>1,680.00</u>
			8,810.00
July, 2014	3,000.00	2,600.00	400.00
Aug, 2014	4,000.00	2,900.00	1,100.00
Sept. 2014	5,000.00	4,550.00	450.00
Oct, 2014	<u>5,000.00</u>	<u>4,030.00</u>	<u>970.00</u>
	36,000.00	24,270.00	<u>2,920.00</u>
			<u>11,300.00</u>

480. The standard procedure for administering fuel coupons requires that, coupons purchased are first entered in the Fuel Coupons Register following which distributions are made to users.

481. The practice of not accounting fully for the coupons in the register was due to lack of supervision by management, this practice in our view, can lead to abuse of the coupons.

482. To strengthen controls in fuel administration, we advised management to ensure that fuel purchases are first logged in the Fuel Coupons Register before its allocation to users. We also recommended that, the difference of GH¢11,730.00 is fully accounted for or in default, the amount of GH¢11,730.00 recovered and paid to chest.

483. Management accepted our advice for implementation.

GHANA YOUTH EMPLOYMENT ENTREPRENEURIAL DEVELOPMENT AGENCY (GYEEDA)

Payment of Salaries to Unqualified Staff - GH¢895,536.18

484. The approved restructuring and migration guidelines for GYEEDA states among others that programme staff who have successfully passed interviews be issued new appointment letters as public servants.

485. We however, observed that 126 staff who could not successfully pass the interview and therefore could not be migrated as employees of GYEEDA were paid a total amount of GH¢895,536.18 as salaries between November 2012 to December 2013.

486. Payment to these unqualified staff after the restructuring and migration exercise was a waste of state funds which undermines the objectives of the GYEEDA programme.

487. We recommended that the amount of GH¢895,536.18 wrongfully paid to the 126 unqualified staff be retrieved.

488. For failing to implement the interview results the DNC – Human Resource, DNC – Finance and Administration and the Internal Auditor for the period be appropriately sanctioned.

489. Management failed to provide us a response to this observation.

**Addition of non-existing programme staff to migration list -
GH¢157,196.31**

490. According to policy guidelines issued for migration and approved by cabinet, only existing staff on NYEP/GYEEDA payroll as at October 2012 as programme staff could apply for migration with the required qualifications as specified by the Public Service Commission (PSC). Successful applicants are then migrated onto the GYEEDA payroll.

491. Notwithstanding the above requirement, we observed during our review of both 2012 and 2013 payrolls and the interview reports that nineteen (19) persons who were not existing programme staff had been included in both interview reports and the paid migrated payroll. The DNC-Human Resource unilaterally added the names of these nineteen (19) persons who were on Better Ghana Management Service (BGMS) or beneficiary payroll to the migrated list, contrary to the approved guidelines.

492. Failure by management to uphold the requirements emphasizing that beneficiaries or those not on NYEP payroll did not qualify to be migrated and lack of due diligence by the Internal Auditor during pre-auditing were the causes.

493. To prevent payment to undeserving staff and safeguard state funds against misuse, we urged management to ensure that amounts totalling GH¢157,196.31 being arrears and salaries for November 2012 to December 2013 respectively paid to these non-existing programme staff are refunded immediately.

494. We urged management to further investigate the inclusion of these 19 names on the payroll and ensure the refund of subsequent salaries paid and the deletion of their names.

495. Management did not respond to our recommendation. Nonetheless, it is our view that salaries amounting to GH¢157,196.30 paid to the 19 persons was illegal and disallowed. Therefore, this amount should be refunded whilst the DNC-Human Resource, DNC-Finance and Administration and the Internal Auditor who pre-audited, approved and authorised the payments are sanctioned appropriately.

**Staff placed on grades without required qualifications –
GH¢105,850.05**

496. According to the interview report by the Public Service Commission nineteen staff were to provide the interview panel with their certificates, required qualifications and obtain authentication of their certificates before being placed on grades applied for.

497. A review of the payroll and interview report showed that salaries were paid to these staff based on grades applied for

without the necessary authentication of certificates and the other requirements as requested.

498. In absence of the required documentary evidence the affected staff were not due for salaries paid them.

499. Management's inability to ensure implementation of the interview report resulted in misuse of tax payers money to pay persons not due for particular positions.

500. Failure to provide necessary records, management should ensure that salaries paid totalling GH¢105,850.05 not due them are refunded.

**Overpayment due to placement on wrong grades –
GH¢11,900.80**

501. Contrary to FAR 2004, Section 304 (1d) and sub-section (1e) of Section 292; we noted that 4 staff of GYEEDA were not being paid on the correct grades obtained at the interview and therefore resulted in an overpayment of GH¢11,900.80.

502. Failure by management to ensure compliance with the stated regulations and lack of due diligence during pre-auditing by the Internal Auditor was the cause of the overpayment.

503. As a result 4 staff were overpaid a total of GH¢11,900.80 and thus deprived the state of needed funds.

504. We advised management to put in effective control measures to check these irregularities in the payroll and ensure that the situation was regularized.

505. We further urged management to retrieve GH¢11,900 unduly paid staff placed on wrong grades.

Unapproved system used in payment of salaries to migrated staff

506. Contrary to Section 295 of FAR 2004 which requires that for public servants personal emoluments; with exception of Controller and Accountant-General's mechanised payroll all other systems used in payment of public servants must be approved by the Controller and Accountant-General.

507. We however observed that although staff at GYEEDA have been migrated onto a new salary scheme as public servants, management prepared its own salary vouchers and paid a total of GH¢4,424,800.86 as arrears and salaries for November and December 2013 without approval of the payment system by the Controller and Accountant-General.

508. As a requirement for public sector salary payment it was further noted that financial clearance was also not sought from Ministry of Finance to effect the payment of the above stated amount.

509. Failure to comply with laid down regulations and procedures led to bloated and mismanaged payroll and waste of public funds.

510. Management was advised to seek the necessary assistance from Controller and Accountant-General for proper salary management in order to prevent payroll irregularities.

511. For prudent financial management, stakeholders must ensure that the financial transactions carried out by GYEEDA are linked to the GIFMIS platform.

NATIONAL YOUTH LEADERSHIP TRAINING INSTITUTE
AFIENYA

Direct cash payment – GH¢135,648.00

512. Regulation 48(2) of FAR 2004 states that “ a head of department shall ensure, as far as it is consistent with the convenience of the public and the control of transaction, that collections or payment are made by cheque, bank transfer or direct payment to bank accounts”.

513. Contrary to the above regulation, we observed that, the institution on a number of occasions made cash payments to institutions and service providers for goods and services totalling GH¢135,648.00.

514. We urged management to strictly adhere to the above quoted Financial Regulations to avoid future loss of funds to the Institute.

515. Management did not respond to this observation.

MINISTRY OF YOUTH AND SPORTS

516. Employment malpractices which occurred at the Ghana Youth Employment and Entrepreneurial Development Agency

(GYEEDA) had cost the country an amount of GH¢1,170,483.34 in wrongful payment to individuals not legally entitled to receive such monies. The details are provided in the following paragraphs.

MINISTRY OF YOUTH AND SPORTS

NATIONAL SPORT COLLEGE, WINNEBA

WITHHOLDING TAX IRREGULARITIES - GH¢10,905.99

517. Section 87(1) of the Internal Revenue Act 2000, Act 592 as amended enjoins persons making payment for goods and services to withhold tax on the gross amount and pay the withheld tax to GRA;

518. Our examination of payment vouchers revealed that, the College failed to pay GRAGH¢10,689.99 withheld as withholding tax and also failed to deduct GH¢216.00 on supply of training kit totalling GH¢4,230.00.

519. We urged management to comply with the provision of the Act and ensure that the outstanding withheld taxes are paid without delay.

Unaccounted for cash – GH¢22,935.15

520. Regulation 39 (2c & d) of the FAR 2004 states that “the head of the accounts section of a department shall control the disbursement of funds and ensure that, transactions are properly authenticated to show that amounts are due and payable; and any other disbursement that does not meet these requirements is rejected”.

521. We noted that out of a total amount of GH¢36,260.65 paid on six payment vouchers, only GH¢13,325.65 was duly supported with the relevant invoices and receipts. The outstanding balance of GH¢22,935.15 was unaccounted for. Details are stated below:

S/no	PV No	Date	Amount GH¢	Amount Accounted for	Unaccounted Amount GH¢
1.	40/6	15/6/12	18,324.00	12,525.50	5,798.50
2.	39/6	15/6/12	1,600.00	800.00	800.00
3.	46/6	26/6/12	1,273.00	Nil	1,273.00
4.	9/9	9/4/12	6,128.00	Nil	6,128.00
5.	8/1	30/1/14	7,472.65	Nil	7,472.65
6.	5/3	3/5/14	1,463.00	Nil	1,463.00
Total			36,260.65	13,325.50	22,935.15

522. Failure of management to ensure that the payment vouchers were properly authorised and supported with the necessary attachments in our view, resulted in these lapses.

523. We advised management to substantiate the payment of GH¢22,935.15 as we could not ascertain the genuineness of the transactions due to the absence of the supporting documents.

NATIONAL SPORTS COUNCIL-SUNYANI

Wrongful Payment of Allowances - GH¢ 13,120.00

524. Article 15(2) of the Collective Bargaining Agreement between the National Sports Authority and Public Service Workers Union of Ghana states amongst others that, duty allowance of 20% of employee's basic salary shall be paid if an employee performed the functions or duties in addition to his normal duties of which normally an acting allowance or overtime allowance is payable.

525. Contrary to the above, the Regional Director of the National Sports Council paid a total amount of GH¢13,120.00 to ten (10) officers as duty and incentive allowances without any documentary evidence of any extra duty performed.

526. We recommended to management to recover the whole amount of GH¢13,120.00 from the officers involved into the account of the National Sports Authority, in the absence of documentary evidence and desist from the practice.

527. Management intimated that the payment of the allowances had been the practice of management for the last three years and it is paid to motivate staff to give out their best to the Authority.

528. We reiterated our position that the total of GH¢13,120.00 be refunded and the practice stopped.

MINISTRY OF INTERIOR

Payment of Unearned Salary – GH¢74,129.58

529. Regulations 297 and 298 of FAR, 2004 requires that a Head of Department shall cause the stoppage of payment of salary to a public servant when that public servant has retired, vacated post, resigned or died, failure of which, amounts to breach of financial discipline.

530. Contrary to the above regulations, we noted that names of twenty two (22) separated staff from various Management Units under the Ministry of Interior continued to appear on GoG

payroll during the period under review and were paid unearned salary of GH¢74,129.58.

531. The causes of anomalies noted included delays by Heads of management Unit in promptly notifying serving banks of separated staff to freeze and ensure the transfer of the unearned salaries into the Consolidated Fund.

532. We recommended full recovery of the total unearned salaries of GH¢74,129.58 from the separated staff.

533. Whereas some Management Unit Heads responded that they would ensure full recovery of the unearned salaries others did not respond to the observation.

534. Whilst recognising the effort of CAGD for the introduction of the ESPV in 2014, we urge all Heads of Management Unit to take advantage of the facility to minimise the occurrence of unearned salaries.

Failure to follow Police Service Instruction in the Release of Exhibits

535. The Police Service Instructions requires that, Court Exhibits are released upon court restitution order and appropriate signatures appended by the rightful owner and the Station Officer with one witness.

536. Contrary to this Guideline, we noted during our inspection at the Afiencya Police Station in Shai Osudoku District that one Trailer Head with Registration No. GW 3885P, two unregistered shot guns and 13 cartridges were released without the relevant parties signing the Court Exhibit Register as required.

537. This anomaly if not controlled could in our view lead to diversion of exhibits and pilfering at the station.

538. To safeguard Court Exhibit at the Police Station, we recommended that, the lay down procedures are followed in the release of exhibits. We also recommended strong oversight by the District Commander.

539. Management did not respond to this observation.

GHANA POLICE SERVICE

REGIONAL POLICE HEADQUARTERS, CAPE COAST

Court Exhibits Handed Over Without Court Restitution Order (CRO)

540. The Police Service Instructions 213 (7) requires particulars of Court Restitution Order to be entered in the Court Exhibits Register as authority for exhibits disposed off.

541. Our review of the Court Exhibits Register disclosed that all exhibits including cash handed over to their purported owners were without Court Restitution Orders even though the court had made those orders.

542. The persistence of this condition, in our view, could expose the Police Administration to the risk of unauthorised release of court exhibits.

543. We therefore advised the Commander to ensure that, Court Restitution Orders are obtained before any court exhibit is released.

AGONA SWEDRU DIVISIONAL POLICE

HEADQUARTERS

Defaulters of Arms and Ammunitions License

544. Regulation 59(2) of the Arms and Ammunition Regulation 1962, clearly states that, “Every such licence shall be valid from the date of its issue until the 31st day December...”

545. Our examination of the Divisional Arms and Ammunitions Register at Agona Swedru Divisional Headquarters, disclosed that during the year 2013, thirty three (33) applicants were successfully licensed to possess fire arms; however, only thirteen (13) had renewed their licenses as at August 2014.

546. The Schedule Officer Inspector Banson Appiah explained that, the 20 defaulters might have renewed their licences elsewhere.

547. Without any official means to establish that the bearers have renewed their licence elsewhere, we are of the view that the 20 defaulters were illegally in possession of fire arms.

548. In our view, the absence of effective monitoring and feedback mechanisms nationwide is the cause of this anomaly.

549. We recommended that, the Police administration should consider harmonising all the data from the police stations into a central data base at each regional and national headquarters.

550. Management indicated that appropriate action would be taken on our recommendation.

MARINE RAILWAYS AND PORTS POLICE - TAKORADI HARBOUR

Deterioration of Seized Items

551. Our review of the Lost Stolen and Recovered Property Register (LSRPR) revealed that various items including 24 generators 31 lights and 17 light cables which were seized from fishermen and kept in the stores at the station have started deteriorating.

552. Even though we were informed that dockets relating to the seized items have been forwarded to the Attorney General's office for advice and subsequent prosecution, no action had been taken.

553. In our view, continued delay in prosecuting the offenders may render the seized items valueless as a result of deterioration.

554. In order to safeguard the items, we advised management to ensure the early discharging of the pending cases.

Undue delay in the replacement of rifles

555. A review of our previous audit report disclosed that 10 rifles sent to the National Police Training School in Accra as requested under Police Service Instruction 9999996 (3) for repairs have not been returned or replaced.

556. We further noted that, the rifles which were received and subsequently declared beyond repairs vide letter number RDHQ.12/AUDIT.V.1/94 of 30 August 2013 have not been replaced.

557. We therefore recommended to management to prevail upon the Regional Headquarters to ensure replacement of the rifles to facilitate effective security patrols.

Issuance of Firearms Licenses without vetting

558. Section 61(2) of the Arms and Ammunition Regulation 1962, states, “the prescribed authority shall not issue a licence in the form set out in Form N in the Second Schedule to these Regulations unless he is satisfied that the applicant therefore is in possession of the following qualification, that is to say:

- (a) He is not less than the age, or apparent age, of eighteen years
- (b) He is of good character and repute
- (c) He is not suffering from any physical or mental infirmity
- (d) He is possessed of means to purchase the firearm or is the lawful successor of a previous lawful possessor of that firearm.

559. We observed that out of 33 applicants that were issued with firearm licences, only 5 were vetted by the Station Officers’ in charge of the police stations in the localities or where they lived.

560. The officer in-charge explained that, although the applicants were supposed to send the application forms to the

police stations within their localities for the officers in charge to certify their qualification, they fail to do so.

561. In our view, failure to assess the applicant before licences are issued for firearms could endanger the lives of the general public.

562. We recommended to the Divisional Crime Officer to ensure that, due procedures are followed before permits are granted to applicants to purchase fire arms.

Abandoned Motor Vehicles

563. Regulation 139 (1) of the Police Service Regulations, 2012 (C.I.76) states “the officer in charge of a police station shall keep at the station a register in which shall be entered a description of property which is in the possession of the Police Station where the owner of the property cannot be ascertained or no order of a court has been made in respect of the property”.

564. Contrary to the above, we observed that 23 vehicles have been abandoned by their owners at the Divisional MTTU yard either as stolen vehicles used for robberies or for various motor traffic offences. However, no entries are made in any register

detailing the description of the vehicles that have been abandoned.

565. The Divisional MTTU Commander explained that, all accident vehicles are immediately released to their owners after testing, however some of the owners have failed to remove theirs whilst others cannot be traced.

566. We also noted that, the MTTU Commander failed to disposed-off the abandoned vehicles as required under Regulation 148(1b) of C.I.76.

567. In our view, the abandoned vehicles are creating congestion and posing environmental hazard.

568. We therefore recommended that,

- a) The MTTU Commander should seek approval from the Police Administration to be shown how to dispose-off the 23 vehicles.
- b) A register should be maintained indicating details of all properties in the possession of the MTTU
- c) The MTTU Commander should periodically post conspicuous notice of all properties abandoned by their owners.

GHANA POLICE SERVICE – KIBI

Non-repair or Replacement of Rifles

569. Ghana Police Service Instructions require the officers in charge of stations to ensure regular repairs and/or replacement of rifles and equipment to promote operational efficiency in the discharge of the Service's mandate.

570. We noted that 6 fire arms made up of 3 AK47s, 1 Stopper and 2 SMGs which were sent to the National Police Training School (NPTS) for repairs and/or replacement since December 2011 had neither been repaired nor replaced contrary to Police Service Instructions.

571. The management of the National Police Training School (NPTS) failed to ensure the repairs and replacement of the arms resulting in the reduced numbers of arms available to the station.

572. We recommended that management should hasten the repair or replacement of the rifles to ensure police readiness to maintain peace and security in the area, should the need arise.

GHANA PRISON SERVICE - KENYASI

Failure to remit funds to Headquarters - GH¢2,728.35

573. Regulation 18 of the FAR states that “A department that has legislative approval to retain all or proportion of the Internally Generated Fund (IGF) collected must first lodge the retained (IGF) in gross into the department operational bank account designed by the Controller and Accountant-General”.

574. We noted that out of GH¢11,253.35 realized from the sale of cocoa, palm oil and palm trees, only GH¢8,535.00 was transferred leaving a balance of GH¢2,728.35.

575. Management indicated that they were forced to use the amount because subventions from their head office had not been forth coming.

576. We recommended that management should follow laid down procedures to facilitate prompt remittances of farm proceeds to the Head Office.

577. Management accepted our recommendation for compliance.

Failure to obtain legal title for Prisons land

578. The Kenyasi No. 1 Traditional Council provided 500 acres of land for the establishment of the Kenyasi Prisons Camp.

579. Our review of records however disclosed that, management of the Prisons Camp did not have legal title to the land released to them for the establishment of the camp.

580. In our view, the absence of legal title on the camp's land could result in future litigation and its associated cost.

581. We recommended that management of the camp should impress upon headquarters to hasten the process, with the custodians of the land to acquire legal ownership as soon as possible. We further recommended that the headquarters should build a fence wall around the camp's land to secure the land from encroachers.

582. Management indicated that it was taking measures to regularize the ownership of the land with the land owners and the Lands Commission in Sunyani.

**MINISTRY OF WATER RESOURCES, WORKS &
HOUSING- GOASO**

**Abandoned projects with outstanding mobilisation-
GH¢404,286**

583. A project for the construction of reinforced concrete rectangular drain at Goaso was awarded for GH¢2,330,494.40 to Buoko Ventures Ltd for completion in September 2012. The contractor was paid mobilisation fee of GH¢492,286.08.

584. We however noted that, the project was abandoned at 19 per cent stage of completion and the Ministry had recovered only GH¢88,000.00 out of the total mobilisation of GH¢492,286.08, leaving an outstanding balance of GH¢404,286.08.

585. We expressed the view that this development has compromised delivery of the intended infrastructure for the benefit of the residents of the community.

586. We recommended that Management should terminate the contract and ensure full recovery of the outstanding balance of GH¢404,286.08 plus interest, failure of which, management should be surcharged with the principal amount.

587. Management responded that the contract had been terminated and the Project Consultant had begun the process of recovering the outstanding amount from Star Assurance who provided the bank guarantee.

Failure to withhold tax - GH¢51,183

588. Section 88 of the Internal Revenue Act 2000, Act 592, as amended states that “A withholding agent who fails to withhold tax in accordance with this sub division is personally liable to pay to the Commissioner the amount of tax which has not been withheld, but the withholding agent is entitled to recover this amount from the payee”.

589. We noted contrary to this section that, management failed to withhold an amount of GH¢51,183.15 in respect of the payments for the re-development of UNDP Flats between September 2011 and May 2013.

The table below provides the details:

Contractor	Amount GH¢	Withholding Tax GH¢
Maripoma Enterprise	877,406.17	38,152.59
ADK Consortium	299,702.71	13,030.15
	1,117,108.88	51,182.74

590. We urged Management to ensure that, the total taxes of GH¢51,182.74 are paid without delay. We further recommended that, management should strengthen their controls on the processing of payments to suppliers to avoid a recurrence.

591. Management explained that, the loan facility for the project was sourced from the Fidelity Bank vesting in the bank the sole responsibility of making direct payments to the Contractor based on the Consultant's certificates approved by the Ministry.

592. However, in the payment process, the bank failed to deduct the 5 per cent withholding tax required by law. They have therefore written to both the Contractor and Consultant to pay the 5 per cent withholding tax totalling GH¢51,182.74 to the Domestic Tax Revenue Division of GRA and lodge evidence of payment with the Ministry.

Failure to collect Revenue-GH¢414,456

593. Regulation 17 (a) of FAR, 2004 states that, "A head of department shall ensure that all Non-Tax Revenue are efficiently collected".

594. Contrary to the above regulation, we observed that three (3) district boards failed to collect revenue amounting to GH¢414,456 from consumers for the supply of water services. The table below provides the details.

District	Amount GH¢	Period	Category of Debtor
Goaso	3,025.00	May 2014	Private Connections & Vendors
Nkoranza	336,541.00	May 2014	Commercial, Domestic & Public
Sefwi Bekwai	74,890.00	June 2014	Private, Schools & Public Pipes
	414,456.00		

595. Poor debt recovery by the respective boards in our view, accounted for this state of affairs, which could hinder future expansions, maintenance of the water systems and sustainability of the operations in beneficiary townships.

596. We recommended that the Boards should ensure the recovery of the outstanding debt from the consumers and vendors, and also put in mechanisms to ensure efficient revenue collection.

Failure of ARIC to take action on previous audit reports

597. The Audit Report Implementation Committee (ARIC) of the Ministry had since 12 June 2012 not issued any report in respect of two previous audit reports.

598. This indicates the ARIC's ineffectiveness contrary to Section 30 (2) and (3) of the Audit Service Act, 2000 (Act 584), which requires it to pursue the implementation of all matters in audit reports and prepare related annual statements.

599. We indicated that the occurrence was at variance with good practice in corporate governance and could:

- a) lead to the recurrence of irregularities and control weaknesses identified in previous audit reports; and
- b) trigger suspension or complete withdrawal of funding support by development partners.

600. We recommended, and Management agreed to ensure the operating effectiveness of ARIC by developing and securing adherence to a calendar of its meetings to permit the submission of the required annual statement showing the status of implementation on the above two audit reports and subsequent

ones and also provide assurance that undesirable features highlighted in the audit reports have been or are being dealt with.

PUBLIC WORKS DEPARTMENT

HEAD OFFICE

Disbursements not supported with payment vouchers – GH¢10,466

601. Regulation 1(1) (b) of the FAR, 2004 requires any public officer who is responsible for the receipt, custody and disbursement of public and trust moneys to keep proper records of all transactions and produce records of the transactions for inspection when called upon to do so by the Minister, the Auditor-General, the Controller and Accountant-General or any officers authorised by them.

602. During our review of cash management, we identified that disbursements recorded in the cash book of the department by the Accounts Officer, Mr. Philip Mandor between January 2013 and July 2013 lacked supporting payment vouchers in respect of 12 transactions totalling GH¢10,466.00.

603. We expressed the view that the occurrence was a deliberate act to conceal financial malfeasance, given the lack of evidence to conclude otherwise.

604. We urged Management to ensure that payment vouchers covering a total amount of GH¢10,466.00 were made available for review.

605. Management commented that the audit recommendation had been forwarded to the then Accounts Officer as well as the then Engineer-in-Chief and were awaiting receipt of their responses, which had not been forthcoming.

606. We recommended that should the Accounts Officer and the Engineer fail to produce the relevant supporting documents the expenditure of GH¢10,466 should be disallowed and the amount recovered from them to Government chest.

Direct Disbursement from Revenue –GH¢13,101

607. Regulation 22 of the Financial Administration Regulations (FAR), 2004 requires that all public moneys collected shall be paid in gross into the Public Funds accounts and no

disbursement shall be made from the moneys collected except as provided by an enactment.

608. In relation to Internally Generated Funds (IGF), Regulation 18 of the FAR, 2004 also requires that a department that has legislative approval to retain all or a portion of Internally Generated Funds (IGF) collected, should first lodge the retained IGFs in gross into the department's Operational Bank Account designated by the Controller and Accountant General (CAGD) before disbursements are made.

609. In violation of the above regulation, we noted that an amount of GH¢ 13,101.00 included in a total revenue of GH¢ 254,188.10 collected by the department between January 2013 and June 2013, was not paid into bank account prior to disbursement; neither were the disbursements substantiated by supporting documentation.

610. We pointed out that direct disbursement from revenue undermines budgetary control expected to be exercised by the head of department under Regulation 168 of FAR, 2004 as it might not be in alignment with the corresponding budget. Additionally, disbursement lacking supporting documentation

is at variance with good practice in financial management as it increases the risk of malfeasance.

611. We advised Management to ensure that the amount of GH¢13,101.00 which was disbursed prior to its lodgement into bank account is substantiated by the relevant transaction documents or in default, recover the amount from the Accounts Officer.

612. Management commented that the former Accounting Officer, Philip Mandor, had been informed of the audit finding for his response, which he had failed to do.

Non- Establishment of Audit Report Implementation Committee

613. Regulation 196(4) of the Financial Administration Regulations (FAR), 2004 requires every department, as part of its accounting and auditing functions, to establish an Audit Report Implementation Committee (ARIC) in accordance with Section 30 of the Audit Service Act 2000, (Act 584). According to the Act, the duties of the ARIC shall include the preparation of an annual statement showing the status of implementation of recommendations made in all audit reports.

614. We however noted that due to the low level of corporate governance system, Management had not established an ARIC. In this respect, the department could be saddled with a recurrence of control weaknesses; acts of illegality and irregularities identified in previous audit reports.

615. We recommended and Management agreed to ensure: (a) the establishment of the ARIC which should draw a comprehensive programme of activities on an annual basis to guide delivery of its mandate; (b) that reports on the ARIC's activities are made available for review when established.

PUBLIC WORKS DEPARTMENT - TAKORADI

Assets not recorded in fixed assets register - GH¢58,662

616. Regulation 2 (n) of FAR, 2004 requires the head of a government department to compile and maintain assets register of the department.

617. Our review of records revealed that the Public Works Department at Takoradi purchased a number of fixed assets including a Nissan Navara vehicle costing GH¢58,662.00 without recording it in a fixed assets register because the department failed to maintain one.

618. Failure to keep an asset register makes it difficult to track fixed assets of the organisation, the type, cost and location and could therefore expose such assets to theft or wrongful appropriation.

619. We therefore recommended that, management should maintain a fixed asset register of all fixed assets of the organisation and update it promptly with acquisitions and disposals of fixed assets.

Overpayment of salary – GH¢4,780

620. Regulation 45 of the FAR, 2004 states that, “If any expenditure is made in excess of the amount actually due, the overpayment shall be recovered immediately and paid into the account from which it was originally paid and the officer concerned shall report the circumstances immediately to the head of department or the appropriate authority”.

621. Mr. Albert Arhin, staff ID 830866, was paid accumulated net salary GH¢12,765 in November 2012 dating back from February 2010. However, his appointment took effect from 4 February 2011 resulting in overpayment of salary for 12 months totalling GH¢4,780.01.

622. We noted that the Regional Engineer wrote a letter referenced PWD/WR/ACCT.1/1937 dated 26 February 2013 to the Director Research, Statistics and Information Management at the office of the Head of Civil Service on the matter for the recovery of the unearned salary. We noted further that Mr. Arhin wrote a letter dated 20 February 2013 to the Regional Engineer in response to an earlier letter written by the latter that the amount was paid into his account and without seeing the details of the arrears he used the money and therefore pleaded with management to deduct GH¢100.00 monthly to defray the overpayment which he calculated to be GH¢4,002.00 instead of GH¢4,780.42 as stated by management. However at the time of audit, no amount had been recovered from the staff.

623. As a result, monies which could have contributed towards other programme were paid to him for no work done, thereby causing government to potentially lose the sum of GH¢4,780.01.

624. We recommended that, management should take immediate steps to ensure that the overpayment is recovered and paid back to chest.

REGIONAL PUBLIC WORKS DEPARTMENT - BOLGATANGA

Failure to establish Audit Reports Implementation Committee

625. Section 30(1) of the Audit Service Act, 2000 (Act 584)(1) states: “An institution, body or organisation which is subject to auditing by the Auditor-General shall establish an Audit Report Implementation Committee, comprising members of the Governing Body or Council of that institution.

626. Contrary to this provision, we noted that Management of Regional Public Works Department, Bolgatanga, had not established the Audit Report Implementation Committee (ARIC) to follow up on the implementation of recommendations made in audit reports.

627. The non-existence of the ARIC in the Department had resulted in the recurrence of weaknesses identified in previous audit reports.

628. We advised management to expedite action to institute an ARIC without any further delay as it would ensure that

undesirable features in the accounts of the institution would be dealt with.

COMMUNITY WATER AND SANITATION DEVELOPMENT BOARDGOASO

Failure to prepare annual work plan and budget by the operating staff

629. Section 18 (a) of the District Assembly Model Bye-Laws mandates the Board to prepare annual work plan and budget for the operation and maintenance of the water system. It shall provide a copy of this annual work plan and budget to the Town/Area Council and to the Assembly.

630. Our review disclosed that the operating staff of the Goaso Water Board operated without annual work plan and budget to guide the operations of the water system. This was due to the Chairman's disregard for the by-laws.

631. In the absence of a work plan there was the risk that the operations of the Board might not be well guided to achieve set objectives, which might affect the quality of service to consumers.

632. We recommended to the Board to ensure that work plan and budget are prepared annually to guide management in their spending and operations.

COMMUNITY WATER AND SANITATION DEVELOPMENT BOARD - HWIDIEM

Stores items not accounted for - GH¢10,153

633. Regulation 0316 of the Stores Regulation, 1984 states that, “The endorsed original of Stores Receipt Voucher (SRV) shall always be attached to the payment voucher on which payment is made to the supplier”.

634. We noted that the Water and Sanitation Development Board, Hwidiem, purchased various water materials totalling GH¢10,153.00, but these were not supported with appropriate store records like SRVs, Store Ledger Records etc. to confirm receipt of the items. Without these records there is the risk that the items might not have been fully supplied in accordance with the specifications contained in the order.

635. We advised management to ensure that all purchases are routed through the stores before the items are issued out for usage. We also recommended that the transactions referred to

should be accounted for in the store records to authenticate the payments.

WATER AND SANITATION DEVELOPMENT

BOARD – SEFWI BEKWAI

Unrecovered advances – GH¢1,600

636. Regulation 110 of FAR, 2004 requires a head of department or the officer to whom the duties of the head of department have been delegated to ensure that advances issued are duly recovered in accordance with the appropriate agreement.

637. On the contrary, we noted that a total amount of GH¢3,000.00 was granted to Cecilia Andoh and Grace Kwaah in June 2011 for which GH¢1,400.00 had been redeemed leaving a balance of GH¢1,600.00 yet to be settled by them.

638. We urged management to ensure the recovery of the GH¢1,600 from the two Board members, failing which the authorising officer and the accountant should be surcharged with the amount.

MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

BIRTHS AND DEATHS REGISTRY- NSAWAM

Unpresented value books - GH¢4,655.00

639. Part I (b) Regulation (Ic) of the FAR, 2004 states “Any public officer who is responsible for the receipt, custody and disbursement of public or trust moneys shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Minister, the Auditor-General, the Controller and Accountant-General or any officer authorised by them”.

640. The Cashier failed to produce for audit review 18 General Counterfoil Receipts (GCRs) used to collect a total sum of GH¢4,655.00 to enable us assure ourselves of the accuracy of entries in the cash book and also whether the total revenue collected had been fully and promptly accounted for; a situation which could lead to misappropriation of funds.

641. Ineffective supervisory control over the work of the Cashier accounted for this anomaly. To ensure accountability,

we recommended that management should produce the GCRs for our examination and further action.

BIRTHS AND DEATHS - TUMU

Failure to obtain Official Receipt - GH¢6,978.00

642. Section 15(1) of the FAR, 2004 (L. I. 1802) provides that any public officer or revenue collector who collects or receives public and trust monies shall issue official receipts for them and pay them into the relevant fund bank account within 24 hours of receipt.

643. We however noted that the District Births and Deaths Registry paid a total amount of GH¢6,978.00 in cash being revenue received to the Regional Accountant, who failed to issue official receipts to the District Registrar. We were therefore unable to confirm if the amount was paid to government chest.

644. We recommended that the District Registrar should obtain official receipts from the Regional Accountant for our inspection.

PARKS AND GARDENS-NSAWAM

Revenue not accounted for - GH¢1,030.00

645. The Landscape Officer failed to account for plant sales amounting to GH¢1,030.00 which should have been paid into the

Consolidated Fund Transit Bank Account at Koforidua. The alleged lodgments to bank were not supported by Bank Pay In Slips and official receipts in contravention of Part II Regulation 15 of the FAR which states that “Any public officer or revenue collector who collects or receives public and trust moneys shall issue official receipts for them and pay them into relevant Public Fund Bank Accounts within twenty-four hours of receipt unless in exceptional circumstances to be identified by the Minister”.

646. Inadequate supervisory control over the lodgments of revenue to bank by the Landscape Officer led to this situation.

647. We urged management to ensure refund of the total amount to chest and produce the requisite documents for our verification. We also urged them to ensure compliance with Part II Regulation 15 of the FAR, 2004 at all times.

DEPARTMENT OF COMMUNITY DEVELOPMENT - SUNYANI

Unaccounted for revenue - GH¢2,916.00

648. Regulation 1(b) of the FAR, of 2004 states that “any public officer who is responsible for the receipt, custody and disbursement of public and trust moneys shall keep proper

records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Minister, the Auditor-General, the Controller and Accountant-General or any officer authorised by them”.

649. We observed during our audit that, an amount of GH¢2,466.00 collected as school fees by Madam Mercy Tsitsiwu, Principal of Community Development Vocational Institute at Sunyani had not been accounted for. Additionally, she could not account for students allowances of GH¢450.00.

650. We attributed this lapse to weak internal controls and inadequate supervision of the officer.

651. Non-accounting for the fees collected could affect the smooth running of the Institute.

652. We recommended that Madam Mercy Tsitsiwu should account for the total amount of GH¢2,466.00 to the Institute and GH¢450.00 to the students. We also recommended that she should be sanctioned for breach of financial discipline in accordance with Regulation 8 of FAR.

MINISTRY OF LANDS, FORESTRY AND MINES

Unsubstantiated Payment- GH¢252,439.23

653. Regulation 39 (2c) of the FAR 2004 requires Heads of Accounts to control disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

654. During our examination of payment vouchers of two (2) Offices of the Land Commission, we noted that PVs with total value of GH¢252,439.23 were not properly acquitted with the relevant supporting documents. The table below provides the details:

Unsubstantiated Payments

Office	Department	Date	P.V. No.	Details	Amount	Mgt. Response
Ho	Lands Commission	10/3/2014	35/03/2014	Payment for the inauguration of the Volta Regional Lands Commission Board.	29,000.00	Nil

Sekondi	Lands Commis sion	11/13013 - 28/8/ 2014		Various Payment Vouchers	198,245.17	Nil
Sekondi	Lands Commis sion	21/1/13 - 20/8/ 2014		Various Payment Vouchers	25,194.06	Nil
					252,439.23	

655. These anomalies in our view, occurred largely as a result of weak supervision over the processing of payments. We were therefore unable to ascertain the genuineness of the payments made by the district offices.

656. None of the affected offices responded to the observation.

657. In view of managements' failure to substantiate the payments made during the period under review, we recommended that both the authorising officers and the accountants should refund the amounts shown against their respective institutions in the table provided above.

658. We reiterated our recommendation that relevant supporting documentations should always be obtained and pre-audited prior to payment for goods and services.

REGIONAL LANDS COMMISSION - CAPE COAST

Unauthorised Withdrawals from Vested Lands Account - GH¢45,800.00

659. Regulation 179(1) of the FAR, 2004 state “Except as provided, for in the Financial Administration Act, 2003 (Act 654), and these Regulations, a Head of Department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities”.

660. We noted that management of the Regional Lands Commission, Cape Coast withdrew a total amount of GH¢73,200.00 from the Vested Lands account which they are holding in trust for Effutu, Agona and Gomoa stools. Out of this amount, GH¢27,400.00 was paid back into the account in February 2014 leaving a balance of GH¢45,300.00. The table below shows the details.

Date	Particulars	Account No.	Cheque No.	Amount GH¢	Bank
25/3/14	Commission meeting on 28/3/14	3011130011269	356	9,950.00	HFC
12/3/14	Furnishing Regional Lands Officers Office	3011130011269	355	8,000.00	HFC
18/2/14	IGF to run office for one month	3011130011269	353	27,850.00	HFC
12/12/13	To cater for approved expenses	3011130011269	352	27,400	HFC
Total				73,200.00	

661. We recommended that the amount of GH¢45,800.00 should be paid back into the Vested Stool Lands account without further delay.

662. Management promised to refund the amount into the Vested Stool Lands account.

**OFFICE OF THE ADMINISTRATOR OF STOOL LANDS -
SEKONDI**

Non-competitive procurement- GH¢64,835.00

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

664. During our review of payment vouchers in Stool Lands, Sekondi, we noted that procurements totalling GH¢64,835.00 were made without satisfying the minimum quotations from at least three suppliers.

665. Failure to obtain alternative quotations in our opinion exposes the department to the risk of uneconomic use of Public Funds.

666. To ensure that value for money is obtained in all procurements, we urged management to comply with the Public Procurement Act.

667. Management did not respond to our observation.

LANDS COMMISSION-SEKONDI

Non-Payment of Withholding Tax

668. Section 87 (1) of the Internal Revenue Service Act 2000, Act 592 as amended provides that a withholding agent shall pay to the Commissioner-General a tax that has been withheld within fifteen (15) days after the end of the month in which the payment subject to withholding tax is made by the withholding agent.

669. Contrary to this Act, our audit of the Lands Commission, Sekondi disclosed that withholding tax of GH¢11,856.60 deducted from various payments during the period under review were not paid to the Ghana Revenue Authority.

670. We recommended that, the Commission should pay the outstanding taxes without further delays. Also, we urged the Commission to ensure full compliance with the Act.

671. Management of the Commission did not respond to this observation.

Misapplication of funds-GH¢ 30,000.00

672. Regulation 179 (1) of FAR 2004, states that, “Except as provided for in the Financial Administration Act 2003 (Act 654)

and these regulations, a head of department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities”.

673. Contrary to this regulation, we noted during the audit that, a total amount of GH¢50,302.28 was transferred from the Stool account into their IGF expenditure accounts. Details are provided below:

PV No	Date	Amount GH¢	Narration
SL/04/14	18/3/14	30,000.00	Transfer of funds from the stool account into IGF expenditure
SL/11/14	16/6/14	20,302.28	Transfer of funds from the Stool account into IGF expenditure
Total		50,302.28	

674. We attributed this to management failure to adhere to the above-quoted regulation.

675. Transfer of funds from the Stool account into the IGF Expenditure account could lead to misapplication of funds and loss of revenue to the State.

676. We urged management to refund the amount of GH¢50,302.28 into the Stool account and this office informed for verification.

677. Management refunded GH¢20,302.28 out of the GH¢50,302.28 leaving a difference of GH¢30,000.00 to be refunded into the Stool account.

TOWN AND COUNTRY PLANNING - KONONGO

Revenue not accounted for - GH¢4,900.00

678. Regulation 1(1) of the FAR, 2004, states that, “any public officer who is responsible for the receipts, custody and disbursement of public and trust monies shall keep records of all transactions for inspection when called upon to do so by the Minister, the Auditor General, the Controller and Accountant General or any officer authorised by them”.

679. Contrary to the above regulation, we noted that, a total amount of GH¢4,900.00 collected as revenue vide GCR Nos. 4288201 - 300 covering the period May 2013 and January 2014 was not accounted for by the Accounts Officer.

680. Poor supervision over the accounts officer by the head of department accounted for the lapse. This in our view could lead to misappropriation of revenue.

681. We urged management to recover the amount involved from the Account Officer and pay same to chest. We also urged management to strengthen its supervision over the Accounts Officers.

682. Management accepted our recommendation.

MINISTRY OF INFORMATION GHANA BROADCASTING CORPORATION

Rent Arrears - GH¢5,587.95

683. Regulation 2(d) of the FAR, 2004, provides that, it shall be the duty of a Head of Department to secure the due and proper collection of government revenue collectable by the department within the terms of any enactment or of instructions issued or approved by the Controller and Accountant-General. Ministry of Finance Circular No. 133385/05/06/MTR CAGD of 15/06/06 also stipulates that occupants of government bungalows/flats/quarters are required to pay 10% of their basic salary as rent.

684. We noted that the Regional Director of the corporation, Madam Eunice O. Yeboah who occupies a government bungalow failed to pay rent totalling GH¢5,587.95 for the period January 2012 to September 2014.

685. Management explained that documents on the bungalow still bore the name of the previous occupant and they had tried on several occasions to change it into the current Regional Director's name but had not been successful. The Regional Director also indicated that she spent a total amount of GH¢5,896.00 on renovating the bungalow and had written to RCC to use it to offset her rent.

686. We attributed the omission to the failure of the Regional Director to adhere to the above directives since she could have paid the rent to the Controller and Accountant General's Department instead of waiting for the amount she spent on the renovation to be used to offset the rent.

687. We advised the Director to pay the total rent arrears of GH¢5,587.95 and ensure that rent deductions are effected at source from the monthly salary by submitting relevant input

forms to the Controller and Accountant-General's Department. Since no approval was given before she did the renovation, we did not deem it appropriate for RCC to use the amount to offset the rent.

Failure to Lodge Revenue Collections - GH¢29,601

688. Regulations 22 of FAR 2004, states that "All public moneys collected shall be paid into Public Funds Accounts and no disbursement shall be made from the moneys collected except as provided by an enactment."

689. We noted that, two departments of the Ministry namely Information Service and Ghana Broadcasting Corporation in Sekondi failed to lodge total revenue of GH¢29,600.83 into the designated bank accounts.

Department	Location	Period	Collection	Lodgment	Balance
Information Service	Sekondi	Jan 2013-Apr 2014	1,361	-	1,361.00
GBC	Sekondi	Sept 2012-Jun 2014	217,888	189,648.17	28,289.83
					29,600.83

690. We urged management to ensure that all revenue collected is lodged at the bank within 24 hours after receipt.

691. Management of the Information Service Department explained that, the department did not have funds and the amount was used to run the office. GBC on the other hand failed to respond to our observation.

692. We reiterated our position that management of the two institutions should lodge all revenue including the outstanding amount into the designated bank accounts without further delay.

MINISTRY OF COMMUNICATIONS GHANA METEOROLOGICAL AGENCY

Non Payment of 10% Landing Charges- USD\$3,990,238

693. Under a Memorandum of Understanding between the Ghana Meteorological Agency (GMA) on one hand and Ghana Airports Company (GAC) and Ghana Civil Aviation Authority (GCAA) on the other hand, and in line with Section 12 (2) (b) of the Ghana Meteorological Agency Act, GMA generates revenue from Landing Charges.

694. During our examination of GMA's accounts, we noted long outstanding balances from 2006 of USD 3,376,808.67 and USD 613,428.88 standing against the names of GAC and the GCAA respectively. The table below provides the details;

Debtor	Period	Amount \$
Ghana Airports Company	June '06 - Dec '13	3,376,808.67
Ghana Civil Aviation Authority	June '06 - Dec '13	613,428.88
Total		3,990,237.55

695. We urged Management to use the appropriate mechanism to enforce the MoU for the recovery of the outstanding debt.

696. Management explained that the arrears situation was being discussed under the auspices of the State Enterprises Commission as part of the overall cost recovery negotiations with the two institutions.

MINISTRY OF DEFENCE

Indebtedness to suppliers (GH¢6,130,494.12 and US\$123,911.40)

697. Best management practice requires that, debts owed to creditors are settled in accordance with agreed terms of credit.

698. We however observed that, as at the time of this report, total debts amounting to GH¢12,503,355.20 and \$123,911.40 to Goil Ghana Ltd. and Total Ghana Ltd. respectively had not been paid, despite demand notices issued from some of the suppliers. The table below provides the details;

Branch	Details	Amount GH¢	Amount USD
Navy	Fuel Supplied	6,130,494.12	-
Navy		-	123,911.40
Airforce	Aviation Kerosene	6,372,861.08	-
Total		12,503,355.20	123,911.40

699. The long outstanding bills in our view were as a result of the delay in the release of funds to the Ministry of Defence.

700. This condition could affect the credit worthiness of the GAF and Navy and could lead to derailment of their programmed operations for the year.

701. We recommended that, the Ministry of Defence should impress upon the Ministry of Finance to release funds to the Ghana Navy and the Air Force to settle the outstanding debts to ensure that opportunities continue to exist for maintaining operational efficiency. We were subsequently informed that the Ghana cedi debt stock had been reduced toGH¢6,130,494.12.

Payments for works not certified – GH¢146,077.58

702. Regulation 16(1)(a) of the FAR, 2004 (Act 654) states that “payment shall not be made for work done, goods supplied or services rendered whether under a contract or not in connection with any part of the public service, unless in addition to any other voucher or certificate that is required, the head of the government department or any other officer authorised by the head of department certifies that the work has been performed, the goods supplied or the service rendered, and that the price charged is according to the contract or if not specified by the contract, is reasonable”.

703. Contrary to the above, we noted that the Air Force HQ incurred an expenditure totalling GH¢146,077.58 on renovation works at the Air Force Officers Mess (AFOM) for the period February to December 2012.

704. However, we did not have sight of any Certificate certifying that the work had been completed satisfactorily.

705. In view of this anomaly, we were unable to ascertain whether or not, the renovation was satisfactory, therefore justifying the payment.

706. We advised management to produce for our inspection, a certificate confirming that the works was satisfactorily done.

707. Management noted the recommendation for compliance.

Single Sourced Procurement –GH¢79,675.00

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

709. We observed that, the Air Force Base, Takoradi, purchased various building materials and other items totalling GH¢79,675.00 without requesting for price quotations from at “least three different sources”. Below are the details.

P.V No	P.V date	Description	Amount GH¢	Suppliers
118	10/12/13	Cost of bunk beds	16,000.00	Vincent Kofi furniture wks
77	2/8/13	Cost of water extension project	10,000.00	Tonydollykenent
197	27/9/12	Cost of assorted wire	24,226.00	Wire weaving Ind ltd
196	13/12/12	Cost of metal gates fixing and chain link	3,700.00	Tonydollykenent
195	21/11/12	Cost of chain link fencing	6,500.00	Tonydollykenent
193	20/09/12	Cost of concrete pillars	1,000.00	Agyiba international school
191	10/09/12	Cost of concrete pillars	4,800.00	Azzu& co ltd
22	7/3/13	Cost of painting materials	7,347.00	Dadekeseent
49	19/7/11	Cost of Electrical items	6,102.00	Hawakent
		Total	79,675.00	

710. The anomaly was attributed to the failure of Management to adhere to the above regulation.

711. This practice could lead to non-competitiveness, and the supply of inferior goods at higher prices.

712. We recommended and management agreed to ensure strict compliance with the Public Procurement Act to promote competitiveness to obtain value for money for the service.

MINISTRY OF JUSTICE AND ATTORNEY-GENERAL'S DEPARTMENT

Payment of Unearned Salary – GH¢190,318

713. Regulations 297 and 298 of FAR, 2004 require that a Head of Department shall cause the stoppage of payment of salary to a public servant when that public servant has retired, vacated post, resigned or died, failure of which, amounts to breach of financial discipline.

714. Contrary to the above regulations, we noted that names of some separated staff from various Management Units under the Ministry of Justice and Attorney General continued to appear on GoG payroll during the period under review and they were paid unearned salary of GH¢190,318. The Appendix F provides the details.

715. The causes of the anomalies noted included delays by Heads of management Unit in promptly notifying serving banks of separated staff to freeze and ensure the transfer of the unearned salaries into the Consolidated Fund.

716. We recommended full recovery of the total unearned salaries of GH¢190,317.62 from the separated staff.

717. Whereas some Management Unit Heads responded that they would ensure full recovery of the unearned salaries others did not respond to the observation.

718. Whilst recognising the effort of CAGD for the introduction of the ESPV in 2014, we urge all Heads of Management Unit to take advantage of the facility to minimise the occurrence of unearned salaries.

Fraudulent transfer of government funds into private business accounts USD\$163,510

719. Regulation 2 (a) of FAR 2004, stipulates that the head of government department shall manage and operate the department accounting systems so as to ensure the

accountability of all officers transacting such business and facilitate the efficient discharge of such business.

720. During our review, we noted that, six cheques (Nos. 402560 – 402565) totalling USD\$13,510 issued on 8th October 2013 were first paid into a dormant DANIDA Business Reform programme Account (No. 1028631585014). This amount was subsequently transferred on the 10th October 2013 into the Green Zone Construction Co. Ltd. account with Access Bank.

721. Our subsequent verification into the main foreign accounts also revealed that, on the 11 January 2013 the Principal Accountant, Tahiru Haruna, again transferred USD\$150,000.00 into Green Zone Construction Co, Ltd. bank accounts for no work done, bringing the total transfer to USD163,510.00.

722. This fraudulent act occurred as a result the Principal Accountant, Tahiru Haruna, refusal to involve the Director F&A in the financial transactions of the department.

723. We recommended that the total amount of USD163,510 be recovered from Tahiru Haruna, the Principal Accountant. We

also urged management to take disciplinary action against him, notwithstanding his transfer from the Registrar-General's Department.

724. Management stated that they have issued a query and reminders to the Principal Accountant to explain his conduct to enable them respond appropriately. Subsequently, Management has been advised by the Attorney General to report the matter to the Police to cause the arrest and prosecution of the Principal Accountant.

**Failure to Lodge Non Tax Revenue into consolidated account
\$230,508.62**

725. Our review of Trade Marks Fees from Madrid and The Hague to the Registrar-General disclosed that, a total amount of \$694,466.35 was received into the Departments dollar accounts. The department is allowed to retain 20% of total revenue generated and to transfer 80% into the Consolidated Fund.

726. A total sum of \$244,272.46 which should have been transferred into the Non-Tax Revenue accounts in 2012 was not carried out. The department however transferred \$569,336.92 in 2013 into the NTR Accounts showing an over payment of

\$13,763.87. Thus a balance of \$230,508.59 is yet to be transferred into the consolidated fund.

Total amount collected	\$694,466.35
Amount Transferred	\$ 569,336.92
Less expected transfer	\$ 555,573.05
Overpayment for 2013	\$ (13,763.87)
Revenue for 2012 not transferred to NTR	\$ <u>244,272.46</u>
	\$ <u>230,508.59</u>

727. The amount, not transferred could be unlawfully utilized, depriving government access to the funds it could have used on development projects.

728. We recommended that the amount of \$230,508.59 be transferred into the consolidated fund without delay.

729. Management did not respond to this observation.

Failure to credit the dollar accounts with 20% share IGF \$61,420

730. We noted during our review of the swift reports on the dollar accounts provided by the Fidelity Bank that, receipts totalling \$61,420 received by the bank on behalf of the

department has not been credited to the accounts of the department.

731. We recommended that the Principal Accountant should step up his supervisory and monitoring roles in ensuring that all revenue collected by the bank are credited to the department accounts. We further urged, the Principal Accountant to ensure that the total revenue of \$61,420 is transferred into the department's account without further delay.

732. Management did not respond to this observation

Failure to issue receipt for rent received \$14,400

733. A review of the file of the estate of the late Mr. Addai Menu, showed that, house No. 7(c.85.18) situated at Abelemkpe was rented out and a rent advance of \$14,400 was paid for two years. Records of the payment could not be traced from the receipt book to the cash book. The file also does not contain the rent received for 2012 and 2013 but only that of 2014 which amounted to \$7,200.

734. Mr. Okyere of the estate unit intimated, that the amount was paid directly to the Deputy Registrar-General. The money

paid did not go through the Accounts Section for any proper documentation process to be effected. He further said the distribution was made to the beneficiaries under the guidance of the Deputy Registrar-General without following the due process. We could therefore not confirm that the amount has been distributed. The failure of the estate manager to adhere to the regulation made the lapse possible.

735. Transactions of this nature could lead to misappropriation of funds to the detriments of the beneficiaries of the estate.

736. We recommended that, all the documents on the transaction be made available to the team or the amount be recovered from the Estate Manager.

Failure to return unclaimed pension to government chest GH¢8,226,328.85

737. Our review of payment procedures at the Estate Unit in charge of distribution of estates of deceased pensioners, disclosed that pension payments referred to the Administrator-General by the Controller and Accountant-General since 2011 to 2013 totalling GH¢8,226,328.85 had not been claimed by the beneficiaries.

Year	Amount GH¢
2011	475,937.79
2012	1,761,282.66
2013	5,989,108.40
	<u>8,226,328.85</u>

738. The failure of the Estate Officer to inform the Registrar-General to have the unclaimed pension payments returned to CAGD was the cause of the anomaly.

739. In our view the non-payment of unclaimed pensions to chest denied government of resource that could have been used for other activities and programs.

740. We recommended that, the total amount should be transferred into the Salary and Pensions Suspense Account of CAGD.

Failure to account for foreign travel imprest \$59,074.60

741. During our review of the payment vouchers, we noted that a total amount of \$59,074.60 was released to various officers for assignments and conferences on behalf of government. We further noted that, even though the Officers have since returned

they failed to account for the imprest granted to cover air tickets, accommodation etc. We also observed that, some of the travels did not have the approval from the office of the President.

742. This was due to the Accountants failure to write to the officers to account for the imprest released to them.

743. We recommended that, the officers be called upon to account for the imprest granted them failing which the amount should be recovered from them.

744. Management did not respond to this observation.

Purchases not accounted for GH¢293,582.08

745. During our review of the payment vouchers at the Registrar General's Department, we noted that stores and equipment procured during the year totalling GH¢293,582.08 were not accounted for in the store records. We further noted instances where Store Received Advice attached to the payment vouchers had not been certified by the Storekeeper as having received the items into the store.

746. In view of this, we could not confirm that the items were actually bought as there was no evidence at the stores to indicate that the items had been issued.

747. We recommended that, the Registrar General and the Principal Accountant should be called upon to account for the amount of GH¢293,582.08 failure of which, they should be surcharged.

748. Management did not respond to this recommendation.

Unreceipted Payments \$60,150.00

749. We noted during our review of payment vouchers at the Registrar General's Department that, various payments totalling \$60,150.00 purported to have been paid to the Ministry of Justice for various programmes and activities were however not receipted by the recipients as having received them.

750. Our follow up on the Director of Finance and Administration to have the payments received by the beneficiaries proved futile. Details of the payment as indicated below.

Date	PV No.	Payee	Amount	Cheque No.
9/3/13	172813	Ag. Chief Director	8500.00	746.834
11/10/13	172813	Registrar- General/ Attorney- General	38,626.00	746.848
18/10/13	172990	" "	13,024.00	746,850
Total			\$60,150.00	

751. Weak oversight control of management over the Principal Accountant was the cause.

752. We recommended that, the officers concerned be made to receipt the payment or the amount be recovered from the Ministry and paid to chest.

Failure to submit tender document for works done GH¢39,955.27

753. Our review of procurement procedures disclosed that, the department awarded a contract to Golden Towers Construction

and Engineering to convert office space into marriage Hall at Takoradi at the cost of GH¢39,955.27.

754. We further noted that, apart from the award and the acceptance letter from the Company, other documents such as bidding documents, evaluation reports, Tender Committee Report and attendance sheet were not provided for our verification.

755. Non adherence to the procurement process by management of Registrar General could lead to value for money not obtained.

756. We recommended that, the documents be provided for our review failure of which the signatories to the accounts be surcharged.

Payment not supported with relevant receipts- GH¢281,057.04

757. Regulation 39 (2c) of the FAR 2004 requires Heads of Accounts to control disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

758. During our examination of the payment vouchers processed by the Registrar-General, we noted that PVs totalling GH¢281,057.04 made to various suppliers and service providers including cash payments made in the name of the Registrar-General were not supported with the relevant receipts.

759. This anomaly in our view, occurred largely as a result of weak supervision in the processing of payments. We were therefore unable to ascertain the genuineness of the payments made by the Department.

760. We recommended that the relevant supporting documentations such as VAT receipts and invoices should be produced for our inspection, failure of which, the officers responsible should be surcharged.

Failure to recover loans granted to staff GH¢5100

761. Our review of compensation for employees disclosed that 7 members of staff who were granted loans to help meet pressing financial needs have failed to honour the repayment terms. Out of the GH¢6,600.00 granted between May and December 2013, only GH¢1,500.00 was recovered leaving a balance of GH¢5,100.00 yet to be recovered from the officers. The receipts

on which the GH¢1,500.00 was recovered were not produced to enable the team verify that the recovery has been paid to bank.

No.	Date	Name	PV No.	Balance Granted GH¢	Amount Recovered GH¢	Amount Due GH¢
1.	6/5/13	Frank Anane	165643	1,000.00	500	500.00
2.	10/7/13	Thomas Abedigo	172801	600.00	-	600.00
3.	12/8/13	Eric Larbi	172864	1,000.00	250	750.00
4.	12/9/13	Daniel Tetteh	172940	1,000.00	500	500.00
5.	2/7/13	Jonathan Thomas	165737	1,000.00	-	1,000.00
6.	12/9/13	Boakye Agyemang	172940	1,000.00	200	800.00
7.	16/12/13	Solomon Nunoo	175177	1,000.00	50	950.00
				6,600.00	1,500	5,100.00

762. The Principal Accountants failure to ensure that the terms of the loan agreement were honoured by the officers led to the non-recovery of the loans.

763. The failure to present the receipt books for verification of the loans recovered, could lead to misappropriation of funds. Also the officer's failure to pay the loan granted them would

encourage other staff not to fulfill their financial obligations to the department.

764. We recommended that, the total amount of GH¢5,100.00 be recovered immediately and the officers be black listed from being granted further loans. Also the receipt book issued for the recovery of the GH¢1,500.00 be presented to the team for verification failing which the amount be recovered from the Principal Accountant.

Non maintenance of an Assets Register

765. Regulation 2(n) of the FAR 2004 states that, “the head of department shall compile and maintain assets register of the department as determined by the Controller and Accountant General”.

766. Contrary to the above regulation, we noted that four brand new Toyota Hilux Pickups procured from Toyota – Ghana Limited at cost of GH¢286,160.00 have not been recorded in an asset register. Other assets not recorded in an Assets Register also included; pumping machines, split Air Conditioners, Computers, etc.

767. We are of the view that, weak oversight with respect to effective Estate Management accounted for this state of affairs.

768. To minimise the risk of loss of assets, we recommended that, the Estate Officer should be properly supervised to regularly update the Asset Register.

MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTERGRATION

LUSAKA MISSION

Misappropriation of Funds

769. Our review of the records disclosed that the Accounting Officer, Mr. Thomas A. Amoak on different occasions failed to account for various monies belonging to the Mission as follows:

- a. Cash on hand of \$42,300 and £5,432,
- b. Consular Fees of US\$68,640.00 and
- c. Unauthorised cash withdrawal of US\$49,700.00 and €23,900.00 from the Special Collection Account.

The table below provides the details:

Details	Period	\$	£
Cash on Hand	Sept 2013 to Dec 2014	42,300	5,432
Unaccounted-for Revenue	Jan 2013 to Dec 2014	68,640	
Unauthorised Withdrawals	Jan 2014 to Aug 2014	49,700	23,900
Total		160,640	29,332

770. These anomalies in our view occurred as a result of poor internal controls and weak management oversight.

771. We recommended that, management should ensure full recovery of the total amount in the possession of Mr. Amoak and sanction him as appropriate. Also, we urged management to institute proper internal control at the Mission to safeguard its resources.

772. Management agreed with our observation and stated that, Mr. Amoak confirmed colluding with some bank officials to obtain forged bank statements to support the account balances.

773. Management further stated that, Mr. Amoak had been arrested by the BNI and requested to refund the amount of US\$49,700.00 and €23,900.00 withdrawn without authority.

LUANDA MISSION

Misappropriation of Funds

774. We observed during our review of cash management of the Luanda Mission that, a total of €64,655.00, US\$96,094.00 and CFA 4,435,000.00 being consular fees collected between April and November 2014, could not be accounted for.

775. Our examination showed that, Mr. King Pratt Ainooson, the Accounting Officer fraudulently falsified the signature of the Head of Chancery (HOC) to withdraw €64,655.00. Mr. Ainooson, also misappropriated a total of US\$56,709.00. Furthermore, we observed that a loan of US\$30,825.00 standing against the name of Mr. Ainooson was not approved. Consular Fees totalling CFA4,435,000.00 collected by Hon. Consul Madam Mandy could not be accounted for. The table below provides the details.

Name	Position	€	US\$	CFA
Mr. King Pratt Ainooson	Accounting Officer	64,655.00	87,534.00	
Hon. Consul Madam Mandy	Honorary Consul		-	4,435.000.00

776. Management of the mission stated that, the observation has been referred to the Ministry for recovery of the amount and appropriate sanctions meted out against the Accounting Officer.

BRUSSELS MISSION

Unapproved Disbursements – €58,746.62

777. During our audit of the Brussels Mission, we noted that out of the retained IGF of €143,090.10 transferred into the Retention Fund Account the Mission disbursed a total of €58,746.62 without authority.

778. The HOC explained that, the amount was disbursed in order to meet unavoidable commitments to goods and services providers to avoid legal tussles.

779. We urged the Mission to seek appropriate authorisation before making any disbursement from the Retained IGF Account. We further advised the Mission to seek retrospective approval for the expenditure already incurred.

OTTAWA MISSION

Missing GCRs

780. We noted that 10 GCRs which were issued by the Ministry of Foreign Affairs and Regional Integration to the Mission in August 2012 and had not been issued out to any of the Consular Sections of the Ottawa Mission could neither be traced nor produced for audit inspection.

781. Similarly, 22 GCRs issued to Vancouver, Toronto and Ottawa Consulate Sections under the Mission were not produced for audit inspection even though records indicated that 8 of the 22 had been returned to the Mission. Some of the Value Books had been outstanding since April 2011 with no effort by the Mission to locate them.

782. This lapse could be attributed to internal control weakness in the management of Value Books.

783. In view of the fact that Value Books have monetary value, the loss of any GCR could imply a loss of revenue to the Mission and Government of Ghana as a whole.

784. We advised management to trace all unrepresented GCRs for audit inspection.

OTHER AGENCIES

JUDICIAL SERVICE

Failure to reconcile financial statement with the non-tax revenue figures

785. Regulation 2 (g) of the FAR 2004, requires that, the head of government department shall, manage and reconcile the bank accounts authorised for the department by the Controller and Accountant General.

786. Our comparison of the Bank Statements during the period under review with the Non-Tax Revenue Cash Book showed a difference of GH¢1,011,643.23. The details are as shown below:

GH¢	
Bank Statements Balance	2,952,247.66
Non-Tax Revenue Cash Book	<u>1,940,604.43</u>
Difference	<u>1,011,643.23</u>

787. We observed that this difference could not be explained owing to the failure of the Non -Tax Revenue Unit to update their Revenue Cashbook regularly and perform reconciliations to agree with the Bank balance.

788. We recommended that management should ensure the regular reconciliation of their Cashbook with the Bank Statements to facilitate proper accountability of all funds maintained by their Bankers. We further recommended that management should investigate and update their records to reflect the true position of their Total Revenue Collection.

Revenue Collections not accounted for by seven Magistrate and Circuit Courts

789. Regulation 28(3) of the FAR, 2004 states that “A person who issues a temporary receipt or an unauthorised form for collection is in breach of financial disciplines as defined by Regulation 8(1). Regulation 15 (1) further enjoins public officers and revenue collectors who receive public and trust moneys to issue official receipts for them and account for them within twenty four hours except in exceptional circumstances as identified by the Minister.

790. We observed that six (6) Cashiers from Magistrates and Circuit Courts and one from the HFC Bank failed to account for various Court Fines collected amounting to GH¢28,980.91.

791. We noted that an amount of GBP (£) 440 confiscated by the Kweimuma Court was not lodged in the Bank. In related issues, two (2) value books vide GCR No. 3701501 to 3701600 and 3701401 to 3701500 issued to Nsawam Court for the collection of Court Fees and Fines were not presented for our examination. Other revenue anomalies noted included the failure of the Cashiers of HFC Bank (stationed at Sunyani Circuit 'A') and Drobo District Magistrate Court to account for total revenue of GH¢15,870.50 and GH¢5,787.50 respectively. The details are shown below:

Court	Detail	GH¢	GBP
Asamankese	Use of unauthorised Receipt book by Cashier on court refund to two Environmental Officers	1,600.00	
Kpando	Misappropriation of collections	2,722.91	

Drobo	Failure to account for collections by Cashier	5,787.50	
Sunyani Circuit A''	Failure to account for collections by HFC Bank Cashier	15,870.50	
Fomena	Failure to deposit collections (IGP compensation) vide GCR No. 7412735 by Cashier	3,000.00	
Kweimuma	Failure to deposit confiscated monies on alleged Drug Case		440
Nsawam	Unpresented value books GCR No 3701401 to 3701500 GCR No 3701501 to 3701600 Missing Value Book leaflets; GCR No. 3701401 to 3701461	Unknown	-
	Total	28,980.91	440

792. These anomalies in our view, were due to the failure by the affected Courts Registrars to exercise effective supervision on collections and lodgements of Court Fees and Fines.

793. We advised management of the affected Courts to strengthen their controls on revenue collections and ensure full recovery of all unaccounted for revenue from the respective Cashiers.

794. Management in Asamankese, Drobo, Sunyani and Nsawam agreed with our recommendations for compliance. The Magistrate Court, Kpando also responded that the culprit is already facing prosecution at the Circuit Court, Ho on the charge of embezzlement.

795. With respect to Kweimuma High Court, Management explained that, HFC Bank refused to accept the £440.00 on the grounds that the currency was worn out. The District Magistrate Court in Fomena, on the other hand did not respond to our observation.

Auction sales paid into IGF instead of consolidated fund GH¢258,308.22

796. Regulation 17(b) of the FAR 2004 requires that, a head of department shall ensure that all Non-Tax Revenue is immediately lodged in the designated Consolidated Fund Transit Bank Account, except in the case of Internally Generated Fund retained under an enactment.

797. Contrary to the above Regulation, we noted that proceeds from the sale of vehicles auctioned by the Judicial Service totalling GH¢258,308.22 was lodged into the IGF Retention Account instead of the Consolidated Fund bank account.

798. We recommended that the amount of GH¢258,308.22 should be transferred from the IGF Retention account into the Consolidated fund account in compliance with the FAR and to enable government have access to the funds for its business.

Foreign travels not accounted for \$3,608.00

799. Regulation 288(2) of the FAR 2004, states that “failure to retire an imprest by the due date, unless occasioned by the death or incapacity of the imprest holder is a breach of discipline as defined in regulation 8 (1)”.

800. During our review of the account of the Service, we noted that, a total amount of \$6,668.55 was paid to staff as accountable imprest for seminars and conferences. However, the officers have failed to account for the imprest since their return.

801. In our view, failure to account for the imprest could lead to misappropriation.

802. We urged management to demand receipt for the transactions and submit them for audit review failing which the affected officers should be made to refund the monies to government chest.

803. Management responded that, an amount of US\$2513.52 has been accounted for with receipts while a cash of US\$547.03 was refunded into the retention account on pay in slip no A0435595, leaving a balance of US\$3608.00 yet to be recovered.

CIRCUIT COURT 'A' - SUNYANI

Exhibits returned without Court Order

804. Order 36 Rule 9(2) of CI 47 civil Procedure Rules 2004 states;

- a) All the exhibits tendered at a trial shall be kept in the registry of the trial Court until the period limited for appeal has expired; provided that where an appeal is made after trial the exhibits shall be forwarded to the Court of Appeal or the relevant appellate court with the record of proceedings.

- b) No exhibit shall, except by order of the Court, be given to any party or taken out of the registry before the expiration of the time limited for appeal or until the appeal has been heard and disposed of.

805. On the contrary, our audit revealed that two (2) exhibits were returned to the original owners without a Court order. Details are provided as follows:

No.	Date	Title of case	Markings	Description
1.	6/2/14	The Rep. vs. Kwame Twene	Exh. A	3 Spines
2.	6/3/14	The Rep. vs. Osman Abdulai & 2 others	Exh. E Exh. F	Bag, Gun & Ammunition 2 Ammunitions

806. The Registrar's failure to adhere to the above CI resulted in the anomaly and have the potential of stalling court proceedings.

807. We recommended that the Registrar should produce the authority for releasing the exhibits, failing which he should be surcharged with the cost of the items.

808. Management did not respond to this observation.

DISTRICT MAGISTRATE COURT - MAMPONTENG - ASHANTI

Non acknowledgement of Receipt -GH¢17,990.00

809. Standard Accounting Practice requires that payments are acknowledged by the payee by written acknowledgement or by signature on official document or by official receipt to the person or organisation making the payment.

810. We noted however that forty-four (44) beneficiaries were paid a total of GH¢17,990.00 between January and July 2014 as compensation by the court after receiving judgement in their favour but failed to acknowledge receipt of the payments.

811. Failure to acknowledge receipt of payments made creates doubt about the genuineness of the transactions purported to have taken place. We could not confirm that the payees received the amounts stated against their names.

812. This anomaly could result in diversion of funds for private purposes.

813. We urged the cashier and Registrar of the court to ensure that the payees acknowledge receipt by appending their signatures or thumbprint to the payment vouchers failing which the total of GH¢17,990.00 be paid to chest as unclaimed compensation.

814. Management agreed to ensure that the payees sign the vouchers.

OFFICE OF GOVERNMENT MACHINERY- CASTLE MANAGEMENT SERVICES DEPARTMENT

Retaining and disbursing of IGF without approval-GH¢ 14,085.00

815. Section 5(a) of the Ministries, Departments and Agencies Retention of Fund Act, 2007, Act753 states that; despite any provision in any enactment to the contrary, Internally Generated

funds can only be utilized when the activities on which the expenditure will be incurred have been programmed and approved in that Ministry, Department or Agency's expenditure budget by Parliament.

816. Regulation 17(b) of the Financial Administration Regulations also states that "A head of department shall ensure that all Non-Tax Revenue is immediately lodged in the designated Consolidated Fund Transit bank account except in the case of IGF retained under enactment.

817. We found that total revenue of GH¢40,570.00 was generated by the department out of which GH¢20,285.00 was attributable to the Consolidated Fund.

818. We, however, noted that only GH¢6,200.00 of the attributable amount was transferred into the CF leaving a difference of GH¢14,085.00 which was then disbursed without Parliamentary approval.

819. Management attributed the anomaly to late release of GOG funds to the Department and the need to meet certain urgent expenditures.

820. To mitigate the risk of budget overruns and strengthen control over IGF lodgements into the Consolidated Fund, we recommended to management to seek retrospective approval from Parliament or recover the total amount of GH¢14,085.00 disbursed and pay same into the Consolidated Fund. We also advised management to ensure compliance with the Act.

821. Management in their response indicated that the amount of GH¢14,085.00 disbursed would be recovered and paid into the Consolidated Fund.

Failure to insure the Department's official vehicles

822. Motor and Traffic Regulations require that vehicles are insured and also covered with Roadworthiness certificates.

823. We however noted that, management neither insured the Department's four official vehicles nor covered them with Roadworthiness Certificates for the period reviewed.

824. We were of the opinion that the lapse would not leave the Department with any option than to bear the cost of any liability in case of an accident.

825. We therefore urged management to insure the vehicles and also obtain roadworthiness certificates for them.

826. Management in response stated that the vehicles would be insured as soon as funds were available.

**Retaining and disbursing IGF without approval-
GH¢20,711.00**

827. Section 5(a) of the Ministries, Departments and Agencies Retention of Fund Act, 2007, Act753 states that despite any provision in any enactment to the contrary, Internally Generated funds can only be utilized when the activities on which the expenditure will be incurred have been programmed and approved in that Ministry, Department or Agency's expenditure budget by Parliament.

828. Contrary to the Act, our audit disclosed that the Department retained and used non-tax revenue totalling GH¢20,711.00 it generated internally without authority. The table below provides the details:

Particulars	Amount - GH¢
Special Registration	1,323.00
Gymnasium	535.00
Training Fees	2,040.00
Extract Of Personal Data	285.00
Others	16,528.00
Total Amount	20,711.00

829. We recommended to management to seek retrospective approval from Parliament or recover the total amount of GH¢20,711.00 disbursed and pay same to the Consolidated Fund.

830. Management responded that the revenues were cost recoveries and not intended for profits. Management added that letters had been written to the Ministry of Finance to address the issue.

Salary Advance not recovered - GH¢11,635.83

831. Regulation 104 (C) of the FAR, 2004 states that; a head of department authorised to administer a class of advances shall

ensure that the advances are duly recovered in accordance with the regulations or agreements relating to them.

832. We observed that, salary advance totalling GH¢17,962.75 was granted to some officers prior to their placement on the government payroll. Our examination showed that though the officers have long been placed on the government payroll the indebtedness of the four officers totalling GH¢11,635 still remained outstanding.

833. We recommended to management to recover the amount from the affected individuals. We also advised management to institute measures on prompt recovery of advances.

834. Management explained that, letters had been written to the officers reminding them of their indebtedness.

NATIONAL IDENTIFICATION AUTHORITY

Undistributed National Identification Cards: 1.5 million cards

835. National Identification Authority is responsible for printing and issuing of Identity Cards for Ghanaians.

836. During our review of the operations of the Authority, we observed that about 1.5 million Identification Cards printed in 2008 for distribution to Ghanaians and having the particulars of registered persons still remained in the custody of the Authority thereby defeating the purpose for which the cards were printed.

837. We urged management to expedite action in ensuring the distribution of the cards to the owners without any further delay.

838. Lack of funding according to management was the cause of their inability to distribute the printed cards as required.

**Procurements not approved by Entity Tender Committee –
GH¢117,928.00**

839. Schedule three (3) of the Public Procurement Act, 2003 Act 663 requires procurement of goods and services between GH¢5,000.00 and GH¢25,000.00 to be passed through the Entity Tender Committee (E.T.C.) for approval.

840. The head of the Authority approved six separate procurements amounting to GH¢117,928.00. Our examination showed that, although the procurements were between the GH¢5,000.00 and GH¢25,000.00 threshold, they were not

approved by the Entity Tender Committee (E.T.C.). The table below provides the details.

P V No.	Name Of Supplier	Particulars	Invoice No.	Net Amounts GH¢
NIA/81/05/2013	One West Ghana Ltd	Cost of batteries		6,253.92
NIA/158/07/2013	Resolve System Ltd	Cost of 54 pcs MRW batteries	FRA 20458952 of 28/5/13	22,863.00
NIA/215/08/2013	Above All Levels Ent.	Purchase of 350 pcs 21 A toner cartridges	FRA 6383743 of 22/8/2013	18,865.00
NIA/0038/04/2013	Express Solutions	Printing of brochures and calendars	FRA 20127025 of 22/3/2013	18,600.91
NIA/0084/07/2013	EDKAP Publications	Cost of content development, design, layout etc.	6139196 of 236/2013	19,030.00
NIA/225/09/2013	Benzoe Peter Ent.	Repair of 37 vehicles	-	13,613.50
NIA/0120/10/2013	MG Systems Ltd.	Networking works on AFIS systems	MGSL/NI A/020413-02C of 26/9/2013	18,702.64
Total				117,928.97

841. This anomaly, in our view, could lead to procurement malpractices to the detriment of the Authority.

842. We advised management to adhere to the requirements of the Public Procurement Act in their procurement processes.

843. Management in response stated that, the goods & services provided were additional supplies and that there was an existing contract between the Authority and the suppliers.

844. We reiterated our position that, management should ensure strict adherence to the Public Procurement Act.

Biometric System not upgraded

845. Best practice requires entities to plan their activities to achieve the objectives of undertaking such activities.

846. The mission statement of the Authority is to adopt a cutting edge technology to provide client based identification service for socio economic development, good governance, safety and security for all citizens.

847. To carry out this mission, the Authority acquired equipment in the year 2005 to register and issue Ghana Identity Cards to citizens. The program was in two phases and the system was to be upgraded in the year 2009 to make possible for citizens

to possess identification cards that would be recognized by all sectors of the economy.

848. Our audit however disclosed that, after the first phase of the program the Authority did not upgrade the system resulting in the inability to realize the objective of providing one identity card for a citizen. The identity cards were to be recognized and accepted by other sectors of the economy such as; the Electoral Commission, the Social Security & National Insurance Trust and the National Health Insurance Authority.

849. The schedule officer attributed their inability to fully execute their planned activity to the failure of government to provide them with the necessary funding. We were of the view that the inability to achieve the objective of the project could also be due to ineffective planning.

850. We recommended to management to liaise with the Board to seek approval of Parliament to solicit for funding to complete the last phase of the project.

851. We also advised on the need to factor in alternative sources of funding in the planning of such projects in future.

852. Management, in their response, noted that the issue arose as a result of funding challenges. They however indicated that the Authority was into negotiations with the World Bank and the China Integrated Development Corporation (CIDC) for financial support.

Failure to hand over official Vehicle by Separated Staff

853. Two executive secretaries namely Professor Dumor and Dr. Ahadzie both separated staff of the Authority since 2008 and 2013 respectively are still in possession of their official vehicles.

854. Our physical inspection of assets of the Authority showed that, a Honda Civic saloon with registration number GE5478Y assigned to Professor Dumor and a Honda Civic with registration number GE 6967 Y assigned to Dr. Ahadzie were not handed over to the Authority after their separation. We could also not confirm from the records of the Authority that, the vehicles were sold to them.

855. We advised management to strengthen their controls to ensure that assets of the Authority in the possession of staff are properly handed over before separation. We further advised management to either retrieve the two vehicles from the former Executive Secretaries or regularise their possession.

856. Management stated that, Dr. Ahadzie was yet to respond to letters written to him on the issue. With respect to Prof. Dumor, the Board had made an offer to him to purchase the vehicle. We were of the view that these matters should be pursued to conclusion.

COUNCIL OF STATE

Non maintenance of fixed asset register

857. Regulation 2 (n) of the FAR, 2004 states that, “The head of the government department shall compile and maintain assets register of the department as determined by the Controller and Accountant General”.

858. In contravention of the above stated regulation, we noted that the accountant was not keeping an Assets Register to record particulars of assets of the Council. We also noted that the inventory records were not up to date and were also on loose

sheets. The last date of entry in the records was 31st December 2009.

859. We were of the view that the lapse was due to non-adherence to rules and regulations by the schedule officer and inadequate supervision of the officer's work by the immediate supervisor.

860. We recommended to management to ensure that the schedule officer maintained an updated inventory and assets registers.

861. Management in their response fully agreed with the finding and expressed their willingness to take immediate steps to correct the lapse.

GOVERNMENT SECRETARIAL SCHOOL

Indebtedness of students: GH¢36,140.00

862. Best practice requires management of institutions to institute measures to ensure that students always pay their fees and other charges in good time to help them run smoothly.

863. Our audit however disclosed that, for the period 1st January 2013 to 31st December 2013, management did not collect outstanding debts of GH¢36,140.00 from 93 students. The debt period ranged between 4 to 10 months.

864. We attributed the inability to collect the outstanding debts to lack of effective debt collection mechanism by management.

865. The failure to collect the debt from students denied the institution funds for its smooth operations. This anomaly if not addressed, could lead to the outstanding amounts becoming bad debts and a loss to the institution.

866. We therefore recommended to management to institute effective mechanisms to recover all debts owed the school by students.

867. Management in their response stated that they had placed an embargo on issuing of certificates and other relevant documents to students who owed the school until they fully settled their indebtedness.

NATIONAL SERVICE SECRETARIAT - TARKWA

Failure to Pay 20% Administrative Charges by Private Companies - GH¢19,396.40

868. The National Service Secretariat charges fees to private institutions for the use of national service persons.

869. During our review of the accounts of the NSS Secretariat in Tarkwa, we noted that 26 private companies who benefited from the services of national service persons failed to pay the related fees totalling GH¢19,396.40 to the National Service Secretariat.

870. According to the Municipal Director in charge of the Tarkwa National Service Secretariat, efforts had been made to collect the amount involved but to no avail.

871. We urged management to expedite action to retrieve the amount from the companies involved. Meanwhile we recommended that the companies concerned should not be allocated any service personnel in future. Management accepted our recommendation.

REGIONAL CO-ORDINATING COUNCIL (RCC) - SEKONDI

Purchases without alternative quotations - GH¢69,264.00

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

873. Notwithstanding the above-stated provision, our examination of the PVs from the period October 2012 to September 2014 disclosed that, the Council made a total payment of GH¢69,264.00 in respect of various items purchased, but failed to source quotations from at least three different suppliers as required by the Procurement Law.

874. Management’s non adherence to the procurement law resulted in this anomaly.

875. Failure to request for alternative quotations could lead to non-competitiveness and payment of higher prices for goods and services which could lead to loss of funds to the Council.

876. We urged management to strictly comply with the procurement law to ensure transparency and value for money.

Non-Payment of Rent - GH¢20,884.90

877. Occupants of Government bungalows/flats/quarters are expected to pay rent of 10% of their basic salary in accordance with Ministry of Finance Circular No. 133385/05/06NTR CAGD of 15 May 2006.

878. Our review of records of occupants of government bungalows/flats/quarters disclosed that, 17 occupants owed the Government totalling GH¢20,885.90 being rent arrears for the period January 2013 to September 2014.

879. Management's failure to abide by the directive in the Ministry of Finance Circular was the cause of the lapse.

880. We recommended to management to adopt stringent measures to recover the arrears and pay to government chest. Furthermore, management should prepare inputs and ensure that rents of the affected persons are deducted at source at the end of every month from their salaries.

Appendix A: Payment of unearned salaries to Health Workers

n	Dept.	Office	Post	Separated Staff	Staff ID	Period	Amount	Response	Category
MoH	MDH	Accra	Headquarters	Victor Playe			1,935.30	Nil	Study Leave without Pay
MoH	MDH	Accra	Korle-Bu Teaching Hospital	Bridget Bedu	HSS-534588		1,112.26	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Study Leave without Pay
MoH	MDH	Accra	Korle-Bu Teaching Hospital	Stella Martins	HSS 42779		5,454.17	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Retired
MoH	MDH	Accra	Korle-Bu Teaching Hospital	Veronica Antwi	HSS 54237		3,209.61	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Vacation of Post

MoH	MOH	Accra	Korle-Bu Teaching Hospital	Adobea Brobbey	HSS 608132		5,293.05	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Retired
MoH	MOH	Accra	Korle-Bu Teaching Hospital	Alexandra Osafo	HSS 1453151		4,205.26	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Deceased
MoH	MOH	Accra	Korle-Bu Teaching Hospital	Josephine Anowa Attah	HSS 527714		2,597.86	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Resignation
MoH	MOH	ACCRA	Korle-Bu Teaching Hospital	Dr. Edward Biga	HSS 7321		4,206.27	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Vacation of Post
MoH	MOH	ACCRA	Korle-Bu Teaching Hospital	Emededoh Ebi moovee	HSS-771665		5,690.39	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Vacation of Post

MoH	MOH	ACCRA	Korle-Bu Teaching Hospital	Anthony Kofi Bandoh	HSS 644285		4,515.12	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Leave without Pay
MoH	MOH	Accra	Korle-Bu Teaching Hospital	Mary Kuditcher	HSS 861352		935.48	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Dismissal
MoH	MOH	Accra	Korle-Bu Teaching Hospital	Lilian Addai	HSS-684580		3,825.60	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Completed houseman-ship
MoH	MOH	Accra	Korle-Bu Teaching Hospital	Frederick Denkyi	HSS 836533		2,330.69	Management has since recovered an amount of GH¢5,064.00 leaving a balance of GH¢38,311.76 yet to be recovered.	Study Leave without Pay
MoH	MOH	Accra	Ridge Regional Hospital	Donkor Gloria			4,097.28	Nil	Vacation of Post
MoH	MOH	Accra	Ridge Regional Hospital	Ms Wendy KokuiAcolats e	64186		6,670.74	Nil	Vacation of Post
MoH	MOH	Accra	Ridge Regional Hospital	Charles Adu	42773		1,298.18	Nil	Deceased

MoH	MOH	Accra	Ridge Regional Hospital	Ruth Bernice Ashidam	733377	24	6,236.99	Nil	Study Leave without Pay
MoH	MOH	Accra	Ridge Regional Hospital	Ebledzi Philomena	602486	24	5,170.06	Nil	Study Leave without Pay
MoH	MOH	Accra	Accra Psychiatric Hospital	Arhinkorah Joyelyn	771655		7,212.06	Nil	Vacation of Post
MoH	MOH	Accra	Accra Psychiatric Hospital	Ansong De-Love	74139		649.88	Nil	Deceased
MoH	MOH	Accra	Accra Psychiatric Hospital	Imora Kanjarg a	74888		1,098.29	Nil	Deceased
MoH	MOH	Tema	Tema General Hospital	Dr. Ernest Boakye			8,528.55	Nil	Completion of rotation
MoH	MOH	TEMA	Tema General Hospital	Dr. Folie Semefo			10,404.60	Nil	Completion of rotation
MoH	MOH	TEMA	Tema General Hospital	Dr. Salome Mensah			24,611.49	Nil	Completion of rotation
MoH	MOH	TEMA	Tema General Hospital	Dr. Otis Sarpong Apau			34,041.22	Nil	Completion of rotation
MoH	MOH	TEMA	Tema General Hospital	Helen Akabatu			1,457.00	Nil	Vacation of Post
							146,541.75		

Appendix B Payment of unearned salaries to staff of the Ministry of Food and Agriculture

Office	Post	Separated Staff	Staff ID	Period	Amount	Response	Category
Nsawam	Municipal Treasury	Mr. Micheal Tetteh Kwabla		26	30,419.10	Nil	Retired
Winneba	Mofa	4 staff		12	15,308.23	Nil	Separated Staff
AgonaSwedru	Municipal Agriculture Office	Madam Elizabeth Bortey	76111	6	4,941.30	Management complained that mechanised vouchers delayed before coming to district, hence, the delay in informing the banks.	Retired
Tumu	District Agricultural Development Unit	Kogoramo Stephen		5	5,361.12	Nil	Retired
Anloga	MOFA	Anthony Avornyo			3,119.60	Nil	Separated Staff
Anloga	MOFA	William Aziator			351.76	Nil	Separated Staff
ANLOGA	MOFA	Samuel Smith Akpade			7,585.11	Nil	Separated Staff

HOHOE	MOFA	Fugah Kumanya	65850		8,100.21	Nil	Compulsory Retirement
HOHOE	MOFA	Patrick Kodjovi	81358		3,509.43	Nil	Compulsory Retirement
SUNYANI	MUNICIPAL DIRECTORATE OF AGRIC	Amponsah Boateng		8	11,352.92	Management responded that they had written to the bankers of Mr. Amponsah Boateng and Mr. Cladius Bayuo to suspend payment of salaries to them and return the unearned salaries to chest.	Retired
SUNYANI	MUNICIPAL DIRECTORATE OF AGRIC	Cladius Bayuo		2	4,186.90	Management responded that they had written to the bankers of Mr. Amponsah Boateng and Mr. Cladius Bayuo to suspend payment of salaries to them and return the unearned salaries to chest.	Retired
PAGA	MOFA	Lawrence Azantia		4	4,416.93	Nil	Retired
PAGA	MOFA	Patience Nsomah Ayinne		1	553.62	Nil	Deceased
Gambaga	MOFA	2 Staff			24,029.88	Nil	Ghost Names
					123,236.11		

Appendix C Payment of unearned salaries to staff of the Ministry of Education

Dept.	Office	Post	Affected Staff	Staff ID	Period	Amount	Management Response	Category
GES	Asamankese	Non-Formal Education Division	Kwame Appiah – Biney		2	1,306.19	Nil	Retired
GES	Bechem	Derma Islamic	Brafi Adomako Sara		Nil	274.43	Nil	Separated Staff
GES	Bechem	Kofitamkrom	Amankwa Agyabeng J.		9	2,326.40	Nil	Separated Staff
GES	Bechem	Kofitamkrom	KumiAnyimadu Paul		6	1,558.72	Nil	Separated Staff
GES	Bekwai	Non-Formal Education Division	Joseph Atta-Poku	817560	25	20,214.50	Management stated that action has been taken for the deletion of the names and banks notified to pay the amount involved to chest.	Vacation of Post
GES	Bekwai	Non-Formal Education Division	Christopher Osei Akoto	797473	15	12,128.70	Management stated that action has been taken for the deletion of the names and banks notified to pay the amount involved to chest.	Vacation of Post

GES	Cape Coast	Regional Education Office	Derek Owusu Bekoe		14	11,222.22	Nil	Separated Staff
GES	Cape Coast	Regional Education Office	Asante Ataa Domfeh Junior		10	8,672.12	Nil	Separated Staff
GES	Headquarters	Non-Formal Education Division	Joseph AyitteyAttah		5	1,874.15	Nil	Retired
GES	Suhum	Non-Formal Education Division	Madam Ernestina Bekoe		13	10,905.31	Nil	Resignation
GES	Suhum	Municipal Education Office	Mr. Alexander Ofori		15	8,629.80	Nil	Vacation of Post
GES	Suhum	Municipal Education Office	3 Staff			25,512.00	Nil	Vacation of Post & Deseased
GES	Tumu	Non Formal Education Division	Bukari Sumani		5	1,871.16	Nil	Deseased
GES	Winneba	Non-Formal Education	Mr. Eric Mills		9	1,437.79	Nil	Separated Staff
GES	Winneba	Non-Formal Education	Mr. Amed Shaibu		1	943.29	Nil	Separated Staff
Ghana Library Authority	Sunyani	Ghana Library Authority	Awinbila Alice			2,949.32	Nil	Resignation
Ghana Library Authority	Sunyani	Ghana Library Authority	Asabil Kofi			3,723.74	Nil	Death

Ghana Library Authority	Sunyani	Ghana Library Authority	Saadong Dennise			506.57	Nil	Death
M Ghana Library Authority	Sekondi	Ghana Library Authority	Bajaku Shaibu			6,789.63	Management promised to pursue the recovery of the amount in due course.	Vacation of Post
						122,846.04		

Appendix D: Payment of Unearned salaries to staff of Ministry of Employment and Labour Relations

Dept.	Office	Post	Separated Staff	Staff ID	Period	Amount	Response	Category
Min. Employment	Accra	Min. Employment	Mr. Alhaji Moro Alidu	756817	2	735.92	Management noted our observation for compliance and further stated that the Ministry have contacted the ADB for the transfer of the amount`	Vacation of Post
Min. Employment		Public Service Commission	Cynthia Asamoah	26652	14	4,364.22	Management explained in their response that the separated staff had been contacted to refund the unearned salaries	Retired
Min. Employment		Public Service Commission	Bkengil Benjamin	127770	2	612.50	Management explained in their response that the separated staff had been contacted to refund the unearned salaries	Resignation

Min. Employ ment		Public Service Commission	Cecilia Myers	892832	2	2,063.74	Management explained in their response that the separated staff had been contacted to refund the unearned salaries	Deceased
Min. Employ ment		Public Service Commission	Asiedu Ntow	33944	7	4,471.79	Management explained in their response that the separated staff had been contacted to refund the unearned salaries	Retired
Min. Employ ment		Public Service Commission	Ankomah Philemon	904783	2	855.77	Management explained in their response that the separated staff had been contacted to refund the unearned salaries	Resignatio n
						13,103.94		

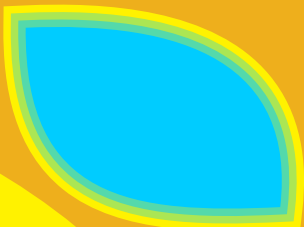
Appendix E: Payment of unearned salaries Security Officers

Min	Dept.	Office	Post	Separated Staff	Staff ID	Period	Amount	Response	Category
MINT	Mol	Takoradi	Ghana Police Service	NarhDeo-valente Otchie		3	2,528.66	Nil	Deceased
MINT	Mol	Takoradi	Ghana Police Service	Abukakar Osman		2	917.10	Nil	Deceased
MINT	Mol	Takoradi	Ghana Police Service	Vincent Anane OAgbemasi		2	800.17	Nil	Deceased
MINT	Mol	Begoro	Ghana Fire Service	Jonathan Tagoe		2	3,502.23	Nil	Separated Staff
MINT	Mol	Nkwakwa	Ghana Fire Service	Samuel Lartey		5	8,021.23	Nil	Separated Staff
MINT	Mol	Nsawam	GHANA FIRE SERVICE	2 dismissed staff		5	2,994.46	Nil	Separated Staff
MINT	Mol	Koforidua	Ghana Fire Service	Jonas Tekper		4	3,641.87	Nil	Separated Staff
MINT	Mol	Navrongo	Ghana Fire Service	Raymond Adoawubong		1	1,643.04	Nil	Separated Staff
MINT	Mol	Kpando	Ghana Prisons Service	Amankwa Sarpong	20479	1	1,532.61	Management responded that the input forms were submitted to the Controller and Accountant -General, which failed to make deletions on time	Retired
MINT	Mol	Kpando	Ghana Prisons Service	Kasami Ben-Ray	18623	2	2,908.52	Management responded that the input forms were submitted to the Controller and Accountant -General, which failed to make deletions on time	Retired
MINT	Mol	Koforidua	Ghana Immigration Service	2 Staff			27,194.44	Nil	Separated Staff

MINT		Daboase	NADMO	Nana Kofi Owusu Agyemang			6,287.26	Nil	Vacation of Post
MINT		Kibi	NADMO	5 Staff			2,815.96	Nil	Separated Staff
MINT		Asamankese	NADMO	Mr. Gu-Edem			1,301.08	Nil	Vacation of Post
MINT		Koforidua	NADMO	3 Staff			8,040.95	Nil	Separated Staff
							74,129.58		

Payment of Unearned salary to staff of Ministry of Justice and Attorney General

Dept.	Office	Post	Separated Staff	Period	Amount	Response	Category
MoJAG	Accra	Judicial Service	Various Staff	12	176,928.10	nil	Separated Staff
MoJAG	Dodowa	Judicial Service	Stephen Kwadofio	8	2,299.71	nill	Separated Staff
MoJAG	Somanya	Judicial Service	James Fiagbor	5	4,428.71	nill	Separated Staff
MoJAG	Drobo	Judicial Service	Mariama Karim	14	3,022.50	nill	Separated Staff
MoJAG		Judicial Service	3 Staff	16	3,638.60	nill	Separated Staff
					190,317.62		



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
- 