

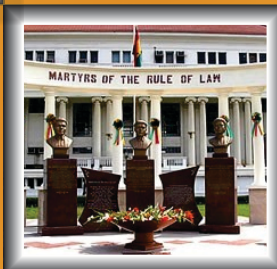


REPUBLIC OF GHANA

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REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA MINISTRIES, DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE YEAR ENDED 31 DECEMBER 2013



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
1 September 2014

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 2013**

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TRANSMITTAL LETTER

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30 August 2014

Dear Mr. Speaker,

**ANNUAL REPORT OF THE AUDITOR-GENERAL ON
THE PUBLIC ACCOUNTS OF GHANA - MINISTRIES,
DEPARTMENTS AND OTHER AGENCIES (MDAs)
FOR THE YEAR ENDED 31 DECEMBER 2013**

Article 187(2) of the 1992 Constitution of the Republic of Ghana gives the Auditor-General the mandate to audit all the public accounts of Ghana and to report to Parliament. In accordance therewith, I have the privilege to present to the Honourable Speaker of Parliament, my audit report on Ministries, Departments and Agencies (MDAs) of Central Government, including the Courts, to be laid before Parliament for its consideration.

2. My report is in three parts and covers the operations, programmes and activities of the MDAs as well as their financial records which were audited in respect of the year ended 31 December 2013.

3. The objectives as well as full scope covered, the methodology used and the limitations that affected the audit have been captured in Part 1 of my report. Part 1 provides also a background to the audits and an overview of the content including a general summary of significant findings and recommendations made as a result of the audit.

4. Part 11 of the report contains the summary of findings and recommendations made in respect of the individual Ministries and their respective Departments and Agencies.

5. Part 111 of the report provides the full details of all the findings made in respect of each MDA and the individual recommendations for each finding which were summarized in Part 11.

6. Mr. Speaker, my function includes the conduct of financial and regularity audit of the accounts, programmes and activities of MDAs. In this respect, some MDAs have prepared and submitted financial statements but these have not met fully the requirements of Section 41 of the Financial Administration Act and are therefore not commented upon in this report. It is my expectation, however, that with the roll out of the Ghana Integrated Financial Management Information System

(GIFMIS) there will be an improvement in the situation such that my reports from 2015 can now embody my audit opinion on MDAs' financial statements.

7. My report on MDAs for 2013 indicates continued infractions and financial indiscipline on the part of MDAs in acknowledging and observing legislative supremacy. Several irregularities have been highlighted in this report. The irregularities show the lack of probity and propriety or the extent of non-compliance with or deviation from and disregard for the tenets of laws, rules and regulations designed to secure the conduct of government financial business in an orderly and legal manner and as well preserve or improve the nation's wealth and resources.

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

9. Additionally, Section 30 of the Audit Service Act, 2000 (Act 584) requires the establishment of Audit Report Implementation Committees (ARICs) to ensure that all audited entities act on recommendations contained in the Auditor-General's Reports as well as internal monitoring reports, etc. to

ensure improvement in administration and operations of MDAs, and to report annually on action taken to Parliament, the President and the Auditor-General. However, most MDAs have not attached any seriousness to the establishment and operation of these ARICs.

10. We bring this to your attention in the hope that Parliament will assist in securing effective action in this regard to improve accountability and enhance public financial management. ARICs established and functioning effectively should be able to bring the spate of irregularities under control.

11. As Parliament proceeds to deliberate upon this report, I would like to draw the Speaker and Members attention that the audit of governmental and public institutions generally in 2013 was conducted under very austere conditions that have been very tasking for my institution. It is my fervent wish that Honourable Members will take note that my staff were compelled out of their goodwill to use their own salaries and personal resources to finance the auditing activities, in expectation that they would be reimbursed, but my Office did not receive the relevant funds from the Ministry of Finance to effect such reimbursement to the officers.

12. Mr. Speaker, I have, in line with modern and emerging auditing trends and evolving international auditing standards introduced new auditing methodologies whose implementation and practice require requisite training, sustained monitoring

and evaluation effort including intensified quality assurance to ensure effectiveness in practice. The introduction of GIFMIS has also required that my staff should obtain specialized IT training and be provided with relevant tools to audit this computerized platform. I am however constrained in this drive because my Office has not received the necessary budgetary resources from the Ministry of Finance even though funds were approved for these purposes.

13. I must caution that given these circumstances, if the auditing function is not supported with adequate resources there may come a time when the governmental or public sector auditor's independence and integrity might be at risk and the tax payer and others with stakeholder interest in our function and reports may not be assured of our auditing services as an institution. This would be as a result of poor funding and the lack of incentive and basic working tools as well as the enabling environment for professionalization of our institution and services leading to inability to adhere to international standards and work ethics that would produce the best effort in my staff.

14. In conclusion, Mr. Speaker, my Office would appreciate due and appropriate consideration in the disbursement of funds required to support our constitutional mandate to provide auditing services that assure transparency, probity and accountability in the management of public sector and national resources.

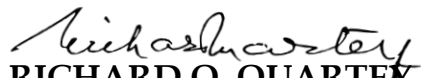
Acknowledgement

15. Mr. Speaker, I would like to acknowledge the cooperation by personnel and Managements of the MDAs that my staff audited nationwide. I also extend my gratitude to my Management and officers for their goodwill and restraint that has enabled me to present this report to Parliament. I am thankful to the Executive, all persons, institutions and stakeholders who have contributed in diverse ways to the production of this report.

16. I would, finally, like to appreciate the support and collaboration of Mr. Speaker and Parliament towards the discussion and review of my Reports.

17. I remain at your service and the service of the nation.

Yours faithfully,


RICHARD Q. QUARTER
AUDITOR-GENERAL

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

PART I

REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA - MINISTRIES, DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE YEAR ENDED 31 DECEMBER 2013

Introduction

In accordance with Article 187(2) of the 1992 Constitution, I have audited the accounts of Ministries, Departments and Agencies of Government (MDAs) for the year ended 31 December 2013 and present herewith the results of the regularity audit of the MDAs. The report contains significant issues and matters that I wish to bring to the attention of Parliament.

2. Bearing in mind that our audit must be conducted in accordance with International Auditing Standards and best practice, noting that the public financial management system of Ghana is underpinned by relevant legislation and administrative guidelines and directives issued by the Executive, I adopted as a criteria for the audit the INTOSAI standards and domestic legislation such as the Financial Administration Act, 2003 (Act 654), and the Financial Administration Regulations, 2004.

3. I also relied on the Public Procurement Act, 2003 (Act 663), the Audit Service Act, the Stores Regulations of 1984, etc., the accounting instructions of Departments and Agencies and

the accounting basis, policies and classification systems approved by the Controller and Accountant General in consultation with the Auditor-General to be applied in public accounting to ensure the establishment of a proper system of accounting.

Audit Objectives

4. Section 13 of the Audit Service Act, 2000 (Act 584) enjoins me to examine, in such manner as I think fit, the financial operations of MDAs and ascertain, among other things, whether in my opinion:

- ❖ accounts have been properly kept
- ❖ legislative supremacy has been sustained and there has been compliance with applicable statutes and all other Regulations (i.e. whether or not funds were spent for the purposes intended by the Parliament and/or whether a financial transaction is in accordance with the authorising legislation. If the payment or receipt is not in accordance with the legislation, statutes, the rules and regulations the payment or receipt will be considered as irregular).
- ❖ there has been compliance with Budget allocation
- ❖ assets are safeguarded and protected from abuse, wastage and loss
- ❖ there has been efficiency, effectiveness and economy of resources utilization or value for money has been obtained.

Scope

5. Guided by the above objectives, I also reviewed internal control and internal audit functions and assessed risk management and the probity and propriety of administrative decisions taken within the audited entities.

6. In determining whether there has been probity and propriety in actions taken, I assessed whether those charged with custody and use of public resources adhered to standards of behaviour and conduct and observed certain fundamental principles in handling of public resources. I also determined if there had been fairness and integrity in administrative decision making and in dealing with the stakeholders.

Audit approach

7. In introducing my report, it is necessary to establish a certain background to the findings, conclusions and recommendations that have been made in the report.

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

9. Expenditure to be made from the revenue paid into the CRF is to be approved by Parliament in an Appropriation Act and without this authority any expenditure made from public funds is irregular and illegal, thereby establishing legislative

supremacy which must permeate all acts and financial transactions.

10. The Executive or Government takes the initiative to prepare a national budget based on revenue expectations and Government policy direction for the year and presents this to Parliament for approval. This approval is granted through the passage of the Appropriation Act.

Outcomes/benefits expected

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

- ❖ The audit leads to Accountability
- ❖ There is enforcement of financial discipline
- ❖ The audit leads to prevention of fraud, waste and abuse
- ❖ The process promotes best practices
- ❖ The audit process becomes an aid to administration
- ❖ The audit process assists in achieving good governance and checks corrupt practices.

12. MDAs are required under Section 41(1)(a) of the Financial Administration Act, 2003 (Act 654) to prepare and submit to the Auditor-General their annual financial statements for audit. The Section specifies the form in which the financial statements should be presented. The Auditor-General is expected to carry out a financial audit of the statements and provide an opinion on them to Parliament as to whether the

financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework and that the financial statements are presented fairly, in all material respects, or give a true and fair view in accordance with the framework.

13. Not all MDAs submitted their financial statements to be audited. Such Financial Statements as were submitted by the MDAs did not comply fully with Section 41(1)(a) of the FAR and therefore were not commented upon in this report.

14. We are aware that MDAs financial statements will become compliant with the FAA with the rollout of the Ghana Integrated Financial Management and Information System (GIFMIS) in the second half of 2013. The GIFMIS is expected to generate financial statements for a full year from 2014 onwards and the Audit Service shall carry out full financial statement audits of MDAs from 2015 as an “assurance service” that would enhance the degree of confidence of intended users in the financial statements, and as an attestation of financial accountability of the government administration as a whole.

General comments on irregularities in the report

15. The 2013 MDAs audit results indicated continued infractions and financial indiscipline on the part of MDAs in acknowledging and observing legislative supremacy. Several irregularities have been highlighted in this report. The irregularities show the lack of probity and propriety or the extent of non-compliance with or deviation from and disregard

for the tenets of laws, rules and regulations designed to secure the conduct of government financial business in an orderly and legal manner and as well preserve or improve the nation's wealth and resources.

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

17. The irregularities take many forms including:

- ❖ Theft/loss and embezzlement of cash and stores or other assets of Government;
- ❖ failure on the part of public officers and tax officials to impose, collect taxes or pay-over taxes collected on behalf of the State;
- ❖ failure to collect rent or other revenues due to Government,
- ❖ failure to observe contract and procurement procedures and agreements or monitor their effective implementation;
- ❖ failure of some dealer commercial banks to pay into government chest (the Consolidated Fund) monies paid to them by those transacting business with public institutions to be transferred/remitted to the

- Consolidated Fund, which they have kept for their private business or held onto for unduly long periods;
- ❖ failure by people and institutions to pay back to Government the loans or cost of equipment and farming inputs given to them by Government to assist them grow their businesses or farming activities,
 - ❖ unearned salaries and pensions of separated or deceased employees that cannot be recovered because sufficient appropriate action was not taken to stop these payments in time, or block access to the funds;
 - ❖ Acting without sufficient information or knowledge of the legal framework governing public financial management and the taking of poor decisions for whatever reasons, without probity or propriety, leading to certain losses and situations whereby judgment debts were incurred or settlement claims and avoidable costs had to be paid.
 - ❖ etc., etc.

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

Summary of significant findings and recommendations

19. We have grouped the irregularities under seven broad categories as follows:

- ❖ Cash Irregularities
- ❖ Outstanding Debts/Loans

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

20. The overall financial impact of the weaknesses and irregularities identified amounted to GH¢476,830,533.57, US\$406,804.87, Euro 39,578.55 and GBP4,000.00. When the foreign currency component is converted to Ghana Cedis the entire amount comes to GH¢477,708,455.81. The main composition is summarized in Table 1 while an analysis of the irregularities per each MDA is provided in Table 2.

Table 1: Summary of financial irregularities for 2012 and 2013

Classification of Irregularities	%	2013 GH¢	2013 US \$	2013 GBP	2013 Euros	Total 2013 GH¢	Total 2012 GH¢
Cash Irregularities	56.26	268,676,045.81	15,444.00		23,295.00	268,764,476.50	340,146,161.75
Outstanding Debts/Loans	4.01	18,385,019.87	391,360.87	4,000.00	-	19,133,001.39	6,776,364.99
Payroll Irregularities	0.35	1,658,054.06	-	-	2,921.11	1,665,500.55	45,147,616.54
Tax Irregularities	11.98	57,215,082.84	-	-	-	57,215,082.84	1,161,315.24
Contract Irregularities	26.76	127,856,539.47	-	-	-	127,856,539.47	1,620,641.51
Stores/Procurement Irregularities	0.57	2,740,788.67	-	-	-	2,740,788.67	866,451.98
Rent Payment Irregularities	0.07	299,002.85	-	-	13,362.44	333,066.38	-
Total	100.00	476,830,533.57	406,804.87	4,000.00	39,578.55	477,708,455.81	395,718,552.01

The ruling conversion rates of the various foreign currencies involved, as at 31 December 2013, are set out below.

US\$ 1.00	-	GH¢1.8808
€1.00	-	GH¢2.5492
£1.00	-	GH¢2.9775

Cash irregularities - GH¢268,764,476.50

21. The total of Cash irregularities noted during the period amounted to GH¢268,676,045.81, US\$15,444.00, and Euro23,295.00. This converted to GH¢268,764,476.50 at the exchange rates indicated in the Table and represented 56.26% of the total of all irregularities reported. The incidences, among others, involved:

- ❖ Misapplication of funds for purposes other than those originally intended and a failure to replace the funds;
- ❖ Misappropriation of revenue/other receipts;
- ❖ Failure by Accounting Officers to properly acquit expenses and payment vouchers or produce them for inspection and validation;
- ❖ Cheques from businesses/organisations and individuals in settlement of their tax and other obligations which were dishonoured by their bankers and not replaced;
- ❖ Unpaid fines and deposits;
- ❖ Direct debits not accounted for or substantiated with supporting documents;
- ❖ Unconfirmed Lodgments to bank;
- ❖ Failure to issue receipts for or transfer Capitation Grants received
- ❖ Cash withdrawals without any documentation
- ❖ Excess budgetary expenditure not approved by Parliament.

22. I recommend the continued strengthening of internal controls over the collection and disbursement of cash as well as other funds and adherence to the provisions of FAA 2003 (Act 654) and FAR 2004 (L.I. 1802), etc.

Outstanding debts/loans – GH¢18,385,019.87, US\$391,360.87 & GBP4,000.00

23. Outstanding debts/loans which converted to an aggregate amount of GH¢19,133,001.39 constituted 4.01% of the total irregularities for the period. MDAs continued to grant loans in the form of farming inputs and implements without putting in place appropriate recovery measures. There were outstanding recoveries for advances for motor cycles, etc. Included in the amount of GH¢19,133,001.39 was a substantial amount of workman's compensation due from Government comprising an outstanding amount of GH¢1,252,636.23 for 2012 and GH¢942,390.09 in respect of 2013 which also was outstanding. Additionally, a commercial loan of GH¢5,411,991.37 taken by 37 Military Hospital to finance the purchase and operation of an MRI machine was also outstanding and attracting huge interests.

24. We recommend that the necessary actions required for improving the management and status of claims and loan administration should be taken in a timely manner to ensure that the related programmes do not suffer adversely as a consequence.

Payroll irregularities - GH¢1,665,500.55

25. Irregularities in Active and Pensioned staff payrolls continued to create avenues for loss of funds to the State arising from delayed or ineffective action by Human Resource Units within MDAs and the Controller and Accountant General's Department in the deletion of names of separated staff from the payroll and inaccuracies in the pension payroll and payment computations. We recommended that due care should be exercised and that the various units involved in handling separated staff information or relaying these to bankers of separated staff for appropriate action should approach their roles with more diligence to save the country from losses through payment of unearned salaries that are eventually very difficult to retrieve.

26. We repeat our previous recommendation for the establishment of a mechanism whereby deceased pensioners, separated individuals or pensioners shall not continue to receive salaries/pensions and their beneficiaries who have been wrongly paid or benefited from the unearned salaries, as well as their bankers, should be made to face rigorous sanctions for not returning such unearned monies promptly when called upon to do so.

Tax irregularities and others - GH¢57,215,082.84

The Ghana Revenue Authority failed to collect a total amount of GH¢57,215,082.84 due from corporate institutions, businesses and individual taxpayers during 2013. The figure represents 11.98% of total irregularities recorded for the period.

Some of these tax arrears had been outstanding for up to eight years. GRA failed to apply measures and sanctions provided in the Section 135(2) and Section 136 of Internal Revenue Act, 2000, Act 592, for tax administration in this country. This inaction has tacitly encouraged tax evasion and avoidance by taxpayers who already have a latent unwillingness to pay their taxes.

27. It is recommended that there should be proper monitoring and supervision of the work of subordinate staff and other schedule officers. Further, GRA should take steps to improve the efficiency of tax administration as well as collection, follow up on taxes due and enforce sanctions as and when required. GRA should also undertake public education to draw stakeholders' attention to the requirements of the tax laws and the obligations of citizens and companies.

Contract irregularities - GH¢127,856,539.47

28. Contract irregularities in this year's report totaled GH¢127,856,539.17, representing 26.76% of the overall irregularities. The Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA) was responsible for as much as GH¢117,161,070.24. At the Ministries of Health and Justice and the Ghana Education Service similar contract irregularities were found. In our view, poor management practices and lack of probity and propriety in execution of responsibilities of officials in charge of public financial business led to these irregularities.

29. It is recommended that public officials should exercise more prudence in making executive decisions or signing Agreements with third parties in order not to flitter away public funds. MDAs should endeavour to adhere strictly to the provisions of the Financial Administration Act and Regulations, the Public Procurement Act, etc.

Stores/Procurement irregularities – GH¢2,740,788.67

30. Stores and procurement irregularities noted during the period amounted to GH¢2,740,788.67 which was 0.57% of the total irregularities. Once again they took the form of failure to follow procurement procedures prescribed by the Public Procurement Act, payment for goods not supplied, goods not accounted through store procedures and records, expenses paid without works orders and fuel issues not properly brought to account.

31. It is recommended that public officials should exercise effective supervision over the work and activities of their subordinate staff and, those who fail to observe the relevant procedures and regulations should be sanctioned appropriately.

Rent payment irregularities – GH¢299,002.85 and Euros13,362.44

32. The total amount of rent arrears owed by staff aggregated GH¢333,066.38 representing 0.07% of total irregularities. The irregularities arose from the failure to convey appropriate information to the Controller and Accountant

General and problems in payroll administration. Managements of some MDAs did not ensure deduction of rent that was due from the salaries of their staff.

33. There is the need for Management of MDAs to ensure that appropriate inputs are submitted to Controller and Accountant General and rent due is deducted at source from the salaries of staff. The maintenance of a proper database, monthly reconciliation with payroll records and effective monitoring can ensure this.

Conclusion

34. The cataloguing of financial irregularities in my Report on MDAs and Other Agencies has become an annual ritual that seems to have no effect because affected MDAs are not seen to be taking any effective action to address the basic problems of lack of monitoring and supervision and non-adherence to legislation put in place to provide effective financial management of public resources. Whatever efforts have been made by MDAs in the past has not been effective enough to deal with the issues of non-compliance and outright disregard for established order in the conduct of public financial business.

35. The 2013 MDAs audit results indicated continued infractions and financial indiscipline on the part of MDAs in acknowledging and observing legislative authority. As a direct consequence, poor cash management practices continued to exist to the detriment of the State. We noted failure to pay

revenue collected into the Consolidated Fund, failure to collect or pay taxes due to the State, failure to account for monies given out for implementation of programmed activities, travels and settlement of claims or other recurrent expenditures and the absence of pertinent records to support claims paid, stores purchased or fuel utilized.

36. We also observed lack of probity and propriety on the part of public officials in the performance of their management and supervisory functions, leading to various forms of losses and potential loss of public funds. There were also ineffective internal audit function and inadequate controls over the administration of contracts, procurement and payroll.

37. The findings collated for this report were made available to the heads of all MDAs and where they provided comments or responses their comments and views were incorporated before finalizing this report. This was to ensure that our conclusions and comments reported would be based on accurate and up to date facts. Not all the MDAs availed themselves of this opportunity.

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

No.	Ministries, departments & agencies	Cash Irregularities			Outstanding Debts/Loans		Payroll Irregularities		Tax irregularities
		\$	€	GH¢	\$	GH¢	€	GH¢	GH¢
1.	Minsitry of Finance & Economic Planning			53,490,965.60		4,553.34		159,375.87	55,964,798.34
2.	Ministry of Health/GHS					7,756.00		50,956.06	1,210,887.00
3.	Ministry of Food and Agriculture			1,740,985.15		1,980,480.20		398,767.27	2,405.02
4.	Ministry of Education/GES			1,562,051.91		1,050.00		654,567.82	15,097.47
5.	Ministry of Employment and Labour Relations			204,805.82	8,500.00	2,370,116.32		41,544.90	15,299.86
6.	Ministry of Youth and Sports			199,312,453.00		23,540.00		51,482.16	
7.	Ministry of Interior			45,889.70				52,622.24	144.15
8.	Min. of Water Resources, Works and Housing			1,081,504.00		543,726.10		31,122.21	
9.	Min. of Local Government and Rural Devt.			131,917.00				29,869.46	
10.	Ministry of Lands, Forestry and Mines			98,972.00				75,123.00	
11.	Min. of Information and National Orientation			101,618.00		412,338.00		7,055.00	
12.	Ministry of Communication			11,073.00		5,000,000.00		15,552.50	
13.	Mini of Gender, Children & Social & Protection			1,900,160.25		45,979.00		18,319.00	6,451.00
14.	Ministry of Defence				170,517.00	5,411,991.37			
15.	Ministry of Tourism, Culture and Creative Arts			29,856.00					
16.	Ministry of Roads and Hiaghways			35,646.00				17,099.00	
17.	Ministry of Justice and Attorney General								
18.	Registrar-General's Dept					637,896.00			
19.	Min. of Foreign Affairs and Regional Integration	12,144.00	23,295.00	12,270.00	5,839.87		2,921.11		
20.	Ministry of Trade and Industries								
21.	Judicial Service	3,300.00		8,915,878.38	206,504.00 £4000.00	1,945,593.54		44,479.57	
22.	Office of Govt. Machinery & Other Agencies								
23.	PRAAD							10,118.00	
		15,444.00	23,295.00	268,676,045.81	391,360.87 £4000.00	18,385,019.87	2,921.11	1,658,054.06	57,215082.84

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

No.	Ministries, departments & agencies	Contract Irregularities	Stores/ Procurement Irregularities	Rent Payments Irregularities		Grant total			
		GH¢	GH¢	€	GH¢	GH €	US\$	£	€
1.	Minsitry of Finance & Economic Planning	17,051.42	47,136.14		121,846.00	109805,726.71			
2.	Ministry of Health/GHS	7,836,074.94	54,580.00			9160,254.00			
3.	Ministry of Food and Agriculture		56,328.58		53,045.85	4,232,012.67			
4.	Ministry of Education/GES	2,745,972.57	2,116,597.49		2,165.00	7,097,502.26			
5.	Ministry of Employment and Labour Relations		26,647.00			2,658,413.90	8,500.00		
6.	Ministry of Youth and Sports	117,161,070.24	27,689.91			316,576,235.61			
7.	Ministry of Interior		106,819.90		4,200.00	209,675.99			
8.	Min. of Water Resources, Works and Housing		8,400.00			1,664,752.31			
9.	Ministry of Local Government and Rural Devt.		52,068.01			213,854.47			
10.	Ministry of Lands,Forestry and Mines		21,320.00		94,137.00	289,552.00			
11.	Ministry of Information and National Orientation		6,312.00		7,793.00	535,116.00			
12.	Ministry of Communication					5,026,625.50			
13.	Min. of Gender, Children and Social and Protection		195,499.00		7,960.00	2,174,368.25			
14.	Ministry of Defence					5,411,991.37	170,517.00		
15.	Ministry of Tourism, Culture and Creative Arts				3,966.00	33,822.00			
16.	Ministry of Roads and Hiaghways		4,588.00		3,890.00	61,223.00			
17.	Ministry of Justice and Attorney General								
18.	Registrar-General's Dept	96,370.00				734,266.00			
19.	Min. of Foreign Affairs and Regional Integration			13,362.44		12,270.00	17,983.87		39,578.55
20.	Ministry of Trade and Industries								
21.	Judicial Service		16,802.64			10,922,754.13	209,804.00	4,000.00	
22.	Office of Govt. Machinery & Other Agencies								
23.	PRAAD					10,118.00			
		127,856,539.17	2,740,788.67	13,362.44	299,002.85	476,830,533.57	406,804.87	4,000.00	39,578.55

PART II

SUMMARY OF FINDINGS AND RECOMMENDATIONS BY MDAs

MINISTRY OF FINANCE AND ECONOMIC PLANNING

38. Our findings on the Ministry of Finance and Economic Planning relate to the Main Ministry, the Treasury - including Regional and District Treasuries throughout the country, the Ghana Revenue Authority (Domestic Tax Revenue Division and Customs Division) Ghana Statistical Service, the Controller and Accountant-General's Department, and the Institute of Accountancy Training.

39. The irregularities recorded under the Ministry of Finance in 2013 covered imprests not retired on due dates, payment vouchers not properly acquitted, unpaid withholding taxes, unearned salaries not accounted for, rent tax not paid, corporate and individual taxes not settled or collected, misapplication and misappropriation of funds. There were also amounts not properly receipted, an irregular advance to the Ministry by the Controller and Accountant General, dishonoured cheques not settled, contract irregularities, stores and procurement irregularities, etc.

40. The comments in the succeeding paragraphs are relevant to the above irregularities

41. Staff members who were given accountable imprest for official travels failed to account for an amount of \$26,302.26,

contrary to Regulation 283 (b) of the Financial Administration Regulations, 2004 (L.I. 1802). We recommended that the defaulters should be made to account for the imprest granted them failing which, the officers should be surcharged with the outstanding amount.

42. Contrary to Regulations 292 (1 d & f) and 297(1) of the FAR, 2004 we noted during our audit that unearned salaries totaling GH¢167,330.00 were paid to various individuals who had either retired, died, resigned or vacated from their posts, as well as deceased pensioners, etc. We recommended the deletion of their names from payroll records and the recovery of the amounts paid either from their beneficiaries/next-of-kin or Administrators of their estates and their bankers as appropriate. We also called for the strengthening of monitoring mechanisms and prompt action from the Controller and Accountant Generals department to ensure curtailment of incidences of unearned salaries being paid.



43. By Section 39(2c) of the FAR, heads of the accounts sections are to ensure that transactions are properly authenticated. However, we observed various cash irregularities involving failure by Accountants, Finance Officers and Managers or Supervisors to ensure that officials given monies to undertake various assignments had actually accounted for those monies and provided appropriate supporting evidence and documentation to authenticate those transactions and other claims that had been paid. We also recorded several instances where officials had misapplied various sums of monies for purposes other than those for which the monies were to be used. The total financial value of all of these infractions came to GH¢53,490,965.60.

44. We attributed these incidents, in most cases, to Management's failure to be guided by and observe the stated regulations in executing financial transactions with public funds. Further, there was failure on the part of some Internal Audit Units to properly scrutinize payment vouchers before approving them for payment, as well as Cashiers not insisting on the endorsement of original copies of payment vouchers and the provision of relevant supporting documents by payee(s) before releasing their cheques for payment. We noted also the failure by Finance Officers at Akomadan District, New Juaben Municipal and Offinso North District and other Treasury offices to verify the accuracy of computation of the expenditure details attached to payment vouchers. Management also did not perform its oversight responsibility of ensuring that costs were reasonable before payments were effected.

45. We recommended compliance with the stated regulations as well as improvement in Management supervision to ensure accountability by officers entrusted with public funds. We also recommended that all monies not properly accounted for should be retrieved from the defaulting officers and/or their supervisors and appropriate sanctions applied.

46. At the Ghana Revenue Authority Head Office, we observed a lack of proper revenue accounting system for monitoring the Commercial Banks.

47. We found that the Ghana Community Network Services Ltd. (GC Net) system for accounting and monitoring of revenue due to the Ghana Revenue Authority (GRA) and paid through the commercial banks did not allow the Revenue Accountants/Collectors at the various ports of entries to:

- Issue official receipts for the revenue collected
- Obtain copies of the stamped bank pay-in-slip from the importers
- Maintain any cash book (manual or electronic)
- Receive any Bank Statement from the Collection Banks
- Prepare Bank Reconciliation Statement

48. Daily revenue collection information was obtained from the Ghana Customs Management System (GCMS) Platform. The source of revenue collected was therefore the transaction transcripts printed by the banks at the ports. However, the details of importers were not disclosed on the transcript,

making revenue monitoring against the records of importers very difficult to effect. The result was that we were unable to link the particulars of importers to bank credits totaling GH¢124,995,915 which were later reversed by the commercial banks during the period under review. There was no way of assuring ourselves whether these credits had been erroneously posted, hence the reversal.

49. We urged Management to enhance internal control and reconciliation of revenue mobilization by ensuring that more details of each import transaction are provided on each bank transcript. We also recommended that Revenue Accountants should conduct reasonableness tests on all reversed transactions and trace them to the importers before agreeing with the accounting treatment effected by the commercial banks.

50. We sampled several taxpayers' files for the 2011 and 2012 years of assessment at Large, Medium and Small Taxpayers' Office with the result that GH¢55,714,147.34 was outstanding in respect of corporate and other withheld taxes.

51. We noted that while Section 135(2) of Act 592 states that "tax that has not been paid when it is due and payable may be sued for and recovered in any court by the Commissioner-General" and Section 136 of the Act mandates the Commissioner-General to recover any unpaid tax by distress proceedings against the movable property of a person liable to pay tax, the Commissioner-General failed to apply the above

legal provisions to compel the defaulters to settle their indebtedness, thereby impacting adversely on the revenue inflows into the Consolidated Fund.

52. We recommended that Management should ensure the recovery of the total amount including its associated penalties. Some of the components of the overall amount are highlighted below.

53. Sections 81(1) and 87(1) of Act 592 require employers to withhold tax from income paid to employees from employment and remit the amount that has been withheld or that should have been withheld to the Commissioner-General within 15 days after the month in which the payment subject to withholding tax is made by the withholding agent.

54. We observed, contrary to the above, that 1,007 employers sampled were in arrears of PAYE payment ranging between one month and 24 months for the 2011 and 2012 years of assessment amounting to GH¢8,136,966.

55. We also sampled Director's tax files and noted that taxes totaling GH¢112,102 were not withheld from fees paid to 24 Directors by their Companies in contravention of Section 84(1) (b) of Act 592. As stated above, the total of GH¢8,249,068 formed part of the overall tax irregularities of GH¢55,714,147.34.

56. We recommended and Management agreed to recover all outstanding PAYE together with appropriate penalties as required by sections 143 and 147(4) of Act 592 as amended by Act 669.

57. Section 28(1) and (6) of the Value Added Tax Act 1998 requires taxable persons to account for tax each calendar month on tax returns; and pay the tax due not later than the last working day of the month immediately following the accounting period to which the returns relate. We noted in this regard that 178 registered Value Added Tax (VAT) traders were owing outstanding VAT payments totalling GH¢6,508,188 which related to the period 2007 to 2012.

58. Although Sections 32, 33 and 34 of the Act empower the Ghana Revenue Authority to charge interest on the outstanding debts, apply garnishment orders, and levy distress action on recalcitrant traders, we did not find any evidence that Management had explored any appropriate legal means to recover these outstanding debts. We recommended that, GRA Management should take the necessary steps to ensure that all tax revenues due to Government are collected on a timely basis when they are due.

59. We found from the Debtors Register that 4 traders of the Adabraka MTO who owed a total amount of GH¢554,108 were said to be missing. However, VAT Form 50 had not been prepared and prescribed measures had also not been taken to trace them. We recommended to Management to take the

necessary measures to locate them and retrieve the outstanding amounts from them, including publishing the names of the Directors and their companies in the national daily newspapers.

60. Speedy tracking of dishonoured cheques is a good cash management practice which leads to the recovery of the amounts. We noted from a review of the returned cheques and the postdated cheques registers that 299 cheques with a total value of GH¢823,952 issued by taxpayers in settlement of their tax liabilities were dishonoured by their bankers. Even though these taxpayers were contacted subsequently, they failed to issue new cheques to clear their indebtedness. We urged Management to pursue recovery of the outstanding amounts, together with appropriate penalties, in accordance with Section 143 (1) and (2) of Act 592 as amended by Act 669.

61. Section 16 (i) of Internal Revenue Regulation 2001, (L.I. 1675) as amended, provides that where an individual receives rent income from any residential or commercial premises, the rent income shall be assessed to tax separately at a flat rate of 8% on the gross rent income in the year of assessment.

62. From a review of rent tax files at Achimota and Kinbu Small Tax Offices we found that 70 landlords had failed to meet their tax obligations amounting to GH¢121,846. This was attributed by Management to difficulty in locating the landlords and landladies. Notwithstanding this, we recommended that Management should ensure that the defaulting landlords are pursued to discharge their rent tax

obligations. Management responded that a Head Office Tax Force Team was taking steps to identify property owners that owed as well as the unregistered property owners in order to collect all outstanding rent tax.

63. We found from the records of eight tax offices in Accra that in contravention of Section 72(1) and (4) of Act 592, 870 companies failed to submit audited accounts including returns of income for 2011 and 2012 years of assessment. We urged that in order to improve tax revenue collections, Management should educate tax payers on the tax laws to seek their timely compliance with the laws by the submission of their audited accounts together with other necessary returns.

64. We examined 150 Corporate Tax files at Koforidua Medium Tax Office (MTO) and found that 108 corporate bodies owed tax arrears totalling GH¢2,023,600.00 as at 31 December 2013. We recommended to the Assistant Commissioner (MTO) to take deterrent actions spelt out in Act 592 and apply the prescribed penalty on defaulting tax payers to secure recovery of the tax arrears of GH¢2,023,600.00.

65. We noted that 10 companies owed a total amount of GH¢1,221,225.91 in respect of unpaid VAT as at 31 December 2013. We urged the Assistant Commissioner to take appropriate action to recover the amount to Government chest.

66. Although Section 134(1) and (2) of Internal Revenue Act, 2000 (Act 592) states that "Tax assessed shall be due on the date

on which the person assessed is served with a notice of assessment” and that tax due in any assessment shall be paid by the person assessed within thirty (30) days from the date of service of the notice of assessment” we found at the Koforidua Small Tax Office (GRA) that tax liabilities totalling GH¢1,315,898.88 was outstanding for the 2013 year of assessment due to schedule officers failure to serve Demand Notices on defaulting tax payers. We advised that appropriate action be taken by GRA to recover the amount of GH¢1,315,898.88 and pay same to Government chest.

67. At the Asokwa District office of GRA, Domestic Tax Revenue Division, we observed that a total amount of GH¢154,439.49 paid as imprest to various district offices was not supported by official receipts to confirm receipt by them, in contravention of Section 39(c) of the Financial Administration Regulations 2004. We recommended to the Accountant to ensure that the districts that benefited from the disbursement issue receipts to cover the amounts received by them.

68. The Denu District Tax Office was not able to collect corporate tax of GH¢87,371.54 outstanding for one to eight years, due to inability of Management to enforce the tax laws and adopt proactive measures in retrieving taxes from defaulting taxpayers, including prosecution. We recommended that appropriate recovery measures and action should be taken to recover the outstanding taxes.

69. Our audit disclosed that Sections 148(1) and 149 of the Internal Revenue (GRA) Act 2000, Act 592 was not complied with, leading to an amount of GH¢173,140.80 being outstanding at the Denu office, in respect of tax revenue as at December 2012. We recommended to Management to take pragmatic measures to collect the outstanding taxes.

70. Due to various economic and logistical factors the Denu/Aflao Office of GRA (Customs Division) failed to meet its revenue target of GH¢104,105,545.00 set for it by the Ministry of Finance and Economic Planning for the year 2013, by an amount of GH¢49,072,217.02 representing a shortfall of 47.14% in the targeted revenue. Management attributed this to logistic and human resource challenges. We recommended that GRA Headquarters should investigate the causes and address the challenges to boost revenue collection and enable Government meet its targeted revenues for operation of the national budget.

71. Our review of the financial records of Ghana Revenue Authority (Customs Division) at Elubo disclosed that for the period of 2011 to 2013 total revenue of GH¢49,488,954.55 was collected, out of which GH¢6,476,565.07 was lodged with GCB and GH¢43,012,389.48 into Ecobank – Elubo Branch account No. 04103 for onward transfer to Bank of Ghana. Contrary to Part 1 Section 1 of Financial Administration Regulation 2004, Management could not provide the auditors with statements from GCB and Ecobank evidencing the transfer of funds to Bank of Ghana as required.

72. We recommended that a statement of all transfers made by Ghana Commercial Bank and Ecobank to Bank of Ghana should be obtained and verified by the Elubo station and made available for audit confirmation to satisfy ourselves that funds due to the Government have not been retained by these banks and all of it has been transferred to the Consolidated Fund.

73. Whereas Regulation 15(1) of the Financial Administration Regulations, L.I. 1802 of 2004 requires any public officer, or revenue collector who collects or receives public and trust moneys to issue official receipts for them, the Regional Treasury at Sunyani, failed to obtain receipts for transfers made to CAGD stores for value books bought, to the tune of GH¢29,402.65, and also failed to obtain a receipt for an amount of GH¢3,616,950.60 transferred for 2013 on its behalf by Ghana Commercial Bank, Sunyani Branch, to CAGD Suspense Account in Accra. We recommended that the Regional Director should notify CAGD of the transfers totalling GH¢3,646,353.25 and obtain receipts accordingly.

74. Also at Denu, we observed that two generating plants (Genset Diesel Generator Set located beside the Administration Block and a Broadcrown Generator Set at the VVIP Lodge) had been left to rust away since their purchase and efforts to obtain information concerning the generators proved futile as Management did not have any document concerning them.

75. This state of affairs was a direct violation of Part 1 Section (2) (h) of the Financial Administration Regulation 2004 (L.I.

1802) which states that, “The head of government department shall preserve in good order and secure the economical use of all equipment and stores used by the department”. We recommended that, to prevent the acquisition of the power generating sets from becoming a waste of tax payers’ resources, the plants should be examined and tested to determine their present serviceability and put them to immediate use if found to still be in working order.

76. At the Ghana Statistical Service, we observed three payment vouchers in respect of the procurement of stores with a total face value of GH¢2,769.35 which were not supported with alternative quotations from other suppliers, contrary to Section 43(1) of the Public Procurement Act, 2003 (Act 663). The anomaly resulted from non-compliance by Management with Section 43(1) of the Public Procurement Act, 2003 (Act 663). We recommended that competitive pricing should be enhanced through request for quotations from at least three different suppliers before vendor selection is made.

77. At the Ho office, we also noted missing store items valued at GH¢3,596.64 including a Projector and HP Scanner, as a result of lack of supervision and poor control systems at the Store. We recommended that the cost of the items should be recovered from the accountant and the storekeeper.

78. Although Section 16(1) of the Financial Administration Act (654) states that payment should not be made for work done, goods supplied or services rendered without certificates

of satisfactory work done we noted that the Accountant made two payments totaling GH¢4,270.00 without due certification. This irregularity could lead to payment for unsatisfactory works undertaken or the supply of inferior goods. We recommended compliance with the FAR.

79. At the Wa office of the Statistical Service payments amounting to GH¢9,309.00 were not acquitted as they were not supported with invoices, receipts and statement of accounts, contrary to Section 39 of the FAR, 2004 (L.I 1802). Management was advised to acquit the payments properly or recover the amounts from the officers concerned.

80. General's Department without appropriate authorization advanced a total amount of GH¢800,000 to Ministry of Finance, to allegedly enable the Ministry carry out critical and urgent assignments in the interest of the nation. This transaction was contrary to Regulation 106 of the Financial Administration Regulations (FAR). We did not see any documentary evidence of the Ministry's request for the advance. We could therefore not ascertain the conditions under which the advance was granted and the repayment plan.

81. We urged Management to expedite action in recovering the full amount from MoF and also recommended that Management should comply with the provisions of the FAR when granting such advances in future.

82. The Department paid a sum of GH¢20,956,345.67 to six service providers under Service Level Agreements (SLAs) signed with them as part of IT services contracts to enable the department effectively monitor and ensure that services are rendered as expected with IPPD 2 and 3, and also facilitate skills transfer to CAGD staff.

83. We noted that the six service providers did not issue regular reports on their activities and the work done was not certified by the appropriate Divisions before the service providers were paid.

84. We were of the view that the mechanism for monitoring Service Providers and ensuring knowledge transfer of skills to staff of the Department was weak. To mitigate these risks, we recommended that the Department should ensure that Service Providers issue regular Activity and Periodic Review Reports as well as Specific Reports indicating how problems they encountered were resolved. We also urged the maintenance of Log Books to facilitate easy monitoring of the activities of Service Providers. Certificates of satisfaction for work done were to be obtained from Divisional and Unit Heads before each payment, in order that the Department may obtain proper value for its money.

85. Management assured us that necessary action was being taken and that the Information Communication and Technology Management (ICTM) Division reviewed and advised Management on SLAs before payments were effected.

Reports were also submitted by the service providers when they were submitting their invoices for payment.

86. The Ministry of Finance, per letter No. GR/MFEP/IA/GD/007/2012 of 14 September 2012 awarded Messrs. Procorn B.V. (Ghana) Ltd a contract for the procurement and supply of office equipment for the Institute of Accountancy Training. We noted that Procorn B.V. (Gh) Ltd only supplied and installed ten split air conditioners at the Adenta campus in November 2012. Three refrigerators and one heavy duty generator costing GH¢155,560.00 were not supplied. Damage (cracks) to some parts of the building which occurred as a result of the installations, were also not repaired by the contractor, contrary to standard practice.

87. We recommended that Management should ensure that the damage to the building is repaired and the remaining items supplied and installed or the sum of GH¢155,560 retrieved from the company with appropriate interest.

MINISTRY OF HEALTH

88. The matters summarised here relate to the Main Ministry of Health and Ghana Health Service (GHS), including Regional and District offices as well as hospitals.

89. An amount of GH¢485,928.94 paid by the MOH Headquarters for the conveyance of various items from the Central Medical Stores to the 10 regions was not supported by certificates of receipt of the items at the various destinations.

For the expenditure to remain charged to the Ministry's accounts, we recommended that the transaction should be supported with proof of receipt at the various destinations to confirm execution of the contract.



90. We noted that proceeds from Ghana Health Service auction sales amounting to GH¢46,475 and other undetermined revenue from the auction sale of 14 unserviceable vehicles and 59 motorbikes were not paid to the relevant government account by the auctioneers. This was due to failure by the GHS Transport Unit heads to follow up on the auctioneers. We advised management to ensure that the auctioneers involved pay up or the Director-General and the Transport Unit heads should be held liable.

91. Due to failure by the managements of GHS Headquarters, Korle-Bu Teaching Hospital and Ridge Hospital

to promptly delete the names of separated staff from their payrolls, total unearned salaries and allowances of GH¢41,211.50 were paid to former employees. We advised managements of the three organisations to recover the illegal payments and ensure prompt deletion of names of separated staff from the payroll in line with Regulation 298 of FAR, 2004.

92. Contrary to Regulation 110 of FAR, 2004, management of Kaneshie Polyclinic have not recovered overdue advances totaling GH¢7,756 from its employees. We advised management to recover the amount without further delay.



93. At the GHS Headquarters we noted irregularities relating to procurement transactions totaling GH¢7,750,292. This resulted from single source procurements without approval and application of inappropriate procurement methods. We advised the Entity Tender Committee to improve upon its

oversight activities to ensure compliance with the Public Procurement Act, 2003 (Act 663) at every stage of the procurement process.

94. We noted that eight out of 10 chairs supplied to the MOH Headquarters were found to be faulty one month after delivery. We advised the Chief Director to ask the suppliers to replace the chairs or refund an amount of GH¢15,180 to the Ministry.

MINISTRY OF FOOD AND AGRICULTURE

95. Our review at the Information and Communication Technology unit of the Agric Finance Directorate revealed that there were no formally documented policies or procedures for disaster recovery and backup. Best practice in Information Technology (IT) governance also demands that every organisation depending on I.T. for their operations should have disaster recovery plans which are documented. This would be in line with Section 262 of the Financial Administration Regulations, 2004.



96. We were of the view that failure to establish an effective data recovery mechanism could result in loss of important data which might have the potential to undermine the Directorate's ability to operate in the event of disaster such as floods or fire or hard disk failure. We recommended that Management should establish effective backup procedures and data recovery mechanism to forestall any loss of important data.

97. At the Veterinary Directorate, a total amount of GH¢169,186.77 was wrongly paid in September 2012 to seven veterinary Doctors as market premium arrears covering the period January to December 2011. Meanwhile, all the veterinary Doctors were paid the same market premium arrears in February, 2012. We urged Management to follow up to Controller and Accountant General's Department to ensure that immediate action is taken to recover the GH¢169,186.77 overpayments to the seven doctors.

98. A total amount of GH¢229,556.45 was recorded as unearned salaries that had not been recovered to chest as a result of failure to notify Controller and Accountant General's Department for timely deletion of names of separated persons from the payroll at the Veterinary Services Directorate, Human Resources Management Directorate, Ga West and East Agricultural Development Units, Bawku, Odumase-Krobo, Bibiani, Kpando, Ho (RADU) and Fisheries Commission, Bolgatanga. We recommended that appropriate action be taken to recover the unearned salaries in line with Section 297(1) of the Financial Administration Regulation, 2004 (L.I 1802).

99. The Human Resource Development and Management Directorate failed to maintain any register on its suppliers and contractors contrary to Section 22 (2) of the Public Procurement Act, 2003 (Act 663). The Directorate also did not obtain full evidence of the capacity of the business entities before contracts were awarded to them. The omission created an avenue for unqualified persons to be awarded government contracts with the risk of non-performance or perhaps the supply of substandard goods.

100. We advised Management to obtain the requisite documents and certificates from existing and prospective suppliers, Contractors, Consultants and Service Providers in order to conform fully to the Public Procurement Act.

101. A Nissan Pickup vehicle with registration number GV 1480 U which was in the possession of a Mr. Sarpong who had been transferred from the Human Resource Directorate to Adedome was not made available for inspection. We advised that to avert possible unauthorised disposal of vehicle, Management should retrieve the vehicle concerned and ensure that administrative procedures regarding vehicle records, repairs, maintenance and allocations are followed as prescribed by Section 183 (3) of the FAR.

102. The Block Farm Programme is a Government of Ghana initiative which provides support in the form of agricultural inputs and equipments to motivate the youth to engage in cultivation of vegetables and other cereals in their communities.

The cost of the inputs is expected to be paid back by the beneficiaries after they have harvested their produce. We found that refunds or recoveries expected under the programme, amounting to GH¢1,966,468.20 had not been paid by farmers and other beneficiaries of the programme in Kumasi, Foasi, Mampong-Ashanti, Ejura, Salaga, Funsi, Bibiani, Atebubu, Techiman, Nkoranza, Busunya, Berekum, Kadjebi and Kete-Krachi. This was attributed, among other reasons, to weather failures in the country which affected maize harvest and the farmers' ability to make repayments of the loans.

103. We recommended that in line with Regulation 110 of the FAR, sustained efforts should be made to retrieve the outstanding amounts from the peasant farmers, District Directors and other individuals who benefited from the facility. Contrary to FAR 39(2c) we found that payment vouchers totaling GH¢1,576,286.25 had not been fully and properly accounted for with supporting documentation. Incidences were recorded at District Agricultural Offices at Agona Ahanta, Bibiani, Elubo, kpando, Kadjebi and the Ho Regional Agric Development Unit. We recommended that appropriate supporting documentation should be provided to authenticate the payments else the amounts involved should be recovered from the responsible paying officers.

104. At the Municipal Agric Directorate at Navrongo we observed that funds totalling GH¢73,803.40 generated from block farming and the Veterinary animal health services were not transferred into the Consolidated Fund accounts as

required by Section 17(c) of the FAR due to laxity on the part of Management. We recommended the immediate transfer of the total amount of GH¢73,803.40 into the Consolidated Fund without further delay.



105. Contrary to Section 104 (c) of the FAR, the Controller and Accountant-General failed to deduct the cost of Motor Bike allocated to a number of Agric officers at Sefwi-Wiawso and Bibiani despite inputs provided to effect the necessary monthly deductions. The outstanding balance involved was GH¢14,012.00. We recommended that the District Directors should repeat the advice to the Controller and Accountant-General to effect the deduction of the outstanding amounts in full.

106. Section 15(1) of the FAR requires any public officer or revenue collector who collects or receives public and trust moneys to issue official receipts for them and pay them into the relevant Public Fund Bank Account. We found instances where GH¢77,754.47 public funds received at District Agric offices in Agona Ahanta, Bibiani, Elubo, Kpando and Kadjebi as well as Ho (RADU) were either not accounted for or no official receipts were issued in respect of those funds. We advised compliance with the stated Regulation to ensure accountability and transparency of revenue collection and eliminate any opportunity for perpetration of fraud.

107. There were instances of non-compliance with Part IV Section 35(2) (a) of the Financial Administration Act as fuel purchased for use by official vehicles was not recorded in the vehicle logs books or was not properly accounted for, as well as the absence of works orders for the repair of vehicles. Additionally, store items purchased were not processed properly or accounted for. The value associated with this infraction was GH¢46,337.98 and the incidences were recorded at Mankranso, Yendi, Wa East, Nadowli, Goaso, Kete-Krachi, Kpando and Kadjebi District Agric Offices. We could, therefore, not assure ourselves that appropriate benefit had been received by the Units for those expenditures.

108. We recommended to Management to monitor fuel usage and accounting by complying with Section 35(2) (a) of the Financial Administration Act. We also advised that the stores

purchased should be routed through the proper channels and records in line with the Stores Regulations.

109. We noted that Ford Tractor 6610 located in Nkwanta was auctioned without appropriate authority. The proceeds from the auction could also not be ascertained and accounted for. We were informed by the Nkwanta South District Director that the Ford Tractor 6610 was auctioned in Accra and that he had no knowledge of the procedure adopted and the whereabouts of the proceeds from the auction.

110. We could not determine whether there had been a deliberate attempt to divert public assets and cause financial loss to the state. We recommended that the District Director should obtain a copy of the 'Authority to Auction Letter' from the Chief of Staff to facilitate establishment of the authenticity of the transaction.

111. We found that forty-two (42) occupants of bungalow accommodation facilities defaulted in the payment of rent for June, 2010 to September 2013 to the tune of GH¢42,000.00. Laxity on the part of the Regional Director to vigorously pursue the collection of rent from the staff as well as refusal on the part of the occupants to pay rent accounted for this situation resulting in loss of revenue to the State. We recommended that the Regional Director should diligently pursue the recovery of the amount from the defaulters and also institute effective rent collection mechanism.

112. Sections 87(l) and 88 of the Internal Revenue Service Act (Act 592) 2000 requires withholding tax agents pay to the Commissioner a tax that has been withheld or that should be withheld or that should have 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". Contrary to this, we observed that VAT and other withholding taxes to be accounted for by Bawku, Nadowli and Kadjebi District Agric Units, amounting to GH¢3,301.42 had accrued to the Domestic Tax Revenue Division of GRA but had not been settled.

113. We advised the District Directors to ensure that their Accountants comply with the statutory requirement and remit the taxes involved to GRA without further delay.

MINISTRY OF EDUCATION

114. Comments on the Ministry of Education (Headquarters Treasury) include the Ghana Education Service (GES) Headquarters and the Regional and District Directorates throughout the country.

115. As a result of erroneous computation of amounts due to them, three companies M/S Tass Kalia Enterprise, M/S Toppson Enterprise and M/S Baa Bentum Co. Ltd were overpaid moneys totaling GH¢13,679.49. We recommended and Management agreed to draw the attention of the consultants and contractors to the anomaly and also pursue the recovery of the over payments through deductions from their subsequent claims.



116. Contracts valued at GH¢192,610,545.79 for the Schools Under Trees, Emergency Infrastructure for Senior High Schools and Rehabilitation of Science Resource Centres projects awarded in 2010 and 2011 were yet to be completed as at December 2013 despite scheduled completion periods of 6 to 12 months indicated in the contracts. Out of 179 projects, 48 of them, representing 27%, were completed while 131, representing 73% were uncompleted. A cumulative amount of GH¢117,759,122.68 representing 61% of the total contract value had been paid per interim certificates, leaving a balance of GH¢74,446,191.22 or 39% to be paid.

117. The lack of satisfactory progress with the project delivery was ascribed largely to delayed releases of warrants by Ministry of Finance. We expressed concern that due to the

delay, inflationary trends and escalating prices of materials and labour might cause the total cost of the entire project to far exceed the approved project cost.

118. We recommended that Management should be more vigorous in its pursuit of funds from the Ministry of Finance to ensure early completion of the projects. We expressed the view that, in future, consideration should be given to awarding such contracts in phases so that they can be paid for, properly managed and completed on schedule. This would help the country to prevent avoidable costs due to project variations arising from over ambitious planning, delays caused by external factors and inflation.

119. Citing inadequate storage space, the Ministry of Education contracted Messrs Rlg Communications Ltd. to supply and distribute 3,000 computer trolleys valued at GH¢7,500,000.00 to schools throughout the country to serve as storage facilities for computers already distributed. The distribution of the trolleys was to be completed 90 days after signing of the contract on 8 December, 2011.

120. However, as at 31 December 2013, two years after the signing of the contract, the total number of trolleys distributed to schools was 2,067 due to the Ministry's failure to provide the complete distribution schedule in a timely manner.

121. We were of the view that the delay in the supply of these trolleys could lead to the possible mishandling of the

computers already distributed to beneficiary schools. We therefore recommended that the Ministry should endeavour to provide in a more timely manner the remainder of the Distribution Schedule to ensure quick and effective delivery and avoid cost over-runs in distributing the remaining 933 trolleys valued at GH¢2,332,500.00.

122. The Ministry, based on an earlier audit recommendation, contracted Messrs Shelter Mart and Complex, a Licensed Auctioneer and Estate Agent, to auction 32 vehicles and two Jungle Motor Bikes. In the process it was discovered that a Mitsubishi DC pick-up with registration number GV 1483 Q and a motor bike with registration number GT 7139 H could not be traced and therefore could not be auctioned. The Transport Officer, Mr. Daku, claimed that the former Transport Officer, Mr. Peter Dagadu, never handed over the vehicle and motor bike to him when he was posted out of the Ministry in 2010.

123. We recommended that Management should fulfill its responsibility of protecting the assets of the Ministry by ensuring that the former Transport Officer, Mr. Peter Dagadu, is summoned to account for the missing items and appropriate action taken to recover them or surcharge the cost to whoever is responsible for their loss.

124. We noted that a G.E.S. rented warehouse in Tema burned down on 13 January 2013. In the process, store items and equipment valued at GH¢1,669,425.25 were destroyed. GES

made a formal report of the fire outbreak to the District Fire Officer (vide letter No. SLD/WGM/14 SF1/TJ/77 of 19 February, 2013). However, the District Fire Officer, Tema Industrial Area, who was responsible for conducting an investigation into the cause of the fire outbreak, had not submitted any report as at 10 March 2014, contrary to the stated Regulations, to enable action to be taken on the loss.

125. According to Management, there had been several reminders and follow-ups by the G.E.S. to no avail. We found this to be worrying as the protracted delay could forestall actions needed to be taken to prevent such fire outbreaks in future and for the recovery of the huge loss incurred from the insurance company or whoever caused the fire.

126. We urged Management to impress upon the Ghana National Fire Service to expedite action on the investigation report to enable appropriate and timely action to be taken as per Regulations 234 (1) and 235(3) of the FAR.

Unearned salary paid to interdicted staff – GH¢14,150.44

127. As a result of Management's failure to enforce instructions outlined in an interdiction letter (reference No. NTP. 09028/4 dated 8 February 2011), Mr. Kwame Owusu-Ansah, a staff of the Supply & Logistics Division in charge of G.E.S. Warehouse who had been interdicted since 10 February 2011 upon findings in an Audit Report, was found to be still receiving monthly salary at the full rate instead of 50%. An accumulated amount of GH¢28,300.88 had been paid to him so

far instead of GH¢14,150.44. This was contrary to Regulations 298 and 304 section 1(c & d), of FAR 2004 (L.I. 1802).

128. We requested Management to take steps to recover the overpaid salary or be surcharged with the amount as a consequence of their negligence.

129. Section 297(1) of the Financial Administration Regulation 2004, requires Heads of Departments to cause the stoppage of payments of salaries to separated staff. Regulation 305 (1a) also requires certification that only staff belonging to a particular unit are being paid on the mechanized salary voucher. Contrary to these, we noted that lack of monitoring, supervision and effective action by the responsible officers had led to the payment of unearned salaries totaling GH¢640,417.38 at GES Metropolitan, Municipal and District offices in Accra, Axim, Bawku, Begoro, Bolga, Goaso, Half Assini, Koforidua, Mampong, Navrongo, Sandema, Tepa and NFED offices in Sefwi-Wiawso, Tumu and Winneba.

130. We recommended that the responsible officials should properly scrutinize and certify salary vouchers and that the respective IPPD units at the Controller and Accountant General's Department and the GES offices should liaise together for the deletion of the names of the unauthorized and separated personnel from the payroll and ensure recovery of the overpaid amounts from the bankers of the affected officers into the Controller and Accountant General's Salary Suspense Account at the Bank of Ghana.

131. As a result of poor and ineffective supervision and inadequate internal controls on the disbursements of funds as well as the reluctance of some schedule officers to account for their stewardship, we observed at GES offices in Biakoye, Brehman Asikuma, Central Tongu, Ho, Kpando, Krachi West and Sandema that imprests, revenues and certain allocated funds totaling GH¢91,594.50 were misapplied, misappropriated or not properly accounted for. This was in disregard of Part IV Section 179(1) of the Financial Administration Regulations, 2004 which requires a head of a department not to authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities” and Regulation 288(1&2) concerning the retirement of imprests. Consequently, the sundry purposes for which the funds had been earmarked could not be achieved. We have recommended that internal controls, as well as the FAR, should be observed at all times and appropriate action taken by the respective managements to refund the monies misapplied, account for the imprests that have not been retired and recover the amounts that were embezzled or not fully accounted for.

132. The Public Procurement Act, 2003 (Act 663) provides procedures for the procurement of goods and services under competitive price quotations and also provides for authority threshold limits for heads of entities. We found that infractions had occurred concerning observance of the prescribed procedures at GES offices in Biakoye, Bimbila, Koforidua, Krachi West, Tepa and Wa involving a total amount of GH¢279,782.24.

133. These actions had the likelihood of leading to uncompetitive awards for the supply of goods and services, and value for money not being achieved. We have therefore recommended that all Entity Tender Committees should comply strictly with procurement procedures.

134. It is the policy of the District Education Directorate that all official vehicles are parked at the directorate premises after close of work. We noted that one driver, Isaac Kissiedu, flouted this arrangement and continually sent a Honda motor bike with registration No. GV 636 to his place of abode without being queried by the District Director. On 14 December 2011 the motor bike was stolen from Mr. Kissiedu's house.

135. Mr. Isaac Kissiedu was surcharged with the cost of the motor bike and was to pay its value of GH¢2,350.00 within a year. He paid only GH¢1,300.00 into the Director's Account and defaulted on the balance of GH¢1,050. The District Director failed to instruct his bankers to deduct equal monthly installments from his salary and pay same to the Director's Account. We recommended that the District Director should recover the outstanding balance of GH¢1,050.00 from Mr. Isaac Kissiedu and pay same into the Directors Account or himself become liable for payment of that balance.

136. We reviewed stores and fuel purchased and found that Store Regulations of 1984 had not been fully applied. We noted instances where items purchased were not passed through the store ledgers, vehicles did not have log books or fuel purchased

for use by official vehicles were not recorded or properly accounted for and repairs carried out on official vehicles were not supported with works orders or certificates as required. We observed these occurrences at GES offices in Asesewa, Axim, Breman Asikuma, Busunya, Kibi, Kukuom, Sunyani, Tamale and Wa. The aggregate value of these infractions was GH¢161,643.92.

137. To minimize or avoid loss of stores or cash through theft, misappropriation or spurious expenditure we have advised Management to strengthen supervisory controls over storekeepers, drivers and accountants by ensuring that all store items and fuel purchased or repairs carried out on official vehicles are properly recorded or logged and made available for inspection when so demanded.

VAT and withholding taxes not paid – GH¢22,793.45

138. We noted purchases of items from non-VAT registered persons as well as withholding taxes not deducted or paid over to the tune of GH¢22,793.45 at GES offices in Apam, Bawku, Funsi, Half Assini, Sekondi (NFED) and Sunyani. We recommended that the respective managements should take appropriate measures to have the taxes paid over to the Domestic Tax Revenue Division of GRA and the avoidance of procurement from non-VAT registered persons.

Unsupported payments – GH¢910,788.86

139. Part II Regulation 39 (2c) of the Financial Administration Regulation states that “The head of the account section of a

department shall control disbursement of funds and ensure that transactions are properly authenticated and to show that amount are due and payable”.

140. We observed that payment vouchers bearing a total value of GH¢910,788.86 had not been properly acquitted as some were not produced for scrutiny or where presented, the related transactions in the payment vouchers could not be authenticated in the absence of supporting documents such as receipts, invoices, authorizing memos, claim sheets, monitoring reports, etc. or beneficiaries signatures. We encountered such unsupported payments at GES offices in Bawku, Begoro, Bolga, Dunkwa on Offin, Kibi, Krachi West, Kukuom, Navrongo, Sandema, Savelugu, Sekondi Techiman and Wa.

141. These irregularities occurred because of weak supervision by Management over the accounting function and lack of due care by the Accountants in observing the Financial Administration Regulations and demanding the relevant receipts etc. to acquit payments. We recommended that the payment vouchers should be produced or properly authenticated and the unsubstantiated amounts involved recovered from the Accountants who handled the transaction.

Failure to prepare procurement plan

142. The Koforidua Municipal Office did not prepare a procurement plan for its procurement activities but undertook procurement involving a total sum of GH¢61,872.00 during the period, contrary to Part III Section 21(1) and (2) of the Public

Procurement Act, 2003. The absence of an approved procurement plan encourages unplanned procurement activities and uncompetitive procurements. The plan will help in achieving harmonization of requests, standardization of equipment as well as possible economies of scale in procurement leading to value for money.

143. We recommended that the Municipal Director should ensure that a procurement plan is prepared annually to support its approved budget and programmes.

Excessive supply of store issue vouchers (SIVs) by GES Head Office

144. Regulation 102(d) of Store Regulations, 1984 states that “Stockholding should at all times be kept to an economic minimum consistent with the maintenance of an effective service level.”

145. We observed that GES Head office had supplied the Kibi Store with a large quantity of 1,316 booklets of Store Issue Vouchers (SIVs) that could last the office for at least 65 years, granting that the average annual usage is only 20 SIV booklets a year.

146. We considered the quantity of SIVs supplied to be unrealistic, uneconomical and an apparent attempt by the Ghana Education Service, Head Office, to get rid of excess stock to cover up poor procurement practices.

147. We recommended that for the avoidance of wastage and loss of public funds, the Ghana Education Service, Head Office should withdraw the excess quantities of SIVs and distribute them to their offices which may have more need for them. We also caution that care should be taken in GES procurement practices to avoid incidences of placing uneconomic orders and carrying more stock that is reasonably necessary or required.

148. We observed during the audit that, the three (3) official vehicles belonging to GES District Office, Asesewa, were not insured. As a result, the District Office spent an amount of GH¢6,090.00 in January 2013 to repair an official vehicle with registration No. GC5689-11 which was involved in a near fatal accident. At New Edubiase office, three vehicles were similarly found to be uninsured.

149. The situation was attributed to the failure of the Ministry of Education (MOE) to insure the official vehicle before handing it over to the Districts. The Districts claimed not to have sufficient funds to insure the vehicles. We were of the view that not insuring official vehicles placed the lives of users at a great risk. We therefore advised management to ensure that the vehicles are comprehensively insured to cover all risks.

150. We noted that the Internal Audit Unit of GES District Office, Asesewa, did not carry out any pre-audit on 57 payment vouchers amounting to GH¢78,007.75 before payments were made from the DFID and Examination Accounts.

151. The dereliction of duty on the part of the Internal Auditor and non-performance of the Internal Audit Unit at the District Directorate on these accounts resulted in lapses which could have been avoided had there been periodic pre-auditing of payment vouchers.

152. We recommended that the new Internal Auditor should carry out pre and post audit of transactions regularly and promptly report any anomalies to management for redress.

153. Section 39 (2c) of FAR, 2004 (L.I. 1802) requires a head of department to ensure that transactions are properly authenticated to justify the payments made. Our examination of payment vouchers at GES office in Bekwai, however, disclosed that four payments in respect of capitation grants totalling GH¢22,468.64 made to 156 schools through their bankers were not supported with official receipts although the schools could have issued official receipts to acknowledge the payments.

154. We urged the Accountant to obtain official receipts covering the amount of GH¢22,468.64 paid to the 156 schools to justify the payments. Management indicated that it was in the process of obtaining the receipts.

155. Whereas 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, we noted that

eight occupants of chalets/bungalows at the Bolgatanga Catering Rest House failed to pay rent totalling GH¢2,165.00 for periods of 5 months to 12 months due to failure by Management to ensure compliance with the directive.

156. The rent payable was not deducted at source from the monthly salaries but paid in cash by tenants into the Rest House Account instead of the Consolidated Fund. We advised Management to pursue recovery of all rent arrears at source from the monthly salaries of occupants by submitting relevant input forms to the Controller and Accountant-General's Department for the deductions.

157. The District Director at Krachi West received a total amount of GH¢114,907.95 in 2013 financial year as Capitation Grant but failed to transfer to the basic schools their share of the grants received for the smooth running of the schools and effective teaching and learning. However, a total cash withdrawal of GH¢58,862.00 (representing 51% of total amount received) was made in the name of the District Director and the District Accountant without any evidence of disbursements. The lack of substantiating documents indicated a deliberate attempt to perpetrate fraud to the detriment of effective teaching and learning in the district.

158. We recommended that the amount of GH¢58,862.00 should be recovered from the District Accountant and the District Director into the Capitation Grant Account and appropriate transfers made to the basic schools. We further recommended

that GES Headquarters should apply appropriate sanctions against the District Director and his District Accountant.

159. We noted from the review of bank statements that a total amount of GH¢185,228.38 was withdrawn from five accounts (DfID, Capitation Grant, DDE Imprest, District Culture and District Basic Schools Sport accounts) as cash to the office during the 2012 and 2013 financial years. But contrary to Part II Regulation 39 (2c) of the FAR, there were no receipts or other documentary evidence of the disbursement of the entire amount. No payment vouchers were prepared to support the expenditure made and no entries were made in the cash book.

160. Additionally, we noted that a payment of GH¢42,750.00 was also made from the Krachi West District Director's Imprest Account (DDE Imprest A/c) on 19/11/13 vide cheque number 454951 without details of the transaction being stated, in a similar manner as above.

161. We recommended that the Krachi West District Director and District Accountant should be cited for fraud and held accountable for recovery of the total amount of GH¢227,978.38. Appropriate sanctions should be taken against them for breach of financial discipline in line with Regulation 8 of the FAR.

162. We noted that GH¢8,949.00 was withdrawn by the Krachi West District Accountant from the DFID Account on 25/01/12 ostensibly as payment for maintenance of official vehicle. Aside the payment voucher, there was no other documentary evidence

supporting the payment though it was recorded in the cash book. We could also not ascertain the particulars of the vehicle which was repaired.

163. We observed that whereas Mart Frank Engineering Ho was stated in the cash book as payee, the cheque was cashed by the District Accountant, Emmanuel Kpogli. It was our opinion that the services specified had not been duly performed and the transaction was fictitious and designed to defraud on the pretext that services obtained from Mart Frank Engineering was being paid for.

164. We recommended that the District Accountant should refund the amount of GH¢8,949.00 to the DFID account. The District Accountant should also be sanctioned for financial indiscipline in line with regulation 8 of the FAR, 2004 (LI 1802).

165. We noted that on 27 August 2012, an amount of GH¢2,000.00 was paid from DFID account to the Regional Directorate as an advance to support the 2012 National Sports and Culture competition. Although the Capitation Grant was released we did not observe any evidence of the refund of the GH¢2,000.00 having been made to the Krachi West District Education Directorate. We urged the District Accountant to provide evidence that the GH¢2,000.00 was recovered.

166. We noted three (3) names on the Krachi West District Education Payroll that were not among the official list of teachers in the Krachi West District. The Circuit Supervisors

could not identify these persons. Their personal files could also not be located at the district office. Management could also not explain how the names got onto the payroll. We were also unable to ascertain when their names got onto the payroll and the total amount received by these unidentified persons. This anomaly occurred because the District Director and accountant failed to comply with Regulation 304(1a) of the FAR and they could not produce mechanised payment vouchers for the period of the audit for our examination.

167. We recommended that Management should obtain the mechanised salary payment vouchers from Controller and Accountant Generals Department for monthly examination and certification against the nominal roll. Management should also keep proper records of personal emoluments of staff in the district to ensure that salaries are paid to only staff belonging to the district.

168. In a related incident, five (5) teachers and one (1) non-teaching staff of the Krachi West district vacated post in September 2011 but continued to draw salaries up to June 2013 without their names being deleted from the pay roll. We were unable to ascertain the total amount drawn by the officers as unearned salaries for the period because the accountant could not produce mechanised payment vouchers for the period September 2011 to June 2013 for our examination.

169. The Head Teachers and Circuit Supervisors of the respective schools failed to inform the District Director for

necessary actions. Various District Directors who acted within the period also failed to do proper monitoring. This resulted in the continuous drawing of salaries by the six officers up to June 2013.

170. We recommended and Management wrote to the Manager of Ghana Commercial Bank, Kete-Krachi to stop further payment and to transfer any balances in their bank accounts to the Controller and Accountant-General's Salary Suspense Account. Management also forwarded their names to the payroll processing unit (IPPD) of GES at the headquarters for deletion in compliance with Regulation 292(1) of the Financial Administration Regulations, (FAR).

171. Section 6.0 of the guidelines for the distribution and utilisation of capitation grants to basic schools requires the preparation of the School Performance Improvement Plan (SPIP) by the beneficiary schools.

172. Contrary to the above guideline, a total amount of GH¢134,766.49 was disbursed by the District Directorate of Education, Bimbilla, to some schools without the beneficiary schools submitting any Schools Performance Improvement Plans (SPIPs) or issuing receipts to acknowledge the receipt of the amounts involved.

173. We were not able to authenticate the payment of the said amount to the beneficiary schools. Disbursement without Schools Performance Improvement Plans (SPIPs) could lead to

expenditures in areas not intended by or catered for under the capitation scheme thereby causing misapplication and misappropriation of the nation's scarce resources.

174. We recommended that, the beneficiary schools be required to issue receipts to the directorate acknowledging the respective amounts and the receipts made available for verification.

175. We found that the Bimbilla District Directorate of Education paid contractors advance mobilization over and above the approved percentage ceilings, impliedly pre-financing the contracts involved, in direct contravention of Section 64 of Part VI of the Financial and Accounting Instructions for Secondary Schools, Training Colleges and Educational Units.

176. The result was that Global Almas Ltd and M/S Expert Construction Ltd who were paid amounts totaling GH¢102,250.00 for the construction of seven boreholes and a 3-unit classroom block failed to execute the two projects and did not refund the amount involved.

177. We recommended to Management to ensure that the two projects mentioned above are executed to specification, failing which the District Director and the two companies should be held jointly liable for recovery of the project amount into government chest.

178. A contract valued at GH¢74,323.33 was awarded to M/S Expert Construction Limited for the construction and furnishing of 3-unit class room block with ancillary facilities at Duni a village in the Nanumba North District. Almost half of the contract sum (GH¢36,000.00) was paid to the contractor but no documentation was found on the said contract.

179. A follow up to the Duni community revealed that no such project had been executed within the community. Further probe into the matter disclosed that the Member of Parliament for Nanumba North Constituency, by a memo requested for the payment of the said amount to the contractor out of the MP's share of the GETfund allocation to the directorate.

180. The MP's directive however should not have been used to set aside the established procurement laws and procedures followed in the award of the contract. This has resulted in a loss of GH¢36, 000.00 paid out for the non-existent project.

181. We urged Management to ensure that the contractor executes the intended projects or refund the GH¢36,000.00 to the Directorate with interest. Failing the above, the amount should be recovered from the District Director of Education and his Accountant.

182. A review of the contract document for the drilling of 7 bore holes for a sum of GH¢70,000.00 awarded to M/S Global Almas Ltd disclosed that, the contractor (M/S Global Almas ltd) neither purchased the bid document nor was the company

part of the bidding process which saw it as the eventual winner of the contract. Additionally, no explanations or reasons were captured in the minutes of the tender committee for not awarding the contracts to M/S ABOWTA & Sons Company, whose bid emerged as the lowest.

183. M/S Global Almas Ltd appeared to have been deliberately hand-picked above the other companies who tendered for the award, to serve the ultimate purposes and intentions of the Bimbilla Directorate Entity Tender Committee. It was not surprising therefore that M/S Global Almas Ltd eventually did not drill the 7 boreholes even after the contract was pre-financed, and the contractor has since not refunded the mobilization money of GH¢47,250.00 paid to him and for which contract he did not even provide a surety guarantee bond as required by the Procurement Act.

184. In another development, the Directorate paid GH¢23,300.08 to M/S Piesie Yeboah for the supply of Dual Desks for which no contract related documents such as bids, award letter, contractor's acceptance letter and SRV were found. The failure to provide documentation on the supply of dual desks meant that we could not assure ourselves that the items had been supplied. We viewed this as a deliberate attempt to manipulate the procurement processes. We recommend that appropriate sanctions as under the PPA should be imposed on the officials who awarded and authorised the bogus contracts.

185. Section 65(a) of Part VI of the Financial and Accounting Instructions for Secondary Schools, Training Colleges and Educational Units requires that for payment to be made in respect of work done on contracts, the Ministry - for that matter, the departments' developments officer or such other person as the Ministry or the department may appoint for the purpose must have inspected the work done and given a certificate as required on Forms 17 and 18, which forms shall be attached to the payment vouchers for payment.

186. Our audit inspection at the Education Directorate of the Bimbilla District revealed that, a total amount of GH¢102,835.00 had been paid to contractors for various construction works without supporting the payments, and without any certificate or inspection report from the development officer or a person so appointed, to certify that the work done was commensurate with the amount paid.

187. We urged Management to ensure that contract works are certified by the development officer or the person(s) so appointed before effecting payments.

188. A significant stock of Akan and Dagbani textbooks supplied by Ministry of Education as far back as 2006 and 2007 and worth not less than GH¢7,050.00 were kept at the Bimbilla Directorate's store. Management claimed that the said textbooks are a buffer stock for reference purposes although the Directorate Stores is not a reference library where reference books may be kept. The continuous stay of the books at the stores could cause them to deteriorate due to poor storage

conditions. We therefore advised Management to take immediate steps to distribute the said books to schools.

189. A total amount of GH¢19,877.00 was paid to needy students to support their education without requesting them to substantiate the payments by obtaining and submitting acknowledgment receipts from their respective schools. This was contrary to Part II, Regulation 39 Sub-sections 2(c) and (d) of FAR 2004. We recommended, in the absence of the supporting receipts, that the total amount of GH¢19,877.00 should be recovered from the Accountant, Mr. Asumang John and the District Director Mr. Osei Kwadwo Hayford.

190. Our follow-up and verification of supply of Laptop computers to some selected basic schools in the Goaso Municipality disclosed that, five (5) of the Laptops were missing and eighteen (18) were faulty. Inadequate security and ineffective handling of the laptops led to the anomaly. We recommended to the Municipal Director to initiate investigation into the five (5) stolen Laptops and those found culpable dealt with accordingly whilst, the eighteen (18) defective laptops are returned for replacement in order to achieve the intended purpose.

191. We noted from the review of the bank statement for the year 2011 that a total amount of GH¢5,990.00 was withdrawn without any evidence of expenditure. The transactions were also not recorded in the cash book of the NFED, Kete-Krachi. We also noted that the accountant failed to prepare a payment voucher to

support the payments. Enquiries revealed that the total amount of GH¢5,990.00 represented funds received from the Krachi West District Assembly (KWDA) to support the programmes of the department in 2011. The accountant, however, failed to record the amount in the cash book or prepare payment vouchers to support the disbursement, contrary to Regulation 1 of the FAR.

192. Mr. Amos A. Borlu the Programme Officer, and the Accountant, L.Q. Adri, have been in breach of financial discipline and should be called to account for or refund the total amount of GH¢5,990.00. They should also face appropriate sanctions.

193. A review of the payroll records of the Non Formal Education Division of the Nkwanta South District revealed that eleven (11) personnel continued to be on the department's payroll even when they had been transferred to different stations. This omission on the part of the District Coordinator, if not rectified in accordance with Regulation 304 (1b) of the FAR, could lead to duplication of payment of salary. We recommended that the District Coordinator should promptly send inputs to the Controller and Accountant General for the deletion of their names from the department's Payroll.

194. Contrary to Chapter 15, Regulation 1520 & 1521 of the Stores Regulation 1984 the Non-Formal Division of the Nkwanta South District had abandoned a broken-down vehicle with registration number GV 592 V since October 2012 to date without repairing it. The District Coordinator indicated that the vehicle was released to the National Disaster Management

Organisation (NADMO) through the intervention of the Nkwanta South District Chief Executive to transport materials from Kajebi to Nkwanta but had a break-down on the way. Since then, neither the Director of NADMO nor the DCE had made any effort to repair the vehicle and it had been left at the mercy of the weather to deteriorate.

195. The continued willful neglect of the broken-down vehicle could eventually lead to total damage of the vehicle and eventually deprive the Division of the use of the vehicle for the execution of their official duties.

196. We recommended that the District Chief Executive, the District Coordinator and the District Director of NADMO should collectively use their best efforts to salvage the vehicle and put it to use to assist with the programme delivery of the office.

MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS

197. Our review of cash management relative to the Institutional Strengthening Plan (ISP) for the implementation of the national social protection strategy led to the identification of a transaction involving the payment of an amount of £25,434.93 in April 2012 to Maastricht University of Holland in respect of course fees for 15 officers of the Ministry of Employment and Social Welfare and the Department of Social Welfare which lacked acknowledgement receipt from the University.

198. Acting upon our recommendation, Management had placed a formal request for the issuance of an official receipt by the University authorities but evidence of this document is yet to be provided by the Ministry for verification.

199. Following the inability of the Ministry to utilize a total financial support of £557,028.67 provided by the Department for International Development (DFID) of Britain for the implementation of the Ministry's programmes under the Institutional Strengthening Plan (ISP), we observed that the DFID, on 2 October 2012 requested that the amount of £557,028.67 be transferred back. The Bank of Ghana however erroneously transferred £562,545.47 to the DfID instead of £557,028.67, giving rise to an excess payment of £5,516.80.

200. We urged Management to notify DFID about the overpayment of the £5,516.80 and ensure that the amount is recovered and paid back into the ISP account.

201. A total disbursement of GH¢99,500.00 made by the Ministry of Employment and Labour Relations between July to October 2012 to Metropolitan, Municipal and District Assemblies numbering 30 for distribution to eligible beneficiaries under the National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa (NPECLE) had not been accounted for through submission of financial returns to the ministry. We recommended that Management should send the defaulting Assemblies a

reminder to submit the financial returns as soon as reasonably practicable.

202. We reviewed the financial transactions under the National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa (NPECLE) and noted that large quantities of school uniforms and other items ordered from Messrs Sambiaao Enterprise in the contract sum of GH¢225,000.00 for distribution to school children under the NPECLE, had instead been stored away in an unventilated container since their delivery on 19 November 2012. We are concerned that the stuffy storage condition of the container could turn the school uniforms mouldy resulting in poor value for money.

203. We also noted, in violation of Regulation 39 (1) (2b) that only GH¢50,000.00 out of the total contract accounts of GH¢225,000.00 had been settled on 4 October 2013, leaving an outstanding amount of GH¢175,000.00. We urged Management to ensure that the school uniforms and other items are immediately distributed to the intended beneficiaries and the outstanding balance of GH¢175,000.00 on the contract account settled.

204. We noted that because the Ministry's cash management procedures were not compliant with Section 87(1) of the Internal Revenue Act, 2000, (Act 592) the Commissioner-General of the Ghana Revenue Authority (GRA) had not been remitted withholding taxes totalling GH¢15,299.86 deducted

from payments made to suppliers, contractors and other payees during 2013. We recommended that Management should develop appropriate action plan to remit the Commissioner-General of GRA the retained withholding taxes totalling GH¢15,299.86.

205. In violation of Regulation 39(2c) of the FAR, we noted that seven paid payment vouchers amounting to GH¢42,108.00 relating to various financial transactions carried out in 2013 lacked supporting evidence. The absence of supporting documents such as official receipts, disbursement statements and store receipt vouchers resulted from weak financial management capacity, and precluded audit assurance regarding the occurrence of the transactions. We recommend, in the absence of the supporting documentation, that Management should be held liable to refund the amount of GH¢42,108.00 to Government chest.

206. Our examination of the Ministry's Operations Account showed that five paid payment vouchers totaling GH¢24,517.32 were not presented as part of the batches made available for audit, in contravention of Regulation 1(a) to (c) of the Financial Administration Regulations, 2004. Management demonstrated unpreparedness to fulfill accountability requirements in relation to the underlying transactions. We recommended that Management should provide supporting evidence covering the alleged transaction or refund the amount of GH¢24,517.32 involved.

207. We reviewed the accounts of the United Nations Development Programme (UNDP)/National Steering Committee on Child Labour and noted that a cash advance of GH¢20,000.00 released in April 2013 to enable the Ministry fly Ms. Anna Sencherey back from Addis Ababa, Ethiopia, and meet other incidental expenses had since not been paid back. We advised Management to ensure that:

- (a) an amount of GH¢20,000.00 disbursed to defray the airfare and medical expenses of Miss Sencherey is paid back into the UNDP bank account; and
- (b) UNDP funds are disbursed in line with agreed work plans.

208. Contrary to Regulation 0522 of the Stores Regulations, 1984, we noted from examination of the UNDP accounts that a number of items such as T-shirts, Stationery, Digital Video Disc, and Digital Camera worth GH¢16,425.00 purchased in 2013 lacked stores documentation to provide a transaction trail for verification. We were unable to assure ourselves of the occurrence of the above transactions due to limitation occasioned by the absence of stores documentation largely because of the lack of supervisory involvement in the procurement function handled reportedly by the UNDP Project Accountant and the Schedule Officer.

209. We requested Management to ensure that the items valued at GH¢16,425.00 are accounted for with a distribution list receipted by all beneficiaries or in default recover the amount involved. We also advised Management to strengthen

supervision of all business processes under the UNDP programmes.

210. Section 35 of the Workmen's Compensation Act, 1987 (PNDCL 187) requires that compensation shall be paid to the workman or his dependants within three months of the receipt by the employer of the notification of his liability to pay the compensation. During our review of compensation claims, we noted a total amount of GH¢2,195,026.32 relating to this expenditure item comprising an outstanding amount of GH¢1,252,636.23 in 2012 and to GH¢942,390.09 in 2013 that had not been settled. We recommended that Management should apply to the Ministry of Finance through the sector Minister for the release of funds towards the settlement of the compensation claims totalling GH¢2,195,026.32 as at 31 December 2013.

211. Owing to a failure to review mechanised salary vouchers of the Labour Department, Head Office we noted that in 2013 a total amount of GH¢27,058.90 representing unearned salary was credited to the bank accounts of five separated staff members. Management had instructed the bank to place an embargo on their accounts but this initiative was not complemented with a follow-up action to ensure compliance. We recommended and Management agreed to develop an action plan towards recovery of the unearned salary amounting to GH¢27,058.90 and also ensure deletion of their names from the payroll in line with FAR 297(1).

212. The National Labour Commission had not complied with Regulation 297(1) of the FAR, 2004 requiring the immediate stoppage of payment of salary to a public servant when that public servant has separated from the department. Consequently, a total amount of GH¢1,640.97 was paid into the bank accounts of two separated staff, Messrs Yaw Dartey Asamoah (GH¢302.77) and C.S. Sackey (GH¢1,338.20) in August 2011. We urged Management to recover the amount of GH¢1,640.97 from the two separated staff and pay into the Controller and Accountant-General's Suspense Account at the Bank of Ghana.

213. Our payroll audit of the department's accounts included the examination of the mechanised salary vouchers which unearthed the payment of unearned salaries totalling GH¢6,307.97 into the bank accounts of two separated staff between March and September 2013. The wrongful payment stemmed from Management's failure to establish preventive controls in consonance with the provisions of Regulation 297(1) of the FAR. We recommended that Management should recover an amount of GH¢6,307.97 representing unearned salary paid to the separated staff and ensure that the amount is paid into the Controller and Accountant-General's Suspense Account at the Bank of Ghana.

214. We reviewed the financial records generated from the register of factories kept by the Chief Inspector of Factories under the Factories, Office and Shop Act, 1970 (Act 328) and noted that registrants of existing and new factories had

defaulted in the payment of the annual Certificate of Registration renewal fees between January 2012 and December 2013. This omission had culminated in a total arrears of GH¢175,090.00 owed by 145 local factories, offices and shops as well as \$8,500.00 owed by six factories owned by foreigners respectively.

215. Although Management had served reminders on the defaulters, which went unheeded, the Greater Accra Regional Management did not enforce the debt recovery mechanism provided under Section 5 of Act 328 where pecuniary penalties could be imposed on recalcitrant defaulters on referral to the law courts. We recommended that Management should apply the sanctions outlined in Section 5 of Act 328 without prejudice to any other debt recovery mechanism that may be adopted to recover the arrears. We also advised Management to begin the process of deregistration of recalcitrant companies.

216. Section 35(2)(a) of the Financial Administration Act, 2003 (Act 654) vests accountability for government stores in the head of department which is discharged when the government stores have been consumed in the course of public business and relevant transaction trail is available for review. In violation of the above law, we noted that due to ineffective communication, collaboration, and coordination between the stores and accounting functions, government stores acquired valuing GH¢10,222.00 lacked stores documentation supporting their receipt and issuance. We were therefore unable to provide assurance as to whether the stores were consumed as intended.

217. We advised Management to demonstrate with documentary evidence how the stores were consumed in furtherance of public business or refund the amount of GH¢10,222.00 disbursed in the purchase of the stores.

218. We reviewed cash management procedures at the Department of Social Welfare, Wa, and identified that because Management did not adhere to the provisions of Regulation 288(3) of the FAR a total amount of GH¢17,489.50 released to staff as accountable imprest was not accounted for. We recommended that Management should request the affected staff to account for the imprest totalling GH¢17,489.50 or in default recover the amount from their salaries as advances made to them.

219. Due to non-compliance with Regulation 297(1) of the Financial Administration Regulations, we observed that the bank account of Mr. Adjin Bernabas who retired on 19 March 2012 was credited with GH¢2,349.10 representing his salary for April 2012. We urged Management to recover the amount of GH¢2,349.10 and pay it into the Consolidated Fund.

220. We noted that because Management of the Department of Community Development failed to abide by Regulation 297(1) of the FAR, a total amount of GH¢3,093.44 representing unearned salaries had been paid into the bank accounts of two separated staff at the Agricultural Development Bank, Accra. We recommended that Management should establish mechanism for the recovery of the amount of GH¢3,093.44 as soon as practicable.

MINISTRY OF YOUTH AND SPORTS

The irregularities recorded under the Ministry related mainly to the activities of the Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA). The total of irregularities commented upon aggregated GH¢316,576,235.31. In the succeeding paragraphs, we have summarized some of the findings and recommendations carried on GYEEDA.



221. The financing arrangement for the National Youth Employment Program (NYEP) was that it should receive 60% of monthly earnings from Communication Service Tax direct from Ghana Revenue Authority (GRA) for its operations and not from the Consolidated Fund. Therefore, in the period under review a total of GH¢136,820,153.15 were paid directly by GRA into NYEP bank account number 0125660057073 at Bank of Ghana for its operations. The financing arrangement was in

violation of Section 6(1) a & b, of the FAR 2004, L.I.1802 which states that “in accordance with Article 176 of the Constitution, all revenue or other moneys raised or received in trust or on behalf of the Government should be paid into the Consolidated Fund.”

222. This direct funding arrangement, devoid of the checks associated with disbursements from the Consolidated Fund, contributed greatly to the numerous management and other control weaknesses identified in the operations of NYEP/GYEEDA. We recommended that for effective control of GYEEDA expenditure, the Ministry of Finance and Economic Planning should ensure that the 60% portion of Communication Service Tax due the Agency is channeled through the Treasury system.

223. We observed that Management of GYEEDA did not obtain enough evidence on the capacity and skills of 16 service providers it engaged before entering into agreements with them to provide training services valued at GH¢429,194,642.00 to targeted beneficiaries. This omission contravened Section 22 (1 & 2) of the Public Procurement Act, Act 663, as our review of MOUs signed with these service providers could not disclose compliance with the Act. This led to non-performance and other forms of malpractices. We recommended to Management to comply strictly with the stipulated provisions of the Act.

224. While taking note that by a Presidential Directive the Minister of Youth and Sports has since cancelled all the

contracts with effect from December, 2013 we recommend further that the former Ministers of Youth and Sports and the National Coordinator of NYEP/GYEEDA who were responsible for award of these contracts as well as NYEP officials and the beneficiary companies should be called upon to answer why the above stipulated requirements were not adhered to; and regarding the amounts that have been utilised under the respective agreements for services, seek refund of any amount not properly utilized or justified.

225. During the 2012 fiscal year, GYEEDA overrun its budgetary provision of GH¢20,000,000.00 for Goods and Services by a significant amount of GH¢199,311,753.00 which was released directly through the Ministry of Youth and Sports accounts. However, Parliamentary approval of a supplementary budget could not be sighted, contrary to FAR 170(2) and 172(2).

226. We further observed that the said payments described as arrears for beneficiaries and made to five (5) companies/service providers were not supported with bills of claims indicating number of trainees and type of vocation engaged in, period of arrears, certificate of work done and other expenditure details to authenticate the payments, with exception of April – June 2012 claims submitted by Zeera Group Company. As a result, services provided or works done could not be verified to justify the payments made. We recommended that the amount of GH¢199,311,753.00 released to the 5 companies should be investigated.

227. Two MOUs were signed between NYEP/GYEEDA and Messrs Asongtaba Cottage Industries Limited for the training of 10,000 youth in dressmaking, beads making, drum making and carving for six months in some selected regions for a sum of GH¢7,185,475.00 and for training 17,000 youth for six months in smock making, tie & dye making, soap making, carpentry & joinery and guinea fowl rearing at a total cost of GH¢25,620,075.25.

228. Regarding the MOU of October 2009, although the full amount was paid, Asongtaba Cottage Industries Limited failed to train 3000 beneficiaries targeted for beads making, carving and drum making projects estimated to cost GH¢1,843,225.00 but the money was not returned.

229. Concerning the other MOU dated December 2009, as at July, 2013 although the full amount of GH¢25,620,075.25 had been paid the training programmes or interventions agreed had not been implemented, although three and half years had passed. The absence of sanctions in the MOU for non-performance, and the making of upfront payments to service providers without the necessary monitoring and supervisory role by the NYEP/GYEEDA contributed greatly to the non-implementation of the above stated programmes.

230. Management, though aware of these omissions, failed to take any steps to recover from subsequent payments made to the company during the 44 months period the amount of GH¢27,463,300.25 (i.e. GH¢1,843,225.00 + GH¢25,620,075.25)

relating to the programmes not implemented. We could not rule out Management complicity in this default.

231. We therefore recommended that an immediate refund of GH¢27,463,300.25 plus interest at the current Treasury bill rate of 22% per annum be obtained from Asongtaba Cottage Industries for failing to provide the services paid for. Management has subsequently informed us that the Government on 15 November, 2013 directed the Minister for Justice and Attorney-General to secure the refund of this money among others but no specific action is known to have been taken.

232. Memoranda of Understanding (MOU) signed between GYEEDA and eight (8) service providers allowed the service providers to determine the conditions for the recovery of interest-free loans paid them to boost up their businesses and facilitate the setting-up of beneficiaries to become self reliant income earners.

233. The service providers mostly decided to repay the amounts over long periods ranging from 27 months to 108 months. Additionally, GYEEDA did not come to terms with them on the designated bank account into which their refunds would be paid, except in a few instances. Neither did GYEEDA establish any accounting records or monitoring mechanism for these loans and their recovery.

234. A total amount of GH¢57,324,594.30 paid to the service providers as interest-free loans or set-up funds between 2009 and 2012 was not being serviced as stipulated in the MOUs. As at 31 August 2013, only a total of GH¢2,136,759.00 had been refunded leaving an outstanding balance of GH¢55,187,835.30.

2009 GH¢	2010 GH¢	2011 GH¢	2012 GH¢	Cumulative loans GH¢	Total Repayment GH¢	Balance Outstanding GH¢
14,853,977.80	7,167,332.3	32,220,000.00	3,083,284.50	57,324,594.30	2,136,759.00	55,187,835.30

235. Following the Presidential directive for the cancellation of all the agreements (MOUs) we recommended that the Ministry of Youth and Sports should ensure full recovery of these interest free loans which were paid out of public funds.

236. The eight service providers and the individual amount of interest free loans outstanding against each of them are detailed below.

Asongtaba Cottage Industry Limited	-	GH¢42,268,520.00
Rlg communications limited	-	GH¢ 2,639,092.91
Craftpro limited	-	GH¢ 7,958,807.39
New Vision Consult	-	GH¢ 572,925.00
Ghana Young Artisans Movement	-	GH¢ 75,000.00
Jioogiwu Agriculture Training Centre	-	GH¢ 53,490.00
Centre for Development Partners (CDP)	-	GH¢ 300,000.00
Ghallywood African film village	-	GH¢ 1,320,000.00

237. We noticed two payments of GH¢5,939,596.05 and GH¢9,134,000.00, totaling GH¢15,133,596.05, that were made to

Goodwill International Group/MDPI to provide consultancy services and oil & gas training to 4,208 beneficiaries respectively but we did not obtain any substantiating evidence confirming that the company had provided the agreed services.

238. We recommended the immediate refund of GH¢15,133,596.05 by Goodwill International Group/MDPI and were informed that the transaction was being investigated by Economic and Organised Crime Office (EOCO) and the former National Coordinator of the Programme is being tried in this respect.

239. Per an MOU dated 23 July 2012, NYEP/GYEEDA was to recruit 30,000 youth to be trained in phases in the ICT module by Messrs RLG Communications Limited for a sum of GH¢51,000,000.00 and payments totalling GH¢4,498,593.00 were made to RLG between October 2012 and January 2013 towards the training. An additional payment of GH¢25,500,000.00 was made on 21 November, 2012 by direct transfer through the Ministry of Youth and Sports to RLG thus bringing total payments to GH¢29,998,000.00.

240. The additional payment of GH¢25,500,000.00 was to train half the number of targeted beneficiaries, that is 15,000 out of the 30,000 targeted. Total payment made therefore exceeded the requested amount by the initial payment of GH¢4,498,593.00 which should have been deducted from the GH¢25,500,000.00 but was not taken into account. A written undertaking by Messrs RLG since October 2013 to refund the

over payment of GH¢4,498,593.00 had not been honoured despite reminders sent to the company.

241. We recommended that the overpayment of GH¢4,498,593.00 should be pursued diligently. Additionally, in future, there should be coordination between the Ministry of Youth and Sports and the Agency and payments due service providers be effected through appropriate accounts to prevent any overpayments.

242. In a related development, we observed that for the period April – June 2012 an amount of GH¢11,053,450.00 was paid through the Ministry of Youth & Sports account to the Zeera Group Company as arrears due beneficiaries for works done under the road maintenance module in nine regions but the total bill of claims attached to the payment voucher amounted to GH¢8,549,949.00, and not GH¢11,053,450.00 thereby resulting in an overpayment of GH¢2,503,501.00.

243. We have rejected claims made by Zeera Group Company for September 2011 to October 2012 amounting to GH¢4,931,630.66 in respect of quarterly plant and equipment charges being GH¢4,118,884.00 and GH¢812,746.66 respectively based on the fact that the road maintenance module which was launched in March 2011 with 460 beneficiaries ceased operating in September 2011. We therefore considered this as amount of GH¢4,931,630.66 as another overpayment to be recovered. The total overpayment on the road maintenance module consequently amounted to GH¢7,435,131.66.

244. We recommended recovery of the full amount in accordance with Regulation 45 of the FAR, with interest at the prevailing Bank of Ghana lending rate. We were informed subsequently that the transaction had been referred to the EOCO for investigation.

245. Our audit disclosed that an amount of GH¢986,704.40 was advanced to the Zeera Group in May and June 2011 for its road maintenance module. As at 19th September, 2012 only a total of GH¢345,345.66 had been recovered leaving a balance of GH¢641,358.74.

246. Contrary to FAR 104(c) the balance had remained outstanding because further payments were done through direct transfers made to Zeera Group Company by the Ministry of Youth and Sports and thus deductions could not be effected.

247. We urged Management, to follow up for the immediate refund of the outstanding balance of GH¢641,358.74 by the Zeera Group. According to Management, Government had referred this transaction also to EOCO for investigation.

248. The National Youth Employment Programme advanced an amount of GH¢278,000.00 to Messrs Seiwa Engineering Works on 24 October 2011 to manufacture, supply and install 40 sachet water production machines. However, verification at the store showed that the forty (40) sachet water production machines had not been supplied as at the time of our audit in May 2013, after an interval of 19 months.

249. We urged Management to ensure that Messrs Seiwa Engineering Works refunds the GH¢278,000.00 with interest at the current Treasury bill rate. We further advised against the pre-financing of orders in future. We recommended that the officials of GYEEDA who approved the transaction should be held accountable for the recovery of the full amount and the penalty interest due, if the company fails to pay up. According to Management, the transaction was also being investigated by EOCO.

250. Per a Memorandum of Understanding (MOU) signed on the 8 December 2009, NYEP/GYEEDA contracted Messrs Seiwa Engineering works to manufacture, supply and install 50 Sachet Water Machines and its accessories at a total cost of GH¢322,450.00 to help set-up the unemployed youth in Sachet Water Production business as a pilot in the Central and Volta regions.

251. Physical inspection in the Central Region showed that 17 machines with its accessories were supplied in July 2011, and distributed to the various district offices. They were found not to have been installed but were rather being kept at the District Assemblies' stores.

252. In the Volta region, 19 of the machines were received and distributed to private individuals. However, the machines were supplied without 19 Poly tanks agreed upon and 14 of the machines were also said to have been distributed as back up to the Districts but the team could not verify them.

253. We urged Management to retrieve all the polytanks from the company and ensure that the machines supplied are installed forthwith. Management was further encouraged to provide details of the locations of the remaining 14 machines and its accessories distributed as backups or refund an amount of GH¢90,286.00 being the total cost of the remaining 14 machines. The cost of 19 polytanks not supplied is to be recovered from Messrs Seiwa Engineering Works.

254. Sewing Machines and Hair Driers were alleged to have been allocated to 235 Dressmakers and Hair Dressers, among others. There were a number of irregularities in the management and distribution of the equipment to the master trainees by Asongtaba Company, financiers of the informal employees under the GYEEDA programme:

- (a) No Distribution List was kept.
- (b) The cost of the machines was not disclosed.
- (c) There were no documents in respect of quantities to be delivered by the financiers.

255. We recommended that the Municipal Coordinator at Kibi should demand the distribution list from the authorities in line with Regulation 0105 of Store Regulations, 1984 and review the services of Asongtaba Company to ensure accountability and value for money.

256. According to the engagement letters for NYEP internship, the programme was to start from 1 December 2010 to 31 December 2012. It was also stated that the appointment

would automatically terminate 3 months after the period of internship whether NYEP had officially written to the intern or not. We found that 119 formal sector employees under the GYEEDA programme at Kibi were paid a total allowance of GH¢71,400.00 from January 2013 to June 2013 after their appointments had expired as at 31 December 2012. Their appointment letters were not renewed and therefore the payment of allowances to the 119 interns was unearned, invalid and illegal. We recommended that payment of allowances to the interns should cease and the interns discharged.

257. Regulation 104(c) and 112 of the Financial Administration Regulations (FAR) 2004 were not followed to ensure that advances are duly recovered in accordance with regulations or agreements relating to them.

258. We found in this regard that, Mr. Sulemana Abdul Mumuni, inherited from his predecessor an amount of GH¢23,540.00, as loans in kind and cash loans granted to the youth-in-agric and farmers groups within the Nkwanta district between 2006 and 2008 but he has not pursued recovery. The loans comprised cash advances of GH¢15,040.00 given to farmers groups, 250 bags of NPK fertilizers valued at GH¢6,250 and 125 bags of Sulphate of Ammonia (SOA) worth GH¢2,250.00 supplied to beneficiaries of the youth-in-agric module. We recommended that, Mr. Sulemana Abdul Mumuni should pursue recovery of the loans in accordance with Regulations 104(c) and 112 of the Financial Administration Regulations.

259. In contravention of the Regulation 297(1) (e & f), Mr. Francis Amoo who went on retirement still had his name on the Cape Coast Sports Council's mechanised voucher from September 2012 to May 2013 resulting in the payment of unearned salary of GH¢7,682.16 to him. Delay in effecting deletion of the name caused this anomaly. We advised management to delete his name and pursue recovery of the unearned salary and pay same into the Consolidated Fund.

260. We observed at the National Youth Authority, Koforidua, that three payment vouchers with a total face value of GH¢700.00 lacked the requisite supporting documents such as receipts, invoices and statements of claim among others due to management's failure to supervise the work of the schedule officer. As a result, we could not establish whether the services for which such payments were made were indeed received by the department. We urged management to substantiate the payments with the relevant documents or in default, ensure a refund of the amount involved to chest.

261. Records at the National Youth Council office in Cape Coast disclosed that due to management's failure to ensure compliance with Section 43(1) of the Public Procurement Act, 2003 (Act 663) purchases amounting to GH¢1,410.00 were made without resorting to alternative quotations thereby making such purchases non-competitive. We advised management to ensure that alternative quotations from other suppliers are considered prior to the selection and award of contracts in future, in order to make them competitive.

262. We noted that sixteen (16) community education teaching assistants (CETA) who were on the payroll of the agency were posted to first-cycle private educational institutions within the Nkwanta Township by the Nkwanta South District Coordinator of GYEEDA without express authority from the Central Government or the National Coordinator of the programme. Our follow-ups on the postings to the private schools disclosed that the sixteen (16) CETA beneficiaries who were on a monthly allowance of GH¢75.00 each vacated their posts soon after they reported. Yet, through the laxity of Management the affected beneficiaries continued to be paid allowances for twenty-three (23) months amounting to GH¢27,600.00 as at 30 June, 2013. This irregularity contravened Regulation 292(1)(f) of the FAR, 2004 (L.I.1802).

263. We recommended to the Nkwanta South District Coordinator of GYEEDA to recover the unearned amounts totalling GH¢27,600.00 from the beneficiaries and pay same into the consolidated, failing which he should be personally surcharged with the full amount.

264. Our review of the monthly reports on the activities of GYEEDA (NYEP) for May, 2011 revealed that nine (9) community education teaching assistants (CETA) were absorbed by the Ghana Education Service. These separated beneficiaries were replaced following an approval by the Regional Coordinator, to a request for replacement made by the district coordinator.

265. However, the nine separated staff continued to receive their monthly allowance of GH¢75.00 each from June, 2011 to May, 2013 totalling GH¢16,200.00 (i.e. GH¢75.00x9x24 months) without working for the Agency. We recommended that the District Coordinator should cause a refund of the amount of GH¢16,200.00, which was wrongfully paid to the separated beneficiaries, to the State immediately.

266. The District Coordinator of GYEEDA is responsible for effectively monitoring beneficiaries of the programme to ensure that they are punctual and working as expected at their respective work places. Monthly monitoring reports are to be submitted to the regional coordinator for review and necessary action. From January, 2013 to July 2013, and even in the previous year the district coordinator of GYEEDA Nkwanta, failed to monitor and report on GYEEDA operations and Interns/beneficiaries placed under the various modules.

267. By failing to exercise the fiduciary duty reposed in him with scrupulous care, the district coordinator's inaction resulted in absentee beneficiaries not being reported and payment of unearned allowances. And indeed, 59 out of 410 beneficiaries had vacated their posts by December 2012 and the District Coordinator failed to delete their names and update the nominal roll, in violation of Regulation 292(1) of the FAR.

268. We recommended that monitoring be carried out regularly and on monthly basis and reports issued for information and necessary action of the appropriate authorities.

The District Coordinator should liaise with the regional and national coordinators of GYEEDA as well as officials of the Ghana Commercial Bank, Nkwanta branch to ensure that the ex-beneficiaries do not receive any allowance for the outstanding period.

269. Contrary to Part IV Section 35(2) (a) of the FAR, we noted that management of GYEEDA failed to maintain a logbook to account for fuel purchases of GH¢26,279.91. We recommended to management to monitor fuel usage by complying with the law. We also advised that a vehicle logbook is procured to record all the fuel purchased failing which, the total amount of GH¢26,279.91 is accounted for by the Director of GYEEDA in Sunyani.

MINISTRY OF INTERIOR

The Ghana Police Service, Ghana National Fire Service, Ghana Prisons Service, Ghana Immigration Service and the Gaming Commission are institutions that operate under the Ministry of Interior. Findings presented hereunder relate to these institutions.

270. Residential and office building projects being undertaken by the Ghana Police Service had been suspended at various levels of completion. Projects Unit records revealed that out of 38 projects selected to be completed in 2013, ten of the contractors could not move to site while those who moved to site had not been able to complete the building projects due to

the non-issuance of certificates of completion of works and non-payment to enable them to continue the construction works.

271. In another development, the construction of eight units of three-storey flats was initiated in Cape Coast between 1972 and 1978 with the intention of providing residential accommodation for non-commissioned Police personnel. However, the construction had been abandoned at various stages of completion because the Police Administration did not have the necessary budgetary allocation to continue and complete them. We noted also that about 20 personnel of other ranks at Cape Coast were lodging in a workshop not meant for residential purpose, because they could not afford to pay huge rent advances being demanded by landlords in the Metropolis.

272. We recommended that Management should intensify its sourcing of funds from the Ministry of Finance to complete the abandoned projects to avoid the incidence of variation of contract sums and possible payment of interest on unpaid debts and also bring relief to the numerous police officers facing accommodation difficulties and challenges from landlords throughout the country.

273. Our inspections at the Kpeshie and Accra Central Divisions disclosed that instead of being kept under lock and key, rifles were kept at the Exhibits Store and under the counter at the Ministries, Teshie and La Police Stations Charge Offices where they could easily be reached by both inmates and the general public with dire consequences for the Police and the

public at large. A similar situation existed at Hemang. We recommended that Management of the Divisions involved should source funds to create armouries for safe keeping of arms and ammunitions.

274. As a result of the failure to comply with Regulation 9 of the Ghana Police Service Regulations 1971, LI 704, on disposal of property, the Exhibit Stores of Railways, Kpeshie Division, Dansoman, Kaneshie and Commercial Fraud Unit of CID were congested with exhibits. This situation made stock counting, verification and inspection of the exhibits impossible, with the consequence that exhibits for decided cases could get bad and missing items might not be readily detected. We recommended that Management of the various Commands, Units and Divisions should apply the necessary regulations to dispose of the exhibits, especially those involving cases not pending at the court of law and cases that had been decided and closed.

275. Five mobile phones and internet accessories issued to some officers at the Regional Police Headquarters to monitor the 2012 elections were yet to be returned to store. The names of the officers were not provided us to enable a follow up to be made.

276. We urged Management to identify the personnel concerned and retrieve the items, failing which the Regional Commander should personally be held accountable for the mobile phones valued at GH¢2,004.00.

277. Thirty (30) motor vehicles and six (6) motor bikes abandoned at the Motor Traffic and Transport Units (MTTU) within the Nima Division, contrary to Regulation 9 of the Police Service Regulations (LI 704), were due for disposal. They were abandoned after being involved in motor traffic offences and Road Traffic Accidents. We recommended that Management should take the required action for their disposal in accordance with the above quoted regulation and decongest the station.



278. The Arms and Ammunition Licensing and Renewal Unit of Regional Police Headquarters, Cape Coast, collected an amount of GH¢8,668.00 between 1/1/13 and 31/12/13 without banking the collections within the regulated time of 24 hours as required by Regulation 15(1) of FAR. The payment was done a month later or in some cases two months. The lapse was attributed to failure of the Clerks concerned to request for

vehicle from their superiors to exercise this duty. The practice, we noted, could lead to misappropriation and embezzlement of public funds. We recommended that Management should ensure that all revenue collected is banked in accordance with the law.

279. By Regulation 1604 of Stores Regulations, 1984 a vehicle Log Book shall be maintained for each vehicle in which all particulars of receipts of lubricants and fuel purchases shall be recorded. We found to the contrary that drivers at the Divisional Headquarters at Kibi failed to account in their respective Log Books for fuel purchased totalling GH¢5,575.40. This happened due to inadequate management control over the purchase and use of fuel at the Division. We urged that all fuel purchased is properly accounted for by the drivers in the appropriate vehicle Log Books.

280. Personnel at Municipal Police Command, Offinso were not provided with furniture and other office equipment to enable them perform their duties, contrary to Section 9(a) of Part III of the Labour Act, 2003 (Act,657). The furniture and equipment which ranged from writing desks and chairs to computers and their accessories were procured by the police personnel themselves. The furniture and equipment bore the inscription “Not Police Property”. This situation arose because the Police Administration failed to respond positively to the Municipal Commander’s request in February 2012 for computers and accessories needed by the Command. The obvious consequence was that the Municipal Command would

be denied the use of these items of furniture and equipment in the event of transfer of the Police personnel who procured them.

281. We recommended to the Municipal Commander to continue to appeal to the Police Administration through the Divisional Commander to consider providing furniture and equipment to the command.

282. We noted that the male cells at the Offinso Police Station were in a very poor state. The following conditions prevailed at the station:

- i. Inmates of the male cells had created a big hole in the roof through which one Adamu Karim, an inmate, managed to escape from lawful custody in June 2012
- ii. The female cell was converted into a male cell
- iii. Female inmates were detained on the corridor leading to the cells, creating dangerous situation to both female inmates and police personnel on duty at night. At the time of writing, the hole in the roof was still yawning.

283. We urged the Municipal Commander to appeal through the Divisional Commander to the IGP to provide funds for the renovation of the cells.

284. The Asankragwa Police station did not have a secured safe where cash and valuable exhibits are supposed to be kept, notwithstanding Regulation 12 of the FAR. Cash exhibits were therefore kept in the armory. At the time of the audit an

amount of GH¢7,320.00 representing cash exhibits was kept in the armory. Although the officer-in-charge claimed that he had put in a request for a safe which is yet to be supplied, we could not sight the letter. We urged the Station Officer to keep on reminding his superiors of the need for the safe in order to safeguard cash and other valuable exhibits.

285. The use of green pen or ink in the transacting of government's business is restricted to the staff of the Auditor-General as stated in Financial Administration Regulations (FAR 2004), Section 204 that "except for an officer of the Audit Service no officer of any department shall use green ink or pencil in recording any financial transaction". We noticed on the contrary that the Ghana Police Service, Internal Audit Unit at District Headquarters, Bibiani, has been using the green pen in the performance of their duties. We recommended that the Internal Audit Unit of the Police Service or any other person within the Service should desist from the use of green ink for any official purpose.

286. In spite of the requirement under Section 43(1) of the Public Procurement Act (PPA) 2003, Act 663 that procurement entities shall request quotations from as many suppliers or contractors as practicable but from at least three different sources, the Divisional Police Headquarters at Berekum procured goods to the tune of GH¢5,082.00 without recourse to the law. We urged the Divisional Commander to ensure that procurements are always subjected to competitive quotations in order to obtain maximum benefit in terms of price and quality

from the transactions. Additionally, the schedule officers who breached the law should be sanctioned accordingly.

287. Contrary, to Section 16(1)(a) of the Financial Administration Act, Act 654, the office paid GH¢1,245.00 for vehicle maintenance without a works order. Management's failure to comply with the law could result in payment for no work done or service rendered and consequent loss of public funds. In order to show transparency in the financial business of the office, works order should always be prepared before maintenance works are carried out.

288. Section 35(2) (a) of the Financial Administration Act 654 of 2000 states that "Accountability is discharged when government stores have been consumed in the course of public business and records are available to show that government stores have been consumed". Contrary to the above regulation, we noted that fuel purchased worth GH¢9,366.00 were not recorded in the log books of the Divisional Unit. We could, therefore, not ascertain whether the fuel was actually bought and used for the benefit of the Service. We recommended to Management to monitor fuel usage by complying with Section 35(2) (a) of the FAR. We also advised that the usage of the fuel be duly accounted for.

289. The audit team was denied access to records of the District Police Command contrary to Section 11(2) of the Audit Service Act. Due to this limitation, we could not review the financial transactions for the periods 1 January 2012 to 31

December 2012 and 1 January 2013 to 30 June 2013. This limitation was due to the fact that, the District Police Commander was sick and also failed to delegate authority to competent officers to keep the office running whilst he was on leave.

290. It was our considered opinion that Public Service institutions, of which the Ghana Police Service is part, are run with structures and not personalities. Therefore, the ill health of a responsible official should not affect the efficient running of government business. The Police Commander subsequently agreed to submit records on the funds received from Nkwanta South Assembly for audit.

291. Store Regulation 1984, Chapter 11 Section 1101 states that “It is the responsibility of all supervisory officers and staff directly in charge of stores and equipment to determine what surplus, obsolescent and unserviceable stores are lying in their store-house and compounds. It is their further responsibility to take immediate action to dispose of such categories of stores and when necessary, to report the circumstances to the appropriate authority for disposal action”. Contrary to the above quoted regulation, store items rendered unserviceable were still kept in the various offices without any action being taken on them either for their disposal or repair. We recommended to Management of Nkwanta Police Station to take immediate action to either dispose of the items or repair them to avert possible deterioration of the items.

292. We found that the Nkwanta Police Station did not keep an Assets Register to record, provide documentary control and ensure the security of its assets like furniture, computers and television set. We recommended that the Station Master should always ensure that an Assets Register is kept to record all Assets of the station. It should be regularly updated and maintained. We recommended to the Station Master to write to the District Police Commander for formal authorisation to dispose of the items through public auction or sale as scrap.

293. Various retired officers of the Ghana National Fire Service were paid unearned salaries to the tune of GH¢29,805.10 due to the failure of Management to submit inputs to the Controller and Accountant General Department timely for deletion of their names from the payroll. The officers were located at the Headquarters, Bawku, Bolga, Mpraeso, Salaga and Sunyani. We urged Management to recover the unearned salaries from the officers and the same paid to chest.

294. A separated staff at the Fire Service station in Bawku was paid GH¢1,480.00 as unearned salary in January 2013 in contravention of Regulations 297(f) and 300(a) of L.I. 1802. Management's failure in ensuring timely deletion of the officer's name from the payroll resulted in the unearned payment. We recommended that Management should recover the amount from the separated staff without further delay and pay same into the Consolidated Fund.



295. Contrary to Regulation 1604 of Chapter 16 of Stores Regulation 1984 we noted that the receipt and usage of fuel worth GH¢480.00 was not recorded in the log book of vehicle number FS 370. This was because the vehicle had no log book. As such we were unable to determine whether the fuel by the Fire Service station in Wa was purchased and used by the vehicle and this could result in payments for fuel not procured or diversion of fuel for personal use. We advised Management to properly account for the fuel.

296. We noted that the District Fire Officer, Tumu, failed to account for GH¢2,000.00 received on receipt No.379642. This was due to lack of supervision over the activities of the officers

of the District. We recommended the recovery of the amount from the officer concerned and disciplinary action against the officer.

297. We noted that an amount of GH¢35,638.00 received at the Regional Fire Service, Bolga, as supplementary remittances from the National Headquarters to run the office was not receipted contrary to the regulation stated above. Failure to issue official receipt to acknowledge the receipt of funds could facilitate the suppression or diversion of such funds. Management agreed to issue receipts for all money from the National Headquarters.

298. We noted that Miss Amshetu A. Musah, Assistant Station Officer, Bolga, with staff No. Gov 513901G/47881 who died on the 26 November 2012 was paid salary arrears from January 2010 to January 2013 totalling GH¢9,909.42, including unearned salary for the two months of December 2012 and January 2013 totalling GH¢859.40. We recommended to Management to pursue recovery of the unearned salaries of GH¢859.40 from the officers bank account or next of kin and return same to chest.

299. We noted during our review of the payroll that due to the failure of the Fire Station Officer at Salaga to review and certify the mechanised pay vouchers monthly, as per FAR 304(1)(a) a total amount of GH¢3,338.53 was paid to Mr. Tahiru Grant for the period between June 2011 and June 2012 as unearned salary. We recommended to Management to take steps to recover the amount from the bankers.

300. We observed that Mr. Noi Abraham who retired in May 2012 from the Mpraeso Fire Station was paid unearned salaries totalling GH¢4,845.91 through the Agricultural Development Bank, Nkawkaw branch before his name was finally deleted from the mechanised salary payment voucher in September 2012. We advised Management to recover the said amount from Mr. Noi Abraham or be held liable to pay same to Government chest and have his name deleted from the payroll.

301. We observed at the Fire Service station at Begoro that the department's Nissan Pick-Up with registration number FS 212 which was found to be unserviceable and beyond repairs was parked outside and exposed to the vagaries of the weather thereby suffering further deterioration and loss of value. We advised Management to seek clearance from the National Headquarters to auction the unserviceable vehicle.

302. We noted during the audit that, three officers at the Sunyani Fire station who are no more with the Service were paid an amount of GH¢2,327.22. Management's failure to ensure the early deletion of their names resulted into this. We urged Management to pursue recovery of the total amount of GH¢2,327.22 and pay same to chest.

303. We noted retention of the names of three deceased staff on the payroll of the Navrongo Prison Service office for periods ranging between three and 12 months, resulting in payment of unearned salaries to them totalling GH¢16,816.20. We further noted that Management had been able to recover to chest a total

of GH¢8,289.10, leaving a difference of GH¢8,527.10 to be recovered. We urged continued action for full recovery.

304. Section 43(1) of the Public Procurement Act, 2003 Act 663 provides that a procurement entity shall request quotations from as many suppliers or contractors as practicable, but from at least three different sources. But the Tamale and Navrongo Prison offices made procurements valued at GH¢7,584.50 by direct purchases without recourse to the above provision. We recommended compliance with the provisions in the PPA Act, Act 663, to ensure value for money in all procurements.

305. Contrary to Regulation 39(2) of the FAR, four payment vouchers with a face value of GH¢5,580.00 were not supported with receipt, invoices and statement of expenditure to authenticate the payments. The lapse was occasioned by Management's failure to ensure that the payments were properly and adequately accounted for, to justify their use. We urged Management of the Tamale Prison Service to adequately acquit the vouchers.

306. We noted that revenue generated from authorised outdoor labour of in-mates of the Yendi Prison amounting to GH¢1,505.00 paid to the officer-in-charge, Mr. Alfred Karikari was not accounted for by the officer. We recommended recovery of the amount from Mr. Karikari by the Prison authorities and appropriate disciplinary action taken against him.

307. The number of rooms stated on the Certificate of Assessed Rent and Rate (CARR) for 2012, by the Rent Control Division on behalf of Awabu Imoro and Hajia Rahamatu Iddrisu (landlords) were over stated by four and six rooms respectively, resulting in over payment of rent by GH¢4,200.00 to the two land ladies. We asked Management to retrieve the amount of GH¢4,200.00 from the two landladies, failing which the amount should be recovered from the head of Yendi Prisons, Mr. Victor Douchebe.

308. Section 1 of the FAR, requires public officers responsible for the conduct of the financial business on behalf of government to keep proper records. To the contrary, we noted that the Prison Service, Wa, failed to present for audit payment vouchers covering a total amount of GH¢1,166.70. We advised that the vouchers should be traced and submitted for audit.

309. The payroll of the Wa Prisons Service continued to reflect the names of the two officers who died in December 2012 until March 2013. A total unearned amount of GH¢5,862.54 was thus paid into their bank accounts while a total amount of GH¢2,921.37 was also deducted from their salaries and paid to Insurance Companies, bringing the total unearned salaries to GH¢8,583.91. We recommended that Management should take steps to recover the total amount of GH¢8,583.91.

310. Sergeant Charles Adu who voluntarily retired on 3 October 2012 did not have his name deleted from the mechanised payroll of Sekondi Prison Service. As a result, a total amount of GH¢1,342.60 was illegally paid into his bank

account. We recommended to Management to delete his name and ensure that his bankers transfer the unearned salaries of GH¢1,342.60 to Controller and Accountant-General Suspense Account.

311. Management of the Gaming Commission without approval from the Procurement Authority sole sourced the procurement of one SUV 4x4 Hyundai ix 35 on December 2013, valued at GH¢74,847.05. This transaction was above the threshold of Head of the Entity. Although Management explained that Auto Plaza was the only automobile company that was willing to offer credit facility, we recommended that the Commission should seek retrospective approval from the Public Procurement Authority.

312. The Governing Board of the Gaming Commission had not been constituted to back the functioning of the Commission contrary to Section 4 of the Gaming Act 2006, (Act 721). In the absence of the Board there is no oversight body to guide the Commission in performing its roles and functions. We urged the Commissioner to prompt the Minister of Interior to constitute and inaugurate the Board to empower the Commission.

MINISTRY OF WATER RESOURCES, WORKS AND HOUSING



Due to serious human encroachment on the Ministry's 108.48-acre land (situate at Gomoa Nyanyano Kakraba in the Ewutu-Afutu-Senya District in the Central Region) acquired at a purchase value of GH¢520,704.00 from Dara Salam Estate Developers Ltd in June 2005, we gave endorsement to the recommendation of a task force established by the ministry in June 2012 requesting management to recover an amount of GH¢78,105.60 which had been paid to the estate developer. Management commented, with documentary evidence, that Dara Salam Estate Developers Ltd had been requested to refund an amount GH¢78,105.60 to Government of Ghana.

313. Between June 2012 and March 2013 unearned salaries totalling GH¢9,439.04 were paid into the bank accounts of three

officers who had vacated their post. We urged Management to recover the amount and pay into Controller and Accountant-General's Suspense Account at the Bank of Ghana.

314. Disbursements by the Accra Metro Works Department totalling GH¢1,059,659.00 were not supported by documentary evidence due to weak internal control arising from lax supervision and oversight of the accounting function creating the potential for financial malfeasance. We recommended that Management should establish corrective processes designed to retrieve the relevant supporting evidence or consider refunding the amount of GH¢1,059,659.00 involved.

315. Due to the lack of regular supervision of the revenue collection function, we noted that between March and June 2013, Mr. Appiah Kwame Mensah, a revenue collector of the Community Water and Sanitation Board, Awaso, withdrew a total amount of GH¢4,500.00 from the Board's Operational Account No. 611766 at the Upper Amenfi Rural Bank, Sefwi Bekwai with six cheques leaflets belonging to the Board by falsifying the signature of the authorised signatories. We recommended that Management should demand a refund of the amount from the revenue collector and pay into the Board's Operational Account and institute disciplinary action against him. Management explained that Mr. Appiah had refunded GH¢2,500.00 and the amount had been placed in the custody of the Police while efforts were being intensified to recover the difference of GH¢2,000.00.

316. Our examination of the Ledgers containing a database of customers bills, payments made and running balances of the Community Water and Sanitation Board, showed that total uncollected revenue stood at GH¢465,620.50 in respect of Half Assini (GH¢85,027.50) and Bibiani (GH¢380,593.00) offices as at December 2013 due to the lack of effective supervisory involvement in the revenue collection function. We urged Management to step up effort in the collection of the outstanding bills to enhance the operating effectiveness of the Board.

317. Our review of contract management disclosed that in violation of Section 43 (1) of the Public Procurement Act, 2003 (Act 663), the construction of an overhead Water Reservoir at Half-Assini by the Community Water and Sanitation Board had been awarded in the contract sum of GH¢8,400.00 to a mason, Mr. Issaka Hamani without extending any invitation to as many suppliers or contractors as reasonably practicable to promote competitiveness in the contractor/supplier selection process. We recommended and Management agreed to ensure competitiveness in supplier/contractor selection process in future procurement contract activities.

318. Unearned salaries totalling GH¢15,917.17 had been paid into the bank accounts of eight separated staff (seven on retirement: GH¢11,378.30 and one deceased: GH¢4,538.87) because the prescribed input forms sent to the Controller and Accountant-General Department (CAGD) to ensure deletion of their names from the payroll were not processed in a timely

manner. We urged PWD Head Office Management to ensure that the amount of GH¢15,917.17 representing total unearned salaries of the eight separated staff is recovered fully and paid into the Controller and Accountant-General Suspense Account at the Bank of Ghana.

319. Regulation 39(2)(c)(d) of the Financial Administration Regulations 2004, require the head of the accounts section to control disbursement and to ensure that transactions are properly authenticated to show that amounts are due and payable and any disbursement that does not meet the requirement is rejected.

320. We observed two payments by the Regional Engineer of PWD, Sunyani, totalling GH¢17,345.00 for renovation works at bungalow No. 60 Residency (GH¢16,345.00) and sundry purchases for the department (GH¢1,000.00) which lacked supporting evidence. We recommended that the Regional Engineer and the Accountant should provide the relevant documentary evidence or in default, be made responsible to refund the amount of GH¢17,345.00.

321. During 2013 a total amount of GH¢17,931.17 was paid into the bank accounts of five separated staff (three retired: GH¢12,165.49 and two deceased: GH¢5,775.68) of the PWD, Hohoe, as a result of delays reportedly caused by the Controller and Accountant-General's Department in deleting their names from the payroll. We recommended that the amount of GH¢17,931.17 should be recovered and paid to the Suspense

Account of the Controller and Accountant-General's Department at the Bank of Ghana. Management should also ensure that the names of the separated staff are deleted.

MINISTRY OF ROADS AND HIGHWAYS

322. We noted that payments totaling GH¢7,848.00 made by the Ghana Highways Authority Office at Ada Foah and the National Road Safety Commission at Ho were not supported with appropriate transaction documents and official receipts creating doubts as to the genuineness of the transactions. We advised Management of the two offices to acquit the payments for audit review or the amounts should be recovered to chest.

323. Another cash irregularity was noted at the Department of Feeder Roads, Takoradi, where imprests amounting to GH¢28,161.00 advanced to six officers in 2012 had not been retired after the mandatory deadline of financial year end, as stipulated by Regulation 289 of FAR, 2004. We advised the Regional Manager to ensure that the officers retired the imprests or the amounts are adjusted to their personal advance account and recovered from them.

324. At the Driver and Vehicle Licensing Authority (DVLA) at Ho, Management's failure to issue formal bungalow allocation letter to an officer and submit inputs for deduction of rent from his salary, has resulted in unpaid rent amounting to GH¢3,890.00. We urged Management to comply with Regulation 17 (a) of FAR, 2004 and collect all arrears in rent.



325. Various payroll irregularities resulted in the payment of unearned salaries totaling GH¢17,099.00 to former employees of the Ghana Highways Authority offices at Ada Foah and Ho, and the Department of Feeder Roads at Sefwi Wiawso. We recommended recovery of the amount and compliance with Regulation 298 of FAR, 2004, to avoid future payments of unearned salaries.

326. At the Ho Office of the National Road Safety Commission, procurement and stores irregularities relating to the non-issue of works order for various repair works, and failure to route procured items through stores amounted to GH¢4,588. We asked Management to strictly comply with Stores Regulations 1522 and 0522 of 1984 to forestall such irregularities in future.

327. The Department of Feeder Roads in Takoradi had recorded on its Fixed Assets Register ownership of 14 bungalows it acquired between 1998 and 2006 at a total cost of GH¢176,294. However, the Department had no indenture and title documents to support its ownership of the properties. In line with Regulation 272 of FAR, 2004, we recommended that Management should obtain the indentures and title deeds for our inspection.

MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

328. Two official Nissan Patrol vehicles of the Local Government Service Secretariat valued at GH¢ 52,068.01, with registration numbers GE4036-Z (GH¢ 34,652.55) and GE340-X (GH¢17,415.46) respectively allocated to two former officials of the Secretariat, Messrs M. B Alhassan and Cofie Agama, had not been handed over to the organisation ever since they were both posted to other management units in 2011. We recommended that Management should develop and implement an effective action plan to repossess the vehicles from the two former officials.



329. The bank account of Mr. Issah Abdul-Basit (an Assistant Development Planning officer with Staff ID 862303) who resigned from the Secretariat in August 2012 was credited a total amount of GH¢1,449.96 representing his salary for the period September and October 2012. We recommended that Management should recover the unearned salary of GH¢1,449.96 from Mr. Abdul-Basit and pay same into the Suspense Account of the Controller and Accountant-General's Department at the Bank of Ghana.

Because school fees at the Community Development Vocational/Technical Institute, Accra were being paid by the students in cash, out of a total amount of Gh¢39,122.00 collected between January 2012 and May 2013, only Gh¢6,272.00 had been paid into the bank account by the Accountant, leaving a balance of GH¢32,850.00 reportedly used to cater for

unsubstantiated expenses. We requested Management to ensure that the Accountant properly accounts for an amount of GH¢32,850.00 (which had not been paid into the Operational Bank Account) with supporting evidence and ensure that school fees are henceforth paid by banker's draft.

330. HFC Bank cash transfer details transmitted to the Bank of Ghana between November 2012 and December 2013 showed that a total amount of GH¢30,125.00 transferred by the HFC Bank in favour of Births and Deaths Registry (the Registry), Greater Accra Region had not been credited by the Bank of Ghana. We requested Management to ensure that an amount of GH¢30,125.00 transferred by the HFC Bank to the credit of the Registry is immediately paid by the Bank of Ghana into the Consolidated Fund.

331. Out of a total amount of GH¢18,635.00 received by the HFC Bank Ghana Ltd from the Birth and Death Registry, Accra, between September and November 2012, an amount of GH¢12,505.00 had been transferred to the Bank of Ghana leaving an outstanding balance of GH¢6,130.00. We urged Management to ensure that the amount of GH¢6,130.00 is immediately transferred by the HFC Bank into the relevant receiving account at the Bank of Ghana.

332. We reviewed the Mechanised Payment Vouchers received from the Controller and Accountant-General's Department and noted that because Management failed to observe the requirement under Regulation 297(1) of the

Financial Administration Regulations, 2004 the bank accounts of four employees who separated from the Regional Office of the Births and Deaths Registry through compulsory retirement in 2012 had been credited with salaries totalling GH¢5,602.68 between July and December 2012.

333. We requested and Management agreed to ensure that the amount of GH¢6,323.53 paid to the four separated staff is recovered and paid into the Controller and Accountant-General's Suspense Account at the Bank of Ghana.

334. Out of a total revenue of GH¢317,788.00 collected between January and December 2012 by Mr. Emmanuel Sarfo, an Account Officer of the Birth and Death Registry, Cape Coast, an amount of GH¢258,341.00 had been paid into bank account, leaving an outstanding balance of GH¢59,447.00 yet to be accounted for. We urged the Regional Registration Officer to recover an amount of GH¢59,447.00 from Mr. Sarfo and pay into the Consolidated Fund as soon as reasonably practicable. The Regional Registration Officer should also strengthen supervision of the revenue collection function and institute disciplinary action commensurate with the magnitude of the malfeasance against Mr. Sarfo.

335. An officer of the District Births and Deaths Registry, Twifo Praso, Ms. Emelia Miriam Manson, between January and December 2013 collected revenue from the public with six unofficial collection slips (instead of the prescribed official receipt forms from the Controller and Accountant-General's

Department (CAGD)) paid only GH¢1,335.00 into bank account out of a total collection of GH¢4,700.00 leaving a balance of GH¢ 3,365.00 unaccounted for. We urged Management to ensure that the amount of GH¢3,365,00 is immediately recovered from Ms. Emelia Miriam Manson and paid into the Consolidated Fund.



336. Mr. Abdulai Asuma, an officer of the Birth and Death Registry in Tamale who retired in July 2012 was credited with GH¢2,905.44 between August 2012 and October 2012 because his bankers as well as the Controller and Accountant-General's Department were not notified in time. We urged Management to recover the unearned salary of GH¢2,905.44 from Mr. Asuma and pay it into the Consolidated Fund.

337. Messrs Joseph Mensah and John Asmah who retired on 14 November 2012 and 12 August 2012 respectively were credited with unearned salaries totalling GH¢3,330.00 between September 2012 and February 2013. We urged Management of Sekondi Parks and Gardens to ensure that the unearned salaries paid to the separated staff totalling GH¢3,330.18 be recovered and paid into the Consolidated Fund.

338. The name of one Mr. Jacob Mortey, (Senior Executive Officer with Staff ID 920248) who did not belong to Department of Parks and Gardens, Koforidua, appeared on the department's payroll. His bank account at the Ghana Commercial Bank (GCB), Koforidua was consequently credited with unearned salaries totalling GH¢1,552.41 in July and August 2013. Although the Regional Landscape Designer succeeded in deleting Mr. Mortey's name from the Department's salary payroll in September 2013 the unearned amount of GH¢1,552.41 was not recovered. We accordingly urged Management to ensure that the amount is recovered from the relevant bank and paid into the Consolidated Fund.

339. Regulation 297(1) of the Financial Administration Regulations, 2004 requires a head of department to cause the immediate stoppage of salary to the public servant when that public servant has retired, vacated post, resigned, granted leave without pay or died.

340. In this regard, we observed that because the Regional Director of the Parks and Gardens, Sunyani, delayed in

notifying the relevant banks to place an embargo on the salaries of four separated staff, out of a total amount of GH¢13,817.58 initially paid into their bank accounts by way of unearned salaries between 2012 and 2013, two of them had partly refunded only GH¢2,693.50 leaving an outstanding balance of GH¢11,124.08 recoverable from all of them.

341. At Keta, between November 2012 and February 2013, an aggregate amount of GH¢3,184.04 was paid into the bank account of Madam Theresa Amedume, an Assistant Chief Technical Officer (with staff ID No. 76494) who retired from active service on 31 October 2012. We requested the Regional Director to retrieve the total outstanding balance of GH¢14,308.12 from the separated staff and pay this into the Consolidated Fund.

MINISTRY OF LANDS, FORESTRY AND MINES

FORESTRY COMMISSION - DUNKWA-ON-OFFIN

342. Our review of the Forestry Commission's payroll vouchers at Dunkwa-on-Offin indicated that between July 2011 and June 2012, a sum of GH¢3,369.00 was paid as unearned salary to Justina Ampiah and Sekyire John, both retired staff. A further payment of GH¢2,836.02 was made into a deceased staff, Mr. Joseph Oppong's account, at Barclays Bank Obuasi from January 2012 to June 2012, thus resulting in a total unearned salary of GH¢6,205.02 and at the Municipal Forestry Commission, Offinso, six separated staff were paid unearned salaries to the tune of GH¢14,870.11. We advised Management

to ensure recovery of the amount of GH¢21,075.13 involved to government chest.

343. Triplicate copies of six value books used by the Land Valuation office in Sekondi to collect revenue amounting to GH¢32,137.50 between January and March 2012 on behalf of Ghana Revenue Authority (GRA) were not presented for audit, contrary to Regulation 1 (a & b) of the FAR. They were said to have been inadvertently misplaced. We recommended to Management to ensure that, the receipts are presented for inspection or the Accountant should be held responsible to justify the amount.



344. We noted that 32 farmers who were leased plots of land by the Administrator of Stool Lands, Axim, had defaulted in

payments of rent to the tune of GH¢53,620.00 over a period of eight to 13 years, as a result of Management's failure to put in place effective mechanism for the collection of the revenue. Twenty eight (28) tenants at Begoro also owed a total amount of GH¢40,057.56 some dating as far back as 2007. We recommended to Management to expedite action including legal means to recover the total amount of GH¢93,677.56 from the 60 farmers and also initiate steps to abrogate agreements with recalcitrant ones.

345. Between January 2012 and June 2013, four revenue collectors at Goaso collected total revenue of GH¢13,168.50 but accounted for only GH¢6,885.00. Further, at Nkwanta, January and August 2013, an amount of GH¢1,313.00 was realised as stool lands revenue but only GH¢300.00 was lodged into the department's bank account. The balance of GH¢1,013.00 was not accounted for. A revenue inspector also collected a total of GH¢316.00 with four General Counterfoil Receipt leaflets but failed to record them in the cash book. The amount collected was neither paid to bank nor was it on hand at the time of the audit. We recommended that the total cash shortage of GH¢7,612.50 should be recovered from the collectors and they should also be sanctioned to serve as a deterrent to others.

346. At the Stool Lands Administration in Kibi, examination of the Stock Register of Value Books showed that General Counterfoil Receipt Book (GCR) No.0349101-0349200 could not be sighted even though Madam Helen Agogo had signed for it in the stock Register. We advised Management to report the

missing GCR book to the appropriate authority for retrieval and the revenue collector cited for breach of financial discipline in line with Regulation 8 of the FAR.

347. Regulation 39(2)(c) and (d) of FAR, 2004, require the head of the accounts section to control disbursement and to ensure that transactions are properly authenticated to show that amounts are due and payable and any disbursement that does not meet the requirement is rejected.

348. We noted at the Lands Commission, Sunyani, that an amount of GH¢1,200.00 in respect of legal expenses and typing of documents were without the necessary documents to certify that the amount had been duly paid. We requested Management to properly acquit the expenditure.

349. Two officers died and three others retired from the Stool Lands Administrator's office in Sekondi between 25 December 2010 and 3 June 2011, but their names continued to appear on the mechanised salary vouchers until December 2011 when their names were deleted from the vouchers. As a result of the delay, the five separated staff were credited with unearned salaries totaling GH¢7,232.24. We urged Management to pursue the matter and furnish us evidence that the amount of GH¢7,232.24 has been recovered and paid to Government Suspense Account.

350. Five revenue collectors failed to present two General Counterfoil Receipts (GCRs) books (with no fixed value), which

were used to collect various types of revenue for audit inspection. Failure by the Bekwai Municipal Stool Lands Officer to ensure that all money collected was checked each day and promptly paid into designated bank accounts contributed to this lapse. We urged Management to institute measures to retrieve all the value books, and those who fail to do so should be sanctioned.

351. We noted at Konongo Town and Country Planning office that an amount of GH¢15,700.00 was collected as fees from 383 applicants for building permits. Management disbursed the full amount without first lodging it into the department's bank account as required by Regulation 18 of the FAR. Management also failed to provide any legislative approval that mandated the department to either retain all or a portion of the funds generated internally. We recommended that Mrs. Abigail Agyenim Boateng, the Municipal Planning Officer, should produce the authority for the disbursement of the amount or the total amount of GH¢15,700.00 recovered from her.

352. Contrary to Regulation 297(1) (e) of the FAR, Mr. Amoako Kingsley, a Principal Technical Officer with staff ID No. 8685, who retired in June 2012 still had his name appearing on the salary voucher of the department. An unearned salary of GH¢7,000.00 was wrongly paid into his bank account between the period July 2012 and July 2013. We urged the Municipal Town and Country Planning Officer, Bekwai, to delete Mr. Amoako's name from the payroll and liaise with his

bankers to ensure recovery of the amount to the Consolidated Fund.

353. Four employees who separated from the Town and Country Planning Department, Koforidua, between 1 January 2012 and 31 May 2013 were paid total unearned salaries of GH¢22,416.20, contrary to Regulation 297(e) and (f) of the FAR, 2004. Management was able to recover a total amount of GH¢6,016.57 from one of the staff involved, leaving an outstanding balance of GH¢16,399.63 to be recovered. We advised management to pursue recovery of the total amounts of GH¢12,323.33 and GH¢4,076.30 respectively.

Fuel not accounted for in vehicle Log Book – GH¢407

354. Fuel allocation valued at GH¢407.00 was not recorded in the vehicle Log Books of the Koforidua Town Planning office, due to weak supervision of the drivers and contrary to Regulation 1604 of the Stores Regulations, 1984. We recommended that Management should ensure that the affected drivers account for the amount of GH¢407.00.

355. The storekeeper at Ho, Town and Country Planning office, failed to make the records on purchases worth GH¢12,209.39 available for our scrutiny. This was attributed to failure by the former storekeeper, Mr. Stephen Agordzo, to properly hand over the accounting records before going on transfer. We recommended to the Regional Director to appoint an officer to replace the storekeeper in the interim and require

Mr. Stephen Agordzo to provide the records or in default, be surcharged with the amount of GH¢ 12,209.39.

356. Section 43(1) of the Public Procurement Act, 2003 (PPA, Act, 663) states that “The Procurement entity shall request quotation from as many suppliers or contractors as practicable, but from at least three different sources”. Contrary to this, procurement totaling GH¢4,030.24 was made without seeking alternative quotations. We recommended that Management should observe the procurement laws to ensure value for money.

357. We noted ten payment vouchers in respect of out of station allowances and meeting attendance with a total face value of GH¢14,034.00 that were not supported with relevant documents like invitation letters, memos of claim stating location, period and applicable rates as well as activity reports, where applicable, to acquit them.

358. We stressed the need to enhance transparency, accountability and value for money and recommended that all the attachments required to authenticate the payments should be provided by the Accountant or the Deputy Director shall be made to refund the amounts paid to him.

359. Contrary to Regulation 15(1) we noted that an amount of GH¢3,278.00 received as Internally Generated Fund (IGF) by the Regional office of Town and Country Planning, Bolga, was paid into National Investment Bank (NIB) Account No. 1000200616001 of the Department instead of the Consolidated

Fund. We recommended the transfer of the amount into the Consolidated Fund without further delay.



360. Four separated staff members still had their names on the payroll of Regional Land Valuation Division, Ho, contrary to Regulation 297(1) of the FAR. Unearned salary paid to them totaled GH¢ 21,835.69. We urged Management to take immediate steps to recover the amounts and pay same into the consolidated fund.

361. Our review of payment vouchers revealed that 21 payments to various persons and entities totalling GH¢ 10,280.60 were not supported with official receipts to authenticate the transactions as required by Regulation 39 (2c).

Another set of 21 payment vouchers also valued at GH¢14,127.50 were also not properly authenticated. We recommended that the Accountant should obtain the relevant official receipts from the payees to acquit the payments or be surcharged with the aggregate amount of GH¢24,408.60 involved.

362. We observed that goods and services worth GH¢4,674.00 were procured by the Environmental Protection Agency, Wa, without obtaining alternative quotations from three different sources as recommended by Section 43(1) of the PPA, 2003 (Act 663). We advised Management of the Agency to adhere to the provisions of Act 663.

363. Regulation 297(1) of the Financial Administration Regulation 2004 stipulates that a head of department shall cause the immediate stoppage of salary to the public servant when that public servant has retired, vacated post, resigned, granted leave without pay or died.

364. A staff of the Environmental Health Division, Mr. Charles K. Appiah, who died on 8 June 2012 was paid total unearned salaries amounting to GH¢1,580.71 because of failure on the part of Management to cause a stoppage of his salary. The Regional Director was requested to retrieve the total amount of GH¢1,580.71 from the next of kin to chest.

MINISTRY OF INFORMATION AND NATIONAL ORIENTATION

365. A total of 45 payment vouchers raised by the Ghana Broadcasting Corporation, Ho, to pay a total amount of GH¢101,618 in 2011 and 2012 were not supported with official receipts from the payees. This was as a result of failure by the Accountant to comply with Regulation 39(2) (c) of FAR, 2004. We recommended that the Accountant should support the payments with official receipts or the amount should be recovered from him.



366. Commercial squatters at the GBC premises in Kumasi owed the corporation an amount of GH¢7,793 in unpaid rent for the period January to August 2013. This was due to laxity on the part of the schedule officer to ensure that the occupants

paid rent each month. We therefore advised management to devise measures to collect rent promptly. Meanwhile, the outstanding rent should be recovered without delay.

367. We noted that corporate bodies owed the GBC offices in Sunyani and Ho a total of GH¢412,338 in unpaid claims from services rendered by the Corporation. This was due to non-existent or ineffective measures adopted by the Management of the Corporation in the two regions to ensure that clients pay up promptly. We advised recovery of the outstanding amount and the adoption of effective measures including legal action to get clients to honour their obligations towards the Corporation in line with Regulation 2(d) of the FAR, 2004.

368. Contrary to Regulation 298 of the FAR, 2004, the head of the Regional Information Service in Ho failed to promptly stop salary payments amounting to GH¢7,055 to six separated staff between December 2008 and August 2012. We advised recovery of the amount, and asked Management to ensure prompt stoppage of salary payments to separated staff in future.

MINISTRY OF COMMUNICATION

369. We observed that a loan facility of GH¢5,000,000.00 had been granted by Ministry of Communication to the Ghana Post Company Ltd, without Parliamentary approval, contrary to the provisions of Article 181(3) of the Constitution. The transaction was said to have been approved by Cabinet to salvage the company from its financial insolvency. The loan facility was also not disclosed in the 2012 financial statements of the

Ministry to establish an audit trail to assure transparency in financial reporting.

370. We requested Management to ensure that the loan facility is regularized through retroactive approval by Parliament and a repayment schedule established. Management redirected our recommendation to the Ministry of Finance which in turn sought advice from the Attorney General. The Attorney General upheld the audit position that the loan request should have been sent to Parliament for prior approval.



371. We therefore urged that necessary action should be taken to obtain Parliamentary approval for the loan and appropriate terms of repayment set out and pursued.

372. At the Ghana Meteorological Agency, Abetifi, we found that between October 2011 and August 2012, a total amount of GH¢15,552.50 representing unearned salaries was wrongly credited to the bank accounts of two separated staff (Mr. A.Y. Oduro: GH¢10,884.20) and (Mr. Robert Gharnney: GH¢4,668.70). We urged Management to pursue recovery of the unearned salaries and pay same into the Consolidated Fund.

373. Total payment of GH¢12,219.96 made at the Sekondi office of the Meteorological Agency for Travel & Transport and other administrative expenses did not have supporting documents and expenditure details to substantiate the payments, contrary to Regulation 39(2)(c) of the FAR, 2004.

374. Following the audit observation, Management accounted for a total amount of GH¢1,147.00 leaving an outstanding balance of GH¢11,072.96. We recommended that the balance of GH¢11,072.96 should also be accounted for.

MINISTRY OF GENDER, CHILDREN AND SOCIAL PROTECTION

375. We noted that the Ministry of Gender, Children and Social Protection (MGCSP) overspent its 2012 budget of GH¢3,833,158 by GH¢1,717,874. Management attributed this to the release of un-budgeted funds by the Ministry of Finance for the construction of an office complex. We advised Management to ensure budget discipline in future.

376. Five direct credits totaling GH¢35,268 were made to the Ministry's sub-Consolidated Fund account without warrants from the Minister of Finance, as required by Regulation 165 (1) of the FAR. We asked Management to make available the warrants for audit scrutiny but this was not done.

377. We noted that a total expenditure of GH¢145,452 made by the MGCSP Headquarters (GH¢ 66,070), Department of Children (GH¢ 65,460), and the Greater Accra Regional Social Welfare Office (GH¢13,922) were not acquitted with relevant transaction documents. This was due to failure by the various accountants to ensure compliance with Regulation 39 (2) of the FAR, 2004. We recommended that the payments should be fully acquitted or the amounts should be recovered to chest.

378. Due to ineffective supervision of revenue officers at the Department of Social Welfare Headquarters, we detected that revenue collected amounting to GH¢1,566 had not been accounted for as at the end of December 2011. Also, contrary to Regulation 17(a) of FAR, 2004, Management of the Accra Rehabilitation Centre have not collected an overdue rent of GH¢7,960 from its tenants. We urged Management of the two offices to promptly collect revenue due and ensure that revenue collected is fully accounted for.

379. The Department of Children had not been able to recover an amount of GH¢45,979 it advanced to the MGCSP for foreign travels, conferences and others. This was because no repayment schedule was agreed with the Ministry at the time of the

advance. We advised the head of department to pursue recovery so as to assist in the implementation of the department's programmes and activities.



380. We noted that the MGCSP Headquarters, the Department of Social Welfare Headquarters, the Department of Gender and the Accra Rehabilitation Centre paid total unearned salaries of GH¢18,319 to former employees between June 2012 and November 2013. This was because heads of these institutions failed to promptly stop the payments as required by Regulation 298 of the FAR, 2004. We urged recovery of the illegal payments and the adoption of effective measures to forestall such payments in future.

381. Tax irregularities relating to non-deduction of withholding tax (GH¢4,711) and non-remittance of taxes withheld (GH¢1,740) were detected at the Department of Social Welfare Head Office. We advised Management to pay the total amount of GH¢6,451 to the Ghana Revenue Authority (GRA) and recover the taxes it failed to withhold of GH¢4,711 from the payees in line with Section 88(1) of the Internal Revenue Act, 2000 (Act 592).

382. We noted that three former officials of the Ministry took away their official vehicles when they were leaving the Ministry with the intention of buying them. Even though we cited letters of approval for them to buy the vehicles, there was no evidence that they had paid for them. The officers involved were the former Minister, Hon. Mrs. Juliana Azumah Mensah, Hon. Hawawu Boya Gariba, former Deputy Minister and Mr. G. K. Kumor, former Acting Chief Director. Among other things, we requested Management to provide us with evidence that the vehicles had been paid for by the former officials or retrieve them for use by the Ministry.

383. As a result of Management disregard for Regulation 1604 of the Stores Regulation, 1984, fuel consumed amounting to GH¢140,488 (at the MGCSP Headquarters) and GH¢8,645 (at the Department of Social Welfare Headquarters) was not accounted for in vehicle log books. To ensure proper management of fuel and to reduce costs, we advised Managements of the two offices to ensure that vehicle log books

are maintained for all official vehicles and updated regularly with fuel purchases.

384. Again, at the Department of Social Welfare Headquarters, nineteen payments made for the supply of various items were not supported with Store Receipt Advice (SRAs), as required by Regulations 315 and 316 of the Stores Regulations of 1984. We asked management to produce records to prove receipt and usage of the items or the amount should be recovered to chest. All future purchases should be appropriately supported with SRAs.

MINISTRY OF DEFENCE



385. The 37 Military Hospital obtained a commercial loan of GH¢5,910,948.96, (comprising a principal amount of GH¢3,913,247 with an interest of GH¢1,897,701.76 and a maturity period of four years) from Fidelity Bank to acquire a

Magnetic Resonance Imaging (MRI) equipment in September 2009 to be serviced from revenue generated from the commercial operation of the equipment and other internally generated funds of the Hospital.

386. The Hospital failed to apply its IGF other than revenue from the MRI toward servicing of the loan and by the loan maturity date of 21 March 2013, only an amount of GH¢1,735,448.72 had been paid toward the redemption of the loan facility. There was an outstanding amount of GH¢5,411,991.37 comprising the principal amount of GH¢3,753,856.42 and accrued and default interest amounting to GH¢1,658,134.95.

387. We recommended to Management to re-negotiate the terms of the loan agreement to achieve more flexibility in the repayment schedule and ring-fence the revenue generated from the commercial operation of the MRI towards its eventual redemption.

388. The corpse of the late Claudio Alvarez Zapata had been in the hospital morgue from 20 December 2008 to 25 February 2013 attracting fees totalling US\$170,517 which had not been settled due to a refusal of the relatives to collect the corpse.

389. We advised Management to recover the unpaid mortuary bills from the corpse's relatives represented by AMITLAW, International Trade and Shipping Lawyers, through legal action with the assistance of the Attorney-General's Department.

MINISTRY OF TOURISM, CULTURE AND CREATIVE ARTS

390. Contrary to the requirements of Regulation 17 (b) of FAR, 2004, Management of the Centre for National Culture, Cape Coast, spent total revenue of GH¢28,222 on its activities without authority from the Minister of Finance. We asked Management to refund the amount to government chest.



391. Again, we noted that the Centre for National Culture (CNC), Tamale, failed to collect accrued rent of GH¢3,966 (January 2011 to December 2013) from its commercial tenants. Also, the Ghana Tourism Authority (GTA) at Wa could not support payments totaling GH¢1,634 with relevant transaction documents. We advised Management of CNC, Tamale, to

promptly collect all rent due government, whilst Management of GTA, Wa, should acquit the payments.

JUDICIAL SERVICE

392. The findings summarized hereunder were made in respect of the Judicial Service and various courts across the country.



393. We found that out of total revenue of GH¢303,179.10 collected by the Motor Court recorded in the cashbook between January and December 2012 as lodgment with the HFC bank, the corresponding bank statement reflected GH¢269,932.30 indicating that the difference of GH¢33,246.80 had not been credited by the HFC bank to Judicial Service account. Additionally, revenue lodgment by the Accra High Court was short credited by GH¢86,370.10 by HFC Bank. Revenue of GH¢329,532.70 was lodged but only GH¢243,162.60 reflected in

the bank statements. We recommended that the HFC bank be called upon to credit the two Courts bank accounts with the total amount of GH¢119,616.40 without further delay.

394. Five courts failed to record in their cashbooks deposit amounts totaling GH¢1,909,767.56, £4000 and \$206,504 respectively which were paid to various beneficiaries between January and December 2012 upon the orders of the court, contrary to Regulation 1(6) of the FAR. We recommended monthly reconciliation between the cash books and bank records.

395. By agreement between the Ministry of Finance and HFC bank, the bank is expected to remit daily and weekly statements to the Judicial Service to enable them verify all payments made to bank. So far, the bank had consistently failed to provide the appropriate bank statements for reconciliation. As a result, revenue and deposits paid to HFC bank through the Accra High Court totaling GH¢2,160,596.70, GH¢6,460,535.39 and \$3,320.00 respectively could not be reconciled to the HFC bank statements as only bulk amounts are indicated instead of the individual transactions.

396. We recommended to the Judicial Secretary to ensure that the HFC bank provides each court with detailed bank statements showing individual transactions, and reconciliation performed in accordance with Regulation 2(g) of FAR 2004. HFC Banks should also render its services according to the contract signed with the Ministry of Finance.

397. The Judicial Service offices in Kumasi and Bolga made purchases amounting to GH¢12,095.14 and GH¢2,381.50 respectively without obtaining the minimum three comparative quotations to enhance competition, value for money and transparency as required by Section 43(1) of the Public procurement Act. We recommended strict adherence to the provisions in the Public Procurement Act.

398. Contrary to Regulation 297(1f) of the FAR the heads of Judicial Service offices in Bolga, Denu, Hohoe, Konongo and Senchi had not caused the immediate stoppage of payment of salaries to deceased and separated officers. As a result unpaid salaries totaling GH¢44,479.57 had been deposited into their bank accounts. We recommended that the names of the separated persons should be deleted from the payrolls and the unearned amounts recovered directly from the separated staff or their next of kin or from their end of service benefits.

399. As a result of ineffective supervision by the Registrar over the work of the Accounts Officer, the Circuit Court at Assin Foso failed to prepare monthly bank reconciliations for the period between 1/1/13 and 31/12/13 on two accounts held with Ghana Commercial Bank as required by Regulation 2(g) of FAR 2004. We recommended compliance to ensure early detection of errors and omissions for investigation and correction.

400. Per the Chief Registrar-General and Judicial Secretary's Circular No. C/151 dated 20 February 2013, the courts are

required to compile cases in which no proceedings have taken place each month and furnish the Chief Registrar's office with detailed returns. District Officers were further directed to coordinate with the Regional Administration to collate the data and send reports to the Chief Registrar-General on time.

401. Out of 48 cases that were filed for hearing, there were no proceedings in respect of 11 cases, twelve months after they were filed. The Chief Registrar's office was also not furnished with particulars of cases for which no proceedings had taken place, as directed. We urged the East Akim Municipal Magistrate's Court, Kibi, to adhere to the directives of the authorities for the proper and efficient delivery of justice to the citizenry.



402. All Circuit and Magistrate Court Judges are required by the Judicial Secretary Circular No. J/4 Vol.8 dated 30 November 2012 to submit monthly returns on remand cases to the Office of the Chief Justice for review. Despite several

reminders by the Judicial Secretary, the Registrar at Kibi failed to submit returns on remand prisoners in custody. This omission could swell up the number of remand prisoners in prison custody and delay justice delivery. We recommended that Management of Circuit Courts should complement the efforts of the Chief Justice to ensure efficient management of remand prisoners' cases.

403. Abubakari Karim, who was convicted by the Offinso Circuit Court per warrant no 25/12 dated 14/06/12 and committed to serve 24 months prison sentence in hard labour, and said to have been escorted to the Kumasi Central Prisons by D/Inspector K.A. Boateng of the Divisional CID, Offinso, was allegedly not delivered to the prison authorities to serve the sentence. We recommended that the Presiding Circuit Court Judge should investigate the matter with the Divisional Police Commander in order to trace the convict to serve the sentence.

404. We noted that three transferred and nine other officers who are reportedly stationed at various magistrate courts within the region continued to have their names on the Asankrangwa Magistrate Court payroll. We recommended that the District Court Registrar should intensify efforts to have their names deleted and transferred to their current stations' payrolls in line with Part XIV Section 304(I) of the FAR.

405. Non-Tax Revenue (85%) of GH¢22,313.80 deposited with SG-SSB Bank, Bibiani and which was to have been remitted to

Bank of Ghana Account No. 01230-500121-37 was instead transferred to the SG-SSB headquarters. We recommended that the Registrar at Bibiani should liaise with the Director of Finance to ensure that the money is not unduly held by the SG-SSB Bank but promptly transferred to the Bank of Ghana to ensure that all transfers from the District Magistrate Court Bibiani are lodged.

406. The Judicial Secretary's circular (Ref. No. SCR/185/Vol. 2/51 and dated 3 November 2009) required that any delay in the transfer of cash lodgment by the HFC Bank into Judicial Service Revenue Collection Account of the Bank of Ghana should be reported by the Registrar of the Court to the Judicial Secretary, the Regional Accountant, the Director of Finance and Internal Audit. Contrary to this, the Magistrate's Court at Bibiani failed to report a delay of 3 to 123 days in transferring revenue totalling GH¢12,676.00 into the Judicial Service Account. We recommended that Management should impress upon the bank to adhere to the laid down regulations and ensure that revenue transfers are made promptly to the Consolidated Fund.

407. The court deposit register at Tarkwa High Court showed that an amount of GH¢31,555.98 representing deposits related to 6 decided cases and a further amount of GH¢4,270.00 relating to 26 closed cases. had not been claimed by their rightful owners as a result of the cumbersome nature of the procedures put in place by the court to be followed by litigants in order to claim their monies. We urged Management to

streamline the procedures of claiming deposits to enhance accessibility. We also recommended to Management to arrange with the bank to secure interest on deposits that have been standing in the accounts for long periods of time.

408. Whereas payments are to 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, we found that the Wa High Court raised and paid 58 cheques amounting to GH¢28,407.30 without preparing any payment vouchers in support. Additionally, we noted that payment vouchers totaling GH¢2,206.00 were not properly acquitted as they were not adequately supported with the payees' official receipts/invoices. We advised Management to comply with Section 43 of the FAR and ensure that the payments are all supported with payment vouchers and acquitted with appropriate authenticating receipts/invoices.

409. The Nkwanta District Magistrate Court lacked the basic logistics to run the office. As a result, official documentation/forms needed for the court's work was photocopied from commercial sources (communication centre) such as Writ of Summons, Hearing Notice, Remand Form and Statistical Form. We recommended that the Court Registrar should liaise with the Regional Administrator of the Judicial Service-Ho to officially take up this matter with the Judicial Secretary in Accra for the supply of the necessary logistics and equipments for the effective and efficient running of the Court.

Names of Transferred Staff still on Payroll

410. We noted however that Fifteen (15) members of staff, who were transferred from the department between January 2008 and December 2012, still had their names on the Hohoe Circuit and High Courts mechanised payroll. There were also 21 officers who were transferred to other districts outside of the Kpando Circuit Court still had their names appearing on their Mechanised Payment Voucher. However, two of the 21 officers, namely Paulina Keh and Prosper Abowu, were unable to produce evidence to prove that they were actually staff belonging to the Judicial Service. We recommended that the Registrar should liaise with the Regional office towards the deletions and transfers of the names of the officers in accordance with Regulation 292(f) and 304(1b) of the FAR.

411. The Registrar at the Jasikan District Magistrate Court failed to obtain the necessary official receipts for payments amounting to GH¢10,263.00, contrary to Section 39(2) of the FAR, 2004. We urged Management to have the payments properly receipted.

OTHER AGENCIES

412. A review of payroll records at PRAAD disclosed that two retired employees, namely Madam Elsie Essel and Madam Salome Quarshie, were paid unearned salaries to the tune of GH¢10,117.97. We recommended that the Accountant should recover the total amount of GH¢10,117.97 from the two officers.

413. The Registrar-General's Department overpaid two contracts by a total amount of GH¢443,170.00 and could not justify the overpayment. Through our audit intervention an amount of GH¢344,065.80 has been recovered from Messrs. Bu-Tech Service and Green Zone Const Co. Ltd who benefited from the overpayment. A balance of GH¢96,370.00 remains to be refunded. We have recommended pursuit of recovery of this amount.

414. The Registrar-General had not initiated the promulgation of Regulations required to support the provisions of 13 Acts of Parliament and clearly define documented procedures and guidelines, both financial and administrative, to be followed in the efficient and effective implementation of those Acts. We recommended to Management to liaise with the Sector Ministry and initiate the processes to have the Legislative Instruments developed and laid before Parliament to be passed into law for the realization of the objectives of those laws.

415. The Department misapplied an amount of GH¢767,896.00 from its Internally Generated Funds by transferring the amount to the Ministry of Justice to support the Ministry's activities and programmes. The Department had not included such expenditure in its budget. The Ministry paid back GH¢130,000.00 leaving a balance of GH¢637,896.00 to be refunded. The figure stands in the records of the department as a loan granted to the Ministry. No repayment agreement was on record. The action of the Registrar-General was in

contravention of FAR 179(1). We recommended that the loan be regularized through Parliament.

416. Regulation 16 of the Co-operative Society Regulations, 1968 requires the Registrar of Co-operative Societies to publish annually after audit a summary of balance sheet showing the assets and liabilities of each society". The Department of Co-operatives, Nkwanta, failed to carry out the auditing the 13 co-operative societies under its jurisdiction during the five-year period of 2008-2012. The last audit of these societies on record was in 2007. The Department therefore lost the opportunity to earn one percent audit fee that would have accrued to the nation as revenue. We recommended to management to ensure that, regardless of challenges, the co-operative societies are audited annually.

417. Section 4 of the Rent Control Law, 1986 (PNDCL 138) requires landlords of any residential accommodation to register with the Rent and Housing Committee the lease or tenancy agreement in respect of such accommodation within fourteen days of entering into the lease or tenancy agreement. We observed that although the Department of Cooperatives, Nkwanta, was located in rented premises there was no tenancy agreement in respect of the occupancy; neither had the landlord issued a rent card to the department. We recommended that in the absence of the tenancy agreement, Management should demand a rent card from the landlord showing the monthly rent.

PART III

MINISTRY OF FINANCE AND ECONOMIC PLANNING

MINISTRY OF FINANCE

Failure to retire accountable imprest – \$26,302.26

418. Regulation 283(b) of the Financial Administration Regulations, 2004 (L.I. 1802) provides that, a Special Imprest issued for making a particular or group of payments must be fully retired by the date specified in the approval to operate the imprest.

419. Regulation 288(1) also requires that imprest not retired at the close of a financial year should be adjusted to a personal advance account in the name of the imprest holder. Circular No SCR/A.14/95 of 21 March 2011, from the Office of the President further reminds all heads of MDAs to ensure that imprests received for overseas travel are retired by the beneficiary officers within 10 days of their return.

420. Contrary to the above requirements, some officers from the Ministry failed to retire their imprest of \$18,102.26 and \$8,200 granted to them for overseas travels in 2012 and 2011 respectively on completion of their assignments. We also noted that as at the end of the financial year the defaulters were not declared as debtors.

421. These omissions, in our opinion were the result of non-enforcement of the regulations on imprests by management.

422. We reiterate our previous recommendation that the defaulters should be made to account for the imprest granted them failure of which, we recommend the officers to be surcharged with the outstanding amount.

Failure to recover vehicle loans from retired officers - GH¢4,553.34

423. Regulation 116 of L.I. 1802 provides that outstanding balance of any advance to a public officer becomes a debt to government and is fully recoverable, at the date the officer retires from the Public Service.

424. During our review of the Ministry's Payroll we observed that three employees who have retired still had outstanding Vehicle Loans totalling GH¢4,553.34 as at August 2012. The table below shows the details:

Staff ID	Name	Rank	Date Retired	Amount (GH¢)
54030	Ms. Victoria Okante	Senior Typist	23rd Oct. 2011	3,274.60
120345	Mr. J. A. Anum	Security Guard	2nd July 2011	710.68
16851	Mr.Teye J. Doku	Supervisor Caretaker	25th July 2011	618.06
Total				4,553.34

425. In our view, the controls system for granting of vehicle loans to employees nearing the retirement is weak and exposes the Ministry to the potential risk of bad debts.

426. To avert this risk, we recommended to management to ensure that, due care is taken to ensure that officers nearing their retirement are not granted loans that cannot be fully recovered. The vehicle advance application form should include control requirements such as 'employee age' or 'number of years due to retirement'. We also advised management to recover the outstanding amount of GH¢4,553.34 from the retired officers.

427. Management responded that the affected retired officers have been requested to settle the outstanding amounts.

CENTRAL TONGU DISTRICT TREASURY

MAFI ADIDOME

Failure to delete a Retired Technical Assistant (Staff ID 56494) from Salary Voucher - GH¢4,700.00

428. Regulation 292(1) (d) & (f) of FAR, 2004 require heads of departments to cause the immediate stoppage of the payment of salary to a public servant when that public servant resigns, retires or dies".

429. We noted during the review of the records, including the suspense account requested from Amuga Rural Bank, Adidome, that a retired Technical Assistant, Cate Anagbonu, previously with Ministry of Food and Agriculture (MOFA) and attached to Adidome Farm Institute, still had her salary account being credited since March 2013, even though records showed that she had retired since 1 March 2013.

430. A letter written in April 2013 by the Headmaster or Director of the school to her bankers (Amuga Rural Bank, Adidome) and copied to the Controller and Accountant-General, to pay any unearned salary credited to her from March 2013 into suspense account, had been fruitful. Thus, an amount of GH¢4,700.00 being unearned salary from April to December 2013 credited to her account in Amuga Rural Bank had been recovered to the Salary suspense account at Bank of Ghana, Hohoe.

431. We urged the Finance Officer of Central Tongu District Assembly, in collaboration with the Headmaster/Director of the Farm Institute, to immediately cause the deletion of her name from government payroll and recover any benefit that might be paid to her until the deletion of her name takes place.

Payment of Unearned Salary to a Retired Officer – GH¢11,737.53

432. Regulation 292 (1d & f) of the FAR, 2004 require “heads of departments to cause the immediate stoppage of the payment of salary to a public servant when that public servant resigns, retires or dies”.

433. We noted during our audit of the accounts of the government treasury and subsequent follow up to the payroll of some departments that, Mr. Isaac K. Dagadu, a Headmaster/Director of Adidome Farm Institute who retired in November 2012 was paid unearned salary totalling

GH¢11,737.53 from December 2012 to June 2013. This was traced to his bank account in Ejura Commercial Bank.

434. The anomaly resulted from the failure by Controller and Accountant-General's Department (CAGD) to delete his name from the government payroll even though management of the Institute wrote a notification letter of his retirement.

435. We urged management of the Central Tongu District Assembly to liaise with the new management of the Adidome Farm Institute (MOFA) to contact Isaac K. Dagadu's bankers at Ejura Commercial Bank to deduct the unearned salary of GH¢11,737.53 from his gratuity, if any, and pay same to government chest. Otherwise, the money should be recovered from the retiree as early as possible.

REGIONAL TREASURY, CAPE COAST

Names of deceased pensioners still on payroll - GH¢135,712.34

436. Section 297(1) of the Financial Administration Regulation 2004 (LI 1802) requires a Head of Department to cause the immediate stoppage of payment of salary to a public servant when that public servant has retired, vacated post, resigned or died".

437. Our review of the Ghana Government Pensioner's Payroll disclosed that the names of 21 deceased pensioners who died between January and December 2012 continued to appear on the payroll. The bank accounts of the 21 deceased pensioners

had been credited with a total amount of GH¢135,712.34 at the close of our audit in July 2013.

438. These lapses tend to deprive the Government of funds and enrich the banks which hold on to these unearned and unclaimed amounts without promptly paying them back to government chest.

439. We recommended that the Regional Director of CAGD should take the necessary action to have their names deleted immediately from the payroll and also liaise with their respective banks for the amount to be paid into the main Consolidated Fund. Management took note of the issues raised and stated that the necessary steps would be taken to clear the pension's payroll of the deceased names.

440. We further recommended that the Internal Audit Unit should include the review of the monthly pension payments in its work plan for effective monitoring and management of pension payments.

JASIKAN TREASURY

Partly acquitted/unacquitted paid payment vouchers - GH¢4,150.80

441. Section 39(2c) of FAR requires the Head of the accounts section to ensure that transactions are properly authenticated.

442. This notwithstanding, we observed three (3) Payment Vouchers with a face value of GH¢4,150.80 that were without the necessary attachments to authenticate them.

PV No	Date	Payee	Description	Amt.	MDA	nacquitted
220695	10-10-2013	District Director, MOFA	T & T	4,115.00	MOFA	525.00
220694	10-10-2013	Felix Nyameasem	Fuel Bought	3,004.80	MOFA	3,004.80
697513	18-12-2013	District Director, MOFA	T & T	4,387.00	MOFA	621.00
Total				11,506.80		4,150.80

443. Management disregarded the regulation in initiating the above transactions.

444. In the absence of the authenticating documents we could not confirm that the expenditure incurred had been properly made and supported with the appropriate acquittal documents. We attributed this situation to Management's failure to be guided by and observe the stated regulation in executing its financial transactions with public funds.

445. We urged the District Finance Officer (DFO) to call on MOFA to provide the necessary documents for our inspection, failing which we recommend that the Director and the Accountant of MOFA should be called upon to refund the amount involved to chest.

T&T and night allowance claim without proof – GH¢4,513.00

446. Payment of travel and night allowances claims are based on evidence of actual travels performed supported with

relevant and appropriate documentation which should be attached to the payment voucher.

447. We noted that Jasikan College of Education (Jasico) disbursed an amount of GH¢6,723 towards the payment of travel and night allowances to certain staff members for workshop attendance. However, we realised that part of the disbursed amount being GH¢4,513.00 was not acquitted as the relevant payment vouchers could not be supported with the workshop invitation letters/circulars and other supporting documents. Details are below.

l./PV No	Date	Payee	Description	Amount	No Proof
632265	16-12-2013	The Principal, Jasico	T & T and night allowance	6,723.00	4,513.00

448. We were of the view that had the pre-audit unit effectively carried out the review of the PVs this anomaly would have been avoided.

449. To prevent a recurrence, we recommended that all Payment Vouchers submitted by MDAs should be properly vouched and reviewed by the Pre-audit and Internal Audit Sections of the Assembly.

450. We urged the Management of Jasico to provide the invitation letters and other supporting documents to support the unacquitted transactions, failing which the amount of

GH¢4,513.00 must be refunded to Government chest. We recommended that the Financial Administration Regulations must be observed at all times.

Unreasonable Works Cost – GH¢7,495.00

451. Whereas a head of department is required to ensure that reasonable costs are charged for works undertaken by them so that value for money is achieved, we found to the contrary that two (2) different jobs undertaken, did not meet this criteria, as detailed below.

PV No	Date	Payee	Description	Amount GH¢	Fund	Remarks
632266	16-12-2013	Moses Fuglo	Maintenance of GV 1221 W	2,500.00	Jasico	High cost but no indication of new parts bought
632269	23-12-2013	Head, DWD	Community/ Sch. Park clearing	4,995.00	MPs Soc Int.	Unreasonable cost. Fuel alone costGH¢4,045.00
Total				7,495.00		

452. It was our view that Management did not perform its oversight responsibility to ensure that the costs were reasonable before payments were effected. In the end, we did not think that real value for money was attained.

453. We urged Management to justify the above expenditure by providing details and reasons why the costs were high, otherwise the amounts paid must be recovered from Management.

MUNICIPAL TREASURY OFFICE, WINNEBA

Failure to deduct 10% tax on allowances – GH¢330.00 – (GOG)

454. Section 2 of the Internal Revenue Act, 2000, Act 592 states that the gains or profits from an employment of a person include any allowances or benefits paid in cash or given in kind to, or on behalf of, that person from the employment, other than (a) a reimbursement or discharge of a person's dental, medical, or health insurance expenses where the benefit is available to all full-time employees on equal terms.

455. We found from our examination of the financial records of the Municipal Treasury office, Winneba, that contrary to this regulation, the MFO failed to deduct 10% tax of GH¢330.00 from allowances totalling GH¢ 3,300.00 paid to the Ag. Director, MoFA vide PV No. 0568218 of 11/11/13, thus denying the State a tax revenue of GH¢ 330.00.

456. We recommended to the MFO to ensure that the amount is recovered and same paid to the Commissioner, Domestic Tax Revenue Division of the Ghana Revenue Authority.

NEW JUABEN MUNICIPAL TREASURY - KOFORIDUA

Unacquitted payment vouchers – GH¢19,361.22

457. Our examination of paid vouchers revealed that 15 payment vouchers with a total value of GH¢19,361.22 were not properly acquitted with the requisite documents such as official receipts, Store Receipt Advices and other details of expenditure as well as acknowledgement of the payment vouchers contrary to Part II Regulation 39(2c) of the FAR, 2004.

458. The situation resulted from the failure of the Internal Audit Unit to properly scrutinize the payment vouchers before approving them for payment as well as the Cashier not insisting on the endorsement of the original copies of the payment vouchers and the provision of the relevant supporting documents by payee(s) before releasing the cheques for payment; a situation which could lead to funds being misappropriated and/or misapplied.

459. To ensure proper accountability and effective control over the use of Government funds, we advised Management to account for the affected payment vouchers by providing and attaching the related supporting documents.

DISTRICT FINANCE OFFICE - AKOMADAN

Unreceipted payments - GH¢8,890.00

460. We noted that five payment vouchers amounting to GH¢8,890.00 paid to departments and institutions were not acknowledged by the recipients. The non-acknowledgement of the amount violated regulation 28(1) of the FAR, 2004. The regulations require that official receipts should be issued by the recipient of money to the payer to acknowledge receipt of the money. The irregularity occurred because the Schedule Officer failed to demand receipts from the departments and institutions.

461. We recommended that the District Finance Officer should obtain receipts from the departments and institutions concerned. In default however, the District Finance Officer should suspend further payments to them.

Unpresented payment vouchers - GH¢6,265.00

462. The Offinso North District Treasury failed to submit four payment vouchers covering a total amount of GH¢6,265.00 for audit, contrary to Part V, Section 44(1) of the FAA, 2003, (Act, 654).

463. The regulation requires that the accounts of government departments and institutions should be audited in accordance with the provision of the Audit Service Act, 2000 (Act, 584). Section 11(2) of the Audit Service Act enjoins that all records and returns should be made available to the Auditor-General or his representative for scrutiny. The inability of the Schedule Officer to present the payment vouchers for auditing was indicative of ineffective control over the custody and filing of payment vouchers at the Treasury.

464. We recommended that the District Finance Officer should be held accountable for recovery of the amount of GH¢6,265.00 unless he is able to trace and submit the payment vouchers for scrutiny.

DISTRICT FINANCE OFFICE - EFFIDUASE

Over payments for Agriculture inputs purchased - GH¢1,350.00

465. Best financial administration practice requires officers responsible for payment to vouch transactions before payment and in doing so would be held responsible that, the computations and casting are arithmetically correct.

466. We noted that an amount of GH¢4,250.00 paid to the District Director of Agriculture for inputs purchased was in excess by GH¢1,350.00 as a result of inaccurate computation by the supplier. Detail is furnished below:

PV No.	Date	Input Purchased	Qty.	Rate GH¢	Amount Paid GH¢	Amount Payable GH¢	Excess GH¢
0579317	28/01/13	1. Weighing scale	1 single	1,500.00	1,500.00	1,500.00	-
0579317	28/01/13	1. Cereal/legume moisture texture	1 single	1,500.00	1,500.00	1,500.00	-
0579317	28/01/13	3. Knapsack sprayers	3 boxes	50.00	1,500.00	150.00	1,350.00
0579317	28/01/13	Weedicide/fumigicide and hand glove	1 bulk	250.00	250.00	250.00	-
Total					4,750.00	3,400.00	1,350.00

467. The overpayment came about because of the failure of the District Finance Officer (DFO) to verify the accuracy of computation of the expenditure details attached to the payment vouchers. This has resulted in a loss of GH¢1,350 to the State which should be recovered from the District Finance Officer.

468. Management failed to respond to our observation issued on the irregularity.

469. We therefore recommended that, the amount should be recovered from the District Finance Officer and same paid to government chest.

REGIONAL ECONOMIC PLANNING - SEKONDI

Unearned salaries - GH¢989.00

470. Financial Administration Regulation 2004, Part XIV Section 297(1e) states that “a head of department shall cause immediate stoppage of payment of salary to a public servant when that public servant has retired.

471. We observed during the examination of mechanised vouchers that between August 2012 and October 2012, a total amount of GH¢989.39 in unearned salaries were paid into the bank account of Mr. John Sarbey who retired on 24 July 2012.

472. The lapse occurred due to Management’s failure to promptly inform the Controller and Accountant-General’s Department to delete the name of Mr. John Sarbey from the Mechanised Payment Voucher.

473. The payment of unearned salary to the retired member of staff, if unrecovered, could lead to loss of funds to the government.

474. We urged management to contact the bankers of the retired staff, Lower Pra Rural Bank, Shama, to transfer the total amount of GH¢989.39 into the Controller and Accountant-General’s Suspense Account and furnish evidence of payment to confirm the recovery.

475. Management did not respond to our recommendation.

GHANA REVENUE AUTHORITY

Lack of Proper Revenue Accounting System for monitoring the Commercial Banks

476. The Ghana Community Network Services Ltd. (GC Net) system does not allow the Revenue Accountants/Collectors at the various ports of entries to:

- Issue official receipts for the revenue collected
- Obtain copies of the stamped bank pay-in-slip from the importers
- Maintain any cash book (manual or electronic)
- Receive any Bank Statement from the Collection Banks
- Prepare Bank Reconciliation Statement

477. The Revenue Accountant obtains the daily collection information from the Ghana Customs Management System (GCMS) Platform. The source of revenue collected is therefore the transaction transcripts printed by the banks at the ports.

478. Our examination however revealed that, the details of importers were not disclosed on the transcript. In absence of this information, we noted that revenue monitoring against the records of importers were difficult to trace. These difficulties in effect resulted in our inability to link the particulars of importers to some bank credits totalling GH¢124,995,915 which were later reversed by the commercial banks during the period under review.

479. To enhance internal control on revenue mobilization, we urged management to ensure that more details of each import

transactions are provided on each bank transcript. We also recommended that the Revenue Accountants should conduct reasonableness test on all reversed transactions and trace them to the importers.

Outstanding corporate tax – GH¢34,799,080

480. We randomly selected and examined 2,394 taxpayers' files for the 2011 and 2012 years of assessment at three Medium Taxpayers' Office (MTOs) and five Small Taxpayers' Office (STO's). Out of these companies selected, 1,392 companies and business entities had outstanding taxes amounting to GH¢34,799,080 at the close of our audit. The table below shows the details.

Tax Office	No of Tax Files Examined	No of Files with Tax Outstanding	Percentage Outstanding %	Outstanding Tax Amount GH¢
Adabraka MTO	285	221	77%	15,682,857
Tema MTO	288	65	23%	1,274,019
Osu MTO	143	85	59%	7,690,292
Adabraka STO	420	254	60%	2,752,350
Agbogbloshie STO	578	344	60%	1,421,781
Kinbu STO	374	208	56%	4,201,226
Achimota STO	114	81	71%	314,971
Tema STO	192	134	70%	1,461,584
Total	2,394	1,392	58%	34,799,080

481. Section 135(2) of Act 592 states that “tax that has not been paid when it is due and payable may be sued for and recovered in any court by the Commissioner-General.” Furthermore, Section 136 of the Act mandates the Commissioner-General to

recover any unpaid tax by distress proceeding against the movable property of a person liable to pay tax.

482. We noted that the Commissioner-General failed to apply the above legal provision to compel the defaulters to settle their indebtedness.

483. The non-adherence to the provisions of the tax law impacted adversely on the revenue inflows into the Consolidated Fund.

484. We recommended that management should ensure the recovery of the total amount including its associated penalties.

485. Management responded that, the defaulted companies and Individuals have been served with Demand Notices.

Outstanding PAYE - GH¢8,219,068

486. Employers are required under sections 81(1) and 87(1) of Act 592 to withhold tax from income paid to employees from employment and remit the amount that has been withheld or that should have been withheld to the Commissioner-General within 15 days after the month in which the payment subject to withholding tax is made by the withholding agent.

487. Contrary to the above, we observed that 1,007 employers were in arrears of PAYE payment ranging between one month and 24 months for the 2011 and 2012 years of assessment.

488. Using the last month payment as the basis, we projected that the total PAYE owed by these companies amounted to GH¢8,106,966. The table below shown details of PAYE in arrears:

Tax office	No. of employers in arrears of PAYE	PAYE amount in arrears GH¢
Adabraka MTO	211	489,690
Osu MTO	33	1,230,125
Adabraka STO	193	1,263,008
Agbosbloshe STO	207	470,325
Kinbu STO	252	4,350,898
Achimota STO	102	290,545
Tema STO	9	12,375
Total	1,007	8,106,966

489. We also noted during our review of sampled Director's tax files that taxes were not withheld from fees paid to 24 Directors by their Companies as follows:

Tax Office	No. of Companies	No. of Directors	PAYE Outstanding GH¢
Osu MTO	4	5	59,347
Tema MTO	1	2	10,067
Achimota	10	17	42,688
	15	24	112,102

490. This contravened section 84(1) (b) of Act 592 which requires that, tax should be withheld from the fees or

emolument of Director of a Company and paid to the Commissioner-General within 15 days after the end of the month in which the eligible payment were made.

491. In our view, these arrears occurred due to weak oversight by the Commissioner-General on the withholding agents for effective collection of taxes.

492. We recommended that, management should ensure the recovery of all outstanding PAYE together with appropriate penalties as required by sections 143 and 147(4) of Act 592 as amended by Act 669.

493. Management responded that, the defaulters would be pursued for recovery together with penalties.

VAT owed by Traders – GH¢6,508,187

494. Section 28(1) and (6) of the Value Added Tax Act 1998 (Act 548) enjoins taxable persons to account for tax each calendar month on tax returns and the payment of the tax due in the accounting period shall be made not later than the last working day of the month immediately following the accounting period to which the returns relates.

495. Any tax due which remains unpaid is considered as debt and must be recovered by the Commissioner-General. In order for the Commissioner-General to recover the debt, Sections 32, 33 and 34 of Act 546 empowers the Ghana Revenue Authority

to charge interest on the outstanding debts, apply garnishment orders, and levy distress action on recalcitrant traders.

496. We noted that 178 registered Value Added Tax (VAT) traders with Adabraka, Tema MTO's and Tema STO owed a total of GH¢6,508,187 between 2007 and 2012. The details are provided below:

Tax Office	No of Traders with tax outstanding	Outstanding tax Amount GH¢
Adabraka MTO	132	6,227,536
Tema MTO	36	269,982
Tema STO	10	10,669
Total	178	6,508,187

497. We did not sight any evidence that Management had explored any appropriate legal means to recover these outstanding debts.

498. We recommended that, Management should take the necessary steps to ensure that all tax revenues due to Government are collected timely.

499. Management accepted our observation and stated that it had put in place mechanisms to ensure recovery of all outstanding taxes.

Missing Traders - GH¢554,108

500. Chapter 6 Part 3.12 of the VAT Service Operational Manual stipulates the procedures for dealing with missing

traders. The Head of Enforcement Section is required to complete a Missing Traders Progress Sheet (VAT 50) and ensure that such cases are acted upon and resolved without undue delay.

501. Enquiries should be made with the following:

- (a) Other businesses and people in the locality
- (b) Customs Division of GRA
- (c) The District Assembly/Unit Committee
- (d) The Registrar-General

502. Our review of the debtors register disclosed that 4 traders of the Adabraka MTO who owed a total amount of GH¢554,108 were said to be missing. However, VAT 50 had not been prepared and the required measures were also not taken to trace the traders. The table below details the traders:

Trader	Tin No.	Date debt established	Amount GH¢
St. Akins Const.	324V018743	Feb. 2010	403,677.94
Acrocross Gh. Ltd.	621h000283	B/F from 2009	135,785.72
Floga Gh. Ltd.	821V000838	B/F from 2009	12,738.52
Akwa Aba Hospitality	924V017959	B/F from 2009	1,905.97
			554,108.15

503. To minimise the risk of traders who owe large sums of VAT revenue relocating to avoid payment of outstanding taxes we recommended that, Management should consider

publishing the names of the Directors of these companies in the National dailies.

Outstanding Dishonoured Cheques – GH¢823,952

504. Any good cash management practice should incorporate a speedy tracking of dishonoured cheques and their recoveries together with penalties.

505. We reviewed the returned cheques and the postdated cheques registers to track the settlement of bounced cheques issued by taxpayers. We noted that, 299 cheques with a total value of GH¢823,952 issued by taxpayers for the settlement of their tax liabilities were dishonoured by their respective banks.

506. Even though these taxpayers were communicated to by the issuance of demand notices, they failed to issue new cheques to clear their indebtedness. The table below depicts outstanding cheques.

Tax Office	No. of Cheques	Amount Outstanding GH¢
Adabraka MTO	60	46,220
Tema MTO	10	74,410
Osu MTO	4	1,940
Adabraka STO	60	148,761
Agbogbloshie STO	93	390,649
Kinbu STO	27	62,603
Achimota STO	17	8,683
Tema STO	28	90,686
Total	299	823,952

We recommended that, management should ensure that the taxpayers involved settle their outstanding amount together with appropriate penalties in accordance with Section 143(1) and (2) of Act 592 as amended by Act 669.

507. Management agreed with our observation and responded that, efforts are being made to retrieve all outstanding cheques.

Uncleared dollar (\$) cheques - GH¢42,762

508. Our review of the Bank Statements for Account No.0123050012024 with Bank of Ghana, revealed that 29 dollar cheques equivalent to GH¢42,762.70 paid into the Bank account between May 2010 and November 2012 by Osu MTO were not credited at the time of the audit. There was no evidence that the cheques had been returned by Bank of Ghana.

509. Revenue collected by Ghana Revenue Authority (GRA) and lodged with the Banks are to be credited within 72 hours. If for any reason cheques lodged cannot be credited, these cheques must be returned to the GRA Revenue Collection Office.

510. We recommended that Management should pursue this matter with the Head of Banking, Bank of Ghana for the accounts to be credited or the cheques must be returned.

Returned cheques not reversed in traders accounting ledger - GH¢15,818

511. Chapter 3, Part 3.5 of the VAT Operations Manual requires that where cheques are dishonoured, the trader should be informed (Form VAT 26) and VAT 33 should be prepared to reverse the original payment.

512. Our review of the accounting records at Adabraka MTO disclosed that credit entries in the ledgers of eight (8) traders whose cheques amounted to GH¢15,818 which were dishonoured by their banks were not reversed.

513. Detailed below are the traders whose cheques were dishonoured but ledger entries not reversed.

Traders Name	Amount - GH¢
Ageyi Dankwa & Co.	4,503.00
Omni Media Co. & Ltd.	4,311.08
Ridge Alumetal Products Co. Ltd.	2,000.00
Desmond Ametorwogoh	1,283.50
D.D. Acme Co. Ltd.	1,331.16
Daniel Sasu (Citi Merchandise)	700
Strategic Foreign Agency Ltd.	666.4
Photobooth Services Ltd.	1,022.81
	15,817.95

514. Management's failure to adhere to the Operations Manual directives resulted in this irregularity.

515. We recommended that, management prepares VAT Form 33 to reverse the credit entries in the trader's ledgers. Also, management should ensure that these outstanding amounts are recovered with interest from the traders.

Non-preparation of bank reconciliation statement by Osu and Achimota MTO

516. Bank Reconciliation Statement is a control tool that enables management to detect whether all payments to the bank were credited, debits in the bank statements were legitimate and the bank statement balance agrees with cash book balance.

517. Bank reconciliation statement therefore enables an entity to determine the accuracy and completeness of its dealings with its bankers. Non-preparation of the bank reconciliation statement could lead to loss of revenue which may remain undetected.

518. The Financial Administration Regulation, 2004 (LI 1802) regulation 2 (g) requires the Commissioner-General to manage and reconcile the bank accounts authorised for Ghana Revenue Authority (GRA) by the Controller and Accountant-General.

519. Our review of the financial records for the 2011 and 2012 years of assessment disclosed that, while Osu MTO Accountant did not prepare Bank Reconciliation Statements for the 24 months period, Achimota STO Accountant did not prepare it for a period of six months, July 2012 to December 2012.

520. Management's failure to ensure the preparation of the bank reconciliation statement resulted in our inability to ascertain the accuracy of the bank balances.

521. We recommended that, management should reconcile its records with the Bank and prepare appropriate reconciled statements for our inspection. Furthermore we urged management to ensure that bank reconciliation statements are prepared at the end of each month.

522. Management agreed with our observation and explained that, lack of staff and too much work load hinder the preparation of the Bank Reconciliation Statements.

Rent tax outstanding - GH¢121,846

523. Section 16(i) of Internal Revenue Regulation 2001, (L.I. 1675) as amended provides that, where an individual receives rent income from any residential or commercial premises, the rent income shall be assessed to tax separately at a flat rate of 8% on the gross rent income in the year of assessment.

524. Our review of rent tax files at Achimota STO indicated that, out of 20 landlords selected randomly, 12 or 60% of them did not meet their tax obligations amounting to GH¢39,911. Similarly at Kinbu STO 75 rent files were randomly examined of which 58 landlords or 77% had an outstanding rent tax of GH¢81,935.

525. Management attributed the outstanding rent tax to difficulty in locating some landlords and landladies.

526. We recommended that, management should ensure that, the defaulted landlords are pursued to discharge their rent tax obligations.

527. Management stated that the officers are on the field with the Head Office Tax Force Team to identify property owners that owe as well as the unregistered property owners in other to assist the collection of all outstanding rent tax.

Failure to file returns of income (audited accounts)

528. Out of 2,394 tax files reviewed, 870 companies (36%) did not submit audited accounts including returns of income for 2011 and 2012 years of assessment. The table below gives the details of non-submission of tax return:

Tax Office	No. of Companies which failed to file
Adabraka MTO	78
Tema MTO	69
Osu MTO	44
Adabraka STO	177
Agbogbloshie STO	188
Kinbu STO	199
Achimota STO	29
Tema STO	86
Total	870

529. This contravenes Section 72(1) and (4) of Act 592 which provides that “a taxpayer shall furnish the Commissioner-General with a return of income for a year of assessment of that person not later than four months after the end of a basis period of that person ending within the year”.

530. To improve tax revenue collections, we urged Management to educate tax payers on the tax laws to ensure compliance with the laws by submitting their audited accounts together with other necessary returns on time.

**GHANA REVENUE AUTHORITY, DOMESTIC TAX
REVENUE DIVISION,
KOFORIDUA MEDIUM TAX OFFICE (MTO)**

Direct Tax

Tax Arrears – GH¢2,023,600.00

531. Our examination of 150 selected Corporate Tax files disclosed that 108 corporate bodies owed tax arrears totalling GH¢2,023,600.00 as at 31 December 2013. This state of affairs has deprived the Consolidated Fund of substantial potential revenue for developmental activities.

532. We recommended that the Assistant Commissioner (MTO) should take deterrent actions spelt out in Act 592 and apply the prescribed penalty on defaulting tax payers to ensure recovery of the tax arrears of GH¢2,023,600.00 to Government chest.

Indirect Tax (VAT)

Tax Arrears – GH¢1,221,255.91

533. We further noted that 10 companies owed a total amount of GH¢1,221,225.91 in respect of VAT as at 31 December 2013.

534. We urged the Assistant Commissioner to take appropriate action to recover the amount to Government chest.

Dishonoured Cheques – GH¢156,794.75

535. We noted that four (4) cheques with a total value of GH¢156,794.75 issued by three (3) companies in settlement of their tax liabilities were dishonoured by their bankers upon presentation for payment.

536. We urged the Assistant Commissioner to take remedial action to ensure recovery of the amount.

KOFORIDUA SMALL TAX OFFICE COLLECTION ACCOUNT (VAT)

Tax arrears – GH¢1,315,898.88

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

538. Our review of 97 tax files disclosed that tax payers under the jurisdiction of the Koforidua Small Tax Office (GRA) had not settled their tax liabilities totalling GH¢1,315,898.88 for the 2013 year of assessment, contrary to Section 134(1) and (2d) of the Internal Revenue Act, 2000 (Act 592).

539. The anomaly arose because schedule officers failed to serve Demand Notices on defaulting tax payers and have thereby deprived the State of substantial potential revenue for developmental activities.

540. We advised the Assistant Commissioner to take appropriate action to ensure recovery of the amount of GH¢1,315,898.88 and pay same to Government chest.

GHANA REVENUE AUTHORITY - DOMESTIC TAX DIVISION REGIONAL OFFICE - ASOKWA

Payment of imprest to District Offices without obtaining official receipts - GH¢154,439.49

541. We observed that a total amount of GH¢154,439.49 was paid during the period under review as imprest to the various district offices without obtaining official receipts to confirm receipt by them.

542. These transactions were in contravention of Section 39(c) of the Financial Administration Regulations 2004 which instruct the heads of accounts of a department to control the disbursement of funds and ensure that transactions are

properly authenticated to show that amounts are due and payable.

543. This omission which could result in diversion of funds for other uses instead of the intended purpose was due to non-compliance with the regulation stated above and laxity on the part of the Accountant.

544. We recommended to the Accountant to ensure that the districts that benefited from the disbursement should issue receipts to cover the amounts received by them and, he should as well ensure that receipts are issued in all future disbursements.

GHANA REVENUE AUTHORITY - DOMESTIC TAX REVENUE DIVISION, OBUASI

Purchases not routed through Stores - GH¢4,827.00

545. Section 183(3) of the Financial Administration Regulation, 2004 (L. I. 1802) states that “a head of department shall be accountable for the proper care, custody and use of Government stores from the time of acquisition until they have been used or otherwise disposed off in accordance with these regulations.

546. On the contrary, our review of the procurement procedures disclosed that store items worth GH¢4,827.00 were not routed through stores for the purpose of documentation before usage.

547. The Accountant attributed the lapse to the absence of a substantive Storekeeper.

548. This anomaly creates opportunity for payment for unsupplied goods or diversion of goods for private use.

549. We recommended that Management should request for a storekeeper or have one of the existing staff trained in basic storekeeping to handle store matters as an additional responsibility.

GHANA REVENUE AUTHORITY (GRA) - KONONGO
Failure of Tax Payers to Pay due Provisional Assessment
Installments - GH¢27,348.76

550. Part X, Section 76 and 80 of the Internal Revenue Service Act, Act 592, requires tax payers to pay estimated tax payable under provisional assessment by quarterly installments.

551. However, our review of tax payer's files revealed that, as at 31 May 2013, forty-four tax payers had failed to pay their first quarterly installment of 2013 provisional assessment totalling GH¢27,348.76.

552. Unwillingness of tax payers to pay tax and failure of GRA Management staff to be pro-active in the collection of taxes caused the lapse which could lead to loss of revenue to the State.

553. We recommended and Management agreed to recover the amount of GH¢27,348.76 from the tax defaulters.

GHANA REVENUE AUTHORITY (DOMESTIC TAX REVENUE DIVISION) DENU

Outstanding Corporate Tax - GH¢87,371.54

554. Our review of corporate tax records revealed that out of 132 self-employed businesses, one partnership, 42 entities and 12 companies were in debt to the tune of GH¢87,371.54 as at September 2013. The ages of indebtedness ranged between one and eight years.

555. The inability of Management to adopt proactive measures in retrieving taxes from defaulting taxpayers and to prosecute these entities has resulted in this situation.

556. Furthermore, Management's failure to ensure enforcement of the provisions of the tax law encouraged registered taxpayers to continue to neglect notices of assessment served on them, thus denying the Consolidated Fund of projected revenue inflows that could contribute to the national development agenda.

557. We recommended that the head of the Division should ensure that schedule officers monitor taxpayers' files regularly and also seek the assistance of the District Assembly in tracing relocated companies to recover all the outstanding tax liabilities. We further recommended that any defaulting entity

should be referred to the Legal Unit of GRA for the necessary action to be taken.

No Tax Audit for 2012 and First Half of 2013

558. Section 77(1) of Act 592 states that, “the Commissioner shall, based on a person’s return of income and any other information available, make a final assessment of the chargeable income of that person and the tax payable on that assessment.” Additionally, GRA’s service standards require schedule officers to examine accounts submitted by taxpayers within six weeks from the submission date.

559. Our audit disclosed that accounts submitted for the year 2012, first and second quarters of 2013 were not audited by the schedule officers, hence no report was presented to the audit team.

560. The failure to examine taxpayers’ returns on income to determine assessable income and tax payable mostly leads to non-payment of taxes, thereby affecting inflows into the Consolidated Fund. The lapse was attributed to the heavy workload of staff.

561. We recommended to the Chief Revenue Officer to put in place measures that will ensure early examination of accounts submitted by taxpayers for prompt settlement of their tax obligations and also enable Management report accurate tax debt stock based on examined accounts.

Failure to Route Purchases Through Stores – GH¢11,170.50

562. Store Regulations and established stores practices require that the endorsed original copy of Store Receipt Voucher (SRVs) shall always be attached to the payment voucher on which payment has been made, in essence to provide assurance that the store items purchased have been routed through stores and are those actually being paid for.

563. We found that the Accountant did not ensure that items procured were routed through stores and taken on ledger charge. This he attributed to the urgency with which the items were required. In our view, ineffective supervision resulted in this lapse which could lead to incidences of fictitious purchases, diversion and pilferage of store items.

564. We observed from 45 Payment Vouchers (PV's) with a total amount of GH¢ 11,170.50, (thirty-eight (38) P.V's for 2012 and seven (7) PVs for 2013, with values totalling GH¢ 9,444.50 and GH¢ 1,726 respectively for various purchases were not routed through stores.

565. We, therefore, charged Management to ensure that all procurements are recorded in the stores accounting records before use.

Payment of Hotel Accommodation for Head of Institution GH¢ 26,629.50

566. Best practice as pertains in the Public Service requires that an officer on transfer should not incur accommodation

cost, notably hotel, guest house etc. beyond a period of three months.

567. We found that Mr. Enoch Buarthey, the Chief Revenue Officer occupied Vilcabamba Hotel in Denu for a continuous period of 26 months from September 2010 through to October 2012, at a cost which the officer failed to disclose.

568. However, our review disclosed that a part payment of GH¢ 26,629.50 was made to the service provider for the period of his occupancy.

569. The Chief Revenue Officer explained that the expenditure became necessary because his official residence was under renovation during the period.

570. Considering the huge amount involved we viewed the officer's explanation as untenable since the part payment of GH¢ 26,629.50 could have been used for the renovation exercise. We therefore requested Mr. Enoch Buarthey to justify the cost involved and also disclose the total hotel bill for the period of his occupancy.

571. We recommended to the Management of GRA in Accra to investigate this matter and take appropriate action to recover or charge to Mr. Buarthey any excess amount that has been improperly paid as a result of his stay at the hotel. Additionally, GRA Management should caution its staff against abuse of such facilities.

**GHANA REVENUE AUTHORITY - DOMESTIC TAX
REVENUE DIVISION, KETA SUB-OFFICE**

Returned Cheques -GH¢36,651.61

572. Our review of tax records disclosed that sixty -four (64) cheques with a face value of GH¢36,651.61 issued by various tax payers in settlement of their tax liabilities, for the period under review, were dishonoured by their bankers upon presentation by the Accountant. Sixty-two of the cheques emanated from Sogakope office while two (2) were from Keta office.

573. We noted that some of these cheques remained outstanding for periods ranging from one month to six months without the amounts being re-credited to the revenue accounts.

574. Follow- up actions on these dishonoured cheques was not satisfactory as there was no defined system in place for monitoring dishonoured cheques.

575. In our view, in the absence of effective follow-up that would ensure recovery, revenue could be lost and returns on revenue figures could be distorted due to the existence of such dishonoured cheques.

576. We recommended that Management should expedite action and collect monies due on the dishonoured cheques without fail. Also, recalcitrant customers who indulged in these unprofessional practices should be blacklisted and appropriate sanctions applied.

577. Management is yet to provide evidence that these cheques have been credited to the GRA's bank account.

Arrears of Tax - GH¢18,011.09

578. An interim audit for the period under review disclosed that five (5) companies and forty-two (42) individuals were indebted to Keta sub-office in taxes to the tune of GH¢18,011.09.

579. The authorities did not ensure that the tax payers honoured their civic obligations to the state, thereby denying the State of revenue for development and adversely affecting inflows into the Consolidated Fund.

580. We recommended that Management should exercise all the powers and authority given, for instance, in sections 72 (8) and 77 (2) of IRS Act 2000, Act 592 which allows GRA to monitor tax payers' files and recover all the outstanding tax from the defaulters without fail.

GHANA REVENUE AUTHORITY - WA

Misapplication of Funds-GH¢9,250.00

581. Section 179(1) of the FAR (L.I 1802) states that a head of department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities.

582. On the contrary, we noted that the department misapplied a total amount of GH¢9,250.00 out of specific funds for recurrent expenditures .This resulted in either the delay or

non-performance of the actual activities for which the funds were released.

583. We advised management to refund the amount and desist from the practice in future.

Purchases without Alternative Quotations-GH¢7,788.00

584. Contrary to section 143(1) of the PPA, 2003 (Act 663) which requires procurement entities to request quotations from at least three different sources in the procurement of goods, we noted that the department failed to obtain alternative quotations for goods procured worth GH¢7,788.00.

585. The lapse which was due to non adherence to the PPA possibly did not result in adequate value being received for the money spent.

586. We advised management to ensure adherence to the PPA.

**GHANA REVENUE AUTHORITY (CUSTOMS DIVISION-
SUNYANI)**

Tax arrears - GH¢173,140.80

587. Section 148 (1) of the Internal Revenue (GRA) Act 2000, Act 592 states that “Except as otherwise provided in the Act a person who fails to comply with a provision of this Act commits an offence and is liable on summary conviction”. 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”.

588. Contrary to the above, our review of the records of GRA (Customs Division-Sunyani) revealed that, an amount of GH¢173,140.80 in respect of tax revenue in the name of Ayumso Forest Products was outstanding as at December 2012.

589. The state of affairs deprived the State of resources needed to execute its infrastructural development programmes.

590. We recommended to management to put in place pragmatic measures to collect the outstanding taxes due from the Ayumso Forest Products and the other entities.

Unretired imprest – GH¢3,450.50

591. Part XIII, Regulation 283(b) of the Financial Administration Regulation, LI 1802, states among others things that, special imprest are used for making a particular payment, or group of payments and must be fully retired by the date specified in the approval to operate the imprest.

592. The audit team discovered during the audit that, an imprest of GH¢3,450.50 meant for the relocation of a container from Tepa to Akwasiase check point in Sunyani in 2012 had not been retired.

593. We recommended the immediate retirement of the amount to prevent a potential revenue loss to the State.

Un-receipted Transfers – GH¢3,646,353.25

594. Regulation 15(1) of the Financial Administration Regulations, LI 1802 of 2004 states that, “Any public officer, or revenue collector who collects or receives public and trust moneys shall issue official receipts for them and pay them to the relevant public fund bank account within twenty-four hours of receipt, except in exceptional circumstances to be identified by the minister”.

595. However, the Regional treasury failed to obtain receipts for the transfers made to CAGD stores for value books bought to the tune of GH¢29,402.65. It also failed to obtain a receipt for an amount of GH¢3,616,950.60 transferred on its behalf by Ghana Commercial Bank, Sunyani Branch, for 2013 to CAGD suspense accounts in Accra in contravention of the above quoted regulation.

596. The state of affair is blamed on management’s disregard of the above quoted regulation as it could lead to diversion of unclaimed salaries and pensions or the money being lost in transit.

597. We requested the Regional Director to notify CAGD of the transfers of the total amount of GH¢3,646,353.25 and obtain receipts accordingly.

GHANA REVENUE AUTHORITY (CUSTOMS DIVISION), DENU

Shortfall in Revenue Collection – GH¢49,072,217.02

598. Ministry of Finance and Economic Planning issues out revenue targets to Ghana Revenue Authority (GRA) annually based on estimates submitted by the GRA and the revenue targets are included in the National Budget for the respective years.

599. In our review of revenue performance of GRA, Aflao Station for the period January to December 2013, we noted a shortfall of revenue to the tune of GH¢49,072,217.02 representing 47.14% of targeted revenue for the period under consideration as summarized below:

Period	Target	Actual	Variance	% Shortfall
Jan.-Dec. 2013	GH¢104,105,545.00	GH¢55,033,327.98	(GH¢49,072,217.02)	(47.14)

600. Management in investigating the causes for the shortfall attributed it to the following;

- i. reduction in the volume of trade along the border,
- ii. higher exchange rate of the CFA,
- iii. limited logistics for efficient patrol leading to increased smuggling and
- iv. inadequate staff strength.

601. With such a high percentage of shortfall in revenue, government would not be able to meet its budgeted revenue targets. This would lead to cuts in expenditure with the resultant negative effect on economic growth.

602. Management indicated that it had always made the assigned reasons known to GRA Headquarters but the problems were yet to be addressed.

603. We recommended to the Sector Commander and he agreed to ensure that GRA Headquarters addresses the issues of limited logistics and inadequate staff strength to prevent further shortfall of revenue.

Procurements Not Routed Through Stores - GH¢15,672.00

604. Chapter 5 Regulation 0502(b)2 of Stores Regulations of the Ministry of Finance and Economic Planning requires that when goods are received it is also necessary to ensure that the receipted transaction is immediately recorded on the appropriate ledger sheet and tally cards.

605. We noted that between January and August 2013 Management procured various stores to the tune of GH¢15,672.00 without passing the items through the store ledgers as evidence of receipt of the items.

606. We were therefore unable to determine whether the procurements met the specification/standard or were duly delivered at the station and that there was no diversion of stores.

607. We recommended and Management agreed to ensure that all items procured are recorded in the store ledgers and tally cards, before issues are made.

Failure to Produce Rent Agreements

608. Part X Section 262 of FAR 2004 states that a head of department shall ensure that financial and accounting records are preserved in good order in a manner that facilitates ready access for reference.

609. Contrary to this, we noted that three private entities listed below were operating in the premises of GRA (Custom Div.) without formal agreements between the companies and the GRA.

Name of Entity	Type of Operation
Comet Ghana Ltd	Duty Free Shop
Diplo Ghana Ltd	Duty Free Shop
Melcom Ghana Ltd	Departmental stores

610. Management could not produce rent agreements it had entered into with the three entities and also failed to produce a rent register to enable us ascertain the rent payable by the companies.

611. The Sector Commander explained that a committee from GRA Headquarters was responsible for the allocation of spaces and rooms.

612. We were of the view that copies of whatever agreements were reached between GRA and the companies should have been made available to enable us comment on whether the entities were complying with the terms of agreements and also

to ascertain whether government is benefiting from those agreements.

613. We requested the Sector Commander to obtain the relevant documents for and make them available for the necessary action but up to the time of reporting there had been no feedback.

Seized vehicles not auctioned

614. Section 94(1) and (2) of Customs, Excise and Preventive Service (Management) Act 1993 (PNDCL 330) requires the Commissioner to dispose of motor vehicles forfeited to the State in a manner as the Minister may direct or sell to steel mills as scrap metal for recycling if the forfeited vehicle is more than ten years old.

615. Our examination of the Seizure Ledger revealed that 16 vehicles of various models which were seized between April and June 2013 and due for auction had not been auctioned. Management explained that;

- (i) one vehicle was auctioned but not paid for
- (ii) one had been allocated but not paid for
- (iii) eight were gazetted but not auctioned and
- (iv) one was yet to be gazetted
- (v) one bicycle not auctioned
- (vi) four motor bikes not auctioned

616. These vehicles were occupying space at the State Warehouse where they were creating undue congestion and

being subjected to further deterioration and reduction of realisable value.

617. We requested and Management agreed to ensure that the vehicles are auctioned to prevent further deterioration.

Unpresented contract documents

618. Part 1 Section (1)(a) of Financial Administration Regulation, 2004 (L.I. 1802) states that, “Any public officer who is responsible for the conduct of financial business on behalf of the Government of Ghana shall keep proper records of the transactions and produce them for inspection when called upon to do so by the Minister, the Auditor-General and the Controller and Accountant-General or any officers authorised by them”.

619. We noted that Government had awarded a contract for the completion and rehabilitation of CEPS properties at Aflao to Tiesu Ghana Limited with Sampa Sekyere and Associates as consultants.

620. We requested for information on the project but this could not be provided. Management indicated that a committee rather than management was responsible for information on the project.

621. By management’s failure to obtain the necessary information for us, we were unable to scrutinize the contract agreement to determine the Contract Sum, total payment to

date, outstanding balance, commencement date, and expected date of completion and status of the project.

622. In the absence of the above information we could not carry out project inspection to determine whether the four flats currently under construction at the barracks as well as a shed in the customs area were part of the rehabilitation works.

623. Management indicated that it was not involved in the award of the contracts and as such could not produce any contract document.

624. To ensure transparency in contract management, we recommended that management at the district level should be involved in such execution and monitoring of contracts and copies of agreements be kept by them for audit purposes.

Un-utilized Generating Plants

625. Part 1 Section (2)(h) of the Financial Administration Regulation 2004 (L.I. 1802) states that, “The head of government department shall preserve in good order and secure the economical use of all equipment and stores used by the department”.

626. We observed during the audit that two generating plants (Genset Diesel Generator Set located beside the Administration Block and Broadcrown Generator Set at the VVIP Lodge) had been left to rust away since their purchase and efforts to obtain information concerning the generators proved futile as

Management did not have any document concerning these generators.

627. The generators could have been used to produce power for the station but had never been put to use therefore constituting a waste of tax payers' resources. We requested that the plants should be examined and tested to determine their present serviceability.

628. Management has now taken steps to send a written memorandum to the Commissioner on the Generating plants.

GHANA REVENUE AUTHORITY (CUSTOMS DIVISION) - ELUBO

Inspection fee deposited in the name of GSBV - GH¢6,787.07

629. Section 9 of the Financial Administration Acts 2003, Act 654 states that "persons authorised to collect or receive public moneys in trust for Government shall pay the moneys promptly into the Consolidated Fund in such manner as may be prescribed in regulations or as the Controller and Accountant-General may direct".

630. We noted during our audit of Ghana Revenue Authority (Customs Division), Elubo collection point that at Jhaway Wharf station staff of GSBV were supposed to collect 1% inspection fee for goods that were imported overland in lesser quantities not exceeding \$3000.00. However, staff of GSBV were not present at the station. Therefore, both the inspections and the collection of the fees were performed by staff of

Customs Division of the Ghana Revenue Authority (GRA). We found that between January 2010 and August 2013 a total amount of GH¢6,787.07 was collected and deposited with Ghana Commercial Bank Account No. 4091130001669 in the name of GSBV.

631. Management could not provide us with any contractual agreement that Customs should perform such duties on behalf of the company and in effect the GSBV was paid GH¢6,787.07 by the State for no work done.

632. We recommended that since GRA (Custom Division) was capable of carrying out the inspection function effectively the revenue thereof should be recovered and paid to Customs. Management should also liaise with the appropriate quarters to take up the issue of handling the inspection as well as the collection of the revenue.

Failure to provide statements for monies transferred by GCB and ECOBANK to BOG - GH¢49,488,954.55

633. Part 1 Section 1 of Financial Administration Regulation 2004 indicates that “any public officer who is responsible for the conduct of financial business on behalf of the Government of Ghana shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Auditor-General or any officers authorised by him. A public officer who fails to keep or produce any records under sub regulation 1 is in breach of financial discipline”.

634. A review of the financial records of Ghana Revenue Authority, (Customs Division) disclosed that for the period under review total revenue of GH¢49,488,954.55 was collected, out of which GH¢6,476,565.07 was lodged with GCB by four (4) stations and GH¢43,012,389.48 into Ecobank – Elubo Branch account No. 04103 for onward transfer to Bank of Ghana but management could not provide the audit team with a statement from GCB and Ecobank to evidence the transfer effected as required. Details are provided below:

Station/Year	2013	2012	2011	Ecobank	GCB
	GH¢	GH¢	GH¢	GH¢	GH¢
Elubo	13,110,139.21	21,023,861.65	15,184,808.91	43,012,389.48	6,306,420.29
Half Assini	16,627.96	29,540.11	27,919.13		74,087.20
Dadieso	11,637.82	18,963.15	24,378.87		54,979.84
Omanpe	11,803.44	15,196.40	14,077.90		41,077.74
T o t a l	13,150,208.43	21,087,561.31	15,251,184.81	43,012,389.48	6,476,565.07

635. Management failed to request for a statement to confirm the transfers made.

636. The failure to obtain statement from Bank of Ghana could result in the receiving revenue being unduly kept by the receiving dealer banks or diversion of State funds for personal gains without detection.

637. A statement for all transfers made by Ghana Commercial Bank and Ecobank to Bank of Ghana should be obtained and made available for audit verification.

638. Management responded that participating banks failed to provide the sectors with statements of transfers made to Bank of Ghana.

GHANA STATISTICAL SERVICE

Purchases without alternative quotations – GH¢2,769.35

639. We observed during a review of records that three payment vouchers in respect of the procurement of stores with a total face value of GH¢2,769.35 were not supported with alternative quotations from other suppliers, contrary to Section 43(1) of the Public Procurement Act, 2003 (Act 663), a situation which would not promote value for money.

640. The anomaly resulted from non-compliance by Management with Section 43(1) of the Public Procurement Act, 2003 (Act 663).

641. We recommended that in all future purchases, the officer in charge of the Supply Section should request for quotations from at least three different suppliers before a vendor selection is made, in order to ensure competitiveness and value for money.

Fuel purchases not accounted for vehicle Log Book – GH¢758.00

642. We noted during our review of the vehicle Log Book that contrary to Regulation 1604 of the Stores Regulations, 1984, fuel allocations worth GH¢758.00 were not recorded in the vehicle Log Book by the driver due to lack of supervision by

management, a situation which could lead to abuse and non-transparency in fuel utilisation and accounting.

643. We advised management to account for the GH¢758.00 involved and adhere strictly to Regulation 1604 of the Stores Regulations, 1984 at all times.

Failure to transfer the name of an officer from the payroll

644. Our review of the payroll revealed that the name of Ms. Sophia Nyan with staff ID 757719, who had been transferred from the Koforidua office effective 2 March, 2012 continued to reflect on the Service's payroll due to poor supervision on the part of management and contrary to Regulation 304 (1b) of the Financial Administration Regulations, 2004.

645. The anomaly will undermine the ability of the Management of her new station to effectively monitor her, and ensure that she earns and deserves any salary paid to her.

646. We urged management to ensure that Ms. Sophia Nyan's name is transferred to the payroll of her new station.

STATISTICAL SERVICE - HO

Unearned Salary - GH¢882.45

647. Regulation 297(1), subsection (d) of the Financial Administration Regulations, 2004 states that "A head of Department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has resigned".

648. In contravention of the above regulation, our examination of mechanised salary payment vouchers for 31st January, 2013 revealed that a sum of GH¢882.45 continued to reflect against the name of Mr. Dzah Joseph an Assistant Statistician with staff no. 0000757986 who had voluntarily resigned from the Service since 31 December, 2012 vide letter with reference number P/AD/116, dated 8 January, 2013.

649. The Regional Statistician and the Accountant of the Service did not notify the Controller and Accountant-General's Department early enough for the deletion of the officer's name.

650. The anomaly resulted in payment of the sum of GH¢ 882.45 to the resigned officer for no work done, creating a situation for the possible loss of the sum of GH¢882.45 if it is not recovered to Government chest.

651. We urged the Regional Statistician to ensure that Mr. Dzah Joseph refunds the amount of GH¢882.45 and pay same into the Controller and Accountant-General's Wages and Salaries suspense account number 60181379016 with Bank of Ghana, Hohoe.

Missing Store Items - GH¢2,650.64

652. Regulation 183(3) of the Financial Administration Regulations of 2004, LI 1802 requires that "A head of department shall be accountable for the proper care, custody and use of Government stores from the time of acquisition until

they have been used or otherwise disposed off in accordance with those Regulation”.

653. We noted during physical stock check that four items bought at a total cost of GH¢3,596.64 including a Projector and HP Scanner valued at GH¢2,650 could not be accounted for, and there was no document indicating their issue to any location.

654. This anomaly which could lead to exploitation of the control systems in place culminating in financial losses to the Service, resulted from poor supervision over the work of the storekeeper.

655. Management did not respond to our request to produce the items for inspection. We therefore recommended that the cost of the items being GH¢2,650.64 should be recovered from the accountant and the storekeeper.

Non Certification of Work Done – GH¢4,270.00

656. Section 16(1) of the Financial Administration Act (654) requires that (1) 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

- (a) 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; or
- (b) where payment is to be made before the completion of the work, delivery of the goods or rendering of the service, that the payment is in accordance with the contract.

657. In violation of the above regulation, we noted during the audit, instances where two (2) payment vouchers with a total value of GH¢4,270.00 were paid without certification of satisfactory work done. Details are shown as follow:

Date	P.V No.	Details	Payee	Amount GH¢
31/12/12	0085294	Repairs/Maintenance of office equipment	Marker Dover Ent.	1,465.00
31/12/12	008595	Repairs/Maintenance of office building	Ben Bog. Ent.	2,805.00
Total				4,270.00

658. This irregularity was due to failure on the part of the accountant to apply the law before effecting payment. The failure to observe this control measure could lead to payment for unsatisfactory works undertaken or the supply of inferior goods.

659. We recommended that this practice be stopped forthwith to prevent payment for shoddy works or inferior goods. Management did not respond to our observation.

GHANA STATISTICAL SERVICE - WA

Unacquitted Payments - GH¢9,309.00

660. Section 39 of the FAR, 2004 (L.I 1802) states that the head of the accounts section shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

661. Contrary to the above, we noted that payments amounting to GH¢9,309.00 were not acquitted as they were not supported with invoices, receipts and statement of accounts.

662. This occurred because the Accountant failed to ensure that the supporting documents were provided before payments, a situation which could lead to diversion of funds.

663. Management was advised to properly acquit the payments or recover the amounts from the officers concerned.

Pensions - GH¢5,354.55

664. We examined 1984 personal files of retired officers who were paid gratuities during the period January, 2013 to 31 December 2013. The examination revealed an overpayment of gratuity totalling GH¢5,354.55 to two officers as detailed below:

No.	Name	Amount GH¢	Type of claim	Remarks
1.	Agnes Anima Antwi	1,226.75	Pension and Gratuity	Wrong length of service used
2.	Ebenezer A, Brew	4,127.80	Commuted Pension	Unearned pension not deducted
		5,354.55		

665. The gratuities over paid were due to arithmetical errors and wrong application of the salary scale used in computing the retirement benefits of the affected officers.

666. In response to the overpayments, the CTO, Pension Computation Unit, directed the Pension Payment Unit to recover the said overpayments from their monthly pensions.

MINISTRY OF HEALTH

HEADQUARTERS

Non-Compliance with Budgetary Control Procedures

667. We noted that the managers of the Ministry's funds did not effectively exercise budgetary control during the execution of the 2012 financial year's budget. The following lapses were noted in the budgetary control procedures:

- ❖ Expenditure Budget Ledgers that were supposed to be maintained by the accounts department were not properly kept and regularly updated.
- ❖ Improper expenditure commitment procedure, i.e. the Policy Planning Monitoring and Evaluation Unit (PPME) of the Ministry was not made to certify availability and sufficiency of budgetary provisions of proposed expenditure before approval of those expenditures. There was therefore no disincentive to incur expenditure outside of the approved budget.
- ❖ Occurrence of unbudgeted expenditures and spending above budgetary provisions. For instance, a total of GH¢390,361.00 was spent on medical

treatment for some members of the general public even though there was no budgetary provision for the expenditure.

- ❖ As a service oriented entity, the Ministry lacked the services of a management accounting unit that could integrate financial reporting with policy implementation and the status of health delivery services, which is the core business of the Ministry.
- ❖ A review of reports of the budget committee indicated that, the committee was not effective in monitoring budget performance and reporting control weaknesses for remedial action.

668. The managers of the Ministry's funds ignored the budgetary control procedures of the public sector for convenience. The budget committee also failed in their responsibility to draw the manager's attention to the lapses for improvement.

669. Ineffective budgetary control does not only facilitate unbudgeted expenditure but also leaves budgeted programs and activities unimplemented. Thus, the annual goals and objectives set may not be achieved.

670. To strengthen budgetary control practices at the Ministry we recommended the following:

- i. The Chief Accountant should ensure that the Expenditure Budget Ledgers are properly maintained

and regularly updated to serve as a reliable tool for budgetary control purposes.

- ii. Policy Planning Monitoring and Evaluation (PPME) Unit should be made to certify budget provisions of proposed expenditure before approval of the expenditure. This would curb unbudgeted expenditure and excess expenditure over budget provisions.
- iii. The Budget Committee should be effective and report deficiencies in the budget execution in their quarterly reports to management.
- iv. The Ministry should establish a management accounting unit to link utilisation of funds to policy implementation and set objectives in its monitoring and reporting function.

Payment for haulage services not supported with delivery certificates – GH¢485,928.94

671. Messer's Vorodam and Mickma Enterprises were paid a total of GH¢485,928.94 to convey 3,000 hospital beds and mattresses and tons of food items from the Central Medical Stores to the ten regions of Ghana. The payments were however not supported with certified Waybills and certified Stores Issue and Receipt Vouchers (SIRV) to confirm delivery of the items to the various destinations. Under the circumstance, we could not confirm propriety of the quantities of the items stated as hauled to the regions as well as the related charges.

672. Store procedures and regulations were undermined in the distribution of the items and the payment for the haulage

services by both the operating officers and the approving and authorizing officers.

673. The irregular procedure applied in the payments impaired transparency and accountability and had the potential of concealing under or non-delivery of the services paid for.

674. To ensure accountability and transparency and for the amount of GH¢485, 928.94 to remain charged to the accounts of the Ministry, we recommended that the Chief Director should obtain relevant certificates of receipt of the items from the respective receiving officers at the various destinations and submit them for audit review.

675. The Chief Director should also ensure that officers comply with stores and financial management procedures and regulations when transacting business on behalf of the Ministry.

Procurement loss from delivery of sub-standard items – GH¢15,180

676. The Ministry ordered ten swivel chairs between January and August 2012 from Al-Souk Co. Ltd and Anish Services at a total cost of GH¢18,975.00 for various offices. However, within one month of delivery, eight out of the ten chairs supplied costing GH¢15,180.00 were found to be faulty indicating they were of inferior quality.

677. Consequently, the Storekeeper contacted the suppliers who agreed to replace them, but as of May 2014 the suppliers had failed to replace the chairs.

678. Commensurate value was thus not received for the amount spent and for that matter the Ministry had been denied the intended use of the chairs over the period. We were of the view that the Ministry also risked losing the sum of GH¢15,180 if effective measures are not taken to have the chairs replaced.

679. We recommended to the Chief Director to officially write to the suppliers requesting them to either replace the chairs or refund the amount of GH¢15,180 without further delay. The head of procurement unit should also ensure that accurate specifications of orders are given to check the tendency of suppliers taking advantage of specification gaps to supply sub-standard goods and services.

GHANA HEALTH SERVICE HEADQUARTERS

Non-compliance with budgetary control procedures

680. Regulation 151 of the Financial Administration Regulations, (FAR), 2004 requires a Budget Committee to, among other responsibilities, monitor and evaluate budget performance in accordance with financial regulations.

681. We noted the following lapses in the budgetary control procedures of the Service:

- ❖ Improper expenditure commitment procedure i.e. the Policy, Planning, Monitoring and Evaluation (PPME)

Unit did not certify availability and sufficiency of budgetary provisions for proposed expenditure before approval of the expenditure.

- ❖ The quarterly reports of the budget committee indicated that the committee was more concerned with fund allocation than monitoring budget performance and reporting on weaknesses.

Weak budgetary control does not only facilitate non-budgeted expenditure but also leaves some budgeted programmes and activities unimplemented affecting the achievement of annual goals and objectives of the Service.

682. We recommended the following measures to be taken by management:

- ❖ For all sources of funds, the PPME Unit should certify budget provisions of proposed expenditure before approval of the expenditure.
- ❖ The budget committee should monitor and report deficiencies in budget execution in their quarterly reports to management.

Proceeds from auction sales not accounted for – GH¢37,125

683. According to paragraph 4 of the appointment letter No. GHS/TMD/GF-9/VOL.XII dated October 2012 issued by the Director-General of GHS to an auctioneer, Shelter Mart, the proceeds accruing from auction sales should be paid into Non-Tax Revenue Account No. 012-305-001-2167 at the Bank of

Ghana and statement of accounts submitted to the Office of the Director-General two weeks after the auction.

684. Although the auction took place on 15 October 2012 and an amount of GH¢44,125.00 was realised, the auctioneer had so far paid only GH¢7,000.00 into the designated account, leaving GH¢37,125.00 unaccounted for.

685. The Head of the Transport Unit did not follow-up to ensure that the auctioneer paid the proceeds promptly into the designated account as directed by the Director-General, thus denying the State the outstanding amount.

686. We recommended that the Director-General should report the conduct of Shelter Mart to the appropriate authority to recover the outstanding amount of GH¢37,125.00, with appropriate interest, and punitive action taken against the company to serve as a deterrent to other auctioneers. In the event that management fails to recover the amount from the auctioneer, the Director-General and the Transport Officer should be held liable.

Lack of accountability for proceeds from auctioned assets

687. According to letter No. DCOS/OP/10/412 dated 17 November 2011 issued by the Office of the President giving authority for the disposal of Ghana Health Service unserviceable vehicles, the auctioneer is obliged to issue a comprehensive report on details of the implementation of the directive 14 days after the sales before a separate letter for

registration and transfer of the auctioned vehicles may be issued.

688. To give effect to the directive from the Office of the President, auctioneers were appointed to auction a number of vehicles and motorbikes of the Ghana Health Service in three regions. At the time of compiling this report, two auctioneers from two regions had failed to account for proceeds from their auction sales, as detailed below:

S/N	Name of Auctioneer	Region	Date of Auction	Items	STC Valuation GH¢
1.	Willico Mart	Western Region	December 2012	Unserviceable vehicles and motorcycles	9,350
2.	Shelter Mart	Upper East Region	December 2011	14 unserviceable vehicles and 59 motorbikes	Not provided

689. This situation arose because the heads of transport units of GHS in the affected regions did not ensure that the auctioneers operated in line with their rules of engagement. This posed the risk of the State losing the revenue from the auction sales.

690. We recommended that the Director-General should ensure that the amounts received from the auction sales are accounted for and paid into the Non-Tax Revenue account.

Sole sourcing of goods and services without authority - GH¢7,350,146

691. Section 40 of the Public Procurement Act (PPA), 2003 (Act 663) requires a procurement entity to obtain prior approval of the Public Procurement Board (PPB) before engaging in single-source procurement.

692. Contrary to this, we noted that six contracts totalling GH¢7,350,146.00 were single sourced without prior approval of the PPB. Details of the transactions are provided below.

Contract No.	Procurement Method	Supplier/ Contractor	Amount GH¢	Currency	Cedi Equivalent	Description
GHS/2012/SS/B3.1/03/C07	Sole Source	BD-International	882,231.00	USD	1,676,239.00	Medical Consumables
GHS/2012/SS/B3.1/03/C02	Sole Source	BD-International	1,481,490.80	USD	2,814,833.00	Medical Equipments
GHS/2012/SS/B3.1/03/C08	Sole Source	BD-International	372,713.00	USD	708,155.00	Medical Consumables
GHS/2012/SS/B3.1/03/C09	Sole Source	BD-International	115,793.00	USD	220,007.00	Medical Consumables
GHS/2012/SS/B3.1/03/C012	Sole Source	Lifescience, East Afr. Ltd	46,634.09	Euro	125,912.00	Lab Consumables
GHS/2012/SS/B3.1/03/C012	Sole Source	Orasure Technologies	950,000.00	USD	1,805,000.00	Medical Consumables
Total					7,350,146.00	

693. This was due to the failure of the Entity Tender Committee to exercise its oversight responsibility to ensure compliance with the provisions of the PPA.

694. The transactions lacked transparency and competition and had the potential of preventing the Service from obtaining best value for money.

695. We recommended that the Entity Tender Committee should ensure that procedures prescribed in the PPA at every stage of the procurement activity are strictly complied with. The Director of Supplies, Stores and Drug Management Division should ensure that prior approval of the Public Procurement Authority is obtained for all direct sourcing and restrictive tendering.

696. The Director-General should obtain retrospective approval of the PPB for the sole sourcing applied in the procurements listed above.

Application of inappropriate procurement method

697. Schedule Three of the Public Procurement Act, 2003 (Act 663) sets GH¢20,000.00 as the upper threshold for the application of the Price Quotation Method in the procurement of goods and services. This means that it is inappropriate to use price quotation to procure if the procurement value is above GH¢20,000.00.

698. We noted that the Ghana Health Service Headquarters wrongly applied the Price Quotation Method in 18 procurement transactions totalling GH¢400,444. Details of the transactions are provided below:

Contract No.	Procurement method	Supplier	Date of contract	Amount GH¢	Description	Source of funding
GHS/2012/SHP/B.1.5/01/C01	Price quotation	Pingie Mode Ventures	01/12/2012	22,809.10	Printing of various items	GOG
GHS/2012/SHP/B.3.1/03/C11	Price quotation	Nakem Enterprise	07/11/2012	20,311.60	Vehicle accessories	GAVI
GHS/2012/SHP/B.3.1/04/C08	Price quotation	Diddle Enterprise	04/11/2012	20,387.00	Printing	GOG
GHS/2012/SHP/B.3.1/04/C09	Price quotation	Dakaidd Media	04/12/2012	20,631.00	Printing	GOG
GHS/2012/SHP/B.1.5/01/C03	Price quotation	O'mens Investment	21/02/2012	21,000.00	Printing	Global Fund
GHS/2012/SHP/A.1.5/01/C03	Price quotation	Ostenfield Enterprise	24/01/2012	25,477.05	Office equipment	GOG
GHS/2012/SHP/A.1.5/03/C07	Price quotation	Sky-Net Computes	03/07/2012	22,800.00	Office equipment	Global Fund
GHS/2012/SHP/B.3.1/03/C05	Price quotation	Steve-Nap Ventures	02/09/2012	21,896.00	Office equipment	GAVI
GHS/2012/SHP/B.3.1/05/C12	Price quotation	Descraft Limited	06/04/2012	23,226.50	Printing	GAVI
GHS/2012/SHP/A.5/02/CO3	Price quotation	Fairgreen Ltd.	06/07/2012	21,275.00	Office equipment	GOG
GHS/2012/NCT/B.2/01/C12	Price quotation	Superior Graphics Ltd.	06/04/2012	20,400.00	Printing	Global Fund
GHS/2012/SHP/B.3.1/09/C28	Price quotation	Dezine Focus	18/10/2012	21,300.00	Printing	Global Fund
GHS/2012/SHP/B.3.2/07/C25	Price quotation	J.M. Addo & Sons Ltd.	25/09/2012	21,000.00	Non drugs consumables	GOG
GHS/2012/SHP/B.3.1/03/23	Price quotation	Sakva Print Services	10/01/2012	22,425.00	Printing	GAVI
Service Contract	Price quotation	Tetteh Osei Cleaning Serv.	24/12/2012	21,222.12	Cleaning	GOG
Service Contract	Price quotation	Tetteh Osei Cleaning Serv.	24/12/2012	30,351.21	Cleaning	GOG
GHS/2012/SHP/B.3.1.03/C08	Price quotation	Rack Africa	26/06/2012	23,693.22	Office equipment	GAVI
	Price quotation	Talk Invest	30/07/2012	20,240.00	Office equipment	GAVI
Total				400,444.80		

699. We attributed this to ineffective oversight exercised by the Entity Tender Committee over the Supplies and Stores Directorate. The situation impaired effective competition and fairness, which could prevent the Service from obtaining best appropriate value for money in the utilisation of public funds.

700. We recommended that the Entity Tender Committee should ensure compliance with the provisions of the Public Procurement Act at every stage of the procurement process.

Payment of unearned salaries – GH¢32,244.56

701. We noted that monthly salaries totalling GH¢6,239.56 and GH¢25,985.00 were wrongfully paid to four retired officers and two officers on study leave without pay respectively. Details are provided below:

Staff on retirement

Name	Title	Staff ID	Salary	Effective date of retirement	Month of payment
Dr. Lawson Ahadzie	Specialist	140412	4,939.58	01/04/2012	April 2012
James Asare	Watchman	Gov 629692V/ 0000536556	233.80 233.80	01/02/2012	March 2012 April 2012
Francis Binatey	Principal Driver	Gov 094512L/ 00032135	504.76	23/03/2012	April 2012
K. Sampson	Senior Driver	14235	327.62	01/04/2012	April 2012
Total			6,239.56		

Staff on study leave without pay

Name	Title	Staff ID	Effective date of leave	Period paid	Total amount paid GH¢
Danquah Andrew Oppong	Estate Manager	GOV 5057538/0000109898	01/09/2012	Sept. 2012-Jan. 2013	
Apetogbor Veronica	Nursing Officer	GOV 488671G/0000097467	01/01/2012	Jan. 2012-June, 2012	9,840.98
Dr. Jehu- Appiah Caroline	Deputy Director	GOV 264169X/0000115217	27/02/2012	March-June, 2012	16,144.02
Total					25,985.00

702. According to IPPD, the officers involved were due for salary arrears hence, the delay in deleting their names from the payroll.

703. We recommended that the Director-General should ensure the recovery of the total amount of GH¢20,224.56 into the Controller and Accountant-General's Salary Suspense account.

KORLE BU TEACHING HOSPITAL

Payment of Unearned Salaries - GH¢15,643

704. Section 297(1) (a-f) of the FAR, 2004 (L.I 1802) stipulates that a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty on leave without pay, resigned, retired or died.

705. Seventeen separated employees of the hospital were paid unearned salaries amounting to GH¢84,807.90. This occurred due to inaction by Management to promptly stop the salaries of the employees when they separated from the hospital. The Sub-BMCs where these employees were working did not promptly inform the Human Resource Unit to take necessary action to stop payment of salaries to the separated staff.

706. Management had since recovered a total amount of GH¢68,164.35 leaving a balance of GH¢15,643.49 yet to be recovered, as detailed below.

	Name	Amount GH¢
1.	Ernest Oteng Mensah	3,426.78
2.	Priscilla Osei	3,905.97
3.	Rosalia Haffar	<u>8,310.74</u>
		<u>15,643.49</u>

707. We recommended to Management to continue with its efforts to recover the remaining amount from the separated employees.

RIDGE HOSPITAL

Payment of fuel and vehicle maintenance allowance to separated medical officer - GH¢2,275

708. Dr. Afua Amoah Mensah, a House Officer who separated from the hospital in August 2011 was paid unearned fuel and vehicle maintenance allowances amounting to GH¢2,275.00 from September 2011 to September 2012.

709. The anomaly was due to failure by the head of the Human Resource Unit to delete the officer's name from the list of beneficiaries whenever the list was prepared from the Finance Office and presented to the Human Resource Unit for vetting before payment was effected. This constituted a drain on the hospital's resources.

710. We recommended that the amount of GH¢2,275.00 should be recovered from the officer who is now attached to the Ga West Municipal Health Directorate. Supervision over the Head of the Human Resource Unit should be improved to forestall such lapses in future.

Payroll irregularities - GH¢3,068.50

711. A former Physiotherapist of the hospital, David Owusu-Bempah vacated post from 8 April 2011 and has since been paid unearned salaries amounting to GH¢3,068.50 due to failure of the Human Resource Unit to ensure that the Payroll Unit of MOH was promptly informed to delete the name of the separated staff.

712. Regulation 297(1a) requires the head of department to cause the immediate stoppage of payment of salary to an officer who has been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment.

713. There was the risk that government funds would be lost if the unearned salary was not recovered.

714. We therefore recommended that the amount of GH¢3,068.50 should be recovered from Mr. David Owusu-Bempah. Additionally, the Human Resource Unit should ensure prompt deletion of the names of separated staff from the payroll.

KANESHIE POLYCLINIC

Outstanding salary advances – GH¢7,756.00

715. Contrary to Regulation 110 of the FAR, out of salary advances granted to 14 members of staff totalling GH¢11,236.00, only GH¢3,480.00 had been recovered, leaving an overdue balance totalling GH¢7,756.00 yet to be recovered. Management failed to ensure recovery of the advances as required by Regulation 111 of the Financial Administration Regulations (FAR), which requires a head of department to recover advances in accordance with the appropriate agreement.

716. The outstanding amount had not been available for use by the Polyclinic for its activities or assistance to other needy staff.

717. We recommended that the Head of Finance should recover the outstanding advances totalling GH¢7,756.00 without further delay.

MINISTRY OF FOOD AND AGRICULTURE

AGRIC FINANCE DIRECTORATE

Disaster recovery plan and backup procedures not documented

718. Section 262 of the Financial Administration Regulations, 2004 requires a head of department to ensure that financial and accounting records are preserved in good order in a manner that facilitates ready access for reference. Best practice in Information Technology (IT) governance also demands that every organisation depending on I.T. for their operations should have disaster recovery plans which are documented.

719. Our review of the Information and Communication Technology unit of the Directorate revealed that there were no formally documented policies or procedures for disaster recovery and backup.

720. Failure to establish an effective data recovery mechanism could result in loss of important data which may undermine the Directorate's ability to operate in the event of disaster such as floods or fire.

721. We recommended that Management should, as a priority, establish effective backup procedures and data recovery mechanism to forestall any loss of important data. Formal policies and procedures regarding data and information backup should be developed, implemented and maintained. The policy should be:

- Communicated and made available to all employees, stressing its importance and adherence,
- Management should also review the backups performed on a regular basis to ensure that they are appropriate,
- Backups should be signed-off as evidence of being performed and authorised by employees delegated to do so,
- Backups should be tested on a regular basis to ensure their accuracy, integrity and completeness. This will give management the assurance that data stored can be recovered in case of emergency.

722. Management responded that they have communicated with the Head Office for the ICT Policy direction.

VETERINARY SERVICES DIRECTORATE

Market premium arrears wrongly paid – GH¢169,210.71

723. Our review of the Directorate's Mechanised Salary Vouchers covering the period January to December, 2012 revealed that a total amount of GH¢169,210.71 was wrongly paid to 7 veterinary Doctors on Voucher No. GK 564 of September, 2012 as market premium arrears. Meanwhile all the veterinary Doctors were paid market premium arrears in February, 2012 on Mechanised Voucher No. GK1166. Listed below is the market premium arrears overpaid on PV No. GK 564.

Name	Staff No.	Job Title	Bank	Market Premium Arrears GH¢
Okyere F. E. K	6182	Vet Medical Specialist	SSB-Takoradi	22,892.82
Alorvor L.	108800	Vet Medical Specialist	GCB-Ministries	22,892.82
Salia Philip	44416	Deputy Director Vet Services	SSB-Tamale	22,892.82
BoiKikimuto	111291	Deputy Director Vet Services	GCB-Osu	27,504.35
Ampratwum Konadu	81572	Vet Medical Specialist	Standard Chartered Bank-High Street	22,892.82
Anderson Benita	71756	Principal Vet Officer	SSB- Accra Main	23,858.54
Schandolf De	69940	Senior Vet Officer	GCB- Osu	26,252.54
Total				169,210.71

724. The overpayment was confirmed by the Director of Finance in his remarks made at the back cover of September, 2012 mechanised vouchers after he had examined and certified the names and the corresponding salaries paid.

725. A copy of the September, 2012 mechanised salary voucher was returned to Controller and Accountant-General's office with the remarks of overpayment by the Director of Finance. However, no action had been taken to date.

726. The market premium which was wrongly paid to the seven veterinary doctors had made the Government lose the sum of GH¢169,186.77.

727. We therefore urged Management to follow up to Controller and Accountant General's Department to ensure that immediate action is taken to recover the overpayments made to the seven doctors without delay.

728. Management explained that the Controller and Accountant General's Office had been notified about the payment and that it is not clear what the amount represented since Market Premium arrears are still being paid to some other veterinary Doctors under the Single Spine Salary Structure. Management further stated that the officer in charge of salaries had been tasked to do a follow up to ensure that the amount is retrieved when the basis of payment is fully established.

Unearned Salary - GH¢12, 845.43

729. Mr. F.K Aduamah an ex-officer of the Directorate was paid total unearned salary of GH¢12, 845.43 after his contract appointment ended on 31 July 2012. Dr. Aduamah's appointment took effect from 1 August 2010 and ended on 31 July 2012. However, he continued to receive salary until February 2013 when his name was deleted from the mechanised salary voucher, refer to the details below.

Name	Staff No.	Month	Unearned Salary GH¢	Refunds Made GH¢	Outstanding GH¢
DR. F.K Aduamah	6563	Aug 2012	3,459.67		
		Sept 2012	3,717.04		
		Oct 2012	3,056.24		
		Nov 2012	3,056.24		

		Dec 2012	3, 056.24		
		Jan 2013	3, 056.24		
Total			19, 401.67	6,556.24	12, 845.43

730. At the end of February, 2013 Dr. Aduamah had received a total unearned salary of GH¢19, 401.67 out of which he made a refund of GH¢6, 556.24 into the Controller and Accountant General's Suspense Account leaving an outstanding balance of GH¢12,845.43 yet to be refunded, as detailed above.

731. These anomalies occurred due to Controller and Accountant General's inability to delete the name on time after the Director of Finance had timely forwarded the input for the deletion.

732. The untimely deletion of the name of this ex-officer would result in a substantial loss of GH¢12,845.43 should efforts at recovering the amount fail.

733. We recommended that Management should pursue recovery of the unearned salary received by Dr. Aduamah without delay.

HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT DIRECTORATE, MOFA

Failure to pre - qualify suppliers /service Providers

734. Section 22 (2) of the Public Procurement Act, 2003 (Act 663), requires every Ministry, Department or other Agency to request prospective bidders to provide appropriate and sufficient documentary evidence that it considers useful to

satisfy itself that a bidder is qualified to execute government contracts or provide service. This documentary evidence includes legal capacity of bidder to enter into a contract and the payment of taxes and social security contributions for its employees. Such evidence may be obtained as part of the entity's pre-qualification procedures or during submission of bids for tender.

735. We observed that the Directorate failed to maintain any register on its suppliers and contractors. The practice did not only contravene the Public Procurement Act, but also created an avenue for unqualified persons to be awarded government contracts with the risk of non-performance or perhaps the supply of substandard goods.

736. We further observed that the Directorate did not obtain full evidence of the capacity of the business entities before contracts were awarded to them.

737. To fully conform to the Public Procurement Act, and to enable the Directorate maintain the relevant documentation on its suppliers, we advised Management to obtain the under listed documents from existing and prospective suppliers, Contractors, Consultants and Service Providers.

- a. Introductory letter
- b. Valid Business Registration Certificate (Certificate of incorporation and Certificate to Commence Business
- c. Valid Tax Clearance Certificate
- d. Valid VAT Clearance Certificate or, if exempt, evidence of exemption

- e. Valid SSNIT Certificate(If applicable)
- f. Annual Returns and receipts
- g. Works and Housing Construction Certificate (If applicable)
- h. Food and Drugs Board Certificate (If applicable)

738. We also advised the Internal Audit Unit to confirm compliance with the Act before certifying invoices from these companies for payment.

739. Management asserted that it had the particulars of almost all the service providers but found it difficult to locate the file. Management, however, assured us that it will employ all possible measures to furnish the file.

Payment of Unearned Salaries GH¢10, 760.78

740. Section 297(1) of the Financial Administration Regulation, 2004 (L.I 1802) states that “A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant resigned, retired or died.”

741. Between the period January 2010 to December 2011, we noted that a total amount of GH¢10,760.78 was paid from the Payroll budget under Compensation of Employees to 2 separated staff of the Directorate, Kwabena Agyekum – Sabraw and Charles Fianu.

742. Due to the absence of staff records on personnel emoluments and the inaction of the schedule officer, the affected staff were paid unearned salaries totalling GH¢10,760.78 for periods ranging from 3 to 8 months. The lapse also resulted in excess payment under Compensation of Employees.

743. We advised Management to take steps to recover the total amount involved and ensure that steps are promptly taken to stop the payment of unearned salaries to separated staff.

744. Management explained that letters regarding the stoppage of salaries were forwarded to staff's respective banks and copied to Controller and Accountant General's Department. Copies of the letters were however not made available to us to authenticate Management's claim.

Failure to return official vehicle

745. Section 183(3) states that " A head of department shall be accountable for the proper care, custody and use of Government stores from the time of acquisition until they have been used or otherwise disposed-off in accordance with these regulations"

746. We noted that a Nissan Pickup vehicle with registration number GV 1480 U was said to be in the possession of Mr Sarpong who had been transferred from the Human Resource Directorate to Adedome.

747. When contacted on phone, Mr. Sarpong stated that the vehicle had broken down and promised to make it available for inspection but to no avail.

748. Failure to return the said vehicle deprived the Directorate of its usage for official duties. Even though the user claimed the vehicle was faulty, there was no official works order from the Directorate to support the assertion.

749. We advised Management to retrieve the vehicle concerned and ensure that administrative procedures regarding vehicle records, repairs, maintenance and allocations are followed to avert waste and possible unauthorised disposal of vehicles to the disadvantage of the Directorate.

750. Management admitted the lapse but stated that it had resolved to update the vehicle records. Meanwhile the vehicle with registration number GV 1480 U was still in the possession of Mr. Sarpong.

AGRICULTURE DEVELOPMENT UNIT, GA WEST AND EAST

Unearned Salary - GH¢105,457.00

751. Our examination of mechanised salary payment vouchers revealed that between September 2010 and February 2013, two MDAs at the District level paid unearned salaries totalling GH¢105,457.31 to five former staff members who had either retired, vacated post or were on study leave without pay in contravention of Section 297(1) which required that salary

payments should not be made to staff on study leave without pay, retired or had absented themselves for 10 days without any reasonable excuse as detailed below.

MMDA	No of Staff	Amount GH¢
Ga West Municipal Agric Dev. Unit	4	94,957.05
Ada East District Agric Dev. Unit	1	10,500.26
Total	5	105,457.31

752. The lapse was attributed to either the failure of the Managements of the MDAs to prepare inputs for the Controller and Accountant General's Department (C&AGD) to delete their names from their payrolls or write letters to their banks to stop the payment of their salaries to them.

753. We urged the Managements of the various MDAs involved to recover the amounts and pay same to chest.

Non - payment of rent - GH¢4,860.00

754. The Management of the Ga West Municipal Agricultural Development Unit failed to recover rent totalling GH¢4,860.00 from 14 staff members who were accommodated in Government bungalows, quarters and office buildings for periods ranging between one and 10 years.

755. This violated Government Instructions on the review of rent structure dated 21 November 2006, Ref: No.3/363/06/11/NTR/CGAD, which stated in the 2007 budget statement page 333 that 16% rent deduction from

salaries of staff in Government bungalows should be reduced to 10% with effect from 1 December 2006.

756. Management's failure to ensure that the rent was deducted at source from their salaries accounted for this lapse which denied Government the usage of the amount for its planned programmes and activities. The failure to pay rent could have the effect of not making funds available for maintenance and renovation of those properties when the need arises.

757. We recommended that the District Assembly should take over the buildings as soon as possible, renovate them and prepare inputs and submit them to the C&AGD to effect rent deductions at source. Similarly, all outstanding rent arrears should be recovered from the staff members involved. We further advised that particulars of the recovery should be made available for follow up action.

REGIONAL AGRICULTURAL DEVELOPMENT UNIT (RADU) - KUMASI

Failure to Recover Block Farm Loans - GH¢1,032,777.82

758. We noted during the audit that between 2010 and 2012, a total amount of GH¢1,470,039.62 was disbursed to twenty-six (26) districts in the region under the Block Farm Programme as loans to peasant farmers to improve their yield and living conditions.

759. The objectives of the Block Farming Programme include increasing the production of selected crops to boost the food

security of the State, creating employment opportunities for the youth and improving the yields and living conditions of peasant farmers.

760. However, our audit in 2013 revealed that, out of this amount only GH¢437,261.80 was recovered from the farmers leaving an outstanding amount of GH¢1,032,777.82 unrecovered.

761. Management informed us that for the 2010 and 2011 farming seasons, there were severe weather failures in the country which affected maize harvest. This affected the farmers' ability to make repayments of the loans. Management added that they will intensify efforts to ensure that the moneys are recovered.

762. We recommended to Management to ensure that the amounts owed by District Directors who also benefited from the facility are deducted directly from their salaries, whilst making sustained efforts to retrieve the outstanding amounts owed by the other peasant farmers.

Failure to recover the sale of farm equipment to farmers on credit - GH¢148,185.28

763. We further noted that between December 2008 and August 2013 Management sold tractors, power tillers and irrigation pumps on credit to thirty-eight (38) farmers at a total cost of GH¢346,806.44. At the time of reporting, a total amount

of GH¢198,621.16 had been recovered leaving an outstanding amount of GH¢148,185.28 to be recovered from the farmers.

764. An interview with the Regional Engineer disclosed that the time span for the repayment was three years for tractors and two years for irrigation pumps and power tillers.

765. We noted, therefore, that four years after the tractors were sold some beneficiaries were yet to make payment after the initial deposit. The same could be said of the other equipments, three years after the agreements were signed.

766. Management explained that they had met and agreed to undertake a general monitoring to locations where the equipment and tractors were to examine the state of the equipment/tractors. Management gave the assurance that it would comply with the audit recommendation to recover the remaining amount of GH¢148,185.28 owed by the farmers and pay same into the Consolidated Fund.

Sale of Agric Equipment to MOFA Staff - GH¢17,018.00

767. Our review of sale of agric equipment disclosed that between 2009 and 2011, the Ministry sold a tractor and other equipment to five staff of MOFA at a total cost of GH¢36,118.00. The equipment was released to them after initial deposits amounting to GH¢19,100.00 were made by them. Below are the details.

Name of Beneficiary	Equipment	Address	Date of Sale	Total Cost	Payment	Outstanding balance
Mumuni Eliasu	Tractor	Box KS7159 Ksi	25/2/09	18,000.00	9,000.00	9,000.00
Forkuo Edward	Power Tiller	Box 6 MOFA Tapa	21/1/09	3,700.00	2,500.00	1,200.00
W. B. Acheampong	Power Tiller	Box 3820, Ksi	11/1/11	3,700.00	2,000.00	1,700.00
E. H. Asamani	Power Tiller	Box 3820 Ksi	11/1/11	3,700.00	2,000.00	1,700.00
Samuel K. Semakor	Irrigation Pump	Box 43 Mampong teng	15/3/10	7,018.00	3,600.00	3,418.00
				36,118.00	19,100.0	17,018.00

768. At the time of report, they had not made any payment beside the initial deposit. There was therefore an outstanding balance of GH¢17,018.00.

769. Management explained that their monitoring exercise indicated that some of the machines broke down and there were no spare parts available in the market to repair them, hence the inability of some of the beneficiaries to pay their outstanding debts.

770. We were of the view that Management's explanation notwithstanding the officers had obtained benefit from the equipment and should pay the full cost of it. We therefore recommended that Management should deduct these amounts from the salaries of the affected staff.

771. We were also concerned that Management could procure equipment whose spare parts were not available on the local market for use by our farmers. It was our view that due diligence was not made by Management in the selection and

acquisition of the farming equipment and this has resulted in loss of value for money.

**MINISTRY OF FOOD AND AGRICULTURE -
MANKRANSO**

Payments for Works/Repairs without Certificate of Satisfactory Completion of Work - GH¢6,436.57

772. Section 16(1) of the Public Procurement Act, 2003 requires that payment should not be made for work done, goods supplied or services rendered whether under contract unless a certificate indicating satisfactory performance of work is attached to the voucher.

773. On the contrary, we observed that 14 transactions for repair and servicing of the department's official vehicles were without certificates from the Transport Officer. Therefore an amount of GH¢6,436.57 paid to Komboat Mechanical Shop, Kumasi could not be fully justified.

774. This omission occurred as a result of disregard of the regulation quoted above by the authorising officers, thereby compromising transparency.

775. The possibility of the service provider executing shoddy work could not be ruled out, with the result of potential loss of funds to the department.

776. We urged Management to support the vouchers with certificates of satisfactory completion of work done failing which the total amount of GH¢6,436.57 should be recovered

from the authorising officials. We further urged that in future payments of such nature should be supported with appropriate works orders and certificates to authenticate the payments.

777. Management accepted our recommendation for compliance.

MINISTRY OF FOOD AND AGRICULTURE – FOMENA
Transfer of CODAPEC Fund into an Unknown account –
GH¢13,200.00

778. Regulation 179 of the Financial Administration Regulations, 2004 states that except as provided for in the Financial Administration Act, 2003, and these Regulations, a head of department may not authorised payment of funds earmarked for specific activities for purposes other than those activities.

779. Our audit revealed that the Adansi Rural Bank Ltd, Fomena transferred an amount of GH¢13,200.00 from the CODAPEC account to Cocoa Board account No. 11011130025398 at the GCB High Street, Accra without authority from the District Director of Agric.

780. The District Director however explained that a bank official informed him that an officer from Ghana Cocoa Board verbally instructed the bank to transfer the money.

781. Consequently, we could not determine whether or not the GH¢13,200.00 was used for CODAPEC activities.

782. In his response, the District Director explained that he later collected a letter from CODAPEC secretariat at COCOBOD that authorised the payment. That notwithstanding, we recommended that in future, no transfer should be made without the consent of the District Director of Agric.

THE REGIONAL VETERINARY SERVICE, KUMASI

Suppression of Value Books GH¢10,200.00

783. Part VII, Section 215 of the Financial Administration Regulations, 2004, (L. I. 1802), states that “A person to whom Value Books are issued shall be personally responsible for the custody of the Value Books”. Part VI, Section 183(3) also requires that a head of department shall be accountable for the proper care, custody and use of Government stores from the time of acquisition until they have been used or otherwise disposed off in accordance with these Regulations.

784. Our review of the stock register and stores issue voucher's (SIV's) disclosed that veterinary tickets issued from the Head Office, Accra, worth GH¢10,200.00 could not be accounted for.

785. General stores procedures require that when stores are received it must be first receipted in a store received voucher and subsequently posted into store ledger and stock register. However, veterinary tickets worth GH¢10,200.00 were

suppressed by the schedule officer without a trace in the stock register.

786. The cause of this anomaly was management's failure to follow the above quoted regulations.

787. As a result, the schedule officer could not account for the value books worth GH¢10,200.00 which were used without the detection of management.

788. When value books are received without proper documentation the possibility of individuals taking advantage of the control lapse for personal gains could be high.

789. Management responded that they had taken note of Section 215 of the Financial Administration Regulations, 2004 (L.I. 1802), and that action would be taken to verify the amount of loss. Additionally, the scheduled officer was assigned to reconcile the records with the accountant in charge with the aim of locating the missing value books.

790. We urged management to ensure that the schedule officer accounted for the value books amounting to GH¢10,200.00 or presents satisfactory evidence thereof, failing which the Regional Accountant was to be surcharged with the cost.

791. We further urged management to ensure that all value books procured were recorded in the stock register and kept under lock and key before usage.

MINISTRY OF FOOD AND AGRICULTURE - FOASE
Failure to recover Loan facility granted to Block Farmers-
GH¢51,109.00

792. The Block Farm Programme is a Government of Ghana initiative which provides support in the form of agricultural inputs such as glyphosate, insecticide, fungicide, and SOA to motivate the youth to engage in cultivation of vegetables and other cereals in their communities. The cost of the above mentioned inputs are paid back by the beneficiaries after they have harvested their produce.

793. We noted during our audit that 324 farmers owed an amount of GH¢51,109.00 as a result of agricultural inputs supplied to them for the years 2010, 2011 and 2012. Out of unpaid amount of GH¢53,927.00 as at January 2013, only GH¢2,818.00 has been recovered from the beneficial farmers and paid to Regional Office of MOFA remaining GH¢51,109.00 as default representing 5.23% and 94.77% respectively. Provided below is the summary of account of the Block Farm and Default Farmers as at 2013:

	GH¢	Percentage
Unpaid Balance at start (324)	53,927.00	100.00%
Amount paid to Reg. Office 2013	<u>(2,818.00)</u>	<u>5.23%</u>
Unpaid Balance at end (324)	<u>51,109.00</u>	<u>94.77</u>

Summary of Farmers who defaulted from 2010 to 2012

Year	No. Farmers	GH¢
2010	7	3,124.00
2011	120	14,750.00
2012	<u>197</u>	<u>33,235.00</u>
Total	<u>324</u>	<u>51,109.00</u>

794. We were of the view that the farmers defaulted because the District Director failed to design and implement effective internal controls over the Block farm such as would require the beneficiary farmers to provide some surety to guarantee repayment including personal guarantors. Such an arrangement could have included a clause barring defaulting farmers from benefiting from any subsequent supplies.

795. The Ministry of Food and Agriculture (MOFA) was denied revenue of GH¢40,054.00 which could have been reallocated to other farmers. Additionally, the non-payment of the agricultural inputs by the farmers curtailed resource allocations to the MOFA office in the District with the potential effect that current and future farmers might not benefit from the programme.

796. The District Director of MOFA explained that despite the inadequacy of internal controls, the default was rather attributable to bad weather conditions during the farming season; and as most of the farmers depended solely on their farm produce for their livelihood, this had made it difficult for them pay back the loan after the poor harvest.

797. We recommended that Management should take pragmatic steps to recover the said amount from the defaulting farmers and ensure also that farmers who had previously defaulted did not benefit from any subsequent supplies of agricultural inputs.

MINISTRY OF FOOD AND AGRICULTURE, MAMPONG-ASHANTI

Failure to Recover Block Farm Loan – GH¢40,725.00

798. Our review of the Block Farm Loan project disclosed that during the 2012/2013 farming season, the Municipal Directorate disbursed farming inputs valued at GH¢69,015.00 to farmers within the Municipality.

799. However, only GH¢28,288.00 representing 41% of the value of inputs disbursed had been recovered at the end of 2013, leaving an outstanding balance of GH¢40,725.00. We noted that the amount had remained outstanding due to reluctance on the part of beneficiaries to repay the input loan.

800. The failure of beneficiaries to pay back the loan was counter to the core objective of the facility which required beneficiaries to repay the loan soon after the harvest to enable other farmers to also benefit from the programme. The recoveries were to be recycled as in a revolving fund.

801. We therefore urged the Municipal Director to intensify efforts to recover the outstanding amount of GH¢40,725.00 from the defaulting beneficiaries.

MOFA MUNICIPAL DIRECTORATE, EJURA

Failure to Recover loan amount from beneficiaries of farm inputs – GH¢249,483.50

802. At the Ejura District we further noted that during the 2012/2013 farming season, the Municipal Director distributed agricultural inputs on loan to 20 Farmers groups, to the tune of GH¢433,833.80 but was able to recover only GH¢184,350.50, leaving an outstanding balance of GH¢249,483.50 as at December 2013.

803. Failure by beneficiary farmers to pay back the facility on time will no doubt affect the sustainability of the programme. We attributed the poor loan recovery rate to failure by Management to put in place effective recovery procedures.

804. In order to ensure sustainability of the programme we entreated Management to intensify efforts with a view to recovering the outstanding amount of GH¢249,483.50.

EJURA AGRICULTURAL COLLEGE

Unsubstantiated Payment – GH¢6,613.80

805. Financial Administration Regulation 2004, LI 1802, Regulation 39 Section (2c) states that: “The head of accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable”. This, among other things, is to provide evidence that the payees have acknowledged receipt of payment.

806. This notwithstanding, we noted that, the College made six payments to the tune of GH¢6,613.80 without attaching to the payment vouchers documentary evidence authenticating the transactions, such as official receipts and other expenditure details from the payees. Details can be found below:

Date	PV NO.	Cheque No.	Payee	Details	Amt. GH¢	Remarks
26/3/13	0007994	101102	I.R.S.	5% tax from Charod enterprise	55.00	No receipts
10/4/13	0010801	-	Poultry consultancy service	370 day old chicks (layers)	598.00	No receipts
18/6/13	0010826	101134	Agricare Ltd.	Poultry Feed	649.80	No receipts
1/8/13	0010847	-	Kwaku Agyei	40 sets of student iron beds	2,500.00	No receipts
14/8/13	0010836	-	Kwaku Agyei	Office furniture	1,500.00	No receipts
17/7/13	0010831	101142	Abagna Co. Ltd.	Building materials	1,311.00	No receipts
					6,613.80	

807. We attributed this irregularity to failure on the part of the Accountant to demand official receipts from the payees before payment was effected. The failure by the Accountant to attach official receipts and other expenditure details created doubts as to the genuineness of the payments made.

808. We recommended that, management should obtain official receipts and other expenditure detail from the payees to confirm that the payments were actually made to the payees.

809. We further recommended that, henceforth management should release cheques to payees only after obtaining official receipts from them.

MUNICIPAL AGRIC. DIRECTORATE - BAWKU

Unearned salaries-GH¢34,954.00

810. Part XIV section 297 (1) of FAR 2004 (L.I 1802) states “A head of department shall cause the immediate stoppage of payment of salary to public servant, who has resigned or died”. Section 298 (4) stipulates that failure to effect the stoppage within the time required is a breach of financial discipline.

811. We noted that Management of the Directorate failed to delete the names of five separated staff, leading to payment of GH¢34,954.00 in unearned salaries to the five (5) between October 2012 to May 2013. This contravened the Regulations stated above.

812. Management’s failure resulted in government being deprived of funds needed for other public financial business.

813. We urged Management to recover the unearned salary from the separated staff and pay same into the Consolidated Fund.

Failure to deduct 5% withholding Tax - GH¢215.82

814. We noted that Management did not deduct 5% withholding Tax amounting to GH¢215.82 as indicated in regulation 87(1) and 88(1) of Internal Revenue Service Act 2002, Act 592.

815. Management attributed its failure to oversight of the regulations. The omission resulted in a limitation of revenue due to Government for funding the national budget.

816. We recommended that Management should take steps to recover the amount from the suppliers concerned and pay same to the Commissioner of GRA.

MUNICIPAL AGRIC DIRECTORATE, NAVRONGO
Failure to transfer funds into Consolidated Fund –
GH¢73,803.40

817. Part 11 Section 17(c) of the Financial Administration Regulations 2004 L.I 1802 enjoins a head of department to monitor and ensure that all Non-Tax revenue lodged into the transit bank account is promptly transferred into the main Consolidated Fund bank account.

818. We noted to the contrary that funds totalling GH¢73,803.40 which were generated from block farming and the Veterinary animal health services were not transferred into the Consolidated Fund accounts as required.

819. This was attributable to failure on the part of Management in ensuring immediate transfer of funds into the Consolidated Fund account as required, thereby denying central government of fund for executing its budgeted programs.

820. We recommended the immediate transfer of the total amount of GH¢73,803.40 into the Consolidated Fund without further delay.

Unsupported payment vouchers – GH¢4,755.04

821. Section 39(2c) of the Financial Administration Regulations 2004 L.I 1802 requires the head of accounts to ensure that transactions are properly authenticated to show that amounts paid are due and payable.

822. On the contrary, we noted that four payment vouchers totalling GH¢4,755.04 were not supported with the relevant receipts and other statements of account to properly acquit the total of GH¢4,755.04.

823. We attributed this to the failure of the Accountant in ensuring that payment vouchers are fully supported with the relevant supporting documents. This weakened internal controls instituted to assure that value for money has been obtained and the payment can be attributed to works actually done, goods actually supplied or services actually rendered.

824. We recommended to Management to obtain the relevant receipts to support the payments or be surcharged with the recovery of the amount.

FISHERIES COMMISSION, BOLGA

Unearned salary – GH¢19,340.51

825. We noted from our review of payroll vouchers of the Commission that four separated staff were paid unearned

salaries totalling GH¢19,340.51 between February and August 2012 as shown below.

Name	Staff ID	Bank	Period of Unearned Salary	Net Salary GH¢	Other Deductions	Remarks
Salifu Anas	81911	GCB	Aug' 12-Sept'13	6,520.37	200.00	Deceased
David Ayere	82040	ADB	Feb'12-Jun'12	2,750.62	254.58	Deceased
Azuure Anyaaba	81907	NIB	Aug' 12-Sept'13	3,606.26	1,528.10	Retirement
Apovera Fedelis	87910	NIB	Sept '12-Sept'13	4,080.81	399.77	Retirement
Total				16,958.06	2,382.45	

826. This potential financial loss was attributable to failure of the Accountant in ensuring immediate deletion of the names of the separated staff from the payroll.

827. We recommended that Management should ensure recovery of the total unearned salaries from the bankers or next of kin of the separated staff and pay the same to chest. Failing this, the Accountant should be held liable for recovery of the total unearned salary paid.

MOFA - SALAGA

Unrecovered Loans - GH¢119,631.50

828. A review of the financial returns on loan recovery from beneficiary farmers on the block farm project disclosed that a in-kind loan facility granted to group farmers in the form of seeds, fertilizers and other chemicals amounted to GH¢163,648.00 for the 2011 farming season. The beneficiaries

were expected to pay back the loan in kind after harvesting their produce in 2012. In all, 3,234 bags of rice, 1,077 bags of maize and 25.4 bag of Soya beans were expected from the farmers, all valued at GH¢163,648.00.

829. Our follow-up disclosed that, as at 31 December 2013, additional recoveries were made from the beneficiaries of the loan facility totalling GH¢44,006.50 leaving a balance of GH¢119,631.50 unrecovered.

830. The beneficiary farmers' failure to honour their part of the agreement facilitating the programme has the potential to deny other beneficiaries the opportunity of accessing the same facility in future. It also negates sustainability of the programme while defeating measures intended to ensure food security for the citizenry.

831. We urged Management to pursue full recovery of the outstanding balance of GH¢119,931.50, possibly with the assistance of the law enforcement agencies.

VETERINARY SERVICES - YENDI

Store Items not accounted for - GH¢5,680.00

832. We noted, contrary to the provisions of stores Regulation 0522 of 1984, that vaccines valued at GH¢5,680.00 retrieved from the veterinary unit of the Regional Agricultural Department Unit, Tamale was not accounted for by the Veterinary Doctor stationed in Yendi.

833. Lack of effective management supervision over the veterinary unit of the Yendi office of Ministry of Agriculture caused the lapse.

834. We advised Management to ensure that the District Veterinary Doctor accounted for the vaccines, failing which he should be surcharge with the amount of GH¢5,680.00.

**DISTRICT AGRICULTURAL DEVELOPMENT UNIT,
FUNSI**

Unrecovered Block Farm Loans - GH¢60,488.10

835. The Wa East District Agricultural Development Unit failed to recover an amount of GH¢66,670.50 being the value of farm inputs provided to farmers as loans under the Ministry of Agriculture Block farm concept.

836. This was due to the failure of the District Director to enforce the recovery of the amounts from the farmers. The failure could lead to loss of funds to the State and as well deprive other farmers from benefiting from the facility, leading to defeat of the overall objective of achieving self-sufficiency in food production.

837. We recommended that Management should intensify its efforts to recover the balance from the defaulting farmers.

Payment for Repairs of Vehicles without works Order - GH¢2,422.00

838. A total payment of GH¢2,422.00 was made for the repair of the department's vehicle without supporting works orders

and could result in payments being made for work not executed.

839. The above occurred because Management failed to observe the relevant rules and regulations. We recommended adherence to the relevant rules and regulations.

DISTRICT AGRICULTURE DEVELOPMENT UNIT - NADOWLI

Purchases from Non-VAT registered entities – GH¢5,976.00

840. Contrary to section 30 (2) of the FAA, 2003, (Act 632) which require government organisations to procure from only VAT registered entities, the unit procured stores worth GH¢5,976.00 from non registered VAT entities. As a result, the State lost VAT revenue of GH¢896.40.

841. We recommended compliance with the VAT rule in future procurements made by the unit.

Items not Routed through Stores-GH¢2,990.96

842. Section 0522 of Stores Regulations 1984 requires that stores receipt vouchers should be prepared to receive stores purchased and recorded in the stores ledgers.

149. Contrary to this, the unit failed to support stores valued at GH¢2,990.96 procured with store receipt vouchers. The stores were not also recorded in the store ledgers. As such we were unable to verify the receipt and use of the items. There was the risk that this could result in payment for stores not supplied and, or diversion of store items.

150. We recommended that the receipt and usage of the items should be provided.

MINISTRY OF FOOD AND AGRICULTURE – ODUMASE-KROBO

Official Vehicles not insured comprehensively

843. Government vehicles are required to be insured comprehensively so that in the event of any accident or mishap the Insurance Company will take up full responsibility of replacement or repair costs.

844. We observed that a Nissan Pickup with registration No. GV 84 -12 received from Headquarters on 5 August 2012 was not insured due to the failure of the MOFA to insure the official vehicle before handing it over to the Unit.

845. Official vehicles which are not insured put the lives of the users at great risk and the Ministry may suffer losses in the repairs of damages in the event of any accident.

846. We advised Management to ensure that the vehicle is comprehensively insured

Non-release of mechanised payment vouchers

847. The Controller and Accountant-General's Department (CAGD) at the end of each month is required to release copies of the Mechanised Salary Vouchers to the District Treasuries for onward submission to the Ministries, Department and Agencies (MDAs).

848. Our audit disclosed that the Unit received only January 2013 and May 2013 mechanised salary vouchers from the District Treasury during the period under review.

849. As a result, management was not able to examine and certify whether the personnel on their payroll belonged to their management unit or not, a situation which could lead to the payment of unearned salaries.

850. We urged Management to draw the attention of the District Treasury to the situation for redress.

Unearned salary - GH¢1,394.72

851. Part XIV Section 297(1) (e) of the FAR states that “A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has retired.”

852. Our review of the Mechanised Salary Vouchers showed that the name of Mr. Mauledey who retired on 12 December 2011 continued to appear on the payment voucher from January 2012 to May 2012 resulting in the payment of a total unearned salary of GH¢1,394.72 to him.

853. Failure of the head of department to ensure immediate deletion and the stoppage of salary caused the anomaly.

854. As a result, the State was denied a total amount of GH¢1,394.72 being the unearned salary paid.

855. We recommended that the total amount of GH¢1,394.72 be recovered and paid to government chest.

**MINISTRY OF FOOD AND AGRICULTURE, SEFWI-
WIAWSO**

**Non-Deduction of the cost of Motor Bike allocated –
GH¢2,612.00**

856. Contrary to Section 104 (c) of the FAR, the Controller and Accountant-General failed to deduct the cost of Motor Bike allocated to Mr. Kyere-Asare Emmanuel and four (4) others amounting to GH¢2,612.00 despite inputs from the office to effect the necessary monthly deductions.. The deductions should have been completed in seven months (January – August 2011).

857. The result of such failures could deplete the revolving fund and also result in a loss to the State in case of death or vacation of post.

858. We recommended that the District Director should repeat the advice to the Controller and Accountant-General to effect the deductions in full.

859. Management said it had advised the Controller and Accountant-General to restart the deductions. Meanwhile Mr. Brako-Mensah Bismark had currently vacated post while owing GH¢400.00.

**MINISTRY OF FOOD AND AGRICULTURE, AGONA
AHANTA**

**Failure to issue official receipts for revenue collected –
GH¢2,767.00**

860. Financial Administration Regulation 2004, L.I. 1802 section 15(1) 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 the relevant Public Fund Bank Account within twenty four hours of receipt except in exceptional circumstances to be identified by the Minister.”

861. Our audit of the veterinary section of the department revealed that, total revenue of GH¢2,767.00 was allegedly collected as drugs and service fees but the revenue collector did not issue official receipts to cover the said amount.

862. We could therefore not authenticate the total collection of GH¢2,767.00 for the period January 2011 to May 2013.

863. Management was advised to ensure accountability and transparency of revenue collection, by complying with the regulation to eliminate any opportunity for perpetration of fraud.

**MINISTRY OF FOOD AND AGRICULTURE (MOFA) –
BIBIANI**

**Failure to maintain accounting records on Revenue Collectors
– GH¢2,089.00**

864. Financial Administration Regulation Section (1c) stipulates among others that any responsible public officer shall

keep proper record of all the 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.

865. Contrary to the above regulation we detected during the review of the internally generated fund that an amount of GH¢2,089.00 was collected and deposited at HFC bank by the veterinary officer without any recordings in the cash book. The officer also failed to issue receipts to acknowledge the revenue received.

866. In our view, weak internal control coupled with deliberate intentions of the veterinary officer not to issue receipts to acknowledge revenue collected and record transactions in their proper books of accounts resulted in this anomaly.

867. Failure to issue official receipt to payees is a financial indiscipline which also creates the impression that not all monies collected for services rendered are accounted for. Huge sums of money are likely to be lost by such actions.

868. We recommended that immediate action should be taken to ensure that all the books of accounts needed for efficient collection of revenue and recording of transactions should be introduced and put to use. There should also be regular supervisory checks on the work and activities of revenue collectors as well as reconciliation of bank statements and cash book entries.

**Unrecovered cost of inputs (loans) granted to farmers -
GH¢48,183.00**

869. Regulation 110 of the FAR, 2004 stipulates that a head of department or the officer to whom the duties of the department have been delegated shall ensure that all advances issued are duly recovered in accordance with the appropriate agreement.

870. Contrary to the above quoted regulation, we noted that the District Agric, Directorate failed to recover loans granted in the form of fertilizers, Agro Chemicals, Rice Seeds and Maize Seeds from beneficiary farmers under the block farming programme. Out of the total loans of GH¢62,207.00 granted to the farmers during 2009, 2010 and 2011 farming seasons only GH¢14,026.00 had so far been recovered and paid to the Regional Directorate, leaving an amount of GH¢48,183.00 yet to be recovered.

871. The District Director of Agriculture attributed the poor recovery rate of the loans to the poor timing of the release of funds to farmers. This notwithstanding, we were of the view that strenuous efforts were not being made to recover the amount from the beneficiaries.

872. The failure to recover the loans denied other farmers from benefiting from the facility since it is a revolving fund and prospective beneficiary farmers can only benefit when loans given out are recovered into the fund for future disbursement.

873. We recommended that the District Director of Agriculture should intensify efforts to recover the balance of

GH¢48,183.00 from the defaulters to enable other farmers also benefit from the programme.

Unsubstantiated payments - GH¢12,540.05

874. Contrary to Part II Section 39 (2c) of the Financial Administration Regulation, payments totalling GH¢12,540.05 were made without the necessary supporting documentation, making it difficult to authenticate the transactions.

875. Management's failure to exercise appropriate supervisory control over the schedule officer coupled with the indisposition of the former accountant contributed to the anomaly.

876. The risk of monies being misappropriated or misapplied could not be ruled out should this practice remain unchecked.

877. We recommended that Management should ensure that the payments totalling GH¢12,540.00 are justified with supporting documentation or the amount be recovered from the Accounts personnel to government chest.

Motorbikes supplied to staff not paid for - GH¢11,400.00

878. By a policy to enhance the performance of its employees, the Ministry of Food and Agriculture acquired motorbikes to be distributed to staff. The policy further stated that the beneficiaries of such motor bikes would be required to pay for the cost over a period of time and the amount would be deducted at source from their monthly salary.

879. During a review of the stores ledger, we discovered that eleven employees were allocated motorbikes between the period 2003 and 2011 but had failed to pay the cost amounting to GH¢11,400.00.

880. We found that failure on the part of MOFA to inform Controller and Accountant-General's office to ensure monthly deduction from the affected staff salary resulted in this anomaly.

881. Management responded that motorbikes allocated to staff did not come with the necessary documentation to individual users at district level. The tradition had been that inputs for payment should have been done at the Regional level hence they were not responsible for the omission.

882. We recommended that the District Director of Agriculture should liaise with the Regional Director to ensure that the total amount was retrieved and credited to the Consolidated Fund.

Unearned salaries paid to separated staff – GH¢36,287.20

883. Regulation 298 of FAR 2004, L.I. 1802 states among others that the head of Accounts Department is required to take action to prevent further payment of salary to separated staff by:

- i. Notifying the Controller and Accountant-General (DFO) of the separation of the staff;

- ii. Notifying the bank for the repayment into the Consolidated Fund of salary or other allowances credited to the staff's bank account;
- iii. Issuing salary inputs for the stopping of payments on the payroll and
- iv. Notifying of the Internal Auditor.

884. We detected during a payroll review that seven officers who were separated from the department through death, retirement etc. were paid a total of GH¢36,287.20 as unearned salaries, contrary to the above regulation.

885. The head of the Accounts Department failed to process the necessary input to delete the names of the affected officers from the payroll and prevent salary payments to their banks.

886. The District Director of Agriculture was requested to ensure that the unearned salaries are retrieved and credited to the Consolidated Fund, else the Head of Accounts should be held liable for the recovery.

MINISTRY OF FOOD AND AGRICULTURE - ELUBO

Failure to obtain official receipts for payment made to Headquarters and Ministry of Finance - GH¢49,217.20

887. Section 25 of the Financial Administration Regulation 2004 L.I. 1802 states that “ a head of department shall by notice or such other means as that head considers necessary, inform the public that a pre-numbered official receipt shall be obtained

for all moneys paid to a public official authorised to receive such monies by the department and that the public is entitled to refuse payment if no such receipt is offered”.

888. Section 15(4) & (6) also requires that, “a receipt in a format approved by the Controller and Accountant-General in the Departmental Accounting Instructions shall be issued for all revenues deposited on receipt of the deposit pay-in-slip or bank advice. Until pay-in-slips in respect of lodgments are presented for the issue of a Controller and Accountant-General receipt, the lodgments shall be credited to a deposit account by the Controller and Accountant-General. Pay-in-slips in respect of lodgments shall be presented for the issue of the Controller and Accountant-General receipts within forty-eight hours”.

889. We noted at Plant Protection and Regulatory Service, Elubo, that for the period October 2012 to September 2013, out of total revenue of GH¢49,217.20 collected, GH¢49,178.00 was paid to the service’s Headquarters and Ministry of Finance through their bank accounts. However, there was no official receipt to confirm that the monies were received. Details are provided below:

Year paid to MOFEP	Revenue GH¢	Amount paid to PPRS Headquarters GH¢	Amount paid to MOFEP GH¢
2013	15,120.00	3,024.00	12,096.00
2012	16,114.00	3,222.80	12,891.20
2011	14,212.20	2,874.60	11,337.60
2010	3,771.00	3,016.80	754.20
Total	49,217.20	12,138.20	37,079.00

890. The officer in charge of the Elubo station failed to present the pay-in-slip to the recipient for official receipt to be issued to that effect. As a result, there was the likelihood of the payment going to the wrong beneficiary without detection.

891. We recommended to the officer-in-charge of the Elubo station to officially request for the official receipt from the recipients and make them available for verification.

892. Management responded that a letter had been written to the service headquarters to demand official receipts for payments made through their accounts.

MINISTRY OF FOOD AND AGRICULTURE, ATEBUBU **Outstanding Loans - GH¢21,669.00**

893. A total amount of GH¢21,669.00 disbursed by the Atebubu District Agricultural Development Unit to thirty-one farmers for the period January to December 2012 had not been recovered. Details are shown below:

Farming Year	No of defaulting farmers	Total cost of inputs - GH¢	Recoveries - GH¢	Outstanding GH¢
2012	31	25,939.00	4,270.00	21,669.00

894. We attributed the state of affairs to management's failure to put in place pragmatic measures for recovery of loans. The inability of the Directorate to recover the loans had defeated the purpose of the institution of the facility, thereby denying other prospective farmers opportunity to benefit from the facility.

895. We recommended to Management to adopt stringent measures including legal means to recover the outstanding loans of GH¢21,669.00 to enable the programme continue for other farmers to benefit from the facility.

MINISTRY OF FOOD AND AGRICULTURE, TECHIMAN
Outstanding block farm loans- GH¢63,959.00

896. We noted that, as at 31 December 2013 a total amount of GH¢63,959.00 disbursed by the Techiman Agriculture office to farmers in the form of cash and farm inputs in the 2012 farming season was outstanding.

897. The unwillingness of the Farmers to settle their indebtedness was due to the notion the farmers had that, once the year ended, their liability would become a bad debt. This had denied other prospective farmers from also benefiting from the facility.

898. We attributed the state of affairs to management's failure to put in place pragmatic and effective measures for loans recovery. The inability of the Directorate to recover the loans had virtually defeated the purpose of the facility.

899. We recommended that, the Director should adopt stringent measures including legal means to recover the outstanding loans of GH¢63,959.00 to enable other farmers benefit from the facility.

SEED PRODUCTION UNIT - GOASO

Unaccounted for fuel - GH¢14,238.92

900. Part IV Section 35(2) (a) of the Financial Administration Act 654 of 2000 states that "Accountability is discharged when government stores have been consumed in the course of public business and records are available to show that government stores have been consumed."

901. Contrary to the above, fuel worth GH¢14,238.92 was not recorded in the vehicle logbook of the unit. We could, therefore, not ascertain whether the fuel was actually bought and used for the benefit of the unit.

902. We attributed the weakness to non adherence to the above quoted regulation.

903. We recommended to Management to monitor fuel usage by complying with Section 35(2)(a) of the Financial Administration Act. We also advised that the usage of the fuel be duly accounted for.

AGRIC DEVELOPMENT UNIT - NKORANZA

Outstanding Loans - GH¢48,860.00

904. Regulation 110 of the Financial Administration Regulations, 2004 (LI 1802) requires a head of department to ensure that advances granted are duly recovered in accordance with the terms of the agreement.

905. Contrary to the above, we noted that the Municipal Agric Development Unit, Nkoranza was only able to recover GH¢18,260.00 out of total advances of GH¢67,120.00 granted, leaving an outstanding balance of GH¢48,860.00 representing 72%.

906. Ineffective recovery arrangements coupled with the unwillingness of the Farmers to settle their indebtedness led to this state which denied other prospective farmers of access to the facility.

907. We recommended that, the Director should adopt stringent measures including legal means to recover the outstanding loans of GH¢48,860.00 to enable other farmers benefit from the facility

AGRIC DEVELOPMENT UNIT-BUSUNYA

Outstanding Loans - GH¢30,414.00

908. Contrary to Regulation 110 of the Financial Administration Regulations, 2004 (LI 1802) we noted that the District Agricultural Development unit, Busunya, was unable to recover GH¢6,491.00 out of total advances of GH¢36,609.00 granted, leaving an outstanding balance of GH¢30,414.00 representing 82%.

909. We noted that unwillingness of the Farmers to settle their indebtedness had resulted in the loan repayment default and also denied other prospective farmers of benefiting from the facility.

910. We recommended that, the Director should adopt stringent measures including legal means to recover the outstanding loans of GH¢30,414.00 and enable other farmers to benefit from the facility.

MINISTRY OF FOOD AND AGRICULTURE - BEREKUM
Outstanding Loans - GH¢12,391.00

911. Contrary to Regulation 110 of the Financial Administration Regulations, 2004 (LI 1802) the Berekum District Directorate of Agriculture was able to recover only GH¢6,789.00 out of a total facility of GH¢19,180.00 granted to farmers as loans, leaving an outstanding amount of GH¢12,391.00.

912. The unwillingness of the Farmers to settle their indebtedness had denied other prospective farmers of the facility.

913. We recommended that, the Director should adopt stringent measures including legal means to recover the outstanding loans of GH¢12,391.00 for the benefit of other farmers.

MINISTRY OF FOOD AND AGRICULTURE - KETE
KRACHI
Failure to Recover Outstanding Credit Sales of Agricultural
Inputs - GH¢9,911.00

914. We noted contrary to FAR 110 that out of GH¢12,470.00 worth of fertilizer supplied to 16 farmers in 2012 farm season,

only GH¢2,559.00 or 20% was recovered leaving GH¢9,911.00 outstanding.

915. The district directorate failed to devise any debt collection strategy to recover the outstanding amount from the farmers. Failure to recover the full amount from the farmers could prevent other farmers from benefitting from the scheme.

916. Management explained that crop failure and low selling price for the produce were the main causes but recovery is still ongoing and promised that everything possible would be done to recover the outstanding amount.

917. We advised management to ensure that the total amount of GH¢9,911.00 was recovered from the defaulted farmers to enable more farmers benefit from the scheme.

Failure to account for fuel purchases – GH¢4,332.96

918. The Financial Administration Regulations Part 1 Section (1) states that “Any Public officer who is responsible for;

- i. the conduct of financial business on behalf of the Government of Ghana
- ii. the receipt, custody and disbursement of public and trust money
- iii. for the custody, care and use of public stores, shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Minister, Auditor-General, the Controller and Accountant-General or any officer authorised by them.

919. Section 2 also states that “A public officer who fails to keep or produce any record under sub regulation (1) is in breach of financial discipline as defined in Regulation 8 (1).

920. We noted that fuel purchased between January and December 2012 amounting to GH¢4,332.96 were not recorded in the vehicle log book for our confirmation. Management’s failure to ensure that fuel purchased was recorded in the vehicle log book was the cause of this irregularity.

921. The District Director explained that motorbikes that used the fuel had no log books while drivers also failed to record fuel purchased in the vehicle log books.

922. We recommended that all motor bikes should be supplied with improvised log books to account for fuel purchases. Additionally any driver who fails to record fuel in vehicle log books should be held accountable to refund the amount involved. Our recommendations were noted for compliance.

Official Vehicle Auctioned without Authority

923. Effective Assets management systems require that transfer of Government Vehicles from one location to another should be properly authorised and documented. Again, procedures for the auction of Government Vehicles are spelt out in the Public Procurement Act, 2003 and the Stores Regulations, 1984.

924. We noted on the contrary that Ford Tractor 6610 was auctioned without appropriate authority. The proceeds from the auction could also not be ascertained and accounted for.

No.	Name of Vehicle	Vehicle Registration Number	Remark
1.	Ford Tractor 6610	Not Provided	Auctioned

925. The District Director responded that the Ford Tractor 6610 was auctioned in Accra and that he had no knowledge of the procedure adopted and the whereabouts of the proceeds from the auction.

926. The absence of documentary evidence in respect of the auction and the movement of the vehicle from its location did not afford transparency in dealing with this public asset. We could not confirm whether there had been a deliberate attempt to divert public assets.

927. We hence advised the District Director to obtain a copy of the ‘Authority to Auction Letter’ from the Chief of Staff to facilitate establishment of the authenticity of the transaction. Management agreed with the recommendation.

Absence of firefighting equipment

928. Stores Regulations 1305 of 1984 stipulates, “It is the duty of all officers in charge of depots or stores generally to ensure that adequate firefighting equipment is provided, and that such equipment is regularly tested, at least once every year. Each

piece of equipment shall have attached to it a card indicating the date of last test”.

929. It is incumbent on the Head of Department to protect all fixed assets, properties and official documents of the department they head and to ensure that the office premises is secured with adequate Fire Fighting equipment which are tested regularly, at least once every year. Each piece of equipment shall have attached to it a card indicating the date of last test.

930. We observed that the office Premises of the District Directorate of Agriculture was without Fire Fighting equipment to combat fire in case of any outbreak.

931. We attributed this omission to the District Director’s failure to ensure that Fire Fighting equipment was provided and installed at conspicuously and vantage points at the office premises.

932. The need to be proactive and combat ready for any eventualities is not to be over-emphasised. If nothing is done about the above condition, it could lead to the total destruction of official documents and properties in the event of any fire outbreak.

933. We recommended to the District Director to ensure that firefighting equipments are procured and installed at vantage points on the premises. We also entreated him to consult the

District Fire Officer for Nkwanta South District for advice on this issue.

934. Management responded that necessary arrangements would be made to install fire-fighting equipments to protect government property.

Non-disposal of unserviceable items

935. Store Regulation 1984, Chapter 11 Section 1101 states that “It is the responsibility of all supervisory officers and staff directly in charge of stores and equipment to determine what surplus, obsolescent and unserviceable stores are lying in their store-house and compounds. It is their further responsibility to take immediate action to dispose of such categories of stores and when necessary to report the circumstances to the appropriate authority for disposal action”.

936. Contrary to the above regulation, we observed that the under listed store items which had been designated unserviceable were still kept at the stores and typing pool with no action taken on their disposal.

Unserviceable Items		
Description of Item	Qty.	Location
Computer Monitor	4	Stores
Printer	2	Stores
Photo Copy Machine	2	Stores
Refrigerator	1	Stores
Ken Wood Motorola	1	Stores
Binding Machine	1	Typing Pool

937. We were of the view that the continuous retention of these items in the store and typing pool with no administrative action for their disposal in accordance with chapter 11 section 1101 of Store Regulation 1984 is a violation which could lead to further deterioration and contamination of other store items.

938. We recommended to Management to take immediate action on the stores described as unserviceable to mitigate the incidence of possible contamination and further deterioration of the items. Management responded that they will ensure that the items are properly disposed off.

Unapproved Store Issues – GH¢855.00

939. Section 0604 of store Regulation 1984 states that “Issue of store from both allocated and unallocated stores shall normally be made on the authority of combined requisition and issue voucher properly signed. In special cases, a store issue voucher supported by a properly authorised requisition may be used”.

940. We observed that between June and July 2013, stores items worth GH¢855.00 were issued out from the stores without due approval and authorization for stores requisitions in apparent contravention of section 0604 of the Store Regulation. Find details of items issued below.

Date	I.V. No.	Payee	Item	Qty.	Price	Amount GH¢
29/06/13	NKT/BF/2/13	J.K. Adjai	N.P.K.	1	51.00	51.00
05/07/13	NKT/BF/3/13	Mr. Asamoah B.	Sulphate of Ammonia	1	44.00	44.00
05/07/13	NKT/BF/5/13	Mr. Ujakpa Daniel	Sulphate of Ammonia	8	44.00	352.00
05/07/13	NKT/BF/4/13	Bana Issifu	N.P.K.	4	51.00	204.00
05/07/13	NKT/BF/6/13	Ntasah Denis	N.P.K.	1	51.00	51.00
08/07/13	NKT/BF/7/13	Adams Iddrisu	N.P.K.	1	51.00	51.00
08/07/12	NKT/BF/7/13	Konja Paul- Pawa	N.P.K.	1	51.00	51.00
12/07/13	NKT/BF/9/13	Torny Emedzo	N.P.K.	1	51.00	51.00
Total						855.00

941. This lapse occurred as a result of lack of effective supervision over the work of the storekeeper by the District Director.

942. Consequently, we were unable to confirm whether indeed the quantities of items issued were the actual quantities that should have been issued to the beneficiaries.

943. We recommended that the District Director should ensure that the store keeper presents the requisitions covering the items involved for his approval failing which the amount of GH¢855.00 should be refunded by the storekeeper into the fertilizer account.

944. We further urged the District Director to ensure that the storekeeper desists from the practice.

945. Management responded that "the block farm program is a peculiar program which may or may not involve the district director as stated. In the absence of the district director the distribution of fertilizers can be effected in order not to disrupt the program. Farming is a timely venture and the farmers could not be made to wait for the district director to be available before the inputs are issued.

946. Also the district director had mandated the schedule officer to perform block farm program even during his absence and this has resulted in unapproved store issues before distributions were made. Distributions made in the absence of the director were made known to him on his return".

Unsupported payments – GH¢15,480.00

947. Regulation 12 of Financial Administration Regulations, 2004 stipulates that "A person entrusted with the custodial duties for public and trust moneys shall protect public and trust moneys against unlawful diversion from their proper purposes and against loss and locate such moneys so as to facilitate the efficient and economical discharge of public financial business" and best accounting practice requires that every payment shall be supported by the original of a voucher, which shall contain full particulars of the service for which payment is being made and the head, sub-head and item or account to which is to be charged.

948. We noted while verifying the reconciliation statements prepared, that between 28/1/13 and 19/6/13 a total amount of GH¢15,480.00 was withdrawn from GCB account No.

5231130002610 by the District Director, DADU for various expenses without payment vouchers raised, nor authorised and approved in attestation of lawful expenditure incurred. As indicated elsewhere, the Director failed to exercise and uphold the tenets of good governance and the fiduciary duty reposed in him as the custodian of public funds appropriated to the Agric Directorate of the Nkwanta South District.

949. The head, sub-head and item or account to which the payments were charged is not known and the audit team could not also scrutinize and confirm the genuineness or authenticity of the payments.

950. We recommended for significant improvement to be made in controls over the cash management and payment function of the district directorate. We further recommended regularisation of the above anomaly and the necessary documentation to be made available for audit scrutiny, failing which the amount of GH¢15,480.00 should be refunded into the office account by the officers responsible for the payments.

951. We further advised the District Director and the finance officer to desist from the practice of taking cash from bank without properly prepared payment vouchers together with the necessary attachments to serve as basis of authority and approval for the payment.

952. Management responded that, with the new system of payment MMDAs collect their funds from the treasury and the

payment vouchers are processed in the treasury with all the necessary attachments for payment. Only cheques and duplicate copies of payment vouchers are issued out.

953. We maintained that the District Director should make available the necessary payment vouchers together with their attachments covering the amount of GH¢15,480.00 available for audit scrutiny, failing which the amount of GH¢15,480.00 should be refunded into the office account by Messrs Amankwata and Adugu.

REGIONAL AGRICULTURE DEVELOPMENT UNIT (RADU), HO

Unreceipted Payments – GH¢344,859.00

954. The Accountant of the Ministry of Food and Agriculture (Volta Regional Development Unit) Ho, made payments totalling GH¢344,859.00 for various expenses but failed to obtain official receipts to properly acquit the payments.

955. This contravened Part II Regulation 39 (2c) of the Financial Administration Regulations (FAR), L.I. 1802 of 2004 which requires that the Head of the accounts section of a department shall control the disbursement of funds and ensure that all transactions are properly authenticated to show that amounts are due and payable.

956. Laxity on the part of the Accountant and lack of supervision on the part of the Regional Director led to this omission. The situation could undermine effective controls and

lead to payment for goods and services not delivered and misappropriation of Public Funds.

957. We recommended that the Regional Director should ensure that the amount is properly accounted for by the Accountant and the expenditure Control System of the department reviewed to eliminate the weaknesses that resulted in this lapse and the necessary departmental sanctions imposed on the Accountant.

Unpresented Payment Vouchers – GH¢1,139,856.36

958. Regulation 262 of Financial Administration Regulations states that “A Head of Department shall ensure that Financial and Accounting Records are preserved in a good order in a manner that facilitates ready access for reference”.

959. Contrary to this regulation, the Volta Regional Agriculture Development Unit (RADU) of the Ministry of Food and Agriculture, Ho raised 227 vouchers in 2010 and 254 in 2011 for a sum of GH¢1,139,856.36 and failed to make the vouchers available for audit review.

960. This lapse was due to laxity on the part of the Accountant and weak supervision on the part of the Regional Director. We could not satisfy ourselves whether these amounts entered in the cash book were authentic or whether the department obtained value for money in respect of the transactions involved.

961. We recommended that the Regional Director should ensure that the amount was properly accounted for by the Accountant and then review the expenditure control system to eliminate the weaknesses which brought about the lapse.

Unsupported Payments - GH¢52,162.00

962. Twenty-Seven payment vouchers from the Volta Regional Agriculture Development Unit (RADU) with a face value of GH¢52,162.00 were not supported with relevant documents such as invoices, memos, claim sheets and invitation letters to properly acquit them in contravention of Regulation 39 (2c) of the Financial Administration Regulations L.I.1802, 2004.

963. The lapse was due to laxity on the part of the Accountant and could provide a leeway for the misappropriation of funds.

964. We recommended that the Regional Director should ensure that the Accountant accounted for the amount and then review the expenditure control system to ensure that such lapse was not repeated.

Revenue from sale of poultry Birds not accounted for - GH¢10,562.50.

965. Regulation 15(1) of the Financial Administration Regulations L.1. states that “Any Public Officer or revenue collector who collects or receives Public trust moneys shall issue official receipts for them and pay them into the relevant Public Fund Bank Account within twenty-four (24) hours of

receipt except in exceptional circumstances to be identified by the Minister.

966. In contravention of this requirement we observed that revenue of GH¢10,562.50 from the sale of birds from the Kpeve Poultry farm of the Volta Regional Agriculture Development Unit of the Ministry of Food and Agriculture Ho, was not receipted and accounted for by the Regional Accountant and Director.

967. Lack of effective supervision by the Regional Director coupled with lack of financial discipline on the part of the Accountant were attributed to this lapse which resulted in loss of revenue to the State.

968. We recommended that the Regional Director and Accountant be held liable severally to refund the said amount or face the sanctions itemized in Regulation 8 of the Financial Administration Regulations L.I.1802 of 2004.

Unearned salary – GH¢1,680.04

969. Part XIV Regulation 289(1)(c) of the Financial Administration Regulations States that “A head of department shall cause the immediate stoppage of payment of salary to a Public Servant when the Public Servant has retired.

970. Contrary to this provision one John Nude retired from the Volta Regional Agriculture Development Unit of the Ministry of Food and Agriculture on the 16 March, 2012 but

was paid unearned salary for April and May, 2012 amounting to GH¢1,680.04.

971. We recommended that the Regional Director should retrieve the amount of GH¢1,680.04 from John Nude and pay same into the Controller and Accountant-General's Salaries and Wages Suspense Account number 6018131479016 at the Bank of Ghana at Hohoe.

Staff Rent Defaulters - GH¢42,000.00

972. Part III Regulation 17 (a) of the Financial Administration Regulations L.I.1802, 2004 requires a Head of Department to ensure that all non-tax revenues are efficiently collected.

973. Our review of Estate records of the Volta Regional Agriculture Development Unit of the Ministry of Food and Agriculture Ho, revealed that 42 occupants of the bungalow accommodation facilities had defaulted in the payment of rent for the period June, 2010 to September, 2013 amounting to GH¢42,000.00.

974. Laxity on the part of the Regional Director to vigorously pursue the collection of rent from the staff as well as refusal on the part of the occupants to pay rent accounted for this lapse which has resulted in the loss of revenue to the State.

975. We recommended that the Regional Director should vigorously pursue the recovery of the amount from the defaulters and further institute effective rent payment mechanism to address the anomaly.

DEPARTMENT OF FOOD AND AGRICULTURE - KPANDO

Fuel paid not accounted for GH¢6,185.85

976. Regulation 39 (2) of the Financial Administration Regulations 2004, L.I. 1802 requires that the head of the accounts section of a department shall control the disbursement of funds to ensure that transactions are properly authenticated to show that amounts are due and payable.

977. Out of GH¢59,060.00 received under the EMQAP account, the department spent GH¢22,041.07 on payments due to the Total Service Station, Kpando.

978. However, records at the Total Service Station indicated that the total payments made to them amounted to GH¢15,855.22, leaving a difference of GH¢6,185.85 to be accounted for.

979. Lapses in internal control procedures of the department accounted for this loss.

980. We tasked the Director and the Farm Manager to account for the difference of GH¢6,185.85 or risk being surcharged.

Unearned Salary - GH¢6,836.88

981. Section 297(1) of the Financial Administration Regulation, 2004 states“ a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been;

- (a) Absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment;
- (b) Absent from duty on leave without pay;
- (c) convicted of an offence involving theft or fraud, or a sentence of imprisonment;
- (d) Resigned;
- (e) Retired; or
- (f) Died.

982. We noted that a total amount of GH¢17,343.90 was paid to three retired officers and an amount of GH¢859.98 was also paid into the bank account of one deceased officer of the Department as outlined below.

Name of staff	Separation	Date of separation	No. of months	Last appearance on voucher	Average monthly gross (GH¢)	Total GH¢
Avedzidah Benhamin	Retired	1/11/2012	9	July 2013	989.62	8906.58
Kuwournu Emmanuel	Retired	8/25/2013	4	Oct. 2013	1,370.58	5482.32
Faustina Amutawo	Retired	1/4/2013	5	May 2013	591.00	2,955.00
Ofori Eric	Deceased	4/19/2013	3	July 2013	286.66	859.98
Total						18,203.88

983. Management's failure to promptly notify the Controller and Accountant-General to delete the names of the affected officers accounted for the situation.

984. We therefore recommended to Management to ensure that total unearned salaries of GH¢18,203.88 are recovered from the affected persons and returned to chest and steps taken to delete Mr. Kuwournu Emmanuel's name from the payroll. We were informed that a total of GH¢11,367.00 have been transferred to the suspense account, leaving a balance of GH¢6,836.88 yet to be recovered.

Funds not fully accounted for GH¢6,960.00

985. Regulation 288 (1 & 2) of FAR 2004, LI 1802 states "imprest shall be retired at the close of a financial year and any imprest not so retired shall be adjusted to a personal advance account in the name of the imprest holder."

986. The Accountant, on payment voucher number 0001838 dated 23/1/2013 for the payment of allowances and servicing of vehicles during the period under review gave out GH¢6,960.00 to the EMQAP Farm manager. However, neither a signed list nor receipts were attached to acquit the voucher.

987. Inadequate internal controls on the disbursements of funds and the reluctance of the schedule officers to account for their stewardship accounted for this anomaly.

988. We recommended to management to ensure that the farm manager accounts for his stewardship. We were directed by the Director of the Municipal Agriculture Development Unit, Kpando to the National Coordinator and the farm manager for responses to issues relating to the EMQAP Project.

Fuel purchase and consumption - GH¢1,096.17

989. Part IX Section 64 of Financial Accounting Instructions for Secondary Schools requires among other things the maintenance of proper vehicle log books on all official vehicles with full particulars of receipts of fuel, and lubricant recorded therein on a daily basis.

990. We noted that out of the total fuel purchased amounting to GH¢7,718.50 for vehicle number GE 1556 - 09, the log book of the vehicle recorded fuel amounting to GH¢6,622.33 leaving a difference of GH¢1,096.17 to be accounted for in the log book.

991. Inadequate supervision of the driver coupled with the weaknesses in internal controls accounted for the lapse which could result in payment for fuel not actually purchased.

992. We recommended that the driver should be educated on the essence of keeping log books and the need to record all fuel and lubricant bought. We were directed by the Director of the Municipal Agriculture Development Unit, Kpando to the National Coordinator and the farm manager for responses to issues relating to the EMQAP Project.

FOOD AND AGRICULTURE DEPARTMENT - KADJEBI

Purchases not routed through stores - GH¢2,100.00

993. Section 0315 of Store Regulation 1984 stipulates that the original Stores Receipt Voucher shall be endorsed to the effect that goods have been received and entered on the stock control form.

994. This endorsement must be signed by the officer responsible for stock control or stores accounting. Section 0316 emphasises that the endorsed original of the Stores Receipt Voucher shall always be attached to the Payment Voucher on which payment is made to the supplier.

995. In violation of the above regulation, store items worth GH¢2,100.00 were paid for without store receipt vouchers attached to the payment vouchers to indicate that the items had been received into stores.

996. We noticed that failure to adhere to laid down store accounting and store procedures led to this lapse. This lapse could lead to items paid for but not supplied and diversion of store items.

997. We urged the department to comply with the relevant store regulations which were put in place to ensure proper stores control and accounting.

Tax withheld not remitted – GH¢189.25

998. Section 87(1) of the Internal Revenue Service Act (Act 592) 2000 states that “All withholding tax agents pay to the Commissioner a tax that has been withheld or that should be withheld or that should have 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”.

999. We observed that, withholding tax of GH¢189.25 was deducted from suppliers income, but the departmental accountant failed to ensure that the district treasury officer remitted the amount of GH¢189.25 to the GRA.

Date	PV No.	Details	Amount GH¢
19-08-10	1168451	Repairs of official vehicle	67.50
09-12-10	1168453	Repairs of official vehicle	121.75
Total			189.25

1000. In order to avoid payment of penalties as stipulated in the Act, we advised the director to ensure that the Accountant complied with the statutory requirement.

1001. Meanwhile the tax element withheld should be remitted to the GRA without delay.

Un-deducted withholding 5% Taxes - GH¢1,999.95

1002. Contrary to Section 88(1) (a) of the Internal Revenue Act, 2000(Act 592) the department made payments from four main sources totalling GH¢39,999.00 for goods and services between January 2009 and 31December 2012 but failed to withhold the required 5% tax amounting to GH¢1,999.95.

1003. The anomaly was due to negligence on the part of both the Accountant and the Director. The Director authorised the PV's for payment but failed to ensure that the relevant taxes were deducted.

1004. The situation resulted in a loss of tax revenue totalling GH¢1,999.95 to the State.

1005. We recommended that the taxes amounting to GH¢1,999.95 should be fully recovered from the affected payees, and had same remitted to GRA failing which both the District Accountant and Director should be surcharged with the amount.

Revenue collection not banked - GH¢6,159.00

1006. Financial Administration Regulations of 2004 L.I. 1802 section 15(1) 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.

1007. Part II Section 22(1) of FAR 2004 L.I. 1802 also stipulates that all public money collected shall be paid in gross into the Public Fund Account and no disbursement shall be made from the money collected.

1008. Sub-Section 2 further stated that any person who makes payment from money collected in contravention of sub-regulation 1 is in breach of financial discipline as specified in regulation 8 (1).

1009. Contrary to the mentioned regulations, our review of loan facilities to farmers revealed that GH¢28,809.00 was

collected by the district department, but was not banked according to the law above “within twenty four hours” leaving outstanding balances of GH¢6,159.00 as of the time of audit.

Amount Collected	Amt. Lodged	Diff.
GH¢28,809.00	GH¢22,650.00	GH¢6,159.00

1010. The difference of GH¢6,159.00 represented government revenue which the department failed to bank, in contravention of the above quoted regulations.

1011. This situation/practice weakened expenditure control and increased the risk of misappropriation, un-authorised borrowing of cash and other irregularities which could result in financial loss to the State.

1012. We urged Management to pay the outstanding balance of GH¢6,159.00 to government chest and notify this office for verification.

Unrecovered Farmers Loans - GH¢12,329.00

1013. Regulation 110 of the Financial Administration Regulations, 2004 stipulates that a head of department, or the officer to whom the duties of the head of department have been delegated in accordance with Regulation 109, shall ensure that advances issued are duly recovered in accordance with the appropriate agreement.

1014. Contrary to the above quoted regulation, we noted that the District Director of the Ministry of Food and Agriculture failed to recover loans granted in the form of fertilizers, agro

chemicals, soya beans and maize seed from beneficiary farmers under the block farming programmes.

1015. Out of total loans of GH¢48,898.00 granted to the farmers during the 2010 and 2011 farming seasons, an amount of GH¢36,569.00 representing 75% had been recovered leaving a balance of GH¢12,329.00 representing 25%.

1016. The failure to recover the remaining loan amounts denied other farmers the benefit of the facility since it is a revolving fund from which prospective beneficiary farmers could only benefit when loans given out are recovered into the fund for future disbursement.

1017. We recommended that the District Director should intensify efforts to recover the balance of GH¢12,329.00 from the defaulters to enable others to benefit from the programme.

MINISTRY OF EDUCATION TREASURY

Over Payments of Interim Certificates – GH¢13,679.49

1018. It is a prerequisite for Interim Certificates to be supported with Bill of Quantities clearly written with detailed calculations and basis of claims indicated to ensure value for money.

1019. We observed during the examination of contract documents that three companies were overpaid moneys totalling GH¢13,679.49. The details are as follows:

Pv no. & date	Project	Payee	Amount Payable GH¢	Amount paid GH¢	Over payment GH¢
113390 of 11/6/12	Construction of 6-Unit Classroom block	M/S Tass Kalia Ent. Ltd.	98,829.39	99,429.39	600.00
0020098 of 13/3/12	Rehabilitation of Science Resource Centre at Dormaa SHS	M/S Toppson Ent.	4,577.01	17,056.50	12,475.49
6727 of 5/12/12	Construction of 6-Unit Classroom block at Afomposo Catholic Prim. School	M/S Baa Bentum Co. Ltd.	10,400.00	11,000.00	600.00
Total			113,806.40	127,485.89	13,679.49

1020. The calculations pertaining to the claims were erroneous resulting in the over payments.

1021. The overpayments led to payments for unexecuted work and thus deprived the State of immediate use of resources for other Public financial business.

1022. We recommended that Management should draw the attention of the consultants and contractors to the anomalies and pursue also the recovery of the over payments.

1023. Management indicated that it had written to the Consultants to deduct the overpayments from the subsequent claims.

Uncompleted school projects

1024. Contracts valued at GH¢192,610,545.79 for the Schools Under Trees, Emergency Infrastructure for Senior High Schools and Rehabilitation of Science Resource Centres projects awarded in 2010 and 2011 were not yet completed despite the scheduled completion periods of 6 to 12 months indicated in the contracts.

1025. We observed that as at 31/12/13 GH¢117,759,122.68 being 61% of the total contract value has been paid as interim certificates, leaving a balance of GH¢74,446,191.22 or 39% to be paid.

1026. However, a June 2013 report on the verification of the projects by the Ministry's monitoring team in the Greater Accra, Volta, Western, Northern, Upper East, Upper West and Brong Ahafo regions revealed that out of 179 projects, 48 of them, representing 27%, were completed while 131, representing 73% were uncompleted.

1027. In our view, the progress of work did not commensurate with the 24–36 months spent on the execution of the projects but Management explained that delayed releases of warrants from Ministry of Finance were the cause.

1028. Due to inflationary trends and the delay, the total cost of projects may far exceed approved budget estimates which could eventually lead to the suspension of projects and thus stagnate government's laudable objectives.

1029. We recommended that Management should source for funds from the Ministry of Finance to ensure early completion of the projects and in future consider awarding the contracts in a phased out manner so they can be managed and completed on schedule.

933 computer trolleys not yet distributed – GH¢2,332,500.00

1030. Rlg Communications Ltd. was contracted to supply and distribute 3,000 computer trolleys valued at GH¢7,500,000.00 to schools throughout the country to serve as storage facilities for computers, since the Ministry did not have enough space to store the items before their distribution. The distribution of the trolleys was to be completed 90 days after signing of the contract on 8 December, 2011.

1031. We observed however, that as at 31 December 2013, 2,067 of them have so far been distributed to schools leaving an outstanding balance of 933 trolleys costing GH¢2,332,500.00 yet to be distributed by the company.

1032. According to Management, the Ministry was still in the process of distributing laptops to the schools and the trolleys which are storage facilities would follow as soon as possible. The failure to provide distribution schedules on time, in our opinion, delayed the distribution of the trolleys.

1033. The delay in the supply of these trolleys could lead to the mishandling of the few computers which have already been distributed.

1034. We recommended that the Ministry should as soon as possible provide a schedule of distribution of the trolleys to the various schools and the company to ensure quick and effective delivery.

1035. Management stated that a distribution list has been forwarded to rlg Company for the distribution of the remaining 933 trolleys to the regions pending further instructions.

Missing vehicle and motor bike not accounted for

1036. Upon our audit recommendation for an auction of unserviceable vehicles in the audit report of 2011, the Management of the Ministry contracted Messrs Shelter Mart and Complex, a Licensed Auctioneer and Estate Agent, to auction thirty-two (32) vehicles and two Jungle Motor Bikes.

1037. Documents available to us indicated that a total of GH¢52,628.70 was realised and paid into the Non Tax Revenue Account (Number 01230 50012167 dated 11 December 2012). However, a Mitsubishi DC pick-up with registration number GV 1483 Q and a motor bike with registration number GT 7139 H in the list could not be traced and therefore could not be auctioned.

1038. The Transport Officer, Mr. Daku, informed us that the former Transport Officer, Mr. Peter Dagadu, never handed over the vehicle and motor bike to him when he was posted out of the Ministry in 2010.

1039. Management's main function is to protect the assets of the Ministry and such negative practices if not checked can cause the loss of valuable resources to the Ministry.

1040. We recommended that Management should draw the attention of Mr. Peter Dagadu to the anomaly and if found culpable for the loss he should be made to pay for the vehicle and motor bike.

1041. The whereabouts of the said vehicle and motor bike was not established. Management has therefore written to the Driver and Vehicular Licensing Authority for information on the particulars of the vehicle and motor bike for further action.

GHANA EDUCATION SERVICE – SUPPLY AND LOGISTICS DIVISION

Delayed report on fire outbreak at Ghana Education Service (G.E.S.) Warehouse – GH¢1,669,452.25

1042. According to Regulation 234 (section 1), of the FAR “A head of department shall be responsible for investigating and taking action on any loss”. Regulation 235 (section 3) further states that “The authority responsible for investigating and dealing with a loss shall submit progress report to the appointing authority at such items and in such form as may be specified in Departmental Instruction”.

1043. Contrary to the above stated regulations, we noted that a G.E.S. rented warehouse in Tema which burned down on 13 January 2013 with store items and equipment valued at

GH¢1,669,425.25 being destroyed in the fire did not have the required progress report submitted to enable action to be taken on the loss.

1044. According to Management, the fire started from the BBC Paint Industry which was adjacent to the G.E.S. warehouse.

1045. However, a formal report (vide letter No. SLD/WGM/14 SF1/TJ/77 of 19 February, 2013) to the District Fire Officer, Tema Industrial Area to conduct an investigation into the cause of fire and report has not been completed as at 10 March 2014, the time of compiling this report despite several reminders and follow-ups by the G.E.S.

1046. The failure by the investigators to submit a progress report over a 12 months period, in our view, is worrying and could forestall actions to be taken to prevent such fire outbreaks in future and the recovery of the huge loss incurred.

1047. We urged management to ensure that the Ghana National Fire Service expedite action on the investigation to enable our office follow-up on measures put in place to recover the loss incurred and the prevention of future fire outbreaks.

Unearned salary paid to interdicted staff – GH¢14,150.44

1048. Contrary to Regulation 298 of FAR 2004 (L.I. 1802) and Regulation 304 section 1 (c & d), Mr. Kwame Owusu-Ansah, a staff of the Supply & Logistics Division in charge of G.E.S. Warehouse who has been interdicted since 10 February 2011

upon findings of an Audit Report, is still receiving full salary which has amounted to GH¢28,300.88 instead of 50% of the said amount.

1049. In our view, the irregularity arose as a result of management's failure to enforce instructions outlined in the interdiction letter (reference No. NTP. 09028/4 dated 8 February 2011).

1050. Due to Management's failure to adhere to the Financial Regulations and directives, an amount of GH¢14,150.44 being the 50% which he was not entitled to receive had been paid out by the State.

1051. We urged management to strictly comply with above stated regulations and ensure that the officer refunds the total amount of GH¢14,150.44 wrongfully paid to him or face the necessary sanction as stated in FAR 2004 No. 8 (1-5). Should the officer fail to refund the amount, it should be recovered from his immediate supervisors for the negligence.

METRO EDUCATION OFFICE - ACCRA

Unearned Salaries Paid to Separated Staff - GH¢215,081.17

1052. Section 297 (1) of the Financial Administration Regulation 2004, requires that the "Head of Department should cause the stoppage of payments of salaries to separated staff".

1053. We noted that twenty two separated staff received unearned salaries amounting to GH¢215,081.17. Their names

were still on the payroll of the Metro Education Division, even though the Metro Education Office had communicated to the I.P.P.D at the Ghana Education Service (GES) Head office for the deletion of the names. The Salaries continued to be paid from February 2012 to December 2013.

1054. Our a follow-up at the I.P.P.D Division at G.E.S revealed that although action was taken for the deletion, the names continued to appear on the payroll produced by the Controller and Accountant General's Department.

1055. We recommended that Management should write to the respective banks of the separated staff to block their bank account to stop the payment of unearned salaries and transfer same into the Consolidated Fund.

GHANA EDUCATION SERVICE - HO

Misapplication of culture funds - GH¢4,070.40

1056. Part IV Section 179 (1) of the Financial Administration Regulations, 2004, requires that "A head of a department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities".

1057. Contrary to this, we noted that an amount of GH¢4,070.40, earmarked for culture activities was used to meet administrative expenses.

1058. This irregularity was attributed to insufficient funds in the Regional Director's imprest account to meet such Administrative expenses.

1059. In our view this situation could affect the general performance of the culture programmes, since the account was deprived of funds to organise its activities efficiently and effectively.

1060. We urged management to treat the total amount misapplied from the culture account as a loan, which should be refunded immediately from the imprest account to enable the culture activity in the region function effectively.

1061. Management accepted our recommendation and promised to refund and pay the misapplied amount in to the appropriate account as soon as their administrative grants are released.

GHANA EDUCATION SERVICE, KPANDO

Funds not fully accounted for – GH¢9,362.70

1062. Regulation 288 (1 & 2) of FAR 2004, L.I. 1802 states that "imprest shall be retired at the close of a financial year and any imprest not so retired shall be adjusted to a personal advance account in the name of the imprest holder."

1063. The Directorate, during the period under review, gave out GH¢17,692.85 to schedule officers to perform various

activities in the Municipality. Out of the amount, GH¢9,362.70 is yet to be accounted for. See table below for details.

Date	PV No.	Particulars	Payee	Amount GH¢	Not accounted for	Account
11/19/2013		Workshop for Culture Co-ord	District Culture Co-ord, Anfoega	250.00	250.00	Culture
1/9/2013	01/13	Imprest	Mr. Tsiatofo	280.00	100.00	Culture
7/31/2013	12/13	Office Expenses	Muni. Dir Of Edu.	645.85	33.70	Culture
8/16/2013	13/13	Regional Culture Festival	Municipal Culture Co-ord	2,600.00	55.00	Culture
11/19/2013		Workshop for Culture Co-ord	Municipal Culture Co-ord, Kpando	265.00	265.00	Culture
8/19/2013	30/13	Imprest	Ag. Dist. Dir. of Edu. Anfoega	1,100.00	183.00	DFID
11/5/2013	55/13	Conference for GES Int. Auditors	Ag. Dist. Dir of Edu. Anfoega	400.00	400.00	DFID
9/17/2013	41/13	Monitoring by Circuit Sup.	Ag. Dist Dir of Edu. Anfoega	750.00	750.00	DFID
9/20/2013	42/13	Monitoring by Circuit Sup.	Ag. Dist Dir Of Edu, Anfoega	1,000.00	1000.00	DFID
10/1/2013	45/13	Distribution of Exams Materials	Exam Coordinator	360.00	360.00	DFID
11/8/2013	56/13	Workshop	Muni. Dir. of Edu.	824.00	45.00	DFID
3/11/2013	07/13	Workshop	Muni. Dir. of Edu.	630.00	110.00	DFID
9/6/2013	38/13	Training of Mgt. Staff	Muni. Dir. of Edu.	465.00	200.00	DFID
10/11/2013	48/13	Budget & Nominal Payroll Workshop	Muni. Dir. of Edu.	480.00	278.00	DFID
4/23/2013	15/13	Imprest	Muni. Dir. of Edu.	421.00	421.00	DFID

10/18/2013	50/13	Code Conference	Muni. Dir. of Edu.	881.00	671.00	DFID
10/16/2013	49/13	Imprest	PRO – Florence Kploanyi	535.00	75.00	DFID
1/2/1900	11/13	Feeding fee during sports Activities	MPE, Co-ord, Kpando	1,056.00	56.00	Sports
9/26/2013	17/13	Imprest	Muni Dir. of Edu.	400.00	160.00	Sports
11/8/2013		Sports Activities	Muni Dir. of Edu.	650.00	650.00	Sports
5/6/2013	13/13		Municipal Sports Organiser	3,700.00	3,300.00	Sports
Total				17,692.85	9,362.70	

1064. Inadequate internal controls on the disbursements of funds and the reluctance of the schedule officers to account for their stewardship accounted for this anomaly.

1065. This practice of the schedule officers does not augur well for a sound financial management practice and as such we recommended to management to ensure that the schedule officers account for their utilisation of the individual imprest amounts.

1066. Management informed us that out of the outstanding total amount of GH¢9,362.70 a large proportion being GH¢8,212.70 had been accounted for leaving a balance of GH¢1,150.00 still to be accounted for.

Misapplication of DFID Fund – GH¢14,060.00

1067. DFID funds are tied to various activities as shown in the work plan prepared by the Municipal Education Office.

1068. We noted that out of the total amount of GH¢92,888.00 received, GH¢14,060.00 representing 15% was disbursed on activities outside the DFID work plan as shown below.

Date	PV No.	Particulars	Cheque No.	Payee	Amount GH¢
1/22/2013	01/13	Imprest	552259	Municipal Director of Education	600.00
3/22/2013	08/13	Imprest	552264	Municipal Director of Education	2,500.00
4/23/2013	15/13	Imprest	552268	Municipal Director of Education	421.00
8/19/2013	30/13	Imprest	552277	Ag. Dist. Director of Education Anfoega	1,100.00
10/16/2013	49/13	Imprest	552295	PRO - Florence Kploanyi	535.00
4/17/2013	12/13	Transfer to Sports Account	552267	Sports Account	1,680.00
5/6/2013	17/13	Transfer for Sports Account	552269	Municipal Director of Education	3,700.00
6/19/2013	19/13	Visit to Hearing Impaired pupil	552270	SPEC. Needs Office	108.00
3/11/2013	07/13	Workshop	552263	Municipal Director of Education	630.00
11/8/2013	56/13	Workshop	552298	Municipal Director of Education	824.00

11/5/2013	53/13	Workshop for Basic Sch. Heads	552297	Ag, Dist. Director of Education Anfoega	405.50
2/5/2013	03/13	Workshop for Girls Education	552260	DE/MGEO	1,556.50
Total					14,060.00

1069. There was the possibility that the misapplication of the DFID funds could delay the implementation of Governments educational programmes.

1070. We therefore recommended that funds meant for planned activities should be used for their intended purposes. Management accepted and pledged to refund the amount back to the DFID account.

GHANA EDUCATION SERVICE, BIAKOYE

Funds not fully accounted for - GH¢11,420.00

1071. Regulation 288(1 & 2) of FAR 2004, LI 1802 states "imprest shall be retired at the close of a financial year and any imprest not so retired shall be adjusted to a personal advance account in the name of the imprest holder."

1072. The Directorate during the period under review gave out GH¢23,564.00 as imprest to schedule officers to perform various activities in the District.

1073. We noted that these schedule officers had to date not accounted for GH¢17,183.00 out of GH¢23,564.00 advanced to them as shown below.

Date	PV No.	Particulars	Cheque No.	Payee	Amount GH¢	Not accounted for GH¢	Amount Unit
20-11-13	01-11-13	Workshop at Koforidua	602479	Coordinator, Culture	300.00	80.00	Culture
11-09-13	05-09-13	Fuel	602474	DDE, Biakoye	400.00	200.00	Culture
26-02-13	01-02-13	Workshop	602467	DDE, Biakoye	264.00	264.00	Culture
18-07-13	01-07-13	Festival of Arts	602470	Coordinator, Culture	400.00	290.00	Culture
29-04-13	06-04-13	Fuel	568169	DDE, Biakoye	180.00	120.00	DFID
12-03-13	02-03-13	Capacity Building	568160	Regional Director	200.00	200.00	DFID
04-11-13	01-11-13	T&T Claims		DDE, Biakoye	600.00	600.00	DFID
08-10-13	02-10-13	Mtce. & Fuel for official vehicle	568196	DDE, Biakoye	3,000.00	1,940.00	DFID
26-02-13	02-02-13	Fuel	568157	Total, Kpando	7,000.00	2,269.00	DFID
29-10-13	04-10-13	Training & Conference		DDE, Biakoye	8,520.00	8,520.00	DFID
23-04-13	03-04-13	Sports Festival	831629	Norsi Richard	300.00	300.00	Sports
14-03-13	14-03-13	Refreshment for Sports Meeting	831626	DDE, Biakoye	1000.00	1,000.00	Sports
03-10-13	01-10-13	Workshop	831633	DDE, Biakoye	1,400.00	1,400.00	Sports
					23,564.00	17,183.00	

1074. We believed that inadequate internal controls on the disbursements of funds and the reluctance of the schedule officers to account for their stewardship accounted for this anomaly, a practice which does not augur well for a sound financial management.

1075. We therefore recommended to Management to ensure that the respective schedule officers account for their

stewardship. We were subsequently informed that an amount of GH¢5,763.00 had been accounted for leaving a balance of GH¢11,420.00 outstanding.

Non-adherence to procurement procedures

1076. The Public Procurement Act, 2003 (Act 663) provides procedures for the procurement of goods and services under price quotations.

1077. We noted during the period covered that goods purchased under the price quotation method of procurement worth GH¢10,265.50 were not subjected to the required procedures as outlined by the Public Procurement Act 2003, (Act 663) as no competitive quotations were requested from suppliers.

Date	PV No.	Particulars	Cheque No.	Payee	Amount GH¢	Account
7/31/2013	7/13/2013	Hiring of vehicle	568183	Memie Anthony	2,500.00	DFID
10/18/2013	10/2/2013	Mtce. & fuel for official vehicle (GV 1603 Q)	568196	DDE, Biakoye	3,000.00	DFID
7/4/2013	7/3/2013	Mtce. of official vehicle	568172	DDE, Biakoye	2,000.00	DFID
7/5/2013	7/2/2013	Mtce. of official vehicle (GV 1603)	568171	Isadau Fitting Shop	2,765.50	DFID
Total					10,265.50	

1078. The action of the Entity Tender Committee in awarding contracts without strict recourse to procurement procedures could result in uncompetitive awards for the supply of goods and services, and value for money would not be achieved.

1079. We therefore recommended that the Entity Tender Committee should strictly comply with procurement procedures. Management accepted our recommendation to ensure competitive procurement in future.

GHANA EDUCATION SERVICE, WINNEBA

Payment of salary to unknown staff – GH¢2,229.11

1080. Regulation 305 (1a) of FAR, 2004 states “A head of department or a head of management unit shall examine and certify the personal emolument payment vouchers to ensure that only staff belonging to the unit are on the payment vouchers”.

1081. We observed that two names included on the mechanised payment vouchers for the months of April and July, 2013 did not belong to staff members of the Winneba Directorate. However, due to late release of the mechanised voucher, the Directorate could not stop payment of GH¢2,229.11 in to their accounts. Details below:

Name	Staff ID	Month/period	Amount GH¢	Rank	Bank
Rhoda Takyi	GOV 000859982	April 2013 to June 2013	1,758.57	Supt. Non Prof.	GCB, Kasoa main
Salaga Hamza Gariba	753105	June 2013	470.54	Pupil teacher	Gomoa Ajumako Rural Bank
Total			2,229.11		

1082. We recommended to the Municipal Director to instruct the bankers of the “ghost workers” to place an embargo on the salaries and transfer the unearned amounts of GH¢2,229.11 and any subsequent ones to the Controller and Accountant – General Salaries and Wages Suspense account.

Names of transferred teachers retained on Mechanised Payroll

1083. Regulation 305 (1a&b) of the FAR, 2004 requires a head of department to examine and certify the personnel emolument payment vouchers to ensure that only staff belonging to the unit are on the payroll and in the case of staff on posting or transfer, the name is deleted within three months.

1084. A payroll audit disclosed that the names of two teachers who were transferred to other districts in September and November 2012 continued to appear on the Directorate’s mechanised payroll as detailed below.

Names of transferred teachers retained on payroll

No.	Name of teacher	Section	Date of transfer	Staff ID
1.	Micheal K MacWoedem	Guidance & Counselling	September 2012	Nil
2.	Gabla Augustine Mach-Hubert		November 2012	239666

1085. We recommended to the Municipal Directorate to ensure that the names are deleted from the mechanised payment vouchers.

GHANA EDUCATION SERVICE
DISTRICT EDUCATION DIRECTORATE, BREMAN
ASIKUMA

Misapplication of funds – GH¢3,000.00

1086. Regulation 179(1) of the Financial Administration Regulation, 2004 (L.I.1802) states “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”.

1087. We noted on the contrary, that the District Director paid GH¢3,000.00 per P.V. No. 1/2/12 dated 1/2/12 from Pilot Programmatic Scheme (PPS) fund towards the repair cost of vehicle number GV.402 Z which amount ought to have been borne from Director’s Account, thus affecting execution of actual planned activities for the PPS.

1088. The Schedule Officer, Mr. Francis Aurthur- Baiden, explained that, the office was cash strapped but the vehicle needed to be in good condition for official duties hence the diversion or misapplication of the funds.

1089. We recommended that management should refund the GH¢3,000.00 into the PPS account to enable the Schedule Officer complete the planned activities.

Default in payment for stolen motor bike - GH¢1,050.00

1090. It is the policy of the District Education Directorate that all official vehicles were parked at the directorate premises after close of work.

1091. We noted that Mr. Isaac Kissiedu flouted this arrangement and had been sending Honda motor bike with registration No. GV 636 to his place of abode without being queried by the District Director. Unfortunately, on 14 December 2011 the motor bike was stolen from Mr. Kissiedu's house.

1092. Management surcharged Mr. Isaac Kissiedu with the cost of the motor bike and required him to pay its value of GH¢2,350.00 within a year, to serve as a future deterrent to other staff members,. Accordingly, Mr. Isaac Kissiedu had, as at 7 October 2013, paid GH¢1,300.00 into the Director's Account. However, he defaulted on the balance of GH¢1,050 which was supposed to have been paid before 31 December 2013.

1093. Mr. Isaac Kissiedu's failure to pay for the full cost of the missing motor bike was due to the District Director's failure to instruct his bankers to deduct equal monthly installments from his salary and pay same to the Director's Account. The Directorate may therefore lose the services of the motor bike and the unrecovered portion of the cost yet to be paid.

1094. We recommended that the District Director should recover the outstanding balance of GH¢1,050.00 from Mr. Isaac

Kissiedu and pay same into the Directors Account and Management informed us it had given Mr. Kissiedu three months to pay the outstanding balance of GH¢ 1,050.00.

Motor bike not registered before being used

1095. Ownerships of an asset is acquired when title deeds covering the asset is transferred and registered in the name of the new owner.

1096. To facilitate movement of officers, the Regional Director per SIV No.249726 of 27 July 2006 allocated one Yamaha Motor bike with Chasis No 3HA – 122990 to the District Education Directorate. Though the motor bike was being used it had not been registered or insured.

1097. The District Director attributed the failure to register the motor bike to lack of funds. The Directorate stands the risk of losing the motor bike if stolen since it was not registered. Additionally, in the event of an accident, no insurance compensation would be paid.

1098. We urged the District Director to immediately register and insure the motor bike. Management indicated that the Directorate would take advantage of the government policy of re-registration of vehicles to register the motorbike.

Fuel purchases not accounted for – GH¢25,052.40

1099. Chapter 16, Regulation 1604 of the Stores Regulations, 1984, states that “a vehicle logbook shall be maintained for each

vehicle and shall always be carried on the vehicle and journeys undertaken shall be recorded and full particulars of receipts of fuel, oil and lubricants recorded”.

1100. However, our review of the vehicle logbooks revealed that fuel worth GH¢20,532.40 was not accounted for in the vehicle logbooks, as detailed below.

No.	Vehicle Reg. No.	Amount GH¢
1.	GV.402 Z	4,800.40
2.	GV.1468 Q	3,978.00
3.	GV.1396 Q	1,473.00
4.	GV.2588 Y	7,892.00
5.	Others	<u>2,389.00</u>
		<u>20,532.40</u>

1101. In another development, the Directorate on three occasions deposited a sum of GH¢4,520.00 at two Filling Stations for undisclosed quantities of petroleum products. No records were presented to us on the utilisation of fuel worth GH¢ 4,520.00 which was paid from DFID account. We have not sighted any outstanding entries in the vehicles logbooks indicating that the bulk purchases had been used. Listed below are particulars of the three payments.

Date	P.V. No	Details	Amount GH¢	Cheque No.	Payees
9/2/11	1/2/11	Cost of fuel	2,120.00	473858	Eric Ofei Ent. Goil Filling Station
9/8/11	3/8/12	Part payment of fuel bought	700.00	473871	Eric Ofei Ent. Goil Filling Station
22/3/12	4/3/12	Being part payment of fuel supplied to the office	1,700.00	473887	Sammy Joe Appiah Superior Oil Ltd.
Total			4,520.00		

1102. The Chief Driver, Mr. Seth Botchway indicated that their inability to record fuel purchased was due to oversight. We did not find this explanation acceptable.

1103. It was our view that this situation if not curtailed could lead to misappropriation of funds or spurious expenditure being incurred that is not beneficial to the Directorate, under the pretence of purchasing fuel for official vehicles.

1104. We advised management to strengthen supervisory controls over the drivers by ensuring that all fuel purchased were recorded in the logbooks to forestall any such occurrences.

1105. Management accepted our recommendation and promised to ensure that fuel purchased would be recorded in the logbooks.

GHANA EDUCATION SERVICE, APAM

Non-deduction of 5% withholding tax - GH¢322.45

1106. Section 84 of the Internal Revenue Act, 2000 (Act 592) require withholding tax of 5% to be deducted from payments of goods and services from GH¢500.00. However, withholding taxes amounting to GH¢322.45 were not deducted from payments to suppliers of goods and services totalling GH¢6,449.00 thus denying the State coffers of tax revenue of GH¢322.45.

1107. We urged management to recover the withholding tax of GH¢322.45 and remit same to the Domestic Tax Division (DTD) of the Ghana Revenue Authority (GRA).

GHANA EDUCATION SERVICE, DUNKWA-ON-OFFIN

Unsupported payment vouchers - GH¢129,761.09

1108. Part II Regulation 39 (2c) of the Financial Administration Regulation states “The head of the account section of a department shall control disbursement of funds and ensure that transactions are properly authenticated and to show that amount are due and payable”.

1109. We observed that 42 payment vouchers totalling GH¢129,761.09 were not supported with relevant supporting documents such as receipts, claim sheets, signatures etc to substantiate the payments.

1110. The District Director and the Accountant failed to demand receipts and other supporting documents before authorising the payments, a practice that could lead to misappropriation of funds.

1111. We advised the Director and the Accountant to ensure that the payees provide relevant supporting documents to substantiate the payments, failing which we recommend that the amount should be recovered from the authorising officers.

1112. Management responded that frantic efforts would be made to acquit all the payment vouchers with the relevant supporting documents.

GHANA EDUCATION SERVICE - MUNICIPAL OFFICE, KOFORIDUA

Payment of unearned salaries - GH¢11,356.00

1113. A teacher who vacated his post was paid unearned salaries totalling GH¢11,356.00 between September 2012 and December 2013 contrary to Part XIV Regulation 297 of the FAR, 2004.

1114. The irregularity was due to the delay on the part of his Head teacher and the Circuit Supervisor to report the absence of the teacher to the Municipal Office for prompt action to be taken to stop his salary.

1115. We urged Management to take appropriate action to ensure that the name of the separated staff is deleted from the

Municipal Office payroll and the amount of GH¢11,356.00 and any subsequent payments made to him are returned to Government chest. In the event that recovery is not possible, the Head teacher and Circuit Supervisor should be held accountable for recovery of the unearned amount of GH¢11,356.00 which accrued as a result of their delayed action.

Purchases without obtaining alternative quotations - GH¢19,220.50

1116. Section 43(1) of Public Procurement Act, 2003 states that “a procurement entity shall request quotations from as many suppliers as practicable, but from at least three different sources.”

1117. We noted that Management purchased stores worth GH¢19,220.50 from DFID funds between February 2012 and November 2013 without obtaining three or more quotations from other suppliers, contrary to Section 43(1) of the Public Procurement Act, 2003 (Act 663).

1118. We advised management to ensure that quotations were always obtained from at least three different sources prior to selection and award in order to ensure that goods were bought

1119. Failure to prepare procurement plan

1120. The Municipal Office did not prepare a procurement plan for its procurement activities involving a total sum of GH¢61,872.00 during the period under review and contrary to

Part III Section 21(1) and (2) of the Public Procurement Act, 2003.

1121. The anomaly was attributed to management's failure to abide by the provisions of Act 663 and could lead to unplanned procurement activities and uncompetitive procurements.

1122. We recommended that, in future, the Municipal Director should ensure that a procurement plan is prepared yearly to support its approved programmes and achieve harmonization and standardization as well as possible economies of scale in future procurement.

DISTRICT EDUCATION SERVICE, BEGORO

Unearned salary - GH¢23,102.68

1123. Part XIV Section 297(1) of the FAR, 2004 (L.I. 1802) states that "A head of department shall cause the immediate stoppage of payment of salary to a public servant when that person has died or been absent from duty without leave or reasonable cause for a period as stipulated in the Administrative regulation of the establishment."

1124. Our review of the payroll disclosed that five (5) members of staff who either died or vacated post still had their names on the department's payroll resulting in the payment of a total amount of GH¢23,102.68 as unearned salaries into their bank accounts, contrary to Part XIV Section 297(1) of the FAR, 2004.

1125. We advised management to ensure the stoppage of further payments and pursue the recovery of the total amount to chest.

Unsupported payments – GH¢23,933.70

1126. Part II Section 39 (2c) of the FAR, 2004 (L.I. 1802) requires the head of the accounts section of a department to control the disbursement of funds and ensure that “the transactions are properly authenticated to show that amounts are due and payable.”

1127. A total amount of GH¢23,933.70 which was disbursed for various programmes were without relevant supporting documents such as statement of claims, monitoring reports, signed list of participants among others to authenticate the transactions in contravention of Part II Section 39(2c) of the FAR, 2004 (L.I. 1802).

1128. Management’s failure to ensure that payees acknowledged payments by providing full particulars of claims contributed to the anomaly, a situation which could lead to diversion of funds and misappropriation.

1129. We recommended that Management should obtain the expenditure documents from the payees concerned to acquit the payments or recover the said amount from the authorising officers.

Staff on study leave with pay not bonded

1130. It is a policy requirement that officers on Study Leave with Pay enter into a bond as a commitment to return to their duty post after completion of their studies.

1131. We observed that six (6) teaching staff members were granted Study Leave with Pay without being bonded with sureties contrary to this policy directive.

1132. Management ignored the risk involved and compromised the approval process of their study leave thereby not committing the staff to return to post after they have completed their studies.

1133. We advised management to ensure that the affected staffs are bonded in line with the service's policy.

GHANA EDUCATION SERVICE, KIBI

Excessive supply of store issue vouchers (SIVs) by Head Office

1134. Regulation 102(d) of Store Regulations, 1984 states that "Stockholding should at all times be kept to an economic minimum consistent with the maintenance of an effective service level."

1135. We observed a large quantity of 1,316 booklets of Store Issue Vouchers (SIVs) in the store which is far in excess of the department's requirement of 20 copies in a year; implying that the SIVs can be used for the next 65 years. The items which

were not officially requisitioned by the department were supplied to them by the Ghana Education Service, Head office.

1136. The supply was unrealistic, uneconomical and suggested a deliberate attempt by the Ghana Education Service, Head Office, to cover up poor procurement practices.

1137. We recommended that to avoid waste and loss of funds, Management should inform the Ghana Education Service, Head Office to withdraw the SIVs and distribute them to institutions which may have more need for the SIVs.

Fuel purchased not accounted for – GH¢1,955.00

1138. Part IV Section 35(2a) of the Financial Administration Act, (Act 654) stipulates that “Accountability is discharged when government stores have been consumed in the course of public business and records are available to show that the government stores have been consumed.”

1139. Contrary to the above regulation, fuel purchases worth GH¢1,955.00 allegedly made by Management were not recorded in the department’s vehicle Log Books as evidence of receipt and judicious usage.

1140. The omission resulted from lack of effective monitoring and supervision over the work of the drivers. We could therefore not confirm whether the fuel was actually purchased and used for official purposes.

1141. We urged management to provide evidence of the usage of the fuel, failing which the amount of GH¢1,955.00 should be recovered from the authorising officers.

Unacquitted payment vouchers – GH¢37,371.74

1142. Part 1 Section 39(c and d) of the FAR requires the head of an Accounts Section of a department to control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable and any order or disbursement that does not meet the requirement is rejected.

1143. Our review disclosed that 21 payment vouchers with an aggregate value of GH¢37,371.74 did not have requisite expenditure documents attached such as receipts, invoice and statements to acquit the payments.

1144. The Municipal Accountant failed to ensure that the amounts which are mostly Capitation Grants were receipted and retired by the head teachers with receipts and statements after they had disbursed the amounts, thereby undermining the genuineness of the payments.

1145. We recommended that the authorising officers should ensure that the supporting documents are made available to acquit the vouchers or be made to refund the total amount into the Ghana Education Service account.

GHANA EDUCATION SERVICE, ASESEWA

Late/Non-release of mechanised payment vouchers

1146. The Controller and Accountant-General's Department (CAGD) is required to release copies of the Mechanised Salary Vouchers to the District Treasury Offices for onward submission to the Ministries, Department and Agencies (MDAs) at the end of each month.

1147. The office had not received any mechanised salary vouchers for January 2013 to July 2013 from the District Treasury Offices. The CAGD did not release the mechanised payment vouchers to the District Treasury for onward submission to the Ghana Education Service, District Office.

1148. The delay or omission to provide the Mechanised Salary Vouchers would render ineffective Management's review or examination of the payroll to certify whether or not the personnel on the mechanised payment vouchers belong to their management unit before salaries are paid to them.

1149. We urged management to draw the attention of the District Finance Officers to ensure that they take action to remedy the situation.

Failure to insure official vehicles resulting in expenditure on accident vehicle - GH¢6,090.00

1150. Government vehicles are required to be insured comprehensively so that in the event of any accident or mishap

the Insurance Company will take up the responsibility of indemnity.

1151. We observed during the audit that, the three (3) official vehicles belonging to the District Office were not insured. As a result, the District Office spent an amount of GH¢6,090.00 in January 2013 to repair an official vehicle with registration No. GC5689-11 which was involved in a near fatal accident.

1152. The situation was attributed to the failure of the Ministry of Education (MOE) to insure the official vehicle before handing it over to the District and inadequate Government of Ghana funds released for the running of the District Directorate.

1153. Official vehicles which are not insured put the lives of the users at a great risk. We therefore advised management to ensure that the vehicles are comprehensively insured to cover all risks.

Servicing vehicles and equipment's without job request order - GH¢7,020.00

1154. Regulation 1552 of the Stores Regulations, 1984 states that, "A request to any of the listed workshops for the repair or maintenance of an item of plant or machinery shall be made by means of a Departmental Purchase Order, which shall in all cases be supported by a written estimate of the cost of repairs of other work required, signed by a manager or a supervisor of the workshop. The officer who signs the certificate of

satisfactory completion of service must satisfy himself that the work has in fact been satisfactorily performed.”

1155. Contrary to the above, we observed that management undertook several repairs and maintenance works valued at GH¢7,020.00 on its vehicles and equipments without subjecting them to any Job Request Order.

1156. Management’s failure to adhere to the regulation resulted in the lapse which, in our view, represents an omission that could result in mechanics/repairers over-stating their bills and jobs undertaken not meeting specification as the repairers may not be committed in any way, thereby leading to an increase in the District Directorate’s expenditure.

1157. We advised management to support all subsequent repair and maintenance works with Job Request Orders.

Payment vouchers not pre-audited before disbursements

1158. Section 16(3) of the Internal Audit Act states in part that “an internal audit unit shall carry out an internal audit of its MDA and shall submit its report on the internal audit it carries out.” This assignment includes pre-audit of payment vouchers.

1159. We noted that the Internal Audit Unit did not carry out any pre-audit on 57 payment vouchers with values amounting to GH¢78,007.75 before payments were made from the DFID and Examination Accounts. Details are summarised below.

Type of Account	No. of P.Vs	Total Value GH¢
Examination	15	37,189.19
DFID	42	40,818.56
Total	57	78,007.75

1160. The dereliction of duty on the part of the Internal Auditor and non-performance of the Internal Audit Unit at the District Directorate on these accounts resulted in a lot of lapses which could have been avoided had there been periodic pre-auditing of payment vouchers.

1161. We recommended that the new Internal Auditor should carry out pre and post audit of transactions regularly and promptly report any anomalies to management for redress.

NFED – MAMPONG MUNICIPAL ASSEMBLY

Payment of unearned salary to separated officer - GH¢2,001.28

1162. Our review of the mechanised payroll and personal emoluments records for August, 2013 disclosed that Mr. Opoku Peter, Programme Assistant who had resigned since January 2011 was paid unearned salary of GH¢2,001.28 covering February to September 2011.

1163. Notwithstanding, the fact that the Municipal Coordinator had notified his bankers, Sekyere Rural Bank, Jamasi, to pay the unearned salary to government chest, the bank used it to offset a loan that had been taken by Mr. Opoku Peter.

1164. We requested the Municipal Coordinator to recover the amount of GH¢2,001.28 from the former employee and pay same to government chest.

DISTRICT EDUCATION OFFICE, TEPA

Non-Competitive Procurement - GH¢7,420.00

1165. Section 43 (1) of the Public Procurement Act, 2003 requires every procurement entity to request for quotations from as many suppliers or contractors as practicable but from at least three (3) different sources.

1166. However, management of the Directorate contravened the above quoted regulation and procured 100 copies of printed certificates, maintenance of motor bikes and cost of printing second and third mock examination papers to the tune of GH¢7,420.00 without sourcing for quotations from at least three suppliers as required.

1167. Managements' disregard of the existing law resulted in this lapse.

1168. The failure of the Service to adhere to Section 43 (1) of the Public Procurement Act, 2003 made the procurement transaction uncompetitive. Prices at which the goods and services were procured could be higher than the prevailing market prices resulting in loss of funds to the Directorate.

1169. We advised management that in order to avoid being sanctioned and for the purpose of transparency and value for

money in the procurement process, the Public Procurement Act, 2003 should be strictly adhered to during future transactions.

1170. Management explained that both the Director and the Accountant are new on the job and they will ensure compliance with Section 43 (1) of the Public Procurement Act, 2003.

Unearned Salaries – GH¢15,797.29

1171. Regulation 297(1) of the Financial Administration Regulations 2004 (L. I. 1802) states that, “a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment”.

1172. Contrary to the above regulation, we noted that four officials who separated from the service had their names appearing on the payroll and a total amount of GH¢15,797.29 paid into their bank accounts as noted below.

Name of Officer	Staff No.	Period of Separation	Amount GH¢
Ms. Rhoda Boamah	651631	October 2012	6,894.61
Mr. Ohene Gyabibi Christopher	553019	July 2012	5,847.94
Ms. Asumadu Lydia	567846	Feb. 2013	2,124.30
Mr. Micheal Ampong	309865	June 2013	930.44
Total			15,797.29

1173. We noted that this lapse resulted from failure on the part of District Director to write to their various bankers to place an embargo on their salaries and subsequently transfer the monies to the Controller and Accountant General's Suspense account and deprived the State of funds that should not have been drawn from the Consolidated Fund.

1174. We urged management to, as a matter of urgency, write letters to their various banks to place an embargo on their salaries and also ensure that the total unearned salaries of GH¢15,797.29 paid to them are recovered to the Consolidated Fund.

1175. Management responded that letters have been written to their bankers to place embargo on their salaries and they have also been served with letters to refund the unearned salaries to chest.

GHANA EDUCATION SERVICE - BEKWAI

Failure to Obtain Official Receipts to Support Capitation Grants Paid to Schools. - GH¢22,468.64

1176. Section 39(2c) of FAR, 2004 (L.I. 1802) requires a head of department to ensure that transactions are properly authenticated to justify the payments made.

1177. Our examination of payment vouchers, however, disclosed that four payments totalling GH¢22,468.64 in respect of capitation grants paid to 156 schools through their bankers were not supported with official receipts even though the

schools could have issued official receipts to acknowledge the payments. These situations contravened section 39 (c) of the FAR, 2004 (L.I 1802).

1178. Failure on the part of the paying officer to insist on the issuance of official receipt to acknowledge the payments was the cause of this lapse.

1179. The irregularity could lead to the non-recording of the amounts in the school's accounts thereby understating their income and could also be a means of covering up for misappropriation.

1180. We urged the Accountant to obtain official receipts covering the amount of GH¢22,468.64 paid to the 156 schools to justify the payments or the amount of GH¢22,468.64 be recovered from the schools and same paid into the Directorate's bank account.

1181. Management stated that they were in the process of getting the requisite official receipts from the schools to support the payments.

GHANA EDUCATION SERVICE, NEW EDUBIASE

Failure to insure Official Vehicles

1182. The Financial and Accounting Instructions for Secondary Schools, Training Colleges and Educational Units Part IX, Section 65 states "All vehicles shall be comprehensively insured".

1183. On the contrary, we noted that all the three official vehicles bearing the following registration numbers GV 449 Z, GV 1488 Q and GV 1408 Q were not comprehensively insured.

1184. The Accountant contended that, the provision of insurance cover for vehicles supplied to the District Directorate is not the responsibility of the District but rather that of the Headquarters.

1185. The potential risk here is that the cost of managing damages that would be inflicted on both human life and property in the event of an accident could be immeasurable.

1186. Management however accepted our recommendation to pursue Headquarters to procure insurance cover for all the three vehicles.

GHANA EDUCATION SERVICE, BAWKU

Unearned salaries – GH¢40,270.33

1187. We noted that the Ghana Education Service, Bawku, made payments to thirteen (13) separated staff between February 2013 and December 2013 in contravention of Regulations 297(f) and 300 (a) of L.I. 1802 resulting in unearned salary payments of GH¢40,270.33.

1188. This was as a result of management failure to delete the names of the separated staff from the payrolls of the service.

1189. Management was urged to recover the amount from the separated staff and pay same into the consolidated Fund.

Unsupported Payment – GH¢9,014.20

1190. Part 11 Section 39 (2C) of the Financial Administration Regulations 2004 L.I. 1802 enjoins the head of accounts to control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts paid are due and payable.

1191. On the contrary we noted that five payments totalling GH¢9,014.20 were not accounted for by way of receipts and other statements of account.

1192. We attributed this to failure of the Finance Officer in ensuring that officers fully retire amounts granted them. This weakness in internal controls could lead to payment for works not done, goods not supplied or services not rendered.

1193. We recommended to management to ensure that the officers concerned fully account for the difference of GH¢9,014.20.

Purchase not from VAT registered persons – GH¢4,176.00

1194. Financial Administration Act 2003, Act 654 Part IV 30(2) states that except as determined by the Minister and subject to any other enactment, government stores shall be procured from only Value Added Tax registered persons.

1195. On the contrary, the Management of GES Bawku procured goods and services from Non- VAT registered entities to the tune of GH¢4,176.00.

1196. Management's failure to ensure compliance with Act 654 Part IV 30 (2) led to the anomaly which has denied the government of the revenue for development programmes.

1197. We recommended to Management to ensure compliance with the VAT law by procuring from only VAT registered persons/entities.

MUNICIPAL EDUCATION OFFICE, NAVRONGO

Payment unaccounted for – GH¢55,777.94

1198. Contrary to Section 39 2(c) of the Financial Administration Regulations, 2004 L.I 1802, we noted that though total payments of GH¢158,130.21 were made on twelve (12) payment vouchers, only GH¢102,352.27 of the payments were supported with relevant receipts, leaving a difference of GH¢55,777.94 unaccounted for.

1199. Failure of the Accountant to ensure that the payment vouchers were supported with the relevant receipts or other statement of accounts and laxity on the part of officers in ensuring full accountability led to this irregularity.

1200. We urged Management to recover the difference of GH¢55,777.94 from the officers concerned, failing which the Accountant is to be surcharged with the unaccounted payments.

Unrecovered unearned Salaries – GH¢30,874.79

1201. Part XIV Section 304 (1) of the Financial Administration Regulations, 2004 L.I 1802 enjoins heads of departments to examine and certify the personal emolument payment vouchers to ensure that any over payment of personal emolument is recovered.

1202. Our review showed that between January 2012 and June 2013, 25 teachers received unearned salary totalling GH¢37,067.71. The unearned periods ranged from two to twelve months. Out of the total amount GH¢7,476.66 was recovered leaving a difference of GH¢29,591.29 yet unrecovered.

1203. Similarly, Mr. Valentine Avoyom, a National Service Personnel at Notre Dame Senior High was paid national service allowance as well as monthly pupil teacher's salary of GH¢641.66 for July 2012 and August 2012 resulting in payment of a total unearned amount of GH¢1,283.32 to him.

1204. We recommended to Management to recover the unearned salaries of GH¢29,591.29 and GH¢1,283.32 respectively to chest without further delay.

DISTRICT EDUCATION OFFICE, SANDEMA

Payments not accounted for – GH¢3,445.50

1205. Part 11, Section 39 (2C) of the Financial Administration Regulations, 2004, L.I. 1802 enjoins the head of accounts to control the disbursement of funds and ensure that transactions

are properly authenticated to show that amounts paid are due and payable.

1206. On the contrary, we noted that six payment vouchers totalling GH¢3,445.50 were not supported with the relevant receipts and other statements of account.

1207. We attributed this to failure of the Finance Officer in ensuring that the payment vouchers were supported with relevant receipts and statements of account. In the absence of the relevant supporting documents, we could not authenticate the validity of the payments.

1208. This anomaly weakens internal control and could lead to payment for works not done, goods not supplied or services not rendered.

1209. We recommended to Management to ensure that the officers concerned fully accounted for the outstanding amount of GH¢3,445.50

Payments of Unearned Salaries – GH¢6,072.73

1210. Regulation 297(1f) of the Financial Administration Regulations, 2004 (LI 1802) requires a head of department to cause the immediate stoppage of payment of salary to a dead public servant.

1211. We however noted on the contrary that names of three deceased teachers of the District Education Directorate

continued to be on the payroll of the office for periods ranging between four and eleven months after their deaths, resulting in payment of unearned salary totalling GH¢6,072.73 to their bank accounts, as detailed below:

No.	Name	Staff ID	No. of months	Amount GH¢
i.	Clement Felasong	00649172	11	2,697.92
ii.	Christopher Amoak	00276671	5	1,201.52
iii.	Kingsley Ajuisigoam	00656787	4	2,173.29
Total				6,072.73

1212. This was attributed to failure of the District Director in ensuring immediate deletion of the names of the separated staff from the payroll.

1213. We recommended recovery of the total unearned salaries from their bankers or next-of-kins and same paid to chest.

Imprest not fully accounted for – GH¢3,046.00

1214. Part 11 Section 39 (2C) of the Financial Administration Regulations, 2004 L.I. 1802, enjoins the head of accounts to control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts paid are due and payable.

1215. We noted on the contrary that five payments totalling GH¢3,546.00 made from the DFID Account was short accounted for by GH¢3,046.00 by way of receipts and other statements of account.

1216. We attributed this to failure of the Finance Officer in ensuring that officers fully retire imprests granted them. This weakens internal controls and could lead to payment for works not done, goods not supplied or services not rendered.

1217. We recommended to management to ensure that the officers concerned accounted for the difference of GH¢3,046.00.

**GHANA EDUCATION SERVICE - REGIONAL OFFICE,
BOLGATANGA**

Un-substantiated payments - GH¢8,150.87

1218. Section 39(2c) of the Financial Administration Regulations 2004 L.I 1802 requires the head of accounts to ensure that transactions are properly authenticated to show that amounts paid are due and payable.

1219. Contrary to the above, we noted payments totalling GH¢8,150.87 on six (6) vouchers that were without supporting documents such as invoices, receipts, memos, invitation letters and statement of claims.

1220. The irregularity was attributed to failure of the Accountant to ensure that payment vouchers were supported with the relevant documents before payments were effected.

1221. We recommended to the Accountant to ensure that the relevant documents were attached to the payment vouchers or cause a refund of the amount of GH¢8,150.87.

MUNICIPAL EDUCATION OFFICE, BOLGA

Unearned salary - GH¢1,419.82

1222. Part XIV section 297 (1) of FAR 2004 (L.I 1802) states “A head of department shall cause the immediate stoppage of payment of salary to public servant, who has resigned or died”. Section 298 (4) stipulates that failure to effect the stoppage within the time required is a breach of financial discipline.

1223. We noted that, contrary to the regulation, Management failed to stop payment of salaries totalling GH¢ 1,419.82 to two separated staff as summarized below:

Name of staff	Staff No.	Period	Total GH¢
Patience D	166924	July - 2013	645.94
Mohammed Abdulai	0000277600	Jan - Feb 2013	773.88
Total			1,419.82

1224. Failure on the part of Management to liaise with Controller and Accountant’s General Department to ensure that the names were deleted from the payroll caused the anomaly.

1225. We recommended to Management to ensure prompt deletion of names of separated staff from the payroll and the regular transfer of unearned salaries to government chest.

CATERING REST HOUSE- BOLGA

Rent defaulters - GH¢2,165.00

1226. 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.

1227. We noted that eight (8) occupants of chalets/bungalows at the Catering Rest House failed to pay rent totalling GH¢2,165.00 for periods of 5 months to 12 months as detailed below:

No.	Room No.	Name	Rate per month GH¢	Total GH¢	Months
1.	D4	Joyce Bazadujt	70.00	320.00	July-Nov. 13
2.	L1	Belida Osman	25.00	150.00	June-Nov.13
3.	O3	Rauf Abdul M	25.00	275.00	Jan- nov.13
4.	Q1	Razak Abagiba	25.00	145.00	July-Nov.13
5	R2	Vereline Kwogana	25.00	150.00	June-Nov.13
6.	U2	Geogina Atingale	25.00	275.00	Jan.-Nov.13
7.	OGM1	Thomas Danyiel	100.00	500.00	July-Nov.13
8.	T1	Rexford Adongo	25.00	350.00	Sept.12-Nov.13
Total				2,165.00	

1228. We also noted that rent payable was not deducted at source from the monthly salaries but paid in cash by tenants into the Rest House Account instead of the Consolidated Fund.

1229. We attributed this to failure by Management to ensure compliance with the regulation.

1230. We advised Management to pursue recovery of all rent arrears from the defaulting occupants and ensure that rents

deductions were effected at source from the monthly salaries of occupants by submitting relevant input forms to the Controller and Accountant-General's Department.

1231. Management agreed to pursue recovery of the amount and abide by the existing regulation.

DISTRICT EDUCATION OFFICE, CENTRAL TONGU

Misapplication of Funds – GH¢3,000.00

1232. Regulation 179 (1) of the Financial Administration Regulations 2004 (L.I. 1802) requires 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”.

1233. We observed to the contrary that an amount of GH¢3,000.00 was paid to Mr. Jonathan K. A. Ganyo, the District Director of Education vide Payment Voucher number 2/1/13 from the Sports Account as an imprest for office running.

1234. Failure on the part of Management to adhere strictly to financial regulations and instructions led to this financial indiscipline.

1235. Misapplication of funds earmarked for specific activities defeats the main purpose for which the fund allocated is intended and also prevents effective implementation of the planned activities.

1236. We therefore advised Management to refund the amount to the Sports Account with immediate effect.

DISTRICT EDUCATION OFFICE (GES), KRACHI WEST
Failure to Keep Proper Books of Account

1237. Regulation 1(b) of the Financial Administration Regulations (FAR) 2004 (L.1. 1802) states that “Any public officer who is responsible for the receipt, custody of public and trust moneys shall keep proper records of all transactions and shall produce them for inspection when called upon to do so by the Auditor-General.”

1238. In line with the above, a head of accounts should ensure that transactions are recorded in the appropriate books of account as and when the transactions occur. The books of accounts are then balanced at the end of the month.

1239. We noted to the contrary that, the District Accountant (Emmanuel Kpogli), failed to keep proper books of account relating to the five (5) Accounts examined. We also observed that the cash books of the various accounts were not updated. Details are stated below.

No.	Name of Account	Date entered up to	Entries outstanding
1.	DFID	August 2012	September 2012 – December 2013 (15 months)
2.	DDE Imprest Account	April 2013	May – December 2013 (8 months)
3.	District C Culture Account	June 2013	July – December 2013 (6 months)

4.	District B Basic Schools Sports Account	June 2013	July – December 2013 (6 months)
5.	Capitation Grant	Dec. 2012	January – December 2013 (12 months)

1240. We noted from our review of the bank statements that cash withdrawals were made without payment vouchers and disbursement receipts to support some of the payments made. We also noted instances where official receipts were not written to acknowledge receipt of funds transferred for programme activities. They were also not recorded in the cash book before disbursements.

1241. Negligence of duty on the part of the District Accountant and the absence of segregation of duties among the subordinate staff in the Finance office accounted for this irregularity, a situation that creates room for the perpetration of fraud.

1242. We recommended the following;

- (i) The District Accountant should ensure that outstanding transactions are recorded in their respective cash books and official receipts issued to acknowledge receipt of funds credited to the accounts for programme activities.
- (ii) The District Accountant should prepare appropriate bank reconciliation statements to confirm the year end balances for the two (2) years ending 31 December, 2012 and 31 December 2013.

- (iii) The District Accountant should segregate the accounting duties to ensure proper record keeping and effective internal check.

1243. Management did not respond to the observation.

Failure to transfer capitation grants received in 2013 to the basic schools – GH¢114,907.95

1244. The Capitation Grant was instituted by the Government of Ghana to facilitate the transfer of funds to basic schools for the smooth running of the schools and effective teaching and learning at the basic level.

1245. We noted, contrary to the above intention, that the District Director received a total amount of GH¢114,907.95 in 2013 financial year as Capitation Grant but failed to transfer to the basic schools their share of the grants received.

1246. We however observed total cash withdrawal of GH¢58,862.00 (representing 51% of total amount received) that had been made in the name of the District Director and the District Accountant without any evidence of disbursements.

1247. In the absence of authenticating documents as well as satisfactory explanation we concluded that there had been a deliberate attempt to perpetrate fraud to the detriment of effective teaching and learning in the district.

1248. We recommended that the District Accountant and the District Director should refund the total amount of GH¢58,862.00 into the Capitation Grant Account and transfer to the basic schools their share of the grants without fail. Management did not respond to this observation. In the light of this, we further recommend that GES Management should apply appropriate sanctions against the District Director and his District Accountant for breach of financial discipline in line with Regulation 8 of the FAR.

Cash withdrawals without Payment Vouchers and Expenditure Receipts -GH¢ 185,228.38

1249. Sound financial management practice requires that every payment shall be supported by original of a voucher which shall contain full particulars of the services for which payment is being made and certified by the officer authorised to incur the expenditure.

1250. We noted from the review of the bank statements of the under listed Accounts that a total amount of GH¢185,228.38 was withdrawn as cash to the office during the 2012 and 2013 financial years, but there were no receipts or other documentary evidence of the disbursement of the entire amount. This is summarized below:

No.	Name of Account	2012 GH¢	2013 GH¢	Total GH¢
1.	DFID	35,084.00	33,449.38	68,533.38
2.	Capitation Grant	25,448.00	58,862.00	84,310.00
3.	DDE Imprest Account	00.00	25,349.00	25,349.00
4.	District Basic Schools Sports Account	00.00	5,686.00	5,686.00
5.	District Culture Account	00.00	1,350.00	1,350.00
Total		60,532.00	124,696.38	185,228.38

1251. Apart from the cheques presented for the withdrawals, there were no evidence of memos, invoices and other expenditure receipts to authenticate payments. No payment vouchers were prepared to support the expenditure made. The transactions were also not recorded in the cash book.

1252. The failure of the District Accountant to segregate the work among the subordinate staff and the absence of full particulars of disbursement receipts cast doubt on the transactions.

1253. We were therefore of the opinion that, the District Director and District Accountant should be cited for fraud and held accountable for recovery of the above amounts totalling GH¢185,228.38.

1254. We advised that the rules and regulations governing public fund management are strictly followed to promote sound fund management system and effective internal control. There should be adequate supervision and segregation of duties of the

finance staff and strict compliance with the Financial Administration Regulations.

1255. Management did not respond to our observation. In the light of this, we further recommend that GES Management should ensure recovery of the amount and apply appropriate sanctions against the District Director and his District Accountant for breach of financial discipline in line with Regulation 8 of the FAR.

Failure to present payment vouchers for audit – GH¢77,621.16

1256. Regulation 39 (2c) of the FAR requires that the head of the Accounts section of a department shall control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

1257. Again, sound financial management practice requires that every payment shall be supported by original of a voucher which shall contain full particulars of the services for which payment is being made and certified by the officer authorised to incur the expenditure.

1258. The District Accountant failed to produce for inspection payment vouchers covering a total amount of GH¢77,621.16 recorded in the cash book of the District Director's (DDE) Imprest Account as expenditure incurred between 18/01/12 and 08/12/12.

1259. The absence of the payment vouchers and full particulars of disbursement receipts cast doubt on the transactions. We were of the opinion that, this was a deliberate attempt to perpetrate fraud.

1260. We advised that the rules and regulations governing public fund management were strictly followed to promote sound fund management and effective internal control.

1261. We also advised that the District Accountant and the District Director should account for or refund the total amount of GH¢77,621.16 to the DDE Imprest Account for our verification. He should also ensure that the accounting duties were segregated among the staff for effective internal check.

1262. The District Accountant should also be sanctioned for breach of financial discipline as enshrined in Regulation 8 of the FAR, 2004 (LI 1802). Management failed to respond to this observation.

Payments without full Particulars of Disbursement Receipts - GH¢77,472.27

1263. Sound financial management practices requires that every payment shall be supported by original of a voucher which shall contain full particulars of the services for which payment is being made and certified by the officer authorised to incur the expenditure.

1264. We noted that a total payment of GH¢77,472.27 was made under the under listed Accounts without full particulars of disbursement receipts.

1265. We also noted several instances of the payments without payment vouchers. The payments were not supported with memos, invoices and other disbursement receipts Details are stated below.

No	Name of Account	2012 GH¢	2013 GH¢	Total GH¢
1.	DFID	16,226.80	12,128.50	28,355.30
2.	DDE Imprest Account	00.00	39,919.67	39,919.67
3.	District Basic Schools Sports Account	00.00	4,700.00	4,700.00
4.	District Culture Account	00.00	4,497.30	4,497.30
Total		16,226.80	61,245.47	77,472.27

1266. In our view this was a deliberate attempt to perpetrate fraud.

1267. We recommended that the District Accountant should account for or refund the total amount of GH¢77,472.27 to the above accounts for our verification.

1268. We also advised that, the District Accountant should be sanctioned for breach of financial discipline as enshrined in Regulation 8 of the FAR. Management is yet to respond to this observation.

Unexplained expenditure - GH¢42,750.00

1269. Sound financial management system requires that every payment shall be supported by original of a voucher which shall contain full particulars of the services for which payment is being made and certified by the officer authorised to incur the expenditure.

1270. We noted from the Bank statement of the District Director's Imprest Account (DDE Imprest A/c) for the month of November 2013 that a payment of GH¢42,750.00 was made on 19/11/13 vide cheque number 454951 without details of the transaction stated.

1271. We observed that apart from the cheque number stated in the bank statement, there were no evidence of memos, invoices and other expenditure receipts to authenticate payment. No payment voucher was prepared to support the withdrawal from the account. The payee's name was not stated. The transaction was also not recorded in the cash book.

1272. We were of the opinion that, this was a deliberate attempt to perpetrate fraud.

1273. We advised that the rules and regulations governing public fund management were strictly followed to promote sound fund management.

1274. We also advised that the District Accountant and the District Director should account for or refund the full amount of

GH¢42,750.00 to the DDE Imprest Account and notify audit for our subsequent verification. Management did not respond to this observation.

Fictitious transaction – GH¢8,949.00

1275. The Financial Administration Regulations, 2004 (L.1. 1802) stipulates that any public officer who is responsible for the conduct of financial business on behalf of the Government of Ghana 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, among others.

1276. Also, it is the duty of the head of an institution to authorise vouchers for payment. In doing so he shall be held responsible that:

- ❖ The payment is in respect of and within the provision for services included in the approved estimates.
- ❖ The services specified have been duly performed.
- ❖ The prices charged are either according to contract or are fair and reasonable according to the local rates.
- ❖ The persons named in the voucher are those entitled to receive payment.

1277. We noted that GH¢8,949.00 was withdrawn by the District Accountant from the DFID Account on 25/01/12 as payment for maintenance of official vehicle without any evidence of memos, works orders and other disbursement receipts. The payment was not supported with a payment voucher but was recorded in the

cash book. We could also not ascertain the particulars of the vehicle which was repaired for further audit scrutiny.

1278. We further noted that whereas Mart Frank Engineering Ho was stated in the cash book as payee, the cheque was cashed by the District Accountant, Emmanuel Kpogli. This was irregular and compromised the internal control system.

1279. We were of the opinion that the services specified had not been duly performed. This was a deliberate attempt to defraud the State using the pretext that services obtained from Mart Frank Engineering was being paid for.

1280. We advised management to ensure that rules and regulations governing the management of public funds were strictly followed.

1281. We recommended that the District Accountant should refund the amount of GH¢8,949.00 to the DFID account. He should also be sanctioned for financial indiscipline in line with Regulation 8 of the FAR, 2004 (LI 1802).

1282. Management did not respond to this observation.

Embezzlement of Funds - GH¢2,065.50

1283. Regulation 15(1) of the Financial Administration Regulations (FAR) (L.1. 1802) of 2004 states that any public officer or revenue collector who collects or receives public fund and trust moneys shall issue official receipts for them and pay

them into the relevant Public Funds Bank Accounts within twenty-four (24) hours of receipt except in exceptional circumstances to be identified by the Minister.

1284. We noted that the District Accountant, Emmanuel Kpogli failed to lodge into the District Culture Account a total of GH¢2,065.50 received from four (4) schools for culture activities in the district. The GH¢2,065.50 was payment made in August 2012 by four (4) Senior High Schools for district culture activities. Details are stated below.

Date	Name of School	Amount GH¢	Receipt No.
08/08/12	Krachi Senior High School	800.00	0409767
10/08/12	Oti Senior High School	400.00	0409770
14/08/12	Nkwanta Senior High School	477.00	0409768
14/08/12	Kpassa Senior High School	388.50	0409769
Total		2,065.50	

1285. We observed that General Counterfoil Receipts (GCRs) were issued but no records were made in the Cash Book. The amounts were also not lodged into the bank account in line with Regulation 15 (1) of the FAR. The District Accountant had thus embezzled the total amount of GH¢2,065.50 collected from the schools.

1286. We believed failure to lodge the amount in the bank account and non recording in the cash book was a deliberate attempt to defraud facilitated by the absence of segregation of work among the subordinate staff in the accounting

department and negligence of duty on the part of the District Accountant.

1287. We further recommended that the District Accountant Emmanuel Kpogli should refund the amount of GH¢2,065.50 and pay same into the District Culture account. The District Accountant should also be sanctioned for breach of financial discipline as enshrined in Regulation 8 of the FAR. Management should also ensure that there is segregation of duties.

Imprest not fully accounted for – GH¢5,985.80

1288. Regulation 39(2c) of the Financial Administration Regulations, 2004 requires that the head of the Accounts Section of a department shall control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

1289. We noted that Imprest totalling GH¢5,982.80 granted four (4) officers were not accounted for after the end of the programme for a period more than 12 months. Details are stated below:

Name of Account	Recipient	Amount Received GH¢	Amount Accounted for GH¢	Difference GH¢
Culture	Charles Boamey	2,220.00	-	2,220.00
DDE Imprest Account	Esther Brabi	11,450.00	10,661.00	789.00
Sports	David Anane	3,303.00	500.00	2,803.00
Sports	Emmanuel Kpogli	300.00	126.20	173.80
Total		17,273.00	11,287.20	5,985.80

1290. Non accounting for funds received for official duties is a breach of financial discipline as enshrined in regulation 8 (1) of the FAR, 2004. This could mean suppression or diversion of public funds. It could also mean services not rendered but fully paid for.

1291. We believed negligence of duty on the part of the District Accountant accounted for the non accounting for funds received by the officers for a period more than 12 months in some cases.

1292. We recommended the following;

- ❖ The District Accountant should ensure that officers granted special imprests account fully for the imprest immediately after the end of the programme.
- ❖ The District Accountant should recover the total amount of GH¢5,982.80 from the four (4) officers mentioned above. The recovered amount should be paid into the respective bank Accounts and the pay-in-slip submitted for our verification

1293. Management did not respond to this observation.

Procurement of goods without alternative quotations - GH¢13,750.00

1294. Section 43 (1) of the Public Procurement Act (PPA), 2003 states that a Procurement Entity shall request quotations from as many suppliers or contractors as practicable but from at least three different sources.

1295. We noted contrary to the above provision that Esther Brabi procured goods for SHEP activities totalling GH¢13,750.00 without obtaining alternative quotations from at least three (3) different suppliers to ensure purchases from the most favourable source. Also, whereas schedule 3 of the PPA requires that a head of entity should engage in requesting quotations for goods which estimated value is up to GH¢5,000.00, this provision was ignored. Details are stated below:

Date	Supplier	Item	Qty	GH¢	Amount GH¢
13/04/13	Joe Kusi Publication	Lacoste 'T' shirt	500		7,500.00
15/04/13	Rijnbeek Printing Press	Exercise book No. 1	500	1,000.00	
		AZ Black & White (IEC)	200	1,200.00	
		A2 Colour (IEC)	300	2,400.00	
		A4 Sticker	150	475.50	
		A5 Sticker	150	400.50	
		4 x 95 sticker	200	774.00	6,250.00
Total					13,750.00

1296. We further noted contrary to regulation 48 (2) of the Financial Administration Regulations, 2004 that cash payments were made instead of cheque, bank transfer or direct payment to the bank account of the suppliers.

1297. Management's failure to comply with the above provisions allowed the procurement activities to be solely handled by Esther Brabi, the District SHEP Co-ordinator.

1298. Failure to obtain alternative quotations cast doubt on the fairness of the prices charged and also did not ensure

competition. We advised management to ensure compliance with the laws quoted. Management is yet to respond to this observation.

GH¢2,000.00 advanced to the Regional Director of Education, Ho not recovered

1299. Generally, funds allocated for specific programmes are to be used for their intended purposes.

1300. We noted that on 27 August 2012, an amount of GH¢2,000.00 was paid from DFID account to the Regional Directorate as an advance to support the 2012 National Sports and Culture competition. This advance was to be refunded when Capitation Grant was released.

1301. However, although the Capitation Grant was released we did not observe any evidence of the refund of the GH¢2,000.00 having been made to the Krachi West District Education Directorate.

1302. Failure to refund the amount could result in DFID programmes not being accomplished. We urged the District Accountant to provide evidence that the GH¢2,000.00 was recovered. Management did not respond to this observation.

Unknown persons on payroll

1303. Regulation 292 (1) of the Financial Administration Regulations, (FAR), 2004 “states that every head of department shall keep records of all personal emolument of staff employed in

the department in a form that ensures, among others, that payments are not made to staff who do not belong to the department or unit”.

1304. Regulation 304(1a) also requires A head of department or a head of management unit to examine and certify the personal emolument payment vouchers to ensure that only staff belonging to the unit are on the payment voucher”.

1305. We noted that three names which were not among the official list of teachers in the Krachi West District were on the Krachi West District Education Payrolls; and the unknown persons were receiving salaries.

1306. The Circuit Supervisors could not identify these persons. Their personal files could not be located at the district office and Management could also not explain how the names got onto the payroll.

1307. We were also unable to ascertain when their names got onto the payroll and the total amount received by unidentified persons because the accountant could not produce the mechanised payment vouchers for the period of the audit for our examination. Details are stated in the table below:

No.	Name	ID No.	Rank	School	Bank
1.	Veronica E. Mussey	218862	Prin. Supt.	SDA DC Primary	Juabeng Rural Bank (Roman Hill Kumasi) (Ashanti Region)
2.	AminatuYakubu	742400	Snr Supt II	ZongoMacheri	GCB – Bawku (Upper East

				L/ A Prim.	Region)
3.	George Addo	838264	Pupil Teacher	Old Dobeso LA Prim.	Lower Pra Rural Bank Ltd, Effiakuma (Western Region)

1308. Management failed to keep proper records of personal emoluments of staff in the district to ensure that, salaries are paid to only staff belonging to the district.

1309. Management also failed to obtain Mechanised Salary Vouchers from the Controller and Accountant-General's Office for examination and certification to ensure that only staff members belonging to the district are on the payment voucher.

1310. This irregularity resulted in the payment of salaries to unidentified persons and a financial loss to the state. We made the following recommendations:

- (i) The District Director should write to the Manager of the respective banks to stop further payments to the three (3) persons and any balance in their Accounts should be transferred to the Controller and Accountant-General's Salary Suspense Account.
- (ii) The District Accountant should submit the mechanised payment vouchers from January to December, 2012 and January to June 2013. This will enable the audit team ascertain the total amount paid out or withdrawn as unearned salary.

- (iii) The District Accountant should ensure that the names are deleted from the salary payroll.
- (iv) The District Director should also ensure effective monitoring to avoid the recurrence of this irregularity.

1311. Management responded that it wrote letters to the respective banks of the unidentified persons to stop further payments to them and to transfer any balances in their accounts to Controller and Accountant-General's Salary Suspense Account.

1312. Management also stated it had forwarded the names to the payroll processing unit of GES at the headquarters for deletion.

Staff vacated post but continued to draw salaries

1313. Regulation 292 (1) of the Financial Administration Regulations, (FAR), 2004 states that "every head of department shall keep records of all personal emolument of staff employed in the department in a form that ensures, among others, that payments are not made to staff who do not belong to the department or unit".

1314. Regulation 297 (1) also states that "a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has; been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the

establishment; been absent from duty on leave without pay; been convicted of an offence involving theft or fraud or a sentence of imprisonment, Resigned, Retired or Died”.

1315. Records made available revealed that five teachers and one nonteaching staff of the district vacated post in September 2011 but continued to draw salaries up to June 2013 without their names being deleted from the pay roll. Details are stated in the table below.

No.	Name	Staff ID	Rank	Former School	Date of Separation
1.	Samuel B. Nyurekyor	89320	Supt. II	Shehu Umaru Memorial Basic School	Sept. 2011
2.	Chrisrich Draffor	286032	Supt. I	Shehu Umaru Memorial Basic School	Sept. 2011
3.	Bruku Grace Abena	657545		Henkel Memorial JHS	Sept. 2012
4.	Nelson Tefe N.K.	137399		Kwadwofour DA Primary	Sept. 2012
5.	Kuttor Emmanuel	183433		Chinderi DA Primary 'B'	Sept. 2011
6.	Dordoe Anthony	739639	Non-teaching staff	District Education Office, Krachi	Sept. 2011

1316. We were however, unable to ascertain the total amount drawn by the officers as unearned salaries for the period because the accountant could not produce mechanised payment vouchers for the period September 2011 to June 2013 for our examination.

1317. The Head Teachers and Circuit Supervisors of the respective schools failed to inform the District Director for necessary actions. This resulted in the continuous withdrawal of salaries by the six officers up to June 2013.

1318. The various District Directors who acted within the period also failed to do proper monitoring resulting in this irregularity.

1319. We recommended the following:

- (i) The District Accountant should submit to the audit team the mechanised payment vouchers for the period September 2011 to June 2013. This will enable the audit team ascertain the total amount withdrawn by each of the six officers as unearned salaries.
- (ii) The district director should write to the Manager of Ghana Commercial Bank, Kete-Krachi to stop further payments to them and any balances in their Accounts should be transferred to the Controller and Accountant-General's Salary Suspense Account.
- (iii) The District Accountant should ensure that the names were deleted from the salary payroll.
- (iv) The Head Teachers and the Circuit Supervisors should recover the total amount already withdrawn by the six officers within the period. The amounts involved should be recovered from the Head Teachers and Circuit Supervisors if the six officers fail to pay up.

- (v) The District Director should also ensure effective monitoring to avoid the occurrence of this irregularity.

1320. Management took action by writing to the Manager of Ghana Commercial Bank, Kete-Krachi to stop further payment and to transfer any balances in their Bank Accounts to the Controller and Accountant-General's Salary Suspense Account.

1321. Management also forwarded their names to the payroll processing unit (IPPD) of GES at the headquarters for deletion.

1322. Management was advised to ensure full recovery of the unearned amounts.

Pupil teachers engaged without the requisite certificates

1323. One of the prerequisites for engaging Pupil Teachers is the submission of application letter by the applicants and certificate from the schools they attended.

1324. Our audit disclosed that 17 Pupil Teachers engaged by the Krachi West Education Office for the periods, 2009/2010 and 2011/2012 academic years were without the requisite qualifications.

1325. We noted that copies of their certificates could not be located on their personal files. The human resource personnel could not produce copies of the certificates upon audit request. We observed that, apart from copies of individual appointment

letters, copies of application letters and acceptance letters could also not be located in their personal files.

1326. In the absence of these documents, we were of the view that the pupil teachers engaged during the periods stated were without the requisite qualification and their engagement could lead to poor quality of teaching which can affect the academic performance of the pupils in the schools where these pupil teachers have been posted to teach.

1327. We recommended that the Human Resource Officer should ensure that the under listed documents relating to the pupil teachers are provided on their files to regularize and authenticate their appointments.

Application letter

Educational Certificates/etc.

Birth Certificate

Acceptance Letter

1328. Management explained that the issue had been referred to the human resource officer to get the staff involved, to provide the necessary/relevant documents to update the records in the office and their personal files.

GHANA EDUCATION SERVICE, DISTRICT OFFICES (SAVELUGU, YENDI AND BIMBILLA)

Unsupported Payments – GH¢370,892.74

1329. Three District offices of Education failed to adequately support payments made, in contravention of Section 39(2c) of the Financial Accounting Regulation (FAR) 2004. They are:

Ghana Education Service, Savelugu	GH¢311,865.00
Ghana Education Service, Yendi	GH¢ 3,155.00
Ghana Education Service, Bimbilla	<u>GH¢ 55,872.74</u>
	<u>GH¢370,892.74</u>

1330. The anomaly was due to the failure of the accountants of the three offices to ensure that monies paid out are properly accounted for.

1331. The act of not supporting payments with adequate supporting documents, make its difficult for independent reviewers to ascertain the authenticity of the transactions involved.

1332. Management of the offices were advised to ensure that the practice was not repeated in subsequent transactions.

GHANA EDUCATION SERVICE, SAVELUGU OFFICE

Advances not Accounted for – GH¢7, 683.60

1333. The Accountant of Savelugu office of GES gave out advances totalling GH¢7,683 but failed to ensure that the monies were properly accounted for.

1334. The risk that the money would have been used for purposes other than the intended purposes cannot be ruled out.

1335. Poor supervision and ineffective financial controls on the part of Management contributed to the lapse.

1336. We recommended to Management to ensure that officers who were granted the advances account for the monies taken or the amounts should be treated as loans and salary advances to the respective officers, which should be recovered from their monthly salaries.

GHANA EDUCATION SERVICE, BIMBILLA OFFICE
Procurements above the head of entity's threshold -
GH¢184,144.24

1337. Schedules 3 (B1) of the Public Procurement Act 2003, (PPA), (Act 663) outlines the threshold for the Head of Entity and the District Tender Committee, among others, for the procurements of goods, works, technical and consultancy services.

1338. We noted on the contrary that management of the GES, Bimbilla District Office, in disregard of the provision of this schedule procured goods worth GH¢184,144.24 over and above the threshold of the head of the unit without referring the procurement transactions to the Directorate's Tender Committee.

1339. This action on the part of management constituted an infraction of the PPA as stipulated under Section 92 of the Act. The lapse is attributed to Management's reluctance to comply with and disregard for procedures enshrined in the Act. Whenever Management overrides internal controls intended to ensure orderly conduct of business and protect public resources, the violation poses a high risk to economy, efficiency

and effectiveness in the use of resources and protection of public assets. We drew attention to the existence of sanctions under Section 92 of the PPA for breaches by the entity head for compliance.

1340. The District Director and Accountant could not provide any reasonable explanation for their failure to comply with the requirements of the PPA.

1341. We recommended that, the payment made for goods and services over and above the threshold of the entity head (the District Director of Education) of GH¢184,144.24 should be jointly refunded to the directorate by the Director and the Accountant who sanctioned the payments for those transactions.

1342. We further recommended that, all subsequent procurements above GH¢5,000 and GH¢10,000 for goods and works respectively should be referred to the Entity Tender Committee of the unit for approval and that Management must ensure compliance with the provisions of the P.P.A. henceforth

Payments of capitation without receipts and schools performance and improvement plans (SPIP) – GH¢134,766.49

1343. Section 6.0 of the guidelines for the distribution and utilisation of capitation grants to basic schools requires the preparation of the School Performance Improvement Plan (SPIP) by the beneficiary schools.

1344. Our audit of the operations of the District Directorate of Education, Bimbilla revealed that, contrary to the above regulation, a total amount of GH¢134,766.49 was disbursed to some schools without the beneficiary schools submitting any Schools Performance Improvement Plans (SPIPs) or issuing receipts to acknowledge the receipt of the amounts involved.

1345. This omission was due to negligence on the part of management of the directorate to apply due diligence in the disbursement of capitation grants.

1346. We were therefore not able to authenticate the payment of the said amount to the beneficiary schools. The likelihood that, these monies might have been diverted for other purposes other than the intended purposes could not be ruled out.

1347. Also, disbursement without Schools Performance Improvement Plans (SPIPs) could result in expenditures by head of the beneficiary schools in areas not intended by or catered for under the capitation scheme thereby causing misapplication and misappropriation of the nation's scarce resources.

1348. We recommended that, the beneficiary schools issue receipts to the directorate acknowledging the receipt of the amount and the receipts made available for inspection, failing which the schedule officer and accountant should be made to refund the amount to chest.

1349. We also recommended that, schools that benefited without their schools performance improvement plans (SPIPs) should be made to submit copies of the SPIPs to the directorate and same made available for audit verification.

1350. Management was further advised to follow due process and due diligence in future disbursement of capitation grants to ensure efficient utilisation of the funds

Unlawful withholding of capitation grants – GH¢3,176.59

1351. The release of capitation funds by the Director General of Ghana Education Service to District Directors of GES is dependent on total enrolment in schools within the district, which when received shall be distributed to the various schools based on their enrolment levels. The Capitation accounts at the district level are transit accounts which should have a zero balance whenever the distribution of the grants to the beneficiary schools is done.

1352. A review of the cash book and the bank statements of the capitation grant account however revealed that an amount of GH¢3,176.59 was sitting in the account, which contravenes the guidelines for the utilisation of the funds.

1353. The infraction is a result of a deliberate act by management of the directorate for not distributing all the monies due the beneficiary schools but keeping some balances for reasons best known to only the Director and Accountant of the GES Directorate, Bimbilla.

1354. When funds meant for the implementation of government policy are not used for the intended purposes by management, it can lead to the failure of the policy and cause public disaffection for the Government.

1355. Management responded that the retained balance of GH¢3,176.59 was to be used to offset transfers of capitation grants that will not be able to meet the total enrolment. We did not find this acceptable since capitation grants are released based on total enrolment of schools.

1356. We recommended that, management should redistribute the balance on the accounts to the beneficiary schools from whom the deductions were made and henceforth desist from the practice.

Failure to pay back inter-account borrowings – GH¢2,306.00

1357. Inter-accounts borrowings are allowed provided the amount borrowed is paid back on time in order not to defeat the purpose for which a specific release into an account is made.

1358. We discovered during our inspection that, a total amount of GH¢2,306.00 borrowed from the cultural account since September 2011, for non-cultural activities had not been paid back.

1359. This practice, we noted, would hinder the operations of cultural activities and hence defeat the very purpose of the cultural fund.

1360. We therefore, recommended that the amount borrowed from the cultural account was paid back immediately and evidence of the repayment made available for our verification.

Pre-financing of suppliers and contract works - GH¢117,778.00

1361. Section 64 of Part VI of the Financial and Accounting Instructions for Secondary Schools, Training Colleges and Educational Units states that, No advance payment shall be made to a contractor unless provided for in the terms of the contract and shall in no case exceed fifteen percent (15%) of the contract sum.

1362. Our audit however revealed that, management of Bimbilla District Directorate of Education paid contractors advance mobilization over and above the approved percentage ceilings, implying that the directorate pre-financed the contracts involved. This act is in direct contravention of the Financial and Accounting Instructions for Educational Institutions.

1363. The anomaly was a result of Management's complete disregard for the stipulations of the financial and accounting instructions for educational units on contract management.

1364. The anomaly, if not checked, can lead to the suppliers or contractors not supplying or performing contract works to specifications since almost the entire contract sum might have been paid to them.

1365. By the action of Management the directorate paid GH¢102,250.00 being the cost of seven boreholes and a 3-unit classroom block, to Global Almas Ltd and M/S Expert Construction Ltd. However, the two projects were not carried out.

1366. We advised management to desist from the practice of pre-financing contracts in the future and to ensure also that the two projects mentioned above are accomplished to specification. Should the contractors fail to execute the projects the District Director and the two companies should be held jointly liable for recovery of the project amount into government chest.

Payment for non-existing contract – GH¢36, 000.00

1367. Regulation 39 (2c) of the Financial Administration Regulation 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”.

1368. Our audit however revealed that a contract with the total amount of GH¢74,323.33 was awarded to M/S Expert Construction Limited for the construction and furnishing of 3-unit class room block with ancillary facilities at Duni a village in the Nanumba North District. Part of the contract sum (GH¢36,000.00) was paid to the contractor via PV No. DD/17/11 of 15/11/2011. No documentation was found on the said contract.

1369. We followed up to the Duni community and realised that no such project has been executed by the contractor within the community. Further probe into the matter revealed that the Member of Parliament for the Nanumba North Constituency, via a memo, requested for the payment of the said amount to the contractor out of the MP's share of the GETFUND allocation to the directorate.

1370. The MP's directive however did not mean that the established procurement laws and procedure shouldn't be followed in the award of the contract which had resulted in a huge loss of GH¢36, 000.00 paid out for a project that did not exist.

1371. The loss of public funds was caused by management's total disregard for the procurement laws in the award of the contract. The provisions of the FAR was also violated by the head of the accounts section in making the payment to the contractor.

1372. The negligence of the authorising officers (i.e. the District Director of Education and the Accountant) has denied the community of Duni the 3-unit class room block with its ancillary facilities, a project aimed at improving quality education in the community.

1373. We urged management to ensure that the contractor refunds the said amount to the Directorate with interest at the prevailing bank rate to be calculated effective from the date of

receipt of the said amount. Alternatively, the contractor could execute the project without any further delay. Failing all the above the amount of GH¢36, 000.00 should be recovered from the District Director of Education Mr. Afulani John Patrick and the Accountant, Mr. Moris B. Yinyeh who jointly made the payment.

1374. We also recommended that Management should follow the procurement laws and procedures in the award of contracts in the future.

Failure to follow due process in contract awards: Hand picking of contactors without following the laid down procedures – GH¢93,300.08

1375. Section 55 of the Part VI Financial Accounting Instruction for Secondary Schools, Training Colleges and Educational Units requires the head of the institution to serve notice of the intention to enter into any contracts for the supply of goods and materials or for the execution of work to be valued as stated in the Public Procurement Act and such notice shall state latest date by which the tenders shall be submitted and the notice shall be published on a notice board at the institutions offices and may in addition be published elsewhere.

1376. Sub-section 56 also required the board of governors or Ad-Hoc committee (Entity Tender Committee) at their first meeting after the latest date for the submission of tenders, to consider the tenders submitted. Should the board or the

committee not approve the lowest price tender, they shall state reasons therefore in the minutes of the meetings.

1377. A review of the contract document on the award for drilling of 7 bore holes awarded to M/S Global Almas Ltd disclosed that, the contractor (M/S Global Almas Ltd) neither purchased the bid document nor was the company part of the bidding process which saw it as the eventual winner of the contract. Additionally, no explanations or reasons were captured in the minutes of the tender committee for not awarding the contracts to M/S ABOWTA & Sons Company, whose bid emerged as the lowest at the evaluation sitting and bidding processes.

1378. In another development, we noted that the Directorate paid GH¢23,300.08 to M/S Piesie Yeboah vide PV# 07/06/11 of 15/06/11 for the supply of Dual desks for which no contract related documents such as bids, award letter, contractor's acceptance letter and SRV were found. This also violated Section 57 of the Financial and Accounting Instructions of Educational Institutions.

1379. The anomalies were due to Management's failure to comply with the laid down rules and procedures for contract management leading to arbitrary awards of contracts and neglect to ensure value for money in their actions and decisions.

1380. When contracts are awarded to contractors who do not bid for contracts, the awarding department/unit risks not obtaining value for money since the contractor would have little or no knowledge of the specification and terms of the contracts and is most likely to perform not according to specification. More so, the non-compliance with regulations and departmental instructions such as those cited above could lead to the supply of items that do not meet specification or the total failure to supply the stores, as in the cases above there was no evidence of the supply by way of stores received advice notes (SRAs).

1381. In our opinion there has been clear and deliberate violation of the procurement rules and procedures in the handpicking of M/S Global Almas Ltd for the award of the contract and the possibility of making personal gains from the contract at the expense of the GES directorate could not be ruled out. Again, failure to provide documentation on the supply of dual desks is seen as a deliberate attempt to manipulate the supply transactions for undue advantage of the authorising officers.

1382. We requested Management to retrieve all contract documents on the supply of the dual desks and make same available for our review. We further asked management to furnish the underlining reasons why the contractors were handpicked instead of going through the prescribed contract award procedures.

1383. At the time of preparing this report Management had not responded to our requests. We therefore recommend that appropriate sanctions as under the PPA should be imposed on the officers that authorised the contract.

Payment of mobilization to contractors without surety guarantee bond - GH¢49,880

1384. Part VI, section 65(6) of the Financial and Accounting Instructions for Secondary Schools, Training Colleges and Educational Units states that, for payments to be made in respect of an initial advance, payments prior to the commencement of work or delivery of supplies, the contractor enters into a bond with sureties for the repayment of the advance.

1385. Our audit inspections however revealed that, a total of GH¢49,880 was paid to two contractors as initial advance mobilization for construction works without any advance mobilization guarantee from the contractors which contravened the stipulations of the financial memoranda for educational Institutions and Units.

PV. No./date	Payee	Nature of Contract	Contract Sum GH¢	Mobilization Paid GH¢
D/43/12 of 23/08/12	No Easy Way Construction	Rehabilitation of Jilo prim. Head teacher quarters	17,715.00	2,630.00
17/01/12	Global Almas Ltd	Drilling of boreholes	70,000.00	47250.00
Total			87,715.00	49,880.00

1386. The anomaly is as a result of management's reluctance to ensure complete adherence and observance of the requirements of the financial and accounting instructions for educational units on contract management, a failure which could lead to contractors absconding with the department's funds, thereby causing loss to the directorate and the State at large.

1387. We urged management to adhere strictly to the above regulations in future.

Payment for contract without Engineers' certificate nor a certification from the Monitoring and Inspection Teams - GH¢ 102,835.00

1388. Section 65(a) of Part VI of the Financial and Accounting Instructions for Secondary Schools, Training Colleges and Educational Units requires that for payment to be made in respect of work done on contracts, the Ministry - for that matter, the departments' developments officer or such other person as the Ministry or the department may appoint for the purpose must have inspected the work done and given a certificate as required on Form 17 and 18, which forms shall be attached to the payment vouchers for payment.

1389. Our audit inspections at the Education Directorate of the Bimbilla District revealed that, a total amount of GH¢102,835.00 had been paid to contractors for various construction works without supporting the payments, without any certificate or inspection report from the development officer or a person so

appointed, to certify that the work done was commensurate with the amount paid.

1390. The anomaly resulted from Management's disregard for proper financial management and the stipulations in the Financial and Accounting Instructions for Educational Institutions.

1391. When payments are made to contractors for work not certified by the development officer or the monitoring and inspection teams, the department risks paying for works not properly done or works not done at all.

1392. We urged Management to ensure that, certification was made on the contract works by the development officer or the person(s) so appointed before effecting payments.

Non-deduction of 5% withholding tax of – GH¢282.72

1393. Section 84(2) a) and b) of Part X of Internal Revenue Act (2000) states that where a resident person pays a sum to another resident person which does not fall within sub-section (1), for the supply or use of goods or property of any kind or the supply of any services in respect of a contract between payee and a resident person other than an individual exceeding 50 currency points, the person making the payment shall withhold tax on the gross amount of the payment at rate prescribed in Part IV of the first schedule.

1394. Furthermore, section 88 (1) of the same Act, states that a withholding agent who fails to withhold tax in accordance with this subdivision 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 the amount from the payee.

1395. Contrary to the above, we noted during the examination of payment vouchers that an amount of GH¢282.72 was not deducted from payments made to suppliers and service providers from the period 18/01/11-19/10/12.

1396. The accountant failed to comply with the above mentioned regulations hence the infraction. The action of the accountant denied government of much needed revenue for the execution of its programmes.

1397. We recommended to Management to retrieve the amount involved from the service providers and suppliers and pay same to the Domestic Tax Division of Ghana Revenue Authority without fail, otherwise the amount should be recovered from the accountant. We also urged Management to comply with the above stated regulations in future.

Failure to remit 5% withholding tax deduction - GH¢681.50

1398. Section 87(1) Part X of the Internal Revenue Act, 2000 (Act 592) states that, subject to sub-section (2), a withholding agent shall pay to the Commissioner a tax that has been withheld or that should have been withheld under this subdivision within fifteen days after the end of the month in

which the payment subject to withholding tax is made by the withholding agent.

1399. Contrary to the above, we observed that an amount of GH ₵681.50 deducted from payments made to contractors as 5% withholding tax deductions was not remitted to the Internal Revenue Service.

1400. The District Accountant failed to comply with the regulation stated above hence, the failure to remit the said amount to the IRS.

1401. The action of the accountant denied the government the use of the unremitted amount for the pursuit of government's financial business.

1402. We recommended the immediate payment of the amount to the Internal Revenue Service without any further delay and evidence of the payment provided for verification and confirmation.

Stocks of unneeded textbooks – GH₵7,050.00

1403. Store Regulation 102(d) 1984 states that stockholdings should at all times be kept to an economic minimum consistent with the maintenance of an effective service level.

1404. We noted on the contrary that a significant stock of Akan and Dagbani textbooks worth not less than GH₵7,050.00 were kept at the directorate's store.

1405. Records at the stores indicated that some of the books were supplied to the directorate by Ministry of Education as far back as 2006 and 2007. Management appeared not to be aware of the presence of the said books in their stores.

1406. The continuous stay of the books at the stores could cause them to deteriorate. We therefore advised Management to take immediate steps to distribute the said books to schools.

1407. Management claimed that the said textbooks are a buffer stock for reference purposes.

1408. However, in our opinion, Management's claim was not satisfactory as the said books were supplied to the directorate for distribution to basic schools and not to be kept as a buffer stock. Again, the Directorate Stores is not a reference library where reference books are kept and, more so, storage conditions in the store room do not permit storing books for that long as they could deteriorate with time.

**GHANA EDUCATION SERVICE - REGIONAL OFFICE,
TAMALE**

**Payment for Repairs/Maintenance without Works Orders and
Performance Certificates - GH¢3,866.45**

1409. We noted that repairs works carried out amounting to GH¢ 3,866.00 were not supported by works orders and certificates of satisfactory work done. This contravened Regulation 1522 of the store Regulation, 1984.

1410. We recommended and management agreed that all repairs and maintenance works should be backed by works orders and certificates of satisfactory performance.

MUNICIPAL EDUCATION OFFICE, WA

Unretired Imprest – GH¢2,000.00

1411. In breach of section 13(c) of Part II of the FAR, 2004 (L.I 1802) we noted that staff of the department failed to account for an amount of GH¢2,000.00 released to them to incur expenses on behalf of the department.

1412. The lapse occurred either due to the Accountant's failure to request the officers to account for amounts released to them or the officers did not use the amounts for the purposes for which they were released and this could lead to the misuse and diversion of funds.

1413. We advised that the officers concerned should be requested to account for the amount failing which a refund should be pursued.

Misapplication of Funds – GH¢24,966.00

1414. Section 179 (1) of the FAR, 2004 (L.I 1802) states that a head of department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities.

1415. On the contrary, we noted that the department misapplied a total amount of GH¢24,966.00 out of specific

funds for recurrent and administrative expenditures. As a result the activities for which the funds were released were either delayed or not performed.

1416. We advised the refund of the amount from the department's recurrent funds.

Purchases without alternative quotations – GH¢44,982.00

1417. Contrary to section 43 (1) of the PPA, 2003 (Act 665) which requires procurement entities to request quotations from at least three different sources in the procurement of goods, we noted that the department did not obtain alternative quotations for goods procured worth GH¢44,982.00.

1418. The lapse was due to non-adherence to procurement rules and this could result in the payment of high prices for goods and services.

1419. We advised management to adhere to the procurement rules.

Failure to Deduct withholding Tax – GH¢726.40

1420. Section 84(2) of Part X of the IRS Act, 2000 (Act 592) requires the deduction of withholding tax of 5% of the gross amount from payment to service providers and suppliers.

1421. On the contrary, the department failed to deduct an amount of GH¢726.40 as withholding tax from payments to

service providers. This deprived the State of tax revenue amounting to GH¢726.40.

1422. We recommended recovery of the amount from the payees.

Purchases from Non-VAT Registered Entities-GH¢27,759.19

1423. We observed that the department purchased goods worth GH¢27,759.19 from non-VAT registered entities, contrary to section 183(4) of FAR which requires departments to procure stores from only VAT registered entities.

1424. The above was due to non-compliance with rules and regulations. The result was that government lost VAT revenue of GH¢4,163.87 being 15% of GH¢27,759.19.

1425. We advised management to ensure adherence to the VAT regulations in all future procurements.

Items not recorded in Stores-GH¢8,920.00

1426. Contrary to section 0522 of Stores Regulations 1984 which requires that the receipts of stores should be by stores receipt vouchers and recorded in stores ledgers, we noted that the Service failed to receive stores valued at GH¢8,920.00 by SRV and the items were not also recorded in the store ledgers.

1427. As a result of the lapse which was due to failure to adhere to rules and regulations, we were unable to verify the

receipt and usage of the items. This could lead to non-supply and diversion of store items.

120. We therefore recommended that the items should be recorded and their final disposal disclosed for audit verification.

NON-FORMAL EDUCATION DIVISION, WA

Unacquitted Payments – GH¢1,286.50

1428. Section 39 of the FAR, 2004 (L.I 1802) states that the head of the accounts section shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

1429. On the contrary, we noted that payments totalling GH¢1,286.50 were not properly acquitted as they were not supported with invoices receipts and statements of accounts.

1430. This occurred because the Accountant failed to ensure that the necessary supporting documents were provided before payment and such omissions could lead to diversion of funds.

1431. We urged Management to properly acquit the payments or the officers concerned should be held liable.

NON-FORMAL EDUCATION DIVISION, SEFWI-WIAWSO

Unearned salary – GH¢6,679.40

1432. Mr. Dominic Gyasi who vacated post in October 2011 to pursue further studies at Sefwi-Wiawso College of Education

was paid a total amount of GH¢6,679.40 for the period October 2011 to February 2013 contrary to Section 297 (I f) of the FAR.

1433. Failure on the part of the Coordinator to authorise the release of only what was due him resulted in the over payment by the bank the amount of GH¢6,679.40.

1434. The state had been denied the use of the unearned salary for other commitments. The state loses the amount if the coordinator fails to retrieve the amount from Mr. Dominic Gyasi.

1435. The Coordinator, meanwhile has contacted Mr. Dominic Gyasi to refund the amount involved to chest. A letter No. NFED/SWEB/1 -13 of 13 July 2013 has been forwarded to Controller and Accountant-General through the Regional Coordinator for deletion of Mr. Dominic Gyasi's name.

MUNICIPAL EDUCATION OFFICE, AXIM

Unsupplied stores – GH¢80,089.80

1436. Section 0522 of the Stores Regulation 1984 requires that a store receipt voucher shall be prepared for the recording of all goods received into stores.

1437. Payment vouchers examined revealed that management made a total payment of GH¢80,089.39 to various institutions for the supply of various items, however there was no evidence to suggest that the items were supplied.

1438. Management failed to ensure that all procurement orders had been duly supplied and gone through the store records before making payments.

1439. We could therefore not confirm the genuineness or otherwise of the expenditure amount of GH¢80,089.80.

1440. We recommended and Management agreed to properly account for the items allegedly procured for the service failing which the expenditure amount of GH¢80,089.80 should be surcharged against them.

Unearned salaries – GH¢5,327.25

1441. Section 297 (1, e and f) of the Financial Administration, 2004, L.I. 1802 requires that, a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has retired or died.

1442. Our audit of the payroll revealed that unearned salaries had been paid to two separated staff totalling GH¢5,327.25 as detailed below:

S/No.	Name of staff	Staff ID	Separated by	Amount GH¢	Name of Bankers
1.	Mr. Isaac Armah	273816	Retirement	529.09	SSB Tarkwa
2.	Mr. Stephen E. Armah	287652	Death	4,798.16	Nzema Manle Rural Bank
Total				5,327.25	

1443. Management failed to ensure that the names of the separated staff were deleted from the payroll when they became separated.

1444. Unearned salaries paid for no work done have the tendency of depleting the Consolidated Fund of monies that could otherwise have contributed to the financing of Government business.

1445. We recommended and Management agreed to ensure that the unearned salaries are recovered from the respective banks, individuals or beneficiaries involved and the same paid to government chest.

GHANA EDUCATION SERVICE - DISTRICT DIRECTORATE, ESSAM

Failure to refund unspent amount - GH¢1,000.00

1446. Part II, Section 13(c) of the Audit Service Act, 2000, Act 584 states among others that the Auditor-General shall examine in such manner as he thinks necessary the public and other Government Accounts and shall ascertain whether moneys have been expended for the purposes for which they were appropriated and the expenditures have been made as authorised.

1447. We noted on PV. No. 1 of 28/2/2012 that an amount of GH¢1,000.00 was released to Mr. Jacob Ofori of Sports Department for a sport festival. Although the festival did not come on he failed to return the amount to the Directorate.

1448. Due to weak internal control over cash management the Accounts Department did not compel Mr. Ofori to return the amount even though the Directorate was in dire need of funds for other activities, thus allowing the officer to suppress the amount of GH¢1,000.00 for one and a half years.

1449. We recommended that since the money was not used for the intended purpose, Mr. Ofori should be made to return the GH¢1,000.00 to the Directorate immediately else it should be recovered directly from his salary.

GHANA EDUCATION SERVICE, HALF-ASSINI

Unearned salary - GH¢168,639.99

1450. Financial Administration Regulation, 2004 L.I. 1802 Part XIV Regulation 298 (1) a) - f) stipulates that “a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment; or been convicted of an offence involving theft or fraud or a sentence of imprisonment; or resigned, retired or died.”

1451. The audit of the payroll revealed that management of the District Education Office, Half-Assini, failed to stop the payment of unearned salary totalling GH¢168,639.99 to individuals who died or vacated post during the period under review.

1452. We attributed this to failure on the part of the District Director, District Accountant and the Human Resource Directorate to regularly verify and certify salary vouchers to ensure that only staffs that belong to the unit have their names on the salary voucher.

1453. The lapse deprived the government of the sum of GH¢168,639.99 which could otherwise have been used to finance government business.

1454. We urged management to ensure that the total amount is recovered to chest or the District Director, District Accountant, Circuit Supervisors, Human Resource Director and Head Teachers in the District should be surcharged with recovery of the total amount involved.

1455. Management indicated that most of the teachers who vacated post were now coming back for re-engagement, and their documents were receiving attention at the Headquarters and that the unearned salary will be refunded when the process is completed. Management also stated that it had difficulty locating two individuals who were said to have passed away. However, Management was not able to provide us with the names of the teachers who were said to be coming back for re-engagement.

1456. We therefore reiterated our recommendation that Management should be held accountable for recovery of the unearned salaries.

Tax Irregularity - GH¢7,312.50

1457. Internal Revenue Act 2000, Act 592, Section III Sub-Section 88 (1) stipulates that “a withholding agent who fails to withhold tax in accordance with this sub-Section 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”.

1458. Messrs Samyanson Enterprise, was contracted to carry out repairs on a three unit classroom block at Bonyere Catholic Nursery School, a 3 unit classroom block at Bonyere Catholic Primary and Tikobo No. 2 Catholic Nursery School for a total contract sum of GH¢71,250.00. Instead of paying income tax of GH¢3,562.50 to the Domestic Tax Revenue Office, the contractor rather added an income tax amount of GH¢3,750.00 to the contract sum making GH¢75,000.00 which was paid by the accountant through payment voucher No. 1/12 of 23/12/2011 and, almost ten months later, another unnumbered payment voucher dated 12/10/2012.

1459. We attributed this anomaly to a failure by the Accountant to properly check the arithmetical accuracy of the transaction, as well as ineffective implementation of monitoring and evaluating systems to reduce or eliminate system control deficiencies.

1460. The result of this had been an additional cost of GH¢3,750.00 to the project and a loss of GH¢3,562.50 to Government in terms of tax revenue.

1461. We urged Management to ensure that a total sum of GH¢7,312.50 was recovered from the contractor, out of which GH¢3,750.00 should be paid to the Education account whilst the remaining GH¢3,562.50 paid to the Ghana Revenue Authority.

1462. Management indicated that the contractor had been called upon to refund the money.

MUNICIPAL EDUCATION OFFICE, TECHIMAN

Unsupported Payments – GH¢76,000.00

1463. Part II, Regulation 39, Sub-sections 2(c) and (d) of FAR 2004, require the Head of the accounts section to control disbursement and to ensure that transactions are properly authenticated to show that amounts are due and payable and any disbursement that does not meet the requirement is rejected.

1464. We observed that the former MP for Techiman North, allegedly provided support totalling GH¢76,000.00 to needy students from the GETFund account through the Municipal Education Directorate but contrary to the above requirements, the transaction were without the necessary supporting documents.

1465. The absence of appropriate documents supporting financial transactions creates suspicion about the genuineness of the transactions, however well intended, and must be avoided as it heightens the risk of financial malpractices that eventually result in the loss of public funds.

1466. We recommended that the appropriate supporting documentation should be provided to authenticate the transaction, otherwise the former MP and Mr. Godfred Axolu, the Director, should be held accountable for recovery of the amount of GH¢76,000.00 to Government chest.

REGIONAL EDUCATION OFFICE, SUNYANI

Fuel purchases not accounted for – GH¢1,363.50

1467. Part IV Section 35 (2) (a) of the Financial Administration Act 654 of 2000 states that “Accountability is discharged when government stores have been consumed in the cause of public business and records are available to show that government stores have been consumed”.

1468. To the contrary, we noted that fuel purchased worth GH¢1,363.50 were not recorded in the log books. We could, therefore, not ascertain whether the fuel was actually bought and used for the benefit of the Service.

1469. We attributed the omission to a general public sector weakness of responsible public officials not adhering to regulations governing the conduct of Government financial business or public financial management.

1470. In view of the rising cost of fuel and lubricants we recommended to management to monitor fuel usage by complying with Section 35 (2) (a) of the Financial Administration Act and that the fuel of GH¢1,363.50 be duly accounted for.

DISTRICT EDUCATION DIRECTORATE, KUKUOM

Payments to third parties without authority notes - GH¢4,907.25

1471. Section II Regulation 43 of the Financial Administration Regulation, 2004 (LI1802) states 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”.

1472. We noted during the audit that, an amount of GH¢4,907.25 due to some beneficiaries of the MPs GETfund for payment of their school fees was paid to third parties without authority notes from the beneficiary students.

1473. Failure on the part of the Accountant to comply with the regulations was the primary cause of this irregularity and could result in moneys being paid to wrong people.

1474. In the absence of the authority notes from the beneficiaries, we recommended that the amount be recovered from the accountant.

Failure to provide school fees receipts - GH¢19,877.00

1475. Part II, Regulation 39 Sub-sections 2(c) and (d) of FAR 2004, require the Head of the accounts section to control disbursement and to ensure that transactions are properly authenticated to show that amounts are due and payable and any disbursement that does not meet the requirement is rejected.

1476. Contrary to the above requirements, a total amount of GH¢19,877.00 was paid to needy students to support their education without requesting them to substantiate the payments by obtaining and submitting acknowledgment receipts from their respective schools.

1477. The absence of the receipts from the respective schools could connote non receipt of any monies by the schools and as well facilitate financial malpractices leading to loss of funds.

1478. In the absence of the receipts, we recommended that the total amount of GH¢19,877.00 should be recovered from the Accountant, Mr. Asumang John and the District Director Mr. Osei Kwadwo Hayford.

Inadequate supporting documents-GH¢12,621.90

1479. In another instance, we noted during our examination of DFID account that eleven (11) payment vouchers totalling GH¢14,621.00 had expenditure documents amounting to GH¢1,999.10 leaving GH¢12,621.90 unaccounted for.

1480. The absence of the supporting documents could facilitate financial malpractices which may result in the loss of funds.

1481. In the absence of the supporting documents, we recommended that the amount should be recovered from the Accountant, Mr. Asumang John.

Purchases not routed through stores-GH¢2,208.75

1482. Regulation 183 (3) of the FAR, 2004 (LI.1802) requires a head of department to be accountable for the proper care, custody and use of government stores from the time of acquisition until they have been used or otherwise disposed of.

1483. Contrary to the above, we noted that, store items purchased from the DFID account for the period amounting to GH¢2,208.75 were not routed through stores and their final disposal not indicated as prescribed by the regulations. Details are shown below:

Date	P v no.	Details	Suppliers	Amount GH¢
26/4/2011	28/2011	Purchase of two printers	Sadatech Co. Ltd. Accra	1,947.50
03/5/2012	35/2012	Cost of one car battery	Nicholas Marfo Ent. Goaso	261.25
Total				2,208.75

1484. Failure on the part of the District Director and Accountant to effectively ensure compliance with the regulations accounted for this lapse.

1485. The omission could result in payments for goods that might not be supplied or short delivered.

1486. We recommended that the Finance Officer should ensure that the items are retrospectively taken on charge at the store

and their usage provided for our examination failing which the total amount should be recovered from the authorising officer and paid to chest.

MUNICIPAL EDUCATION DIRECTORATE, GOASO

Five missing and eighteen defective Laptops supplied to selected Junior High Schools

1487. Part VIII section 9 of FAI states that," all cases of loss of stores or funds shall be reported immediately by the head of the institution and shall provide recommendation as stated in (a-b) of the regulation".

1488. Our follow-up and verification of supply of Laptop computers to some selected basic schools in the Municipality disclosed that, five (5) of the Laptops were missing and eighteen (18) faulty. Inadequate security and ineffective handling of the laptops led to the anomaly.

1489. The loss and disfunction of the laptops in the affected basic schools could affect teaching and learning and also defeat the objective of the Ghana Education Service to promote teaching of Information Communication Technology.

1490. We recommended to the Municipal Director to initiate investigation into the five (5) stolen Laptops and those found culpable dealt with accordingly whilst, the eighteen (18) defective laptops are returned for replacement in order to achieve the intended purpose.

Payment of unearned salary - GH¢107,260.40

1491. Regulation 297(1) of the Financial Administration Regulation 2004 stipulates that, a head of department shall cause the immediate stoppage of salary to the public servant when that public servant has retired, vacated post, resigned, granted leave without pay or died.

1492. On the contrary, we noted that, between October 2007 and July 2013, eighteen separated teaching staff were separated as a result of vacation of post, death and study leave without pay, were paid an unearned salary of GH¢107,260.40.

1493. Managements' failure to write officially to their various banks to cause stoppage of payments of their salaries and subsequent transfer of the unearned salaries to the suspense accounts has contributed to the lapse. This had deprived the state the needed funds for development.

1494. We urged management to pursue recovery of the total amount of GH¢107,260.40 from the 18 separated staff. Management should also liaise with the IPPD of Ministry of Education to ensure prompt deletion of the separated staff names from the payroll.

GHANA EDUCATION SERVICE- BUSUNYA

Fuel purchases not accounted for - GH¢2,067.10

1495. Part IV Section 35 (2) (a) of the Financial Administration Act 654 of 2000 states that "Accountability is discharged when government stores have been consumed in the cause of public

business and records are available to show that government stores have been consumed''

1496. Contrary to the above regulation, we noted that fuel purchased worth GH¢2,067.10 were not recorded in the log books by the Directorate. We could, therefore, not ascertain whether the fuel was actually bought and used for the benefit of the Service.

1497. We attributed the weakness to non adherence to the above quoted regulation.

1498. We recommended to management to monitor fuel usage by complying with Section 35(2) (a) of the Financial Administration Act.

1499. We also advised that the usage of the fuel should be duly accounted for.

GHANA EDUCATION SERVICE, KENYASE

Payment for maintenance of official vehicle without works order - GH¢14,033.00

1500. Contrary, to Section 16(1) (a) of the Financial Administration Act, Act 654, the office paid GH¢14,033.00 for vehicle maintenance without works order.

1501. Managements' failure to comply with the law could result in the payment for no works or services rendered and loss of funds to the office.

1502. In order to show transparency in the financial business of the office, works order should always be prepared before maintenance are carried out.

WA EAST DISTRICT EDUCATION OFFICE-FUNSI
Failure to Deduct 5% Withholding Tax -GH¢650.90

1503. Section 87 of the Internal Revenue Service Act, 2000(Act 592) require that 5% tax should be deducted from gross amounts paid to suppliers and service providers who supplied goods or render services.

1504. On the contrary, we noted that the Service made payments for goods and services provided costing GH¢13,018.00 without deducting withholding tax of GH¢650.90.

1505. The lapse which was due to failure on the part of the Accountant resulted in loss of tax revenue of GH¢650.90. We recommended a retrieval of the amount from the service providers.

Payment for Repairs without Works Order and Certification of Work Done-GH¢15,057.00

1506. A total payment of GH¢15,057.00 was made for repairs carried out on vehicles without the support of works order and certificate of satisfactory work done.

1507. The above contravenes section 16 (1) (a) of the FAA which requires that payment shall not be made unless a certificate of satisfactory work done had been issued.

1508. Management's failure to adhere to the regulation accounted for the lapse and this could result in payment for work not satisfactorily done and at high prices.

1509. We recommended adherence to the provisions of the Act.

NON-FORMAL EDUCATION - KETE-KRACHI

Funds not accounted for – GH¢5,990.00

1510. Regulation 1(1) of the Financial Administration Regulations (FAR), 2004 (L.1. 1802) requires a public officer responsible for the conduct of the financial business on behalf of the government of Ghana, or the receipt, or custody and disbursement of public and trust monies, to keep proper records of all transactions and produce the records when called upon to do so by the Auditor-General.

1511. Also, generally accepted accounting practice require that disbursements should be supported with the original of a voucher which shall contain full particulars of the transaction and the payee, as well as the signature of the authorising officer and the recipient.

1512. We noted from the review of the bank statement for the year 2011 that a total amount of GH¢5,990.00 was withdrawn without any evidence of expenditure. The transactions were also

not recorded in the cash book of the department. We also noted that the accountant failed to prepare a payment voucher to support the payments. Details are stated below.

Cheque. No.	Date	Payee	Amount GH¢
000457	08/03/11	District Director	4,000.00
000458	15/08/11	District Director	1,990.00
			5,990.00

1513. Our enquiries revealed that the total amount of GH¢5,990.00 represented funds received from the Krachi West District Assembly (KWDA) to support the programmes of the department in 2011. The accountant, however, failed to record the amount in the cash book or prepare payment vouchers to support the disbursement.

1514. Non-recording of the transactions in a cash book could result in concealment of cash or payments made for services not performed.

1515. Mr. Amos A. Borlu the Programme Officer, and the Accountant, L.Q. Adri, have been in breach of financial discipline and should be called to account for or refund the total of amount GH¢5,990.00. They should also face appropriate sanctions.

NON FORMAL EDUCATION DIVISION NKWANTA

Vacation of post-Agbeko Addlebang

1516. Regulation 297(1a) of the Financial Administration Regulations, 2004 of L.I. 1804 states, “A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment.”

1517. Contrary to the above regulation, an inspection of the staff attendance Register revealed that Mr. Agbeko Addlebang, a Driver, failed to report for work for a period of eight (8) months commencing November, 2012 to June 2013 without any tangible reason. Consequently he was queried by the District Coordinator per letter (query) dated 25-03-13 which the driver failed to respond to.

1518. However, when invited by the audit team Mr. Agbeko Addlebang, admitted to the offence with an explanation that he has been driving the District Chief Executive of the Nkwanta South District Assembly without any official request by the D.C.E to the District Coordinator for his services. Meanwhile, the District Chief Executive failed to heed to the instruction by the Regional Coordinator of Non Formal Education to release the driver to the Non Formal Education Division.

1519. We viewed the action of the driver as vacation of post and the failure of the District Chief Executive to release him as

an abuse of authority and a lack of respect for the Regional and District Coordinators.

1520. Under the circumstance, we were of the opinion that Mr. Agbeko Addlebang had shown gross disrespect for lawful authority and vacated his post by his absence and was therefore not entitled to the salary of GH¢3,025.36 paid to him from the period of his absence from or refusal to attend work.

1521. We recommended to the District Coordinator to ensure that appropriate action is taken to discipline the driver and the unearned salary of GH¢3,025.36 recovered from him.

1522. Management indicated it had noted the recommendation for compliance as soon as possible.

Retention of names of transferred officers on the department's payroll

1523. A review of the payroll records of the Non Formal Education Division of the Nkwanta South District revealed that eleven (11) personnel continued to be on the department's payroll whereas they had been transferred to different stations.

1524. This contravened Financial Administration Regulation 304 (1b) which requires a head of department or a head of a management unit to examine and certify the personal emolument payment vouchers to ensure that the names of staff on posting or transfer out, are deleted within three months.

1525. We attributed the omission to negligence of duty on the part of the District Coordinator and, if not rectified, it could lead to duplication of payment of salary and payment of unearned salary due to failure to report at the new station.

1526. We recommended to the District Coordinator, Mr. Tannor, to send inputs to the Controller and Accountant General for the deletion of their names from the department's Payroll as early as possible. Management intimated that it will inform the Regional Coordinator for an immediate action to be taken on the issue.

Inadequate logistics for the efficient running of the non-formal education division office

1527. We noted that due to the failure of the government to provide them the needed financial and logistical support, the Non-Formal Education Division office of Nkwanta South District lacked basic and functional logistics like cabinet, motor bikes for Zonal Officers, official vehicle, financial resources, etc, for efficient and effective operational duties.

1528. The effect of these was that NFED office at Nkwanta South was unable to execute effectively its educational and training programmes on Functional Literacy and Income Generating Activities for learners in the various communities in the district.

1529. We drew Management's attention to Part IV Regulation 183(1) of the FAR, 2004 (L.I.1802) which provides that "any officer responsible for the financial management of a

department shall ensure that acquisition of government stores are made and applied to public purpose in the most economical way”.

1530. We recommended that for effective implementation of government policy and the achievement of the aims and objectives of N.F.E.D, it is imperative that the organisation is adequately resourced financially and logistically.

1531. We urged Management to liaise with the Regional and National Coordinators to provide the District office with the needed basic logistics for the efficient and effective running of the Division.

1532. Management stated that it would liaise with the appropriate authorities to provide those logistics.

Irregular reporting on literacy classes & income generating activities

1533. It is incumbent on a head of department to ensure that all staff under his control or supervision are punctual and working effectively by submitting to him their monthly reports on literacy classes and Income Generating Activities for inspection.

1534. We observed, however, that the nine Programme Assistants listed below had failed to submit their monthly reports on a regular basis as stipulated in their formal letters of appointment and no sanctions were instituted against them.

Name of Staff	Zone	Jan	Feb	Mar	Apr	May	Jun
Martin Gawonyase	Brewaniase	X	X	X	X	X	X
Alagbe Thadeus	Salifu	√	X	X	X	X	X
Umaru Abdulai Mohammed	Tutukpene	X	X	X	X	X	X
Awasan Juliana	Nkwanta	√	√	√	√	√	√
Akutey Kafui	Obanda	√	X	X	√	X	X
Victor Afeke	Bonakye	√	√	√	√	√	X
Esther Anloade	Keri	√	√	√	X	X	X
Nyanney Solomon	Kecheibi	√	X	X	X	X	X
Daniel Oboisah	Tutukpene	X	X	X	X	X	X

1535. We were of the view that their actions constituted absence from duty during those periods of non submission of reports but the Coordinator failed to cause the stoppage of their salaries as required by Financial Administration Regulations 297 (a) of 2004, L.I. 1804 which states that, “head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment.”

1536. We attributed this to the failure of the District Coordinator to monitor the supervisors whose duty it is to visit the various centers' to monitor the activities and performance of the facilitators from which those reports would have been generated.

1537. We recommended to the District Coordinator, Mr. Raphael Tannor to monitor and ensure that the affected officers were sanctioned and compelled to write their reports to date.

1538. We further urged the District Coordinator to increase effective supervision on the supervisors' activities on a monthly basis. Management intimated that it had noted the recommendation for compliance.

Abandoned vehicle - GV 592 V

1539. Chapter 15, Regulation 1520 & 1521 of the Stores Regulation 1984 states, " In the event of any defect or breakdown of plant or machinery, an immediate report shall be made to an officer authorised by the Head of Department to receive such reports, and he shall be responsible for making arrangements for its early repair.

1540. All repairs and maintenance of plant and machinery shall be undertaken in the Department's own workshop, if one is available, or in another Government or State owned workshop if this can be negotiated. When any of these workshop facilities are not available the repair may be carried out at any workshop which is included in the list of recognized workshops published from time to time by the Ministry of Finance."

1541. Contrary to the above regulation, the Non-Formal Division of the Nkwanta South District had abandoned a broken-down vehicle with registration number GV 592 V since October 2012 to date without repairing it.

1542. The District Coordinator indicated that the Vehicle was released to the National Disaster Management Organisation (NADMO) through the intervention of the Nkwanta South District Chief Executive to transport materials from Kajebi to Nkwanta but had a break-down on the way. Since then, neither the Director of NADMO nor the DCE had made any effort to repair the vehicle and it had been left at the mercy of the weather to deteriorate.

1543. We were of the view that the continued willful neglect of the broken-down Vehicle could eventually lead to total damage of the vehicle and will deprive the Division of the use of the vehicle for the execution of their official duties.

1544. We recommended that immediate steps should be taken to salvage the vehicle and put it to use to assist with the programme delivery of the office.

1545. Management indicated it would liaise with the NADMO Coordinator and the DCE to ensure that the vehicle is repaired as early as possible.

1546. We further recommend that the District Chief Executive, the District Coordinator and the District Director of NADMO should collectively be held accountable for the full cost of repair

or replacement of the vehicle if they fail to use their best efforts to take corrective action to restore the vehicle for official use.

REGIONAL NON-FORMAL EDUCATION, SEKONDI

Unsupported payments – GH¢22,532.00

1547. Financial Administration Regulation 2004 (L.I. 1802) Part II Section 39 (2c) requires the head of accounts section to control disbursement of funds and ensure that the transactions are properly authenticated to show that amounts are due and payable.

1548. We however noted that, the department paid a total of GH¢25,011.50 between August 2009 and January 2012 for the organisation of workshops and training, purchases of stores and other miscellaneous expenses. Out of the amount, only GH¢2,480.00 was supported with receipts and statements leaving a balance of GH¢22,531.50 still outstanding.

1549. In our view, the failure to fully account for the above sum was due to Management's neglect to observe and comply with the above-quoted regulation and making payments without supporting them with receipts raise doubts about the credibility and genuineness of the disbursement made.

1550. We therefore urged Management to support the payments with receipts and other expenditure details, failing which the amount of GH¢22,531.50 should be recovered from the spending officer and paid back to government chest. We

recommended also that Management should observe financial regulations in the execution of all Government business.

1551. Management did not respond to our findings.

Purchases not covered by VAT receipts - GH¢4,496.00

1552. The VAT Act, 1998, Section 19 (I) requires a taxable person on making taxable supply of goods or services to issue to customers or persons supplied tax invoices in such form as shall be prescribed by the regulations.

1553. We observed during our audit that, the department made payments totalling GH¢29,970.00 between 5 August 2009 and 14 December 2012 to service providers but failed to obtain VAT receipts from them, thereby resulting in the non recovery to Government of tax revenue of GH¢4,495.54 being the VAT component.

1554. The anomaly occurred as a result of Management's failure to apply the above-quoted regulation.

1555. The failure to obtain VAT receipts has thus led to the loss of potential revenue of GH¢4,495.54 to the government.

1556. We recommended to management to ensure that the affected service providers issue VAT receipts to cover the payments to enable the expected revenue to be generated to the State.

1557. Management indicated that it had written to the service providers to provide the VAT receipts but they had failed to do so.

NON FORMAL EDUCATION DIVISION-SUNYANI

Failure to remit tax deducted- GH¢945.00

1558. The Internal Revenue Act 592 of 2000 under Section 87(2), provides that withholding tax agents shall pay to the Commissioner a tax that has been withheld within fifteen (15) days after the end of the month to which the payment subject to withholding tax is made.

1559. The management of the Division failed to remit withholding taxes totalling GH¢945.00 to the Commissioner of Domestic Tax Revenue Division, which omission had deprived the State of potential tax revenue.

1560. We urged management to ensure that the amount was remitted to the Commissioner without delay.

NON-FORMAL EDUCATION DIVISION-TUMU

Unearned Salary - GH¢4,305.14

1561. Section 297 of the FAR, 2004 (LI 180) requires the head of a department among other things to immediately cause the stoppage of payment of salary of a public officer who has either retired, resigned or died.

1562. On the contrary, we noted during an audit of the payroll of the department that the name of Issac K. Nyame who retired

from service in March 2013 continued appearing in payroll and salaries for the months of April to July 2013 totalling GH¢4,305.14 paid to his account. The amount was subsequently withdrawn with the assistance of the District Director.

1563. We recommended the retrieval of the amount from Issac K. Nyame or in default, the District Director should be held liable.

MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS
Payment of course fee to Maastricht University without official receipt - £25,434.93

1564. Our review of cash management relative to the Institutional Strengthening Plan (ISP) for the implementation of the national social protection strategy led to the identification of a transaction involving the payment of an amount of £25,434.93 in April 2012 to Maastricht University of Holland in respect of course fees for 15 officers of the Ministry of Employment and Social Welfare and the Department of Social Welfare which lacked acknowledgement receipt from the University.

1565. The control deficiency was in violation of Regulation 39 sub-regulations 2 (c) and (d) of the Financial Administration Regulation, 2004 which require heads of accounts section of departments to control disbursement of funds and ensure that transactions are properly acquitted. This established grounds for doubting the authenticity of the payment.

1566. Acting upon our recommendation, Management had placed a formal request for the issuance of an official receipt by

the University authorities but evidence of this document was yet to be provided by the Ministry for verification.

Transfer of unutilized funds to DFID in excess of the actual balance – £5,516.80

1567. Following the inability of the Ministry to utilize a total financial support of £557,028.67 provided by the Department for International Development (DFID) of Britain for the implementation of the Ministry's programmes under the Institutional Strengthening Plan (ISP), we observed that the DFID, on 2 October 2012 requested that the amount of £557,028.67 be transferred back.

1568. The Bank of Ghana however erroneously transferred £562,545.47 to the DTID instead of £557,028.67, giving rise to an excess payment of £5,516.80. The excess payment of £5,516.80 registered a shortfall in the amount required to make a final payment to a Consultant (the Institute of Statistical, Social and Economic Research of University of Ghana) working on a similar project under the ISP.

1569. We urged Management to notify the DFID about the overpayment of the £5,516.80 and ensure that the amount was recovered and paid back into the ISP account to enable the Ministry settle the Consultant's account. The Director of Finance & Administration commented that the Ministry had written to the DFID to refund the excess amount of £5,516.00 into the ISP account. DFID was yet to respond.

Financial returns from the MMDAs not available for review - GH¢99,500.00

1570. We reviewed the National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa (NPECLE) and noted that a total amount of GH¢99,500.00 disbursed between July to October 2012 to 30 Metropolitan, Municipal and District Assemblies for distribution to eligible beneficiaries had not been accounted for through submission of financial returns to the Ministry.

1571. We noted that time frames for the submission of the financial returns were not established by the Ministry and this omission has introduced unjustifiable flexibility in the accountability process, increasing the risk that funds could be diverted from their proper purpose.

1572. To this end, we recommended that Management should serve reminders on the defaulting Assemblies to submit the financial returns as soon as practicable. The Acting Chief Director stated that they had acted upon our recommendation and was awaiting the desired response from the Assemblies concerned.

Undistributed school uniforms and other school materials - GH¢225,000.00

1573. We reviewed the financial transactions under the National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa (NPECLE) and noted that large quantities of school uniforms and other items ordered from

Messrs Sambiaao Enterprise in the contract sum of GH¢225,000.00 for distribution to school children under the NPECLE, had instead been stored away in an unventilated container since their delivery on 19 November 2012. We believed that the stuffy storage condition of the container could turn the school uniforms mouldy resulting in poor value for money.

1574. We also noted, in violation of Regulation 39 (1) (2b) that only GH¢50,000.00 out of the total contract sum of GH¢225,000.00 had been settled as at 4 October 2013, leaving an outstanding amount of GH¢175,000.00. The Regulations stipulate 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 and that orders are made within the powers of and the funds available to the officer ordering disbursements”.

1575. We urged Management to ensure that the school uniforms and the other items were distributed to the intended beneficiaries and the outstanding balance of GH¢175,000.00 on the contract account settled.

Failure to remit 5% withholding tax – GH¢15,299.86

1576. Section 87(1) of the Internal Revenue Act, 2000, (Act 592) requires a withholding tax agent to pay to the Commissioner taxes that have been withheld within 15 days after the end of the month in which they were withheld.

1577. We noted that because the Ministry's cash management procedures were not compliant with the above law, the Commissioner-General of the Ghana Revenue Authority (GRA) had not been remitted withholding taxes totalling GH¢15,299.86 deducted from payments made to suppliers, contractors and other payees during 2013. The deficiency had adverse implication for achieving revenue targets and, as a result, undermined timely execution of government financial business or other developmental agenda.

1578. We recommended that Management should develop appropriate action plan to remit the Commissioner-General of GRA the retained withholding tax totalling GH¢15,299.86.

Payments without supporting evidence – GH¢42,108.00

1579. Regulation 39(2c) of the Financial Administration Regulations, 2004 requires the head of the accounts section of a department to control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

1580. In violation of the above regulation, we noted that seven paid payment vouchers amounting to GH¢42,108.00 relating to various financial transactions carried out in 2013 lacked supporting evidence. The absence of supporting documents such as official receipts, disbursement statements and store receipt vouchers resulted from weak financial management capacity, and precluded audit assurance regarding the occurrence of the transactions.

1581. We requested Management to provide the supporting evidence relating to the transactions amounting to GH¢42,108.00 but Management was not forthcoming with the documentation. We recommend, in the absence of the supporting documentation that Management should be held liable to refund the amount of GH¢42,108.00 to Government chest.

Payment Vouchers not made available for examination - GH¢ 24,517.32

1582. During our examination of the Ministry's Operations Account we identified that five paid payment vouchers totalling GH¢24,517.32 were not presented as part of the batches made available for audit, in contravention of Regulation 1(a) to (c) of the Financial Administration Regulations, 2004. The regulation requires any public officer who is responsible for conducting public business to keep proper records of all official transactions and produce records of the transactions for inspection when called upon to do so by designated officials including the Auditor General.

1583. Management demonstrated unpreparedness to fulfill accountability requirements in relation to the underlying transactions which gave rise to the total amount of GH¢24,517.32.

1584. We recommended that Management should provide supporting evidence covering the alleged transaction or refund the amount of GH¢24,517.32 involved.

Cash advance released from UNDP funds account not refunded – GH¢ 20,000.00

1585. We reviewed the accounts of the United Nations Development Programme (UNDP)/National Steering Committee on Child Labour and noted that a cash advance of GH¢20,000.00 which was released from the account in April 2013 to enable the ministry fly Ms. Anna Sencherey back from Addis Ababa, Ethiopia, (where she was hospitalized at the Landmark Hospital soon on arrival there) and meet other incidental expenses had since not been paid back.

1586. The utilisation of the funds in the manner described above is inconsistent with Regulation 179 (1) of the Financial Administration Regulations, 2004 (LI. 1802) which requires that funds are used only for the specific purposes for which they were created. With respect to this, the funds were provided by the UNDP to support the implementation of the agreed work plans by the ministry. Consequently, programme objectives might not be achieved due to the diversion of project funds from their proper purpose.

1587. We advised Management to ensure that: (a) an amount of GH¢20,000.00 disbursed to defray the airfare and medical expenses of Miss Sencherey is paid back into the UNDP bank account; and (b) UNDP funds are disbursed in line with agreed work plans. Management commented that they had applied to the Ministry of Finance to release funds to reimburse the UNDP account.

Purchases without stores documentation – GH¢ 16,425.00

1588. Regulation 0522 of the Stores Regulations, 1984 requires that a Stores Receipt Voucher shall be prepared for the recording of all goods received into store. Contrary to the above regulation, we noted during the examination of the UNDP accounts that a number of items such as T-shirts, Stationery, Digital Video Disc, and Digital Camera worth GH¢16,425.00 purchased in 2013 lacked stores documentation to provide a transaction trail for verification.

1589. We were unable to assure ourselves of the occurrence of the above transactions due to limitation occasioned by the absence of stores documentation largely because of the lack of supervisory involvement in the procurement function handled reportedly by the UNDP Project Accountant and the Schedule Officer.

1590. We requested Management to ensure that items with the purchase value of GH¢16,425.00 are accounted for with a distribution list receipted by all beneficiaries or in default recover the amount involved. We also advised Management to strengthen supervision of all business processes under the UNDP programmes.

1591. According to the Director of Finance and Administration, the UNDP Project Accountant and the Schedule Officer had been requested to account for the purchases as recommended.

LABOUR DEPARTMENT HEAD OFFICE, ACCRA

Unpaid workmen's compensation claims - GH¢2,195,026.32

1592. Section 35 of the Workmen's Compensation Act, 1987 (PNDCL 187) requires that compensation shall be paid to the workman or his dependants within three months of the receipt by the employer of the notification of his liability to pay the compensation.

1593. During our review of compensation claims, we noted a total amount of GH¢2,195,026.32 relating to this expenditure item comprising an outstanding amount of GH¢1,252,636.23 in 2012 and to GH¢942,390.09 in 2013 that had not been settled.

1594. The delay in settling the compensation claims, caused by the lack of funds, could saddle the government with the payment of avoidable judgment debt.

1595. We recommended that Management should apply to the Ministry of Finance through the sector Minister for the release of funds towards the settlement of the compensation claims totalling GH¢2,195,026.32 as at 31 December 2013. Management explained that relevant application for the release of funds had been forwarded to the Ministry of Finance since 23 April 2013.

Unearned Salary - GH¢27,058.90

1596. Regulation 297(1) of the Financial Administration Regulations, 2004 requires a head of department to cause the immediate stoppage of payment of salary to a public servant

when that public servant has retired, resigned, died, or vacated post.

1597. With the above regulation in view, we reviewed the mechanised salary vouchers of the Labour Department, Head Office and noted on the contrary that in 2013 a total amount of GH¢27,058.90 representing unearned salary was credited to the bank accounts of five separated staff members. Management instructed the bank to place an embargo on their accounts but this initiative was not complemented with a follow-up action to ensure compliance.

1598. We recommended and Management agreed to develop an action plan towards recovery of the unearned salary amounting to GH¢27,058.90 and also ensure deletion of the names from the payroll.

LABOUR DEPARTMENT GREATER ACCRA REGIONAL OFFICE

Expenditure without documentation – GH¢1,191.00

1599. Regulation 1 (1) of Financial Administration Regulations 2004 requires a public officer who is responsible for the conduct of financial business on behalf of the Government of Ghana to keep proper records of all transactions and produce records of such transactions for inspection when called upon to do so by designated officials including the Auditor-General.

1600. We tested alignment of the financial management process of the Labour Department Greater Accra, Regional Office with

the above regulation and observed that relevant accounting records such as cash books, payment vouchers and related documents had not been kept to record the financial transactions of the operations of Field Organisation and National Employment Service for which the Labour Department, Head Office had released funds totalling GH¢1,191.00 between 2010 and 2011.

1601. The non-existence of audit trail occasioned by weak financial management capacity precluded a review of the financial transactions to establish audit assurance regarding their occurrence or otherwise.

1602. We advised Management to ensure that the total disbursement of GH¢1,191.00 is properly accounted for and financial management capacity strengthened.

Unearned Salary - GH¢1,094.52

1603. We reviewed compliance with the requirements of Regulation 297 (1) of the Financial Administration Regulations, 2004 and noted through the examination of the mechanised salary vouchers of the department that the bank accounts of two separated staff were credited with GH¢1,094.52 in unearned salaries between August 2010 and December 2011 as detailed below.

No.	Name Of Staff	Basic Sal GH¢	Deduction	Net Sal. GH¢	Bank
1.	Agnes Azu-Woode	364.00	76.30	287.70	S.C.B. Liberia Road Accra.
2.	David Azongo	1,564.05	617.35	806.82	Rural Bank Dangbe.
		1,928.05	693.65	1,094.52	

1604. Financial Administration Regulations L.I. 1802, section 297(1) requires a head of department to cause the immediate stoppage of payment of salary to a public servant when the public servant has separated from the department.

1605. We noted that Management delayed in sending appropriate notification to the Controller and Accountant-General's Department to ensure prompt deletion of their names from the payroll.

1606. We urged Management to ensure that the unearned salaries of GH¢1,094.52 was recovered from the separated staff and paid into the Controller and Accountant-General's Suspense Account at the Bank of Ghana.

NATIONAL LABOUR COMMISSION

Unearned Salary - GH¢1,640.97

1607. Regulation 297(1) of the Financial Administration Regulations, 2004 requires a head of department to cause the immediate stoppage of payment of salary to a public servant when that public servant has separated from the department.

1608. Our examination of the mechanised salary vouchers of the Commission led to the discovery, in breach of the above regulation, that a total amount of GH¢1,640.97 had been paid into the bank accounts of two separated staff, Messrs Yaw Dartey Asamoah (GH¢302.77) and C.S. Sackey (GH¢1,338.20) in August 2011.

1609. Management's failure to establish preventive controls designed to notify the relevant bankers to place an embargo on their salaries in a timely manner resulted in the wrongful payment.

1610. We urged Management to recover the amount of GH¢1,640.97 from the two separated staff and pay into the Controller and Accountant-General's Suspense Account at the Bank of Ghana. Management responded that they had written to the two ex- staff to refund the amount for payment into the Consolidated Fund.

FACTORIES INSPECTORATE, HEAD OFFICE

Unearned Salary - GH¢6,307.97

1611. Our payroll audit of the department's accounts included the examination of the mechanised salary vouchers which unearthed the payment of unearned salaries totalling GH¢6,307.97 into the bank accounts of two separated staff between March and September 2013.

1612. The wrongful payment of the unearned salary stemmed from the failure of Management to establish preventive controls

in consonance with the provisions of Regulation 297(1) of the Financial Administration Regulations, 2004 which require a head of department to cause the immediate stoppage of payment of salary to the public servant when that public servant has retired, resigned, died or vacated post.

1613. We recommended that Management should recover the amount of GH¢6,307.97 representing unearned salary paid to the separated staff and ensure that the amount was paid into the Controller and Accountant-General's Suspense Account at the Bank of Ghana. Management stated that they had sent letters to the relevant banks to return the amounts to government chest.

FACTORIES INSPECTORATE - GREATER ACCRA REGIONAL OFFICE

Arrears in respect of factory registration renewal - GH¢175,090 and \$8,500

1614. We reviewed the financial records generated from the register of factories kept by the Chief Inspector of Factories under the Factories, Office and Shop Act, 1970 (Act 328) and noted that registrants of existing and new factories had defaulted in the payment of the annual Certificate of Registration renewal fees between January 2012 and December 2013. This omission had culminated in a total arrears of GH¢175,090.00 owed by 145 local factories, offices and shops as well as \$8,500.00 owed by six factories owned by foreigners respectively.

1615. We noted that Management had served reminders on the defaulters which went unheeded but had not enforced the debt recovery mechanism provided under Section 5 of Act 328 where pecuniary penalties could be imposed on recalcitrant defaulters on referral to the law courts.

1616. We recommended that Management should apply the sanctions outlined in Section 5 of Act 328 without prejudice to any other debt recovery mechanism that may be adopted to recover the arrears. We also advised Management to begin the process of deregistration of recalcitrant companies. Management agreed and stated that demand notice had been sent to the defaulters.

Purchases not supported with store records – GH¢10,222.00

1617. Section 35(2)(a) of the Financial Administration Act, 2003 (Act 654) vests accountability for government stores in the head of department which is discharged when the government stores have been consumed in the course of public business and relevant transaction trail is available for review.

1618. In violation of the above law, we noted during our review of procurement management that due to ineffective communication, collaboration, and coordination between the stores and accounting functions, government stores acquired at an aggregate purchase value of GH¢10,222.00 lacked stores documentation supporting their receipt and issuance. We were therefore unable to provide assurance as to whether the stores were consumed as intended.

1619. We advised Management to demonstrate with documentary evidence how the stores were consumed in furtherance of public business or recover the amount of GH¢10,222.00 disbursed for the purchase of the stores.

DEPARTMENT OF SOCIAL WELFARE, WA

Unretired Imprest – GH¢17,489.50

1620. We reviewed the cash management procedures at the department and identified that because Management did not adhere to the provisions of Regulation 288(3) of the Financial Administration Regulations a total amount of GH¢17,489.50 released to staff of the department as accountable imprest during the review period was not accounted for.

1621. Regulation 288(3) requires a head of department to report details of imprest holders who fail to retire their imprest by the due date to the Controller and Accountant-General with a copy to the Auditor-General. The accountable imprest released to the staff concerned could be used other than for the specific purpose for which they were issued and as a result, deliver poor value for money.

1622. We recommended that Management should request the affected staff to account for the imprest totalling GH¢17,489.50 or in default recover the amount from their salaries as advances made to them.

Unearned Salaries – GH¢2,349.10

1623. Due to Management's non-compliance with Regulation 297(1) of the Financial Administration Regulation, we observed

that the bank account of Mr. Adjin Bernabas who retired on 19 March 2012 was credited with GH¢2,349.00 representing his salary for April 2012.

1624. Regulation 297(1) requires a head of department to immediately cause the stoppage of the payment of salary of a public officer who has separated from the department. The payment of unearned salaries is a contributory factor to the upward spiral of government wage bill.

1625. We urged Management to recover the amount of GH¢2,349.00 and pay it into the Consolidated Fund.

DEPARTMENT OF COMMUNITY DEVELOPMENT

Unearned Salaries – GH¢3,093.44

1626. During the payroll audit of the department, we noted that because Management failed to abide by Regulation 297(1) of the Financial Administration Regulations, 2004 a total amount of GH¢3,093.44 representing unearned salaries had been paid into the bank accounts of two separated staff at the Agricultural Development Bank, Accra.

1627. Regulation 297(1) requires a head of department to immediately cause the stoppage of the payment of salary of a public officer who has separated from the department. The deficiency has the potential for creating financial loss to the State in view of the difficulty associated with recovery of unearned salaries.

1628. We recommended that Management should establish mechanism for the recovery of the amount of GH¢3,093.44 as soon as practicable.

MINISTRY OF YOUTH AND SPORTS

GHANA YOUTH EMPLOYMENT & ENTREPRENEURIAL DEVELOPMENT AGENCY (GYEEDA)

Direct transfers from Ghana Revenue Authority - GH¢136,820,153.15

1629. Sections 6 (1) a & b, of the FAR 2004, L.I.1802 states that “In accordance with Article 176 of the Constitution, all revenue or other moneys raised or received in trust or on behalf of the Government should be paid into the Consolidated Fund.”

1630. Contrary to the above provision, we noted from financing arrangement for the Programme that the National Youth Employment Program (NYEP) received its 60% of monthly Communication Service Tax direct from Ghana Revenue Authority (GRA) for its operations and not from the Consolidated Fund. For the period under review a total of GH¢136,820,153.15 was paid directly into the NYEP accounts (number 0125660057073 at Bank of Ghana) for its operations.

1631. This, in our opinion, contributed to the numerous control weaknesses identified in the operations of NYEP/GYEEDA because there were only few checks and balances in the management and disbursement of its funds.

1632. For effective expenditure control, we recommended that the Ministry of Finance should ensure that the 60% communication tax due the agency is channeled through the treasury system.

1633. Management agreed to communicate the recommendation to the Ministry of Finance for necessary action.

Absence of pre-qualification documentation on service providers

1634. Section 22 (1 & 2) of the Public Procurement Act, requires every Ministry, Department or Agency to request prospective bidders/suppliers to provide appropriate documentary evidence that they consider useful to satisfy themselves that a bidder/supplier is qualified to execute government contracts or render services. Such evidence may be obtained as part of the entity pre-qualification procedures or during submission of bids for tender.

1635. We observed that the Agency did not obtain enough evidence on the capacity and skills of 16 service providers it engaged before entering into agreement to provide training services valued at GH¢429,194,642.00 to targeted beneficiaries.

1636. In our review of the Memoranda of Understanding and payments made, we did not see any documentary proof relating to the basic procurement requirements as enshrined in Act 663.

1637. In our view, Management's failure to comply with the Procurement Act led to this anomaly. Management also failed to request for or inspect the qualifications of the service providers. The practice did not only contravene the Procurement Act but also created an avenue for unqualified persons/companies to be awarded government contracts with its attendant risk of non-performance and other forms of malpractices as indicated in the succeeding paragraphs.

1638. To conform to the Procurement Act, we advised Management to strictly adhere to the stipulated provisions of the Act by ensuring that qualified service providers

(a) Possess the following;

- (i) Professional and technical qualifications and competence
- (ii) Financial resources,
- (iii) Equipment and other physical facilities,
- (iv) Managerial capability, reliability, experience in the procurement object and reputation and
- (v) The personnel to perform the procurement contract

(b) Have fulfilled obligations in relation to the Ghana Revenue Authority and SSNIT requirements.

1639. We recommended that the former Ministers of Youth and Sports and the National Coordinator of NYEP/GYEEDA who were responsible for award of these contracts should be called upon to answer why the above stipulated requirements were not adhered to.

1640. According to Management, all the contracts have now been cancelled by the Minister of Youth and Sports effective December, 2013 upon a Presidential directive (referenced OPS182/2Vol.1/13/2323 of 18/11/13) from the Office of the President.

1641. In our view the cancellation did not negate the responsibility for accountability by the Ministers, NYEP officials and the beneficiary companies regarding the amounts that had been used under the respective agreements for services and to seek refund of any amount not properly utilized.

Excess budgetary expenditure - GH¢199,311,753.00

1642. Regulation 170 (2) of FAR 2004 enjoins departmental heads to ensure that expenditure shall not exceed the expenditure estimates in the approved budget. Regulation 172(2) of the FAR further states that if a need arise for expenditure for a purpose for which no sum of money has been appropriated by the Appropriation Act, supplementary budget estimates showing the sum required, shall be laid before Parliament for approval.

1643. Our review indicated that for the 2012 fiscal year, GYEEDA over run its budgetary provision of GH¢20,000,000.00 for Goods and Services by a colossal amount of GH¢199,311,753.00 which was released through the Ministry of Youth and Sports accounts. However, an approved

supplementary budget could not be sighted, contrary to above stated regulations.

1644. We further observed that the said payments described as arrears for beneficiaries and made to five companies/service providers were not supported with bills of claims indicating number of trainees and type of vocation engaged in, period of arrears, certificate of work done and other expenditure details to authenticate the payments with exception of April - June 2012 claims submitted by Zeera Group Company.

1645. As a result, services provided or works done could not be verified to justify the payments made. Also budgetary control, in our view, was not effectively exercised to ensure sound financial management and planned utilisation of public resources.

1646. In the absence of any supplementary budget and appropriate supporting documents, we recommended that the amount of GH¢199,311,753.00 released to the 5 companies should be investigated.

1647. We also recommended that the relevant supporting documents be made available immediately for further scrutiny or the said amounts be recovered from the recipients.

1648. Management agreed to comply with our recommendation but failed to provide relevant supporting documents to authenticate the payments.

1649. We further recommended that the National Coordinator and other approving authorities should be sanctioned for not exercising the necessary budgetary control in line with the above stated regulations. They should be held accountable for justification of the amount released or be surcharged with the expenditure that cannot be properly acquitted.

Services paid for but not rendered – GH¢33,664,105.49

1650. In reconciling the Memoranda of Understanding (MOU) with payments made, we observed that an MOU dated 12th October, 2009 between NYEP/GYEEDA and Messrs Asongtaba Cottage Industries Limited for the training of 10,000 youth in dressmaking, beads making, drum making and carving for six months in some selected regions by the company was not fully executed.

1651. Available records showed that from 4 November, 2009 to 7th July, 2010 a total amount of GH¢7,185,475.00, being the contract sum was paid.

1652. Contrary to agreed terms in the MOU, we noted that 3,000 beneficiaries targeted for beads making, carving and drum making projects and costing GH¢1,843,225.00 out of the total amount of GH¢7,185,475.00 were not trained.

1653. Under another MOU dated 2 December, 2009 the same company was to train 17,000 youth for six months in smock making, tie & dye making, soap making, carpentry & joinery and guinea fowl rearing at a total cost of GH¢25,620,075.25.

1654. Further checks by us, however, revealed that as at July, 2013 when the audit was carried out although the amount had been paid in full these training programmes or interventions had not been implemented, three and half years down the line. This was a clear indication to us that the programmed interventions would not take place.

1655. The absence of sanctions in the MOU for non-performance and the making of upfront payments to service providers without the necessary monitoring and supervisory role by the NYEP/GYEEDA contributed greatly to the non-implementation of the above stated programmes.

1656. Management failed to take any steps to recover the outstanding balances on programmes not implemented totalling GH¢27,463,300.25 (ie GH¢1,843,225.00 + GH¢25,620,075.25) from subsequent payments made to the company during the 44 months period. We deemed this as connivance with service providers in the non-delivery of agreed services.

1657. We therefore recommended that an immediate refund of GH¢27,463,300.25 plus interest at the current Treasury bill rate of 22% per annum be obtained from Asongtaba Cottage Industries for failing to provide the services paid for.

1658. For effective and efficient management of State resources, we advised Management to adopt measures to forestall its re-occurrence and also recommended that the former National

Coordinator be sanctioned for superintending over such malpractices.

1659. According to Management, the Government on 15 November, 2013 directed the Minister for Justice and Attorney-General (vide letter No. OPS182/2Vol.1/13/22322 of 18 November, 2013) to secure the refund of this money among others and that although meetings had been held, no specific action had been taken.

Non-recovery of interest-free loans - GH¢55,187,835.60

1660. In the Memoranda of Understanding (MOU) conditions were spelt out by service providers for the recovery of interest-free loans paid them to boost up their businesses and facilitate the setting-up of beneficiaries to become self reliant income earners.

1661. We further observed that the individual companies were allowed by GYEEDA to determine by themselves the period within which they would repay these interest-free loans. They mostly decided to repay the amounts over long repayment periods ranging from 27 months to 108 months. Additionally, GYEEDA did not come to terms with them on the designated bank account into which these refunds were to be paid, except in a few instances.

1662. Further, there was no Loans Register readily available showing the amount granted, payments made and amount due, to facilitate monitoring of performance of the loans and their

recovery. No follow up mechanism was in place to secure regular and timely compliance with the repayment schedules.

1663. Available records which we reviewed showed that a total amount of GH¢57,324,594.60 paid to the service providers as interest-free loans or set-up funds was not serviced as stipulated in the MOUs. As at 31 August 2013, only a total of GH¢2,136,759.00 had been refunded leaving an outstanding balance of GH¢55,187,835.60. The performance status of the various service providers in terms of the loans granted between 2009 and 2012 was as indicated below.

2009 GH¢	2010 GH¢	2011 GH¢	2012 GH¢	Cumulative loans GH¢	Total Repayment GH¢	Balance Outstanding GH¢
14,853,977.80	7,167,332.3	32,220,000.00	3,083,284.50	57,324,594.60	2,136,759.00	55,187,835.60

1664. Following the Presidential directive for the cancellation of all the agreements (MOUs) we recommended that the Ministry of Youth and Sports should ensure full recovery of these interest free loans which were paid out of public funds.

Asongtaba Cottage Industry Limited – GH¢42,268,520.00

1665. Based on various MOUs signed between the Ministry of Youth and Sports/NYEP and Messrs Asongtaba Cottage Industry Limited, a total of GH¢42,268,520.00 was paid to the company as interest-free loans to train 72,000 youths in various trades. The amount was repayable within stipulated periods ranging from 27 to 72 months. According to the repayment schedule submitted to the audit team, a cumulative amount of GH¢3,134,490.16 should have been refunded as at 31 July 2013.

1666. However, two Stanbic Bank cheques No. 000097 of 31 December 2012 for GH¢898,185.00 and No. 000098 of 31 December 2012 for GH¢897,773.24 issued by the company and intended as part repayments were dishonoured upon presentation. No replacement cheques were issued. Therefore, as at 31 August 2013 the total interest-free loan of GH¢42,268,520.00 granted had not been serviced.

1667. We recommend that following the abrogation of the contracts/MoUs the entire amount should be recovered from Asongtaba Cottage Industries forthwith.

RLG Communications Ltd – GH¢2,639,092.91

1668. As per the MOUS signed between Ministry of Youth and Sports/NYEP and Rlg Communications Ltd a total of GH¢4,473,550.55 was granted as interest-free loan to the company.

1669. As at 31 August 2013 a total of GH¢1,834,457.64 had been refunded leaving an outstanding balance of GH¢2,639,092.91 to be made good.

Craftpro limited – GH¢7,958,807.39

1670. A review of MOUs entered into showed that a total of GH¢8,171,308.75 was granted as interest-free loan. We noted that as at 31 August 2013, an amount of GH¢212,501.36 had been refunded leaving a balance of GH¢7,958,807.39 to be repaid.

New Vision Consult – GH¢572,925.00

1671. Records available showed that as at 7 July 2010 a total amount of GH¢621,000.00 had been paid to New Vision Consult to train 800 women in Upper West and Upper East Regions in sheanut butter processing and soap making.

1672. According to the agreement a refundable loan of GH¢186,300.00, being 30% of GH¢621,000.00 was to be paid to NYEP upon a payment plan submitted by the company. Subsequently, additional amounts of GH¢150,625.00 and GH¢1,020,000.00 were released for the setting-up of beneficiaries and expansion works respectively, thus bringing total refundable loan to GH¢642,925.00.

1673. As at 31 August 2013, a total of GH¢70,000.00 has been refunded with an outstanding balance of GH¢572,925.00 yet to be repaid.

Ghana Young Artisans Movement – GH¢75,000.00

1674. This Service Provider is into the provision of vocational skills to the youth in the northern region as per the MOU. In total, the Ghana Young Artisan Movement (GYAM) trained 940 youth in various vocational skills like carpentry and joinery, dressmaking, tie and dye, hairdressing, masonry among others.

1675. According to records, the movement owed GYEEDA an amount of GH¢75,000.00 as at 10/10/2010, refundable within 60 months (5yrs).

1676. We observed that three years into the repayment period, no refund had been made by the Ghana Young Artisans Movement as at the time of our visit (July 2013).

1677. The Regional Manager of GYAM, Mr. Fataw Ibrahim, revealed that, the loan granted them had been converted into working tools for the beneficiaries. He added that the beneficiaries were expected to pay back the tools given them in cash. He could however not substantiate this claim with any official agreement between the beneficiaries and GYAM. He concluded that all efforts to compel the beneficiaries to refund the loan had not yielded any positive results.

1678. It is important that every effort is made to clarify the status of the loan and seek recovery as soon as practicable to ensure that there is no loss of public funds.

Jioogiwu Agriculture Training Centre – GH¢53,490.00

1679. Per an MOU of 29 December 2009 an amount of GH¢146,580.00 was paid to the centre to train 50 beneficiaries in grasscutter farming in the Greater Accra Region within 12 months. GH¢73,290.00 out of the said amount was a set-up fund to be repaid over a period of 36 months with a 24 month grace period.

1680. As at 31 August 2013 a total of GH¢19,800.00 has been refunded leaving an outstanding balance of GH¢53,490.00. Recovery should be pursued.

Centre for Development Partners (CDP) - GH¢300,000.00

1681. As at 8 June 2011 a total of GH¢1,450,000.00 had been released to the service provider to train 1,000 youth in bamboo craft. As at date GH¢300,000.00 being the interest-free loan granted and captured in the previous audit report of 27 June 2011 has not been serviced.

Ghallywood African film village - GH¢1,320,000.00

1682. From 7 July 2010 to 28 December 2012 a total of GH¢1,320,000.00 was paid to the company as set-up funds to purchase equipment for the six batches of beneficiaries trained, with each batch receiving GH¢220,000.00. Set-up funds are required to be repaid in full but we observed that after the receipt of the facility nothing has been paid. Therefore an amount of GH¢1,320,000.00 released to the service provider is still outstanding.

1683. We noted that lack of supervision and the monitoring of loans and set-up funds granted by Management was the causes of non-repayment by the companies.

1684. In our view, granting such huge loans to private companies without the necessary checks on their professional experiences, managerial competencies among others and absence of collaterals to ensure full recoveries were not an appropriate manner in which to disburse public funds and this lapse has therefore deprived the State of resources for other important projects.

1685. We therefore recommended that:

- i. Management should put in stringent measures to ensure prompt recovery of the amount of GH¢55,187,835.30, being interest-free loans and set-up funds granted to the eight service providers.
- ii. The dishonoured cheques with a face value of GH¢1,795,958.24 be replaced by Messrs Asongtaba Cottage Industry immediately and the prescribed sanctions imposed.
- iii. A loan register for service providers be introduced to keep track of monies granted, payments made and outstanding balances due to help facilitate monitoring of the refunds.
- iv. To ensure early recoveries of funds provided, the long repayments periods should be reviewed. As a matter of urgency, a designated account at Bank of Ghana should be made available to the companies concerned to enable repayments to be deposited and reconciled easily.
- v. For defaulting in repayments of loans granted to the companies, we recommended that outstanding loans should attract interest at the current Treasury Bill rate of 22%.

1686. Although, government has directed the Attorney-General since November, 2013 to recover these loans we have not been informed of progress to enable us carry out verification thereof.

Consultancy and training services paid for but not provided – GH¢15,133,596.05

1687. Regulation 39(1) of the FAR 2004, states that “a head of department should ensure that moneys are utilized in a manner that secures both optimum value for money and the intention of Parliament.”

1688. Contrary to the above regulation, we observed that various sums of GH¢5,939,596.05 and GH¢9,134,000.00 totalling GH¢15,133,596.05 were paid to Goodwill International Group / MDPI to provide consultancy services and oil & gas training to 4,208 beneficiaries respectively.

1689. Accordingly a letter dated 30 May, 2011 from the National Coordinator to the Minister indicated that GH¢9,194,000.00 being the cost of training would be reimbursed when the World Bank funding of \$65 million was made available.

1690. The training and consultancy services allegedly provided could not be substantiated since relevant documents were not made available to support the claims. A request dated 24 April, 2013 by the audit team to the company for financial records detailing breakdown of training provided, status of beneficiaries and other related documents were not responded to as at July, 2013.

1691. In the absence of the relevant documents, we could therefore not ascertain the genuineness of the said payments,

which in our opinion resulted from the disregard for rules and regulations pertaining to payments. Furthermore, the reimbursement of GH¢9,194,000.00 by the World Bank could not be verified.

1692. We therefore recommended the immediate refund of GH¢15,133,596.05 by Goodwill International Group/MDPI and the approving authorities sanctioned for not complying with laid down regulations.

1693. Management stated that the transaction was investigated by Economic and Organised Crime Office (EOCO) and the former National Coordinator of the Programme is being tried in this respect.

Overpayment to Rlg Communication Ltd. – GH¢4,498,593.00

1694. Regulation 45 of FAR 2004 states that “if any expenditure is made in excess of the amounts actually due, the overpayment shall be recovered immediately and paid into the account from which it was originally paid.”

1695. Per an MOU dated 23 July 2012, NYEP / GYEEDA was to recruit 30,000 youth to be trained in phases in the ICT module by Messrs RLG Communications Limited for a sum of GH¢51,000,000.00.

1696. We noted that payments totalling GH¢4,498,593.00 were made to RLG between October 2012 and January 2013 towards the training. We further noted an additional payment of

GH¢25,500,000.00 on 21 November, 2012 by direct transfer through the Ministry of Youth and Sports account to RLG thus bringing the total payments to the company to GH¢29,998,000.00. The additional payment of GH¢25,500,000.00 was to train half the number of targeted beneficiaries, that is 15,000 out of the 30,000 targeted. Total payment made therefore exceeded the requested amount by the initial payment of GH¢4,498,593.00 which should have been deducted from the GH¢25,500,000.00 but was not taken into account. The overpayment of GH¢4,498,593.00 should therefore be recovered.

1697. In our view the overpayment of GH¢4,498,593.00 occurred as a result of lack of coordination between the main Ministry and NYEP/GYEEDA. The Ministry made the payment of GH¢25,500,000.00 directly to Rlg Communications without consulting or notifying NYEP/GYEEDA Accounts Section to recognize this payment in its books of account. It also appeared that the main Ministry was not aware GYEEDA had already made an initial payment of GH¢4,498,593.00 to Rlg Communications. Therefore Rlg Communications received a total of GH¢29,998,593.00 instead of GH¢25,500,000.00.

1698. In line with FAR 2004, Regulation 45, we recommended that the amount of GH¢4,498,593.00 having been paid in excess of the amount required to train the targeted number of 15,000 beneficiaries should be recovered from Rlg Communication Ltd immediately and paid to chest.

1699. We further advise that in future, there should be coordination between the Ministry of Youth and Sports and the Agency and payments due service providers be effected through appropriate accounts to prevent such huge overpayments.

1700. A written undertaken by Messrs Rlg since October 2013 to refund the over payment of GH¢4,498,593.00 had not been honoured despite reminders sent to the company. We advised that the matter be referred to the Attorney-General for necessary action.

Over payment to Zeera Group Company – GH¢7,435,131.66

1701. In another related development, we observed that for the period April – June 2012 an amount of GH¢11,053,450.00 was paid through the Ministry of Youth & Sports account (vide PV 0050471 of 22 November 2012) to the Zeera Group Company as arrears due beneficiaries for works done under the road maintenance module in nine regions.

1702. A further scrutiny revealed that the total bill of claims attached to the payment voucher amounted to GH¢8,549,949.00, and not GH¢11,053,450.00 thus resulting in an overpayment of GH¢2,503,501.00.

1703. We also found out from the Regional Coordinator during a visit to the project site in the Northern Region that the road maintenance module which was launched in March 2011 with 460 beneficiaries ceased operating in September 2011. Therefore

we could not accept as valid, claims made by Zeera Group Company for September 2011 to October 2012 amounting to GH¢4,931,630.66 in respect of quarterly plant and equipment charges being GH¢4,118,884.00 and GH¢812,746.66 respectively. We therefore considered this as another overpayment to be recovered. The total overpayment on the road maintenance module therefore amounted to GH¢7,435,131.66.

1704. We were of the view that the Zeera Group Company had presented false claims relating to unexecuted projects to obtain payment. Administrative lapse attributable to lack of vigilance by the Internal Audit Unit during the pre-auditing of the payment voucher and failure to monitor the project physically paved the way for the excess payment made to the service provider.

1705. In order not to cause financial loss to the State we recommended recovery of the overpayment from Zeera Group Company in accordance with Regulation 45 of the FAR.

1706. We further recommended that the amount of GH¢7,435,131.66 should be repaid with interest at 22% being the current Treasury bill rate charged or prevailing Bank of Ghana lending rate at the time of repayment, whichever is higher. We also advised Management to take disciplinary action against the officer who pre-audited the payment voucher as well as the officials who authorised the payment, for breach

of financial discipline as stated in Regulation 8 (1 & 4) of FAR, 2004.

1707. We also recommended that to ascertain the actual cost of road maintenance works done, the Regional /District Engineers be authorised to cost the quantities of works undertaken by the company as a basis for claims submitted.

1708. Management stated that the transaction had been referred to the Economic and Organised Crime Office for investigation. That notwithstanding, we are of the view that every effort should be made to retrieve the overpaid funds with interest.

Unrecovered advance – GH¢641,358.74

1709. Regulation 104 (c) of FAR 2004 states that “A head of department authorised to administer a class of advances shall ensure that advances are duly recovered in accordance with the regulations or agreements relating to them”

1710. Our audit disclosed that an amount of GH¢986,704.40 was advanced to the Zeera Group (vide payment voucher number(s) 37/05/11 of 16/5/11 and 04/06/11 of 2/6/11) for its road maintenance module.

1711. As at 19th September, 2012 only a total of GH¢345,345.66 had been recovered leaving a balance of GH¢641,358.74. The balance had remained outstanding due to the absence of proper and enforceable procedures for prompt deduction of the

advance from subsequent payments made to the service provider.

1712. According to the Accountant, subsequent deductions could not be effected because further payments were done through direct transfers made to Zeera Group Company by the Ministry of Youth and Sports.

1713. The non-deduction of the outstanding balance of GH¢641,358.74 deprived the NYEP/GYEEDA program of funds needed for other activities.

1714. To ensure prompt recovery of advances or loans granted, we reiterated our recommendation that Management should introduce an advances/loans register for the recording and monitoring of all advances/loans and their recoveries.

1715. We urged Management, to follow up for the immediate refund of the outstanding balance of GH¢641,358.74 by the Zeera Group.

1716. Management responded that Government had referred this transaction also to the Economic and Organised Crime Office for investigation.

Sachet water production machines paid for but not supplied - GH¢278,000.00

1717. Regulation 39(1) of the FAR 2004, states that “a head of department should ensure that moneys are utilized in a manner

that secures both optimum value for money and the intention of Parliament.”

1718. A review of payment vouchers disclosed that the National Youth Employment Agency advanced an amount of GH¢278,000.00 to Messrs Seiwa Engineering Works on 24 October 2011 (vide cheque No. 310134) to manufacture, supply and install 40 sachet water production machines.

1719. The Managing Director of Seiwa Engineering Works gave a firm commitment to complete the installation of the machines within ten (10) months. However, further verification at the store showed that the forty (40) sachet water production machines had not been supplied as at the time of our audit in May 2013, an interval of 19 months.

1720. The above development occurred as a result of the failure of the former National Coordinator and Management of NYEP to ensure that the machines were supplied according to the terms of the letter dated 16 May 2011. In our opinion, this amounts to pre- financing of the order.

1721. The failure to supply and install the forty (40) sachet water machines has deprived the youth of the opportunity of being set-up to generate income for themselves.

1722. We urged Management to ensure that Messrs Seiwa Engineering Works refunds the GH¢278,000.00 with interest at the current Treasury Bill rate of 22.8%. Management was

advised to desist from pre-financing such orders in future. Should the company fail to refund the money, the officials of GYEEDA who approved the transaction should be held accountable for the recovery of the full amount and the penalty interest due.

1723. According to Management, the transaction was under investigation by the Economic and Organised Crime Office.

Non-installation of sachet water machines - GH¢322,450.00

1724. As per a Memorandum of Understanding (MOU) signed on the 8 December 2009, NYEP/GYEEDA contracted Messrs Seiwa Engineering works to manufacture, supply and install 50 Sachet Water Machines and its accessories at a total cost of GH¢322,450.00. This was to help set-up the unemployed youth in Sachet Water Production business as a pilot in the Central and Volta regions.

1725. Physical inspection in the Central Region showed that 17 machines with its accessories were supplied in July 2011, and distributed to the various district offices. They were found not to have been installed but were rather being kept at the District Assemblies' stores.

1726. Further verification in the Volta region revealed that 19 of the machines were also received in the region and distributed to private individuals. However, the machines were supplied without the 19 Poly tanks as agreed upon.

1727. According to a report by the 2nd Deputy Coordinator – Mr. Patrick Djartor, 14 of the machines were also distributed as a back up to the Districts but the team could not verify them. We found this development inappropriate and a waste of Government funds since the intended purpose of the project was not achieved.

1728. Management was urged to retrieve all the polytanks from the company and ensure that the machines supplied are installed within a month.

1729. Management was further encouraged to provide details of the locations of the remaining 14 machines and its accessories distributed as backups.

1730. In the absence of the distribution list, the 14 sachet water machines could not be verified. We therefore recommended a refund of GH¢90,286.00 being the total cost of the remaining 14 machines by the former National Co-ordinator and Mr. Patrick Djartor Officer in charge of the module and Messrs Seiwa Engineering Works surcharged with the cost of 19 polytanks not supplied.

NATIONAL YOUTH EMPLOYMENT PROGRAMME – KIBI Distribution of equipments to artisans not properly accounted for

1731. Regulation 0105 of Store Regulations, 1984 stipulates that “A head of department shall be accountable for the proper care, custody and use of public supplies and equipment from the

time of acquisition until they have been used or otherwise disposed of.”

1732. We noted a number of irregularities in the management and distribution of equipment to master trainees by Asongtaba Company, the financiers of the informal employees under the GYEEDA programme as stated below:

- (i) Distribution List of Sewing Machines and Hair Driers allocated to 235 Dressmakers and Hair Dressers among others were not kept at the Municipal Office as evidence of managerial control over the distribution of the items.
- (ii) The costs of the machines were not disclosed to the Municipal Secretariat to ensure value for money.
- (iii) There were no documents in respect of quantities to be delivered by the financiers.

1733. Since the total cost of the machines would be claimed from the Government by the financiers, it was the responsibility of the Municipal Co-ordinator to ensure accountability and efficient discharge of the financier’s transactions with GYEEDA.

1734. In the absence of the documents, we could not ascertain whether the items were received by the artisans since there was no transparency in the delivery and distribution of the items. The irregularity could result in fictitious claims, diversion of state funds and stores.

1735. We recommended that the Municipal Co-ordinator should demand the list from the authorities and review the services of Asongtaba Company to ensure accountability and value for money.

Non-renewal of appointment letters

1736. Paragraphs 1 and 2 of Letter reference No. NYEP/CPA/601/11 of 10 November 2011 issued by the Acting National Co-ordinator on the engagement of interns for the National Youth Employment Programme specifically stated that “Your internship will be from 1 December 2010 to 31 December 2012. However your appointment is automatically terminated 3 months after the period of internship whether NYEP has officially written to you or not.”

1737. Contrary to the above directive, we noted that 119 formal sector employees under the GYEEDA programme were paid a total allowance of GH¢71,400.00 for January 2013 to June 2013 after their appointments had expired as at 31 December 2012.

1738. The Municipal Coordinator made little effort to ensure renewal of their appointment letters.

1739. The payment of allowances to the 119 interns was invalid and illegal in the absence of valid employee Appointment Letters.

1740. We recommended that Management should cease payments to the interns and discharge them.

**GHANA YOUTH AND ENTREPRENEURIAL
DEVELOPMENT AGENCY (GYEEDA)-NKWANTA**

Failure to Recover Loans from Defaulters-GH¢23,540.00

1741. Regulation 104(c) of the Financial Administration Regulations (FAR), 2004 (L.I. 18020) stipulates that a head of department authorised to administer a class of advances shall ensure that advances are duly recovered in accordance with regulations or agreements relating to them.

1742. Additionally, Regulation 112 of L.I. 1802, enacts that Advances may be recovered by any of the following methods:

- (i) deductions from payments due from Government to the borrower;
- (ii) direct payment to the Government by the borrower or the borrower's proxy;
- (iii) recovery from the borrower's estate; or
- (iv) any other means which may appear to be feasible.

1743. We found that, Mr. Sulemana Abdul Mumuni, inherited an amount of GH¢23,540.00, as loans in kind and cash loans granted to the youth-in-agric and farmers groups within the district between 2006 and 2008 from his predecessor. The loans comprised cash advances of GH¢15,040.00 given to farmers groups, 250 bags of NPK fertilizers valued at GH¢6,250 and 125 bags of Sulphate of Ammonia (SOA) worth GH¢2,250.00 supplied to beneficiaries of the youth-in-agric module. He, however, failed to pursue recovery of the loans contrary to regulations 104(c) and 112 of the Financial Administration Regulations. Details are as shown below.

Loan Defaulters

Nkwanta South Youth in Agric. Business, Group List 2006 to 2008

Group Names	Location	Amount Rec. GH¢
Tilijotorb Farmers Group	Dogotitewa	400.00
Charti Farmers Group	B-Zongo	400.00
B1-Zongo Farmers Group	B-Zongo	240.00
United WE Stand Farmers	Tutukpene	400.00
Brabo Rice Farm Group	Tutukpene	400.00
Nkwa NA Ehia	Tutukpene	400.00
God's Power Farm Group	Nkwanta	400.00
Brenya Farming Group	Nkwanta	400.00
Forward Ever	Nkwanta	400.00
Nyame Bekyere Maize Farmers Ass.	Nkwanta	320.00
Alhamdu Farmers Group	Nkwanta	320.00
Peace Farmers Group	Nkwanta	400.00
Nukware Farmers Group	Nkwanta	400.00
Akula Farmers Group	Nkwanta	400.00
Nkwanta Maize Farmers	Nkwanta	320.00
Nyuimedi Farmers Group	Nkwanta	320.00
Joy Farmers Group	Nkwanta	400.00
Nkoso Farmers Group	Nkwanta	400.00
Wuninbotibi Farm Group	Ashiabre	320.00
Tinyoor Farmers Group	Ashiabre	400.00
Bonakye Asuogya	Bonakye	400.00
Miwoenenyo Maize Farm	Brewaniase	400.00
Nyame Bekyere Group	Brewaniase	400.00
Biakoye Maize Farm	Brewaniase	400.00
Nkwa NA Ehia Farms Ass	Brewaniase	400.00
Ntoboase Maize Farm Ass	Brewaniase	400.00
Nasara Farms	Brewaniase	500.00
Nyakomah Association	Kecheibi	460.00

Ntoboase Farm Group	Potripor	240.00
Agou Junction Youth Farm	Ago Junction	400.00
Bilandam Farmers Group	Odumase	320.00
Adom	Chaisu	400.00
Asomdwe Farmers Group	Chaiso	400.00
Jatokron Farmers Group	Jato Akura	400.00
Mme Farmers Group	Mme Akura	400.00
Abotareye Farmers Group	Abotareye Ofosu	400.00
Pawa Farmers Group	Pawa	240.00
Aniada Farmers Group	Nyambong	400.00
Keri Cassava Group	Keri	400.00
Love Farmers Group	Agou Fie	240.00
Total		15,040.00

Beneficiaries for fertilizer supplies

Date	Name	Community	NPK@ GH¢25.00	SOA@ GH¢18.00	Total GH¢
19/7/07	TauhEmmanule	Agou junction	725.00	270.00	995.00
22/7/07	Nwaki Francis	odumase	150.00	54.00	204.00
22/7/07	TagnaKwasi	Odumase	300.00	108.00	408.00
30/7/07	S.Y Obikyenbi	Nkwanta	500.00	180.00	680.00
31/7/07	KwaminaOkumase	Agou-fie	100.00	36.00	136.00
3/8/2007	Philip Ali	Nkwanta	100.00	36.000	136.00
9/8/2007	Kwaku J.K	Nyambong	200.00	108.00	308.00
27/8/07	Solomon Mosi	Tutukpene	500.00	180.00	680.00
27/8/07	Mallen Paul	Nyamebekyere	75.00	36.00	111.00
31/8/07	Kissi Raymond	Tutukpene	500.00	180.00	680.00
31/8/07	Kpebu Francis	Tutukpene	750.00	180.00	930.00
31/8/07	Kingsley M.	Tutukpene	750.00	180.00	930.00
3/9/2007	Kwasi James	Tutukpene	100.00	36.00	136.00

21/8/07	Asambla	Odumase	100.00	36.00	136.00
21/8/07	Nanga Elias	Odumase	100.00	72.00	172.00
22/8/07	TapiiMmem	Mame Akura		90.00	90.00
10/9/2007	ManihiawoKwasi	Brewaniase	300.00	108.00	408.00
27/9/07	Kutia Kwame	Tutukpene	500.00	180.00	680.00
27/9/07	Nyarkoma Kwame	Tutukpene	500.00	180.00	680.00
Total			6,250.00	2,250.00	8,500.00

1744. When contacted for his comments, the district coordinator assigned political reasons for his inability to recover the loans other than negligence of duty.

1745. As a result of the above condition GH¢23,540.00 of the taxpayer's money has gone down the drain, thus defeating government's laudable intent of encouraging people to go into agriculture and income-generating activities to ensure food security, create employment and ease poverty in the district.

1746. We recommended to management to pursue full recovery of the loans and proceeds used as a revolving fund for successive beneficiaries with a view to ensuring sustainability of the programme.

1747. The coordinator indicated that management would revisit the issue for the recovery of the money.

Irregular Posting of Youth Employees to Private Institutions - GH¢27,600.00

1748. We noted that sixteen (16) community education teaching assistants (CETA) who were on the payroll of the agency were

posted to first-cycle private educational institutions within the Nkwanta Township by the Nkwanta South District Coordinator of GYEEDA without express authority from the Central Government or the National Coordinator of the programme.

1749. Our follow-ups on the postings to these private schools listed in the table below disclosed that the sixteen (16) CETA beneficiaries who were on a monthly allowance of GH¢75.00 vacated their posts soon after they reported. Yet, the affected beneficiaries continued to be paid allowances for twenty-three (23) months amounting to GH¢27,600.00 as at 30 June, 2013.

No	Name Of Beneficiary	Sex	Name Of Institution
1.	Saaka Sadia	Female	Northern Volta Star Academy
2.	Nanjo Evelyn	Female	Northern Volta Star Academy
3.	Fiagadzi Confidence	Male	Foundation International School
4.	Mary Boanya	Female	New Life Preparatory School
5.	Patience Dseanya	Female	Foundation International School
6.	Boanya Vigilia	Female	Northern Volta Star Academy
7.	Charta Emmanuel	Male	Foundation International School
8.	Ewle Mawunyo	Female	Foundation International School

9.	Doe Vivian Adzoa	Female	New Life preparatory School
10.	Mensah Comfort	Female	New Life Preparatory School
11.	Govena Taminup	Male	New Life preparatory School
12.	Dora Kudodzi	Female	Northern Volta Star Academy
13.	Issah Fatawu	Male	New Life preparatory School
14.	Darko Glory	Female	Foundation International School
15.	Fati Getrude Mahama	Female	Northern Volta Star Academy
16.	Okumanu Michael	Male	New Life preparatory School

1750. This irregularity contravenes Regulation 292(1)(f) of the FAR, 2004 (L.I.1802) which stipulates that, “ Every head of department shall keep records of all personal emolument 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”.

1751. Wrongful submission of the particulars of these beneficiaries to the Deputy National Coordinator in charge of Finance to be captured on the payroll of GYEEDA coupled with ineffective supervision and monitoring by the district coordinator led to this anomaly resulting in the payment of

unearned allowances totalling GH¢27,600.00 to these separated beneficiaries.

1752. We recommended to the Nkwanta South District Coordinator of GYEEDA to recover the amounts totalling GH¢27,600.00 from the beneficiaries listed in the table above pay same into the consolidated fund and furnish proof of recovery for audit validation. Should the above fail, he should be personally surcharged with the full amount with interest at the prevailing Bank of Ghana Treasury bill discount rate.

1753. The coordinator responded that the affected interns' were re-assigned to other public institutions but failed to produce letter(s) re-assigning them to those institutions.

**Payment of Allowance to Separated beneficiaries -
GH¢16,200.00**

1754. Financial Administration Regulations 297(1) (a) stipulates that a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has resigned.

1755. Additionally Regulations 298(3) and (4) of the FAR legislates that;

- a. Notification to the Controller and Accountant General where salary payment are made to the officer's bank account;

- b. Notification to the bank for repayment in to the Consolidated Fund of Salary or other payments credited to the public servant's bank account;
- c. Issue of the appropriate salary input to the section responsible for stopping payments on the payroll; and
- d. Notification to the internal auditor.

1756. Failure to effect the stoppage within the time required is a breach of financial discipline under regulation 8(1). Our review of the monthly reports on the activities of GYEEDA (NYEP) for May, 2011 revealed that nine (9) community education teaching assistants (CETA) were absorbed by the Ghana Education Service. These separated beneficiaries, according to the June, 2011 Report, were replaced following an approval by the Regional Coordinator, to a request for replacement made by the district coordinator. Please see table below for details of the separated (absorbed) beneficiaries and the incoming (replacements), as captured in the Month of June, 2011 Report.

Separated Beneficiaries	Account No.	Incoming Beneficiaries	Account No.
Ntome W. Jacob	5041210001644	Tibipuni Ambrose	5041210009249
Kwame Donkor	5041210001258	Kabuja B. Robert	5041210009227
Isaaka Rabiyatu	5041210002160	Mukaila Sekina	5041210009260
Debenu Felicia	5041210001779	Nurudeen Jibreel	5041210009250
Mensah Evans	5041210001848	Bakianso Kofi	5041210009090
Kpola Olivia Mutakilu	5041210000909	Osman N.	5041210009087

Nyame Eric Getrude	5041210001688	Mahama F.	5041210009282
Esther Ahiakonu	5041210001600	Gbetey John	5041210009169
Okuntsey Augustine	5041210001906	Wanni Agartha	5041210008789

1757. However, the nine separated staff continued to receive their monthly allowance of GH¢75.00 each from June, 2011 to May, 2013 totalling GH¢16,200.00 (i.e. GH¢75.00x9x24 months) without working for the Agency.

1758. The failure of the district coordinator of GYEEDA to cause the immediate stoppage of payment of allowances to the affected persons caused the state to lose GH¢16,200.00.

1759. We therefore recommended that the District Coordinator should refund the GH¢16,200.00 which was wrongfully paid to the separated beneficiaries to the State immediately.

1760. The coordinator responded that he captured the issue in the June report to his Regional Director with copies to the Agricultural Development Bank asking that the out-going beneficiaries be deleted from the payroll.

Non-Payment of Allowances for July 2013

1761. Financial Administration Regulations 290 legislates that, For the purposes of these regulations the term personnel emoluments covers all payments due to public servants as remuneration for employment and include;

- (i) salaries payable to public servants
- (ii) wages payable to public servants employed in daily rated post;and
- (iii) allowances and any additional remuneration due to public servants as part of their conditions of service.

1762. Additionally , Part III, Section 9(b) of the Labour Act, 2003 (Act 651) stipulates that without any prejudice to the provisions of this Act and any other enactment for the time being in force, in any contract of employment or collective agreement, the duties of an employer include “to pay the agreed remuneration at the time and place agreed on in the contract of employment or collective agreement or by custom without any deduction permitted by law or agreed between the employer and the worker”. It is therefore the responsibility of every head of department to ensure that personal emoluments of staff employed in the department are paid as and when due.

1763. The audit disclosed that the last batch of GYEEDA (NYEP) interns/beneficiaries engaged in 2011, exited the programme on 30 July, 2013. However, their allowances for the month of July, 2013 have still not been paid contrary to Part III, Section 9(b) of the Labour Act, 2003 (Act 651).

1764. We enquired of the district coordinator to find the cause of the outstanding salaries and he asserted that it has been the norm since the inception of the programme that salaries of interns/beneficiaries are always in arrears. This practice, in our

view, could demoralize the beneficiaries, thereby adversely affecting productivity.

1765. We recommended to management to liaise with the National Coordinator for the immediate payment of the outstanding salaries.

1766. The coordinator intimated that indication from the Regional Office points to the fact that the remaining allowances would be paid in due course.

Failure to distribute items/logistics meant for trained interns who have exited the programme

1767. Section 35(2a) of the Financial Administration Act, 2003 (Act 654) enacts that “accountability is discharged when government stores have been consumed in the course of public business and records are available to show that the government stores have been consumed”.

1768. Similarly Section 37 of Act 654 states that “Subject to section 34, government stores shall not be applied for any purpose other than towards the furtherance of the programmes and objectives of government departments”.

1769. We noted that the coordinator took delivery of eighty-eight hairdressing kits and other ICT materials in 2013 for distribution to beneficiaries who had completed apprenticeship training in hairdressing and ICT under the programme.

1770. We however discovered that three months after exiting the programme, the intended beneficiaries have still not received the items to enable them set up ventures of their own.

1771. The district coordinator ascribed the non-distribution of the items to the intended beneficiaries as due to the busy official schedules of the DCE and DCD of the Nkwanta South District Assembly under whose auspices a date has to be set for a graduation ceremony at which the items would be distributed to the beneficiaries.

1772. In our view, any delay in distributing the items could demoralize or kill the enthusiasm of the expectant beneficiaries. The delay could also lead to diversion of the items for private purposes, thereby negating the purpose of the programme and objectives of government.

1773. We recommended to management to collaborate urgently with the management of the Nkwanta South District Assembly in setting a date for the graduation and distribution of the items to the beneficiaries.

1774. The coordinator attributed the delay in distributing the items to the change in administration and indicated he had contacted the new DCE to help organise the graduation ceremony and subsequent distribution of the items to the graduates immediately.

Non-Certification of Personnel Emolument Payment Vouchers

1775. Regulation 304(1) of the Financial Administration Regulation 2004 (L.I.1802) states, that “(1) A head of department or a head of management unit shall examine and certify the personal emolument payment vouchers to ensure that;

- a. only staff belonging to the unit are on the payment vouchers;
- b. in the case of staff on posting or transfer out, the name is deleted within three months;
- c. in the case of retirement, resignation, termination, vacation of post, death, Regulation 298 is strictly complied with;
- d. any over payment of personal emolument is recovered;
- e. newly employed staff and those posted or transferred to the unit appear on the payment voucher; and
- f. any salary instructions issued by the Controller and Accountant- General are complied with”.

1776. The audit of payroll disclosed that monthly salary payment vouchers/reports were not made available to the District Coordinator for examination and certification to ensure that the requirements of Regulation 304(1) as enumerated above are satisfied.

1777. The coordinator explained that, the above occurred because headquarters did not give the district copies of the

monthly salary payment vouchers to enable him carry out those functions.

1778. As a result of non access to the salary payment vouchers for certification, the monthly wage bill for the district could be bloated with the insertion and retention of “ghost” names and beneficiaries who have resigned or vacated their post respectively on the vouchers.

1779. We urged the district coordinator to liaise with the regional and national coordinators for copies of the monthly salary vouchers for the period January 2013 to April 2013 for our examination and timely completion of the audit.

1780. We also recommended to the District Coordinator to ensure that copies of the salary vouchers for the outstanding month of July 2013 are brought to the district to enable him examine and certify the number of beneficiaries being paid.

1781. The coordinator responded that he had taken note of the observation and the recommendation made.

Non-preparation of Monitoring Reports for January to July, 2013

1782. The District Coordinator of GYEEDA has an onerous responsibility to effectively monitor beneficiaries of the programme to ensure that they are punctual at their respective work places and working as expected. Monthly monitoring reports are therefore required to be generated out of the

monitoring exercises carried out which are to be submitted to the regional coordinator for review and necessary action.

1783. The audit disclosed that for the period January, 2013 to July 2013, the district coordinator of GYEEDA Nkwanta, failed to monitor and report monthly on GYEEDA operations and Interns'/beneficiaries working under the various modules of the programme. It is worth mentioning that the story was the same in the preceding year.

1784. As a result, of the failure of the district coordinator to carry out duties for which he was employed, all beneficiaries who might have absented themselves from duty without reasonable cause or vacated their post during the review period went un-noticed and therefore received allowances for no work done, thereby contravening Regulation 6 of the FAR, 2004 (L.I.1802) which stipulates that "Public Officers shall conduct government financial business according to the laws of Ghana and any instructions given in accordance with these Regulations".

1785. By failing to exercise the fiduciary duty reposed in him with scrupulous care, the district coordinator's inaction could have an adverse effect on the wage bill of government during those months.

1786. We recommended to the district coordinator to ensure that monitoring is carried out regularly and on monthly basis

with reports issued thereon for the attention and necessary action of the appropriate authorities.

1787. The coordinator stated he had taken note of the observation and the recommendation made for compliance.

Failure to Update Nominal Roll

1788. Our review of the 2012 Annual Report on the activities of the Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA), Nkwanta South District disclosed that 59 out of 410 beneficiaries on its payroll had vacated their post leaving 351 at post at the end of the year 2012. The details are as tabulated below:

Modules	No. Engaged	No. Vacated	No. At Post
Community Educ. Teaching Assistant	268	38	230
Community Protection Assistant	6	1	5
Health Extension Workers	90	9	81
Fire Protection Assistant	11	2	9
Paid Interns	35	9	26
Total	410	59	351

1789. However, the names of these separated staff continued to be kept on the nominal roll of GYEEDA up to and including July, 2013. The situation is so because though the affected persons separated by December 2012 the District Coordinator failed to delete their names from the roll to reflect the actual number at post and eligible to receive allowance. The above

thus, is in violation of Regulation 292(1) of the Financial Administration Regulations, 2004 (L.I.1802) which requires that, “Every head of department shall keep records of all personal emolument of staff employed in the department, in a form that ensures that;

- (a) payments are made as and when due;
- (b) overpayments are not made;
- (c) all required deductions are made at the correct time;
- (d) authorised establishments are not exceeded;”
- (e) the rates authorised for payment are not exceeded; and
- (f) payments are not made to staff who do not belong to the department or unit.

1790. The above condition is a weakness in the payroll administration of GYEEDA resulting from negligence of duty on the part of the district coordinator which could lead to the payment of over GH¢23,100.00 as allowance to the 59 separated beneficiaries for the period January, 2013 to May, 2013.

1791. We recommended to the district coordinator to update the nominal roll to reflect the actual number of interns at post as at 31 July, 2013 and to also liaise with the regional and national coordinators of GYEEDA as well as officials of the Ghana Commercial Bank, Nkwanta branch to ensure that the ex-beneficiaries do not receive any allowance for the outstanding period of June-July, 2013.

1792. The coordinator indicated his acceptance of the observation and recommendation for compliance.

Non-Maintenance of Stores Records

1793. The essence of store keeping is partly to ensure that there is proper care, control and accountability of supplies received so as to facilitate the proper discharge of public financial business.

1794. Regulation 0502 of Stores Regulation 1984 legislates that “When goods are received by a depot, it is necessary to check that;

- (a) The goods have been procured by that particular organisation and that they are intended for that organisation.
- (b) The quantity supplied is correct,
- (c) The goods are in good condition and fit for issue
- (d) The goods are in accordance with the specification laid down when the order was placed. In case of any doubt assistance should be sought from the officer who placed the order.

1795. It is also necessary to ensure that:-

- (a) The receipt covering the transaction is immediately recorded on the appropriate ledger sheets and tally cards
- (b) Notification of receipt is passed to the accounts section to enable the relevant invoices to be cleared.

1796. We noted that GYEEDA Nkwanta, took delivery of eighty-eight (88) hairdressing kits, including dryers, in 2013 but failed to acknowledge receipt of the items and to also record

them on the appropriate ledger sheets as prescribed by the above stores Regulations. We also noted that there were no way bills and invoices accompanying the items which could have served as reference documents.

1797. According to the Nkwanta District Coordinator, the condition above was due to the absence of a resident storekeeper at GYEEDA, Nkwanta to assist with store keeping duties and oversee the stores function.

1798. In our view, if the practice is allowed to persist, it could undermine the proper care, custody, control and accountability for items received which could result in the diversion of the items for private use.

1799. We recommended to management to liaise with the Nkwanta South District Assembly which has oversight responsibility over the programme for storekeeping support.

1800. Management accepted the recommendation to liaise with the Nkwanta South District Assembly for a storekeeper.

GYEEDA, SUNYANI

Fuel purchases not accounted for-GH¢26,279.91

1801. Part IV Section 35 (2) (a) of the Financial Administration Act 654 of 2000 states that "Accountability is discharged when government stores have been consumed in the cause of public business and records are available to show that government stores have been consumed"

1802. Contrary to the above regulation, we noted that management of GYEEDA failed to maintain fuel logbook to account for fuel purchases of GH¢26,279.91.

1803. We attributed the weakness to non adherence to the above quoted regulation.

1804. In view of the rising cost of fuel and lubricants we recommended to management to monitor fuel usage by complying with the law.

1805. We also advised that a vehicle logbook is procured to record all the fuel purchased failing which, the total amount of GH¢26,279.91 is accounted for by the Director.

SPORTS COUNCIL, CAPE COAST

Unearned salaries - GH¢7,682.16

1806. FAR 2004 (L I 1802) Regulation 297 (1) (e, f) states “A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has retired or died”.

1807. In contravention of the above regulation, we noted that Mr. Francis Amoo who went on retirement still had his name on the Council’s mechanised voucher from September 2012 to May 2013. This has resulted in the payment of unearned salary of GH¢7,682.16. Details below.

Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	April 2013	May 2013	Total GH¢
1,001.04	835.14	835.14	835.14	835.14	835.14	835.14	835.14	835.14	7,682.16

1808. We observed that the irregularities were occasioned by the delay in effecting deletion of the name by management.

1809. Resources needed for national development has been paid to a separated staff for no work done.

1810. We advised management to pursue recovery of the unearned salary and pay same to the consolidated fund.

NATIONAL YOUTH AUTHORITY- KOFORIDUA
Payment vouchers without the relevant supporting documents – GH¢700.00

1811. We observed that three payment vouchers with a total face value of GH¢700.00 lacked the requisite supporting documents such as receipts, invoices and statements of claim among others due to management's failure to supervise the work of the schedule officer.

1812. As a result of this lapse, the audit team could not establish whether indeed the services for which such payments were made were received by the department.

1813. We urged management to substantiate the payments with the relevant documents or in default, ensure a refund of the amount involved to chest.

**Payment vouchers without alternative quotations –
GH¢1,410.00**

1814. Our review of records disclosed that purchases amounting to GH¢1,410.00 were made without resorting to alternative quotations thereby making such purchases non-competitive due to management's failure to ensure compliance with Section 43(1) of the Public Procurement Act, 2003 (Act 663).

1815. The practice of making purchases without considering alternative quotations could render such purchases non-competitive; a situation which undermines transparency and accountability and may not achieve value for money.

1816. We advised management to ensure that in future purchases, alternative quotations from other suppliers are considered prior to the selection and award of contracts in order to make them competitive.

MINISTRY OF INTERIOR

**GHANA POLICE SERVICE
PROJECTS UNIT**

Contractors unable to move to site

1817. Residential and office building projects being undertaken by the Ghana Police Service had been suspended at various

levels of completion. A review of projects records in 2013 revealed that out of 38 projects selected to be completed in the year, ten of the contractors could not move to site while others who moved to site had not been able to complete the building projects.

1818. Management explained that contractors complained about the non-issuance of certificates of completion of works resulting in non-payment to enable them to continue the construction.

1819. The projects were in all ten regions of Ghana and were intended to solve some of the acute accommodation problems of the Police Service.

1820. We recommended that Management should source funds from the Ministry of Finance to complete them to avoid the incidence of variation of contract sums and possible payment of interest on unpaid debts.

ACCRA CENTRAL DIVISION - MINISTRIES

Absence of Armoury for safekeeping of fire arms

1821. The Police Service Instructions Number 98 requires that Arms and Ammunitions must be properly kept under lock and key.

1822. On the contrary, our inspection at the Railway Police District disclosed that 15 rifles were kept under the counter at the station's charge office. These arms could easily be reached

by both inmates and the general public with dire consequences for the Police and the public at large.

1823. We recommended that Management of the District should source funds to create an armoury for safe keeping of arms and ammunitions.

REGIONAL POLICE HEADQUARTERS

Mobile Phones issued for elections not returned – GH¢2,004.00

1824. Five mobile phones and internet accessories issued to some officers to monitor the elections were yet to be returned to store. We were not provided with the names of the officers to enable a follow up to be made.

1825. Management of the command promised that efforts would be made to locate the beneficiaries for them to return the equipment and accessories.

1826. We urged Management to identify the personnel concerned and the items retrieved, failing which the Regional Commander should personally be made to account for them.

ACCRA CENTRAL – NIMA DIVISION

Abandoned motor bikes and motor vehicles

1827. Contrary to Regulation 9 of the Police Service Regulations (LI 704), we observed that 30 motor vehicles and six motor bikes had been abandoned at the Motor Traffic and Transport Units (MTTU) within the Division. Some were

abandoned after the drivers' were involved in motor traffic offences while others were involved in Road Traffic Accidents.

1828. The time to dispose them off in accordance to the above quoted regulation had lapsed.

1829. We recommended for their disposal but Management had not yet complied.

ACCRA EAST DIVISIONAL - KPESHIE

Poor custody of Arms and Ammunition – Teshie and La

1830. Contrary to Instruction 98 of the Police Service Instructions, we observed that Arms and Ammunitions at Teshie and La offices were kept at Exhibits Stores while others were kept at the Station's counter.

1831. The possibility of unauthorised persons accessing the arms at the Counter to cause harm to the public could not be ruled out.

1832. We urged Management as a matter of priority to create an armoury for safe keeping of the arms and also prevent unauthorised persons from accessing them.

Congestion at exhibit stores

1833. As a result of the failure to comply with Regulation 9 of the Ghana Police Service Regulations 1971, LI 704, on disposal of property, the Exhibit Stores of Railways, Kpeshie Division, Dansoman, Kaneshie and Commercial Fraud Unit of CID were congested with exhibits.

1834. This situation made stock counting, verification and inspection of the exhibits impossible, with the consequence that exhibits for decided cases could get bad and missing items might not be readily detected.

1835. We recommended that Management of the various Commands, Units and Divisions should apply the necessary regulations to dispose of the exhibits, especially those involving cases not pending at the court of law and cases that had been decided and closed.

GHANA POLICE SERVICE REGIONAL HEADQUARTERS - CAPE COAST

Delayed payment of revenue into the designated account - GH¢ 8, 668.00

1836. Regulation 15(1) of Financial Administration Regulation (FAR), 2004 states that “Any Public Officer or Revenue Collector who collects or receives Public or Trust money shall issue official receipts for them and pay them into the relevant Public Fund Account within 24 hours of receipt, except in exceptional circumstances to be identified by the Minister”.

1837. The Arms and Ammunition Licensing and Renewal Unit collected an amount of GH¢8,668.00 between 1/1/13 and 31/12/13 without banking the collections within the regulated time of 24 hours. The payment was done a month later or in some cases two months.

1838. The lapse was due to failure of the Clerks concerned who did not request for vehicle from their superiors to exercise this duty. The practice could lead to misappropriation and embezzlement of public funds. Also, it could lead to delay in the payment of revenue to the Government for financing development projects.

1839. We recommended that Management should make available a vehicle to the Unit as and when banking activities had to be performed.

1840. Management responded that the arms and ammunition clerks had been informed to request for a vehicle from the Regional Police Commander any time there was the need for banking activity and any personnel who flouted this directive and refused to bank monies collected from licensing and renewal of arms would in future face disciplinary action.

Abandoned projects

1841. According to Regulation 76 of the Police Service Regulation, 2012 (C. I. 76) "Subject to the provisions of this regulation, the Service shall provide accommodation for its officers and other ranks".

1842. We noted that there were eight units of three-storey flats meant to provide residential accommodation for non-commissioned Police personnel which were initiated between 1972 and 1978 and these had reached various stages of completion but had been abandoned by Police Administration

allegedly due to lack of budgetary allocation to continue and complete them. We noted also that there were about 20 personnel of other ranks lodging in the workshop not meant for residential purpose, because they could not afford to pay huge rent advances being demanded by landlords in the Metropolis.

1843. The effect was low morale of personnel in the performance of their duties. Also, huge sums of the Service's allocation are spent on residential rent payment.

1844. We urged Police Administration to make budgetary allocation available to complete the buildings identified to provide housing accommodation for the personnel. Further, we urged that personnel lodging at the workshop should be encouraged to find decent accommodation for themselves since the Police Administration would refund the rent to them as per C. I. 76, Regulation 76 (3).

1845. Completion of the abandoned structures located behind the Regional Police Headquarters would save personnel from current accommodation challenges being faced. The Police Administration had been duly informed for Government's necessary attention.

GHANA POLICE SERVICE - KASOA

Failure to record cash exhibit in the LSRP register - GH¢36,400.00 and \$400.00

1846. Section 213 (1, 2, & 3) of the Ghana Police Service Instructions state that "A property Register shall be maintained

in every Police Station. Particulars of property reported lost or stolen shall be recorded in blue ink. Particulars of property recovered (including property found or brought in from a scene of crime) shall be entered in red ink in the appropriate columns. When a case of theft or loss is reported and property is subsequently recovered, two entries shall be made, the first recording, the loss or theft and the second recording, the recovery finding. The serial number of previous and subsequent entries shall be recorded as a cross – reference.

1847. We noticed, contrary to the above, that cash totalling GH¢36,400.00 and \$400.00 recovered on behalf of complainants by various investigations were not recorded in the LSRP Register as a result of lack of supervision.

1848. We recommended that the District Commander should ensure that all items recovered are entered in the LSRP Register in which the rightful owners would sign for them.

POLICE SERVICE - HEMANG

Unsafe custody of arms and ammunition

1849. Police Service Instruction Number 98 (28) state “Firearms stored in armory, should be secured and fixed to the wall”.

1850. We found on the contrary that, arms and ammunition were kept in the same room with exhibits without proper security as a result of lack of proper armory in the station.

1851. The situation posed a threat to the security of the society since any criminally minded person could break into the room and make away with the arms and cause havoc.

1852. We urged the Station Officer to liaise with the District Commander to properly secure the arms and ammunition in the armory to protect them from theft.

GHANA POLICE SERVICE - BEGORO

Inaccurate figures on crime cases reported to District Headquarters

1853. It is a policy requirement that returns on crime cases are compiled monthly and forwarded to the District Headquarters for effective planning to combat crime.

1854. Our review of the monthly returns file disclosed that figures on monthly crime cases reported to the station as recorded in the register of offences book were at variance with figures submitted to the District Headquarters. We noted that between January 2013 and July 2013, a total of 413 cases were recorded in the register of offences book whilst 428 cases were stated in the returns submitted to the District Headquarters, an indication that 15 cases were not recorded in the register of offences book.

1855. The station officer failed to cross check the figures presented by his subordinate officer before submitting same to the District Headquarters, a situation which will undermine effective planning by government towards combating crime.

1856. We recommended that the station officer should always check the accuracy of figures in the returns on monthly crime cases before submitting them to the District Headquarters for effective planning against crime.

Unauthorised disposal of exhibits

1857. Section 183(3) of the Financial Administration Regulations, 2004 states that “A head of department shall be accountable for the proper care, custody and use of Government Stores from the time of acquisition until they have been used or otherwise disposed off in accordance with these Regulations.”

1858. Our review disclosed that a Mutsuzi Motor Cycle with registration No. M-10 GR 1227 alleged to have been released to the rightful owner was not approved by the Station officer as part of measures instituted for the effective control of exhibits due to non-compliance with laid down procedures.

1859. When the normal procedures for return of exhibits to their rightful owners were not followed, exhibit items could be diverted or stolen.

1860. We advised that the station officer in charge of exhibits should account for the final disposal of the items.

GHANA POLICE SERVICE DIVISIONAL HEADQUARTERS - KIBI

Unrecorded fuel – GH¢5,575.40

1861. Regulation 1604 of Stores Regulations, 1984 states that “A vehicle Log Book shall be maintained for each vehicle in which all particulars of receipts of lubricants and fuel purchases shall be recorded.”

1862. On the contrary, our audit disclosed that the drivers of the Division’s vehicles failed to account for fuel purchased totalling GH¢5,575.40 in their respective Log Books as evidence that the fuel had actually been purchased and used. This situation occurred due to the inadequate management control over the purchase and use of fuel at the Division.

1863. The absence of effective control measures could facilitate fictitious purchases and unauthorised use of fuel.

1864. We urged Management to ensure that all fuel purchased is properly accounted for by the drivers in the appropriate vehicle Log Books or the amount involved recovered to chest.

MOTOR TRAFFIC AND TRANSPORT UNIT - KIBI

Outstanding cases for prosecution

1865. One of the duties of a station officer is to ensure that all cases reported to the station are investigated and referred to prosecutors for further investigations, hearing and prosecution in the law courts.

1866. Our review disclosed that 39 road traffic accident cases recorded for prosecution at the court had not been referred to prosecutors for appropriate action, some dating as far back as January 2013.

1867. Failure by the station officer to appropriately refer the cases to the prosecutors for early investigation and processing for court resulted in the delays; a situation which could give rise to conflict of interest.

1868. We recommended that Management should ensure accident cases are dealt with appropriately.

GHANA POLICE SERVICE – KIBI

Items not routed through stores – GH¢635.50

1869. Regulation 70 of the Stores Regulations requires all stores received or purchased to be taken on charge in the Store Ledger at the time of receipt and entries to be supported by the prescribed stores received voucher.

1870. We noted during our review that store items valued at GH¢635.50 which were supplied by the Quarter Master – Kibi Division, were not documented to provide the audit trail on the acquisition and use of the items due to lack of adherence to stores control procedures.

1871. In the absence of any documentation, there was no evidence to confirm whether or not the items were used for the intended purpose(s).

1872. We advised Management to introduce and maintain Store Ledgers to account for the receipt and usage of store items.

GHANA POLICE SERVICE – ASIAKWA

Outstanding cases for prosecution

1873. One of the duties of a station officer is to ensure that all cases reported to the station are investigated and referred to prosecutors for hearing and prosecution in the law courts.

1874. Our review disclosed that 28 cases among others for prosecution at the court had not been forwarded to the prosecutors for the appropriate action some dating as far back as January 2012.

1875. Failure by the station officer to speed up investigations and forward such cases to the prosecutors for further investigations and processing for court accounted for the delays, a situation which could give rise to conflict of interest.

1876. We urged Management to ensure that the outstanding cases at the station are dealt with appropriately.

MUNICIPAL POLICE COMMAND – OFFINSO

Logistical Constraints

1877. Under Section 9(a) of Part III of the Labour Act, 2003 (Act,657) an employer is obliged to provide work and appropriate raw materials, machinery, equipment and tools for employees to work with.

1878. We observed that Police personnel were not provided with furniture and other office equipment to enable them perform their duties. The furniture and equipment which ranged from writing desks and chairs to computers and their accessories were procured by the police personnel themselves. The furniture and equipment bore the inscription “Not Police Property”.

1879. This situation arose because the Police Administration had failed to respond positively to the Municipal Commander’s request for computers and accessories to be supplied to the Command in letter no. OD.11/v.2.13 of 13/02/12.

1880. The consequence was that the Municipal Command would be denied the use of these furniture and equipment in the event of transfer of the Police personnel who procured them.

1881. We recommended to the Municipal Commander to continue to appeal to the Police Administration through the Divisional Commander to consider providing furniture and equipment to the command.

Poor state of Offinso Police cells

1882. We noted that the male cells at the Offinso Police Station were in a very poor state. The following conditions prevailed at the station:

- (i) Inmates of the male cells created a big hole in the roof through which one Adamu Karim, an inmate, escaped from lawful custody in June 2012
- (ii) The female cell was converted into a male cell
- (iii) Female inmates were detained on the corridor leading to the cells, creating dangerous situation to both female inmates and police personnel on duty at night. At the time of writing, the hole in the roof was still yawning.

1883. We urged the Municipal Commander to appeal through the Divisional Commander to the IGP to provide funds for the renovation of the cells.

GHANA POLICE SERVICE (STATION) - ASANKRANGWA

Unsafe Custody of Cash – GH¢7,320.00

1884. Regulation 12 of Financial Administration Regulations, 2004 L.I. 1802 requires that a person entrusted with custodial duties for public or trust moneys shall protect public and trust moneys against unlawful diversion from their proper purposes and against accidental loss.

1885. However, examination of the Lost, Stolen and Recovered Register revealed that GH¢7,320.00 representing cash exhibits were kept in the armory instead of a secured safe.

1886. This situation had arisen from the station not having a secured safe where cash and valuable exhibits are supposed to be kept. The officer-in-charge explained that he had put in a

request for a safe which is yet to be supplied, although we could not sight the letter. The absence of the safe could either lead to accidental loss or diversion of cash exhibits in the custody of the police.

1887. We urged the Station Officer to keep on reminding his superiors of the need for the safe in order to safeguard cash and other valuable exhibits.

DISTRICT POLICE HEADQUARTERS - BIBIANI

Loss of ten Arms and Ammunition Form 'E' booklets

1888. Section 218 (1 and 2) of L.I. 1802 state among others that, if any value book is lost, the officer immediately responsible for custody shall report the loss to the issuing stockholder who shall be responsible for initiating a loss report.

1889. We noted during a stocktaking exercise that ten unused Arms & Ammunition Form 'E' receipt books (242001-243000) which were in the custody of the former District Commander (Mr. S.S. Appiah) were not in stock. The former District Commander failed to report the loss of the receipt books at an earlier date.

1890. The value books could be issued to members of the public and the revenue collected without being accounted for, leading to loss of revenue to the State.

1891. We recommended that Management should call upon the former District Commander to indicate the whereabouts of the receipt books or be surcharged.

Use of Green pen by Internal Auditors

1892. The use of green pen or ink in the transaction of government's business is restricted to the staff of the Auditor-General as stated in Financial Administration Regulations (FAR 2004), Section 204 that "except for an officer of the Audit Service no officer of any department shall use green ink or pencil in recording any financial transaction".

1893. We noticed on the contrary that the Ghana Police Service, Internal Audit Unit has been using the green pen during the performance of their duties.

1894. The use of the green pen did not only violate the above directive, it also confused the Auditor-General's staff when it comes to identification of staff who examined the records.

1895. We recommended that the Internal Audit Unit of the Police Service or any other person within the Service should desist from the use of green ink to audit transactions.

DIVISIONAL POLICE HEADQUARTERS - BEREKUM **Uncompetitive procurements-GH¢5,082.00**

1896. In spite of the requirement under Section 43(1) of the Public Procurement Act (PPA) 2003, Act 663 that procurement entities shall request quotations from as many suppliers or

contractors as practicable but from at least three different sources, the Divisional Police Headquarters at Berekum procured goods to the tune of GH¢5,082.00 without recourse to the law.

1897. The practice could lead to paying for goods with inflated prices thereby compromising value for money.

1898. We urged the Divisional Commander to ensure that procurements are always subjected to competitive quotations in order to obtain maximum benefit in terms of price and quality from the transactions. Additionally, the schedule officers who breached the law should be sanctioned accordingly.

Payments without works order – GH¢1,245.50

1899. Contrary, to Section 16(1)(a) of the Financial Administration Act, Act 654, the office paid GH¢1,245.00 for vehicle maintenance without a works order.

1900. Management's failure to comply with the law could result in payment for no work done or service rendered and consequent loss of public funds.

1901. In order to show transparency in the financial business of the office, works order should always be prepared before maintenance works are carried out.

Fuel purchases not accounted for – GH¢9,366.00

1902. Section 35 (2) (a) of the Financial Administration Act 654 of 2000 states that "Accountability is discharged when

government stores have been consumed in the course of public business and records are available to show that government stores have been consumed''.

1903. Contrary to the above regulation, we noted that fuel purchased worth GH¢9,366.00 were not recorded in the log books of the Divisional Unit. We could, therefore, not ascertain whether the fuel was actually bought and used for the benefit of the Service.

1904. We attributed the weakness to non adherence to the above quoted regulation.

1905. We recommended to Management to monitor fuel usage by complying with Section 35(2) (a) of the Financial Administration Act. We also advised that the usage of the fuel be duly accounted for.

GHANA POLICE SERVICE - TARKWA

Rusted live ammunitions - 3,419 pieces

1906. Our inspection of the various police stations within the division, listed below, disclosed that a total of 3,419 pieces of live ammunitions which had been in the custody of four stations as far back as 2006 had rusted due to poor preservation.

Name		Quantity
Dompim Police Station	-	700
Wassa Damang Police Station	-	39
Nsuta Police Station	-	1,400
Attieku Police Station	-	<u>1,280</u>
		<u>3,419</u>

1907. According to the Chief Inspectors of the four Police Stations, about 90% of the ammunitions had become unserviceable. The dangerous aspect of the situation was that the unserviceable ones could only be identified when it could not release from the shell when a shot was fired. This could have serious or disastrous consequences should the police find themselves in any situation that requires the use of the firearms.

1908. Failure on the part of management to inspect the ammunitions on regular basis caused this lapse.

1909. We urged management to retrieve all the rusted ammunitions from the stations and provide them with new ones and take action to dispose of the unserviceable ammunition appropriately.

Missing six AK 47 Rifles

1910. Our inspection at the armoury of the Tarkwa Division revealed that six AK 47 rifles whose identification marks are provided below could not be accounted for:

- (i) 6196
- (ii) 219768
- (iii) 171878
- (iv) 7808
- (v) 7845
- (vi) 170593

1911. Records in the register indicated that they were issued out for operational duties in May 2010, without any indication of the particular station(s) or names of officers issued with the rifles.

1912. The absence of proper records on the whereabouts of the rifles is unacceptable. It shows irresponsibility on the part of the officers whose duty it was to record the necessary details and it would not be out of place to state that the six AK 47 rifles if not found, could fall into the hands of criminals for robbery and other illegal activities.

1913. We recommended to Management to hold the officer-in-charge of the ammunition responsible for the recovery of the above listed rifles, failure of which the officer concerned must be severely sanctioned. Meanwhile, we urged management to organise regular inspection on the entire armoury under its jurisdiction to avoid similar occurrence in future.

GHANA POLICE SERVICE - NKWANTA

Failure to produce records for audit inspection

1914. Section 11(2) of the Audit Service Act provides that the Auditor-General or any person authorised or appointed for the

purpose by the Auditor-General shall have access to all books, records, returns and other documents including document in computerized and electronic form relating to or relevant to those accounts”.

1915. Contrary to the above, the audit team was denied access to records of the District Police Command. Due to this limitation, we could not review the financial transactions for the periods 1 January 2012 to 31 December 2012 and 1 January 2013 to 30 June 2013.

1916. This limitation was due to the fact that, the District Police Commander was sick and also failed to delegate authority to competent officers to keep the office running whilst he was on leave.

1917. It was our considered opinion that Public Service institutions, of which the Ghana Police Service is part, are run with structures and not personalities. Therefore, the ill health of a responsible official should not affect the efficient running of government business.

1918. The District Commander (Mr. J.N.K Ackah) explained that financial records and documents are kept at the Divisional level but not at the District Command. The records kept at the Nkwanta District are the Lost, Stolen and Recovered Property book and Court Exhibit Register which are kept at the Police Station. The Police Commander subsequently agreed to submit

records on the funds received from Nkwanta South Assembly for audit.

NKWANTA POLICE STATION

Non-disposal of unserviceable items

1919. Store Regulation 1984, Chapter 11 Section 1101 states that “It is the responsibility of all supervisory officers and staff directly in charge of stores and equipment to determine what surplus, obsolescent and unserviceable stores are lying in their store-house and compounds. It is their further responsibility to take immediate action to dispose of such categories of stores and when necessary, to report the circumstances to the appropriate authority for disposal action”.

1920. Contrary to the above quoted regulation, we observed that the under listed store items rendered unserviceable were still kept in the various offices without any action taken on them either for their disposal or repairs.

Description of Item	Qty.	Location
Ceiling Fan	1	Station Officer's office
T.V. Set	1	Charge Office
Olivetti Typewriter	1	CID Office

1921. We are of the view that the continuous keeping of these items without any effort to repair or dispose of them in accordance with chapter 11 section 1101 of Store Regulation

1984 is a violation, the effect of which would lead to further deterioration of the items.

1922. We recommended to Management to take immediate action to either dispose of the items or repair them to avert possible deterioration of the items.

Non-maintenance of appropriate books

1923. Chapter 5 Section 0501 of Stores Regulations 1984 states “All stores and warehouses must have a system for dealing with the receipt of goods and, whatever the size of the Depot, the purpose remains the same, that is to accept delivery of goods intended for a consumer and to ensure that such goods are suitable for the purpose intended. Similarly, Chapter 5 of Section 0502 (a) states “It is also necessary to ensure that, the receipt transaction is immediately recorded on the appropriate ledger sheet and tally cards.”

1924. The audit disclosed on the contrary that, store items issued in the name of the District Police Commander from the Regional Police Headquarters were not receipted by way of Store Receipt Voucher (SRV), not entered into any stores ledger or tally cards, and no stores requisition vouchers prepared in support of items issued out of stock. This situation has arisen because the Station Master who doubled as the store keeper lacked the required knowledge of what books or records he must maintain in the store department.

1925. The effect was that it was not possible for the Audit team to actually determine the quantities of store items received from the Regional Police Headquarters and to determine whether or not the items were used in the public interest.

1926. We recommended to the Station Officer to ensure compliance with stores regulations. We further urged the Station Officer to liaise with the District Police Commander to provide appropriate training for any officer who may be assigned store keeping responsibilities.

Failure to maintain assets register

1927. Regulation 2(n) of the Financial Administration Regulation, 2004 states: “The head of government department shall compile and maintain Assets Register of the department as determined by the Controller and Accountant-General”.

1928. We found that the Nkwanta Police Station did not keep an Assets Register to record, provide documentary control and ensure the security of its assets like furniture, computers and television set.

1929. The cause of this was that the Station Master failed to ensure that an Assets Register was kept to record all Assets of the station to mitigate the risk of pilfering.

1930. We recommended that a Station Master as a unit head should always ensure that an Assets Register is kept to record

all Assets of the station which should be regularly updated and maintained in accordance with the above quoted regulation.

Tested accident vehicles and motor bikes not disposed of from the station's premises

1931. It is the duty of the Accident and Crime Unit of the Ghana Police Service to test accident objects and thereafter take necessary actions to dispose of the objects after either amicable settlement between accident parties or processing them for court.

1932. We observed during the audit that three vehicles and 16 motor bikes involved in accidents on various occasions had been parked at the premises of the Station for a period of about five years without any action taken for their disposal. Details are provided below:

Vehicles and Motor bikes

No.	Vehicle. No.	Type/Brand
1.	VR 1905 C	Taxi
2.	GT 3402 F	Taxi
3.	GT 8810 F	Taxi
	Motor Bike No.	
1.	M-12-GR 8157	Haojin
2.	M-11-GR 5632	Royal
3.	M-09-GR 650	Kymco
4.	GR 8472 X	Haojin
5.	GR 7920 V	Apollo

6.	M-12-GR 8138	Royal
7.	M-12-GR 2367	Haojin
8.	M-12-GR 290	Haojin
9.	-	Haojin
10.	-	Haojin
11.	-	Royal
12.	-	Apollo
13.	-	Kimco
14.	-	Royal
15.	-	Royal
16.	-	Haojin

1933. We attributed this laxity to the Station Master who failed to officially write to the District Police Commander for authority to dispose of these accident vehicles and motor bikes.

1934. The continuous retention of the vehicles and motor bikes without any attempt at disposal was serving no useful purpose except becoming a breeding ground for rodents and reptiles.

1935. We recommended to the Station Master to write to the District Police Commander for formal authorisation to dispose of the items through public auction or sale as scrap.

GHANA NATIONAL FIRE SERVICE - HEADQUARTERS

Payment of salaries to staff on retirement - GH¢16,954.44

1936. Two Deputy Chief Fire Officers, namely Mr. Cornelius Woedi and Mr. Stephen Kaudeu, who retired on the 4 June 2012

and 25 July 2012 respectively were paid unearned salaries totalling GH¢16,954.44.

1937. The above situation arose because Management did not submit the necessary inputs to the Controller and Accountant General Department timely for deletion of their names from the payroll.

1938. We urged Management to recover the unearned salaries from the two officers and same paid to chest.

GHANA NATIONAL FIRE SERVICE - BAWKU

Unearned salaries - GH¢1,480.00

1939. A separated staff was paid GH¢1,480.00 as unearned salary in January 2013 in contravention of Regulations 297(f) and 300 (a) of L.I. 1802.

1940. Management's failure in ensuring timely deletion of the officer's name from the payroll resulted in the unearned payment.

1941. We recommended that Management should recover the amount from the separated staff without further delay and pay same into the Consolidated Fund.

GHANA NATIONAL FIRE SERVICE - WA

Fuel purchases not accounted for -GH¢480.00

1942. Regulation 1604 of Chapter 16 of Stores Regulation 1984 requires that a vehicle log book shall be kept for each vehicle

and full particulars of receipts of fuel entered up daily in the log book by the driver.

1943. On the contrary, we noted that the receipt and usage of fuel worth GH¢480.00 was not recorded in the log book of vehicle number FS 370.

1944. This was because the vehicle had no log book. As such we were unable to determine whether the fuel was purchased and used by the vehicle and this could result in payments for fuel not procured or diversion of fuel for personal use.

1945. We advised Management to properly account for the fuel.

FIRE SERVICE, TUMU

Revenue not Accounted for-GH¢2,000.00

1946. Section 15 (1) of the FAR, 2004 (LI 1802) requires that any public officer or revenue Collector who receives public and trust money shall pay them into the relevant public fund bank account within 24 hours on receipt.

1947. We however noted that the District Fire Officer failed to account for GH¢2,000.00 received on receipt No.379642. This was due to lack of supervision over the activities of the officers of the District.

1948. We recommended for the recovery of the amount from the officer concerned. Management should also take disciplinary action against the officer.

REGIONAL FIRE SERVICE – BOLGA

Un-receipted remittances -GH¢ 35,638.00

1949. Section 28 (1) of the Financial Administration Regulations, 2004 states that a collector who is satisfied that money tendered is in order, shall issue an original receipt to the payer.

1950. We noted that an amount of GH¢35,638.00 received as supplementary remittances from the National Headquarters to run the office was not receipted contrary to the regulation stated above.

1951. Failure to issue official receipt to acknowledge the receipt of funds could facilitate the suppression or diversion of such funds.

1952. Management noted our recommendation to receipt all money from the National Headquarters for compliance.

Unearned salary GH¢859.40

1953. Section 297 (1a) of FAR 2004 (L.I 1802) states “A head of department shall cause the immediate stoppage of payment of salary to a public servant who has resigned or died”. Section 298 (4) stipulates that failure to effect the stoppage within the time required is a breach of financial discipline.

1954. We noted that Miss Amshetu A. Musah, Assistant Station Officer with staff No. Gov 513901G/47881 who died on the 26 November 2012 was paid salary arrears from January 2010 to January 2013 totalling GH¢9,909.42. This resulted in payment of unearned salary for the two months of December 2012 and January 2013 totalling GH¢859.40.

1955. The payment was as a result of failure to promptly delete the officer's name from the payroll.

1956. We recommended to Management to pursue recovery of the unearned salaries of GH¢859.40 from the officers bank account or next of kin and return same to chest.

GHANA NATIONAL FIRE SERVICE - SALAGA

Non-existent worker on payroll - GH¢3,338.53

1957. Regulation 304 (1) (a) of the FAR, 2004 stipulates that "A head of department or a head of Management unit shall examine and certify the personal emolument payment vouchers to ensure that only staff belonging to the unit are on the payment voucher".

1958. We noted during our review of the payroll that due to the station officer's failure to review and certify the mechanised pay vouchers monthly, a total amount of GH¢3,338.53 was paid to Mr. Tahiru Grant for the period between June 2011 and June 2012 as unearned salary.

1959. We recommended to Management to take steps to recover the amount from the bankers. For effective control of the station's payroll and personnel management, we suggested that Management should ensure that a well maintained and updated nominal roll is kept by the station.

FIRE SERVICE - MPRAESO

Payment of unearned salaries – GH¢4,845.91

1960. Section 297(1e) of the Financial Administration Regulations (FAR) states that “A head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has retired.”

1961. We observed that Mr. Noi Abraham who retired in May 2012 was paid unearned salaries totalling GH¢4,845.91 through the Agricultural Development Bank, Nkawkaw branch before his name was finally deleted from the mechanised salary payment voucher in September 2012.

1962. Management's failure to write to the Controller and Accountant-General's Department and his bank to immediately stop his salary and delete his name resulted in the payment of the total unearned salary of GH¢4,845.91 thereby denying government access to such funds to support other programmes.

1963. To ensure that government does not lose its financial resources through the payment of unearned salaries, we advised Management to recover the said amount from Mr. Noi

Abraham or be held liable to pay same to Government chest. We also urged Management to promptly alert the Controller and Accountant-General and the banks to delete the names of separated staff from the payrolls and transfer any such recoverable payments to government chest.

GHANA NATIONAL FIRE SERVICE - BEGORO

Unserviceable official vehicle number FS 212

1964. Section 83(1) of the Public Procurement Act, 2003 (Act 663) states “the head of a procurement entity shall convene a Board of Survey comprising representatives of institutions with unserviceable, obsolete or surplus stores, plant and equipment which shall report on the items and subject to a technical report, recommend the best method of disposal.” Also, Section 84 requires disposal of obsolete and surplus items to be made by public auction, subject to a reserve price.

1965. We observed that the department’s Nissan Pick-Up with registration number FS 212 which was found to be unserviceable and beyond repairs was parked outside and exposed to the vagaries of the weather thereby suffering further deterioration and loss of value.

1966. We attributed the situation to failure on the part of Management to seek clearance from the appropriate quarters for remedial action.

1967. We advised Management to seek clearance from the National Headquarters to auction the vehicle.

GHANA NATIONAL FIRE SERVICE, SUNYANI

Unearned salaries – GH¢2,327.22

1968. Regulation 297(1) of the Financial Administration Regulation, 2004 stipulates that, a head of department shall cause the immediate stoppage of salary to the public servant when that public servant has retired, vacated post, resigned, been granted leave without pay or died.

1969. On the contrary, we noted during the audit that, three officers who were no more with the Service were paid an amount of GH¢2,327.22.

1970. Management's failure to ensure the early deletion of their names resulted into this. This had deprived the State part of the needed funds for development.

1971. We urged Management to pursue recovery of the total amount of GH¢2,327.22 and pay same to chest.

RESETTLEMENT CAMP PRISON - AWUTU

Names of transferred officer retained on payroll

1972. Regulation 304 (1a&b) of the FAR, 2004 requires a head of department to examine and certify the Personnel Emolument Payment Vouchers to ensure that only staff belonging to the unit are on the payroll and in the case of an officer on transfer or posting out, ensure that the name is deleted from the payroll within three months.

1973. In contravention to the regulation, the officer in charge of Resettlement Camp Prisons, Awutu Beraku, retained the names of three staff that were transferred between 21 July 2011 and 9 August 2012 on the mechanised payment voucher. The effect of the above was to bloat the payroll with the three names. Details are provided below:

Names of transferred officers retained on Payroll

Name	From	To	Date of transfer
Felix Owusu	Awutu	Headquarters	21/7/11
Ernest Amissah	Prison	Yeji	17/10/11
Rebecca Jackson	Camp	Ankaful	9/8/2012

1974. We recommended to the officer to submit inputs to the Controller and Accountant – General’s Department to transfer the names from his payroll into the payroll of their respective new stations.

GHANA PRISON SERVICE - NAVRONGO

Payment of unearned salaries – GH¢12,889.83

1975. Regulation 297(1f) of the Financial Administration Regulations, 2004 (LI 1802) requires a head of department to cause the immediate stoppage of payment of salary to a dead public servant.

1976. We however noted names of three deceased staff on the payroll of the office for periods ranging between three and 12

months, resulting in payment of unearned salaries to them totalling GH¢16,816.20.

1977. We further noted that Management had recovered to chest a total of GH¢8,289.10, leaving a difference of GH¢8,527.10 unrecovered as indicated in the table below:

Unearned salaries

Name	Staff ID	No. of Months	Total Unearned salary GH¢	Total Amount Refunded GH¢	Balance GH¢
Jonathan Tetteh	GOV463990 F	12	9,093.57	6,092.87	3,000.70
P.F.Awuni	GOV462219 E	6	6,318.27	2,196.23	4,122.04
Camillus K. Gaseh	GOV465160 N	3	1,404.36	-	1,404.36
Total			16,816.20	8,289.10	8,527.10

1978. We also observed that deductions were made from the unearned salaries of the deceased officers on behalf of the Prisons Service as welfare dues, Provident Fund and repayment of loans contracted from Financial Institutions as detailed below:

Name	Prisons Service Deduction GH¢	Financial Institutions deductions GH¢
Jonathan T Tetteh	360.00	1,721.68
P. F Awuni	180.00	1,053.30
Camillus K. Gaseh	108.00	939.75
Total	648.00	3,714.73

1979. We recommended to Management to recover the balance of the unearned salary of GH¢8,527.00 from the deceased estate or next of kin, GH¢3,714.73 from the financial institutions and GH¢648.00 from the Prisons Service Welfare Account and pay same to chest.

Purchases without alternative quotations - GH¢3,301.50

1980. Section 43(1) of the Public Procurement Act, 2003 Act 663 provides that a procurement entity shall request quotations from as many suppliers or contractors as practicable, but from at least three different sources.

1981. On the contrary, we noted that the department made procurements valued at GH¢3,301.50 on PV No. 269955 of 16/4/12 by direct purchases without recourse to the above provision.

1982. The failure of Management to comply with the provisions in the PPA Act 663, does not enhance transparency and accountability and could lead to the institution not obtaining value for purchases made.

1983. We recommended to Management to comply with the provisions in the PPA Act Act 663 to ensure that the station obtained value for money in all procurements.

GHANA PRISONS SERVICE - TAMALE

Payments without supporting documents - GH¢5,580.00

1984. We observed that, contrary to Regulation 39 (20) of the Financial Administration Regulation 2004.(L.I. 1802), four

payment vouchers with a face value of GH¢5,580.00 were not supported with receipt, invoices and statement of expenditure to authenticate the payments.

1985. The lapse was occasioned by Management's failure to ensure that the payments were properly and adequately accounted for, to justify their use.

1986. We urged Management to adequately acquit the vouchers.

Procurement without alternative price quotations - GH¢4,283.00

1987. Contrary to Section 43 of the Public Procurement Act, 663, the Ghana Prisons Service procured items worth GH¢4,283.00 without obtaining competitive quotations from at least three different sources.

1988. The anomaly occurred as a result of Managements' inability to ensure that the regulations enshrined in the PPA (Act 663) were strictly complied with.

1989. We urged Management to comply with the Public Procurement Act (Act 663) in procuring goods and services to ensure economy, efficiency and transparency in order to obtain value for money.

Non-deduction of withholding tax - GH¢144.15

1990. Contrary to Section 84 (2) of the Ghana Revenue Authority Act 592 of 2000, the Service procured goods and

services to the tune of GH¢2,883.00 from various suppliers but failed to deduct a total withholding tax of GH¢144.15 and pay to the Domestic Tax Revenue Division.

1991. The lapse was as a result of Management's failure to comply with the regulations quoted above.

1992. We requested Management to recover the tax of GH¢144.15 from the suppliers and pay same to the Domestic Tax Revenue Division.

Procurement from Non-VAT registered entities - GH¢642.45

1993. Our examination of vouchers revealed that procurement worth GH¢4,283 was made from three suppliers and service providers without obtaining VAT invoices and receipts in contravention of Section 183 (4) of the FAR 2004 (L.I. 1802).

1994. We advised Management to collect the VAT invoices and receipts from the suppliers and ensure that the VAT revenue was paid to the VAT Secretariat.

IGF not accounted for - GH¢1,505.00

1995. We noted contrary to the dictates of Regulation 28 (1) of the FAR 2004 (LI 1802) that revenue generated from authorised outdoor labour of in-mates of the Yendi Prison amounting to GH¢1,505.00 was paid to the officer-in-charge, Mr. Alfred Karikari. The amount was however not accounted for by the officer.

1996. We recommended recovery of the amount from Mr. Karikari by the Prison authorities and appropriate disciplinary action taken against him.

Over paid rent – GH¢4,200.00

1997. Contrary to the dictates of Section 12 of the FAR 2004 (LI 1802), our audit disclosed that the number of rooms stated on the Certificate of Assessed Rent and Rate (CARR) for 2012, by the Rent Control Division on behalf of Awabu Imoro and Hajia Rahamatu Iddrisu (landlords) were over stated by four and six rooms respectively, therefore resulting in over payment of rent by GH¢4,200.00 to the two land ladies.

1998. Management's ineffectiveness and lackadaisical attitude towards its supervisory role caused the lapse.

1999. We asked Management to retrieve the amount of GH¢4,200.00 from the two landladies and same paid to chest, failing which the amount should be recovered from the head of Yendi Prisons, Mr. Victor Douchebe.

GHANA PRISON SERVICE – WA

Unpresented payment vouchers –GH¢1,166.70

2000. Section 1 of the FAR, 2000 (L.I 1802) requires public officers responsible for the conduct of the financial business on behalf of government to keep proper records and produce such records for inspection by the Auditor-General when so demanded.

2001. To the contrary, we noted that the Service failed to present for audit payment vouchers covering a total amount of GH¢1,166.70. The genuineness of the payments and whether they were in the interest of the Service could not be determined. We could not tell if there had been misappropriation of funds or some other expenditure irregularities.

2002. We therefore advised that the vouchers should be traced and submitted for audit.

Unearned salaries - GH¢8,583.91

2003. We noted during a review of the payroll of the Service that the names of the two officers who died in December 2012 continued to reflect in the payroll from December 2012 to March 2013. Consequently a total amount of GH¢5,862.54 was paid into the bank accounts of the deceased officers. In addition, a total amount of GH¢2,721.37 was deducted from their salaries and paid to Insurance Companies bringing the total unearned salaries to GH¢8,583.91.

2004. The lapse occurred because Management failed to ensure that the salaries paid into the bank accounts of the officers were transferred to the CAGD salary suspense accounts. This contravened section 297 of the FAR, 2004 (L.I 1802) which require the stoppage of payment of salary to a deceased staff by notifying the bank and submitting inputs to the CAGD for the deletion of the names from the payroll.

2005. As a result of these lapses the State is likely to incur a loss if the Service is unable to recover the amount.

2006. We recommended that Management should request the banks to ensure that the transfer of a total amount of GH¢5,862.54 paid to their accounts is returned to chest. Steps should also be taken to recover the GH¢2,721.37 paid to the Insurance Companies.

GHANA PRISON SERVICE - SEKONDI

Unearned salary - GH¢1,343

2007. Financial Administration Regulation 2004 Section 297 (1e) states that “a head of department shall cause the immediate stoppage of payment of salary to public servant when that public servant has retired.

2008. Our review of mechanised salary vouchers disclosed that Sergeant Charles Adu who voluntarily retired from the Service on 3 October 2012 did not have his name deleted from the mechanised payroll and as a result, a total amount of GH¢1,342.60 was illegally paid into his bank account.

2009. Though Management wrote to his bankers (Ghana Commercial Bank, Sekondi) to transfer the unearned salary to government chest, there was no documentary evidence that the bank had transferred the amount to the Controller and Accountant-General's Suspense Account.

2010. Failure by the bank to carry out the directive by Management could result in the loss of GH¢1,342.60 to the State.

2011. We recommended to Management to ensure that his bankers transfer the unearned salaries of GH¢1,342.60 to Controller and Accountant-General Suspense Account.

2012. Management responded that a letter had been written to Ghana Commercial Bank, Sekondi to provide evidence of payment.

GHANA IMMIGRATION SERVICE - LEKLEBI DAFOR

2013. Section 1507 of the Store Regulation, 1984 requires that all departments should update their inventory at the end of each financial year. We noted that the station did not keep inventory of its assets and to update it at the close of each financial year.

2014. In view of the potential losses to be incurred by the Service and the State if the items are not recorded, we urged Management to ensure that all items are captured in their inventory register. All other items to be acquired in future should also be recorded as the law requires.

GHANA GAMING COMMISSION

Single sourcing of procurement of vehicle - GH¢74,847

2015. Contrary to Section 43 (1) and Schedule 3(2) of the Public Procurement Act 2003 (Act 663), Management of the Commission without approval from the Procurement Authority

sole sourced the procurement of one SUV 4x4 Hyundai ix 35 on December 2013, valued GH¢74,847.05. This transaction was above the threshold of Head of the Entity.

2016. The procurement was without recourse to calling for bids or inviting quotations from other competitors to ensure value for money.

2017. Although Management explained that Auto Plaza was the only automobile company that was willing to offer credit facility, we are of the opinion that approval should have been sought from the Authority before sole sourcing the purchase.

2018. We recommended that Management should seek retrospective approval from the Public Procurement Authority and should in future be guided by the Procurement Act in such transactions.

Non-existence of Governing Board

2019. Our review of records disclosed that the Governing Board of the Gaming Commission had not been constituted to back the functioning of the Commission contrary to Section 4 of the Gaming Act 2006, (Act 721).

2020. To ensure good corporate governance, public entities should have Governing Boards that govern, direct affairs, undertake strategic thinking and formulate policies for Management to implement. The various functions of the Board have been spelt out in Section 13(b) which gives powers to the

Board for the Commission to license game operations. Furthermore Sections 16(3), 22, 23, 27 (i), and 27(e) among others, empower the Board to enable the Commission to function legally and effectively.

2021. In the absence of the Board there was no oversight body to guide the Commission in performing its roles and functions.

2022. We urged the Commissioner to prompt the Minister of Interior on the need to constitute and inaugurate the Board to empower the Commission.

MINISTRY OF WATER RESOURCES, WORKS AND HOUSING

Recovery of amounts paid to estate developer – GH¢78,105.60

2023. During our review of assets management, we noted that 108.48-acres of land situated at Gomoa Nyanyano Kakraba in the Ewutu-Afutu-Senya District in the Central Region acquired by the Ministry at a purchase value of GH¢520,704.00 (out of which GH¢78,105.60 had been paid) from Dara Salam Estate Developers Ltd in June 2005 had not been properly safeguarded against misuse and unauthorised access and as a result had been seriously encroached upon according to a report by a task force established by the Ministry in June 2012.

2024. The task force observed that the extent of encroachment would make it impossible to undertake any meaningful planning and development of the remaining parcels of land. The task force recommended the immediate cessation of the

acquisition process and retrieval of the amount of GH¢78,105.60 paid so far with going interbank interest rate arguing that it was incumbent on the estate developer, according to the purchase agreement, to have established mechanism to safeguard the property.

2025. We endorsed the recommendation of the Ministry's task force and requested Management to recover the amount of GH¢78,105.60 from the estate developer as soon as practicable with going interest rate.

2026. Management commented with documentary evidence that Dara Salam Estate Developers Ltd had been requested to refund the amount of GH¢78,105.60 to Government of Ghana.

Unearned salary – GH¢9,439.04

2027. Regulation 297 (1) of the Financial Administration Regulations, 2004 states that, "A head of department shall cause the immediate stoppage of salaries to a public servant when that public servant has resigned, retired or died."

2028. We identified during our review of personnel records at the Ministry that between June 2012 and March 2013 unearned salaries totalling GH¢9,439.04 were paid into the bank accounts of the three officers who had vacated their post.

2029. Payment of the unearned salaries occurred because Management delayed in notifying their bankers to ensure the

immediate stoppage of their salaries. The risk in the delayed action is that financial loss of GH¢9,439.04 could arise.

2030. We urged Management to recover the amount and pay into Controller and Accountant-General's Suspense Account at the Bank of Ghana. Management stated that they had written to the three former members of staff concerned to refund the unearned salaries and that failure to do so will prompt referral of the matter to the Police Service to assist in the recovery effort.

ACCRA METRO WORKS DEPARTMENT

Payments without supporting evidence - GH¢1,059,659.00

2031. Regulation 39(2) (c) of the Financial Administration Regulations, 2004 requires establishment of proper authentication for all transactions to show that amounts are due and payable.

2032. In violation of this regulation, as well as Regulation 2 (a) & (c), we noted that a total amount of GH¢1,059,659.01 paid to service providers on 11 payment vouchers between January 2011 and September 2013 could not be substantiated with relevant evidence. This omission reflected weak internal control arising from ignorance of the Financial Regulations, lax supervision and oversight of the accounting function which could create the potential for malfeasance.

2033. We recommended that Management should establish corrective processes designed to retrieve the relevant

supporting documents or the amount of GH¢1,059,659.01 involved should be refunded.

COMMUNITY WATER AND SANITATION DEVELOPMENT BOARD - AWASO

Misappropriation of cash by Mr. Appiah Kwame Mensah - GH¢4,500.00

2034. Due to the lack of regular supervision of the revenue collection function, we noted that between March and June 2013, Mr. Appiah Kwame Mensah, a revenue collector of the Board, withdrew a total amount of GH¢4,500.00 from the Board's Operational Account No. 611766 at the Upper Amenfi Rural Bank, Sefwi Bekwai by falsifying the signature of the authorised signatories on six cheque leaflets belonging to the Board.

2035. We recommended that Management should demand a refund of the amount from the revenue collector and pay into the Board's Operational Account and institute disciplinary action against him. Management explained that Mr. Appiah had refunded GH¢2,500.00 and the amount had been placed in the custody of the Police while efforts were made to recover the difference of GH¢2,000.00.

2036. We recommended that notwithstanding the partial refund by Mr. Appiah, appropriate disciplinary action should be taken against him for this misconduct.

COMMUNITY WATER AND SANITATION DEVELOPMENT BOARD – BIBIANI

Indebtedness to the Board – GH¢380,593.00

2037. Our review of the Water Bill ledgers revealed that as at 25 July 2013, several organisations in three broad categories owed a total amount of GH¢380,593.00 to the Board from non-payment of water bills as follows: District Assembly (GH¢19,587.70); Government Establishments (GH¢218,052.50); and Private Connections (GH¢142,952.80).

2038. Despite the existence of these high debt levels, the Board's bank balance on the same date stood at only GH¢688.57 reflecting the non-existence of effective debt recovery mechanism, a situation likely to undermine the operating sustainability of the Board.

2039. We requested Management to ensure that the arrears are settled by the organisations concerned, employing legal action, if necessary. Management explained that they had served several demand notices on the defaulting organisations to settle their indebtedness but to no avail.

2040. We stressed the need for more effective recovery measures other than the issuance of demand notices.

COMMUNITY WATER AND SANITATION DEVELOPMENT BOARD – HALF ASSINI

Revenue arrears in respect of water bills – GH¢85,027.50

2041. Article 8(7) of the Board's Operating Staff Contract requires the System Manager to: (a) supervise the accounts

officer in the monthly issuing of bills to all private, commercial and institutional users of the water supply system; (b) ensure that the amounts collected by the accounts officer from private, commercial and institutional users are consistent with the individual connection follow up sheets; (c) support the accounts officer in collecting unpaid bills; and (d) report cases of non-payment or late payment of bills to the Board, which shall in turn facilitate negotiations for bill payment.

2042. Due to the lack of supervisory involvement by the System Manager, we noted from the examination of the Board's Customer Follow-up Ledger containing a database of customers bills, payments made and running balances that total uncollected revenue stood at GH¢85,027.50 as at August 2013.

2043. The unpaid bills which had locked up internally generated funds of the Agency created the risk of delays occurring in the extension of potable water to needy communities within the district.

2044. We urged Management to step up efforts in the collection of the outstanding bills to enhance the operational effectiveness of the Board. Management commented that they were contemplating court action against organisations in three months arrears and service disconnection for arrears less than three months.

Lack of competitiveness in contract award – GH¢8,400.00

2045. Our review of contract management disclosed that in violation of Section 43 (1) of the Public Procurement Act, 2003

(Act 663), the construction of an overhead Water Reservoir at Half-Assini by the CWSA Board, was awarded to a mason, Mr. Issaka Hamani, without extending any invitation to as many suppliers or contractors as practicable to promote competitiveness in the contractor/supplier selection process.

2046. We noted that the contract execution lacked a monitoring mechanism to ensure that the amount of GH¢8,400.00 paid to the mason was commensurate with the contract deliverables. In the circumstances, instances of deficiencies in work delivery would go unidentified and there might not be any request for rectification as a condition for release of retention amount.

2047. We recommended, and Management agreed to ensure competitiveness in supplier/contractor selection process in future procurement contract activities.

PUBLIC WORKS DEPARTMENT - HEAD OFFICE

Unearned salaries- GH¢ 15,917.17

2048. Regulation 297(e) (f) of the Financial Administration Regulations, 2004 requires heads of departments to cause the immediate stoppage of the payment of salary to a public servant when that public servant separates from the department.

2049. The audit noted that unearned salaries amounting to GH¢15,917.17 had been paid into the bank accounts of eight separated staff (seven on retirement: GH¢11,378.30 and one deceased: GH¢4,538.87) because the prescribed input forms sent

to the Controller and Accountant-General Department (CAGD) to ensure deletion of their names from the payroll were not processed by the latter in a timely manner.

2050. We urged Management to ensure that the amount of GH¢15,917.17 representing total unearned salaries of the eight separated staff is recovered fully and paid into the Controller and Accountant-General Suspense Account at the Bank of Ghana. Management commented that the Personnel Section of the department had written to the affected staff that their retirement and death benefits would not be processed until they had shown evidence of paying back the unearned salaries.

PUBLIC WORKS DEPARTMENT, SUNYANI

Payments lacking supporting evidence - GH¢17,345.00

2051. Regulation 39 (2)(c) (d) of the Financial Administration Regulations 2004, require the head of the accounts section to control disbursement and to ensure that transactions are properly authenticated to show that amounts are due and payable and any disbursement that does not meet the requirement is rejected.

2052. We observed that two payments made by the Regional Engineer totalling GH¢17,345.00 in respect of the renovation works at bungalow No. 60 Residency (GH¢16,345.00) and sundry purchases for the department (GH¢1,000.00) lacked supporting evidence and, as a result, could not be made available for review by the Accountant upon demand.

2053. Consequently, relevant transaction particulars such as payee and actual amount received as well as receipts covering payments made was not available to attest to the validity and factual accuracy of the two transactions.

2054. We recommended that the Regional Engineer and the Accountant should obtain the relevant documentary evidence to support the payment or in default, be responsible to refund the amount of GH¢17,345.00 involved.

PUBLIC WORKS DEPARTMENT - HOHOE

Unearned Salaries – GH¢5,766

2055. Regulation 297 (1) (e) (f) of the Financial Administration Regulations, 2004 states that, “A Head of Department shall cause the immediate stoppage of payment of salaries to a public servant when that public servant has retired or died”.

2056. In violation of the above regulation, we noted that during 2013 a total amount of GH¢17,931.17 was paid into the bank accounts of five separated staff (three retired: GH¢12,165.49 and two deceased: GH¢5,775.68) of the department as a result of delays reportedly caused by the Controller and Accountant-General’s Department in processing the relevant input forms for deleting their names from the payroll.

2057. We recommended that an amount of GH¢17,931.17 representing unearned salaries paid to the five separated staff should be recovered and paid to the Suspense Account of the Controller and Accountant-General’s Department at the Bank

of Ghana. Management should also ensure that names of the separated staff are deleted from the government payroll.

MINISTRY OF ROADS AND HIGHWAYS

Unearned Salary - GH¢6,897

2058. We noted that between January and December 2012, the Ghana Highways Authority (GHA) at Ada Foah paid unearned salaries of GH¢6,897.48 to two retirees, one deceased and one member of staff who vacated post. This was in contravention of Section 297(1) which required that salary payments should not be made to staff who separate from their organisations.

2059. We attributed this situation to the failure of the Management of GHA to prepare inputs for the Controller and Accountant General's Department to delete the names of the separated staff from the payroll and/or communicate with the relevant banks to stop the payments of the unearned salaries.

2060. We asked Management to recover the amount from the persons involved to government chest.

Unsupported payments - GH¢5,264.00

2061. Regulation 39 (2) (c) of the FAR, 2004 requires all transactions to be properly authenticated to show that amounts are due and payable.

2062. Due to the failure of the Accountant to ensure that all payment vouchers were properly acquitted, the Ghana Highways Authority, Ada Foah, paid out a total amount of

GH¢5,264.20 on nine payment vouchers between January and December 2012 for services rendered but failed to support them with the relevant transaction documents and official receipts.

2063. The lapse impaired audit trail and appropriate accountability and could conceal misappropriation of funds through fictitious payments.

2064. We recommended to Management to ensure that the Accountant and the spending officers fully accounted for the payments, failing which the GH¢5,264.20 should be recovered from Management.

DEPARTMENT OF FEEDER ROADS – SEFWI-WIAWSO

Payment of unearned salaries – GH¢8,413

2065. Contrary to Section 927 (1) (f) of the FAR, our payroll audit disclosed that Mr. Eric Adjei, a deceased staff of Feeder Roads was paid unearned salaries of GH¢8,412.59. A follow up to his bankers indicated that the amount had been fully withdrawn by the relatives of the deceased staff.

2066. Management's inaction in promptly notifying the Agricultural Development Bank (ADB) to stop access to the deceased's bank account contributed to the anomaly. This denied the State the use of the funds and could also result in loss to the State if it is not recovered.

2067. We recommended to Management to liaise with the Manager of ADB for the recovery of the amount from the relatives of the staff and pay back to government chest.

2068. Management had since reported the case to the Police at Sefwi Wiawso for the recovery of the amount of GH¢8,412.59.

DEPARTMENT OF FEEDER ROADS – TAKORADI

Repossession of road construction equipment not effected

2069. The Director, Department of Feeder Roads, in a letter with reference number ACC 98 dated 19 March 2012 followed up with another letter dated 6 November 2012 under the subject matter “Repossession of Equipment Allocated to Road Constructors”, reminded the Regional Manager of the Department to cart and assemble at the Regional Office premises all pieces of road construction equipment in the Region earmarked for repossession.

2070. We noted that the equipment in question had not yet been repossessed by the Department as the equipment could not be located for verification by the audit team.

2071. We attributed the situation to ineffective measures by the Regional Manager to ensure that the repossession was carried out.

2072. We took the inability to repossess the equipment to mean that the equipment had either been stolen or were being used by the people in whose custody they are currently under

without disclosing and accounting for revenue generated from their usage. The equipment could also be used and damaged and parked at undisclosed locations without notifying the Department.

2073. We recommended that the repossession should be carried out without delay and all damages to the equipment noticed after the repossession be paid for by the contractors in whose possession the equipment were.

Non-Availability of Title Documents for Bungalows

2074. Regulation 272 (1) and (2a) of FAR, 2004 states that “for the purposes of these Regulations legal documents are documents which might be required to be produced in court to establish a claim or settle a dispute and title documents conferring or recording ownership of any property including title deeds, bonds, stock or share certificate”.

2075. Our review of Fixed Assets Register of the Department revealed that the Department bought 14 Bungalows between 1998 and 2006 at a total cost of GH¢176,294.10 but could not produce indenture and land title documents to authenticate legal ownership of the properties.

2076. We recommended that the indentures and land title documents confirming the Department’s ownership of the various Bungalows should be obtained and made available for inspection.

Non-Retirement of Imprest – GH¢28,162

2077. Part XIII of the Financial Administration Regulations 288, Sub regulation (1-3) states that “imprest shall be retired at the close of a financial year and any imprest not so retired shall be adjusted to a personal advance account in the name of the imprest holder.

2078. Contrary to the above regulation we noted that imprest amounting to GH¢28,161.89 granted to six staff members under Geographical Information System project since 2012 have not been retired for periods ranging from 9 to 19 months. There were also instances where staff were given additional imprests even though they had failed to retire earlier imprests received.

2079. This improper administration of imprests could facilitate misapplication of imprest and or misappropriation of funds.

2080. We recommended that the Regional Manager should ensure that the imprest was accounted for or the amounts adjusted to personal advance account in the respective names of the officers and ensure that the said advances were recovered.

DRIVER AND VEHICLE LICENSING AUTHORITY, HO Failure to Deduct Rent -GH¢3,890

2081. Part 1 regulation 17 (a) of FAR, 2004 states: “A head of department shall ensure that all non-tax revenue is efficiently collected”.

2082. From our review of rent payment by staff of DVLA who were occupying officially provided accommodation we observed that Management had failed to collect rent amounting to GH¢3,890 from one officer, Mr. Jerry Gbagbo, who had been occupying DVLA acquired property, SSNIT Flat Block 18 Room 33, since 1 February 2011. The Officer was supposed to suffer a deduction of 10 per cent of his salary as rent.

2083. The lapse occurred because Management failed to issue a formal bungalow allocation letter to the officer and prepare inputs to Controller and Accountant-General for the deduction to be effected from source.

2084. We urged Management to ensure that an allocation letter was issued retrospectively to the officer and inputs prepared for deductions to be effected from his salary at source. Management should also ensure that the arrears due were recovered and paid to Government chest and evidence of payment provided for verification.

GHANA HIGHWAYS AUTHORITY, HOHOE

Unearned Salary - GH¢1,789

2085. Section 297 (1) (a) and (f) of Financial Administration Regulations (FAR) L.I.1802 of 2004 requires a head of department to immediately stop the payment of salary to staff who had retired, resigned, died or vacated post and cause the deletion of their names from the government payroll.

2086. We noted that, Mr. Seth Asai, who retired from the GHA in February 2013 was paid total unearned salary of GH¢1,789.93 up to May 2013. This was due to Management's delayed action in deleting the retiree's name from the payroll.

2087. We recommended that Management should recover the unearned amount immediately from the retired staff and pay into the Controller and Accountant General's Salary Suspense Account.

NATIONAL ROAD SAFETY COMMISSION, HO

Un-receipted Payments - GH¢2,220

2088. Contrary to Section 39 (2c) of the Financial Administration Regulations, 2004, five payment vouchers totalling GH¢2,220.50 were not receipted by the payees to authenticate the genuineness of the payments made to them.

2089. Due to this lapse, we could not confirm the validity and the genuineness of those payments.

2090. We recommended to Management to obtain the official receipts from the payees in respect of these transactions to authenticate the payments.

Works Executed without Works Order - GH¢1,100

2091. Section 1522 of Stores Regulation 1984 states among others that "the repairs or maintenance of an item of plant and machinery shall be made by means of a Departmental Purchase

Order which shall in all cases be supported by works order, a written estimate of the cost of repairs or other work required.

2092. Contrary to the regulations stated above, we noted that, the National Road Safety Commission, Ho, undertook repairs of some office equipment, servicing of vehicles and maintenance of office bungalow at a total cost of GH¢1,100.00 without the use of works orders.

2093. These transactions, in our view, lacked the element of transparency and if due care is not taken value for money would not be achieved in the execution of the jobs.

2094. We urged Management to ensure that henceforth all repairs, servicing and maintenance works are initiated by the use of works orders to enhance transparency and achievement of value for money in the disbursement of public funds for such purposes.

Items not routed through Stores – GH¢3,488

2095. Chapter 5, Section 0522 of the Store Regulations 1984, states “A Stores Receipt Voucher (SRV) shall be prepared for the recording of all goods received into store whether they be Allocated or Unallocated stores”.

2096. We noted that purchases worth GH¢3,488.00 made in 2013 were neither supported with SRV’s nor taken on ledger charge due to non-existence of stores documentary procedures and a Storekeeper. We also did not notice any documentation

of the issues of these items that were procured by the Commission.

2097. Management's failure to assign a substantive storekeeper and ensure that the necessary store records were prepared and kept caused this anomaly.

2098. We were therefore not able to confirm that the items were purchased and used in the course of public business and with due regard to economy, efficiency and effectiveness.

2099. Such practice could, in our view, result in payment for fictitious purchases, stores not fully supplied, item with wrong specification being supplied and or create opportunity for the diversion of stores.

2100. We therefore urged Management to, forthwith assign a substantive Storekeeper to take charge of the stores; put in place appropriate stores facilities and ensure that the necessary records are properly maintained to halt recurrence in future.

2101. Management responded that they don't have a storekeeper and in the interim they had appointed their Secretary to act as the storekeeper pending the posting or appointment of a substantive storekeeper in liaison with their Head Office.

MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

LOCAL GOVERNMENT SERVICE SECRETARIAT

Two official vehicles retained by former officials of the secretariat -GH¢52,068.01

2102. Our review of assets management disclosed that two official Nissan Patrol vehicles valued at GH¢ 52,068.01 allocated to two former officials of the Secretariat, Messrs M. B Alhassan and Cofie Agama had not been handed over to the organisation since they were both posted to other management units in 2011.

2103. The registration numbers are GE 4036-Z (valued at GH¢34,652.55) and GE 340-X (valued at GH¢17,415.46).

2104. The occurrence reflected weak supervision and oversight of assets management and enforcement of handing over procedures as laid down in Regulation 1802 of the Stores Regulation, 1984. Unsuccessful attempts had reportedly been made in the past to repossess the vehicles from the two officers.

2105. We recommended that Management should develop and implement an effective action plan to repossess the vehicles from the two former officials. Management appeared helpless in taking recovery measures and only explained that the two former officials had repeatedly been requested to surrender the vehicles to the organisation with no effect.

2106. We insisted that the vehicles should be recovered from the officers and appropriate disciplinary action taken against

them. They should also be made to pay for the cost of denying the Secretariat the use of the vehicles for the unauthorized period that the vehicles had been with them.

Unearned salary GH¢1,449.96

2107. Heads of departments are required under Regulation 297 of the FAR 2004 (LI 1802) to cause the immediate stoppage of payment of salary to a Public Servant who has retired, died or vacated post.

2108. We reviewed compliance and noted through the examination of mechanised salary vouchers from Controller and Accountant-General's Department that the bank account of Mr. Issah Abdul-Basit (an Assistant Development Planning officer with Staff ID 862303) who resigned from the Secretariat in August 2012 had been credited a total amount of GH¢1,449.96 representing his salary for the period September and October 2012.

2109. The deficiency stemmed from delay caused by the Payroll Unit in ensuring timely deletion of the name from the payroll.

2110. We recommended that Management should recover the unearned salary of GH¢1,449.96 from Mr. Abdul-Basit and pay same into the Suspense Account of the Controller and Accountant-General's Department at the Bank of Ghana. Management explained that Mr. Abdul-Basit had been

requested in writing to pay back the amount of GH¢1,449.96 for lodgment into the Consolidated Fund.

2111. We recommended that Management should pursue full recovery of the unearned salary and maintain evidence thereof for subsequent confirmation.

COMMUNITY DEVELOPMENT VOCATIONAL/TECHNICAL INSTITUTE

Direct disbursement from revenue – GH¢32,850.00

2112. Regulation 18 of the Financial Administration Regulations, 2004 states that, “A department that has legislative approval to retain all or a portion of Internally Generated Funds collected, must first lodge the retained Internally Generated Funds in gross into the Department’s Operational Bank Account designated by the Controller and Accountant – General before disbursement’s are made”.

2113. Our audit of the Institute’s accounts disclosed that because school fees are paid by the students in cash, out of a total amount of GH¢39,122.00 collected between January 2012 and May 2013, only GH¢6,272.00 was paid into the bank account by the Accountant. The balance of GH¢32,850.00 was reportedly used to cater for unsubstantiated expenses.

2114. We recommended that Management take notice and discharge its duties under FAR Regulation 2 by ensuring that the Accountant accounts for the amount of GH¢32,850.00 with

appropriate supporting evidence to acquit the funds which had not been paid into the Operational Bank Account.

2115. Management was also to ensure all internally generated funds are paid intact to bank by directing that henceforth all school fees should be paid by banker's draft.

BIRTHS & DEATHS REGISTRY, GREATER ACCRA REGION

Funds Transferred not Credited By Bank of Ghana - GH¢30,125.00

2116. We reviewed HFC Bank cash transfer details transmitted to the Bank of Ghana between November 2012 and December 2013 and noted that a total amount of GH¢30,125.00 transferred by the HFC Bank to the credit of Births and Deaths Registry (the Registry), Greater Accra Region had not reflected in the Bank Statements issued from the Bank of Ghana.

2117. This occurred because Management had not established mechanism to monitor and ensure that all Non-Tax Revenue lodged into the transit Bank accounts is promptly transferred into the main Consolidated Fund Bank account as required under Section 17(c) of the Financial Administration Act 2003.

2118. Consequently, because the above monitoring process was lax, the Bank of Ghana had held cash received on behalf of the Registry for over six months without transferring into the Consolidated Fund.

2119. We recommended that Management should establish an effective and efficient monitoring mechanism to track all cash transfers intended to be made on behalf of the Registry into the Consolidated Fund so that undue delays are promptly unearthed for immediate resolution with the Bank of Ghana and the transferring bank. We also requested Management to ensure that the amount of GH¢30,125.00 transferred by the HFC Bank to the credit of the Registry is immediately paid by the Bank of Ghana into the Consolidated Fund.

2120. Management responded that following a reconciliation they performed between the bank statements of the HFC Bank Ghana Ltd and the Bank of Ghana, the latter, acting on their instructions, has credited the amount to the Registry.

2121. The reconciliation statement was, however, not made available for our review to confirm the assertion.

**Moneys Deposited not fully transferred on due dates
GH¢6,130.00**

2122. Our review of cash transfers made by HFC Bank Ghana Ltd. to the Bank of Ghana on behalf of the Birth and Death Registry, showed that out of a total amount of GH¢18,635.00 received by the HFC Bank Ghana Ltd from the Registry between September and November 2012, an amount of GH¢12,505.00 had been transferred leaving an outstanding balance of GH¢6,130.00.

2123. HFC Bank's failure to transfer the outstanding balance of GH¢6,130.00 was a breach of the relevant Agreement governing the transfer arrangement between the HFC Bank and the Ministry of Finance. The Agreement requires the HFC Bank Ghana Ltd. to transfer all moneys sitting in the account on each transfer date to the Bank of Ghana.

2124. Because of lax monitoring by Management, cash inflows into the Consolidated Fund for three months had not been received by the Bank of Ghana as expected.

2125. We recommended that Management should strictly enforce the cash transfer arrangement with the HFC Bank to facilitate due adherence to the relevant Agreement reached with the Ministry of Finance. Management should also ensure that the amount of GH¢6,130.00 is immediately transferred by the HFC Bank into the relevant receiving account at the Bank of Ghana.

2126. Management commented that the HFC Bank, acting on their instruction had transferred the outstanding amount of GH¢6,130.00 to the Bank of Ghana but no evidence was made available to us in support of the claim.

Unearned Salary GH¢6,323.53

2127. We reviewed the Mechanised Payment Vouchers received from the Controller and Accountant-General's Department and noted that because Management failed to observe the requirement under Regulation 297(1) of the

Financial Administration Regulations, 2004 the bank accounts of four employees who separated from the Regional Office of the Births and Deaths Registry through compulsory retirement in 2012 had been credited with salaries totalling GH¢5,602.68 between July and December 2012.

2128. Regulation 297(1) of FAR 2004 enjoins heads of departments to cause immediate stoppage of payment of salary to public servants who have retired, died or vacated post. Payment of unearned salaries increases the potential for financial loss to the State.

2129. We requested and Management agreed to ensure that the amount of GH¢6,323.53 representing unearned salaries paid to the four separated staff is recovered and paid into the Controller and Accountant-General's Suspense Account at the Bank of Ghana.

BIRTH AND DEATH REGISTRY - CAPE COAST

Failure to account for revenue collected - GH¢59,447.00

2130. We reviewed the cash management processes of the above Registry and noted that out of total revenue of GH¢317,788.00 collected between January and December 2012 by Mr. Emmanuel Sarfo, an Account Officer of the Birth and Death Registry, Cape Coast, he paid into bank GH¢258,341.00 resulting in a cash shortage of GH¢59,447.00 which was yet to be accounted for.

2131. The Accounts Officer's failure to account fully for the revenue collected stemmed from the absence of supervisory involvement by the Regional Registration Officer in the revenue collection function, creating thereby opportunity for loss or improper utilisation of public funds to occur.

2132. We urged the Regional Registration Officer to recover the amount of GH¢59,447.00 from Mr. Sarfo and pay into the Consolidated Fund as soon as practicable. The Regional Registration Officer should also strengthen supervision of the revenue collection function and institute necessary and appropriate disciplinary action against Mr. Sarfo commensurate with the magnitude of the malfeasance.

2133. The Regional Registration Officer explained that Mr. Sarfo created the impression that he was accountable and answerable to only the Regional Director of Controller and Accountant-General's Department (CAGD). The Regional Registration Officer was accordingly sidelined in the revenue collection function and was even unaware of the cash shortage of GH¢59,447.00.

DISTRICT BIRTHS AND DEATHS REGISTRY, TWIFO PRASO

Revenue unaccounted for – GH¢3,365.00

2134. Contrary to the FAR Regulation 15(4) an officer of the District Births and Deaths Registry, Twifo Praso, Ms. Emelia Miriam Manson, between January and December 2013 collected revenue from the public with six unofficial collection slips

instead of the prescribed official receipt forms from the Controller and Accountant-General's Department (CAGD). Ms. Manson collected a total amount of GH¢4,700 in this manner and paid only GH¢1,335.00 into bank account, contrary to FAR Regulation 15(1), leaving a balance of GH¢3,365.00 as cash shortage to be accounted for.

2135. The use of unapproved receipts form for the collection of government revenue other than the official prescribed receipt forms obtainable from the CAGD could lead to embezzlement of funds by public officials.

2136. We urged Management to ensure that the amount of GH¢3,365.00 is immediately recovered from Ms Emelia Miriam Manson and paid into the Consolidated Fund. This is without prejudice to other disciplinary action that would be instituted against her. Management should also ensure that all receipt forms used for the collection of government revenue are obtained from the CAGD.

DEPARTMENT OF PARKS AND GARDENS, TAMALE

Unearned Salaries – GH¢2,905.44

2137. In connection with our review of the personal files and mechanised pay vouchers, we noted that the bank account of Mr. Abdulai Asuma, an officer of the department who retired in July 2012 was credited with GH¢2,905.44 between August 2012 and October 2012 because his bankers as well as the Controller and Accountant-General's Department were not notified in time.

2138. The failure of Management to exercise the responsibility imposed under Regulation 297(1) of the Financial Administration Regulation by Management to promptly place an embargo on salaries of separated staff posed a risk of financial loss to the State arising from difficulty in recovering amounts of such nature.

2139. We urged Management to recover the unearned salary of GH¢2,905.44 from Mr. Asuma and pay it into the Consolidated Fund.

DEPARTMENT OF PARKS AND GARDENS - SEKONDI
Unearned salary - GH¢3,330.00

2140. Regulation 297(1)(e) of the Financial Administration Regulations 2004 requires a head of department to cause of the immediate stoppage of payment of salary to a public servant when that public servant has separated from the department for various reasons including compulsory retirement.

2141. With the above requirement in view, we noted during our review of the Mechanised Payment Vouchers of the department that the bank accounts of Messrs Joseph Mensah and John Asmah who retired on 14 November 2012 and 12 August 2012 respectively had been credited with unearned salaries totalling GH¢3,330.00 between September 2012 and February 2013.

2142. Management explained that the delay caused in stopping their salaries was because input sent to the Controller and

Accountant-General's Department for deletion of their names from the government payroll was not promptly processed until February 2013.

2143. We urged Management to ensure that the unearned salaries paid to the separated staff totalling GH¢3,330.18 are recovered and paid into the Consolidated Fund. Management stated that an embargo had been placed on their severance entitlement until the amount is refunded.

DEPARTMENT OF PARKS AND GARDENS - KOFORIDUA

Unearned salary - GH¢1,552.41

2144. Regulation 304(1)(a) of the Financial Administration Regulations, 2004 requires a head of department or a head of management unit to examine and certify the personal emolument payment vouchers to ensure that only staff belonging to the department or unit are on the payment vouchers.

2145. We realized in our audit of the payroll of the Department of Parks and Gardens, Koforidua that Management did not observe the above regulatory requirement. Due to this, the name of one Mr. Jacob Mortey, (Senior Executive Officer with Staff ID 920248) who did not belong to the department appeared on the payroll. Consequently, his bank account at the Ghana Commercial Bank (GCB), Koforidua was credited with unearned salaries totalling GH¢1,552.41 in July and August 2013.

2146. We noted that although the Regional Landscape Designer succeeded in deleting Mr. Morley's name from the Department's salary payroll in September 2013 the unearned amount of GH¢1,552.41 was not recovered. We accordingly urged Management to ensure that the amount is recovered from the relevant bank and paid into the Consolidated Fund.

DEPARTMENT OF PARKS AND GARDENS-SUNYANI
Unearned Salaries-GH¢11,124.08

2147. Regulation 297(1) of the Financial Administration Regulations, 2004 requires a head of department to cause the immediate stoppage of salary to the public servant when that public servant has retired, vacated post, resigned, granted leave without pay or died. In this regard, we observed that because the Regional Director of the Parks and Gardens, Sunyani delayed in notifying the relevant banks to place an embargo on the salaries of four separated staff, out of a total amount of GH¢13,817.58 initially paid into their bank accounts by way of unearned salaries between 2012 and 2013, two of them had partly refunded only GH¢2,693.50 leaving an outstanding balance of GH¢11,124.08 recoverable from all of them.

2148. We requested the Regional Director to retrieve the outstanding balance of GH¢11,124.08 from the separated staff and pay this into the Consolidated Fund. We also advised that he should ensure that swift action is initiated in similar circumstances in future.

DEPARTMENT OF PARKS AND GARDENS - KETA

Unearned Salary - GH¢3,184.04

2149. Because Management did not observe the requirement of the Regulation 297 (1) (e) Financial Administration Regulations, 2004, we noted through a review of the payroll of the department of Parks and Gardens, Keta, that between November 2012 and February 2013, an aggregate amount of GH¢3,184.04 had been paid into the bank account of Madam Theresa Amedume, an Assistant Chief Technical Officer (with staff ID No. 76494) who retired from active service on 31 October 2012.

2150. Regulation 297 requires a head of department to cause the immediate stoppage of payment of salary to a public servant in various circumstances including retirement. The occurrence could lead to financial loss to the state.

2151. We recommended that Management should recover an amount of GH¢3,184.04 paid in unearned salary to Madam Theresa Amedume and pay same into the Consolidated Fund.

MINISTRY OF LANDS, FORESTRY AND MINES

FORESTRY COMMISSION - DUNKWA-ON-OFFIN

Unearned salary to separated staff - GH¢6,205

2152. Regulation 297 (1e and f) of FAR, 2004 requires a head of department to cause the immediate stoppage of the payment of salary to a public servant when that public servant has retired or died.

2153. Our review of the Commission's payroll vouchers indicated that between July 2011 and June 2012, a sum of GH¢3,369.00 was paid as unearned salary to Justina Ampiah and Sekyire John, both retired staff.

2154. A further payment of GH¢2,836.02 was made into a deceased staff, Mr. Joseph Oppong's account, at Barclays Bank Obuasi from January 2012 to June 2012, thus resulting in a total unearned salary of GH¢6,205.02.

2155. This irregularity was attributed to ineffective communication between the Personnel department of the Commission and the Controller and Accountant General's Department.

2156. We advised Management to ensure a total recovery of the amount involved to government chest and adequate mechanism for effective communication flow put in place between the personnel department and the Controller and Accountant General's Department to ensure timely stoppage and deletion of the names of separated staff from the payroll.

MUNICIPAL FORESTRY COMMISSION - OFFINSO

Payment of unearned salaries - GH¢14,870

2157. Regulation 297 (d)-(f) of the FAR, 2004 (L.I. 1802) states that a head of department is obliged to cause the immediate stoppage of payment of salary to a public servant who has resigned, retired or died.

2158. On the contrary, we noted during our review of the payroll at the Municipal Forestry Commission, Offinso that six separated staff were paid unearned salaries to the tune of GH¢14,870.11 as detailed below:

Name of staff	Staff ID	Date of separation	Unearned lary paid - GH¢
M.F. Donkor	52119	June 2013	501.91
Mensah Afo	47310	March 2013	2,928.88
Osei Kwadwo	76280	November 2012	3,927.20
Badu Kwabena	42458	-do-	3,935.28
Wireko Kwadwo	52139	March 2013	1,997.84
Agyemang Thomas	74676	-do-	1,579.00
			14,870.11

2159. The anomaly was caused by the Municipal Manager of the Commission, Mr. Ernest Nkansah Kwarteng and the Municipal Accountant, Mr. Kojo Mensah Davis who failed to notify the Controller and Accountant General to delete the names of the separated staff from the payroll and continued to certify the mechanised salary vouchers every month.

2160. In our follow up to the various banks, we noted that the banks still maintained the unearned salaries in the accounts of the separated staff even though the Accountant had written to them to transfer the amounts into the consolidated fund.

2161. We recommended to the Manager and the Accountant to ensure that the amount was immediately transferred into the Consolidated Fund. We also urged them to immediately cause

the stoppage of the continued payment of unearned salaries to the separated staff.

LAND VALUATION - SEKONDI

Unpresented triplicate copies of receipts books - GH¢32,138.00

2162. Financial Administration Regulation 2004, Section 1 (a & b) states that “any public officer who is responsible for:

- a. the conduct of financial business on behalf of the government of Ghana;
- b. 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”.

2163. However, our review of records disclosed that, triplicate copies of six value books used to collect revenue amounting to GH¢32,137.50 between January and March 2012 on behalf of Ghana Revenue Authority (GRA) were not presented for audit. The following are the details:

Date	Receipt No.	Amount GH¢
5/01 - 12/01/2012	1157001 - 1157050	1,963.00
12/01 - 17/01/2012	1157151 - 1157200	885.50
17/01 - 23/01/2012	1157051 - 1157100	10,144.00
23/01 - 24/01/2012	11577101 - 1157150	3,069.00

25/01 – 31/01/2012	1160501 – 1160550	5,358.50
2/03 – 14/03/2012	1330601 – 1330700	10,717.50
Total		32,137.50

2164. The Accountant explained that, the triplicate copies of the receipts were inadvertently misplaced. In the absence of these triplicate receipts, the recordings in the cash book alone could not, in our view, authenticate the revenue collected.

2165. We recommended to Management to ensure that, the receipts are presented for inspection without any further delay. Should this not be possible, the Accountant should be held responsible to justify the amount.

2166. Management in its response indicated that the Internal Revenue Service of the GRA had been notified to make copies of the receipts available for our verification. The copies of the receipts were yet to be submitted.

ADMINISTRATOR OF STOOL LANDS - AXIM

Non-payment of rent by farmers – GH¢53,620.00

2167. Section 2(d) of the Financial Administration Regulation, LI 1802, 2004 requires that a head of government department shall secure the due and proper collection of the government revenue collectable by the department.

2168. We noted from our review that 32 farmers who were leased plots of land by the department had defaulted in payments of rent to the tune of GH¢53,620.00 over a period of eight to 13 years.

2169. This was as a result of Management's failure to put in place effective mechanism for the collection of the revenue. The lapse denied the State of non-tax revenue that should have accrued to the Consolidated Fund.

2170. We recommended to Management to expedite action including legal means to recover the amounts from the farmers and also initiate steps to abrogate agreements with recalcitrant ones.

STOOL LANDS ADMINISTRATOR - BEGORO

Farm rent defaulters - GH¢40,057.00

2171. Section 2(d) of the FAR, 2004 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 enactment or of instructions issued under the authority of any enactment."

2172. Our review disclosed that 28 tenants owed the Administrator of Stood Lands a total amount of GH¢40,057.56 some dating as far back as 2007 due to Management's failure to put in place mechanisms that will ensure the effective collection of farm rent and other revenues on behalf of the State.

2173. Non-tax revenue which should accrue to the Consolidated Fund was thus retained by the defaulters.

2174. We recommended that Management should pursue recovery of the amounts and also introduce measures that will

ensure the prompt payment of farm rent by tenants to improve revenue generation.

STOOL LANDS -GOASO

Revenue not accounted for – GH¢6,885.00

2175. Regulation 15 (1) of the Financial Administration Regulation 2004 (LI 1802) states that, “Any public officer or revenue collector who collects or receives public or 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”.

2176. Our audit however disclosed that between January 2012 and June 2013, four revenue collectors collected total revenue of GH¢13,168.50 but accounted for only GH¢6,885.00. There was therefore a cash shortage of GH¢6,283.50 to be accounted for.

2177. This situation was due to the failure of the Municipal Stool Lands Officer to exercise effective supervisory control over the revenue collectors to ensure full and prompt payment of all revenue collected to chest.

2178. We recommended that the money should be recovered from the four collectors and they should also be sanctioned to serve as a deterrent to others.

STOOL LANDS ADMINISTRATION – KIBI

Missing GCR Book No. 0349101 to 0349200

2179. Regulation 218(1) of the FAR, 2004 states that “If any Value Book is lost, the officer immediately responsible for

custody shall report the loss to the issuing stock holder who shall be responsible for initiating a loss report in accordance with Part IX of these Regulations.” Section 218(2) further states that “Failure to report a loss of value book is a breach of financial discipline as defined in regulation 8(1).”

2180. We noted during our examination of the Stock Register of Value Books that General Counterfoil Receipt Book (GCR) No.0349101-0349200 could not be sighted even though Madam Helen Agogo had signed for it in the stock Register.

2181. The officer explained that she locked the GCR book in her drawer but could not find it the following day; an indication of poor control environment and the need for an improvement in the operational security arrangements of the department.

2182. The GCR book if not retrieved or its loss reported could lead to it being used by unauthorised persons to collect and suppress revenue due to the State.

2183. We advised Management to report the missing GCR book to the appropriate authority for retrieval and the revenue collector cited for breach of financial discipline in line with Regulation 8 of the FAR.

Rent and Farm defaulters – GH¢460.00

2184. Section 2(a) of the FAR, 2004 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 under the authority of any enactment.”

2185. Our review of the Farm and Rent ledgers disclosed that tenants owed the Administrator of Stool Lands a total amount of GH¢460.00 due to management’s failure to put in place an effective mechanism for the prompt collection of revenue.

2186. The department was therefore denied revenue which could have been used to facilitate programmed activities.

2187. We urged Management to recover the amount and also introduce measures that would ensure the prompt payment of rent and farm dues to improve revenue generation.

OFFICE OF THE ADMINISTRATOR OF STOOL LANDS - NKWANTA

Revenue not Accounted for – GH¢1,013.00

2188. Financial Administration Regulations 22 states that: (1) “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. (2) A person who makes payment from moneys collected in contravention of sub-regulation (1) is in breach of financial discipline as defined in regulation 8(1)”.

2189. We observed during the audit that between January and August 2013, an amount of GH¢1,313.00 was realised as stool

lands revenue. However, only GH¢300.00 collected from January to June 2013 was lodged into the department's bank account. A total sum of GH¢1,013.00 collected during July and August 2013 had not been accounted for and was outstanding as a cash shortage.

2190. The cash shortage of GH¢1,013.00 arose as a result of the officer in- charge's failure to observe Regulation 15 (1) of the FAR by making prompt and full lodgments into the designated bank account as required by law. The above practice could lead to diversion of public funds for personal gain.

2191. We recommended that the outstanding amount be recovered from the Estate of the officer in charge who was now deceased.

Unrecorded Revenue – GH¢316.00

2192. We observed that the revenue inspector collected a total of GH¢316.00 with four General Counterfoil Receipt leaflets but failed to record them in the cash book. Details are provided below:

Date	Payee	Receipt No.	Amount (GH¢)
15/2/13	Kinji Stephry Nyansera	0644476	6.00
27/2/13	Bour George	0644460	10.00
4/7/13	The Church Of Pentecost	0649851	200.00
15/7/13	Alinco Oil	0649873	100.00
Total			316.00

2193. We further noted that the amount collected was neither paid to bank nor was it on hand at the time of the audit.

2194. This contravenes Regulation 15(1) of the Financial Administration Regulations, 2004 (L.I.1802) which stipulates 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 the relevant Public Fund Bank Account within twenty four hours of receipt except in exceptional circumstances to be identified by the Minister”

2195. We recommended for the refund of the amount of GH¢316.00 by the officer to be paid into the designated account.

LANDS COMMISSION - SUNYANI

Unsupported payments - GH¢1,200

2196. Regulation 39 (2)(c) and (d) of FAR, 2004, require the head of the accounts section to control disbursement and to ensure that transactions are properly authenticated to show that amounts are due and payable and any disbursement that does not meet the requirement is rejected.

2197. We noted that an amount of GH¢1,200.00 in respect of legal expenses and typing of documents were without the necessary documents to certify that the amount had been duly paid.

2198. Management’s disregard of the regulation could result in financial malpractices and the loss of public funds.

2199. We recommended that the Finance Officer should obtain the necessary attachments from the Lawyer, failing which the Finance Officer should be held accountable to justify the amount paid.

OFFICE OF THE ADMINISTRATOR OF STOOL LANDS - SEKONDI

Unearned salary - GH¢7,232

2200. Financial Administration Regulation (FAR) 2004 L.I. 1802 Regulation 297 (1e and f) states that “a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has retired or died”.

2201. We however, observed that between 25 December 2010 and 3 June 2011, two officers died and three others retired from the Department but their names continued to appear on the mechanised salary vouchers until December 2011 when their names were deleted from the vouchers. As a result of the delay in the stoppage of salaries, the five separated staff were credited with a total amount of GH¢7,232.24 being unearned salary.

2202. We noted that Management wrote to their respective banks to pay their unearned salaries to Government Suspense Account, but the banks delayed in expediting Management’s request thus contributing to the anomaly.

2203. We urged Management to pursue the matter and furnish us with evidence that the amount of GH¢7,232.24 has been

recovered and paid to Government Suspense Account by the bankers of the separated staff.

2204. Management assured us that efforts would be made to comply with the recommendation.

MUNICIPAL STOOL LANDS OFFICE - BEKWAI

Failure to Maintain an Inventory/Assets Register

2205. Section 1504 of Stores Regulations 1984 states in part that supplementary inventories of plant and machinery shall be kept at the District Offices of the Department. The District Inventories shall record the entire department's plant and machinery charged to or transferred to the department and also show where the plant is located. According to Section 1505 it shall be the responsibility of the Head of Department to nominate a responsible officer to maintain records pertaining to all plant and machinery.

2206. Contrary to the above quoted regulations, we observed that the department had not maintained an inventory register for the recording of its assets such as Yamaha Brilliant Riding Motor Bike and WestPoint table top Fridge.

2207. This administrative lapse was as a result of the Municipal Stool Lands Officer's ignorance of the above quoted regulations. Failure to maintain an inventory/asset register could result in theft and loss of government assets without notice.

2208. To ensure that all the assets belonging to the office were safely guarded, we recommended and management accepted to put in place an asset/inventory register.

Value Books not presented for audit inspection

2209. Our examination of stock register of the stool lands disclosed that five revenue collectors failed to present two General Counterfoil Receipts (GCRs) books (with no fixed value), which were used to collect various types of revenue for audit inspection.

2210. This situation contravened Regulation 1(b) of the Financial Administration Regulation (FAR), 2004 (L.I 1802) which 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 to produce records of the transactions for inspection when called upon to do so by the Auditor-General.

2211. Failure by the Municipal Stool Lands Officer to ensure that all money collected was checked each day and promptly paid into designated bank accounts contributed to this lapse. Therefore, total cash collected could not be reconciled with the record in the collectors' cash book.

2212. We urged Management to institute measures to retrieve all the value books, and those who fail to do so should be sanctioned in compliance with the provision.

TOWN AND COUNTRY PLANNING, KONONGO

Fees collected disbursed at source without authority - GH¢15,700

2213. Regulation 18 of Financial Administration Regulations, 2004 (L. I. 1802) directs that, a department that has legislative approval to retain all or a portion of Internally Generated Funds collected, must first lodge in gross the retained Internally Generated Funds into the Departments operational Bank Account designated by the Controller and Accountant-General before disbursements are made.

2214. During our review of the accounts, we noted that a total amount of GH¢15,700.00 was collected as fees from 383 applicants for building permits. However, Management failed to comply with the above quoted regulation and instead disbursed the full amount without first lodging it into the department's bank account. Management also failed to provide any legislative approval that mandated the department to either retain all or a portion of the funds generated internally.

2215. In the absence of any legislative authority for the disbursement of the amount, we could not confirm the legitimacy and authenticity of the expenditure which was not properly documented.

2216. We recommended that Mrs. Abigail Agyenim Boateng, the Municipal Planning Officer, should produce the authority for the disbursement of the amount or be cited for breach of

financial discipline as per Regulation 8 of the FAR and the total amount of GH¢15,700.00 recovered from her.

TOWN AND COUNTRY PLANNING, BEKWAI

Names of separated staff retained on the payroll

2217. During our examination of the personal emolument payment vouchers we noted that seven staff members of the unit who have been transferred out continued to have their names appearing in the unit's payroll.

2218. This contravened Regulation 304 (1)(e) of the Financial Administration Regulations, 2004, (L.I.1802) which requires Management to examine and certify the personal emolument payment vouchers to ensure that names of newly employed staff and those posted out or transferred to the unit appear on the payment voucher.

2219. The failure of the head of department to ensure that the separated staff names are deleted within three months were the cause of this anomaly.

2220. The practice created room for the possible insertion of unauthorized names into the mechanised voucher of the department and also hide the true reflection of staff strength of the department.

2221. Management was yet to comply with our recommendation to arrange for the names of the separated staff to be transferred from the personal emolument payment vouchers of the unit to their present stations.

Payment of unearned salary - GH¢7,000

2222. Regulation 297(1) (e) of the Financial Administration Regulations, (L.I.1802), 2004, makes it incumbent on Management to cause the immediate stoppage of payment of salary and all other payments to a public servant when that public servant has retired.

2223. Contrary to the above regulation, our examination of the unit's records disclosed that Mr. Amoako Kingsley, a Principal Technical Officer with staff ID No. 8685, who retired in June 2012 still had his name appearing on the personal emolument payment voucher of the department. Consequently, an unearned salary of GH¢7,000.00 was wrongly paid into the bank account of Mr. Amoako between the period July 2012 and July 2013.

2224. Failure on the part of the Municipal Officer to cause the stoppage of payment of salary and also notify the bank for repayment into the Consolidated Fund of the salary or other payments credited to Mr. Amoako's bank account resulted in the lapse.

2225. We urged the Municipal Town and Country Planning Officer to liaise with the bankers of the retired officer to ensure the immediate transfer of all unearned salary wrongly paid into his account into the Consolidated Fund.

2226. We also advised that the separation of staff should be brought immediately to the notice of their bankers to cause the

blockage of access by the officers to the unearned salaries, indicating the effective date of the stoppage and require confirmation from the bank that action had been taken to prevent withdrawal of the unearned sums.

**TOWN AND COUNTRY PLANNING DEPARTMENT,
KOFORIDUA**

Unearned salary – GH¢16,399

2227. We noted that four employees who separated from the department between 1 January 2012 and 31 May 2013 were paid total unearned salaries of GH¢22,416.20, contrary to Regulation 297(e) and (f) of the FAR, 2004. Management was able to recover a total amount of GH¢6,016.57 from one of the staff involved, leaving an outstanding balance of GH¢16,399.63 to be recovered.

2228. The lapse occurred due to the failure of the Controller and Accountant-General to promptly delete the names of the four ex-staff from the payroll, as well as Management's inaction in pursuing their bankers to recover the unearned amounts to chest; a situation which denied the State of use of those funds for other programmes and activities of government.

2229. We advised management to pursue their bankers and SSNIT for the recovery of the total amounts of GH¢12,323.33 and GH¢4,076.30 respectively in respect of the four separated staff.

Fuel not accounted for in vehicle Log Book – GH¢407

2230. We noted that fuel allocation valued at GH¢407.00 was not recorded in the vehicle Log Books due to weak supervision of the drivers and contrary to Regulation 1604 of the Stores Regulations, 1984.

2231. In the circumstances, we could not ascertain whether the fuel allocations were indeed used in the interest of the department, as there was always the ever present risk of diversion and/or unauthorised usage of official vehicles to the detriment of the department.

2232. We recommended that Management should ensure that the affected drivers account for the amount of GH¢407.00. We also urged Management to ensure that the regulation quoted above is strictly adhered to at all times.

REGIONAL TOWN & COUNTRY PLANNING DEPARTMENT – HO

Failure to produce stores records – GH¢12, 209

2233. Regulation 1 (c) of FAR, 2004 in part requires any public officer who is responsible for the conduct of financial business on behalf of the Government of Ghana and for the custody, care and use of public stores to keep proper records of all transactions and to produce the records for inspection when called upon to do so by the Auditor-General or any officer authorised by him.

2234. We however observed that, purchases worth GH¢12,209.39 were made but the storekeeper failed to make the records available for our scrutiny.

2235. The anomaly was attributed to the failure on the part of the former storekeeper, Mr. Stephen Agordzo, to properly hand over the accounting records before going on transfer. Where there are no records on store purchases, the risk of pilfering becomes high; items could be lost in transit and good items could be replaced with bad ones. Effective control, monitoring and approved usage of the items could also not be assured.

2236. We recommended to the Regional Director to appoint an officer to replace the storekeeper in the interim. Meanwhile, we required that Management should trace Mr. Stephen Agordzo to provide the records or in default, be surcharged with the amount of GH¢ 12,209.39. Management accepted our recommendation and agreed to effect action on same as soon as practicable.

Uncompetitive Procurement – GH¢4,030

2237. Section 43 (1) of the Public Procurement Act, 2003 (PPA, Act, 663) states that “The Procurement entity shall request quotation from as many suppliers or contractors as practicable, but from at least three different sources”. Contrary to the above regulation, six payment vouchers with a total face value of GH¢ 4,030.24 were without alternative quotations.

2238. Non-adherence to the procurement regulation led to the omission, thus rendering transactions uncompetitive. As a result, there was the risk that prices paid could be higher than the normal prevailing market rates which could result in loss of funds to the institution.

2239. We recommended to Management to strictly observe the procurement laws so as to ensure that value for money is always obtained. Management accepted our recommendation.

Transactions not acquitted with monitoring reports - GH¢14,034

2240. We observed that ten payment vouchers in respect of out of station allowances and meeting attendance with a total face value of GH¢14,034.00 were not supported with relevant documents like invitation letters, memos of claim stating location, period and applicable rates as well as activity reports, where applicable, to acquit them.

2241. This contravened Regulation 39 (2c) of FAR L.I 1802 of 2004 which requires “The Head of Accounts section of a department to control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable”.

2242. We attributed the irregularity to the failure of Head of Accounts to ensure that these relevant and proper documents were obtained from the Deputy Director; and used to support the payment vouchers.

2243. We recommended that the Accountant should obtain all the attachments required to authenticate the payments or the Deputy Director shall be made to refund the amounts paid to him. We further recommended to Management to ensure that best practices are observed and applicable rules and regulations are strictly followed to enhance transparency, accountability and value for money.

**DEPARTMENT OF TOWN AND COUNTRY PLANNING
REGIONAL OFFICE, BOLGA**

Failure pay revenue into Consolidated Fund - GH¢3,278

2244. Section 15 (1) of Financial Administration Regulations 2004 (LI. 1802) 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 the relevant Public Fund Bank Account within twenty four hours of receipt except in exceptional circumstances to be identified by the Minister”.

2245. Contrary to the regulation, we noted that an amount of GH¢3,278.00 received as Internally Generated Fund (IGF) was paid into National Investment Bank (NIB) Account No. 1000200616001 of the Department instead of the Consolidated Fund.

2246. We recommended to Management to instruct National Investment Bank (NIB) Bolga to transfer the amount into the Consolidated Fund without further delay.

REGIONAL LAND VALUATION DIVISION OF LANDS COMMISSION, HO

Unearned Salaries – GH¢21, 836

2247. Regulation 297(1) of the Financial Administration Regulations, 2004 (L.I 1802) states that “A head of department shall cause the immediate stoppage of payment of salary to a Public Servant when that Public Servant has retired, died, or been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment.

2248. Our review of the Regional office payroll disclosed that, four separated staff members still had their names on the department’s payroll, contrary to the above regulation. Consequently, the four separated staffs were paid unearned salaries totalling

GH¢ 21,835.69, as detailed below:

No.	Name	Staff ID	Status	Amount GH¢	Period Paid	Remarks
1	Azigi Simon	4233	Assit. Chief Tech. Officer	8,987.63	July,2010-March, 2011	Deceased (June 2011)
2	Borklor Mathias	3957	Chief Headman	1,485.90	June,2012-August, 2012	Deceased (May 2011)
3	Gnefo Emmanuel	4368	Principal Valuer	9,985.33	March-April 2012	Retired (Feb. 2012)
4	Boadu Emmanuel	4284	Chief Tech. Officer	1,376.83	-	Retired (Feb. 2012)
Total				21,835.69		

2249. Management’s failure to ensure early deletion of the names and salary details of the affected persons from the payroll resulted in the payment of GH¢ 21,835.69 to these

officers, with the risk of depriving the State of the use of public funds in pursuit of national development.

2250. We urged Management to take immediate steps to recover the amounts and pay same into the consolidated fund; also measures should be put in place to forestall such occurrences in future. Management accepted our recommendation for compliance.

Unreceipted payments – GH¢10,280

2251. Regulation 39(2c) requires that all transactions are properly authenticated to show that amounts are due and payable.

2252. Our review of payment vouchers revealed that 21 payments to various persons and entities totalling GH¢10,280.60 were not supported with official receipts to authenticate the transactions.

2253. Failure on the part of the Accountant to obtain and attach proper official receipts to the payment vouchers made it difficult for us to confirm the genuineness of the payments in question.

2254. Such omissions posed a risk of financial malfeasance, including misappropriation and diversion of funds from their intended purposes.

2255. We recommended that the Accountant should obtain the relevant official receipts from the payees to acquit the payments or be surcharged with the amount involved. Management accepted our recommendation for compliance.

Inadequate expenditure documentation – GH¢14,128

2256. Contrary to Regulation 39(2c) of the FAR 2004, which requires the head of the Account section of a department to control the disbursement of fund and ensure that transactions are properly authenticated to show that amounts are due and payable, we observed that 21 payment vouchers with a total face value of GH¢14,127.50 were without the relevant expenditure substantiation documents like medical bills, T&T claims and pay sheets.

2257. Laxity on the part of the Accountant in adhering to the above regulation resulted in the lapse. The absence of the expenditure documentation made the transactions incomplete and cast doubts on their integrity.

2258. We advised Management to provide claim Sheets/Invitation Letters, bills and memos to the payment vouchers to acquit the payments or the Accountant should be surcharged with the amount involved.

2259. Management said it had noted our recommendation for compliance to ensure effectiveness and efficiency in its operations.

ENVIRONMENTAL PROTECTION AGENCY - WA
Purchases without alternative quotations - GH¢4,674

2260. We observed that the Agency procured goods and services worth GH¢4,674.00 without obtaining alternative quotations from three different sources as contained in section 43 (1) of the PPA, 2003 (Act 663).

2261. The lapse which was due to failure to adhere to the provisions of the Act could result in the payment of high prices for goods and services.

2262. We advised Management of the Agency to adhere to the provisions of the PPA.

ENVIRONMENTAL HEALTH DIVISION - SUNYANI
Unearned salaries-GH¢1,581

2263. Regulation 297(1) of the Financial Administration Regulation 2004 stipulates that a head of department shall cause the immediate stoppage of salary to the public servant when that public servant has retired, vacated post, resigned, granted leave without pay or died.

2264. On the contrary, Mr. Charles K. Appiah who died on 8 June 2012 was paid total unearned salaries of GH¢1,580.71. Failure by management to write for the immediate stoppage of the salaries of the separated staff resulted into this, thereby denying the State the needed revenue for development.

2265. We requested the Regional Director to retrieve the total amount of GH¢1,580.71 from the next of kin to chest.

MINISTRY OF INFORMATION AND NATIONAL ORIENTATION

GHANA BROADCASTING CORPORATION-SUNYANI Corporate Debtors - GH¢158,205

2266. We found that seventeen (17) private and public institutions owed GBC to the tune of GH¢158,205.21 during the period reviewed. This amount represented 6 percentage increase over the previous year figure of GH¢149,571.77

2267. We were informed that the situation could be blamed on the fact that a lot of the debtors were in Accra thereby making it difficult and expensive to pursue and recover the debts.

2268. Management said that their head office had been informed to take legal action against these recalcitrant debtors.

2269. We urged Management to take pragmatic measures to drastically reduce the indebtedness through constant reminders to the debtors. Additionally, a ceiling should be set beyond which credit facilities will not continue to be granted.

GHANA BROADCASTING CORPORATION (GBC) REGIONAL OFFICE, KUMASI

Failure to complete works orders on repairs of machines - GH¢6,312

2270. Section 1522 of Stores Regulation 1984 states among others that “the repairs or maintenance of an item of plant and

machinery shall be made by means of a Departmental Purchase Order which shall in all cases be supported by works order, a written estimate of the cost of repairs or other work required”.

2271. Contrary to this regulation, an amount of GH¢6,312.93 was expended on repair works on the corporation’s machines without works orders to support the expenditures incurred.

2272. In the absence of works orders specifying the actual repairs to be carried out, including an estimated cost of repairs by the mechanic, the cost of repairs could be inflated resulting in financial loss to GBC.

2273. Management responded that all vehicles and equipment for repairs would now be accompanied by works order duly signed by the head to strengthen the system.

Defaulters in Land Rent Payment – GH¢7,793

2274. Section 17 (a) of the Financial Administration Regulation, 2004 (L. I. 1802) states that, “a head of department shall ensure that all Non-Tax Revenue are efficiently collected”.

2275. Commercial squatters occupying the corporations premises had failed to pay their fees for the period January 2013 to August 2013 thus accumulating total rent of GH¢7,793.00.

2276. Lack of proper measures and laxity on the part of the schedule officer to ensure that occupants on the corporation’s

compound pay their monthly fees caused the accumulation of arrears to the tune of GH¢7,793.00.

2277. The inaction on the part of Management had denied the Corporation the needed funds to up-grade and improve facilities on the corporation's premises.

2278. Management agreed to institute measure to collect the arrears.

2279. We therefore urged Management to treat as a matter of urgency efforts toward recovery of the arrears from the defaulters. We further advised Management to initiate measures to encourage the occupants of the Corporation's premises to pay their rent on time.

GHANA BROADCASTING CORPORATION-VOLTA STAR RADIO, HO

Unreceipted payments - GH¢101,618

2280. Regulation 39 (2c) of the Financial Administration Regulations 2004 states: "The head of the accounts Section of a Department shall control the disbursement of funds and shall ensure that transactions are properly authenticated to show that amounts are due and payable".

2281. Our audit disclosed that GBC-Ho made payments involving 25 payment vouchers amounting to GH¢72,093.57 in 2011 and 20 payment vouchers amounting to GH¢29,525.00 in 2012 financial years to various persons and entities without

obtaining official receipts to authenticate the genuineness of the transactions.

2282. Failure on the part of the Accountant to comply with Regulation 39(2c) of the FAR, 2004 was the cause of the lapse. We could therefore not assure ourselves that the payees stated on the payment vouchers actually transacted business with the Corporation and actually received these amounts.

2283. We recommended that the Accountant should provide the Audit Team with the relevant official receipts covering the transactions for our verification, failing which the total amount should be recovered from him.

2284. Management responded that the practice in GBC (Volta Star) was that clients only sign the face of the payment voucher as acknowledgement of receipt and evidence of the authenticity of payments to payees. We were unable to accept this explanation and further requested Management to furnish us with their financial manual that clearly specifies the claim as the accepted practice, failing which they would have to comply with our recommendation.

Failure to Collect Debts – GH¢254,133

2285. Part 1 Section 2(d) of Financial Administration Regulations states that “The head of a 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”.

2286. We noted that as at 31 December 2012 Management had not collected GH¢254,133.30 being amount owed by institutions, companies and individuals for services rendered by the Corporation.

2287. This had been the case because the Regional Director did not prioritize debt collection as a major aspect of his duties; a situation that has denied the Corporation access to these resources which could have been used to improve the Corporation's activities.

2288. We recommended to Management to, as a matter of urgency, adopt an effective debt collection mechanism to retrieve the debts from the defaulters or take legal action against them.

REGIONAL INFORMATION SERVICE, HO

Unearned Salary - GH¢7,055

2289. Regulations 291 (1d and f) of the Financial Administration Regulations (FAR), 2004 L.I 1802 states: "A head of department shall cause the immediate stoppage of salary to a public servant when that public servant (1d) resigns and (f) died".

2290. Our examination of mechanised salary payment vouchers revealed that five (5) resigned officers and one (1) deceased officer continued to receive salaries to the tune of GH¢ 7,055.76 between December 2008 and August 2012.

2291. This lapse was due to failure on the part of the Regional Information Officer to promptly liaise with headquarters to have the names of the separated staff deleted from the payroll, or write to the banks to stop payment of the unearned salaries. This has resulted in an avoidable loss of GH¢ 7,055.76 to the State.

2292. We recommended that the Regional Information Officer should ensure recovery of the amount from the separated staff and pay back to government chest. In future, prompt action should be taken to forestall payment of unearned salaries.

MINISTRY OF COMMUNICATION

Loan facility to Ghana Post Limited lacking Parliamentary approval –GH¢5,000,000.00

2293. Article 181 (3) of the Constitution states that, “No loan shall be raised by the Government on behalf of itself, any other public institution or authority, otherwise than by or under the authority of an Act of Parliament.”

2294. During the audit of the Ministry of Communication, we noted that a loan facility of GH¢5,000,000.00 granted to the Ghana Post Company Ltd on 24 January 2012 from the Consolidated Fund by government was not compliant with the provisions of Article 181(3) of the Constitution as the transaction lacked approval by Parliament. Additionally, the loan facility was not disclosed in the 2012 financial statements to establish an audit trail to promote transparency in financial reporting. The non-recognition of the transaction in the

financial statements increased the prospect that the loan facility may not be redeemed by the Ghana Post Limited for repayment into the Consolidated Fund.

2295. We requested management to ensure that the loan facility of GH¢5,000,000.00 paid to the Ghana Post Company Ltd was regularized through retroactive approval by Parliament.

2296. Management commented that Cabinet at its meetings held in October 2010, approved an urgent release of GH¢5,000,000.00 by the Ministry of Finance through the Ministry of Communication to Ghana Post Company Limited to help salvage the company from its financial insolvency as a result of a Garnishee Absolute Order imposed on the company by the Fast Track High Court in a suit filed against the company by Sky Consult. Management therefore redirected our recommendation on the issue to the Ministry of Finance. The Ministry of Finance sought advice from the Attorney General and the Attorney General upheld the audit position that the loan request should have been sent to Parliament for prior approval.

2297. We therefore urge that necessary action should be taken to obtain Parliamentary approval for the loan. Additionally, appropriate terms of repayment should be provided and recovery pursued promptly.

GHANA METEOROLOGICAL AGENCY, ABETIFI

Unearned salary - GH¢15,552.50

2298. Regulation 297 of the Financial Administration Regulations, 2004 (L.I. 1802) states that, “A head of department shall cause the immediate stoppage of payment of salaries to a public servant when that public servant has died, vacated post, resigned or retired.”

2299. Our audit of the payroll at the Ghana Meteorological Agency, Abetifi, disclosed that between October 2011 and August 2012, a total amount of GH¢15,552.50 representing unearned salaries was wrongly credited to the bank accounts of two separated staff (Mr. A.Y. Oduro: GH¢10,884.20) and (Mr. Robert Gharnney: GH¢4,668.70).

2300. We urged Management to pursue recovery of the unearned salaries and pay same into the Consolidated Fund.

GHANA METEOROLOGICAL AGENCY, SEKONDI

Payments without supporting evidence - GH¢11,073.00

2301. Between 6 January 2012 and 27 March 2012 we noted that a total payment of GH¢12,219.96 made in respect of Travel & Transport and other administrative expenses was lacking in supporting documents and expenditure details to substantiate the payments made. This was because the head of the accounts section did not establish and operate an effective control regime to gain assurance regarding disbursements of funds that relevant transactions are properly authenticated to show that the amounts are due and payable as required under Regulation 39(2)(c) of the Financial Administration Regulations, 2004.

2302. We could therefore not provide any assurance regarding the occurrence and genuineness of the transactions creating the risk that the payments might not have served their proper purpose or delivered value for money.

2303. Acting upon our recommendation, Management had accounted for a total amount of GH¢1,147.00 leaving an outstanding amount of GH¢11,072.96. We further recommended that the amount of GH¢11,072.96 should be accounted for but Management has not acted upon the recommendation yet.

MINISTRY OF GENDER, CHILDREN AND SOCIAL PROTECTION – HEADQUARTERS

Over expenditure of GOG Budget – GH¢1,717,874.25

2304. We noted that even though the approved GOG 2012 budget for the Ministry was GH¢3,833,158.00, actual expenditure amounted to GH¢5,551,032.25 reflecting an over – expenditure of GH¢1,717,874.25.

2305. According to Management, the over expenditure was as a result of a release from the Ministry of Finance for the construction of an office complex for the Ministry. We further noted that the office complex is a continuous project but was not budgeted for in the 2012 annual estimates. We found it strange to note that the Ministry of Finance would release funds for a project that was not budgeted for resulting in over expenditure.

2306. This situation contributed to government's budget for 2012 being heavily over spent.

2307. To ensure effective budgetary control, we advised and management accepted to spend strictly according to the approved budget in future.

Payment vouchers without expenditure documentations - GH¢38,057

2308. We noted that five treasury payment vouchers from the Department of Children amounting to GH¢38,057.00 were not supported with expenditure documents such as printed receipts from payees or formal acknowledgement of payments on the face of the vouchers by payees.

2309. This contravened the requirement in Part II, Section 39 (2c) of the Financial Administration Regulations, 2004 that the head of the accounts section of a department shall control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable. Laxity on the part of the officers who approved and processed the payments resulted in this anomaly.

2310. This put the genuineness of the transactions in doubt. We recommended that the five payment vouchers totalling GH¢38,057.00 should be supported with the requisite expenditure documents or the amount be recovered and paid back to chest.

Direct Credits without Warrants/Bank Transfer Advice - GH¢35,268

2311. Regulation 165(1) of Financial Administration Regulations, 2004 (LI.1802) states that release of funds to departments shall be in accordance with warrants issued by the Minister or the Minister's authorised representative with copies to the Controller and Accountant-General.

2312. We noted that Warrants and Bank Transfer Advices (BTAs) were not produced by the treasury to support five (5) direct credit transfers totalling GH¢35,267.88 credited to the Sub -Consolidated Fund Account of the Ministry.

2313. Management failed to comply with the above regulation by not ensuring that all transactions on the bank statements were properly authenticated. We could therefore not vouch for the regularity of the five direct credits on the bank statements amounting to GH¢35,267.88.

2314. To ensure accountability in transacting government financial business, the warrants/BTAs supporting the five credits transfers should be made available for our verification.

Direct debits without payment vouchers/detailed expenditure documents -GH¢28,013

2315. Section 1 (1a-c) of Part 1 of the FAR, 2004 (LI. 1802) states that any public officer who is responsible;

- a) For the conduct of financial business on behalf of the Government of Ghana,

- b) For the receipt, custody and disbursement of public and trust moneys or
- c) For the custody, care and use of public stores;
shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Minister, the Auditor General, the Controller and Accountant General or any officers authorised by them.

2316. We noted that six direct debits on the bank statements of the treasury totalling GH¢28,013.43 were without payment vouchers or detailed transaction documentations to support the payments.

2317. We could, therefore, not confirm the validity of the six direct debits amounting to GH¢28,013.43.

2318. To ensure value for money, and accountability, we recommended that the six direct debits on the bank statements should be supported with the relevant transactions and third party documentation or the authorising officers should be made to account for the amount of GH¢28,013.43.

Unearned Salary - GH¢870

2319. Regulation 297 (1f) of the FAR, 2004 mandates a head of department to cause the immediate stoppage of payment of salary to a public servant when that public servant has died.

2320. We observed that even though Ms. Grace Donkoh, a sanitary labourer died on 22 October 2012, she was paid salaries from November 2012 to January 2013 amounting to GH¢870.27.

2321. This irregularity was caused by Management's failure to ensure that her name was deleted from the payroll or instruct her bankers to withhold and transfer to the Accountant-General's Suspense Account, any salary accrued to her after her demise. Management's inaction led to the loss of GH¢870.27 to the State.

2322. To ensure effective payroll administration, we recommended that Management should ensure that names of separated staff are immediately sent to the Controller and Accountant-General's payroll unit for deletion. The bankers must also be instructed to withhold and pay to chest any salary accruing to former employees after their separation. Meanwhile, the unearned salary of GH¢870.27 should be recovered to chest without delay.

Non-disposal of six unserviceable vehicles

2323. Chapter 11 Regulation 1104(c) of the Stores Regulations 1984 states that a three-man Board of Survey shall be constituted to decide on stores when the stores are surplus or obsolete or have become unserviceable through fair wear and tear in normal use, and one member of such a Board of Survey shall be technically qualified in respect of the nature of the stores being boarded.

2324. In contravention of the above regulation, management failed to constitute a Board of Survey to dispose of six unserviceable vehicles.

2325. Failure to institute a Board of Survey to decide on the six unserviceable vehicles could result in further deterioration and loss of economic value for their disposal and subsequent auction.

2326. We recommended that a Board of Survey should be constituted to decide on the possible method of disposal of the unserviceable vehicles so as to generate some revenue for the State.

Failure to maintain log books for 22 vehicles-GH¢140,488

2327. Chapter 16, Section 1604 of the Stores Regulation, 1984 states: “a vehicle log book shall be maintained for each vehicle and shall always be carried on the vehicle. Journeys undertaken shall be recorded and the driver shall enter full particulars of receipts of fuel, oil and lubricants daily in the logbook. Recording in the logbook shall be made in duplicate. All journeys recorded in the log book shall be certified by the officer using the vehicle”.

2328. Contrary to the above, Management failed to maintain logbooks for 22 official vehicles.

2329. As a result of the above anomaly, fuel consumed during the period amounting to GH¢140,488.50 made up of fuel

coupons of GH¢131,900.00 and fuel receipts of GH¢8,588.50 could not be properly accounted for.

2330. To ensure effective maintenance of vehicles and for fuel consumption to be properly accounted for, we advised Management to procure and put to use logbooks for the 22 vehicles.

Three vehicles not produced for audit inspection

2331. Section 1607 of chapter 16 of the Stores Regulations, 1984 mandates that government vehicles shall be subject to checks by officers of the Auditor-General's Department and Supply and Stores Inspectorate. Additionally, section 1608 of the same regulation stipulates that government vehicles shall be parked in garages provided for them at the close of work.

2332. Our inspection revealed that three vehicles, detailed below, which were allocated to the immediate past Minister, her deputy and the Ag. Chief Director could not be produced for inspection.

No.	Description	Year	Model	Vehicle No.	Chassis No.	In charge
1.	Toyota	2010	Camry	GN 3188-10	4TIBE46K59U380285	Hon. Minister
2.	Toyota	2011	Avensis	GR 4485-11	SBIBL75180E019480	Hon. Deputy Min.
3.	VW	2008	Passat	GS 1227 Z	WVWZZZ3CZ8P108513	Ag. Chief Director

2333. In response to our request for the vehicles to be produced for inspection management provided a letter referenced SCR.A 30/14 dated 2 April 2013 from the Office of the President and captioned. “Request for Permission to dispose of vehicle as End of Service Benefit”. It was signed for the Chief of Staff by the Chief Director, and addressed to the Chief Director, Ministry of Gender, Children and Social Protection with copy to Hon. Juliana Azumah Mensah. The letter sought to convey approval for vehicle No.GN 3188-10 to be sold to Hon. Mrs. Juliana Azumah Mensah, former Minister at the Inter-city Coaches Limited valuation price of Thirty-two thousand seven hundred Ghana cedis (GH¢32,700.00). Management could however not produce evidence of this amount of GH¢32,700.00 having been paid into the Non-Tax Revenue Account. Also, application from Hon. Mrs. Juliana Azumah Mensah for authority to register the vehicle in her name was not cited.

2334. In the case of the Deputy Minister, Hon. Hawawu Boya Gariba, a letter was produced (also with reference SCR.A30/14 dated 2 April 2013) from the same source and captioned “Sale of Saloon Car-Toyota Avensis with Registration number GR 4485-11”. The letter requested the Ministry to have the vehicle valued by the Inter-City STC Coaches Limited and a report submitted for further action.

2335. For the Acting Chief Director, Mr. G.K. Kumor, even though was at post during the period covered by this report, he retired and finally got separated from the Ministry in March 2013. At the time of the inspection in April/May 2013, his

official vehicle VW Passat, GS 1227 Z was not presented for inspection, with the explanation that he expressed interest to purchase the vehicle and has since left with it. No documentary evidence was produced to confirm this claim.

2336. From the above, it can be deduced that the former officials used their positions and took away the vehicles at the time that the vehicles had not been sold to them by the Ministry, as Management could not produce any evidence to the contrary.

2337. Management failed to retrieve the vehicles from the former officials after their term of office had come to an end and no evidence was also provided to indicate that they had paid for the vehicles.

2338. The situation where government properties are left in the hands of unauthorised users has the potential of causing loss to the State. State properties such as vehicles should not be used by potential buyers when the item had not been sold to them or no prior payment arrangements had been made between the buyer and the state.

2339. To ensure accountability and the judicious use of state properties; we urged Management to provide us with the following information to enable us validate the three transactions.

- a) Inter-City STC Coaches Limited Valuation reports on the three vehicles

GN 3188 -10 - Toyota Camry
GR 4485 -11 - Toyota Avensis and
GS 1227 Z - VW Passat

- b) Evidence to the effect that the cost of the vehicles as per the reports in
- c) Above had been paid into the Non Tax Revenue Account.
- d) Evidence indicating that the vehicles have been registered in the names of the new owners after they had fully paid for them.
- e) The respective ages of the vehicles

2340. In the absence of the above, Management should retrieve the vehicles for the use of the Ministry without further delay, since their continuous use by these persons without appropriate authority would drastically affect their conditions and thus reduce their economic values.

DEPARTMENT OF GENDER

Unearned salaries - GH¢ 6,090

2341. Regulation 297 (1b & f) of the FAR, 2004 mandates a head of department to cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty or on leave without pay or died.

2342. We observed that even though Ms Victoria Odoi, a senior storekeeper, was granted study leave without pay effective 1 May 2012, she was paid unearned salaries from May to September 2012 amounting to GH¢5,358.32. Similarly, Mr.

Joseph Agbenyo, a labourer who died on 24 October 2012 was also paid unearned salaries from November 2012 to January 2013 totalling GH¢732.15.

2343. These irregularities were due to Management's failure to ensure that the names of the separated staff were promptly deleted from the payroll. This led to the loss of GH¢6,090.47 to the State.

2344. According to Management, the Human Resource Manager had been instructed to write to Ms. Victoria Odoi to refund the amount of GH¢5,358.32 to chest. Also, the bankers of the deceased Joseph Agbenyo, would be asked to recover the amount of GH¢732.15 from his monthly pension payment and pay to chest.

2345. To ensure effective payroll administration, we recommended that the total amount of GH¢6,090.47 representing the unearned salaries paid to the two separated staff should be recovered and paid into the Controller and Accountant-General's Suspense Accounts at the Bank of Ghana. Also, Management was advised to ensure that names of separated staff were promptly deleted from the payroll and their bankers instructed to return their salaries to chest immediately.

Purchase of treasury bills without authority

2346. Regulation 140 (1) of the FAR, 2004 states; "Proposals for the establishment or purchase of stock or shares in any

institution shall be submitted for approval to the Minister quoting the appropriate enactment”. Also, government policy stipulates that government funds cannot be used to purchase any government stock or security.

2347. We noted that in January 2008 an amount of GH¢26,565.00 was used to purchase a 91 day Treasury bill at SG-SSB Bank at a discount rate of 10.45% by the then National Council on Women and Development (NCWD) which is now the Department of Women under the Ministry of Gender, Children and Social Protection without seeking approval from the Minister of Finance. The Treasury bill was purchased with the instruction of “roll over with interest” and has since been so. We also noted that no ledger account was maintained for the disclosure of the status of the investment in terms of roll over interest accrued. As at the time of compiling this report, the roll over amount as per Treasury bill purchased on 28 October 2013 was GH¢70,270.69. This transaction was a gross violation of fundamental public sector financial management system as the Ministry had in principle loaned public funds to the same government.

2348. Management ignored the above regulation as well as government policy on government departments not investing with public funds.

2349. Some programmes of the department might have been sacrificed since 2008 and the funds loaned to the government. There was also the risk that the department, and for that matter

government could lose track of the investment as the department did not prepare annual financial statements over the years where this investment would have been disclosed, neither did the accountant maintain a ledger account for the investment.

2350. To ensure accountability and transparency in the management of the department's funds, we advised Management to provide all documentation on the investment since the day of purchase to date. Also, the investment should be redeemed and the amounts used to fund the programs of the department to enable it achieve its objectives and goals.

DEPARTMENT OF CHILDREN

Failure to prepare 2012 financial statements for validation

2351. Management failed to provide the audit team with 2012 financial statements for validation of the activities of the department, contrary to Section 192 (2) of the FAR, 2004 which stipulates that "a head of department who fails to submit financial statement is in breach of financial discipline as defined in regulation 8 (11)".

2352. The Accountant did not prepare financial statements for the period because the head of department did not effectively supervise him to do so. This situation affects effective financial planning, budgeting and review, as the financial position at the end of the period could not be determined.

2353. According to Management, the former accountant had been invited to prepare the financial statements for 2012 since he was in charge during that period.

2354. We advised Management to get the statement prepared for audit review and thereafter ensure that financial statements were prepared for all subsequent financial years.

Failure to produce General Counterfoil Receipt Booklet (GCR) No.0570101- 0570200

2355. Section 1 of the FAR, 2004 (LI. 1802) states that “any public officer who is responsible:

- a. For the conduct of financial business on behalf of the Government of Ghana;
- b. For the receipt, custody and disbursement of public and trust moneys or
- c. For the custody, care and use of public stores;
shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Minister, the Auditor General, the Controller and Accountant General or any officer authorised by them”.

2356. One completed General Counterfoil Receipt booklet (GCR) No. 0570101– 0570200 was not produced to the audit team for review. We however noted that out of the booklet, Receipt Numbers 0570101 to 0570108 and 0570110 and 0570111 with a total collection of GH¢11,200.00 had been entered in the

Park cash book. However, receipt numbers 0570109 and 0570112 to 0570200 could not be traced in the cashbook.

2357. Management indicated that the GCR booklet No. 05070101 – 05070200 was with the Ministry Police, due to investigations being carried out on some payments on the Efua Sutherland Children's Park.

2358. We recommended that the GCR booklet in question should be retrieved for the purpose of our examination, to ensure that total revenue realised from the receipt book is fully accounted for.

Poor condition of the Efua Sutherland Children's Park

2359. We noted that the Efua Sutherland Children's Park is in a deplorable state as flowers and the green grass were not being maintained to beautify the grounds. Washrooms were unkempt producing unpleasant smell within the vicinity. The drainage systems were poorly maintained resulting in mosquitoes and other flies infesting the park. Moreover, the toy trains and other playground equipment used by the children had all broken down.

2360. Lack of effective supervision by Management resulted in this situation, which was likely to affect the patronage of the park and reduce revenue generation.

2361. According to Management, a committee had been set up to oversee the rehabilitation of the Park. The Honorable Deputy Minister of Gender, Children and Social Protection, Mrs. Benita

Okity-Duah is involved in bringing back to life not only Efua Sutherland Children's Park but all other parks in the country.

2362. We urged Management to come out with a comprehensive maintenance plan to resuscitate the Park and equipment at the playground and provide also for effective periodic maintenance of the Park to create a more conducive atmosphere for recreation by children and the general public, which would also help generate more revenue for the department and the State.

Unsubstantiated payments – GH¢ 51,460 (Donor Account)

2363. Five paid vouchers totalling GH¢51,460.00 were not made available for our examination. This was in contravention of Section 1 (1) of the FAR, 2004 (LI.1802), which requires public officers responsible for the conduct of government financial business to keep proper records and make them available for inspection by the Auditor-General, the Minister of Finance and the Controller and Accountant-General or their representatives.

2364. Management failed to produce the five paid payment vouchers for our examination after persistent requests. We could therefore not confirm the validity and propriety of the expenditure incurred.

2365. Management indicated that the payments were for a programme meant to build capacity of district partners, which was ongoing and they would present the vouchers when the programme was fully completed. This explanation was

unacceptable since, in our opinion, inspection of the payment vouchers was not likely to stall the programme.

2366. We therefore recommended that the payment vouchers should be produced or the sum of GH¢51,460.00 should be recovered to chest.

Outstanding Advances to the Ministry of Gender Children and Social Protection – GH¢45,979

2367. We observed that a total amount of GH¢45,979.00 from the Park and Project Accounts of the department was advanced to the Ministry of Gender, Children and Social Protection (MoGCSP) for foreign travels, conferences and others. As at the time of writing this report, the advances to the Ministry had not been repaid.

2368. This contravened Regulation 110 of the FAR, 2004 (LI. 1802), which requires a head of department or the officer to whom the duties of a head of department have been delegated to ensure that advances issued are duly recovered in accordance with the appropriate agreement.

2369. This situation occurred because of Management's failure to prepare the relevant repayment schedules. Failure to reimburse the amount could affect implementation of the department's activities.

2370. According to Management, a letter had been written to the Ministry reminding it to pay back the advance. We asked

Management to redouble its efforts to recover the outstanding advance of GH¢ 45,979.00.

Payment voucher without expenditure documentation - GH¢14,000

(Sub - Consolidated Fund)

2371. We noted that Payment Voucher Number 0058542 of 15 April 2013 for GH¢14,000.00 in respect of part payment for promotion interview expenses was filed without the relevant expenditure documentation, such as pay list and other receipts.

2372. This contravened Regulation 39 (2c) of the FAR, 2004, which states that, “The head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable”.

2373. The Accountant failed in his duty to ensure that the payment voucher was fully supported with requisite documentation. The absence of expenditure documentation could conceal irregular or inappropriate expenditure resulting in financial loss to the department.

2374. We asked Management to provide the relevant transaction documents for review or have the amount of GH¢14,000.00 recovered to chest.

**DEPARTMENT OF SOCIAL WELFARE -
HEAD OFFICE**

Failure to Deduct Withholding Tax - GH¢4,711

2375. Section 88 (1) of the Internal Revenue Act 2000 (Act 592) 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”.

2376. We noted that the Accountant failed to deduct a total withholding tax of GH¢4,711.50 from a total payment of GH¢79,530.00 made to suppliers of goods and services. This was an override of the tax law, as the non-deduction was not supported by tax exemption documentation with respect to any of the payees. There has been a loss of tax revenue to government.

2377. Management was advised to pay the amount of GH¢4,711.50 to the Ghana Revenue Authority and recover the amount from the payees.

Failure to Remit Withholding Tax withheld - GH¢1,740

2378. Section 87(1) of the Internal Revenue Service (IRS) Act 2000 (ACT 592) 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 tax is made by the agent.

2379. Taxes amounting to GH¢1,740.26 withheld from payments charged to the LEAP Accounts and Director's Account between April and November 2012 had not been remitted to the GRA. This was due to ineffective supervision over the Accountant by the Head of Department to ensure that remittances of taxes withheld were promptly made.

2380. Delayed remittance of taxes could have adverse impact on the achievement of revenue targets set by the Revenue Agencies and stall or delay implementation of government projects.

2381. We therefore advised that the amount of GH¢1,740.26 should be paid to the Ghana Revenue Authority (GRA) without any further delay. The Head of Department should strengthen supervision over the Accountant.

Failure to Record Fuel Consumption – GH¢8,645

2382. Stores regulation 1604 requires that, "A log book is maintained for each government vehicle in which journeys undertaken as well as full particulars of receipts of fuel, oil and lubricants are recorded. Additionally, under store regulation 1604, the head of department should ensure that the rate of consumption of fuel and oil is computed monthly, in miles per gallon/ kilometer per liter and recorded in the log books".

2383. No entries were made in the various log books in respect of the use of official vehicles and fuel consumed by 19 vehicles amounting to GH¢8,645.00. We could therefore, not confirm the

authenticity of fuel consumption and also whether the vehicles were exclusively used for official duties.

2384. To ensure proper management of official vehicles and fuel usage, we advised Management to ensure that log books were properly maintained and updated regularly.

Underpayment of Revenue Collected - GH¢1,566

2385. Regulation 15 (1) of FAR, 2004 requires any public officer or revenue collector who collects or receives public and trust moneys to issue official receipts for them and pay them into relevant Public Fund Bank Account within 24 hours of receipt.

2386. We noted that revenue collections were kept between two to five months before being lodged at the bank resulting in a short payment of GH¢1,566.00 at the end of December 2011.

2387. The irregularity was due to ineffective revenue control procedures in place and lax supervision by superior officers, which facilitated 'teeming and lading' by officers in charge of revenue collection whereby current revenue collections were used to account for previous collections which had not been accounted for. This situation often results in misappropriation of revenue.

2388. We advised that the head of accounts should take steps to ensure that government financial regulations are effectively complied with for efficient revenue management. We

recommended that the shortfall of GH¢1,566.00 should be accounted for without delay.

Unearned Salary - GH¢2,442

2389. Regulation 297(1) of FAR, 2004 requires a head of department to cause the immediate stoppage of payment of salary to a public servant when the public servant has retired, resigned or vacated post.

2390. We noted that Mr. Azuah Kwame (staff number: 76605) who retired in June 2012 was paid unearned salaries amounting to GH¢2,442.81 for the period June to November 2012.

2391. This was due to Management's failure to ensure prompt deletion of his name from the payroll after his retirement. Management also failed to instruct his bankers to withhold and pay back to government chest any salary accruing to him.

2392. This constitutes a drain on government resources and results in increased payroll cost without corresponding benefit to the department.

2393. We advised that Management should recover the total unearned salary of GH¢2,442.81 from Mr. Azuah Kwame and pay same into the Controller and Accountant General's Salary Suspense Account at the Bank of Ghana.

Payment for items not supported with Store Receipt Advice- GH¢46,366

Stores Regulation 0315 of 1984 requires that original Store Receipt Advice be endorsed by the storekeeper to the effect that the service has been satisfactorily rendered, that goods have been received and entered on the stock control form or ledger. The endorsed original of the Stores Receipt Advice shall always be attached to the Payment Voucher on which payment is made to the supplier.

2394. Our review of procurement activities disclosed that payment for items made on 19 payment vouchers amounting to GH¢46,365.81 were not supported with store receipt advice to provide reasonable assurance that the items had indeed been received and used for their intended purposes.

2395. Management failed to ensure that stores procedures were complied with for the department to achieve value for money in its procurement transactions. The genuineness of the procurements was in doubt that the items might not have been received at all, or the receipted items might not have been used for the purposes of the department.

2396. The SRA serves as an advice to the accounts section that goods and services, for which payment is being processed, had indeed been rendered or received at the store and that ownership had been transferred to the buying entity. The absence of the SRA is an indication that the purported purchases did not pass through stores for the necessary

documentation. On the other hand, goods that were received but not covered by store records could be misappropriated without detection and could result in a loss because of the absence of relevant audit trail.

2397. We urged management to produce records to prove that the purchases amounting to GH¢46,365.81 had indeed been received and consumed in the course of public business, or the amount should be refunded. Management should also ensure that future purchases are fully covered with SRAs as evidence that the items had been received and used for the benefit of the department.

Non- Establishment of Audit Report Implementation Committee (ARIC)

2398. Section 30 of the Audit Service Act, 2000 (Act 584) requires an institution, body or organisation subject to audit by the Auditor-General to establish an Audit Report Implementation Committee (ARIC) to:

- ❖ Pursue the implementation of matters in all audit reports as well as the Auditor- General's reports endorsed by Parliament and all financial matters raised in the reports of internal monitoring units in the institution, body or organisation; and
- ❖ Prepare annually a statement showing the status of implementation of recommendations made in all audit report as well as the Auditor General's reports

which have been accepted by Parliament and any other related directives of parliament.

2399. Our audit however revealed that the department had not put in place an ARIC to serve its intended purpose. This was due to Management's alleged ignorance of the existence of the law.

2400. As a result, recommendations made on issues raised in our previous audit report referenced CGAD/SWT. 9/16 of 11/5/12 had not been pursued and implemented nor had the report been replied to.

2401. We recommended that Management should put in place an ARIC without any more delay to ensure the operation of sound financial management and good governance.

Failure to prepare Financial Statements

2402. Management failed to prepare financial statements for 2011 and 2012 fiscal years on the activities of the department, in line with government policy.

2403. This contravened Regulation 190 of the FAR, 2004, which requires a head of department to prepare financial statements after the end of each financial year. The head of department failed to comply with this regulation.

2404. To ensure accountability and to comply with the above regulation, we recommended that the head of department

should task the schedule officer to prepare the financial statements for 2011 and 2012 for audit validation.

**GREATER ACCRA REGIONAL SOCIAL WELFARE
LEAP payments to district offices without supporting
documents - GH¢13,922**

2405. Regulation 39 (2) (c) of the FAR, 2004 requires the head of the accounts section of a department to control the disbursements of funds and ensure that transactions were properly authenticated to show that amounts are due and payable.

2406. We noted that 25 paid vouchers totalling GH¢13,922.50 in respect of the payment of Livelihood Empowerment Against Poverty (LEAP) were not supported with the requisite documentation like receipts etc. to confirm that payment have actually been made to the intended beneficiaries. We could not, therefore, validate the expenditures.

2407. Management explained that monies released to the LEAP districts for mobilizations were accounted for by way of supporting expenditure returns before subsequent releases were made. The former Accountant who kept copies of these documents could not produce them during the audit. However, Management agreed to take serious note of the problem and to keep copies in future to avert a recurrence of the problem.

2408. We urged Management to account for the payments and ensure that henceforth, copies of all documents supporting

payments are made and attached to the payment vouchers to allow for validation of the payment made.

OSU CHILDREN'S HOME

Inadequate funding from Central Government

2409. The achievement of organisational goals is largely dependent on the availability of complementary resources that combine to achieve the goal.

2410. We noted that during the period under review, the total cash inflow to the Osu Children's Home was GH¢529,313.31 and this was used to run the home. Out of this amount, Central Government funding constituted only 5.84% (GH¢30,892.46) with the remaining 94.16% (GH¢498,420.85) coming from donations from philanthropists. This amount of GH¢30,892.46 represented just about two month's cash requirement of the home.

2411. Central Government seemed to have abdicated its obligation of adequately funding the Home as a social service and was not seeing to its expansion.

2412. The inadequate funding of the home could impact negatively on the performance of the institution and the quality of care services it renders to inmates. The Home's reliance on donations from philanthropists raised sustainability concerns and could lead to non-achievement of targets and objectives if support from philanthropists is not forthcoming as may be expected.

2413. We urged Management to ensure that a well-structured annual budget for the home is drawn up every year and incorporated into the sector Ministry's budget to ensure adequate and sustainable funding of the institution.

2414. Management agreed with the observation and stated that it was in constant touch with the sector Ministry to see how best the problem of funding of the Home could be resolved.

Medical bills of inmates

2415. One of the core functions of the Osu Children's Home is to ensure that proper and adequate healthcare is provided to the children at all times. The Home has a healthcare professional who sees to the health needs of the inmates and advises appropriately.

2416. We noted that an amount of GH¢26,197.79 was spent on visits to hospital and cost of drugs for inmates, with cases that were beyond the resident health personnel. We were of the view that given its reliance on donations from philanthropists and well-meaning citizens to be able to function properly, care should be taken to reduce the quantum of expenditure on medical bills so that it does not adversely affect the financial health of the institution.

2417. We urged Management to liaise with the Sector Ministry and other stakeholders to see if a special dispensation in respect of the health needs of inmates of the home could be worked out to help alleviate the problem.

ACCRA REHABILITATION CENTRE

Inadequate resource allocation to the Centre

2418. The Centre was set up in 1992 to identify and train persons with disability in employable skills to enable them live dignified lives. It is backed by the Disability Act (Act 715 of 2003), which provides legislative framework for its operations.

2419. Our audit revealed that during the period under review, only GH¢639.50 was released to the Centre (with thirty (30) inmates) from the Greater Accra Regional office of the Department of Social Welfare. The Centre subsisted mainly on donations from philanthropists and other internally generated funds which were inadequate to meet its needs.

2420. While the activity of the Centre has been expanding, its capacity has been severely constrained as a result of the limited financial resources and neglect from the authorities, thereby seemingly perpetuating the marginalization of persons with disability.

2421. We urged Management to work towards increased resource allocation to the Centre in order to promote the welfare of persons with disability.

Failure to collect rent due – GH¢7,960

2422. Regulation 17(a) of FAR, 2004 requires that “a head of department shall ensure that all non- tax revenue is efficiently collected”.

2423. We noted that out of the expected rent income of GH¢16,940.00 for the period under review only GH¢8,980.00 was received leaving a balance of GH¢7,960.00.

2424. This Internally Generated Fund is wholly retained by the Centre to augment the meager funds occasionally received from the central government for the upkeep of the inmates of the centre.

2425. The rent accrued as a result of Management's failure to pursue the tenants to pay their rent but allowed continuous deferment of the obligations of the defaulters.

2426. This situation denied the Centre the much-needed funds to execute its programs and activities for the period under review.

2427. We urged Management to be proactive in demanding the rent from the tenant organisations rather than wait for the rent to fall in heavy arrears, making it very difficult to collect. It should also collect the outstanding rent of GH¢7,960.00 from the defaulters or in default, have their agreements terminated and take possession of the facilities.

Unearned Salaries - GH¢8,917

2428. Regulation 297(1) of FAR, 2004 requires a head of department to cause the immediate stoppage of payment of salary to a public servant when that public servant has retired, resigned, died or vacated post, among others.

2429. Our review of the mechanised salary voucher revealed that Mr. Samuel Turkson Aboagye (Staff ID NO 64495) who passed away on 8th July 2012 had been paid a total net salary of GH¢8,917.51 out of a total gross salary of GH¢13,174.03, for the period July 2012 to November 2013.

2430. This occurred as a result of Management's failure to promptly notify the Controller and Accountant- General's Department for the deletion of his name from the payroll after his death. Management also failed to instruct his bankers to withhold and surrender to government chest any salary accruing to him after his death.

2431. This neglect increased staff cost without corresponding benefit to the Centre. Management asserted that it had written to the Regional Director of Social Welfare Accra, about Mr. Turkson Aboagye's death and also instructed his bankers to withhold and pay to government chest any salary due him and again informed the Controller and Accountant General's Department (C&AG) to delete his name from the payroll. No documentary evidence was however provided to confirm this claim.

2432. We urged Management to request his bankers - Ghana Commercial Bank, Ministries Branch, Accra to confirm remittance of the amount into the C&AG Salary Suspense Account.

DEPARTMENT OF SOCIAL WELFARE, HOHOE

Names of transferred staff maintained on payroll

2433. Section 304 (1b) of the FAR, 2004 requires that staff on posting or transfer from their stations should have their names deleted and transferred to their new stations within three months of their transfer.

2434. We noted that three employees who had been transferred from the station still had their names on the department's payroll at Hohoe. Although some of these names were mentioned in our previous report in 2009, more than four years ago, Management failed to get them transferred to their new stations. For more than four years Management could not confirm whether the workers were still in employment. There is therefore the risk of payment of unearned salaries to any of these officers who might separate from the department without the knowledge of Management at Hohoe.

2435. We recommended that Management should put away its recalcitrant attitude and liaise with the present stations of the transferred staff to get their names transferred from the payroll without further delay.

MINISTRY OF DEFENCE

37 MILITARY HOSPITAL

Long-standing unpaid balance on commercial loan - GH¢5,411,991.37

2436. During our review of cash management, we noted that a commercial loan of GH¢5,910,948.96, (comprising a principal

amount of GH¢3,913,247 with an interest of GH¢1,897,701.76 and a maturity period of four years) had been granted by the Fidelity Bank to the hospital to acquire a Magnetic Resonance Imaging (MRI) equipment in September 2009. According to the loan agreement the facility was to be serviced from revenue generated from the commercial operation of the equipment and other internal funds.

2437. We noted that six month to the maturity period ending 21 March 2013, an amount of GH¢1,735,448.72 only had been paid toward the redemption of the loan facility of GH¢5,910,948.96 leaving an outstanding amount of GH¢5,411,991.37 comprising the principal amount (GH¢3,753,856.42) and interest amount (GH¢1,658,134.95) arising from default in the agreed loan repayment schedule.

2438. The long-standing unpaid loan balance could lead to the imposition of a lien on the MRI by the bank. We therefore recommended that Management should re-negotiate the terms of the loan agreement to achieve more flexibility in the repayment schedule and ring-fence the revenue generated from the commercial operation of the MRI towards its eventual redemption.

2439. Management did not respond formally to our observation.

Outstanding mortuary fees of the late Claudio Alvarez Zapata – \$170,517.00

2440. Our review of the Mortuary Register containing database relating to the period of collection and custody of dead bodies in the hospital morgue showed that the above services rendered by the hospital from 20 December 2008 to 25 February 2013 in respect of the late Claudio Alvarez Zapata which attracted fees totalling US\$170,517 had not been settled.

2441. The refusal of the relatives of the corpse to settle the mortuary fee of US\$170,517 had generated a legal tussle between the hospital authorities and AMITLAW, International Trade and Shipping Lawyers (client of the corpse' family). Meanwhile, the continued detention of the corpse for non-settlement of the mortuary bills had denied other corpses access to morgue space, creating lost opportunities for generating further revenue.

2442. We advised Management to recover the unpaid mortuary bills from the corpse's relatives through legal action under the aegis of the Attorney-General's Department.

MINISTRY OF JUSTICE AND ATTORNEY GENERAL'S DEPARTMENT

REGISTRAR-GENERAL'S DEPARTMENT

Over payment of contracts and payment for no work done – GH¢443,170.00

2443. Our review of contact payments and reconciliation between the cashbook and the bank statement revealed that payments far in excess

of the original contract price had been made for two contracts awarded as detailed below:

Date	Contract sum - GH¢	Payee	Transfer Details	Amount Transferred
3/10/12	2,734.20	Bu-Tech Services	FT1227738203	273,420.00
28/12/12	2,734.20	Green Zone Const Co.Ltd	FT1236395682	169,750.00
Total				443,170.00

2444. Messrs Bu-Tech Services should have been paid GH¢2,734.20 but was paid an amount of GH¢273,420.00 showing an over payment of GH¢270,685.80. We noted that Bu-tech Services which has a contract to Service the departments air conditioners was paid an amount of GH¢43,474.25 for the year 2013 for repairs and services carried out. Thus the payment of GH¢273,420.00 for the same works could not be justified.

2445. Messrs Green Zone Const Co. Ltd. carried out constructional works at the Regional office of the Registrar-General's Department at Tamale and was paid GH¢22,268.00 on cheque No. 1444833 of 19/12/12. Subsequently a transfer of GH¢169,750.00 was made to the company but this was not supported by any work done and could not be justified by the Administration.

2446. The over payment and payments for no work done occurred as a result of poor coordination among Management and a lack of supervision of the function and activities of the Principal Accountant. The effect had the potential of depleting government coffers of resources which could have been better used to fund other government activities.

2447. As Management failed to justify the overpaid amounts, we recommended that the sum of GH¢440,435.80 should be recovered

from the two companies, Bu-Tech Service and Green Zone Construction company Ltd.

2448. Following our recommendation for recovery of the overpaid amount, the Registrar-General retrieved a total amount of GH¢344,065.80 in April and July 2014 which was paid into Registrar-General's bank account at the Bank of Ghana. A balance of GH¢96,370.00 remained to be paid. The Registrar-General was urged to pursue full recovery of the balance.

2449. We recommended further that the Principal Accountant should be reprimanded and sanctioned for his role in causing the overpayments. We also recommended to the Registrar-General to ensure that financial rules and regulations put in place to safeguard resources of the Department and the State. As well, appropriate internal check procedures within the office should be observed in the processing and payment of expenditure in future. This would ensure that errors and overpayments of this nature that cause financial loss to the State are avoided.

Failure to support Acts of Parliament with legislative instruments

2450. Regulation that backs Act of Parliament clearly defines a well documented procedures and guidelines both financial and administrative to be followed in the efficient and effective implementation of the Act.

2451. Our review of the instruments that give legal backing to the various Acts of parliament governing operations of the department shows that, no legislative instruments have been

put before Parliament to regulate the activities and operations of the Department.

- ❖ Companies Code, 1963 (Act 179)
- ❖ Incorporated Private Partnerships Act, 1962 (Act 152)
- ❖ Registration of Business Names Act, 1962
- ❖ Trade Marks Act. 2004 (Act 664)
- ❖ Textile Design (Registration) Decree, 1973 (NRCD 213)
- ❖ Patent Act 2003 (ct 657)
- ❖ Bodies Corporate (Official Liquidation) Act, 1963 (Act 180)
- ❖ Industrial Designs Act, 2003(Act 660)
- ❖ Geographical Indications Act, 2003 (Act 659)
- ❖ Lay-out Designs (Topographies) of Integrated Circuits Act, 2004
- ❖ Protection against Unfair competition Act, 2000 (Act 589)
- ❖ Administration of Estates Act, 1961
- ❖ Marriage Ordinance (Cap 127, Ordinance 30 of 1935)

2452. This is as a result of the failure of the department to make proposals to the sector ministry, the Ministry of Justice and Attorney-General's, for study and laying before parliament for approval.

2453. Without regulations to back the Acts of Parliament, a clearly defined procedures and guidelines that would show how the Department should function would be absent.

2454. We therefore recommended that management should liaise with the Sector Ministry and initiate the processes to have the Legislative Instruments laid before Parliament to be passed into law for the efficient administration of the department.

2455. Management said it had taken note of the recommendation and that the State Attorneys of the department would take up the matter.

Failure to sign management performance contracts

2456. Best practices demand that Human resource management policies are formulated and performance contracts signed by management staff for efficient and effective discharge of their duties in order to meet set targets and goals of the organisation.

2457. We observed during our review of the Human resource management procedures that the department does not have a Human Resource Policy and Management Performance contract agreement with its management staff.

2458. It was explained that the managerial set up does not allow performance contract to be signed between the Ministry and the department's management staff.

2459. The department not having management performance contract with management staff and the absence of the Human Resource Management Policy could lead to poor monitoring and inefficient service delivery. It could also lead to inefficient

management of human capital where there would be lack of plans to retain trained staff. The department may not derive value for money from any investment in staff development.

2460. The Legal Service Board of the Ministry of Justice within whose purview the department falls should ensure that there is performance contract agreement between the Ministry and the Department's management staff.

2461. Management responded that it has taken note of the audit recommendation and will contact the Head of Civil Service to ensure that all those officers who are supposed to sign the performance contracts comply.

Misapplication of funds – GH¢637,896.00

2462. FAR 179(1) stipulates that "Except as provided for in the Financial Administration Act, 2003, (Act 654), and these Regulations, a head of department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities".

2463. A total amount of GH¢767,896.00 which the department has not budgeted for and is not disclosed in its annual budget was transferred to the Ministry of Justice to support the ministry's activities and programmes out of which GH¢130,000.00 was paid back, leaving a balance of GH¢637,896.00 to be refunded. The department has not yet been able to classify the payment into its account. The figure stands in the records of the department as a loan granted to the Ministry.

2464. The Ministry of Justice made frequent request from the department to finance its activities when funds from the Ministry of Finance are delayed.

2465. Verification conducted at the Ministry of Justice showed that the Ministry failed to include in its Financial Statement these moneys received from the Registrar General's Department and this could lead to the Ministry financing unbudgeted programmes and activities from funds received from the department. It could also lead to misapplication and misappropriation of funds.

2466. We therefore recommended that the department should desist from unapproved payments to the ministry and the ministry should seek approval from parliament before making such demands on the department or they should apply to the Ministry of Finance for extra budgetary allocation.

2467. Management responded that the observation was well noted and they would endeavor to convey the audit recommendation to the Minister.

JUDICIAL SERVICE

MOTOR COURT

Failure to credit the accounts of the court with total revenue of GH¢33,174.70

2468. Revenue collected and entered in the cashbook totaled GH¢303,178.60 while the bank statement entries stood at GH¢270,003.90. The shortage of GH¢33,174.70 represented

amounts that had not been credited to the bank accounts of the court by the HFC bank as detailed below.

Period	Amt Collected cash book	Bank Statement credit	Difference
January	33,377.00	25,457.00	7,920.00
February	31,411.00	23,733.20	7,677.80
March	41,070.10	38,733.20	2,336.90
April	25,620.00	20,820.00	4,800.00
May	18,951.50	15,531.50	3,420.00
June	37,380.00	35,980.00	1,400.00
July	29,820.00	25,020.00	4,800.00
August	16,660.00	18,140.00	(1,480.00)
September	25,983.50	22,963.50	3,020.00
October	19,625.50	21,065.50	1,440.00)
November	23,280.00	19,800.00	3,480.00
December	-	2,760.00	(2,760.00)
Total	303,178.60	270,003.90	33,174.70

2469. We recommended that the HFC bank be called upon to credit the courts accounts with the amount of GH¢33,246.30 without further delay.

Failure to record deposit payments into cash book - GH¢1,909,767.56, £4000 and \$206,504

2470. FAR 1(6) 2004, L.I. 1802 stipulates that any Public Officer responsible for the receipt, custody and disbursement of public and trust monies shall keep proper records of all transactions and shall produce records for inspection when called upon to do so by the Auditor-General.

2471. Our review of the deposit payment procedures disclosed that between January and December 2012 a total amount of GH¢1,909,767.56, £4000 and \$206,504 which were paid to various beneficiaries upon the orders of the court were not

recorded in the payment cash book as the five courts listed below failed to abide by the regulations.

	Institution	Amount GH¢	£	\$
1.	Land/Financial Court	347,659.95	4000	178,304.00
2.	28 th February Rd. Court	295,611.50	-	-
3.	Accra High Cour	954,829.83	-	28,200.00
4.	La District Court	4,720.00	-	-
5.	Adjabeng District Court	306,946.28	-	-
	Total	1,909,767.56	4000	206,504.00

2472. We recommended that the Director of Finance should ensure that all deposit payments are recorded in the cashbooks and the books balanced with bank records on monthly basis.

ACCRA HIGH COURT

Failure to credit the accounts of the court with revenue of GH¢86,370.10

2473. Review of the revenue cash book and the bank statement for the period disclosed that total revenue collected was short credited by the HFC bank. Out of revenue of GH¢329,532.70 collected, GH¢243,162.60 was credited by the bank to the accounts of the court leaving an amount of GH¢86,370.10 which was not credited.

2474. The failure of the HFC bank to provide the detailed bank statement contributed to the lapse noted.

2475. We recommended that the Judicial Secretary should write to the HFC bank for the amount of GH¢86,370.10 to be credited to the accounts of the Service.

**Failure to reconcile the cash books with the bank statements
GH¢2,160,596.70, GH¢6,460,535.39 and \$3,320.00**

2476. The agreement between the Ministry of Finance and HFC bank provides that the bank remit daily and weekly statements to the Judicial Service to enable them verify all payments made to bank.

2477. We observed that the bank consistently failed to provide the appropriate bank statements for reconciliation.

2478. Revenue collections and deposits paid to HFC bank on behalf of the courts were entered in bulk in the bank statement, instead of crediting the individual transaction, a practice which made it difficult to confirm total revenue of GH¢2,176,948.35 and deposits of GH¢6,553,890.13 and \$3,320 respectively, which per Judicial Service records, had been paid to the courts' bank accounts with HFC Bank as detailed below.

No.	Institution	Revenue GH¢	Deposit GH¢	US\$
1.	Kaneshie District Court	27,800.40	271,649.97	3,320.00
2.	28 th February Road Court	917,729.65	235,227.86	
3.	Land/Financial Court	797,488.70	209,524.58	
4.	City Engineers Court	33,056.20	152,713.36	
5.	La District Magistrate Court	35,380.30	95,611.01	
6.	Juvenile Court	23,268.50	518,979.30	
7.	Fast Track High Court	325,872.95	4,976,829.31	
8.	James Town Community Tribunal	16,351.65	93,354.74	
Total		2,176,948.35	6,553,890.13	3,320.00

2479. We recommended to the Judicial Secretary to ensure that the HFC bank provides the courts with detailed bank statements and render its services according to the contract signed with the Ministry of Finance, failing which the contract should be reviewed or abrogated as necessary.

2480. We further recommend that the Judicial Service should show more seriousness in tracking lodgements to the bank and reconciling with the individual court records and accounts, else there is the possibility that government could lose a lot of revenue to the bank without realizing it.

JUDICIAL SERVICE, KUMASI

Failure to Obtain alternative quotations – GH¢12,095.14

2481. We observed that the Service made purchases amounting to GH¢12,095.14 without obtaining comparative quotations to enhance competition, value for money and transparency.

2482. These transactions were therefore not compliant with the Public Procurement Act 663, Section 43 (1) which states “the procurement entity shall request quotations from as many suppliers or contractors as practicable but from at least three different sources.”

2483. This lapse was due to failure on the part of Management to constitute a Procurement Committee to handle purchases. We noted that the omission could lead to over-pricing of items as well as purchase of poor quality goods resulting in loss of funds to the service.

2484. We advised strict adherence to the provisions in the Public Procurement Act to ensure transparency, accountability and value for money.

JUDICIAL SERVICE, BOLGA

Unearned salary – GH¢12,815.93

2485. Regulation 297(1f) of the FAR 2004 (L.I. 1802) requires a head of department to cause immediate stoppage of payment of salary to a deceased or separated public officer.

2486. Contrary to this, we noted that five deceased staff and a retiree of the Judicial Service were paid unearned salaries for periods between three and twelve months as detailed below.

Name	Staff ID	Period	Net Salary GH¢	Other Deductions GH¢
Gaetin Azubire	026270	Sept'12- May'13	2,099.60	
Saminzua Apeliga	15770	Mar'12-May'12	599.03	
Awonsia Akolbire	020009	Dec'11-Jun'12	2,844.40	105.00
Kanose Dorothy	015101	Jan'12-Jul'12	864.80	
Akolgo Atiah David	476010	Feb'13-Aug'13	1,552.67	875.21
Kodamma Abuekyira	9106	Aug. '12- Aug. '13	2,845.36	1,029.86
Total			10,805.86	2,010.07

2487. We recommended that Management should recover the total unearned salaries of GH¢12,815 from the separated staffs' next of kin or from their end of service benefits.

Purchases without multiple price quotations – GH¢2,381.50

2488. Section 43(1) requires procurement entities to request quotations from as many suppliers or contractors as practicable, but from at least three different sources.

2489. Contrary to the above regulation, we noted that the Judicial Service office made procurements totalling GH¢2,381.50 without obtaining alternative price quotations from other suppliers or service providers.

2490. Non-adherence to the Public Procurement Act, 2003 could result in transactions that do not yield value for money in procurements. We advised Management to support future procurements with at least three separate quotations to ensure that value is obtained in all procurements.

CIRCUIT COURT- ASSIN FOSO

Failure to prepare bank reconciliation statements

2491. By Regulation 2(g) of FAR 2004, the head of government department shall manage and reconcile the bank accounts authorised for the department by the Controller and Accountant-General.

2492. However, the Circuit Court, Assin Foso, failed to prepare monthly bank reconciliation statements for the period between 1/1/13 and 31/12/13 on two accounts held with Ghana Commercial Bank.

2493. The lapse was attributed to ineffective supervision by the Registrar over the work of the Accounts Officer. As a result, errors in bank statements might not be easily detected and rectified.

2494. We advised and the Registrar agreed to ensure the preparation of the monthly bank reconciliation statements to enable the office detect errors and misstatements in bank transactions early for correction.

EAST AKIM MUNICIPAL MAGISTRATE COURT - KIBI
Non-compliance with Chief Registrar's directives on civil cases

2495. Per the Chief Registrar-General and Judicial Secretary's Circular No. C/151 dated 20 February 2013, the courts are required to compile cases in which no proceedings have taken place each month and furnish the Chief Registrar's office with detailed returns. District Officers were further directed to co-ordinate with the Regional Administration to collate the data and send reports to the Chief Registrar-General on time.

2496. Out of forty-eight (48) cases that were filed for hearing, there were no proceedings in respect of eleven (11) cases, twelve months after they were filed. The Chief Registrar's office was also not furnished with particulars of cases for which no proceedings had taken place as directed by the Judicial Secretary's letter. Weak supervision over the work of the Registrar resulted in the delays.

2497. The failure to bring such cases to the attention of the Chief Registrar-General could undermine his ability to monitor and direct proceedings to enhance effective delivery of justice and prevent delayed hearing of overdue cases.

2498. We urged the District Magistrate Court to adhere to the directives of the authorities for the proper and efficient delivery of justice to the citizenry.

Failure to comply with official directives

2499. According to the Judicial Secretary Circular No. J/4 Vol.8 dated 30 November 2012, all Circuit and Magistrate Court Judges are to submit monthly returns on remand cases to the office of the Chief Justice for review.

2500. Despite several reminders by the Judicial Secretary, the Registrar failed to submit returns on remand prisoners in custody during the period under review.

2501. Management's failure to comply with the directives accounted for the delays. Failure to furnish the Judicial Secretary with data on remand prisoners for Management decision and action could swell up the number of remand prisoners in prison custody and delay justice delivery.

2502. We recommended that Management should complement the efforts of the Chief Justice to ensure efficient management of remand prisoners' cases.

Excessive cash holdings - GH¢4,483.50

2503. Part 11 Section 48 of the FAR, 2004 (L.I. 1802) requires a head of department to ensure that cash holdings are kept to the absolute minimum by promptly lodging collections in bank accounts.

2504. Contrary to this, the Cashier of the Deposit Account held excessive cash totalling GH¢4,483.50 in the office as at 6 August 2013 due to weak supervision by Management.

2505. Such large cash holdings posed a risk of occurrence of financial loss in the event of burglary and other mishaps.

2506. We advised Management to set and maintain minimum cash holding limits at the office and lodge all excess cash holdings into the Deposit Bank Account to avoid unauthorised borrowing and/or loss of funds, in the event of burglary.

MAGISTRATE COURT - SENCHI

Unearned salary - GH¢1,422.88

2507. Part XIV Section 297(1e) of Financial Administration Regulations (FAR) (L.I. 1802) states that “A head of department shall cause immediate stoppage of payment of salary to a public servant when that public servant has resigned.” Section 298(3b) requires “notification to the Bank for repayment into the Consolidated Fund of salary or other payments credited to the Public Servants Bank Account.”

2508. On the contrary, our review of the payroll disclosed that Mr. Daniel Owiredue Kumi who resigned on 1 August 2012 was paid a total net salary of GH¢1,422.88 for the months of August, September, October and December 2012. We sighted a letter dated 6 November 2012 written to the Manager of Agricultural Development Bank, Juapong branch, to transfer the unearned amount into the Consolidated Fund Account. However the Bank failed to transfer the amount.

2509. Management's failure to stop the payment of the salary by promptly writing to the Controller and Accountant General's Department (CAGD) and his bankers resulted in the payment of GH¢1,422.88 as unearned salaries to the resigned staff.

2510. We urged management to take further steps to ensure that the total amount is transferred to chest and the relevant evidence obtained.

CIRCUIT COURT - OFFINSO

Missing Convict - Abubakari Karim

2511. It was discovered that, one Abubakari Karim was convicted by the Circuit Court sitting in Offinso per warrant no 25/12 dated 14/06/12 to serve 24 months prison sentence in hard labour. The convict was said to have been escorted to the Kumasi Central Prisons by D/Inspector K.A. Boateng of the Divisional CID, Offinso.

2512. Our verification at the Kumasi Central Prisons, however, revealed that the convict was not delivered to the prison authorities to serve the sentence.

2513. We recommended that the Presiding Circuit Court Judge should investigate the matter with the Divisional Commander in order to trace the convict and forestall any future recurrence. We also suggested that the Registrar of the Court should put in place a mechanism for the prison authorities to confirm to the Court the receipt of convicts into prison custody.

DISTRICT MAGISTRATE COURT - KONONGO

Unearned Salary - GH¢12,516.23

2514. Regulation 297(1) of the Financial Administration Regulation 2004, states that, “a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been asked to proceed on indefinite leave without pay or resigned”.

2515. Further, Section 298 Sub-Section (2) to (4) of the Financial Administration Regulations mandates a head of department among others to notify Controller and Accountant General of the effective date of stoppage and confirm that action has been taken to prevent further payment as well as notify the bank for payment into the Consolidated Fund of salary or other payment credited to the public servant’s bank account erroneously.

2516. We noted during our audit that, Mr. Abraham Mensah, a staff of the Court who proceeded on indefinite leave without pay with effect from 3 April 2012 had his name appearing on the payroll up to June 2013 and a total unearned salary of GH¢12,516.23 paid into his account at Wamfie Rural Bank, Sunyani.

2517. The anomaly was due to the failure of the Director of Finance of the Judicial Service who was directed by Management to delete Mr. Abraham Mensah's name from the service payroll.

2518. We therefore recommended that, Management should instruct Wamfie Rural Bank – Sunyani to transfer the unearned salary of GH¢12,516.23 to the Consolidated Fund whilst immediate steps are taken to delete Mr. Abraham Mensah's name from the service payroll. Where it is detected that he has illegally withdrawn the amount, the matter should be reported and Mr. Mensah arrested by the Ghana Police for further investigation with the view of retrieving the amount of GH¢12,516.23.

DISTRICT MAGISTRATE COURT – ASANKRANGWA

Separated staff names on the Court payroll

2519. Part XIV Section 304(I) of the Financial Administration, 2004 L.I. 1802 states that, a head of department or head of management unit shall examine and certify personal emolument payment vouchers (PVs) to ensure that:

- a. only staff belonging to the unit is on the payment vouchers
- b. in case of staff posting and transfer out, the name is deleted within three months.

2520. We however, noted during a review of the court's payroll that, three transferred and nine other officers who are reportedly stationed at various magistrate courts within the region continued to have their names on the Asankrangwa Magistrate Court payroll.

2521. The district court registrar explained that, efforts were being made to ensure that their names were deleted and transferred to their current station's payroll.

2522. Failure by Management to ensure that the officers names were deleted from the payroll resulted in this anomaly.

2523. To ensure effective payroll management, we recommended and Management agreed to ensure that, their names are deleted from the court's payroll.

DISTRICT MAGISTRATE COURT - BIBIANI
Amount transferred to Bank of Ghana through SG-SSB,
Bibiani - GH¢22,313.80

2524. The directives from the Judicial Secretary referenced No. SCR/54/Vol. 5/132 dated 20 June 2002 states that Non-Tax Revenue (85%) collected should be paid to Bank of Ghana Account No. 01230-500121-37.

2525. Contrary to the above directives, an audit verification carried out on the bank statement from SG-SSB Bank, Bibiani revealed that the total amount of GH¢22,313.80 deposited was transferred to the SG-SSB headquarters.

2526. The team could not ascertain whether the amount has been transferred from SG-SSB headquarters into the Judicial Service Account at Bank of Ghana as there was no evidence of such transactions on record.

2527. The policy where remittances are transferred from SG-SSB Branch at Bibiani to SG-SSB headquarters from onward transmission to A/C No. 01230-500121037 did not allow transparency in the flow of transfers into the Consolidated Fund and transfers could be unduly delayed from SG-SSB head office or not remitted at all.

2528. We recommended that the Registrar should inform the Director of Finance of the transfer procedures at SG-SSB Bank to reconcile amounts deposited into Account No. 01230-500121-37 at Bank of Ghana to ensure that all transfers from the District Magistrate Court Bibiani are lodged and accounted for.

Failure to transfer amount lodged at the Bank – GH¢2,096.00

2529. A review of the bank statement revealed that an amount of GH¢2,096.00 was deposited into the Court's account at Ghana Commercial Bank, Sefwi-Wiawso by the Cashier (Mr. Wisdom Ahiabu) but the bank failed to transfer the amount into the Judicial Service Account.

2530. This is contrary to FAR Section 17(c) which states that “a head of department shall monitor and ensure that all Non-Tax Revenue lodged into the transit bank accounts are promptly transferred into the main Consolidated Fund Bank Account”.

2531. The State stands to lose revenue for developmental or other purposes where the bank is allowed to retain revenues deposited for unreasonably long periods.

2532. We recommended that the bank should immediately transfer the amount into the Judicial Service accounts with the Bank of Ghana.

HIGH COURT, TARKWA

Unclaimed deposits – GH¢35,825.98

2533. We noted during our review of the court deposit register that an amount of GH¢31,555.98 representing deposits related to 6 decided cases and a further amount of GH¢4,270.00 relating to 26 closed cases (lodged with the court between February 2009 to July 2013) could not be claimed by their rightful owners as a result of the cumbersome nature of procedures put in place by the court to be followed by litigants in order to claim their monies. The procedure for deposit claim involved:

- a. Filing a motion of release letter to the court for the judge to order the registrar to release the money for payment.
- b. Application for the release of the money to the regional accountant, Sekondi with the necessary

- documents attached, such as copies of General Counterfoil Receipts and HFC pay-in-slips etc.
- c. Verification of deposits paid into the deposit accounts at HFC by the Regional Accountant.
 - d. Forwarding the application with the necessary documents to the Judicial Service Headquarters, Accra for approval.
 - e. The Headquarters will also verify the lodgment of the deposit before approving the application.
 - f. The Headquarters after approving will write a cheque and forward them to the regional accountant for payment to be effected.

2534. Due to the long process involved the claimants abandoned the amounts in the court's deposit account with HFC Bank, Takoradi. However, the deposits had not attracted any interest from the bank since February 2009 to July 2013.

2535. In order for individuals and groups not to lose hope and trust in the Judicial Service, we urged Management to streamline the procedures of claiming deposits by making it less cumbersome to enhance accessibility. Meanwhile, we recommended to Management to endeavour to arrange with the bank to secure interest on deposits that have been standing in the accounts for a long period of time. The court should also arrange to return the individual deposits to the rightful owners, with interest, if such is obtained from the bank.

Bank lodgments paid to an intermediary without proper authorisation

2536. At the Tarkwa Circuit Court, we observed a switch of bank lodgment for revenue and deposit from the Ghana Commercial Bank (GCB) to HFC Bank based on the contract awarded the HFC Bank to make on-site collections by the Judicial Service.

2537. Without sighting any documentary authorization, we noted, however, that revenue and deposits were paid to Agate-Mobot Ltd. a non banking institution. Agate-Mobot Ltd. which was said to be an agent of HFC Bank transported the collections (revenue and deposits) by road to the Takoradi branch of HFC for lodgment, once every week. We were of the view that this practice denied the court at Tarkwa easy access to the bank authorities for any quick situational redress since it is the Takoradi branch of the bank that handled the accounts.

2538. Bank statements examined also revealed delayed lodgment and did not provide the names of the payees or the serial numbers of receipts issued from the circuit court, as a reference to the source of lodgment. Our visit to the collection point showed that there were no security personnel on site.

2539. When the Court Registrar was queried concerning the arrangements he informed us that they were verbally instructed by the Judicial Service Finance Directorate to use that arrangement because HFC Bank had no branch in Tarkwa to make the collections.

2540. We recommended to the Judicial Service to consider re-awarding the contract to banks with existing branches in Tarkwa to improve the above issues raised. Meanwhile, in order to hold HFC Bank accountable for any misconduct or eventuality by Agate-Mobot Ltd., we urged Management to obtain a written authorisation from HFC Bank to authenticate the agency of Agate-Mobot Ltd as courier.

HIGH COURT, WA

Payments not supported with payment vouchers - GH¢28,407.30

2541. Section 43 of Part II of the FAR, 2004 (LI. 1802) states 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.

2542. On the contrary, we noted that 58 cheques amounting to GH¢28,407.30 were raised and paid without payment vouchers prepared in support. The payments were therefore not authorised and the payees not provided.

2543. This kind of laxity could result in misappropriation of funds, payments to undeserving persons and other expenditure frauds leading to eventual loss of funds to the State.

2544. We advised Management to ensure that the payments were supported with payment vouchers and submitted for authentication.

Unacquitted Payments - GH¢2,206.00

2545. We noted during a review of payment vouchers that payments totalling GH¢2,206.00 were not properly acquitted as they were not supported with the payees' official receipts/invoices.

2546. The lapse attributable to the Accounts Officer's failure to obtain receipts from the payees could result in payments to undeserved persons and diversion of funds leading to loss of funds to the state.

2547. We advised Management to properly acquit the vouchers for verification.

Store Items not Accounted for -GH¢2,326.00

2548. Section 0522 of Stores regulations 1984 states that Stores Receipt Voucher (SRV) shall be prepared for the recording of all goods received into stores whether they be allocated or unallocated stores.

2549. On the contrary, store items valued at GH¢2,326.00 alleged purchased were not supported with SRV's and entered in the store records.

2550. Lack of supervision over the work of the storekeeper accounted for the lapse and this could result in diversion of store items leading loss of funds.

2551. We requested Management to ensure that the items were accounted for.

HIGH COURT, DENU

Loss of value book

2552. FAR 2004 Part VIII section 215 requires a person to whom value books are issued to be personally responsible for the custody and care of the value books.

2553. Our check of the stock register revealed that receipt book number 0200401 – 0200500 could not be found or traced.

2554. The Registrar was using a very old and unsecured cabinet for the custody of the value books which could easily be accessed by intruders.

2555. We recommended that a metal safe or steel cabinet be provided to secure the value books and a report be submitted on the missing receipt book to the appropriate authority in accordance with Part IX of the FAR.

Unearned salaries – GH¢5,827.84

2556. FAR Part XIV Section 297 requires that a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulation of the establishment.

2557. We noted in our payroll examination that unearned salaries of GH¢5,827.84 were paid to two members of staff

between November 2012 and October 2013 as summarized below.

Year	Name		Total
	Mensah Allyn	Comfort Gatogo	
2012	535.76	0	535.76
2013	1,289.4	4002.68	5,292.08
Total			5,827.84

2558. Both separated staff had their names appearing on the payroll until May 2013 when the name of Mensah Allyn was deleted. However, Ms Gatogo's name still remained on the payroll at the close of the audit in November, 2013. This practice which occurred as a result of poor supervision could lead to payments for no work done.

2559. We recommended to the registrar to ensure the recovery of the full amount of GH¢5,827.84 and also request the Ghana Commercial Bank to transfer all salaries credited to Ms Gatogo's account to the Controller and Accountant General's Suspense Account.

DISTRICT MAGISTRATE COURT, NKWANTA SOUTH

Use of witnesses who could neither read nor write to endorse payments to judgment creditors

2560. To attain transparency and accountability, best accounting practice dictates that whenever payments are made to persons who are unable to read or write, there should be a witness who is literate to interpret the terms and conditions of the payments to the person(s). The witness should be made to sign to authenticate the transaction.

2561. The audit disclosed that on 26/3/2013 an amount of GH¢600.00 was paid on Court Payment Voucher No. 0165100 to a judgment creditor Madam Yaa Grace who is unable to read or write and was witnessed by Madam Kodzovi Rebecca who also could neither read nor write, yet the cashier Mr. Antony Kudjoe went ahead to effect payment.

2562. We attributed this irregularity to the Court Registrar's failure to ensure that, the cashier, in the performance of his duties, prohibited persons who could neither read nor write from witnessing payments to illiterate judgment creditors.

2563. As a consequence, we were unable to determine whether the amount of GH¢600.00 paid was received by the actual payee, Madam Yaa Grace.

2564. We recommended to the Registrar to ensure that the cashier discontinues this unhealthy practice and ensure that, in future, payments made to judgment creditors who are illiterate are witnessed by literate persons.

2565. Management noted the recommendation for compliance.

Inadequate logistics for running the district magistrate court

2566. Part IV Regulation 183(1) of the FAR 2004 (L.I. 1802) requires that, Any officer responsible for the financial management of a department shall ensure that acquisition of government stores are made and applied to public purposes in the most economical way.

2567. For effective implementation of government policy and for prompt and efficient discharge of the mandate of the Magistrate Court, it was imperative that the court be adequately resourced, financially and logistically.

2568. We noted that for the periods January 2012 to 31 December 2012 and 1 January 2013 to 30 June 2013, the Nkwanta District Magistrate Court lacked the basic logistics to run the office. As a result, official documentation/forms needed for the court's work was photocopied from commercial sources (communication centre). Our audit revealed that the cost of photo copying judicial forms namely: Writ of Summons, Hearing Notice, Remand Form and Statistical Form were borne by the Registrar; refunds from the Regional Office of Judicial Service to the Court Registrar-Nkwanta were however, very irregular.

2569. The cause of this weakness is that management of the Judicial Service failed to equip the Nkwanta Court with the requisite logistics/resources for the effective and efficient execution of their mandate.

2570. This situation if allowed to continue would have a negative impact on the moral of the Court Registrar who always bears the costs of the photo copying for which reimbursement is always unduly delayed and could compromise his work as a public servant.

2571. There is also the tendency for the Court Registrar to misapply revenue collections due to the State and the Judicial Service on the photo copying of these forms.

2572. We recommended that the Court Registrar should liaise with the Regional Administrator of the Judicial Service-Ho to officially take up this matter with the Judicial Secretary in Accra for the supply of the necessary logistics and equipments for the effective and efficient running of the Court.

2573. We also recommended that requests for replenishment of stock of official forms should be made at least two months before the re-order level is reached.

2574. We further recommended to Management to confer with the Volta Regional Administrator of the Judicial Service to agree on minimum, buffer, maximum and re-order stock levels.

2575. Management stated that the above was a problem from Judicial Service headquarters but it would keep in constant touch with the Volta Regional Registrar for the supply of adequate logistics.

Failure to install fire fighting equipments

2576. Stores Regulations 1305 of 1984 stipulates, that “It is the duty of all officers in charge of depots or stores generally to ensure that adequate firefighting equipment is provided, and that such equipment is regularly tested, at least once every year. Each piece of equipment shall have attached to it a card indicating the date of last test”.

2577. In contravention of Regulation 1305, we observed that there were no smoke detectors or firefighting equipment at the court premises for the prevention and efficient control of fire in the event of an outbreak.

2578. Fire outbreaks are unpredictable and destructive and may lead to loss of valuable properties and human lives.

2579. We attributed this unhealthy situation to laxity on the part of Management in safeguarding lives and property of the department.

2580. We recommended to Management to install smoke detectors and fire extinguishers at vantage points on the court premises and to regularly test them for efficacy to ensure that in the unlikely event of a fire outbreak temporary action could be taken before the fire service arrives.

2581. Management indicated it had made several requests to Head Office for the supply of the fire fighting equipments and would continue to send reminders.

HOHOE CIRCUIT & HIGH COURTS

Unearned Salaries – GH¢8,816.16

2582. Section 297 (1)(a) and (f) of Financial Administration Regulations (FAR) L.I.1802 of 2004 requires the immediate stoppage of payment of salary and deletion of names from the payroll whenever there was a separation of staff.

2583. We noted that a staff by name Prosper Mensah retired on 7 October, 2012. Management however kept his name on the Service's payroll until May 2013 (when the last mechanised salary PV was available) resulting in the payment of unearned salaries amounting to GH¢8,816.16.

2584. We recommended that Management should take immediate steps to recover the amount from Mr. Prosper Mensah and pay to chest. Management should also get the name deleted from the payroll immediately to avoid further wrongful payments.

Names of Transferred Staff Still on Payroll

2585. Section 292 (f) of Financial Administration Regulations (FAR) L.I. 1802 of 2004 states that heads of departments should ensure that payments are not made to staff that do not belong to the unit. Section 304 (1b) of the Financial Administration Regulations 2004 (L.I.1802) also states that "in case of staff on posting or transfer, the name is deleted within three months".

2586. We noted however that 15 members of staff, who were transferred from the department between January 2008 and December 2012, still had their names on the station's mechanised payroll.

2587. In response, Management explained that their Regional office was responsible for deletions and transfers of names from mechanised payment vouchers.

2588. The maintenance of names of transferred staff on the station's PVs encourages payment of salaries to absentee workers. The practice also makes it difficult to check and control instances of vacation of posts and other salary-related problems.

2589. In view of the issues associated with this practice, and in order to avert them, we recommended that Management should take immediate steps to transfer or delete the names from Hohoe payroll. This action would improve the effectiveness of the payroll system.

DISTRICT MAGISTRATE COURT, HOHOE

Payment of Unearned Salaries GH¢3,080.53

2590. Two members of staff who were separated in July 2013 had their salaries paid to them till October 2013 when the audit was conducted, a period of three months totalling GH¢3,080.53. The details are provided below:

Name	Staff ID	Rank	Separation	Months	Amount
George Seddoh	13178	Circuit Court Registrar	Died	3	2,372.80
Godwin Akpalu	757074	Day Watchman	Dismissed	3	707.73
					3,080.53

2591. We recommended that the amounts including any others paid after October 2013 should be retrieved and paid into

government chest. The names should also be deleted from the payroll immediately to avert further loss to government.

CIRCUIT COURT, KPANDO

Unconfirmed Names on Mechanised Salary Vouchers

2592. Regulation 304(1a&b) of the FAR, 2004 (LI 1802) requires that a head of department or a head of management unit shall examine and certify the personal emolument payment voucher to ensure that only staff belonging to the unit are on the payment voucher; in the case of staff on posting or transfer out, the name is deleted within three months.

2593. We observed during the period under review that 21 officers who are outside the Kpando Municipality had their names appearing on the mechanised salary payment voucher as at December 2013.

2594. This was as a result of the Authorising Officer's failure to ensure that Mechanised Payment Vouchers were well vetted before certification.

2595. This may give rise to the payment of unearned salaries to ghost and dummy workers without the knowledge of Management.

2596. We recommended that the Nominal roll be updated to indicate the prevailing staff strength and to ensure that names of these persons are transferred to their locations. We were informed that 19 of these officers were transferred to other

districts except for two officers namely Paulina Keh and Prosper Abowu who we were unable to produce evidence to prove that they were actually staff belonging to the Judicial Service in Kpando.

DISTRICT MAGISTRATE COURT, JASIKAN

Payment without Receipt: GH¢10,263.00

2597. Section 39(2) of FAR 2004, L.I. 1802 stipulates that “The head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable. Contrary to these Regulations the Registrar failed to obtain the necessary official receipts for payments amounting to GH¢10,263.00.

2598. This lapse was attributed to the laxity with which financial rules which were meant to enhance transparency in financial transactions are complied with. As a result the authenticity of these payments could not be ascertained.

2599. We therefore urged Management to have the payments properly receipted.

Receipts not entered in the cash book – GH¢209.00

2600. We noted that monies receipted on two (2) receipt forms, totalling GH¢209.00 were not entered in the cash book, contrary to Part I Section I (1) of the FAR LI.1802 of 2004.

2601. Due to the non-compliance with regulations this could lead to the monies not being accounted for or misappropriated.

The Registrar accepted the observations and stated that the amount involved was a deposit paid out in relation to the case between Kofi Kuma Agyei and two others vrs Dompkeh which case was still pending before the court. Below are the details of the two receipts:

(i)	7/8/12 – 0488569	-	GH¢ 4.00
(ii)	5/12/12 – 8109824	-	GH¢205.00
			GH¢209.00

2602. We urged management to have the receipts properly recorded for our inspection.

MINISTRY OF TOURISM, CULTURE AND CREATIVE ARTS

CENTRE FOR NATIONAL CULTURE, CAPE COAST

Unauthorised use of internally generated funds – GH¢28,222

2603. Regulation 17 (b) of the FAR, 2004 stipulate that a head of department shall ensure that all Non-Tax Revenue is immediately lodged in the Designated Consolidated Fund Transit bank accounts except in the case of Internally Generated Fund (IGF) retained under authority.

2604. We noted that the Centre for National Culture in Cape Coast spent a total of internally generated revenue amounting to GH¢28,222 without authority from the Minister of Finance.

2605. We recommended that management should refund the amount to government chest and notify our outfit for verification.

CENTRE FOR NATIONAL CULTURE, TAMALE

Failure to Collect Rent-GH¢3,966

2606. We noted that the Centre for National Culture, Tamale, has rented out the forecourt of its premises to artisans and traders but has failed to collect rent from the tenants for the period of January 2011 to December 2013. The rent arrears amounted to GH¢3,966.00, thereby denying the Centre, and for that matter the government, revenue for development.

2607. The lapse has occurred as a result of the indifferent attitude of management towards revenue generation for the Centre.

2608. We recommended to management to take the necessary steps to recover the rent arrears.

GHANA TOURISM AUTHORITY, WA

Un-acquitted Payments - GH¢1,634

2609. We noted that payments totalling GH¢1,634.23 made by the authority were not properly acquitted as they were not supported with official receipts, invoices and statements of accounts.

2610. The above contravened Regulation 39 of the FAR, 2004, which requires that the head of the accounts section shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

2611. The lapse occurred because the Accountant failed to ensure that the officers responsible acquitted the payments and this could result in misappropriation of funds.

2612. Management was advised to ensure the acquittal of the payments.

Delays in lodgment of revenue to bank

2613. Regulation 15 of FAR, 2004 states that any public officer or revenue collector who receives public and trust moneys shall issue official receipts for them and pay same into the relevant Public Fund Bank Account within twenty-four hours of receipt except in exceptional circumstances to be identified by the minister.

2614. Our review of the cash account disclosed delays in the lodgment of revenue to bank. The default periods ranged between six to 28 days. This resulted in cash holdings ranging between GH¢500.00 and GH¢3,000.00.

2615. This irregularity resulted from inadequate supervision over the work of the Accountant and could result in revenue misappropriation.

2616. We recommended that management should improve supervision over the accountant and ensure that revenue received by the Accountant is lodged promptly.

MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION

BERLIN MISSION

Embezzlement of revenue by the Warsaw Consulate - €23,295.00

2617. Section 4 of the Financial Guidelines for the operations of Ghana Honorary consulate requires an Honorary Consul to pay, at least once a month, all consular fees received into a Special Collections Account controlled by a Ghana Mission responsible for the Honorary Consulate.

2618. Contrary to the above, between January 2009 and January 2010, a total amount of €23,295.00 was collected as Consular fees at the Warsaw Consulate by the Honorary Consul but he had since not accounted for it.

2619. The action of the Honorary consul constituted a loss of funds to the Mission. Whilst commending Management for their vigilance we were of the view that the recovery of the money is long overdue.

2620. We therefore advise management to take legal action to recover the money since the diplomatic means through correspondence and personal contacts adopted by the embassy has failed to yield positive response from the Honorary consul.

Refund of Security Deposits on rent €13,362.44

2621. The mission entered into tenancy agreement with 2 landlords in November and December 2002 for the renting of

accommodation for officers. The tenancy agreement provided for the payment of a Security deposit to be refunded after termination of the agreement. An amount of €13,362.44 was paid to the undernoted landlords in November and December 2002 as refundable security deposit and the agreements were terminated on 1 December 2011 and 1 April 2012 respectively.

Name of Landlords	Amount (€)
Mr. Michael Longard	8,400.00
Mr. Philip Holzachneider	<u>4,962.44</u>
	<u>13,362.44</u>

2622. Even though the Audit team sighted some correspondence between the mission and the landlords for the refund of the deposit, we realised that no fruitful result had occurred.

2623. We urged Management to continue to expedite action for the recovery of the total amount of €13,362.44 from the Landlords as contained in the two tenancy agreements.

TEHRAN MISSION

Islamabad Consulate to Account for Visa Fees of US\$12,144.00

2624. Between March 2011 and March 2012, a total amount of US\$12,144.00 was collected as Visa fees by the Honorary consul general in Islamabad, Pakistan, Dr. Shahid Rashid Butt, but he had failed to account for it.

2625. This omission denied the mission the revenue realized over the period. There is a high risk that the total amount generated by the Honorary Consul in Islamabad, Pakistan, Dr. Shahid Rashid Butt, could be misappropriated to the detriment of the Mission and State.

2626. We urged Management to ensure that the total amount of US\$12,144.00 is recovered from Dr. Shahid Rashid Butt to enhance accountability of revenue in the mission.

Expenditure on stranded Ghanaians US\$5,839.87

2627. Between July and August 2013, the Mission incurred a total expenditure of \$5,839.87 on eight stranded Ghanaian boys brought to Iran by a Ghanaian Football Agent under the pretext of getting them into professional soccer clubs in Iran.

2628. The Ministry of Foreign Affairs conveyed approval for the Mission to repatriate the boys as early as possible to avoid paying huge immigration penalties of US\$ 50.00 each day for long overstaying their visas.

2629. Paragraph (iv) of Foreign Service Regulation 10 on Financial Assistance to Ghanaian citizens requires a guarantee or an undertaking from the beneficiaries to the effect that expenses made on their behalf will be refunded. The agent, Mr. Adomako, therefore promised to refund the expenses incurred, but had since failed to do so.

2630. We recommend that Management should ensure the recovery of the total amount of US\$5839.87 from Mr. Isaac Adomako through the Ministry of Foreign Affairs, Accra.

Wrongful payment of child allowances - €2,921.11

2631. Regulation 3(D) of the Foreign Service Regulations on the payment of children allowances states that a maximum of two children up to the ages of 18 years of a Foreign Service Officer posted abroad will for free passage and allowance, beyond which Government ceases to be financially responsible for the children in any form.

2632. Our examination of the payment vouchers (Pvs) disclosed that Mr. Saani Hassan, a son of the former head of Mission, H. E. Mr. Ahmed Hassan who was born on 24/08/1993, attained the age of 18 on 24/08/2011. H. E. Mr. Ahmed Hassan however continued to receive child allowance of €171.83 a month on behalf of the children for 17 months up to January 2013 totalling €2,921.11 to which he was not entitled.

2633. The failure of Head of Chancery to scrutinize the PV's and their attachments before payments were effected contributed to the wrongful payments of the allowance. This anomaly made the mission to lose €2,921.11 thereby contributing to its financial distress.

2634. We therefore recommended a recovery of the amount of €2,921.11 from the Head of Mission H. E. Mr. Ahmed.

Shortfall in remittance to two missions - €2,693.51 and US\$10,670.04 (Tel Aviv and Lusaka Respectively)

2635. Section 141-143 of the FSAI directs the Controller and Accountant General to make monthly transfer of remittance to the Ghana Missions abroad and that counterfoil receipts in the name of the Controller and Accountant General should be issued for all remittances and brought to account in the cashbook immediately bank advice is received.

2636. Our review of the Tel Aviv Mission remittance account disclosed that within a period of four months, as shown below, a total remittance of €304,905.69 transferred by Controller and Accountant General to the Mission fell short by €2,693.51 as only €302,212.18 was received by the Mission through the Bank of Ghana.

(Period) Details	Value Date	Amount Remitted	Amount Received	Date of Receipt	TCR Number	Diff.
Nov. 2012	31/7/12	90,587.95	89,653.01	01/08/12	0065471	934.94
Aug. 2013	05/09/13	73,266.38	73,068.12	05/08/13	0031707	198.26
Sept. 2013	02/10/13	72,014.06	71,267.18	04/10/13	0031708	746.88
Oct. 2013	30/10/13	69,037.30	68,223.87	06/11/13	0031709	813.43
		304,905.69	302,212.18			2,693.51

2637. Similarly, a shortfall of US\$10,670.04 was detected in the total remittance sent to the Lusaka Mission between May 2012 and September, 2013 an average of US\$500.00 every month.

2638. Management's failure to officially notify the Controller and Accountant General and Bank of Ghana of the shortfall for further investigation, and corrective action had contributed to the loss.

2639. The shortfall could affect the financial operations of the Missions, considering the fact that their budget estimates presented to Ministry of Foreign Affairs for the period was drastically slashed.

2640. We recommended that Management should officially report all shortfalls to the appropriate authorities for investigation and further action.

ALL AFRICAN STUDENTS UNION - ACCRA

Failure to account for cash on hand of GH¢12,270.00

2641. A total amount of GH¢12,270.00 brought forward as cash on hand in January 2011, could not be accounted for by Mr. Abdul Hakib Karim, the former Ag. Secretary General.

2642. We recommended that the total amount of GH¢12,270.00 should be refunded by Mr. Abdul Hakib Karim the former Ag. Secretary General. Management should also ensure that huge cash balances are not maintained at the office but rather paid to Bank for safe keeping.

OTHER AGENCIES

COMMISSION FOR HUMAN RIGHTS AND ADMINISTRATIVE JUSTICE (CHRAJ), BEGORO

Missing receipt leaflets

2643. Part VII Section 63(1) of the FAR, 2004 stipulates that books, papers and documents kept or used by or received or taken into the possession of any person, who is or has been employed in the collection or management of funds, by virtue of that employment is property that belongs to Government.

2644. Our review disclosed that 4 official receipt leaflets could not be traced in receipt book No.016901-017000 issued to and used by Madam Lena E. Agbedzi.

2645. Ignorance on the part of the schedule officer to ensure that duplicate official receipt leaflets are retained for reference and accountability purposes occasioned the anomaly which could result in embezzlement of funds.

2646. We recommended that Management should ensure that the missing receipt leaflets are retrieved and made available or the officer in charge be held liable and surcharged.

Dockets on cases of compensation not available - GH¢1,932.00

2647. Part II Section 39(2c) of the FAR, 2004 (L.I. 1802) states that “the head of the accounts section of a department shall control the disbursements of funds and ensure that transactions

are properly authenticated to show that amounts are due and payable.”

2648. We noted however that the dockets on cases which compensation and other claims should be paid to complainants as per CHRAJ ruling were not available to enable us confirm whether a total amount of GH¢1,932.00 so ordered had been refunded to the rightful beneficiaries. The dockets were allegedly not returned to the District office by the Regional Office.

2649. We advised Management to ensure recovery of the dockets containing the “Terms of Payments” from the Regional Office for examination and confirmation of the amounts refunded.

PUBLIC RECORDS AND ARCHIVES ADMINISTRATION DEPARTMENT

Payment of unearned salaries – GH¢10,118

2650. Regulation 297 (1e) of the Financial Administration Regulation, 2004 requires a head of department to cause the immediate stoppage of payment of salary to a public servant when that public servant retires.

2651. Our review of payroll records disclosed that two retired employees, namely Madam Elsie Essel and Madam Salome Quarshie, were paid unearned salaries to the tune of GH¢10,177.00 as detailed in the table below:

S.I.D. No.	Name	Rank	Effective date of Retirement	Period paid unearned salary	Salary Voucher no.	Amount (GH¢)	Comment
681947	Elsie Essel	Records Supervisor	1/9/2012	Sept. 2012 – Dec. 2012	BF 022, BF 020, BF 046, BF 130	2,273.08	Name yet to be deleted
160358	Salome Quarshie	Chief Records Supervisor	6/7/2012	August 2012	BF 029	7,904.89	Name deleted in Sept. 2012
Total						10,117.97	

2652. We further noted that whereas Madam Salome Quarshie's name had been deleted from the Salary Voucher that of Madam Elsie Essel had not. Our review also showed that even though Management had notified the retired officers and their bankers in writing of the irregularity, the Accountant was yet to recover the total amount of GH¢10,117.97 from the officers.

2653. The lapse occurred due to failure of Management to act promptly in ensuring the deletion of the names of the retired officers from the government payment system. This if not rectified could lead to the government losing funds due to difficulties involved in tracking and tracing beneficiaries of unearned salaries.

2654. We recommended to Management to recover the total amount of GH¢10,117.97 from the retirees and to also follow up to the institutions concerned to stop the payment of salary to

the officers. We further advised Management to be swift in ensuring the deletion of names of separated staff from the Payroll in future.

2655. Responding to the issue, Management informed us that Input Forms for the deletion of the name of Madam Elsie Essel from the payroll had been prepared and sent to the Office of the Head of Civil Service since 14 December 2012.

DEPARTMENT OF CO-OPERATIVES - NKWANTA

Failure to Audit Co-operative Societies

2656. Regulation 16 of the Co-operative Society Regulations, 1968 stipulates, “The Registrar shall publish annually after audit a summary of balance sheet showing the assets and liabilities of each society”. The above regulation implicitly requires the Departments of Co-operatives in the country to carry out the audits of the numerous co-operative societies under their jurisdictions before the Registrar can publish the balance sheet of each society.

2657. Our review disclosed that the Department of Co-operatives, Nkwanta failed to carry out its statutory obligation of auditing the 13 co-operative societies under its jurisdiction during the five-year period 2008-2012. We noted that the last audit of these societies mostly covered the period 2007 as indicated below:

Name of Society	Period/date of last audit
Damanko Co-operative Distillers Retailers Society	12/12/07
Chaiso Co-operative Distillers Retailers Society	-do-
Kpassa Co-operative Distillers Retailers Society	-do-
Kecheibi Co-operative Distillers Retailers Society	-do-
Nkwanta Co-operative Distillers Retailers Society	-do-
Obanda Co-operative Distillers Retailers Society	-do-
Kabiti Co-operative Distillers Retailers Society	-do-
Bontibor Co-operative Distillers Retailers Society	-do-
Pusupu Co-operative Distillers Retailers Society	-do-
Brewaniase Co-operative Distillers Retailers Society	-do-
Salifu Co-operative Distillers Retailers Society	-do-
Co-operative Transport Society	Yet to be audited
Co-operative Credit Union	-do-

2658. The failure of the department to carry out its statutory function could be attributed to negligence of duty on the part of the District Co-operative Officer. This led to the department losing the one percent audit fee that would have accrued to the nation as revenue.

2659. We recommended to management to ensure that the co-operative societies were audited annually.

2660. The District Cooperative Officer stated that the office does not have the means to undertake the audits of the numerous cooperative societies as no logistics have been provided for that exercise. He further stated that if there is a failure of his outfit to audit the cooperative societies, it is the responsibility of the Registrar of Cooperatives and not the Audit Service to question that.

Non-existence of Tenancy Agreement

2661. Section 4 of the Rent Control Law, 1986 (PNDCL 138) requires every landlord of any residential accommodation to register with the Rent and Housing Committee every lease or tenancy agreement in respect of such accommodation within fourteen days of entering into the lease or tenancy agreement.

2662. We noted that the Department of Cooperatives, Nkwanta District, is housed in a rented premises. Nonetheless, there is no tenancy agreement in respect of the occupancy neither has the landlord issued a rent card to the department.

2663. The existence of a tenancy agreement would have given details of the terms of agreement such as expiration period, monthly rent and other relevant clauses relating to renewal after expiration of existing agreement which would bind the two parties. The absence of a binding agreement could also give room for arbitrary increases in monthly rent as well as unexpected threats of ejection by the landlord.

2664. We recommended to management to enter into a written agreement with the landlord for the use of part of his building as an office. We also urged management to demand a rent card from the landlord showing the monthly rent.

2665. The District Cooperative Officer accepted the observation but stated that he inherited the rented office from his predecessor. He also indicated that Nkwanta is a difficult terrain where landlords do not take kindly to tenants' demand for tenancy agreements and rent cards.

Retention of separated staff on mechanised payroll

2666. Efficient payroll administration requires effective monitoring and scrutiny of mechanised salary vouchers to ensure that only staffs belonging to the management unit are on the payment vouchers.

2667. We observed that for the past six years Mr. Vovor John of staff Identification Number 0000113379 who was transferred to the Jasikan district in June 2008 continues to have his name on the mechanised salary voucher of the Department of Cooperatives, Nkwanta South District.

2668. The continuous retention of his name on the payroll due to inaction of management contravened Regulation 304(1) of the FAR, 2004.

2669. We recommended to management to ensure that the name of Mr. Vovor John is transferred onto the mechanised payroll voucher of his new station, Jasikan.

2670. Management indicated that it would write to the regional office to cause the transfer of the name of the officer onto the mechanised payroll of the Jasikan District.

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