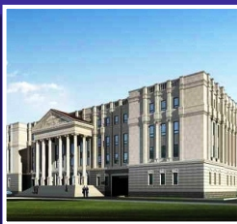


Our Vision

Our Vision is to become a world-class Supreme Audit Institution delivering professional, excellent and cost-effective services.



REPUBLIC OF GHANA



REPORT OF THE AUDITOR-GENERAL THE PUBLIC ACCOUNTS OF GHANA MINISTRIES, DEPARTMENT AND OTHER AGENCIES (MDAs) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

This report has been prepared under Section 11 of the Audit Service Act, 2000 for presentation to Parliament in accordance with Section 20 of the Act.

**Daniel Y. Domelevo
Auditor-General
Ghana Audit Service
20 June 2019**

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

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TRANSMITTAL LETTER

Ref. No. AG/01/109/Vol.2/126

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20 June 2019

Dear Mr. Speaker,

**SUBMISSION OF AUDITOR-GENERAL'S ANNUAL
REPORT ON THE PUBLIC ACCOUNTS OF GHANA,
MINISTRIES DEPARTMENTS AND OTHER
AGENCIES (MDAs)
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Article 187(2) of the 1992 Constitution empowers me to carry out the audit of the Public Accounts of Ghana and to report thereon to Parliament.

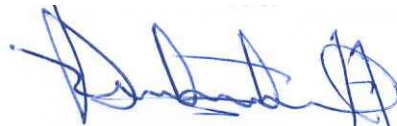
2. It is therefore my honour to submit to the House of Parliament my report on the audit of Ministries, Departments and Other Agencies (MDA's) of Central

Government and the courts for the year ended December 2018.

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

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

Yours Sincerely,



DANIEL YAW DOMELEVO
AUDITOR-GENERAL

THE RIGHT HONOURABLE SPEAKER
OFFICE OF PARLIAMENT
PARLIAMENT HOUSE
ACCRA

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PART I

AUDITOR-GENERAL'S ANNUAL REPORT ON THE PUBLIC ACCOUNTS OF GHANA, MINISTRIES DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE YEAR ENDED 31 DECEMBER 2018

EXECUTIVE SUMMARY

Introduction

I have in accordance with Article 187(2) of the 1992 constitution conducted the audit of the accounts of Ministries and their Departments and Agencies (MDAs) for the financial year ended 31 December 2018 and present herewith the results. The report contains significant issues and matters that in accordance with Section 20 of the Audit Service Act 2000 (Act 584), I wish to bring to the attention of the Parliament.

2. The audit was conducted in accordance with International Standards of Supreme Audit Institutions and best practice noting that the public financial management system of Ghana is underpinned by relevant legislative and administrative guidelines such as the Public Financial Management Act 2016 (Act 921), the Financial

Administration Regulations 2004, the Public Procurement (Amendment) Act 2016 (Act 914), the Audit Service Act 2000 (Act 584), the Ministry of Finance Stores Regulations 1984 etc. and the accounting instructions of Department and Agencies approved by the Controller and Accountant-General in consultation with the Auditor-General.

Audit Objectives

3. The overall objectives of the audit and reporting to Parliament is to determine whether:

- ❖ Proper records and books of accounts were maintained
- ❖ The accounts were properly kept
- ❖ All public monies due were fully accounted for
- ❖ And rules and procedures applicable were sufficient to ensure an effective check on the assessment, collection and proper allocation of the revenue

- ❖ Monies were expended for the purposes for which they were appropriated and the expenditures made as authorized
- ❖ Programmes and activities were undertaken with due regard to economy, efficiency and effectiveness in relation to the resources utilised and results achieved.

Scope

4. Based on the above objectives, internal control and the Internal Audit functions were reviewed to assess the risk associated with the management and utilisation of public recourses to determine if there were fairness and integrity in administrative decision making and in dealing with the stakeholders.

Audit approach

5. In preparing this report, it was necessary to establish a certain background to the findings, conclusions and recommendations that were made in the report.

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

7. Expenditures to be made from the revenue paid into the Consolidated Fund were to be approved by Parliament in an Appropriation Act. Expenditures from other public funds shall be as authorised by or under the authority of an Act of Parliament. Any expenditure made from the funds without these authorities were considered irregular and contrary to law.

8. The Government or Executive take 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.

Outcomes/Benefits expected

9. The following are general and relevant outcomes or benefits to the audited entity and all stakeholders that are expected to be associated with the 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 practice
- ❖ The audit process assists in achieving good governance and check or safeguard against loss, misuse and damage to properties.

10. However, not all instances of breach of financial discipline and malfeasances could be guaranteed as identified in the audit process. The audits were planned and conducted to the extent necessary for the effective performance of our work such that there were reasonable chance that infractions could be detected.

General comments on irregularities in the report

11. The irregularities represent either losses that had been incurred by the State 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 institutions had duly observed the public financial management framework put in place to guide their conduct and also safeguard national assets and resources.

12. I have therefore included in this report my conclusions and recommendations intended to improve and further deepen effective public financial management and controls within MDAs. Notwithstanding the recommendations, the infractions will be reviewed further and those found to be contrary to law may be disallowed and surcharge the responsible persons.

PART II

SUMMARY OF IRREGULARITIES AND RECOMMENDATIONS

13. In this report, I have summarised the financial weaknesses and other irregularities under seven broad categories as follows:

- ❖ Tax Irregularities
- ❖ Cash Irregularities
- ❖ Outstanding debts/loans
- ❖ Payroll Irregularities
- ❖ Stores/Procurement Irregularities
- ❖ Rent payment Irregularities and
- ❖ Contract Irregularities

Audit Results

14. The overall financial impact of weaknesses and irregularities identified in the course of my audit amounted to GH¢5,196,081,899.94 I will investigate these further and if possible, hold the officials accountable by

way of disallowing the items of expenditure and surcharge. A summary is provided below as table '1A':

15. I have included in this report, a summary of audit irregularities reported from the year 2014 to 2018 as provided in table '1B' below:

Table 1: Summary of financial irregularities for 2018

Irregularities	SUMMARY									
	GH¢	US\$	Cedi Equiv.	GBP	Cedi Equiv.	Euro	Cedi Equiv.	Total GH¢		
Tax	4,788,284,799.00	-	-	-	-	-	-	4,788,284,799.00		
Cash	386,303,523.00	514,326.00	2,515,054.14	-	-	18,940.00	106,442.80	388,925,019.94		
Loans/Advances	594,889.00	-	-	-	-	-	-	594,889.00		
Payroll	1,875,347.00	-	-	-	-	-	-	1,875,347.00		
Stores/Procurement	6,823,337.00	-	-	-	-	-	-	6,823,337.00		
Rent	3,941,756.00	-	-	-	-	-	-	3,941,756.00		
Contract	5,598,252.00	-	-	-	-	-	-	5,598,252.00		
Total	5,193,421,903.00	514,326.00	2,515,054.14	-	-	18,940.00	106,442.80	5,196,043,399.94		

Summary of Irregularities from 2014 to 2018					
	2014	2015	2016	2017	2018
Tax Irregularities	217,186,533.45	305,417,021.42	42,866,490.70	655,599,736.33	4,788,284,799.00
Cash	5,089,352.06	47,629,013.32	2,053,622,215.68	190,560,990.86	388,925,019.94
Loans/Advances	13,755,902.51	77,857,099.61	6,775,974.47	2,695,601.00	594,889.00
Payroll	11,426,144.03	1,595,071.13	4,281,994.51	1,776,893.00	1,875,347.00
Stores/Procurement	2,373,354.81	20,623,604.46	35,940,445.43	41,668,682.00	6,823,337.00
Rent	171,073.85	115,505.93	9,049,212.49	94,472.00	3,941,756.00
Contract	2,784,226.72	51,941,818.68	13,006,034.86	-	5,598,252.00
Total	252,786,587.43	505,179,134.55	2,165,542,368.14	892,396,375.19	5,196,043,399.94

Tax irregularities - GH¢4,788,284,799.00

16. Tax irregularities formed 92.15% of the total financial infraction reported. Included in this tax irregularity was GH¢33,675,044 due from ten oil marketing companies who failed to pay taxes on petroleum products lifted at TOR between November 2016 and November 2017.

17. These irregularities could be attributed mainly to failure on the part of the Ghana Revenue Authority to collect tax revenue and also apply measures and sanctions against defaulters.

18. I recommended that Management of GRA should strengthen its monitoring and supervision of its staff. They should also take steps to improve efficiency in tax administration, collection and follow up on overdue taxes while applying sanctions as prescribed by the tax laws.

Cash irregularities - GH¢388,925,019.94

19. Total cash irregularities noted during the period amounted to GH¢388,925,019.94 which represented 7.48% of the total irregularities. These irregularities which cut across MDAs were attributable to the underlisted infractions:

- ❖ Unapproved disbursement
- ❖ Unauthorised use of IGF
- ❖ Dishonoured cheques
- ❖ Unaccounted for revenue
- ❖ Unsupported payment vouchers
- ❖ Unauthorised transfers of funds
- ❖ Funds to bank not credited
- ❖ Payment of public funds into personal bank accounts
- ❖ Belated/non-lodgement of public funds
- ❖ Misapplication of funds

20. Included in the total cash irregularity of GH¢388,925,019.94 was an amount of GH¢312,235,683

disbursed from the General Refund Account of GRA for non-tax refund activities.

21. I recommended that GRA and Ministry of Finance should avoid making payments which are not tax refunds from the General Refund Account as per Section 57(2) of the VAT Act, 2013, (Act 870).

Outstanding loans/advances - GH¢594,889

22. A significant amount of this irregularity was GH¢191,000 advances granted some staff at Tewa Nursing and Midwifery Training College but remained unrecovered.

23. I recommended to the respective Institutions to recover the outstanding loans/advances from the affected staff.

Payroll irregularities - GH¢1,875,347

24. Payroll irregularities amounting to GH¢1,875,347 was recorded during the period reviewed. Included in the total payroll irregularity was GH¢792,571 paid to 91

separated staff between January 2011 and October 2018 at the Kibi, Tafo and Koforidua treasuries. This was due mainly to payments of unearned salaries to separated staff as a result of delays in deleting their names from the payroll as well as delay in transferring unclaimed pensions and salaries to Government chest by the banks.

25. I recommended for the intensification and coordination between Finance and Human Resource Units within MDAs in their responsibility for payroll management, prevention and recovery of unearned salaries paid to unauthorised personnel.

Stores/Procurement irregularities - GH¢6,823,337

26. Stores and procurement irregularities noted during the period amounted to GH¢6,823,337. Included in this irregularity was GH¢3,539,858 relating to value books printed by CAGD on behalf of MDAs most of which were not collected for use.

27. This irregularity was due mainly to the absence of effective collaboration between CAGD and the MDAs regarding the printing and management of value books resulting in such wasteful expenditure.

28. The irregularity was also due to lack of commitment on the part of entity heads to ensure compliance with established internal control measures, administrative rules and legislations governing the procurement process.

29. I recommended the strengthening of supervision and monitoring by heads of MDAs as well as ensuring strict compliance with the provisions of the Public Procurement (Amendment) Act 2016 (Act 914) and other regulations. There should be effective coordination between Controller and Accountant-General and the entity heads in the procurement of value books to enhance sanity.

Rent irregularities - GH¢3,941,756

30. The total rent irregularity was GH¢3,941,756. Included in the rent irregularity was GH¢3,426,423 due

from 39 tenants of the UNDP flats, Cantonments who defaulted in the payment of rent between 2015 and 2017. The irregularity was due mainly to absence of adequate data on occupants and non-availability of tenancy agreements as well as failure of the Estate officer at Ministry of Works and Housing to ensure that tenants pay their rents.

Contract irregularities - GH¢5,598,252

31. The total contract irregularities reported was GH¢5,598,252.00. Included in the total contract irregularities was GH¢4,890,000 which was paid to Kroll Associates in 2017 by the Ministry of Finance to recover government assets in the possession of private individuals. However, MoF could not provide any evidence of work done by Kroll Associates during the period of the audit.

32. I recommended that the contract be abrogated and any moneys paid to the company recovered immediately.

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

Ministry of	TAX		US\$	GBP	CASH		US\$	EUR	LOANS/ ADVANCES		PAYROLL
	GH¢	GH¢			GH¢	GH¢			GH¢	GH¢	
Finance	4,786,800,758.00		-	-		338,477,215.00	-	-	-	-	792,571.00
Education	15,196.00		-	-		2,440,326.00	-	-	-	-	582,061.00
Health	1,395,704.00		-	-		18,773,855.00	-	-	463,189.00	-	427,624.00
Food & Agric.	-		-	-		3,532,991.00	-	-	-	-	35,022.00
Fisheries	-		-	-		183,360.00	-	-	-	-	-
Interior	31,354.00		-	-		139,593.00	-	-	-	-	-
Gender	-		-	-		6,246,839.00	-	-	-	-	-
Chieftaincy	-		-	-		57,033.00	-	-	-	-	-
Works & Housing	-		-	-		2,033,860.00	-	-	-	-	-
Communication	-		-	-		2,094,002.00	-	-	-	-	-
Transport	-		-	-		4,645.00	-	-	-	-	12,429.00
Justice & Attorney	5,653.00		-	-		9,554,053.00	-	-	31,700.00	-	-
Lands & Natural Res.	-		-	-		821,347.00	-	-	-	-	-
Trade & Ind.	-		-	-		458,000.00	-	-	100,000.00	-	-
Local Gov	-		-	-		5,240.00	-	-	-	-	-
Foreign	-		-	-		-	514,326.00	18,940.00	-	-	18,440.00
Information	-		-	-		1,389,368.00	-	-	-	-	-
Defence	8,792.00		-	-		-	-	-	-	-	-
Judicial Service	-		-	-		91,796.00	-	-	-	-	-
Gov't Machinery	27,342.00		-	-		-	-	-	-	-	7,200.00
Total	4,788,284,799.00		-	-		386,303,523.00	514,326.00	18,940.00	594,889.00	-	1,875,347.00

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

	STORES/ PROCUREMENT		RENT		CONTRACT		TOTALS				GRAND TOTAL	
	GHC		GHC	EUR	GHC		GHC	US\$	GBP	EUR	GHC	
Ministry Of Finance	4,000,530.00		149,028.00		4,890,000.00		5,135,110,102	-	-	-	5,135,110,102	
Education	1,002,410.00		-	-	-	-	4,039,993.00	-	-	-	4,039,993.00	
Health	1,373,622.00		-	-	708,252.00		23,142,246.00	-	-	-	23,142,246.00	
Food & Agric.	98,025.00		-	-	-		3,666,038.00	-	-	-	3,666,038.00	
Fisheries	-		-	-	-		183,360.00	-	-	-	183,360.00	
Interior	-		50,400.00	-	-		221,347.00	-	-	-	221,347.00	
Gender	-		-	-	-		6,246,839.00	-	-	-	6,246,839.00	
Chieftaincy	-		-	-	-		57,033.00	-	-	-	57,033.00	
Works & Housing	276,150.00		3,426,423.00	-	-		5,736,433.00	-	-	-	5,736,433.00	
Communication	-		-	-	-		2,094,002.00	-	-	-	2,094,002.00	
Transport	-		-	-	-		17,074.00	-	-	-	17,074.00	
Justice & Attorney	72,600.00		-	-	-		9,664,006.00	-	-	-	9,664,006.00	
Lands & Natural Res.	-		-	-	-		821,347.00	-	-	-	821,347.00	
Trade & Ind.	-		-	-	-		558,000.00	-	-	-	558,000.00	
Local Gov.	-		-	-	-		5,240.00	-	-	-	5,240.00	
Foreign	-		-	-	-		18,440.00	514,326.00	-	18,940.00	2,639,936.94	
Information	-		-	-	-		1,389,368.00	-	-	-	1,389,368.00	
Defence	-		-	-	-		8,792.00	-	-	-	8,792.00	
Judicial Service	-		-	-	-		91,796.00	-	-	-	91,796.00	
Gov't Machinery	-		315,905.00	-	-		350,447.00	-	-	-	350,447.00	
Total	6,823,337.00		3,941,756.00		5,598,252.00		5,193,421,903.00	514,326.00		18,940.00	5,196,043,399.94	

PART III

MINISTRY OF FINANCE

Failure to Retire Accountable Imprest – GH¢201,392

33. Regulation 288 of the Financial Administration Regulations, 2004, 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.

34. Circular No. SCR/A.1495 of March 2011, from the Office of the President further entreats all heads of MDA's to ensure that imprest received for overseas travels are retired by the beneficiary officers within 10 days of their return.

35. Contrary to the above Financial Regulations and Instructions from the Office of the President, we observed that systems in place for retirement of imprest was not sufficient. As a result, we noted for instance that, some officers from the Ministry during the period of our review

who received imprest of £25,200 and \$9,079 (equivalent to GH¢201,392) for overseas travel in September, 2017 failed to retire their imprest. The table below provides the details:

Date	Chq. No.	Amount £	Amount \$	Details	Payee	Purpose
27/9/17	00715	25,200.00		Parliamentary study visit to the Parliament of the United Kingdom	Finance Committee of Parliament	Accommodation
27/9/17			9,079.00	Parliamentary study visit to the Parliament of the United Kingdom	Finance Committee of Parliament	Accommodation
Total		25,200.00	9,079.00			

36. Management in response explained that it was a support to members of Parliament in respect of their official visit to the UK. They however agreed with our

observation and stated that they would ensure the recovery of the unretired imprest for accommodation.

37. We urged management to strengthen their internal control system to minimise the risk of abuse of imprest by public officers. We further advised management to ensure that the amounts of £25,200 and \$9,079 are duly accounted for or recovered by 30 June 2019, failure of which officials would be surcharged.

Payments vide Chief Directors Account

38. Section 51(3) of the Public Financial Management Act, 2016 (Act 921) requires the Controller & Accountant General to regulate the terms and conditions under which all Covered Entities manage their bank accounts.

39. In practice, each Ministry has a Sub-CF bank account under the Treasury Single Account into which all releases and warrants are transferred for funding and out of which all payments to vendors and third parties are made

through Electronic Funds Transfers (EFT)/swift and electronic cheque.

40. Notwithstanding the above arrangement, we noted instances where these practices have been varied by the Ministry resulting in bulk lifting of processed cash from the Sub-CF into the Chief Director's Accounts for the purpose of making payment to suppliers.

41. For effective cash management and to eliminate manual cheque payments to third parties, we urged management to discontinue bulk lifting of funds from the Sub-CF and to process all such payments through the EFT/swift and electronic cheque system.

42. Management accepted our observation and stated that an Administrative Instruction has been issued to all Departments, Agencies and Divisions under the Ministry to discontinue the practice.

Non-Publication of procurement contracts

43. Section 13 of the Public Procurement Act 2003, Act 663 as amended enjoins all procurement entities to immediately publish their awards notification on the PPA website to enhance transparency and fairness.

44. Our review of the Ministry's procurements showed that, a number of awards for goods, services and consultancy were undertaken without its publication on the Public Procurement Authority (PPA) website. The details are provided below:

Service Provider	Contract Date	Nature of Service	Contract Sum	
			US\$	GH¢
Novabase/Rhema	18 January	220 Hyperion Licenses	1,201,445.36	
Novabase/Rhema	8 February	Documentati on of Workflow	1,388,814.00	
IT Market Limited	July, 2017	Computers		79,000.00
Techzone	October, 2017	Computers		74,000.00

45. The noncompliance of the above provision in our opinion could compromise the competitiveness of the procurement processes.

46. Management responded that they encountered difficulties uploading the contracts awarded.

47. To ensure that value for money is obtained, we urged the Ministry to adhere to the procurement law.

Payment for work not done - GH¢4,890,000

48. Regulation 39(2c) of Financial Administration Regulation 2004 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.

49. The Ministry procured the services of Kroll Associates in 2017 to recover assets from identified wrong doers; investigate allegations of wrong doing; provide evidence for assets recoveries; build capacity for the

transfer of skills; advice on preventative techniques and structures to prevent and detect future corruption.

50. During our review of the contract with Kroll Associates, we noted that though there was no evidence of work done, the Ministry in 2018 paid an amount of US\$1 million (equivalent of GH¢4,890,000) to the company. Our further review showed inconsistencies in some of the documentations. We noted for instance that though the contract was signed in September 2017, some of the invoices attached to the payment vouchers predated the award of the contract.

51. Management in response to this observation stated that they would make the records available to us later.

52. Considering the nature of the contract awarded, we are of the view that this project should have been executed for informed decision by government regarding how state resources have been used by public officers. In view of the non-performance of Kroll Associates in executing the

contract, we recommended that the contract be abrogated and any moneys paid to the company recovered immediately.

Inefficient use of GoG ICT Infrastructure

53. The Ministry has a responsibility under Section 7(2) of the Public Financial Management Act 2016, (Act 921) to establish an effective system of risk management and internal control in respect of resources and transactions.

54. The GoG under the smart workspace authorised National Information Technology Agency (NITA) and E-Solution to facilitate the corporate internet portal which has the ability to track correspondence, documentations as well as overall workflow management processes. During our review of records at the Ministry, we noted that notwithstanding the existing infrastructure provided by NITA for management of documentations, the Ministry in February 2018 engaged Rhema Systems to develop and implement a similar system at a contract sum of US\$1,388,814.

55. Management in reaction to this observation stated that the procurement was in relation to a ‘bespoke’ system to meet the specific needs of the Ministry.

56. Though we did not sight evidence of a business case for this project to enable us ascertain the justification for the engagement of Rhema Systems, we are of the view that the engagement amounts to duplication as the Ministry could have leveraged on the existing infrastructure.

57. We urged management to ensure that proper survey of government infrastructure is conducted to enable them ascertain systems available to the Ministry to minimise duplication.

58. Ministry should make all available use of services from NITA before deciding on possible areas for outsourcing.

GHANA REVENUE AUTHORITY, CUSTOMS

DIVISION

TEMA OIL REFINERY - TOR

Default in the payment of petroleum liftings- GH¢34,458,222

59. Section 32 of the Excise Duty Act 2014, (Act 878) states that, a manufacturer who fails to make a payment required under this act to the Commissioner-General by the due date is liable to pay a penalty of 15% of the amount due and an interest of 5% of the amount due for each day that the failure continues.

60. Our review of petroleum products lifted at TOR between November 2016 and November 2017 showed that 10 OMCs defaulted in the payment of excise duties, taxes and levies amounting to GH¢33,675,044 as detailed below:

No.	Name of OMC	Amount GH¢
1.	Agapet	7,757.88
2.	Nasona	11,070.00
3.	Radiance Petroleum Ltd.	3,682,004.50
4.	Tel Energy Ltd.	1,303,540.00
5.	So Energy	20,984.40
6.	Star Oil	554,220.00
7.	Goil	27,688,978.98
8.	Hills Oil	64,024.80
9.	Champion Oil	76,678.20
10.	Glee Oil	265,785.30
Total		33,675,044.06

61. Similarly, we noted that 11 OMCs delayed in paying duties on products lifted for periods ranging between one and nine months which also attracted a penalty/interest totalling GH¢783,178. The table below provides the details:

No.	Name Of OMC	Penalty/interest GH¢
1.	Nasona Oil Company Ltd.	335,761.08
2.	Radiance Petroleum Ltd.	99,432.17
3.	Venus Oil Company Ltd.	170,630.03
4.	Baffour Gas Company	468.91
5.	Mighty Gas	38,115.07
6.	Engen Oil	6,744.66
7.	Glory Oil	30,477.95
8.	Hills Oil	13,809.70
9.	World Gas	6,053.01
10.	Glee Oil	33,780.28
11.	EV Oil	47,904.73
Total		783,177.59

62. The failure to perform reconciliation on the actual petroleum liftings with the declarations and actual payments as well as weak oversight on OMCs with respect to penalties and interest payments, in our view accounted for the anomalies.

63. We advised the Sector Commander to strengthen its control on OMCs to ensure that regular reconciliations are performed and penalties and interest payments are also

paid on time. We recommended to the Sector Commander to recover the amount of GH¢33,675,044 from the OMCs involved.

Outstanding lifting of marine gas oil (foreign) - GH¢597,220

64. International Standard Organisation Procedure (ISO PROC.) No.100 which was adopted in 2012, seeks to ensure the full and timely payment of taxes and penalties, if any, on oil delivered to Oil Marketing Companies (OMCs) on credit and where the OMCs fail to pay on due date, the Customs supervisor is required to stop further liftings in favour of the OMCs. Interest is then computed on the delayed payment based on the number of days payment was delayed which must be paid before supplies resume.

65. During our review we noted that three OMCs failed to pay GH¢597,220, being the associated taxes in

connection with 6,952,500 liters of Marine Oil Gas Foreign (MGOF) lifted in 2017 as shown in the table below:

No.	Name of OMC	Quantity in Liters	Amount GH¢
1.	Radiance Petroleum Ltd.	54,000	4,639
2.	Star Oil	1,107,000	95,091
3.	Goil	5,791,500	497,490
Total		6,952,500	597,220

66. Weak oversight on OMCs with respect to penalties and interest payments, in our view accounted for the anomaly.

67. We advised the Sector Commander to strengthen its control on the OMCs to ensure that duties on all liftings are paid on time. We also urged the Commander to ensure the recovery of the outstanding amount without any further delay.

FREEZONE - TEMA

Exemption without Parliamentary approval - GH¢5,562,175

68. Article 174 of the 1992 Constitution requires that no taxation shall be imposed other than by or under the authority of an Act of Parliament. Where an Act enacted in accordance with Clause (1) of Article 174, confers power on any person or authority to waive or vary a tax imposed by that Act, the exercise of the power of waiver or variation, in favour of any person or authority, shall be subject to the prior approval of Parliament by resolution.

69. We noted during our review that, the system for tax waiver was fraught with some irregularities. Our examination of records at GRA showed that some companies without any Parliamentary approval were exempted from the payment of duties and taxes as shown below:

No.	Name of Freezone Company	Individual Company	Details	CIF Value GH¢	Tax Liability GH¢
1.	Red Sea Housing Services (GH) Ltd.	Gold Fields GH Ltd.	Local Sales of Prefabricated housing Units by Red Sea Housing Services (GH) Ltd. to Five companies without the payment of duty and taxes (though exemption letters from the GRA/Customs Division were attached to some declarations) and without Parliamentary approval.	149,824.58	61,428.08
		Newmont Gh. Gold Ltd.		581,091.06	238,247.33
		Newmont Golden Ridge Ltd.		1,031,907.80	416,699.17
		Aksa Energy Co. GH. Ltd.		2,438,834.68	1,021,482.01
		Ghana National Petro. Corp.		9,421,101.77	3,824,318.67
2.	Pioneer Food Cannery	Magydom Enterprise	Magydom Enterprise was granted exemption by MOFA for the purchase of fishmeal with a duty rate of 10% which was not paid. There was also no approval from Ministry of Finance and Parliament.	49,240,007.94	4,578,946.14
Total				62,862,767.82	10,141,121.40

70. We also noted contrary to the provision of the 1992 Constitution that Ghana Revenue Authority (GRA) granted Magydom Enterprise tax exemption without obtaining approval from the Parliament.

71. We are of the view that the practice where exemptions are granted without recourse to Parliament exposes the State to the risk of revenue losses.

72. We therefore urged the Sector Commander to ensure strict compliance with the provisions above to eliminate a recurrence.

AUCTION UNIT - GRA CUSTOMS HEADOFFICE
1,719 auctioned vehicles unaccounted for -
GH¢25,500,000

73. Our reconciliation of Commercial Industrial Bulletin (CIB) and payment of auction and allocation of vehicles per the GCNet system for the period reviewed disclosed that out of 2,388 sampled gazetted vehicles, 1,719 vehicles with

an estimated total value of GH¢25,500,000 were not accounted for, whilst the remaining 669 vehicles were disposed of at GH¢8,894,187 per the GCNet impromptu system as detailed below:

Gazette Date	Total Sample of Gazette Vehicles	Number of Sample Vehicles Not Accounted For	Variance - Number of Sample Vehicles Accounted For	Duty Paid on Vehicles and Accounted for Per the Impromptu GH¢	Commercial Industrial Bulletin (CIB) Number	Details Attached as Appendix
16 Jan. 2015	275	157	118	761,209.00	CIB No.3 of 2015	CIB '3 2015' and 'CIB 3A 2015'
18 Feb. 2015	157	96	61	539,100.00	CIB No.7 of 2015	CIB '7 2015' and 'CIB 7A 2015'
25 Mar. 2015	119	87	32	290,272.00	CIB No. 10 Of 2015	CIB '10' 2015 and CIB 10A 2015'
17 Apr. 2015	115	71	44	435,745.00	CIB No.14 of 2015	CIB '14' 2015 and CIB 14A2015'
22 May 2015	118	72	46	521,796.00	CIB No.18 of 2015	CIB '18' 2015 and CIB 18A 2015'.
22 May 2015	133	106	27	274,206.00	CIB No.50 of 2015	CIB '50' 2015 and CIB 50 A 2015'
26 June 2015	123	93	30	318,151.00	CIB No. 22 of 2015	CIB '22' 2015 and CIB 22A 2015'

15 July 2015	116	79	37	411,112.50	CIB No. 25 of 2015	CIB '25' 2015 and CIB 25A 2015'
16 January 2015	154	114	40	459,604.00	CIB No. 30 of 2015	CIB '30' 2015 and CIB 30A 2015'
25 Nov. 2015	122	98	24	211,968.85	CIB No. 44 of 2015	CIB '44' 2015 And CIB 44A 2015'
21 Apr. 2017	215	180	35	544,215.00	CIB No. 21 of 2017	CIB '21' 2017 and CIB 21A 2017'
26 July 2017	90	78	12	155,379.50	CIB No. 36 of 2017	CIB '36' 2017 and CIB 36A 2017'
2 September 2017	136	105	31	482,970.00	CIB No. 46 of 2017	CIB '46' 2017 And CIB 46 A 2017'
4 October 2017	272	214	58	1,111,297.00	CIB No. 49 of 2017	CIB '49' 2017 and CIB 49A 2017'
4 January 2017	117	76	41	509,555.00	CIB No. 1 of 2017	CIB '1' 2017 and CIB 1A 2017
27 January 2017	126	93	33	467,635.50	CIB No. 5 of 2017	CIB '5' 2017 and CIB 5A 2017
Total	2,388	1,719	669	8,894,187.35	16	

74. During our examination of records supporting the revenue of GH¢8,894,187 in connection with 669 vehicles auctioned, GRA failed to provide us with the relevant documents such as the Reserve Price list, Auction Sales Reports and Internal Audit Reports. As a result, we were unable to ascertain the reliability and appropriateness of the auction procedures followed in realising the revenue reported.

75. Also, our review showed that GRA could not account for a total of 1,719 vehicles auctioned between 2015 and 2017.

76. In response to this observation the schedule officer, Mr. Kwasi Asante verbally explained that some of the unaccounted-for vehicles were given to their owners as first offer since higher revenue would be generated than when auctioned and also some of the chassis numbers gazetted were wrongly captured.

77. Notwithstanding this assertion, Mr. Asante could not provide us with the list of beneficiaries and as a result we were unable to authenticate the appropriateness of the disposal of the 1,719 vehicles.

78. To ensure effective revenue mobilisation as well as the promotion of transparency and accountability in the disposal of the seized vehicles, we advised management to exercise strong oversight on the operations especially of the Auction Unit. We also urged management to provide us with the underlying records including the Auctioneer's Reports, Internal Audit Reports and Reserve Price list of the 16 CIBs from 2015 to 2017.

Delay in seizure of vehicles

79. Section 59 of the Customs Act 2015, Act 891, stipulates that a person who imports a motor vehicle into the country and does not enter and clear the motor vehicle within 60 days after final discharge of the ship or aircraft or the case of a motor vehicle imported over the land and

the date on which it crossed the national borders into the country, shall forfeit the motor vehicle to the state.

80. Contrary to the above provision, we noted that 20 Hengtong buses and two Ford Tipper Truck vehicles had been parked at the Tema Safe Bond Annex State warehouse since 2016. We also noted that these vehicles had not been forfeited and gazetted for public auction.

81. Our further checks revealed that, the vehicles were neither recorded in the State Warehouse register nor the Un-Cleared Cargo Lists (UCLs) submitted by the Safe Bond Terminal Manager.

82. We recommended that the Sector Commander should ensure that the vehicles are recorded in the State Warehouse register and the Un-Cleared Cargo Lists and subsequently gazette them for auction. We further recommended to management to investigate the anomaly and sanction officers found culpable.

**GHANA REVENUE AUTHORITY, COSTUMS
DIVISION - ELUBO**

Unpaid rent (Comet Duty Free-Shop) - GH¢149,028

83. Regulation 2(d) of the Financial Administration Regulations, 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 or approved by the Controller and Accountant-General.

84. Our audit revealed that the Estate Unit of the Customs Division of the Ghana Revenue Authority (GRA) in 2013 rented 596.19 sq. meters of the State Warehouse to Comet Duty Free Shop at an agreed rate of GH¢50.00 per sq. meter per annum renewable every two years.

85. Comet Duty Free-shop however, defaulted in the payment of rent over a period of five years from January 2013 resulting in an outstanding rent of GH¢149,028 as at December 2017.

86. Though we noted that GRA issued demand notices to Comet Duty Free-shop, we are of the view that they could have taken legal action in ejecting them for non-payment of rent to avert further losses to the State.

87. In view of this, we urged management to exercise strong oversight on the estate unit of GRA to ensure that all outstanding debts have been fully paid. We also advised management to ensure the enforcement of its contracts with third parties for the benefit of obtaining value for money at all times.

GHANA REVENUE AUTHORITY

DOMESTIC TAX REVENUE DIVISION (DTRD)

Penalty on late transfer of tax revenue not effected – GH¢2,663,973

88. Ghana Revenue Authority (GRA) maintains transit accounts with selected Commercial Banks as a conduit for the collections of tax revenue into the Consolidated Fund. Under this arrangement the Commercial Banks are

required to transfer to Bank of Ghana within 72 hours of receipt of the revenue.

89. During our review, we noted that the Commercial Banks delayed in the transfer of tax revenue into the Consolidated Fund at Bank of Ghana for period ranging between 1 and 15 days.

90. We observed that the required penalty for delayed payment by the Commercial Banks was not applied by GRA. Per our calculation, a total penalty of GH¢2,663,973.11 as at 31 December 2017 due from the Commercial Banks for delay in transfer of revenue totalling GH¢1,431,318,743 remained uncollected. The details are as shown below:

Bank	Revenue Type	Amount Transferred Late (GH¢)	Penalty on Late Transfer GH¢
GCB Bank	Petroleum Revenue	43,751,191.88	52,036.95
GCB Bank	Port Collection	830,677,993.75	1,595,366.81
Ecobank	Port Collection	556,889,557.82	1,016,569.35
Total		1,431,318,743.45	2,663,973.11

91. Management's inability to perform regular reconciliation together with ineffective monitoring and supervision in our view, resulted in the Banks holding on to the amounts for more than the required period.

92. We recommended to Management to intensify its monitoring on the Collection Banks to ensure prompt transfer of funds. Meanwhile we urged the Commissioner-General to ensure that Commercial Banks pay the total penalty of GH¢2,663,973 to serve as a deterrent, failure of which the Auditor-General's mandate under article 187(7)(b) may be activated.

Disbursement from GRA - General Refund Account - GH¢312,235,683

93. Section 2 (1) of Value Added Tax (VAT) Act, 2015 (No.2 Amendment) Act 904 and Section 57(2) of VAT Act, 2013 (Act 870) state inter alia that the Minister shall, set aside an amount of not more than six percent of the total revenue collected by the Commissioner-General, in an account designated (General Refund Account), from which

proven over payment of tax, payment made by non-taxable persons and payments made on non-taxable supply can be refunded.

94. GRA maintains the General Refund Account for the purpose of refunding over payment of tax, payment made by non-taxable persons and payments made on non-taxable supply. We however noted that between February to December 2017 a total amount of GH¢312,235,683 was transferred from the General Refund Account for payments in respect of activities other than tax refunds as shown below:

Summary 2017	Special Project GH¢	Miscella neous GH¢	Total GH¢
February	-	110,000,000.00	110,000,000.00
September	200,000,000.00	-	200,000,000.00
December		2,235,683.00	2,235,683.00
Total	200,000,000.00	112,235,683.00	312,235,683.00

95. Management responded that they acted on Ministry of Finance directives and that those monies would be

refunded, however the amounts remained outstanding as at 31 December 2018.

96. We urged Management to follow up on the Finance Ministry to have the outstanding amount refunded.

OUTSTANDING TAXES

Outstanding Income Taxes - GH¢2,686,493,278

97. Section 41 of the Seventh schedule of the Income Tax Act 2015 (Act 896) mandates the Commissioner-General to recover any unpaid tax by distress proceeding against the immovable property of a person liable to pay tax.

98. Our review of 1488 selected tax files from 16 Domestic Tax Revenue Offices in the Greater Accra Region and other Regions showed that, 16 Companies, Business Entities and individuals owed an amount of GH¢2,601,839,742.52 US\$16,659,528.17 and €567,338.55 (equivalent of GH¢2,686,493,278) in corporate and individual income taxes for the 2017 year of assessment. Details of the outstanding taxes are shown below:

Outstanding Income Tax (2017)

No.	Tax Office	Files selected for review	Tax payers/Files with outstanding Taxes	Amount Outstanding GH¢	Amount Outstanding US\$	Amount Outstanding €
1.	Osu STO	329	178	4,248,740.71		
2.	Mataheko STO	204	157	1,169,983.25		
3.	Kaneshie MTO	52	29	1,565,557.75		
4.	Agboghloshie MTO	185	70	129,799.62		
5.	Osu MTO	249	111	0.00		
6.	Spintex MTO	106	15	879,177.61		
7.	Agboghloshie STO	500	314	1,027,332.16		
8.	LTO	185	58	2,524,904,277.15	16,659,528.17	567,338.55
9.	Kinbu LTO Annex	96	31	1,778,589.23		
10.	Legon MTO	764	79	58,497,292.50		
11.	Tema MTO	128	69	3,052,898.51		
12.	Kaneshie STO	145	30	656,327.70		
13.	Tamale STO	320	235	678,651.27		
14.	Elmina STO	120	40	74,844.05		
15.	Cape Coast MTO	150	33	2,695,096.48		
16.	Cape Coast STO	110	39	481,174.53		
	Total	3643	1488	2,601,839,742.52	16,659,528.17	567,338.55

99. The above provision was not fully applied by Management to compel the defaulters to honour their indebtedness to the Authority.

100. We urged Management to increase its enforcement role to collect all the outstanding tax revenues.

101. Management responded that, the companies indebted to the GRA were being pursued.

Outstanding PAYE - GH¢451,107,922

102. Employers are required under Section 114 of the Income Tax Act 2015, (Act 896) to withhold tax from the employment income of their employees. Again, Section 117 (1) of Act 896 provides that, an employer shall pay to the Commissioner-General a tax that has been withheld within 15 days after the end of the month in which the eligible payments were made.

103. Contrary to the above, we observed that, 1402 employers including 52 Directors did not remit Pay As You Earn (PAYE) deductions of GH¢451,107,922 to the

Commissioner-General for the 2017 year of assessment. The details of the outstanding amounts are shown in the table below:

Outstanding PAYE

No.	Tax office	Number of firms owing PAYE	Amount outstanding (GH¢)
1.	Osu STO	128	4,544,399.06
2.	Mataheko STO	23	31,672.99
3.	Agbogbloshie MTO	332	1,392,885.77
4.	Osu MTO	23	244,689.54
5.	Spintex MTO	14	434,358.64
6.	Agbogbloshie STO	241	58,414.77
7.	LTO	142	421,739,871.22
8.	Kinbu LTO Annex	190	5,495,020.83
9.	Legon MTO	207	15,743,094.60
10.	Tema MTO	98	1,401,242.61
11.	Kaneshie STO	4	22,271.64
Total		1402	451,107,921.67

104. The outstanding amounts from the companies occurred because Management was unable to regularly update the PAYE files to identify defaulters so they could be pursued for payment.

105. We urged Management to update the tax files and recover all outstanding PAYE together with appropriate penalties and pay same to the Commissioner-General.

106. Management stated that the PAYE defaulters were being pursued for the collection of the outstanding taxes.

Outstanding withholding tax - GH¢620,282,743

107. Section 116(2) and (3) of Act 896 require a resident person, other than an individual to withhold tax on the gross amount of the payment, where the payment exceeds two thousand currency points, at the rate specified in the First Schedule when the person makes a payment to another resident person.

108. As previously reported, we noted that examination of Tax files by GRA officials, still leaves much to be desired. Though our review showed that GRA during the year under review detected and ensured that taxes on audit, legal, consultancy, professional fees, goods and services subject to withholding taxes were paid by some companies, we were concerned about the extent of their coverage.

109. Our review of tax files showed that 386 companies did not withhold taxes totalling GH¢620,282,743 in respect of various services subject to withholding taxes remained uncollected. Details are provided in the table below:

No.	Tax Office	No. of companies who did not withhold taxes	Amount not withheld GH¢
1.	Osu STO	26	2,747,859.07
2.	Mataheko STO	6	18,568.18
3.	Kaneshie MTO	18	635,318.96
4.	Agbogbloshie MTO	12	442,224.09
5.	Osu MTO	104	1,444,260.82
6.	Spintex MTO	13	1,274,511.82
7.	LTO	141	596,512,941.63
8.	Kinbu LTO Annex	1	10,038,559.86
9.	Legon MTO	17	5,578,881.10
10.	Tema MTO	45	1,536,705.42
11.	Kaneshie STO	2	12,712.02
12.	Wa STO	1	40,200.32
Total		386	620,282,743.29

110. Management in response stated that they have issued demand notices to the affected companies.

111. Though staff deployed for the examination of tax files may not be adequate, we are of the view that stronger

oversight on the performance of the staff could have improved the revenue mobilisation.

112. We recommended that, Management should take advantage of the ongoing reforms to improve the scope of their examination on tax files.

VAT traders debts - GH¢980,848,064

113. Section 55 of the VAT Act, 2013 (Act 870), states that an amount on an invoice or sales receipt as tax on a supply of goods or services is recoverable as tax due from the person issuing the invoice or sales receipt, whether the invoice or sales receipt is issued by a taxable person or another person.

114. Our examination of traders' files showed inefficient collection of taxes. Our review of 277 registered VAT traders for instance showed an outstanding tax liability of GH¢980,848,064 as at 31 December, 2017. The details are provided below:

N o.	Tax Office	No. of traders with outstanding tax	Outstanding VAT GH¢
1.	Osu STO	28	3,683,609.02
2.	Kaneshie MTO	15	1,881,555.37
3.	Agbogbloshie MTO	11	32,0295.00
4.	Osu MTO	72	1,700,531.32
5.	Spintex MTO	17	1,182,243.49
6.	Agbogbloshie STO	11	306,098.96
7.	LTO	83	924,760,156.19
8.	Kinbu LTO Annex	2	1,713,845.61
9.	Legon MTO	21	39,803,964.11
10.	Tema MTO	16	5,485,915.69
11.	Kaneshie STO	1	9,849.05
Total		277	980,848,063.81

115. Management responded that, it has given demand notices to defaulters and would intensify effort to collect the outstanding taxes.

116. We reiterated our recommendation that the Commissioner-General should take the necessary steps to

recover all outstanding taxes. We also advised Management to intensify its tax education campaign and strengthen its debt collection mechanism.

Outstanding rent tax - GH¢635,446

117. Section 115 of the Income Tax Act, 2015 (Act 896) states among others that subject to subsection (2), a resident person shall withhold tax at the rate of 8% from residential lettings and 15% from non-residential property lettings as specified in paragraph 8 of the First Schedule where the person pays any rent to another person; and the payment has a source in Ghana.

118. Our review disclosed inefficiencies in the system for the collection of rental taxes. Our audit revealed that the database on Landlords was not updated regularly and therefore was not comprehensive.

119. Our examination further showed weakness in the collection of taxes from Landlords whose records were available to GRA. For instance rental taxes on 98 selected

Landlords revealed their indebtedness of GH¢251,699.38 and US\$78,475.84 (equivalent of GH¢383,746.86) as at 31 December, 2017. The table below provides the details:

No.	Tax Office	No. of tax payers with outstanding Tax	Amount outstanding GH¢	Amount outstanding US\$
1.	Osu STO	13	41,677.04	78,475.84
2.	Mataheko STO	29	44,882.03	
3.	Osu MTO	3	21,139.8	
4.	Agbogbloshie STO	24	50,451.64	
5.	Kinbu STO Annex	9	25,857.34	
6.	Legon MTO	18	45,461.53	
7.	Kaneshie STO	2	22,230.00	
Total		98	251,699.38	78,475.84

120. We recommended that the Commissioner-General should improve its system for the collection of rental taxes. We also advised him to leverage on the property rate database and Digital Address System under the initiative

of the various District Assemblies to identify rental properties and their respective Landlords.

Outstanding returned cheques GH¢4,151,715

121. Section 139 of the Income Tax Act, 2015 (Act 896) paragraph 37(2) states that where a cheque tendered in payment of tax is dishonoured, the payment is ineffective and the Commissioner-General may use all available powers to recover the tax.

122. We noted that the control mechanism for the follow up of returned cheques was weak. Our review of the Returned Cheque Registers at 12 Tax offices showed that 222 cheques with a total face value of GH¢4,151,715.15 issued by 185 tax payers in the settlement of their tax liabilities were dishonoured by their respective banks. Details are provided below:

No.	Tax Office	Number of Taxpayers	Number of cheques	Amount GH¢
1.	Osu STO	24	24	82,080.69
2.	Mataheko STO	2	2	2,567.57
3.	Kaneshie MTO	31	39	119,674.98
4.	Osu MTO	19	19	835,773.89
5.	Spintex MTO	7	7	17,096.79
6.	LTO	18	18	2,424,224.9
7.	Kinbu LTO Annex	11	19	201,777.08
9.	Legon MTO	2	5	85,714.00
10.	Tema MTO	3	12	104,731.16
11.	Kaneshie STO	31	40	183,764.75
12.	Tamale MTO	37	37	94,309.34
Total		185	222	4,151,715.15

123. We observed that though these cheques have been dishonoured for a long time, we did not sight evidence of sanction against any of the affected companies or individuals.

124. We urged Management to ensure that, the taxpayers involved are pursued to settle the outstanding taxes, and also recommended the introduction of bankers draft in settlement of tax liabilities. Furthermore, we urged the Commissioner-General to impose penalties against the defaulters.

**GHANA REVENUE AUTHORITY - SMALL TAX
OFFICE (STO), TAMALE**

Failure to account for revenue - GH¢509,272

125. Regulation 15(1) of the Financial Administration Regulations, 2004 stipulates that any public officer or revenue collector who collects or receives public and trust moneys shall issue official receipt 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.

126. Contrary to the above stated regulation, we noted that Mr. Hamza Fuseini, the cashier, receipted and

recorded a total revenue of GH¢509,272 into the cashbook between February 2016 and December 2017 but failed to lodge same into the designated bank account.

127. In our view ineffective supervision over the activities of the cashier by the Accountant resulted in the revenue loss.

128. We advised management to institute civil proceedings to recover the amount from Mr. Hamza Fuseini even though, a criminal conviction has already been obtained against him. We further urged management to strengthen its monitoring and supervision in the accounts office.

REGIONAL BUDGET OFFICE, TAMALE

Unsupported payments - GH¢30,868

129. Regulation 39 (2c) of Financial Administration Regulations, 2004 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.

130. Our examination of payment vouchers showed that 11 separate vouchers with a total face value of GH¢30,868 were without relevant supporting documents to authenticate the payments.

131. This lapse was due to ineffective monitoring and supervision of the scheduled officers by management.

132. We requested for a refund of GH¢30,868 from the Accountant for his inability to support the vouchers with the requisite documents otherwise the expenditures may be disallowed and surcharged accordingly. We further advised management to strengthen its internal controls to minimise a recurrence.

Unearned Pensions - GH¢792,571

133. Regulation 304 (1c) of the Financial Administration Regulations, 2004 states amongst others that, a head of department should examine and certify the personal

emolument payment vouchers to ensure that in the case of death, regulation 298 is strictly complied with to stop the payment of the salary.

134. We noted that between January 2011 to October 2018, 91 deceased pensioners were paid (through the Municipal Treasuries of Kibi and Koforidua) an accumulated unearned pension amounting to GH¢792,571.

135. Our further review showed that out of the total unearned pension of GH¢792,571, GH¢236,969 was withdrawn by the next of kins/relatives of the deceased from their respective banks accounts. Additionally, the difference of GH¢507,099 had been retained by the banks and yet to be transferred into the Consolidated Fund. Details are provided below:

S/ N	Bankers	Location	Total With- drawal by Family GH¢(A)	Amount retained by the Bank GH¢(B)	Total Unearned Pension GH¢(C) (A+B)
1.	GCB Bank	Kibi	140,407.61	117,610.29	258,017.90
2.	GCB Bank	Tafo	46,580.92	76,880.14	123,461.06
3.	Atiwa Rural Bank	Tafo	-	34,964.45	34,964.45
4.	Mumuadu Rural Bank	Kibi	24,685.05	23,850.81	48,535.86
5.	Adonteng Rural Bank	Tafo	25,295.00	26,590.98	51,885.98
6.	ADB	-	133,248.58	-	133,248.58
7.	South Akim Rural Bank	Koforidua	5,575.00	-	5,575.00
8.	NIB	Koforidua	614.03	-	614.03
9.	Mumuadu Rural Bank	Koforidua	614.03	-	614.03
10	GCB	Koforidua	68,684.19	-	68,684.19
.					
11	Atiwa Rural Bank	Koforidua	13,962.46	-	13,962.46
.					
12	Barclays	Koforidua	30,158.46	-	30,158.46
.					
13	Societe General	Koforidua	22,848.92	-	22,848.92
.					
Total			507,099.25	279,896.67	792,570.92

136. We attributed the lapse to inability of the relatives of deceased Pensioners to inform the various Associations and the Municipal Treasury Department of the death of their relatives for the necessary action to be taken.

137. We recommended that the Municipal Treasury Officer, should inform the various banks to transfer the total of GH¢507,099 to government chest. The Treasury Officer should immediately liaise with the banks to locate the families of the deceased to refund the total amount of GH¢236,969 withdrawn by them.

138. We further recommended to the Principal Treasury Officer to place embargo on the deceased pensioners' allowances whiles he liaises with the Controller and Accountant-General to delete their names from the pensioners' payroll.

CONTROLLER AND ACCOUNTANT GENERAL DEPARTMENT (CAGD)

Inefficient management of value books - GH¢3,539,858

139. Regulation 211(3) of the Financial Administration Regulations, 2004 entreats the Controller and Accountant-General in consultation with the head of a department to establish stock levels of Value Books to be printed for the use of the department.

140. Our review of the administration of value books by Controller and Accountant General Department (CAGD) showed structural deficiencies in revenue mobilisation. Our examination revealed that though value books were printed by CAGD on behalf of MDAs most of the books are not collected for use. During our audit we noted for instance that CAGD upon the request of eight institution procured value books totalling GH¢3,539,858 most of which are still in the custody of CAGD as detailed in the table below:

S/N	Institutions	Items	Date of Last Issued	Stock Balance	Unit Price	Amount GH¢
1.	Korle-bu	GCR	28/02/2018	36673	6.00	220,038
2.	Komfo Anokye	GCR	1/01/2017	36340	5.00	181,700
3.	Tema General Hospital	Folders	3/10/2017	280000	1.80	504,000
4.	Cape Coast Hospital	Folders	1/01/2017	336000	1.80	604,800
5.	Tamale Teaching Hospital	Folders	1/01/2017	500000	1.80	900,000

6.	Koforidua Governme nt Hospital	Folders	4/09/2017	257400	1.80	463,320
7.	Upper East Regional Hospital	Folders	1/01/2017	300000	1.80	540,000
8.	Upper west Regional Hospital	Folders	1/01/2017	70000	1.80	126,000
Totals						3,539,858

141. Whereas the expenditure on the value books procured may be wasteful we were also concerned about the type of value books in use by the MDAs.

142. In response to this observation the Value Books Storekeeper explained that, the institutions were unable to make an upfront payment for the collection of the value books.

143. To minimise the risk of revenue leakages, we urged CAGD to exercise strong oversight in the administration of value books within the public sector.

144. Management agreed with our recommendation and stated that letters have already been written to MMDAs concerned to take delivery of their respective orders.

GHANA STATISTICAL SERVICE

Unplanned Procurement - GH¢460,672

145. Section 21 of the Public Procurement Act, 2003 (Act 663) as amended enjoins all covered entities, to prepare a Procurement Plan to support their approved programmes including contract description, estimated cost, method and times.

146. We noted that the Service engages in unplanned procurement activities. In the 2018 for instance we noted that the Service contrary to the above provision procured a total of 711 pieces of tablets amounting to GH¢460,672 which was not in the procurement activities for 2018.

147. Management in response stated among others that they had to return 50 pieces of tablets owed to the

University of Ghana and an additional 150 tablets needed as backups.

148. To avoid the risk of procuring in excess of required quantities and improve efficiency in planning, we urged Management to strictly adhere to Section 21 of the PPA.

Warranties on tablets procured

149. Regulation 39 (1) of FAR requires the head of department to ensure that moneys are utilised in a manner that secures both optimum value for money and the intention of Parliament.

150. We observed that as a result of weak procurement arrangements, the Service does not benefit from the standard warranty conditions. Our review of procurement made during the year under review showed that warranties in respect of the procurement of 511 tablets in 2018 were not obtained from the suppliers. As a result, we noted that the Service in less than a year of the use of the tablets incurred a total of GH¢111,346 on repairs.

151. Similarly, we noted that the Service in 2017 procured 4,572 tablets and power banks from Infonality Ltd. amounting to GH¢4,793,905 without obtaining the full year's warranty. In this instance, our review showed that the Service obtained only 2 months warranty a condition which exposed the Service to the risk of incurring additional cost on the purchase should the tablets become defective within a year.

152. Management accepted our observation and promised to engage the suppliers for a 2% Performance Bond.

153. We urged management to strengthen their procurement processes to ensure that value for money is obtained at all times.

MINISTRY OF EDUCATION

HEADQUARTERS AND TREASURY

PAYROLL

Validation of unknown persons - GH¢112,222

154. Regulation 304 (1a) of the Financial Administration Regulations, 2004 states 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 vouchers.

155. Contrary to the above, we noted that 11 persons who were validated through the CAGD Electronic Salary Payment Voucher (ESPV) system were not on the Ministry of Education's nominal roll. These 11 unknown persons received salaries from January 2017 to March 2018, totaling GH¢112,222 as detailed in the table below:

PAYROLL ANOMALY

No.	Name	Staff ID	Job	Jan	Feb	March	April	May	June
1.	Abrokwa Joseph	1203063	Ass. Mgt. Analyst	2,639.89	1,397.59	1,397.59			
2.	Addai Georgina	1203055	Supply Officer	2,639.89					
3.	Adomah Beatrice Rowney	1203126	Ass. Training Off	2,639.89	1,397.57	1,397.59		2,795.18	
4.	Aryee Elizabeth Naa	1203054	Asst. Record Off	2,639.89	1,397.59	1,397.59	1,397.59	1,397.59	1,397.59
5.	Asare Yaa Boatemaa	1203047	Ass. Record Off	2,639.89	1,397.59	1,397.59	1,397.59	1,397.59	
6.	Baddoo John Humphrey	656243	Driver	698.71	632.84	632.84	632.84	632.84	
7.	Danquah Evelyn	1203043	Ass. Mgt. Analyst	2,639.89	1,397.59	1,397.59			
8.	Makyeko Rahnus	67122	Driver	841.00	761.77	761.77	761.77	761.77	
9.	Nimako Susana	1203057	FSO B3/ Principal Executive Officer	2,639.00	3,385.34	1,397.56	1,397.56	1,397.56	
10.	Segbefia Mawuli	603857	Senior. Planning Off.	1,861.38	1,861.38	1,861.38	1,861.38	1,861.38	1,861.38
11.	Sualihu Abdul-Wasiu	1203037	Asst. Record Off.	2,639.89	1,397.59	1,397.59	1,397.59	1,397.59	1,397.59

No.	Name	Staff ID	Job	July	Aug	Oct.	Nov	Dec.	Total
1.	Abrokwa Joseph	1203063	Ass. Mgt. Analyst					1,537.35	6,972.42
2.	Addai Georgina	1203055	Supply Officer						2,639.89
3.	Adomah Beatrice Rowney	1203126	Ass. Training Officer						8,230.23
4.	Aryee Elizabeth Naa	1203054	Ass. Record Officer	2,375.91					12,003.75
5.	Asare Yaa Boatemaa	1203047	Ass. Record Officer						8,230.25
6.	Baddoo John Humphrey	656243	Driver						3,230.07
7.	Danquah Evelyn	1203043	Ass. Mgt. Analyst						5,435.07
8.	Makyeko Rahnus	67122	Driver						3,888.08
9.	Nimakko Susana	1203057	FSO B3/ Principal Executive Officer						10,217.02
10.	Segbefia Mawuli	603857	Senior Planning Officer	3,164.36	2,082.00	2,082.00	2,082.00	2,082.32	22,660.96
11.	Sualihu Abdul-Wasiu	1203037	Ass. Record Officer	2,366.89	1,537.35	1,537.35	1,537.35	1,537.35	18,144.13
									101,651.87

156. Our further follow up also confirmed that the 11 persons were not at post at the Ministry to merit the salaries paid to them.

157. Though Management agreed with our observation, they explained that the 11 persons were newly recruited employees of the Office of the Head of Civil Service. According to the Ministry, the names of the 11 persons were brought by OHCS for validation owing to some difficulties they had whilst processing their salaries on the HRMIS from January 2017 to March 2018.

158. The validation of the 11 persons by the Ministry in our view was inappropriate, as it could lead to the payment of unearned salaries and also result in payroll budget overruns.

159. We urged Management to discontinue the practice of validating unknown persons on their payroll and also ensure the recovery of the unearned salary of GH¢112,221.53.

Payment of unearned salaries – GH¢469,839

160. Regulation 297 of the Financial Administration Regulations 2004 states that, a head of a 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 stipulated in the administrative regulations of the establishment, absent from duty on leave without pay, been convicted of an offence involving theft or fraud, or a sentence of imprisonment, resigned, retired and died.

161. We noted that Management fails to delete names of officers when they separate from their institutions under the Ministry. Our review showed that names of 92 officers who had separated between 2013 and 2017 were still on the payroll and received unearned salaries totaling GH¢469,839 as detailed in the table below:

No.	Name Of Institution	Office	No. Of Separated Staff	Total Amount GH¢
1.	District Education Office	Kwahu South	1	3,371.47
2.	Municipal Education Office	Koforidua	1	7,947.50
3.	District Education Office	Kwabeng	4	13,217.89
4.	Municipal Education Office	Akropong	5	22,408.85
5.	Ghana Library Authority	Accra, Hqtrs.	57	337,581.11
6.	Ghana Education Service	Kpassa	1	16,769.71
7.	Non-Formal Education Division	Nkwanta	1	6,983.27
8.	Ghana Education Service	Kenyase	2	10,477.78
9.	Ghana Education Office	Tepa	1	18,634.85
10.	Ghana Education Service	Mankraso	1	7,007.10
11.	Municipal Education Office	Mampong/ Ashanti	16	19,514.56
12.	Municipal Education Directorate	Offinso	2	5,924.75
Total			92	469,838.84

162. Weak human resource management of the institutions in our view largely accounted for the payment of the unearned salaries.

163. Management of the affected institutions agreed with our observation. In the case of the Ghana Library Authority they further stated that they were “still trying to contact the beneficiaries to take the necessary action to address the issue”.

164. We urged Management to strengthen their human resource functions to minimize a recurrence. We also recommended that the unearned salary of GH¢469,839 should be recovered from the beneficiaries, failure of which management would be surcharged with the full amount.

Unsupported payments GH¢1,365,230

165. Regulation 39 of Financial Administration Regulations, 2004 states that the head of account section of a department shall control the disbursement of funds and

ensure that transactions are properly authenticated to show that amount are due and payable.

166. Contrary to the above regulation, our review of records disclosed that payment vouchers were not presented for audit. In other instances, payment vouchers presented were not supported with the relevant documents. The table below provides the details relating to 13 Institutions within the Ministry of Education including the Ghana Library Authority which could not substantiate payments amounting to GH¢1,365,230 during the audit.

No.	Institution	Office	No. of PVs	Amt. (GH¢)	Remarks
1.	Ghana Library Authority	Head office	42	453,377.45	Unsubstantiated
2.	Ghana Library Authority	Head office	41	403,912.20	Unpresented
3.	Free SHS Secretariat	Head office		171,159.00	Over Payment
4.	GES	Abokobi	1	15,000.00	Unsupported
5.	GES	Tease	18	19,078.65	Unsupported
6.	GES	Lambussie	4	19,712.41	Unsupported
7.	GES	Lambussie		9,175.79	Unsupported
8.	GES	Jirapa	18	29,190.10	Unsupported
9.	GES	Ve-Golokuati	9	87,067.51	Unsupported
10.	GES	Agotime, Ziope	5	5,070.00	Unsupported
11.	District Education Office	Twifo Atti-Morkwa	1	8,000.00	Unsupported
12.	GES	Diaso	3	9,026.00	Unsupported
13.	GES	Kenyase	3	43,000.00	Unsupported
14.	GES	Kukuom	2	30,000.00	Unsubstantiated
15.	GES	Twifo Atti-Morkwa	3	7,176.00	Unpresented
16.	GES	Ve-Golokuati	1	12,000.00	Double payment for 3 motor Bikes
17.	District Education Office	Prampram		11,560.00	Unsubstantiated
18.	District Education Office	Twifo Atti-Morkwa		31,725	Failure to produce expend. records on capitation grant
Total				1,365,230.11	

167. Considering the lapse of time in accounting for the expenditures, we are of the view that the expenditures were not incurred in the interest of the State. We therefore disallowed the payments and urged the Ministry to ensure the recovery of the amount, from Managements in the respective Institutions failure of which they would be surcharged.

Imprest not retired - GH¢67,187

168. Regulation 288 of the Financial Administration Regulations, 2004 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.

169. We noted during our review that the system for accounting for imprest was generally weak. Our review showed that 20 separate transactions between January 2013 and April 2017 relating to imprest granted to the Head of

Finance amounting to GH¢67,187 were not retired. The table below provides the details.

Institution	Office	Amount GH¢
Ghana Library Authority	Headquarters	24,946.52
Ghana Education Service	Kpassa	42,240.00
Total		67,186.52

170. Management agreed with our observation and attributed the anomaly to the Head of Finance.

171. We urged management to strengthen its mechanism for timely retirement of imprest. We further advised management to ensure the recovery of the amount failure of which they would be surcharged.

Uncompetitive purchases - GH¢356,218

172. Section 20 of the Public Procurement (Amendment) Act, 2016 Act 914 provides that the procurement entity shall request for quotations from as many suppliers or

contractors as practicable, but shall compare quotations from at least three different sources that should not be related in terms of ownership, shareholding or Directorship and the principles of conflict of interest shall apply between the procurement entities and their members and the different price quotation sources.

173. Contrary to the above, we noted that six Institutions under the Ministry failed to obtain at least three quotations from different sources in respect of procurements totalling GH¢356,218 made during the audit period. The table below provides the details:

No.	Institution	District/ Office	No. of PVs	Amount GH¢	Remarks
1.	Ghana Education Office	Ningo - Prampram	4	142,995.20	Uncompe titive
2.	Ghana Education Service	Donkorkrom		50,525.50	Uncompe titive
3.	Ghana Education Service	Lambussie	2	12,218.37	Uncompe titive
4.	Ghana Education Service	Enchi	2	65,243.96	Uncompe titive

5.	Education Office	Twifo Atti-Morkwa	4	33,014.50	Uncompetitive
6.	Ghana Education Service	Diaso	6	52,220.00	Uncompetitive
Total				356,217.53	

174. This practice which is a regular feature during our audit of Institutions under the Ministry continues to be a huge drain on the resources of the State. We recommended that the Ministry exercises strong oversight on the respective entity tender committees under the Ministry to minimize the extent of breach of the procurement law.

GHANA LIBRARY AUTHORITY

Library books and journals not accounted for - GH¢646,192

175. Section 52 of the Public Financial Management Act 2016, (Act 921), stipulates among others that a Principal Spending Officer shall maintain adequate records of government stores and is discharged of accountability of government stores where the stores have been consumed

in the course of public business and records are available to show that the stores have been consumed.

176. We noted during our audit that between August 2013 and August 2016, the Authority procured a total of 90,568 assorted library books and Journals for distribution to the Regional Libraries and other branches under the Ghana Library Authority. Out of the books and journals procured, only 9,055 representing about 10% were issued out leaving a difference of 81,513 amounting to GH¢646,192 unaccounted for as detailed in the table below:

N o.	Descripti on of Books	Period of Procure -ment	Qty. Procure d	Qty. Accou nted for	Quantity Outstandi ng	Value of Outstandi ng Books GH¢
1.	Assorted Library Books	August 2013 – August 2016	73,895	-	73,895	529,240.00
2.	Periodical s (Journals) from EPP Books Services	October 2013	6, 823	3,226	3,597	93,522

	Assorted Library books partly accounted for	May 2013 – February 2016	9,850	5,829	4,021	23,429.50
Total			90,568	9,055	81,513	646,191.50

177. Management in reaction admitted the loss and stated that the storekeeper had been directed to account for the books without any further delay.

178. Considering the percentage of the books unaccounted for we are of the view that there was ineffective supervision within the chain of control.

179. The Authority has lost a total of 81,513 assorted library books and journals valued at GH¢646,192.

180. We recommended that Management and Mr. Godwin Asamani, the storekeeper, should refund the amount of GH¢646,192 or be surcharged in line with Article 187 of the 1992 Constitution.

Tax withheld not remitted to GRA - GH¢15,196

181. Section 87 of the Ghana Revenue Authority Act, 2000 (Act 592), requires that all taxes withheld should be paid to the Ghana Revenue Authority not later than the 15th day of the month following the month in respect of which the deduction was made.

182. Our audit of records of the Authority disclosed that between January 2013 and October 2017 the accountant withheld taxes totalling GH¢15,196 from payments to suppliers for goods and services rendered to the Authority, but failed to remit same to the Commissioner, Ghana Revenue Authority.

183. Management responded that the taxes withheld were used for administrative expenses due to lack of remittances from GoG.

184. We recommended strict compliance with the tax provisions and also urged management to ensure that all

taxes withheld are paid to the GRA without any further delay.

Unauthorised exchange of property

185. Section 52(1) of the Public Financial Management, Act 921, states that, a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.

186. Our audit disclosed that Mr. K. Ofosu-Tenkorang, the former Executive Director of Ghana Library Authority without regard to the directives from the Board and Sector Minister exchanged a plot of land measuring 1.1 acres, located at No.20 Patrice Lumumba Rd, Airport Residential Area Accra, owned by Ghana Library Authority for a 1.068 acres land located at Amanfo Koo at Oyarifa Accra, owned by Byes and Ways Limited.

187. Though we did not sight any evidence for the justification of the exchange, we strongly objected to the deal as in our view, the Authority did not obtain value for money. We urged the Ministry as a matter of urgency to put the transaction on hold and review the entire process to ensure that value for money is obtained towards the full realization of the strategic goals of the Authority.

Revenue not Accounted for - GH¢40,161

188. Regulation 15 of the Financial Administration Regulations, 2004, stipulates that any public officer or Revenue Collector who collects or receives public or trust moneys shall issue receipts for them and pay them into the relevant Public Fund Bank Account within the twenty-four hours of receipt except in exceptional circumstances to be identified by the Minister.

189. Our review of the General Counterfoil Receipts (GCRs) for revenue collected and the Bank Statement of the Ghana Library Authority Headquarters, revealed that the cashier made a part deposit of GH¢127,189 out of a total

collection of GH¢159,608 received. This resulted in an outstanding accumulated cash of GH¢32,419 as at 31 December 2017. Though he explained that the cash on hand was incurred on office expenses, no evidence was provided to that effect.

190. Similarly, between January 2013 and December 2017, Mosses Asigbe of George Padmore Research Library collected IGF totalling GH¢46,992. We however, noted that out of the total amount generated, GH¢39,250 was accounted for leaving a difference of GH¢7,741.60 outstanding as indicated in the table below:

S/N	Period	Amount Received by Padmore (GH¢)	Amount Accounted For (GH¢)	Difference (GH¢)
1.	Jan - Dec 2013	5,750.00	2,240.00	3,510.00
2.	Jan - Dec 2014	7,173.00	1,100.00	6,073.00
3.	Jan - Dec 2015	9,437.00	9,348.00	89.00
4.	Jan - Dec 2016	6,781.60	9,253.00	(2,471.40)
5.	Jan - Dec 2017	17,850.00	17,309.00	541.00
Total		46,991.60	39,250.00	7,741.60

191. We attributed the lapse to ineffective supervision over the schedule officers.

192. Management agreed with our observation and stated that the officers have been directed to account for the loss.

193. We urged management to strengthen their oversight on the revenue collectors to minimize a recurrence. Furthermore, we recommended that the Cashier, Mr. Sampson Ayisi and Moses Asigbe should be made to refund the outstanding amount failure of which they would be surcharged.

MODEL NURSERY SCHOOL

Unauthorised collection of revenue by PTA - GH¢658,783

194. Section 48 of the Public Financial Management Act, 2016 (Act 921), states that, any revenue or other monies raised or received for government shall form part of the Consolidated Fund.

195. We noted that the school collected unapproved fees namely, feeding, maintenance, motivation allowances as well as nanny and PTA dues. We observed that these fees when collected were paid directly into the PTA Bank Account which is under the control of the PTA Executives. Our review showed that, total fees of GH¢658,783 collected for the years 2016 and 2017 for instance were lodged into the PTA Account. This practice which has been long standing in our view could put undue burden on some of the parents. Details have been shown below:

Year	Month	Income		Total
		P.T.A. Account GH¢	MAIN Account GH¢	
				-
2016	January	42,849.00	-	42,849.00
	February	24,910.00	-	24,910.00
	March	26,065.00	-	26,065.00
	April	8,925.00	-	8,925.00
	May	68,455.00	-	68,455.00
	June	53,880.00	-	53,880.00
	July	6,809.99	-	6,809.99

	August	5,290.00	100.00	5,390.00
	September	33,545.00	900.00	34,445.00
	October	26,340.00	300.00	26,640.00
	November	12,173.80	100.00	12,273.80
	December	1,540.00	200.00	1,740.00
Total		310,782.79	1,600.00	312,382.79
2017	January	29,455.00	26,440.00	55,895.00
	February	19,960.00	4,720.00	24,680.00
	March	19,285.00	4,315.00	23,600.00
	April	10,295.00	1,700.00	11,995.00
	May	53,935.00	9,460.00	63,395.00
	June	45,945.00	8,170.00	54,115.00
	July	24,589.00	4,660.00	29,249.00
	August	4,677.00	-	4,677.00
	September	34,880.00	-	34,880.00
	October	27,270.00	-	27,270.00
	November	11,885.00	-	11,885.00
	December	4,758.88	-	4,758.88
Total		286,934.88	59,465.00	346,399.88
Grand Total				658,782.67

196. We urged management to ensure that only GES approved fees are charged and collected from parents. Also, the fees collected should be put into the school's account directly for use.

**GHANA EDUCATION SERVICE ADA EAST
DISTRICT EDUCATION OFFICE**

**GetFund Transferred to the MP's Common Fund
Account - GH¢40,000**

197. Regulation 39 of the Financial Administration Regulations, 2004 provides among others that a head of department shall ensure that moneys are utilised in a manner that secures both optimum value for money and the intention of Parliament and that transactions are properly authenticated to show that amounts are due and payable.

198. We noted that the GetFund Administrators use their funds to grant loans. During the period under review for instance, we observed that an amount of GH¢40,000 was granted as loan vide PV No. 01/03/15 to the MP's

Common Fund in March, 2015. As at the time of our report this debt had still not been refunded.

199. This practice by the Administrators of GetFund is inimical to the core function of GetFund which is towards the development of educational infrastructure.

200. We urged management to desist from the practice of granting loans from the GetFund and ensure the immediate recovery of the GH¢40,000.

GHANA EDUCATION SERVICE NKAWKAW

Part payment of contingency sum without justification - GH¢8,019

201. Regulation 39 of the Financial Administration Regulations, 2004 requires that the Head of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

202. We however, observed during the review of project management that, management released an amount of GH¢8,019 out of a total sum of GH¢8,907 provided as contingency in the contract to Nafak Company Ltd for a construction of 3 Unit Classroom Block at Nkawkaw Methodist Complex School without properly justifying payment. We also noted that the contractor did not apply for extra fund let alone indicated additional work carried out to warrant such a payment.

203. We advised that the amount of GH¢8,019 paid from the contingency provision should be recovered with interest from the contractor, failing which the Municipal Director and the Municipal Works Engineer would be surcharged.

204. In response management stated that, it had written per letter with reference No. GES/ER/KWM/306/VOL.1/05 and dated 1 August 2018 to the contractor Nafak Company Ltd who agreed to

having been overpaid and therefore promised to refund the amount by the end of the year, 2018.

GHANA EDUCATION SERVICE - KPASSA

Diversion of Capitation Grant - GH¢89,265

205. Section 7 of the Public Financial Management Act 2016 (Act 921) requires a Principal Spending Officer of a covered entity to ensure the regularity and proper use of money appropriated in that covered entity.

206. We noted that, between January 2017 and December 2017 a total amount of GH¢89,265 was transferred from the School Capitation Account into the Directors Imprest Account. Our further check revealed that management failed to account for the amount. The table below provides the details:

Date	PV No.	Cheque No.	Particulars	Amount GH¢
01/08/17	02/CAP/17	Direct Transfer	Loaned from capitation to Imprest account	67,000.00
20/09/17	03/CAP/17	Direct Transfer	Loaned from capitation to	1,000.00

			Imprest account	
22/12/17	01/CAP/17	Direct Transfer	Loaned from capitation to Imprest account	9,340.00
22/12/17	09/CAP/17	Direct Transfer	Registration of Basic WAEC Examinations	11,925.00
Total				89,265.00

207. We recommended that Mr. Maxwell Gyambiby Asong, the District Director and Mr. Edward Agadzi the Accountant should jointly refund the amount of GH¢89,265.00.

Unaccounted Revenue - GH¢62,797

208. Regulation 15 of the Financial Administration Regulations, 2004 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.

209. Contrary to the above provision, we noted that, out of a total revenue of GH¢199,251 collected by the Accounts officer, Mr. Oyeh Cephas within the period November 2016 and October 2017, GH¢136,455 was banked leaving a difference of GH¢62,797 not accounted for. The details are shown below:

Period	Cash Collected from Schools GH¢	Cash Banked GH¢	Shortage GH¢
2016			
Nov	34,132.12	13,398.00	20,734.12
Dec	4,590.90	18,187.00	-13,596.10
Total for 2016	38,723.02	31,585.00	7,138.02
2017			
Feb	22,397.60		22,397.60
Mar	9,158.20	20,746.00	-11,587.80
Apr	57,194.60	50,444.00	6,750.60
May	11,820.30		11,820.30
Jun	7,686.90		7,686.90
Jul	51,938.20	19,617.00	32,321.20
Aug	332.80		332.80
Oct		14,063.00	-14,063.00
Total for 2017	160,528.60	104,870.00	55,658.60
Grand Total	199,251.62	136,455.00	62,796.62

210. In our view, failure of the Accountant to effectively supervise the activities of the accounts officer resulted in the anomaly.

211. We recommended that management should recover the amount from Mr. Oyeh Cephas, the accounts officer failing which he would be surcharged.

GHANA EDUCATION SERVICE - KPASSA

Failure to Account for examination/entry fees - GH¢66,550

212. The Ghana Education Service, by letter No. FP2765/IS/24 and dated 30 October 2015 approved a total examination/entry fee of GH¢28.90 for the 2016 BECE examination. Contrary to this directive, we noted that the Kpassa District Education Office levied 1,331 candidates an amount of GH¢50.00 each.

213. Our further checks revealed that though the students were registered for the examination, management could not provide any documents to support the disbursement of the total amount of GH¢66,550.

214. Further investigations showed that the moneys were lodged into the private bank account of the Planning Officer, Mr. Mark Ujakpa Majah.

215. In our view, the lack of effective internal controls over cash management accounted for the anomaly.

216. We recommended to the GES to sanction the District Director for failing to adhere to the directive from GES. We further urged management to fully account for the amount of GH¢66,550 failing which they would be surcharged.

Payment of Public Funds into Private Bank Account - GH¢58,009

217. Regulation 15 of the Financial Administration Regulations, 2004 states that any Public Officer or revenue collector who collects or receives public and trust moneys shall issue official receipt for them and pay them into the relevant Public Fund Bank Account within 24 hours of receipt except in exceptional circumstances to be identified by the Minister.

218. Our audit revealed that Mr Agbeko K.E. Kumanyanu, Assistant Director in charge of supervision at the Ghana Education Service, Kpassa, used unapproved receipts to collect revenue totalling GH¢58,009 for the conduct of the 2016 second term Regional Mock Examination. We further noted that he paid the revenue collected into his private bank account and could also not provide any documents to support the disbursement of the total amount of GH¢58,009.

219. In our view, the lack of effective internal controls over cash management accounted for the anomaly.

220. We recommended to the GES to sanction the Mr Agbeko K.E. Kumanyanu for paying the money into his personal account. We further urged management to ensure that he accounts for the amount of GH¢58,009 failing which he would be surcharged.

**Misapplication of capitation grant for personal use -
GH¢32,000**

221. Regulation 179 of the Financial Administration Regulations, 2004 requires a head of department not to authorise payment made out of funds earmarked for specific activities for purposes other than those activities.

222. We noted that an amount of GH¢32,000 was paid from the capitation grant account vide payment voucher number 01/4/18 dated 6/4/18 to the former Director, Stephen A.B. Aidoo, as personal loan.

80. We disallowed the loan granted the former Director and urged management to recover the amount of GH¢32,000 from him.

**SOCIAL WELFARE GIRLS VOCATIONAL SCHOOL -
CAPE COAST**

Unaccounted Revenue - GH¢10,334

223. Regulation 1 and 2 of the Financial Administration Regulations, 2004 states among others that any public

officer who is responsible for the receipt, custody and disbursement of public and trust moneys shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Auditor-General, or any officer authorised by him.

224. We noted during our review of the accounting records that school fees amounting to GH¢10,334 have not been recorded in the cash book as receipt and equally not accounted for.

225. We recommended that the Headmistress should refund the amount of GH¢10,334 failure of which she would be surcharged.

MINISTRY OF HEALTH

Outstanding Withholding Taxes - GH¢1,383,036

226. Section 117 (1&3) of the Income Tax Act, 2015 (Act 896) states that, a withholding agent shall pay to the Commissioner-General within 15 days after the end of each calendar month a tax that have been withheld. Also, a

withholding agent who fails to withhold tax shall pay the tax that should have been withheld in the same manner and at the same time as tax that is withheld.

227. Our review of the mechanism in place at the Ministry in respect of the accounting for withholding taxes was not satisfactory. Our examination of the accounts of 12 institutions within the Ministry showed that a total of GH¢1,383,036 in favour of the Commissioner-General still remained outstanding more than 15 days after the transactions had been executed. The table below provides the details:

No.	Institution	District Office	Un-remitted withholding Tax	Un-deducted Withholding Tax	Total Outstanding Withholding Tax
1.	Korle Bu Teaching Hospital	Accra	65,653.97		
2.	MOH Hq.		1,191,972.10		
3.	National Blood Service			25,657.60	
4.	District Health Directorate	Wulensi	3,822.91		
5.	District Hospital	Zabzugu	49,250.22		
6.	District Hospital	Sandema	15,101.51		
7.	Hain Polyclinic	Hain		2,880.00	
8.	Municipal Hospital	Keta	1,352.68		
9.	District Health Directorate	Krachi Nchumuru	2,715.00		
10.	National Health Insurance Scheme	Kadjebi	12,000.00		
11.	District Health Administration	Bibiani	1,615.83		
12.	District Hospital	Tepa	11,014.40		
	Total		1,354,498.62	28,537.60	1,383,036.22

228. To minimize the risk of the use of taxes withheld, we urged the Ministry to exercise strong control over their accounting processes to ensure compliance with the provisions of the income tax law. We further recommended that the outstanding withholding tax of GH¢1,383,036.22 be remitted to GRA without any delay.

Uncompetitive purchases – GH¢725,301

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

230. Contrary to the above provision, we noted that seven institutions under the Ministry failed to obtain at least the required minimum quotations from different

sources in respect of procurements totalling GH¢725,301 made during the audit period. The table below provides the details:

No.	Institution	Amount GH¢	Procurement method	Items
1.	Korle-Bu, Gyane Dept.	109,200.00	Non-competitive procurements	Medical equipment
2.	Korle-Bu	356,016.42	Procurement without alternative quotations	Goods & Services
3.	Central Medical Stores	106,524.63	Non-competitive procurements	Goods & Services
4.	Suhum Government Hospital	40,295.83	Purchases without alternative price quotations	Goods & Service
5.	Garu Tampane Dist. Health Directorate	38,600.57	Uncompetitive procurement	Goods & Services
6.	Dist. Health Directorate, Manso Amenfi	66,814.03	Uncompetitive Procurement	Drugs/non-drug items
7.	Dist. Hosp., Tewa	7,850.00	Non-Competitive Purchases	Drugs/non-drugs items
Total		280,970.62		

231. This practice which is a regular occurrence in our view does not create opportunity for the Ministry to obtain value for money in its procurement processes. To minimize the huge drain of resources, we recommended to management of the respective institutions to exercise strong oversight on their procurement processes.

Store Purchases not accounted for – GH¢398,407

232. Regulations 183 of the Financial Administration Regulations, 2004 states, 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 of in accordance with these regulations.

233. Our review of the store records at the Ministry disclosed weaknesses in the internal control regarding acquisition, custody and utilisation of stores. Our examination of the store records of selected health institutions under the Ministry showed that, items purchased amounting to GH¢398,407 were neither

supported with Stores Receipt Vouchers (SRVs) as evidence that the items were receipted into stores nor any trail to the user departments for verification. The table below provides the details:

No.	Institution	Amount GH¢	Remarks
1.	Korle Bu Teaching Hospital	249,900.12	Purchases not routed through Stores
2.	Health Centre, Kedzi Keta	51,975.20	Unauthorised store requisitions
3.	National Health Insurance Scheme, Kadjebi	17,152	Purchases Not Accounted for
4.	District Health Administration, Daboase	62,227.95	Payment for unsupplied items
5.	National Health Insurance Scheme, Kadjebi	17,152	Purchases Not Accounted for
Total		398,407.27	

234. In our view this practice could negatively affect the finances of the institutions as well as the provision of effective health delivery system.

235. We advised that Management of the various institutions should strengthen their internal controls in respect of management of stores. Meanwhile, we recommended the refund of the total amount of GH¢398,407 by the Management of the affected Institutions.

**NURSING AND MIDWIFERY TRAINING COLLEGE,
TESHIE**

Unrecovered overdue staff advances - GH¢5,800

236. Regulation 110 of the Financial Administration Regulations, 2004 stipulates that a head of department shall ensure that advances issued are duly recovered in accordance with the appropriate agreement.

237. We however noted during examination of the staff debtors ledger that, out of staff advances of GH¢17,000.00 granted to two members of staff in 2015 only GH¢11,200.00 had so far been recovered, leaving a balance of GH¢5,800.00 still outstanding.

238. We recommended that the Head of the BMC should immediately recover the outstanding advances of GH¢5,800.00 from the two beneficiaries.

Outstanding students' indebtedness - GH¢31,499

239. Contrary to Regulations 17 of the FAR 2004 which requires that a head of department shall ensure that all Non-Tax Revenue is efficiently collected, our review of the Students Ledgers disclosed that 125 students were indebted to the tune of GH¢119,529 of which an amount of GH¢77,260 had been recovered leaving an outstanding balance of GH¢42,269 in the name of 43 students. Out of the total amount outstanding, GH¢10,770 is in respect of six students who had stopped schooling and remained irrecoverable.

240. We recommended that the Head of the Institution should recover the outstanding debt of GH¢31,499 from the 37 affected students and seek ministerial approval to write off the irrecoverable debts owed by the six students who had exited the school.

NURSES TRAINING COLLEGE - PANTANG

Unpresented Payment Vouchers - GH¢100,025

241. Regulation 1 of the Financial Administration Regulations, 2004 requires that any public officer who is responsible for the receipt, custody and disbursement of public and trust monies shall keep proper records of all the transactions and shall produce records of the transactions when call upon to do so by the Auditor-General or any officer authorised by him.

242. Between January and December 2017, 34 Payment Vouchers totalling GH¢296,725, were not presented for examination. However, on a follow up 21 payment vouchers amounting to GH¢196,700 were presented and examined leaving 13 payment vouchers of GH¢100,025 yet to be provided.

243. We recommended that, the Head of Finance should provide the payment vouchers for examination failing which, he would be held accountable.

**NURSING AND MIDWIFERY TRAINING COLLEGE,
PANTANG**

Outstanding school fees - GH¢39,735

244. Regulation 17 of the Financial Administration Regulations, 2004 demands that a head of department shall ensure that all Non-Tax Revenue is efficiently collected.

245. We however noted during the examination of the students' ledgers that school fees amounting to GH¢49,155 was outstanding as at 31 December 2017. Out of the total amount owed 11 students paid GH¢9,420 leaving an outstanding amount of GH¢25,940 representing 17 students while the remaining amount of GH¢13,795 stood in the name of 13 students who exited the school.

246. We urged the Acting Principal to pursue the defaulting students to settle their indebtedness of GH¢39,735.

General Counterfoil Receipt Book not accounted for – GH¢33,835

247. Regulation 15 of the Financial Administration Regulations, 2004 requires that any public officer or revenue collector who collects or 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.

248. We however, noted that a General Counterfoil Receipt (GCR) book number 04418501-04418600 issued to Mr. Bernard Ankamah on 5 May 2017 for collection of school fees and other income was not presented for examination. Further, this GCR was not recorded in the cashbook. Upon enquiry Management provided evidence of a Police report, publication in the Daily Graphic and warrant for his arrest.

249. However, after the publication, Management indicated two relatives of Bernard, which are Mr. Charles

Kweku Lamptey and Mr. Oscar Amah presented the stolen GCR and at the Police station they accepted to settle the amount embezzled. An examination of the said GCR disclosed that 84 receipts were used to collect an amount of GH¢78,575 which had only GH¢55,210.00 banked, leaving an outstanding amount of GH¢23,365.

250. Further, eight of the receipts were without originals and had no amount on the duplicate copy. Using the highest fee charged of GH¢1,310 for each leaflet, an amount of GH¢10,480 was arrived at, increasing the total outstanding amount to GH¢33,845. However, seven of the receipts were unused and one was cancelled.

251. We recommended that the Heads of the BMC and Finance should ensure follow ups with the Police and recover the outstanding amount of GH¢33,835 from the relatives who stood surety to pay.

Unearned Salary - GH¢427,624

252. Regulation, 297 of the Financial Administration Regulations 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 absent from duty without leave for a stipulated period, on leave without pay, resigned, retired, or died.

253. Our review of the payroll administration of the Ministry revealed lack of responsiveness of some management unit heads in ensuring the deletion of names of separated staff from the payroll. In 2018 for instance 41 staff who separated from their respective institutions received unearned salaries totalling GH¢427,624. Also we noted instances of employees on study leave without approval but continued to receive unearned salaries. The table below provides the details:

No.	Institution	Office	No. Of Persons	Unearned Salary GH¢	Remark
1.	Nursing And Midwifery Training Colle.	Pantang	2	82,542.92	Separated
2.	Psychiatric Hospital	Accra	2	7,068.12	Separated
3.	Psychiatric Hospital	Pantang	4	64,150.14	Separated
4.	Psychiatric Hospital	Pantang	8	120,634.77	Unapproved Study leave
5.	Ussher Polyclinic And Ashiedu Keteke Sub Metro	James Town, Accra	1	1,284.38	Vacation of post
6.	Municipal Health Directorate	Ga South	8	55,246.18	Separated
7.	Centre For Plant Medicine Research	Mampong	8	11,067.17	Separated
8.	Bolgatanga Hospital	Bolga	3	22,223.22	Separated
9.	District Health Directorate	Garu Tempane	1	7,059.90	Separated
10.	District Health Directorate	Half-Assini	1	6,125.05	Vacation of post
11.	District Hospital	Tepa	1	7,850.00	Vacation of post
12.	District Hospital	Tepa	1	6,783.21	Vacation of post
13.	School Of Dispensing Optics	Oyoko/ Ashanti	1	35,588.82	interdiction
Total			41	427,623.88	

254. We are of the view that poor validation on the CAGD ESPV accounted for the payment of the unearned salaries.

255. We advised management to strengthen their payroll administrative practices and ensure the recovery of all the unearned salaries.

NATIONAL AMBULANCE SERVICE (NAS)

Un-utilisation of newly acquired ambulances

256. Regulation 2 of the Financial Administration Regulations, 2004 requires 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.

257. However, we noted that 30 Ambulances procured in 2016 by the Ministry of Health (MoH) for NAS had been left at the mercy of the weather at the Air Force Base, Burma Camp which attracted a monthly ground rent of GH¢1,500.

258. This could result in wasteful expenditure due to deterioration and the intended purpose of procuring the ambulances could be defeated.

259. We recommended that, the CEO should pursue the matter with the Sector Minister, to ensure the ambulances are put into effective use.

260. Management in their response stated that the 30 Mercedes Benz Sprinter Ambulances were part of the 200 to be procured which were found not to conform to specifications and that the issue is being handled by the MoH while NAS only provides oversight responsibility for their safe keeping.

RADIOTHERAPY AND NUCLEAR MEDICINE (NCRNM)

VAT invoices not obtained - GH¢2,502

261. Section 41 of the VAT Act, 2013 Act 870 requires that a taxable person shall on making taxable supply of goods and services issue to the recipient a tax invoice on the form

and with the details that are prescribed by the Commissioner General.

262. Contrary to the above provision, we noted that Management of the Centre paid GH¢2,502 as VAT on goods and services worth GH¢23,353 to three suppliers but failed to obtain VAT receipts/invoices.

263. To avoid loss of revenue to the state, we recommended that, the Head of Finance should obtain the VAT invoices from the suppliers failing which, the amount should be recovered from the Head of Finance.

Indebtedness of NHIA - GH¢16,296,945

264. Regulation 38 of the National Health Insurance Regulation (NHIR) 2004 provides that, a claim for payment of health care service rendered and submitted to a scheme should unless there is a legal impediment be paid by the scheme within four weeks after the receipt of the claim from the Health Care Facility.

265. Our audit disclosed that the NHIA owed 27 health institutions a total amount of GH¢16,296,945 in respect of services rendered to patients registered under the scheme between the period January 2016 and December 2017 as shown below:

No.	Institution	Amount GH¢
1.	Radiotherapy and Nuclear Medicine (NCRNM)	22,778.26
2.	Castle Clinic, Accra	4,603.25
3.	Nima Government Clinic	170,514.00
4.	Ussher Polyclinic and Ashiedu Keteke Sub Metro	674,419.85
5.	Oblogo Health Centre	32,098.07
6.	Aplaku Fitness Centre	38,831.96
7.	Ngleshie Amanfro Polyclinic	386,041.06
8.	Ministry of Health (Dodowa)	544,672.01
9.	Agomeda Health Centre	53,276.33
10.	Duffour Health Centre	98,139.65
11.	Osudoku Health Centre	259,718.36
12.	Kassah Health Centre	133,523.67
13.	Bolgatanga Municipal Health Directorate	1,624,455.46
14.	Lambussie Polyclinic	652,658.51

15.	District Health Directorate, Lambussie	560,302.79
16.	Sissala West District Hospital Gwollu	590,814.69
17.	Sissala West District Health Administration, Gwollu (Sub- District facilities)	561,131.64
18.	District Hospital - Kete-Krachi	3,404,977.58
19.	Municipal Hospital- Keta	1,656,358.77
20.	Health Centre – Tregui, Keta	19,205.88
21.	Health Centre–Anloga, Keta	133,534.87
22.	Bongo District Hospital	1,882,474.11
23.	Kunka Health Centre	19,468.26
24.	Central Market Centre, Obuasi	19,354.67
25.	Obuasi Gov't Hospital	948,160.02
26.	Wioso Health Centre	16,603.30
27.	Ejura Gov't Hospital	1,788,827.90
Total		16,296,944.92

266. We recommended that the management of the respective health institutions pursue recovery of the total amount.

Unsupported payments – GH¢1,217,826

267. Regulation 39 of Financial Administration Regulations, 2004 requires that the head of 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 and reject any disbursements that do not meet the requirement.

268. We observed during our review that the above provision was not fully complied with by some BMCs. We noted that supposed payments by 22 BMCs totalling GH¢1,217,826 were not backed by any supporting documents as detailed in the table below:

No.	Institution	Amount GH¢
1.	District Health Administration - Bibiani	30,412.55
2.	District Health Administration - Daboase	10,440.00
3.	National Health Insurance Authority, Tamale	1,700.00
4.	District Hospital, Tatale - Sanguli	88,885.80
5.	Accra Psychiatric Hospital	17,780.00
6.	Korle Bu Teaching Hospital	652,510.79
7.	Oblogo Health Centre	2,250.00
8..	National Health Insurance Authority, Tamale	7,162.00

9.	Nima Government Clinic	2,200.00
10.	Nima Government Clinic	2,560.00
11.	Central Medical Stores	2,800.00
12.	Aplaku Family Fitness Centre	6,979.80
13.	Ministry of Health (Dodowa)	22,692.00
14.	Sandema Hospital	88,370.40
15.	District Health Directorate - Krachi West	41,846.95
16.	District Health Directorate - Krachi West	3,071.46
17.	District Health Directorate - Krachi Nchumuru	114,095.00
18.	District Health Directorate - Krachi Nchumuru	44,788.36
19.	National Health Insurance Scheme - Kadjebi	28,279.59
20.	Regional Health Directorate - Sekondi	33,150.00
21.	District Health Directorate - Krachi Nchumuru	5,781.50
22.	Bibiani Government Hospital	10,070.00
Total		1,217,826.20

269. In the absence of these documents we were unable to authenticate the payments. We therefore rejected the assertions by the respective managements of the BMCs and urged them to refund the amount of GH¢1,217,826 failure of which they would be surcharged.

Outstanding advances - GH¢457,389

270. Regulation 110 of the Financial Administration Regulations, 2004 stipulates that a head of department or officer to whom the duties of a head of department has been delegated shall ensure that advances issued are duly recovered in accordance with the appropriate agreement.

271. We observed that the Ministry though grants advances to its staff, it does not have a robust control mechanism for the recovery of such advances.

272. Our audit in 2018 for instance revealed that advances amounting to GH¢457,389 granted by 19 BMCs to some staff remained unrecovered as at 31 December 2018. The table below provides details of the outstanding advances.

No.	Institution	Amount GH¢
1.	Accra Metro Health Directorate	2,872.00
2.	Metro Health Directorate, Kumasi Overdue Advances to Staff	12,400.00
3.	Nursing and Midwifery Training College - Tepa	191,000.00
4.	Prestea Government Hospital - Tarkwa	10,610.00
5.	Apinto Government Hospital - Tarkwa	8,950.00
6.	Government Hospital - Essam	15,510.70
7.	Supomu-Dunkwa Health Centre	7,500.00
8.	Shama Health Administration	4,000.00
9.	Nursing Training College, Jirapa	19,202.00
10.	Korle Bu Teaching Hospital	30,513.49
11.	National Blood Service (NBS)	15,323.00
12.	Tamale Teaching Hospital, Tamale	41,446.30
13.	Nurses Training College - Bolgatanga	2,900.00

14.	Navrongo Health Research Centre	9,630.00
15.	Accra Psychiatric Hospital	9,010.00
16.	Accra Metro Health Directorate	2,872.00
17.	Pantang Hospital	3,230.00
18.	Regional Health Directorate, GAR	70,420.00
19.	Nursing Training College, Jirapa	19,202.00
Total		457,389.49

273. We advised the Ministry to discourage granting such advances until a sound control mechanism has been put in place to ensure prompt recovery of such advances. We also recommended that, the respective BMCs should ensure the recovery of the outstanding advances from the affected staff, failure of which they would be surcharged.

KANESHIE POLYCLINIC

Uncredited revenue - GH¢70,751

274. Regulation 22 of the Financial Administration Regulations 2004, requires that all public moneys collected shall be paid in gross into the Public Funds Accounts and

no disbursement shall be made from the moneys collected except as provided by an enactment.

275. We noted that Zenith Bank provides onsite banking on behalf of the Polyclinic. Our reconciliation of the records of the Polyclinic and the Bank revealed an uncredited amount of GH¢70,751 in favour of the Polyclinic between December 2016 and December 2017.

276. We are of the view that failure on the part of management to perform regular bank reconciliation resulted in their inability to detect these uncredited amounts. We also observed that the bank was adamant in crediting the account when their attention was drawn to the anomaly by the Polyclinic.

277. We urged Management to take the necessary steps to ensure that the account is credited without any further delay.

KORLE BU TEACHING HOSPITAL

Un-utilised sponsorship package - GH¢54,157

278. Regulation 39 of the Financial Administration Regulations, 2004 requires that monies should be utilised in a manner that secures both optimum value for money and the intention of Parliament.

279. Our examination of the payment vouchers revealed that Mr. James Clifford Oblitey was sponsored to pursue a course in BIFM Level 2 Diploma in Facility Management at the College of Central London, UK from 2 January 2018 to 6 March 2018. In this respect, Mr. Oblitey was given an amount of GH¢54,157 to pay his school fees as the payment of his fees was a pre-requisite for obtaining a UK entry visa. We noted that though Mr. Oblitey was not successful in securing the visa, he failed to return the fees granted him for the course.

280. Though it could be argued that the money was paid to the school, we are of the view that under such circumstance refunds are made to applicants net of

administrative charges. In view of this, we recommended that the CEO should ensure the recovery of the total amount of GH¢54,157 from Mr. James Clifford Oblitey less any administrative charges that must have accrued to the school.

Unsupported payments - GH¢347,014

281. Regulation 39 of Financial Administration Regulations, 2004 requires that the head of 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 and reject any disbursements that do not meet the requirement.

282. We observed during our review that the above provision was not fully complied with by the Hospital. We noted that expenditure by the officers amounting to GH¢347,014 were not supported with payment vouchers.

283. In the absence of the payment vouchers we were unable to authenticate the disbursements. We therefore

requested management to ensure that the schedule officers refund the amount of GH¢347,014 failure of which they would be surcharged.

Revenue not accounted for - GH¢107,025

284. Regulation 15 of the Financial Administration Regulations, 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 into the relevant Public Fund Bank Account within twenty-four hours of receipt.

285. Our review of revenue collections showed that some BMCs do not comply with Regulation 15 of the FAR. In four BMCs visited in 2018 for instance, we noted that a total revenue of GH¢107,025 collected was un-accounted for. The table below provides the details.

No.	Institution	Name of Accountant(s)	Amount GH¢
1.	Metro Health Directorate, Tema	Daniel Agyekum/ Monica Torsu	10,537.00
2.	National Health Authority, Dzodze	Scheme Manager	70,129.25
3.	Pantang Psychiatric	Mrs. Lys Basoglo Yele	10,218.20
4.	National Blood Service (NBS)	Reuben Hammond/ Emelia Grant/Evelyn Binka	3,541.00
5.	Oblogo Health Centre	Mr. Emmanuel Dodoo	6,084.00
Total			107,025.45

286. We advised management of the respective BMCs to strengthen their internal controls on revenue collection and ensure the full recovery of the un-accounted amount of GH¢107,025.

TEMPORARY CENTRAL MEDICAL STORES

SPINTEX

Misapplication of drugs fund - GH¢327,763

287. Regulation 179 of Financial Administration Regulations, 2004 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.

288. We observed that the TCMS in March 2017 used drug funds amounting to GH¢300,000 as part settlement of rent to P.S.B. Realty Company Limited.

289. Similarly, four BMCs, misapplied drug funds amounting to GH¢27,763 as part payment for the purchase of computers.

No.	Institution	Amount GH¢
1.	Sissala East Municipal Health Administration - Tumu	11,275.75
2.	Suhum Government Hospital	6,826.75
3.	Dist Health Directorate - Krachi West	4,610.00
4.	Mampong Health Center- Mampong/ Ashanti	5,050.00
Total		27,762.5

290. We reiterated our previous recommendation that, the continuous use of drug funds for non-drug related expenditure could seriously affect the sustainability of the drug fund in the near future.

GA SOUTH MUNICIPAL HEALTH DIRECTORATE
Misappropriation of unspent cash – GH¢25,983

291. Regulation 53 of the Financial Administration Regulations 2004 prohibits the use of cash balances for any private purpose including the encashment of cheques.

292. During our audit of the Directorate it was established that the former head of finance, Mr. Emmanuel Dodoo misappropriated a total amount of GH¢11,811. Our further interaction with him confirmed this assertion. As a result, the case was referred to the Police for further investigation and recovery of the amount misappropriated.

293. Similarly, our review of records at the Aplaku Family Fitness Centre revealed that Mr. Emmanuel Dodoo could not account for a cash balance of GH¢14,172.

294. We urged management to strengthen their internal control on cash management and also ensure the recovery of the total amount of GH¢25,982.66 from Mr. Emmanuel Dodoo.

**GA SOUTH MUNICIPAL HOSPITAL, McCARTHY
HILL**

**Payment of VAT on VAT Exempted Products -
GH¢10,166**

Section 13 of Value Added Tax Act, 2013 Act (870) stipulates that supply of medical services and medical supplies are exempted from Value Added Tax.

295. During our review of expenditure supporting documents attached to 13 payment vouchers, we noted that seven suppliers of VAT exempted medical supplies charged VAT to the tune of GH¢17,146 on a total gross amount of GH¢119,028 in respect of supplies made to the facility.

296. In view of the exemption on the supplies, the suppliers may not pay the VAT charges to the Commissioner which could result in loss of funds to the State whilst enriching the suppliers with GH¢17,146.48.

297. Whilst commending management for their action in recovering GH¢6,980.50 from the Suppliers at the instance of the audit, we urged management to ensure the recovery of the outstanding amount of GH¢10,166.23 from the suppliers.

NSAWAM GOVERNMENT HOSPITAL

Vehicle paid for but not supplied – GH¢61,914

298. In 2015 Management entered into agreement with the Ministry of Health (MOH) under the Car revolving fund for the supply of a Nissan Navara Pick up for GH¢160,000.00 under hire purchase and an advance payment of GH¢61,914.06 was to be made to the MOH before delivery.

299. However, three years after part payment of GH¢61,914.06 the vehicle remain unsupplied. The table below provides the details.

Date of Payment	Amount GH¢
23 June 2015	34,396.70
26 October 2015	20,638.02
4 November 2015	6,879.34
Total	61,914.06

300. We realised that several follow ups made by management to enforce the agreement proved futile.

301. The hospital has therefore been deprived the use of the vehicle for the achievement of the operational objectives for which the vehicle was ordered.

302. We recommended that management should abrogate the contractual agreement and the advance payment of GH¢61,914.06 recovered with interest.

MUNICIPAL HEALTH DIRECTORATE, SALAGA

Laptop and Projector unaccounted for

303. Section 52 of the Public Financial Management Act, 2016 (Act 921) states that a Principal Spending Officer of a

covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets. A laptop and a projector donated to the Directorate by USAID (an International NGO) which were in the custody of Mr. John Iddone Nakoja and Mr. Ibrahim Sayibu respectively could not be presented for inspection. The table provides the details:

Name of equipment	Brand	Serial No.	Custodian of equipment	Position
Laptop Computer	Lenovo	KPO5aD5y	John Iddone Nakoja	Nutrition Officer
Projector	-	MRJH01100150 8001315900	Ibrahim Sayibu	Nutrition Officer

304. In view of the failure of the two officers to present the items for audit inspection we were unable to establish whether the items were still available for use by the institution.

305. We urged management to ensure that the items are retrieved from the two officers without any further delay.

NATIONAL HEALTH INSURANCE SCHEME - KADJEBI

GCRs not presented for audit – 6 books

306. Regulation 1 of the Financial Administration Regulations 2004, states that any Public Officer concerned with the conduct of financial business on behalf of the Government of Ghana or for the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of public stores, shall keep proper records of his transaction and shall produce such records for inspection when called upon to do so by the Auditor-General. Also, Regulation 225 of the FAR 2004 requires used Value Books to be retained for safe custody until such a time that their disposal under the appropriate regulations has been authorised.

307. Contrary to these provisions, the Manager, Mr. Francis Kwadwo Odumjah and the Accountant, Mr.

Anthony Norviewu, failed to present for audit six General Counterfoil Receipts books (GCRs) used for the collection of premiums and processing fees of the National Health Insurance Scheme (NHIS), Kadjebi. Details are shown below:

No	Book No	Person Issued to	Date Issued
1.	12681101-200	Office	03-02-16
2.	12681701-800	James Amuzu	12-02-16
3.	1717301-400	Boateng	08-04-16
4.	3059401-500	Boateng	30-05-16
5.	3059701-800	James Amuzu	02-06-16
6.	11464401-500	J. Adamu	25-11-16

308. Laxity in supervision over the issuance and accounting for value books by the Manager and the Accountant caused this anomaly.

309. As a result, we could not authenticate the moneys claimed to have been collected with such GCRs.

310. We recommended that the Manager, Mr. Francis Kwadwo Odumjah and the Accountant, Mr. Anthony Norviewu, should jointly provide the value books failure of which they would be sanctioned.

NATIONAL HEALTH AUTHORITY - DZODZE
Failure to present value books for audit inspection -
GH¢2,800.00

311. Our examination of the stock register disclosed that five General Counterfoil Receipts (GCRs) which were used to collect various types of revenue were not presented for audit inspection.

312. This is a violation of Regulation 1 of the Financial Administration Regulations, 2004 which requires all public officers who are responsible for the receipt, custody and the disbursement of the public and trust moneys to keep proper records of all transactions for inspection when called upon to do so by the Auditor-General.

313. Failure on the part of the accountant to ensure that all value books collected by the field officers were returned and revenue collected are promptly paid into its bank account before new ones are issued to them contributed to this anomaly.

314. We urged management to identify the various collectors and retrieve the total amount of GH¢2,800.00 from them and pay same to chest.

SHAMA HEALTH ADMINISTRATION

Abandoned Project - GH¢193,579

315. Regulation 2 of Financial Administration Regulations, 2004 requires a head of government department to ensure the efficient and effective use of appropriation under departmental control within the ambit of government policy and in compliance with any enactment, regulations or instructions issued under the authority of any enactment.

316. The Ministry of Health on 2 March 2004 awarded a contract for the upgrade of Shama Health Centre into a Polyclinic with ancillary doctors' and nurses' flat to Messrs Breму Limited, at a contract sum of GH¢548,840.79, and to be completed on 3 May 2005. The total payments made amounted to GH¢193,578.77 leaving a balance of GH¢355,262.02. We noted that the project has since 2006 been abandoned. Details are provided below:

Project	Location	Contractor	Start/Exp. completion Date	Contract Sum GH¢	% of Completion	Payment Amount GH¢	Balance GH¢
Upgrade of Shama Health Centre to a Polyclinic	Shama	Messrs Bremu Limited	2/3/04 - 3/5/05	548,840.79	57%	193,578.77	355,262.02

317. This occurred due to the failure of the Ministry to commit funds for the completion of the project on schedule, which could lead to additional cost through price variations.

318. We recommended to the District Health Director to liaise with the Regional Health Directorate to impress on the Ministry to release funds to complete the abandoned project.

Unsubstantiated Liabilities - GH¢69,788

319. Section 75 of the Public Financial Management Act 2016, (Act 921) states The Public Debt Management office shall keep in a timely manner and in an appropriate database, comprehensive and accurate records of outstanding local government debts.

320. The total indebtedness of the Health Centre to its suppliers as at May 2018 for drugs purchased stood at GH¢69,788.20. We noted, however, that the accountant could not substantiate this figure with purchase orders,

store receipt advice (SRA) and their subsequent usage for our verification. Details are provided below:

No.	Date	Payee	Amount GH¢
1	21/05/15	Guilin Pharmacy	8,100.00
2	15/06/15	Alive Pharmacy	11,660.00
3	14/07/17	Tobinco Pharmaceuticals	5,107.00
4	12/08/15	All Pharma	3,170.20
5	28/10/15	Daamass Pharmacy	537.00
6	28/10/15	Bedita Pharmacy	2,611.00
7	16/11/15	Oson's Chemist	33,135.00
8	19/11/15	Kina Parma LTD	5,468.00
Total			69,788.2

321. This occurred because the Accountant, Madam Lucy Deigo did not keep proper books of account.

322. This anomaly could lead to misappropriation of state funds.

323. We are of the opinion that these transactions did not occur in the absence of the accounting records and documents.

324. We therefore disallowed the debt of GH¢69,788.20 as alleged by Madam Lucy Deigo.

BIBIANI GOVERNMENT HOSPITAL

Failure to prepare a works order/certificate of satisfactory work done - GH¢54,749

325. Section 39 of Financial Administration Regulation, 2004 states 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.

326. Our audit of the payment vouchers revealed that, the Hospital made a total payment of GH¢54,748.56 on six payment vouchers for various repair works carried out on plants and machinery but failed to support the payment vouchers with the authorised works order or certificate of

satisfactory completion of the repair works. Details are provided below:

No.	Date	PV/No.	Payee	Particulars	Amount GH¢
1.	31/3/ 16	0418215	Hams Digital Electronics	Payment of maintenance of X'ray machine	5,545.00
2.	24/7/ 17	0418714	Paa Theo Enterprise	Payment for the repair of Autoclave	4,753.56
3.	4/10/ 17	0418569	Elsah Enterprise	Repair of Air condition	2,600.00
4.	16/11 /17	0418269	Bawa Motors Enterprise	payment for maintenance of official vehicle	6,550.00
5.	28/11 /17	0418278	Joeans Enterprise	Renovation of Pharmacy block	35,000.00
6.	20/12 /17	0418805	Medical Superintendent	Payment for repair of official vehicle	300.00
Total					54,748.56

327. According to management the repair work was urgently carried out hence their omission to follow due process.

328. The practice could lead to payment for shoddy and non-executed work.

329. We urged management to ensure that work orders are prepared and attached to payment vouchers before payment are made to authenticate the works carried out.

Unpresented General Counterfoil Receipts

330. Regulation 1 of the Financial Administration Regulations, 2004 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 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.

331. We noted that nine General Counterfoil Receipts books (GCRs) were not presented for audit. Details are provided below:

No.	Date Issued	To whom issued	Department	GCR No.
1.	29/12/15	Ayamga Mustapha	Pharmacy	10319201-10319300
2.	04/01/16	Margaret Essel	In-Patient	10319501-10319600
3.	26/02/16	Ayamga Lateef	Dispensary	10530201-10530300
4.	10/05/16	Samuel Abugri	Drugs Night	10500901-10561000
5.	05/07/16	Doris Tettey	Service	10592601-100592700
6.	27/07/16	Mustapha Lateef	Dispensary	10593401-10593500
7.	19/08/16	Ladi Anaabu	In-Patient	10242301-10242400
8.	08/12/16	Benjamin Wesley	Laboratory	10521101-10521200
9.	13/12/16	Sara Otchere	Dispensary	10521201-10521300

332. The weaknesses in controls of value books and revenue collections accounted for the omission.

333. Failure to present used General Counterfoil Receipts books (GCRs) could lead to misappropriation of revenue collected.

334. We recommended to management to ensure that the officers responsible produce the GCRs or would be surcharged.

SCHOOL OF DISPENSING OPTICS - OYOKO/ASHANTI

Acquisition of land without title deeds - GH¢188,000

335. We noted that, management acquired 47 acres of land costing GH¢188,000.00 as the new site for the School without obtaining Title Deed to confirm ownership of the land acquired. Further checks revealed that a final payment of GH¢37,440.00 on PV/No 1185682 dated 26/2/18 was made to the land lords.

336. The absence of Title Deed on the land could result in litigation due to acts such as resale of the same land to unsuspecting buyers without the knowledge of the school. Additionally, encroachers may find it easy to encroach upon the land.

337. We recommended to management to initiate procedures towards obtaining the land Title Deeds to seal the deal and safeguard the landed property.

ONWE GOVERNMENT HOSPITAL

Disbursements made in the name of Medical Superintendent instead of Suppliers - GH¢48,709

338. Regulation 43 of the Financial Administration Regulations, 2004 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.

339. We however observed during our review of financial records that the Accountant issued nineteen cheques totalling GH¢48,709.20 in the name of the Ag. Medical Superintendent instead of individuals or business entities named on the payment vouchers. The practice is tantamount to physical cash payment to suppliers.

340. This could lead to understatement of turnover by the business entities involved thereby leading to tax evasion. The practice also creates an avenue for cash irregularities in the name of the Medical Superintendent.

341. We recommended that management should desist from such practices and ensure that future payment for goods and services are made in the names of the appropriate individuals or business entities transacted with.

METRO HEALTH DIRECTORATE, KUMASI

Payment of contingency without justification -

GH¢13,034

342. Regulation 39 of Financial Administration Regulations, 2004 requires that, a head of department should ensure that moneys are utilised in manner that secures both optimum value for money and the intention of the funds. The head of the account section should also control the disbursement of funds and ensure that

transactions are properly authenticated to show that amounts are due and payable.

343. We noted that a total amount of GH¢13,034 which was provided as contingency in respect of two projects was paid as part of the contract sum to the contractors. We further noted that there was no justification or evidence of any occurrence that warranted the payment of such contingency by management. Details are provided in the table below:

Date	PV No.	Contractor	Project/Location	Contract Sum	Contingency
04/08/17	1453638	Kwa-Nyark Co. Ltd.	Construction of Maternity Block at Apatrapa Health Centre	150,599.42	7,529.97
04/08/18	14486	Free HOFS Ltd.	Construction of Wall at MCH, Pampaso	60,541.00	5,503.80
Total				211,140.42	13,033.77

344. This resulted in an over paid amount of GH¢13,034 to the contractors.

345. We recommended that management should recover the GH¢13,034 from the contractors and pay same into the

MP's NHIS fund account failure of which Dr. Alberta A. Britwum Nyarko (Medical Director), Mr. Maxwell Odarko (Accountant) and Mr. Awuku (Reg. Estate Officer) would be surcharged.

**Procurement and Project Files not Produced for audit –
GH¢446,890**

346. Management of the Metro Health Directorate failed to produce the procurement and project files in respect of three projects with a total contract sum of GH¢446,890.05 for our review.

347. This is contrary to Section 28 of the Public Procurement Act 2003, (Act 663) as amended by Act 914 (2016) which requires a procurement entity to maintain records of the procurement proceedings and documents and make available such records for inspection by the Auditor-General for verification and review. Details are provided below:

Contract	Contractor	Contract Sum (GH¢)	MPs Fund
Construction of Maternity Block at Apatrapa	Kwa-Nyarko Co. Ltd.	150,599.42	Kwadaso Constituency
Construction of fence wall at Maternal and Child Health Hospital, Kumasi	Free HOFS Ltd,	60,541.80	Subin Constituency
Construction of Maternal Block annex at Kumasi South Hospital	Farnony Co. Ltd.	235,748.81	Asokwa Constituency
Total		446,890.05	

348. We could therefore not confirm whether value for money was obtained by management regarding the award of the three projects.

349. We recommended that management should make the documents available for our inspection failure of which the officers involved would be surcharged.

**MINISTRY OF FOOD AND AGRICULTURE
HEAD OFFICE**

Failure to retire Imprest - GH¢29,684

350. Regulations 288 and 289 of Financial Administration Regulations, 2004 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. Failure to retire an imprest by the due date, unless occasioned by the death or incapacity of the imprest holder is a breach of discipline as defined in Regulation 8 (1).

351. We observed that imprests totalling GH¢29,684 granted to 11 officers were not retired at the end of the 2017 financial year. The table below provides the details:

Date	Payee	Amount GH¢
11/01/2017	Joyce Kyeremaa	1,000.00
17/01/2017	Chief Director	1,000.00
17/02/2017	Director, F/A	1,500.00
08/03/2017	“	4,800.00
27/03/2017	“	800.00
17/02/2017	“	500.00
01/03/2017	Gifty Osei Tutu	1,000.00
23/11/2017	Patrick Ankobea	1,000.00
23/11/2017	Hon. Dr. Gyiele	2,000.00
16/10/2017	“	1,000.00
23/11/2017	Asante Krobea	500.00
07/06/2017	Faustina Ohene	800.00
09/10/2017	Frank Amoako	9,060.00
21/08/2017	John Agana	3,724.00
05/09/2017	Agyemang Jeremy	1,000.00
Total		29,684.00

352. We urged management to strengthen the mechanism for timely retirement of imprest. We also advised them to ensure the retirement of the imprest failing which they would be surcharged.

MOFA (Finance Directorate)

Unsupported payments - GH¢508,469

353. Regulation 39 of the Financial Administration Regulations, 2004 states that a 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.

354. Contrary to the above regulation, our review of records disclosed that 35 paid vouchers processed and paid by two Agric Institutions with a total face value of GH¢336,838 were not acquitted with the relevant supporting documents. In view of this, we were unable to authenticate the payments. The table below provides the details:

No.	Institution	District	No. of PVs	Amount GH¢
1.	Finance Directorate	Hqtrs	12	135,105.00
2.	Regional Agric. Development Unit	Tamale	23	201,733.00
3.	MOFA	Akim Ofoase	-	12,750.00
4.	MOFA	Agotime-Ziope	-	12,767.18
5.	MOFA, Regional Office	Cape Coast	-	80,365.96
6.	Cocoa Health and Extension Division	Codapec Dunkwa	-	65,748.25
Total				508,469.39

355. We disallowed the payments and requested the Accountants of the two Institutions to refund the amounts involved failure of which they would be surcharged.

**MINISTRY OF FOOD AND AGRICULTURE -
KWABENG**

Failure to recover seedlings money from beneficiary farmers - GH¢25,170

356. Section 2 (d) Financial Administration Regulation, 2004 states a Head of 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.

357. We noted that, during the 2017 farming season, the Director of Agriculture, Kwabeng distributed farming inputs such as rice, maize and pepper seedlings valued at GH¢49,919 on loan to 138 individuals and group of farmers in the District to pay after harvest. However, we noted that, out of the total amount involved; only GH¢24,749.20 have been paid leaving an outstanding balance of GH¢25,170.20 to be paid as at July 2018. Details are provided below:

Type of Seedlings	No of Beneficiaries	Total Cost GH¢	Amount Paid GH¢	Outstanding balance GH¢
Maize	112	41,160.00	20,195.50	20,964.50
Pepper	17	4,599.40	2,171.70	2,427.70
Rice	9	4,160.00	2,382.00	1,778.00
Total	138	49,919.40	24,749.20	25,170.20

358. We attributed the lapse to management's failure to put in place effective recovery procedures. This could

affect the sustainability of the programme and deny other farmers from benefitting from the support.

359. We recommended that the District Director intensifies efforts to recover the outstanding amount of GH¢25,170.20 from the defaulters and pay same into chest. Management responded that letters had been served on all defaulters.

Unearned salary- GH¢35,022

360. Regulation 297 of the Financial Administration Regulations, 2004 enjoins heads of department to immediately stop the payment of salary to a public servant, who resigns, retires, dies or absents himself from duty without leave or reasonable cause for a period.

361. Contrary to the above, some staff who separated from their respective institutions continued to receive monthly salaries resulting in the payment of unearned salaries totalling GH¢35,022. The table below provides the details:

No	Institution	District	Amount (GH¢)
1.	Ministry of Food and Agriculture	Akim Oda	2,239.24
2.	Livestock Breeding Station	Pong-Tamale	24,219.67
3.	Ministry of Food and Agriculture	Agotime-Ziope	1,887.58
4.	Ministry of Food and Agriculture	Wenchi	6,675.67
Total			35,022.16

362. Failure of the affected Management Units to promptly delete names of separated staff in our view largely accounted for the anomaly.

363. We urged management to recover the unearned salaries from the officers concerned and pay same into the Controller and Accountant General's Suspense Account.

METROPOLITAN AGRICULTURAL DEVELOPMENT UNIT - TAMALE

Outstanding debt on Planting for Food and Jobs - GH¢2,889,289

364. Under the Planting for Food and Jobs, farmers are provided with farm inputs the farmers and are required to make upfront payment of 50% of the farm inputs before the farming season and the remaining 50% (loan) payable after the farming season.

365. During our review, we noted poor recovery of the loans from the farmers after the farming seasons. In nineteen offices visited, we observed that out of a total of GH¢5,575,736 granted, GH¢2,686,453.53 was recovered leaving an outstanding amount of GH¢2,889,286. The details are shown in the table below:

No	Institution	Loan GH¢	Amount Recovered GH¢	Balance GH¢
1.	Metropolitan Agric. Development Unit, Tamale	536,849.50	3,842.00	533,007.50
2.	District Agriculture Development Unit, Kumbungu	531,132.00	24,003.00	507,129.00
3.	Municipal Agriculture Development Unit, Savelugu	158,264.30	111,118.30	47,146.00
4.	Municipal Agriculture Development Unit, Savelugu	25,401.00	0.00	25,401.00
5.	Agriculture Directorate, Bolgatanga	440,715.00	195,593.95	245,121.05
6.	Agriculture Directorate, Zebilla	328,814.30	40,452.25	288,362.05
7.	Agriculture Directorate, Nabdam	202,559.70	151,985.72	50,573.98
8.	Agriculture Directorate, Paga	1,623,406.50	1,228,409.00	394,997.50
9.	Ministry of Food and Agriculture, Jasikan	61,754.17	38,831.92	22,922.25
10.	Department of Food and Agric,	108,132.60	54,066.30	54,066.30

	Assin South District			
11.	Department of Agriculture, Agona Nsaba	67,482.00	39,886.00	27,596.00
12.	Ministry of Food and Agriculture, Dormaa Ahenkro	137,638.00	68,819.00	68,819.00
13.	Municipal Agricultural Development Unit, Nkoranza South	295,648.40	147,824.20	147,824.20
14.	Ministry of Food and Agriculture, Nkoranza North	258,165.30	129,082.65	129,082.65
15.	Ministry of Food and Agriculture, Bosomtwe District	191,701.44	118,200.84	73,500.60
16.	Ministry of Food and Agriculture, Wenchi	277,091.75	138,545.88	138,545.88
17.	Ministry of Food and Agriculture, Bekwai-Ashanti	150,280.00	114,525.50	35,754.50
18.	Ministry of Food and Agriculture-Asiwa	105,168.54	36,295.02	68,873.52
19.	Ministry of Food and Agriculture-Manso Nkwanta	75,535.00	44,972.00	30,563.00
Total		5,575,739.50	2,686,453.53	2,889,285.98

366. Considering the poor manner in which the loans are recovered from the farmers, we envisage that sustainability of the programme would be affected.

367. We therefore urged the Ministry to institute measures that will ensure prompt compliance.

Fertilizers not accounted for (1,689 bags) - GH¢98,025

368. Section 52 of the Public Financial Management Act, 2016, (Act 921) enjoins a Principal Spending Officer of a covered entity, state owned enterprise or public corporation to be responsible for the assets of the institution under the care of the Principal Spending Officer and to ensure that proper control systems exist for the custody and management of the assets. A control system shall include, preventive mechanisms to eliminate theft, loss, wastage and misuse.

369. We observed inefficiencies in the management of stores in respect of fertilizer supplied to the Directorate under the Planting for Food and Jobs Programme.

370. We noted during our stock taking at Agricultural Directorates in both Paga and Wechaiu that a total of 1,689 bags of fertilizers valued at GH¢98,025 could not be accounted for. Out of the total of 1,524 bags of fertilizers in Paga included 165 bags unaccounted for in 2017.

371. The two Directorates in response to this observation stated that, their stores were broken into and the fertilizers stolen. The table below provides the details:

No.	Institution	Qty. (Bags)	Amount GH¢	Response
1.	Agriculture Directorate – Paga	165	10,395.00	Stolen Fertilizer
2.	Department of Agriculture, Wa West	1,624	87,630.00	Stolen Fertilizer
Total		1,689	98,025.00	

372. Notwithstanding the assertion of the Directorates that the fertilizers were stolen, they could not prove it with any evidence that they reported the cases to the Police.

373. We viewed this as an act of conspiracy among some officials in the Directorates for their personal gains.

374. To ensure the success of government's policy on Planting for Food and Jobs Programme across the country, we urged the Ministry to strengthen its controls in the management of farm inputs. We also advised the Ministry to ensure that management of the two Directorate are held accountable for the 1,689 bags of fertilizers which they claimed to have been stolen.

**MINISTRY OF FOOD AND AGRICULTURE -
ASHANTI REGIONAL OFFICE**

Failure to collect bond amount - GH¢80,379

375. Regulation 7 of the Public Financial Management Act 2016, (Act 921) states that a principal spending officer of a covered entity shall ensure the regularity and proper use of money appropriated in that covered entity.

376. Under a three-year bond agreement, Mr. Eliasu Mumuni, a Senior Agric Officer, was required to return to post after pursuing a Doctorate programme at the University of Nottingham, Malaysia from October, 2013 to October, 2016.

377. During our audit we noted that, Mr. Eliasu Mumuni had broken his bond as he failed to report to post on completion of his programme in 2016. In view of his failure to honour the terms of the bond, we may disallow a total of GH¢80,379 being the salaries and other related benefits that accrued to him over the period of his study leave.

378. We therefore urged management to ensure the recovery of the unearned salaries with interest from Mr. Eliasu Mumuni or his guarantors without any delay.

MINISTRY OF FISHERIES AND AQUACULTURE DEVELOPMENT (MOFAD)

Failure to account for foreign travel expenses - GH¢183,360

379. Regulation 39 of the Financial Administration Regulations, 2004 states that a 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.

380. During our review we noted that a total amount of US\$38,200 (GH¢183,360) expended on foreign travels in respect of accommodation expenses and Accountable Imprest were not supported with relevant documents to authenticate the payments.

381. We disallowed the payments and requested the officers to refund the amount involved to chest failure of which they would be surcharged. We further advised Management to put in place effective internal controls to prevent such lapses from recurring.

MINISTRY OF INTERIOR

GHANA POLICE SERVICE

TAMALE AND JUKWA POLICE STATIONS

Missing Rifles and cartridges

382. Section 52 (1&2) of the Public Financial Management Act, 2016 states that, a Principal Spending Officer of a covered entity shall be responsible for the assets of the institution under the care of the Principal Spending Officer

and shall ensure that proper control systems exist for the custody and management of the assets and shall also ensure that preventive mechanisms are in place to eliminate theft, loss, wastage and misuse.

383. Also, Instruction 124(1-3) of the Ghana Police Service states that, where any member of the Service learns of a damage to or loss of any equipment or material on charge to or issue for the use of the Service, he shall report the same to the nearest Police Station at once. The officer in charge of the station at which such a report is made shall cause immediate investigation to be made.

384. Our verification of records at the armory of the Ghana Police Service, Tamale, revealed that, two AK 47 rifles issued to Robert Ackah for escort and Atuasi Dawda for night patrol duties on 26 May 2017 and 16 August 2017 respectively had since not been returned. There was also no available information as to the whereabouts of the rifles as they still stand in the names of the officers as shown below:

Rifle No.	No. of Rounds	Name of officer	Assignment	Service No.	Date issued
172194	50	Robert Ackah	O.A. Escort	47523	26/5/17
157480	20	Atuasi Dawda	Night Duties	46981	16/8/17

385. Similarly, at the Jukwa Police Station, we noted that, out of 84 AK47 Cartridges allocated to the Station vide letter number Juk.11/VOL.1/12 of 27 May, 2009, only 30 were accounted for leaving 54 outstanding.

386. In our view, should the rifles and cartridges fall into wrong hands, they could be used to engage in social vices.

387. We recommended that management should investigate the issues and initiate steps to retrieve the rifles and cartridges.

DIVISIONAL POLICE COMMAND - TARKWA

Newly constructed Police Station at Simpa not occupied

388. Section 52 of the Public Financial Management Act, 2016 Act 921 states that, a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the Institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets to ensure that preventive mechanism are in place to eliminate theft, loss, wastage and misuse.

389. The Tarkwa Nsuaem Municipal Assembly on 2 June 2016 handed over a GH¢453,000 Police Station and a six-bedroom accommodation at Simpa to the Divisional Police Command, Tarkwa. We noted however that, the Police Command had failed to occupy the facility even though it had since been handed over to them by the Assembly.

390. We recommended that the Police Command should take immediate steps to put the facility to use to ensure that value for money is obtained.

GHANA PRISONS SERVICE - NAVRONGO

Failure to withhold income tax on allowances - GH¢31,354

391. Section 114 (1) of the Income Tax Act, 2015 (Act 896) requires an employer to withhold tax from the payment of any amount to be included in ascertaining the income of an employee from the employment.

392. During the audit, we noted that the Accounts Officer failed to withhold an amount of GH¢31,354.02 being 10% of total staff allowances of GH¢313,540.21.

393. In response Management indicated that, it would contact its Headquarters for advice.

394. We recommended that management remitted the amount of GH¢31,354 to GRA without further delay.

HIAWA PRISON CAMP - MANSO AMENFI

Absence of title deed to secure acquired land

395. Article 41(f) of the 1992 Constitution of Ghana states among others that it shall be the duty of every citizen to protect and preserve public property and expose and combat misuse and waste of public funds and property.

396. We noted that the management of the Hiawa Prisons Camp had acquired a 324.349 Acres of land from the Chiefs of Ehyireso but there were no land documents such as, indenture and land title deed to confirm ownership of the land to the Prisons Service.

397. The delay in obtaining title deed for the land had already resulted in encroachment on parts of the land by residents of the area.

398. We recommended and management agreed to take immediate steps to obtain all the necessary land documentations to secure the land.

**GHANA NATIONAL FIRE SERVICE (GNFS),
TAMALE**

Revenue not accounted for GH¢6,802

399. Regulation 15(1) of the Financial Administration Regulations, 2004 states that, any Public Officer or revenue collector who collects or receives public and trust money shall issue official receipt for them and pay them into the relevant Public Fund Bank Account within 24 hours of receipt except in exceptional circumstance to be identified by the Minister.

400. Our review of the revenue records at GNFS, Tamale revealed inadequate supervision by management over the work of the Accountant. We noted for instance that, out of a total revenue of GH¢86,026 collected by the Accountant, GH¢79,225 was lodged at the bank leaving a balance of GH¢6,802 unaccounted for.

401. We advised management to strengthen its supervisory role over the work of the Accountant. We

further urged management to recover the total amount of GH¢6,802 from the Accountant without any further delay.

GHANA PRISON SERVICE - KOFORIDUA

Indebtedness to Landlords - GH¢50,400

402. Section 1 (3) of the tenancy agreements states that, the tenants shall pay rent monthly on or before the last day of the month.

403. Our review of tenancy documents between Ghana Prisons Service, Koforidua and five Landlords however, disclosed that the Service owed rent arrears of GH¢50,400 for the period January 2016 to December 2016. We however, noted that, rent for January 2017 to December 2017 had been settled leaving that of 2016 unpaid. The details are provided below:

S/No.	Name of Landlord	House No/ Location	Rent Per Month	Period	Amount GH¢
1.	Mr Kofi Agyei	EF/ A145 Effiduase	960.00	Jan-Dec 16	11,520.00
2.	Mr Ernest Aboagye	EF/142 Effiduase	520.00	Jan-Dec 16	6,240.00
3.	Mr Hayford Addo Siaw	SD/91 Nsukwao	1600.00	Jan-Dec 16	19,200.00
4.	Miss Ama Konadu	EF/ A 97 Effiduase	560.00	Jan-Dec 16	6,720.00
5.	Miss Rosemary Agyekum	EF/ A Effiduase	560.00	Jan-Dec 16	6,720.00
Total					50,400.00

404. Our enquiries revealed that payments of rent are processed from headquarters, which also determines the period of payment. The occupants of these premises numbering 60 Prisons Officers risk being ejected by the landlords and legal action could be taken against the Service which would result into judgement debt when rent due is not paid on time.

405. We recommended that management should liaise with the Director-General of Prisons through the Ministry of Interior, to pursue the Ministry of Finance to settle the indebtedness of GH¢50,400 to the five landlords to avoid ejection of officers or legal action against the Service.

GHANA IMMIGRATION SERVICE, BOLE

Unsupported payments - GH¢11,950

406. Regulation 39 of Financial Administration Regulations, 2004 requires that the head of 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 and reject any disbursements that do not meet the requirement.

407. We observed during our review that the above provision was not fully complied with by the Bole Immigration Office. We noted that payments by the office amounting to GH¢11,950 were not backed by supporting documents.

408. In the absence of these documents we were unable to authenticate the payments. We therefore requested that the Accountant and the Sector Commander should refund the amount of GH¢11,950 failure of which they would be surcharged.

GHANA IMMIGRATION SERVICE (GIS)

Transportation of revenue by road - GH¢120,841

409. Section 7 (2) of the Public Financial Management Act, 2016 Act 921 states that, a Principal Spending Officer shall, in the exercise of duties under this Act, establish an effective system of risk management, internal control and internal audit in respect of the resources and transactions of a covered entity.

410. Our review showed control weaknesses in the custody and transfers of revenue collected from the outstations to the Service's Headquarters, Accra.

411. We noted that, the Takoradi Command between September 2017 and May 2018 transported a total revenue

of US\$19,600 by road to the Service's Headquarters in Accra. Details are provided below:

Date of Deposit	Amount (US\$)
29/09/17	2,800.00
22/12/17	5,300.00
04/05/18	11,500.00
Total	19,600.00

412. Similarly, we noted that revenue totalling GH¢1,280 and US\$4,850 collected by the Elubo Command was also transported by road to the Regional office, Takoradi as detailed below:

Month	Amount US\$	Amount GH¢
August	650.00	
September	900.00	
October	1,100.00	1,080.00
November	950.00	80.00
December	1,250.00	120.00
Total	4,850.00	1,280.00

413. We are of the view that the continuous transportation of revenue by road as a result of the absence of a designated bank account, could lead to loss of public funds through robbery, theft and diversion.

414. We therefore recommended to the Regional Commanders to seek approval from the Controller and Accountant-General through their Headquarters to enable the Commands open bank accounts to facilitate the transfer of money through the banking system.

**MINISTRY OF GENDER, CHILDREN AND
SOCIAL PROTECTION (MoGCSP)**

**GHANA NATIONAL HOUSEHOLD REGISTRY,
ACCRA**

**Failure to present 6 payment vouchers for audit -
GH¢2,860,656**

415. Regulation 1 of the Financial Administration Regulations 2004 states that, any public officer responsible for the conduct of financial business on behalf of the Government shall keep proper records of all transactions

and shall produce records of all transactions for inspection by the Minister, the Auditor General, Controller and Accountant General or any officer authorised by them.

416. We noted during our examination of records that the Ministry does not maintain proper filing of its records. Our review of payment records disclosed that though six payments totalling GH¢1,556,691 & US\$266,660 had been made, the Ministry could not substantiate the payments with the relevant payment vouchers. The table below provides the details:

No.	Date	PV. No.	Cheque No.	Details	Amount GH¢	Amount US\$	Payee
1.	09/02/16			Genkey	29,074.71		Genkey Solutions
2.	09/02/16			Genkey	1,284,684.98		Genkey Solutions
3.	15/09/16			Customs charges for clearing Tablets	236,109.37		Genkey Solutions
4.	19/09/16	WBP/177/ 09/16	102969	Procurement of tyre for two GNHR pickup vehicles in the Upper West region	6,236.60		
5.	10/06/16		102994	Servicing of vehicle No. GN 1786-16	585.18		
6.	04/05/16			Transfer to GhIPPS		266,659.52	
Total					1,556,690.84	266,659.52	

417. Management in response stated that, the payment vouchers could not be traced. They however, assured the team that the Accountant had been tasked to retrieve the payment documents for our inspection.

418. In view of management's failure to substantiate the expenditure incurred, we disallowed the total payments equivalent to GH¢2,860,656 and requested management to refund same failure of which they would be surcharged.

**GHANA SCHOOL FEEDING PROGRAMME - HEAD
OFFICE, ACCRA**

**Proceeds from sale of application forms not accounted for
- GH¢899,617**

419. Under the School feeding Programme, the Secretariat engaged the services of the MMDAs for the sale of catering application forms.

420. Our review of the records at the secretariat showed poor recovery of the proceeds from sale of the forms from the MMDAs. Our examinations showed that out of the

GHC1,094,000.00 realised from the sale of 21,880 pieces only GHC194,383.00 had been accounted for leaving an outstanding amount of 899,617.00 unaccounted for by 81 MMDAs.

421. Lack of effective oversight over the MMDAs in the collection and accounting for the proceeds from the sale in our view largely accounted for the poor recovery.

422. Management in response agreed with our observation and stated that the MMDAs had been written to, to pay the proceeds of the sale of the Application forms into the Fidelity Bank Account at Ridge Towers.

423. We urged the Secretariat to improve on their partnership with the MMDAs to mitigate a recurrence. We also recommended to the Secretariat to ensure that the outstanding proceeds of GH¢899,617.00 with the MMDAs are fully accounted for.

Unsubstantiated payment - GH¢1,100,000

424. Regulation 1 of the Financial Administration Regulations 2004 states that, any public officer responsible for the conduct of financial business on behalf of the Government shall keep proper records of all transactions and shall produce records of all transactions for inspection by the Minister, the Auditor General, Controller and Accountant General or any officer authorised by them.

425. Contrary to the above, our review of the cashbook revealed that a payment of GH¢1,100,000.00 made to Dalex Finance Company vide Cheque No 24292 of 27/03/2017 was not substantiated with payment voucher and other supporting documents.

426. In the absence of the payment voucher and other supporting documents, we could not authenticate the expenditure.

427. We requested a refund of the GH¢1,100,000.00 from management for its inability to produce the documents for our review, failure of which they would be surcharged.

Five unsupported transactions - GH¢1,368,348

428. Section 39 (2c) of the Financial Administration Regulations, 2004 states that, the head of 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.

429. Contrary to the above requirement, our audit disclosed that management failed to substantiate five payments totalling GH¢1,368,348.00 with the requisite documentations like distribution list, contract document, invoices, attendance sheet and list of beneficiaries. The table below provides the details:

No	Date	PV No	Cheque No.	Details	Payee	Amount GH¢	Remarks
1.	03/01/2017	A000623	24220	Printing & supply of ID Card holders (pouches)	Jokwat Printing Press Ltd.	408,750.00	Distribution list to regions required. Evidence of usage required. Contract documents required. Three invoices required.
2.	07/11/2017	A001019	24547	Funds for media engagement in the Gt. Accra Region	Dinah Aframah Karikari	10,000.00	Payment Sheet required.
3.	28/04/2017	A000770	24338	Funds for GSFP's Engagement Session meeting with District Level Actors	National Coordinator	466,198.30	Attendance sheet required.
4.	15/12/2017	A001064	24604	Funds to service the training of new caterers and cooks in Western and Central Region	National Coordinator	180,650.00	List of trainers required
5.	15/12/2017	A000856	24599	Funds to service the training of new caterers and cooks in Brong Ahafo and Upper west region	National Coordinator	302,750.00	List of caterers required.
Total						1,368,348.30	

430. In view of management's failure to substantiate the total payment of GH¢1,368,348.00, we disallowed the expenditure and requested management to refund same failure of which they would be surcharged.

DEPARTMENT OF GENDER - SEKONDI

Unpresented Payment Vouchers - GH¢18,218

431. Regulation 1 of the Financial Administration Regulations, 2004 states that, any public officer responsible for the conduct of financial business on behalf of the Government shall keep proper records of all transactions and shall produce records of all transactions for inspection by the Minister, the Auditor General, Controller and Accountant General or any officer authorised by them.

432. The Accountant failed to present two payment vouchers with a face value of GH¢ 18,218.00 for audit. Details are provided below:

No.	Date	Payee	Chq/No.	Amount GH¢
1	20/4/2016	Josephine Yankson	531848	16,400.00
2	20/4/2016	Josephine Yankson	531845	1,818.00
Total				18,218.00

224. We recommended that, management should ensure that the amount of GH¢18,218.00 is refunded by the officer failure of which they would be surcharged.

MINISTRY OF CHIEFTANCY AND RELIGIOUS AFFAIRS

NINGO TRADITIONAL COUNCIL, NINGO

Unsubstantiated payments - GH¢7,700

433. Regulation 39 (2c) of the Financial Administration Regulations, 2004 states that the head of 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.

434. Contrary to the above requirement, our audit disclosed that the Registrar of the Council failed to substantiate payments totalling GH¢7,700.00 with the requisite documentations.

435. We urged the Council to ensure that the Registrar fully accounts for the amount of GH¢7,700.00 failure of which he would be surcharged.

ATTI MORKWA TRADITIONAL COUNCIL

Unsubstantiated payments - GH¢15,933

436. Regulation 39 (2c) of the Financial Administration Regulations, 2004 states that, the head of 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.

437. Contrary to the above requirement, our audit disclosed that the Registrar of the Council failed to substantiate eight payments totalling GH¢15,932.27 with the

requisite documentations. The table below provides the details:

No.	Date	Cheque Number	Payee	Amount GH¢
1.	13/1/17	000331	Cleared cheque	941.63
2.	20/1/17	000335	Assistant Regional Registrar	489.76
3.	1/2/17	000333	Assistant Regional Registrar	80.00
4.	7/4/17	000336	Assistant Regional Registrar	3,596.18
5.	21/4/17	000338	Assistant Regional Registrar	2,500.00
6.	25/4/17	000337	ECCG	500.00
7.	12/5/17	000339	Assistant Regional Registrar	825
8.	12/5/17	000340	Assistant Regional Registrar	7,000.00
Total				15,932.57

438. We urged the Council to ensure that the Registrar accounted in full the amount of GH¢15,932.57 failure of which he would be surcharged.

CENTRAL REGIONAL HOUSE OF CHIEFS

Embezzlement of funds - GH¢33,400

439. Regulation 22 of the Financial Administration Regulations, 2004 states that, all public monies collected shall be paid in gross into the Public Fund Accounts and no disbursement shall be made from the moneys collected except as provided by an enactment.

440. We noted that in 2016, the former Treasurer, Mr. Kweku Sheburah embezzled an amount of GH¢45,000. We noted further that the Treasurer had refunded GH¢11,600.00 of the amount as at the time of audit leaving a difference of GH¢33,400.00 not refunded.

441. We recommended that Mr. Kweku Sheburah should be arrested and made to refund the amount of GH¢33,400.00 with interest.

MINISTRY OF WORKS AND HOUSING

Failure to handover official vehicles

442. During our review of assets management of the Ministry, we noted poor system of handing over of official vehicles when the assignees separate from the Ministry.

443. Our audit showed that two officials, Hon. Bagbin former Minister of Works & Housing and Dr. Camynta, a Consultant who separated from the Ministry took along with them vehicles that were assigned to them for their official duties. The table below provides the details:

Vehicle Reg. No.	Make and Type	Assigned To
GT 1030 - 11	BMW 730LI	Hon. Bagbin
GE 9991 - Z	Land Cruiser	Dr. Camynta

444. We recommended that management should strengthen its assets management particularly, in relation to handing over of official vehicles when the assignee separate from the Ministry. We also urged management to ensure recovery of the vehicles from Hon. Bagbin the former

Minister of Works & Housing and Dr. Camynta, the then Consultant without any further delay.

Use of Internally Generated Fund (IGF) without Parliamentary approval - GH¢2,033,860

445. Regulation 22 of the Financial Administration Regulations, 2004 states that, all public moneys collected shall be paid in gross into the Public Funds Accounts and no disbursement shall be made from the moneys collected except as provided by an enactment. Any 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).

446. Contrary to the above Regulations, our examination showed that IGF of GH¢5,227,690.00 collected in 2017 was not lodged into the Public Funds Accounts. We also noted that the Ministry without authorization disbursed GH¢2,033,860.00 out of the total amount collected within the period, January to December 2017.

447. Management in response explained that, delays in the release of appropriation for goods and services by the Ministry of Finance necessitated the use of the IGF for their operations.

448. We advised management to desist from the use of IGF without Parliamentary approval. We also recommended that management should refund the total amount of GH¢2,033,860.00 into the Consolidated Fund Account.

Rent arrears of UNDP flats occupants - GH¢3,426,423

449. Regulation 17 of Financial Administration Regulations, 2004 states that, a head of Department shall ensure that all non-tax revenue are efficiently collected and lodged into the Consolidated Fund.

450. Contrary to the above provision, we noted that management did not collect rent amounting to US\$700,700.00 from 39 tenants of the UNDP flats for the period 2015 to 2017.

451. We urged management to recover the amount due and also put in place necessary mechanisms to ensure timely collection of rent.

RENT CONTROL DEPARTMENT

Single Source Procurement without Approval - GH¢276,150

452. Section 40 (1a) Part IV of the Public Procurement Authority states that a procurement entity may engage in single-source procurement under section 40 with the approval of the Board, (a) where goods, works or services are only available from a particular supplier or contractor, or if a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists.

453. We noted during our review that management in 2017 awarded a single source contract to Langtaar Ent. Ltd for the construction of a one-storey District Office at Jirapa without approval of Public Procurement Authority. The contract

sum was GH¢276,150.00 and as at the close of audit a total amount of GH¢61,183.83 had been paid to the contractor.

454. Uncompetitive procurement could prevent the entity from obtaining value for money to the detriment of the State.

455. We recommended to the Sector Minister to sanction the officers involved in line with Section 92 (1) of the Public Procurement Act, 2003 (Act 663) as amended. We further advised management to desist from the practice.

MINISTRY OF COMMUNICATIONS

GHANA-INDIA KOFI ANNAN CENTRE OF EXCELLENCE IN ICT

Unauthorised disbursement of Internally Generated Fund (IGF) - GH¢2,094,002

456. Regulation 22 of the Financial Administration Regulations, 2004, states that all public moneys collected shall be pay in gross into the Public Funds Accounts and no disbursement shall be made from the moneys collected except as provided by an enactment. Any 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).

457. Contrary to the above provisions, our review of records showed that out of a total IGF of GH¢2,494,002.07 collected between January and December 2017, GH¢400,000.00 representing 16% was paid into the Consolidated Fund account while GH¢2,094,002.07 representing 84% was retained and utilised without seeking Parliamentary approval.

458. Management in response indicated that, they utilised that part of the Internally Generated Fund due to inadequate budgetary allocation.

459. We advised management to desist from the use of IGF without Parliamentary approval. We also recommended that management should refund the total amount of GH¢2,094,002.07 into the Consolidated Fund Account.

MINISTRY OF TRANSPORT

DRIVER VEHICLE AND LICENSING AUTHORITY- KOFORIDUA

Unsubstantiated payments - GH¢4,645

460. Regulation 39(2c) of the Financial Administration Regulations, 2004 stipulates that, the head of the accounts section shall control the disbursement of funds and ensure that transactions are properly authenticated to show that the amounts are due and payable.

461. Our audit revealed that, the Accountant paid a total amount of GH¢11,111.00.00 to four officers to perform various programmes and activities. We however noted that, GH¢6,466.00 was accounted for leaving a difference of GH¢4,645.00. The details are provided in the table below:

N o.	Date	P V. No.	Chq. No.	Payee	Gross Amount GH¢	Amount accounted for GH¢	Amount not accounted for GH¢
1.	5/4/18	0020789	531345	Godfred Boateng	1,800.00	1,000.00	800.00
2.	15/5/18	0020717	531401	Godfred Boateng	400.00	-	400.00
3.	15/5/17	0014962	530915	Godfred Boateng	1,450.00	1,190.00	260.00
4.	22/5/17	0014979	530934	George Quist	1,500.00	1,000.00	500.00
5.	23/5/17	0014985	530939	George Quist	745.00	-	745.00
6.	16/6/17	0010830	530985	George Quist	1,500.00	1,390.00	110.00
7.	27/7/17	0010899	531058	Ochere William	520.00	-	520.00
8.	28/7/17	-	531062	George Quist	1,480.00	1,170.00	310.00
9.	28/8/17	-	531111	Emmanuel Denyoh	1,716.00	716.00	1,000.00
Total					11,111.00	6,466.00	4,645.00

462. We recommended to management to ensure that the total amount of GH¢4,645.00 is refunded by the four officers, failure of which they would be surcharged.

Stolen Vehicle-GV 2535-14

463. Regulation 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 of in accordance with this regulation.

464. We observed during the audit that, a Toyota Hilux with registration number GV 2535-14 belonging to the NHIA, Kibi had been missing since January 2017. The Manager informed the audit team that, the case had been reported to the Police.

465. We recommended to the Management to follow up with the Police to expedite action on their investigations to bring finality to the matter.

NATIONAL ROAD SAFETY COMMISSION

Unearned salary - GH¢12,429

466. Regulation 297 (1f) 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 servant has died.

467. On the contrary, our review of records revealed that Messrs. Yaw Yeboah Asante who vacated post and Stephen Anokye who died were paid unearned salaries amounting to GH¢12,428.73.

468. We urged management to prevail upon the bank to transfer the amount into the Consolidated Fund while management ensures that the names are deleted from the payroll without any delay.

**MINISTRY OF JUSTICE AND ATTORNEY
GENERAL'S DEPARTMENT (MoJAG)**

ACCRA

**Failure to transfer proceeds from criminal case into
Consolidated Fund Account - GH¢4,740,635**

469. Regulation 22 of the Financial Administration Regulations, 2004 states that, all public moneys collected shall be paid in gross into the Public Funds Accounts and no disbursement shall be made from the moneys collected except as provided by an enactment.

470. The Ministry of Justice and Attorney General (MoJAG) maintains a US\$ Account with Bank of Ghana into which lodgment of royalties are made. Our review of the account disclosed a balance of US\$969,455.50 which had not been transferred into the Consolidated Fund Account since 2016.

471. The Chief Accountant explained that, the balance on the account was from proceeds realized from a court case involving the Republic vrs Flamingo Foods, in the year 2016.

472. We recommended that, the Chief Director as a matter of urgency liaises with the Office of the Minister/ Attorney General to ensure that, the balance of US\$969,455.50 is transferred into the Consolidated Fund without further delay.

**Failure to recover advance to purchase means of transport
- GH¢31,700**

473. Regulation 111 of the Financial Administration Regulations, 2004 states 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 to ensure that advances issued are duly recovered in accordance with the appropriate agreement.

474. We noted during our review that management of MoJAG had advanced a total amount of GH¢75,153 from its revolving fund as loans to two State Attorneys between 2009 and 2010 for the acquisition of vehicles. The loans were to be repaid by the beneficiaries into Zenith Bank Account instead of being deducted at source. We further noted that out of the total amount granted, GH¢43,454 had been recovered leaving a difference of GH¢31,699. The table below provide the details:

CURRENT STATUS OF TRANSACTIONS						
No.	Name of Attorney	Grade	Vehicle No.	Cost of Vehicles GH¢	Amount recovered GH¢	Outstanding Balance GH¢
1.	A. R. Wiredu	P. S. A	GT 9328-09	37,576.50	14,000.00	23,576.50
2.	William Kpobi	C. S. A	GT 9332-09	37,576.50	29,454.01	8,122.49
Total				75,153.00	43,454.01	31,698.99

475. Failure of management to ensure that, these advances were deducted from the salaries of the beneficiaries at source accounted for the anomaly.

476. We recommended that, management should ensure full recovery of the amount of GH¢31,698.99 from the two officers, failure of which they would be surcharged. We further advised management that in future, repayment of loans granted to staff should be deducted at source.

ATTORNEY GENERAL'S DEPARTMENT - SEKONDI
Unremitted tax - GH¢5,653

477. Section 116 (2) and (3) of the Income Tax Act, 2015 (Act 896) require a resident person, other than an individual to withhold tax on the gross amount of the payment, where the payment exceeds two thousand currency points, at the rate specified in the First Schedule when the person makes a payment to another resident person.

478. Section 117 (1&3) of the Income Tax Act, 2015 (Act 896) states that, a withholding agent shall pay to the

Commissioner-General within 15 days after the end of each calendar month a tax that have been withheld. Also, a withholding agent who fails to withhold tax shall pay the tax that should have been withheld in the same manner and at the same time as tax that is withheld.

479. Contrary to the above provisions we noted that management failed to remit withholding taxes of GH¢3,429 deducted from the gross payments of GH¢36,428. Furthermore, withholding taxes of GH¢2,223 were not deducted from the gross payment of GH¢37,372 paid to staff.

480. We recommended that management should ensure that the outstanding tax of GH¢5,653 is remitted to the GRA without any further delay.

REGISTRAR GENERAL DEPARTMENT, ACCRA
Failure to Lodge in Gross Internally Generated Fund (IGF)
- GH¢847,144

481. Section 2.2 of the Revenue Collection Agreement between the Government of Ghana (GoG) through the

Ministry of Finance (MOF), Registrar-General's Department and Fidelity Bank (GH) Limited enjoins management of Fidelity Bank to ensure prompt (within 48 hours of collection) and full transfers of lodged revenue into designated account and further obliges the bank to pay interest to the MoF at the current 91-day Treasury Bill rate or in its absence, government-indexed bonds in force in Ghana, except where the delay is caused by an event beyond the control of the Bank.

482. Contrary to the agreement signed between Government and Fidelity Bank, we noted irregular transfer of collections by Fidelity Bank into the designated Bank of Ghana Account. During the period reviewed, we observed that out of total revenue of GH¢4,353,032.35 collected by Fidelity Bank from three regional offices namely Northern, Ashanti and Western between January to December 2017, only GH¢3,505,888.33 was transferred into the designated bank account leaving an outstanding amount of GH¢847,144.02. The details are as shown below:

Region	Office	Amount collected	Amount Transferred GH¢	Outstanding GH¢
Northern	Tamale	881,285.26	725,439.31	155,845.95
Ashanti	Kumasi	2,414,179.84	1,991,832.02	422,347.82
Western	Takoradi	1,057,567.25	788,617.00	268,950.25
Total		4,353,032.35	3,505,888.33	847,144.02

483. Similarly, we noted some discrepancies when we compared the revenue reports to the bank lodgements. Over the period of our review, we noted an understatement of GH¢61,341.13 when we compared the revenue report with the bank lodgements.

484. Lack of effective reconciliation by the schedule officers in our view largely accounted for this poor state of affairs.

485. We recommended that, management should strengthen their oversight on the schedule officers to minimise the risk of revenue losses to the bank. Though management in a letter dated 29 May, 2018 directed Fidelity

Bank to contact its branches for the transfer of the outstanding amount, we urged management to ensure that the schedule officers perform regular reconciliation for timely detection of irregularities.

Differences between Fidelity monthly report and the Bank Statement - GH¢3,747,439

486. Regulation 1 of the Financial Administration Regulations, 2004 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 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.” Also, according to the Revenue Collection Agreement, the Bank is obliged to collect revenue in both local and foreign currencies and deposit same into the Designated Account and collaborate with the assigned MDA (RGD) to reconcile all revenue collected at the end of each business day before signing the Daily Collection Form.

487. In our review of the 2017 monthly reports and the bank statements, we noted a shortfall of GH¢3,747,439. Whiles the monthly reports showed GH¢47,535,204, the bank statement figure was GH¢43,787,765. The table below provides the details:

Months	Monthly Returns GH¢	Fidelity Bank Statement GH¢	Variance GH¢
January	3,065,907.99	3,104,114.70	- 38,206.71
February	4,028,406.61	3,950,806.57	77,600.04
March	4,240,941.76	3,270,251.36	970,690.40
April	3,290,172.39	3,615,212.66	- 325,040.27
May	3,642,066.39	3,422,625.29	219,441.10
June	4,670,150.65	4,428,030.33	242,120.32
July	3,208,331.67	3,073,571.61	134,760.06
August	3,327,189.92	4,074,990.90	- 747,800.98
September	3,645,863.87	3,522,565.96	123,297.91
October	6,458,942.63	3,388,709.57	3,070,233.06
November	3,718,640.02	3,757,598.87	- 38,958.85
December	4,238,589.83	4,179,287.29	59,302.54
Total	47,535,203.73	43,787,765.11	3,747,438.62

488. Failure on the part of Fidelity bank to credit all Daily Collections coupled with the Accountants refusal to

reconcile the Daily Collections, accounted for the above anomaly.

489. The above lapses could lead to suppression of revenue collected by the bank and also loss of revenue to the state.

490. We recommended that, the Chief Accountant should write to the bank to credit the shortfall into the Department's account and furnish the audit team with the Credit Advice for verification.

Payment without Supporting Documents - GH¢218,835

491. Regulation 39 (2c) of Financial Administration Regulations, 2004 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.

492. Our examination of payment vouchers showed that 25 payment vouchers with a total face value of GH¢229,334.57 were without relevant supporting

documents to authenticate the payments. The details are provided below:

No	Institution	Office	No. of PVs	Amount GH¢	Remarks
1.	Registrar-General's Dept.	Accra	22	218,834.57	Unsupported PVs
2.	Registrar-General's Dept.	Accra	3	10,500.00	Unpresented PVs
Total			25	229,334.57	

493. This lapse was due to ineffective monitoring and supervision of the schedule officers by management.

494. We requested for a refund of GH¢229,334.57 from the Accountants for their inability to present and/or support the vouchers with the requisite documents. We further advised management to strengthen its internal controls to minimise a recurrence.

Unauthorised Procurement of Value Books - GH¢72,600

495. The Controller and Accountant-General is responsible for approving the form and content of value books, ordering supplies from the printers and in consultation with the head

of a department establish stock levels of Value Books to be printed for the use of the department. Besides he may delegate the responsibility for ordering supplies of value books from printers as stipulated in Regulation 211 and 212 of the FAR.

496. We noted that procurement of 180,000 booklets of value books amounting to GH¢72,600.00 from Camelot Ghana Ltd per PV No. RGD/IGF/10/8/17 and dated 07/08/17 were made without the prior approval of the Controller and Accountant- General.

497. Though the Director, F&A explained that, the procurement was made due to the shortage of value books, we disagreed with that position considering the risk associated with the procurement of such valued items.

498. We urged management to ensure compliance with the above provision by always procuring value books from the Controller and Accountant-General. We also recommended

that management should ensure the effective control of its stock levels to prevent shortages.

MINISTRY OF LANDS AND NATURAL RESOURCES

CENTRAL REGIONAL LANDS COMMISSION - CAPE COAST

Failure to lodge non-tax revenue into designated accounts - GH¢804,872

499. Section 2.2 of the Revenue Collection Agreement between the Government of Ghana through the Ministry of Finance (MOF), the lands Commission and the Zenith Bank Ghana Limited enjoins management of Zenith Bank to ensure prompt (within 48 hours of collection) and full transfers of lodged revenue into designated account and further obliges the bank to pay interest to the MoF at the current 91-day Treasury Bill rate or in its absence, government-indexed bonds in force in Ghana, except where the delay is caused by an event beyond the control of the Bank.

500. Contrary to the agreement signed between Government and Zenith Bank, we noted irregular transfer of collections by Zenith bank into the designated Bank of Ghana Account. During the period reviewed, we observed that between October 3 2017 and December 29 2017, Zenith bank Ghana Limited collected an amount of GH¢804,872.04 on behalf of the Regional lands Commission but failed to transfer the funds into their various designated accounts.

501. We recommended to management to ensure that the bank promptly transfers all revenue into the designated bank accounts. We further urged management to ensure that the bank pays the appropriate interest due government.

**Payments without relevant supporting documents –
GH¢16,475**

502. Regulation 39 (2c) of Financial Administration Regulation 2004 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.

503. Our examination of payment vouchers showed that management made payment on PV No. 21/9 of 27/9/17 amounting to GH¢28,200.00 in respect of Demarcation & Survey of airport project to the Regional Lands Officer, Nana Kwapong Aboah II. We however noted that, management accounted for GH¢11,725.00 leaving a difference of GH¢16,475.00 without the relevant expenditure supporting documents.

504. This lapse was due to ineffective monitoring and supervision of the scheduled officers by management.

505. We requested management to ensure a refund of GH¢16,475.00 from the Regional Lands Officer failure of which they would be surcharged. We further advised management to strengthen its internal controls to minimise a recurrence.

MINISTRY OF TRADE AND INDUSTRY

Payment of judgement debt - GH¢458,000

506. Regulation 170(2) of the Financial Administration Regulations (FAR) 2004 states, Expenditure of a

department/Ministry shall not exceed the expenditure estimates in the budget approved by Parliament.

507. The Ministry of Trade and Industry (MOTI) incurred judgement debt of GH¢458,000.00 on three persons which were not budgeted for. The details of the unbudgeted expenditure are as shown below:

Date	PV No.	Payee	Details	Amount GH¢	Remarks
06/07/17	75873	Esther D. Ofori	Part payment of judgement debts	100,000.00	Failure to pay end-of-service benefit and trip allowance
27/06/17	38/17	Ebusuapanyin Joseph Kweku Eshun	Payment for judgement debt	58,000.00	The Ministry defaulted in rent payments
05/07/17	42/17	Seth K.Dotse	Payment for ruling and compliance of court order	300,000.00	Wrongful dismissal
Total				458,000.00	

We recommended to management to strictly spend within its approved budget.

Unrecovered Advances - GH¢100,000

508. Regulation 110 of the Financial Administration Regulations, 2004 states that a head of department or the officer to whom the duties of 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.

509. Our review of the advances register disclosed that, an advance of GH¢100,000.00 granted to National Board for Small Scale and Industry (NBSSI) by the Ministry to support its operations in June 2017 which should have been recovered by December 2018 had not been recovered at the close of 2018 financial year.

510. We urged management to pursue the recovery of the advance. Management should also put in place an effective recovery mechanism of advances in future.

MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

BIRTHS AND DEATHS REGISTRY - HEAD QUARTERS

Non-establishment of data backups at an off-site location

511. Protection of information assets requires, among other things: (1) well established computer environment and information system; (2) effective control of physical and logical access; and (3) Off-site data backup, tested periodically to prevent data corruption or destruction.

512. The Registry runs a computerized registering system for the generation of countrywide information on births and deaths. We noted however, that the data backups of the Registry were stored on external hard drives, which were kept in the office of the Head of IT instead of an off-site location.

513. We recommended that management should endeavor to store its data backups at an off-site location to avoid losing vital data.

514. Management stated that the anomaly was due to lack of funds and will take the necessary steps to address the issue.

BIRTHS AND DEATHS REGISTRY-BECHEM

Revenue not accounted for – GH¢5,240

515. Regulation 17 of the Financial Administration Regulations, 2004 states that, a head of department shall ensure that all non-tax revenue are efficiently collected and lodged into the consolidated fund.

516. Contrary to the above provision, we noted that though the District Officer issued certificates the face value of which totalled GH¢6,490.00 in respect of registration of 333 people. The officer, Madam Elizabeth Manu accounted for only GH¢1,250.00 in the cash book resulting in an outstanding amount of GH¢5,240.00.

517. We urged management to ensure the recovery of the outstanding amount failure of which they would be surcharged.

MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION

COTONOU MISSION

Cash Shortage - US\$9,267

518. Regulation 22 of the Financial Administration Regulations, 2004 states that all public moneys collected shall be paid in gross into the Public Funds Accounts.

519. We noted during the examination of revenue records that for the period October 2016 to September 2017, a total of FCFA16,704,000.00 (US\$30,097.30) was collected as Consular fees. However, only FCFA11,561,000.00 (US\$20,830.63) was accounted for leaving a difference of FCFA5,143,000 (US\$9,266.67).

520. This anomaly was due to lack of effective monitoring and supervision on the part of Head of Chancery and Accounting Officer.

521. We recommended that management should take the necessary steps to recover the shortage of FCFA5,143,000 (US\$9,266.67) from Mr. Symphorien Yekpe failure of which the Head of Chancery and Accounting Officer would be surcharged with the amount.

NEW YORK MISSION

Unaccounted for direct debits - US\$84,573 (GH¢413,562)

522. Management of the New York Mission arranged with the Bank of America to effect direct payments for services rendered to AT&T Mobility. Our reconciliation of services rendered by AT&T Mobility with the payments made by the Bank of America in favour of AT&T Mobility revealed some irregularities.

523. Over the period of our audit for instance, we noted that direct debits totalling US\$84,573.30 could not be traced

to any services rendered by AT&T Mobility. We further noted that an amount of US\$28,160.24 have since been reversed leaving a difference of US\$56,413.06.

524. We urged Management to pursue the Bank of America for the full reversal of the difference of US\$56,413.06 made against the Mission's accounts and also, advised the Treasury Officer to be thorough in his review of all bank statements for early detection of such wrongful deductions.

BERNE MISSION

Unsubstantiated expenditure - \$328,108 (GH¢1,604,448)

525. Regulation 39 of the Financial Administration Regulations, 2004 states that, a head of an 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.

526. We noted that the Mission made cash withdrawals totalling US\$328,107.95 (CHF454,429.50) vide 29 cheques for

the payment of goods and services. We further noted that, payment vouchers and other relevant documents were not raised to support the withdrawals, neither were they recorded in the Mission's cashbook.

527. We urged management to provide the relevant documentations for our examination failure of which the Accounting Officers would be surcharged.

Unearned salary - \$7,159 (GH¢35,008)

528. Our audit disclosed that Mrs. Gertrude Kumordzie Narh and Mr. Simon Gbedemah who have both been separated from the Mission since September 2016 and May 2017 respectively continued to receive salaries. This resulted in the payment of unearned salary of US\$7,158.59 (CHF9,920.39).

529. Management responded that appropriate letters had been addressed to Ms. Gertrude Kumordzie Narh and Mr. Simon Gbedemah to refund the unearned salaries forthwith.

530. We urged management to strengthen its controls in the administration of payroll and ensure the full recovery of the unearned salaries.

RIYADH MISSION
FICTITIOUS PAYMENT TO GLINCO
CONSTRUCTION ENGINEERING LTD - US\$60,000
(GH¢293,400)

531. Regulation 39 of the Financial Administration Regulations, 2004 states that, a head of department shall ensure that moneys are utilised in a manner that secures both optimum value for money and the intention of Parliament.

532. We noted that, H. E. Alhaji Said Sinare and the Head of Chancery, Mr. Martin Adu Ago paid an amount of US\$60,000 vide PV No. 0591921 of 3 January 2017 into an Account No. 0850415167915 with the Royal Bank Ltd. in Accra. This payment was in favour of Glinco Construction Engineering Ltd for consultancy services in respect of the construction of the Residency. Our further checks revealed

that, although there was no evidence of work done, the Mission paid the amount to the company.

533. Our follow-up at the Registrar-General's Department, Accra, revealed that the company (Glinco Construction Engineering Ltd) was incorporated on the 7 January 2017, three days after the payment.

534. Management responded that the Mission was neither aware of such a project nor any record of a consultant by name Glinco Construction Engineering Ltd.

535. We recommended to the Ministry of Foreign Affairs and Regional Integration to recover the amount of US\$60,000 from the former Ambassador H. E. Alhaji Said Sinare and the Head of Chancery Mr. Martin Adu Ago failure of which they would be surcharged.

WASHINGTON MISSION

Payment of unearned salary and allowances - US\$11,281 (GH¢55,164)

536. Financial Administration Regulations 298 mandates a head of department to cause the immediate stoppage of payment of salary of separated staff. Regulation 305 also states that the head of department or head of management unit shall examine and certify the personal emolument payment vouchers to ensure that only staff belonging to the Mission are paid salaries.

537. We noted that Mr. Jojo Bruce-Quansah an officer of the Mission, whose duty tour ended on 15 April 2017, continued to receive salary up to July 2017 resulting in the payment of unearned salary totalling \$11,281.38.

538. We urged the Mission to recover the unearned salary of US\$11,281.38 from Mr. Bruce-Quansah. We further advised management to strengthen its controls in the administration of payroll and ensure the full recovery of the unearned salary.

DUBAI MISSION

Payment above telephone ceiling - \$28,472 (GH¢139,228)

539. Regulation 39 of the Financial Administration Regulations, 2004 states that, a head of department shall ensure that moneys are utilised in a manner that secures both optimum value for money and the intention of Parliament.

540. The Ministry in May 2017 gave approval to the Dubai Consulate to adopt the Foreign Service Allowance applicable to the Tehran Mission effective 1 January 2017. The approval did not cover the telephone ceilings applicable to the Tehran Mission.

541. We noted that the Consulate paid telephone ceilings using rates applicable to the Tehran Mission which resulted in an over payment of \$28,472.00 to four home-based staff.

542. We recommended to management to ensure full recovery of the unauthorised payment from the affected staff.

NEW DEHLI MISSION

Imprest not accounted for - US\$3,906 (GH¢19,100)

543. Section 79 of Foreign Service Accounting Instructions requires an imprest holder, to fully retire an imprest immediately on completion of an assignment for which an imprest has been granted.

544. We noted during our review that the High Commissioner, H. E. Samuel P. Yalleh was granted an accountable imprest of INR250,000 to attend an official programme. Our further checks showed that the programme did not take place, however the imprest was not retired.

545. We urged management to retrieve the amount of US\$3,906.25 from H. E. Samuel P. Yalleh without further delay.

ALGIERS MISSION

Revenue not accounted for - €18,940 (GH¢92,617)

546. Regulation 15 of the Financial Administration Regulations, 2004, stipulates that, any public officer or Revenue Collector who collects or receives public or trust moneys shall issue receipts for them and pay them into the relevant Public Fund Bank Account within the twenty-four hours of receipt except in exceptional circumstances to be identified by the Minister.

547. Our examination of records on Honorary Consulate Tunis indicated that the Honorary Consul, Kamel Ben Yaghlane, failed to account for consular fees amounting to €18,938.55 collected between March 2012 and March 2017.

548. We recommended that the total amount of €18,938.55 is recovered from the Honorary Consul, Kamel Ben Yaghele without further delay.

Value books not presented for audit

549. Regulation 1 of the Financial Administration Regulations 2004, states that, any Public Officer concerned

with the conduct of financial business on behalf of the Government of Ghana or for the receipt, custody and disbursement of public and trust moneys, or for the custody, care and use of public stores, shall keep proper records of his transaction and shall produce such records for inspection when called upon to do so by the Auditor-General.

550. Our review of the stock register disclosed that six General Counterfoil Receipts books (GCRs) and eight visa stickers issued to the Honorary Consul between 2012 and 2017 were not presented for audit.

551. In view of the non-availability of the value books for our examination, we were unable to ascertain how much revenue had been collected on behalf of the Ministry of Foreign Affairs & Regional Integration.

552. Whilst we urged the Ministry to exercise strong oversight on the Honorary Consul, we also recommended that pressure is brought to bear on the Honorary Consul to ensure the full accountability of all revenue collected.

MINISTRY OF INFORMATION

IOUs not accounted for - GH¢23,280

553. Regulation 111 of the Financial Administration Regulations, 2004 states that, a head of department, who is an administering authority for any class of advances, shall keep accounts at the departmental headquarters that show all advances and recoveries made.

554. We observed that between July 2016 and November 2017, six officers who were granted a total IOU of GH¢23,280 had not refunded the amount as detailed below:

No.	Period	Name	Amount GH¢
1.	06/04/17 to 28/11/17	William Sarbah	14,085.00
2.	23/09/16 to 03/11/16	Efua Essel	4,300.00
3.	07/07/16	Ebenezer Asare	570.00
4.		Amoah	470.00
5.		Frank Asiedu	855.00
6.		Richard Attah	3,000.00
Total			23,280.00

555. We recommended to management to ensure recovery of the total amount of GH¢23,280 from the beneficiaries without further delay.

Unsubstantiated payment - GH¢1,313,821

556. Regulation 39 of the Financial Administration Regulations 2004 states that the head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable and any order for disbursement that does not meet these requirements is rejected.

557. Contrary to the above, our review of the cashbook revealed that between January 2017 and October 2017 management made withdrawals amounting to GH¢1,313,821 without payment vouchers and other supporting documents to authenticate the transactions.

558. In our view management had not accounted for the withdrawals totalling GH¢1,313,821 for its inability to produce the documents for our review.

559. We therefore requested a refund of the GH¢1,313,821 from management, failure of which they would be surcharged.

Revenue not banked – GH¢52,267

560. Regulation 15 of the Financial Administration Regulations, 2004, 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.

561. Contrary to the above stated regulation, we noted that Ms Samelia Appiah (Senior Accountant) and Mr. William Sarbah, the Head of Accounts, could not account for an amount of GH¢68,845.00 being revenue collected between

April 2016 and October 2017. However, At the instance of the audit, Ms Samelia Appiah refunded an amount of GH¢16,578 leaving GH¢52,267 unaccounted for.

562. In our view ineffective supervision over the activities of the Accounting Personnel by management resulted in the revenue loss.

563. We advised management to recover the amount of GH¢52,267 from Ms. Samelia Appiah (Senior Accountant) and Mr. William Sarbah failure of which they would be surcharged.

MINISTRY OF DEFENCE

DIRECTORATE OF ELECTRICAL & MECHANICAL ENGINEERING

Failure to withhold tax - GH¢8,792

564. Section 116(2) and (3) of Act 896 require a resident person, other than an individual to withhold tax on the gross amount of the payment, where the payment exceeds two thousand currency points, at the rate specified in the First

Schedule when the person makes a payment to another resident person.

565. Section 117 (1&3) of the Income Tax Act, 2015 (Act 896) states that, a withholding agent shall pay to the Commissioner-General within 15 days after the end of each calendar month a tax that have been withheld. Also, a withholding agent who fails to withhold tax shall pay the tax that should have been withheld in the same manner and at the same time as tax that is withheld.

566. We noted during our review that the Directorate between June 2016 and April 2017 purchased spare parts and other items from suppliers totalling GH¢293,049.90 without withholding taxes amounting to GH¢8,791.50. The table below provides the details:

Date	PV. No	Name Of Suppliers	Gross Amount GH¢	3% With-Holding Tax GH¢	Remarks
1-6-16	4/16	Kolours ltd	59,110.00	1,773.30	Assignment
26-1-16	3/16	Kolours LTD	67,793.50	2,033.80	-do-
10-4-16	1/16	Lydlyn Ent ltd	18,344.30	550.32	UNMISS Combat Team
1-3-17	1/17	Youwungo Emerald Frame & Metal Trade	24,000.00	720.00	Assignment
11-4-17	5 /17	Dayida Express Ent.	19850.00	595.50	Assignment
13-4-17	9/17	Nanos Ventures	15,376.05	461.28	UNMISS
10-4-17	10/17	Felx Sam Const. Ltd.	17,976.05	539.28	UNMISS
18-4-17	15/17	Dayida Express Ent.	70,600.49	2,118.02	UNMISS
Total			93,049.90	8,791.50	

We advised the Directorate to remit the Commissioner-General the total taxes of GH¢8,792.

JUDICIAL SERVICE

TWIFO PRASO DISTRICT MAGISTRATE COURT

Revenue unaccounted for - GH¢71,759

567. Regulation 15 (1) of the Financial Administration Regulations, 2004 stipulates 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.

568. Our review of the revenue records revealed that out of a total of GH¢220,046.10 collected between August 2016 and December 2017 the Accountant deposited GH¢148,287.10 into the designated bank account leaving a difference of GH¢71,759.00 unaccounted for.

569. Weak management oversight on the cashier of the court accounted for this anomaly.

570. We recommended that management should ensure the full recovery of the total amount of GH¢71,759.00 without any further delay.

DISTRICT MAGISTRATE COURT-WAMFIE

Revenue unaccounted for - GH¢20,037

571. Regulation 15 (1) of the Financial Administration Regulations, 2004 stipulates 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.

572. However, we noted that out of a total amount of GH¢64,444.00 received by the cashier from 31 August 2017 to 15 August 2018, GH¢44,407.00 was deposited leaving an outstanding balance of GH¢20,037.00.

573. We attributed the irregularity to ineffective supervision on the part of the Registrar on the work of the cashier.

574. We urged the Registrar to immediately recover the amount of GH¢20,037.00 from the Cashier and pay same into the designated Bank Accounts. The Registrar should also intensify his supervision and monitoring of the cashier.

GOVERNMENT MACHINERY GREATER ACCRA REGIONAL COORDINATING COUNCIL

Ownership of Council's official vehicle in the name of the importer

575. Section 52 of the Public Financial Management Act, 2016 Act 921 states that; a Principal Spending Officer of a covered entity, state-owned enterprise or public corporation shall be responsible for the assets of the institution under the care of the Principal Spending Officer and shall ensure that proper control systems exist for the custody and management of the assets.

576. We noted that ownership of an official vehicle, a Toyota Hilux Pickup with registration number GM 5257-12, was still in the name of the importer, Toyota Ghana Company Ltd. There was therefore no documentary evidence to establish that the Council was the rightful owner of the vehicle.

577. The audit team was of the opinion that the absence of such documents exposes the Council to the risk of losing the vehicle through manipulation.

578. We therefore advised management to ensure that documentations supporting its ownership is regularised without any further delay.

WESTERN REGIONAL CO-ORDINATING COUNCIL

Failure to withhold tax - GH¢27,342

579. Section 116 of Income Tax Act 2015, Act 896 requires withholding tax to be deducted from payments exceeding GH¢2,000 payable to third parties for goods and services supplied or rendered.

580. Section 117 of the Act also requires a withholding agent who fails to withhold tax to be personally held liable to pay to the Commissioner the amount of tax which has not been withheld.

581. We noted that payments totalling GH¢497,001 made to service providers and suppliers in respect of goods, works and services received by the Council did not suffer any deductions of withholding taxes amounting to GH¢27,342.

582. We recommended that the tax of GH¢27,342 should be pay to the GRA without any further delay.

REGIONAL CO-ORDINATING COUNCIL - WA

Outstanding Rent - GH¢315,905

583. 1. Regulation 2 (d) of the Financial Administration Regulations, 2004 states that, a head of Government department shall secure the due and proper collection of government revenue collectable by the department within the terms of any enactment or of institution issued or approved by the Controller and Accountant-General.

584. Contrary to the above Regulation, we noted that 182 government workers defaulted in the payment of rent for periods ranging between four and forty-three months resulting in an outstanding rent of GH¢315,905.

585. In our view, management failure to ensure that rent deductions are effected at source resulted in the nonpayment of rent by occupants of the government bungalows.

586. We recommended that management of the facility should ensure that all the defaulting occupants honour their obligation without any further delay.

PUBLIC RECORDS & ARCHIVES ADMINISTRATION DEPARTMENT, TAMALE

Unearned salary to Madam Issifu Leila GH¢7,200

587. Regulation 297 of the Financial Administration Regulation, 2004 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 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 and that All other payments due to the Public servant must also be stopped in the circumstances provided for in sub regulation (1). Regulation 298 further mandates the head to notify the Controller and Accountant General Department where salary payments are made direct to the officer's bank account; and the bank for repayment into the Consolidated Fund of salary or other payments credited to the public servant's bank account among others.

588. Contrary to the above, we noted that, Madam Issifu Leila, with staff number 95279, died on 30 June 2016, but continued to receive monthly salaries resulting in the payment of unearned salaries totalling GH¢7,200.

589. In our view the continuous validation of the separated officer by management resulted in the payment of the unearned salary accounted for the anomaly

590. We urged management to recover the unearned salary from the deceased family failure of which they would be surcharged.

VALIDATION OF FINANCIAL STATEMENTS OF MINISTRIES, DEPARTMENTS AND AGENCIES

AUDIT OPINION ON MDAs' FINANCIAL STATEMENTS

Mandate

591. Covered Entities for that matter MDAs are required under Section 80 (1) of the PFM Act, Act 921 the Principal Spending Officer, through the Account Holder shall prepare and submit its financial statement two months after the end of the financial year to the Auditor General.

592. The Auditor General under Article 187 of the Constitution and Section 80(4) of the PFM Act shall examine these accounts submitted and express his opinion thereon.

Audit Approach in the Validation of Financial Statements

593. The following Criteria were used by the Audit Service in validating the financial statements submitted by MDAs at our Branch offices:

- a. Comprehensiveness of the financial statements
- b. Composition of the components in line with the PFM Act, 921
- c. Disclosure of Accounting Policies
- d. Disclosure of assets and liabilities
- e. Significance of issues in Management Letter

General Comments on the Validated Financial Statements

594. On a whole, there were some improvement in the presentation of the financial statements by some of the MDAs, especially with the use of the GIFMIS, based on the following summary.

Opinion	No. of MDAs	MDAs (%)
Unqualified	21	68
Qualified, Except for	9	29
Non Submission	1	3
Total	31	100

Details for the opinion are:

a. Unqualified Audit Opinion

Based on my examination and validation of the financial statements, 21 out of the 31 MDAs and their respective Allied Agencies had their accounts duly certified on the basis stated in the criteria above.

b. Qualified (Except for) Audit Opinion

Out of the total MDAs who submitted their accounts, nine had their qualified (except for) on the basis that the accounts were prepared on cash basis and do not make adequate disclosure for GoG liabilities among others such as CAPEX which were written off in the year of acquisition.

The eight MDAs and their Allied Agencies though have committed the GoG through the GIFMIS processes, did not disclose these liabilities.

Recommendation

595. Though I recognized the efforts by the CAG towards the PFM reforms, including IPSAS, and implementing my

prior year recommendations in ensuring the use of the GIFMIS account payable, I urged him to strengthen his current efforts on the effective use of the account receivable model and functionality of the automatic bank reconciliation.

596. I further reiterate my recommendation for the CAG to ensure a complete all funds onto the GIFMIS and to facilitate adequate disclosure on MDAs' transactions.

Non-Submission of Financial Statements for Audit

597. As at the close of the MDAs' statutory timeline of February and June of this report, only the Ministry of Water Resources and Sanitation did not present its financial statements for audit, as required.

No	MDA	Financial Year	Format of Presentation	Accounting Basis	Basis of Opinion	Opinion
1.	Judicial	2017	GoG CoA/Sch 2 of PFM Act	Modified Accrual	Excludes Liabilities	Except for
2.	Education	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
3.	Trade	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Except for
4.	Gender	2017	GoG CoA/Sch 2 of PFM Act	Modified Accrual	Excludes Liabilities	Except for
5.	MRH	2017	GoG CoA/Sch 2 of PFM Act	Modified cash	Includes all Funds and Liabilities	Unqualified
6.	Transport	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
7.	MWH	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified

8.	MLGRD	2017	GoG CoA/Sch 2 of PFM Act	Modified Accrual	Excludes Liabilities	Except for
9.	Information	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
10.	MELR	2017	GoG CoA/Sch 2 of PFM Act	Modified Accrual	Excludes Liabilities	Except for
11.	MoC	2017	GoG CoA/Sch 2 of PFM Act	Modified cash	Excludes Liabilities and CAPEX	Except for
12.	Energy	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
13.	MESTI	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
14.	MoFAD	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
15.	MoYS	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified

16.	OGM	2017	GoG CoA/Sch 2 of PFM Act	Accrual		Includes all Funds and Liabilities	Unqualified
17.	MoF	2018	GoG CoA/Sch 2 of PFM Act	Accrual		Includes all Funds and Liabilities	Unqualified
18.	MoH	2017	GoG CoA/Sch 2 of PFM Act	Accrual		Excludes assets of BMCs and Inventory for central medical stores.	Except for
19.	MoJAD	2017	GoG CoA/Sch 2 of PFM Act	Accrual		Includes all Funds and Liabilities	Unqualified
20.	CAGD	2018	GoG CoA/Sch 2 of PFM Act	Accrual		Includes all Funds and Liabilities	Unqualified
21.	MoD	2017	GoG CoA/Sch 2 of PFM Act	Accrual		Includes all Funds and Liabilities	Unqualified
22.	Aviation	2017	GoG CoA/Sch 2 of PFM Act	Accrual		Includes all Funds and Liabilities	Unqualified
23.	MoTAC	2017	GoG CoA/Sch 2 of PFM Act	Accrual		Includes all Funds and Liabilities	Unqualified

24.	MoFA	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities Excludes other funds	Unqualified
25.	MLNR	2017	GoG CoA/Sch 2 of PFM Act	Modified Accrual	Excludes other funds	Except for
26.	MFARI	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
27.	MIRWD	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
28.	Chieftaincy	2017	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
29.	Interior	2017	GoG CoA/Sch 2 of PFM Act	Modified Accrual	Excludes other funds	Except for
30.	GRA	2018	GoG CoA/Sch 2 of PFM Act	Accrual	Includes all Funds and Liabilities	Unqualified
31.	MWRS					Not Submitted

Mission Statement

The Ghana Audit Service exists

To promote

- good governance in the areas of transparency, accountability and probity in Ghana's public financial management system

By auditing

- to recognized international standards, and reporting our audit results

And

- reporting to Parliament