REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA – MINISTRIES, DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Table</th>
<th>Paragraphs</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmittal letter</td>
<td></td>
<td>i</td>
</tr>
<tr>
<td><strong>PART I</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Audit objectives</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Summary of significant findings and Recommendations</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td><strong>PART II</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summary of findings and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recommendations by MDAs</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td><strong>PART III</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DETAILS OF FINDINGS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of Finance and Economic Planning</td>
<td>161</td>
<td>64</td>
</tr>
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<td>Ministry of Food and Agriculture</td>
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Dear Madam Speaker,

AUDITOR-GENERAL’S REPORT ON THE PUBLIC ACCOUNTS OF GHANA – MINISTRIES, DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE YEAR ENDED 31ST DECEMBER, 2011

In accordance with Article 187(5) of the 1992 Constitution, I have the honour and privilege to present to Madam Speaker, to be tabled before the House, my Annual Report on the Public Accounts of Ghana – Ministries, Departments and Other Agencies of Government (MDAs) for the financial year ended 31st December 2011.

2. Significant irregularities arising from the audit have been highlighted in the report, in line with Section 13 of the Audit
Service Act, 2000 (Act 584). I have also drawn attention to several instances of non-compliance with financial and other regulations, as well as errors that occurred in transactions. These are the results of systemic weaknesses that have persisted overtime and other break-downs in internal controls. I have provided recommendations which, if implemented, can serve to reduce the incidence of the irregularities and correct the causes of the conditions reported on.

3. I wish to note that although the Controller and Accountant General has issued the accounting procedures manual for the MDAs the MDAs still have challenges in the preparation of financial statements in accordance with the requirements of the FAA (Section 41).

4. Madam Speaker, my report has been presented in three parts. Part 1 of the report contains the Introduction and Objectives; Part 2 summarises the significant findings per each MDA and Part III is about the full details of all matters contained in the report.

Acknowledgement

5. I would like to thank the Chief Directors and Management as well as staff of all the MDAs audited for their cooperation and assistance extended to my staff during the discharge of my mandate.
6. I would also like to acknowledge my staff in the Central Government Audit Department for the continued good work they have done and the members of the entire Audit Service and their contributions in several ways to the production of my report. My thanks also go to the Audit Service Board for their continued support in ensuring the delivery of quality auditing services.

7. Madam Speaker, last but not the least, I wish to express my sincere appreciation to the august House of Parliament, especially the Public Accounts Committee, for the cooperation that has existed between the Committee and my Office in the consideration and handling of Auditor-General’s Reports that have been presented to the House.

Yours Sincerely,

RICHARD Q. QUARTEY
AUDITOR-GENERAL

THE RIGHT HONOURABLE SPEAKER
OFFICE OF PARLIAMENT
PARLIAMENT HOUSE
ACCRA
PART I

REPORT OF THE AUDITOR-GENERAL ON THE PUBLIC ACCOUNTS OF GHANA – MINISTRIES, DEPARTMENTS AND OTHER AGENCIES (MDAs) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

Introduction

In accordance with Article 187(2) of the 1992 Constitution, I have audited the accounts of Ministries, Departments and Agencies of Government (MDAs) for the financial year ended 31 December 2011. I present herewith the results of the financial and regularity audit of the MDAs. The report contains matters of significance that I believe ought to be brought to the attention of the House.

2. In performing the audit I took into consideration the Financial Administration Act, 2003 (Act 654), the Financial Administration Regulations, 2004, the Public Procurement Act, 2003 (Act 663), and other relevant legislation regulating public financial management in Ghana, as well as international auditing standards and best practices.

Audit objectives

3. I am enjoined by Section 13 of the Audit Service Act, 2000 (Act 584) to examine, in such manner as I think fit, the financial operations of MDAs and ascertain, among other things, whether in my opinion:
• monies have been expended for the purposes for which they were appropriated by Parliament and expenditures have been made as authorised;
• essential records have been maintained and the rules and procedures applied were sufficient to safeguard and control public interest and property; and
• all public monies have been fully accounted for and rules and procedures applied have been sufficient to secure an effective check on the assessment, collection and proper allocation of revenue.

4. Guided by the above objectives I also reviewed key areas of MDAs’ internal control systems and risk management to ensure and encourage proper and prudent management of public funds and resources. Issues, conclusions and recommendations included in this report, intended to improve and further deepen financial management and controls, were discussed with the MDAs.

Significant findings and recommendations
5. As in previous reports, this year’s audit disclosed poor cash management practices resulting in failure to pay revenue collected into the Consolidated Fund, tax irregularities and un-authorised payments as well as non-availability of adequate records on revenue collected. We noted also instances of inadequate controls over the administration of procurement, payroll and contracts.
6. We discussed our findings with heads of the MDAs and incorporated their responses in management letters that were subsequently issued to them. We also made available the drafts of matters intended for inclusion in this report for the comments of affected MDAs before the report was finalized in order that conclusions and comments reported would be based on accurate and up to date facts. Some MDAs responded whereas others did not.

7. The overall financial impact of the weaknesses and irregularities identified amounted to GH¢118,820,175.66, US$246,744.24 and GBP136,084.22. This is set out in Table 1 of this report while in Table 2 these have been analysed according to irregularities pertaining to each MDA.

Table 1: Summary of financial irregularities for 2011

<table>
<thead>
<tr>
<th>Irregularities</th>
<th>%</th>
<th>GHe 2011</th>
<th>USS 2011</th>
<th>GBP 2011</th>
<th>GHe 2011 Total</th>
<th>GHe 2010 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Irregularities</td>
<td>44.22</td>
<td>52,807,322.72</td>
<td>13,824.11</td>
<td>52,838,612.21</td>
<td>72,414,244</td>
<td></td>
</tr>
<tr>
<td>Cash Irregularities</td>
<td>28.43</td>
<td>33,583,678.14</td>
<td>76,883.31</td>
<td>122,260.11</td>
<td>33,972,751.25</td>
<td>94,545,872</td>
</tr>
<tr>
<td>Outstanding Loans</td>
<td>4.78</td>
<td>5,602,153.84</td>
<td>73,306.18</td>
<td>5,709,276.16</td>
<td>4,665,375</td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>0.86</td>
<td>909,278.80</td>
<td>76,496.25</td>
<td>1,021,062.77</td>
<td>498,259</td>
<td></td>
</tr>
<tr>
<td>Stores/Procurement</td>
<td>0.65</td>
<td>780,027.67</td>
<td>780,027.67</td>
<td>684,375</td>
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<td></td>
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<tr>
<td>Contracts</td>
<td>20.88</td>
<td>24,946,637.32</td>
<td>24,946,637.32</td>
<td>283,578</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent Arrears</td>
<td>0.18</td>
<td>191,077.17</td>
<td>20,058.50</td>
<td>220,388.66</td>
<td>82,838</td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
<td><strong>118,820,175.66</strong></td>
<td><strong>246,744.24</strong></td>
<td><strong>136,084.22</strong></td>
<td><strong>173,174,541</strong></td>
<td></td>
</tr>
</tbody>
</table>

8. My comments on the irregularities are provided in the ensuing paragraphs while the ruling conversion rates of the various foreign currencies involved, as at 31 December 2011, are set out below:
GH¢1.4613  -  US$1.00
GH¢2.2634  -  £1.00

**Tax irregularities and others – GH¢52,838,612.21**

9. Various taxes due for payment to IRS/CEPS & VAT, Divisions under the Ghana Revenue Authority, which remained uncollected during the period being reported on stood at GH¢52,807,322.72 and GBP13,824.11 respectively. Most of the irregularities arose from poor supervision of schedule officers and failure to enforce tax laws and financial regulations, as well as failure by Management of MDAs to sanction offending staff.

10. I, once again, recommend that the Ghana Revenue Authority as well as Chief Directors and responsible officials at MDAs should strengthen supervision and internal control procedures in the management of public financial business and apply necessary sanctions against offending officers and clients/organizations that default in settlement of their tax obligations.

**Cash irregularities – GH¢33,972,751.25**

11. Cash irregularities recorded for this period totaled GH¢33,972,751.25. The incidence of cash irregularities occurred mainly through:
Misappropriation of revenue/other receipts;
Failure by Accounting Officers to properly acquit payment vouchers or produce them for inspection and validation;
Failure to recover funds from dishonoured cheques issued by businesses/organizations and individuals in settlement of their tax and other obligations;
Imprests not accounted for;
Unauthorised expenditure;
Non-availability of records on revenue collected and failure to present value books for inspection;

12. The incidence of cash irregularities was more pronounced in the underlisted Ministries:

<table>
<thead>
<tr>
<th>Ministry</th>
<th>GHc</th>
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</thead>
<tbody>
<tr>
<td>Justice and Attorney General</td>
<td>16,375,045.05</td>
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<tr>
<td>Health</td>
<td>12,089,459.63</td>
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<tr>
<td>Education</td>
<td>2,621,482.63</td>
</tr>
<tr>
<td>MoFEP</td>
<td>2,004,238.00</td>
</tr>
<tr>
<td>Employment and Social Welfare</td>
<td>276,723.53</td>
</tr>
<tr>
<td>Youth and Sports</td>
<td>237,864.70</td>
</tr>
<tr>
<td>Defence</td>
<td>81,039.61</td>
</tr>
<tr>
<td>Other Agencies</td>
<td>84,758.12</td>
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</tbody>
</table>

13. I recommend the strengthening of internal controls over the collection and disbursement of cash and adherence to the provisions of FAA 2003 and FAR 2004, Financial Memoranda, etc.
Stores/Procurement irregularities – GH¢780,027.67

14. Irregularities relating to Stores and procurement amounted to GH¢780,027.67 during the review period. The irregularities related to purchases not taken on ledger charge, contract variations, payments for uncompleted works and fuel coupons not properly accounted for. Failure to adhere to the Public Procurement Act, and Store Regulations brought about this situation. Poor supervision of subordinate officers and non application of sanctions was another contributory factor.

15. I recommend the strengthening of supervision and monitoring as well as compliance with the provisions of the Public Procurement Act and other regulations.

Outstanding loans – GH¢5,709,276.16

16. Outstanding loans has continued to be an issue because often loans are granted without specifying terms of recovery and responsible officials fail to monitor performance while the beneficiaries also do not willfully ensure that the loans granted them are being recovered. An amount of GH¢3,442,296.60 out of the total is in respect of wrongful payment of vehicle insurance premium by Ministry of Health which ought to be recovered from the beneficiaries.
17. There is the need for fund managers to observe provisions in the financial regulations regarding the granting of loans and their full recovery.

Payroll overpayments – GH¢1,021,062.77

18. Payroll irregularities involved mostly unearned salaries paid to separated staff as well as irregularities in pension payments and the failure to ensure timely deletion of the names of separated persons. A total amount of GH¢909,278.80 and US$76,496.25 were recorded in the period under review. This is proving to be an area of significant loss of funds to the Government and it is time to seek a more workable solution between MDAs and the Controller and Accountant General’s Department to delayed deletion of names of separated staff and pensioners. There is as well required, a mechanism where individuals who have wrongly been paid or been beneficiaries of unearned salaries and the bankers of persons face sanctions for not returning promptly such unearned monies when called upon to do so.

19. I again recommend intensification of coordination between Finance and Human Resource Units within MDAs in their responsibility for payroll management and the prevention as well as recovery of unearned salaries paid to unauthorised personnel.
Contract irregularities – GH¢24,946,637.32
20. This year, the value of reported irregularities in contract administration is significantly higher as a result of contract management lapses that occurred particularly at the Ministries of Health, Defence, Roads and Transport, Education and Employment and Social Welfare.

21. I recommend that MDAs should endeavour to adhere strictly to the provisions of the Public Procurement Act with respect to single source procurement, the tendering and award of contracts and also monitor progress of execution of contracts to avoid incidences of improper contract variations, payments for work not done, abandonment of works, etc.

Staff rent arrears – GH¢220,388.66
22. Rent arrears owed by staff continue to feature in my reports because of failure to convey appropriate information to the Controller and Accountant General and problems in payroll administration. Managements of some MDAs did not ensure deduction of rent that was due from the salaries of their staff. This year the amount involved was GH¢191,077.17 and $20,058.50.

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

**Conclusion**

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

25. I am not satisfied with the performance of some Chief Executives and other responsible officials in the management of public resources and safeguarding of public property and I call for more effective action from the Ministry of Finance and Economic Planning, as the lead Agency of Government in the administration of the public purse, to ensure that MDAs comply with the Financial Administration Act, the Financial Administration Regulations, the Public Procurement Act as well as the Audit Service Act which calls for the establishment of Audit Report Implementation Committees.
whose work can assist in addressing many of the lapses that are mentioned in this report.

26. I also call for the strengthening and recognition of Internal Audit Units established within the MDAs and the facilitation of their role which can help to reduce the incidence of irregularities that are reported annually by the Auditor-General.

27. It is my hope that these measures, if properly responded to, shall bring about a more vibrant public service and allow sufficient time to focus on and address wider systemic issues that will bring about achievement of the objectives of Government’s public sector reform programme.
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<th>Cash Irregularities</th>
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<th>Payroll</th>
<th>Stores/Procurement</th>
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<td>GH¢</td>
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<td>Water Res Works &amp; Housing</td>
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<td></td>
<td></td>
<td>136,084.22</td>
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<td></td>
<td><strong>Total</strong></td>
<td>52,807,322.77</td>
<td>13,824.81</td>
<td>33,583,678.14</td>
<td>76,883.31</td>
<td></td>
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<td>24,946,637.32</td>
<td>136,084.22</td>
</tr>
</tbody>
</table>
PART II

SUMMARY OF FINDINGS AND RECOMMENDATIONS BY MDAs

MINISTRY OF FINANCE AND ECONOMIC PLANNING

28. We noted that nine Domestic Tax Revenue offices (DTRO) in Accra failed to withhold tax amounting to GH¢4,769,016 on rent, audit, legal and professional fees. We recommended that management should educate the withholding agents on the need to comply with Section 84 of Internal Revenue (Amendment) Act 2002.

29. We observed during our review of PAYE records of six DTROs in Accra that 97 companies defaulted in the payment of PAYE totalling GH¢1,254,931 deducted from the emoluments of their employees. We recommended that management should closely supervise the work of schedule officers and also pursue defaulters for early recovery of outstanding taxes.

30. At ten DTROs, we observed that 1,335 companies and 829 entities had defaulted in the payment of their corporate taxes amounting to GH¢33,591,254 as at the end of the 2010 year of assessment. We were of the view that failure on the part of management to ensure that provisions in the Tax law are enforced is
the cause of this anomaly. We recommended that management should ensure that schedule officers monitor taxpayers’ files regularly and also seek the assistance of the State agencies in tracing relocated companies to recover outstanding tax liabilities.

31. Funds totalling GH¢166,583 were not promptly transferred from various banks into the Consolidated Fund at the Bank of Ghana due to the failure of Finance officer to monitor the accounts. We recommended the immediate transfer of the amounts into the Consolidated Fund.

32. Failure to promptly delete the names of deceased pensioners from the payroll and the overstatement of service periods resulted in the payment of unearned pension salaries totalling GH¢49,676 into their bank accounts. We urged the immediate recovery of the illegal payments and the immediate deletion of the names of the deceased pensioners from the pensioners payroll. We also advised officers at the Controller and Accountant General’s Pension Computation office to be diligent in their work to forestall perpetuation of the lapse.

33. We noted at Tema, Makola and four other DTROs that Landlords and property owners were indebted to the tune of GH¢2,669,645 in respect of rent tax for the 2009 to 2010 year of assessment. We recommended that management should closely
supervise the work of the schedule officers and also pursue defaulters to recover the amount.

34. Our review of the Returned Cheques Register at Makola DTRO and six other DTROs in Accra disclosed that cheques valued at GH¢261,974 and issued by taxpayers in settlement of their tax liabilities were returned by their bankers due to insufficient funds and these had remained outstanding for periods ranging between three and 31 months. We recommended that the taxpayers involved should be pursued to settle the outstanding tax together with the appropriate penalties in line with Section 143 of Internal Revenue (Amendment) Act 2004 (Act 669). We further recommended that before Tax Clearance Certificates (TCC) are issued it should be ensured that there were no uncleared cheques existing in the names of the applicants.
35. Four companies owed National Stabilisation Levies (NSL) totalling GH¢22,266.30 for 2009 and 2010 years of assessment at the Kinbu DTRO. At the Osu DTRO we noticed that Ghana International School failed to settle NSL totalling GH¢8,806.72 for 2001 to 2005 years of assessment.

36. According to management the institutions claim they have petitioned the Commissioner to the effect that as Companies limited by Guarantee, they are not required to pay taxes. We advised that the issue involving the educational institution should be referred to the Legal Unit of GRA and, for the other companies we recommended that management should ensure that schedule officers review all company files and recover NSL outstanding.

37. Our review of tax files at eight DTROs disclosed that audited accounts submitted by 205 taxpayers for the 2009 and 2010 years of assessment had not been examined as at the end of August 2011, contrary to Section 77(1) of Act 529. The failure to examine taxpayers’ returns on income to determine assessable income and tax payable leads to non-payments of tax, consequently affecting inflows into the Consolidated Fund. We advised management to put measures in place to ensure early examination of accounts submitted by taxpayers for prompt settlement of their tax obligations.
38. We noted that VAT revenue totalling GH¢56,290.36 and $25,351.35 were not receipted and accounted for by Ms. Naa Shorme Ocquaye, an Assistant Revenue Officer of Adabraka LVO. Weak supervision of schedule officers as well as inadequate control in the issue of LVO’s invoices resulted in this loss of revenue to the State. We urged management to promptly recover the amount from the officer. Management should also strengthen supervision of officers and properly control the issue of invoices.

39. Our audit of Adabraka LVO disclosed that although 242 traders owed a total of GH¢6,070,649 as at 30 December 2010 distress action had not been initiated to prosecute these traders for recovery of the unpaid taxes. Failure on the part of management to apply the VAT law on debt recovery resulted in this lapse. Management insisted that all efforts to recover the debts had been to no avail. We advised management to apply the necessary sanctions to recover the taxes.

40. Contrary to Regulation 3.3 of the VAT Operation Manual, a debt of GH¢201,824.63 owed by Gocrest Security (621 V000356) in November 2009 was reduced by GH¢133,487.17 in January 2010 to GH¢68,337.46 without records of payments made by the trader. Ineffective supervision of schedule officers by management led to this irregularity. We urged management of the Ghana Revenue Authority
to investigate and sanction any officer found culpable and also ensure prompt recovery of the total debt of GH₵201,824.65 to chest.

MINISTRY OF EDUCATION

41. Due to management’s failure to acknowledge cash receipts, ensure the acquittance of payment vouchers and to provide proper custody for payment vouchers, cash irregularities totalling GH₵2,621,483.00 were noted during the year. We recommended strict adherence to Regulations 39 (1) and 39 (2c) of the FAR.

42. Owing to delays in the deletion of names of separated staff from payroll, GH₵451,364.00 was paid as unearned salaries into the bank accounts of non-existent workers. We advised the management of the Educational offices involved to recover the unearned salaries and improve upon payroll monitoring.

43. Stores/procurement irregularities which included items not taken on ledger charge and un-competitive procurement totalled GH₵160,273.00 due to non-enforcement of the relevant provisions of the Store Regulations and the Procurement Act. We recommended to the managements of the various institutions under the Ministry to ensure strict compliance with the afore-mentioned regulations in order to ensure value for money in procurement transactions.
44. The Member of Parliament for Sefwi Akotombra area single handedly and without competitive tendering awarded a contract of GH¢40,000.00 for the supply of computers and the renovation of a classroom block for use as an ICT centre. We noted that after receiving full payment, the contractor failed to complete the execution of the project. We recommended that the contractor be made to complete the renovation work and the supply of the computers or the recovery of their cost. We also urged compliance with Section 35 (1) of the Public Procurement Act.

45. Advances recoverable by the Ghana Education Service management from staff stood at GH¢2,600.00 as at the end of 2011.
We advised management to intensify its efforts at collecting over-due amounts.

46. Tax irregularities which comprised withholding tax not deducted, unremitted tax to the Domestic Tax Revenue Division (DTRD) of the Ghana Revenue Agency and purchases from non-VAT registered suppliers totalled GH¢27,552.00. We recommended prompt payment of the un-remitted tax amounts and in order to boost tax revenue, we urged strict compliance with Section 30 of the Financial Administration Act. 2003.

MINISTRY OF YOUTH AND SPORTS

47. Cash irregularities, consisting of un-presented payment vouchers, un-acquitted payments, un-accounted for imprests and unauthorised payments amounting to GH¢237,865.00 were noted. We recommended strict adherence with the relevant provisions of the FAR and the strengthening of internal controls over disbursement to reduce these irregularities.
48. Unearned salaries totalling GH¢16,130.00 were paid to separated staff of the Ministry due to management’s failure to properly monitor the payroll and delete their names. We recommended recovery of the amount and the prompt deletion of the names of the separated staff from the payroll.

49. Stores and procurement irregularities such as failure to route store items through store and failure to record fuel purchases in vehicle log books totalled GH¢24,739.00 due to non-compliance with procurement rules and store regulations. We recommended compliance with existing procurement regulations and Store Regulations 0522 and 0529.
MINISTRY OF FOOD AND AGRICULTURE

50. Five District Directorates failed to properly account for payments totalling GH¢49,598.32 in contravention of FAR 39(2c). In the circumstances, audit could not confirm the authenticity of the expenditures involved. We advised management of the five District Directorates involved to account for the proper utilisation of the amount involved.

51. Reports on returns on revenue remittances were not made available for audit examination as a result of the failure by District and Regional offices of the Ministry to prepare and submit such reports as required by Regulation 19(1) and 2(a) of FAR 2004. Audit could therefore not confirm revenue remittances as appeared in bank statements of the Ministry. We recommended that the relevant reports on the returns should be made available for audit verification.
52. Imprest amount of GH¢1,050 given to staff of the Begoro District Directorate of the Ministry to undertake various assignments were not retired on the due dates. The omission cast doubts on the authenticity of expenditures noted to have been incurred with the amount. We requested management to ensure the full retirement of the imprest.

53. Management of the Agricultural Engineering Service Directorate, Veterinary Services, and five District Directorates of the Ministry failed to promptly stop the payment of unearned salaries to some separated staff. The inaction resulted in the lodgement of salaries amounting to GH¢27,596.70 into their respective bank accounts out of which only GH¢7,487.05 had been recovered. We urged the respective managements to recover to chest the outstanding unearned salary payment of GH¢20,109.65.

54. The names of 18 staff members of the Fisheries Commission did not appear on the commission’s monthly salary vouchers for the period 1 June to 31 December 2011 due to negligence of duty by the Personnel Unit. In the circumstances, the accuracy of the salaries drawn by the 18 staff members could not be ascertained and confirmed. To prevent the payment of unearned salaries, we urged management to input the names of the affected staff onto its payroll.
55. Fifteen vehicles of the Veterinary Services Directorate located at its headquarters offices were not made available for physical inspection during our audit because the vehicles which had been allocated to officials were on duty outside the offices during our audit. We recommended that the vehicles should be made available for our inspection on their return.

56. Single source procurement without authorisation totalling GH¢58,972.40 was noted in the procurement transactions of the Veterinary Services Directorate (GH¢55,991.00) and the Ejura Agric College (GH¢2,937.40). We urged the management of the two offices to comply with the provisions of the Public Procurement Act, 2003 (Act 663) to enhance transparency and secure value for money for their procurement transactions.

57. Laxity in supervision and control resulted in the failure to maintain records on the usage of fuel and lubricant purchases valued at GH¢5,169.66 by the Tain and Tano District Directorate of the Ministry. We recommended to the affected management to provide documentary evidence on the utilisation of the alleged fuel purchases failing which the amount involved should be recovered to chest.

58. Out of 20 pieces of wax prints purchased by the Begoro District Directorate of MOFA at a total cost of GH¢1,200, only 10 pieces were
receipted in store which resulted in 10 pieces not accounted for. We recommended that the difference of GH¢600 being the cost of the missing ten pieces should be accounted for or recovered from the Store-keeper.

59. A total of GH¢3,556,520 being the cost of agricultural machinery and equipment sold on credit by the Agricultural Mechanisation Support Services Centre (AMSEC) to companies and other beneficiaries during the period 2008 to March 2010 had not been recovered. The failure contravened the terms of payment agreements entered into with the beneficiary companies. We recommended effective supervision over the operations of AMSEC by the Ministry to ensure the prompt recovery of the outstanding amount.

60. Various agricultural loans such as block farming loans, rice and maize farmers loans and special mango farmers loans totalling GH¢999,889.29 granted by Regional and District Directorates of MOFA countrywide were outstanding at the time of our audit. We did not observe any serious efforts by the Directorates to recover the outstanding loans facilities. We advised management to be proactive in its recovery efforts.

61. The Saboba District Directorate of MOFA failed to remit to the IRS withheld taxes totalling GH¢513.00 in violation of Section 87(1)
of Internal Revenue Act, 2000. We advised management to remit the tax revenue without further delay.

62. Vaccines valued at GH¢127,035 were declared opened by the Veterinary Services Headquarters due to the failure by management to exhaust existing stocks of vaccines before ordering for new stocks. We recommended that to prevent such future losses or wastages, reasonable quantities of vaccines should always be ordered to forestall expensive vaccines from expiring and going waste.

MINISTRY OF HEALTH

63. The heads of 34 Health Training institutions in the Ministry of Health failed to properly account for total proceeds of GH¢352,995 realised from the sales of Admission Application forms. Poor supervision and monitoring of the sales activities by the heads of the Health institutions resulted in the irregularities. We recommended that the Minister should pursue recovery of the outstanding sales amount and improve on supervision and monitoring of the sales of Admission Application Forms.
64. Heads of Departments, Accounting officers and Revenue Collectors of eight health institutions, regional and district directorates, health centres and hospitals misappropriated total revenue of GH¢723,721.44 during the period covered by this report. Significant among the incidents of misappropriation was an amount of GH¢576,000 misappropriated by the Accountant of the Keta Municipal Government Hospital. Internal control weaknesses including weak supervision over Revenue collectors and Accounting officers as well as non-adherence to the Ministry’s financial rules and regulations governing cash management resulted in the irregularities. We recommended the recovery of the misappropriated revenue and the strengthening of supervisory controls over Heads of Departments and their Accounting officers to minimise the incidents of misappropriation.
65. Lapses and omissions such as failure to obtain official receipts and invoices in support of expenditures, failure to ensure that alleged recipients of amounts appended their signatures on payment vouchers, failure to prepare payment vouchers to support cash withdrawals from the banks and the refusal of Mutual Health Insurance schemes to acknowledge receipt of releases by the National Health Insurance Authority resulted in total unsupported and unsubstantiated payments of GH¢7,381,736.50 by the Ghana Health Service Regional and District Hospitals, health centres and other health institutions within the Ministry of Health during the period covered by this report. In the circumstances, audit could not authenticate the genuineness of the payments and expenditure involved. Ineffective supervision by management resulted in the irregularities. We requested management to produce the relevant expenditure supporting documentation to authenticate the transactions or the amount involved should be refunded to chest.

66. Duty advance amounting to GH¢9,678 which were granted to staff of two District Directorates of the Ministry had either not been accounted for or recovered even though their due dates had expired. We requested the respective Directorates to ensure that the outstanding advances were either accounted for or recovered to chest.
67. Payment vouchers covering total payments of GH¢152,964.86 together with their supporting expenditure documents were not presented by five health directorates and institutions for audit scrutiny due to weak control over disbursements and accounting records. We recommended that the outstanding payment vouchers should be traced for audit scrutiny and strict control over disbursement ensured in accordance with Regulation 39 of FAR, 2004.

68. The Staff Vehicle Management Committee of the Ministry’s Auto Revolving Fund Scheme inadvertently made the Ministry to pay total premium of GH¢3,442,296.60 in respect of vehicles purchased by staff, an expenditure which should have been borne by staff beneficiaries of the scheme. The under-absorption was due to wrong financial analysis and input assessment by the management Committee of the fund. We recommended that the Hon. Minister should ensure that the individuals who purchased the vehicles bear the insurance premium of GH¢3,442,296.60.
69. Some Directors and Assistant Directors of the Ghana Health Service Headquarters were paid an excess of GH¢60,669 in respect of allowances due them which were initially paid to them from the Service’s Internally Generated Fund account and later duplicated by the Controller and Accountant General. We recommended that the Director-General should recover the excess payments totalling GH¢60,669 from the officials involved.

70. Total medical claims of GH¢2,078,429.82 prepared and submitted by the Komfo Anokye Teaching Hospital for settlement were dishonoured by the Health Insurance Authority for various deficiencies that were found in the claims submitted. We attributed the rejection of the claims to lack of due care on the part of the
officials of the Hospital in computing the claims in violation of the insurance policy and guidelines. We recommended to management to ensure that future claims were properly computed to avoid non-payment.

71. Ten health facilities within the Half Assini District misapplied drug funds amounting to GH₵26,067.23 on service activities in violation of Paragraph 5, Section 14 (4) of the Ministry of Health Accounting Treasury and Financial Reporting Rules and Instructions. To prevent the depletion of the drug fund of the facilities involved, we recommended that the misapplied drug funds should be recovered into the account.

72. Delays in the deletion of the names of separated staff of five Health Institutions from the payroll resulted in the payment of total unearned salaries of GH₵211,818.28 into the bank accounts of 41 separated staff. We requested the Heads of the affected institutions to recover the amounts involved to chest and ensure the prompt deletion of the names of separated staff and monitor the payroll regularly to prevent a recurrence of the anomaly.

73. Single source procurement without authorisation totalling GH₵13,306,102.80 were made by nine hospitals and health institutions during the period covered by this report. We urged the
management of the nine health institutions involved to comply with the provisions of the Public Procurement Act 2003 (Act 663) to enhance transparency and secure value for money for their procurement transactions.

74. Failure on the part of Transport officers in five hospital and institutions in ensuring that their drivers entered fuel purchases in their vehicle log books resulted in fuel purchase amounting to GH¢16,013.51 being unaccounted for. We recommended that the drivers and transport officers should be made to account for the alleged fuel purchased.

75. The utilisation of purchases of store items and drugs valued at GH¢189,503.03 allegedly purchased by institutions and offices within the Ministry during the period covered by our audit could not be ascertained and confirmed by audit because management of the affected institutions failed to record them in store receipt vouchers and ledgers before disposal. Consequently, there was no evidence on how the purchases were disposed off. Non enforcement of the relevant provisions of Store Regulations 0522 and 0529 resulted in the anomaly. We requested that the respective managements should provide evidence on the utilisation of the purchases and enforce the provisions of the Store Regulations.
76. Physical count of Admission Application Forms disclosed a shortage of 1,208 Forms valued at GH¢43,488 at the Human Resource Unit and 12 Health Training Institutions of the Ministry. The failure by the Unit and the Training Institutions to exercise due care and ensure proper documentation of the distribution of the forms accounted for the anomalies. We recommended that the Minister should ensure that the missing forms were accounted for by officials who would be found liable.

77. Due to weak monitoring, the Keta Municipal Government Hospital had in stock drugs valued at GH¢10,135.29 having expired useful lives. We recommended the disposal of the expired drugs and improved monitoring of the expiry dates of drugs in stock.
78. A Municipal Hospital and Health Centre purchased drugs valued at GH¢155,726.75 from private pharmacies and chemical shops without obtaining non-availability certificates (NAC) from the Regional Medical Stores in violation of the Ministry’s Circular No CRIG/26/805. The practice could result in purchases of sub-standard drugs. We recommended that management should adhere to the Ministry of Health circular in all future drug purchases.

79. The failure by management of three health institutions to ensure the deduction of rent at source resulted in the default in rent payments by 636 staff members who occupied government bungalows in total rent of GH¢180,768.94. We urged management to ensure that the outstanding rent was recovered and inputs prepared to ensure deductions at source of all future rents.

80. Our audits disclosed that outstanding staff advances (GH¢250,678.43) and indebtedness of some National Health Insurance Schemes (GH¢2,780,460.77) to some Health Institutions and facilities totalled GH¢3,031,139.20. We urged the managements of the institutions concerned to closely monitor the debts and recover the amount involved.

81. The Bompata Health Centre was indebted to the Regional Medical Stores – Ashanti region in the sum of GH¢73,163.41 in
respect of drugs and non drugs purchases made as at the time of our audit. We recommended to the Health Centre to be circumspect in purchases of drugs and non drugs to forestall such huge debts.

82. Tax irregularities which comprised purchases from non-VAT registered entities, unremitted taxes, and uncollected taxes to the VAT Commissioner and IRS added up to GH¢122,303.70. We recommended strict compliance with the Internal Revenue Act, 592 and enforcement of Section 30 of the Financial Administration Act 2003 to enhance tax revenue generation.

MINISTRY OF INTERIOR

83. We noted instances of cash irregularity totalling GH¢18,144.00 in two Departments under the Ministry. At the Tarkwa District Police office, we noted the payment of a total amount of GH¢8,792.00 for the maintenance of vehicles and for other major maintenance works without the Head of the station or the Transport/Estate officer’s certification of the work done. The other cash irregularity observed was in the Dormaa-Ahenkro office of the Fire Service where a total disbursement of GH¢9,351.00 was made without the preparation of payment vouchers. We recommended to the officers involved to strictly adhere to Regulation 1(1) of the FAR and Section 16 of the FAA.
84. Slow payroll deletions resulted in the payment of unearned salaries totalling GH¢8,273.00 to separated staff who were in the Fire Service offices in Sekondi, Berekum, Bibiani and Kintampo. We recommended a recovery of the total amount and regular monitoring of the payroll to ensure early deletion of names of separated staff so as to obviate the recurrence of the anomaly.

85. Stores and procurement irregularities such as failure to record tangible assets in fixed assets register, failure to route store items through store and procurement from non-VAT sources and suppliers totalled GH¢24,846.00 for the year. Non-compliance with the procurement rules and store regulations accounted for the irregularities identified. We recommended compliance with the existing store and procurement regulations and the strengthening of
supervisory controls in order to enhance transparency and accountability in the procurement and storekeeping functions.

**MINISTRY OF LANDS, FORESTRY & MINES**

86. Five officers at the Lands Commission Secretariat, Koforidua, who were granted rent advances totalling GH¢6,840.00 on 27 October 2010, failed to settle their indebtedness to the Commission due to management’s laxity in ensuring the timely recovery of the advances from the officers. We requested management to recover the amount from the emoluments of the officers concerned.

87. Eight occupants of the Land Commission’s housing facilities at Koforidua owed rent of GH¢935.00 as at 31 December 2010. We recommended to management to recover the outstanding rent from the officers concerned and ensure monthly deduction of rent from the
salaries of the Commission’s tenants. Additionally, we advised that the Commission should adjust the monthly rent upwards, between 7% and 16% of the salaries of the tenants, in conformity with the directives of the Ministry of Finance and Economic Planning.

88. We noted that five officers who had separated either through retirement or death in the Land Valuation Board and the Survey Department at Sunyani were paid unearned salaries totalling GH¢11,967.00, during the period under review. We recommended the deletion of the names of the former employees from the payroll and the recovery of the unearned amount to chest.

89. Items purchased by the Land Valuation Board, Sunyani, valued at GH¢967.00 were not recorded in the store records to complete the procurement process. We attributed the lapse to management’s failure to effectively supervise the purchase and disposal of the store items. We recommended that store ledgers, receipt and issue vouchers should be procured to effectively manage the stores of the Board. We also urged that the items should be accounted for or their cost recovered to chest.

90. Due to improper monitoring, two revenue collectors of the Administrator of Stool Lands at Duayaw Nkwanta and Kintampo, collected revenue totalling GH¢2,339.00 but failed to account for the
money. We recommended to management to immediately recover the amount to chest and to streamline revenue collection and accountability.

91. Unpresented/unsubstantiated payments found in the Town Planning Department, Koforidua, totalled GH¢5,691.00. To ensure transparency and full accountability, we recommended that the unsubstantiated vouchers should be properly acquitted and the unpresented ones be traced and submitted for audit examination.

92. Non-adherence to Stores Regulation 1604 and lax control over departmental drivers resulted in fuel purchases totalling GH¢1,506.00 made by the Town and Country Planning Office, Sunyani, not being recorded in the vehicle log book of the department. We called for effective supervision and control over the use of fuel to save costs. We also requested the Regional Director to account for the fuel purchased or refund the amount involved to chest.

MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION

93. Two officers in Canberra and Paris Missions failed to account for consular fees of AU$890.00 and €6,216.00 respectively. We recommended immediate recovery of the amounts and the strengthening of controls over revenue collection in the Missions.
94. Seven Foreign Service Officers: five in Cotonou and one each in Seoul and Rome failed to settle their excess utility bills of CFA 693,372.00, W 372,579.00 and €1,008.00 respectively. We requested the Missions to recover the amounts to chest and to ensure timely settlement of future utility bills.

95. The Pretoria, Kinshasa, Tokyo, Washington D. C and The Hague Missions paid US$57,591.00, US$1,243.00, ¥1,120,365.00, US$1,703.00 and €5,333.00 respectively on behalf of Government officials, Ministries and Institutions. However, the beneficiaries have not refunded the amounts to the Missions. We recommended that the Ministry of Foreign Affairs should pursue the recovery of the amounts for the Missions to replenish their coffers.

96. A former employee of the Tel Aviv Mission was paid a total unearned salary of NIS101,143.00 during the review period. We requested the Mission to recover the amount from him.

97. The Conakry Mission granted an imprest of US$6,800 to H.E. Dominic Aboagye and Mr. Alexander Yeboah to undertake official assignments. When retiring the imprest, Mr. Alexander Yeboah inflated the air ticket fares to CFA665,400.00, instead of the actual fare of CFA474,400.00 that the officers paid, resulting in an excess claim of CFA191,000.00. We recommended that the Mission should
immediately recover the excess claim of CFA191,000.00 from Mr. Alexander Yeboah.

98. The Tokyo Mission granted former Ambassador Kwame Asamoah Tenkorang an imprest of ¥183,600.00 (US$2,000.00) to travel to Accra during the visit of the Crown Prince of Japan to Ghana, but he did not retire the imprest before he was posted to the State Protocol Department, Accra, as the Director. We recommended to the Mission to ensure that the former Ambassador accounts for the imprest.

99. An amount of €7,118.00 was wrongfully paid by the Paris Mission to three bilingual Secretaries. Out of the amount, a total sum of €2,077.00 had since been recovered, leaving a balance of €5,041.00. We urged the Mission to recover the entire amount from the Secretaries.

100. Two home based staff at the Rome Mission stayed in a hotel beyond the mandatory period of 28 days, resulting in an overpayment of €13,200.00 on their behalf. We urged the Mission to recover the excess payment from the officers to chest.

101. Ten officers failed to refund €2,770.00 being excess claim of per-diem allowances wrongly paid to them by the Rome Mission. We
requested the Mission to immediately recover the amount from the officers.

MINISTRY OF WATER RESOURCES, WORKS AND HOUSING

102. Consumers’ indebtedness to the Water and Sanitation Development Board Offices at Sefwi Bekwai, Half-Assini, Bonyere and Kintampo stood at GH¢267,611.00. We recommended to the various offices of the Board to put stringent measures in place, including disconnections and legal action, to retrieve the outstanding amount.

103. We noted that underground pipelines valued at GH¢8,432.34 were damaged while being relocated to pave way for the rehabilitation
of the Sefwi Bekwai to Ashiam road. We urged the Ministry to prevail on the Highways Authority to ensure early completion of the road project in order that the pipelines could be restored.

104. Management neglected to comply with applicable financial regulations resulting in cash irregularities totalling GH¢31,421.00. Involved in the lapses were un-acquitted payments of GH¢8,238.00 and direct disbursements from revenue of GH¢23,183.00 which were noted at the Half Assini and Derma Water and Sanitation Board Offices respectively. We recommended strict adherence to the relevant provisions of the FAA, 2003 (Act 645) and the FAR, 2004 and the strengthening of controls over revenue and disbursements.
105. Single source procurement totalling GH¢36,773.00 was noted in the Water and Sanitation Development Board Office at Half-Assini. We urged the management of the Board to comply with the provisions of Section 43(i) of the Public Procurement Act, 2003 (Act 663) to enhance transparency and secure value for money in their procurement transactions.

MINISTRY OF INFORMATION & NATIONAL ORIENTATION

106. Owing to delay in the deletion of the name of a retired employee of the Regional Information Service, Sunyani a total amount of GH¢3,072.00 was paid as unearned salaries into his bank account. We requested management to recover the illegal salary from the entitlements of the former officer.

107. We realised that the Kibi Municipal Information Officer procured a receipt book from a private source for revenue collection without the Controller and Accountant General’s authorisation. Several attempts made to audit the receipt book proved futile; indicating that the receipt book might have been used to collect various sums of money for personal use. We recommended to the Information Service to retrieve the unauthorised receipt book for auditing and to sanction the Municipal Information Officer. Additionally, we advised that in future, the management of the Service
should acquire its value books from the Controller and Accountant-General’s Department.

108. Upon the directives of management at Head Office, expenditure supporting documents in respect of disbursements that the Sunyani office of the Ghana Broadcasting Corporation (GBC) made involving a total sum of GH¢23,230.06 were forwarded to the Head Office of the Corporation. The situation weakens accountability and effective auditing at the regional level. We, therefore, advised the Regional Director to resolve the matter of regional audits with the authorities in Accra.

109. It was observed that 54 companies, individuals and religious bodies owed the Sunyani office of GBC to the tune of GH¢136,119.00
as of 31 December 2011. We advised the Corporation to ensure better debt management and to recover the outstanding indebtedness to improve its liquidity portfolio.

MINISTRY OF COMMUNICATIONS

110. Due to management’s failure to comply with best cash management practices, the Meteorological Agency Office, Sekondi withdrew a total of GH¢4,954.00 from bank for the payment of allowances and other expenses but failed to record the transactions in a cash book. We urged management to acquire a cash book to record all its cash and bank transactions.

111. Non-adherence to the provisions of Regulation 18 of the FAR led to direct disbursements of GH¢1,296.00 from the revenue collected by the Meteorological Agency, Sekondi between 4 January
2011 to November 2011. We recommended to management to bank all its revenue intact, in compliance with the regulation.

MINISTRY OF TRADE

112. Non-compliance with Chapter 16, Regulation 1604 of Stores Regulations 1984 by the National Board for Small Scale Industries, Sunyani, resulted in fuel purchases amounting to GH¢674.00 not being entered in a vehicle logbook. We recommended that management should produce records on the purchase and utilisation of the fuel or the amount involved should be recovered to chest.
113. Failure of the Greater Accra Regional Co-ordinating Council to delete the names of four retired employees and one other whose appointment was terminated resulted in the payment of unearned salaries totalling GH¢10,913.02 into their bank accounts. We recommended the refund of the unearned salaries withdrawn and swift action taken to delete their names from the payroll.

114. Due to the failure to ensure rent deductions at source and weakness in administration rent collection, fifteen occupants of Government Bungalows with the Northern Regional Co-ordinating Council failed to pay GH¢6,029.53 as rent. We recommended that management should ensure efficient database of occupants and pursue the collection of rent arrears.
115. Recovery has not been made from District Directors who were granted advances totalling GH¢4,000.00 for their travels to Accra. We advised management to ensure recovery of the outstanding advances or should be surcharged to the Northern Regional Director.

116. No official receipts were sighted for overpayment recoveries amounting to GH¢51,163.00 in respect of National Service Personnel and Volunteers who failed to report to their station on time. We recommended that the amount be receipted and paid to chest, failing which the amount should be surcharged to the Executive Director, Accra.

**MINISTRY OF DEFENCE**

117. Contract management lapses were noted in the Ministry of Defence during the period under consideration. The irregularities included upward adjustment of contract prices without any justification and failure to complete contracts on schedule. We advised management not to pay variation prices where contractors have failed to complete jobs on schedule. Additionally, we advised the Ministry to comply with the Public Procurement Law regarding the award of contracts.
118. We noted at the Electronic and Mechanical Engineering Unit that the Ghana Armed Forces (GAF) owns over 34 different makes and 120 different models of vehicles; implying that GAF would require enough funds to be able to support the importation of different spare parts for its fleet of vehicles. We, therefore, recommended that GAF should introduce a vehicle standardisation policy to guide them in the procurement of robust, tried and tested vehicles in order to cut down on maintenance and running costs.

119. Stores and procurement irregularities such as failure to route items through stores, failure to return uniforms on separation and procurement from non-VAT registered suppliers totalled GH¢266,128.00 for the year. Non-compliance with procurement rules and procedures in the various Units mainly accounted for the
irregularities. We recommended compliance with existing store and procurement regulations to enhance accountability in the procurement and storekeeping functions in the Ghana Armed Forces.

120. Cash irregularities involving improper acquittal of payment transactions and mis-application of funds amounting to GH¢81,040.00 were noted in the Western Naval Command, the Navy Headquarters and its Supply Registry as well as the Armed Forces Staff College. We recommended strict adherence to the relevant provisions of the FAR and the FAA and the strengthening of controls over disbursements.

121. The Ghana Navy failed to deduct 5% withholding tax of GH¢17,183.71 from the purchase of goods and services worth GH¢343,675.23. We recommended and the management of the Ghana Navy agreed to retrieve the 5% withholding tax of GH¢17,183.71 from the suppliers and to pay same to the Ghana Revenue Authority.

MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT

122. A total amount of GH¢5,680 generated by Parks and Gardens, Wa from the auctions of unserviceable items and subletting of land was not lodged into the respective department’s accounts. We advised the schedule officer of the department to lodge their respective accounts.
123. Contrary to the law purchase of various store items for the school Feeding Programme (NEPAD), Yendi totalling GH¢11,331 were not recorded in store records before use. Management should take prompt action to ensure that all item procured to received are routed through the stores as evidence to purchase and receipt before usage

MINISTRY OF CHIEFTAINCY AFFAIRS

124. Thirty-five tenants owed the institution (Stool lands-kibi) a total of GH¢2,927.30 with some dating as far back as 2008. We recommended the recovery of the amounts and measures that will ensure prompt payment of ground rent by tenants put in place.

MINISTRY OF EMPLOYMENT AND SOCIAL WELFARE

125. Out of a total payment of £139,801.00 made by the Ministry in respect of the operation of an Institutional Strengthening Plan (ISP), only £17,541.00 could be authenticated with receipts from the payees. We requested management to acquit the remaining payments with the supporting documents.

126. Taxes totalling £13,619.00 withheld from payments made to suppliers, contractors and a consultant during the period under review were not remitted to the Ghana Revenue Authority (GRA), but used at the Headquarters of the Ministry, in contravention of Section 87 of the Internal Revenue Act, 2000 (Act 592). We requested management to
immediately pay the amount to the GRA and produce the relevant receipts for verification.

127. Similarly, five months’ Social Security Fund (SSF) contributions of £204.80 in favour of a Mr. Richard Adjetey for the period 1 January to 31 May 2010 were not remitted to the Social Security and National Insurance Trust (SSNIT), contrary to the SSNIT Law. We advised management to help secure the officer’s future by regularly remitting his SSF contributions to SSNIT.

128. Management of the National Labour Commission exceeded their authorised procurement ceiling by GH¢20,587.53, when on 24 and 30 December 2010, they procured office curtains and furniture to the tune of GH¢30,587.53, in violation of Schedule 3, Section 2 (1) of the Public Procurement Act, 2003 (Act 663) which requires that for the supply of goods and services, Heads of Entities should authorise procurement up to GH¢5,000.00. We recommended that the Commission must ensure that its procurements are strictly done within the approved ceilings, in line with the Public Procurement Law.

MINISTRY OF ROADS AND TRANSPORT

129. The Ministry failed to bond four officers of the Roads and Highways’ Head Office who, between September 2008 and April 2012, received scholarships totalling US$213,730.00 to pursue various courses of study abroad. We noted that one of the officers, Mr.
Christian Appiah, who completed his studies in August 2009, vacated his post in August 2011; two years after completion of his studies. We recommended that the Ministry should ensure that all beneficiaries of future sponsorships are bonded before the commencement of their programmes of study. We also urged the Ministry to recover the amount of US$36,817.74 spent on Mr. Christian Appiah during his studies.

130. We observed that Mr. Gborbidzi Simon Scarlet, a Principal Technical Officer who was transferred from Techiman to Cape Coast on 27 January 2011, had his name on the Techiman payroll up to April 2012. The officer was paid a net salary of GH¢12,607.00 during the period, in violation of Regulation 304(b) of the FAR 2004, LI 1802. We recommended the immediate transfer of the officer’s name to the payroll of the Cape Coast office to ensure that the officer is not paid double salary by the two offices.

131. Three renovation works funded under the Cocoa Roads Improvement Project Fund, were awarded at the Regional office of the Department of Feeder Roads, Sunyani at a total contract sum of GH¢66,338.69. The three contracts were to be completed by 31 December 2010. Our review and project inspection disclosed that only GH¢33,169.35 or 50% of the works was actually executed. However, due to the issuance of false contract certificates by the Regional
Director, the full contract sum of GH¢66,338.69 was paid to the contractors. We recommended the immediate recovery of the amount of GH¢48,169.34 from the Regional Director and the contractors, plus interest at the prevailing bank rate. Additionally, the Regional Director Mr. S. N Sarpei - Nunoo must be sanctioned according to the Department’s rules and regulations for aiding the contractors to defraud the state.

132. The Department of Feeder Roads, Sunyani, made 11 purchases amounting to GH¢5,818.60 from non-VAT registered entities, contrary to Regulation 183(4) of the FAR, 2004. We also realised that the Department had no functioning Procurement Committee and as such purchases were solely made by the Regional Director. We recommended compliance with the VAT Law. We also advised that the Department should put in place a Procurement Committee to ensure transparency and accountability in the procurement of goods and services.
133. The Regional Director of the Centre for National Culture, Sunyani paid GH¢1,911.77 to two institutions without obtaining receipts to authenticate the payments, contrary to FAR. The omission could lead to misappropriation of the amount. We advised the Regional Director to obtain the official receipt or the money should be refunded to chest.

MINISTRY OF JUSTICE AND ATTORNEY GENERAL

134. Accounting records were not properly maintained. We noted that receipts were not recorded in the cashbooks, the cashbooks were not balanced monthly, we bank reconciliation statements were prepared and entries in the cashbooks cannot be relied upon to prepare the Financial Statement for the service. To ensure that book-keeping
is properly maintained management should improve its supervisory role.

135. Contrary to FAR 2004 the spending officer failed to prepare the financial statements for the period 2008 and 2009. We urged management to ensure that Financial Statements are prepared without any further delay.

136. Payment vouchers with a face value of GH¢896,649 were not presented for examination in contravention of FAR, 2004. We advised the Spending Officers and accountants of the Service to produce the vouchers for review or be surcharged with the amount.

137. Un-acquitted payment vouchers amounted to GH¢12,086,057. The lapse could lead to misappropriation of funds. We urged Management to ensure that the documents are produced to support the
payment or the Schedule Officer should be surcharged with the amounts.

138. Audits conducted at High, Magistrate and Circuit court at Agona Swedru Judicial Service revealed that Mr. Fiifi Wilson Ankrah, an official of Home Finance Company Bank (HFC) stationed at the circuit court failed to lodge court fines and deposit totalling GH¢139,583 into the Judicial Service Account of the Consolidated Fund, covering the period February 2009 to November 2010. The collections were not covered by any bank statement to authenticate their entry into account. The official in question is said to have absconded. We recommended HFC should account for the amount with interest and also the Service should lodge a complaint with the Police.
139. Payments totalling $65,928.78 were wrongly transferred from the Deposit Account to the Judicial Service Subvention Account for payment of foreign travels, accommodation, allowances etc. Payment voucher were neither prepared to support the cash withdrawals and the transfer contrary to regulations. We recommended that the amount be recorded back into the Deposit Account an in future payment vouchers should be prepared for all transactions according to statute.

140. Management transferred GH¢2,483,400.5 from the Deposit Account into the Subvention Account without preparation of payment vouchers to specify what the funds were intended for. Management has refunded GH¢100,000 leaving a balance of GH¢2,383,400.45. We advised that the balance of GH¢2,383,400.45 be refunded into the Deposit account.

OTHER AGENCIES

141. The Sefwi Akontombra District Office of NADMO could not account for a total amount of GH¢2,550.00 as a result of accounting weakness. We recommended that the amount should be accounted for or the District Co-ordinator and the Accountant should be made to refund it to chest

142. A deceased staff of the Bongo NADMO District Office was paid unearned salary of GH¢344.94 with SSNIT also being credited
with GH¢74.37. We recommended that management should recover to chest the amount paid into his bank account and pursue the transfer of the GH¢74.37 from SSNIT.

143. The Ho Regional Office of NADMO failed to make available for audit 32 payment vouchers with a face value of GH¢11,944.65. We recommended that the Accountant should be surcharged with the said amount if he fails to produce the vouchers for examination.

144. 45 staff members who vacated their posts as well as 30 others who failed to report when they were transferred from the Ashanti Region to the Volta Region were paid unearned salaries totalling GH¢56,123.93. For failing in their duty to prudently manage, supervise and abide by all the payroll procedures, we recommended that the amount should be retrieved from the Regional Director and the Regional Accountant.

145. Vehicles parts costing GH¢600.00 were purported to have been purchased in April 2010 for a vehicle which was involved in an accident in 2007 belonging to the Bole District Office of the NCCE. We recommended that the amount be recovered from the Accountant.

146. The Goaso Municipal Office of the NCCE made payments totalling GH2,922.40 to individuals to execute various programmes
and activities as well as GH¢1,154.00 also paid for travelling and transport expenses without the relevant documents attached to the payment vouchers. For not ensuring that the relevant documents were attached to authenticate the payments, we recommended the recovery of the GH¢4,076.40 from the beneficiaries, failing which the Principal Accounts Officer should be held liable for the recovery.

147. The Principal Accounts Officer of the Goaso Municipal Office of the NCCE also failed to keep records in his cash book for amounts received for its operations totalling GH¢3,516.26. We recommended the Municipal Director should ensure that the necessary records are kept with the amounts received accounted for.

148. The Kibi Office of the NCCE failed to support eight disbursement cheques totalling GH¢1,194.16 withdrawn with payment vouchers receipts and statements. We recommended to management to support the withdrawals with the relevant documents or the amount refunded.

149. A revenue collector failed to account for a General Counterfoil Receipts book issued to her at the Kibi NCCE District Office. We recommended to management to ensure the submission of the value book for auditing without delay.
150. The absence of an Account Officer at post at the Kpando NCCE District Office did not enable the office to keep and maintain proper books of accounts for a period of eleven months. We advised management to liaise with the Kpando District Finance officer for assistance.

151. The failure of the spending officer to ensure proper acquittal of payment vouchers led to the payment for various goods and services amounting to GH¢1,348.10. We urged management to have the affected vouchers properly acquitted and also obtain and attach invoices and official receipts to all the payment vouchers.

152. An official of the Wa Regional NCCE office defaulted in his rent payment of GH¢389.02 for a low cost house allocated to him. We recommended the recovery of the amount owed.

153. The Brong Ahafo Regional Director of the Electoral Commission disbursed 20 payment vouchers with a face value of GH¢28,928.50 without supporting them with the relevant expenditure documents. We recommended that he should produce the documents to substantiate the payments or in its absence refund the amount to chest.
154. Fuel purchased amounting to GH¢22,512.44 were not accounted for in the vehicle log books of the Brong Ahafo Regional office of the Electoral Commission. We recommended that for accountability for the fuel, he should comply with Section 1604 of the Stores Regulations 1984 or otherwise refund the total amount involved to chest.

155. The Brong Ahafo Regional Office of the Electoral Commission failed to route goods and service totalling GH¢2,820.63 through the stores. In the absence of store records to confirm accountability for the items, we recommended that he should refund the amount to chest.

156. Two staff members of the Gushegu Mutual Health Insurance Scheme failed to pay back loans amounting to GH¢2,977.03 due to ineffective loan recovery mechanism. We recommended to management to pursue the recovery.

157. The Salaga office of the Water Board lodged GH¢8000.00 out of GH¢8,865.00 collected from water bills and directly disbursed the balance GH¢8,065.00 in contravention of Section 18 of the FAR 2004, (L.I. 1802). We recommended to management to desist from the practice.
158. Due to the use of photocopied forms for sale by staff of the department for their personal gains, revenue from the sale of forms decreased, even though the total revenue collection by the Registrar-General’s increased over the years. We recommended the immediate discontinue of the sale of photocopied forms.

159. The Spending Officer of the Registrar-General’s Department failed to prepared accounts for annual financial statements for 2008 and 2009 contrary to Regulation 41 of the FAR 2004, (L.I. 1802). We recommended that management should have them prepared without any further delay.

160. Two drivers of the Registrar-General’s Department who drove vehicles without authority and got involved in accidents caused the department to incur a total debt of GH¢14,169.00 We recommended that management should institute a departmental inquiry into the accidents and surcharge them with the cost of repairs in addition to disciplinary action.
PART III

DETAILS OF FINDINGS

MINISTRY OF FINANCE AND ECONOMIC PLANNING – REGIONAL PLANNING COORDINATING UNIT – SEKONDI

Withholding tax not deducted – GH¢1,745.00

161. Contrary to Section 88(1) (a) of the Internal Revenue Act, 2000 (Act 592) the Unit made payments totalling GH¢41,117.00 for goods and services between 29 November 2010 and 22 December 2010 but failed to withhold the required 5% tax amounting to GH¢2,056.00.

162. The anomaly was due to management’s failure to adhere to the above stated regulation. The situation resulted in a loss of tax revenue totalling GH¢2,056.00 to the state.

163. We advised management to recover this amount from the suppliers and pay it to the Internal Revenue Service (IRS).

164. Management was able to recover GH¢311.00 out of the total amount of GH¢2,056.00 leaving a balance of GH¢1,745.00. Management promised to take necessary steps to recover the balance of GH¢1,745.00.
Unsupported payments – GH¢21,441.00

165. Part II Section 39(2c) and (d) of Financial Administration Regulations (FAR), 2004 state that “the head of department shall control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are duly due and payable”.

166. We, however, noted that payment vouchers with a total face value of GH¢22,401.00 paid to suppliers and individuals on 29 November 2010 were without receipts and expenditure details.

167. Failure on the part of management to adhere to the above regulation resulted in the anomaly which did not ensure proper accountability and could lead to misuse of funds.

168. At our insistence, Management was able to account for GH¢960.00 leaving a balance of GH¢21,441.00.

169. Although management responded that the remaining amount was expended on various items, including honorarium for committee members and others, there was no supporting documentary evidence of how the total amount of GH¢21,441.00 was disbursed.
Non-payment of rent – GH¢2,917.00

170. Occupants of government bungalows/flats/quarters are expected to pay 10% of their basic salary as rent in accordance with Ministry of Finance Circular No. 133385/05/06/NTR CADG of 15 May 2006.

171. A review of records of occupants of government bungalows/flats/quarters disclosed that two occupants owed the government a total amount of GH¢2,917.00 being arrears of rent for the period January 2010 to October 2011.

172. Management’s failure to abide by the directive in the Ministry of Finance Circular was the cause of the anomaly. The non-payment of rent has denied the State revenue that could have been used to rehabilitate some of the bungalows, flats and quarters.

173. We urged management to adopt stringent measures to recover the arrears and pay to government chest and also ensure that rents due were deducted promptly from salaries of occupants. Management explained that the Regional Coordinating Council had already taken action on the matter since management of government bungalow and flats is under the Council’s control. Notwithstanding this assertion, we still stressed that it was the responsibility of management to
recover the rent arrears from the defaulters since they were staff of the Unit.

**Purchases without alternative quotations – GH¢3,970.00**

174. We noted during the audit that management engaged the services of N & T Consult Ltd. to provide computer services and repairs worth GH¢3,970.00 on 14 June 2011 without obtaining the minimum three alternative quotations from other suppliers, contrary to the Public Procurement Act, 2003 (Act 663), Part IV, Section 43.

175. Management’s failure to abide by the procurement law resulted in the lapse. The practice could result in non-competitiveness and payment for higher prices for goods, which will lead to loss of funds to the Unit.

176. We recommended to management to adhere to the Procurement law to ensure transparency and value for money. Management accepted our recommendation and promised to request for price quotations from at least three sources in future procurement.

**Unpresented and unacquitted payment vouchers – GH¢7,188.00**

177. We noted during our review of the financial records that six payment vouchers used in paying a total amount of GH¢7,188.00 between January 2011 and September 2011 to various suppliers were
not presented for examination. This omission is in contravention of Part 1, Section (1) and (2) of FAR 2004.

178. Management’s failure to adequately supervise the Accountant resulted in the anomaly. We could not therefore authenticate the payments.

179. We recommended to management to produce the payment vouchers with the supporting documents for scrutiny or the total amount of GH¢7,188.00 be refunded to government chest. Management was able to produce four payment vouchers totalling GH¢2,980.00 without the supporting documents, while two payment vouchers totalling GH¢4,208.00 remained outstanding.

180. We urged management to fully acquit the four payment vouchers (GH¢2,980.00) and produce the other two payment vouchers (GH¢4,208.00) or the total amount of GH¢7,188.00 be refunded to government chest.

DISTRICT TREASURY – SOMANYA

Unclaimed salaries and pensions transferred to EOCO account – GH¢13,855.00

181. Contrary to Section 6 (1b) of the Financial Administration Act (FAA), 2003 (Act 654) we noted that an amount of GH¢13,855.03
being the balance in the suspense account brought forward in January 2011 at Manya Krobo Rural Bank was not transferred into Controller and Accountant-General’s Suspense Account but rather into Account No. 0125660006080 vide bank payment order No. 003252 of 24 January 2011 upon the advice of Economic and Organised Crime Office (EOCO), Koforidua.

182. We advised that the Treasury should ensure that EOCO transfers the amount of GH¢13,855.03 into the consolidated fund.

**DISTRICT TREASURY – ASESEWA**

**Unreceipted payments – GH¢15,014.00**

183. Payments totalling GH¢15,014.28 were not supported with the relevant expenditure particulars as required by the Part II, Section 39 (2c+d) of FAR 2004

184. We attributed this lapse to the DFO and the Internal Auditor who failed to ensure that all the receipted copies of paid payment vouchers were promptly returned, and were properly receipted before subsequent payments were honoured. There was the possibility of such funds being misappropriated or misapplied.

185. We requested that management should provide the relevant receipts or expenditure statements and supporting details to justify the
payments. Management stated it had asked all MDAs to submit all the paid and signed Payment Vouchers or further cheques would not be honoured.

Untransferred balances – GH¢6,390.00

186. We noted that Upper Manya Krobo Rural Bank, Asesewa, failed to transfer a total amount of GH¢6,389.92 into the Consolidated Fund from the Controller and Accountant-General’s Salaries and Wages Suspense Account.

187. We advised the District Treasury Officer to ensure that the amount is transferred into the Consolidated Fund without further delay.

DISTRICT TREASURY – ODUMASE-KROBO

Unclaimed salary/wages not transferred – GH¢3,593.00

188. It is Government policy that persons or agencies holding monies in trust should promptly pay such amounts into the Consolidated Fund immediately they are due for transfer.

189. On the contrary, we observed that Ghana Commercial Bank, Akuse had withheld an amount of GH¢3,593.40 being unclaimed salaries/wages and pension for the period under review.
190. The anomaly occurred as result of the failure of the District Finance Officer to request for statement on the suspense account periodically to enable the Treasury notify the bank to transfer monies standing to the credit of the account promptly.

191. We urged management to ensure that the bank transfers the amount immediately into the Consolidated Fund. It should also request the bank to regularly furnish the Finance Office with bank statements for effective monitoring.

FANTEAKWA DISTRICT TREASURY – BEGORO

Misapplication of funds earmarked for pre-school and primary school activities by the District Education Office – GH¢3,308.00

192. Part IV Section 179(1) of the FAR 2004 requires 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.

193. On the contrary, we noted that funds totalling GH¢3,308.00 earmarked for Pre-school, primary and Junior High School activities were used to meet administration and operation expenses of the District Education Office.
194. The irregularity was due to the increased activity cost of the district office that were not foreseen when the annual estimates of the office were presented. The situation could affect the general performance of first cycle schools in the district since the schools are deprived of funds to improve on their operations.

195. We advised management to instead make supplementary estimates to the appropriate authorities for additional funds when confronted with such situations. Management noted our observation for implementation.

**Failure to transfer collections – GH¢26,880.00**

196. Contrary to Part 1, Section 2 (d) of the FAR 2004, a total of GH¢26,880.26 in Controller and Accountant-General’s Suspense Account had not been transferred into the Consolidated Fund by the Atiwa Rural Bank Limited, Begoro as at the time of writing this report.

197. Management failed to take appropriate action after it had persistently requested the bank to transfer the amount which proved futile. The non-transfer would understate Government revenue and distort revenue figures in the Consolidated Fund financial statements.
198. We advised management to ensure that this and subsequent amounts are transferred promptly into the consolidated fund. Management indicated that a letter had been written to the bank to transfer the amount immediately.

**Unclaimed allowances – GH¢4,468.00**

199. We noted that GH¢7,585.89 was withdrawn from the bank for the payment of allowances to officers on 10 payment vouchers. However, 30 of the officers failed to sign against their names as having collected their amounts totalling GH¢4,467.84. There was no evidence that the total unclaimed amount had also been returned to chest.

200. Inadequate checks and supervision of the work of the departmental accountants made it possible for this irregularity to occur. The practice of retaining unclaimed money’s on hand for long periods can lead to abuse including misappropriation.

201. We recommended that the unclaimed amount should either be paid to the beneficiaries or returned to chest without further delay. Management stated that the departments would be requested in writing to normalise the situation or refund the amount.
EAST AKIM MUNICIPAL TREASURY – KIBI

Non-competitive purchases – GH¢16,376.00

202. In contravention of Section 43(1) of the Procurement Act, 2003 (Act 663), management of four serviced departments ordered and made payments for the supply of goods amounting to GH¢16,375.85 without subjecting the transactions to competitive bidding.

203. Management’s failure to adhere to the process of obtaining three quotations before supplies are made was responsible for the lapse. The possibility of buying inferior goods at higher prices cannot be ruled out in such instances.

204. We advised management to adhere to the provisions in the Public Procurement Act 663 to avoid uncompetitive purchases of goods and services so as to obtain proper value for money. Management took note of our recommendation for compliance.

DISTRICT FINANCE OFFICE – AKROPONG-AKUAPEM

Failure to return duplicate payment vouchers – GH¢67,609.00

205. Our review of disbursement at the District Treasury disclosed that six Department/Institutions contravened Section 2(c) of Part 1 of the FAR, 2004 by failing to return to the District Finance Officer 68 receipted copies of payment vouchers covering a total amount of GH¢67,608.93.
206. In our view, the District Finance Officer’s inability to institute effective measures for the timely return of the duplicate copies of payment vouchers by the affected departments accounted for the anomaly. In absence of the receipted duplicate copies of the payment vouchers, we could not ascertain whether or not the payments were actually made to the payees named on the vouchers.

207. Management accepted our observation and instituted measures to enable them submit the duplicate payment vouchers before cheques are issued out in subsequent payments.

208. We advised that the District Finance Officer should compel the affected departments/institutions to return the receipted vouchers, failing which further payments to them should be suspended.

Payment for repairs of official vehicles without works order – GH¢4,122.00

209. We noted that the District Finance Officer made payments amounting to GH¢4,122.00 for repairs to Ghana Education Service’s vehicles without any works order from the Ghana Education Service, Akropong-Akuapem. Besides, there was no certificate from the GES indicating satisfactory completion of work done, contrary to Section 16 (1a) of the FAA 2003 (Act 654).
210. Lack of strict compliance with the FAA could lead to improper monitoring of repair works on the GES vehicles, and a high frequency of vehicles visiting garages as a result of shoddy repair work.

211. We urged the District Finance Officer to comply with the provision of the Act and also ensure that work orders duly signed by the head of departments/institutions and certificate of satisfactory completion of work are always attached to the relevant payment vouchers to authenticate the payment.

212. Management accepted our recommendation and promised to subject subsequent transactions to the recommendation made.

**Payment Vouchers without supporting Documents – GH¢24,998.00**

213. Our audit of the Akuapem North District Treasury revealed that 21 payment vouchers totalling GH¢24,997.66 which were raised between January and December 2011 were not supported with the necessary expenditure details like official receipts, invoices, signed claim sheets and other expenditure returns to authenticate the transaction as of December 2011 contrary to Section 39 (1) and 2(c) of the FAR, 2004.
214. This anomaly was attributed to failure on the part of the Department/Institutions to submit invoices, receipts and other relevant supporting documents to account for funds released to them and laxity also on the part of the District Finance Officer to enforce accountability.

215. The omission, apart from weakening financial controls, creates doubts about the authenticity of the transactions and leaves room for abuse.

216. We urged management to ensure that the recipients either account for the funds received or they should be surcharged with the amount. Furthermore, Management should formulate appropriate procedures for accounting for such releases and enforce compliance.

217. Management accepted our recommendation and informed all affected schools and Institutions to produce all the signed payment voucher sheets for our inspection.

**KWAHU MUNICIPAL AND DISTRICT FINANCE OFFICES**

**Unspent balance drawings account – GH¢11,480.00**

218. Between January and 31 December 2011 the four Treasury Offices received a total of GH¢383,930.04 in respect of Bank Transfer Advice for the Drawings Account.
219. Out of this amount GH¢372,450.45 was utilised by various Organisations leaving an unspent balance of GH¢11,479.59 as detailed:

- Kwahu West Municipal Treasury Office  GH¢3,083.65
- Kwahu South District Treasury Office  2,294.52
- Kwahu North District Treasury Office  899.11
- Kwahu East District Treasury Office  5,202.31

GH¢11,479.59

220. The Treasury officers concerned were advised to transfer the unspent balances to government chest.

**Untransferred balance on the suspense account – GH¢23,355.00**

221. For the period under review, lodgements into the Suspense Account by two Treasury Offices totalled GH¢129,150.26.

222. From the total lodgements, GH¢105,794.87 was transferred to government chest leaving GH¢23,355.39 untransferred.

223. We urged the Treasury Officers concerned to request the banks involved to effect the transfer forthwith in order not to deprive Government of needed revenue and also to prevent unauthorised
usage of Government funds by those servicing banks for their own purposes.

**Failure to transfer collections – GH¢4,090.00**

224. Between 1 January and 31 October 2011 revenue collections totalling GH¢1,635,340.31 was lodged into the Treasury Collections Account by Internal Revenue Service. The servicing bank (Ghana Commercial Bank, Nkawkaw) transferred GH¢1,631,250.66 to government chest leaving an untransferred amount of GH¢4,089.85. We admonished management to ensure that the outstanding balance is transferred as early as possible.

**Unspent balance on West Akim Municipal Treasury Office and Kwaebibirem District Treasury Office Drawing accounts – GH¢2,298**

225. Between 1 January and 31 December, 2011 the two Finance Officers received a total of GH¢405,943.42 in respect of Bank Transfer Advice for the Drawings Accounts.

226. Out of this, GH¢403,645.16 was utilised by various departments and organisations leaving an unspent balance of GH¢2,298.26.
227. The Finance Officers concerned were advised to transfer the unspent balances to government chest.

DISTRIBUTION FINANCE OFFICE – AKIM SWEDRU

Outstanding appropriations not transferred – GH¢6,007.00

228. Our review of the Controller and Accountant-General’s Sub-Consolidated account, maintained by Birim South District Treasury, revealed that a total amount of GH¢6,006.52 being the balance of unutilised appropriations by MDA’s at the end of the financial year, had remained untransferred into the Consolidated Fund contrary to Part II, Section 20 of the FAA, 2003 (Act 654).

229. The situation, attributed to the failure of management to comply with the law, has locked up funds which are to be used by Government outside the Consolidated Fund.

230. Management indicated that, the Controller and Accountant-General, as demanded by law, was informed of the unutilised appropriation but failed to effect the transfer.

231. We urged management to, nonetheless, pursue its efforts to ensure the immediate transfer of the total amount of GH¢6,006.52 into the Consolidated Fund.
Unpresented Treasury duplicate vouchers – GH¢28,166.00

232. Our review of treasury payments disclosed that 44 duplicate paid vouchers, with the sum total of GH¢28,166.13 paid to MDAs, were not made available for our examination.

233. The lapse, attributed to lack of effective monitoring and supervision at the Treasury, contravened government policy which requires all Treasury Offices to receive all duplicate paid vouchers into their custody within 48 hours after the payees have acknowledged receipt of the payments.

234. In the absence of the duplicate vouchers, it could not be confirmed whether the payments were made to the rightful persons named on the vouchers. Management responded that, it had written to the respective institutions and departments concerned to return the duplicate vouchers for examination.

235. We recommended to management to ensure that the defaulting MDAs return the receipted duplicate copies of the paid vouchers for examination, failing which the amount involved should be recovered to chest and the spending officers sanctioned.
Purchases not Routed through Stores and no Alternative Quotations for Procurement – GH¢4,993.00

236. Stores Regulation 316 of 1984 requires that the endorsed original copy of Store Receipt Voucher (SRVs) shall always be attached to the payment voucher on which payment has been made, in essence to provide assurance that the store items purchased have been routed through stores and are those actually being paid for.

237. Part IV, Section 43(1) of the Public Procurement Act, 2003, Act 663, also enjoins departments to request for quotations from as many sources as practicable but from at least three sources during the procurement of works, goods and services.

238. Contrary to the above, we found during our examination of paid vouchers at the Kintampo South District Finance Office (Central Government) that, seven payments amounting to GH¢4,993.22 made by departments for the purchase of tyres, stationery and office consumables were not routed through stores before usage. Management of the departments also failed to obtain at least three quotations as required by the above regulations for the purchases.

239. Failure on the part of the District Co-ordinating Director and Finance Officer to effectively supervise compliance with the
regulations accounted for these lapses. These omissions could therefore, result in paying higher prices for goods and services, non supply of goods, or short delivery of goods and services.

240. We therefore recommended that the District Finance Officer should ensure that the items are retrospectively taken on charge at the stores and their usage provided for our examination or in default the total amount be recovered from the authorising officers and paid to chest. We further urged the Co-ordinating Director and Finance Officer to ensure that henceforth, alternative quotations are obtained by all departments during procurement of goods and services. The Co-ordinating Director should ensure that the officers who were responsible for the failure to take the items on ledger charge are sanctioned, in accordance with the requirements of Section 8 of the Financial Administration Regulations, for financial indiscipline.

Unsupported Payment Vouchers – GH¢8,820.00

241. We observed during the examination of the payment vouchers of Kintampo South District Assembly Finance Office (Central Government) that 26 payment vouchers totalling GH¢8,820.24 being allowances alleged to have been paid by various departments to their staff were not receipted or signed by the alleged beneficiaries to acknowledge receipt of the amounts contrary to Part II, Section 39, subsection 2 of the FAR.
242. The Accountant, Mr. Gariba Kwaku, attributed the omission to failure on the part of the departmental Accountants to return the signed list of the beneficiaries after funds had been released to them.

243. In our view, situations where beneficiaries do not sign against their names to acknowledge receipt of sums being purported to be paid to them could be interpreted to mean that the allowances were not paid to them in reality and that the list of beneficiaries was attached to cover up misappropriation.

244. We recommended that the District Finance Officer should request the departmental Accountants involved to produce the signed lists, failing which the authorising officers should refund the amount and evidence provided for audit confirmation.

245. The District Finance Officer should also ensure that the departmental Accountants who failed to support the payment vouchers with the relevant receipts are sanctioned in accordance with Section 8 of the Financial Administration Regulations.

DISTRICT FINANCE OFFICE – ASUTIFI DISTRICT, KENYASI

Unremitted withholding Tax – GH¢568.00

246. Section 87(1) of the Internal Revenue Act 2000 (Act 592) enjoins a withholding agent to pay to the Commissioner of the Internal
Revenue Service a tax that has been withheld within 15 days after the end of the month in which the payment subject to withholding tax is made by the withholding agent.

247. We noted that contrary to the above provision the District Finance Officer (DFO) withheld 5% tax totalling GH¢567.85. However, the tax withheld had not been remitted to the Internal Revenue Service.

248. The non remittance of tax to the appropriate agency deprives the Central Government of part of the revenue projected for national development.

249. We advised that the District Finance Officer should remit the withholding tax amount of GH¢567.85 without further delay.

**Failure to purchase from non-VAT register entities – GH¢511.00**

250. Section 30(2) of the Financial Administration Act 2003, (Act 632) requires that, government stores should be purchased from only Value Added Tax (VAT) registered persons.

251. However, we noted that three institutions which received GOG Service grants through the District Treasury transacted business with
non-VAT registered entities to the tune of GH¢3,009.65 without due regard to the VAT law.

252. The failure on the part of management of the institutions to abide by laid down financial instructions in this regard resulted in the loss of VAT revenue of GH¢511.00 to government.

253. Management stated that the absence of VAT registered entities in the District led to the lapse. We, however, noted that the purchases were made from shops based in Sunyani where VAT registered entities could be found.

254. We advised that the Treasury Officer should ensure that Institutions and MDA’s that are serviced by the Treasury strictly comply with the procurement requirement as provided in the Act and ensure that they deal with VAT registered entities only.

DISTRICT FINANCE OFFICE – TANO SOUTH DISTRICT (BECHEM)

Unreceipted Transfers – GH¢118,951.00

255. Section 15(1) of the FAR 2004, (L. I. 1802) states that, any public officer who collects or receives public and trust monies shall issue official receipts in acknowledgement and pay them into the relevant public fund bank account within 24 hours of receipt.
256. Our review of records disclosed that, Ghana Commercial Bank, Bechem Branch, on behalf of the District Treasury, Tano South, transferred an amount of GH¢118,951.48 to Controller and Accountant-General who did not acknowledged receipt of the amount in line with the above-quoted regulation. This condition occurred because the District Finance Officer and the Treasury Desk Officer failed to notify the Controller and Accountant General on the need to acknowledge receipt of the transfers. This situation persisting could lead to the diversion of unclaimed salaries and pensions or the amounts could get lost in transit.

257. We therefore recommended that henceforth, all transfers from the Bank (in the form of unclaimed salaries and pensions) and all remittances to Controller’s Suspense Account should be receipted or acknowledged. Meanwhile, we requested the DFO to notify the Controller and Accountant General of the transfers totalling GH¢118,951.48 and demand receipt in acknowledgement accordingly.

**Unreturned duplicate copies of paid vouchers – GH¢81,033.00**

258. Receipted duplicate vouchers shall be returned to the Treasury Officer within 48 hours of payment. Where they have not been returned, the Treasury Officer is required to suspend all transactions on behalf of the spending officer among other things.
259. Our review of the records revealed that, contrary to the above-stated regulation, 54 duplicate copies of paid vouchers with face value of GH¢81,032.89 had not been returned by some of the departments although, new payment vouchers presented by the departments/institutions concerned were processed and payments effected.

260. The District Finance Officer is to blame for this irregularity which if not remedied could lead to fraudulent payments. We advised the DFO/DCD to ensure strict compliance with Financial Regulations at all times. Furthermore, the DFO should ensure the retrieval of the duplicate copies of the payment vouchers.

MINISTRY OF FINANCE REGIONAL TREASURY – HO
Unclaimed Salaries and Wages/Pensions not transferred to the Consolidated Fund – GH¢37,674.00

261. A review of Bank Statements for unclaimed salaries and wages/pensions revealed that a total sum of GH¢189,569.02 was credited to the suspense account for January-December 2011. The Ghana Commercial Bank, Jasikan transferred a total amount of GH¢136,832.70 into the Controller and Accountant General suspense account including other debits of GH¢15,062.77 leaving a balance of GH¢37,673.55 which was not transferred as at 31/12/2011.
262. The DFO should have monitored and ensured that the balance was transferred at the close of the year but he failed to do.

263. The District Finance Officer, Mr. Nana Atobra, should urge the Manager, Ghana Commercial Bank, Jasikan to promptly transfer the amount of GH₵37,673.55 into the Consolidated Fund at the Bank of Ghana.

**Official Receipt not Obtained for Payments in acknowledgement by MDAs –GH₵45,238.00**

264. Section 15(1) of Part II of the FAR, L.I. 1802 of 2004 directs that official receipts be issued to cover all Public funds and trust money received.

265. Contrary to this, 11 MDAs received funds amounting to GH₵45,238.02 from the Treasury but failed to issue official receipts in acknowledgement. The anomaly occurred because the DFO failed to demand the receipts for the payments.

266. The recipient MDAs might not record these amounts in their books of accounts and the resulting lack of accountability and transparency could lead to the loss of funds to the State. For proper accountability by both payer and recipient, we urged the DFO to
pursue collection of the official receipts for verification and authentication of the transactions.

**Payment of travel allowances without statement of claimed/itinerary – GH¢1,149.00**

267. Payment of travel allowances are based on travels performed which should be authorised by a head of Department before payment to claimants.

268. Three MDAs paid travel allowances totalling GH¢1,149.40 to staff without attaching to the relevant payment vouchers statement of claims or itinerary of travels.

269. We were of the view that if the pre-audit unit had effectively reviewed the PVs this anomaly could have been avoided. To avoid repetition of this error, we recommended that all payment vouchers submitted by MDAs should be properly vouched and reviewed by the pre-audit and Internal Audit sections of the District Treasury.

**KADJEBI DISTRICT TREASURY**

**Failure to request for return of duplicate copies of payment vouchers –GH¢35,717.00**

270. We noted during our inspection that the Treasury failed to ensure that MDAs who were paid a total amount of GH¢35,716.94 on
32 payment vouchers returned the signed copies as required by Departmental Accounting Instructions and in line with Section 28(1) of FAR 2004.

271. This anomaly, which was due to the failure of the Treasury Officer to insist on the submission of previously paid duplicate copies of PVs before new ones were processed for payment, made it impossible to determine whether the intended recipients had received the said monies.

272. We therefore urged management to ensure that all MDAs return the outstanding duplicate copies of payment vouchers, and our office informed for verification.

**Paid payment vouchers not stamped “PAID” – GH¢33,551**

273. Financial Administration Regulation of 2004 (LI.1802) Section 1 among other things requires any Financial Officer to ensure that all payment vouchers are stamped “PAID” after payments are effected and other supporting documents voided.

274. Contrary to the above regulation, 49 payment vouchers amounting to GH¢33,550.80 were processed and payments made without the “PAID” stamped being applied to void the vouchers due
to Management’s failure to effectively supervise the process of fund administration.

275. This breach of financial discipline did not indicate sound financial management as it may result in the said supporting documents being subsequently re-used as attachments to other payment vouchers providing opportunity for double payment for one transaction.

276. We advised management to ensure that all payment vouchers and their supporting documents are voided by stamping “PAID” on them after payment, in conformity with Section 1 of FAR, 2004.

**Payments without Internal Audit/Pre-Audit Certification – GH¢24,483**

277. Contrary to Part VIII, Section 2 of the Financial Memoranda for District Assemblies three payment vouchers from Government School Feeding Programme amounting to GH¢22,714.32 and four payment vouchers from other departments amounting to GH¢1,668.24, all totalling GH¢24,382.56 were passed for payment without Internal Audit Certification.

278. This situation was caused by the failure of Management to present the payment vouchers to the Internal Audit Unit for pre-audit
and certification. We advised Management to present all payment vouchers for examination and certification by the Internal Audit Unit before payment is made so as to ensure efficient and effective use of funds allocated to the Assembly.

**Un-acquitted Payment Vouchers – GH¢22,935.00**

279. Section 39(2c) of FAR (2004) states, “The head of the account section of a department, shall control the disbursement of funds and ensure that transactions are properly authenticated to show amounts are due and payable”.

280. In contravention of the above regulation; our audit revealed that 31 payment vouchers with a total face value of GH¢22,934.88 were not acquitted.

281. Management’s failure to demand relevant attachments to the vouchers made it difficult for us to determine the genuineness of the payments made. We recommended to management to ensure that the supporting relevant documents are provided to acquit the payments, failing which the total amount of GH¢22,934.88 should be recovered from the authorising and approving officers.

**Un-receipted Payment Vouchers – GH¢8,790.00**

282. Our review of payment vouchers revealed that two vouchers covering an amount of GH¢8,790.30 were not receipted contrary to
Section 1 of the FAR, 2004 which states amongst other things that public officers shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so.

283. We viewed this anomaly as evidence of weak internal controls in Cash management which could easily lead to payments for which no consideration has been received.

284. We advised that officers who are advanced monies for disbursement should produce expenditure receipts to account for the monies or be surcharged with the amounts.

**KETE-KRACHI DISTRICT TREASURY**

**Expenditure Warrants/Expenditure Authorisation unspent balance – GH¢2,257.00**

285. The two District Treasuries had total revenue of GH¢144,554.17 in the form of Expenditure Warrant. These releases were backed by Expenditure Authorisation or Bank Transfer Advices (EA’s or BTA’s). Expenditure amounting to GH¢142,297.07 was disbursed to beneficiary MDA’s, leaving an unspent balance of GH¢2,257.10.
286. We urged the District Treasury Officers (DFO’s) to advise the servicing banks to immediately transfer the unspent balances to the Consolidated Fund as required by law.

**KETA MUNICIPAL TREASURY**

**Payroll Overpayments – GH¢9,175.00**

287. Our review of documents on payroll revealed that four employees were overpaid amounts totalling GH¢9,175.08 in October, 2011. We noted that the overpayment was as a result of procedural error at the Controller and Accountant-General’s Department in Accra. The risk associated with this anomaly is that State funds would be lost or misapplied if such errors are not detected and corrected in good time.

288. We observed that the Municipal Finance Officer detected it earlier and notified the Controller and Accountant-General’s Department’s headquarters to take remedial action.

289. We recommended that the overpayment made to the four officers be recovered and paid to chest.

**Unclaimed Pensioners Allowances GCB – Keta GH¢25,893.00**

290. A review of the treasury accounts at Keta revealed that unclaimed pensioners allowances amounting to GH¢25,893.44 was in
the salary suspense account as at 31 December, 2011 with the Ghana Commercial Bank, Keta. We urged the MFO to impress on the Manager of Ghana Commercial Bank, Keta to pay the amount to chest and provide evidence of payment for examination.

**Illegal Payment to Deceased Pensioners – GH¢10,139.00**

291. Our review of the Ghana Government Pensioners’ payroll disclosed that six deceased pensioners continued to receive their pensioners’ allowances even after death. A total of GH¢10,138.63 was paid into the deceased pensioners account as detailed below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Deceased</th>
<th>Date of Death</th>
<th>Pension No.</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Nyame Francis K</td>
<td>25/09/2011</td>
<td>235883</td>
<td>144.25</td>
</tr>
<tr>
<td>2.</td>
<td>Nyanuolo Simon</td>
<td>25/11/2011</td>
<td>230882</td>
<td>1,076.34</td>
</tr>
<tr>
<td>3.</td>
<td>Zitor Michael K.</td>
<td>30/06/2011</td>
<td>216438</td>
<td>125.17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,345.76</strong></td>
</tr>
</tbody>
</table>

**Avenor Rural Bank – Akatsi**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Deceased</th>
<th>Date of Death</th>
<th>Pension No.</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>David K. Kwame</td>
<td>29/04/2011</td>
<td>240634</td>
<td>1,110.53</td>
</tr>
<tr>
<td>2.</td>
<td>Agetsise Jacob Y.</td>
<td>8/07/2011</td>
<td>127932</td>
<td>734.82</td>
</tr>
<tr>
<td>3.</td>
<td>Yaw Domenya</td>
<td>30/06/2011</td>
<td>164765</td>
<td>6,947.52</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>8,792.87</strong></td>
</tr>
</tbody>
</table>
292. We urged the District Finance Officer to take remedial action to ensure that the names of the deceased pensioners are deleted from the pensioners’ payroll. We again requested the District Finance Officer to liaise with the Management of Ghana Commercial Bank, Akatsi to ensure that the amount and any subsequent payments made to the deceased pensioners’ are promptly returned to Government chest. The District Finance Officer agreed to comply with our recommendation.

Collection accounts –South Tongu – amount lodged in wrong account – GH¢825.00

293. For the period under review, total revenue collected under this account head was GH¢825.00 which was in respect of renewal of Gun Licence by the Divisional Commander of Police, Sogakope.

294. We noted that the amount was lodged into a Ghana Commercial Bank Account number 1011130031702 at the High Street branch, Accra, instead of the Consolidated Fund. According to the District Finance Officer the money was lodged into the account of Police Service at the GCB High Street Accra at the instance of a signal from Command Headquarters.

295. Delay in transferring such State revenues into the Consolidated Fund denies the government timely revenue for development.
296. We urged management to obtain statement of evidence from the designated Bank, showing that the amount has been transferred into the Consolidated Fund at the Bank of Ghana.

Failure to Return Duplicate Copies of Payment Vouchers – GH¢19,896.00

297. Receipted duplicate vouchers shall be returned to the Treasury Office within 48 hours of payments. When they have not been returned the Finance Officer is required to, among other things, suspend all transactions on behalf of the spending officer concerned.

298. We observed that seven departments failed to return duplicate copies of 25 payment vouchers issued to them for a total amount of GH¢19,896.22 for the period under review. Failure to return duplicate copies of payment vouchers rendered such transactions incomplete and unauthentic.

299. We recommended that the Treasury Officer should not pay further releases to these departments, until they returned the duplicate copies. Management agreed to inform the departments concerned for compliance.
KPANDO DISTRICT TREASURY

Suspense Account Balance not transferred

300. The Ghana Commercial Bank, Kpando, as at 31st December 2011 failed to transfer a balance of GH¢1,986.70 from the Controller and Accountant-General suspense account to the main Consolidated Fund account. This, we noted, was caused by the failure of the District Finance Officer to exercise control over the accounts.

301. The District Finance Officer was therefore tasked to ensure that the Ghana Commercial Bank, Kpando transfers the amount into the main consolidated fund.

GHANA REVENUE AUTHORITY (GRA)

Outstanding corporate tax – GH¢33,591,254.00

302. At the Legon DTRO, we observed from 486 corporate tax files reviewed that 228 companies defaulted in the payment of their corporate taxes amounting to GH¢13,447,850 for the 2010 year of assessment. Similarly, out 265 tax files belonging to self-employed businesses and professional firms, 130 entities were owing a total of GH¢4,247,227 as at the end of the 2010 year of assessment.

303. Also, from a sample 616 taxpayers’ files reviewed at the Makola DTRO, we noted that 211 companies and 274 self-employed business enterprises owed the Ghana Revenue Authority a total of
GH¢3,370,257 in respect of provisional and final tax assessments as at the end of the 2010 year of assessment.

304. At the Osu DTRO, out of the 340 taxpayers’ files reviewed, we observed that 88 companies had provisional and final corporate tax of GH¢2,246,624 outstanding as at the end of the 2009 year of assessment. Also at the Osu DTRO, we noticed that Zenith College and Ghana International School had failed to settle corporate taxes assessed from 2001 to 2009 totalling GH¢420,769.

305. Our review of 464 taxpayers’ files of corporate taxpayers and self-employed business entities at the Adabraka DTRO disclosed that 212 companies and 94 self-employed businesses, representing 66% of taxpayers operating under the jurisdiction of the tax office, had outstanding provisional and final corporate tax amounting to GH¢2,195,494 as at the end of April 2011 for the 2009 year of assessment.

306. Additionally, out of a sample of 257 corporate taxpayers’ files reviewed at the Tema DTRO, we noted that 113 companies owed a total of GH¢1,717,248 for the 2009 year of assessment. We further noted that 133 self-employed business entities out of a sample of 223 had defaulted in the payment of taxes amounting to GH¢269,358 for the 2009 year of assessment.
307. At the Kinbu DTRO, out of 177 taxpayers’ files sampled we observed that 50 companies, 25 self-employed business entities and nine professionals had defaulted in the payment of outstanding corporate taxes amounting to GH¢1,112,466 as at the end of the 2010 year of assessment.

308. We sampled and reviewed 312 taxpayers’ files at the Achimota DTRO and noted that 79 companies and 116 self-employed owed the Ghana Revenue Authority a total of GH¢721,663 as at the end of the 2010 year of assessment.

309. Similarly, out of the 150 corporate tax files and 140 tax files of self-employed business enterprises reviewed at the Agbogbloshie DTRO we noted that 93 companies and 57 business entities owed GH¢536,718 and GH¢85,689 respectively in corporate taxes at the end of the 2010 year of assessment.

310. At the Mataheko DTRO, out of 276 taxpayers’ files reviewed, we observed that 142 companies, representing 51% of companies operating in the District, had outstanding provisional and final corporate tax amounting to GH¢505,201 at the end of the 2009 year of assessment. In addition, at Mataheko DTRO, we noted that three University Colleges, that is Methodist University College, Regent University College and Central University College, owed corporate
tax to the tune of GH¢2,381,134 as at the end of the 2009 year of assessment.

311. At the Abeka Lapaz DTRO, we noted that 119 companies, representing 52.8% of the taxpayer population there, had outstanding corporate tax of GH¢333,558 as at the end of the 2009 year of assessment.

312. The inability of Management to locate defaulting taxpayers and the location of the District office within the Agbogbloshie Market contributed to taxpayer apathy which has resulted in this condition.

313. We are also of the view that failure on the part of management to ensure that provisions of the Tax Law are enforced emboldened the taxpayers to continue to disregard notices of assessment served on them, thus denying the Consolidated Fund of needed revenue inflows for national development programmes.

314. We recommended that management should ensure that schedule officers monitor taxpayers’ files regularly and also seek the assistance of other state agencies in tracing relocated companies to recover all the outstanding tax liabilities.
315. With regard to the educational institutions, we recommended that the issue be referred to the Legal Unit of GRA for a firm decision to be taken to lay the matter to rest as issues of this nature have been recurring from time to time.

316. We further recommended that Agbogbloshie management could consider suggesting to GRA management on a possible relocation of the tax office to Kantamanto, where most of the taxpayers are located and operate a sub office at Agbogbloshie to cater for the few companies operating around the market.

**Non–payment of withholding tax – GH¢4,769,016.00**

317. We noted from our review of taxpayers’ files at the Legon DTRO that 124 companies who presented audited accounts for the 2009 and 2010 years of assessment failed to withhold tax deductible on an amount of GH¢2,958,577.19 relating to rent, audit, legal and professional fees and other expenditure items paid for. At the Kinbu DTRO, we observed that 32 companies did not pay to the Commissioner-General, withholding taxes amounting to GH¢444,369 on payments made in respect of rent, audit, legal and professional fees and other expenditure items. Similarly at the Tema DTRO, 67 companies failed to withhold and pay taxes totalling GH¢393,539 on rent, audit, legal and consultancy fees as well as other expenditure items. At the Adabraka DTRO, our examination of tax files disclosed
that 73 companies failed to withhold taxes totalling GH¢372,944.47 on rent, audit, legal and consultancy fees etc. as well as other expenditure items paid for.

318. Furthermore, at the Makola DTRO, we noted from our review of 291 company tax files that 135 companies, failed to withhold taxes totalling GH¢210,802 on audit, accounting, legal and professional fees and other expenditure items such as rent, etc. paid for.

319. Our examination of tax files at the Osu DTRO also disclosed that 25 companies did not withhold taxes amounting to GH¢146,332 on rent, consultancy, professional, audit and legal fees, and other expenditure items paid for. At the Achimota DTRO, we observed that 41 companies failed to withhold taxes totalling GH¢134,473 on rent, audit, legal and consultancy fees as well as other expenditure items paid for.

320. We also noted during our audit of the Agbogbloshie DTRO that 28 companies who presented audited accounts for the 2010 year of assessment failed to withhold taxes totalling GH¢45,986 on rent, legal and professional fees as well as other expenditure items paid for.

321. We further observed that 44 companies at the Mataheko DTRO and 41 companies of the Abeka Lapaz DTRO also failed to pay to the
Commissioner-General, withholding taxes amounting to GH¢32,905.68 and GH¢29,087, respectively.

322. We recommended that management should educate the withholding agents on the need to comply with the provisions of Section 84 of Internal Revenue (Amendment) Act 2002 and hold taxpayers who continue to flout this requirement liable for the amount of tax they fail to withhold in line with the provisions under Section 88(1) of Act 529. Management should take further steps to recover the amounts.

**Outstanding PAYE – GH¢1,254,931.00**

323. We observed during our review of PAYE records at the Legon DTRO that 11 companies defaulted in the payment of PAYE totalling GH¢423,738.82 deducted from the emoluments of their employees in the 2009 and 2010 years of assessment. We further noted that 14 companies also failed to discharge the tax obligations of 25 Directors totalling GH¢333,796.88 as at the end of 2010 year of assessment.

324. Similarly at the Tema DTRO, we observed from the sampled files reviewed that 16 companies failed to remit the Commissioner-General, PAYE totalling GH¢166,734.24 deducted from employees emoluments within the 2009 year of assessment. We also noted that PAYE totalling GH¢11,989.60, assessed on the chargeable income of
17 company Directors for the 2009 year of assessment, was not remitted to the Commissioner-General.

325. Furthermore, out of a sample of 464 PAYE files examined at the Adabraka DTRO, we noted that 42 companies failed to remit the Commissioner-General, PAYE deducted from employees income totalling GH¢116,380.48 for the 2009 year of assessment. We further noted that nine company Directors who were assessed to pay PAYE totalling GH¢30,663.43 on their chargeable income for the 2009 year of assessment failed to settle their tax liabilities.

326. Additionally, at the Achimota DTRO, PAYE totalling GH¢7,133.78 deducted by eight companies from employees emoluments and GH¢95,950.40 assessed for six company Directors up to the 2010 year of assessment were not remitted to the Commissioner-General.

327. Also at Mataheko DTRO, 20 companies defaulted in the payment of PAYE totalling GH¢38,936.65 deducted from emoluments paid to employees in 2009 year of assessment and 10 company Directors who were assessed to pay PAYE totalling GH¢24,156.63 on their chargeable income for 2004 to 2009 years of assessment failed to settle their tax liabilities; and at Kinbu DTRO, two companies defaulted in the payment of PAYE of GH¢5,450.04
deducted from employees income and penalties imposed as a result of late payment of PAYE in the 2009 and 2010 years of assessment.

328. We recommended that management of DTROs take the necessary steps to recover the amounts involved and also institute close supervision over schedule officers to forestall the recurrence of the lapses.

**Outstanding rent tax – GH¢2,669,645.00**

329. Regulation 16(1) of Internal Revenue Regulation 2001, (L.I. 1675) provides that where an individual receives rent income from any residential or commercial premises the Commissioner may calculate tax on the rent income separately at a flat rate of 10% up to 2006 and 8% for 2007 thereof on the gross rent income in a year of assessment.

330. We noted during our examination of 118 rent tax files made available to us at the Tema DTRO that 89 Landlords representing 75% of landlords in the District, were indebted to the Authority to the tune of GH¢2,434,960.91 in rent tax for the 2000 to 2009 years of assessment. Similarly at the Adabraka DTRO, 49 Landlords were indebted to the Authority to the tune of GH¢179,052.49 for the 2007 to 2009 years of assessment.
331. We noted from our review of 40 files at the Makola Domestic Taxpayers Unit that 24 property owners had a total of GH¢30,966.69 outstanding as rent tax at the close of the 2010 year of assessment. Also, our examination of 167 rent tax files at the Kinbu, Mataheko and Abeka Lapaz DTROs revealed that 48 landlords were indebted to the Authority to the tune of GH¢24,664.68 for the 2009 and 2010 years of assessment.

332. We recommended that management should closely supervise the work of schedule officers to minimize incidences of default and also pursue defaulters for early recovery of outstanding taxes.

**Dishonoured cheques – GH¢261,974.00**

333. Our review of the Returned Cheques Register at the Makola DTRO disclosed that 78 cheques totalling GH¢133,016.74, issued by taxpayers in settlement of their tax liabilities were returned by the Banks due to insufficient funds and have remained outstanding for periods ranging between three and 31 months. Again at the Makola DTRO, our review of the post-dated cheques register kept by the Office to track post-dated cheques accepted from taxpayers in settlement of their tax liabilities disclosed that 43 post-dated cheques with a total value of GH¢90,348.31 had remained outstanding for several months after their due dates.
334. At the Adabraka DTRO, our examination of accounting records disclosed that 19 cheques with a total value of GH¢22,333.41, issued by taxpayers in settlement of their tax liabilities were dishonoured by their respective Banks for lack of funds or improper mandates. Even though some of these taxpayers were notified through the issue of demand notices, they failed to issue fresh cheques to settle their indebtedness.

335. Similarly, at the Abeka Lapaz, Achimota, Mataheko, Kinbu and Tema DTROs, 40 cheques totalling GH¢16,275.08, issued by taxpayers in settlement of their tax liabilities were dishonoured by their respective Banks for lack of funds or improper mandates.

336. The issuance of dud–cheques is a criminal offence under the laws of the country; hence the need for management to take a serious view of the issue, especially as it also denies the Consolidated Fund of timely inflow of funds for national development.

337. We recommended and management agreed that the taxpayers involved should be pursued to settle all tax outstanding together with the appropriate penalties in line with Section 143 of Internal Revenue Amendment 2004 (Act 669). We further recommended that before Tax Clearance Certificates (TCCs) are issued to such companies, they
should be made to settle any outstanding tax liability or uncleared cheques existing in their names.

**Outstanding national stabilisation levy – GH¢31,073.00**

338. Our review of company tax files at the Kinbu DTRO revealed that four companies owed National Stabilization Levies (NSL) totalling GH¢22,266.30 for 2009 and 2010 years of assessment. Also at the Osu DTRO, our examination of tax files disclosed that Ghana International School failed to settle NSL totalling GH¢8,806.72 for 2001 to 2005 years of assessment.

339. Management indicated that the institutions claimed they had petitioned the Commissioner to the effect that as Companies Limited by Guarantee, they are not required to pay taxes.

340. We recommended that the issue involving the educational institutions should be referred to the Legal Unit of GRA for a decision to be taken to lay the matter to rest. For the other companies, we recommended that management should ensure that schedule officers review all company files and recover any NSL that may be outstanding.

**Failure to file returns of income by taxpayers**

341. Our review of taxpayers’ files maintained by the Makola DTRO reveal that 102 companies and 89 self-employed businesses
had not submitted their audited accounts for 2009 and 2010 years of assessment as at 20 August 2011, well beyond the four months limit stipulated under Section 72(1) of Act 592.

342. Similarly, we noted that 129 companies at the Abeka Lapaz DTRO failed to submit their audited accounts for the 2009 year of assessment while 13 companies submitted their returns well beyond the four months stipulated by the Act. We also observed at the Mataheko DTRO that 126 companies, representing 45.7% of the 276 sampled company files, did not submit audited accounts for various years of assessment. At the Adabraka DTRO, our review of 464 tax files disclosed that 109 companies failed to submit audited accounts for the 2009 year of assessment.

343. Again, out of 486 company tax files reviewed at the Legon DTRO, we noted that 102 companies did not submit audited accounts for 2009 and 2010 years of assessment. At the Agbogbloshie DTRO, 66 companies did not submit audited accounts for the 2010 year of assessment, and at the Tema DTRO, 60 companies from our selected sample did not submit audited accounts for 2009 year of assessment.

344. Furthermore, our audit of the Osu DTRO disclosed that 46 companies did not submit audited accounts for the 2009 year of assessment, whilst 39 companies also failed to submit audited
accounts for 2010 year of assessment at the Achimota DTRO. At the Kinbu DTRO, 29 companies did not submit audited accounts for the 2009 and 2010 years of assessment and 11 companies submitted their returns well beyond the four months stipulated under Section 72(1) of Act 592.

345. We were of the view that the continuous issuance of Tax Clearance Certificates to companies who have failed to submit audited accounts encouraged the taxpayers to flout the law on submission of audited accounts.

346. We recommended that management should ensure that the taxpayers are adequately educated on the Tax Laws to enable them submit audited accounts by the four month deadline stipulated by the Act. We further recommended that supervision of schedule officers should be strengthened to ensure that penalties for failure to submit returns are imposed on defaulters. We also recommended strict adherence to conditions for issuing TCC by rejecting applications of taxpayers who have not complied with all the stated conditions.

**Non-examination of audited accounts**

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

348. Our review of tax files at the Makola DTRO, however, disclosed that audited accounts submitted by 58 taxpayers, made up of 50 companies and eight self-employed businesses for the 2009 and 2010 years of assessment had not been examined as at the end of August 2011 contrary to the above provisions.

349. At the Mataheko DTRO, we noted that schedule officers had not examined audited accounts submitted by 52 companies for the 2009 year of assessment. The taxpayers involved therefore failed to make any payment after submission of their returns as no final assessments were made on them.

350. Similarly at the Legon, Tema, Achimota, Agbogbloshie, Adabraka, Osu and Kinbu DTROs, our review of company tax files disclosed that audited accounts submitted by 95 companies for the 2009 and/or 2010 years of assessment were not examined by schedule officers.

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

352. We recommended that management should put in place measures that will ensure early examination of accounts submitted by taxpayers for prompt settlement of their tax obligations and also help management report accurate debt stock based on examined accounts.

DOMESTIC TAX REVENUE DIVISION

ADABRAKA LOCAL VAT OFFICES

Revenue not accounted for – GH¢56,290 and US$25,351

353. Contrary to requirements of Regulation 15(l) of the FAR, 2004 that receipts should be issued for all public moneys collected and paid in gross into the relevant public funds bank account within 24 hours of receipt, we noted that VAT revenue, totalling GH¢56,290.36 and $25,351.35, were not receipted and accounted for by Ms Naa Shorme Ocquaye, an Assistant Revenue Officer of the Adabraka LVO of the GRA.

354. We are of the view that failure on the part of management to ensure that invoices are issued only to registered traders and weak supervision of schedule officers as well as inadequate control in the
issue of the LVO’s invoices resulted in this loss of revenue to the State.

355. We recommended that management should take the necessary steps to recover the amount from the officer. We further recommended that management should strengthen its supervision of schedule officers and properly control the issue of invoices.

**Failure to take distress action on traders – GH¢6,070,649.00**

356. Our audit of the LVO’s accounts and Enforcement and Debt Management unit disclosed that 242 traders owed a total of GH¢6,070,649.41 as at 30 December 2010. Prominent among them is Westec Security which owed GH¢1,197,009.47, representing 19.7% of the total debt stock of LVO.

357. We however noted that, though final demand notices had been served on the traders, distress action had not been taken to prosecute these traders who owed the Authority such substantial amounts. We are of the view that failure on the part of management to apply the VAT Laws on debt recovery resulted in this lapse.

358. Management insisted that all efforts to recover the debts had been applied and had not yielded any results. We recommended that
management should apply the necessary sanctions to recover these taxes on behalf of government.

**Illegitimate reduction of trader's debt – GH₵201,825**

359. Regulation 3.3 of the VAT Operational Manual enjoins the Enforcement and Debt Management unit of LVOs to treat each debtor as a case to be entered in the Case Enforcement Register. The Enforcement section is required to obtain the registered person’s folder and prioritise their debts by value and age in order that the largest and oldest debts can be pursued first. An Enforcement Progress Sheet (VAT 46) is then prepared to record traders’ indebtedness together with payments made as well as balance outstanding.

360. Contrary to these directives, we noted that a debt of GH₵201,824.63 owed by a trader, Gocrest Security (621 V000356), in November 2009 was reduced by GH₵133,487.17 in January 2010 to GH₵68,337.46 without records showing payments made by the trader.

361. The officer in charge explained that the traders ledger balance (VAT 32) as at that date was GH₵68,337. However, we noted that no record existed to show that the trader filed monthly returns for a 13 month period from December 2009 to December 2010, which could have been used to reduce this indebtedness.
362. We are of the view that ineffective supervision of schedule officers by management gave rise to this irregularity.

363. We recommended that management of the Ghana Revenue Authority should investigate and sanction any officer found culpable and also ensure recovery of the total debt of GH¢201,824.65 within the shortest possible time.

**Unrecovered returned cheques – GH¢64,770.00**

364. Section 31 of the VAT Act, 1998 (Act 546) states that any tax due, penalty and interest which remains unpaid after the due date may be recovered as a debt by the Commissioner-General.

365. Our review of the Returned Cheques Register of the LVO disclosed that 36 cheques totalling GH¢64,770, received from traders between March 2009 and December 2010 in settlement of taxes collected on behalf of the State were dishonoured by their respective bankers.

366. We are of the view that management’s failure to prosecute offenders to serve as deterrent to others as provided in Operational Guideline No. FIN 002/HQ of November 1, 2002 resulted in the lapse.
367. We recommended that management should take the necessary steps to recover the amounts owed from the traders, with interest in accordance with Section 32(1) of Act 546.

368. Management responded that a total amount of GH¢45,229.77 have since been recovered.

**OSU LOCAL VAT OFFICES**

**Revenue wrongly credited to CST Account – GH¢199,192.00**

369. We noted during our review of the VAT revenue accounts for the period that revenue totalling GH¢199,192.05, collected in March 2010, was erroneously credited to the Communication Service Tax (CST) bank account. Although management had written to the Bank to rectify the error, this has not been done as at the end of our audit. Failure on the part of accounts officers to ensure that revenue is paid into the correct account resulted in this lapse. The GETFUND and VAT Revenue accounts was as a result denied their portions of GH¢4,979.81 and GH¢9,959.60 respectively.

370. Management stated that the Bank claimed it had not been able to reverse the wrong credit due to the fact that the CST account had not accumulated enough funds to enable them effect the transfer into the revenue account.
371. We recommended that management should take the necessary steps to ensure the revenue account is credited with the amount as required.

Unrecovered returned cheques – GH¢158,007.00

372. Contrary to Section 28(1) and (6) of the VAT Service Act 546 we noted during our review of the bank statements and the returned cheques register that, an amount of GH¢158,006.70 owed by 96 traders, whose cheques were dishonoured by their bankers, remained outstanding at the close of the audit. We further noted that the indebtedness of 37 traders, totalling GH¢28,547.42, which had been outstanding between June 2005 to June 2009, had still not been recovered.

373. Failure by management to take action to recover the outstanding debts from the traders increased the debt stock of the LVO and also denied the state of needed revenue for development.

374. We recommended that management should use institutional and legal means available to recover the amounts from the traders.

Failure to take distress action against traders – GH¢3,754,334.00

375. Section 34 of VAT Service Operations Manual enjoins management to take distress action with the authority of the
Commissioner–General to recover debts from traders after a final Demand Notice has been issued.

376. Contrary to the above regulation, we noted during our audit that management failed to take distress action to recover an amount of GH¢5,239,252.02 owed to the Authority by 10 traders. Failure by management to take distress action to recover overdue debts tends to embolden traders to keep disregarding demand notices issued them, and this impacts adversely on inflows into the Consolidated Fund.

377. We recommended that management should ensure strict enforcement of the regulations on debt recovery as enshrined in Section 34 to facilitate collection of all revenue due to the State. Management accepted the finding and was able to recover GH¢1,484,918.24, representing 28.3% of the amount due, leaving a total of GH¢3,754,333.76 outstanding.

**Unauthorised rescheduling of debt – GH¢206,509.00**

378. Operational Directive No. 058/HQ of July 2004 outlines the Commissioner’s guidelines for rescheduling of debts by managers. The authority limit set for Heads of LVO is from GH¢1.00 to GH¢5,000 for not more than five months and the cumulative amount per quarter is not to exceed GH¢20,000.
379. The directive is to prevent unauthorised rescheduling of debts, inaccurate record keeping of debts at the LVOs and VSOs and facilitate the monitoring of traders’ debts. It also seeks to ensure organised, efficient and transparent management of traders’ debts.

380. Contrary to the above directive, we noted that management rescheduled the debts of 14 traders totalling GH¢206,508.90, which were higher than the threshold approved for managers. The cumulative amount allowed per quarter for management of the LVO was also exceeded by GH¢151,344.69.

381. Management was unable to explain why the allowable threshold was exceeded. Management’s failure to adhere to the Operational Directive on debts rescheduling resulted in the lapse.

382. We recommended that management should strictly comply with the operational Directive No. 058/HQ. We also recommended that management should make recommendations for an upward review of the thresholds if they are of the view that the present levels are not realistic.
TEMA LOCAL VAT OFFICES

Unlawful cancellation of debts – GH¢96,828.00

383. Section 31(1) of the VAT Act 1998 (Act 546) provides that any tax due; penalty and interest which remain unpaid after the due date may be recovered by the Commissioner as debt.

384. We noted, when examining the Enforcement and Debt Management (EDM) monthly reports to Head office, that GH¢96,828.35, which formed part of the total debts stock, had been written off and labelled reconciliation between EDM & Account and between EDM & VAT 46’s hardcore, without any supporting details of traders involved and amounts owed and reasons for writing off the debts.

385. Details of the reconciliation were not made available for our review. As a result we were unable to ascertain the authenticity of the reconciliation and hence, the accuracy of the debtors’ figure.

386. We recommended that management of the LVO should provide details of the debts involved and reasons for the cancellation to assure us of the validity of the reasons for the reduction of the debtors’ figure.
Illegitimate reduction of debt stock – GH¢32,832.00

387. Chapter ‘1’ Section 3b(ii) of the VAT Service Operations Manual provides that ‘if a trader changes his principal place of business from one LVO to another LVO, written confirmation must be obtained from the trader. Action will then be taken by the former LVO by completing a form VAT 3 to amend the Principal Place of Business and LVO code.’

388. A form, VAT 6, should also be authorised by the Head of the exporting LVO to notify the transfer of the trader’s folder. After input by Information Service Support Unit (ISSU), the VAT 6 and a diskette of the traders file should be sent with the folder to the Head of the importing office.

389. Contrary to the above directive, we observed that the EDM unit of Tema LVO in its July 2010 Summary of debts collected, reduced the debt stock figure by GH¢32,831.66 on the grounds that a trader, Maso Construction (TIN 724C003066), had been transferred to Koforidua.

390. Further enquiries at the CFO and ISSU of the LVO revealed that the trader was still an active trader of the Tema LVO. Inadequate supervision in terms of reviewing the summary of debts collected by
the Head of LVO resulted in the lapse which could result in loss of revenue.

391. We recommended that the Head of the LVO should review the schedules of reports presented to ensure their accuracy. We further recommended that management should take the necessary measures to recover the amount from the trader and sanction the officers involved.

392. Management agreed to effectively pursue and collect the debt.

**Procurement of goods and services without recourse to Act 663 – GH₵2,349.00**

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

394. Whilst examining the imprest expenditure records at the LVO, we noted that management procured goods and services amounting to GH₵2,349 without obtaining the minimum number of quotations.

395. We recommended that management should endeavour to comply with the provisions of the Procurement Act in future procurements to ensure that value for money is obtained.
396. Management responded that the recommendation was noted and three quotations would be sought for in subsequent purchases.

**Returned Cheques not recorded in the Returned Cheques Register – GH¢361,134.00**

397. Administrative Guideline No FIN 002/ HQ of 1/11/02 requires the Accountant to record the particulars of returned cheques in the Returned Cheques Register and pass all the necessary accounting entries in the books.

398. Our examination of the revenue bank statement and the Returned Cheques Register disclosed that 28 cheques totalling GH¢ 361,134.49 which were dishonoured by the bank were not recorded in the returned cheque register even though these cheques had been debited in the LVO’s revenue bank statement.

399. We further observed instances where dishonoured cheques were debited on the bank statements but the bank did not return such cheques to the LVO.

400. Recording returned cheques in a register helps in tracking and pursuing traders to settle their indebtedness. Therefore failure to record these returned cheques could result in the traders getting away with their liabilities. Additionally, failure on the part of the bank to
produce dishonoured cheque leaflets also makes it difficult to pursue these traders to have the cheques replaced thus resulting in loss of revenue to the state.

401. We recommended that management should ensure that the appropriate entries are made in the Register to help monitor and pursue recovery of all cheques dishonoured as required by the Administrative Guideline.

402. We further recommended that in situations where the Bank is unable to produce dishonoured cheque leaflets, the Bank should be asked to re-credit the relevant account with the amount in question until the cheques have been retrieved to ensure that government receives the revenue in question or the payee is pursued to replace the dishonoured cheques.

403. Management indicated that the office was still investigating the issue.

**Omission of returned cheques from list – GH¢5,035.00**

404. All outfield offices of the VAT Service are required to provide a list of all outstanding returned cheques at year end with details of these cheques.
405. Section 31(1) of the VAT Service Act 546 states that ‘any tax due, any penalty and interest which remains unpaid after the due date in respect of VAT may be recovered as a debt by the Commissioner.’

406. We observed during our examination of the Returned Cheques Register, the Revenue Bank Statement and the list of Outstanding Returned Cheques for the year ended 31 December 2010 that 11 cheques totalling GH¢5,035.18, which were dishonoured by the bankers of the payee traders and therefore recorded in the returned cheques register of the LVO, were left out when compiling the list of outstanding returned cheques as at 31 December 2010. We also did not see any payment details showing that these cheques were recovered before the end of the year.

407. Omitting cheques returned unpaid from the list of outstanding returned cheques could lead to loss of revenue as these cheques would not be monitored and pursued for recovery. The debt stock of the LVO was thus understated due to the omission from the list.

408. We recommended that details of these cheques should be included in the list of returned cheques if they have not been recovered, without further delay. We also recommended that management recover the amount and ensure that traders pay the
appropriate interest on all dishonoured cheques to deter other traders from the practice of issuing dud cheques.

409. Management agreed to rectify the error.

**Recovered returned cheques not accounted for – GH¢29,413.00**

410. Returned cheques outstanding in the Returned Cheques Register at the end of the year are compiled by all Outfit Offices as ‘List of Outstanding Returned Cheques.’ When these cheques are recovered and accounted for, they are deleted from the list.

411. We noted from our review of the list of Outstanding Returned Cheques for the year ended 2009 and 2010 that 33 dishonoured cheques totalling GH¢29,413.15 and included in the list for 2009 had been deleted from the list for 2010 although no payment details existed for our perusal.

412. Further checks revealed that the accounts office deleted the cheques from the list when they noted that the cheques were not included in the EDM records. No further explanation was offered as to why they were omitted from the EDM records and hence the list of Outstanding Returned Cheques.
413. If indeed the amounts involved have not been settled, then the State will lose the amount in question as the traders will no longer be pursued to settle their indebtedness after the deletion.

414. We recommended that management should investigate the issue and inform this office accordingly. We further recommended that management should ensure that the EDM and Accounts reconcile their returned cheques records regularly and details of the reconciliation filed for easy reference at all times.

INTERNAL REVENUE SERVICE – YENDI
Payment of out of station allowance without itinerary – GH¢3,025.00

415. Part II, Regulation 39(2) of the FAR 2004, (L.I. 1802) provides that “the head of the accounts section of the department shall control the disbursement of funds and ensure that the transactions are fully authenticated and that the amounts are due and payable.

416. Contrary to the above provision, the Internal Revenue Service Division in Yendi paid out of station allowance to the tune of GH¢3,025.00 to officers who were purported to have travelled to different locations for various purposes without any official letters supporting those journeys. We could therefore not ascertain whether the journeys were undertaken in the interest of the Division.
417. Weak expenditure control and lack of effective supervision over the accounts section of the division resulted in the lapse.

418. The practice, if not checked, could be abused and serve as a recipe for misappropriation. We recommended that management should provide the necessary details justifying the expenditure or the amount be recovered from the payees.

GHANA REVENUE AUTHORITY

GHANA REVENUE AUTHORITY, DOMESTIC TAX REVENUE DIVISION, (IRS) DENU/AFLAO DISTRICT OFFICE

Tax arrears – GH₵71,961.00

419. Management of Internal Revenue Service is empowered under Act 592 to enforce the payment of Income Tax by taking deterrent actions spelt out in the Act such as prosecution of recalcitrant defaulters at the Law Court.

420. However, management did not resort to any of the deterrent actions. As a result, 17 corporate bodies and 58 self-employed individuals owed tax arrears totalling, GH₵71,961.24 as at 31 December 2011. We recommended that the district manager should take deterrent action spelt out in Act 592 and apply the prescribed
penalty on defaulting taxpayers to ensure recovery of the amount to Government chest.

AFLAO VAT SATELLITE STATION

Indebtedness – GH¢99,850.00

421. We noted during our audit that 47 traders owed the Aflao VAT Satellite Station GH¢99,849.69 as at 31 December 2011. The situation was due to the failure of the traders to account fully for taxes collected on behalf of the VAT Service.

422. We urged management to take resolute action to recover the outstanding debts. We further recommended that, the defaulting traders be made to pay interest on the amounts owed in accordance with Section 32(1) of the VAT Act, 1998 (Act 546) to serve as a deterrent to others.

423. Management promised to recover the amount.

DOMESTIC REVENUE TAX DIVISION OF GHANA

REVENUE AUTHORITY – KETA

Uncollected tax – GH¢7,982.00

424. Our examination of files of companies and other individuals in respect of tax assessment and payments revealed that a total of
GH¢7,981.60 was yet to be paid to the office as at 31 December, 2011.

425. It is our view that management did not enforce the tax laws by applying the necessary sanctions on the defaulters, hence the irregularity.

426. We recommended that management steps up its revenue collection methods in order to ensure that the defaulters honour their tax obligations without fail.

CUSTOMS, EXCISE AND PREVENTIVE SERVICE
HEADQUARTERS

Vehicles abandoned at Garages and Open Parks

427. Forty-five vehicles were noted to have been sent to various garages for repairs but left unattended to for periods ranging from one month to three years. Their continued virtual abandonment at the garages had resulted in their further deterioration rendering some of them unsalvageable.

428. Management explained that it had sought for technical opinion on the state of the vehicles to enable it take well informed decisions on the vehicles and was awaiting response. To avoid further loss in economic value of the vehicles, we advised management to consider
the option of setting up a Board of Survey to recommend disposal action if the vehicles are no longer useful.

429. Meanwhile, management was asked to explain the long neglect of the vehicles, so as to establish responsibility and to also institute measures to forestall future occurrence.

CUSTOMS, EXCISE AND PREVENTIVE SERVICE – BOLE

Failure to demand VAT Invoices – GH¢1,000.00

430. Section 5 of the VAT Act, 1998 (Act 546) requires that all taxable suppliers must be VAT registered. However, our review of records at the Customs, Excise and Preventive Service revealed that an amount of GH¢6,630.70 was paid to non-VAT registered entities resulting in a loss of GH¢999.58 in VAT revenue to the State.

431. We noted that this anomaly occurred as a result of the non compilation of data on VAT registered suppliers by the organisation. We recommended that the organisation should compile data of VAT registered suppliers and conduct business with only VAT registered entities.
CONTROLLER AND ACCOUNTANT GENERAL’S DEPARTMENT

PENSIONS COMPUTATION SECTION

Break in service resulting in overpayment of GH¢5,030 – Hanson Kwamena

432. We noted from the personal file of Hanson Kwamena, Principal Superintendent who worked with Ghana Education Service (GES) that he broke service for eight years.

433. The break-in-service which occurred from 1 September, 1982 to 1 March, 1991 was not reckoned with when computing his length of service. As a result, the computed gratuity of GH¢23,078.25 paid, based on the wrong length of service, was over-stated to the tune of GH¢5,029.85.

434. This lapse occurred because the schedule officer did not carry out painstaking scrutiny of the file for the required information for the computation, and the Internal Audit also failed to detect it before payment.

435. We recommended that the excess payment be recovered from the payee whilst the Accountant who computed the gratuity and the Internal Auditor who superintended over the computation be sanctioned in accordance with Section 24 of the F.A.A 2004.
436. Management has written to the Chief Treasury Officer, Pension Payment to deduct the overpayment of GH¢5,029.85 on monthly basis from his monthly pension fund.

**Double payment of Commuted Pension to Mr. Clement Silas Attipoe – GH¢4,447.00**

437. Our review of a commuted pension document in respect of the late Clement Silas Attipoe, who retired from Land Valuation Board on 20 July, 1993 revealed that GH¢3,258.04 was paid to the surviving beneficiaries of the deceased in April, 1990 occasioned by his death after retirement.

438. We, however, noted that in respect of the same deceased person, another commuted pension totalling GH¢4,447.00 had been deposited at the Administrator-General for payment to his beneficiaries as at 6 August, 2010 as per One-Time Allowance Input Form No.21-122235 dated 14 May, 2010. A scrutiny of an Audit Control Report Form led to the detection of the payment which was disallowed.

439. This anomaly stemmed from the inability of Pension Computation Unit and Internal Audit to track or monitor previous payments. This situation if not properly addressed could be exploited to cause financial loss to the State.
440. We therefore recommended that the amount of Gh¢4,477.00 deposited with the Administrator-General be recovered and paid to chest, failing which the officers who prepared and authorised payment be surcharged and disciplinary action taken against them in accordance with Section 8(1) of the Audit Service Act, (Act 2000) and in line with Section 24 of the Financial Administration Regulation (L.1. 1802). Additionally, management should put in place proper mechanisms to monitor commuted pensions already paid to avoid double payments.

441. Management wrote to the Administrator-General to return the amount of GH¢4,447.00 to government chest.

Non-Deduction of break-in-service period – Mr. Forson Bempong Baidu-GH¢4,069.00

442. Examination of the personal file of Mr. Forson Baidu, a retired Assistant Director of GES revealed that the period between September, 1982 and August 1986 when he left the Service was not deducted from his service period, resulting in an overstated service period of three years and eleven months (3yrs 11mths). Consequently the gratuity of GH¢40,780.75 paid him was overstated by GH¢4,069.35.
443. This anomaly occurred because the pensioner intentionally concealed the information about the break of service by removing the related documents (i.e. his personal record sheets, his application for re-engagement and re-instatement letter) from his file. However, he personally filled a form pertaining to his break-in-service, and inadvertently left a copy on the file. Additionally, on his declaration form he failed to state that he had broken service. Meanwhile this false declaration was certified by his Regional Director. The Internal Audit Unit also failed to detect the anomaly.

444. We recommended that the C.T.O should recover the excess amount of GH¢4,069.35 from the Pensioner and pay it to chest or, failing that, the schedule officer and the Internal Auditor should be surcharged. Nevertheless, the appropriate disciplinary action should be taken against them for not carrying out their duties with diligence. Furthermore, it should be impressed upon the Head of Departments, and Agencies who certify these Forms, to ensure that the records on files agree with what is declared on the Pension Form 1.

445. Management instructed the Chief Treasury Officer, Pension Payment, to deduct the said overpayment of GH¢4,069.55 from the payee’s monthly pension over a period of time.
Overpayment of GH¢1,668.00 – Emelia Thompson

446. Emelia Thompson retired as a Principal Nursing Officer from the Ghana Health Service on 28 May, 2008. She was paid a gratuity of GH¢21,259.48 in 2008 and a recomputed amount of GH¢52,414.75 paid in 2010.

447. Examination of the file revealed that Emelia Thompson’s recomputed gratuity was overpaid by GH¢1,668.60. The overpayment occurred because of oversight on the part of the schedule officer. The Internal Audit Unit which also certified the computation for payment, failed to detect it for correction before payment.

448. We recommended that the amount of GH¢1,668.60 should be retrieved from Emelia Thompson and paid to Government chest immediately. Additionally, disciplinary action should be taken against the scheduled officer and the Internal Audit Unit which superintended over the payment to serve as a deterrent.

449. Management has written to the Chief Treasury Officer, Pension Payment, to deduct the overpayment from the pensioner’s monthly pension.
Overstated death gratuity in respect of Samuel Gyamfy – GH¢639.00

We noted that the death gratuity paid to the nominees of the late Samuel Gyamfy amounting to GH¢17,997.50 included unearned monthly salaries totalling GH¢639.39.

450. We therefore recommended the recovery of the unearned salaries from the benefits of the deceased, failing that, the scheduled officer and the Internal Audit Unit should be jointly held accountable.

Overstated recomputed gratuity in respect of Wilberforce Osei-Tutu - GH¢10,000.00

451. Our examination of the personal file of Mr. Wilberforce Osei-Tutu, a retired Principal Auditor of the Ghana Audit Service revealed that the officer was overpaid a recomputed gratuity of GH¢10,000.

452. The anomaly occurred due to the wrong deduction of GH¢22,587.50 instead of GH¢32,587.50 which was the first gratuity paid.

453. We recommended that the amount should be recovered and our office informed for verification. Management has written to the Head of Pension Payment to deduct this amount from his monthly pension on installment basis.
Overpayment of GH¢993 to Agnes Manu
454. Agnes Manu retired from the Ghana Health Service (GHS) as a Principal Nursing Officer on 22 December, 2007. Her gratuity of GH¢19,292.69 was paid in 2008 and a further recomputed amount of GH¢42,723.93 paid in 2010.

455. Examination of the file revealed an overpayment of GH¢992.67. The lapse occurred because the schedule officer failed to deduct the correct amount paid for the initial gratuity.

456. We recommended that the amount of GH¢992.67 should be recovered from Agnes Manu, and paid to government chest. Meanwhile disciplinary action should be taken against the scheduled officer to serve as a deterrent to others. We urged officers to be diligent in their work to help eliminate waste in the payroll system.

457. Management agreed to take steps to recover the overpayment.

Overpayment of Gratuity to Samuel Bugyei – GH¢2,918.00
458. Mr. Samuel Bugyei retired from the Ghana National Fire Service as a Station Officer II on 1 May 2008 and was paid gratuity of GH¢9,605. Examination of the file revealed that his service period was overstated, leading to an overpayment of GH¢2,917.93.
459. We noted that the period of 11 years 5 months that he vacated post was not deducted from his service period before computing the gratuity. This overstated the service period by 137 months and eventually led to the over payment of GH¢2,917.93. By our computation, using the 2007 salary structure (as used by the schedule officer), Mr. Bugyei should have been paid GH¢6,687.87 and not the GH¢9,605.80 paid to him.

460. The irregularity occurred because the Internal Audit Unit failed to detect the period of 11yrs 5months that he vacated post for correction before payment. The Schedule Officer also did not painstakingly scrutinise the file for the necessary information before the computation.

461. We recommended that the difference of GH¢2,917.93 should be retrieved from Mr. Bugyei, and paid to Government Chest. We also urged Officers to be diligent in their work in order to help avert loss of money to the State. Disciplinary action should be instituted against the Internal Audit Unit and the schedule officer whose inaction contributed to the lapse.

**Janet Abla Tudzi – GH¢598.00**

462. The above-named officer was a retired Assistant Director of Ghana Education Service (GES) who died on 5 August 2007.
463. Our examination of the file of the late Janet Abla Tudzi revealed that an overpayment of GH¢598.17 had been made to her beneficiaries. The anomaly was as a result of ignorance on the part of the Schedule Officer who failed to deduct GH¢12,238.87, being the unearned pension as per the bank letter sighted but rather deducted GH¢11,640.70 which the beneficiaries claimed they withdrew from the bank.

464. We urged the C.T.O. Computation, to recover the amount of GH¢598.17 from the deceased’s benefit deposited with the Administrator General and pay this to chest.

465. Management has informed the Administrator-General to deduct the overpayment of GH¢598.17.

GHANA STATISTICAL SERVICE –
HEADQUARTERS

Failure to obtain formal acknowledgement for GH¢215,000.00

466. Contrary to the requirement of Regulation 1 of L.I. 1802 that public officers who are responsible for the disbursement of public funds, shall keep proper records of all transactions, the Head of Accounts failed to obtain in the prescribed receipting form acknowledgement for a total of GH¢215,000.00 paid to the National
Identification Authority (NIA) for the supply of 12 photocopiers and 10 motor cycles.

467. As a result of the breach of financial discipline there were no records to confirm that payment was made to and received by the named payee. Additionally, we could not confirm the genuineness of the transaction.

468. We recommended that management should ensure that an official receipt is obtained from the NIA to cover the payment of GH¢215,000.00.

Failure to account for public funds – GH¢115,263.00

469. Regulations 1 and 39(2)(c) of L.I. 1802 requires any public officer who is responsible for the conduct of financial business on behalf of Government or a head of Accounts to keep proper records and to ensure that transactions are properly authenticated to show that amounts are due and payable.

470. We observed that contrary to the requirements of the financial regulations, GH¢115,263.12 purportedly paid to the Information Services Department (ISD) for public education in respect of the 2010 Population and Housing Census, was not supported by relevant receipts and invoices. Furthermore, we did not sight any performance
report from the ISD nor from management. Consequently, there was no confirmation that the named payee received the money and supplied the services paid for.

471. The omission, in our opinion, was the result of a lack of supervision over the work of the Accounts officers as well as non-compliance with the financial regulations.

472. We recommended that management ensure that proper records are obtained to fully account for the expenditure of GH¢115,263.12.

The loss of VAT revenue – GH¢23,165.00

473. Contrary to the requirements of Section 19(1) of the Value Added Tax (VAT) Act, 1998 (Act 546) and Regulation 183(4) of L.I. 1802, the head of Accounts failed to obtain VAT invoices or receipts for a total of GH¢167,764.83 paid to various companies for goods and services supplied. Consequently, total VAT revenue of GH¢23,164.84 was lost to the state.

474. We recommended that management should obtain the appropriate VAT invoices or receipts from the payees and to ensure that the VAT is paid to VAT Service in compliance with the law.
475. Management accepted our recommendations and promised to contact the suppliers to regularise the transactions.

GHANA STATISTICAL SERVICE – GREATER ACCRA REGIONAL OFFICE

Failure to account for public funds – GH₵344,083.00

476. Regulations 1 of L.I. 1802 requires any public officer who is responsible for custody and disbursement of public funds to keep proper records of all transactions.

477. We observed that four District Census Supervisors failed to account for a total of GH₵334,082.84 released to them for the 2010 Population and Housing Census. The relevant accounting records or returns to acquit the expenditure were not submitted. Below are details.

<table>
<thead>
<tr>
<th>District</th>
<th>Amount Released GH₵</th>
<th>Amount Accounted for GH₵</th>
<th>Amount outstanding GH₵</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ga East</td>
<td>282,771.28</td>
<td>274,316.28</td>
<td>8,395.00</td>
</tr>
<tr>
<td>Ayawaso West</td>
<td>62,205.25</td>
<td>-</td>
<td>62,205.28</td>
</tr>
<tr>
<td>Ayawaso East</td>
<td>142,407.28</td>
<td>-</td>
<td>142,407.28</td>
</tr>
<tr>
<td>Ayawaso Central</td>
<td>121,375.28</td>
<td>300.00</td>
<td>121,075.28</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>334,082.84</strong></td>
</tr>
</tbody>
</table>

478. We urged management to ensure that the four District Supervisors account for the money.
Loss of VAT Revenue – GH¢3,652.00

479. Regulation 183(4) of L.I. 1802 requires departments to procure government stores from only Value Added Tax (VAT) registered persons or entities and any exemption should be approved by the Minister for Finance.

480. Contrary to the requirements of Regulation 183(4) of L.I. 1802, lunch and snacks provided for National Census Enumerators by Menaako Catering Services at a total cost of GH¢26,780.54 was not VAT charged. Non-compliance with the law resulted in the loss of GH¢3,651.80 VAT revenue.

481. We recommended that management should obtain the appropriate invoices from the supplier and to ensure that the tax is paid to the VAT Service.

Unpresented payment vouchers – GH¢1,111.00

482. Regulations 1 and 262 of L.I. 1802 obliges any public officer who is responsible for the conduct of financial business on behalf of Government to keep proper records and the head of department to ensure that financial and accounting records are preserved in good order and in a manner that facilitates ready access for reference.
483. The Head of Accounts failed to comply with the regulations and consequently, was unable to produce for audit examination the payment vouchers used in paying a total amount of GH¢1,110.89. As a result we were unable to access transaction details and confirm propriety.

484. We urged management to ensure that the payment vouchers are produced or the amount recovered from the head of Accounts.

**GHANA STATISTICAL SERVICE**  
**KOFORIDUA**

**Unaquitted payment voucher – GH¢1,200.00**

485. Our review of expenditure records revealed that a total amount of GH¢1,200.00 was paid to six officers of the department for the 2010 Population and Housing Census in Akwapim South District.

486. Contrary to Part II Section 39(2c & d) of the Financial and Administration Regulations 2004 (L.1. 1802), they failed to append their signatures against the amounts to indicate that they actually received the amounts indicated.

487. We recommended to management to ensure that the officers concerned sign against the amounts paid to them or the amount be recovered from the paying officer.
MINISTRY OF EDUCATION

TECHNICAL EXAMINATIONS UNIT
HEADQUARTERS

Failure to route purchases through stores – GH¢39,147.00
488. Due to lack of coordination between the Accounts Department and stores as well as the failure of management to ensure effective supervision, various store items purchased at the cost of GH¢39,147.00 were not channeled through stores before usage.
489. This anomaly could lead to the incidence of fictitious purchases, diversion and pilfering of store items. We, therefore, charged management to ensure that all items purchased are recorded in the stores accounting records before use.

Fuel allocation not recorded in log book – GH¢10,401.00
490. Even though all the vehicles of the Unit had log books, fuel purchases totalling GH¢10,400.96 were not recorded in the log books, contrary to Part IX Section 64 of the Financial and Accounting Instructions (FAI).
491. The irregularity was attributed to the drivers’ lack of knowledge of how to use the log books. We were, therefore, unable to establish the genuineness of the purchases and validate the vehicles’ rate of fuel consumption with a view to determining their performance.
492. We recommended that the drivers should be educated on the usage of the log books and the supervision of fuel allocations should be strengthened to ensure that subsequent allocations are recorded in the log books.

BASIC EDUCATION DIVISION OF GHANA EDUCATION SERVICE
HEADQUARTERS

Payments without supporting documents – GH¢669,202.00

493. Thirty-nine paid vouchers valued at GH¢669,201.56 were not supported with receipts, invoices and statements of claim to properly acquit them, contrary to Part II Section 39(2c) of the Financial Administration Regulation.

494. Management’s failure to exercise supervisory control over the Schedule Officer coupled with the disregard for the Chief Accountant’s directive, in response to a previous audit report, that all attachments should be photocopied and attached to all payment vouchers resulted in the anomaly. We recommended that Management should ensure that the vouchers are acquitted with either the original copies or certified duplicate copies of the attachments and produced for examination.
WESTERN REGIONAL EDUCATION OFFICE

Un-acquitted payment vouchers-GH¢101,333.00

495. Twenty-three payment vouchers totalling GH¢101,333.00 were without the requisite attachments such as receipts, invoices and statements of disbursement.

496. To forestall possible loss of public funds, we urged management to ensure that the payment vouchers in question are properly supported by the relevant expenditure documents, failing which the amount involved should be refunded by the Paying Officer.

DISTRICT EDUCATION OFFICE – SEFWI AKONTOMBRA

Use of photocopies to support expenditure – GH¢50,633.00

497. Our examination of five payment vouchers disclosed that the Directorate failed to abide by good accounting practices and supported payments totalling GH¢50,633.12 with photocopies of documents instead of the originals.

498. We attributed the lapse to the Accountant’s failure to ensure that the original supporting documents were substituted with certified duplicate copies. As a result of this omission, there existed a high possibility that the original documents could be re-used to result in double payment.
499. We, therefore, recommended to management to ensure that the original supporting documents are provided and attached in support of the payment vouchers, failing which the total amount of GH¢50,633.12 should be recovered from Mr. Hayford Tawiah, the District Accountant.

500. Management responded that the original documents had been sent to their Headquarters. That notwithstanding, we reiterated that the original documents should be returned for audit scrutiny.

**Incomplete information on purchases – GH¢14,800.00**

501. Supporting the payment for goods and services with all the necessary documentations is among the requirements that a Head of Department and the Head of the Accounts Unit of an organisation are obliged to adhere to in transacting business on behalf of government, as required by Section 39(1 & 2) of the Financial Administration Regulations, 2004 (L.I 1802).

502. Our examination of three payment vouchers relating to payment of GH¢14,800.00 for school materials, however, revealed that the alleged purchases were not backed by a distribution list or a beneficiaries’ list, thereby making the transaction incomplete and doubtful.
503. This situation was as a result of the failure of the District Accountant and the Store-keeper to diligently ensure that adequate information on the transactions was provided. The effect was that, we could not establish the genuineness of the purchases since their final destination also was unknown.

504. We recommended that management should provide us with the distribution list of the beneficiaries for our verification, failing which the District Director, the District Accountant and the Store-keeper should refund the total amount of GH₵14,800.00 to chest.

**Contract awarded without competitive tendering – GH₵40,000.00**

505. Part IV of the Public Procurement Act, Section 35(1) states that ‘A procurement entity shall procure goods, services or works by competitive tendering…’ Section 35 (3) further states that “If the procurement entity uses the method of procurement other than competitive tendering, it shall include in the record required a statement of the grounds and circumstances on which it relied to justify the use of the method.”

506. On the contrary, we observed that a contract awarded to Messrs E-Toys and More for the rehabilitation of a classroom block and the supply of computers for an ICT centre at Nsawura in the Sefwi Akontombra District from funds drawn from the Member of
Parliament’s (MP’s) share of the GETfund was awarded without competitive tendering as required by the above-quoted procurement regulation.

507. The District Director stated that the anomaly came about because the MP single-handedly awarded the contract to the Contractor. Management’s attention was drawn to the fact that non-compliance with the procurement laws could jeopardize the judicious use of funds, and militate against transparency, accountability and value for money regarding the procurement of goods and services.

508. We, therefore, recommended that management should ensure strict compliance with the Procurement Act and those involved in this irregularity be sanctioned in accordance with Section 8 of the FAR, 2004.

**Payment for work not executed – GH¢40,000.00**

509. Further to the foregoing irregularity we found that the Assembly had also breached Section 16(1a) of Part II of the Financial Administration Act, 2003 (Act 654) which states that “Payment shall not be made for work done, goods supplied or services rendered whether under a contract or not in connection with any part of the public service, unless in addition to any other voucher or certificate that is required, the head of the government department or any other
officer authorised by the head of department certifies that the work has been performed, the goods supplied or the service rendered, and that the price charged is according to the contract or if not specified by the contract, is reasonable…”

510. Despite this regulation, the member of Parliament for the Sefwi Akontombra area was alleged to have single-handedly awarded a contract to Messrs E-Toys and More for the rehabilitation of a classroom block and the supply of 12 pieces of computers and accessories for an ICT centre atNsawura in the District at the cost of GH¢40,000.00. We noted the following flaws after examination of the documents relating to the contract and a follow-up to the project site:

i. the full contract sum of GH¢40,000.00 was paid to the Contractor Messrs E-Toys and More, vide PV No. 711890 of 27 May 2011;

ii. no Engineer/Consultant’s certificate or performance certificate from the Directorate attesting to the completion of the contract was sighted by the Audit Team;

iii. apart from fixing mosquito nets and ceiling nothing was done on the building; and
iv. the 12 computers to be used for the ICT centre were not supplied as they were neither physically seen, nor were there any records at the Directorate testifying to their existence.

511. We attributed all these irregularities to the absence of a contract agreement between the Directorate and Messrs E-Toys and More; a situation which resulted in lack of supervision by the Directorate and the ultimate abandonment of the project by the contractor, after he had been paid the full contract sum.

512. We recommended that management should inform the M.P to ensure that the Contractor executes the full works immediately or the MP and officials of the Assembly who approved the release of the funds to the MP should be made to refund the amount involved.

DISTRICT EDUCATION OFFICE – HALF ASSINI

Payments not accounted for – GH¢29,046.00

513. We observed that the District Directorate spent a total amount of GH¢29,045.85 in respect of Capitation Grant (GH¢23,984.85) and imprest (GH¢5,061.00) without accounting for it.

514. We identified inadequate control measures introduced by the Directorate to monitor disbursement of funds as the cause of the lapse.
In our opinion, the failure to account for monies spent could be a recipe for misappropriation or diversion of funds.

515. We recommended to the Directorate to promptly account for the total amount or recover it to chest. Management did not respond to the observation.

**Unearned salaries paid – GH¢268,628.00**

516. In contravention of Section 297 of the FAR, 98 separated staff were paid unearned salaries amounting to GH¢268,627.76. We attributed the irregularity to management’s failure to take prompt action to delete the names of the separated staff from the payroll and instruct their banks to transfer their salaries into the Controller and Accountant-General’s Suspense Account.

517. We recommended to management to institute an effective control mechanism to ensure the early deletion of the names of separated staff from the payroll.

**DISTRICT EDUCATION OFFICE – ODUMASE-KROBO**

**Materials for Wawase school project not supplied – GH¢6,160.00**

518. We observed that in July 2011, the Member of Parliament for the District, Mr. Michael T. Nyaunu requested for the release of GH¢16,000.00 for a project. Out of the total amount, GH¢14,500.00
was earmarked for the procurement of building materials for a school project at Wawase.

519. However, a follow up to the school disclosed that not all the items purported to have been bought were sent to the project site. The details are provided in the table below:

<table>
<thead>
<tr>
<th>Items</th>
<th>Value GH¢</th>
<th>Quantity Sent to Site</th>
<th>Value GH¢</th>
<th>Difference GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 bags cement</td>
<td>2,000.00</td>
<td>77 bags cement</td>
<td>1,540.00</td>
<td>460.00</td>
</tr>
<tr>
<td>5 trips sand</td>
<td>3,000.00</td>
<td>4 trips sand</td>
<td>2,400.00</td>
<td>600.00</td>
</tr>
<tr>
<td>2000 5” blocks</td>
<td>6,000.00</td>
<td>1,000 blocks</td>
<td>3,000.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>5 trips stones</td>
<td>3,500.00</td>
<td>2 trips stones</td>
<td>1,400.00</td>
<td>2,100.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,500.00</strong></td>
<td><strong>8,340.00</strong></td>
<td><strong>6,160.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

520. We were of the view that since all the items were not sent to the proposed location it could delay the completion of the project which will eventually affect the beneficiary community. We, therefore, advised management to impress upon the MP to send the remaining items to site or refund in full the difference of GH¢6,160.00.

521. Management confirmed that the said materials for the Wawase school project had not been supplied and that the Hon. Member of Parliament had been notified.
Payments not properly acquitted – GH¢1,572.00

522. During the examination of payment vouchers, we observed that a total amount of GH¢1,571.80 released for various activities had not been properly acquitted, contrary to Section 10 of Part VI of the FAI which requires that where applicable the original invoices, receipts and statements shall be attached to the payment voucher. The table below provides the details:

<table>
<thead>
<tr>
<th>Account</th>
<th>P.V. No.</th>
<th>Date</th>
<th>Payee</th>
<th>Amount on P.V. GH¢</th>
<th>Receipts attached GH¢</th>
<th>Difference GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports</td>
<td>01/10/11</td>
<td>12/10/11</td>
<td>Martey Vincent &amp; others</td>
<td>244.00</td>
<td>150.00</td>
<td>94.00</td>
</tr>
<tr>
<td>Sports</td>
<td>06/01/11</td>
<td>13/01/11</td>
<td>District Director</td>
<td>550.00</td>
<td>56.00</td>
<td>494.00</td>
</tr>
<tr>
<td>Sports</td>
<td>02/03/11</td>
<td>10/03/11</td>
<td>District Director</td>
<td>902.30</td>
<td>-</td>
<td>902.30</td>
</tr>
<tr>
<td>DFID</td>
<td>03/07/11</td>
<td>05/07/11</td>
<td>Gibsalo Enterprise</td>
<td>81.50</td>
<td>-</td>
<td>81.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,777.80</strong></td>
<td><strong>206.00</strong></td>
<td><strong>1,571.80</strong></td>
</tr>
</tbody>
</table>

523. We noted that these omissions had arisen as a result of the Accountant’s failure to ensure that funds released were properly accounted for. We could, therefore, not determine whether the amount was actually used for what it was budgeted for.
524. We recommended that the amount involved should be accounted for by the Spending Officers. We further advised that the Accountant should monitor all funds released.

525. Management intimated that the Accountant had been hospitalised and that efforts would be made to properly acquit the payment vouchers.

**DISTRICT EDUCATION OFFICE – SOMANYA**

**Unearned salaries paid to separated staff – GH¢28,439.00**

526. Section 297(1) of the FAR 2004 states that a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has vacated post.

527. Our review of the mechanised vouchers of the above office disclosed that the names of 21 staff members who had vacated post between August and September 2011 continued to appear on the salary vouchers. As a result, unearned salaries totalling GH¢28,438.52 were paid to the 21 ex-employees.

528. The anomaly occurred due to the failure of the various Heads to promptly notify the District Office’s Human Resource Department to initiate action on the deletion of their names from the payroll. Salaries
were, therefore, paid to staff who no longer belonged to the Service, thus inflating government’s wage bill by GH¢28,438.52.

529. We recommended that management should further investigate the period of their absence and take steps to recover the full amount. We further recommended that management should contact their banks to transfer the amounts wrongly credited to their accounts to the Controller and Accountant General’s Suspense Account.

Books of accounts and other financial documents not produced for audit – GH¢23,094.00

530. Section 1(1&2) of the FAR makes it an offence to fail to present accounting documents for auditing when called upon to do so by the Auditor-General or his representative. In spite of the regulation, the Accountant of the Education office failed to present for audit accounting books and other financial records covering the period January to October 2011, when requested to do so.

531. Lack of commitment on the part of the Accountant and poor management supervision over her work were identified as the causes of the irregularity. Consequently, funds totalling GH¢23,093.51 received by the department from the Central Government for the period January to October 2011 remained unaccounted for.
532. We recommended that management should ensure that her books are written up to date for auditing; failing which the Authorising officer should be surcharged with the total amount not accounted for. Additionally, we recommended adequate supervision over her work.

**DISTRICT EDUCATION OFFICE – BEGORO**

**Unearned salaries – GH¢46,929.00**

533. Regulation 297(1) of the FAR, 2004 (L.I. 1802) states that a head of department shall cause the immediate stoppage of the payment of salary to a public servant when that public servant has died or been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulation of the establishment.

534. Our review of the District’s payroll disclosed that 11 staff members who vacated post and four others who died still had their names on the department’s payroll, contrary to the above regulation. Management’s inability to ensure early deletion of their names from the payroll resulted in the payment of GH¢46,929.37 into the bank account of these persons.

535. We urged management to take immediate steps to rectify the situation and put measures in place to forestall such occurrences. We also requested management to pursue the recovery of the total amount of GH¢46,929.37.
536. In reaction management stated that Atiwa and Mumuadu Rural Banks had been officially instructed to transfer all unearned salaries to government chest and provide evidence of action taken. Furthermore, it was indicated that steps were also being taken to delete the names from the payroll.

**Large stock of un-needed textbooks**

537. Chapter 1 Section 102(d) of Stores Regulations, 1984 states that stockholdings should at all times be kept to an economic minimum consistent with the maintenance of an effective service level. We noted that, on the contrary, a large stock of Ewe textbooks were found at the District’s textbooks store.

538. We learnt that the books were supplied by the Ministry of Education in 2005. We also realised that the Ministry of Education failed to consult the Directorate on the minimum requirement of Ewe textbooks needed for the District, which is predominantly a Twi-speaking community.

539. The situation, if not remedied, might cause the deterioration of the books and deny their usage by the right communities. Accordingly, we advised management to officially inform the Ministry of Education about the excesses for the appropriate action to be taken and for the congestion in the textbooks store to be eased.
540. Management stated that the Directorate would contact the Regional Directorate for the possible takeover of the excess Ewe textbooks.

**Non-adherence to public procurement procedures – GH¢6,081.00**

541. Section 17(1) of the Public Procurement Act, 2003 (Act 663) requires each procurement entity to establish a Tender Committee to handle the procurement process of the entity.

542. On the contrary, management violated the provisions of the Act by unilaterally making purchases totalling GH¢6,081.00 without passing them through a Tender Committee and without tendering.

543. Requesting for at least three price quotations or open tendering has the benefit of obtaining reasonable prices for quality goods. As a result, the inspecting team could not determine whether or not value for money was obtained in the purchase of the items in question.

544. To ensure economy and transparency in procurement orders, we urged management to comply with the requirements of the Public Procurement law. In reaction, management promised to implement our recommendations by adhering to the tenets of the Public Procurement law.
Failure to produce mechanised payroll vouchers for inspection

545. Management failed to produce for our audit review the mechanised payroll vouchers which contained the names of four deceased officers and four other staff members believed to have vacated their posts.

546. Poor record keeping of documents was identified as the cause. The possibility that unearned salaries could still be paid into the various accounts of the separated staff was not ruled out. To forestall such a possibility, we requested management to provide the mechanised vouchers for our examination and, as a matter of urgency, request their banks to suspend payments to them. We also advised that all accrued unclaimed salaries, if any, should be recovered into the Consolidated Fund.

547. Management responded that they had requested the various banks to suspend further payments to the affected staff and pay their accumulated salaries into government chest. The mechanised payroll vouchers would also be made available for audit examination.

NON-FORMAL EDUCATION DIVISION– BEGORO

Unearned salary – GH¢1,491.00

548. We observed during our review of the Division’s payroll that Miss Agnes Kwao-Kuma a Programme Assistant attached to the
Fanteakwa District, Begoro who had since September 2011 vacated post had her name retained on the mechanised salary vouchers four months after vacation, resulting in a total illegal payment of GH¢1,490.85 into her bank account.

549. Management’s failure to ensure an early submission of inputs to the Controller and Accountant General’s Department for the deletion of her name from the Division’s payroll contributed to this anomaly. Managements’ ineffectiveness in this regard defeats governments’ determination to reduce the huge public sector wage bill and the resolve to eliminate non-existent workers on government payroll.

550. We recommended the immediate deletion of Miss Agnes Kwao-Kuma’s name from the payroll and the recovery of all unearned salaries to government chest. Management assured the audit team that steps would be taken to delete her name and recover the amount.

DISTRICT EDUCATION OFFICE – KIBI
Payment of unearned salaries – GH¢4,940.00
551. The salaries of Mr. Charles Hotor who vacated post in May 2011 and Mr. Moses Appiah Kubi who died in March 2011 continued to be paid into their bank accounts three months after they had
separated from the Ghana Education Service. A total amount of GH¢4,939.50 was thereby paid into their bank accounts.

552. The lapse occurred due to the failure of the Circuit Supervisors and the Head teachers to alert the management of the District office to delete their names from the payroll when they separated from the Service.

553. We recommended that management should pursue the recovery of the amount from the separated staff. In response, management stated that they were working towards the recovery of the amount.

**Failure to obtain monthly salary vouchers**

554. Section 262 of the FAR 2004 stipulates that “A head of department shall ensure that financial and accounting records are preserved in good order and in a manner that facilitates ready access for reference.”

555. Despite the regulation, the salary vouchers for September, October and November 2011 on which a Mr. Raymond Obeng Yeboah who vacated post in August 2011 and believed to have received salaries during this period were not provided by management for our examination.
556. We recommended to management to make available the salary vouchers for our examination. We further requested management to find out from the bankers of Mr. Obeng Yeboah if any unearned salaries had been credited to his account after his separation and to recover the amount to Government chest.

557. Management blamed the District Treasury office for consistently failing to provide the salary vouchers at the end of each month. They, however, promised to officially write to the Treasury to provide the missing vouchers.

**Failure to obtain VAT invoices/receipts – GH₵4,662.00**

558. Part XI Section 57 of the Value Added Tax Act 1998 (Act 546) provides that whenever payments are made to a VAT registered person, the purchaser must be given a VAT invoice/receipt. However, VAT receipts/ invoices were not obtained to support payments totalling GH₵30,012.75 with a VAT component of GH₵4,662.38.

559. We recommended that the VAT receipt/invoices for the GH₵4,662.38 should be obtained from the suppliers or the amount recovered. Management responded that several attempts had been made to retrieve the VAT receipts from the suppliers but these had proved futile. However, the suppliers would continue to be pursued to provide the VAT receipts.
Payments without acknowledgement – GH¢3,448.00

560. We noted that a total amount of GH¢3,448.00 released to a Mr. Michael Gyamfi Kumi on four payment vouchers towards cultural activities in the Birim South District, during the period under review, had not been acknowledged by the payee.

561. Laxity on the part of the Head of Finance accounted for the irregularity. To provide accountability, we urged management to ensure that the payments are acknowledged by the payee to authenticate the transactions, or the amount involved should be recovered from the officer responsible for the payments.

Unearned salary – GH¢2,551.00

562. Our payroll audit disclosed that failure of the Controller and Accountant General’s Department (CAGD) to act on several deletion requests made by the District Education office resulted in Mrs. Philomena Oppong, a Senior Superintendent II, who applied for leave of absence without pay in October 2011, to continue to receive her salary on the Awisa Methodist Primary School’s mechanised payroll.

563. As a result, unearned salaries totalling GH¢2,550.70 had been credited to her account at the Ghana Commercial bank – Akim Oda, between October 2011 to January 2012.
564. As the inaction in the CAGD could result in a huge loss of funds to government, we recommended to management to persist in its efforts to get her name deleted from the payroll and also ensure that the unearned salary of GH¢2,550.70 and subsequent payments into her bank account are transferred into government coffers. Management promised to take the necessary action.

MUNICIPAL EDUCATION OFFICE – MAMPONG/ASHANTI
Payment of unearned salaries to separated, newly employed teachers – GH¢36,181.00

565. Section 304(1d) of the Financial Administration Regulations, 2004 (LI 1802) stipulates that a head of department shall examine and certify the personal emolument payment vouchers to ensure that only staff belonging to the unit are on the payment vouchers and any overpayment of personal emolument is recovered.

566. The regulation notwithstanding, our review of the mechanised salary vouchers and other personal emolument records disclosed that 13 teachers who separated from the Service between April 2010 and October 2011 and 17 newly employed teachers who were hired between July 2010 and May 2011, were paid unearned salaries totalling GH¢36,181.15.
567. The unearned salaries in respect of the separated teachers came about as a result of the failure of the Municipal Director, the Accountant and the Personnel Officer to ensure the prompt deletion of the names of the affected individuals from the payroll and the recovery of the unearned salary of GH¢13,376.85 to government chest.

568. As regards the 17 newly employed teachers, management used their dates of appointments instead of the dates of assumption of duty to compute their salaries. In the process, they were also paid a total unearned salary of GH¢22,804.30.

569. We urged management to liaise with the banks concerned with a view to recovering the total amount of GH¢36,181.15 for payment to chest. We further entreated management to ensure absolute compliance with regulations regarding payroll administration in order to eliminate future occurrences of this anomaly.

MUNICIPAL EDUCATION OFFICE – EJISU/ASHANTI

Unsupported paid vouchers – GH¢6,368.00

570. We noted that three paid vouchers involving a total amount of GH¢6,368.00 raised between February 2011 and July 2011 from Sports and Culture account did not have all the relevant supporting documents, contrary to Section 10 of the Financial and Accounting
Instructions (FAI) for Educational Institutions which requires that where applicable the original invoices, receipts and statements of claim shall be attached to the payment voucher.

571. We recommended and management agreed to provide the relevant supporting documents to authenticate the payment failing which the amount of GH¢6,368.00 should be recovered from the Accountant and paid into the Service’s bank account.

**Unearned salary – GH¢4,974.00**

572. We noted that a Ms Susan Gyamfi-Bio with staff No. 2351381 who had vacated her post five days after her assumption of duty in May 2010 as Health Education Programme (SHEP) Coordinator, had her bank account wrongly credited with a total salary of GH¢4,974.02 between May 2010 and April 2011. Our investigations revealed that the separated staff had withdrawn the illegal salaries from her bank account.

573. The Deputy Director of Education, Finance and Administration’s disregard for Regulations 297(1) and 298 of the FAR resulted in the payment of the unearned salaries.

574. We recommended to management to locate Ms. Susan Gyamfi-Bio and recover from her the amount of GH¢4,974.02 with
interest at the current bank rate, as stipulated in Section 61(1&2) of the Financial Administration Act 2003 (Act 654), failing which the amount involved should be recovered from the Deputy Director of Education for gross dereliction of duty.

**DISTRICT EDUCATION OFFICE – MANSO NKWANTA**

**Procurement from Non VAT registered persons – GH¢22,000.00**

575. Our review of the records at the District office at Manso-Nkwanta disclosed that between April 2010 and February 2011, the Directorate procured goods worth GH¢22,000.00 from non-VAT registered suppliers, in contravention of Section 30 (2) of the Financial Administration Act, 2003 (Act 654) which makes it incumbent on government institutions to procure goods and services from only VAT registered persons.

576. Non-compliance with the law resulted in the loss of GH¢3,300.00 in VAT revenue. We requested the Accountant whose negligence resulted in the uncollected tax to pay the tax element of GH¢3,300.00 to the VAT Service. We also urged the District Director of Education to always ensure they do business with only VAT registered persons.
Purchases from Non-VAT registered entities – GH¢16,998.00

577. Contrary to Section 30(2) of the Financial Administration Act, 2003 (Act 654) and Regulation 183(4) of the FAR 2604 (LI 1802) which state that all government departments should procure government stores from only VAT registered persons or entities, we noted that the Directorate purchased and paid a total amount of GH¢16,998.00 on 12 payment vouchers to non-VAT registered persons, thereby denying the state a total VAT revenue of GH¢2,549.70.

578. We held the Spending Officer and his Accountant responsible for the lapse and recommended that sanctions should be instituted against them by the Regional Director of Education. In order to avoid future occurrence of such an irregularity, we also urged management to always deal with VAT registered persons only.

Payments without accounting details – GH¢4,416.00

579. Part II Section 13(c) and (d) of the Audit Service Act, 2000 (Act 584) states that “The Auditor-General shall examine in such manner as he thinks necessary, the public and other Government accounts and shall ascertain whether in his opinion:
(a) Monies have been expended for the purpose for which they were appropriated and the expenditures have been made as authorised.

(b) Essential records are maintained and the rules and procedures and controls are proper.”

580. We noted during our examination of vouchers that an amount of GH¢4,416.00 was paid in respect of various transactions without providing the necessary supporting documents to authenticate the transactions. Below are the details:

<table>
<thead>
<tr>
<th>Date</th>
<th>PV No.</th>
<th>Amount GH¢</th>
<th>Payee</th>
<th>Cheque No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/1/11</td>
<td>6/1/11</td>
<td>1,506.00</td>
<td>Circuit Supervisor</td>
<td>593832</td>
</tr>
<tr>
<td>5/4/11</td>
<td>3/4/11</td>
<td>1,410.00</td>
<td>BECE Supervisor</td>
<td>593802</td>
</tr>
<tr>
<td>18/4/11</td>
<td>1/4/11</td>
<td>1,500.00</td>
<td>District P.E. Co-ordinator</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>4,416.00</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

581. The practice, in our opinion, could serve as a means to siphon moneys for unauthorised purposes and could result in financial loss to the Service. Consequently, we recommended that management should provide the relevant accounting details for our scrutiny or the Deputy Chief Accountant who was responsible for the payments should be surcharged with the amount involved.
DISTRIBUTION EDUCATION OFFICE – DUAYAW NKWANTA

Un-receipted payments – GH¢61,485.00

582. The District Director of Education allegedly paid capitation grants totalling GH¢61,484.89 to 19 Heads of basic schools for which no official receipts were obtained to authenticate the payments. This contravened Part 11 Section 28 of the FAR 2004 which states that a collector who is satisfied that money tendered is in order shall issue an original receipt to the payer.

583. The District Director of Education explained that he thought that the payment of the money to the bank alone was sufficient evidence of the completion of the transactions, hence the need to forego the collection of receipts from the Headteachers.

584. We advised that the payment to bank alone was not conclusive enough in determining whether the money had been received or not. We urged the District Director to obtain the official receipts from the schools in acknowledgement of the receipt of the moneys and ensure that subsequent payments are receipted by the schools to prevent the risk of loss.

Uncompetitive purchases – GH¢12,337.00

585. Section 43(i) of the Public Procurement Act, 2003 (Act 663) states that ‘procurement entities shall collect quotations from as many
suppliers or contractors as practicable, but from at least three different sources.’

586. We noted during the examination of the expenditure records of the District Director of Education that contrary to this provision in the Act, management purchased items worth GH¢12,336.59 without requesting for at least three quotations from different sources or seeking the approval of the Procurement Board for single sourcing as is required in Section 40(2) of the Act.

587. This lapse which resulted from the Director’s disregard for the public procurement laws of the state could lead to the purchase of goods at inflated costs, thus undermining the principles of value for money in public financial management.

588. We urged the District Director to observe the procurement laws so as to ensure that value for money is always obtained.

**DISTRICT EDUCATION OFFICE – PAGA**

**Unsupported payments – GH¢192,457.00**

589. Twenty-nine payment vouchers covering the sum of GH¢192,456.70 paid between October 2009 and July 2010 to suppliers and others were not supported with relevant official receipts and statements of account in contravention of Part II Section 39(2) of
the Financial Administration Regulations, 2004 which states that a head of department shall control the disbursement of funds and ensure that transactions are properly authenticated.

590. We urged management to ensure accountability by obtaining and attaching the relevant receipts to the payment vouchers or recover the amount from the officers who effected the payments.

**Payments not fully accounted for – GH¢3,318.00**

591. We noted that out of total payments of GH¢11,878.20 made between June 2009 and August 2010 only GH¢8,713.10 was supported with the relevant official receipts and statements of account, leaving a difference of GH¢3,318.10 yet to be accounted for.

592. Failure on the part of the Accountant to ensure that all payments made were fully accounted for was the cause for the lapse. We therefore urged and management agreed to fully account for the payments.

**Salary advances – GH¢2,600.00**

593. It is the responsibility of a head of department authorised to administer a class of advances to ensure that all advances are duly recovered in accordance with the regulations or agreements to them.
594. We noted that a total of GH₵2,600.00 granted to six officers as salary advances between June 2009 and July 2010 were not recovered as at 31 December 2010.

595. Management’s apathy towards the recovery of the amount from the officers accounted for the long outstanding advances. We recommended and management agreed to recover the amount of GH₵2,600.00 from the officers concerned.

NON-FORMAL EDUCATION DIVISION – BAWKU

Unearned salaries – GH₵4,637.00

596. A total unearned salaries of GH₵1,637.40 was paid to two separated staff of the Division between June and October 2010. The details are shown in the table below:

<table>
<thead>
<tr>
<th>Department</th>
<th>No. of separated staff</th>
<th>Net salary credited to separated staff (GH₵)</th>
<th>SSNIT contribution paid (GH₵)</th>
<th>Total (GH₵)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFED, Bawku</td>
<td>2</td>
<td>3,421.29</td>
<td>775.89</td>
<td>4,197.18</td>
</tr>
</tbody>
</table>

597. Failure by the Accountant to prepare and forward inputs to the Controller and Accountant-General’s Department for the deletion of the names of the separated staff caused this anomaly.
Management was urged to take immediate action to recover the amount of GH¢4,197.18 from the separated staff for payment into the Consolidated Fund, to which management agreed.

**REGIONAL OFFICE OF THE NON-FORMAL EDUCATION DIVISION – BOLGATANGA**

**Payment of unearned salaries – GH¢8,943.00**

We noted that between May 2008 and March 2010, a total amount of GH¢7,418.47 and GH¢1,524.72 was paid to six officers as their salary and SSF contributions respectively after their separation from the Service. Below are the details:

<table>
<thead>
<tr>
<th>Name</th>
<th>Reason for separation</th>
<th>Period of unearned salaries</th>
<th>17.5% SSF (GH¢)</th>
<th>Total net salary (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edward Adongo</td>
<td>Retirement</td>
<td>Sept.09-Jan.10</td>
<td>723.32</td>
<td>3,702.27</td>
</tr>
<tr>
<td>Akparibo A. Alex</td>
<td>“</td>
<td>May 09-Oct.09</td>
<td>292.57</td>
<td>1,379.00</td>
</tr>
<tr>
<td>Asampana Awuni T.</td>
<td>Resignation</td>
<td>Jan.10-Mar.10</td>
<td>128.07</td>
<td>596.05</td>
</tr>
<tr>
<td>George Tenga</td>
<td>Vacation of post</td>
<td>Jan.10-Mar.10</td>
<td>124.62</td>
<td>549.05</td>
</tr>
<tr>
<td>Adombire A. Stephen</td>
<td>“</td>
<td>Jan.10-Mar.10</td>
<td>128.07</td>
<td>596.05</td>
</tr>
<tr>
<td>Nyaaba N. Joseph</td>
<td>“</td>
<td>Jan.10-Mar.10</td>
<td>128.07</td>
<td>596.05</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>1,524.72</strong></td>
<td><strong>7,418.47</strong></td>
</tr>
</tbody>
</table>

Management’s failure to promptly submit inputs for the deletion of the names from the payroll accounted for the situation. We, therefore, requested management to recover the total amount of
GH¢7,418.47 credited to the bank accounts of the separated staff and pay same to chest.

601. Furthermore, we requested management to write to the Social Security and National Insurance Trust (SSNIT) to transfer the total of GH¢1,524.72 credited to the accounts of the separated staff during the period to government chest.

**DISTRICT EDUCATION OFFICE – WALEWALE**

**Purchase of goods without alternative quotations – GH¢7,124.00**

602. A review of payment vouchers for procurement disclosed that goods purchased by the District Education Office amounting to GH¢7,123.83 were without alternative price quotations to determine the most cost effective prices, contrary to Part IV Section 43(1) of the Procurement Act 2003, (Act 663).

603. To prevent financial abuse in its procurement transactions, management was advised to always source alternative price quotations prior to any procurement.

**Unsupported payments – GH¢781.00**

604. Contrary to Sections 39(2) of the FAR, 2004 (L.I. 18020), we noted that payments totalling GH¢781.00 were made without the necessary expenditure documents. We attributed the cause of the
impropriety to the Accountant’s failure to demand receipts from the payees after payments were effected.

605. Management was urged to take necessary measures to obtain the relevant documents to authenticate the payments or the amount be recovered from the Accountant.

**DISTRICT EDUCATION OFFICE – GAMBAGA**

**Purchases of goods without alternative quotations – GH¢22,507.00**

606. We observed that management made purchases to the tune of GH¢22,506.87 without alternative quotations in contravention of Section 43(1) of the Public Procurement Act, 2003 (Act 663).

607. As single source procurement does not guarantee reasonable prices, we recommended that future purchases should be made through competitive bidding in order to obtain value for money for the office.

**Unsupported payments – GH¢9,668.00**

608. We observed that payments totalling GH¢9,667.60 made by the District Education office were without the necessary expenditure documents. The situation puts the authenticity of the transactions in doubt and contravened Section 39(2) of the Financial Administration
Regulation which requires payments to be supported with official receipts from the payees.

609. This condition could lead to fraudulent payments and other financial abuses. We, therefore, urged management to take the necessary measures to obtain the relevant documents to authenticate the payments or the amount should be recovered from the Accountant.

**Failure to prepare SPIP for Capitation grant – GH¢88,656.00**

610. Contrary to Section 6.0 paragraph 3 of the guidelines for the disbursement and utilisation of Capitation Grants, several schools within the Gambaga District failed to submit their School Performance Implement Plan (SPIP) to the District Education office for approval before the release of a total amount of GH¢88,655.93 was made to them.

611. Negligence of duty on the part of the various school management committees tasked to ensure the preparation of the SPIPs accounted for the omission. Management was advised to insist on the preparation and submission of the SPIPs by the schools before the release of funds.
DISTRICT EDUCATION OFFICE – KARAGA

Unearned salary – GH¢1,216.00

612. Unearned salaries totalling GH¢1,215.64 were paid to two deceased staff members. The details are provided below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Net Salary GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abukari Zakaria</td>
<td>474.90</td>
</tr>
<tr>
<td>Emmanuel Suuk</td>
<td>740.74</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,215.64</strong></td>
</tr>
</tbody>
</table>

613. In our view, the anomaly occurred because management failed to comply with Regulation 297(1) of the FAR by not writing immediately to the Controller and Accountant-General’s Department and the banks of the separated staff to stop the payment of the salaries.

614. We recommended to management to write to the banks concerned to pay the unearned salaries to government chest and to the Controller and Accountant-General’s Department to delete the names from the payroll.

Non-acknowledgement of receipt of funds – GH¢1,200.00

615. Section 28(1) of the Financial Administration Regulation, 2004 (L.I. 1802) states that ‘’A collector who is satisfied that money tendered is in order, shall issue an original receipt to the payer...’’
616. We, however, noted that funds received from the Regional office totalling GH¢1,200.00 were not acknowledged with receipts. We recommended to management to procure a General Counterfoil Receipt book to use in acknowledging the receipt of funds.

DISTRICT EDUCATION OFFICE – BUNKPURUGU

Un-presented payment vouchers – GH¢21,033.00

617. Management was unable to present 14 payment vouchers covering GH¢21,032.66 for our examination. We could, therefore, not determine the propriety or otherwise of those payments.

618. Management was requested to recover the sum of GH¢21,032.66 from the Accountant if the said vouchers cannot be produced for audit inspection.

Purchases not routed through stores – GH¢3,600.00

619. We observed that roofing sheets worth GH¢3,600.00 were not channeled through the stores of the District Education Office, contrary to Section 0522 of the 1984 Store Regulations. As a result, we could not ascertain whether or not the items were purchased and put to use in the interest of the District office.
620. We recommended that the roofing sheets should be accounted for by showing evidence of receipt and issue or the Storekeeper should be surcharged with their cost.

NON-FORMAL EDUCATION DIVISION – DORMAA

AHENKRO

Salary payments to non-existent staff – GH¢3,145.00

621. Due to the failure of the Municipal Chief Director to promptly notify the CAGD to delete their names from the payroll and the Sekyere Rural Bank, Ahwiaa to stop their salary payments, Messrs Anthony Armah and Augustine Amonoo who had separated from the Division, were paid illegal salaries totalling GH¢3,145.05 during the period January to July 2010.

622. We recommended that the Municipal Director should ensure the recovery of the total amount of GH¢3,145.05 into the Controller and Accountant-General’s salaries and wages suspense account or else the Chief Director be held liable.

NON-FORMAL EDUCATION DIVISION – GOASO

Unsupported payments – GH¢3,910.00

623. Section 39 (2c) of the Financial Administration Regulations, 2004 (L. I. 1802) 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…”

624. We noted that the Division paid a total amount of GH¢3,620.10 as daily subsistence allowances to staff but none of the payments indicated the specific duties and journeys undertaken by the officers for which the payments were effected. Similarly, eight other payment vouchers amounting to GH¢290.10 were also not supported with the necessary documents to authenticate the transactions.

625. We attributed the anomaly to the Director and the Accountant’s negligence of duty as they authorised and passed the vouchers for payment without ensuring that the relevant documents were attached.

626. We recommended the regularisation of the transactions or the immediate recovery of the amount of GH¢3,910.20 from the beneficiaries, failure of which a surcharge be preferred against the Director and the Accountant for failure to perform their duty properly.

Payment of unearned salary to staff – GH¢4,353.00

627. We observed that a Miss Dora Yeboah’s appointment was terminated on 22 October 2006. However, her name remained on the Division’s payroll for the period November 2006 to August 2009. As a result, a total amount of GH¢3,888.33 was paid into her bank
account and an amount of GH₵464.81 was deducted at source as her Social Security contributions.

628. Inaction on the part of the Director by not ensuring that the name of the officer was promptly deleted from the payroll coupled with the failure of the Asante Akyem Rural Bank to withhold and refund the payments to chest, as instructed by the Director, contributed to this anomaly.

629. We recommended that the total amount of GH₵4,353.17 should be recovered and paid to chest. We also requested management to ensure the deletion of her name from the payroll.

**Stolen motor bike – GV 1138 U**

630. A Honda C70 valued at GH₵600.00 with registration No. GV 1138 U belonging to the Division and allocated to a Mr. Albert Asumadu could not be produced for inspection during the audit. The Director explained that the motorbike was stolen from one Abena Dulomo’s storeroom near Mr. Albert Asumadu’s house and the case was subsequently reported to the Ghana Police Service, Goaso.

631. We recommended that management should pursue the case with the Police to ensure that the perpetrators are arrested or the
officer be surcharged with the cost of the motorbike for parking office property at an unauthorised and unsecured location.

**DISTRICT EDUCATION OFFICE- KETA**

**Unearned salaries - GH¢ 4,787.00**

632. The management of the District Education office at Keta failed to delete from the mechanised payroll the name of a separated staff, a Mr. Edward Gbekor together with 11 others. As a result, unearned salaries and allowances totalling GH¢4,786.80 were wrongly paid into their bank accounts.

633. The payment of unearned salaries is a drain on government’s finances. We, therefore, recommended to management to ensure that the amount is recovered to chest without fail. We further recommended that the names of the separated staff be deleted from the Service’s payroll.

**DISTRICT EDUCATION OFFICE-KADJEBI**

**Procurement from a Non-VAT supplier-GH¢13,553.00**

634. Regulation 183(4) of the FAR, 2004 (L.I. 1802) requires that Government Departments procure goods and services from only VAT registered entities. A department which requires exemption for any specific reason shall provide justification to the Minister stating the circumstances to do so.
635. On the contrary, the Kadjebi District Education office procured/contracted the printing and supply of end of year examination sheets valued at GH¢13,552.80 from Quality Education Consults, an Accra based company which had not registered with the VAT Secretariat. This action resulted in a loss of VAT revenue of GH¢2,032.92 to the state. The details are as shown below:

<table>
<thead>
<tr>
<th>Date</th>
<th>PV No.</th>
<th>Details</th>
<th>Invoice No.</th>
<th>Qty</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/8/2011</td>
<td>01/08/2011</td>
<td>Basic 1 to 3 Answer Sheet</td>
<td>0000556</td>
<td>29556</td>
<td>4,433.40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Basic 4 to 6 Answer Sheet</td>
<td>0000557</td>
<td>100,176</td>
<td>5008.80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>JHS 1 and 2 Answer Sheet</td>
<td>0000558</td>
<td>66,718</td>
<td>4,110.60</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>196,450</strong></td>
<td></td>
<td><strong>13,552.80</strong></td>
</tr>
</tbody>
</table>

636. We entreated management to endeavour to make purchases from only VAT registered entities in order to ensure that sufficient revenue is collected to enable government carry out its programmes.

**Purchases not routed through stores-GH¢ 13,553.00**

637. Management also failed to take on ledger charge the 196,450 examination answer sheets valued at GH¢13,552.80 which were supplied to the District Education office by Quality Education Consults, in contravention of Stores Regulation 0315 which requires that complete records of stores purchased should be maintained.
638. The omission made it impossible to confirm the veracity of the purchase and also to ascertain the beneficiary schools since no Store Receipts/Issue Vouchers were sighted. For transparency to prevail, we requested management to produce evidence of receipt and usage of the items and also follow laid down procedures in handling stores.

**Payment of transfer grants to Internal Auditors- GH¢778.00**

639. Three Internal Auditors were transferred from two districts to the Kadjebi District Education Office for which they were paid their transfer grants of GH¢778.07 without any transfer particulars and other relevant documents attached to the payment voucher. The details are as below:

<table>
<thead>
<tr>
<th>Date</th>
<th>PV No.</th>
<th>Payee</th>
<th>Grade</th>
<th>Former Station</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>27/4/2010</td>
<td>01/04/10</td>
<td>Twumasi Simon Kluvi Mawuli Atsu Maxwell</td>
<td>Auditor</td>
<td>Jasikan</td>
<td>367.07</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>P/ Auditor</td>
<td>Keta</td>
<td>252.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Senior Auditor</td>
<td>Jasikan</td>
<td>159.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>778.07</strong></td>
</tr>
</tbody>
</table>

640. This omission contravenes Regulation 39(2) of the Financial Administration Regulation 2004 which requires a head of department to control the disbursement of funds and ensure that transactions are properly authenticated.
641. We urged management to regularise the transactions by obtaining appropriate attachments to authenticate the payments or the amounts involved should be recovered from the officers who received them.

**Failure to issue official receipts for transfers into the District Director’s imprest account –GH¢15,041.00**

642. Part II Section 28(1) of the FAR requires those who receive public funds to issue official receipts in acknowledgement. Contrary to this regulation, we noted that a total amount of GH¢15,041.21 was transferred by the E.P. Junior High School, Kadjebi and some other schools on 12 July 2011 into the District Director’s imprest account which the Accountant failed to acknowledge by the issuance of a General Counterfoil Receipt.

643. Failure to issue official receipt to acknowledge the receipt of money could facilitate the suppression or diversion of the money. Consequently, we advised the Accountant to immediately issue an official receipt to acknowledge the receipt of the cash.

**DISTRICT EDUCATION OFFICE-DENU**

**Failure to acknowledge receipt of capitation grant- GH¢77,043.00**

644. We noted that the Accountant failed to obtain official receipts for total capitation grants of GH¢77,042.80 released by the Ketu
South District Education office to 120 basic schools. This was largely due to the lack of knowledge of financial regulations on the part of the various Head teachers and the Accountant’s negligence.

645. To ascertain whether or not the amounts paid into the schools’ accounts have been received in full, we urged management to direct the various basic schools to acknowledge all receipts of capitation grant to the District office. The District Director agreed to obtain the relevant receipts from the Head teachers of the schools to regularise the transactions.

**Monies released for official assignments not accounted for - GH¢ 11,555.00**

646. The District office releases special imprests to staff to undertake official assignments. The personnel are required to account for such special imprests as soon as they complete the assignments.

647. We observed that between March 2011 and December 2011, management released a total amount of GH¢37,717.60 to 12 officers of the District office to undertake official assignments but at the end of our audit in March 2012 they had not accounted for the said monies.
648. This situation was due to the failure of the District Accountant to ensure that the personnel submitted official receipts, invoices, signed lists and expenditure statements to the Accounts office for attachment to the payment vouchers.

649. At our instance, a total amount of GH¢26,162.60 was accounted for, leaving a balance of GH¢11,555.00 yet to be accounted for by seven staff members.

650. In order to ensure proper accountability and effective control over the use of funds, we urged management to ensure that the rest of the officers account for the total amount of GH¢11,555.00 or be compelled to refund it to chest. Furthermore, we advised the District Director to put measures in place to ensure that monies released for official assignments are accounted for timely.

**Failure to account for money collected- GH¢7,000.00**

651. Regulation 39(2c) of the FAR, 2004 requires Heads of Accounts Sections of Departments to control the disbursement of funds and ensure that transactions are properly authenticated and that payments made are due and payable.

652. On the contrary, we noted that due to the Accountant’s laxity, an amount of GH¢7,000.00 which was paid on 5 January 2012 from
EdSAC No. 1 account (M.P’s GETfund) to a Mr. Prosper Combey to finance an Aflao Roman Catholic boys’ school project had not been accounted for at the time of our audit in March 2012.

653. We recommended to the District Director to ensure that documentary and physical evidence of the utilisation of the amount is provided to authenticate the payment or the amount should be recovered from Prosper Combey and refunded to chest.

**Failure to prepare a Procurement Plan**

654. Part III Section 21(1 and 2) of the Public Procurement Act, 2003 (Act 663) states that a procurement entity should prepare procurement plan to support its approved programmes. The plan should indicate contract packages, estimated cost for each package, the procurement method, et cetera.

655. However, a procurement plan to guide management was not found at the District office during our audit, indicating that procurement during 2011 was unplanned and value for money might not have been achieved in transactions.

656. To remedy the situation, we recommended that, in future, the District Director must ensure that the procurement plan is prepared in compliance with the Public Procurement Act.
Non- maintenance of Assets Register

657. Our audit disclosed that the District Education Office does not maintain an Assets register for its assets with regular updates of new acquisitions and disposals. The only record available was an inventory book, which had even not been up-dated at the time of audit.

658. Attention was drawn that the condition contravened Section 35 (1) of the Financial Administration Act of 2003 which requires management to exercise control over government stores from the time of acquisition to the time they are of no further use to government. Furthermore, the lack of control over assets would expose them to the risk of theft.

659. In order to safeguard and ensure effective monitoring and control of the office’s equipment, furniture and vehicles, we recommended to the District Director to ensure that an Assets register is procured and maintained for all assets. Additionally, we advised that all the office’s properties should be distinctively marked for proper identification.

DISTRICT EDUCATION OFFICE- HOHOE

Un-acquitted payments- GH¢83,923.00

660. Payment vouchers covering a total payment of GH¢80,898.54 made in 2010 and GH¢3,024.00 made in 2011 by the Hohoe
Municipal Directorate were not properly supported with relevant documents, contrary to Regulation 39 (2c) of the FAR which requires payment vouchers to be supported with receipts, invoices etc to authenticate them.

661. Management’s lack of commitment in enforcing the financial regulations accounted for the irregularity. We recommended to management to produce the relevant documents to authenticate the transactions, failing which those who effected the payments should be surcharged with the total amount of GH¢ 83,922.54.

**Unauthorised expenditure-GH¢45, 396.00**

662. Contrary to the provisions in Part VI Section 2 of the FAI which states that it is the duty of the Head of an Institution to authorise vouchers for payment, payment vouchers covering a total payment of GH¢45,395.60 were found to be without the Municipal Education Director’s authorizing signature. The amount was made up of a total of GH¢25,494.60 in 2010 and GH¢19,901.00 in 2011.

663. The Director’s failure to exercise his supervisory role resulted in the lapse. Accordingly, we recommended that all payment vouchers should be appropriately authorised by the Director before payments are effected to reduce the risk of covering fictitious transactions in the payment cycle. We also urged the Accountant to provide tangible
evidence that the transactions actually occurred and benefited the Directorate, failing which the total amount of GH¢45,395.60 should be recovered from him.

Un-remitted withholding tax-GH¢5,298.00
664. In violation of Section 87(1) of the Internal Revenue Act which requires that a withholding tax agent should pay to the Commissioner a tax that has been withheld, the management of the Municipal Education Directorate failed to remit withholding tax deductions totalling GH¢5,298.07 (GH¢993.76 in 2010 and GH¢4,304.31 in 2011) to the Domestic Tax Revenue Division (DTRD) of the Ghana Revenue Authority.

665. We advised management to ensure early remittance of the amount in order to avoid the payment of a penalty. Management should also ensure that taxes deducted are remitted and not misapplied.

Purchases from Non-VAT registered persons—GH¢14,100.00
666. The Hohoe Municipal Education Directorate, on two occasions, flouted Regulation 183 (4) of the FAR when they purchased items totalling GH¢14,100.00 from Non-VAT registered persons in 2010.
The regulation requires that government stores should be procured from only VAT registered persons.

667. As a result of this error, a 15% tax of GH¢2,115.00 which should have been paid to the VAT Secretariat as revenue was denied the state. We advised management to deal with only VAT registered suppliers in accordance with the law.

**Purchases not taken on ledger charge-GH¢6,341.00**

668. Contrary to Section 35(2) of the Financial Administration Act (Act 654), the Hohoe Municipal Education Directorate purchased various store items worth GH¢556,341.00 in 2010 but failed to route them through store ledgers before usage.

669. We could, therefore, not ascertain whether the items were bought and used in the course of public business. We requested management to provide concrete evidence of the purchase and consumption of the items, failing which the money should be surcharged against those who authorised and effected the payments. We also advised that all future purchases of store items should be documented in store records before usage.
NON-FORMAL EDUCATION UNIT-HOHOE

Payment of unearned salaries-GH¢3,002.00

670. Two staff members of the Hohoe Non-Formal Education Unit, namely: Messrs Mawuli Gettor and Graham Akolatse vacated their posts since January 2010 but their salaries of GH¢1,698.63 and GH¢1,303.08 respectively were paid into their bank accounts.

671. Management’s failure to promptly inform the appropriate authorities to delete the names of the officers from the payroll accounted for the lapse.

672. We advised management to follow-up on their letters to the banks to ensure that the unearned salaries are returned to chest by their banks. We also advised management to take immediate action to delete the names of the officers from the payroll.

DISTRICT EDUCATION OFFICE-KRACHI

Payment of unearned salaries–GH¢18,913.00

673. Our audit of the payroll of the District Education office revealed that seven staff members who vacated their posts between May 2006 and December 2010 were paid unearned salaries amounting to GH¢18,912.91. The individual details are shown below:
<table>
<thead>
<tr>
<th>Name</th>
<th>Amount (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nkpetare James</td>
<td>7,788.74</td>
</tr>
<tr>
<td>Doris Arhin</td>
<td>3,809.42</td>
</tr>
<tr>
<td>Alhassan Ibrahim</td>
<td>2,407.04</td>
</tr>
<tr>
<td>Stephen Baleton Bebakh</td>
<td>1,728.08</td>
</tr>
<tr>
<td>Bor Rockson</td>
<td>925.20</td>
</tr>
<tr>
<td>Ida Gyanebea</td>
<td>500.00</td>
</tr>
<tr>
<td>Daniel Sunkwa</td>
<td>500.00</td>
</tr>
<tr>
<td>Princella Tebu</td>
<td>1,254.43</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,912.91</strong></td>
</tr>
</tbody>
</table>

674. Our investigations revealed that the affected individuals withdrew the monies before management instructed their banks not to allow any withdrawals. The delay in taking action enabled the separated officers to deprive the state of this amount.

675. We recommended to management to pursue the affected staff to refund the monies, failure of which the amount involved should be surcharged to the District Director of Education and the Accountant whose negligence caused the loss.

**Non-deduction of 5% withholding tax – GH¢4,454.00**

676. The District Accountant of Education in Kete-Krachi failed to deduct 5% tax of GH¢4,454.19 from payments made to suppliers, as required by the Internal Revenue Service Act 592.
677. The failure of management to comply with existing tax laws and the lukewarm attitude of the Internal Audit Unit to properly scrutinise payment vouchers before payments are effected were the causes of the anomaly.

678. We recommended to management to recover from the payees the outstanding tax of GH¢4,454.19 for payment to the DTRD or the Accountant be held liable to pay the amount to the tax office.

Un-substantiated procurements from MP’s share of the GETfund

679. We noted that a total disbursement of GH¢42,470.00 made from the MP’s share of the GETfund contained the following irregularities:

- procurements were made without the use of Purchase Orders;
- computer print-outs represented invoices;
- transactions were done by single sourcing;
- some payments made were done directly to the Hon. Francis Y. Sarfo, the M.P; and
- there were no distribution lists indicating the various schools to which materials were allegedly supplied to.

680. When receipts, invoices or statements of expenditure are not obtained to support disbursement vouchers, it becomes difficult for an
independent reviewer to establish the genuineness of such transactions.

681. The above omissions, in our view, indicated that the procedure adopted in the purchase of the goods failed to ensure transparency and competitiveness which could result in inflation of prices and could be an avenue to siphon government funds to the detriment of the pupils in the rural areas and thus defeat the purpose of the GETfund. We also viewed the inability of the District Director of Education to monitor and ensure that the right procedures were put in place was what led to the manipulation of the system by the MP.

682. We recommended that the District Director should provide enough evidence that the items were actually purchased and distributed to the beneficiary schools. We also advised that the Regional Director of Education should appoint a committee to review the whole transaction and any malfeasance noted should be reported.

**Un-presented payment vouchers – GH¢375,532.00**

683. Regulation 1(1) of the FAR, 2004 states that any public officer who is responsible for the receipt, custody and disbursement of public and trust moneys shall keep proper records of all transactions and shall produce records of the transactions for inspection when called upon to do so by the Auditor-General. Contrary to this regulation, the
Accountant failed to present for audit 117 paid vouchers involving a total amount of GH¢ 375,532.20.

684. Management explained that due to a series of audit visits and the conveyance of the vouchers to and from the Economic and Organised Crime Office, Ho coupled with the frequent transfer of Accountants from the District office have resulted in most of the vouchers being misfiled and they could, therefore, not be re-assembled for audit.

685. In view of the significant amount involved, we requested that the vouchers should be traced and produced for our review and confirmation as to the genuineness of the transactions. In the absence of this, the GH¢ 375,532.20 involved should be recovered from the Spending officer and the Accountant.

**Payments without supporting documents – GH¢146,524.00**

686. Fifty five payments with a total face value of GH¢146,524.24 made during the period under review were not supported with the relevant receipts and other supporting documents, in contravention of Section 39(2) of the FAR, 2004.

687. We attributed the cause of the impropriety to the failure of the Certifying Officer and the Internal Audit Unit to verify the accuracy of every detail in the affected transactions before allowing payment.
688. We urged management to ensure that all the payment vouchers have their supporting documents attached to them. In the absence of the supporting documents, the amount should be recovered from the Authorising Officer and the Accountant. Management assured us that it would do all it could to retrieve the attachments for our inspection.

**Failure to account for utilisation of Capitation Grant – GH¢ 265,390.00**

689. The Ghana Education Service guidelines for the distribution and utilisation of Capitation Grants to basic schools states that the schools are to maintain financial records which will report all capitation grants received and disbursed with all the appropriate receipts and documentation required. Monthly and quarterly reports describing activities completed and underway during the period together with a statement of expenditure are to be sent to the District Education offices.

690. Contrary to the guidelines the basic schools in the district failed to furnish the District Education office with the requisite information on the grants. Receipts covering a total Capitation Grant of GH¢265,390.40 transferred into individual schools’ accounts were not forwarded by the beneficiary schools, neither were the vouchers acknowledged.
691. In our view, poor supervision and enforcement of the guidelines by officials responsible for the management of the Capitation Grant were the cause of the anomaly. We recommended that management should strengthen supervision over the management of the Capitation Grant and all Head teachers should be advised to maintain Capitation Grant Cashbooks and Form F.

DISTRICT EDUCATION OFFICE-KPANDO

Audit Reports Implementation Committee

692. Section 30(1) of the Audit Service Act, 2000 (Act 584) enjoins organisations audited by the Auditor-General to establish Audit Reports Implementation Committees (ARIC) to see to the implementation of audit recommendations as well as directives of Parliament on the Auditor-General’s reports.

693. We noted that the Kpando District Education office did not establish an ARIC. The non-existence of an ARIC in the office resulted in management glossing over important recommendations made in previous audit reports for remedial action. Accordingly, we advised management to institute an ARIC as a matter of course.

Weaknesses in the administration of Capitation Grant

694. During the period under review, the District Directorate disbursed GH¢128,085.23 as Capitation Grant to 198 basic schools with a total enrolment figure of 21,302 pupils.
Our sample of 83 basic schools that we visited disclosed the following weaknesses which contravened the guidelines for the distribution and utilisation of the Capitation Grants and other relevant Sections of the FAR, 2004 (LI 1802).

- The Head teachers did not issue official receipts to acknowledge receipt of the grants;
- Twelve schools could not produce their class attendance registers for audit;
- Seventeen schools had no school management committees;
- Twenty one schools failed to incur expenditure in accordance with the SPIP;
- The Head teachers of all the 83 schools visited had not updated their cash books;
- Monthly Capitation Grant expenditure returns Form G, monthly Capitation Grant activity completion report Form H and term-end Capitation Grant status report Form I were not submitted by 63 (70%) Head teachers and their School Management Committees (SMCs) to the District Director of Education, Kpando as required under paragraph 12.0;

- Circuit Supervisors failed to monitor and evaluate the activities of the schools which resulted in Head teachers of the schools visited collecting examination fees from pupils; and
The District Director GES, Kpando also failed to submit quarterly reports to the Regional Director and the Director-General, Accra on the operations of the grants as stipulated in Paragraph 12.0.

696. All these weaknesses identified were caused by inadequate supervision, monitoring and evaluation of the schools by designated officers of the District Education office which resulted in the abuse of the system.

697. Consequently, we recommended that steps should be taken to address these anomalies before distributing the 3rd tranche of the grant.

DISTRICT EDUCATION OFFICE-BIAKOYE

Weaknesses in the administration of Capitation Grant

698. The guidelines for the distribution and utilisation of Capitation Grants to basic schools enumerate in paragraph 12.0 various internal control measures that are intended to safeguard the implementation and sustainability of the scheme. Among the control measures are the maintenance of cash books, the submission of periodic returns and activity reports to the District Education office.
During the period under consideration, the Biakoye District Education Directorate received GH¢87,991.98 as Capitation Grant for disbursement to 170 basic schools. We visited a few of the basic schools and observed the following deviations from the guidelines.

- Thirty schools had no SMCs;
- Fifty-five schools failed to incur expenditure in accordance with the guidelines;
- The Head teachers of 30 schools visited had not updated their cash books;
- Fifteen schools had no information about the lodgment of the Capitation Grants into their accounts;
- Sixty-four Circuit Supervisors had not submitted any report on the activities of the schools; and
- The District Director of Biakoye also failed to submit quarterly reports to the Regional Director and the Director-General of GES on the operations of the grants as stipulated in paragraph 12.0.

We attributed the lapses to the failure of the Internal Audit Unit to review the activities of the schools. We, therefore, drew management’s attention to the importance of the control measures, especially the periodic reports as they would provide first hand information on how the grants are being utilised in the various basic schools and recommended compliance with the requirements.
Misapplication of Capitation Grant

701. We noted that an amount of GH¢1,000.00 out of the Capitation Grant that was received for funding school repairs, cultural and sporting activities had been misapplied as imprest to the District Director.

702. In our view, the use of the grant for administrative expenses goes contrary to the purpose for which it was received and would affect sporting and cultural activities in the district during the year. We urged management to ensure that the amount is reimbursed to the capitation account.

DISTRIBUTION OFFICE - GWOLLU

Unearned salaries – GH¢8,237.00

703. A review of the mechanised salary vouchers of the Gwollu District Education office revealed that contrary to Section 298 of the FAR 2004, two officers who retired had a total unearned salary of GH¢8,236.73 lodged into their bank accounts between September 2010 and May 2011, as shown below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Staff No.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Nzo</td>
<td>286788</td>
<td>5,707.09</td>
</tr>
<tr>
<td>Emmanuel Kuorsoh</td>
<td>318948</td>
<td>2,529.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>8,236.73</strong></td>
</tr>
</tbody>
</table>
704. We recommended to management to recover the amount and pay it to chest and always ensure that the names of separated staff are deleted promptly from the payroll.

**Non-competitive procurement - GH¢60,434.00**

705. Three departments within the office purchased various items worth GH¢60,433.90 without obtaining price quotations from different suppliers, in contravention of Part IV Section 43 (1) of the Procurement Act.

706. We advised management to comply with the procurement procedures as provided in the Act by ensuring that alternative quotations are always obtained from a minimum of three sources.

**Fuel purchases not recorded in vehicle log book – GH¢24,304.00**

707. Our review of the District office’s accounts disclosed that fuel and lubricants purchased during the year totalling GH¢24,303.79 were not recorded in a log book. We were of the view that failure to record fuel purchases in log books could lead to abuse.

708. We recommended that the fuel should be accounted for or the value recovered from the Accountant. Also, we advised that a fairly senior officer should be appointed to supervise the work of the driver.
DISTRICT EDUCATION OFFICE - TUMU

Failure to deduct withholding tax—GH¢1,907.00

709. Section 84 of the Internal Revenue Act, 2000 (Act 592) requires withholding tax to be deducted from all payments exceeding GH¢50.00 payable to third parties for goods or services rendered.

710. However, it was noted that the Accountant of the Tumu District Education office failed to deduct a withholding tax of GH¢1,907.14 from payments made to suppliers due to inadequate supervision exercised by management over the Accountant’s work.

711. We requested management to recover the amount of GH¢1,907.14 from the payees for onward remittance to the DTRD, failure of which the amount should be recovered from the Authorising officers.

MUNICIPAL EDUCATION OFFICE – WA

Misapplication of funds – GH¢33,983.00

712. It was observed during the audit of the Wa Municipal Education office that, between March 2009 and September 2011, a total of GH¢33,983.11 earmarked for sports, culture and DFID was used for other operational activities.

713. This lapse could result in funds being used for unapproved activities to the detriment of planned programmes. We advised
management to adhere to the appropriate expenditure guidelines in its financial administration and also recover the amount into the appropriate account for its intended use.

**Failure to obtain VAT invoices from suppliers – GH¢12,684.00**

714. The Value Added Tax Act, 1998 (Act 546) provides that whenever payments are made to a VAT registered person, the purchaser must be given a VAT invoice/receipt.

715. However, we noted that VAT receipts/invoices were not obtained to support payments that the management of the Wa Municipal Education office made for goods and services totalling GH¢12,684.00 which included a VAT revenue of GH¢1,585.50.

716. We entreated management to demand the VAT receipts from the suppliers or the VAT revenue should be recovered from them.

**MINISTRY OF YOUTH AND SPORTS**

**HEADQUARTERS**

**Purchase of Ghana flags - GH¢150,000.00**

717. In conformity with its Procurement Plan, the Ministry procured 300,000 pieces of miniature national flags at GH¢150,000.00 for use by supporters of the national football team during the 2010 world cup tournament. We noted that a total of 84,000 flags were issued out for
use during the tournament, leaving an outstanding balance of 216,000 flags which were left in the store.

718. We drew attention that the procurement of store items in excess of the required need ties up funds which can be used in other areas which are also of critical importance and recommended that management should exercise due care in its procurement process in order to avoid over-stocking of store items. Management responded that the remaining flags would be used on other occasions.

**Purchases not routed through stores - GH¢22,205.00**

719. Store items worth GH¢22,205.00 purchased during the year were put to use without taking them on ledger charge, in violation of Stores Regulations 0315. As a result, there was no documentary evidence to ascertain whether the items purchased were actually used for the intended purposes or not.

720. The situation arose from management’s inability to enforce internal controls, by failing to insist that receipts covering the purchases be submitted to the Storekeeper for documentation.

721. We recommended that management should ensure that all purchases whether for immediate use or not are routed through stores for record and accountability purposes and for audit verification.
Non-availability of salary payment vouchers- GH¢182,962.00

722. Between 1 January 2010 and 31 December 2010, an amount of GH¢182,962.32 was allegedly expended on the payment of personnel emoluments to 65 members of staff of the Ministry. However, the relevant salary vouchers could not be produced for our examination.

723. We indicated that the un-presented salary vouchers might contain the names of non-existent workers who might be receiving salaries illegally. Also, such a situation might conceal cases of overpayment of salaries and allowances to staff. We, therefore, recommended to management to produce the salary payment vouchers for audit.

Ineffective Audit Reports Implementation Committee (ARIC)

724. We observed that even though the Ministry had established an Audit Reports Implementation Committee in compliance with Section 30(1) of the Audit Service Act, the committee was not functioning. There were no records showing the status of audit recommendations implemented in the Ministry or in other agencies under it.

725. We recommended that the Committee should be made to discharge its roles by assisting the Ministry to monitor and follow up on the status of implementation of recommendations made by Auditors and by Parliament as required by the Act.
NATIONAL YOUTH AUTHORITY – REGIONAL OFFICE, SUNYANI

Inadequate expenditure documentation—GH¢14,355.00

726. Contrary to Part I Section 39(2c&d) of the FAR 2004, which requires the head of the accounts section of a department to control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable, we observed that 10 payment vouchers with a total face value of GH¢14,355.00 were without the supporting documents.

727. Laxity on the part of the Accountant in adhering to the above regulation resulted in the lapse. The absence of the expenditure documents made the transactions incomplete and cast doubts on their genuineness.

728. We advised management to either provide the required supporting documents to properly acquit the payment vouchers or both the Regional Youth Coordinator and the Regional Accountant should be surcharged with the amount involved.

Un-retired imprest- GH¢11,380.00

729. We observed that a total amount of GH¢11,380.00 granted as imprest on 14 payment vouchers for various purposes was not retired, in contravention of Section 283(b) of the Financial Administration
Regulations, 2004 which states that special imprest issued for making a particular payment or group of payments must be fully retired by the date specified in the approval to operate the imprest.

730. As a result, we could not determine whether the amount was judiciously used in the interest of the Authority or not. We recommended to management to either ensure the immediate retirement of the total amount or recover the amount of GH¢11,380.00 from the payees.

**Payment of unearned salaries – GH¢11,870.00**

731. Regulation 297(1) of the FAR, 2004 states that a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty without leave or reasonable cause for a period as stipulated in the administrative regulations of the establishment.

732. Contrary to the regulation, two retired staff of the Authority, in the persons of Messrs Richard Oti Aboagye and Moses Kingston Tane, had their names retained on the Authority’s payroll from February 2011 to September 2011, and from November 2010 to September 2011, resulting in unearned salaries of GH¢5,032.24 and GH¢6,838.13 respectively being paid to them.
733. Management’s failure to act promptly to either delete the names of the separated staff from the Authority’s payroll or place an embargo on the payment of their salaries resulted in this anomaly which could cause a total financial loss of GH¢11,870.37, if the payees should fail to refund the amount to chest.

734. We recommended to management to notify the Controller and Accountant General to delete the names of the two separated staff immediately from the Authority’s payroll. We also advised that their banks and other institutions which received payments on behalf of the affected officers should be requested to remit the total sum of GH¢11,870.37 to government chest.

NATIONAL SPORTS COUNCIL – SUNYANI

Un-presented payment vouchers – GH¢19,709.00

735. We noted that 39 payment vouchers with a total face value of GH¢19,708.54 were not presented for our examination. This condition contravened Part 1 Regulation 1 of the Financial Administration Regulations, 2004 (L.I. 1802) which states that any public officer who is responsible for the receipt, custody and disbursement of public and trust moneys shall keep proper record of all transactions and produce them for inspection when called upon to do so by the Minister, the Auditor-General, the Controller and Accountant-General or any officer authorised by them.
736. We attributed the anomaly to management’s failure to supervise the work of the Accountant. We also indicated that the absence of the payment vouchers could facilitate the perpetration of fraud.

737. We, therefore, recommended that the PVs should be retrieved and presented for audit examination. We further urged management to ensure that all financial documents are well preserved in future.

**Unauthorized payment vouchers—GH₵9,459.00**

738. Our audit disclosed that 32 payment vouchers totalling GH₵9,458.84 were not authorised by the Regional Sports Development Officer before payments were made.

739. The omission contravened Regulation 2(f) of the FAR, 2004 which states that “The head of government department shall receive and order the disbursement of any trust moneys for which the head of department has been appointed as administering authority by or under any enactment or agreement.”

740. Failure to authorise vouchers before payments are effected invalidates the payments and the expenditure could be disallowed by the Auditor-General. We, therefore, recommended to management to ensure that all payment vouchers are returned to the Authorising
officer for action. We also advised the Regional Sports Development Officer to comply with the above regulation by ensuring that payment vouchers are given prior authorisation before payment.

**Unearned salary – GH¢4,260.00**

741. Regulation 304 of FAR, 2004 (LI 1802) 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 voucher.

742. Contrary to the regulation, we observed that Mr. Anane Frimpong, a former Senior Coach attached to the National Sports Council, on a one year contract, ended his contract on 14 November 2009 but continued to draw his monthly salary from December 2009 to March 2011 amounting to GH¢4,259.70.

743. We noted, however, that the National Sports Council in a letter dated 20 September 2010 notified the officer’s bank, the Agricultural Development Bank, demanding a refund of the unearned salaries but seven clear months after that letter, no action had been taken. The officer’s name remained on the Council’s payroll as at April 2011 when we concluded our audit.
744. We requested management to retrieve the illegal salary drawn with the assistance of the Police as the whereabouts of the officer were not known. We also advised management to ensure the immediate deletion of the name from the payroll.

**Fuel purchases not accounted for – GH¢1,802.00**

745. Section 1604 of Stores Regulation, 1984 states that “A vehicle logbook shall be maintained for each vehicle and shall always be carried on the vehicle. Journeys undertaken shall be recorded and full particulars of receipts of fuel, oil and lubricants shall be entered up daily in the log book by the driver. Recordings in the log book shall be made in duplicate. All journeys recorded in the log books shall be certified by the officer using the vehicle.”

746. Contrary to the regulation, we noted that fuel purchases made for the Sports Council’s official vehicle with registration number GH¢6430 totalling GH¢1,802.00 were not accounted for in the log book, due to lack of management supervision.

747. We intimated that failure to account for the fuel purchases in the vehicle log book could mean that the purchases worth GH¢1,802.00 were not made. Management responded that the lapse was an oversight.
748. We recommended to management to ensure that the fuel purchased is accounted for. We further advised management to ensure that all fuel purchases are henceforth logged in the vehicle log book.

**YOUTH LEADERSHIP TRAINING INSTITUTE, AVENORPEME**

**Overpayment to suppliers-GH¢732.00**

749. We observed that management paid a total amount of GH¢8,181.00 instead of GH¢7,449.50 to three suppliers who supplied food items to the Youth Leadership Training Institute. This resulted in an excess payment of GH¢731.50 to the suppliers.

750. The situation occurred because the Director and the Accountant failed to carefully tally the invoices with the payment voucher figures before making the payments. We requested the Director to recover the excess payment of GH¢731.50 from the suppliers.

**MINISTRY OF FOOD AND AGRICULTURE (MOFA)**

**AGRIC ENGINEERING SERVICES DIRECTORATE**

**Payment of unearned salaries – GH¢9,020.00**

751. The names of two formers officers namely Messrs Lawrence Quarshigah, Deputy Director of Supply and Kweku Nico, Deputy Director of Agriculture who retired from the Service in June and
November 2010 respectively were not immediately deleted from the payroll when they separated. The inaction resulted in the payment of unearned salaries totalling GH¢9,019.64 into their individual bank accounts.

752. Management’s inaction contravened Regulation 297(e) of the Financial Administration Regulation, 2004 (L.I. 1802) which requires heads of departments to cause the immediate stoppage of the payment of the salary to a public servant when that public servant retires.

753. The payment of the total unearned salary of GH¢9,019.64 would not have occurred had management given prompt notification to the Controller and Accountant General’s Department for the immediate deletion of the names of the two officers involved or by critically examining the monthly mechanised vouchers.

754. Management in response explained that a total of GH¢4,450.00 out of the unearned salary of GH¢5,982.59 credited to the account of Mr. Quarshigah Lawrence had been transferred by his bankers, the Agricultural Development Bank into the Controller and Accountant General’s salary suspense account leaving a balance of GH¢1,532.59. Management further explained that the unearned salary for Mr. Nicol Kweku represented the three months extension of stay awarded to him by the Ministry.
755. We recommended to management to ensure that the Agricultural Development Bank transfers the balance of the unearned salary of GH¢1,532.59 credited to Mr. Quarshigah Lawrence’s account into the Controller and Accountant General’s Suspense account.

**Failure by Agricultural Mechanisation Support Services Centre (AMSEC) to recover loans – GH¢3,556,520.00**

756. The aim for the establishment of the Agricultural Mechanisation Support Services Centre (AMSEC) is to support agricultural mechanisation. Equipment and machinery are offered on loan basis by the company (AMSEC) to beneficiary institutions and a down payment of at least ten percent (10%) of the cost of the equipment and machinery is deposited and the balance paid quarterly for five years.

757. Before a beneficiary takes delivery of the items AMSEC enters into an agreement with the concurrence of the Ministry of Agriculture with the recipient institutions/organisations with terms as follows:

   i. A special account to be maintained by AMSEC to record funds received and proper and up to date records on all operations maintained.
ii. AMSEC shall surrender its books for audit on request by MOFA.

iii. MOFA may terminate the agreement if AMSEC fails to fully abide by the terms of the agreement within a period of one month from the date of signing the agreement.

iv. Where AMSEC fails in its scheduled financial obligations, MOFA shall serve notice of a period of 30 days for AMSEC to remedy the situation, after which MOFA will retrieve the facility.

758. Our audit disclosed that companies which benefited from the AMSEC package on the contrary did not comply with the terms of payment. Even though MOFA was to be paid outstanding balances in quarterly installments beneficiary companies were yet to pay for outstanding quarterly installment payments totalling GH¢3,556,520.00 covering the period 2008 to March 2010. MOFA has however not terminated the contracts with the defaulting companies as provided for in the agreement.

759. Management responded that demand notices had been served on defaulting beneficiaries who were now paying up. We were further
informed that the Directorate had been holding meetings with beneficiaries and had encouraged them to pay up their indebtedness.

760. To ensure that other companies benefit from the package, we recommended effective supervision over the activities of AMSEC to ensure compliance with the terms of agreements. Details of defaulting companies were compiled and submitted to management. We also recommended to management to vigorously ensure the recovery of the outstanding loans.

**VETERINARY SERVICES DIRECTORATE**

**Payment of unearned salary – GH¢9,618.00**

761. The names of Dr. Korary Hakeen who died in active service in March 2011 and Mr. Alfred Mortoo who proceeded on leave without pay and was reinstated in March 2011 were not promptly deleted from the payroll of the directorate.

762. The inaction resulted in the payments into their respective bank accounts of unearned salaries totalling GH¢9,617.09. Managements inaction was contrary to Regulation 297 (l d and f) of the Financial Administration Regulation, 2004 (L.I.1802) which requires heads of departments to cause the immediate stoppage of the payment of salary to a public servant when that public servant resigns, retires or dies.
763. The unearned salary payment of GH¢9,617.09 would have been prevented if management had given prompt notification to the Controller and Accountant-General’s Department to delete from the mechanised salary vouchers the names of the two staff members.

764. To prevent the loss of the funds involved, we recommended to management to instruct the recipient banks to transfer the various amounts into the Controller and Accountant-General’s Suspense Account. In default, the affected staff members and management should be held liable to refund the illegal payments to chest. The schedule of the un-earned salaries were noted as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Staff No</th>
<th>Month</th>
<th>Amount (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Koray Hakeen</td>
<td>75306</td>
<td>April 2011</td>
<td>752.27</td>
</tr>
<tr>
<td></td>
<td></td>
<td>May 2011</td>
<td>752.27</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 2011</td>
<td>752.27</td>
</tr>
<tr>
<td>Mortoo Alfred</td>
<td>65539</td>
<td>July 2010</td>
<td>7,361.28</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>9,617.09</strong></td>
</tr>
</tbody>
</table>

**Failure to produce vehicles for physical inspection**

765. Fifteen official vehicles belonging to the Directorate were not made available for physical inspection during verification of the Directorate’s assets, despite efforts made to have them presented for inspection. The existence or locations of the vehicles could therefore not be confirmed.
766. Management’s failure to facilitate the inspection contravened Chapter 16, section 1607 of Store Regulation 1984 which states that “Government vehicles shall be subject to checks by officers of the Auditor-General’s Department and the Supply and Stores Inspectorate.”

767. Management explained that the vehicles involved had been assigned to officers and heads of units in the Directorate who had either travelled or were out of the office at the time of the inspection. Management produced a schedule of the movements of the officers in possession of the vehicles for our examination.

768. We recommended to management to endeavour to make the vehicles available for our inspection.

**Failure to use pre-printed serially numbered payment vouchers**

769. Regulation 210 (3) of the Financial Administration Regulation, 2004, L.I. 1802 states that “value books and forms shall for the purposes of records and control be identified by pre-printed serial numbers”.

770. On the contrary, our audit disclosed that payment vouchers for the disbursement of Non-Tax Revenue Retention/Service Activity Funds printed during 1 August 2010 to 31 December 2011 were not
serially numbered as required by the above regulation. Instead, the payment vouchers were manually numbered with ink with some of the serial numbers assigned being duplicated.

771. We recommended that pre-printed serial numbered payment vouchers should be acquired to ensure and enhance control in the disbursement of NTR Retention and Service Activity funds.

772. Management responded that it had now purchased pre-printed serial numbered payment vouchers from the Controller and Accountant-General’s Department for the disbursement of the NTR Retention and Service Activity funds.

**Failure to prepare and submit revenue returns for audit verification**

773. Regulation 19(1) and (2)(a) of the Financial Administration Regulation, 2004 (L.I.1802) requires heads of departments to fully disclose all Non-Tax Revenue collected, lodged or retained as part of the monthly reports to the Minister with copies to the Controller and Accountant-General and Auditor-General. The disclosure should cover the department’s collection points in the regions and districts by type of Non-Tax Revenue.”
774. Management could not produce for our examination the Returns on remittances from the Regions and District offices during our audit. Remittances as appeared in the bank statements could therefore not be confirmed by our audit.

775. We recommended that the relevant returns should be made available for audit verification.

776. Management explained that delays which characterised the submission of returns on remittances from the regions and the districts resulted from the inability to compile up to date returns from the regions and the districts. We were assured that the Accountant had been instructed to contact the Deputy Director in-charge of the EPI Unit to expedite action on returns which are first sent to his office. Management would endeavour to make up-dated returns available for audit verification in future inspections.

**Uncompetitive procurement and contract awards – GH₵55,991.00**

777. Section 43 of the Public Procurement Act 2003, Act 663 requires a procurement entity to request quotations from as many suppliers or contractors as practicable, but from at least three different sources.
778. Our review of the procurement transactions of the Veterinary Services Directorate disclosed that the Directorate spent GH¢55,991.00 from imprest amounts for construction works on the premises of the Directorate without adhering to the above quoted provisions of the Procurement Act.

779. In this regard, quotations were not obtained from different sources before procurements were made which did not ensure value for money.

780. We also noted with concern the use of accountable imprest for construction activities. The practice resulted in expenditures in excess of imprest thresholds.

781. Management responded that the amounts were spent on various minor repairs of some office facilities which required urgent and immediate attention. Management felt that it would not have been prudent to adhere to normal procurement procedures because of time constraints and the need to avoid endangering the health of staff of the Directorate. We noted the construction works as follow:

1. Construction of a new sewerage pit - GH¢24,175.00
2. Repair of toilet facility - 29,586.00
3. Materials for fence wall - 2,230.00

**55,991.00**
782. Notwithstanding Management’s explanations, we recommended that the procurement procedures should always be adopted for procurement activities to ensure value for money.

**Unpresented records on auctioned vehicles**

783. Records on two auctioned vehicles, the particulars of which are stated below were not made available for audit verification.

<table>
<thead>
<tr>
<th>Make/Type</th>
<th>Vehicle User</th>
<th>Vehicle Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nissan Pick-up</td>
<td>Public Health/Meat Hygiene</td>
<td>GV 931E</td>
</tr>
<tr>
<td>Nissan Pick-up</td>
<td>Pool Car</td>
<td>GT 4684X</td>
</tr>
</tbody>
</table>

784. Section 83(1)(2) of the Public Procurement Act, 2003 (Act 663) requires a head of a procurement entity to convene a Board of Survey to deliberate on the disposal of unserviceable, obsolete or surplus stores, plant and equipment. Thereafter, a report on the deliberations which should be subjected to a technical review will recommend the best method of disposal after the officer in charge has completed a Board of Survey form. The Board of Survey’s recommendations shall be approved by the head of the procurement entity and the items shall be disposed of as approved.
785. On the contrary, the above stated regulation was not adhered to during the disposal of the two vehicles as the report on the auctioned vehicles was not presented for audit verification.

786. We recommended that the relevant records on the auctioned vehicles should be made available for audit scrutiny.

787. Management responded that the relevant auction documents which were in the possession of the Mechanisation Unit of MOFA at the time of the audit would be collected and made ready for audit verification.

**Disposal of expired vaccines— GH¢127,035.00**

788. Physical examination of vaccines held at the Directorate revealed large quantities of expired vaccines, due to the failure to exhaust existing stock of vaccines before ordering for new stocks.

789. We further noted that in contravention of Part VIII, section 83(1) of the Procurement Act, 2003 Act 663, the expired vaccines were kept in the store where unexpired vaccines were also kept.

790. We recommended that to prevent future losses, required quantities of vaccines should always be ordered to forestall expensive vaccines from expiring and going to waste. Also, a Board of Survey
should be convened to dispose of the expired vaccines to create space for unexpired drugs.

791. Management assured that it would do its utmost to reduce the occurrence of expired vaccines. Listed below are instances of expired drugs noted during the audit.

<table>
<thead>
<tr>
<th>Name</th>
<th>Stock level</th>
<th>New Stock rec.</th>
<th>Qty expired</th>
<th>Unit Price</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rabies</td>
<td>66,167</td>
<td>50,000</td>
<td>14,475 x10</td>
<td>50 GHP</td>
<td>72,375.00</td>
</tr>
<tr>
<td>PPR</td>
<td>13,250</td>
<td>20,000</td>
<td>19835</td>
<td>Free</td>
<td>-</td>
</tr>
<tr>
<td>Burcelin Abortos</td>
<td>7530</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anthbox Spore</td>
<td>4000 x 20</td>
<td>20P</td>
<td>16,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bovine Tubercutin</td>
<td>3866 x 50</td>
<td>20P</td>
<td>38,660.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avian Tubercutin</td>
<td>3866 x 50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>127,035.00</strong></td>
</tr>
</tbody>
</table>

**FISHERIES COMMISSION**

Failure to include names of Commission’s staff on salary payment vouchers

792. Our payroll audit disclosed that the name of 18 staff members of the Commission did not appear on the Commission’s monthly salary payment vouchers for the period 1 June to 31 December 2011.

793. The omission contravened Regulation 304 of the Financial Administration Regulation, 2004 (L.I. 1802) which requires heads of
departments to examine and certify the personnel emolument payment vouchers to ensure that the names of staff members who serve under them appear on the payment vouchers.

794. The names of the 18 staff members did not appear on the Commission’s salary payment vouchers as a result of the failure of the Chief Personnel Officer to ensure that the names of all staff members appear on the salary vouchers. In the circumstances, the accuracy of the salaries drawn by the 18 staff members could not be ascertained and confirmed. The names of the affected staff were made available to management.

795. Management explained that the 18 names that were not on the salary payment vouchers from June to December 2011 were due to problems that characterised the preparation of the Commission’s salary vouchers and pay slips. The Controller and Accountant General had however been informed to rectify the anomaly.

796. To prevent the payment of unearned salaries, we recommended that serious efforts should be made to ensure that the names of the 18 staff members appear on the Commission’s monthly salary payment vouchers.
**Purchase of vehicle not catered for in a Procurement Plan**

797. Part III, section 21(1 and 2) of the Public Procurement Act, 2003 (Act 663) requires every procurement entity to prepare a Procurement Plan to support its approved programmes. On the contrary, the Commission did not prepare Procurement Plan to support its approved programmes.

798. The absence of a Procurement Plan resulted in the ad hoc purchase of a Ford Mondeo saloon vehicle which was paid for in three monthly instalments.

799. We recommended that the preparation of Procurement Plans should be enforced to support approved procurement activities of the Commission.

800. Management explained that the purchase of the Mondeo Saloon Car was approved by the Minister but payments were made in three instalments to the vendor, Mechanical Llyod because of insufficient funds. It was also explained that a procurement plan was being followed in the purchases of other items.
DISTRICT AGRIC OFFICE – SEFWI AKONTOMBRA

Un-supported payments – GH¢3,050.00

801. We noted that an amount of GH¢3,050.00 was allegedly paid to some farmers as training allowance without providing verifiable addresses of the farmers. The lapse was as a result of the failure of the District Directorate to compile a database of farmers in the District from which the required information could be obtained.

802. Due to this weakness, audit could not certify and confirm that the amount was spent in the interest of the State. The anomaly could be a recipe for the diversion or misappropriation of funds.

803. We recommended that all future payments should be made to persons with verifiable addresses. Meanwhile management should provide data on the farmers for our verification or the amount should be refunded by the signatories of the cheque.

MINISTRY OF FOOD AND AGRICULTURE, MUNICIPAL OFFICE –TECHIMAN

Unrecovered Farmers Loans – GH¢385,633.00

804. Regulation 110 of the Financial Administration Regulations, 2004 stipulates that a head of department, or the officer to whom the duties of the head of department have been delegated in accordance with Regulation 109 (delegation of administering authority), shall
ensure that advances issued are duly recovered in accordance with the appropriate agreement.

805. Contrary to the above quoted regulation, we noted that the Municipal Director of the Ministry of Food and Agriculture failed to recover loans granted in the form of fertilizer, agro chemicals, soya beans and maize seed from beneficiary farmers under the block farming programme.

806. Out of the total loans of GH¢578,734.64 granted to the farmers during the 2009, 2010 and 2011 farming seasons, only GH¢193,101.47 representing 33.37% had been recovered leaving a balance of GH¢385,633.17 representing 66.63%. The same issue was commented on in my previous report for the 2010 financial year.

807. The Municipal Director attributed the poor recovery rate of the loans to worm infestations and poor timing in the release of funds to farmers. Notwithstanding we were of the view that strenuous efforts were perhaps not being made to recover the amount from the beneficiaries.

808. The failure to recover the loans denied other farmers from benefiting from the facility since it is a revolving fund from which prospective beneficiary farmers could only benefit when loans given out are recovered into the fund for future disbursement.
809. We recommended that the Municipal Director should intensify efforts to recover the balance of GH¢385,633.17 from the defaulters to enable others to benefit from the programme.

MOFA DISTRICT OFFICE – BECHEM

Unrecovered block farming loans – GH¢131,236.00

810. We noted during our audit that in 2010, the District Directorate disbursed inputs worth GH¢184,347.00 under the Block Farming Project within the Tano South District. The loans were to be repaid at the end of the 2010 farming season.

811. On the contrary, as at the end of the 2010 farming season, the beneficiary farmers had refunded only GH¢53,111.00 representing 28.80% of the total amount of GH¢184,347.00 leaving a balance of GH¢131,236.00 outstanding.

812. The slow recovery rate was attributed to the lack of awareness on the part of the beneficiaries that the assistance was repayable. The District Director of Agriculture and the Accountant had also on the other hand not persisted in pursuing the recovery of the loans.

813. The failure of the District Directorate to recover the outstanding balance of GH¢131,236.00 could deprive other farmers
from benefiting from the facility which in the long run could defeat the objectives for the introduction of the programme by government.

814. Though management responded that it had already taken the defaulters to court for recovery, we did not see any records to confirm the claims. We recommended that, the balance of GH¢131,236.00 should be recovered from the defaulting farmers without further delay.

**MOFA - TAIN DISTRICT DIRECTORATE**

**Failure to maintain records to monitor fuel withdrawals from fuel station – GH¢1,000.00**

815. The Tain District Office of MOFA per PV No. 201053 of 29/03/2011 paid for fuel in the sum of GH¢1,000.00 to be drawn from Allied Oil, Wenchi. Management however failed to maintain records to monitor the withdrawals and distribution. The office did also not maintain records of authorisations for the drawings from the fuel station.

816. In the circumstance, audit could not confirm the judicious use of the fuel by the District Office. The anomaly was the subject of my comments in the year 2010 when the usage of fuel worth GH¢2,000.00 could also not be monitored and accounted for.
817. The anomaly, which could result in financial loss to the District Office, was due to the failure by management to monitor the activities of the Storekeeper.

818. We recommended that the District Directorate should introduce the use of monitoring records for bulk fuel purchases to enhance transparency and accountability in the utilisation of the purchases. Meanwhile management was called upon to provide evidence on the utilisation of the bulk fuel purchase or refund the amount to chest.

MINISTRY OF FOOD AND AGRICULTURE – DORMAA
AHENKRO DISTRICT DIRECTORATE

Unrecovered cost of inputs for the 2010 Block Farming Season – GH¢2,314.00

819. Out of GH¢11,565.00 worth of farm inputs delivered to the Dormaa Municipal Agriculture Unit by the Regional Agriculture Director for distribution on loan to farmers during the 2010 farming season, only GH¢9,251.00 had been recovered leaving a balance of GH¢2,314.00 outstanding at the end of the season. Ineffective supervision over extension officers by the Municipal Director resulted in the lapse. Consequently, only few farmers benefitted from the revolving fund to the disadvantage of other deserving farmers.
820. We recommended that the Municipal Director should ensure that individual ledger accounts are maintained by the Accountant for beneficiary farmers to track and expedite recoveries from beneficiaries. We further recommended that the outstanding balance of GH¢2,314.00 should be recovered from the defaulting farmers else the Director should be surcharged with the amount involved.

**Unrecovered cost of inputs for the 2011 Block Farming Season – GH¢14,300.00**

821. During the 2011 season, 118 farmers who were supplied inputs on loan were indebted to the office in the sum of GH¢14,300.00. The anomaly occurred because the Municipal Agriculture Director failed to ensure that the extension officers recover the amount from the farmers who had benefited from the facility. The situation denied other deserving farmers’ access to the credit facility; which defeated government’s objective in introducing the programme.

822. We recommended that the Municipal Director should ensure that individual ledger accounts were maintained by the Accountant to account for the support extended to individual farmers as well as record the recoveries being made. Meanwhile the outstanding loans should be recovered from the beneficiary farmers failing which the Director and his Accountant should be surcharged with the amount of GH¢14,300.00.
MOFA – SALAGA DISTRICT DIRECTORATE

Unrecovered loans – GH¢166,810.00

823. Our review disclosed that during the 2009 and 2010 farming seasons, the Ministry granted farming groups loans in the form of land preparation, provision of seeds, weedicides, and fertilisers to the tune of GH¢213,317.65. The farmers were expected to refund the loan in kind in the form of 6,112 bags of rice and 1,495 bags of maize.

824. We noted that out of this, only 1,304 bags of rice and 360 bags of maize all valued at GH¢46,508.00 had been recovered leaving an unrecovered amount of GH¢166,809.65 being the value of 4,808 bags of rice and 1,135 bags of maize.

825. The unfavourable situation occurred because management failed to vigorously pursue the loan beneficiaries or their guarantors to recover the amount as required in the agreement. The situation will likely lead to loss of funds to the State. Additionally, the objective of the programme to assist farmers will be defeated.

826. We recommended the recovery of the total amount of GH¢166,809.65 or 4,808 bags of rice and 1,135 bags of maize from the beneficiary farmers.
827. Management responded that, it had written to the beneficiary farmers groups to refund the amount.

**MINISTRY OF FOOD AND AGRICULTURE – KONONGO**

**Payment of unearned salary – GH¢3,137.00**

828. Regulation 297(1) (b) of the FAR 2004 (LI 1802) requires the head of department to cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty on leave without pay. Regulation 298 (2) to (4) of the FAR also mandates a head of department to notify the Controller and Accountant General of the effective date of stoppage and confirm that action has been taken to prevent further payment. He should as well notify the bank for repayment into the Consolidated Fund of salaries or other payments credited to the public servant’s bank account.

829. On the contrary, our review of the mechanised salary vouchers revealed that two separated employees of the District Directorate were paid total unearned salaries of GH¢3,137.34 between January 2010 to October 2010. Below are the details:

<table>
<thead>
<tr>
<th>Name</th>
<th>Staff No.</th>
<th>Bank</th>
<th>Amt. (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patrick Frempong</td>
<td>000681501</td>
<td>GCB Konongo</td>
<td>665.79</td>
</tr>
<tr>
<td>Frank Oppong</td>
<td>761104</td>
<td>Barclays Bank – Asafo</td>
<td>2,471.55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>3,137.34</strong></td>
</tr>
</tbody>
</table>
830. At the time of compiling this report, no recoveries had been made.

831. Management responded that formal letters were written on 2 March 2010 and 28 July 2010 respectively to the Controller and Accountant-General’s Department to delete their names from the payroll.

832. Management assured that efforts were being made to recover the amount and same paid to Controller and Accountant-General’s Suspense Account. In the case of Patrick Frimpong, management indicated that the Ghana Commercial Bank claimed that he was indebted to the bank and so the unearned salary would be set off against his indebtedness.

833. We recommended that management should pursue measures to recover the amount of GH¢665.79 from Mr. Patrick Frimpong’s bankers whilst Mr. Frank Oppong should be pursued to recover the amount of GH¢2,471.55 he illegally collected.

**MINISTRY OF FOOD AND AGRICULTURE – EFFIDUASE/ASHANTI DISTRICT OFFICE**

**Payment of unearned salary – GH¢832.00**

834. The Financial Administration Regulations (FAR) 2004 (LI 1802) Regulation 297(1)(f) requires the head of department to cause
the immediate stoppage of salaries to public servants when they separate.

835. Our review of the mechanised salary vouchers of the Effiduase District Office of MOFA however revealed that the bank accounts of Tamanja Francis, a Senior Agric Officer who died in December 2010 was credited with unearned salary of GH¢832.48 after his death.

836. We learnt during the audit that at the time of his death, Mr. Tamanja owed his bankers and so the unearned salary of GH¢832.48 credited to his account was illegally used to defray his indebtedness. Management failed to ensure that the amount was transferred to the Suspense Account of the Controller and Accountant General as was required.

837. We recommended the recovery of the amount with interest at the prevailing Bank of Ghana rate from the District Director and the Accountant who guaranteed the loan for Mr. Tamanja.

**EJURA AGRICULTURAL COLLEGE – EJURA**

**Un-competitive procurement – GH¢2,937.00**

838. Our review of procurement procedures disclosed that in contravention of Section 43 (1) of the Public Procurement Act, 2003 (Act 663), management procured goods and services in the sum of
GH¢2,937.40 between August 2010 and March 2011 without sourcing quotations from at least three different sources.

839. Non-adherence to established procedures did not provide transparency, competitiveness and fairness in the procurement process.

840. To ensure transparency and value for money in the procurement process, we urged management to adhere to the tenets of the procurement law.

MINISTRY OF FOOD AND AGRICULTURE – NYINAHIN DISTRICT OFFICE

Non-payment of loans granted to rice and maize farmers – GH¢5,045.00

841. Our examination of payment vouchers and loans register disclosed that an amount of GH¢10,020.00 was granted to 43 rice and maize farmers between November 2009 and June 2011. However, out of the amount only GH¢4,974.80 representing 49.6% was repaid leaving a difference of GH¢5,045.20 or 50.4% which was yet to be recovered.

842. Failure of the beneficiaries of these loans to repay the loans granted them could deny other potential farmers the opportunity to access the credit facility.
843. Management attributed the reluctance of the beneficiaries to pay back their loans to poor yield as a result of inadequate rains during the farming season.

844. We urged management to liaise with various group leaders to sensitise them on the need to pay back the difference of GH¢5,045.20 to enable others benefit from the facility.

MINISTRY OF FOOD AND AGRICULTURE – TANO NORTH DISTRICT DIRECTORATE

Unsupported payments – GH¢13,533.00

845. Contrary to Regulation 39(2) of FAR 2004 which states that the head of accounts shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable, the District Director of MOFA disbursed GH¢13,533.02 on 26 payment vouchers but failed to properly acquit them with the relevant receipts, invoices and other expenditure documents.

846. Failure of the Accountant to obtain receipts and expenditure documents in processing and effecting payments resulted in the lapse. The lapse could be a conduit for payment for items not procured or paid for but not supplied.
847. We urged the Accountant to provide the necessary expenditure documents to substantiate the payments otherwise, the total amount should be refunded to chest.

**Unlogged fuel – GH¢4,170.00**

848. Our audit disclosed that fuel purchases amounting to GH¢4,169.66 made by the District Director were not accounted for in vehicle log books. This omission violated Regulation 1604 Chapter 16 of Store Regulation 1984 which demands that a vehicle log book be maintained and receipts of fuel, oil and lubricant entered up daily.

849. The lapse reoccurred because the previous year’s audit recommendations were not implemented and the drivers as well were not properly supervised by any responsible officer.

850. The payment could have been made for fuel not purchased and eventually end up in financial loss.

851. We urged management to strictly monitor the utilisation of fuel purchases and ensure that relevant evidence is provided on the utilisation of the alleged fuel purchases of GH¢4,169.66 or in default the total amount should be retrieved to chest.

**Failure to recover loans – GH¢233,609.00**

852. We noted that five District Directors of MOFA in the Brong Ahafo Region failed to recover total loans of GH¢233,608.69 granted
to individuals and block farmers in their respective districts. The loans, some of which date back to 2007, were according to the loan agreement, to be recovered at the close of the farming seasons for which they were granted.

The districts included:

<table>
<thead>
<tr>
<th>District</th>
<th>Amount (GH₵)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Tano North</td>
<td>131,000.00</td>
</tr>
<tr>
<td>(b) Jaman South</td>
<td>3,482.00</td>
</tr>
<tr>
<td>(c) Jaman North</td>
<td>12,825.00</td>
</tr>
<tr>
<td>(d) Kintampo Municipal</td>
<td>48,718.69</td>
</tr>
<tr>
<td>(e) Nkoranza South</td>
<td>37,583.00</td>
</tr>
</tbody>
</table>

853. The lapse violated Regulation 110 of the FAR 2004, L.I. 1802 which requires a head of department to ensure that advances granted are duly recovered in accordance with the terms of agreement.

854. The non-recovery was attributed to the failure of the District Directors to adopt pragmatic measures to recover the loans given out.

855. Besides denying other farmers access to the loans, there is also the risk of the loans becoming bad debts over a long period of dormancy.
856. We urged management to step up efforts at recovery to benefit other prospective farmers in order to sustain the programme in the various districts

**FISHERIES COMMISSION – BOLGATANGA**

**Payment of unearned salaries – GH¢537.00**

857. By Regulation 297(1) of the Financial Administration Regulation 2004, L.I. 1802, a Head of Department shall cause the immediate stoppage of payment of salary to a Public Servant when that Public Servant has retired, vacated post or resigned. All other payments due to such a person must also be stopped immediately.

858. On the contrary, we noted that Mr. J.Y. Banaar who proceeded on retirement in April 2009 was paid unearned salary totalling GH¢428.00 for the period of May and June 2009. His Social Security account at SSNIT was also credited with a total amount of GH¢78.98 while GH¢30.00 was credited to Quality Insurance.

859. Management’s failure to enforce the required regulation as quoted above resulted in the payment by the State of the unearned salary to Mr. Banaar.

860. We recommended to management to recover to chest, the total unearned salary of GH¢428.00 paid to him during the period.
Management should also recover GH¢30.00 deducted as insurance premium in favour of Mr. Banaar for the same period.

861. We further requested management to write to SSNIT to transfer the total amount of GH¢78.98 credited to Mr. Banaar’s account during the period, to the consolidated fund.

862. Management had only written to the deceased’s bank and SSNIT to request them to transfer to chest the total amount paid to them but failed to follow up to ensure compliance. We once again request management to ensure recovery of the amount to chest.

MUNICIPAL AGRICULTURAL DEVELOPMENT UNIT – BOLGATANGA

Payment of unearned salary – GH¢2,075.00

863. By Regulation 297(1) of the Financial Administration Regulation 2004, L.I. 1802, a Head of Department shall cause the immediate stoppage of payment of salary to a Public Servant when that Public Servant has retired, vacated post, resigned or died. All other payments due to such a person must also be stopped immediately.

864. We noted on the contrary that, Ms. Helen Apana who passed away in February 2010 was paid salary up to May 2010. In the
process she was paid unearned net salary of GH¢1,205.07, a total of GH¢407.88 as her SSNIT contribution and GH¢462.00 credited to Unique Trust in her favour.

865. We blamed management for causing the State to pay the unearned salaries to the deceased worker as a result of delays in the submission of inputs for deletion of the name from the payroll.

866. We recommended to management to ensure that the total amount of GH¢1,203.07 credited to Ms. Helen Apana’s account during the period was paid into the Controller and Accountant-General’s suspense account. Management should also recover to chest the total amount of GH¢462.00 credited to Unique Trust and as well ensure that SSNIT transfer to chest the total of GH¢407.88 credited to Ms. Helen’s account during the period.

867. Management should also ensure prompt submission of inputs to the Controller and Accountant-General’s Department for the deletion of names of separated staff from the payroll. Management assured to follow on the recovery of the amounts to chest.
Unsupported payments – GH¢13,252.00

868. Contrary to Regulation 39(2) of the FAR 2004, (L.I. 1802) we noted that payments totalling GH¢13,252.00 were made by the Unit without the necessary expenditure supporting documents.

869. The weakness was as a result of management’s laxity in complying with the provisions of the Financial Administration Regulations and other applicable laws and financial rules on Public Financial management. This anomaly could lead to fictitious payments and other financial abuses.

870. We requested management to obtain the relevant documents to authenticate the payments or the amount should be recovered from the Accountant.

Withheld taxes not remitted to IRS – GH¢514.00

871. Section 87(1) of the Internal Revenue Act, 2000 (Act 592) requires a tax withholding agent to remit taxes withheld to the Commissioner of Internal Revenue within 15 days after the end of the month in which the withholding tax was deducted.
872. On the contrary, we noted that withholding tax amounting to GH¢513.60 was withheld by the Unit and not remitted to the Commissioner.

873. We advised management to remit the tax without further delay.

**DISTRICT AGRICULTURAL OFFICE – GAMBAGA**

**Unrecovered loans to farmers – GH¢12,799.00**

874. Our review of payments records revealed that, an amount of GH¢18,900.00 was granted as loans to farmers in the district in 2005. The loans were to be repaid in three years.

875. However, after seven years, only GH¢6,101.60 had been recovered, leaving an unrecovered amount of GH¢12,798.50.

876. The non-recovery was as a result of management’s failure to pursue the loan beneficiaries or their guarantors to settle the amount as required in the agreement.

877. This is likely to lead to loss of funds to the State and also prevent other farmers from benefiting from the programme.

878. We recommended the recovery of the amount of GH¢12,798.50 from the beneficiaries of the facility.
UNRetired imprest – GH¢1,050.00

879. Regulation 288 (1) of the FAR 2004 stipulates 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.

880. We observed that a total imprest mount of GH¢1,050.00 granted to Dr. Kofi Afakye – the Deputy Director of Veterinary Service, Begoro for veterinary activities was not retired at the end of the programme and as at the close of our audit in February 2012.

881. Failure on the part of the Accountant to alert the imprest holder when the time was due for retirement of the amount accounted for the anomaly.

882. Failure to account for imprest would not only encourage financial indiscipline and malfeasance but also undermine effective financial controls. In the absence of the relevant documents in support of the expenditure, we could also not ascertain whether the money was actually used for the intended purpose.
883. We urged management to prevail upon the officer to account for the money, failing which the amount should be charged to this personal advance account.

**Payments without expenditure supporting documents – GH¢2,094.00**

884. Regulation 39(2) of the FAR 2004 states that “The head of the accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable.

885. Our review disclosed that five payment vouchers for payments totalling GH¢2,094.00 were not supported with invoices, receipts or statements to authenticate the payments.

886. Failure by the Accountant to enforce the provisions of the Financial Regulation and reject expenditures which did not meet the requirements for payment accounted for the anomaly.

887. In the absence of the relevant expenditure documents, the genuineness of the total disbursement of GH¢2,094.00 could not be ascertained.
888. We recommended that the amount disbursed should be substantiated with the required expenditure documents or the authorising officers held accountable.

**Shortage of Ten Wax Prints – GH¢600.00**

889. Regulation 183(3) of FAR 2004 states that “A head of department shall be accountable for the proper care, custody and use of government stores from the time of acquisition until they have been used or otherwise disposed off in accordance with these regulations.”

890. We noted during our audit that the department procured 20 pieces of wax print cloth from Dada Kofi Enterprise, Kumasi at a total cost of GH¢1,200.00 on 8 December 2011 vide SRV No. FD/18/11 of 08/12/2011. Our review however disclosed that only ten pieces vide ledger folio “120” were taken on charge leaving a balance of 10 pieces worth GH¢600.00 which could not be accounted for by the Storekeeper.

891. The anomaly resulted from poor supervision over the work of the Storekeeper who took advantage of the weakness in the system to exploit the situation.

892. The department could incur huge losses when management control over stores is not effective.
893. We recommended that the difference of GH¢600.00 being the cost of ten pieces of cloth unaccounted for, should be recovered from the Storekeeper without fail.

894. Management accepted our finding but insisted that all the 20 pieces of wax print cloth were duly received and the discrepancy could have been caused through wrong entries made by the Storekeeper.

**Unserviceable vehicle parts not retrieved from mechanics – GH¢2,167.00**

895. Unserviceable vehicle spare parts and equipments are required to be recorded in unserviceable ledgers and placed in secure custody until such time that action is taken to dispose of them.

896. Our review of vehicle repairs and maintenance transactions disclosed that vehicle parts worth GH¢2,167.00 which were replaced were not provided for our verification.

897. Failure by management to retrieve the replaced parts from the mechanics and record them in an unserviceable ledger until final disposal resulted in the anomaly. The possibility that the defective parts were not replaced could not be ruled out.
898. We recommended to management to regularise the situation by maintaining unserviceable ledger to record unserviceable spare parts for future audit inspection.

**MUNICIPAL AGRIC OFFICE – NKAWKAW**

**Unsupported payments – GH¢17,669.00**

899. Regulation 39(2) of the FAR 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”.

900. We noted during our audit that the Municipal Agric Office in Nkawkaw incurred total expenditure of GH¢19,023.00 on seven payment vouchers but supported them with expenditure documents totalling only GH¢1,353.70 which resulted in outstanding payments of GH¢17,669.30 not being substantiated.

901. The omission was traced to poor supervision on the part of management. The practice could result in duplicated payments and eventual financial loss to the State.

902. We recommended that management should produce the relevant expenditure documents to authenticate the payments or risk being surcharged with the outstanding amount involved.
Outstanding financial assistance to farmers – GH¢913.00

903. The Municipal Agric Officer, Nkawkaw, gave out farm inputs, cash and other materials totalling GH¢7,348.74 as loans to 45 farmers within the Nkawkaw municipality to assist them in their farming activities. The amount was to be refunded at the end of the crop season.

904. Our audit however disclosed that out of the 45 farmers who benefitted, 31 had fully redeemed their loans leaving 14 who had defaulted in payments totalling GH¢912.78.

905. While acknowledging management’s efforts in the recovery of the loans from the farmers, we also urged them to pursue the recovery of the outstanding amounts to ensure the sustainability of the programme.

REGIONAL DIRECTORATE OF AGRICULTURE (MOFA) – HO

Outstanding Special Maize Project Loan:-GH¢44,231.00

906. In 2007, the Regional Directorate of Agric, Ho, disbursed loans totalling GH¢108,979.97 under the Special Maize Project scheme to farmers within the districts.
907. The loans, by the terms of agreement concluded, were to be repaid at the end of each farming season. At the time of our audit in November, 2010 only GH¢64,748.67 had been recovered leaving a balance of GH¢44,231.30.

908. Laxity on the part of the Regional Director to recover the loans accounted for the lapse which could deprive other farmers from accessing the facility.

909. We recommended vigorous recovery of the outstanding amount or in default the Regional Director should be surcharged with the amount.

SOUTH TONGU DISTRICT OFFICE – MOFA
Auction of official vehicle No. GV 4192 C without proper procedures

910. We noted during our audit of the South Tongu District Directorate of MOFA that the department’s official vehicle No. GV 4192C was sold by auction without complying with required auction procedures. Consequently, we found no evidence of authorisation of the auction. We could also not verify proceeds from the auction.
911. We recommended that, the District Director should regularise the transaction by producing for audit scrutiny the under listed documents and information:

a) Evidence of the authorisation for the auction of the official vehicle No. GV 4192C.

b) The auctioneer’s sales account showing the proceeds from the auction as well as official receipt covering the lodgement of the proceeds in the Consolidated Fund.

912. Management assured to obtain the required documentary evidence on the auction transaction for audit scrutiny.

**Outstanding farmers loans – GH¢3,000.00**

913. On 28 August 2009, the District Directorate paid a total of GH¢5,000.00 to 50 farmers (GH¢ 100.00 each) as loans for the 2009 minor farming season. The loans were by the agreement, to be paid by the end of the season to the Regional Directorate of MOFA. However, as at 31/12/2011, only GH¢2,000.00 had been recovered leaving a balance of GH¢ 3,000.00 outstanding.

914. The failure by the District office to recover the overdue balance of GH¢3,000.00 could deprive other farmers from benefiting from the programme which aims at providing loan facilities to farmers.
915. We recommended to management to vigorously pursue recovery of the outstanding amount of GH¢3,000.00 from the beneficiary farmers failing which management should be held liable to refund the amount.

**KPANDO DISTRICT OFFICE – (MOFA)**

**Payment of unearned salary – GH¢2,377.00**

916. Regulation 297 (I e) of Financial Administration Regulation 2004 required that the head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has resigned.

917. Examination of the payroll records of the Kpando District Office of MOFA disclosed that Mr. Innocent Woekpor, a Technical Officer of the District Office who resigned from the department with effect from May 2010 continued to receive his monthly salaries between June and December 2010 which added up to GH¢2,377.32. Details are provided below:

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>June</td>
<td>342.10</td>
</tr>
<tr>
<td>July</td>
<td>376.30</td>
</tr>
<tr>
<td>August</td>
<td>370.35</td>
</tr>
<tr>
<td>September</td>
<td>488.35</td>
</tr>
<tr>
<td>October</td>
<td>387.60</td>
</tr>
<tr>
<td>---------</td>
<td>--------</td>
</tr>
<tr>
<td>November</td>
<td>387.60</td>
</tr>
<tr>
<td>December</td>
<td>25.01</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,377.32</strong></td>
</tr>
</tbody>
</table>

918. We requested recovery of the unearned salary.

**MINISTRY OF HEALTH**

**HEADQUARTERS**

Irregularities in the sale and accounting for Admission Forms to health training institutions- GH₵352,995

919. We noted the following irregularities in the sale and accounting for admission application forms by various health training institutions within the Ministry of Health.

920. Twelve institutions claimed that they returned 4,256 unsold forms worth GH₵ 148,960.00 to the Human Resource Unit (HRU) of the Ministry of Health (MOH). However, the institutions could not provide evidence of the receipt of the forms, by the HRU. The forms therefore remained unaccounted for.
921. Also eleven institutions failed to account for a total of GH¢121,080.00 being part of the proceeds on the sale of 4,442 admission application forms.

922. We further noted that seven institutions failed to return 1927 unsold admission application forms worth GH¢67,445.00 to the HRU.

923. Additionally, four health training institutions short remitted to the MOH proceeds from sale of admission application forms to the tune of GH¢ 15,510.00.

924. The heads of the respective health institutions failed to effectively supervise and monitor the sale activities of their institutions in violation of Regulation 17 of the Financial Administration Regulation (FAR), 2004 which requires all heads of departments to ensure that all non-tax revenue is efficiently collected and lodged in the designated bank accounts.

925. To prevent the loss of funds (IGF) as a result of the aforementioned lapses, we recommended that the Minister of Health should institute the following remedial measures;

- the 12 institutions should be made to account for the 4,256 admission application forms worth GH¢148,960.00.
- the 11 training institutions should be called upon to account for the sales proceeds totalling GH¢ 121,080.00.
• the seven health institutions should return the 1,927 unsold forms to the HRU of the MOH without further delay or be made to pay for their value.

• the four institutions should be requested to fully remit the amount of GH¢15,510.00 to the MOH Headquarters.

• All heads of health training institutions should be admonished to improve on their supervision and monitoring of the sales of admission application forms.

**Shortage of admission application forms – GH¢32,235**

926. Our physical count of the stock of admission application forms disclosed a shortage of 921 application forms worth GH¢32,235. Examination of the records at the Human Resource Unit indicated a stock position of 6,626, comprising unsold and defective forms. However, a physical stock count taken on 14 April 2011 disclosed that only 5,705 forms were actually in stock revealing a shortage of 921 forms.

927. The anomaly violated Regulation 214(1) of FAR, 2004 which enjoins Heads of Departments to ensure the effective and efficient control of stocks of value books. Apparently, there was laxity in the handling of the stock of admission application forms by the Human Resource Unit.
928. The lapse could result in the forms being unofficially given out and the sales value misappropriated. Such a situation can lead to the loss of revenue to the Ministry.

929. We recommended to the Ministry to ensure that the Human Resource Unit account for the GH¢32,235. Also, the forms should be kept at the Ministry’s storeroom where they would be professionally and safely kept.

**Sale proceeds of Bond Forms not accounted for – GH¢17,947**

930. Our audit disclosed that out of 41,000 bond forms ordered, received and issued to the Human Resource Unit for sale, the unit could not account for 14,356 bond forms worth GH¢17,947. The Ministry stood the risk of losing the amount involved.

931. The lapse could be traced to ineffective supervision over the sale of the forms, coupled with the absence of documentation of the sale transactions at the Human Resource Unit.

932. We recommended to the Ministry to ensure that the Human Resource Unit account for the amount of GH¢17,947. Additionally, supervision over the sale of admission forms should be strengthened and adequate documentation of sales transactions maintained to enhance transparency and accountability.
Failure to account for Admission Application Forms: GH¢10,045

933. Examination of store receipts and issue records disclosed that a total of 287 Application Admission Forms, valued at GH¢10,045.00, noted to have been issued by the Human Resource Unit to some health training institutions were not received by the supposed beneficiary institutions. Details are provided below:

<table>
<thead>
<tr>
<th>Institution</th>
<th>Qty stated issued by HRU</th>
<th>Qty stated received by inst.</th>
<th>Difference in qty</th>
<th>Value of difference GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPECOAST NMTS</td>
<td>2,500</td>
<td>2,200</td>
<td>300</td>
<td>10,500</td>
</tr>
<tr>
<td>NTC ANKAFUL</td>
<td>500</td>
<td>600</td>
<td>(100)</td>
<td>(3,500)</td>
</tr>
<tr>
<td>CHNTS, ESIAMA</td>
<td>1,500</td>
<td>1,000</td>
<td>500</td>
<td>17,500</td>
</tr>
<tr>
<td>HATS, ASANTA</td>
<td>1,200</td>
<td>1,000</td>
<td>200</td>
<td>7,000</td>
</tr>
<tr>
<td>NMTS, TAMALE</td>
<td>1,500</td>
<td>1,444</td>
<td>56</td>
<td>1,960</td>
</tr>
<tr>
<td>SOH, TAMALE</td>
<td>500</td>
<td>600</td>
<td>(100)</td>
<td>(3,500)</td>
</tr>
<tr>
<td>CHNTS, HO</td>
<td>900</td>
<td>1,465</td>
<td>(565)</td>
<td>(19,775)</td>
</tr>
<tr>
<td>MTS/HATS, MAMPONG</td>
<td>1,200</td>
<td>950</td>
<td>250</td>
<td>8,750</td>
</tr>
<tr>
<td>HATS PANTANG</td>
<td>500</td>
<td>800</td>
<td>(300)</td>
<td>(10,500)</td>
</tr>
<tr>
<td>PUBLIC HEALTHB NURSING SCH, K’BU</td>
<td>1,000</td>
<td>800</td>
<td>200</td>
<td>7,000</td>
</tr>
<tr>
<td>OPHTHALMIC NURSING K’BU</td>
<td>1,500</td>
<td>1,580</td>
<td>(80)</td>
<td>(2,800)</td>
</tr>
<tr>
<td>NTC, PANTANG</td>
<td>1,600</td>
<td>1,674</td>
<td>(74)</td>
<td>(2,590)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,400</strong></td>
<td><strong>14,113</strong></td>
<td><strong>287</strong></td>
<td><strong>10,045.00</strong></td>
</tr>
</tbody>
</table>

934. The failure by the Human Resource Unit to exercise due care and ensure proper documentation of the distribution of the forms...
coupled with ineffective supervision of the activity accounted for the discrepancies.

935. The lapse contravened Regulation 216 of FAR, 2004, which makes stockholders of value books responsible for the custody of value books until receipt of the books have been duly acknowledged by another stockholder or user.

936. We recommended to management to ensure that supervision over the distribution of Admission Application Forms was improved. Also, documentation on the distribution of the forms should be recorded in Store Issue Vouchers and duly signed by Heads of Institutions receiving the allocations. We further recommended that staff of the Human Resource Unit involved in the distribution of the forms should be made to account for the amount of GH¢10,045.00.

AUTO REVOLVING FUND

Un-authorised charge of insurance premium on the Auto Revolving Fund instead of on beneficiaries - GH¢3,442,296

937. Our examination of the Auto Revolving Fund records revealed that instead of charging the full costs of insurance premium of GH¢3,672,583.60 to beneficiaries for recovery over the seven years recovery period, the Staff Vehicle Management Committee (SVMC) of the MOH rather estimated total insurance premium of
GH¢230,287.00 and charged that amount as part of the vehicle cost build-up, which left a deficit of GH¢3,442,296.60 to be absorbed by the Fund over the seven year period.

938. We also noted that the approval of the Hon. Minister of Health was not obtained prior to this commitment against the Fund. There was also no evidence that a realistic cost-benefit analysis and the financial impact of the decision were undertaken prior to its implementation.

939. The under-absorption was due to weak financial analysis and impact assessment by the management committee of the Fund leading to that poor judgment.

940. The viability and sustainability of the Auto Revolving Fund depends on efficient fund management, coupled with cost effective strategies and policies to ensure cost recovery whilst at the same time maintaining sustainability of the facility and boosting the morale of staff.

941. Managing the Fund in such deficient manner as aforementioned would not ensure the sustainability of the scheme as it has the potential of jeopardising the going concern of the scheme and thus could impact negatively on future operations of the Fund.
942. To ensure the sustainability of the scheme whilst still boosting staff morale, we recommended that the Minister should ensure that the individuals who purchased the vehicles bear the insurance premium of GH¢3,442,296.60. We also advised the Management Committee to ensure that it operates within its mandate when taking decisions with financial implications.

Non-compliance with Public Procurement Act in engaging the services of Insurance Brokers

943. We noted in our audit that the services of insurance brokers were procured by the Fund management Committee without recourse to the public procurement procedures. In this regard we noted that there was no evidence of invitation for proposal for shortlisted brokers. We also found no evidence of submission of proposals by selected brokers, while no evidence of evaluation of proposals submitted by the brokers was produced to enable us satisfy ourselves that the most responsive broker was awarded the contract.

944. These omissions violated the provisions of the Public Procurement Act (Act 663). The situation also contravened section 1.7 of the Public Procurement Manual which requires that, procurement by public officials shall be done in the most efficient manner, upholding the principles of value for money, transparency and
fairness. Thus, best value for the brokerage and insurance services might not have been obtained.

945. We recommended that the Minister should investigate the reasons for the non-compliance with the provisions of the Public Procurement Act in the selection of insurance brokers. Thereafter disciplinary action should be enforced for any breach of regulation and procedure that might have been perpetuated by any officer.

**GHANA HEALTH SERVICE (HEADQUARTERS)**

Un-supported payments – GH¢84,674

946. We noted that five payments totalling GH¢84,674.39 made for various activities were not supported with adequate and appropriate expenditure documents to properly account for the disbursements.

947. The schedule accounts officer failed to ensure that recipients of funds provided the relevant transaction records to properly account for the payments. Transacting public business without appropriate expenditure supporting documents would not ensure accountability of officers who transact such business which could lead to misapplication of the funds and other irregularities.

948. We recommended that the Director-General should ensure that the payments amounting to GH¢84,674.39 were appropriately supported with relevant expenditure documents.
Duplication of payment of allowances – GH¢60,669.00

949. As a result of non-payment of allowances by the Controller and Accountant-General (CAG) to some Directors and Assistant Directors, management paid 12 months allowances from an Internally Generated Fund (IGF) to these officers. However, when in March 2011 the CAG paid the arrears of the day and night security allowances to these officers for periods ranging between April 2006 and February 2011 management did not recover the payments it had already made to the officers amounting to GH¢32,400. Also, whereas some officers who were wrongly charged rent had refunds made to them from the IGF, others in the same situation were rather paid rent allowance resulting in excess payment of GH¢28,269.60 to the officers.

950. The situation contravened Regulation 45 of FAR, 2004 which stipulates that if any expenditure is made in excess of the amounts actually due, the overpayment shall be recovered immediately and paid into the account from which it was originally paid.

951. We recommended that the Director-General should recover the excess payments totalling GH¢60,669 from the officers involved. We further recommended that the Service should rather apply for special warrant from the Ministry of Finance for the payment of the allowances where the CAG is unable to pay the allowances and desist
from using the IGF for the payment of emoluments of Directors and Assistant Directors.

**Payment of VAT without obtaining VAT invoice: GH¢8,752**

952. Section 19 of Value Added Tax Act, 1998 (Act 546) stipulates that a taxable person shall on making taxable supply of goods or services issue to the customer or the persons supplied, tax invoices in such form as shall be prescribed by regulations.

953. We however noted that consultancy fees amounting to GH¢67,155.50, which included VAT of GH¢8,752.50, was paid to Izmatrix Architects & Development Consultants on 9 February 2010, without obtaining VAT invoice from the payee. This was attributed to oversight.

954. The State could lose the VAT revenue should the company fail to include the amount in filing its VAT returns.

955. We recommended that the Head of Finance should obtain the VAT invoice/receipt from the company or the amount of GH¢8,752.50 should be recovered from the company.
Failure to comply with the Procurement Act, in procuring car dealer for the Vehicle Hire Purchase Scheme (VHPS):

956. We noted that 332 Great Wall pick-ups vehicles valued at GH¢10,458,000 were procured under hire purchase agreement with Auto-World without adherence to the provisions and regulations of the Public Procurement Act. The following procurement lapses were noted:

- No evidence of published notice of expression of interest.
- No evidence of invitation for proposal outlining the evaluation criteria to shortlisted car dealers.

957. Submissions from dealers presented to us for our review, were either technical proposals without price proposals or vice-versa, which rendered them incapable of effective and realistic evaluation. In the circumstance, we could not confirm the propriety of the basis of award of the contract to Auto World.

958. The anomalies constituted violation of the provisions of the Public Procurement Act, 2003 (Act 663) by management of Ghana Health Service and ineffective functioning of the various procurement structures within the Service. The non compliance with procurement procedures would not ensure effective competition, transparency, and fairness and hinder the opportunity to obtain best value for money in the utilisation of public funds.
959. We requested the Director-General to investigate the non-compliance with the provisions of the Public Procurement Act in the selection of the supplier. We further requested management to enforce appropriate sanctions as enshrined in article 92 of the Public Procurement Act, 2003 (Act.663).

**Application of sole sourcing without prior approval of the Public Procurement Authority (PPA)**

960. We noted in our review that, the services of various insurance brokers were engaged through single source selection without prior approval from the Public Procurement Authority (PPA). Consequently insurance brokers committed the Ghana Health Service to annual insurance premium payment of GH¢321,867.00 for 325 vehicles insured without prior approvals by the authorised body.

961. Similarly, 13 Great Wall Hovers at a total value of GH¢546,000 were single sourced from Auto World without prior approval from the Public Procurement Authority (PPA).

962. Again, two procurements of male condoms (GH¢1,450,000.00) and Laboratory consumables (GH¢378,000.00) were single sourced from Global Unilink without PPA approval.
963. The procurements contravened Section 40(1) of the Public Procurement Act, 2003 (Act 663) which states that a procurement entity may for reasons of economy and efficiency and subject to the approval of the Public Procurement Authority (PPA) engage in procurement by means of single sourcing under specified conditions.

964. The irregularities were due to management’s non compliance with the provisions of the Procurement Act coupled with ineffective functioning of the various procurement structures within the procurement entity.

965. The anomaly did not ensure effective competition, transparency, fairness and hence could hinder the opportunity to obtain best value for money in the appropriation and utilisation of public funds.

966. We recommended to the Director General to ensure efficient and effective functioning of the established procurement structures and systems as enshrined in the Public Procurement Act to facilitate compliance with the provisions of the Act.

967. We further called on the Director-General to investigate the non-compliance with the provisions of the Public Procurement Act in the identified instances and enforce appropriate sanctions as enshrined in section 92 of the Public Procurement Act, 2003 (Act 663).
Failure by the Controller and Accountant-General’s Department CAGD to deduct rent at source - GH¢78,999

968. Public officers who occupy government residential facilities, with the exception of those whose conditions of service entitle them to the provision of free accommodation, are required to suffer rent deduction from their monthly basic salary.

969. Though the Ghana Health Service through a letter dated 19 October 2010 requested the CAGD to deduct rent from the salaries of 29 officers who occupied government bungalows, this was not acted upon by the CAGD. Consequently as at the end of June 2011 the officers were still not paying rent to the government. Thus, the State lost non-tax revenue totalling GH¢78,999.28 over the period. The deductions were only effected from July 2011.

970. We recommended to the Director-General to ensure that the CAGD initiates action to recover the rent arrears by installment deductions.

Payment of unearned salaries to separated staff- GH¢21,396

971. Section 9 of the Accounting, Treasury and Financial Instructions (ATF) of the Ministry of Health requires the Head of Finance Office, on behalf of the Head of BMC, to write to the Bank, copied to the Regional Director, CAGD, for repayment into the
Consolidated Fund, the salaries or other payments credited to the bank accounts of separated staff prior to the deletion of the name from the payroll. Also, Regulation 298(1b) of FAR, 2004 require that a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant has been absent from duty on leave without pay.

972. Contrary to the above, we noted that unearned salaries totalling GH¢21,396.19 were paid to three separated staff as detailed below.

<table>
<thead>
<tr>
<th>Name of Staff</th>
<th>Reason for separation</th>
<th>Period unearned salary paid</th>
<th>Amount (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prosper Kutame</td>
<td>Death</td>
<td>April 2010-July 2011</td>
<td>8,266.56</td>
</tr>
<tr>
<td>Eric Manteaw</td>
<td>Death</td>
<td>March 2010-May 2011</td>
<td>4,100.40</td>
</tr>
<tr>
<td>Dr. Nicholas Adjabu</td>
<td>Leave without pay</td>
<td>August 2010-Feb. 2011</td>
<td>9,029.23</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>21,396.19</strong></td>
</tr>
</tbody>
</table>

973. Whereas the Personnel Unit provided evidence of a letter notifying the IPPD about the death of late Prosper Kofi Kutame, the IPPD claimed such a letter was not received for action to be taken. In the case of the late Eric Manteaw, his head of department only notified the Personnel Department about his death a year after the event. For Nicholas Adjabu, the IPPD Section denied receiving notification from the Human Resource Department for the suspension of his salary. These lapses demonstrated the lack of effective
coordination between the offices involved in the process of deletion of names of separated staff from the payroll. There is the risk that the amount of GH₵ 21,396.19 could be lost.

974. We advised the Head of Finance to immediately contact the bankers of the deceased officers to pay the unearned salaries of GH₵12,366.96 into the CAGD salary Suspense Account. Also, the amount of GH₵9,029.23 should be recovered from Dr. Nicholas Adjabu into the CAGD Salary Suspense Account. The officers assigned the responsibility of ensuring prompt deletion of names of separated officers should effectively coordinate in their respective roles and take timely actions to prevent such occurrence.

Ineffectiveness of the Audit Report Implementation Committee (ARIC)

975. Section 8.1 of the Guidelines on the roles and responsibilities of Audit Report Implementation Committees (ARICs) states that, the Auditor-General shall evaluate the performance of an ARIC to ensure that they perform effectively and that MDAs and MMDAs benefit from the work of ARICs.

976. We noted that though GHS Headquarters has an ARIC in place, the Committee has not been effective. Various shortfalls were noted
during the review of the effectiveness of the Committee, which if rectified would enhance its effectiveness.

977. We recommended that the GHS Council should ensure that the ARIC expands its activities to include the following:

- Review of draft financial statements prior to issue
- Periodic review of internal control systems and risk mitigating measures
- Review reports of internal audit and special investigations with the view to ensuring the implementation of recommendations therein.
- Review and approve internal audit scope, plans and performance
- Compilation of annual report of the Committee for distribution to the appropriate offices as outlined in the operating guidelines for ARIC

**KORLE-BU TEACHING HOSPITAL**

**Overdue salary advances - GH¢127,285.00**

978. We noted that as at 31 December 2010 overdue salary advances totalling GH¢127,285 had not been recovered from defaulting staff. There was no effective mechanism in place to recover the advances on due dates.
979. The lapse contravened Regulation 110 of FAR, 2004 which requires a head of department or any other officer in charge of administering advances to ensure that advances issued are duly recovered in accordance with the appropriate agreement.

980. This situation could negatively affect the cash flow of the hospital and reduce its capacity to deliver quality health care services.

981. We advised management to institute effective mechanism to recover the overdue advances without further delay.

Delayed installation and operation of payroll software already fully paid for – GH¢32,947.00

982. We noted that Messrs AOBE Infomatics was contracted to install Obesoft payroll software (Version 16) to replace the version 2.3 that was being used by the hospital. Although full payment of GH¢32,947.20 was made to the contractor on 29th March 2010, the installation of the software had not been completed for use as at the time of our audit in May 2011.

983. Weak monitoring of the project by management in contravention of Regulation 39(1), of FAR 2004 which requires a head of department to ensure that optimum value is obtained from expenditures made accounted for the delay by the contractor. Management was also imprudent in pre-financing the contractor.
984. Value for money had not been achieved with the possible risk of loss of the amount.

985. We advised management to ensure that the contractor completes the project without further delay and the system put to use immediately. Failing that, the contractor should be made to refund the amount with appropriate interest.

**Payment of unearned salaries - GH₵12,062.00**

986. Regulation 297(1) (a&b) of FAR, 2004, LI 1802 require 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, and also been absent from duty on leave without pay.

987. Our review of payroll records disclosed that, four separated staff were paid unearned salaries amounting to GH₵12,062.49 after they had separated from the hospital. Details are as follows:

<table>
<thead>
<tr>
<th>PV No.</th>
<th>Name</th>
<th>Staff ID</th>
<th>Period</th>
<th>Bankers</th>
<th>Amount GH₵</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS008</td>
<td>Mary Sasraku</td>
<td>67567</td>
<td>May-Oct, 10</td>
<td>GCB, Ring Road Kaneshie</td>
<td>863.08</td>
<td>6 months leave without pay</td>
</tr>
<tr>
<td>PS0121</td>
<td>Abena Amoako</td>
<td>644761</td>
<td>July, 10</td>
<td>Barclays, High Street</td>
<td>1,047.64</td>
<td>Vacation of post</td>
</tr>
<tr>
<td>PS0055</td>
<td>Dawood H. Kansuri</td>
<td>547240</td>
<td>Jan-Dec, 10</td>
<td>Merchant Bank, Adabraka</td>
<td>4,238.97</td>
<td>Vacation of post</td>
</tr>
<tr>
<td>PS0121</td>
<td>Dr. John Antwi</td>
<td>644630</td>
<td>Mar-July, 10</td>
<td>Barclays, High Street</td>
<td>5,912.80</td>
<td>Vacation of post</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>12,062.49</strong></td>
<td></td>
</tr>
</tbody>
</table>
988. The lapse was attributed to late communication between the Heads of the Sub-BMCs, the Human Resource Department and the Finance Office. The hospital could lose the amount of GH¢12,062.49.

989. We recommended to management to ensure prompt communication on staff separation between the various units and the Human Resource Department and Finance Office to avoid any future recurrence. The respective banks of the officers involved should be contacted to refund the moneys and any amounts withdrawn should be recovered from the separated staff involved.

**NATIONAL AIDS CONTROL PROGRAMME (NACP)**

**Payments not acknowledged with official receipts**

990. To ensure accountability, it is best practice that when payments are made official receipts or evidence of receipt is demanded from the recipient to serve as confirmation of amount paid.

991. We noted on the contrary that 19 payments totalling GH¢66,660.00 disbursed through Regional Coordinators to heads of organised groups of People Living with Human Immune Virus (PLHIV) were not acknowledged with official receipts.

992. The failure on the part of the Regional Coordinators who effected the payments on behalf of NACP to promptly obtain official receipts from group heads resulted in the anomaly.
993. There is therefore no documentary evidence that the amounts were received by the intended beneficiaries and applied for the intended purposes.

994. We asked management to obtain the official receipts from the group heads to account for the payments.

**ASHANTI REGION**

**HEALTH CENTRE – KWAMANG**

**Unsubstantiated payments – GH₵18,333.90**

995. We noted that four payment vouchers involving total payments of GH₵18,333.90 in respect of drugs procured by the Kwamang Health centre from the Regional Medical Stores were without invoices to support the transactions as required by Section 39(2c) of FAR, 2003. This was due to management’s failure to demand invoices to support the transactions, thus it was impossible for audit to authenticate the payments.

996. We requested management to regularise the transactions by providing relevant invoices in substantiation of the alleged purchases failure of which the amount should be retrieved to chest.
DISTRICT HEALTH ADMINISTRATION - TEPA

Unsubstantiated payments – GH¢1,624.00

997. Regulation 39(2c) of the FAR 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”.

998. Our review of the payment records of the Tepa District Health Administration Office disclosed that seven transactions covering a total amount of GH¢1,624.00 paid between 17 September 2010 and 6 April 2011 to mostly staff of the Tepa clinic and other organisations had not been accounted for with relevant official receipts, pay sheets and signatures in acknowledgement of the various sums allegedly paid.

999. Failure by the Accountant to ensure that officers and other service providers account for moneys collected on completion of their assignments resulted in these lapses.

1000. In the circumstance, we could not confirm the genuineness of the payments since they lacked relevant expenditure supporting documents to authenticate them.
1001. Management accepted the omission and promised to contact the payees for the necessary expenditure supporting documents to substantiate the payments.

1002. We recommended to management to as a matter of urgency regularise the transactions, failing which the Authorising officer and Accountant should be held liable to refund the total amount of GH¢1,624.00 to chest.

**Unsupported payments—GH¢1,230.00**

1003. Examination of payment records disclosed that four transactions covering total payment of GH¢1,230.00 made between 29 April and 22 December 2010 to mostly staff of the Tepa clinic and a service provider were not substantiated with receipts, pay sheets and other relevant expenditure supporting documents.

1004. Poor supervision by the Accountant over the Schedule Officer was a contributory factor. In the absence of the expenditure supporting documents, we could not authenticate the genuineness of the transactions.

1005. We recommended that the required expenditure supporting documents should be obtained in substantiation of the payments.
failure of which the total amount of GH¢1,230.00 should be recovered from the Authorising Officials.

TEPA DISTRICT HOSPITAL

Unrecovered staff advances – GH¢13,136.72

1006. Regulation 99(1) of the FAR, 2004 requires that an advance or loan should not be payable until an agreement specifying conditions and terms of recovery have been concluded between the borrower and the benefactor.

1007. Regulation 110 of the FAR, 2004 also places responsibility for recovery of advances on the head of department.

1008. On the contrary, our audit revealed that a total amount of GH¢13,136.72 was granted to 18 staff members of the Tepa District Hospital between December 2009 and September 2011 for which no refund had been made.

1009. We considered that management did not do enough to secure recovery of the amount.

1010. At the time of compiling this report, management had introduced serious measures to recover the outstanding amount. We urged management to make every effort to recover the total amount.
involved or the authorising officer should be held liable to refund the amount to chest.

**Indebtedness to the hospital – GH¢359,602.29**

1011. We noted during our review of the Hospital’s debtors ledgers that a total amount of GH¢359,602.29 was owed by the Ahafo Ano North District Mutual Health Insurance Scheme (NHIS) to the Hospital as at the close of the audit in September 2011.

1012. The failure by the Scheme to settle its indebtedness to the Hospital has adverse effect on the hospital’s financial operations since it is deprived of funds to procure drugs, non drugs consumables and other goods for the efficient delivery of services.

1013. We urged and management assured to secure early recovery of the debts to enable the hospital deliver quality health service to its clients.

**DISTRICT HOSPITAL – MANKRANSO**

**Outstanding staff advances – GH¢12,455.00**

1014. Regulation 99(1) of the Financial Administration Regulation (FAR) 2004 requires that an advance or loan should not be payable until an agreement specifying conditions and terms of recovery have been concluded between the borrower and the benefactor.
1015. Regulation 110 of the FAR also places responsibility for recovery of advances on the Head of Department.

1016. Our examination of the Hospital’s Advances Ledger revealed on the contrary that advances such as rent, salary advance and others totalling GH¢12,455.00 granted to 18 members of staff between January 2009 and December 2011 remained unrecovered.

1017. Management’s failure to institute effective measures for the recovery of the advances accounted for the outstanding advances.

1018. We recommended to management to introduce necessary recovery mechanisms including sending debit notes to the affected officers to compel them to honour their debt obligations. In default, the Medical Superintendent in-charge and his finance officer should be held liable for refund of the outstanding loans to chest.

**Unearned salary – GH¢13,086.50**

1019. Our review of the Mechanised Salary payment vouchers, disclosed that unearned salaries totalling GH¢13,086.50 was paid to two separated Nurses of the Hospital.

1020. Abena Serwaa Nkrumah with staff No. 046314 was paid total unearned salary of GH¢8,049.82 for the period October 2010 –
December 2011. She has since withdrawn the amounts from her bank account.

1021. Barima Ernestina with Staff No. 090098 – a Midwife also vacated post to travel abroad but her salary continued to be paid from March 2011 – November 2011 totalling GH¢5,036.60. The Hospital wrote a letter in January 2012 placing an embargo on her salary. We noted that the amount in her bank account had not been withdrawn.

1022. Management of the Hospital failed to ensure that the names of the separated staff were promptly deleted from the payroll.

1023. We recommended that the names of the two separated staff should without further delay be deleted from the payroll of the hospital and Abena Serwaa Nkrumah compelled to refund the unearned salary of GH¢8,049.82 she illegally withdrew from her bank account. We further urged management to ensure that the bankers of Barima Ernestina transfer the GH¢5,036.60 credited to her account to the Controller and Accountant General’s Suspense Account, failing which the Medical Superintendent and Accountant should be surcharged with the amount involved.

1024. Management has since written to Miss Abena Serwaa Nkrumah to refund the amount whilst efforts were being made to delete the names of the two separated staff from the payroll.
Misappropriation of revenue – GH¢291.20.00

1025. Two revenue collectors of the Hospital failed to fully account for total revenue of GH¢291.20 collected between November 2010 and September 2011.

1026. We recommended that the two collectors should be made to account for the shortages and sanctions taken against them.

1027. Management indicated that the amount would be deducted from the salaries of the two officers and same paid into the Hospital account.

Un-substantiated expenditure – GH¢14,733.00

1028. Our examination of the expenditure records of the hospital disclosed that 27 paid vouchers involving total payments of GH¢81,027.70 made between 7 July and 11 December 2011 were not fully substantiated. Attached invoices and receipts totaled GH¢66,294.24 leaving a difference of GH¢14,733.46 which was not supported with expenditure documents.

1029. We requested management to provide evidence on the utilisation of the amount of GH¢14,733.46 failing which the Accountant for the hospital should be held liable to refund the amount to chest. We also advised management to check the arithmetical
accuracy of all supporting documents to payment vouchers before payments are effected.

1030. Management responded that a total amount of GH¢1,098.05 paid in November and December 2011 had been fully accounted for whilst steps were being taken to account for the balance.

**Outstanding duty advance – GH¢4,189.00**

1031. Our examination of expenditure records of the Hospital disclosed that between April and November 2011, total payments of GH¢4,189.00 were made to staff of the Hospital as duty advance for their official trips. The amount was however not accounted for after completion of the assignments for which the advances were made.

1032. We could therefore not confirm whether the assignments for which the duty advances were released, were actually rendered.

1033. We recommended that the officers involved should be made to account for the outstanding amount of GH¢4,189.00 failing which the amount should be recovered from them. We also encouraged management to enforce sanctions to deter officers from failing to account for duty advances promptly.
Failure to obtain official receipts of acknowledgement – GH¢16,091.00

1034. Our review of expenditure records disclosed that between January and December, 2011 management of the hospital paid a total amount of GH¢16,090.86 to service providers, Government Departments and staff but failed to obtain official receipts acknowledging the receipt of the various sums in contravention of Regulation 28(1) of L.I. 1802. In respect of payments made to the staff of the hospital, pay sheets attached to the payment vouchers were not signed by them in acknowledgement of the various sums allegedly paid to them.

1035. As a result, audit could not ascertain the genuineness of the transactions. The practice could be a recipe for the diversion of funds which could result in loss of funds to the hospital.

1036. We urged management to obtain official receipts from the payees whilst the staff of the Hospital should also be made to append their signatures in acknowledgement of the various sums paid to them. In default the two Accountants, Philip Fuseini and B. Y. Boroh who were at post during the period under review should be held liable to refund the payments involved to chest.
MUTUAL HEALTH INSURANCE SCHEME, MANKRANSO

Repairs without works order and certificate

1037. Section 16 (1a) of the Financial Administration Act 2003 (Act 654) requires that payment should not be made for work done, goods supplied or service rendered whether under a contract unless a certificate indicating satisfactory performance of work is attached to the voucher.

1038. On the contrary, we observed that payments amounting to GH¢7,944.85 made to five suppliers/service providers between 23 June 2008 and 29 June 2011 for work done and goods supplied were not supported with certificates from Engineers or appointed persons to indicate satisfactory completion of work done.

1039. Transparency was therefore compromised in the payment of the sum of GH¢7,944.85 to the service providers and suppliers. We recommended to management to strictly adhere to the provisions of Section 16(1a) of the FAA 2003 (Act 654).

Unrecovered advances – GH¢3,530.00

1040. Regulation 99(1) of the FAR, 2004 requires that an advance or loan should not be payable until an agreement specifying conditions and terms of recovery have been concluded between the borrower and the benefactor. Regulation 110 of the FAR 2004 also places responsibility for recovery of advances on the head of department.
1041. On the contrary, our audit revealed that a total amount of GH¢3,530.00 was granted to six staff members of the Scheme between 18 April 2011 and 29 June 2011 without specific dates by which each beneficiary was to complete the refund. Listed below are the details:

<table>
<thead>
<tr>
<th>PV No. &amp; Date</th>
<th>Amount</th>
<th>Refund</th>
<th>Difference</th>
<th>Payee granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>067 of 18/04/11</td>
<td>200.00</td>
<td>-</td>
<td>200.00</td>
<td>Ernest K. Afriyie</td>
</tr>
<tr>
<td>084 of 06/05/11</td>
<td>400.00</td>
<td>-</td>
<td>400.00</td>
<td>Clement Amponsah</td>
</tr>
<tr>
<td>085 ‘ ‘ ‘ ‘ 29/06/11</td>
<td>840.00</td>
<td>-</td>
<td>840.00</td>
<td>George Kofi Abbey</td>
</tr>
<tr>
<td>122 ‘ ‘ ‘ ‘ 29/06/11</td>
<td>840.00</td>
<td>-</td>
<td>840.00</td>
<td>Joyce Opoku</td>
</tr>
<tr>
<td>123 ‘ ‘ ‘ ‘ 29/06/11</td>
<td>840.00</td>
<td>-</td>
<td>840.00</td>
<td>Prosper B. Domoh</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,530.00</strong></td>
<td><strong>-</strong></td>
<td><strong>3,530.00</strong></td>
<td></td>
</tr>
</tbody>
</table>

1042. To ensure the prompt recovery of the outstanding advances we urged management to specify in writing the periods within which each recipient should complete the repayment of advances received and proceed with recovery. In the absence of this, the responsible officials should be held liable to refund the amount involved to chest.

DISTRICT HEALTH ADMINISTRATION – MANKRANSO

Outstanding salary advance – GH¢200.00

1043. Regulation 113 of FAR requires that recoveries of advances granted should commence from the month following that in which the advance was granted.
1044. On the contrary, a total amount of GH¢200.00 granted as advance to Courage Anku vide PV No. 0715208 of 27 July 2010 had not been refunded as at the close of audit.

1045. We requested management to recover the outstanding amount from the beneficiary and make available for audit verification the particulars of the refund. In the absence of this, the responsible officials should be held liable to refund the amount involved to chest.

**Fuel not accounted for – GH¢2,851.61**

1046. We noted that fuel amounting to GH¢2,851.61 purchased during the period 3 March to 25 December 2010 by the Mankranso District Health Administrator were not recorded in the vehicle log book in violation of Chapter 16 Section 1604 of Store Regulation 1984.

1047. The lapse was due to poor supervision over the work of the driver and the failure by management to maintain a vehicle log book for the official vehicle. Under the circumstance, audit could not ascertain the genuineness of the alleged fuel purchases.

1048. We urged management to as a matter of urgency procure a vehicle log book to record future fuel purchases. Management should also provide evidence of the utilisation of the alleged fuel purchases.
costing GH¢2,851 failure of which it should be surcharged with the amount.

**NATIONAL HEALTH INSURANCE SCHEME – KUNTANASE**

**Un-supported payments – GH¢515,599.84**

1049. Section H of the Financial Manual of the National Health Scheme states that payments should be made only after the original voucher and all relevant and adequate supporting documents have been processed and approved.

1050. Contrary to the above requirement, we observed during our audit that a total of 87 paid vouchers with a total face value of GH¢515,599.84 paid during the period 11 March, 2010 to 24 April 2010 were not supported with the relevant receipts and other expenditure supporting documents.

1051. To avoid duplicated payments, manipulations and other improprieties which the non attachment of paid invoices/receipts and other related expenditure documents to payment vouchers can generate, we entreated the Accountant to ensure due compliance with the laid down regulations.

1052. We requested management to provide audit with relevant expenditure documents in support of the payments failure of which the total amount of GH¢515,599.84 involved shall be retrieved to chest.
Unpresented value books – 400 GCRs

1053. We noted during our audit that the Accountant persistently issued new value books to Revenue Collectors without ensuring that previous ones issued had been accounted for. The practice resulted in 400 value books (GCRs) of undetermined value remaining in the custody of Revenue Collectors of the Scheme which they failed to present for audit.

1054. Misappropriation of revenue collected which could result from the failure by revenue collectors to present their value books for examination could result in loss of funds to the scheme. The acts also constitute major sources of revenue leakages and unauthorised borrowing which prevent the Scheme from realising its revenue targets.

1055. Weak supervision by superior officers and the failure by Revenue Collectors to comply with laid down regulations accounted for the lapse which resulted in the Scheme losing substantial revenue that should have accrued to the Scheme. Management did not respond to the observations raised by the audit team.

1056. We urged management to retrieve the unpresented value books from the collectors. Disciplinary action should also be taken against the erring officials to serve as a deterrent to others.
HEALTH CENTRE – ABOFOUR

Purchases not routed through store records – GH¢1,868.00

1057. Our review of store records revealed that items valued at GH¢1,867.95 were purchased but not recorded in the store ledger before issuance, contrary to Section 0522 of the Store Regulation 1984. Failure to record items purchased could lead to diversion of the items for unintended purposes. Our follow up however confirmed that the items were received and used for the intended purpose.

1058. We recommended to management to record all store items purchased in the store ledger before usage.

OFFINSOMAN MUTUAL HEALTH INSURANCE SCHEME - OFFINSO

Procurement without alternative quotations – GH¢37,323.00

1059. We noted that purchases worth GH¢37,323.49 were made by management without obtaining alternative quotations contrary to Section 43(1) of the Public Procurement Act, 2003. The anomaly made it difficult for audit to ascertain whether fair prices were obtained. The omission could compromise transparency in the purchases made.

1060. We held the Scheme Manager responsible for the lapse and urged management to ensure compliance with the regulation in future for the purpose of obtaining value for money.
**Bulk issues of items to the Scheme Manager – GH₵26,213.00**

1061. We noted that contrary to Section 32(2) of the FAA, 2003, stores valued at GH₵26,213.10 were issued in bulk to the Scheme Manager between March 2010 and May 2011. The anomaly persisted because of weaknesses in the store process which did not ensure the use of the requisition system to access needed store items.

1062. We urged management to desist from issuing stores in bulk to the Scheme Manager and allow departmental heads to request for their required stores direct from the store with prior approval of the Manager. We also requested that the Scheme Manager should account for the disposal of the items valued at GH₵26,213.10 issued in bulk to him or be surcharged with the amount involved.

**ST. PATRICK’S HOSPITAL – MAASE OFFINSO**

**Unremitted tax deducted – GH₵15,805.46**

1063. Our audit disclosed that 5 percent withholding tax deductions totalling GH₵15,805.46 were not remitted to the Internal Revenue Service as required by Section 87(1) of the Internal Revenue Act, 2000 (Act 592). The law enjoins a withholding agent to pay to the Commissioner a tax that has been withheld within 15 days after the end of the month in which the payment subject to the withheld tax is made.
1064. Management of the hospital attributed its failure to remit the amount withheld to the Ghana Revenue Authority (GRA) to National Health Insurance Authority’s failure to re-imburse its claims. We found the explanation untenable since the tax was withheld from funds that had already been released for the purchases made.

1065. We recommended immediate payment of the amount to IRS or the Scheme Manager should be held liable to pay the sum to the IRS. We also urged management to ensure that all taxes deducted are promptly remitted to IRS.

MATERNAL AND CHILD HEALTH HOSPITAL – KUMASI

National Health Insurance Authority indebtedness to the Hospital – GH¢72,122.21

1066. Section 38(1) of the National Insurance Regulation 2004 (LI 1809) requires that a claim for payment of health service submitted to a Scheme be paid within four weeks after the receipt of the claim from the health care facility unless there is a legal impediment.

1067. Our audit revealed that the Subin Health Insurance Scheme owed the hospital a colossal amount of GH¢72,122.21 in respect of services rendered to patients registered under the Scheme.
1068. The lapse was as a result of the undue delays that characterised the payment of monthly claims submitted to the Scheme by the Hospital for services rendered on behalf of the scheme.

1069. The delays affected the cash flow of the hospital and negatively impacted on health care delivery by the hospital.

1070. Management responded that it had been prompting the Scheme persistently without favourable results and that the issue was a national problem.

1071. That notwithstanding, we urged management to follow up on the recovery of the total amount of GH¢72,122.21 from the Subin Health Insurance Scheme.

**Purchases from Non-VAT registered companies – GH¢9,946.00**

1072. The Value Added Tax Act, 1998 (Act 596) requires all departments to procure their goods and services from only VAT registered companies to ensure that VAT Service receives the appropriate 15% tax collectible on the purchases.

1073. On the contrary, we noted that purchases worth GH¢9,946.00 were made from Non-VAT registered companies without providing justification for the action.
1074. Non-compliance with the law resulted in the loss of total tax revenue of GH¢966.90 to the State. Management explained that the items involved were non drug consumables in the category of drug which were exempted from VAT charge.

1075. We recommended to management to deal only with VAT registered agents in compliance with the VAT Act.

**NURSES TRAINING COLLEGE – KUMASI**

**Outstanding rent – GH¢12,887.00**

1076. The Ministry of Finance directed that all occupants of government residence should pay 10% of their gross basic salary as rent and it should be deducted at source at the end of every month from their salary.

1077. On the contrary, our review of the rent file disclosed that six tutors of the college owed rent for a period of 12 months to the tune of GH¢12,887.00.

1078. The failure by the occupants to submit bungalow allocations letters to the Accounts Section to facilitate input preparation to effect the deductions at source by the Controller and Accountant –General’s Department (CAGD) was the cause of the anomaly.
1079. The rent of GH¢12,887.00 remained outstanding because management failed to impress upon the defaulters to honour their word to make physical payment on monthly installments.

1080. The default denied the State immediate access to non-tax revenue of GH¢12,887.00 needed for development and maintenance of State buildings.

1081. We recommended to management to enforce recovery of the outstanding rent from the defaulters without further delay.

1082. Management responded that inputs had been submitted to the CAGD and deductions at source had been effected. The arrears were however not taken care of. Efforts were under way to ensure the full recovery of the outstanding rent from the defaulting staff and same paid to the treasury collections account.

**OBUASI GOVERNMENT HOSPITAL – OBUASI**

**Misappropriation of revenue – GH¢5,600.00**

1083. In contravention of Regulation 15(1) of the Financial Administration Regulation, 2004 (L.I. 1802) the Cashier failed to account for revenue of GH¢5,599.60 she received from revenue collectors.
1084. The Senior Accountant failed to ensure that the Cashier paid all revenue collected promptly into the Hospital’s bank account.

1085. We urged the Senior Accountant to ensure that all revenue collected was promptly paid into the hospital’s accounts before subsequent disbursement. We further recommended that the Cashier should be made to account for the GH¢5,599.60 or be surcharged with the amount.

**Indebtedness to the Hospital - GH¢262,951.25**

1086. A review of the debtors ledger disclosed that five institutions/organisations owed the hospital a total amount of GH¢262,951.25 as at the end of 31 August 2011.

1087. The inability of these Institutions/Organisations to pay promptly for services rendered them adversely affected the cash flow position of the hospital. The situation compromised the efficient delivery of services by the hospital because of lack of funds to purchase drugs and non-drug items.

1088. We recommended to management to vigorously pursue recovery of the outstanding amount and institute effective measures for the recovery of funds for services rendered.
Failure to document stores purchased GH₵3,875.00

1089. Stores valued at GH₵3,875.00 were not recorded in the store ledger before usage, contrary to Section 183(3) of Part VI of the FAR.

1090. Failure to document stores received could create avenues for the diversion of store items purchased and result in financial losses to the Hospital.

1091. We requested management of the Hospital to provide documentary and physical evidence on the disposal of the said purchases failure of which the authorising officer for the expenditure should be surcharged with the amount. We also urged the Storekeeper to always document all purchases as evidence of the purchases made in the interest of the Hospital.

Unearned salary – GH₵3,601.00

1092. Contrary to Section 297(1b) Part IV of the Financial Administration Regulations, 2004 Eugenia Adjetey was paid an unearned salary of GH₵3,601.00 when her application for study leave without pay was not approved before she left for school.

1093. The failure on the part of the Accountant to immediately delete the name from the payroll resulted in the payment of the amount of GH₵3,601.00 and other statutory deductions to other institutions like
SSNIT. Management indicated that the bank had been informed to transfer the unearned salary into the Controller and Accountant General’s Suspense Account and the lady’s name deleted from the payroll.

MUNICIPAL MUTUAL HEALTH INSURANCE SCHEME, OBUASI

Indebtedness of the Scheme to health facilities – GH¢2,051,747.95

1094. The Scheme Manageress failed to pay claims amounting to GH¢2,051,747.95 submitted by healthcare facilities within four weeks after the receipt of the claims as stipulated in Section 38(1) of the National Insurance Regulation, 2004 (LI 1809).

1095. The delayed payments locked up the working capital of the health care facilities, who were denied ready access to funds to enable them continue to deliver efficient quality services. The lapse has the potential of bringing the credibility of the scheme into disrepute and result in patrons losing confidence in the Scheme.

1096. We recommended and the Scheme Manageress agreed to liaise with the N.H.I.A. to promptly release funds to pay for the outstanding debt of GH¢2,051,747.95 and subsequent services rendered by the health care facilities on behalf of the Municipal Mutual Health Scheme.
HEALTH ASSISTANT TRAINING SCHOOL, KOKOFU – ASHANTI

Payments without supporting documents – GH¢18,633.77

1097. Regulation 39(2c) and (d) of FAR 2004 (LI 1802) makes it mandatory for spending officers to provide full accounting details of every financial transaction made.

1098. In contravention of the above stated Regulation, we noted that the authorities of the Health Assistant Training School, Kokofu made 36 payments totalling GH¢18,633.77 between February 2010 and April 2011 without supporting the payments with relevant documentary details of the expenditure.

1099. We were therefore unable to ascertain whether the GH¢18,633.77 was expended for authorised purposes. The omission could result in fraudulent payments and subsequent loss of public funds.

1100. We recommended that the payments should be substantiated with relevant supporting documents failing which the amount should be recovered from the authorising and certifying officers.
ABORE HEALTH CENTRE – MANSO ABORE

Procurement from Non-VAT registered entities – GH¢6,122.00

1101. Section 30(2) of the Financial Administration Act, 2003 (Act 654) makes it obligatory on government institutions to procure goods from only VAT registered person or entities. Departments that require an exemption for any specific case shall apply to the Minister with the necessary justification.

1102. Contrary to this requirement, management procured goods in the sum of GH¢6,122.00 on five payment vouchers between February 2011 and August 2011 from non-VAT registered entities. The failure on the part of management to adhere to the laid down Regulation denied the State total VAT revenue of GH¢918.30.

1103. We urged management to provide the VAT invoices covering the payments for our inspection failing which the Spending Officer should be surcharged with GH¢918.30 being the tax revenue denied the State.

MUTUAL HEALTH INSURANCE SCHEME – MANSO NKWANTA

Unpresented General Counterfoil Receipts Books – 53

1104. Part VIII Regulation 214(1) of FAR 2004 states that “a head of department shall ensure the effective and efficient control of stocks of
value books”. On the contrary, 53 General Counterfoil Receipt books (GCRs) issued out for revenue collection were not produced for our inspection during our audit.

1105. The suppression of the GCRs by Revenue Collectors and their failure to account for revenue collected was as a result of poor supervision by the Accountant. The Scheme was denied ready access to the use of the revenue that had been collected with the GCRs which adversely affected the cash flow of the Scheme.

1106. We asked the Accountant to produce the 53 GCRs for our examination and take disciplinary action against the Revenue Collectors who suppressed the value books. We also urged management to strengthen controls over value books and ensure that new value books are only issued when completed ones had been fully accounted for.

MUNICIPAL MUTUAL HEALTH INSURANCE SCHEME – KONONGO/ODUMASE

Releases not acknowledged – GH₵5,211,691.00

1107. Regulation 15(1) of the FAR 2004 (LI 1802) requires that any public officer or revenue collector who collects or receives public funds and trust moneys shall issue official receipts for them and pay them into the relevant public bank account within twenty-four hours.
1108. We noted during our audit that a total amount of GH¢5,211,690.76 received by the Scheme from its headquarters were recorded in the Scheme’s cash book without issuing official receipts to support the entries.

1109. Laxity on the part of the Accountant caused the anomaly. The lapse could result in the misappropriation of the funds of the Scheme in the absence of records to show exact amounts received.

1110. Management responded that the amounts involved were claims and administration expenses received from NHIA and assured to issue receipts in acknowledgement. As at the time of compiling this report, management had not yet issued the receipts.

**Unpresented payment vouchers – GH¢76,694.17**

1111. Part I Regulation 1(b) of the FAR 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 transactions and shall produce records of all transactions for inspection when called upon to do so by the Auditor-General or any other officer authorised by him.
1112. Contrary to this regulation, we noted that 26 paid vouchers involving a gross amount of GH¢76,694.17 paid from Administration accounts were not presented for audit.

1113. Failure to adhere to the regulation resulted in the lapse which could lead to misappropriation of funds belonging to the Scheme.

1114. We urged management to produce the outstanding payment vouchers for our examination failing which the amount of GH¢76,694.17 involved should be recovered from the Spending Officer and his Accountant and paid into the Scheme’s account. We further urged the Scheme Manager to strengthen supervision over the staff to enhance accountability.

Purchases not routed through store records – GH¢41,538.15

1115. Financial Administration Act 2003 (Act 654) Section 35 (2) (a) states that “accountability is discharged when government stores have been consumed in the course of public business and records are available to show that government stores have been consumed.

1116. We noted during our review of procurement transactions and records that management of the Scheme failed to record the receipt and purchases of items valued at GH¢41,538.15 in the store ledgers.
1117. The maintenance of store records serves an important internal control function in the purchases, receipt, custody and issue of purchases in public institutions, the absence of which compromises transparency and accountability.

1118. In the absence of the required store records, we could not ascertain how purchases worth GH¢41,538.15 were utilised in the interest of the scheme.

1119. We recommended to management to comply with store procedures and regulations. Furthermore, we requested management to produce documentary evidence on the utilisation of the purchases or the amount involved should be recovered from the responsible officials.

**Unsupported payments – GH¢17,347.00**

1120. Our examination of payment vouchers revealed that total payments of GH¢17,346.82 made on six payment vouchers in respect of goods and services allegedly purchased or received were not supported with expenditure details such as invoices and receipts to authenticate the transactions.

1121. The lapse could lead to misapplication and or misappropriation of funds of the Scheme.
1122. We asked management to produce expenditure details including invoices and receipts for our examination or the amount of GH¢17,346.82 should be recovered from the Spending Officer and the Accountant and paid into the Scheme’s account.

1123. At the time of compiling this report, management had not obtained and made available for audit examination, the relevant expenditure supporting documents.

**Unpresented GCRs – 62 Books**

1124. Part VIII Regulation 214(1) of the FAR 2004 (LI 1802) states that ”a head of department shall ensure the effective and efficient control of stocks of value books”.

1125. Contrary to the Regulation quoted above, we noted during our audit that 62 General Counterfoil Receipt books issued out for revenue collection were not made available by management for our inspection.

1126. Laxity on the part of management caused the anomaly. The lapse could lead to the loss of revenue to the Scheme and the State.

1127. We requested management to ensure that the outstanding value books were retrieved from the defaulting Revenue Collectors or the matter should be reported to the Police for further recovery action.
We further urged management to exercise circumspection in the issue of value books by ensuring that new value books are only issued when completed ones had been fully accounted for.

MUTUAL HEALTH INSURANCE SCHEME – JUASO/ASHANTI

Failure to acknowledge receipt of releases from NHIA – GH₵1,123,307.00

1128. Part II Regulation 15(1) of the FAR 2004 (LI 1802) requires that any public officer or revenue collector who collects or receives public funds and trust moneys shall issue official receipt, except in exceptional circumstances to be identified by the Minister.

1129. We noted during our audit that the Accountant of the Scheme at Juaso failed to issue official receipts to cover a total amount of GH₵1,123,307.31 received by the Scheme from the NHIS in respect of claims and administration expenses. The receipts were though recorded in the Scheme’s cash book. The anomaly violated Regulation 15(1) of L.I 1802 which requires the issuance of receipts to acknowledge funds received.

1130. The anomaly could result in the misappropriation of funds of the Scheme.
1131. We recommended to the Scheme Manager to ensure that receipts were issued to cover all releases received in compliance with the Regulation.

**Unpresented payment vouchers – GH¢3,503.00**

1132. Regulation 1(b) of the Financial Administration Regulation, 2004 (LI 1802) requires any public officer who is responsible for the receipt, custody and disbursement of public and trust moneys to keep proper records of all transactions and shall produce records of all transactions for inspection when called upon to do so by the Auditor-General or any other officer authorised by him.

1133. Management of the scheme failed to present for our scrutiny two payment vouchers for payments totalling GH¢3,503.02. The payment vouchers are listed as follow;

<table>
<thead>
<tr>
<th>Date</th>
<th>PV No.</th>
<th>Amount</th>
<th>Payee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/1/11</td>
<td>-</td>
<td>1,774.02</td>
<td>Rockland Bay Trd.</td>
</tr>
<tr>
<td>5/1/11</td>
<td>-</td>
<td>1,729.00</td>
<td>Raymik Ent.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>3,503.02</strong></td>
<td></td>
</tr>
</tbody>
</table>

1134. We urged management to produce the payment vouchers for audit scrutiny or the amount of GH¢3,503.02 being the face value of
the vouchers should be recovered from the responsible officials and paid into the Scheme’s Account.

**Outstanding Health Insurance Premium – GH¢3,330.00**

1135. Our review of health insurance premium payments disclosed that 500 beneficiaries were sponsored and registered for the Health Insurance Scheme by the Asante-Akim South Constituency Member of Parliament (MP), at a promotional rate of GH¢13.00. The MP however paid GH¢3,170.00 out of a total amount of GH¢6,500.00 due for the registration of the 500 persons leaving an outstanding balance of GH¢3,330.00.

1136. Management of the Scheme had therefore refused to formalise the registration of the 500 persons due to the unpaid balance of GH¢3,330.00.

1137. We recommended to management to appeal to the MP to settle the outstanding premium of GH¢3,330.00 to enable the 500 persons to be registered.

**Unpresented GCRs – 45 books**

1138. Examination of the stock register of value books disclosed that 45 General Counterfoil Receipt (GCR) books issued for revenue collection were not available for inspection.
1139. Poor supervision by the Scheme Manager caused the lapse which could be a ploy for the suppression or misappropriation of revenue collected with the value books to the detriment of the Scheme.

1140. We requested management to produce the 45 GCRs or the guarantors of the revenue collectors involved should be contacted to recover the value books for audit scrutiny. We further urged management to be circumspect in the issuance of value books by ensuring that new value books are only issued when completed ones had been completed and fully accounted for.

**BOMPATA HEALTH CENTRE – BOMPATA**

**Indebtedness of the Health Centre to the Regional Medical Stores – GH¢73,163.41**

1141. Our review of the Bompata Health Centre’s debt portfolio revealed that a total amount of GH¢73,163.41 was owed to the Regional Medical Stores in respect of drug and non-drug purchases made. Below are the details:

<table>
<thead>
<tr>
<th>Year</th>
<th>Purchases</th>
<th>Payments</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GH¢</td>
<td>GH¢</td>
<td>GH¢</td>
</tr>
<tr>
<td>2009</td>
<td>-</td>
<td>-</td>
<td>37,763.36</td>
</tr>
<tr>
<td>2010</td>
<td>98,892.95</td>
<td>28,500.00</td>
<td>108,156.31</td>
</tr>
<tr>
<td>2011</td>
<td>22,021.20</td>
<td>57,014.10</td>
<td>73,163.41</td>
</tr>
</tbody>
</table>
1142. The huge indebtedness was attributed to irregular payments to the Regional Medical Stores for drugs supplied to the Health Centre as a result of dwindling revenue inflows from the sale of drugs.

1143. We recommended that the District Director of Health Services and the District Pharmacist should strengthen supervision over the procurement, recording and issue of drugs to avoid revenue leakages and to enable the Health Centre make regular payments to the Regional Medical Stores for supplies received.

**Purchases of drugs not taken on ledger charge – GH¢78,999.55**

1144. Part IV Regulation 35(2)(a) of the Financial Administration Act, 2003 (Act 654) requires that accountability be discharged when government stores have been consumed in the course of public business and records are available to show that Government stores have been consumed.

1145. Examination of records on drugs purchase for 2010 revealed that drugs valued at GH¢78,999.55 purchased from the Regional Medical Stores, Kumasi were neither recorded in the Stores Received Advice nor the store ledgers before they were put into use.

1146. Consequently, we were unable to ascertain whether the drugs purchased were used for their intended purposes. The lapse could
result in the diversion of the drugs or the said drugs may not be purchased at all.

1147. We requested management to provide documentary and physical evidence on how the alleged drugs purchased were used for their intended purposes. In the absence the total payment of GH¢78,999.55 should be retrieved from the responsible officials and paid to chest

1148. We also urged management to ensure that drugs and all other purchases made are taken on ledger charge before they are issued on authority for use.

**Misappropriation of revenue - GH¢1,737.00**

1149. We noted that revenue totalling GH¢1,736.90 collected between 2009 and 2011 was not paid into the Health Centre’s bank account by the Revenue Collector, Mr. Augustine Amaning.

1150. Weak supervision of the revenue collector by the Medical Assistant resulted in the misappropriation of the total revenue of GH¢1,736.90.

1151. We recommended to management to recover the amount of GH¢1,736.90 from the revenue collector including interest charges at
the prevailing Bank of Ghana interest rate and pay same into the Centre’s account.

**NATIONAL HEALTH INSURANCE SCHEME – MANHYIA SUB METRO MUTUAL HEALTH INSURANCE SCHEME**

**Payments into unauthorised bank account - GH¢327,171.00**

1152. Part VI Section 80 of the National Health Insurance Act provides that funds of the scheme shall be paid into such accounts as may be determined by the Council with the approval of the Controller and Accountant General.

1153. Regulation 47(3) of the FAR (2003) LI 1802 also stipulates that any public officer who operates a bank account for a department not authorised by the Controller and Accountant General is in breach of financial discipline.

1154. We noted on the contrary that the Manhyia sub metro office of the scheme opened a new Bank Account No.621113001537 into which payments totalling GH¢327,170.70 were made without prior approval from the Controller and Accountant-General.

1155. The anomaly could result in the misappropriation or the diversion of funds meant for the scheme since the operation of the
account was not known to the Controller and Accountant General and the Council.

1156. We recommended that management should obtain retrospective approval from the Controller and Accountant-General through the NHIA to regularise the new bank account.

KOMFO ANOKYE TEACHING HOSPITAL
Queried/Rejected claims – GH¢2,078,430.00

1157. The health bills of patients registered with Mutual Health Insurance Schemes are forwarded to their respective Health Insurance Schemes for refund and reimbursement except when services rendered are not covered by the insurance premium. The Health Insurance Act, 2003, Act 650, Section 71 (3) (a-b) states that “A Scheme may deny or reduce the tariff claim of a healthcare provider where the claim is false or the healthcare provider without just cause fail to comply with the provision of the Act.

1158. Our review of claims records of Komfo Anokye Teaching Hospital disclosed that claims worth GH¢2,078,429.82 were dishonoured by the Health Insurance authority and therefore not paid for various deficiencies that were found in the claims submitted.
1159. The non-payment of the huge claims prepared and submitted by the Hospital could be attributed to lack of due care on the part of officials of the Hospital in compiling and computing the claims in violation of the insurance policy and guidelines.

1160. We recommended and management agreed to impress on officers who handle such transactions to ensure that claims are properly compiled and computed to avoid non-payment of claims.

**Unrecovered loans and advance – GH¢47,409.00**

1161. Regulation 110 of LI 1802 requires that the head of department shall ensure that advances issued are duly recovered while Regulation 112 also details out the mode of recovery.

1162. We noted from examination of loans/advance records that between January 2007 and July 2010, 91 officers of the Hospital who were indebted in the sum of GH¢47,409.33 failed to settle their indebtedness.

1163. The failure by management to recover the outstanding loans/advances was due to laxity in the enforcement of the regulations and the terms of repayment agreements which resulted in the poor recovery rate of loan/advances.
1164. We urged management to enforce repayment agreements to ensure that all outstanding loans and advances are retrieved to chest.

**Duplicated payments – GH¢2,066.00**

1165. The Accountant of the hospital made duplicated payments amounting to GH¢2,066 in respect of the payment for the repair of the Hospital’s X’ray machine. The overpayment resulted from the Accountant’s failure to exercise due care in effecting payments to the service provider (Mediwise Ltd. Co.).

1166. We requested and management agreed to recover the overpayment of GH¢2,066.00 from Mediwise Company to chest. Management would also be circumspect in future payments.

**Loss of tax revenue for failure to purchase from VAT registered entities GH¢71,727.00**

1167. Regulation 183(4) of L.I. 1802 requires all public institutions to procure their stores from only VAT registered entities to facilitate the collection of VAT revenue for national development.

1168. On the contrary, the hospital management purchased various non-VAT exempt items from non VAT registered entities in violation of the VAT law which resulted in the loss of total tax revenue of GH¢71,724.45 to the State.
1169. We entreated management to ensure that it complies with the VAT law to generate the appropriate tax revenue for the State or be surcharged with the attendant loss of tax revenue for non compliance with the law. We also recommended that management should recover the outstanding tax revenue of GH¢71,724.45 from the defaulting entities.

**Payment of unearned salaries – GH¢161,672.10**

1170. We noted the payment of unearned salary amounting to GH¢161,672.10 to 31 separated staff of the hospital from February 2010 to February 2011. The anomaly was as a result of inefficient payroll management which also resulted in the loss of the amount to the State.

1171. We recommended to management to recover the illegal payments from the separated staff and ensure that its Human Resource Division improves on its operations to forestall such payments in future.

1172. Management assured us it would regularise the situation.

**Default in the payment of rent – GH¢88,882.94**

1173. Our audit disclosed that 601 members of staff of the hospital defaulted in the payment of rent in the sum of GH¢88,882.94. The
default denied the hospital and the State ready access to revenue for the maintenance of the rental units.

1174. Poor rent collection mechanisms accounted for the situation which constituted financial loss to the State.

1175. We recommended to management to recover the rent due from all defaulting staff and same paid to the appropriate account.

**DISTRICT HEALTH ADMINISTRATION – SEFWI AKONTOMBRA**

**Purchases without alternative quotations – GH¢5,474.85**

1176. Section 43(1) of the Public Procurement Act, (Act 663) requires heads of Government entities to source for as many quotations as possible but for at least a minimum of three in the purchase of goods, services and works within its threshold.

1177. Examination of payment vouchers for procurement disclosed that the requirements of the Procurement Act were not complied with in the execution of three purchases involving the amount of GH¢5,474.85. In the transactions, management failed to request for at least three price quotations before choosing the least evaluated price in each instance.
1178. The failure of the District Director of Health Services (DDHS) to comply with the PPA. 2003 denied the District Health Administration the optimum value that would have accrued to it in the purchase.

1179. We recommended to management to adhere to the provisions of the law in subsequent procurement.

Withholding tax not remitted – GH¢391.85

1180. Section 11 of the Income Tax Amendment Law and directives from the Controller and Accountant General require all government departments to deduct 5% withholding tax at source from all payments made to suppliers of goods and services and pay same to the Domestic Tax Revenue Office of the Ghana Revenue Authority.

1181. We noted however that a cumulative amount of GH¢391.85 deducted from payments totalling GH¢7,460.75 made to suppliers was not remitted to the Internal Revenue Service (IRS) Office.

1182. Management’s failure to adhere to the law denied the State the needed revenue for its developmental programmes.

1183. We recommended that the withholding tax collected should immediately be paid to IRS and the receipts presented for our
verification, failure of which the District Accountant should be held liable for payment of the amount and any penalty that might have accrued thereon.

**NSAWURA HEALTH CENTRE – NSAWURA (SEFWI AKONTOMBRA)**

**Un-supported payments—GH¢1,135.00**

1184. We noted that a total amount of GH¢1,135.00 was paid by the Health Centre via nine payment vouchers for the supply of goods and services. However, official receipts and other expenditure supporting documents were not attached to the payment vouchers to authenticate the transactions.

1185. The omission contravened the provisions of Regulation 39 (2c) of FAR 2004 which requires that transactions are properly authenticated to show that amounts payable are due.

1186. The situation occurred because the Accountant failed to ensure that receipts were obtained for the payments made. We could therefore not ascertain whether the amount involved was spent in the interest of the Health Centre.

1187. We recommended that receipts and other expenditure supporting documents should be produced for audit scrutiny, failing
which the Accountant and the Medical Assistant should be held liable for the amount of GH¢1,135.00 paid.

**Purchase of drugs from private sources not supported with non-availability Certificate – GH¢2,438.75**

1188. Drugs worth GH¢2,438.75 were purchased from private pharmacy and chemical shops without obtaining non-availability certificates (NAC) from the Regional Medical Stores.

1189. The practice contravened the Ministry of Health Circular No. CRIG/26/805 which states that “it is against present internal procedures to buy drugs and other non drugs medical items from private sources without first checking on their availability or otherwise from Regional Medical Stores”.

1190. If the practice is allowed to continue, it could lead to the purchase of sub standard drugs since it cannot be vouched that drugs purchased from private sources are certified by the Food and Drugs Board unlike drugs from the Regional Medical Stores which should mandatorily receive certification from the Food and Drugs Board.

1191. We recommended that management should adhere to the Ministry of Health circular in all future purchases.
Unpresented payment vouchers – GH¢1,691.00

1192. The Accounts Officer failed to produce a payment voucher raised for the payment of GH¢1,691.00 for audit examination in contravention of Regulation 262 of FAR, 2004 which requires a head of department to ensure that financial and accounting records are preserved in good order and in a manner that facilitates ready access for reference. We were therefore unable to confirm the authenticity of the transaction.

1193. We further noted that the Accountant failed to record the payment voucher in relevant accounting records.

1194. We recommended to management to produce the payment voucher for our verification or the total amount should be recovered from the Medical Assistant and the Accountant.

DISTRIBUTION HEALTH DIRECTORATE – HALF ASSINI

Unsupported payments – GH¢138,411.67

1195. Our audit of the Half Assini Health Directorate revealed that 12 Health Centres /Facilities failed to support payments totalling GH¢138,411.67 with the relevant expenditure documents. The lapse occurred because of ineffective review process by the Directorate to ensure that the transactions were made in line with financial regulations.
1196. We recommended that the Directorate should ensure that the payments are supported with the requisite expenditure documents or the amount should be retrieved and refunded to chest. Management assured to implement our recommendation.

**Misapplication of drugs fund – GH¢26,067.00**

1197. Paragraph 5, Section 14(4) of the Ministry of Health Accounting, Treasury and Financial Reporting Rules and Instructions states that “with respect to payment from Health Centre’s drugs account only the payment and purchases column in the IGF departmental cash book should be used since all payments from this account should be for the purchase of medicines only”.

1198. Our audit of the Health Directorate disclosed that between July 2010 and November 2011, 10 Health facilities within the Half Assini District paid a total amount of GH¢26,067.27 from the drug account for service activities, because of non-compliance with the above instruction. The practice could result in the depletion of the drug account of the facilities involved.

1199. We recommended to management to recover the total amount and pay same into the drugs account.
Unpresented payment vouchers – GH¢37,913.00

1200. Contrary to Regulation 1 of FAR, 2004, 18 payment vouchers raised for total payments of GH¢37,913.26 were not presented by the District Health Directorate for audit scrutiny.

1201. The lapse resulted from weak supervisory control over the work of the schedule officer by management. In the absence of the payment vouchers, audit could not confirm the authenticity of the transactions involved.

1202. We have recommended to management to produce the payment vouchers for our examination or the amount should be refunded to chest by the accounts officer.

SAMENYE HEALTH CENTRE – SAMENYE

Purchases without quotations – GH¢8,142.40

1203. Contrary to Section 43 (1) of the Public Procurement Act, 2003 (Act 663) the Samenye Health Centre paid a total amount of GH¢8,142.40 on six payment vouchers for the supply of goods and services without first requesting for at least three quotations from different sources.

1204. Management’s failure to enforce the provisions of the Procurement law denied the Directorate the benefits of value for money in the transactions.
1205. We recommended to management to ensure that future procurement is made in line with the provisions of the Procurement law.

**YENDI MUNICIPAL HOSPITAL**

*Failure to account for Family Planning Unit proceeds – GH₵916.00*

1206. Regulation 18 of the Financial Administration Regulation (FAR), 2004 (L.I. 1802), requires departments which have legislative approval to retain portions of their Internally Generated Funds to first lodge the retained funds in gross into a bank account of the department before disbursement can be made.

1207. Contrary to the above requirement, our review of the Family Planning Unit’s records at the Yendi hospital disclosed that an amount of GH₵916.25 generated from the sale of family planning devices during the period March 2011 to November 2011 was not accounted for. There were no pay-in-slips to show that 50% retention was paid into the hospital’s account nor were there receipts to prove how the money was disbursed by the unit. Also, the Nurse in-Charge could equally not produce evidence that the 50% payable to the Public Health Nurse at the Municipal Health Directorate was paid.
1208. Failure on the part of management to comply with the Regulation resulted in the anomaly.

1209. The practice if allowed to continue could result in the diversion of funds into private pockets.

1210. We recommended that the relevant receipts should be obtained from the Municipal Health Directorate failing which the total amount of GH¢916.25 should be recovered from the Nurse in-charge.

**Purchase of fuel not accounted for – GH¢1,658.00**

1211. Fuel purchases amounting to GH¢1,657.69 made by the Municipal Hospital during the period under review were not recorded in relevant vehicle logbooks and consequently not accounted for. This practice violated Section 1694 of Store Regulation 1984.

1212. The lapse was due to the Transport Officers failure to examine the vehicle logbooks of the drivers periodically to ensure that they were being maintained properly.

1213. As a result of the anomaly we could not ascertain and determine the genuineness of the said purchases and how they were utilised to the benefit of the hospital.
1214. We requested management to produce for audit verification records on the use of the alleged fuel purchases valued at GH¢1,657.00 or the amount should be recovered from the Medical Superintendent and the Transport Officer.

**Purchases of drugs from private sources without non-availability certificates from the Regional Medical Stores – GH¢153,278.00**

1215. Our audit of the Yendi Municipal Hospital drug account disclosed that drugs worth GH¢153,278.00 were purchased from private pharmaceutical companies without obtaining non-availability certificates from the Regional Medical Stores, contrary to the Ministry of Health Circular No. CR 19-26/805.

1216. Failure on the part of management to comply with the instruction of the Ministry caused the anomaly.

1217. The risk here is that the practice could result in purchases of sub-standard drugs since it cannot be guaranteed that all drugs sold by the private drug stores are certified by the Food and Drugs Board.

1218. We recommended to management to comply with the Ministry’s circular and ensure that all drugs are purchased from the RMS or non-availability certificates are obtained before procuring from private companies if the need arises.
Purchases without competitive bidding – GH¢1,551.00

1219. Section 43(1) of the Public Procurement Act 2003 (Act 663) enjoins Procurement Officers to obtain quotations from at least three different sources for purposes of making purchases from the most favourable source. Our audit disclosed that the management of the Yendi Municipal Hospital on the contrary procured four items worth GH¢1,551.00 without obtaining alternative quotations for purposes of selecting the most cost effective prices.

1220. The anomaly resulted from management’s failure to enforce the provisions of the Public Procurement Act 2003 (Act 663).

1221. In the above circumstances, we could not ascertain and confirm that value for money was obtained in the purchases made. Uncompetitive procurement could result in financial loss to the State.

1222. We recommended to management to ensure that, in future, all procurement officers obtain at least three price quotations before purchasing from favourable sources to ensure value for money.

YENDI MUNICIPAL HEALTH DIRECTORATE

Fuel purchases not recorded in vehicle logbooks – GH¢8,213.34

1223. Management of the Yendi Municipal Health Directorate of the Ghana Health Services and two of its sub-stations, Bunbong and
Gnani Health Centres failed to account for the utilisation of fuel purchases totalling GH¢8,213.34 by not logging them in the vehicle logbooks. The inaction contravened Store Regulation 1984, Section 1694, which requires vehicle logbooks to be maintained and journeys undertaken recorded and full particulars of receipt of fuel, oil and lubricants entered up daily in the logbook.

1224. Failure on the part of management to comply with the Store Regulation 1984, Section 1694 resulted in the lapse.

1225. We could therefore not ascertain the veracity of the alleged purchases.

1226. We have requested management to account for the usage of the fuel worth GH¢8,213.34.

**ZABZUGU/TATALE DISTRICT HEALTH ADMINISTRATION**

**Unsupported payments – GH¢19,751.00**

1227. Management of the Zabzugu/Tatale District Directorate of Health Services spent a total amount of GH¢19,891.00 from the IGF, Service and Drug accounts, without providing relevant details of expenditure such as invoices and receipts to authenticate the payments.
1228. The omission contravened Regulation 39(c) of the FAR, which enjoins all heads of departments to ensure that transactions are properly authenticated to show that amounts are due and payable. We attributed the anomaly to poor supervision of the Accounts Section by the Director and the Accountant.

1229. The non-attachment of the receipts, invoices and statements of expenditure and reports of activities to payment vouchers renders the transactions incredible and could also result in multiple payments.

1230. We recommended to management to ensure that the necessary expenditure supporting documents to the transactions are presented for audit verification failing which the amount should be recovered from the Director and Accountant.

**NURSING TRAINING COLLEGE – TAMALE**

**Unsupported payments – GH¢24,361.00**

1231. Our examination of financial records revealed that eight paid vouchers for total payments of GH¢11,725.08 made in 2010 and GH¢12,636.07 in February 2011 which together added up to GH¢24,361.15 were not supported with invoices, receipts and statement of claims.
1232. The anomalies violated Regulation 39(c) of FAR, 2004 which requires the head of the accounts section to ensure that transactions are properly authenticated.

1233. The lapse was as a result of weak internal controls, which could lead to fictitious payments, fraud and other financial abuses.

1234. We urged that, the payments totalling GH¢24,361.15 be properly and fully accounted for or the Principal, Madam Mohammed Teshiayio, and the Accountant Mr. Abdulai Mohamadu Sandow, be made to refund the amount to chest.

Cash withdrawals without supporting expenditure documents – GH¢42,150.00

1235. Regulation 43 of the Financial Administration Regulation, 2004 (L.I. 1802) requires that payment shall be made only to the person named on the payment voucher or to their representatives duly authorised in writing to receive the payments.

1236. Contrary to the above provision of the FAR, 2004 (L.I. 1802) management withdrew cash from Barclays Bank, and Ghana Commercial Bank on 31 cheques totalling GH¢42,150.00 without preparing corresponding payment vouchers to provide the details and purposes of the transactions. The withdrawals which were effected
between February and September, 2010 were also not recorded in the cash book.

1237. Poor book keeping and deficient management controls resulted in the anomaly.

1238. We recommended to management to provide evidence on the disbursement of the withdrawals or the Principal, Madam Mohammed Teshiayio, and the Accountant, Mr. Abdulai Mohamadu Sandow should be surcharged with the amount.

Rent payment for hostel not occupied – GH¢5,000.00

1239. Our review of the college’s records revealed that an amount of GH¢5,000.00 was paid as rent advance to a land lord, Mr. Imoro Abdul-Razak on 6 September 2010 for the rental of his house by the Nursing College as a hostel for students.

1240. We were however, not provided on demand the tenancy agreement between the College and the supposed landlord. Our investigations revealed that, the students who were housed in the rented facility vacated it and relocated to the school’s own hostel two weeks after they moved in. Thereafter, information gathered indicated that the rented hostel was occupied by private tenants.
1241. In the circumstances, we recommended that, the total amount of GH¢5,000.00 paid to the landlord should be recovered and paid into the college’s account since the college did not benefit from the expenditure. In default the amount should be retrieved from both the Principal of the college and her Accountant.

**Misappropriation of revenue from sales of Application Forms–GH¢79,960.00**

1242. The college sold 1499 application forms and 500 scratch cards valued at GH¢59,960.00 and GH¢20,000.00 respectively without issuing General Counterfoil Receipts to acknowledge receipt of the amount received from the sales.

1243. Additionally, the total proceeds of GH¢79,960 realised from the sale of the items were not paid into the college’s account. We were informed the sales proceeds were with the former Principal, Madam Mohammed Teshiayio who was not available at the time of our audit.

1244. The unfavorable situation arose because the former Principal of the college refused to adhere to financial rules and regulations.

1245. We recommended to management to retrieve from the former Principal, Madam Mohammed Teshiayio the total amount of GH¢79,960.00 and pay same to chest.
Fictitious payment - GH¢2,500.00

1246. Our audit revealed that an amount of GH¢2,500.00 was raised in the name of Messrs Eco-Naa Enterprise for the payment of a non-existent three storey block. Our investigation disclosed however that the recipient of the amount was one Mr. Salifu Yussif who was paid the amount upon the advice of the Estate Manager. The investigations disclosed that the payment was fictitious.

1247. We requested management to retrieve the payment of the GH¢2,500.00 from the Accountant, Mr. Abdulai Mohamadu Sandow who perpetrated the fraud. Disciplinary action should also be taken against him.

Supply of materials not to specification – GH¢1,017.00

1248. The college awarded a contract to Messrs A.Y. Enterprise to supply galvanized pipes with 70x70x15mm specification valued at GH¢7,345.00.

1249. Upon our physical inspection of the items delivered by the supplier, we noted that the materials were rather of 40 x 20 x 15 mm specification. The market price of the materials supplied was therefore GH¢6,328.35 and not GH¢7,345.00 which disclosed an over payment of GH¢1,016.65.
1250. We recommended that, since the materials delivered did not meet the required specification, they should be returned to the supplier or the price difference of GH¢1,016.65 should be recovered from the former Principal, Mrs. Mohammed Teshiayio.

**Purchases not entered in store records – GH¢7,559.00**

1251. Contrary to Section 0522 and 0529 of the Stores Regulations 1984 which require a store receipt voucher to be raised for all goods received into the store, purchases valued at GH¢6,585.00 and GH¢704.00 procured in the years 2010 and 2011 respectively were neither covered with store receipt vouchers nor recorded in store ledgers.

1252. Weak management supervision over the operations of the store department was the main cause of the anomaly. As a result, the audit team could not ascertain and confirm the receipt and utilisation of the items allegedly purchased.

1253. To ensure accountability and transparency, we recommended that management should account for the items by providing evidence of receipt and usage.
**Fuel purchases not recorded in vehicle log book – GH¢2,967.00**

1254. Management of the college flouted Section 0604 of Store Regulations 1984 by purchasing fuel amounting to GH¢2,966.87 without recording it in the vehicle logbooks.

1255. In the absence of the recordings in the relevant vehicle log books, audit could not ascertain and confirm the fuel purchases and how they were utilised.

1256. We recommended to management to account for the usage of the alleged fuel purchase and maintain logbooks for the college’s vehicle to enhance control over its movements and fuel consumption.

**Unrecovered advances – GH¢19,243.00**

1257. The advances ledgers of the college indicated that advances totalling GH¢19,243.00 granted by management to eight members of staff between the period January 2010 and September 2011 were not recovered on due dates.


1259. The non-recovery of the advances was blamed on management’s failure to spell out periods within which the refund should have been effected.
1260. We requested management to ensure speedy recovery of the outstanding advances through deductions from the salaries of the beneficiaries.

**Unsupported payments – GH¢948.00**

1261. Staff allowances amounting to GH¢948.36 were paid to five persons without ensuring that they appended their signatures against the amounts allegedly paid them, contrary to Regulation 29 (2) of the Financial Administration Regulation, 2004.

1262. The lapse is attributable to ineffective internal checks and inadequate supervision on the part of the Accountant over his subordinates.

1263. We recommended that the officers concerned should be made to append their signatures as evidence of receipt failing which the accountant, Mr. Abdulai Mohamadu Sandow should be made to refund the amount to the college.

**Payment for repairs of vehicles without works order – GH¢2,814.00**

1264. Our audit disclosed that, the college made payments totalling GH¢2,814.00 in respect of repairs of its vehicles but failed to accompany request for such repairs with work orders. Also,
certificates to be issued by the Transport Officer indicating the satisfactory performance of work done were not prepared, in violation of Section 1522 of the 1984 Stores Regulations.

1265. The lapse could result in fraud and waste since payments might be made for work not properly done or not done at all.

1266. We recommended to management to comply with the provision of the Regulations.

**Purchases not entered in store records – GH¢900.00**

1267. The college procured store items worth GH¢900 from two suppliers without recording the items in store receipt vouchers before disposal contrary to Section 0522 of the Stores Regulation 1984.

1268. Management’s failure to enforce the provisions of the Regulation caused the anomaly. As a result, we could not ascertain and confirm the receipt and utilisation of the alleged purchases.

1269. We request management to account for the purchases by showing evidence of receipt and usage. Failing this, the amount involved should be retrieved to chest.
1270. Regulation 110 of the Financial Administration Regulation 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 (delegation of administering authority) shall ensure that advances issued are duly recovered in accordance with the appropriate agreement’.

1271. Contrary to the quoted Regulation, we noted during our audit that advances totalling GH¢6,460.00 granted to some staff members had not been recovered.

1272. The absence of an effective loan recovery mechanism was the cause of the anomaly. We recommended that management should ensure prompt recovery of the advances from the affected officials.

1273. The failure of the officer- in- charge of the Yamfo Health Centre to ensure that all relevant expenditure supporting documents were provided to authenticate disbursements, resulted in total payments of GH¢1,050.00 being made without the required expenditure supporting documentations.
1274. The anomaly contravened Regulation 39(2) (c) of LI 1802 which states that the head of accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that accounts are due and payable.

1275. Disbursements not properly supported with relevant expenditure documents may distort accounts and result in possible losses or misappropriation. We recommended that the payee, Miss Alice Nantwi should ensure that the transactions were properly authenticated failing which the amount involved should be refunded to chest.

**Unrecovered loans – GH¢450.00**

1276. Out of an advance of GH¢500.00 one granted Mr. Andrew Abambila, Executive Officer of the District Health Directorate, Duayaw Nkwanta in September 2010, only GH¢50.00 had been recovered as at 31 December 2011.

1277. The anomaly resulted from management’s failure to maintain advances ledger to facilitate the monitoring and recovery of advances given. We recommended to management to recover the outstanding amount from Mr. Andrew Abambila to chest without further delay since the repayment was long overdue.
REGIONAL ENVIRONMENTAL HEALTH – SUNYANI

Fuel purchases not accounted for – GH¢324.00

1278. The Regional Environmental Health Officer failed to log fuel purchases amounting to GH¢324.00 in the vehicle logbook in violation of Chapter 16 Regulation 1604 of Store Regulations 1984 which enjoins entities to keep vehicle logbooks and record in full particulars of receipt of fuel, oil and lubricants on a daily basis.

1279. In the absence of records on the fuel purchases in a vehicle log book, audit could not ascertain and confirm the genuineness of the fuel purchases and how they were utilised in the interest of the organisation. We requested the Regional Officer to produce the appropriate vehicle logbook to authenticate the alleged fuel purchases or refund the total amount of GH¢324.00 to chest.

DISTRICT HEALTH ADMINISTRATION – BAWKU

Unsupported payments – GH¢6,494.00

1280. Our audit disclosed that the District Health Administration made payments amounting to GH¢6,494.00 on three payment vouchers for various store items purchased without the necessary expenditure supporting documents.

1281. We recommended to management to obtain the required expenditure documentation to authenticate the payments or the amount involved should be retrieved to chest.
Uncompetitive procurement – GH¢1,146.00

1282. The Bawku District Health Administration, purchased six iron beds from God of Victory welding shop valued at GH¢1,146.00 without first inviting quotations from other suppliers for comparison to ensure that value for money was attained in the purchase made. The omission contravened Section 43(1) of the PPA, Act 663 of 2003.

1283. Non-compliance with this law would not ensure value for money for the purchase made and could also result in purchase of substandard goods or items.

1284. Management explained that, the purchases involved were made under special circumstances and assured to put a stop to the practice.

Unretired imprest – GH¢5,489.00

1285. Management of the Health Administration failed to ensure that imprest amounting to GH¢5,489.00 granted to officials of sub-districts to carry out official assignments were retried on due dates or after completion of assignments. The inaction contravened Regulation 288 (1) of FAR 2004, (L.I. 1802).

1286. Weak supervision by management resulted in this lapse, which could lead to loss of funds through the misapplication of imprest amounts granted.
1287. We urged management to ensure that all outstanding imprest are fully retired or the amount be adjusted as advances to the officers involved and recovered subsequently from their salaries at source.

**DISTRICT HEALTH ADMINISTRATION – SOMANYA**

**Failure to deduct 5% withholding tax – GH¢232.00**

1288. Section 84(1) of the Internal Revenue Act, 2000 obliges all agents to withhold tax from payments made to resident persons in respect of goods supplied and services rendered. Again, Section 16, sub-section 3 of the Financial Administration Act requires that where taxes are required to be paid in respect of payment for work done, goods supplied etc. whether under a contract or not the Head of department concerned shall be responsible to ensure that any tax is paid.

1289. On the contrary, we noted that the Somanya District Health Administration failed to deduct 5% tax amounting to GH¢232.00 due on the procurement of drugs worth GH¢4,643.39 from Ayrton drugs.

1290. The lapse was due to negligence on the part of the Accountant who certified the payment vouchers for payment but failed to ensure that the relevant taxes were deducted. The Central government was denied ready access to revenue for its developmental programmes.
1291. We asked management to recover the tax revenue of GH¢232.00 from the company or the Accountant should be surcharged with the amount.

**Failure to prepare monthly bank reconciliation statements**

1292. Regulation 2(g) of the FAR 2004 enjoins a head of Government Department to manage and reconcile the bank accounts authorised for the Department by the Controller and Accountant-General.

1293. We noted during our audit that bank reconciliation statements were not prepared for the accounts of the District Health office from January 2009 to March 2011. The omission resulted in management’s inability to ascertain that lodgements and withdrawals in its accounts were accurate to investigate any discrepancies or facilitate the detection of errors.

1294. We urged management to ensure that the required bank reconciliation statements were prepared for that period.

**ADUKROM HEALTH CENTRE**

**NHIS indebtedness to the Health Centre – GH¢25,360.10**

1295. We noted that, the National Health Insurance Scheme owed the Adukrom Health Centre to the tune of GH¢25,360.10 for medical
services it rendered to the scheme members for the months of October 2011 to January 2012. The huge debt if not settled early could disrupt the programmes and activities of the health facility.

1296. Management explained that the scheme had complained about delays in the release of funds from the National Health Scheme hence its inability to honour its indebtedness to the health facility.

1297. We urged management to vigorously pursue settlement of the outstanding bills which it has accepted to comply with.

**Unrecorded stores – GH¢28,550.28**

1298. In contravention of Section 522 and 601 of Store Regulation 1984, seven purchases of store items worth GH¢9,433.00 made during the period of audit were not routed through store records.

1299. The regulation requires store receipt vouchers to be prepared for the recording of all goods received into store whether they be allocated or unallocated stores before being issued and released to properly authorised persons against properly signed documents.

1300. Further to that, Section 35(1) and (2) of the Financial Administration Act 2003, (Act 654) requires documentation of supplies showing how and for what purpose they were used.
1301. We again noted that drug purchases worth GH¢19,117.28 could not be traced into the store ledgers and their respective tally cards although they were covered by store received vouchers.

1302. Laxity in the supervision over store keeping and management’s disregard for the provisions of the Store Regulation were the causes of these lapses.

1303. Management in response assured us they would take necessary action to account for the purchases. It will also ensure that the Storekeeper receives all future store items into the store ledger before issues are made.

**Misapplication of funds – GH¢9,600.00**

1304. Regulation 179 of the FAR 2004 (L.I. 1802) states that “except as provided for in the Financial Administration Regulation, 2004 (L.I. 1802) a head of department may not authorise payment to be made out of funds earmarked for specific activities for purposes other than those activities.

1305. Regulation 39(1) also enjoins the head of department to ensure that moneys are utilised in a manner that secures both optimum value for money and the intentions of Parliament.
1306. Contrary to the above regulation, payments totalling GH¢9,600.00 were made from the coffers of the Adukrom Health centre into the District Health Management team account as support fund.

1307. The anomaly was as a result of management’s failure to adhere to the provisions of the Financial Administration Regulation, a situation which could lead to fictitious payments and also deprive the health centre of needed revenue for its development programmes.

1308. We found no policy which empowered the District Health Directorate to impose levies on sub-District Health facilities. Instead, District Health Directorates are obliged to support the sub-District Health facilities and not vice-versa.

1309. Management explained that the entire sub-District Health facilities held a meeting with the District Director of Health Services and there it was agreed to contribute such an amount to DHMT.

1310. We recommended that management should explore the possibility of recovering the GH¢9,600.00 from the District Health Management Team.
ADAWSO HEALTH CENTRE

Indebtedness of NHIA to the Health Centre – GH¢5,347.00

1311. Section 38(1) of the National Health Insurance Act, 2003 (Act 650) stipulates that payments should be made by Mutual Health Insurance Schemes to Health facilities within four weeks after the receipt of claims.

1312. On the contrary, we noted that the Health Insurance Scheme delayed payments for service amounting to GH¢5346.97 provided by the Health Centre to clients of the scheme for the month of December 2011. The breakdown is as follow:

<table>
<thead>
<tr>
<th>Year</th>
<th>Service</th>
<th>Drugs</th>
<th>Total GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2011</td>
<td>2,525.43</td>
<td>2,821.54</td>
<td>5,346.97</td>
</tr>
</tbody>
</table>

1313. This situation was attributed to the National Health Authority’s delayed release of funds to the Scheme for onward payment to the Health Centre.

1314. Such delayed releases impacted negatively on the Health Centre. We recommended the early submission of claims and follow ups to forestall delays in settling claims.
1315. Management indicated that bills were usually submitted to the National Health Insurance Authority on time but the bills were not honoured by the Authority for unexplained reasons.

MUNICIPAL HEALTH DIRECTORATE –DUNKWA-ON-OFFIN

Un-supported payments – GH¢46,879.00

1316. Our audit disclosed that 12 payment vouchers raised for the payment of GH¢46,879 during the period covered by the report were not substantiated with expenditure documents such as receipts and invoices to authenticate the payments.

1317. We recommended that the payments should be substantiated with relevant expenditure supporting documents or the amounts should be recovered from the authorising officers and paid to chest.

DISTRICT HEALTH ADMINISTRATION/HEALTH CENTRE - KADJEBI

Uncompetitive procurement-GH¢14,197.00

1318. Part IV Section 43(1) of the Public Procurement Act, 2003 (Act 663) requires procurement entities to obtain quotations from at least three different sources for purposes of making purchases from the most favourable source.
1319. We noted during our audit that the District Health Directorate Kadjebi procured items worth GH¢14,188.92 without complying with the provisions of the Procurement Act. Details are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>PV No.</th>
<th>Amount GH¢</th>
<th>Payee/Particulars</th>
</tr>
</thead>
<tbody>
<tr>
<td>22/6/2010</td>
<td>0093862</td>
<td>285.00</td>
<td>Palb Pharmacy</td>
</tr>
<tr>
<td>22/6/2010</td>
<td>0093860</td>
<td>568.52</td>
<td>Accra Ghana Ltd</td>
</tr>
<tr>
<td>11/8/2010</td>
<td>0093923</td>
<td>1,860.00</td>
<td>Golden Age Tech. Services</td>
</tr>
<tr>
<td>11/8/2010</td>
<td>0093925</td>
<td>5,627.00</td>
<td>HNO Trading Ltd</td>
</tr>
<tr>
<td>19/8/2010</td>
<td>0093939</td>
<td>5,291.00</td>
<td>Marffson Electrical Works</td>
</tr>
<tr>
<td>3/8/2010</td>
<td>0093958</td>
<td>565.60</td>
<td>Golden Age Tech. Services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14,197.12</td>
<td></td>
</tr>
</tbody>
</table>

1320. In the circumstance, audit could not ascertain and confirm that value for money was obtained in the purchases made. Uncompetitive procurement could result in financial loss to the State.

1321. We recommended to management to ensure that all future purchases are made in a transparent and competitive manner by obtaining quotations from at least three different suppliers.

**Unsupported payment -GH¢ 900.00**

1322. Regulation 39(2c) of the FAR 2004 emphasises the need for transactions to be properly authenticated to show that amounts are due and payable.
1323. Contrary to the above, two payments which totalled GH¢ 900.00 were not substantiated with the relevant expenditure supporting documents and official receipts as detailed below:

<table>
<thead>
<tr>
<th>Date</th>
<th>PV No.</th>
<th>Amount (GH¢)</th>
<th>Payee/Particulars</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>18/6/2010</td>
<td>0093853</td>
<td>500.00</td>
<td>District Director of Health</td>
<td>Not Acquitted</td>
</tr>
<tr>
<td>7/6/2010</td>
<td>0093843</td>
<td>400.00</td>
<td>District Director of Health</td>
<td>No Official Receipt</td>
</tr>
</tbody>
</table>

1324. The omission rendered it impossible for audit to ascertain the authenticity of the expenditure.

1325. We urged management to provide the supporting documents to properly acquit the payments or the amount involved should be retrieved from the authorising officer and paid to chest.

**KETA MUNICIPAL GOVERNMENT HOSPITAL**

**Embezzlement of Hospital funds - GH¢576,000.00**

1326. Our review of the financial records of the Keta Municipal Government Hospital revealed that between January 2010 and May, 2011, one Mr. Asilenudzi Hayford an Accountant of the hospital and his assistant Mr. Dagbale Francis fraudulently withdrew a total amount of GH¢576,000.00 from both the Service and Drugs Account
of the Internally Generated Fund of the Hospital but failed to account for their disbursement. Management could not produce expenditure records on how the amount withdrawn was disbursed in the interest of the hospital.

1327. Investigations established that the Accountant and his accomplice altered 96 signed cheques by changing the original figures and words on the already signed cheques. Through this method, they managed to withdraw higher amounts than otherwise originally indicated on the cheques for which payment vouchers were prepared and authorised by the Medical Superintendent of the Hospital. Weak internal and poor management controls has made it possible for the fraud to be perpetrated without early detection by management. Details on how the fraud was perpetrated have been communicated to the management of the Hospital.

1328. The prime suspect Mr. Asilenudzi Hayford has refunded a total amount of GH₵20,000.00 leaving a balance of GH₵ 556,000.00. The matter is before a law court of competent jurisdiction at Aflao.

**Misappropriation of revenue -GH₵39,687.00**

1329. Six revenue staff misappropriated total revenue of GH₵39,686.74 during the period under review. Weak internal control
and inadequate supervision on the part of management resulted in the anomaly.

1330. The officers by their actions denied the Hospital ready access to much needed funds to provide health care services to the Keta Municipality.

1331. As at the time of compiling this report, a total amount of GH₵4,575.40 had been refunded by the revenue officers leaving a balance of GH₵35,111.34. We recommended to management to intensify efforts to recover the outstanding amount.

**VAT Payment not covered by invoice - GH₵ 658.00**

1332. Contrary to Section 19(1) of the VAT Act 1998 Act 546, a total VAT of GH₵658.38 collected by two companies for goods and services rendered to the Hospital was not supported by VAT receipts or Invoices issued by the companies. The payment was instead supported with the companies computer generated invoices without approval by the VAT Commissioner as required under section 19 (1) of Act 546.

1333. The risk involved in the transaction was that it could result in tax evasion since the computer generated receipts attached to the payments did not provide any guarantee that adequate returns would
be submitted to the VAT Service by these companies for the appropriate amounts to be brought into account.

1334. We accordingly requested that management should obtain VAT receipts from the companies to authenticate the payment.

**Outstanding advances - GH¢8,720.00**

1335. For the period under review, 22 staff members were granted financial assistance by the Hospital to the tune of GH¢ 14,020.00. As at the end of the year, only GH¢5,300.00 had been refunded leaving a total amount of GH¢8,720.00 outstanding.

1336. Regulation 99(1) of FAR 2004 regulates the granting of advances and loans to staff. Under the Regulation, management is required to ensure that loans and advances given out are refunded within the financial year.

1337. Resources may be locked up if management fails to take steps to retrieve the outstanding advances. We recommended that vigorous efforts be made by management to ensure that the outstanding amount is retrieved from the defaulters without fail.

**Unpresented payment vouchers - GH¢33,163.00**

1338. Regulation 262 of FAR 2004 requires a head of department to ensure that financial and accounting records are preserved in good
order in a manner that facilitates ready access for reference. On the contrary 27 payment vouchers for total payments of GH¢33,163.41 were not presented for audit scrutiny.

1339. We could, therefore, not examine these payments vouchers to ascertain and confirm their genuineness. The risk involved in the lapse is that it could be a ploy to conceal financial malfeasance.

1340. We recommended to management to locate the outstanding vouchers and make them available for audit scrutiny failing which the payments involved should be retrieved from the authorising officers and paid to chest.

**Expired drugs – GH¢10,135.00**

1341. For the period under review, drugs valued at GH¢10,135.29 were declared expired. Slow movement of the drugs accounted for this.

1342. Regulation 2(c) of FAR 2004 tasks heads of government departments to ensure the efficient and effective use of appropriations under departmental control within the ambit of government policy. The expired drugs which constitute financial loss portrayed ineffective and deficient use of drug funds.
1343. We recommended to management to introduce measures that will ensure that drugs which could not be used before their expiry dates are donated to other health facilities where they may be needed. We further recommended that write-off procedures to dispose of the unusable drugs should be initiated.

**WORAWORA GOVERNMENT HOSPITAL**

**Unrecovered advances-GH¢11,789.00**

1344. Regulation 43 of FAR 2004 provides that all advances shall be paid in accordance with conditions agreed upon when the advances were being granted.

1345. On the contrary, the Hospital failed to recover outstanding loans amounting to GH¢11,789.39 out of GH¢15,322.00 granted to 38 officers in violation of agreed terms and conditions.

1346. The inaction was due to the absence of an effective debt recovery mechanism, in the Hospital. The lapse could thwart efforts in the recovery of advances and negatively impact on the cash flow position of the Hospital.

1347. We recommended to management to recover the outstanding amounts from the defaulters and introduce effective debt recovery measures for all future advances that would be granted.
Withholding tax not remitted - GH¢8,668.09

1348. Section 84(e) of the Internal Revenue Act as amended requires that a person making payments shall withhold tax on gross amounts that total GH¢500.00 or above.

1349. Section 81(1) of the Internal Revenue Act 2000, Act 592 also requires that an employer shall withhold tax from the income of an employee from the employment.

1350. Our audit disclosed that the Accountant of Worawora Government Hospital, withheld a total of GH¢25,455.76 as withholding taxes due on the payment of salaries, contracts and other suppliers.

1351. Examination of disbursement records indicate that out of the amount withheld, GH¢16,787.67 was remitted leaving a balance of GH¢8,668.09 yet to be paid to the Domestic Tax Division of the Ghana Revenue Authority. The action deprived the State of tax revenue of GH¢8,668.09 for its programmes.

1352. We recommended that the withheld tax should be paid to the Domestic Tax Division of the Ghana Revenue Authority without delay.
Un-authorised restrictive tendering - GH¢84,400.94

1353. Section 38 of the PPA 2003, Act 663 states that “A procurement entity may for reasons of economy and efficiency and subject to the approval of the Board engage in procurement by means of restricted tendering;

- if goods, works or services are available only from a limited number of suppliers or contractors; or
- if the time and cost required for examining and evaluating a large number of tendering is disproportionate to the value of the goods, works or service to be produced.

1354. We noted during our audit that contracts worth GH¢84,400.94 were during the period under review awarded through selective tendering even though the contracts did not meet the criteria for restrictive tendering. The Board’s approval was also not obtained for the method used.

1355. The hospital’s action was a deviation from the procurement procedures. This could affect the judicious use of resources and compromise value for money.

1356. We recommended to management to obtain approval from the Procurement Authority before resorting to selective tendering.
MINISTRY OF INTERIOR

Payment of unearned salary– GH¢6,944.00

1357. An examination of mechanised salary vouchers for 2011 revealed that Mr. Mumuni A. Bawumia, a Deputy Director with staff No. GOV 419478 N was posted from the Interior Ministry to the Office of the Head of Civil Service (OHCS) with effect from 12 January 2011 but the Ministry continued to retain his name on its payroll, contrary to Regulation 292(1f) of the FAR which requires heads of departments to ensure that payments are not made to staff who do not belong to the department/unit.

1358. Inquiries made at OHCS indicated that the Head of Civil Service had granted him one year’s leave without pay, with effect from 1 September 2011 to December 2012, vide letter No PB 154326 of 16 December 2011. However, in view of the retention of his name at his former place of work, he succeeded in drawing a total salary of GH¢6,994.00 from September to December 2011.

1359. Management was urged to ensure that the officer refunds the unearned salary illegally enjoyed for payment to government chest. Management was also advised to comply with Regulation 292 (1f) by transferring his name from the Ministry’s payroll to that of OHCS.
Non-deduction of 5% withholding tax – GH¢1,730.00

1360. Contrary to Section 88 (1) of the Internal Revenue Service Act, 2000 (Act 592) management failed to deduct 5% withholding tax of GH¢1,730.23 from a total payment of GH¢34,604.60 made for hotel accommodation and other services rendered by Holy Trinity Medical Centre/Health SPA at Sogakope.

1361. To avoid the Domestic Tax Revenue Division of the Ghana Revenue Authority imposing tax sanctions on the Ministry, we recommended that management should recover the tax of GH¢1,730.23 from the Medical Centre for remittance to the Tax Agency.

Items purchased but not routed through store – GH¢6,129.00

1362. Our review of store records revealed that items valued at GH¢6,129.13 that were purchased were not channeled through the store records before being put to use. The details are as follows:

<table>
<thead>
<tr>
<th>PV No. &amp; Date</th>
<th>Payee</th>
<th>Details</th>
<th>Qty.</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>1592222456 of 28/10/11</td>
<td>Cans Computer Systems</td>
<td>Drum 2,018</td>
<td>2</td>
<td>5,279.13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Drum 2,016</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Delivery Censor</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Delivery Censor</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Paper Guide</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>27/11 of 03/03/11</td>
<td>Chief Director</td>
<td>Swivel Chair</td>
<td>1</td>
<td>850.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,129.13</td>
</tr>
</tbody>
</table>
1363. Management’s action contravened Section 35(2a) of the Financial Administration Act, 2003 (Act 654) which states that “Accountability is discharged when government stores have been consumed in the course of public business and records are available to show that government stores have been consumed…”

1364. We recommended that management should ensure that the items are routed through stores as required by store regulations. Management was also asked to strengthen the internal control functions in the procurement activities of the Ministry so as to forestall the reoccurrence of the lapse.

GHANA POLICE SERVICE

CRIMINAL INVESTIGATIONS DEPARTMENT

Revenue not credited to account – GH¢13,410.00

1365. We noted that non-tax revenue totalling GH¢13,410.00 realised from the sale of fire arms which was allegedly paid into the Criminal Investigations Department’s (CID) non-tax revenue account Nos. 1230500012151 and 1018113461418 held at Bank of Ghana and account No. 101113001702 with the Ghana Commercial Bank (Transit) was not credited to the accounts indicated.
1366. We drew attention to the omission and management intimated that wireless messages had been sent to the Arms Clerks in the affected Police stations requesting them to forward the relevant pay-in-slips to enable the Department find out from the banks which accounts were erroneously credited with the amount for subsequent correction to be made.

**Lodgments into wrong bank accounts – GH¢68,253.00**

1367. Our verification of the lodgments also disclosed that payments totalling GH¢68,252.50 were wrongly deposited into eight accounts at the Bank of Ghana and the Ghana Commercial Bank. This situation was attributed to non-preparation/non-submission of returns by some Arms Clerks and the failure to reconcile submitted returns with the related monthly bank statements.

1368. We urged management to investigate the matter further and notify the banks of the anomaly for the necessary corrective action to be taken.

**ACCRA REGIONAL POLICE HEADQUARTERS**

**Missing fire arms**

1369. Contrary to Instruction 96(1–7) of the Police Service Instructions, four AK 47 and five other weapons issued to nine officers for special duties between 2001 and 2009 had not been
returned to the armoury although the duties for which the arms were released had ended. Details of the date of release, the purpose and the personnel have been provided below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Weapon No.</th>
<th>Name of Officer</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>23/05/01</td>
<td>Pistol 33100</td>
<td>Mr. Mohammed Adam</td>
<td>Bodyguard of former Vice President</td>
</tr>
<tr>
<td>19/05/01</td>
<td>Pistol 13736</td>
<td>32324 G/2 Mr. P. Boamah</td>
<td>CID-Special Duties</td>
</tr>
<tr>
<td>25/08/01</td>
<td>Pistol 22359</td>
<td>Inspector W.K. Kpojo</td>
<td>Special Duties</td>
</tr>
<tr>
<td>16/08/02</td>
<td>AK 47 – 2453</td>
<td>GC/2 33894 Mr. Vigbedor Timothy</td>
<td>For Investigations</td>
</tr>
<tr>
<td>26/06/03</td>
<td>Pistol 242895</td>
<td>32961 DC/I Mr. Mick Kwetsu</td>
<td>Special Duties</td>
</tr>
<tr>
<td>16/09/03</td>
<td>Revolver 6609 A</td>
<td>G/Sgt. Mr. Kingsford Appiah</td>
<td>Special Duties</td>
</tr>
<tr>
<td>15/05/05</td>
<td>AK 47 – 7573</td>
<td>ASP Charles Koosomoh</td>
<td>Special Duties</td>
</tr>
<tr>
<td>16/04/05</td>
<td>AK 47 – 5072</td>
<td>D/Sergeant Mr. Ampadu</td>
<td>Investigation</td>
</tr>
</tbody>
</table>

1370. We attributed the state of affairs to ineffective supervision of the armoury. We urged management to trace the whereabouts of the affected personnel to retrieve the arms for safekeeping in the armoury. We further advised that management should strengthen its supervision over the armoury in order to prevent such occurrences in the future.

NATIONAL MOTOR TRAFFIC AND TRANSPORT UNIT (MTTU)

1371. We were informed that the only vehicle providing towing services for the clearing of roads in times of accidents or breakdown of public motor vehicles is over 20 years old and breaks down
frequently. As a result, broken down vehicles on our roads are not promptly towed away to clear the roads for the movement of other vehicles. This sometimes leads to further accidents on our roads.

1372. To improve upon the safety on our roads and enhance the capacity of the MTTU in executing its mandate, we urged the Police Administration to resource the Unit with the appropriate vehicles to work with. As the matter is of national concern, we further advised that provision should be made in future budgets to procure this basic equipment for the Unit.

**NIMA DIVISIONAL HEADQUARTERS**

**Obsolete electrical wiring**

1373. The surface electrical wiring of the Airport Police Station building was done in the 1990s and the wires had not been changed ever since the installation was made. We noted that some of the electrical points have not been functioning and to facilitate their use, improvised means were resorted to by an officer to enable the use of electrical equipment in the office.

1374. This situation exposed the personnel and valuable items to danger in the event of a fire outbreak. Lives and property could be lost. We, therefore, recommended that the Divisional Commander
should make a request to the top management of the Service for a complete re-wiring of the building.

**POLICE TREASURY**

**Missing cheque leaflets**
1375. Contrary to Regulation 215 of the Financial Administration Regulations of 2004 (LI 1802) which states that a person to whom value books are issued shall be personally responsible for the custody of the value books, we noted that the management of the Police Treasury could not produce two leaflets of a cheque book bearing the numbers 025022 and 025023 for audit inspection.

1376. We requested the management of the Treasury to trace the whereabouts of the leaflets and institute good control measures to prevent the occurrence of this situation. Management informed us that the Criminal Investigations Department (CID) was investigating the case.

**POLICE ESTATE UNIT**

**Non-maintenance of Assets register**
1377. Regulation 1711 of the Stores Regulations of 1984 enjoins government departments to compile and maintain comprehensive and up to date registers of physical assets and equipment acquired and received, as part of the controls to safeguard government properties.
1378. On the contrary, our examination of records disclosed that the Estate Unit had no comprehensive assets register to record the assets that the Police Service, estimated at over 10 million Ghana cedis.

1379. To safeguard the Service’s investment in assets, we recommended the compilation of a comprehensive assets register with regular update of fresh acquisitions and disposals. In response, management promised to constitute a group to compile the register but we found that the process was delaying. We, therefore, requested management to expedite action on the compilation in order to comply with the regulation.

GHANA POLICE SERVICE – OSINO
Wrong information on crime cases reported to District Headquarters
1380. It is a requirement that statistics on crime cases are compiled and forwarded to the District Police Headquarters annually for effective planning towards crime combating.

1381. Our review of the annual returns’ file disclosed that figures on annual crime cases reported to the Osino Police Station, as recorded in the register of offences book, were at variance with figures submitted to the District Headquarters. We noted that though 51 crime cases were recorded in the register of offences book, it was 72 that was
stated in the returns submitted to the District Headquarters; an indication that 21 cases had been falsified or were not recorded in the register of offences book.

1382. The cause was that the Station officer failed to cross check the figures that were presented by his subordinate officer before onward transmission to the District Headquarters.

1383. If figures provided by the Stations are at variance with the actual figures recorded, then the Police Administration will not be able to plan properly towards effective crime combating nationwide. As such, we recommended that the Station officer should review the 2011 intelligence report and also ensure that accurate figures on crime cases are always submitted to the District Headquarters for appropriate action. The Station officer promised to correct the anomaly.

GHANA POLICE SERVICE – TAFO

Failure to hand over accounting records

1384. Section 1(3) of the Financial Administration Regulations, 2004 states that where a Public Officer is proceeding on transfer, leave or for other reasons being relieved of his duties, the officer shall hand over the official and accounting records to the person taking over from the officer.
1385. Contrary to the above regulation, we noted that Inspector E.K. Boateng, the officer in charge of the registration of arms and ammunitions and the collection of accident report fees failed to hand over his financial and accounting documents before proceeding on retirement in March 2011. Consequently, we could not examine the Station’s Stock Register of value books and the cash book.

1386. The anomaly was attributable to the Station Officer’s failure to ensure that the retiring officer properly handed over his duties before separation. We advised management to ensure that Inspector E.K. Boateng is recalled to officially hand over the financial and accounting documents.

POLICE DIVISIONAL HEADQUARTERS – AGONA SWEDRU

Abandoned structure for police residential and office accommodation

1387. We noted that three-storey flats meant to provide residential accommodation for 24 non-commissioned police personnel and an office structure for the divisional command, which were started in 1972 and were about 80 and 70 per cent complete respectively, had been abandoned. As a result, the Police Administration continues to depend on rented accommodation for the police personnel for which the average rent payable per annum stands at GH¢21,600.00.
1388. We also noted that in view of the lack of adequate office space, the Divisional Commander converted the abandoned Inspectors’ quarters into offices for the Divisional Commander, the Finance office and the Criminal Investigations Department (CID). The conversion of these quarters as offices was also done at a cost of GH¢4,320.00.

1389. Considering the amount of money that has gone into the payment of rent over the years, we were of the view that the Police Administration would have made a lot of savings if the building project had been completed. Consequently, we recommended that management should appeal to the Police Administration to have the abandoned building project re-activated and completed so as to reduce the rent bill borne by the State.

DISTRICT POLICE OFFICE – SEFWI DEBISO

Failure to maintain a cash book

1390. We noted during an audit that due to lack of accounting knowledge, the officer in charge of firearms did not record the revenue he collected in any cash book before making payments to bank.

1391. This is contrary to Section 1(1) of the FAR which 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 such records for inspection when called upon to do so.

1392. Good cash management practices require that every month, bank statement balances should be reconciled with cash book balances. Without a cash book it would be impossible to prepare the monthly bank reconciliation statements for an independent reviewer to validate the accuracy of balances appearing in the bank statements. We, therefore, recommended that a cash book should be procured and put to immediate use.

DISTRICT POLICE OFFICE – TARKWA

Non-certification of works paid for – GH¢8,792.00

1393. Section 16 of the Financial Administration Act, 2003 (Act 654) requires that payment should not be made for work done, goods supplied or services rendered unless the head of department or any other officer authorised by the head of department certifies that the work has been performed, the goods supplied and the service rendered.

1394. Our audit revealed that 17 payments were made for repairs and maintenance of a number of vehicles and other major jobs costing GH¢8,792.29. However, they were not certified by the District Head or the Transport/Estate Officer before payments were made.
1395. The Finance Officer attributed the lapse to the absence of schedule officers for the Transport and Estate departments who would certify the works. It is our view, however, that any competent Senior Officer could have been assigned that responsibility.

1396. The absence of the internal control measure could result in the District Office paying for unsatisfactory works executed. We recommended that the Spending and Paying Officers should ensure that a competent officer is appointed to give certificates for works satisfactorily done and the certificates be attached to the related vouchers.

**Purchases not routed through stores – GH¢5,586.00**

1397. Section 55 of Store Regulations, 1984 requires the keeping of complete record of receipts and issues to facilitate verification of items purchased and their disposal. However, our audit of the District Police administration revealed that goods worth GH¢5,585.89 purchased during the period reviewed did not pass through store records.

1398. The control weakness could lead to payment for goods short supplied or goods not supplied. We recommended that the items involved should be taken on ledger charge and their point of disposal indicated for our verification in order to ensure transparency and
accountability; otherwise the amount involved should be refunded to chest by the Spending officer and the Paying officer.

Unsafe custody of arms and ammunition

1399. Police Service Instruction number 98 (2g) states that “firearms stored in armoury, should be secured and fixed to the wall.” In contrast, we found that arms and ammunition were kept in offices and cupboards in five Police Stations at Akyepim, Bonsaso, Dompin, Daman and Aboso within the Tarkwa/Nsuaem District.

1400. We further noted that the weapons were not securely kept as demanded by the Service’s instructions because of the absence of armouries in the Stations and the lack of periodic inspection by management. The situation posed a very serious threat to the security of the nation since any unscrupulous person could break into the offices and make away with the arms and cause havoc in the society.

1401. We recommended that the arms and ammunition in the above-mentioned Stations should be properly secured in an armoury to protect them from theft.

Congested exhibits stores

1402. According to Chapter 14 Section 1402 of the Store Regulations, 1984 the first pre-requisite in any store is cleanliness. Store houses and stocks held in them should be kept clean at all times.
1403. Contrary to the regulation, we noted that the exhibits store at the Tarkwa District and Nsuta Police Stations were very much congested, impeding easy accessibility to the store items. Ventilation was poor and the environment posed a health hazard, rendering stock-taking unpleasant and cumbersome.

1404. The situation gave the impression that management did not attach much importance to the proper storage of documents and workplace logistics; hence the deplorable state of the stores. We intimated that the condition at the exhibits store has the tendency of attracting destructive rodents and other hazardous elements into the store. Also, the loose sheets found could serve as combustible materials in the event of a fire outbreak.

1405. We, therefore, urged management to fast-track the arrangements being made to find more spacious places to be used as store rooms by the two Stations. Furthermore, we recommended that the Police Administration in the district should constitute a board of survey to inspect and to advise on the disposal action that should be taken on some of the deteriorated items in the stores.
GHANA NATIONAL FIRE SERVICE – DORMAA AHENKRO

Non-preparation of payment vouchers – GH¢9,352.00

1406. We noted that between November 2009 and November 2011, the Municipal Fire Officer incurred a total expenditure of GH¢9,351.74 without raising payment vouchers to support the transactions, in breach of Regulation 1(1) of the FAR (LI 1802) which 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.

1407. This condition occurred as a result of the Account officer’s indifference towards the preparation of payment vouchers and his failure to pass entries into the cash book after payments had been made. Attention was drawn that the lapse could be exploited to siphon public funds for private purposes.

1408. We urged the Municipal Fire Officer to ensure that the relevant payment vouchers are prepared by the Account officer to be supported with the invoices and official receipts to cover the expenditure of GH¢9,351.74 for entry into the cash books. We also advised management to always ensure compliance with Regulation 1(1).
GHANA NATIONAL FIRE SERVICE – BEREKUM

Payment of illegal salaries to separated staff – GH¢960.00

1409. Our examination of the personal records and payroll of the above office for the period July 2007 to November 2011 disclosed that a Mr. Emmanuel Tawiah who retired on 27 March 2009 had his name on the Berekum Fire Service payroll from April to May 2009. As a result, illegal salaries totalling GH¢960.20 were paid into his account at Kaaseman Rural Bank, Berekum.

1410. We recommended that Fire Service Headquarters should be requested to trace Mr. Tawiah to refund the unearned salary of GH¢960.20 to chest. In default, Mr. C. Woedi, DCFO/Adm./Finance should be held liable to refund the amount of GH¢960.20 into the Controller and Accountant-General’s salaries and wages suspense account.

GHANA NATIONAL FIRE SERVICE – SUNYANI

Tax not withheld – GH¢485.00

1411. The Regional Fire Officer purchased goods totalling GH¢9,694.71 but failed to deduct 5% income tax of GH¢484.74 in contravention of Section 84 of the tax law of 2000 (Act 592), which demands that withholding tax of 5% be deducted from all payments made for goods and services.
1412. The Regional Accountant said it was the Regional Fire Officer himself who went out to make the purchases totalling GH₵9,694.71 without withholding the tax element.

1413. We urged the Regional Fire officer to refund the tax of GH₵484.74 to the Revenue Authorities. We also advised him to be guided by the tax laws always.

**Procurement from Non-VAT entities – GH₵2,525.00**

1414. The Regional Fire Officer also bought goods and services worth GH₵16,833.30 from non-VAT registered entities, thereby inflicting a loss of revenue income of GH₵2,524.99 on the state. The purchases were carried out in spite of the existence of Regulation 183 (4) of the FAR, 2004 which demands government stores to be procured from only VAT registered persons.

1415. We urged the Regional Fire Officer to always procure from VAT registered suppliers as expected of all government officials.

**GHANA NATIONAL FIRE SERVICE – KINTAMPO**

**Payment of unearned salaries – GH₵8,882.00**

1416. The failure of the District Fire Officer to delete from the payroll the names of Messrs Seth Takyi and Mohammed Inusa, who were separated through retirement and dismissal in September 2010
and July 2010 respectively, resulted in the payment of a total amount of GH¢8,881.55 as unearned salaries to them in the proportions indicated below:

i. Seth Takyi - GH¢6,509.23
ii. Inusah Mohammed - 2,372.32

1417. The lapse contravened Regulation 297(1) of the FAR 2004 which enjoins heads of departments to cause the immediate stoppage of salary to a public servant when the public servant has retired, vacated post, resigned or died.

1418. We urged the District Fire Officer to arrange with the banks of the two separated staff to recover the total amount for payment into the Consolidated Fund.

**GHANA NATIONAL FIRE SERVICE – SEKONDI**

**Absence of fixed assets register – GH¢16,735.00**

1419. Regulation 2(n) of the FAR, 2004 requires heads of government departments to compile and maintain fixed assets registers. However, the Regional Directorate did not maintain a fixed assets register to record 20 tangible items worth GH¢16,735.26 that were purchased during the period under consideration. The items included seven fridges, two television sets, two printers, three
stabilisers, two desktop computers, three swivel chairs and an air conditioner.

1420. Management indicated that it had an inventory register instead. We pointed out to the directorate that the regulation specifically mentioned a fixed assets register. We indicated further that the situation could result in additions of assets or disposals going unrecorded. Furthermore, unauthorised movements of fixed assets could go unnoticed.

1421. To avoid the difficulty associated with carrying out effective physical verification of assets when location, condition, user etc are not spelt out, we recommended to management to maintain a detailed fixed asset register covering the significant asset groups. This exercise should be undertaken after physical verification of all the assets of the Service.

**Salaries paid to a retired officer – GH¢5,621.00**

1422. Section 297 of the FAR, 2004 (L.I. 1802) enjoins a head of department to immediately stop the payment of salary to a public servant when that public servant resigns, retires or dies.

1423. However, the salary vouchers disclosed that one DO 1 Jane Quaicoe (GF 3263G) with staff identity No. 95091 who retired on 2
October 2011 continued to collect pay from October to December 2011. We further noted that because management did not block the payment of the lady’s salary at the bank (Ghana Commercial Bank, Sekondi), she was able to illegally collect the unearned salaries amounting to GH¢5,620.60.

1424. We recommended that management should, in future, submit input forms to delete names of separated staff from the payroll and concurrently instruct the bank to transfer all unearned salaries into the Controller and Accountant General’s Suspense accounts. Meanwhile, we asked management to compel DO1 Jane Quaicoe to refund the amount of GH¢5,620.60 with interest to government chest.

1425. In response, management wrote to the Chief Fire Officer on 17 December 2011 (letter No. GF73263F) requesting that the amount be deducted from the lady’s pension claims for payment to government chest.

GHANA NATIONAL FIRE SERVICE – BIBIANI

Unearned salary – GH¢811.00

1426. A review of the mechanised payroll of the above office revealed that for the period August to October 2010, a total amount of GH¢811.44 being unearned salary was paid to a Mr. Isaac Appiah who died on 31 July 2010, in contravention of Regulation 297 (1f) of
FAR, 2004 (L.I. 1802) which enjoins heads of department to cause the immediate stoppage of salary payments to a public servant when that public servant has died.

1427. We found that the District Fire Officer did not inform the late officer’s bank of his death and as such did not instruct them to transfer all his unearned salaries into Government’s Suspense account.

1428. We recommended that the District Fire Officer should enquire whether or not the money is still lodged in his account and to request its immediate transfer to government chest or to recover it if withdrawn by the next of kin.

**MINISTRY OF LANDS, FORESTRY & MINES**

**LANDS COMMISSION SECRETARIAT- KOFORIDUA**

**Unrecovered rent advance – GH¢6,840.00**

1429. We noted that five officers who were granted rent advance of GH¢6,840.00 on P.V.244/10 dated 27 October 2010 failed to honour their indebtedness to the Commission. Details are provided below:
<table>
<thead>
<tr>
<th>Name</th>
<th>Rank</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Augustine Boateng</td>
<td>Higher Revenue Officer</td>
<td>1,368.00</td>
</tr>
<tr>
<td>Mr. Acheampong Kofi Asiedu</td>
<td>Executive Officer</td>
<td>1,368.00</td>
</tr>
<tr>
<td>Mr. Adzesi David Kofi</td>
<td>Snr. Superintendent Revenue Officer</td>
<td>1,368.00</td>
</tr>
<tr>
<td>Mr. Richmond Nii Armah</td>
<td>Snr. Inspector of Lands</td>
<td>1,368.00</td>
</tr>
<tr>
<td>Mr. Ismailia Haruna</td>
<td>Cleaner</td>
<td>1,368.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>6,840.00</strong></td>
</tr>
</tbody>
</table>

1430. We attributed the situation to laxity on the part of management to ensure timely recovery of the total advance of GH¢6,840 from the officers. Non recovery of the amount could lead to loss of funds to the Commission.

1431. We recommended and management agreed to recover the outstanding amount of GH¢6,840 from the emoluments of the officers concerned.

**Non-payment of rent – GH¢935.00**

1432. Occupants of Government Bungalows/Flats/Quarters are expected to pay rent of 7% and 16% of their basic salary, in accordance with Ministry of Finance circulars No. MFCMU/of 21 August 2001 and No 133385/05/06 NTR CAGD of 15 May 2006.
We noted that eight officers who occupied the Commission’s housing facilities defaulted in the payment of rent amounting to GH¢935.00 as of November 2011. Details are shown below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Period of default</th>
<th>No. of months</th>
<th>Rate GH¢</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjei Kwame</td>
<td>Jan - Nov 2011</td>
<td>11</td>
<td>5.00</td>
<td>55.00</td>
</tr>
<tr>
<td>Gershon Tsra</td>
<td>Apr 07- Nov 2011</td>
<td>57</td>
<td>5.00</td>
<td>285.00</td>
</tr>
<tr>
<td>John Cobbold</td>
<td>Jan 08- Nov 2011</td>
<td>47</td>
<td>5.00</td>
<td>235.00</td>
</tr>
<tr>
<td>Augustine Edmn</td>
<td>Feb – Nov 2011</td>
<td>10</td>
<td>5.00</td>
<td>50.00</td>
</tr>
<tr>
<td>Osei Owusu Peprah</td>
<td>Jan - Nov 2011</td>
<td>11</td>
<td>5.00</td>
<td>55.00</td>
</tr>
<tr>
<td>Eric Ockele Comnashar</td>
<td>May 09 - Nov 11</td>
<td>31</td>
<td>5.00</td>
<td>155.00</td>
</tr>
<tr>
<td>Liberty Amamoo</td>
<td>Nov10 - Nov 2011</td>
<td>13</td>
<td>5.00</td>
<td>65.00</td>
</tr>
<tr>
<td>Gershon Gomodo</td>
<td>May - Nov. 2011</td>
<td>7</td>
<td>5.00</td>
<td>35.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>935.00</strong></td>
</tr>
</tbody>
</table>

We further noted that management did not enter into tenancy agreements with the occupants nor did it provide them with allocation letters that showed the rent to be paid and the payment terms. It was also noted that the last time the Commission reviewed the rent on its facilities was in 2005.
1435. We noted that the rent money is used on maintenance and repair works on its buildings. Failure on the part of the occupants to pay rent might exert additional financial burden on the scarce resources of the Commission.

1436. We recommended and management agreed to:
   
   i. immediately recover the outstanding rent from the officers concerned;
   
   ii. ensure regular monthly deduction of rent from the salaries of the Commission’s tenants; and
   
   iii. adjust the current monthly rent upward to between 7% and 16% of the salaries of the tenants, in line with the directives from the Ministry of Finance and Economic Planning.

LAND VALUATION BOARD – SUNYANI

Payment of unearned salaries – GH¢11,219.00

1437. We noted on the contrary that three retired officers of the Sunyani office of the Board were paid unearned salaries amounting to GH¢11,218.90 during the period under review as follows:
<table>
<thead>
<tr>
<th>Name retiree</th>
<th>Status</th>
<th>Period paid</th>
<th>Amount (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Allotey</td>
<td>Accountant</td>
<td>Jan - June 2010</td>
<td>3,528.44</td>
</tr>
<tr>
<td>Ofoli-Tibbo Ahinakwa</td>
<td>Principal Valuation Officer</td>
<td>April – July 2011</td>
<td>3,024.20</td>
</tr>
<tr>
<td>S.K. Okra</td>
<td>Chief Treasury Officer</td>
<td>Feb – July 2011</td>
<td>4,666.26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>11,218.90</strong></td>
</tr>
</tbody>
</table>

1438. We recommended that the Regional Director should ensure deletion of the names of the former employees from the payroll and recover the amount of GH¢10,865.00 from the retired officers or their next of kin into the Consolidated Fund.

1439. Management indicated that it would get the retired officers to refund the amount of GH¢10,865.00 to the Consolidated Fund.

**Purchases not recorded in store records before disposal - GH¢967.40**

1440. Purchased items valued at GH¢967.40 were not recorded in the store records and taken on ledger charge before they were allegedly issued out, in violation of Chapter 5, regulation 0582 of the Stores Regulations 1984.

1441. We attributed the lapse to management’s failure to effectively supervise purchase and disposal of store items; a situation which could
lead to diversion, short or non-supply of store items as well as misuse of store items at the expense of the department.

1442. We could not confirm receipt of the items said to have been purchased by the Regional Director and therefore recommended that:

- store ledgers, receipt and issue vouchers should be procured to effectively manage the stores at the Board; and
- the items in contention costing GH¢967.40 must be accounted for else the amount should be refunded to chest.

**ADMINISTRATOR OF STOOL LANDS – KINTAMPO/DUAYAW NKWANTA**

**Revenue not accounted for- GH¢2,339.00**

1443. Two revenue collectors of the Administrator of Stool Lands at Duayaw Nkwanta and Kintampo, Messrs Eric Acheampong and Paul Kumah respectively collected a total revenue of GH¢2,339.00. They, however, failed to account for the money due to laxity on the part of the District Officers to monitor the collectors and to ensure accountability. The individual indebtedness is as follows:

<table>
<thead>
<tr>
<th>Revenue collector</th>
<th>Station</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eric Acheampong</td>
<td>Duayaw Nkwanta</td>
<td>1,029.00</td>
</tr>
<tr>
<td>Paul Kumah</td>
<td>Kintampo</td>
<td>1,310.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2,339.00</strong></td>
</tr>
</tbody>
</table>
1444. The situation runs counter to regulation 15 of the FAR 2004 which demands 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 bank account within twenty four hours of receipt.

1445. We recommended to management to immediately recover the amount to chest and to streamline revenue collection and accountability.

ADMINISTRATOR OF STOOL LANDS - DUAYAW NKWANTA

Suppression of value books

1446. We noted that two officers at the Duayaw Nkwanta office, who were issued with five General Counterfoil Receipt books (GCRs) of no par value for revenue collection, failed to present them for audit as follows:

<table>
<thead>
<tr>
<th>Name of collector</th>
<th>Station</th>
<th>GCRs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Kankam Boache</td>
<td>Yamfo</td>
<td>2</td>
</tr>
<tr>
<td>Mr. Jacob Amenorfe</td>
<td>Tanoso</td>
<td>3</td>
</tr>
</tbody>
</table>

1447. We advised the District Officer to demand accountability of the value books and not to issue new books to the collectors until they have fully accounted for the books still with them.
SURVEY DEPARTMENT - SUNYANI

Unearned salaries – GH¢748.00

1448. We noted that Messrs Amoah Collins who died on 23 March 2011 and Kwaku Dunsah who also retired on 1 May 2011, continued to be paid salaries totalling GH¢748.31 during the review period as follows:

<table>
<thead>
<tr>
<th>Former officer</th>
<th>Amount (GH¢)</th>
<th>Period wrongfully paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amoah Collins</td>
<td>514.77</td>
<td>April to June 2011</td>
</tr>
<tr>
<td>Kwaku Dunsah</td>
<td>233.54</td>
<td>May 2011</td>
</tr>
</tbody>
</table>

1449. Management’s failure to take effective steps to stop the payments resulted in the anomaly. We recommended and management agreed to:

i. recover the amount of GH¢748.31 from the former officers or their next of kin;

ii. check the payroll every month to ensure that only workers at post are paid;

iii. contact the banks of the separated staff to stop any further payment of undeserved salaries to them; and

iv. ensure refund of the moneys to the Consolidated Fund.
MUNICIPAL TOWN PLANNING DEPARTMENT - KOFORIDUA

Unsubstantiated payments- GH¢5,020.00

1450. We noted that the Department made four disbursements amounting to GH¢5,020.00 without supporting the expenditure with the necessary documents such as official receipts, invoices, way bills and so on to authenticate the transactions. Details are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>PV No</th>
<th>Payee</th>
<th>Amount (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 Jan 2011</td>
<td>3/11</td>
<td>Municipal Director</td>
<td>1,300.00</td>
</tr>
<tr>
<td>4 Feb 2011</td>
<td>11/10</td>
<td>-do-</td>
<td>1,500.00</td>
</tr>
<tr>
<td>20 April 2011</td>
<td>28/11</td>
<td>Kwame Ampaben</td>
<td>240.00</td>
</tr>
<tr>
<td>29 July 2011</td>
<td>71/11</td>
<td>Municipal Director</td>
<td>1,980.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>5,020.00</strong></td>
</tr>
</tbody>
</table>

1451. In the absence of the supporting documents and acknowledgement of the payments by the payees, we could not vouch the propriety or otherwise of the transactions.

1452. We therefore recommended to management to recover the amount of GH¢5,020 from the payees and ensure that future payments are properly accounted for.
Payment vouchers not presented for audit- GH¢671.00

1453. Management could not produce two payment vouchers with a face value of GH¢671.00 for auditing, contrary to regulation 1(1) (a) of FAR 2004. Details are shown below:

<table>
<thead>
<tr>
<th>Date</th>
<th>PV No</th>
<th>Cheque No.</th>
<th>Payee</th>
<th>Amount GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 April 2011</td>
<td>27B/011</td>
<td>111451</td>
<td>Municipal Director</td>
<td>431.00</td>
</tr>
<tr>
<td>29 Sept 2011</td>
<td>93/011</td>
<td>-</td>
<td>Municipal Director</td>
<td>240.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>671.00</strong></td>
</tr>
</tbody>
</table>

1454. We requested management to produce the vouchers for auditing, else the amount of GH¢671.00 should be recovered from the Municipal Director.

TOWN AND COUNTRY PLANNING – SUNYANI

Fuel purchases not recorded in vehicle log book – GH¢1,506.00

1455. Fuel purchases totalling GH¢1,505.60 made by the Town and Country Planning Office, Sunyani, during the period under review were not recorded in the vehicle log book, in violation of regulation 1604 of the Stores Regulations 1984.

1456. We could thus not vouch the genuineness of the purchases and utilisation of the fuel. The Regional Director indicated that the logbook got missing when the vehicle went to the garage for repairs.
We called for effective supervision and control on the use of fuel to save costs. We also requested the Regional Director to retrieve the log book and produce it for auditing; otherwise he should refund the amount at stake to chest.

MINISTRY OF FOREIGN AFFAIRS AND REGIONAL INTEGRATION

Consular fees not accounted for

1457. Our audit disclosed that the officers named below failed to account for consular fees collected by them at their respective Missions:

<table>
<thead>
<tr>
<th>Mission</th>
<th>Name of Officer</th>
<th>Amount Collected</th>
<th>Amount paid in</th>
<th>Amount refundable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canberra</td>
<td>Revenue Collector</td>
<td>AU$890.00</td>
<td></td>
<td>AU$890.00</td>
</tr>
<tr>
<td>Paris</td>
<td>Ms. Elizabeth Morvey</td>
<td>€14,410.00</td>
<td>€8,194.00</td>
<td>€6,216.00</td>
</tr>
</tbody>
</table>

1458. We recommended immediate recovery of the amounts and streamlining of controls over revenue collection and revenue collectors by the Missions.

Staff outstanding utility bills

1459. Our audit disclosed that the under mentioned Foreign Service Officers failed to settle their excess utility bills:
<table>
<thead>
<tr>
<th>Mission</th>
<th>Name of officer</th>
<th>Type of bill</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotonou</td>
<td>Eunice Allotey</td>
<td>Electricity charges</td>
<td>CFA 16,190.00</td>
</tr>
<tr>
<td>-do-</td>
<td>Doris Baffour Asare</td>
<td>- do -</td>
<td>CFA 112,393.00</td>
</tr>
<tr>
<td>-do-</td>
<td>Godwin Yao Tsidi</td>
<td>- do -</td>
<td>CFA 31,979.00</td>
</tr>
<tr>
<td>-do-</td>
<td>Timothy Aidoo</td>
<td>- do -</td>
<td>CFA 129,055.00</td>
</tr>
<tr>
<td>-do-</td>
<td>H.E. Modesto Ahiable</td>
<td>- do -</td>
<td>CFA 368,396.00</td>
</tr>
<tr>
<td>-do-</td>
<td>- do -</td>
<td>Water bill</td>
<td>CFA 35,359.00</td>
</tr>
<tr>
<td>Seoul</td>
<td>John Bosco Dery-Kpebesemi</td>
<td>Utility bill</td>
<td>W. 372,579.00</td>
</tr>
<tr>
<td>Rome</td>
<td>Eugene Larbi</td>
<td>Utility bill</td>
<td>€ 1,008.00</td>
</tr>
</tbody>
</table>

1460. We recommended and the Missions agreed to recover the amounts to chest and to ensure timely settlement of future utility bills.

Payments made on behalf of Government officials and institutions
1461. We noted that five Missions incurred expenses on the under listed Government Officials and Institutions. However, the beneficiaries had not refunded the amounts to the Missions, as at the date of this report. Non refund of the amounts not only depletes the Mission’s resources but also has adverse consequences on their programme delivery. Below are the details:
<table>
<thead>
<tr>
<th>Mission</th>
<th>Government official/ institution</th>
<th>Nature of expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pretoria</td>
<td>Mr. Abubakari Sadick Ahmed</td>
<td>Payment of school fees and medical aid</td>
<td>US$13,898.20</td>
</tr>
<tr>
<td>-do-</td>
<td>Former President H.E. J.J. Rawlings</td>
<td>Vehicle rental charges</td>
<td>US$15,000.00</td>
</tr>
<tr>
<td>-do-</td>
<td>H.E. John Mahama and his family</td>
<td>Transport, accommodation and repair of vehicle</td>
<td>US$28,692.74</td>
</tr>
<tr>
<td>Kinshasa</td>
<td>The Ghana Football Association</td>
<td>Payment to two cooks to assist in culinary arrangement for the Black Stars in their match against their Brazzaville counterparts</td>
<td>US$1,242.74</td>
</tr>
<tr>
<td>Tokyo</td>
<td>The State Protocol Department</td>
<td>Expenditure incurred during the President’s visit to Japan from 29 September to 2 October 2010</td>
<td>¥1,120,365.00</td>
</tr>
<tr>
<td>Washington DC</td>
<td>The Controller and Accountant General</td>
<td>Payment to Mr. Richard A. Quaye (Chief Treasury Officer of the Mission), when he successfully completed the final examination of the Institute of</td>
<td>US$1,703.00</td>
</tr>
</tbody>
</table>
1462. We recommended that the Ministry of Foreign Affairs should pursue recovery of the amounts to enable the Missions replenish their coffers.

**TEL AVIV MISSION**

**Unearned Salary- NIS 101,143.00**

1463. We noted that Mr. Y.S. A. Amankwah, a former employee, was paid an unearned salary of NIS101,142.80 during the review period. As at the time of compiling this report, he had not refunded the amount to chest.
1464. We recommended and the Mission assured us that it would pursue recovery of the amount.

**CONAKRY MISSION**

**Inflated cost of air ticket -191,000 CFA**

1465. An imprest of US$6,800 was granted to H.E. Dominic Aboagye and Mr. Alexander Yeboah to undertake official assignment. When retiring the imprest, Mr. Alexander Yeboah indicated that the air tickets cost 665,400 CFA, instead of the actual fare of 474,400 CFA which was paid for. This resulted in the inflation of the air tickets by the sum of 191,000 CFA.

1466. We recommended and the Mission agreed to immediately recover the over claimed amount of 191,000 CFA from Mr. Alexander Yeboah.

**TOKYO MISSION**

**Failure to retire imprest - ¥183,600 (US$2,000)**

1467. Former Ambassador Kwame Asamoah Tenkorang was given an imprest of ¥183,600 (US$2,000) to travel to Accra during the visit of the Crown Prince of Japan to Ghana, but he had failed to retire the amount.
1468. We recommended to the Mission to ensure that the former Ambassador who is the current Director of State Protocol Department, Accra, accounts for the imprest. Additionally, every imprest must be retired soon on completion of the official assignment.

**PARIS MISSION**

**Overtime allowance wrongfully paid to three bilingual secretaries -€7,118.12**

1469. An amount of €7,118.12 was wrongfully paid to three bilingual secretaries; from whom the sum of €2,076.63 had since been recovered, leaving a balance of €5,041.49. Below are the details:

<table>
<thead>
<tr>
<th>Name of officer</th>
<th>Allowance collected (€)</th>
<th>Amount refunded (€)</th>
<th>Amount refundable (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms. Christiana Nyakoma</td>
<td>2,975.09</td>
<td>694.19</td>
<td>2,280.90</td>
</tr>
<tr>
<td>Mrs. Grace A. Abban</td>
<td>2,999.67</td>
<td>699.86</td>
<td>2,299.81</td>
</tr>
<tr>
<td>Ms. Morrin Kinda</td>
<td>1,143.36</td>
<td>727.58</td>
<td>415.78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,118.12</strong></td>
<td><strong>2,076.63</strong></td>
<td><strong>5,041.49</strong></td>
</tr>
</tbody>
</table>

1470. We urged and the Mission agreed to recover the amounts from the bilingual secretaries.
ROME MISSION

Overstay in hotel beyond the mandatory period- €13,200.00
1471. Two home based staff of the Mission overstayed in a hotel beyond the mandatory period of 28 days, resulting in an overpayment of €13,200 as follows:

<table>
<thead>
<tr>
<th>Name of officer</th>
<th>Excess hotel bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madam Georgina Djameh</td>
<td>9,130.00</td>
</tr>
<tr>
<td>Mr. Eric Larnyor</td>
<td>4,070.00</td>
</tr>
<tr>
<td></td>
<td><strong>13,200.00</strong></td>
</tr>
</tbody>
</table>

1472. We urged and the Mission assured us that it would pursue recovery of the amounts from the officers.

Payment of excess per-diem allowance - €2,770.06
1473. Ten officers failed to refund 2,770.06 Euros in respect of excess per-diem allowance paid to them. Below are the details:
<table>
<thead>
<tr>
<th>Name of officer</th>
<th>Amount to be refunded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simon Atieku</td>
<td>31.31</td>
</tr>
<tr>
<td>Rita Bonah</td>
<td>30.00</td>
</tr>
<tr>
<td>Cynthia Hayford</td>
<td>125.00</td>
</tr>
<tr>
<td>J.K. Yasembu</td>
<td>219.17</td>
</tr>
<tr>
<td>Peter De Silva</td>
<td>390.00</td>
</tr>
<tr>
<td>Georgina Djameh</td>
<td>277.32</td>
</tr>
<tr>
<td>Charles Baah</td>
<td>97.35</td>
</tr>
<tr>
<td>Evans Attoh</td>
<td>600.00</td>
</tr>
<tr>
<td>Aikins Abrokwa</td>
<td>129.91</td>
</tr>
<tr>
<td>Anthony A.KY. Acquah</td>
<td>870.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,770.06</strong></td>
</tr>
</tbody>
</table>

1474. We urged and the Mission assured that it would pursue recovery of the various amounts.

**Value books not accounted for**

1475. Twenty-six General Counterfoil Receipt books (GCRs) of no par value, issued to the four Consulates of the Rome Mission (Milan, Ankara, Athens and Istanbul) between March 2010 and May 2011, for revenue collection, were not accounted for during the audit. The Mission assured us that it would pursue accountability.
Stolen grader and roller

1476. We noted that between 2008 and 2009, two mechanical equipment, a Grader with registration no. G09 and a Roller numbered R10 both purchased in 1990, which broke down while in operation at Adenta and Krokobite respectively got stolen when management failed to tow them to the workshop for repairs.

1477. The Engineer-in-chief indicated that the person said to have stolen the grader had been arrested and sent to court, while the disappearance of the roller was still under investigation by the krokobite police.

1478. We advised the Engineer in-chief to ensure speedy disposal of the matter in the best interest of the Department.

Customer indebtedness to WSDB - GH¢22,380.00

1479. We noted that as of August 2011 individuals, schools and government establishments at Sefwi-Bekwai were indebted to WSDB to the tune of GH¢22,380.48.
1480. Measures instituted by the District Officer to recover the debts did not yield much dividends. The inability of the District Office to mobilise adequate revenue from its operations to sustain and expand its work could adversely affect water supply in the communities.

1481. We recommended to the Board to initiate stringent measures, including disconnections and legal action to retrieve the outstanding amount.

**Failure to prepare monthly bank reconciliation statements**

1482. The Sefwi Bekwai District WSDB failed to prepare monthly bank reconciliation statements during the review period. Laxity on the part of the District officer in the supervision of his subordinate staff led to the anomaly.

1483. Non-preparation of the bank reconciliation statements means omissions and errors would not be promptly detected and corrected. The WSDB would also not know the true financial position at any point in time for effective decision making. We recommended regular and timely preparation of bank reconciliation statements as an effective tool of management.
COMMUNITY WATER AND SANITATION BOARD- HALF ASSINI

Unsupported payments- GH¢8,238.00
1484. We noted that between May 2009 and July 2011 the Half-Assini office of the Board made disbursements totalling GH¢8,238.20 without supporting the expenses with receipts and statements of expenditure to authenticate the transactions, contrary to Regulation 39(1) of FAR 2004.

1485. We requested the District Officer to fully account for the amount with receipts and statements of expenditure, else the amount should be recovered from him.

Customer indebtedness - GH¢89,971.00
1486. Our review disclosed that customers at Half-Assini were indebted to the Board to the tune of GH¢85,702.57, while those at Bonyere owed GH¢4,268.21, all amounting to GH¢89,970.78.

1487. We recommended to the Board to ensure immediate recovery of the debts and to put in place an efficient recovery mechanism that will encourage customers to make prompt payments.

Failure to obtain three quotations- GH¢36,773.00
1488. Section 43(i) of the Public Procurement Act 2003, Act 663, demands that the procurement entity shall request quotations from as
many suppliers or contractors as practicable but from at least three different sources. Water and Sanitation Development Board, Half-Assini glossed over the above quoted regulation and acquired goods and services totalling GH¢36,773.30 between May 2009 and July 2011 without obtaining at least three quotations.

1489. We attributed the lapse to the Board’s failure to establish a procurement committee to ensure that procurement procedures were followed as enshrined in the procurement law. The situation could make the Board to acquire substandard goods and thereby not obtain value for money.

1490. We recommended that the Board should establish a procurement committee to ensure that future transactions are made in consonance with the procurement law.

COMMUNITY WATER AND SANITATION DEVELOPMENT BOARD – DERMA

Direct disbursements from revenue - GH¢23,183.00

1491. The Derma office of the CWSDB made direct disbursements of GH¢23,183.05 from revenue totalling GH¢31,991.05, without paying the gross revenue to bank. It was explained that the Board Chairman stayed far away and could not be reached promptly each time the office needed to withdraw money from the bank.
1492. The situation runs counter to regulation 22(1) (1) & (2) of FAR, 2004 (L.I.1802) by which all public monies collected shall be paid in gross into the public funds account and no disbursement shall be made from the money collected except as provided by an enactment. In this regard any payments from public monies collected constitute a breach of financial discipline.

1493. The lapse could lead to misappropriation of revenue and uncontrolled expenditure and a loss to the Board. We advised the Board to ensure that revenue collected is paid in gross to the bank before disbursements are made.

KINTAMPO WATER SUPPLY SYSTEM

Customer indebtedness – GH¢155,260.00

1494. We noted that customers were indebted to the Kintampo Water Supply System to the tune of GH¢155,260.74. The debtors included the following:

<table>
<thead>
<tr>
<th>Customer type</th>
<th>Indebtedness (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Domestic</td>
<td>64,343.72</td>
</tr>
<tr>
<td>(b) Commercial</td>
<td>2,250.98</td>
</tr>
<tr>
<td>(c) Institutions</td>
<td>87,314.98</td>
</tr>
<tr>
<td>(d) Caretakers (Public standpipe)</td>
<td>1,351.06</td>
</tr>
<tr>
<td></td>
<td><strong>155,260.74</strong></td>
</tr>
</tbody>
</table>
1495. The Government’s failure to settle bills of public institutions and inability of the Kintampo office to institute effective debt recovery plan to recover the bills resulted in this unfavourable situation. We advised the Kintampo office to mount an effective debt recovery programme to sustain the water supply in Kintampo.

**Outstanding staff advances - GH¢3,323.00**

1496. The sum of GH¢7,600.00 was granted as staff advances between March 2010 and August 2011 to nine staff members. We found that only GH¢4,277.00 had been recovered, leaving an outstanding balance of GH¢3,323.00 by 31 December 2011. The advances remained unrecovered because the management failed to invoke the regulation relating to loans/advances as stipulated in FAR 2004 Section 110.

1497. We urged the management to immediately recover the outstanding amounts from the staff to prevent them from becoming bad.
MINISTRY OF INFORMATION & NATIONAL ORIENTATION

REGIONAL INFORMATION SERVICE - SUNYANI

Payment of unearned salaries – GH₵3,072.00

1498. By regulation 297(1) of FAR, 2004 (LI 1802), a head of department shall cause the immediate stoppage of salary to a public servant when that public servant has resigned, retired, vacated his post, been on leave without pay or died.

1499. We noted on the contrary that Mr. Kwasi Boampong Boateng (with Staff ID No. 0000008081) who retired from active service on 3 September 2010, continued to be paid his salary for 10 months, amounting to GH₵3,071.50 through his bank account between September 2010 and June 2011, before his name was deleted from the payroll.

1500. We attributed the situation to the failure of management to take prompt action to delete the retired officer’s name from the payroll. We have requested management to recover the illegal salary of GH₵3,071.50, including the SSNIT component of GH₵211.00 from the entitlements of the former officer.
INFORMATION SERVICE – KIBI

Value book acquired from a private source not accounted for

1501. By Regulation 28 (2) of FAR, 2004, temporary receipts or receipts other than in the authorised form shall not be used for collections. A person who issues a temporary receipt or an unauthorised form for collections is in breach of financial discipline as defined in regulation 8(1).

1502. Section 63(1) of Financial Administration Act, 2003 (Act 654) further states that books, papers, accounts and documents kept or used by, received or taken into the possession of any person, who is or has been employed in the collection or management of funds by virtue of that employment, is property that belongs to the Government.

1503. We realised on the contrary that Mr. Apeakorang, the Kibi Municipal Information Officer, procured a receipt book from a private source; Messrs Ampeh Acheampong Enterprise, Koforidua vide VAT Receipt No.FRA5098232 of 16 February 2011. However, attempts made to access the receipt book proved futile.

1504. The risk is that the receipt book may have been used to collect various sums of money for personal use at the expense of the office.
1505. We requested the Information Service to retrieve the unauthorised receipt book and produce it for subsequent auditing. Additionally, the Information Service should acquire its value books from the Controller and Accountant-General’s Department and stop purchasing value books from unauthorised sources. Moreover, the Municipal Information Officer, Mr. Apeakorang should be sanctioned for the misconduct.

GHANA BROADCASTING COORPORATION, SUNYANI

Unsupported payments - GH¢23,230.00

1506. By regulation 39(2) of the FAR 2004, the head of accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that the amounts are due and payable.

1507. However, we realised that disbursements totalling GH¢23,230.06 were not properly authenticated with the necessary expenditure documents. The Sunyani office explained that it had instructions from head office to forward all disbursement records to Accra before any money is released for its operations. However, the Regional GBC office at Sunyani could not support the said instruction with any documentary evidence.
1508. The situation, as pertains now, weakens accountability and effective auditing at the regional level. We advised the Regional Director to resolve the matter of accountability and auditing at Sunyani with the authorities in Accra. Meanwhile, records on the disbursement of the amount of GH¢23,230.06 should be retrieved and presented for our subsequent audit at Sunyani.

**Corporate debtors – GH¢136,119.00**

1509. Our audit revealed that 54 companies, individuals and religious bodies owed the Sunyani office of the Corporation GH¢136,119.41 as at 31 December 2011.

1510. We advised the Corporation to ensure better debt management and recover the outstanding indebtedness to improve its liquidity portfolio. Management responded that it has put in place effective debt recovery strategies to retrieve the money.

**MINISTRY OF COMMUNICATIONS**

**METEOROLOGICAL AGENCY – SEKONDI**

**Non-maintenance of cash book – GH¢4,954.08**

1511. Between 4 April and 23 November 2011 the Meteorological Agency, Sekondi withdrew an amount of GH¢4,954.08 from bank to pay for allowances and other expenses. We realised that the Agency
did not keep a cash book in which to record the receipt and disbursement of the amount, contrary to best practice.

1512. It was explained that the officer who was assigned to assist the Agency to write the books of account was not readily available. The Agency could thus not account for monies received and disbursed during the audit.

1513. We urged the Agency to procure a cash book for the recording of all cash and bank transactions, to write the books and present them for auditing.

**Disbursement from revenue - GH¢1,296.00**

151. The Meteorological Agency, Sekondi provides services to research institutions, private and public agencies for a fee. However, we noted that the total revenue of GH¢1,295.50 realised between 4 January 2011 to 18 November 2011 was used to run the office. The revenue was not banked gross before disbursements were made, in violation of Regulation 18 of FAR, 2004. We recommended to management to bank revenue intact before disbursements are made there from, if authorised.
MINISTRY OF TRADE

NATIONAL BOARD FOR SMALL SCALE INDUSTRIES – SUNYANI

Failure to account for fuel purchases – GH¢674.00

1514. The Sunyani office of the Board, purchased fuel amounting to GH¢674.00 but failed to enter them in the vehicle logbook, contrary to Chapter 16, regulation 1604 of Stores Regulations 1984.

1515. The omission arose from non compliance with the above quoted regulation by officers who used the vehicle and the excuse that vehicle with registration number GT 6906X was sent to Kumasi for repairs between March and June 2011.

1516. We could not ascertain whether or not the fuel was actually purchased and used in the best interest of the Board. We recommended that management should produce records on the purchase and utilisation of the fuel or the amount should be refunded to chest.
Unearned salaries – GH¢10,913.00

1517. FAR, 2004 (L.I. 1802), regulation 304(1) 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; and that in the case of retirement, resignation, termination, vacation of post, death, Regulation 298 is strictly complied with, etc.

1518. A review of the payroll disclosed that four retired employees and one other whose appointment was terminated with effect from 01/09/2010 continued to receive monthly salaries. The total amount paid at the time of audit was GH¢10,913.02. The audit team was aware that the Internal Audit unit in the year 2010 notified management on monthly basis of the existence of the names of the retired employees on the payroll of the Council. In spite of this, two of the retired officers, namely Mr. Seth Clottey and Mr. James Gomado received unearned salary for over a year and eleven months respectively.

1519. Mr. Henry Afutu Bortei’s appointment was terminated with immediate effect as per Office of the Head of Civil Service letter with
reference no. GAP/1451 of 30/08/2010. However, the name appeared on the Regional Coordinating Council’s salary voucher for the period January 2011 to April 2011.

Table showing retired employees earning salaries

<table>
<thead>
<tr>
<th>Name</th>
<th>Rank</th>
<th>Effective date of retirement</th>
<th>Period paid unearned salary</th>
<th>Amount (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seth Clottey</td>
<td>Dispatch rider</td>
<td>28/02/2008</td>
<td>Jan. 2010- Feb. 2011</td>
<td>2,343.40</td>
</tr>
<tr>
<td>James Gomado</td>
<td>Records Supervisor</td>
<td>02/03/2010</td>
<td>April 2010- Feb. 2011</td>
<td>3,584.00</td>
</tr>
<tr>
<td>Peter Aduyie</td>
<td>Steward GD 1</td>
<td>15/02/2010</td>
<td>March 2010- June 2010 (name deleted in July 2010)</td>
<td>463.00</td>
</tr>
<tr>
<td><strong>Total amount</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>10,913.02</strong></td>
</tr>
</tbody>
</table>

1520. We were informed that an IPPD form was prepared and sent to the Office of the Head of Civil Service for the names to be deleted from the payroll but this has not been acted upon.

1521. The failure to have the names of Mr. Seth Clottey, who retired in February 2008 and Mr. James Gomado deleted in spite of previous
audit observations, clearly showed the unwillingness of management to have their names deleted. It must be noted that the retired employees were employed on contract after retiring, without appropriate authority. For these officers it appeared to be a deliberate act on the part of management not to get their names taken off the payroll.

1522. The continuous appearance of names of the retired employees on the payroll could result in the situation where the recovery cannot be effected because of the inability to trace them or they could be incapable of making payments.

1523. We urged management to:

- write officially to the Office of the Head of Civil Service and draw his attention to the delay in deleting the names of Messrs Seth Clottey, James Gomado and Peter Bawuah:
- write to the bankers of the three retired employees for the unearned salaries to be paid to chest and the RCC notified.
- ensure that any unearned salaries withdrawn are refunded and paid to chest
- ensure swift action is henceforth taken to delete names of retired employees by filling deletion forms and forwarding them to the Office of the Head of Civil Service at least three
months before the due date for an employee to retire. This is to avoid the payment of unearned salaries.

1524. In response, management indicated that a total amount of GH¢4,999.10 has been fully recovered from Messrs James Gomado and Peter Bawuah, leaving a balance of GH¢5,913.92 yet to be refunded by the other three former employees.

REGIONAL CO-ORDINATING COUNCIL - TAMALE
Rent Arrears – GH¢6,030.00
1525. Fifteen officers who occupied Government Bungalows failed to pay a total amount of GH¢6,029.53 as rent for their official residential accommodation.

1526. This was as a result of weakness in the administration of rent collection and management’s failure to ensure that rent payable by the officers concerned was deducted at source.

1527. We recommended that management should compile an efficient database of occupants of bungalows and pursue vigorously the collection of the rent arrears without any further delay.

Unrecovered Advances – GH¢4,000.00
1528. Section 99(1) of the FAR, 2004 requires that an advance or loan shall not be payable until an agreement specifying conditions and
terms of recovery has been concluded between the borrower and management in accordance with Section 22 and 23 of the Financial Administration Act 2003, (Act 654).

1529. We observed however that advances totalling GH¢4,000.00 granted to the District Directors to enable them travel for official duties to Accra had not yet been recovered.

1530. The non-recovery of these advances could be blamed on management’s failure to indicate the period within which the refund should have been made in accordance with Section 99 (1) of FAR, 2004.

1531. We advised that management should ensure the recovery of the outstanding advances. Failing this, the advances should be surcharged to the Northern Regional Director, Mr. Charles Ayovng.

Over payment recoveries – GH¢51,163.00
1532. Section 12 of the Financial Administration Regulation (L.I. 1802) states that ‘’A person entrusted with custodial duties for Public and Trust moneys shall protect Public and Trust Moneys against unlawful diversion from their proper purpose and against accidental loss, and locate such moneys so as to facilitate the official and economical discharge of public financial business’’.
1533. Our examination of paid vouchers of the Secretariat’s records disclosed that, overpayments recovery amounting to GH¢51,163.00 was paid to the Executive Director, Accra, without official receipt to acknowledge the funds received. This amount was from National Service Personnel and Volunteers who failed to report to their stations on time.

1534. We recommended that the amount should be receipted and paid to government chest by the Executive Director, Accra failing this, the amount should be surcharged to the Executive Director, Accra.

MINISTRY OF DEFENCE

HEADQUARTERS

Variation in contract sums
1535. Between January 2009 and December, 2010, the Ministry awarded contracts amounting to GH¢16.6 million but the initial costs were revised to GH¢25.0 million, resulting in a variation of GH¢8.4 million or 50.6%; without proper assessment of the works to be carried out. Our review showed that some contracts had the original contract sums adjusted upwards between 60% and 162%. However, no structural changes were made on those projects to merit the variation. We have provided the contract details to management.
1536. We noted that the contractors failed to execute the contracts before the end of the one year expiration period. Some of the contractors had only executed 41% of the job.

1537. We found the variation payments a wrongful charge on the public purse because the contractors did not complete the jobs as per the terms of the contracts to warrant full payment. Also, no structural changes were made to the original plans or drawings to attract additional payment.

1538. Management explained that the contract variations arose from undue delay of payment of claims submitted by contractors. In addition, original contract sums had to be adjusted upwards due to escalations in the prices of goods and services (materials and labour) because of inflation and associated costs and that the attention of Ministry of Finance and Economic Planning had been drawn to the revised rates.

1539. We advised management not to pay variation where the contractor has failed to complete the job on schedule. Additionally, the Ministry should take cognisance of the fact that, informing the Ministry of Finance does not absolve it from complying with the spirit and letter of the Public Procurement Law.
Wrongful payment of interest and fluctuations to contractors

1540. We noted that the Ministry paid interest at the prevailing bank rate on certificates submitted for payment to contractors who were engaged to put up houses for GAF, under the SSNIT Housing Project. Interest payments amounted to GH¢602,779.25, while fluctuation payments totaled GH¢2,301,857.60; with the fluctuations ranging from GH¢2,120.00 to GH¢242,055.66. We observed that most of the projects were 40% complete. Also, because the contractors were awarded two or more jobs simultaneously, they failed to meet the deadline set for completion of the projects. Management has been provided with details.

1541. Management explained that the payments were effected in accordance with signed contracts and arose from undue delays in honouring contractors’ claim, as well as cost escalations and that article 43 of the existing agreement allows for payment of interest on delayed claims.

1542. We advised management to craft contract documents that will inure to the benefit of the State by inserting a caveat that will allow interest /fluctuation payments to only contractors who have completed their contracts and reasonable delays have occurred in the payment of certificates already submitted.
Lack of standardisation policy

1543. The Ghana Armed Forces (GAF) has over 34 different makes and 120 different models of vehicles. GAF requires adequate funds to support the importation of different spare parts for its 120 different vehicles. The phenomenon constitutes a drain on the maintenance vote of the GAF.

1544. We recommended that GAF should develop a vehicle standardisation policy to guide them in the procurement of robust, tried and tested versatile vehicles to cut down on maintenance and running costs. Management responded that Ghana Armed Forces Headquarters (Plans &Development) is developing an equipment standardisation policy.

AIRFORCE

Insecurity at the armoury in Tamale

1545. Our inspection at the Ghana Air force Command Base in Tamale revealed that the armoury is housed in the hangar. We observed that the armoury was not factored in the design and construction of the hangar; hence the absence of all the fortifications required of an armoury, thus exposing the armoury to insecurity as it is easily accessible to all visitors to the hangar.
1546. We were informed that the facility was to serve as a temporary store and not an armoury. Also, the construction of the new Guard Room being built to house the armoury has been suspended midway due to the lack of funds. The facility is roofed and is about 60% complete.

1547. It was explained that Air Force Headquarters has requested the Higher Command to assist and the Base to submit estimates for funds to complete the construction of the Armoury and the Guard Room.

1548. We urged the Ghana Air Force Headquarters to seek the needed funds from the Ministry of Finance through the Ministry of Defence to enable the two projects to be completed early to serve their purpose.

**CAMP HEADQUARTERS**

**Store items not entered in the store ledger**

1549. We observed that stationery received at Camp Headquarters from the Base Ordinance Depot (BOD) was not taken on ledger charge before they were allegedly put to use. As a result we could not determine whether all the issues from BOD between 2005 and 2009 were received.

1550. The Chief Clerk explained that each time BOD is given authority to issue stores, he goes there personally to collect the items. BOD then sends the store issue vouchers to the Regimental
Quartermaster Sergeant, however, in the instances cited no records were made by the Quartermaster because he did not see the items. We advised that store items must be taken on ledger charge before usage when properly authorised.

**Absence of comprehensive handing and taking over notes**

1551. We observed that the Warrant Officers (WOs) in charge of the financial records and the stores did not properly hand over their duties before leaving for peacekeeping operations outside Ghana.

1552. This omission could result in the risk of improper accountability and loss of stores. Our audit work was also delayed to enable the two soldiers return from external duties.

1553. We recommended and the Commandant agreed to ensure that comprehensive handing and taking over notes are prepared by officers when leaving post.

**Non return of military uniform and equipment**

1554. Military officers and men are to return their military clothing and other equipment to the GAF before they go on retirement or resign from the army. Clothing and equipment returned by the officers and men are recorded on Defence Form (DF) 1157. We observed, however, that officers and men who left the army during the period
under review did not return all their items and also Form DF 1157 was not used.

1555. This situation, if not controlled and monitored, could lead to the risk of military clothing and equipment being available to unauthorised persons or falling into wrong hands to be used for unlawful activities.

1556. We recommended that measures should be put in place to enforce the regulation and to record all receipts/issues on Form DF 1157 to ensure that officers and men, irrespective of rank, return items issued to them when they separate or go on retirement from the army. Management agreed to do so.

GHANA NAVY

Using invoices as receipt - GH₵28,970.00

1557. The Western Naval Command and Naval Headquarters made payments to suppliers amounting to GH₵28,969.63 and used invoices as receipts to support the payments. The receipts were also not stamped ‘PAID’ by the respective companies.

1558. We could not confirm whether or not the items were actually bought in the absence of official receipts from the suppliers. We
advised that at all times official receipts should be obtained from vendors and suppliers to authenticate transactions.

**Purchases made from non VAT registered companies - GH¢165,815.00**

1559. We observed that the Ghana Navy procured goods worth GH¢165,815.41 from non- VAT registered persons, in violation of section 30(2) of the Financial Administration Act 2003, Act 654, which demands that except as determined by the Minister and subject to any other enactment, government stores shall be procured from only Value Added Tax registered persons.

1560. This lapse resulted in the loss of VAT revenue of GH¢24,872.31 to the Consolidated Fund. We advised the Ghana Navy to purchase goods from only VAT registered companies, in line with financial regulation.

**Non-deduction of 5% withholding tax- GH¢17,184.00**

1561. The Ghana Navy failed to deduct 5% withholding tax totalling GH¢17,183.71 from the purchase of goods and services worth GH¢343,675.23. We therefore recommended and the Ghana Navy agreed to retrieve the 5% withholding tax of GH¢17,183.71 from the suppliers and to pay same to the Ghana Revenue Authority.
Receipts not issued for revenue collection

1562. By Regulation 15(1) of the FAR 2004 L.I.1802, any public officer or revenue collector who collects or receives public and trust moneys shall issue official receipts for them. Regulation 25 also requires that a pre numbered official receipt shall be issued for all moneys paid to a public official authorised to receive such moneys.

1563. We observed that the Eastern Naval Command went contrary to the above quoted regulations. Our audit of the Ghana Navy Band account disclosed that:

- No General Counterfoil Receipts were issued for moneys received on the engagement of the band;
- Approval letters could not be obtained and those that were available were not attached to the applications, making reconciliation difficult;
- The approvals sometimes stated the amounts to be paid by those who engaged the band and at other times did not indicate any amounts on them; and
- The engagement register also did not state the amounts charged and how much the users of the band paid.

1564. We could thus not determine the actual revenue realised by the band during the review period. It was explained that the band’s money was paid first into the bank account and then the pay-in-slips are used
for the writing of the accounts. To ensure transparency and proper accounting of the IGF from the Navy band, we recommended and management agreed that:

(i) The Navy HQ should give approval for the bank to perform, stating the amount to be charged on the approval note;

(ii) Pre-numbered GCRs should be issued to payees to help monitor and verify exactly how much revenue has been collected;

(iii) Approval notes should be attached to the application letters to facilitate reconciliation of the amounts charged and receipted;

(iv) The two Navy bank accounts should be merged to reduce bank charges;

(v) Clients should be made to pay the amounts directly into the bank account and present the pay-in-slips for an official receipt to be issued before the band performs;

(vi) The authority to spend from the account should come from the Navy Headquarters and/ or the Eastern Command;

(vii) The engagement register should record, among others, the approved engagements, amounts charged, and engagements honoured with dates; and
(viii) Unpaid engagements should also be stated to indicate the actual indebtedness on the use of the band.

Non classification and arrangement of accounts

1565. We observed that the returns submitted to the Defence Financial Controller by Ghana Navy did not show the classification and arrangement of accounts, in accordance with the approved budget classification.

1566. The returns were compiled in line with the imprest account form which did not provide analysis of specific expenditure items and sub-items for which release warrants were released in the Financial Encumbrance (F.E) Jacket, as approved in the budget.

1567. This omission made it impossible for us to verify the items the warrants were issued for, to ensure that funds were used for the intended purpose. For example, in the F.E. Jacket and the Navy Headquarters’ Supply Registry, we realised that the actual expenditure for office equipment for 2010 was GH¢37,754.98; however, part of the funds were misapplied on other items.

1568. We recommended proper classification and arrangement of the accounts, in line with the approved budget classification. Additionally,
no expenditure must be incurred in the absence of approved budgetary allocation.

**Submission of revenue and expenditure statements**

1569. We noted that releases for specific items were lumped together and spent without showing details of expenditure against the approved budget.

1570. This lapse, if not rectified, could lead to the misapplication of funds and financial statements that do not provide a true and fair state of affairs. We recommended that the accounts should be prepared on budget lines for easy comparison and confirmation of actual balances; and the imprest account should be classified and arranged against the budget classification.

1571. Management indicated that it has followed the format and guidelines for the writing of the accounts and that any amendment to the existing format shall require the approval of the Defence Financial Controller.

1572. We advised compliance with the Circular No. GHQ 5560/DFC dated 6 January 2010 issued by the Defence Financial Controller.
Poor state of the stores
1573. Our inspection of the Band and Ration stores of the Eastern Command disclosed that rodents had invaded the stores and were spoiling the band instruments and feeding on the ration for the preparation of food for the naval staff, thereby posing a health hazard.

1574. Management said that the stores have constantly been fumigated and that action would be taken to renovate the stores and fix air conditioners there.

1575. We recommended fumigation of the stores to prevent destruction of the instruments and contamination of the food items. Also, the ceilings should be replaced since the rodents are hiding in them.

ARMY HEADQUARTERS

Items purchased from non-VAT registered entities
1576. The Army Headquarters bought goods and services worth GH¢88,970.65 from non-VAT registered, in violation of regulation 83(4) of FAR 2004, L.I 1802.

1577. This lapse resulted in the loss of 15% VAT revenue of GH¢13,345.60. We urged and management agreed to procure goods
and services from only VAT registered persons or entities, in line with the Financial Regulations.

**GHANA ARMED FORCES STAFF COLLEGE**

**Payments without works order and certificate of work done**

1578. We noted that an amount of GH¢14,315.00 was spent on renovation, construction and repair works without works order and certificate of satisfactory completion of work. Below are the details:

<table>
<thead>
<tr>
<th>PV No.</th>
<th>Date</th>
<th>Details</th>
<th>Amount GH¢</th>
<th>Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>17/6/10</td>
<td>11-6-10</td>
<td>Repair of air-conditioners and fridges</td>
<td>906.00</td>
<td>Frank Dord Refrigeration and Air-conditioning Parts, Cantonments</td>
</tr>
<tr>
<td>18/6/10</td>
<td>10-6-10</td>
<td>Repair and servicing of photocopiers</td>
<td>944.00</td>
<td>Advance Source Supply Services, Osu, Accra</td>
</tr>
<tr>
<td>29/6/10</td>
<td>20-5-10</td>
<td>Supply, delivery, replacement and servicing of water pumps (BMATT Bungalow No. 44)</td>
<td>1,245.00</td>
<td>Bio Land, Teshie – Nungua</td>
</tr>
<tr>
<td>7/7/10</td>
<td>2-7-10</td>
<td>Repair of photocopier machine</td>
<td>1,160.00</td>
<td>?</td>
</tr>
<tr>
<td>74/7/10</td>
<td>30-7-10</td>
<td>Construction of Podium (Ankrah Hall)</td>
<td>4,000.00</td>
<td>Integrated Multimedia Tech. Lashibi, Tema</td>
</tr>
<tr>
<td>19/10/10</td>
<td>5-10-10</td>
<td>Installation of audio visual wiring and loudspeaker (Ankrah Hall)</td>
<td>2,700.00</td>
<td>Integrated Multimedia Tech. Lashibi, Tema</td>
</tr>
<tr>
<td>32/11/10</td>
<td>12-11-10</td>
<td>Fixing of Alufram (Ankrah Hall)</td>
<td>1,360.00</td>
<td>Ramboll Company Ltd, Accra</td>
</tr>
<tr>
<td>8/12/09</td>
<td>2-12-09</td>
<td>Construction of flag pole</td>
<td>2,000.00</td>
<td>?</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>14,315.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
1579. As a result of the lapse we could not make informed judgment about the works undertaken. We recommended and management agreed to introduce the works order and certificate of satisfactory completion of works as specified in section 16 (1) and (9) of the FAA, 2003 (Act 654).

**Items purchased not routed through stores – GH¢11,342.00**

1580. We noted that purchases totalling GH¢11,341.70 were not routed through stores to provide evidence of receipt and utilisation of the said goods. Below are the details:

<table>
<thead>
<tr>
<th>PV. No.</th>
<th>Date</th>
<th>Items</th>
<th>Amount GH¢</th>
<th>Payee</th>
</tr>
</thead>
<tbody>
<tr>
<td>26/3/10</td>
<td>9-3-10</td>
<td>Curtains</td>
<td>2,406.70</td>
<td>Vinolia Ent. Accra North</td>
</tr>
<tr>
<td>16/6/10</td>
<td>16-4-10</td>
<td>Curtains</td>
<td>4,835.00</td>
<td>Vinolia Ent. Accra North</td>
</tr>
<tr>
<td>10/8/10</td>
<td>26/7/10</td>
<td>Drinks for graduation activities</td>
<td>4,100</td>
<td>Ezcom Ent., Teshie Nungua</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>11,341.70</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1581. The situation runs contrary to Chapter 5, regulation 0522 of the Store Regulation 1984, by which a Store Receipt Voucher shall be prepared for recording of all goods received into store whether they be allocated or unallocated stores.
1582. As a result of the lapse we could not determine whether the items were used for the intended purposes and in the best interest of GAFCSC. We advised and management agreed to route all future purchases through stores to ensure transparency and accountability.

**1ST SIGNAL**

**Disposal of unserviceable items**

1583. Our review disclosed that the unserviceable items listed below were kept at the store, even though they had out lived their economic useful life.

<table>
<thead>
<tr>
<th>Item</th>
<th>Qty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motorola hand held radio GP 300</td>
<td>20</td>
</tr>
<tr>
<td>Plessey Transceiver radio PTR 2411 V HF</td>
<td>50</td>
</tr>
<tr>
<td>Plessey Transceiver HF Radio PTR 530</td>
<td>15</td>
</tr>
<tr>
<td>Plessey Transceiver VHF4411</td>
<td>20</td>
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<tr>
<td>Plessey Transceiver PTR 2451</td>
<td>13</td>
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<tr>
<td>Plessey HF Automatic charger</td>
<td>14</td>
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<tr>
<td>Plessey Transceiver radio HF 20 PV2223</td>
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</table>

1584. The situation violates Chapter 1101 of the Store Regulation 1984 which states, among others, that unserviceable or obsolete stores must be reported to the appropriate authority for them to be boarded and thereafter disposed off in accordance with laid down procedures.
1585. Management explained that the items are used for cannibalisation, teaching, display on open days and might be needed when the newly established Defence Industry Department (DID) takes off.

1586. We advised management to transfer the items unto an unserviceable ledger, while waiting for final instructions from authorities.

**MILITARY ACADEMY AND TRAINING SCHOOL (MATS)**

**Failure to rehabilitate two training schools**

1587. Inventory checks and physical inspection of both the Physical Training and Clerk Training Schools revealed that the schools had not received due attention in terms of rehabilitation of the offices and provision of furniture and equipment.

1588. At the Physical Training School we observed the following conditions:

- Cracks on the walls of the offices;
- Non availability of washroom for the personnel;
- Lack of store room for sports equipment;
- Obsolete and broken down furniture;
- Poor ventilation of the offices; and
- Danger posed by uncompleted demolition of the old store and walls hanging.
1589. At the Clerk Training School we found major cracks on the walls and lack of furniture in the office of the Commanding Officer. At the Computer Laboratory only six out of the 15 computers were functional; the use of plastic chairs was also found not convenient; and the laboratory was poorly air-conditioned. Due to lack of store rooms and insufficient cabinets, files and essential documents were kept on the bare floor at the Clerk’s Office. The Classrooms were also found poorly ventilated and not conducive to learning; in addition to broken down chairs and tables.

1590. We recommended improvement of the facilities, in line with the strategic objective of MATS which aims at the creation of an environment that encourages professional development of leaders at all levels.

1591. Management indicated that the Physical Training and Clerk Training Schools are on the priority list and the projects will be tackled immediately funds are made available.
MINISTRY OF LOCAL GOVERNMENT AND RURAL DEVELOPMENT
PARKS AND GARDENS – WA

Revenue unaccounted for – GH¢5,680.00

1592. We noted that the Department of Parks and Gardens earned an amount of GH¢280.00 from subletting a piece of land to Odo Enterprise, Wa and the Department of Feeder Roads also generated a total of Gh¢5,400.00 from the auction of unserviceable items. These moneys were however not lodged into the respective department’s accounts.

1593. We requested the schedule officer of the departments to lodge the moneys into their respective accounts for our verification.

BIRTH AND DEATH REGISTRY – YENDI

Revenue not accounted for – GH¢376.00

1594. Part 11, Section 15(1) of the FAR, 2004 (L.I. 1802), states that, “Any Public Officer or Revenue Collector who collects or receives public and trust moneys shall issue official receipts for 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.”
1595. Contrary to the above Regulation, the Birth and Death Registrar at Yendi collected revenue totalling GH¢376.00 of which there was no evidence that the amount has been remitted to the Regional Office in Tamale for the month of November and December 2010.

1596. Management’s failure to effectively supervise the officer at the Yendi Registry resulted in the lapse. We recommended to management to recover the amount of GH¢376.00 from the Officer at Yendi. We also urged the Regional Director of the department to strictly supervise the activities of the officer in Yendi.

**BIRTHS AND DEATHS REGISTRY - BIBIANI**

**Failure to issue official receipts for moneys collected**

1597. We noted during the audit that Mr. Anthony Mensah who is acting as Births and Deaths registrar did not issue official receipts for fees collected from the public for the processing of births and deaths certificates.

1598. This is contrary to FAR, Section 15(1) which requires public officers or revenue collectors who collect or receive public and trust moneys to issue official receipts for them and pay them into the relevant public fund account.
1599. The officer claimed that he collected money from the public, travelled to Sekondi and paid the money at Sekondi for the processing of birth certificates. However, how much he collected from the public and payments to the Regional Office at Sekondi could not be determined as such evidence was not available for our examination.

1600. We therefore recommended that official receipt books (GCRs) and a cash book should be procured immediately and proper accounting records maintained. As at the time of compiling this report management had not responded to the observation.

**NEPAD SCHOOL FEEDING PROGRAMME – YENDI**

**Purchases not recorded in Stores Records – GH₵11,331.00**

1601. Part XII, Section 16 and 18 of the Financial Memoranda for District Assemblies requires that ‘’Stores items procured or received should be supported by purchase orders, stores receipt advice (SRA) or store receipt vouchers (SRV) before utilisation or disposal’’.

1602. Contrary to the above memoranda, we noted that purchases of various store items for the school Feeding Programme totalling GH₵11,331.00 were not recorded in store records before use.
1603. We could therefore, not ascertain the genuineness of their usage. Management’s reluctance to enforce the above regulation resulted in the anomaly.

1604. We recommended that management should take prompt action to ensure that all items procured or received are routed through the stores as evidence of purchase and receipt before usage.

MINISTRY OF CHIEFTAINCY AFFAIRS
STOOL LANDS – KIBI

Ground rent defaulters – GH¢2,927.00
1605. Our review disclosed that thirty-five tenants owed the institution a total of GH¢2,927.30 with some dating as far back as year 2008. The situation was attributed to management’s failure to put in place mechanisms that will ensure effective collection of ground rent and others.

1606. Revenue which should accrue to the department for administrative and developmental purposes had thus been retained by the defaulters. We recommended the recovery of the amounts and that measures that will ensure prompt payment of ground rent by tenants to improve revenue generation are put in place.
Delays in lodgement of revenue to bank – GH¢2,096.00

1607. Part 2 Section 15(1) of the FAR 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.”

1608. On the contrary, we noted delays in accounting for revenue collections and lodgements to bank on eight occasions by the collector Madam Georgina Boadu. Consequently, total revenue of GH¢2,096.30 realised by Madam Georgina Boadu between April 2011 and July 2011 was not immediately paid to bank. The amount was only lodged into bank on 25 October 2011, a delayed period of 89 days after receipt.

1609. Management’s weak supervisory control over the revenue collector is attributed to the irregularity. The practice could lead to previous collections being used to account for current collections and result in embezzlement and loss of revenue to Government.

1610. We advised management to step up supervision and control over revenue collection and ensure prompt payment of all revenue generated to bank. Management noted our recommendation and promised to intensify its supervision over the revenue collector.
1611. By regulation 39(2) (c) of the FAR, 2004, 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. On the contrary disbursements totalling £139,801.13 in respect of ISP operations were not authenticated with receipts from the payees.

1612. We could not vouch the propriety or otherwise of the transactions and requested management to produce the necessary disbursement records for further auditing.

1613. Management obtained receipts to support disbursements totalling £17,540.99. The Chief Director assured us that he would produce receipts for the other disbursements totalling £122,260.11 for further examination. This assurance, however, had not been fulfilled at the time of compiling this report.

1614. Taxes totalling £13,619.31 withheld from payments made to suppliers, contractors and a consultant during the period under review.
were not remitted to the Ghana Revenue Authority, but used by the Ministry for its activities, in contravention of section 87 of the Internal Revenue Act, 2000, Act 592, which requires a withholding tax agent to pay to the Commissioner taxes that have been withheld within 15 days after the end of the month in which they were withheld. The Consolidated Fund thus lost total revenue of £13,619.31.

1615. We recommended that management should immediately pay the amount of £13,619.31 to the Ghana Revenue Authority and produce the relevant receipts for verification. The Chief Director noted our recommendation for compliance.

**Failure to remit Social Security Fund contributions - £205.00**

1616. Similarly, five months’ Social Security Fund (SSF) contributions of £204.80 in favour of Mr. Richard Adjetey for the period 1 January to 31 May 2010 were not remitted to the Social Security and National Insurance Trust (SSNIT), in violation of the SSNIT Law.

1617. It was explained that the Department for International Development (DFID) could not use its funds to pay for SSF contributions, in respect of employers’ contributions and that resulted in non-payment of the contributions on behalf of Mr. Richard Adjetey; which had to be paid from Government of Ghana (GOG) sources,
rather than using funds of the Institutional Strengthening Plan (ISP) for the purpose. We advised management to help secure the officer’s future by regularly remitting his SSF contributions to SSNIT.

**NATIONAL LABOUR COMMISSION**

**Excessive expenditure**

1618. We noted that management exceeded the authorised expenditure ceiling by GH¢20,587.53, when on 24 and 30 December 2010 it procured office curtains and furniture to the tune of GH¢30,587.53 (GH¢14,077.53 and GH¢16,510.00), in violation of Schedule 3, section 2(1) of the Public Procurement Act 2003 (Act 663), which requires heads of entities to authorise up to GH¢5,000.00 for the supply of goods and services.

1619. We noted that funds allocated for administration expenses were misapplied to purchase the items. We recommended that for better budgetary control, no unbudgeted expenditures should be incurred. Additionally, procurements must strictly be within the approved ceilings, in line with the Public Procurement Law.

**DEPARTMENT OF CHILDREN**

**Unearned salaries - €3,085.00**

1620. We noted that two former officers namely: Mr. R.A. Ashie (Staff No.0000002955) and Mrs. Abigail Tetteh Yankey (Staff No.
0000002857), who were no longer with the Department, since 28 December 2010 and 1 May 2010 respectively, continued to be paid through their bank accounts illegal salaries totalling GH¢3,084.9 in violation of regulation 297 of the FAR 2004, (L.I.1802).

1621. The lapse arose from the failure of the Department to submit inputs to the Controller and Accountant General’s Department for immediate deletion of the names of the former officers from the mechanised salary vouchers.

1622. We recommended that the Department should request the former officers’ banks to transfer the unearned salary of GH¢3,084.91 to the Auditor-General’s Recoveries Account No.012326005800 at Bank of Ghana. On the other hand, the former officers should be made to refund the amount, if they have spent it.

1623. The Acting Director responded that he has requested the managers of Barclays Bank Limited and the Social Security and National Insurance Trust to transfer the amount to government chest.

REGIONAL LABOUR OFFICE – SUNYANI

Non-payment of rent - GH¢427.00

1624. The Regional Labour Officer, Mr. J. K. Asante, failed to pay rent for his official accommodation for five months between February
and June 2010, amounting to GH₵426.64. The Consolidated Fund therefore lost the rent revenue of GH₵456.64.

1625. The Officer explained that input forms were sent to the Controller and Accountant-General’s Department in Accra for deduction of the rent at source; however, it has not yet gone through. We advised the Labour Office to follow up to ensure that the rent deduction goes through.

SOCIAL WELFARE DEPARTMENT – YENDI

Unsupported payments allegedly made to disabled persons - GH₵5,340.00

1626. The Yendi Municipal Social Welfare Department could not produce for auditing expenditure records and minutes of the seven member disbursement committee to support and justify disbursements totalling GH₵5,340.00 allegedly made to 15 disabled persons as financial benefits.

1627. The situation runs counter to regulation 1(1) (b) of the FAR, 2004 (L.I. 1802), which makes it mandatory for any public officer who is responsible for the receipt, custody disbursement of public and trust monies to keep proper records of all transactions and to 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 other officer authorised by them.

1628. The lapse could result in the risk of paying unqualified persons as well as diversion of funds for private purposes. We recommended immediate recovery of the amount of GH¢5,340.00 from the Municipal Director and the seven member disbursement committee. Meanwhile, the Department must document all financial transactions in future and produce them for inspection at all times to ensure transparency and accountability.

MINISTRY OF ROADS AND TRANSPORT ROADS AND HIGHWAYS –
HEAD OFFICE

Non-bonding of four officers studying abroad - US$ 213,730.00

1629. Our audit disclosed that four officers, who received sponsorship from the Ministry to pursue various courses of study abroad between September 2008 and April 2012 in the sum of US$213,729.74, were not bonded.

1630. We noted that one of the four officers, Mr. Christian Appiah, who completed his studies in August 2009, vacated his post in August 2011; two years after completion of his studies, without being sanctioned by the Ministry.
1631. The Chief Director explained that two of the officers have had their bonds executed; adding that the other officer, Mr. Sylvester Alormey would also be bonded on his return to the country after his course and that the Ministry has asked Mr. Christian Appiah who wrongly vacated his post to refund US$36,817.74 spent by the Ministry in sponsoring his education.

1632. We recommended that the Ministry should ensure that the beneficiaries of future sponsorships are bonded before the start of their programmes of study. Moreover, the Ministry should retrieve the amount of US$36,817.74 from Mr. Christian Appiah to serve as a deterrent.

**DRIVER AND VEHICLE LICENSING AUTHORITY – TARKWA**

**Failure to prepare bank reconciliation statements**

1633. By Regulation 2(g) of FAR 2004, the head of government department shall manage and reconcile the bank accounts authorised for the department by the Controller and Accountant-General.

1634. However, DVLA, Tarkwa failed to prepare monthly bank reconciliation statements for all the seven accounts held at the National Investment Bank, Tarkwa.
1635. We attributed the lapse to ineffective supervision by the DVLA Officer over the work of the accounts officer; with the risk that errors and misstatements in bank transactions might not easily be detected and rectified.

1636. We advised the DVLA Officer to ensure preparation of the monthly bank reconciliation statements to enable the office know the true financial position at any point in time for effective decision making.

Non-preparation of revenue budget
1637. Regulation 159(2) (a)-(d) of FAR, 2004 states that in estimating Consolidated Fund Revenue for a budget period, a head of department shall:

(a) identify all activities that already generate revenue;
(b) identify activities that have the potential to generate revenue;
(c) estimate the frequency of these activities and calculate the revenue arising from these activities; and
(d) produce a monthly forecast identifying when revenue flows are projected to take place.

1638. However, we observed that the DVLA Head Office did not set revenue targets for the financial year 2011 in order to assess the
revenue performance of the Tarkwa office. This made it difficult to determine whether the expected revenue has been collected or set targets had been met and for that matter payment of bonuses justified.

1639. We recommended to DVLA to set revenue targets for performance assessment and better decision making.

**DRIVER AND VEHICLE LICENSING AUTHORITY – TECHIMAN**

**Non allocation of funds to Techiman DVLA for its operations**

1640. By regulation 160(2) and (3) of the FAR 2004, a head of department in estimating expenditure shall consider expenditure which contributes to the production of the required output and desired policy outcome that an agency that has legislative approval to retain and utilise portions of its Internally Generated Fund shall programme the use of the Fund as part of its expenditure budget.

1641. In contravention of the above, we observed that the Techiman District DVLA did not prepare any expenditure budget for the 2011 financial year. Subsequently, no funds were allocated for the day to day running of the office. Expenditure incurred by the staff was later reimbursed from the Head Office.
1642. Failure by the DVLA Headquarters to allocate funds for the day to day running of the Techiman office could expose the staff to corrupt practices as well as direct disbursements from revenue.

1643. We therefore recommended that the District Officer should take up the matter with the Regional Office and Headquarters with the view to getting funds for the smooth running of the Techiman DVLA office.

**Absence of Departmental Accounting Instructions**

1644. Regulation 4(1) and (2) of the FAR 2004 (LI 1802) requires that a head of department shall with the approval of the Controller and Accountant-General given in consultation with the Auditor-General issue Departmental Accounting Instructions to regulate the financial business of the department, indicating duties to be performed by specific officers, the accounts to be kept and returns to be submitted, and such other instructions as may be required for the proper conduct of the financial business of the department. It shall also contain relevant procedures for keeping of accounts, preparation and format of financial statements, Departmental Charts of Accounts, Departmental Accounting System—whether manual or mechanized, and all administrative issues relating to the keeping and preparation of government accounts.
1645. However, the Techiman office could not provide us with a copy of DVLA’s Departmental Accounting Instructions for our audit; an indication that DVLA operates without Departmental Accounting Instructions, to promote uniformity in the conduct of its financial business.

1646. We stressed the need for DVLA and its satellite offices to have Departmental Accounting Instructions to regulate the financial business of the Authority.

**Name of transferred staff still on payroll**

1647. We observed that Mr. Gborbidzi Simon Scarlet, Principal Technical Officer, was transferred from Techiman to Cape Coast on 27 January 2011, however, his name continued to reflect on the Techiman payroll up to May 2012. The officer was paid a net salary of GH¢12,606.99 (GH¢20,062.82 gross) during the period, in violation of regulation 304 (b) of the FAR 2004, LI 1802 by which the name of a staff on posting or transfer must be deleted from the payroll within three months.

1648. We recommended the immediate transfer of the officer’s name to the payroll of the Cape Coast office to ensure that the officer is not paid double salary.
DEPARTMENT OF FEEDER ROADS – SUNYANI

Contract works not fully executed but paid for - GH₵48,169.00

1649. Three renovation works, funded under the Cocoa Roads Improvement Project Fund, were awarded at the Regional office of the Department of Feeder Roads, Sunyani, at a total contract value of GH₵66,338.69. The contracts renovation works was to be completed within the stipulated period of one year ended December 2010. Our review and project inspection disclosed that only GH₵33,169.35 or 50% of the works was actually executed, however, the contract sum of GH₵66,338.69 was fully paid out; meaning that renovation works amounting to GH₵33,169.34 was paid for but had not been executed.

1650. The situation arose because the Regional Director, Mr. S. N Sarpei-Nunoo issued contract certificates certifying that all the works had been performed and recommended payment of GH₵66,338.69 to the contractors, a time that 50% of the works had not been executed. This is a violation of section 16(1)(a) of the Financial Administration Act 2003 (Act 654), which demands that payment shall not be made for work done, goods supplied or services rendered whether under a contract or not, in connection with any part of the public service, unless in addition to any other voucher or certificate that is required, the head of the government department or any other officer authorised by the head of department certifies that the work has been performed, goods supplied or the service rendered, and that the price charged is
according to the contract or if not specified by the contract, is reasonable.

1651. The Regional Director conceded that the outstanding works are yet to be executed by M/S Pasagyei; and that he spread the cost to cover the two other contracts executed by M/S Korigu and M/S Ladco limited in respect of the Nwoase Junction - Nchiraa feeder road and surfacing of Goaso - Ayomso feeder road respectively. This was to reduce the impact of the renovation works not performed by M/S Pasagyei on the surfacing of Nwoase Junction - Nchiraa feeder road.

1652. M/S Korigu was also said to have bolted away in 2010 with GH¢ 15,000.00 meant for the renovation works and only returned the money in January 2012. However, our review showed that the GH¢ 15,000.00 was not paid to the department’s bank account by the Regional Director, nor was M/S Korigu made to pay interest on the amount.

1653. In our view the Regional Director, Mr. S. N Sarpei- Nunoo assisted the contractors to be wrongfully paid GH¢48,169.34 (GH¢ 33,169.34 and GH¢ 15,000.00) for no work done, thus depriving Government of funds earmarked for developmental projects.
1654. We therefore recommended immediate recovery of the amount of GH¢ 48,169.34 from the Regional Director and the contractors plus interest at the prevailing bank interest rate. Additionally, the Regional Director Mr. S. N Sarpei - Nunoo must be sanctioned appropriately for aiding and conniving with the contractors to defraud the State.

**Purchases from non-VAT entities – GH¢5,819.00**

1655. Eleven purchases amounting to GH¢5,818.60 were made from non VAT registered entities without approval from the Minister, contrary to regulation 183(4) of the FAR 2004, which demands that a department shall procure government stores from only Value Added Tax (VAT) registered persons or entities and any department that requires an exemption for any specific case shall apply to the Minister with necessary justification.

1656. The Regional Director, Mr. S. N Sarpei - Nunoo indicated that he was not aware of the financial requirement. We realised that there was no functioning entity procurement committee and that purchases were solely made by and at the discretion of the Regional Director.

1657. We recommended compliance with the VAT Law and that a procurement committee should be put in place to enhance the procurement process.
MINISTRY OF TOURISM AND DIASPORAN RELATIONS
CENTRE FOR NATIONAL CULTURE – SUNYANI

Unreceipted Payments GH¢1,912.00

1658. The Regional Director of the Centre For National Culture, Sunyani paid GH¢1,911.77 to two Institutions namely PSWU GH¢1,536.92 and TUC GH¢374.85 without obtaining receipts to authenticate the payments in contravention of Section 28(1) of the Financial Administration Regulations LI 1802 which mandates that a collector who is satisfied that money tendered is in order, shall issue original receipt to the payer.

1659. The lapse indicated outright disregard of the statute by the Regional Director. As a result we could not satisfy ourselves that the amounts were received by the TUC. The omission could lead to misappropriation of the amount.

1660. We urged the Regional Director to obtain the official receipts to substantiate the payment, otherwise the money should be refunded to chest.
MINISTRY OF JUSTICE AND ATTORNEY GENERAL
JUDICIAL SERVICE

Improper maintenance of accounting records

1661. Our review of receipts, payments and recordings made in the cashbook disclosed that

- Receipts were not recorded in the cashbooks.
- The cashbooks were not balanced monthly.
- Cheque stubs were used to make entries in the cashbooks instead of payment vouchers.
- No Bank Reconciliation Statements were prepared for the period.
- Entries in the cashbooks in its present form cannot be relied upon to prepare the Financial Statement for the Service.

1662. We recommended that to facilitate the maintenance of proper book-keeping, management should improve its supervisory role and ensure that:

- Cashbooks are completely and accurately recorded and balanced monthly.
- Payment vouchers are raised for all payments made.
- Cashbooks are written from receipts issued and payment vouchers raised for all transactions.
- Bank Reconciliation Statements are prepared monthly.
A general ledger is maintained to facilitate the preparation of the Financial Statement of the service.

The Internal Audit Unit of the Service should be active in the discharge of its responsibilities.

**Failure to prepare annual financial statements**

1663. We noted that, contrary to FAR 190, 2004 LI 1802 the spending officer failed to prepare the financial statements for the period 2008 and 2009.

1664. We recommended that management should have the accounts and the Financial Statement prepared without any further delay.

**Expenditure incurred without payment vouchers – GH¢8,932,777.00**

1665. Review of disbursement procedures disclosed that direct cheques were issued for payments totalling GH¢8,932,777.27 in respect of goods and services made to suppliers, service providers and the Director of Finance for the payment of allowances and others without the preparation of payment vouchers contrary to regulations. The validity of a payment transaction is established if it is supported with a payment voucher.
1666. We recommended that the spending officer and the Director of Finance be made to produce the payment vouchers or the amount be recovered from them.

**Failure to properly authenticate payment – GH¢146,544.00**

1667. Our review of disbursement made by the Service disclosed that five payments made for various activities amounting to GH¢146,544.09 were either not covered by the appropriate documentation or not covered by any document.

1668. We recommended that the Director of Finance be called upon to produce the payment vouchers and the necessary documentation or the amount be recovered from him. Additionally, signatories to cheques should not append their signatures to cheques for payment if the payment vouchers and necessary documentation are not presented.

**Renovation works at bungalow No. GET 18 not accounted for – GH¢10,045.00**

1669. The Deputy Judicial Secretary II was given an imprest of GH¢13,023.50 to renovate bungalow No. GET18 Labone which has not been fully accounted for. We noted that an amount of GH¢2,979.00 was retired on receipt No.3440840 of 29.01.09. The balance of GH¢10,044.50 is yet to be accounted for with receipts obtained after the payments.
1670. The Deputy Judicial Secretary should either account for the amount or the money should be recovered from him.

**Unpresented payment vouchers – GH¢896,649.00**

1671. Payment vouchers raised to pay various expenditures totalling GH¢3,031,429.57 made from GOG and IGF sources were not presented for our verification.

1672. The Service later presented payment vouchers totalling GH¢2,134,780.13 which we have verified, leaving a balance of GH¢896,649.38 as payment vouchers yet to be presented.

1673. We recommended that the Director of Finance be called upon to produce the payment vouchers or be surcharged with the total amount of GH¢896,649.38.

**Payment without sufficient documentation – GH¢274,585.00**

1674. A total amount of GH¢274,585.37 paid to officers of the Service, individuals and organisations for the purchase of goods, allowances and services were not supported with memos, invoices and claimant sheets. We could not ascertain the authenticity of the total amount purported to have been spent in the interest of the Service.
1675. We recommended that the necessary documentation be found and attached to the payments to make them complete or the amount be refunded by the signatories to the accounts.

**Failure to deduct withholding tax from payment of overtime allowances – GH¢19,691.00**

1676. Review of payment made to security officers of the Service as overtime allowances totalling GH¢196,900.62 were not subjected to the deduction of 10% withholding tax of GH¢19,690.94 for the period January 2008 to December 2009.

1677. We urged management to ensure prompt deduction of the appropriate tax on all future allowances. Management should also ensure that the tax of GH¢19,690.94 is recovered from staff and paid to the Ghana Revenue Authority.

**Imprest not accounted for – GH¢19,450.00**

1678. Out of a total amount of GH¢44,684.44 granted as imprest to various officers of the Service to be accounted for, only receipts amounting to GH¢25,234.44 were presented. The balance of GH¢19,450.00 is yet to be accounted for.

1679. We recommended that the officers be made to account for the imprest granted them or they should refund the total amount of
GH¢19,450.00. Management should also ensure that all officers promptly account for imprest granted them.

**Misapplication of funds released for specific activity – GH¢276,787.00**

1680. Our review of the financial records of the Service disclosed that management misapplied an amount of GH¢276,786.50 meant for the payment of Central Furniture Works Ltd. to pay a debt it owed companies it had contracted to print Judicial Service Forms.

1681. We recommended that management should refund the amount it paid to Central Furniture Ltd back into the Deposit Account and henceforth spend within its approved estimates.

**Spending over and above approved estimates – GH¢348,007.00**

1682. We noted that Parliament approved an amount of GH¢209,568.00 for printing in the 2008 budget estimates. However, the Service paid an amount of GH¢557,575.37 to stationery printers, thus exceeding the approved estimates by GH¢348,007.37. The excess amount was drawn from IGF paid into the Deposit Account.

1683. We recommended that the Service stays within its approved estimates or apply to Ministry of Finance for additional funds instead of relying on the Deposit Account.
Funds wrongly spent from the deposit accounts – GH¢2,483,400.00

1684. Management transferred an amount of GH¢2,483,400.45 from the Deposit Account into the Subvention Account without the preparation of payment vouchers to specify what the funds were intended for.

1685. Management has refunded GH¢100,000.00 on Bank of Ghana Pay-In-Slip No. A1165722 of 02/09/2011 leaving a balance of GH¢2,383,400.45 still outstanding.

1686. We recommended that the amount of GH¢2,383,400.45 be refunded into the Deposit Accounts.

Non maintenance of contract register and improper handling of contract payments - GH¢2,526,238.00

1687. Review of payment to contractors disclosed that payment made to contractors in respect of construction, rehabilitation of the courts, supply of office furniture and office equipment amounted to GH¢2,526,238.22 and was not covered by payment vouchers and the relevant financial records. The payments were also not recorded in a Contract Register.

1688. We recommended that a Contract Register be opened to record all contract payments. The amount of GH¢ 2,526,238.22 should be
accounted for with the relevant financial records or the amount be recovered from the signatories of the cheque.

**Failure to account for servicing of pool vehicles – GH¢2,338.00**

1689. Approval from the Judicial Secretary to the Transport Office to enable him service 16 vehicles amounting to GH¢2,338.00 did not show the breakdown on how much was used on each vehicle. Additionally, no receipt was obtained from Goil Filing Station as evidence that the servicing has been carried out contrary to Section 28(1) of FAR, 2004.

1690. We recommended that the Director of Finance be called upon to account for the payment or the amount be recovered from him.

**Fuel coupons not accounted for – GH¢146,141.00**

1691. Various payments totalling GH¢248,594.00, for fuel coupons from Goil were effected without the detailed fuel coupons numbers, the quantities purchased and denominations purchased. Furthermore, no records were maintained on the receipts and usage of the coupons.

1692. Management later presented a fuel register which we verified as follows:

<table>
<thead>
<tr>
<th>GH¢</th>
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</thead>
<tbody>
<tr>
<td>Total Fuel Procured:</td>
</tr>
<tr>
<td>Less Fuel Accounted for:</td>
</tr>
<tr>
<td>Amount yet to be accounted for</td>
</tr>
</tbody>
</table>
1693. We recommended that a Stock Register be opened and each denomination of fuel coupons purchased entered therein. In addition, the fuel coupons totalling GH¢146,141.00 should be accounted for or, failing that, the amount should be recovered from the Director of Finance.

**Funds wrongly spent from the dollar deposit account – $65,929**

1694. Our review of the Dollar Deposit Accounts revealed that payment totalling $65,928.78 were wrongly transferred from the Deposit Accounts to the Judicial Service Subvention Accounts for payment of foreign travels, accommodation, subsistence allowance etc. Besides, payment vouchers were not prepared to support the cash withdrawals and the transfer from the accounts contrary to regulations.

1695. We could therefore not authenticate the payment transactions. We recommended that the amount be recovered back into the Deposit Account and in future payment vouchers be prepared for all such transactions, according to Financial Rules and Regulations.

**FAST TRACK HIGH COURT**

**Non verification of revenue and deposit paid to bank**

1696. We could not verify total revenue of GH¢491,765.95 and deposits of GH¢5,004,571.78, €5,500.00, $62,525.00 and £60,886.21
collected and paid to HFC bank because the Registrar failed to obtain the bank statements for our scrutiny.

1697. We recommended that the Registrar should obtain the Bank Statements from the HFC Bank to facilitate verification of revenue and deposit paid to bank.

Failure to record deposit payment into cashbook
1698. The Cashier failed to record deposit payment made to litigants in the cashbooks amounting to GH¢1,355,496.57, £5,500.00, $62,525.00 and €60,886.21 contrary to regulations.

1699. This omission does not promote good accounting practices, accountability and transparency. It could also lead to the loss of revenue.

1700. We recommended that all payments made to claimants be entered in the cashbooks and the cashbooks balanced on monthly basis.

DISTRICT COURT – CITY ENGINEERS
Non verification of revenue and deposit paid to bank – GH¢721,771.00
1701. Revenue and Deposits totalling GH¢534,401.00 and GH¢187,370.28 collected and paid to the HFC Bank could not be
verified as the Registrar had not obtained the Bank Statement from the Bank.

1702. We recommended that the Registrar should obtain the Bank Statement from the Bank to enable him correctly verify all revenue and deposit paid into HFC Bank.

**DISTRICT MAGISTRATE COURT – JAMES TOWN**

**Failure to record deposit payment into cash book – GH¢11,986.00**

1703. Payment to beneficiaries totalling GH¢11,986.00 were not authorised by the Registrar and neither were they entered in the cashbook contrary to regulations. This made it difficult to ascertain the genuineness of the payment and the balance on the deposit account.

1704. We recommended that the Registrar should ensure that all payments made under his authority are authorised before payment and the necessary entries are effected in the cashbook.

**Non preparation of bank reconciliation statement**

1705. The Registrar failed to ensure that Bank Reconciliation Statements for the period were prepared to reconcile the cashbook entries with that of the bank. Thus we were unable to confirm that,
total revenue of GH¢57,818.60 and GH¢50,880.95 said to have been paid to the HFC Bank have been credited to the accounts.

1706. We recommended that the Registrar should obtain the Bank Statement from the bank and prepare the Reconciliation for our review.

MAGISTRATE COURT – ASESEWA

Untransferred amount – GH¢12,314.00

1707. Under the terms of agreement between the Upper Manya Krobo Rural Bank and the Magistrate Court, the Bank is required to transfer to Government chest all revenue accruing to government through a bank transfer advice issued to the bank by the Court.

1708. Out of a total of GH¢7,119.50 being court fees and fines collected between January 2011 and October 2011 and which was paid to the Upper Manya Krobo Rural Bank Ltd for onward transmission to Bank of Ghana only GH¢6,611.00 had been transferred leaving a balance of GH¢508.50 together with an additional amount of GH¢16,484.84 brought forward from year 2010 which total of GH¢16,993.34 was yet to be transferred. As at 31 October 2011, after our observations were submitted to management, the bank transferred GH¢4,679.80 leaving a balance of GH¢12,313.84.
1709. Due to this, expected government revenue has been locked up with the Bank.

1710. We recommended that management should pursue the transfer of the total amount of GH₵12,313.84 with interest from the Upper Manya Krobo Rural Bank – Asesewa into the Consolidated fund or legal action should be instituted against the bank for recovery.

**Delays in lodgement of revenue to bank – GH₵2,124.00**

1711. Part 11 Section 15 of the FAR 2004, (L.I. 1802) states that “Any public officer or revenue collector who receives public and trust moneys shall issue official receipts for them and pay same into the relevant Public Fund Bank Account within twenty four hours of receipt except in exceptional circumstances to be identified by the minister.

1712. We noted delays of between 14 and 41 days in lodgement of revenue to bank contrary to the above regulation. The lapse resulted from management’s failure to exercise its custodial duties from the time when the monies were paid to the collector to the time when they were lodged into the consolidated fund. The internal control failure could result in loss of revenue to the Government in the event of theft.
1713. We recommended that lodgements should be made regularly, at least weekly to prevent teeming and lading. Management attributed the delays to directives from head office to the effect that HFC Bank were now responsible for the collection of revenue hence the delay.

**Cash shortage – GH¢777.00**

1714. Part 11 Section 13 of the FAR 2004, (L.I.1802) requires that “A head of department shall undertake custodial duties from the time when moneys are paid to a collector to the time when moneys are lodged into the Consolidated Fund.

1715. However, the cash book balance of GH¢1,270.00 in the Deposit Cash book as at 31 December 2011 did not agree with the physical holding of GH¢493.00 in the safe leaving a balance of GH¢777.00 unaccounted for.

1716. The Cashier who had little knowledge in accounting was not closely monitored by the Registrar to ensure that the amount was promptly paid into public chest.

1717. We recommended that recovery should be made immediately from the cashier, Vivian Edem Gbatey. Also, management should strengthen its internal control system to prevent recurrence of shortages. Management accepted the shortage but attributed it to the
recent change in currency. We were yet to confirm management’s assertion.

**Failure to execute judgments**

1718. One of the duties of a Registrar is to ensure the execution of judgments promptly.

1719. On the contrary, our review disclosed that five judgments passed between February and August 2011 which attracted a total fine of GH¢980.00 had not been executed by the Registrar because the Service’s monitoring group failed to review the Registrar’s work. The State was therefore deprived of the amount in terms of revenue.

1720. We recommended that the judgments should be immediately executed by the Registrar or the total amount of GH980.00 refunded by him.

**DISTRICT MAGISTRATE COURT – ABETIFI**

**Misappropriation of non-tax revenue and deposits – GH¢5,641.00**

1721. Two officers at the Abetifi Magistrate Court, Messrs Kwasi Afriyie Gyimah (Registrar) and Michael Owusu (Cashier), who collected Non-tax revenue totalling GH¢5,095.90 and court deposit of GH¢545.00 failed to pay the moneys into the appropriate Bank
Account, and embezzled the amount in violation of Part II section 15(1) of the FAR.

1722. We recommended to management to pursue recovery of the amount from the two officers and also institute disciplinary action against them.

**CHRAJ – KIBI**

**Lack of Anti Corruption Personnel**

1723. Section 7(1) (a, e, & f) of the CHRAJ Act, 1993 (Act 456) with regard to its Anti-Corruption mandate requires:

- Investigation of complaints of violation of fundamental human rights and freedoms, injustice, corruption, abuse of power and unfair treatment.
- Investigation of allegations that a public officer has not complied with the code of conduct for public officers.
- Investigation of all instances of alleged or suspected corruption and the misappropriation of public monies by officials and take appropriate steps resulting from such investigations.

1724. Our review disclosed that the Municipal Office has no Anti-corruption personnel to handle anti-corruption and administrative
justice issues as outlined above. The Commission is thus not be able to exercise its mandate to the fullest in the municipality as the structures are not complete.

1725. This anomaly is attributed to the failure of the Regional Office to post such an officer to the Municipality.

1726. We requested management to officially inform the Regional Office for an anti corruption officer to be posted to the municipality.

1727. Management promised to pursue the matter at the Regional Office since the services of an anti corruption officer forms an integral part of their work.

CIRCUIT COURT – ASAMANKESE

Payment made into deposit account without official receipt – GH¢34,819.00

1728. We noted that GH¢34,819.00 being deposits collected for the period March 2011 to December, 2011 said to have been transferred to Koforidua was not receipted.

1729. This contravenes Part II Section 28(1) of FAR 2004 which states that “A collector who is satisfied that money tendered is in order shall issue an original receipt to the payer and shall deal with the
duplicate and triplicate copies as required by Departmental Accounting Instructions”.

1730. The practice of not issuing official receipts could lead to abuse and diversion of funds. We recommended to management to obtain official receipt for the payment made to the Regional Office and enforce compliance with the afore-mentioned regulation.

**Sharing of one Bank Account**

1731. A review of the bank statement revealed that two Courts namely, District Circuit Court and the Magistrate Court, all in Asamankese, have been operating a joint bank account.

1732. Best practice requires that each department should have its own bank account where revenues would be paid into so that the preparation of monthly reconciliation statement would easily be done by each department. The system of operating a joint bank account could lead to all sorts of accounting malpractices such as diversion of revenue.

1733. We therefore recommended that for the purpose of accountability and transparency, the two Courts should operate separate bank accounts.
MAGISTRATE COURT – NEW TAFO

**Failure to obtain official receipts – GH¢10,629.00**

1734. Management failed to obtain official receipts for revenue amounting to GH¢10,628.70 paid to the Head of Inspectorate, Judicial Service, Accra. There was also no Stock Register for recording Value Books.

1735. We urged management to ensure that a Stock Register for Value Books is maintained to record all receipt books. In addition, management should ensure that official receipts are obtained to support those lodgements in line with Part II, Section 28(1) of FAR, 2004.

DISTRICT MAGISTRATE COURT – BOLE

**Unearned salary – GH¢3,445.00**

1736. Regulation 297 of the FAR, 2004 (L.I. 1802) states that, a head of department shall cause the immediate stoppage of payment of salary to a public servant when that public servant is dead, has vacated post or resigned. All other payments due to such a person must also be stopped immediately.

1737. We noted that three officers who separated from the department were paid a total of GH¢3,445.63 after their separation. This was as a
result of the failure of management to delete the names promptly from the payroll.

1738. We urged management to institute appropriate action to recover the unearned salaries from the officers concerned.

DISTRICT MAGISTRATE COURT – BONGO

Payment of unearned salaries – GH¢1,696.00

1739. We observed that, Mr. Anaba Anamoo who vacated post in January 2009 was paid a total unearned salary of GH¢1,430.61 for the period January 2009 to June 2010, contrary to Regulation 297 of FAR, 2004. His Social Security account with SSNIT was also credited with a total amount of GH¢292.13 during the same period.

1740. Management’s failure to enforce the above quoted regulation caused the State to pay the unearned salary to Mr. Anamoo.

1741. We recommended to management to recover the total of GH¢1,430.61 paid to him during that period as salary. Management should also write to SSNIT to transfer the total amount of GH¢292.13 credited to Mr. Anamoo’s account during the period to the Consolidated Fund. Management agreed to take action.
CAFE COAST

Unaccounted for Revenue and Deposits – GH¢139,583.00

1742. Audits conducted at three Courts ie, High, Magistrate and Circuit Courts at Agona Swedru Judicial Service disclosed that Mr. Fiifi Wilson Ankrah, an official of Home Finance Company Bank (HFC) stationed at the circuit court failed to lodge various court fines and deposits totalling GHC139,583.00 into the Judicial Service Account of the Consolidated Fund, (CF) in respect of the period February 2009 to November 2010. These collections were not covered by any bank statements to authenticate their entry into the Judicial Service Account of the Consolidated Fund.

Details are as below:

Unaccounted Revenue and Deposits for the various Courts

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<thead>
<tr>
<th>Period</th>
<th>Court</th>
<th>Account Type</th>
<th>Account No.</th>
<th>Amount</th>
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<td>Revenue</td>
<td>-do-</td>
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<tr>
<td>Period</td>
<td>Court</td>
<td>Account Type</td>
<td>Account No.</td>
<td>Amount GH¢</td>
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</tr>
<tr>
<td>1/4/10 – 26/11/10</td>
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<td>Revenue</td>
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</tr>
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<tr>
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<td><strong>Grand total</strong></td>
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<td></td>
<td></td>
<td><strong>139,583.00</strong></td>
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</tbody>
</table>

1743. Mr. Fiifi Wilson Ankrah, the HFC Bank official, is said to have absconded with the GH¢139,583.00 thereby causing financial loss to the state.

1744. We recommended that HFC (Ghana) Ltd should account for the GH¢139,583.00 together with interest and, the Judicial Service should also lodge a formal complaint with the Ghana Police Service for the arrest and prosecution of Mr. Fiifi Wilson Ankrah.
HOHOE MUNICIPAL

Unearned salary – GH¢3,649.00

1745. Mr. Leonard Ahiahornu, a staff of the Hohoe District Court, died on 31 May 2008 but management failed to delete his name from the payroll contrary to regulations. The account of the deceased continued to be credited with the unearned salaries for 28 months-June 2008-August 2011 amounting to GH¢3,649.00.

1746. We recommended that management should take immediate action to delete the deceased staff’s name from the Hohoe payroll and to ensure that Mr. Ahiahornu’s bankers transferred all unearned salaries paid into his account during the period to chest.

KPANDO MAGISTRATE COURTS

Delays in Lodgement of Non Tax Revenue

1747. Regulation 15 of the FAR, 2004 LI 1802 states that “Any Public Officer or revenue Collector who collects or receives public and trust moneys shall issue official receipt for them into the relevant Public Fund Bank Account within twenty four hours of receipt except in exceptional circumstances to be identified by the Minister”.

1748. On the contrary, our audit disclosed that the cashier lodged non tax revenue of GH¢ 5,896.00 into the Judicial Service Retention
Account and Revenue Collection Account during the period under review on monthly basis.

1749. The deliberate disregard of the provision of the law, coupled with inadequate supervision over the duties of the cashier accounted for the lapses. This practice if not discontinued could lead to misappropriation of funds and subsequent loss to the Service.

1750. The Registrar disagreed with our recommendation that revenue should be paid promptly in line with the quoted regulation and insisted that they have been instructed to pay revenue collections to bank monthly, which we found untenable.

**Assets Register**

1751. Regulation 5(n) of the FAR 2004 LI 1082 requires the head of Government Department to compile and maintain an assets register for the department.

1752. We noted during inventory listing that the District Magistrate Court acquired furniture and office equipment over the year but did not maintain an assets register to record them. We further observed that 16 items had not been embossed with the identification marks of the District Magistrate Court.
1753. The weaknesses in the inventory controls procedures accounted for these omissions, which could lead to loss of property. We recommended, as a matter of urgency that the items should be recorded in the assets register and steps taken to identity them properly.

1754. The Court Registrar informed us that it was not the duty of Kpando District Court to label the assets because the Kpando District Court house which was built by MiDA was yet to be commissioned and that when it is done MIDA will label their property.

OTHER AGENCIES

NATIONAL DISASTER MANAGEMENT ORGANISATION
(NADMO) SEFWI AKONTOMBRA
Funds not accounted for – GH¢2,550.00

1755. Regulation 2 (a) of the Financial Administration Regulations, 2004 (L.I. 1802) enjoins a head of government department to ensure the accountability of government funds in order to ensure efficient discharge of government business.

1756. Our review of records at the National Disaster Management Organisation (NADMO) office at Sefwi Akontombra revealed that a total amount of GH¢2,550.00 had not been accounted for.
1757. Failure to comply with the FAA 2003, FAR 2004 and generally accepted accounting practice and lack of adequate comprehension are among some of the causes which led to this anomaly. As a result of this accounting weakness, a cumulative amount of GH₵2,550.00 was not accounted for by the head of NADMO office at Sefwi Akontombra.

1758. We recommended that management of the organisation should study the Financial Laws of the State carefully and apply them in the interest of the State. We also recommended that the total amount of GH₵2,550.00 should be accounted for or the District Co-ordinator and the Accountant should be sanctioned in accordance to Section 8 of the FAR 2004 and made to refund the total amount involved to chest. Management failed to respond to the observation.

**NATIONAL DISASTER MANAGEMENT ORGANISATION – BONGO**

**Payment of unearned salaries – GH₵419.00**

1759. We noted that Mr. Joseph Leo Ayamga who passed away in February 2010 was paid unearned salary of GH₵344.94 for the period March 2010 to May 2010 and his Social Security account at SSNIT was also credited with a total amount of GH₵74.37 during the same period contrary to Section 297(1) of FAR.
1760. Management’s failure to enforce the above quoted regulation caused the state to pay the unearned salary to Mr. Ayamga.

1761. We recommended to management to liaise with the Regional Office of the department to recover to chest the total amount of GH¢344.94 paid into the deceased staff’s bank account during the period.

1762. Management should also write to SSNIT to transfer the total amount of GH¢74.37 credited to his account during the period to chest. The amount has since not been recovered to chest.

**NATIONAL DISASTER MANAGEMENT ORGANISATION – HO**

**Unpresented Payment Vouchers – GH¢11,945.00**

1763. Part 1 Regulation 1 of the Financial Administration Regulations provides that any public officer responsible for the conduct of financial business on behalf of the Government of Ghana should keep proper records and should produce them when called upon to do so.

1764. The Accountant of NADMO, Ho failed to make available for audit 32 payment vouchers with a face value of GH¢11,944.65.
1765. We were therefore not able to satisfy ourselves that the payments were authentic or that the amounts involved were used in the interest of the organisation.

1766. We recommended that the Accountant should be surcharged with the said amount should be fail to produce the vouchers for examination as demanded.

**Unearned Salaries – GH₵56,124.00**

1767. Regulation 297(a & e) of the Financial Administration Regulations provides 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 or has retired or died.

1768. We observed during our review of the payroll of the National Disaster Management Organisation, Ho that 45 staff vacated post in June/July 2010 but they were paid their salaries for the period, totalling GH₵33,890.50. A further 30 staff were transferred from Ashanti Region to Volta Region but they failed to report and were also paid their salaries for June/July totalling GH₵22,233.43 bringing the total unearned salaries to GH₵56,123.93. The Regional Coordinator
and Regional Accountant failed in their duty to prudently manage, supervise and control all payroll procedures.

1769. We recommended that the amount should be retrieved from the Regional Director and Regional Accountant.

**NATIONAL COMMISSION FOR CIVIC EDUCATION – BOLE**

**Misappropriation of Cash – GH₵600.00**

1770. Section 39 (2c-d) of the FAR, 2004 (L.I. 1802) states that, the head of the accounts Section of a department shall control the disbursements of funds and ensure that transactions are properly authenticated to show that amounts are due and payable and any order for disbursements that does not meet these requirements is rejected.

1771. An amount of GH₵600.00 was used to purchase vehicle parts from Warpe Enterprise, Bole for repair of vehicle No. GT. 7682Y in April, 2010.

1772. However, our enquiries revealed that the vehicle has not been in use since 2007 when it was involved in an accident. No record was also made of the spare parts supplied.

1773. Management could not explain why the payment was effected.
1774. We recommended that the amount of GH¢600.00 be recovered from the Accountant and paid into the departmental account.

NATIONAL COMMISSION FOR CIVIC EDUCATION – GOASO

Unsupported Payments – GH¢4,076.00

1775. Regulation 39 (2c) of the FAR, 2004 (L. I. 1802) stipulates that “the head of accounts section of a department shall control the disbursement of funds and ensure that transactions are properly authenticated to show that amounts are due and payable”.

1776. Our examination of the payment vouchers revealed that an amount totalling GH¢2,922.40 being payments made to individuals to execute various programs and activities were not supported with the relevant receipts, honour certificates, invoices and Store Received Advice.

1777. Similarly, we observed that the Commission paid an amount of GH¢1,154.00 as travelling and transport expenses to staff but none of the five (5) payment vouchers were supported with claims.

1778. This anomaly was attributed to the negligence of the Principal Accounts Officer, Nana Akakpo Francis who passed the vouchers for payment without ensuring that the relevant documents were attached.
The genuineness of the transactions could therefore not be determined and value for money could also not be ascertained.

1779. We recommended the recovery of the amount of GH¢4,076.40 from beneficiaries, failing of which the Principal Accounts Officer, Nana Akakpo Francis, should be held liable for negligence of duty.

**Failure to keep record of transactions – GH¢3,516.00**

1780. Section 1(a –b) of the Financial Administration Regulations, 2004 (L.I. 1802) stipulated that “Any Public Officer who is responsible for:

1781. The conduct of financial business on behalf of the government of Ghana.

1782. The receipt, custody and disbursement of public and trust money shall keep proper records of the transactions for inspection when called upon to do so by the Auditor-General, the Controller and Accountant-General or any officer authorised by them”.

1783. Our review of the operations of the Commission revealed that the Principal Accounts Officer, Nana Akakpo Francis failed to keep any records in the cash book relating to amounts received for its operations totalling GH¢3,516.26. The failure of the Accounts Officer
to perform his duty led to non-keeping of records at the Accounts office.

1784. We recommended that the Municipal Director of the Commission, Mr. Philip Combat, should ensure the necessary records are kept and also account for the amount of GH¢3,516.26.

**NATIONAL COMMISSION ON CIVIC EDUCATION – KIBI**

**Failure to account for cash withdrawals – GH¢1,194.00**

1785. Part 1 section 1(a and b) of the FAR 2004 states that “Any public officer who is responsible for the conduct of financial business on behalf of the Government of Ghana, the receipt, custody and disbursement of public 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 his representative.

1786. Our review disclosed that a total amount of GH¢1,194.16 was withdrawn on eight cheques from the commissions bank account No.073001177 at the Mumuadu Rural Bank Ltd., Kibi. However, management failed to support the disbursement of the amount with payment vouchers, receipts and statements.
1787. Management’s failure to adhere to financial regulations on disbursements caused the lapse.

1788. In the absence of these important documents we could not verify the nature and authenticity of the transactions for which the withdrawals were made.

1789. We recommended to management to support the withdrawals with the relevant documents, failing which the total amount involved should be refunded to chest.

1790. Management accepted our recommendation for compliance.

**Unpresented value books**

1791. It is the duty of the Head of Department/Accountant to supervise and to enforce punctual collection of revenue and to take action to ensure that revenue collections and other receipts are properly brought to account.

1792. Our examination of the stock register revealed that a General Counterfoil Receipt book (GCR) No.0534501-0534600 which was issued to Madam Eyram Nyamuame has not been accounted for. We could therefore not determine the value of revenue it has been used to collect.
1793. The head of department failed to compel the officer to account for the book in her possession before issuing subsequent ones to her. This showed a clear lack of supervision and control over value books which is eventually leading to embezzlement of revenue and loss of cash to the department.

1794. We recommended to management to ensure that the revenue collector is prevailed upon to submit the value book and account for any revenue collected without delay. Appropriate disciplinary action should also be taken against her.

1795. Management accepted our recommendation.

NATIONAL COMMISSION FOR CIVIC EDUCATION – KPANDO

Failure to keep proper books of account

1796. Regulation 1(b) of FAR 2004 (LI 1802) requires that proper books of account should be kept and maintained for the receipts and disbursement of all public funds.

1797. We observed that, the Commission during the period January to October 2011 did not keep and maintain proper books of account to show the receipt and disbursement of funds because the District office had no Accounts Officer.
1798. The absence of the Account Officer resulted in payments without supporting documents, and the Director performing financial and administrative functions.

1799. Management was advised to liaise with the District Finance officer, Kpando for assistance.

**Unsubstantiated Payment Vouchers- GH¢1,348.00**

1800. We noted that payment for various goods and services worth of GH¢1,348.10 were without the approved official receipts and other relevant supporting documents. This was contrary to Regulation 39(2) of the FAR 2004, LI 1802 which requires 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.

1801. This was caused by the failure of the spending officer to ensure that vouchers are fully and properly acquitted before and after payments.

1802. This situation cast doubt on the judicious use of funds and could lead to misappropriation and misapplication.
1803. Accordingly, we urged management to have the affected disbursement vouchers properly acquitted. Also, official receipts and invoices to each transaction must be obtained and attached to all payment vouchers. Our recommendation was accepted by management.

NATIONAL COMMISSION FOR CIVIC EDUCATION – WA

Non-Payment of Rent – GH¢389.00

1804. One Mr. Stephen Bonye of the Regional Office of the National Commission for Civic Education Wa, defaulted in the payment of rent for a low cost house allocated to him in the Wa Municipality. Government was thus denied of revenue to support the development of the State.

1805. Management of the Commission was urged to recover the value of the unpaid rent being Gh¢389.02 from the officer and pay to government coffers.

ELECTORAL COMMISSION

Unsupported payments - GH¢28,929.00

1806. Regulation 39 of the Financial Administration Regulations 2004 L.I. 1802 requires that heads of account Sections should control 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 this requirement is rejected.

1807. Contrary to this the Brong Ahafo Regional Director of the Electoral Commission disbursed GH¢28,928.50 with 20 payment vouchers but failed to support the PVs with the relevant expenditure documents; an omission that could result in payments for unapproved expenses and misappropriation of funds.

1808. We recommended that the Regional Director, Mr. Mark Anyemadu, should produce all the relevant documents to substantiate the payments or in the absence of this he should be held accountable for the refund of the total amount of GH¢28,928.50 to chest.

**Fuel purchases not accounted for GH¢22,512.00**

1809. An amount of GH¢22,512.44 in respect of fuel purchased by the Brong Ahafo Regional Office of the Electoral Commission, was not accounted for in the vehicle log books.

1810. We recommended that the Regional Director, Mr. Mark Anyemadu, should ensure that proper vehicle log books are maintained and that the amount of GH¢22,512.44 alleged to have been used to purchase fuel for operational purposes is properly accounted for in line with Stores Registrations 1984, Section 1604 of chapter...
16, failing which he shall be held responsible for its proper accountability or refund as appropriate.

**Purchases not routed through stores GH¢2,821.00**

1811. Chapter 5 Sections 0522 and 0529 of Stores Regulations 1984 demand that SRV’s should be prepared for all goods received whether allocated or unallocated. On the contrary, the Brong Ahafo Regional Director of Electoral Commission (Mr. Mark Ayemadu) purchased goods and services totalling GH¢2,820.63 and failed to pass them through the Store records.

1812. The Regional Director claimed that the items were expendable ones bought through expense imprest and it was not the function of the regional stores to record them.

1813. We held a contrary view and recommended that the items should be captured in the store records or the value refunded on the basis of lack of substantiating evidence that the goods were actually purchased and used by the Commission.

**MUTUAL HEALTH INSURANCE SCHEME – GUSHEGU**

**Unpaid staff loans – GH¢2,977.00**

1814. Section 110 of FAR, 2004 (L.I. 1802) requires that, a head of department or the officer to whom the duties of the head of
department have been delegated should ensure that advances granted are duly recovered in accordance with the terms of the agreement.

1815. Our review disclosed that two (2) staff members who were granted loans amounting to GH¢2,977.03 failed to pay back the loans to the schemes account. The absence of an effective loan recovering mechanism was the cause of the anomaly.

1816. We recommended to management to pursue the recovery of the loan from the two officers.

**WATER BOARD – SALAGA**

**Failure to pay revenue collected to bank – GH¢8,065.00**

1817. Out of a total collection of GH¢8,865.00 received from individual companies and institutions as water bills, only GH¢800.00 was lodged in the bank account of the Board. The balance of GH¢8,065.00 was disbursed directly.

1818. This contravenes Section 18 of the FAR 2004, (L.I. 1802) which requires the payment in gross of revenue collected into the department’s bank account before disbursement.

1819. We recommended to management to desist from the practice and comply with the rules.
REGISTRAR-GENERAL’S DEPARTMENT

Photocopying of official forms for sale by staff for personal gain

1820. The Department’s revenue collection for 2010 increased from GH¢7,258,368.39 to GH¢13,799,499.82.

1821. However sale of Forms which should have a corresponding increase in revenue have rather been reducing from 2008 to 2010 as detailed below:-

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales of forms (GH¢)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>243,574.40</td>
</tr>
<tr>
<td>2009</td>
<td>237,041.10</td>
</tr>
<tr>
<td>2010</td>
<td>210,769.90</td>
</tr>
</tbody>
</table>

1822. We noted that the decreases had occurred because staff of the department preferred to make photocopies of the forms and sold these to the public for their personal gains.

1823. We recommended that the practice of photocopying official forms to sell for personal gain should cease immediately and Management should investigate the malpractice.
Failure to prepare annual financial statements

1824. We noted that, contrary to Regulation 41 of the FAR 2004, (LI 1802) the spending officer failed to prepare the financial statements for the periods 2008 and 2009.

1825. We recommended that management should have the accounts and the Financial Statement prepared without any further delay.

Reckless use of official vehicles – GH¢14,169.00

1826. Our review of transport management procedures revealed that Mr. Gabriel Agbo and Mr. Bruce both drivers of the Department, without proper authority, drove vehicles No. GV355R and GV1079Z and got involved in various accidents which caused the department to incur a total debt of GH¢14,169.00.

1827. We noted that management failed to set up an inquiry into the accidents to establish levels of responsibility of the drivers and the form of punishment, if any, to be meted out to them.

1828. We recommended that management should institute an inquiry into the two accidents and surcharge the two drivers with the total cost of repairs. Disciplinary action should be also being taken against them.