



REPUBLIC OF GHANA



G H A N A
Championing African Excellence

Our Vision

To be one of the leading
Supreme Audit Institutions
in the world, delivering
professional, excellent, and
cost effective auditing
services by the year 2010

PERFORMANCE AUDIT REPORT
of the
AUDITOR-GENERAL
on
**PUBLIC SERVANTS HOUSING
LOANS SCHEME**

REPORT NO. 2/PA/2007



Edward Dua Agyeman
Auditor-General



REPORT OF THE AUDITOR GENERAL ON PUBLIC SERVANTS HOUSING LOAN SCHEME

Table of contents

	Page
Transmittal Letter	i – ii
Executive Summary	iii – v
1. INTRODUCTION	
• Reasons for the audit	1
• Purpose and scope	1
• Methods and implementation	2 – 3
2. DESCRIPTIVE CHAPTER	
• Historical background	4
• Goals and objectives	4
• Funding	4 – 5
• Current development	6
• Key players and main activities	7 – 10
3. FINDINGS	
• Introduction	
• Many public servants are not aware of the scheme	11 – 14
• Funding is inadequate	14 – 17
• Loan acquisition procedures are cumbersome	18 – 20
• Monitoring is inadequate	20 – 21
• Incremental development approach leads to cost overruns	21 – 22
4. SUMMARY AND CONCLUSIONS	23 – 26

5. RECOMMENDATIONS

- Making public servants aware of the scheme 26
- Improving funding 26
- Improving loan acquisition procedures 26
- Improving monitoring 27
- Minimising cost overrun 27

APPENDICES

- “A” List of institutions visited 28
- “B” List of districts and regions visited 29
- “C” List of abbreviations 30
- “D” Key players interviewed 31
- “E” Documents reviewed 32

TRANSMITTAL LETTER

Ref. No. AG.01/109

**Office of the Auditor-General
Ministries Block 'O'
P. O. Box MB 96
Accra**

Tel.: (021) 662493
Fax: (021) 662493

19 March 2007

Dear Sir,

PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON PUBLIC SERVANTS HOUSING LOAN SCHEME

I have the honour to submit to you for presentation to Parliament my 17th Performance Audit Report in pursuant to Article 187(5) of the 1992 Constitution and Section 13(e) of the Audit Service Act, Act 584. The Audit Service Act which came into force in November 2000 gives me authority to audit programmes and activities of Public Offices to ensure economy, efficiency and effectiveness in the use of resources.

2. The Audit Service traditionally audits the financial statements prepared by Public bodies. Performance auditing has been introduced at Ghana Audit Service as part of a capacity building project funded by the European Union. The team that carried out the audit comprise Messrs G. K. Osei and S. A. K. Quist under the supervision of Messrs Yaw Sifa, Acting Assistant Auditor-General and R.K. Anaglate, Deputy Auditor-General, all of Performance Audits Department.

3. Performance audit are carried out by teams of professional staff, including specialists such as architects, legal experts, economists and

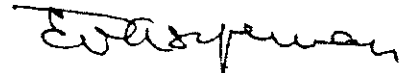
accountants. Depending on the extent of the coverage and complexity, it normally takes between six months and one year to complete a performance audit, thus, making it more expensive than the traditional financial audit. Effective performance audits can lead to better use of resources by public bodies and provide support to democratic governments by bringing about accountability and transparency, improved operations and better decision-making.

4. This report to Parliament is the 17th report prepared by staff who have been professionally trained in conducting Performance Audits to internationally recognised standards to supplement the financial audits.

5. I would like to thank my staff for their assistance in the preparation of this report and the staff of the Public Servants Housing Loan Scheme and other Institutions for assistance offered to my staff during the audit.

6. I trust that this performance audit report will meet the approval of Parliament.

Yours sincerely



**EDWARD DUA AGYEMAN
AUDITOR-GENERAL**

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