

IMANI'S FISCAL RECKLESSNESS INDEX

Rankings of Financial Irregularities for MDAs, Boards of Public Corporations, Polytechnics and Pre-University Institutions (2012-2014)

SECTION 1: INTRODUCTION

Background

Governments have a social contract with their citizens to provide infrastructure among other public goods and improve their economic wellbeing. However, the rehearsed mantra is that most governments are saddled with scarce resources amidst mounting socioeconomic needs.

The Auditor General of Ghana is mandated by the constitution to audit the accounts of all public institutions and agencies, and to submit its report to Parliament. The Auditor General is also granted powers to mete out sanctions to recalcitrant public officials in the form of disallowance and surcharges. However, after several years of performing these functions, and reporting mammoth sums in irregularities, the canker of fiscal improprieties seem to be festering rather than ebbing down.

The government of Ghana and its citizens, heavily dependent on donor support for its budgetary expenditure cannot continue to condone such reckless fiscal behaviour by public officials without mounting pressure on the powers that be to act in tandem with the demands of the populace.

This report seeks to analyse and rank public institutions according to their fiscal prudence or otherwise, so as to channel requisite remedial and punitive efforts towards public officials within these institutions.

Methodology

The aim of the analysis of the Auditor General's reports for MDAs, Public Boards, Polytechnics and Pre-University educational institutions from 2012 to 2014 is to produce a composite report and ranking that amalgamates all the financial irregularities of all these institutions. So, first of all, the four (4) categories were ranked separately and analysis provided for the top three (3) to four (4) institutions. Thereafter, the various cumulative irregularities were aggregated and ranked under Sector Ministries. The yearly cumulative irregularities for Polytechnics and Pre-University educational institutions were added to the total yearly amount under Ministry of Education.

The extra-ministerial agencies were ranked and analysed separately.

SECTION 2: LEGAL FRAMEWORK

The authority of the Auditor General of Ghana is enshrined in Article 187 (2) of the 1992 Constitution:

The public accounts of Ghana and of all public offices, including the courts, the central and local government administrations, of the Universities and public institutions of like nature, of any public corporation or other body or organization established by an Act of Parliament shall be audited and reported on by the Auditor-General.

The independence of the Auditor General is also backed by Article 187 (7):

In the performance of his functions under this Constitution or any other law the Auditor - General

(a) shall not be subject to the direction or control of any other person or authority;

The powers to mete out sanctions and punitive measures against public officials are also spelled out by Article 187 (7):

(b) may disallow any item of expenditure which is contrary to law and surcharge -
(i) the amount of any expenditure disallowed upon the person responsible for incurring or authorising the expenditure; or
(ii) any sum which has not been duly brought into account, upon the person by whom the sum ought to have been brought into account; or
(iii) the amount of any loss or deficiency, upon any person by whose negligence or misconduct the loss or deficiency has been incurred.

SECTION 3: ANALYSIS OF RANKINGS

PUBLIC BOARDS, CORPORATIONS AND OTHER STATUTORY INSTITUTIONS

Public Boards, with GHS 4.6 billion in total irregularities from 2012 to 2014, constituted the lion's share of irregularities. A reasonable amount of volatility existed within these irregularities. From 2012 to 2013, there was a 68% decrease in total irregularities, before rebounding with a 58% increase in 2014. Outstanding debts/loans represented 83.2% of total irregularities over the years under review. This type of irregularity represented almost 97% of the total irregularities in 2014, driven almost exclusively by irregularities within the Ministry of Energy.

Summary of financial irregularities for Public Boards/Corporations from 2012 to 2014

No.	Type of Irregularities	Years					
		2012		2013		2014	
		Total Amount GHC	%	Total Amount GHC	%	Total Amount GHC	%
1	Cash Irregularities	116,346,698	5.762	152,498,073	17.78	19,105,859	1.1
2	Outstanding debt/Loans	1,696,453,353	84.017	455,439,919	53.11	1,740,679,561	96.7
3	Payroll Irregularities	251,805	0.012	269,677	0.03	941,675	0.1
4	Tax Irregularities	1,072,002	0.053	1,876,969	0.22	8,892,763	0.5
5	Contract Irregularities	153,942,496	7.624	21,908,025	2.55	2,005,098	0.1
6	Stores Irregularities	629,683	0.031	191,445,459	22.33	23,272,123	1.3
7	Procurement Irregularities	50,492,452	2.501	34,042,283	3.97	5,063,172	0.3
TOTAL		2,019,188,489	100	857,480,405	100.0	1,799,960,251	100.0

Cumulative Rankings for Public Boards/Corporations from 2012 to 2014

Cumulative Rankings			
No.	Sector Ministries	Amount (GHS)	%
1	Ministry of Finance & Economic Planning	2,050,747,447.81	45.822%
2	Ministry of Energy	1,945,066,004.38	43.461%
3	Ministry of Health	311,641,551.84	6.963%
4	Ministry of Education	61,882,805.62	1.383%
5	Ministry of Water Resources, Works & Housing	35,230,985.00	0.787%
6	Ministry of Trade & Industries	25,197,090.79	0.563%
7	Ministry of Information	18,638,169.09	0.416%
8	Ministry of Youth & Sports	11,255,707.00	0.251%
9	Ministry of Transportation	10,345,089.78	0.231%
10	Ministry of Environment, Science & Technology	2,084,279.00	0.047%
11	Ministry of Land, Forestry & Mines	1,572,334.40	0.035%
12	Ministry of Justice	1,011,577.99	0.023%
13	Ministry of Chieftaincy & Culture	313,115.61	0.007%
14	Ministry of Local Government & Rural Development	285,465.18	0.006%
15	Ministry of Interior	180,435.00	0.004%
16	Ministry of Communication	11,144.21	0.000%
17	Ministry of Roads & Highways	5,891.19	0.000%
18	Ministry of Food & Agriculture	2,845.00	0.000%
TOTAL		4,475,471,938.89	100%

Commentary on Cumulative rankings for Public Boards/Corporations (2012 – 2014)

1. Ministry of Finance & Economic Planning

The Ministry of Finance & Economic Planning took the top spot for financial irregularities within this category - Public boards/Corporations, totaling just over GHS 2 billion over the three-year period, representing approximately 46% of total irregularities within this category. Particularly of note were outstanding debts in 2012 totaling GHS 1.39 billion – aside being the highest type of irregularity (Outstanding debt) amongst the sector Ministries within this category, it also made up two-thirds of the Ministry's total irregularities. These outstanding debts stemmed from excess borrowings over the expected limit of GHS 826 million set by the Banking Act. From here, outstanding debt dropped to just GHS 12.5 million in 2014, a decrease of more than 99%, culminating from the renegotiation of the Banking Act borrowing limit. This huge drop also resulted in a 99% reduction in the Ministry's total irregularities in 2014. Cash and Payroll irregularities, which made up more than GHS 200 million combined in 2012, drop to near zero as well. While these reductions in total financial irregularities were encouraging, more attention should be paid minimizing the occurrence of these outstanding debts in the future.

2. Ministry of Energy

Following closely after the Ministry of Finance with GHS 1.95 billion in total financial irregularities representing 43% of the category's cumulative irregularities, was the Ministry of Energy. Taken together, the two Ministries, Finance and Energy (out of a total of 18 Ministries) made up a whopping 89% of cumulative irregularities within this category. The Ministry of Energy had a different trajectory from that of the Ministry of Finance over the three-year time period – starting from just GHS 3 million in 2012, and ballooning to GHS 1.7 billion in 2014, representing an increment of 99.9%. Similar to the Ministry of Finance, outstanding debts also made up the vast majority of irregularities for most of the years – particularly in 2014, it made up 99% of that year's total. The exception was in 2013, where improperly accounted stores and procurements made up the majority of the Ministry's irregularities. Nonetheless, the incredibly huge increment in outstanding debts illustrates the pressing need for debt reforms within this Ministry.

MINISTRIES, DEPARTMENTS, AND OTHER AGENCIES (MDAs)

At a whopping GHS 1.1 billion over the period under review, total financial irregularities for MDAs were the second highest amongst the four categories. Particularly of note is the huge decrease of nearly GHS 215 million in total irregularities between 2013 and 2014. This downward trend was primarily due to the drop in irregularities by the Ministry of Finance and Economic Planning and the Ministry of Youth & Sports in 2014, which either separately or collectively made up more than 90% of the irregularities in 2012 and 2013 respectively. Cash and tax irregularities represented 54.5% and 24.5% of total irregularities respectively, with contract irregularities following with 11.7% of total irregularities. The trajectory in irregularities for the Ministry of Youth and Sports was interesting, with GHS 63,557.98 in 2012, spiking up to GHS 316,576,235.31 in 2013, and dropping drastically to GHS 1,353,092.48 in 2014. The huge amount recorded by the Ministry (Youth and Sports) in 2013 was largely made up of cash and contract irregularities.

Summary of financial irregularities for MDAs from 2012 to 2014

No.	Type of Irregularities	Years					
		2012		2013		2014	
		Total Amount GHC	%	Total Amount GHC	%	Total Amount GHC	%
1	Cash Irregularities	340,146,162	85.96	268,764,477	56.26	5,089,352	2.0
2	Outstanding debt/Loans	6,776,365	1.71	19,133,001	4.01	13,755,903	5.4
3	Payroll Irregularities	45,147,617	11.41	1,665,501	0.35	11,426,144	4.5
4	Tax Irregularities	1,161,315	0.29	57,215,083	11.98	217,186,533	85.9
5	Contract Irregularities	1,620,642	0.41	127,856,539	26.76	2,784,227	1.1
6	Stores/Procurement Irregularities	866,452	0.22	2,740,789	0.57	2,373,355	0.9
7	Rent Payment Irregularities	-	0.00	333,066	0.07	171,074	0.1
TOTAL		395,718,552	100	477,708,456	100.0	252,786,587	100.0

Cumulative Ranking for MDAs from 2012 to 2014

Cumulative			
No	Ministries Departments & Agencies	Amount GHC	Percentage %
1	Ministry of Finance & Eco. Planning	689,421,495.43	61.987%
2	Ministry of Youth & Sports	317,992,905.77	28.591%
3	Ministry of Defence	18,700,899.06	1.681%
4	Ministry of Communication	17,795,387.10	1.600%
5	Ministry of Health/GHS	15,700,425.03	1.412%
6	Ministry of Food & Agric	12,908,022.44	1.161%
7	Ministry of Justice & Attorney General	10,970,026.34	0.986%
8	Ministry of Education/GES	9,990,327.23	0.898%
9	Min. of Water Res. Works & Housing	5,271,708.24	0.474%
10	Ministry of Employment & Labour Relation	4,479,628.97	0.403%
11	Ministry of foreign Affairs & Regional Integration	3,767,566.88	0.339%
12	Ministry of Gender, Children & Social Protection	2,174,368.25	0.195%
13	Ministry of Lands & Forestry & Mines	953,823.57	0.086%
14	Ministry of Information & National Orientation	949,900.95	0.085%
15	Ministry of Roads & Highway	427,985.63	0.038%
16	Ministry of Interior	396,082.37	0.036%
17	Ministry of Local Govt. & rural Dev.	260,185.25	0.023%
18	Ministry of Tourism, Culture & Creative Arts	33,822.00	0.003%
19	Ministry of Trade & Industry	15,339.00	0.001%
Total		1,112,209,899.51	100%

Commentary on Cumulative for MDAs (2012 to 2014)

1. Ministry of Finance & Economic Planning

With GHS 689 million in total financial irregularities, making up approximately 62% of cumulative irregularities over the period under review, the Ministry of Finance & Economic Planning topped the list. This was even with a significant downward trend from 2013 to 2014, representing a 46% drop. Tax irregularities made up about 97% of total irregularities. In 2012, there was a deluge of these sorts of tax irregularities in the form of poorly documented revenue collection of petroleum taxes, making it nearly impossible to confirm over GHS 262 million in taxes during the year. Along with these tax irregularities, undernoted cash and outstanding debts made up the rest of the irregularities. These irregularities, however, are highly volatile as well – undernoted cash shot up from less than GHS 1 million in 2012 to GHS 53.5 million in 2013, while outstanding debts ranged from GHS 35 million in 2012 to zero in 2014.

2. Ministry of Youth and Sports

With irregularities totaling GHS 317 million, representing 34.2% of the cumulative total – the Ministry of Youth and Sports ranked second on the cumulative list. Interestingly, 99.5% of the total irregularities came from just one year, 2012, made up of mostly cash and contract irregularities. Driving these huge amounts of irregularities in 2012 was the Ghana Youth Employment & Entrepreneurial Development Agency (GYEEDA), with their excess budget expenditure and direct transfers from the Ghana Revenue Authority (GRA). Despite having a budget of only GHS 20 million, the Agency overspent by GHS

199.3 million in just one year, as revealed by accounts from the Ministry of Youth and sports. Exacerbating this issue were the direct transfers from GRA to the Ministry, an amount of GHS 136.8 million, which were paid directly into the accounts of the Ministry, rather than channeling it through the treasury system. Due to the lack of checks and balances in this system, it was much easier to freely overspend in the GYEEDA programme. Fixing these control weaknesses, ensuring the Ministry stay on budget, and operating through the formal revenue system will be critical for reforms in the future.

3. Ministry of Defence

Though a mere fraction of the total irregularities for the Ministry of Finance, GHS 18.6 million for the Ministry of Defence represented 2% of the category's cumulative financial irregularities. The Ministry experienced a huge rise in irregularities across the period, from just GHS 21,000 in 2012 to almost GHS 13 million in 2014. The primary causal factor was an increase in outstanding debts/loans within the Ministry, which made up 100% of its irregularities. Outstanding debts grew by GHS 5.8 million in 2013, and a further rise of GHS 7.1 million in 2014. Future reforms should focus on reducing these irregularities.

4. Ministry of Communication

Ranking fourth on the list was the Ministry of Communication, with irregularities amounting to GHS 17.8 million representing 1.9% of the cumulative irregularities. Despite accruing no irregularities in 2012, high outstanding debt/loans in 2013 and tax irregularities in 2014 collectively contributed to its fourth place ranking on the list. In particular, the Ministry's loan of GHS 5 million granted to the Ghana Post Company in 2013, without Parliamentary approval at the time, made up the bulk of that year's irregularities. Moreover, there was also the non-payment of GHS 12.8 million in landing charges from the Ghana Meteorological Agency (under the umbrella of the Ministry of Communication) in 2014. This outstanding debt contributed to all of the irregularities for the Ministry in 2014. Ensuring that the Ministry gets its debts in check – both by paying outstanding ones and seeking Parliamentary approval for future ones, will be important to improving future narratives for the Ministry.

5. Ministry of Health

Consistently ranking consistently within the top 5 Ministries in terms of irregularities in the yearly rankings across the three (3) years, and with a total of GHS 15.7 million representing 1.7% of cumulative irregularities, the Ministry of Health placed fifth on the list. As one of the more volatile Ministries on the list, the Ministry has ranged from GHS 2.1 million to GHS 9.1 million from 2012 to 2013, and then dropped down to GHS 4.3 million. Responsible for much of this volatility was contractual irregularities, which shot up by more than GHS 6 million in 2013 before significantly dropping in 2014. Managing these irregularities, along with Stores and Procurement irregularities, which also shot up to more than 25% of total irregularities over the three-year period, will be critical for reforms.

POLYTECHNIC UNIVERSITIES

Totalling roughly GHS 84.2 million over the period under review, financial irregularities in Polytechnics were the third highest, far less than that of MDAs and Public Boards, but significantly higher than of Pre-University educational institutions. Overall, these financial irregularities show a downward trend, dropping from GHS 38 million in 2012 to GHS 24 million in 2013, and further down to GHS 21 million in 2014. Across all three years, Cash irregularities proved to be the largest type of irregularity by far, comprising over 76% of total irregularities. This was followed by Contract irregularities, which showed the most volatility in the time period – and represented 13.3% of total irregularities. There are a number of wide ranging volatilities within individual Polytechnics - Tamale Polytechnic, for example, racked up GHS 3.5 million in Contract irregularities alone in 2012, but had none in that irregularity category in the other two years.

Summary of financial irregularities for Polytechnics from 2012 to 2014

No.	Type of Irregularities	Years					
		2012		2013		2014	
		Total Amount GHC	%	Total Amount GHC	%	Total Amount GHC	%
1	Outstanding / Debtors / Loan / Recoverable charges	383,800	1.0	741,783	3.1	244,383	1.1
2	Cash Irregularities	29,345,696	75.6	19,270,154	80.2	15,858,570	74.0
3	Payroll Irregularities	260,845	0.7	256,576	1.1	131,991	0.6
4	Procurement Irregularities	2,994,699	7.7	842,661	3.5	843,570	3.9
5	Tax Irregularities	464,687	1.2	654,658	2.7	107,601	0.5
6	Stores Irregularities	-	0.0	615,769	2.6	30,880	0.1
7	Contract Irregularities	5,369,820	13.8	1,646,856	6.9	4,223,889	19.7
TOTAL		38,819,547	100	24,028,457	100	21,440,884	100

Cumulative Rankings for Polytechnics from 2012 to 2014

Cumulative Rankings (2012 – 2014)		
Name	Amount (GHS)	%
Kumasi Polytechnic	23,743,662.00	28.40%
Takoradi Polytechnic	23,611,235.00	28.24%
Sunyani Polytechnic	15,030,403.25	17.98%
Wa Polytechnic	6,954,326.00	8.32%
Koforidua Polytechnic	3,849,230.00	4.60%
Tamale Polytechnic	3,822,674.00	4.57%
Bologatanga Polytechnic	2,474,347.24	2.96%
Ho Polytechnic	2,418,585.38	2.89%
Accra Polytechnic	1,761,520.00	2.11%
Cape Coast Polytechnic	407,276.00	0.49%
Total	83,601,182.29	100.00%

Commentary on Cumulative rankings for Polytechnics (2012 – 2014)

1. Kumasi Polytechnic

Ranking either first or second in the yearly rankings across the three – years, Kumasi Polytechnic was first on the cumulative list, racking up GHS 23.7 million in irregularities representing 28.2% of the cumulative total for this category. More than 95% of the institution's irregularities were attributed to Cash irregularities. As such, volatility in Cash irregularities contributed strongly to its total irregularities. In particular, payments from the institution's Internally Generated Funds (IGF) were made without Parliamentary approval, totaling GHS 7.4 million in 2013 and GHS 10.6 million in 2014. Worryingly, it appears that these Cash irregularities had been increasing, nearly tripling from GHS 4.2 million in 2012 to GHS 10.7 million in 2013 before dropping off slightly to GHS 7.7 million in 2014. To achieve proper reforms at the institution, these Cash irregularities must be dealt with appropriately, and management must also seek Parliamentary approval before expending IGFs.

2. Takoradi Polytechnic

Ranking second on the list with a total of GHS 23.6 million in irregularities, representing 28% of the cumulative total, Takoradi Polytechnic seemed to be somewhat of an outlier. In 2012, the GHS 22.5 million in irregularities is more than double of any other Polytechnic in the three-year period examined. This resulted from undernoted cash, and more specifically, IGF payments totaling more than GHS 19 million that were also made without Parliamentary approval. Nonetheless, the dramatic drop between 2012 and 2013, along with consistency between 2013 and 2014, suggests that this one-time irregularity has been ameliorated through the submission of IGF budget to Parliament.

3. Sunyani Polytechnic

With GHS 15 million in total financial irregularities, representing 17.8% of the cumulative total, Sunyani Polytechnic ranked third within this category. Cash irregularities were the predominant category of irregularities for this polytechnic. Sunyani Polytechnic accrued only GHS 88,000 in 2012, but this shot up to GHS 7.5 million in 2013, staying up at GHS 7.3 in 2014. These irregularities were largely Cash related. Without significant reforms in the institution's cash accounting process, we can expect these cash irregularities to persist in the future.

4. Wa Polytechnic

Wa Polytechnic, with financial irregularities totaling GHS 7.1 million representing 8.4% of cumulative irregularities within this category, ranked fourth on the list. Despite accruing only half the total irregularities of Sunyani Polytechnic, Wa Polytechnic was consistently ranked within the top half of the list, placing third in 2013 and 2014. Moreover, both its financial irregularities and percentile contributions increased yearly, ranging from 4% in 2012 to 16% in 2014. Unlike the top three Polytechnics, these irregularities were predominantly Contract related, making up more than 75% of all of

the institution's total irregularities. As such, ensuring approval of contracts and certification of work done under contracts is a critical reform needed in this institution.

PRE-UNIVERSITY EDUCATIONAL INSTITUTIONS

Despite making up the smallest proportion of overall total irregularities at GHS 53.6 million, several trends emerge from the financial irregularities for Pre-University educational institutions. Between 2012 and 2014, there has been a downward trajectory in total yearly financial irregularities, with a 48% total decrease over the time period. Procurement and cash irregularities represented 48.4% and 34.9% of total irregularities. There were a number of volatilities. Stores irregularities, for example, dropped from a high of GHS 2,954,177 in 2012 to nothing in 2013 and 2014. Contract irregularities dropped from GHS 380,647 to nothing in 2013, but shot up by over 300% to GHS 1,202,331 in 2014.

Summary of financial irregularities for Pre-University Educational institutions from 2012 to 2014

No.	Type of Irregularities	Years					
		2012		2013		2014	
		Total Amount GHC	%	Total Amount GHC	%	Total Amount GHC	%
1	Cash Irregularities	7,220,009	29.3	7034283	44.0	4,502,401	34.3
2	Payroll Irregularities	1,181,381	4.8	586732	3.7	553,698	4.2
3	Procurement Irregularities	12,139,352	49.2	7736824	48.4	6,177,044	47.1
4	Tax Irregularities	804,948	3.3	629875	3.9	682,939	5.2
5	Contract Irregularities	380,647	1.5	0	0.0	1,202,331	9.2
6	Stores Irregularities	2,954,177	12.0	0	0.0	-	0.0
TOTAL		24,680,515	100	15,987,715	100.0	13,118,413	100.0

Cumulative rankings for Pre-University Educational institutions (2012 – 2014)

Cumulative rankings (2012 – 2014)			
No.	Regions	Amount (GHC)	%
1	Eastern	15,589,360.81	29.08%
2	Ashanti	6,733,301.12	12.56%
3	Volta	4,943,882.04	9.22%
4	Greater Accra	4,744,813.43	8.85%
5	Brong Ahafo	4,548,996.08	8.49%
6	Central	4,265,447.57	7.96%
7	Northern	3,876,814.38	7.23%
8	Upper West	3,660,983.43	6.83%
9	Western	2,950,819.75	5.50%
10	Upper East	2,290,143.04	4.27%
TOTAL		53,604,561.65	100%

Commentary on Cumulative rankings for Pre-University educational institutions (2012 – 2014)

1. Eastern Region

With a total of GHS 15.6 million in irregularities, representing 29.1% of the cumulative total, the Pre-University educational institutions in the Eastern region topped the list. The total amount of GHS 15.6 million was more than double the irregularities of Pre-University educational institutions in other regions on the cumulative list. This was despite a near halving of irregularities from 2013 to 2014, stemming from a significant decrease in irregularities from cash, procurement, and stores. By and large, improperly accounted stores and procurements were the primary drivers for these irregularities, making up more than half of all irregularities in each year. Though the significant decrease in irregularities from 2013 to 2014 was encouraging, the Eastern region remains the region with the highest proportion of financial irregularities amongst Pre-University educational institutions. Future focus on reducing procurement, stores and cash irregularities would be critical in the reform process.

2. Ashanti Region

Ranking generally in the top half of annual irregularities and with a total of GHS 6.7 million representing 12.6% of the category's cumulative irregularities, Pre-University educational institutions in the Ashanti Region were ranked second on the list. As with institutions in the Eastern Region, cash, procurement/stores irregularities were the largest contributing factors to the region's total irregularities, making up 90% or more in each of the years reviewed. A significant amount of volatility exists within these categories of irregularities, particularly with undernoted cash. From 2013 to 2014, for example, cash irregularities dropped from GHS 2 million to just GHS 290,000. Finding sustainable ways to curb these irregularities, particularly procurement and stores categories, will be vital for reforms in the future.

3. Volta Region

Pre-University educational institutions in the Volta region were collectively ranked third on the cumulative list, with total irregularities of GHS 4.9 million representing 9.2% of the category's total irregularities. Procurement and stores irregularities constituted the majority of the region's total irregularities, amounting to GHS 1.7 million in 2012 and GHS 1.2 million in 2014. A significant decrease in these procurement and stores irregularities in 2013 led to a substantial decline in total irregularities in that year. The uptick in 2014 shows the need for more reforms to curb these procurements and stores irregularities.

SECTION 4: KEY FINDINGS & RECOMMENDATIONS

The main findings from the study are summarized as follows:

The irregularities were mainly due to violations of rules, flagrant disregard for the financial administration regulations and the Public Procurement Act, non-adherence to tax laws and procedures, and failure to strengthen controls.

Cash irregularities amounting to GHS 985,181,733.74 represented 16.5% of total irregularities. These were mainly due to gross violations of the financial administration regulations and also poor accounting systems.

Management failure to adhere to the rules and regulations pertaining to debt management as well as the absence of policies on granting loans led to a whopping GHS 3,933,608,067.52 which accounted for 66.21% of total irregularities.

Consistent non-recourse to procurement committees and provisions provided in the Public Procurement Act amounted to GHS 119,714,853.29 representing 2.02% of total irregularities.

Tax irregularities prevalent amongst MDAs amounted to GHS 290,749,374.37 representing 4.8% of total irregularities. These were largely due to failure to adhere to tax laws.

Contract irregularities due to failings in strengthening controls and non-compliance with tendering procedures, amounted to GHS 322,940,570.12 representing 5.4%.

Recommendations

The Auditor General must exercise the powers of surcharge and disallowance in order to curb the wanton and intentional disregard for regulations, laws, and procedures. Until recalcitrant public officials and institutions are penalized for malfeasance, these acts will continue to fester.

It is imperative that the sections of the Public Procurement Act are amended, in order to fully spell out fines or other sanctions for non-compliance by public officials. These sanctions when exercised will seek to serve as a deterrent to other public officials.