



**REPORT AND FINANCIAL
STATEMENTS**

ON THE PUBLIC ACCOUNTS

ON THE CONSOLIDATED FUND

OF

THE REPUBLIC OF GHANA

FOR THE YEAR ENDED

DECEMBER 31, 2005



PREFACE OF THE REPORT AND THE FINANCIAL STATEMENTS OF 2005 ON THE PUBLIC ACCOUNTS OF GHANA

Objective

This Report and Financial Statements cover the Central government activities and are prepared in order to:

- Meet the statutory provision requiring the Controller and Accountant-General's Department (C.A.G.D.) to account for the performance of the Consolidated Fund Budget;
- Facilitate the process of accountability by providing accounting information to Parliament in particular and the Public in general to enable them make informed judgement on the management of the Consolidated Fund, and
- Provide basic data to aid the process of determining important macro-economic performance indicators like growth, interest rate, inflation, etc.

Composition of the Financial Statements

According to section 41(b) of The Financial Administration Act, 2003 Act 654 the public accounts shall comprise:

- (i) a balance sheet showing the asset and liabilities of the Consolidated Fund as at the end of the year;
- (ii) a statement of revenue and expenditure of the Consolidated Fund for the year;
- (iii) a cash flow statement of the Consolidated Fund for the year; and
- (iv) Notes that form part of the accounts.

In addition to the above a statement of receipts and payment which takes into account both cash, non-cash and notional transactions has been provided.

COVERAGE

Transactions reported on in the Financial Statements are those relating to GOG Receipts and Payments as well as Loans and Grants received as budgetary support from development partners. Information on Project Loans/Grants and retained internally generated funds are not provided here because such monies are often received directly to the MDAs who lodge them in Commercial Bank Accounts. Payments from these Bank Accounts do not follow the normal GOG treasury procedures and therefore escape data capture. The narrow based financial statements are therefore presented in this document.

OVERVIEW OF THE PUBLIC FINANCIAL MANAGEMENT SYSTEM

In order to ensure that it achieves, its macro economic policy objectives, government, begins the financial year with a projection of revenue and expenditure, and defines rules and procedures for accessing funds. It also ensures that appropriate banking arrangements exist to facilitate receipts and disbursements of funds, while creating the structure for accounting and reporting on the performance of the budget.

The Budget preparation process for the year under review started in May/June with a National Policy Workshop on Ghana's Growth and Poverty Reduction strategy (GGPRS) for all Ministries, Departments and Agencies (MDAs). This was followed by a policy review workshop for all MDAs to guide them prepare their policy reports in line with the National Policy. Intra-Sectional meetings were then held to remove overlaps in outputs and activities across MDAs. Ceiling for resources were determined for MDAs in the budget guidelines and inputs required to achieve objectives were identified and costed. The total cost of these inputs make up the MDAs draft estimates which were then submitted to Ministry of Finance and Economic Planning (MOFEP) for compilation, printing and submission to Cabinet and Parliament.

General and Specific Warrants were released by the Director of Budget prior to the commitment of any transaction while the Controller and Accountant-General issued Expenditure Authorisation to transfer funds into the operational Bank Accounts of MDAs. Funds were released on the basis of detailed expenditure plans prepared and submitted to the MOFEP.

The Controller and Accountant-General (CAG) in his capacity as Chief Accounting Officer advises the MOFEP on accounting matters, approves all departmental

accounting instructions and promotes the development of efficient accounting systems within all departments.

CAG regularises all payments and receipts transactions affecting the Consolidated Fund and other Funds and renders Statements of Accounts on the performance of the Consolidated Fund. To facilitate operation of government's business CAG establishes accounts with the Bank of Ghana (BOG) and its agents as he deems necessary for the deposit and disbursement of public funds. Operational bank accounts are opened by CAG, and funded to facilitate MDAs payments.

CAG uses the Treasuries to facilitate payments and Receipts on behalf of government, and captures government's transactions using the ACCPAC General Ledger module. The Public Accounts Section of CAGD obtains inputs from Treasuries, Banks, PDI, Revenue Agencies and Payroll Section to prepare the Consolidated Fund Accounts using ACCPAC and the National Expenditure Tracking System (NETS).

Over all revenue performance was improved and public expenditure was better managed through effective planning and budget formulation, the setting of realistic and achievable ceiling, clear spending priorities and enhanced monitoring of disbursements.

Summary of revenue and Expenditure

	2005 Budget ¢Billions	2005 Actual ¢Billions	2004 Actual ¢Billions
Revenue	29,881.3	30,325.8	23,773.6
Expenditure	27,413.8	25,158.7	21,956.0
Surplus/ (Deficit)	2,467.5	5,167.1	1,817.6

**REPORT AND FINANCIAL STATEMENT OF THE CONTROLLER AND
ACCOUNTANT-GENERAL ON THE PUBLIC ACCOUNTS OF
GHANA (CONSOLIDATED FUND) FOR YEAR ENDED 31st DECEMBER
2005**

Introduction

1. In compliance with section 41 of the Financial Administration Act, 2003 (Act 654) and Regulation 196 of the Financial Administration Regulation, 2004 LI 1802, the Report and Financial Statements of the Consolidated Fund for the year ended December 31, 2005 are hereby presented.
2. The Controller and Accountant-General is required by Section 41 of the FAA, 2003 to draw up and sign the Annual Financial Statements on the Public Account of Ghana (Consolidated Fund) by the 31st March of the following year.

The financial statements accompanying the reports are:

- Balance Sheet Statement of Assets and Liabilities
- Statement of Revenue and Expenditure
- Cash flow Statement
- Notes to the Accounts
- Statement of receipts and Payment
- Functional Classification of Expenditure by Items and Heads
- Summary of Expenditure by Heads and Items
- Summary Report on Poverty and HIPC Expenditure
- Analysis of the Position of:
 - i. Public Debt/Grants
 - ii. Deposits.
 - iii. Advances
 - iv. Loans
 - v. Equity Investments
 - vi. HIPC Fund

CAGD SYSTEM REVIEW AND IMPROVEMENT

Public Accounts

3. The Monthly Financial Statements on the Consolidated Fund have been prepared up to December 2005 and gazetted. The Audit Report on the 2004 Consolidated Fund Accounts have been issued.

Training

4. A series of training workshops were organized for staff within and outside the department by the Controller and Accountant-General's Department. There were three (3) in-service training and one (1) training workshop for some selected staff of all the Ministries, Departments and Agencies (MDAs).
5. The training for PPD staff was to provide orientation to newly posted staff affected by mass transfer on the Payroll Processing Operations.
6. The training involving some selected staff and management staff was tailored towards skills development and improving the competence of Civil servants in their day-to-day job activities.
7. Together with the Internal Audit Agency and the Public Procurement Board, a three-day training workshop for MDAs within the Greater Accra Region on the Financial Administration Act. 2003 (ACT 654), Internal Audit Agency Act 2003 (ACT 658), and the Public Procurement Act 2003 (ACT 663) was organized. The purpose of the workshop was to educate officials on their duties and reporting requirement on the three (3) financial laws.
8. The Pension Department also had the opportunity to be trained on the operation and maintenance of the various components of the ID issuance system. The two-day (2) training programme centered on the capture system for Pensioner ID Project which was in connection with the computerized Pension ID scheme.

Payroll Management

9. As a means of controlling the wage bill, cash ceilings were established for each MDA. Subvented organizations' payroll vouchers were subjected to audit and special clearance were sought from MOFEP before payments in excess of ceiling were made.
10. In April 2005 the Payroll Processing Division (PPD) successfully reverted to 2004 adjusted salaries for all staff on GUSS. The exercise was implemented creditably and efficiently without any major occurrences with the exception of a one week delay in salary payment.
11. Among the major constraints faced by the PPD during the past year were the inefficient payroll computer system and inadequate logistical provision to execute a task that has extensive national reach. The problems often lead to the loss of substantial man hours, delays in deleting names of separated staff on the payroll, delays in salary payment, and delays in adding newly recruited staff on the payroll.

Internal Audit

12. The Internal Audit Act, (Act 658) was enacted in December 2003. The Internal Audit Agency Board (IAAB) which was inaugurated in August 2004 has assumed oversight responsibility for Internal Audit Units in the Public Sector instead of CAGD. CAGD and the IAAB continued to work out the implementation arrangement to operationalise the provision of the Act.

Reconciliation

13. The human resource capacity at the reconciliation section has further been boosted with another staff posted to the unit. The backlog of Bank reconciliation statements outstanding since 2004 have all been cleared and the unit has also completed the Reconciliation of Government Operational Accounts.
14. The Unit could however not complete arrangements to implement the customization of the BOG reporting system. The system will enable the BOG to capture the treasury location code on bank statements to facilitate the automation of bank reconciliation statements for all uncommitted accounts

at the Treasury Headquarters. This is due to the fact that cheque numbers do not show which treasury they are coming from.

Treasury Management

15. The new software which was produced in 2004 was updated in anticipation of the reporting requirements of the proposed Treasury Re-alignment Programme scheduled to take off in 2006. The issuing of Bank Transfer Authorization was also automated to facilitate reconciliation of the Operational Account of all MDAs with Bank of Ghana.

Progress on Previous Policies and Initiative

BPEMS

16. Progress was made under the Government's initiative on the Budget and Public Expenditure Management System during the year. These include:
 - Application set up in eight (8) pilot MDAs, namely CAGD, MOH, GHS, MOE, GES, MOI, MW&H, MLGRD and MR&T was completed.
 - Configuration and Customizations of all the six modules. Reports required to be generated by both CAGD and MDAs have all been configured, however, there is room to define additional reports.
 - Items 1 & 2 of the 2006 Budgets have been loaded onto the system.
 - Problems associated with the slow and unstable nature of the Wide Area Network was solved in November 2005 when GOG entered into contract with CIS to extend the DFID sponsored Fibre Optic lines to cover MDAs in Accra.
 - GOG has re-entered into fresh negotiation with Siemens to extend the WAN to all ten Regional Capitals and also to restore their services in other remote areas in Accra and Tema not covered by Fibre Optic.

- GOG also entered into agreement with HP to relocate the all the BPEMS Servers from the Interim Data Centre to the Financial Information Centre (FIC). The exercise is due to be completed in March 2006.

Highly Indebted Poor Country Initiative (HIPC)

17. Ghana reached the completion point of the Highly Indebted Poor Country Initiative in July 2004. Savings resulting from waiver of Debt servicing were applied to reduce domestic debt and poverty reduction programs all over the country. A total debt relief of ₵5,030.3 from Ghana's Creditors has so far been received since its inception.
18. Ghana is expected to save about \$230 million yearly over the next 20 years on Debt servicing after reaching the HIPC completion point.

IPPD 2

19. The IPPD2 project resumed in March 2005 after funding was terminated in October 2000 by DFID and the project stopped in January 2002. GOG took over the project and provided funding in August 2005. During the period reconfiguration of the system took place. These involve:
 - Reconfiguring the software set ups to reflect the organizational changes in the public service.
 - Reloading of staff data to cover new entrants as well as updating the staff records on IPPD 1 and,
 - Review of the business rules to reflect the current business rules of GOG.
20. In line with IPPD 2 training strategy, some initial technical training was completed in 2005 for selected GOG employees in two areas.
 - Oracle SQL and PLSQL and
 - Database Administration - level 1
21. Test runs were conducted for the October November and December payrolls from IPPD1. Parallel run with IPPD1 will begin in January 2006 for a period

of six months. Sample payrolls were generated and printed for GOG. Key reports printed include Pay slip, Bank Credit Voucher, Bank Summary, Bank Report – Payroll Listing and Manpower Variance.

Government Finance Statistics

22. Training on the use of the bridge table developed to convert Financial data in the Government Finance Statistics format was conducted for selected staff of the Public Accounts Section.
23. Reports on GFS Economic Classification and Functional Classification of Revenue and Expenditure have been generated from January to December 2004 by CAGD.
24. The target now is to build the GFS accounts classification into the BPEMS accounting system for use in budget preparation, budget execution and accounting and reporting. The application of the accrual concept to the GFS accounting system is the ultimate goal.

REVENUE

25. Total Revenue for 2005 amounted to ₱30,325.8 billion against the budgeted revenue of ₱29,881.3 billion. The out turn for 2005 is 27.6% higher than that of 2004, the breakdown of which is as follows:

	2005 Budget ₱Billions	2005 Actual ₱Billions	2004 Actual ₱Billions
Indirect Taxes	4,681.9	4,422.9	3,711.9
Direct Tax	5,014.1	6,300.0	5,304.4
Taxes on International Transaction	4,761.4	4,006.0	6,793.5
Value Added Tax	5,681.0	5,248.1	1,431.7
Other Tax Measures	2,228.6	1,504.7	93.8
Non Tax Revenue	1,372.3	3,107.0	1,136.8
Grants	4,471.4	1,332.9	3,087.5

HIPC Receipts	1,146.6	1,869.9	1, 928.3
Exchange Gain	0	2,301.6	0
Divestiture	<u>524.0</u>	<u>232.7</u>	<u>285.7</u>
Total Revenue	<u>29,881.3</u>	<u>30,325.8</u>	<u>23,773.6</u>

INDIRECT TAX

26. These comprise of excise duty and petroleum taxes that yielded ₺4,423 billion against a projected figure of ₺4,681.9. The actual taxes represent a decrease of 5.5% of the budgeted figure for 2005.

DIRECT TAX

27. Actual Taxes collected for the period amounted to ₺6,300 billion as against a projection of ₺5,014.1 billion. This is 25.6% above the 2005 projections. The figure includes airport tax and reconstruction levy.

TAXES ON INTERNATIONAL TRANSACTIONS

28. Tax on international transactions is made up of import tax and export tax. Total collections for 2005 amounted to ₺4,006.0 billion. This represents a decrease of 41.0% over 2004 collections and 15.8% of the 2005 budgeted figure.

VALUE ADDED TAX

29. VAT Collection has improved greatly over the year. Even though the 2005 collections registered a 7.6% short fall over the budgeted figure, there was a 266.6% percentage increase over the 2004 collections.

NATIONAL HEALTH INSURANCE LEVY

30. The actual collection for the period was ₵1,284.7 billion. This is 1,215.2% more than the year 2004 collections; however this was 4.1% lower than the 2005 budgeted collection.

NON-TAX REVENUE

31. Non-Tax Revenue collections during the year represent 126.4% of the budget estimates for the period and an increase of 173.3% over the 2004 collection.

GRANT

- 32.
- Total Grants deferred as at the beginning of year 2005 amounted to ₵487.8 billion.
 - Total Grants received during the year amounted to ₵1,024 billion. Amount disbursed during the year totaled ₵1,332.9 billion.
 - The amount disbursed during the year included ₵487.8 billion of previous year grant deferred.
 - Balance of grant deferred as at 31 December 2005 amounted to ₵351.2 billion.
 - Multi Donor Budget Support inflows were realised from the following countries and institutions:

DP CONTRIBUTIONS TO MDBS		
<u>COUNTRY</u>	<u>AMOUNT IN GH</u>	<u>REMARKS</u>
United Kingdom	₵408,383,182,500	Grant
European Union	₵261,875,400,000	Grant
Canada	₵120,954,878,122	Grant
Netherlands	₵108,768,679,000	Grant
Royal Danish Govt.	₵31,461,846,565	Grant
Switzerland	₵62,935,547,560	Grant
USAID	₵18,050,320,000	Grant
TOTAL	<u>₵1,012,429,853,746</u>	

33. In compliance with GNAS 18, the total disbursement of ₱1,332.9 billion was treated as matching revenue and the undisbursed balance treated as deferred income.

HIPC RECEIPT

34. The total relief obtained from the HIPC initiative in 2005 amounted to ₱1,870 billion against a budget of ₱1,146.6 billion. This represents 63.1% in excess of the budget estimate. The cumulative Inflow from HIPC since the beginning of the initiative amounts to ₱5,030.3 billion.

DIVESTITURE PROCEEDS

35. An amount of ₱524 billion was budgeted, however receipts for the period amounted to ₱232.7 billion. On the other hand an amount of ₱10.1 billion received has not yet been accounted for in the consolidated fund account.
37. Note 1 to the Financial Statement on page 26 provides a summary of revenue and the variances for 2005.

EXPENDITURE

38. Total expenditure amounted to ₱25,159.0 billion as against a budget of ₱27,413.8 billion. Total expenditure realised was 91.8% of the budgeted expenditure. The break down is as follows:

	2005 Budget ₱Billion	2005 Actual ₱ Billion	2004 Actual ₱Billion
Personnel Related Cost	8,860.6	9,939.0	8,138.4
Administration	1,514.9	2,190.1	1,248.5
Service	839.0	734.8	819.9
Investment	<u>1,321.7</u>	<u>796.5</u>	<u>538.3</u>
Discretionary Exp. Inc. P.E.	12,536.1	13,660.5	10,745.1
HIPC Expenditure	<u>1,594.4</u>	<u>1,953.7</u>	<u>1,787.1</u>
Sub-Total	14,130.5	15,614.2	12,532.2
Other Expenditure			
NHIL	1,339.2	0	-
Other Payment	350.0	234.7	886.7

Road Fund	883.3	926.9	639.5
Public Debt Interest	3,560.6	3,473.8	3,506.8
District A. Common Fund	1, 048.4	755.8	803.3
Petroleum Related Fund	80.8	41.3	70.5
Ghana Education Trust Fund	1,124.2	916.2	871.4
Road and Non Road Arrears	1,116.7	296.4	159.8
Utility Subsidy	349.5	781.2	1,819.2
Vat Refund	60.0	116.6	55.5
Non Tax Revenue Payment	1,381.2	1,403.0	0
Contingency Expenditure	<u>1,989.2</u>	<u>598.9</u>	<u>611.3</u>
Sub-Total	<u>13,283.1</u>	<u>9,098.2</u>	<u>6,599.5</u>
Total Expenditure	<u>27,413.8</u>	<u>25,159.0</u>	<u>21,955.9</u>

PERSONNEL EMOLUMENT AND RELATED COST

39. Personnel emolument and other payroll related costs include personal emoluments, 12.5% social security, pensions and gratuities. These were 12.2% higher than budgeted and represent 40% of total expenditure. In 2004, the figure was 52% of the total expenditure. The direct Personal Emolument component of ₵8,135.8 billion is made up of

Mechanized salary	₵5,464.7 billion
Subvention	₵2,339.2 billion
Foreign mission	<u>₵331.9 billion</u>
	₵ 8,135.8 billion

ADMINISTRATIVE COST

40. Total Administrative Cost excluding contingency payment was ₵675.3 billion (44.57%) more than budgeted and 75.4% higher than 2004 actual expenditure.

41. Reported Administrative Expenses include retention money paid to Revenue Agencies amounting to ₵ 394.3 billion and a utility bill of ₵46.9 billion.

SERVICE COST

42. Service Cost excluding contingency payment amounted to ₵734.8 billion against the budget of ₵839 billion. This resulted in a favourable variance of ₵104.2 billion (12.42%).

INVESTMENT COST

43. Investment Cost excluding contingency payment amounted to ₵796.5 billion against the budget of ₵1,321.7 billion. This was 60% of the expected amount.
44. Whereas the budget projection comprise of domestic financed investment expenses and those financed through project loans, CAGD only reports on domestic financed investment cost. Expenditure on project loans is not included in this report.

HIPC EXPENDITURE

45. Total payment made from the HIPC relief was ₵1,953.7 billion. Poverty related expenditure including HIPC payments accounted for 28% of total GOG and HIPC Item 1 – 4 costs. Cumulative HIPC Expenditure since the beginning of the initiative amounted to ₵5,104.4 billion.

PUBLIC DEBT INTEREST

46. Interest on public debt amounted to ₵3,473.8 billion, representing 97% of the budgeted estimates and 14% of total expenditure. Interest on domestic debt component of the public debt interest accounted for 75.6% of the total interest cost. ₵228.9 billion represents interest on TOR debt.

DISTRICT ASSEMBLY COMMON FUND

47. Total releases to the District Assembly Common Fund amounted to ₵755.8 billion this was ₵292.6 less than the budgeted amount of ₵1,048.4.

GHANA EDUCATION TRUST FUND

48. Release to Ghana Education Trust Fund amounted to ₵916.1 billion during the year under review as against the budgeted figure of ₵1,124.2 billion.

UTILITY SUBSIDIES

49. The Government subsidised the operation of TOR & VRA to the tune of ₵781.2 billion during the year. This is against the projection of ₵349.5 billion or 123.5% over the budget estimates.

CONTINGENCY

50. Total contingency expenditure made during the year amounted to ₵598.9 billion against the budget of ₵1,989.2 billion. Actual contingency payment was made up of ₵24.9 billion for Item 1, ₵204.9 billion for Item 2, ₵288.2 billion for Item 3, and ₵80.8 billion for Item 4.

ASSETS AND LIABILITIES

ASSETS

51. The Assets in the Balance Sheet are summarized as follows:

	2005 ₵Billion	2004 ₵Billion
Cash	(4,565.3)	(5,465.7)
Advances	76.4	72.0
Loans	6,710.4	6,695.3
Investments	<u>1,256.0</u>	<u>348.9</u>
	<u>3,477.5</u>	<u>1,650.5</u>

CASH

52. The Cash balance represents balances on all bank accounts maintained as part of the Consolidated Fund and includes the net balance on the HIPC receipts and payments accounts.

ADVANCES

53. Total advances amounted to ₦76.5 billion which is made up of Special Advances to government employees, Advances for the acquisition of Motor vehicles and Advances to government agencies for operation of revolving funds.

PUBLIC LOANS

54. The public loans balance comprise of loans granted to Statutory Boards and Corporations, Companies and other foreign governments. The balance of ₦6,710.3 billion shows an increase of ₦15 billion over the 2004 balance.
55. Loan balances amounting to ₦58.5 billion have been overdue since 1995.

INVESTMENTS

56. The Investments held by the government are classified under the following headings:

	2005 ₦Billion	2004 Billion
General	0.01	0.01
Trust Funds	47.4	47.4
International Agencies	49.8	49.8
Local	<u>1,158.8</u>	<u>251.7</u>
	<u>1,256.0</u>	<u>348.9</u>

TRUST FUNDS

57. Investments in Trust Funds amounting to ₵46.4 billion represent balances held by Crown Agent in the General Account and Sir Alfred Jones and H. S. Newlands Bequest being managed by Crown Agents.

INTERNATIONAL AGENCIES

58. Investments of ₵49.8 billion in International Agencies represent Government's Investments in International Organizations listed in Note 11 of the financial statements. There was no additional investment during the 2005 financial year. These investments are denominated in Ghanaian Cedis.

LOCAL INVESTMENT

59. Investment amounting to ₵1,158.8 billion represent Government's investment in Statutory Boards, Corporations and Companies listed in Note 12 of the financial statements.

LIABILITIES

60. Liabilities in the Balance Sheet are summarized as follows:

	2005 ₵Billion	2004 ₵Billion
Domestic debt (Short Term)	5,299.0	7,103.5
Domestic debt (Medium/long term)	12,293.7	9,793.7
Foreign Loans	39,120.6	60,385.8
Trust Funds	373.2	512.9
General Revenue	(53,609.0)	(76,145.6)
	<u>3,477.5</u>	<u>1,650.0</u>

DOMESTIC DEBT (SHORT TERM)

61. Short-term domestic loan balances at the end of the year stood at ₵5,299 billion. The corresponding figure for 2004 was ₵7,103.5 billion. This savings was as a result of prudent financial management during the period.

DOMESTIC DEBT (MEDIUM/LONG TERM)

62. The balance at the end of the year was ₵12,293.7 billion. The corresponding figure for 2004 was ₵9,793.7 billion. The closing balance for 2005 includes Ghana Government Index linked Bonds, Tema Oil Refinery (TOR) debt amounting to ₵215 billion and Revaluation stocks (Bank of Ghana Recap Registered stock) of ₵1,302.3 billion.

FOREIGN LOANS

63. Foreign loans at the end of 2005 stood at ₵39,120.6 billion as against ₵60,385.8 billion at the end of 2004. In the course of the year, there were additional loan disbursements of ₵4,026.7 billion and repayments of ₵1,623.0 billion. The balance of ₵39,120.6 billion was after adjusting for exchange gains of ₵2,301.7 billion and prior year adjustments of ₵21,367.3 billion.

The following loans represent MDBS.

IDA	₵1,117,115,624,858	Loan
KFW	₵73,021,486,320	Loan
ADB	₵286,001,729,090	Loan
FRENCH (AFD)	<u>₵64,065,266,707</u>	Loan
TOTAL	<u>₵1,540,204,106,975</u>	

NON-CASH TRANSACTIONS

64. Non-Cash Loan Transactions amounting to ₵4,026.7 billion represents loan receipts in 2005 in the form of equipment for development projects and capitalization of TOR.

TRUST FUNDS

65. Trust Funds balance at the end of the year was ₵373.2 billion as against ₵512.9 billion in 2004. The balance includes deferred grant of ₵351.2 billion.

GENERAL REVENUE BALANCE

66. General Revenue Balance consists of accumulated deficit/surplus on revenue and expenditure and non-cash loan transactions.
67. The balance of ₵53,608.9 billion at the end of the year shows a decrease of ₵22,536.7 billion over the corresponding figure for 2004. This decrease is as a result of increased in surpluses due to reductions in government spending.

BALANCE SHEET REVIEW

68. A review of the balance sheet over the past five years shows that domestic debt has been falling and external debt is reduced because of the HIPC initiative and Debt Cancellation. The cash position has slightly improved.

CONCLUSION

69. I wish to use this opportunity to express my deepest appreciation to the following, which were very supportive to the Department in its effort to improve the public financial management system in general and the production of these financial statements in particular:

The Hon. Minister of Finance and Economic planning and his staff;
The Governor of Bank of Ghana and his staff and
Our Developing Partners.

70. I also wish to thank all the staff of the Controller and Accountant-General's Department both within and outside the Treasury Headquarters for their co-operation, efficiency and dedication to duty in providing the Financial Statements on the Consolidated Fund of the Republic of Ghana for the year ended 31 December, 2005.

**(CHRISTIAN T. SOTTIE)
CONTROLLER & ACCOUNTANT-GENERAL**

MARCH 31, 2006.



FUNCTIONAL CLASSIFICATION OF EXPENDITURE BY HEADS AND ITEM

Cummulative GOG

Actual GOG

Budget To Date

For the Year

A

B

ITEM 4

GENERAL ADMINISTRATION

MINISTRY OF LOCAL GOVERNMENT & RURAL DEVP.

220	MINISTRY OF LOCAL GOVT & RURAL DEV.	18,778,355,736.00	106,525,100.00
221	DEPT OF PARKS & GARDENS	1,219,644,264.00	0.00
222	BIRTHS & DEATHS REGISTRY	2,000,000,000.04	391,000,000.00
231	DEPT OF COMMUNITY DEVELOPMENT	2,700,000,000.00	525,696,070.15
347	CUSTOMS, EXCISE & PREVENTIVE SERVICE	0.00	0.00
370	CONTINGENCY	0.00	0.00

SubTotal

24,698,000,000.04 1,023,221,170.15

MINISTRY OF FOREIGN AFFAIRS

320	FOREIGN AFFAIRS HQS/ADMIN	17,682,800,654.88	3,562,729,858.00
321	LARGE MISSIONS	20,236,638,480.48	0.00
322	NEIGHBOURING MISSIONS	20,971,643,597.52	0.00
323	OTHER MISSIONS	27,839,917,267.80	2,958,976,360.01

370	CONTINGENCY	0.00	0.00	
SubTotal		86,731,000,000.68	6,521,706,218.01	
MINISTRY OF FINANCE				
51	MME PROJECTS	0.00	0.00	
340	FINANCE HEADQUARTERS	38,739,392,000.04	1,891,484,726.00	
342	CONTROLLER & ACCOUNTANT GENERAL	3,074,343,039.72	868,906,064.00	
345	STATISTICAL SERVICE	1,937,605,824.00	0.00	
346	CENTRAL SYSTEMS DEVELOPMENT UNIT	600,659,136.00	0.00	
370	CONTINGENCY	0.00	3,187,197,894.47	
SubTotal		44,351,999,999.76	5,947,588,684.47	
MINISTRY OF PARLIAMENTARY AFFAIRS				
390	PARLIAMENTARY AFFAIRS	6,036,999,999.96	1,932,976,797.40	
SubTotal		6,036,999,999.96	1,932,976,797.40	
PUBLIC SERVICES COMMISSION				
600	PUBLIC SERVICES COMMISSION	791,000,000.04	87,993,000.00	
SubTotal		791,000,000.04	87,993,000.00	
AUDIT SERVICE				
601	AUDIT SERVICE	12,264,639,058.68	348,006,269.29	
SubTotal		12,264,639,058.68	348,006,269.29	
DISTRICT ASSEMBLIES COMMON FUND ADMINISTRATOR				
610	DISTRICT ASSEMBLIES COMMON FUND	368,000,000.04	0.00	

SubTotal			368,000,000.04	0.00	
ELECTORAL COMMISSION					
609	ELECTORAL COMMISSION		3,684,000,000.00	336,913,220.00	
SubTotal			3,684,000,000.00	336,913,220.00	
OFFICE OF PARLIAMENT					
51	MME PROJECTS		0.00	0.00	
604	OFFICE OF PARLIAMENT		26,996,000,000.04	0.00	
SubTotal			26,996,000,000.04	0.00	
OFFICE OF GOVERNMENT MACHINERY					
240	Office of the President		87,673,541,180.16	5,864,774,329.57	
241	Office of Head of Civil Service		2,490,000,000.00	52,779,202.25	
243	Scholarship Secretariat		1,459,000,000.08	0.00	
244	Public Records & Archives		920,000,000.04	817,550,200.00	
245	Management Services		656,697,699.96	0.00	
246	Ghana AIDS Commission		0.00	0.00	
248	COMMISSIONS & COUNCILS		9,799,540,000.08	930,756,856.00	
249	Office of National Security		21,783,781,999.92	5,240,046,604.00	
261	Volta Region Coordinating Council		1,138,200,000.00	146,842,778.40	
262	Greater Accra Region Coordinating Council		1,460,000,000.04	674,481,611.70	
263	Eastern Region Coordinating Council		1,282,968,399.96	0.00	
264	Central Region Coordinating Council		1,560,000,000.00	0.00	
265	Western Region Coordinating Council		1,533,765,000.00	0.00	
266	Ashanti Region Coordinating Council		1,470,000,000.00	153,020,828.00	
267	Brong Ahafo Regional Coordinating Council		1,256,505,720.00	0.00	
268	Northern Region Coordinating Council		2,844,999,999.96	0.00	

269	Upper West Region Coordinating Council	1,479,999,999.96	0.00	
270	Upper East Region Coordinating Council	3,369,999,999.96	615,000,000.00	
SubTotal		142,179,000,000.12	14,495,252,409.92	
MINISTRY OF INFORMATION AND PRESIDENTIAL AFFAIRS				
400	MINISTRY OF INFO HEADQUARTERS	4,197,423,000.00	153,698,000.00	
402	GHANA NEWS AGENCY	808,982,000.28	361,601,235.00	
403	INFORMATION SERVICES DEPARTMENT	1,624,595,000.04	382,069,280.00	
SubTotal		6,631,000,000.32	897,368,515.00	
MINISTRY OF REGIONAL COOP. & NEPAD				
350	NATIONAL DEVELOPMENT PLANNING COMMISSION	6,321,000,000.00	0.00	
351	REGIONAL COOPERATION & NEPAD	2,697,999,999.96	556,839,076.00	
370	CONTINGENCY	0.00	0.00	
SubTotal		9,018,999,999.96	556,839,076.00	
GENERAL ADMINISTRATION		363,750,639,059.64	32,147,865,360.24	
ECONOMIC SERVICES				
MINISTRY OF FOOD & AGRICULTURE				
1	MINISTRY OF AGRICULTURE-HEADQUARTERS	36,181,291,566.00	1,267,462,646.80	
2	TECHNICAL DIRECTORATES	4,191,528,000.00	580,629,266.00	
3	G/A REGIONAL AGRICULTURE DEV. UNIT	2,086,956,522.00	0.00	
4	VOLTA REGIONAL AGRIC DEV. UNIT	5,217,391,304.04	0.00	
5	EASTERN REGIONAL AGRIC. DEV. UNIT	5,913,043,478.04	0.00	
6	CENTRAL REGIONAL AGRIC. DEV. UNIT	4,521,739,130.04	0.00	

7	WESTERN REGIONAL AGRIC. DEV. UNIT	4,521,739,130.04	0.00	
8	BRONG AHAFO REGIONAL AGRIC. DEV. UNIT	7,712,923,913.04	0.00	
9	ASHANTI REGIONAL AGRIC. DEV. UNIT	7,667,073,912.96	0.00	
10	NORTHERN REGIONAL AGRIC. DEV. UNIT	6,260,869,565.04	0.00	
11	UPPER EAST AGRIC. DEV. UNIT	4,133,008,695.96	0.00	
12	UPPER WEST AGRIC. DEV. UNIT	3,580,434,783.00	0.00	
15	FISHERIES	5,322,000,000.00	0.00	
51	MME PROJECTS	0.00	0.00	
SubTotal		97,310,000,000.16	1,848,091,912.80	
MINISTRY OF LANDS AND FORESTRY				
40	LANDS & FORESTRY HEADQUARTERS	11,000,000,001.84	398,334,700.00	
43	SURVEY DEPARTMENT	800,000,000.04	0.00	
45	FORESTRY DEPARTMENT	500,000,000.04	0.00	
49	LANDS COMMISSION SECRETARIAT	699,999,999.96	0.00	
51	MME PROJECTS	0.00	0.00	
SubTotal		13,000,000,001.88	398,334,700.00	
MINISTRY OF ENERGY				
50	MINISTRY OF ENERY HEADQUARTERS	16,716,832,487.88	0.00	
52	ENERGY COMMISSION	124,167,512.04	0.00	
SubTotal		16,840,999,999.92	0.00	
MINISTRY OF TRADE AND INDUSTRY				
60	TRADE & INDUSTRY HEADQUARTERS	14,057,000,000.04	450,000,000.00	
SubTotal		14,057,000,000.04	450,000,000.00	
MINISTRY OF TOURISM & MODERNIZATION				

70	TOURISM HEADQUARTERS		10,878,000,000.00	200,644,476.42	
SubTotal			10,878,000,000.00	200,644,476.42	
MINISTRY OF ENVIRONMENT SCIENCE & TECHNOLOGY					
80	MEST HEADQUARTERS		2,049,293,205.00	0.00	
81	CSIR		1,713,227,055.84	109,119,005.63	
82	GHANA ATOMIC COMMISSION		604,106,975.76	0.00	
SubTotal			4,366,627,236.60	109,119,005.63	
MINISTRY OF PORTS, HARBOUR AND RAILWAYS					
103	Ministry of Ports, Harbours, Headquarters		13,135,000,000.32	11,260,000.00	
SubTotal			13,135,000,000.32	11,260,000.00	
MINISTRY OF PRIVATE SECTOR DEVELOPMENT					
370	CONTINGENCY		0.00	0.00	
410	MINISTRY OF PRIVATE SECTOR DEVELOPMENT		3,956,000,000.04	0.00	
SubTotal			3,956,000,000.04	0.00	
MINISTRY OF MINES					
420	HEADQUARTERS		1,040,000,000.04	0.00	
421	MINERALS COMMISSION		0.00	0.00	
422	MINES DEPARTMENT		803,000,000.04	0.00	
423	GEOLOGICAL SURVEY DEPARTMENT		800,000,000.04	126,622,650.00	
SubTotal			2,643,000,000.12	126,622,650.00	
ECONOMIC SERVICES			176,186,627,239.08	3,144,072,744.85	

SOCIAL SERVICES					
MINISTRY OF EDUCATION					
140	MINISTRY OF EDUCATION	5,000,000,000.04	558,672,064.60		
141	GES-HEADQUARTERS SERVICES	9,428,710,000.08	1,412,835,381.10		
142	GES-SCHOOLS & REGIONAL SERVICES	21,971,563,000.08	2,761,553,535.07		
143	GES-SPECIAL SERVICES	1,599,727,000.08	184,366,832.59		
145	GES-TERTIARY EDUCATION	3,157,692,307.68	199,800,000.00		
SubTotal		41,157,692,307.96	5,117,227,813.36		
MINISTRY OF YOUTH AND SPORTS					
150	MINISTRY OF YOUTH & SPORTS HEADQUARTERS	3,649,999,999.92	0.00		
SubTotal		3,649,999,999.92	0.00		
MINISTRY OF HEALTH					
160	MINISTRY OF HEALTH	27,999,999,999.96	0.00		
161	TERTIARY HEALTH SERVICES TERTIARY. HOSPITALS	8,346,999,999.96	0.00		
162	GHANA HEALTH SERVICES	3,999,999,999.96	248,152,121.37		
163	TERTIARY HEALTH SERVICES PSYCH HOSIPTAL	600,000,000.00	0.00		
164	REGIONAL HEALTH SERVICES	7,629,999,999.96	443,042,799.93		
165	DISTRICT HEALTH SERVICES	5,000,000,000.04	19,243,000.00		
SubTotal		53,576,999,999.88	710,437,921.30		
MINISTRY OF MANPOWER AND EMPLOYMENT					
180	MINISTRY OF MANPOWER & EMPLOYMENT HQTRS	6,920,000,000.04	425,924,680.60		

181	LABOUR DEPARTMENT	600,000,000.00	0.00	
182	DEPARTMENT OF SOCIAL WELFARE	790,999,999.92	279,054,482.76	
183	DEPARTMENT OF FACTORIES INSPECTION	198,999,999.96	188,055,384.00	
184	DEPARTMENT OF FACTORIES INSPECTORATE	339,999,999.96	0.00	
185	LABOUR COMMISSION	2,235,000,000.00	0.00	
SubTotal		11,084,999,999.88	893,034,547.36	
NATIONAL COMMISSION ON CULTURE				
608	NATIONAL COMMISSION ON CULTURE	19,281,000,000.12	369,836,962.41	
SubTotal		19,281,000,000.12	369,836,962.41	
NATIONAL MEDIA COMMISSION				
370	CONTINGENCY	0.00	0.00	
611	NATIONAL MEDIA COMMISSION HEADQUARTERS	138,000,000.00	0.00	
SubTotal		138,000,000.00	0.00	
NATIONAL COMMISSION FOR CIVIC EDUCATION				
602	NCCE	2,193,000,000.00	0.00	
SubTotal		2,193,000,000.00	0.00	
MINISTRY OF WOMEN AFFAIRS				
360	MINISTRY OF WOMEN AFFAIRS	4,737,000,000.00	2,305,867,346.00	
SubTotal		4,737,000,000.00	2,305,867,346.00	
SOCIAL SERVICES		135,818,692,307.76	9,396,404,590.43	

INFRASTRUCTURE				
MINISTRY OF WORKS & HOUSING				
100	MINISTRY OF WORKS & HOUSING HEADQUARTERS	38,061,859,361.88	1,197,950,439.26	
102	PUBLIC WORKS DEPARTMENT	6,722,140,638.00	1,087,463,374.20	
SubTotal		44,783,999,999.88	2,285,413,813.46	
MINISTRY OF ROADS & TRANSPORT				
51	MME PROJECTS	0.00	0.00	
110	MINISTRY OF ROADS AND TRANSPORT	336,483,890,000.04	19,054,732,074.28	
283	TRANSPORT DEPARTMENT	7,216,659,999.72	636,115,111.50	
SubTotal		343,700,549,999.76	19,690,847,185.78	
MINISTRY OF COMMUNICATIONS AND TECHNOLOGY				
280	MINISTRY OF COMMUNICATIONS-HEADQUARTERS	8,747,015,999.88	1,539,243,815.00	
282	METEOROLOGICAL SERVICES DEPARTMENT	1,710,984,000.00	0.00	
SubTotal		10,457,999,999.88	1,539,243,815.00	
INFRASTRUCTURE		398,942,549,999.52	23,515,504,814.24	
PUBLIC SAFETY				
MINISTRY OF INTERIOR				
200	MINISTRY OF INTERIOR HEADQUARTERS	11,017,243,428.00	64,598,096.45	
201	GHANA POLICE SERVICE	12,133,857,143.04	2,536,631,358.51	
202	GHANA PRISONS SERVICE	4,550,107,143.00	91,163,520.00	
203	GHANA NATIONAL FIRE SERVICE	4,841,323,143.00	547,258,718.92	

204	GHANA IMMIGRATION	3,858,469,142.88	0.00	
SubTotal		36,400,999,999.92	3,239,651,693.88	
JUDICIAL SERVICE				
603	JUDICIAL SERVICE	40,595,000,000.04	5,071,609,059.61	
SubTotal		40,595,000,000.04	5,071,609,059.61	
MINISTRY OF JUSTICE				
300	JUSTICE HEADQUARTERS	28,995,999,999.84	83,666,291.54	
301	ATTORNEY GENERAL DEPARTMENT	15,040,999,999.92	935,051,277.38	
302	REGISTRAR'S GENERAL DEPARTMENT	1,740,999,999.96	392,523,250.26	
303	SERIOUS FRAUD OFFICE	5,109,999,999.96	0.00	
SubTotal		50,887,999,999.68	1,411,240,819.18	
MINISTRY OF DEFENCE				
51	MME PROJECTS	0.00	0.00	
380	MINISTRY OF DEFENCE HEADQUARTERS	39,078,999,999.96	542,922,183.18	
SubTotal		39,078,999,999.96	542,922,183.18	
COMMISSION ON HUMAN RIGHTS & ADMIN. JUSTICE				
605	CHRAJ	1,215,000,000.00	0.00	
SubTotal		1,215,000,000.00	0.00	
PUBLIC SAFETY		168,177,999,999.60	10,265,423,755.85	
TOTAL LESS CONTINGENCY		1,242,876,508,605.60	75,282,073,371.14	

*CONTINGENCY			0.00	3,187,197,894.47	
FINAL TOTAL INCL CONTINGENCY			1,242,876,508,605.6 0	78,469,271,265.6 1	

