



REPORT AND FINANCIAL
STATEMENTS

ON THE

PUBLIC ACCOUNTS OF GHANA

(CONSOLIDATED FUND)

FOR THE YEAR ENDED

31ST DECEMBER, 2007



PREFACE

Objective

This Report and Financial Statements cover Government activities and are prepared to:

- Meet the statutory provisions which require the Controller and Accountant-General to prepare the Public Accounts on the Consolidated Fund ;(ref. Article 41(1) of the FAA and Regulation 191 of the FAR).
- Facilitate the process of accountability by providing accounting information to the Government and the Public in general to enable them make informed judgment on the management of the Consolidated Fund, and
- Provide basic data to aid the process of determining important macro-economic performance indicators.

Composition of the Financial Statements

The financial statements to be prepared comprise:

- (i) a balance sheet showing the assets 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 statement of receipts and payment of the Consolidated Fund for the year;
- (iv) a cash flow statement of the Consolidated Fund for the year; and
- (v) Notes that form part of the accounts.

Summary of Revenue and Expenditure

The summary of Revenue and Expenditure for the year is as follows:

	2007	2007	2006
	Budget GH¢M	Actual GH¢M	Actual GH¢M
Revenue	4,744.02	3,329.81	2,583.11
Expenditure	<u>3,839.76</u>	<u>3,964.30</u>	<u>2,916.95</u>
Surplus/ (Deficit)	<u>904.25</u>	<u>(634.49)</u>	<u>(333.84)</u>

Total Revenue for 2007 amounted to GH¢3,286.31 million as against the budgeted revenue of GH¢4,976.76 million. This gave an adverse variance of GH¢1,690.45 million.

The total expenditure amounted to GH¢3,964.30 million as against the budgeted figure of GH¢3,839.76 million. There was therefore an adverse variance of GH¢124.54 million. This was partly due to additional expenditure on energy due to power crises and as result of hosting the Can 2008 tournament.

THE CONTROLLER AND ACCOUNTANT-GENERAL'S REPORT ON THE FINANCIAL STATEMENTS

1. Introduction

- 1.1 In compliance with section 41 of the Financial Administration Act, 2003 (Act 654) and Regulation 191 of the Financial Administration Regulation, 2004 LI 1802, the Report and Financial Statements of the Consolidated Fund for the year ended December 31, 2007 are hereby presented.
- 1.2. The Controller and Accountant-General is required by Section 41 of the FAA, 2003 to prepare and transmit to the Auditor-General and the Minister of Finance and Economic Planning the Annual Financial Statements of the Public Accounts on the Consolidated Fund of Ghana by the 31st March of the following year.
- 1.3 **The scope of the financial statements:**

These financial statements are prepared on the Consolidated Fund and some other funds. It does not include funds established by or under an Act of Parliament and retained Internally Generated Funds.

2. The financial statements include:

- Balance Sheet
- Statement of Revenue and Expenditure
- Statement of Receipts and Payment
- Cash flow Statement
- Notes to the Accounts

3. Supplementary Statements

- Functional Classification of Expenditure by Items and Heads
- Summary of Expenditure by Items and Heads
- Summary Report on Poverty and HIPC Expenditure
- Analysis of the Position of:
 - i. Public Debt
 - ii. Grants
 - iii. Deposits.
 - iv. Advances
 - v. Loans
 - vi. Investments

4.0 CAGD SYSTEMS REVIEW AND IMPROVEMENT

4.1 Public Accounts

The Monthly Financial Statements on the Consolidated Fund have been prepared up to 31st December 2007.

The Audit Report on the 2006 Consolidated Fund has been presented by the Auditor-General to Parliament.

4.2 Payroll Management

During the year under review, a Payroll Statistics Unit was set up to capture and generate payroll statistics both for internal and external consumption.

As part of efforts in ensuring that expenditure spent by government on emoluments of employees is properly accounted for, a directive by government was issued to migrate all subvented organizations onto the payroll at the CAGD. A total number of 114 subvented organizations were identified nationwide. The exercise started in September, 2006 with data collection from the organizations concerned and by 31st December, 2007 CAGD had validated and migrated 24 of these organizations onto the payroll. The rest of the data received are being validated for migration in 2008 however some may not be migrated due to connectivity issues.

The CAGD also undertook a nationwide manpower identification exercise often known as the head count to strengthen the payroll management. A mopping up exercise is continuing in 2008.

4.3 Internal Audit

The Internal Audit & Investigations Division of the Controller & Accountant-General's Department has gone a long way from placing heavy reliance on pre-audit since the passage of the three Financial Laws namely Internal Audit Agency Act 2003, Financial Administration Act 2003 and the Public Procurement Act 2003.

The Internal Audit & Investigations Division has shifted from playing heavily the internal check role of pre-auditing to strengthening capacity to expand into risk based and systems audit. Payroll and pensions audit units have been added to the audit function to do a systems audit of the pensions and personnel payroll payments. The Internal Audit Division is in the process of establishing a financial audit unit to audit the financial statement of CAGD the Public Accounts.

The Internal Audit continues to benefit from various relevant training programs in order to improve its capacity.

4.4 Treasury Re-alignment

In order to deepen the treasury realignment system, the Treasury Division carried out the following program

Research into the Impact of Treasury realignment

The division has conducted a survey of the impact of the Treasury realignment on MDA operations. The target group comprised financial, administration and budget staff. The results of the survey have provided the department with the following feedback:-

Highlights of the feedback

- The ready acceptance of the suggestion for incorporation of Donor and IGF in the Public Accounts and also reconciliation of MDA accounts with the Public Accounts
- The acknowledgement of the fact that the new system has drastically reduced the time it takes to access funds and hence the improvement in service delivery

- Indication that Accounting staff are highly motivated by the new changes under the Treasury Realignment
- Delivery of financial documents by courier to the District has enhanced efficiency and accountability
- Need to deepen the provision of technical guidance for the staff.
- Appraisal of accounting staff by MDAs heads being problematic.

Bank Account Restructuring

To capitalise on the gains made on banking arrangements in 2006, the department took inventory of all MDAs and MMDAs bank accounts. Some institutions were maintaining as many as 43 bank accounts. To address this problem the department has developed a format for analytical reporting to enable MDAs report on multiple sources of funds using a single account.

The department has also agreed with the broad groupings of bank accounts that can be maintained by MDAs and MMDAs.

Bank Reconciliation

With owning of bank accounts by MDA's under the Sub Consolidated fund, the preparation of bank reconciliation statements is now made easier

Redenomination

Major policy change

BoG major policy change that affected accounting and reporting was the redenomination of the currency. The Treasury Division spearheaded the implementation of the policy change by developing guidelines and conducting training programmes. As a result we were able to transit seamlessly from operations under the old currency to the new.

Banking arrangements

When inventory of all accounts held by MDAs and MMDAs was taken, the results were alarming. Some institutions maintained as many as 43 bank accounts as stated above.

In consultation with the Ministry of Local Government, Rural Development and Environment, bank accounts of the MMDAs have been collapsed into 5 broad groups. So MMDAs apart from its revenue accounts should not operate more than five bank accounts.

We have recognized that the multiple bank accounts were maintained to be able to generate reports on various sources of income. To address this concern, we have developed an analytical system of reporting.

Visa Cards

We have introduced a visa card system for management of funds required for foreign travel. Under the new arrangements, staffs undertaking foreign travels now go with visa cards.

Monitoring

Ministry specific monitoring teams have been set up. A hands-on pilot training on completion of financial reports have been completed. Following this, the submission rate of financial reports has improved

Reconciliation of MDA accounts with Public Accounts

We have developed a system of reconciliation of MDA data with that of the Public Accounts and have conducted reconciliation on pilot basis for the following Ministries. Ministry of Health, Ministry of Communication and Ministry of Food and Agriculture.

4.5 Budget and Public Expenditure Management System (BPEMS).

STATUS OF BPEMS

The Budget and Public Expenditure Management System (BPEMS) one of the components of the Public Financial Management Reform Program (PUFMARP) was introduced in 2003 by Government. The program aimed at computerising the whole government financial operations through one common chart of accounts and a centralised database linked to the work stations of the Ministries, Departments and Agencies in Accra, Regions and Districts by Wide and Local Area Network infrastructure.

In order to realise this objective, the following six modules of the Oracle financial application were acquired by Government:

- Public Sector Budgeting Module(PSB) – for budget preparation
- General Ledger Module(GL) – for budget execution, accounting and reporting
- Purchase Ordering Module (PO) – for commitment management
- Accounts Payable Module (AP) – for payment management
- Cash Management Module (CM) – for cash forecasting and reconciliation
- Accounts Receivable Module (AR) – for revenue management.

Four out of the six modules (i.e. General Ledger, Purchase Ordering, Accounts Payable and Accounts Receivable modules) have so far been deployed to the following 8 Pilot MDAs:

- Ministry of Finance & Economic Planning/Controller & Acct. General's Dept.
- Ministry of Water Resources, Works and Housing
- Ministry of Transportation/Urban Roads/Feeder Roads/Ghana Highway
- Ministry of Health/Ghana Health Service
- Ministry of Interior
- Ministry of Education, Science and Sports/Ghana Education Service
- Ministry of Communication
- Ministry of Local Government & Rural Development

During the 2007 year under review the following achievements were made:

- a) the four modules deployed were run parallel to the existing legacy systems in all the 8 Pilot MDAs.

- b) The contract for the laying of fibre optic cables to connect the remaining Ministries in Accra was awarded. The work has since started and is expected to be completed by September, 2008.
- c) The cheque printing functionality was activated and made ready for use.
- d) The technical issues bordering on the Public Sector Budgeting Module were resolved.
- e) The network equipment for the VSAT installations to connect all the 10 Regional Capitals were acquired.
- f) The contract for the installation of the VSAT equipment in all the Regional Capitals was awarded. The installation work is expected to be completed in December, 2008.

The following key activities have been programmed for 2008 fiscal year and it is intended to expand the deployment of BPEMS:

- a) Mainstream the use of BPEMS to process all warrants and other payment documents.
- b) Run re-fresher training for all Users in the 8 Pilot MDAs.
- c) Mainstream the use of BPEMS to prepare the Public Accounts Reports.
- d) Train all Treasury Officers on the cheque printing functionality
- e) Operationalize the cheque printing functionality by July, 2008.
- f) Test the functionality of the Public Sector Budgeting Module
- g) Deploy the Public Sector Budgeting Module for use to prepare the 2009 Budget.
- h) Set up, train and deploy BPEMS to the remaining Ministries in Accra.
- i) Set up, train and deploy BPEMS to the 10 Regional Capitals.

4.6 FINANCE AND ADMINISTRATION DIVISION -2007

The Controller and Accountant-General's Department (CAGD) is a department under Ministry of Finance and Economic Planning (MoFEP). It is responsible for the Accounting Class of the Ghana Civil Service.

The Mission of the department is "We exist to provide public management service to our stakeholders, well-motivated and dedicated staff using the most appropriate technology." The vision of the department is "that of a public service with positive performance culture, which is client-focused, and results oriented, constantly seeking ways to improve the delivery of financial management services to the Government and the Ghanaian public".

The Department as at the end of 2007 had a staff population of 3,320 of which 2,015 are senior staff and 1,305 junior staff. Out of the total number, sixty-eight percent (68%) were males whilst thirty-two (32%) females.

The Department had 80 qualified Accountants with several other staff currently writing various levels of professional examinations.

During the year the Department engaged 362 personnel under the National Youth Employment Programme who were attached to the various sections of the department. As at the end of the year 21 had been employed by the department.

Furthermore, the Department recruited over 1,000 students for vacation employment. Some of who were engaged in the nation Head Count exercise to clean the Government payroll of "ghost names". At the end of the exercise 1937 "ghost names" had been deleted from the payroll which saved government a monthly amount of GH¢781,585.15.

Two new office blocks were commissioned during the year, one at Kinbu and the other at Headquarters. This has significantly improved on staff accommodation at the national level.

The Department concluded the process of establishing a University College to be affiliated to the University of Cape Coast to run a degree program in Public Sector Accounting and other courses to be introduced subsequently. Preparations are far advanced to commence the programme.

During the year under review, management secured a Ghana Commercial Bank Loan facility for the purchase means of transport. 60 Toyota saloon cars were purchased with this facility for senior staff.

Challenges basically pointed to limited budget and logistical constraints.

4.7 Accounting Manual

Accounting Manual for Government of Ghana.

In November 2006, the Controller and Accountant-General's Department (CAGD), contracted Messrs. PricewaterhouseCoopers (Ghana) Limited & Global Auditors consultants (in accordance with Regulation 3 of the Financial Administration Regulations 2004) to develop an Accounting Manual in accordance with Regulation 3 of the Financial Administration Regulations 2004 to be used by Ministries, Departments and Agencies (MDAs) & Metropolitan, Municipal and District Assemblies (MMDAs). The Consultants submitted the draft copies of the manual to CAGD between February and March 2008.

CAGD has conducted stakeholder consultation with the various MDAs, MMDAs, Ghana Audit Service, Internal Audit Agency & the Consultant to discuss the form and substance of the manual to ensure user-friendliness.

The comments, concerns and suggestions have been forwarded to the Consultants who are yet to submit their final drafts to the Department. On receipt of the final drafts, CAGD will start implementing them in consultation with the stakeholders.

Furthermore, CAGD set up a committee to review the processes and procedures for the payment of cap 30 pensions. The committee is developing a pension manual to serve as a guide for pension management. The draft pension manual is ready awaiting stakeholder consultation and approval by the Controller and Accountant-General before implementation.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

1.1 Accounting Basis

The Financial Statements are prepared on a modified cash basis.

Government reports revenue in the period in which they are received.

Expenditure is recognized when goods and services are received and paid for.

Payments for Fixed Assets acquired are written off in the accounting year of acquisition.

Loans and investments are recorded on a historic cost basis without any provision for diminution in value

1.3 Foreign Currency Translation

Transactions in foreign currencies are translated into the Ghana cedi equivalent using rates in effect at the time of these transactions.

Assets and liabilities denominated in foreign currency are translated using the closing rates of exchange at the end of the period. Any resulting foreign exchange gains or losses are taken up in the Net Accumulated Results.

1.4 Grants

Total disbursements of grant are treated as matching revenue in the accounts and the undisbursed portion of the grant is treated as deferred income.

**5.0 PRINCIPAL EVENTS AND KEY POINTS
OF THE REPORT AND FINANCIAL STATEMENTS OF 2007**

5.1 REVENUE

Total Revenue for 2007 amounted to GH¢3,329.81 million against the budget revenue of GH¢4,774.02 million. The out turn for 2007 is 29.62% lower than budgeted. The actual for 2006 was GH¢2,583.11 million.

The breakdown is as follows:

	2007	2007	2007	2006
Item	Budget	Actual	Variance	Actual
	GH¢M	GH¢M	GH¢M	GH¢M
Direct Tax	887.67	901.50	13.84	718.31
Indirect Tax	1,412.46	458.06	(954.40)	415.15
Value Added Tax	865.42	909.94	44.52	686.94
Tax on International Trade	613.65	605.07	(8.58)	510.62
Other Tax Revenue	182.39	8.98	(173.41)	15.82
Non-Tax Revenue	94.13	104.90	(10.77)	92.30
Grants	153.51	202.92	49.41	143.37
Divestiture Receipts	534.79	138.44	(419.61)	0.60
Total Revenue	4,774.02	3,329.81	(1,414.20)	2,583.11

5.1.0 DIRECT TAX

Actual Tax collected for the period amounted to GH¢901.50 million as against a

projection of GH¢887.67 million. This is 1.56% higher than 2007 projections. The 2006 actual was GH¢718.31 million.

5.1.1 INDIRECT TAX

This consists of sales tax, excise duty and petroleum tax that yielded GH¢458.06 million

as against a projected figure of GH¢1,412.46 million. The actual Tax represents a negative variance of 67.57% of the budgeted figure for 2007, and 10.3% higher than

the previous year's actual of GH¢415.15 million.

5.1.2 VALUE ADDED TAX

Value Added Tax (VAT) Collection for the period was GH¢909.94 million as against the budgeted figure of GH¢865.42 million. This represents a positive variance of 5.14% and

an increase of 35.86% over the budgeted and the 2006 actual figures respectively.

This figure excludes GET FUND.

5.1.3 TAX ON INTERNATIONAL TRADE

Tax on international trade is made up of import tax and export tax. Total Collections for 2007 amounted to GH¢605.07 million. The budgeted figure was GH¢613.65. This represents a negative variance of 1.4% and an increase of 15.6% over 2006 collections of GH¢510.62 million.

5.1.4 OTHER TAX REVENUE MEASURES

Other Tax revenue was GH¢8.99 million against a budgeted figure of GH¢182.39 million

representing 95.0% lower than the budget . The actual for 2006 was GH¢15.82 million.

The actual collection for the period is in respect of Airport Tax and Reconstruction Levy

5.1.5 NON-TAX REVENUE

Non-Tax Revenue collections during the year amounted to GH¢104.90 million. This is 11% lower than the budgeted figure of GH¢94.13 for the period and 14% above the previous year's figure of GH¢92.30 million.

5.1.6 GRANTS

Total Grants received during the year amounted to GH¢202.92 million, comparing with the budgeted figure of GH¢153.51 million gives rise to a positive variance of GH¢49.41 million. The actual for 2006 was GH¢143.37 million.

Multi Donor Budget Support inflows were received from the following Donors:

DEVELOPMENT PARTNERS GRANT CONTRIBUTIONS TO MDBS

NO.	DONOR	AMOUNT GH¢
1	DANISH GOV'T	5,741,824.90
2	AFD(FRANCE)	23,289,357.45
3	CIDA	13,280,099.02
4	EUROPEAN COMMISSION	26,319,720.97
5	UK	73,427,680.00
6	NETHERLANDS	30,932,551.27
7	SWISS GOVT	6,396,646.14

8	IDA	101,872,557.70
9	KFW	14,123,858.76
	Total	295,384,296.21

Other programme Grants are stated on pages 35 of the main report.

5.1.7 DIVESTITURE RECEIPTS

An amount of GH¢534.79 million was budgeted. The 2007 actual figure was GH¢138.4 million registering an adverse variance of GH¢396.35 million compared to the budgeted. Actual figure for 2006 was GH¢0.60 million.

6.0 EXPENDITURE

Total expenditure amounted to GH¢3,964.30 million as against a budget of GH¢3,839.76 million. Total expenditure incurred was 3.24% higher than budgeted.

The previous year's figure was GH¢2,916.95 million.

The breakdown is as follows:

	2007	2007	2007	2006
	Budget	Actual	Variance	Actual
	GH¢M	GH¢M	GH¢M	GH¢M
Discretionary Exp.				
Personnel Emoluments	1,316.70	1,440.74	(124.04)	1,346.98
Transfer to Household	255.09	287.96	(32.87)	234.69
Administration	354.56	433.14	(78.58)	288.64
Service	102.01	132.11	(30.10)	127.40
Investment	723.83	364.78	359.05	222.80
Utility Subsidies	0.00	31.85	(31.85)	0.00
Public Debt Interest	364.81	517.06	(152.25)	415.68
Tax Refund	21.30	26.07	(4.77)	14.11
Others	645.26	525.28	124.04	239.53
Road Arrears	16.5	3.69	12.81	7.32
Non Road Arrears	39.70	3.30	36.40	19.80
Grants	0.0	193.80	(193.80)	0.0
Provision for Bad Debt	0.0	4.51	(4.51)	0.0
Total Expenditure	<u>3,839.76</u>	<u>3,964.30</u>	<u>(124.53)</u>	<u>2,916.95</u>

6.1 PERSONNEL EMOLUMENTS

Actual Personnel Emolument paid amounted to GH¢1,440.74 million. This gave rise to an adverse variance of GH¢124.04 million when compared to the budgeted figure of GH¢1,316.70 million. The previous year's figure was GH¢1,346.98 million.

6.2 ADMINISTRATIVE EXPENDITURE

Total Administrative expenditure was GH¢433.14 million. This is 22.35% more than budgeted. The 2006 actual expenditure was GH¢288.64 million

The figure of GH¢433.14 million includes Administrative expenditure of GH¢5.44 million

which has been classified under contingencies

6.3 SERVICE EXPENDITURE

Service expenditure amounted to GH¢132.11 million as against the budget of GH¢102.01 million. It resulted in an unfavorable variance of 29.50% compared to the actual expenditure. The 2006 actual expenditure was GH¢127.40 million.

The actual expenditure includes additional Service expenditure of GH¢10.69 million which has been classified under contingencies

6.4 INVESTMENT EXPENDITURE

Investment expenditure amounted to GH¢364.78 million as against the budget of GH¢723.83 million. This was 51.5% lower than the budgeted figure. The 2006 actual expenditure was GH¢222.80 million.

The actual expenditure includes additional Investment expenditure of GH¢13.45 million

which has been classified under contingencies

6.5 PUBLIC DEBT INTEREST

Interest on public debt amounted to GH¢517.06 million, representing 41.7% higher than the budgeted figure of GH ¢364.81million and 13.04% of total expenditure. It is also 24.39% higher than the previous year's figure of GH¢415.68 million

6.6 OTHERS

Actual for the year was GH¢525.28 million. This gave rise to a favourable variance of GH¢119.98 million when compared to the budgeted figure of GH¢645.26 million. This includes expenditure on the rehabilitation of the national stadia, School feeding Programme, Electrification projects and payment to Tema Oil Refinery and Volta River Authority.

7.0 ASSETS AND LIABILITIES

7.1 ASSETS

The Assets in the Balance Sheet are summarized as follows:

		2007	2006	
		GH¢M	GH¢M	
7.1.1	1	Cash and Bank Balances	1,424.36	264.02
AND	2	Advances	5.94	5.16
	3	Loans (Receivables)	665.82	669.81
	4	Investments	<u>103.57</u>	<u>125.60</u>
BALANCES			<u>2,199.69</u>	<u>1,064.59</u>

**CASH
BANK**

This balance represents balances on all bank accounts maintained as part of the Consolidated Fund.

7.1.2 ADVANCES

The outstanding balance on advances amounted to GH¢5.94 million. It 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.

7.1.3 LOANS (RECEIVABLES)

The loans balance comprises of loans granted to Statutory Boards and Corporations, Companies and other foreign governments. The balance of GH¢665.82 million shows an decrease of GH¢3.99 million over the 2006 balance of GH¢669.81 million.

Loan balances amounting to GH¢5.85 million have been overdue since 1995. Out of this, provision has been made for GH¢4.51 million as doubtful debt.

7.1.4 INVESTMENTS

The Investments held by the government are classified as follows:

	2007	2006
	GH¢M	GH¢M
Trust Funds	4.74	4.74
International Agencies	4.98	4.98
Local	<u>93.85</u>	<u>115.88</u>
	<u>103.57</u>	<u>125.60</u>

TRUST FUNDS: Investments in Trust Funds amounting to GH¢4.74 million represent balances held by Crown Agents on behalf of Government of Ghana. This represents bequests to Government of Ghana by Sir Alfred Jones and H. S. Newlands and managed by Crown Agents.

INTERNATIONAL AGENCIES: Investments of GH¢4.98 million in International Agencies represent Government's Investments in International Organizations. There was no additional investment during the 2007 financial year.

LOCAL INVESTMENTS: Investments amounting to GH¢93.85 million represent Government's investment in Statutory Boards, Corporations and Companies.

7.2 LIABILITIES

Liabilities in the Balance Sheet are summarized as follows:

		2007	2006
		GH¢M	GH¢M
1	Loans (Public Debt)	7,027.76	4,724.82
2	Deposits and Other Trust Monies	(137.98)	45.33
	TOTAL	6,889.78	4,770.15

7.2.1 LOANS (PUBLIC DEBT)

This is made up of Domestic and Foreign Debt. Loans outstanding at the year end was GH¢7,027.76 million as compared to GH¢4,724.82 million in 2006. Included in the foreign loan is an amount of GH¢728.18 million raised from the sovereign bond issued by the Government of Ghana in October 2007.

The following loans represent Multi Donor Budget Support to the budget.

Donor	GH¢M
AFD	12.01
IDA	<u>102.12</u>
TOTAL	<u>114.13</u>

7.2.3 DEPOSITS AND OTHER TRUST MONIES

Trust Funds balance at the end of the year was GH¢137.98 million as against GH¢45.33 million in 2006.

7.2.4 NET ACCUMULATED RESULTS

Net Accumulated Results consists of accumulated (deficit)/surplus on revenue and expenditure and other reserves.

The balance of GH¢4,705.43 million at the end of the year shows an increase of GH¢999.87 million over the corresponding figure for 2006.

8.0 CONCLUSION

During the year under review, Controller and Accountant-General Department was confronted with several challenges. These included frequent power outages which seriously affected the department especially with respect to the running of the national payroll. The excessive increased cost of running the payroll had adverse effect on the department's own budget which had not been segregated from payments of national nature.

Again, the introduction of the new treasury system (Treasury Re-alignment) also brought new reporting formats. Management had a daunting task of managing such a

change especially when it was introduced at a time of nation-wide re-domination exercise. In the mist of these challenges, the cash flow of government was not too good and warrants to MDAs and other cost centre managers were sometimes delayed. We are happy to place on record that management was very resolute in addressing all these challenges, fulfilled its constitutional mandate and light can now be seen at the end of the tunnel.

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, dedication to duty in general and specifically in providing inputs for and producing the Financial Statements on the Consolidated Fund of the Republic of Ghana for the year ended 31 December, 2007.

CHRISTIAN TETTEH SOTTIE

