
**REPORT OF THE CONTROLLER AND ACCOUNTANT-GENERAL ON THE
PUBLIC ACCOUNTS ON THE CONSOLIDATED FUND FOR THE MONTH OF
OCTOBER 2014****1.1 INTRODUCTION****1.1 Mandate**

Section 41(1) (b) of the Financial Administration Act, 2003 (Act 654)(FAA) and Regulation 191 of the Financial Administration Regulations 2004, (LI 1802)(FAR) requires the Controller and Accountant-General to prepare and transmit to the Auditor-General and the Minister of Finance (MoF), the Public Accounts (Financial Statements) on the Consolidated Fund of the Republic of Ghana within 15 days of the preceding month or such other period as Parliament may by resolution determine.

The financial statement is prepared on government business which is regulated by the financial laws. The authorisation to spend and limit on expenditure are stipulated in the Appropriation Act for each financial year as required by Article 179 (2) (a) of the 1992 Constitution.

In addition to the legal requirement, the Financial Statement is meant to provide a summary of government's financial resources and their application for the benefit of the people of Ghana.

1.1.2 Components of the Financial Statements

The financial statements comprise:

- A Balance Sheet
- A Statement of Revenue and Expenditure
- A Statement of Receipts and Payments
- A Cash Flow Statement
- Notes to the Accounts

1.1.3 Scope of financial statements

In compliance with Articles 175 and 176 of the Constitution of the Republic of Ghana and Section 41 of the FAA, these financial statements known as the Public Accounts of Ghana are prepared on the Consolidated Fund only. It comprises the financial activities of the Ministries, Departments and Agencies (MDAs) funded from the national budget.

The financial statements do not include other public funds established by or under the authority of an Act of Parliament and Retained Internally Generated Funds.

1.1.4 Basis of Accounting

The financial statements are prepared on modified accrual basis. By this, revenues are recognized when lodged into the treasury accounts and with a few exceptions expenditure is recognized when incurred. Fixed Assets are capitalized in order to be written off over the expected life of the asset.

4 HIGHLIGHTS OF OCTOBER, 2014 FINANCIAL PERFORMANCE

4.1 2014 Appropriation

The amounts appropriated for Government business and reflected in these Financial Statements were regulated by the Appropriation Act 2013, Act 868. The date of assent of the Act was 30TH December, 2013. Payments made were based on warrants issued on the authority of the Minister of Finance and was within the Appropriation of GH¢36,170.98 million.

A summary report of the appropriation is as below:

	2014
	GH¢ M
Annual Appropriation	36,170.98
Appropriation Utilised as at Oct 2014	(18,531.53)
Appropriation Un-utilised	<u>17,639.44</u>

1.0 SUMMARY OF RECEIPTS AND PAYMENTS

The summary of Receipts and Payments for the month of October 2014 in millions is as follows:

	Oct-14	Oct-14	Oct-14
	Budget	Actual	Variance
	GH¢M	GH¢M	GH¢M
Receipts	1,990.44	4,006.82	2,016.38
Payments	3,014.25	1,942.23	1,072.02
Net Receipts/Payments	(1,023.81)	2,064.59	944.36

In the month of October, total receipts was more than the budget by GH¢2,016.38 million. Total payment also fell below budget by GH¢1,072.02 million giving rise to a net favourable variance of GH¢944.36 million.

2.0 SUMMARY OF REVENUE AND EXPENDITURE

The summary of Revenue and Expenditure for the month of October 2014 in millions is as follows:

	Oct-14 Budget GH¢,M	Oct-14 Actual GH¢,M	Oct-14 Variance GH¢,M
REVENUE	1,895.70	2,991.04	1,095.34
EXPENDITURE	1,956.08	1,977.29	(21.21)
SURPLUS/(DEFICIT)	(60.38)	1,013.75	1,074.13

Actual Revenue was more than the budget by GH¢ 1,095.34 million for the month of October. Actual expenditure was also more than the budget by GH¢ 21.21 million in the same period, this gave rise to a net favourable variance GH¢1,074.13

3.0 ADDITIONAL STATISTICS**3.1 REVENUE**

Total Revenue which is made up of Direct and Indirect Taxes, Grants and other Non-tax revenue was more than the budget by 57.78% in October. It could be observed that the September revenue as reported in the Public Accounts fell short of the budget by 44.67%. This was due to an understatement of revenue in that month which has now been recognized in October given rise to the unusual favourable variance.

Below is the contribution of the various components to this favourable variance.

3.1.1 Direct Tax

Consolidated Fund Direct tax revenue as detailed in Note 2 for the month was GH¢1,377.66 million as against the expected amount of GH¢695.09million indicating a favourable variance of GH¢682.57 million or 98.20% above budget. Direct tax contributed 46.06% of total revenue for the period of October, 2014.

3.1.2 Indirect Tax

Indirect tax as indicated in Note 3 was GH¢1,326.62 million against a budget of GH¢864.92 million. This resulted in a favourable variance of GH¢461.70million or 53.38% more than the budget. Indirect Tax contributed 44.35% of total revenue for the period.

3.1.3 Non - Tax Revenue

Non - Tax Revenue as detailed in Note 6 for the month was GH¢286.76million as against a budget of GH¢335.69 million resulting in an unfavourable variance of GH¢48.93 million or 14.58%. Non Tax Revenue contributed 9.58% of total revenue for the period.

3.2 EXPENDITURE

Expenditure is made up of Compensation of Employees, Use of Goods and Services, Consumption of Fixed Capital, Interest, Subsidies, Grants, Social Benefits and Other Expenses. The total for the month amounted to GH¢1,977.29 million as against the budget of GH¢1,956.08 million, resulting in an unfavourable variance of GH¢21.21million or 1.08% more than budgeted.

3.2.1 Compensation of Employees

Compensation of Employees as detailed in Note eleven (11) for the month was GH¢1,048.57 million as against a budget of GH¢884.05 million. This resulted in excess expenditure of GH¢164.52million. Compensation of Employees represents 53.03% of total expenditure for the month, also represents 35.06% of consolidated fund revenue as at October 2014.

3.2.2 Use of Goods and Services

Expenditure on Goods and Services incurred for the month as detailed in note twelve (12), was GH¢272.55 million as against the budgeted figure of GH¢476.14 million resulting in a favourable variance of GH¢203.59. Goods and Services represent 13.78% of total expenditure for the period.

3.2.3 Interest

Interest Paid for the month as detailed in note twelve (14), was GH¢ 622.84 million as against the budgeted figure of GH¢505.80 million resulting in an unfavourable variance of GH¢117.04million or 23.14% more than budgeted. This represents 31.50% of total expenditure for the period.

3.2.4 Social Benefits and Other Expenses

An amount of GH¢0.26 million and GH¢33.07 million was incurred on social benefits and other expense for the month of October respectively. The sum represented 1.69% of total expenditure for the period under review.

4.0 PUBLIC DEBT REPAYMENTS

Public Debt is made up of Domestic and External Debts as detailed in Note 18. The amount repaid for month of October was GH¢221.91 million as against a budget of GH¢98.63 million.

5.0 CONCLUSION

I wish to take this opportunity to thank the Hon Minister, Hon Deputy Ministers and staff of MoF and CAGD and other public officers for the immense contribution made towards the preparation of the Report and the Public Accounts on the Consolidated Fund for the month of October, 2014.

I also wish to sincerely thank all staff of the Department who has worked tirelessly to ensure that we put various systems in place for an improved service delivery to our clients.

In compliance with Section 41(1) (b) of the Financial Administration Act, 2003 (Act 654) and Regulation 191 of the Financial Administration Regulation, 2004 (LI 1802), I hereby present the Report and the Public Accounts on the Consolidated Fund for the month ended October 31, 2014.

Grace Francisca Adzroe
Controller and Accountant-General

Date: