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**REPORT OF THE CONTROLLER AND ACCOUNTANT-GENERAL ON THE  
PUBLIC ACCOUNTS ON THE CONSOLIDATED FUND FOR THE MONTH OF  
MAY 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. Modified accrual accounting recognizes revenues when they become available and measurable and, with a few exceptions recognizes expenditure when liabilities are incurred. Fixed Assets are capitalized in order to be written off over the expected life of the asset.

## **4 HIGHLIGHTS OF MAY, 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 30<sup>TH</sup> 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:

	<b>2014</b>
	<b>GH¢ M</b>
<b>Annual Appropriation</b>	36,170.98
<b>Appropriation Utilised as at May 2014</b>	( 9,050.46)
	<hr/>
<b>Appropriation Un-utilised</b>	<b><u>27,120.52</u></b>

#### 1.0 SUMMARY OF RECEIPTS AND PAYMENTS

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

	<b>May-14 Budget</b>	<b>May-14 Actual</b>	<b>May-14 Variance</b>
	<b>GH¢M</b>	<b>GH¢M</b>	<b>GH¢M</b>
<b>Receipts</b>	<b>1,990.44</b>	<b>1,453.27</b>	<b>537.18</b>
<b>Payments</b>	<b>3,014.25</b>	<b>2,120.90</b>	<b>893.35</b>
<b>Net Receipts/Payments</b>	<b>(1,023.81)</b>	<b>(667.63)</b>	<b>(356.18)</b>

In the month of May, total receipts fell short of the budget by GH¢537.18 million, total payment was GH¢ 2,120.90 which fell below the budget, giving rise to a favourable variance of GH¢893.53

**2.0 SUMMARY OF REVENUE AND EXPENDITURE**

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

	<b>May-14 BUDGET GH¢,M</b>	<b>May-14 ACTUAL GH¢,M</b>	<b>May-14 VARIANCE GH¢,M</b>
<b>REVENUE</b>	<b>1,891.63</b>	<b>1,302.49</b>	<b>589.14</b>
<b>EXPENDITURE</b>	<b>2,137.93</b>	<b>1,912.64</b>	<b>225.29</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(246.29)</b>	<b>(610.15)</b>	<b>363.85</b>

Actual Revenue fell short of the budget by GH¢ 589.14 for the month of May. Actual expenditure also fell short of the budget by GH¢ 225.29 in the same period, this was not enough to absorb the revenue deficit giving rise to an unfavourable variance GH¢363.85.

**3.0 ADDITIONAL STATISTICS****3.1 REVENUE**

Total Revenue which is made up of Direct and Indirect Taxes, Grants and other Non-tax revenue fell short of the budget by 31.14%. Below is the contribution of the various components to this unfavourable variance.

**6.1.1 Direct Tax**

Consolidated Fund Direct tax revenue as detailed in Note 2 for the month was GH¢ 444.21 million as against the expected amount of GH¢ 695.09 million indicating an unfavourable variance of GH¢ 250.88 million or 36.09% below budget. Direct tax contributed 34.10% of total revenue for the period of May.

**6.1.2 Indirect Tax**

Indirect tax as indicated in Note 3 was GH¢ 625.68 million against a budget of GH¢ 860.86 million. This resulted in an unfavourable variance of GH¢ 235.18 million or 27.32% less than the budget. Indirect Tax contributed 48.04% of total revenue for the period.

**6.1.3 Grants**

No Grants was received for May 2014.

**6.1.4 Non - Tax Revenue**

Non - Tax Revenue as detailed in Note 6 for the month was GH¢ 232.61 million as against a budgeted figure of GH¢335.69 million giving rise to an unfavourable variance of GH¢ 103.08 million or 30.71% less than the budget for that period. Non Tax Revenue contributed 17.85% of total revenue for the period.

**6.2 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¢ 1,912.64 million as against the budget of GH¢2,137.93 million, resulting in favourable variance of GH¢ 225.29 million or 10.54% less than budgeted.

**6.2.1 Compensation of Employees**

Compensation of Employees as detailed in Note eleven (11) for the month was GH¢ 910.97 million as against a budget of GH¢ 884.05 million. This resulted in excess expenditure of GH¢ 26.92 million. Compensation of Employees cost which represents 47.63% of total Expenditure for the month, also represents 69.94% of consolidated fund revenue for May.

**6.2.2 Use of Goods and Services**

Expenditure on Goods and Services incurred for the month as detailed in note twelve (12), was GH¢ 120.03 million as against the budgeted figure of GH¢476.14 million resulting in a favourable variance of GH¢ 356.11. Goods and Services represent 6.27% of total expenditure for the period.

**6.2.3 Interest**

Interest for the month as detailed in note twelve (12), was GH¢ 881.38 million as against the budgeted figure of GH¢687.66 million resulting in an unfavourable variance of GH¢ 193.72 or 28.17% less than budgeted. This represents 46.08% of total expenditure for the period.

**6.2.4 Social Benefits and Other Expenses**

An amount of GH¢0.043 million was incurred on social benefits and other expense for the month of May. This was GH¢3.14 million less that budget indication a favourable variance or 98.62% less than the budget.

### **6.3 PUBLIC DEBT REPAYMENTS**

Public Debt is made up of Domestic and External Debts as detailed in Note 18. The amount repaid for month of May was GH¢183.73 million.

### **4.0 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 May, 2014.

I also wish to sincerely thank all staff of the Department who have 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 May 31, 2014.

**Grace Francisca Adzroe**  
**Controller and Accountant-General**

**Date:**