

**REPORT OF THE CONTROLLER AND ACCOUNTANT-GENERAL ON THE
PUBLIC ACCOUNTS ON THE CONSOLIDATED FUND FOR THE MONTH OF
JANUARY 2015****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 statements 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 Statements are 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.

2 HIGHLIGHTS OF JANUARY, 2015 FINANCIAL PERFORMANCE

2.1 2015 Appropriation

The amounts appropriated for Government business and reflected in these Financial Statements are regulated by the 2015 Appropriation. Payments made were based on warrants issued on the authority of the Minister of Finance and was within the Appropriation of GH¢44,021.27 million.

A summary report on the appropriation is as below:

| | 2015 |
|--|------------------|
| | GH¢ Mill |
| Annual Appropriation | 44,021.27 |
| Appropriation Utilised as at end 2015 | (1,108.83) |
| Appropriation Un-utilised | 42,912.44 |

3.0 SUMMARY OF RECEIPTS AND PAYMENTS

The summary of Receipts and Payments on the Consolidated Fund for the month of January 2015 is as follows:

| | Jan-15 Budget | Jan-15 Actual | Jan-15 Variance |
|--------------------------------|--------------------------|--------------------------|----------------------------|
| | GH¢Mill | GH¢Mill | GH¢Mill |
| Receipts | 2,687.74 | 1,641.90 | (1,045.84) |
| Payments | 3,668.44 | 1,228.47 | 2,439.97 |
| Net Receipts/(Payments) | (980.70) | 413.43 | 1,394.13 |

In the month of January, total receipts fell short of the budget by GH¢ 1,045.84 million. Total payments also fell below budget by GH¢2,439.97 million giving rise to a net favourable variance of GH¢ 1,394.13 million.

4.0 SUMMARY OF REVENUE AND EXPENDITURE

The summary of Revenue and Expenditure on the Consolidated Fund for the month of January 2015 is as follows:

| | Jan-15 Budget GH¢,Mill | Jan-15 Actual GH¢,Mill | Jan-15 Variance GH¢,Mill |
|--------------------------|---------------------------------------|---------------------------------------|---|
| REVENUE | 2,587.39 | 1,554.57 | (1,032.82) |
| EXPENDITURE | 2,564.56 | 1,425.52 | 1,139.04 |
| SURPLUS/(DEFICIT) | (22.83) | (129.05) | 106.22 |

Actual Revenue fell short of the budget by GH¢ 1,032.82 million for the month of January. Actual expenditure also fell short of the budget by GH¢ 1,139.04 million in the same period, this gave rise to a net favourable variance GH¢106.22

5.0 ADDITIONAL STATISTICS**5.1 REVENUE**

Total Revenue which is made up of Direct and Indirect Taxes, Grants and other Non-tax revenue fell short of the budget by 39.92%. Below is the contribution of the various components to this unfavourable variance.

5.1.1 Direct Tax

Direct tax revenue for the Consolidated Fund for the month end as detailed in Note 2 was GH¢643.15million as against the expected amount of GH¢935.72 million indicating an unfavourable variance of GH¢292.57 million or 31.27% below budget.

Direct tax contributed 41.37% of total revenue for the month of January.

5.1.2 Indirect Tax

Indirect tax as indicated in Note 3 was GH¢740.40 million against a budget of GH¢1,083.54 million. This resulted in an unfavourable variance of GH¢343.14million or 31.67% less than the budget.

Indirect Tax contributed 47.63% of total revenue for the period.

5.1.3 Grants

There was no receipt of grants in the month of January 2015. This was the same result registered in January 2014.

5.1.4 Non - Tax Revenue

Non - Tax Revenue as detailed in Note 6 for the month was GH¢171.02 million as against a budgeted of GH¢438.90 million resulting in an unfavourable variance of GH¢267.88million or 61.03% less than budgeted. Non Tax Revenue contributed 11% of total revenue for the period.

5.1.5 Loans Received

There was no loan receipt in the month of January 2015.

5.2 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 expenditure on accrual basis for the month amounted to GH¢1,425.52 million as against the budget of GH¢2,564.56 million. This gives a favourable variance of GH¢1,139.04 million or 44.41% less than budgeted.

5.2.1 Compensation of Employees

Compensation of Employees incurred for the month as detailed in note eleven (11), GH¢935.10 million as against the budgeted figure of GH¢1,049.81 million. This gives a favourable variance of GH¢ 114.71. Compensation of Employees represents 65.60% of total expenditure for the month.

5.2.2 Use of Goods and Services

Expenditure on Goods and Services incurred for the month ended as detailed in note twelve (12), was GH¢22.10 million as against the budgeted figure of GH¢483.02 million resulting in a favourable variance of GH¢460.91. Goods and Services represent 0.86% of total expenditure for the month.

5.2.3 Interest

Interest Paid for the month as detailed in note fourteen (14) was GH¢ 451.89 million as against the budgeted figure of GH¢798.10 million, a favourable variance of

GH¢346.21 million or 43.38% less than budgeted. This represents 17.62% of total expenditure for the month.

5.2.4 Social Benefits and Other Expenses

An amount of GH¢16.43million was incurred on other expenses. However no expenditure was incurred on social benefits for the month of January. The sum represents 1.20% of total expenditure for the month under review.

5.3 PUBLIC DEBT REPAYMENTS

Public Debt is made up of Domestic and External Debts as detailed in Note 18. The amount paid for the month of January was GH¢2.59 million representing External Debts against a budget of GH¢233.27 million.

6 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 January, 2015.

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 January 31, 2015.

Grace Francisca Adzroe

Controller and Accountant-General

Date: