



Public Interest and Accountability Committee

PRESS STATEMENT

DATE: 15TH OCTOBER, 2018

PIAC DEMANDS BETTER PARTICULARS OF UNACCOUNTED PORTION OF 2017 ABFA ALLOCATION

Ladies and gentlemen of the press, good morning.

We have invited you here this morning, to respond to the Ministry of Finance's statement reported in the Ghanaian Times' publication of 10th October, 2018, on an amount of GH¢403.74 million, being an unspent portion of the ABFA allocation for 2017. We will also take this opportunity to share with you, some of our frustrations arising out of the non-response of the Ministry to some of our work-related queries.

We chose this medium to respond to the Ministry's explanation of what has happened to the amount in question, because we want Ghanaians to be involved in the discussions around the efficient and prudent management of our petroleum revenues. Indeed the statute establishing PIAC mandates the Committee to monitor compliance with the provisions of the Act, and to provide information to the citizenry on the management and use of petroleum revenues, through the publication of a semi and an annual report.

Ladies and gentlemen, it has become customary for the Public Interest and Accountability Committee to write to the Ministry of Finance or any other reporting entity for explanation or clarification, whenever it makes adverse findings against them.

In 2016, PIAC embarked on physical inspection of oil-funded projects, when it came to its attention that for five years running the Minister of Finance had failed to FULLY comply with Sect. 48 (2b) of the Petroleum Revenue Management Act, 2011, Act 815, which enjoins the Minister to provide update on the stage of implementation of oil-funded projects, as part of its Reconciliation Report to Parliament.

The initial inspection covered six projects in the northern part of the country. The Committee was amazed to discover that three out of the six projects inspected did not exist.

On its return from the field, PIAC wrote to the Minister of Finance in August 2016 to seek explanation for what it had uncovered during its project inspection. The Committee is yet to receive an acknowledgement, let alone the explanation it sought.

On this particular issue regarding the unspent GH¢403.74 million, PIAC wrote to the Minister of Finance on 19th June, 2018 for explanation, but has received no response. Not even a reminder to the Ministry, sent about a month ago has elicited a response.

Even as we speak, our request for the half year data for 2018 has not been fully responded to. We requested for the data on 17th July, 2018 to enable us put together our half year report.



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The Ministry has so far provided data on ABFA allocations, but has failed to release data on expenditure. As a result PIAC has not been able to meet its statutory reporting timeline of September 15 for the report in question.

It is indeed curious that the Ministry will respond with so much haste when the issue of the unspent portion of the 2017 ABFA allocation was reported in the Ghanaian Times.

The newspaper reported that, in response to its publication on the matter, the Ministry of Finance has issued a statement, in which it has indicated that the said amount was transferred into the Treasury Single Account in 2017 in accordance with Section 46 of the *Public Financial Management Act, 2016 (Act 921)*.

Suffice it to say, this does not address PIAC's enquiry and only raises further issues:

- a. When was this said transfer into the Treasury Account effected?
- b. How is the specific amount of GH¢403.74 million, being petroleum revenue, accounted for?

Assuming without admitting that this transfer is in accordance with law, it does not absolve the Ministry of the responsibility of accounting to the public, the use of this money.

Further, it bears noting that as a matter of logic, if the Ministry's explanation is to stand, then it defeats the entire purpose of the *Petroleum Revenue Management Act, 2011 (Act 815)* which was enacted specifically to "provide the framework for the collection, allocation and management of petroleum revenue in a responsible, transparent, accountable and sustainable manner..." In the view of the Committee, the 'sweeping' of the unspent amount into an account other than the Petroleum Holding Fund, and co-mingling it with other funds, does not only open the floodgates for potential derailment of the mechanisms in Act 815 to ensure its judicious use.

To argue as the Ministry has, that the transfer is to avoid government cash balances sitting in various accounts while Government borrows at expensive rates to finance important expenditures, suggests that the money has been spent, ostensibly on programmes and activities not budgeted for under the ABFA.

PIAC therefore reiterates that, contrary to the spirit and purpose of Act 815, the Ministry of Finance has still failed to account for the utilisation of the GH¢403.74 million. The Committee remains dissatisfied with the response of the Ministry and insists on further and better particulars as to the whereabouts and/or utilisation of the amount. The Committee has resolved that, in the interest of the citizens of Ghana which it represents, it will relentlessly follow matters to their logical conclusion.

Thank you for your attention.



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