

LEADERSHIP, GOVERNANCE AND PUBLIC SECTOR CORRUPTION

PROF. EDWARD DUA AGYEMAN
FORMER AUDITOR-GENERAL OF GHANA

36TH ANNUAL MANAGEMENT WEEK CELEBRATION OF THE
UNIVERSITY OF GHANA BUSINESS SCHOOL, ACCRA
15TH APRIL, 2015

Abstract

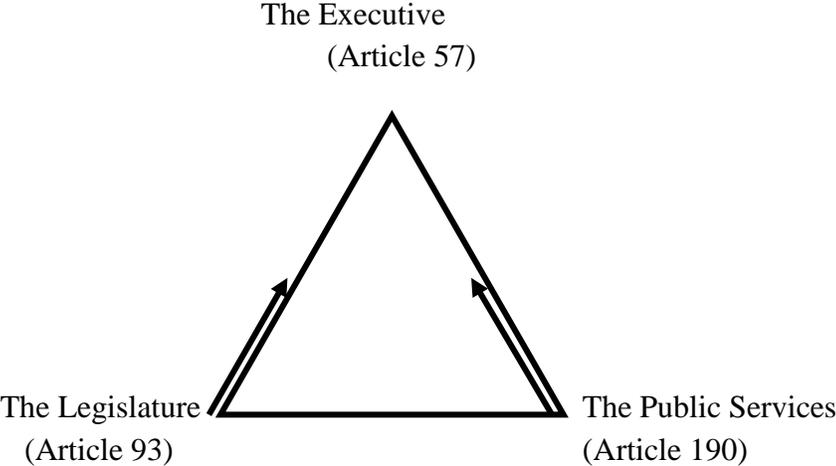
One crucial social menace which has been acknowledged as a serious threat and danger to democracy and good governance is corruption. Corruption in the public sector hampers the efficiency of public services, undermines confidence in public institutions and increases the cost of public transactions. This paper examines the effect of public sector corruption on leadership and governance in nation building and the processes by which the prevailing governance and leadership structures and systems have been trying to curb or eradicate public sector corruption. The paper further looks at the constitutional mandate and powers of the Auditor-General in addressing the evils of public sector corruption to ensure accountability and good governance.

Introduction

It was with great humility and honour that I accepted to speak on the topic “**Leadership, Governance and Public Sector Corruption**” at the 36th Annual Management Week Celebration of the University of Ghana Business School. The topic is appropriate in that people are concerned about leadership values and governance and their impact on public sector corruption. There have been extensive discussions on leadership since the idea of organised society came into existence. The discussions have centered on the importance of leadership in nation building. They are basically concerned with who governs, who should govern and what should constitute political authority in a community particularly in a constitutional democratic era.

My paper starts by highlighting the fact that in public sector governance structure the Executive controls the system of governance. The paper aims to show that the system of governance where the Executive wields absolute power is the single most important determinant of corruption in the public sector.

The paper also seeks to demonstrate that, starting from the pre-independence Ghana to today, in our governance structure, the Executive appoints and terminates the appointments of all the officials in the Public Services and all key government functionaries, including the heads of all the anti-corruption institutions and the security agencies, and determines their emoluments and retirement benefits. This operational phenomenon weakens the position of the Public Services officials in fighting corruption since the appointments and remunerations structure rests on very weak checks and balances. My studies of the Auditor-General’s reports from independence to date point to the above fact.



The Public Services Governance Structure

An overview of the Public Services governance structure

An in-depth examination of the public sector governance structure reveals that the Executive controls the system of governance. The above diagram shows the Executive at the apex of the triangle, the Legislature as defined by article 93 of the 1992 Constitution on the left side of the triangle and the right side showing the Public Services under article 190 of the 1992 Constitution.

Under the 1992 Constitution of Ghana, the leader of the country (the President) wields the executive power. The Executive appoints all officials in the Public Services and all key government functionaries, including the heads of all the anti-corruption institutions. The President appoints the Chief Justice and those occupying senior judicial positions. When it comes to fighting corruption within the Executive and the Public Services, the role of the Executive in appointing the Chief Justice weakens the fight against corruption. In reality the Chief Justice in a way does not have the total freedom to administer justice.

The same analysis goes for the appointment of the Auditor-General, the Chairman of the Electoral Commission, the Controller and Accountant-General and all those listed under article 190 of the 1992 Constitution. The Legislature is also partisan, making sure that the Executive toes the party line. This network and the fusion of the Executive, Legislature and the Public Services is one of the major causes of corruption. Theoretically they are supposed to be independent and separated as provided in the Constitution but in practice they are fused together with the Executive controlling the governance structure.

Since the *status quo* has been maintained over the years, the functions of the three arms of government since independence are tainted with corruption. The expected checks and balances in the three arms of government are simply theoretical since practically no one checks the Executive.

The objective of the Executive, from day one, is to win the next election and so with this objective starts amassing wealth for the party and so all government appointees must contribute either in cash or in kind into the party kitty. The Executive ensures that government contracts are awarded to favourites, friends and family members. Sometimes Chief Executive Officers in the districts inflate the cost of government projects and pass on the margins to their political parties and themselves. This practice in the end renders the entire public service corrupt and partisan. The few saints in the chain get entangled in the web of this corrupt network and in no time become sinners.

Leadership as a function of governance

Leadership as a function of governance doesn't have a one-size-fits-all definition. We all have our own ideas of what constitutes leadership. For example, some people think leadership means guiding others to complete a particular task, while others believe motivating the members of a team to be their best selves.

J.P. Kotter states that “leadership is the development of vision and strategies; the alignment of relevant people behind these strategies and the empowerment of individuals to make the vision happen despite obstacles”.¹

Professor Stephen Adei, former Rector of Ghana Institute of Management and Public Administration (GIMPA), a respected voice on leadership, states that “*leadership is cause; everything else is effect*”.² To him leadership is a major reason for organisations to perform better or fail. He observes that reckless leadership behavior of ruling regimes, has largely heightened corruption. However, while definitions may vary, the general sentiments remain the same: leaders are people who know how to achieve goals and inspire people along the way.

In transformational leadership we usually cast our minds to Singapore and Malaysia. Generally, it is believed that there is less corruption in the leadership of Singapore and Malaysia but higher scale corruption in Africa. The total wealth of the late Presidents Sani Abacha of Nigeria and Mobutu Sese Seko of Zaire, as revealed after their overthrow, could build several modern universities in Africa. Mobutu Sese Seko who was the President of Zaire for 32 years was reported to have stolen as much as 50 billion United States dollars from Zaire. Sani Abacha, was reported to have stolen from his country 2.2 billion United States dollars and held them in European banks during his five-year rule. If we reflect on my analytical triangle, that of Mobutu and Abacha are at the Executive level, if one adds the corruption at the Legislature and the Public Services we shall be recording trillions of dollars. We need to appoint transformational and visionary leaders to transform our institutions which will build into critical synergies for nation building.

¹ Kotter, J.P. (1988), *The Leadership Factor*, Free Press

² Adei, Stephen (2004), *Leadership and Nation Building*, Combent Impressions, Accra

Governance as a function of leadership

Governance could be defined as the traditions, processes and institutions by which authority in state power is exercised, including how governments are selected, monitored and replaced. It is the ability of the government to effectively formulate and implement sound policies, and respect for human rights and rule of law. Our governance framework is the basis of public sector corruption as all those in governance sing the tune of the government functionaries which in the end renders most government institutions lame and corrupt. As the senior government officials live cosy lives through ill-gotten gains from projects so also the junior officials in the public services find the means to supplement their incomes to keep afloat, for example, by hiding project files. “Power tends to corrupt; absolute power corrupts absolutely”. (*British historian – Lord Acton, 1887*).

Corruption in perspective

There are several opinions today about the definition of corruption and of what impact the definitions play in our understanding of the concept. Using the most common definition, corruption is “the misuse of public office for private gain”.

This is the working definition that many world organisations use in discussing corruption, including the World Bank and the International Monetary Fund. Transparency International is the global civil society organisation leading the fight against corruption. Transparency International defines corruption as “the abuse of entrusted power for private gain”. Their definition embraces corrupt practice in both the public and private sectors.

As recent as 2007, Sir John Bourn, the former Comptroller and Auditor-General of the United Kingdom has come out with another definition which seems to fit into the mainframe of modern corruption. He says that “corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person to behave dishonestly”.³

³ Bourn, John (2007), *Public Sector Auditing – Is It Value for Money?* P.263, John Wiley & Sons Ltd. London

History of corruption

Corruption seems to have been with us since the ancient of days as recorded, for example, in the Gospel of Saint Matthew in the portion headed “The Guards’ Report”.

“When the chief priests had met with the elders and devised a plan, they gave the soldiers a large sum of money, telling them ‘you are to say, his disciple came during the night and stole him away while we were asleep’. If this, report gets to the governor, we will satisfy him and keep you out of trouble. So the soldiers took the money and did as they were instructed”.

(Saint Matthew chapter 28 verse 12 to 15: New International Version of the Holy Bible)

Note that at that time the apex body was the governor which equates the executive arm of government if you refer to my triangular analysis.

Former President John Agyekum Kufuor is often quoted to have said that “corruption is as old as Adam”.

Although corruption has been with us for ages, accountability has equally been with us for centuries and is as old as the history of government. We may cast our mind back to 350 BC when Aristotle suggested in the *Politics*:⁴

“To protect the treasury from being defrauded, let all money be issued openly in front of the whole city, and let copies of the accounts be deposited in various wards”.

Aristotle was demanding transparency and accountability in the public sector financial management.

In Ghana corruption in the public sector is an old phenomenon dating back to the pre-independence days. There were very limited facilities to record the various forms of corruption that manifested itself. However, my studies revealed that reports of the government auditors at that time portrayed evidence of corruption.

⁴ Barker, Sir Ernest (1995), Ed. The Politics of Aristotle, Oxford University Press, Oxford

Pre-independence Ghana

In looking at corruption in the public sector we need to start from the pre-independent Ghana to the Fourth Republic. The British colonial government inherited the native tribunals which were associated with costly litigation, injustice and corruption. The colonial governors took stern measures of executive control to fight public corruption and to prevent the chiefs from imposing outrageous fines to provide themselves with comfortable incomes. The colonial years from 1938 to 1956 were characterised by increase in corruption that coincided with the absorption of Ghanaians into the public service. (*Le Vine, V.T. (1975), Political corruption: The Ghana case, Hoover Institute Press, Stanford, California*).

Dr. Kwame Nkrumah's government

During the period of Dr. Kwame Nkrumah, from 1957 to 1966, not much was reported on the corruption in the country. This is because during that period there were political intimidations and imprisonment without trials. The mass disclosure of corruption during the period was made after the overthrow of Nkrumah on February 24, 1966. Several commissions and committees were set up to look into the activities of Nkrumah's regime. The reports of the commissions provided details of acts of corruption among Ghanaian public officials.

The National Liberation Council (NLC)

The National Liberation Council took over from Nkrumah. The main reason NLC gave was that the Nkrumah regime was hopelessly corrupt. Not much was reported about the NLC government itself but the audit reports for the period 1966 to 1969 revealed that in reality nothing, or very little, had changed in the public services and the local authorities in respect of corruption since Nkrumah's years. (*Auditor-General's Report on Public Boards and Corporations, 1967-1968, 1968-1969*).

Generals I.K. Acheampong and F.W.K. Akuffo regime

Generals I.K. Acheampong and F.W.K. Akuffo reigned from 1972 to 1979. It is generally believed that Acheampong's regime was characterised by corruption and gross mismanagement. Flight Lieutenant J.J. Rawlings (Rtd) and the Armed Forces Revolutionary Council (AFRC) overthrew Acheampong and Akuffo on June 4, 1979.

Dr. Hilla Limann's government

Rawlings's AFRC handed over power to Dr. Hilla Limann's People's National Party (PNP) in September 1979. During Limann's two years rule, it emerged that his ministers, public servants and parliamentarians worked hard in deepening corruption. President Limann saw that the growing corruption within his own party led him to observe that "the government was unable to improve the economy because of over-invoicing, under-invoicing, and short-landing of goods and evasion of taxes".

Flt. Lt (Rtd) Rawlings military rule – 1981–1992

Flt. Lt. (Rtd) Rawlings came back to power for the second time on December 31st, 1981 claiming that there was a growing amount of evidence of corruption in public office. Rawlings went to great lengths to combat corruption by creating institutions made to fight it; nevertheless, corruption, bribery, embezzlement and injustice were still in the society. Rawlings conceded that corruption and injustice were still rampant in the Ghanaian society. Thus, one could conclude that the period (1981-1992) of Rawlings was a period of waste in respect of the fight against corruption since the various reforms couldn't eradicate the canker.

Mr. John Agyekum Kufuor's government

President J.A. Kufuor's eight years administration began with a fight against corruption as one of his campaign promises. Kufuor declared that his government would have "zero tolerance for corruption" which was well received by the general public. His administration established the Office of Accountability in July 2003 as an "internal conscience keeper" and an in-house mechanism to regulate the conduct of ministers and other government appointees. The main criticism of the office was that the office did not issue annual or periodic reports, and its activities

were not accessible to the public. The general opinion is that the Office of Accountability did add very little value to the fight against corruption in government during Kufuor's administration.

Prof. J.E.A. Mills's government

Prof. J.E.A Mills was elected with his "Better Ghana Agenda" manifesto which sought to make Ghana a better place for its citizens where it is expected that issues of poverty, hunger, and disease will be history. Three and half years into the administration of Prof. Mills, his government was saddled with allegations of fraud, mismanagement and payments of illegal judgement debts.

Mr. John Dramani Mahama's government

Mr. John Dramani Mahama became the President of Ghana when Prof. Mills died. Again like all previous governments, President Mahama's government is accused of massive corruption. During his administration it is said that the three important elements that show weakness in governance are already visible: (i) the numbers showing failing economy, (ii) mass rapid demonstrations against the government and (iii) corruption scandals. The government stands accused of vastly inflating the cost of some public projects and passing on the profits. During his government there have been a number of high profile scandals. One such scandal is the Woyome scandal that has refused to go away.

If I may quote the Institute of Economic Affairs, Ghana:⁵

"It is a tragic paradox that a number of agencies set up to fight poverty and under development have themselves become channels of corruption by which state funds meant for development are siphoned. The case of the Ghana Youth Employment and Enterpreneural Development Agency (GYEEDA), the Savannah Accelerated Development Authority (SADA) and the National Service Scheme (NSS) are ready examples".

⁵ The Institute of Economic Affairs, Ghana (2015), Corruption Conference Background Papers, IEA Ghana, Accra.

Remember our governance structure has not changed since independence. The executive arm of government wields absolute power and almost all government functionaries have one hidden objective when voted into power, that is, “This is our turn let us make some money and keep the government in power”.

What drives corruption?

Although corrupt practices vary from country to country, the World Bank has shown that it is possible to identify some key drivers based on in-depth country studies.⁶ The key corruption drivers indentified by these studies include:

- **The legitimacy of the state as the guardian of the “public interest” is contested.**

In highly corrupt countries there is little public acceptance of the notion that the role of the state is to rise above private interests to protect the broader public interest.

- **The rule of law is weakly embedded.**

Public sector corruption thrives where laws apply to some but not to others, and where enforcement of the law is often used as a device for furthering private interests rather than protecting the public interest.

A common symbol of the breakdown of the rule of law in highly corrupt countries is the police acting as law-breakers rather than law enforcers – for example, stopping motorists for invented traffic violation as an excuse for extracting bribes. Also a situation where a police vehicle is used to convey illegal or contraband goods, and a police officer assisting a motorist by sitting in front of a vehicle with narcotic drugs.

- **Institution of accountability is ineffective.**

There are glaring weaknesses in institutions of accountability that are expected to control public sector corruption. These institutions are either created by the

⁶ World Bank (2004), Mainstreaming Anti-Corruption Activities in World Bank Assistance – A Review of Progress Since 1997, World Bank, Washington DC.

state itself (for example, the office of the auditor-general, the judiciary, the legislature) or arise outside of formal state structures (for example, the news media and organised civic groups). Technically, these institutions are weak and lame due to their appointment nature per my triangular analysis.

Widespread corruption endures in the public sector when national authorities are either unwilling or unable to address it forcefully. In societies where public sector corruption is endemic, it is reasonable to suspect that it touches the highest levels of government, and that many senior office-holders will not be motivated to work against it.

Sometimes high profile corruption cases are sent to court and given huge media headlines without thorough and proper investigations by the police in the first place. The case is then referred to the Attorney-General's department for advice. After a while they show insufficient interest to prosecute the case and so it gets "suspended" or deliberately forgotten.

For example, some eminent persons, including Justice Francis Emile Short, have said that the Attorney General's department must necessarily explain to Ghanaians the reasons behind the filing of a *nolle prosequi* application to discontinue the prosecution of the six arrested accomplices in the 'Nayele cocain saga'.

Some institutions and organisations in the public service are generally perceived to be corrupt. In other words public sector corruption is embedded in these institutions. The major institutions and organisations are the judiciary, police, and of late, the Attorney-General's department; although there are several minor ones. These are the institutions and organisations where a large number of high school leavers and university graduates prefer to look for employment. The public perception and beliefs are that people who work there get rich quicker mainly through bribes, extortion, cash mismanagements and misappropriations.

Other forms of corruption

Corruption is not manifested in one single form; indeed it typically takes at least three broad forms.⁷

1. Petty, administrative or bureaucratic, corruption.

Many corrupt acts are isolated transactions by individual public officials who abuse their office, for example, by demanding bribes and kickbacks, diverting public funds or awarding favours in return for personal considerations. Such acts are often referred to as petty corruption even though, in the aggregate, a substantial amount of public resources may be involved.

2. Grand corruption

The theft or misuse of vast amounts of public resources by state officials – usually members of, or associated with, the political or administrative elite – constitutes grand corruption.

3. State capture/influence peddling

This is where private actors collude with public officials or politicians for their mutual, private benefit. That is, the private sector “captures” the state legislative, executive, and judicial apparatus for its own purposes. State capture coexists with the conventional (and opposite) view of corruption, in which public officials extort or otherwise exploit the private sector for private ends.

Adverse effects of corruption

In recent years, concerns about corruption have mounted in tandem with growing evidence of its detrimental impact on development.⁸

(i) Corruption is shown to adversely affect GDP growth.

⁷ Shah, Anwar (2006), Corruption and Decentralised Public Governance, Policy Research Working Paper Series No. 3824, World Bank, Washington DC.

⁸ World Bank (2004), Mainstreaming Anti-Corruption Activities in World Bank Assistance – A Review of Progress Since 1997, World Bank, Washington DC.

- (ii) Corruption has been shown to lower the quality of public infrastructure, education and health services.
- (iii) Corruption reduces the effectiveness of development aid and increases income inequality and poverty.
- (iv) Bribery, often the most visible manifestation of public sector corruption, harms the reputation of, and erodes trust in, the state.
- (v) Poor governance and corruption have made it more difficult for the poor and other disadvantaged groups, such as women and minorities, to obtain public services.

Statistics on corruption

Although statistics on corruption are often questionable, the available data suggest that it accounts for a significant proportion of economic activity.⁹

For example:

- In Kenya, “questionable” public expenditures noted by the Controller and Auditor-General in 1997 amounted to 7.6 percent of GDP.
- In Latvia, a World Bank survey found that more than 40 percent of Latvian households and enterprises agreed that “corruption is a natural part of our lives and helps solve many problems”.
- In Tanzania, service delivery survey data suggests that bribes paid to officials in police, courts, tax services, and land offices amounted to 62 percent of official public expenditures in these areas.
- In the Philippines, the Commission on Audit estimates that \$4 billion is diverted annually because of public sector corruption.
- In Ghana financial irregularities and embezzlements by the public officials as disclosed by the Auditor-General’s reports are estimated to be about 8 percent of GDP.

In Ghana there has not been extensive study of public sector corruption comparing the scope and concentration during military rule and democratically elected constitutional rule. In my view, in military era public sector corruption is often

⁹ Shah, Anwar and Schucter, Mark (2006), *Combating Corruption: Look Before You Leap*, World Bank, Washington DC.

centered principally at the top since only a few people, say 30 or 40 in number, rule the country with two or three groups of family names gaining prominence. It then, with caution, trickles down to some public officials and finally to some people on the street.

In a democratically elected constitutional government, public corruption is often widespread. It emanates from the central government, starting from the executive with the ministers, deputy ministers and down to the presidential staffers. It drops to the local government level starting with the metropolitan and municipal chief executives, down through the district assemblies to the unit committees.

State auditing by the Auditor-General *vis a vis* public sector corruption

The public sector is the largest spender and employer in virtually every developing country and it sets the policy environment for the rest of the economy. The effectiveness and efficiency of a country's public sector is vital to the success of development of activities. If a nation's economic governance is to improve, good public financial management is essential. And good public financial management requires good accounting and auditing systems.

Auditing identifies and highlights instances where laws and regulations of public financial management have not been complied with, where financial systems need strengthening, and possibly, where value for money has not been achieved. In particular, internal audit provides the first lines of defence against misuse or mismanagement of public funds. External auditing by the office of the Auditor-General provides broader oversight functions over public sector accountability.

It must be said that public sector accounting system and the work of the Auditor-General are of considerable importance. The general public should be able to rely confidently on audited public accounts as the source of facts and figures, and as the basis to evaluate whether revenue and expenditure measures are being followed. Moreover, audited public accounts are not only a measure of past fiscal events, but are also important for telling us about the future. The results and trends identified in the assets and liabilities of the Consolidated Fund can be interpreted as signaling changing government circumstances.

The legal framework governing the work of the Auditor-General

The legal framework that governs the work of the Auditor-General and the auditing of public accounts in general are

- i) The financial provisions of Article 187 of the 1992 Constitution of the Republic of Ghana
- ii) Audit Service Act, 2000 (Act 584)
- iii) Financial Administration Act, 2003 (Act 654)
- iv) Internal Audit Agency Act, 2003 (Act 658)

The constitutional mandate of the Auditor-General

Article 187(2) of the 1992 Constitution¹⁰ enjoins the Auditor-General to audit and report on all the public accounts of Ghana and of all public offices, including the courts, the central and local government administration, of the Universities and public institutions of the like nature, of any public corporation or other body or organisation established by Act of Parliament. Article 187(5) of the 1992 Constitution sets the time frame of six months after the end of the immediately preceding financial year within which each of auditing responsibilities defined above should be completed and submitted to Parliament. These are intended to prevent financial losses on account of corruption and weak management of public finance. With my triangular analysis, the Auditor-General's independence could be compromised when his appointment is by the Executive and he reports to Parliament.

¹⁰ Government of Ghana (1992), Constitution of the Republic of Ghana, Assembly Press of Ghana Publishing Corporation, Accra.

Independence of the Anti-Corruption Agencies

1. Independence of the Auditor-General

Independence of the Auditor-General is defined as the freedom given to an audit body and its auditors to act in accordance with the audit powers conferred on them without any outside interference.¹¹

In principle the independence of the Auditor-General follows the International Organisation of Supreme Audit Institutions (INTOSAI) agenda of which Ghana is a member.

- *Appointment of the Auditor-General*

The Auditor-General shall be appointed by the President acting in consultation with the Council of State (Act 584 s. 10(1)).

The President may appoint a person in acting position for any period of time. A long stay in acting position could compromise one's independence, as the confirmation to a substantive position is dependent on a perception of being loyal to and at the discretion of, the President.

- *Removal of the Auditor-General*

The Auditor-General shall not be removed except for stated misbehavior such as incompetence, infirmity of the body or mind (Article 146, Act 584 s. 10(8)).

2. Independence of the Judiciary (Article 127(1)(2))

In the exercise of the judicial power of Ghana, the Judiciary, in both its judicial and administrative functions, including financial administration, is subject to only this Constitution and shall not be subject to the control or direction of any person or authority. (Article 127(1)).

Neither the President nor Parliament nor any person acting under the authority of the President or Parliament nor any other person whatsoever shall interfere with Judges or judicial officers or other persons exercising judicial power, in the exercise of their judicial functions; and all organs and agencies of the State shall

¹¹ INTOSAI Code of Ethics and Auditing Standards, p.71 (1998), INTOSAI, Vienna, Austria.

accord to the courts such assistance as the courts may reasonably require to protect the independence, dignity and effectiveness of the courts, subject to this Constitution. (Article 127(2)). With my triangular analysis, if the Chief Justice and members of the Bench are appointed by the Executive, can we safely say the Judiciary is independent?

Independence of the Commission on Human Rights and Administrative Justice (CHRAJ) (Article 225)

Except as provided by this Constitution or by any other law not inconsistent with this Constitution, the Commission and the Commissioners shall, in the performance of their functions, not be subject to the direction or control of any person or authority.

Determination of Certain Emoluments of the Anti-Corruption Agencies (Article 71(1))

The salaries and allowances payable, and the facilities, and privileges available to the Anti-Corruption Agencies and other persons specified in article 71 clause 1 of the Constitution, being expenditure charged on the Consolidated Fund, shall be determined by the President on the recommendations of a committee of not more than five persons appointed by the President, acting in accordance with the advice of the Council of State.

Accountability of the Auditor-General

The need for independence for the Auditor-General should not limit the accountability of the Auditor-General. Therefore, section 24 of the Audit Service Act, 2000 (Act 584) mandates Parliament to appoint an auditor to audit the accounts of the office of the Auditor-General.

The big question

The big question agitating the mind of the ordinary Ghanaian (the man on the *Chorkor Trotro* or on *Makola Metro Mass Transit Bus* is: If the Auditor-General and the other anti-corruption agencies have such powers and authority why is

corruption in the public sector believed to be on the increase with no end in sight? The answers are not far fetched per my presentation.

The Auditor-General's reports and studies have shown that there are challenges facing the office of the Auditor-General that militate against the Auditor-General to perform his constitutional functions to assist in fighting corruption. For example, in 2002 the Institute of Economic Affairs (IEA) held a series of workshops to spotlight the activities of the Auditor-General. The IEA workshops touched on a number of issues including lateness in submission of the Auditor-General's reports to Parliament. These delays were due to some logistical, manpower and other institutional reasons that I have discussed below under "Other challenges facing the office of the Auditor-General".

Other challenges facing the office of the Auditor-General

- *Institutional challenges*

The office is underfunded, understaffed, and appreciable proportion of lower-skilled staff compared to higher-skilled staff. There is inadequate infrastructure and equipment.

- *Technical challenges*

In order to perform their basic financial audit functions, the information, communications and technology skills of auditors need to be strengthened so that they can effectively monitor electronic transactions.

In December 1999 the Swedish National Audit Office provided technical assistance to the Ghana Audit Service under the public financial management programme of the Government of Ghana. The contract was extended under the management of the National Audit Office of the United Kingdom to June 2004. Unfortunately, the Service has not been able to keep up with its technical development.

- *Political challenges*

The political challenges facing the Auditor-General are threefold:

- i. He needs to have total independence without any interference from the executive or any other person.
- ii. He lacks sufficient authority to ensure that audit findings and recommendations are acted on within the public resource management process. In many cases the Auditor-General manages to conduct timely audits and makes good recommendations for corrective action, only for them to be ignored or not fully implemented by the executive.
- iii. He requires judicial audit systems which could enforce these recommendations legally.

Eradication of public sector corruption.

Corruption in Ghana has become a major challenge to address. This is borne by the recent disclosures at the various commissions and committees of inquiry. A number of suggestions have been made to eradicate corruption in the public sector.

- i. Institutions must be allowed to work independently without any influence from the executive, judiciary or the legislature.
- ii. The Executive appointments in the Public Services must be curtailed or checked to provide freedom of operation.
- iii. The Executive must not have any role in the appointment of the Chief Justice or other Justices on the Bench.
- iv. The whole society must be involved and educated on corruption and its effects on the socio-economic systems.
- v. Adequately remunerate public officials to avoid mediocrity and compromise. The need to adequately remunerate and encourage public officers cannot be over emphasised. Adequate and sustainable pension conditions should be made to ensure that public servants retire in dignity and comfort. This will ensure that they do not illegally amass wealth while in public office
- vi. Investigate and sanction corrupt officials.
Investigating and sanctioning corrupt officials is vital in the eradication of corruption. There is the urgent necessity to prosecute offenders to deter

corruption. Over the years several recommendations have been made in the Auditor-General's reports to institute appropriate sanctions against offending public officials but there has not been the political will to prosecute. One such case is the recommendations made by the Auditor-General in his report on the National Vocational Training Institute (NVTI) in 2002¹² in which a cabinet minister, a deputy minister and some high level public officials were to be prosecuted but when the Auditor-General's report was issued in 2009 the President was unwilling to prosecute.

The military regimes, particularly the Provisional National Defence Council (PNDC) used military force to fight corruption by establishing institutions to deal promptly with the problems. The military regime failed because it was found that probity and accountability were undermined by the very institutions created by the regime for appraisal and sanctioning.

The civilian regimes resorted to the use of laws and regulations to regulate public sector financial irregularities. Although these laws were passed, the successive civilian governments from 1993 to this day have not put into effect the necessary sanctions and enforcement mechanism, an indicative of lack of political will to control corruption.

- vii. Set up an independent State Prosecutions Authority. There is the need to set up a State Prosecutions Authority separate from, and independent of, the Attorney-General's department to prosecute all criminal cases involving the state. Additionally, mandate the Commission on Human Rights and Administrative Justice (CHRAJ) to prosecute the cases it investigates in consultation with the proposed State Prosecutions Authority. Cases such as corruption, abuse of office and human rights abuses.

¹² Report of the Auditor-General on the Forensic Audit of the National Vocational Training Institute (NVTI) for the Period January 1997 – December, 2002

Conclusion

Corruption is entrenched in the public sector and it has its roots from the pillars in my triangular analysis, the Executive being the king-pin. It has defied several decades of economic reforms and changes of political regimes. It must be stressed that eradication of corruption in the public sector must start from the leadership. The Executive wields too much power that impacts negatively on the functions of the Public Services. Therefore the power of the Executive must be trimmed down so that the three arms of government could function independently. The executive power to appoint and terminate heads of all government institutions and political functionaries must be reviewed so that institutions could have free hand to function without executive or political interference.

Lastly there must be the political will to institute effective checks and balances that will make corruption a “high risk” and “low return” venture.

Thank you.

REFERENCES

1. Adei, Stephen (2004), Leadership and Nation Building, Combert Impressions, Accra.
2. Barker, Sir Ernest (1995), Ed. The Politics of Aristotle, Oxford University Press, Oxford.
3. Bourn, Sir John (2007), Public Sector Auditing – Is It Value for Money? P.263, John Wiley & Sons Ltd, London.
4. Government of Ghana (1992), Constitution of the Republic of Ghana, Assembly Press of Ghana Publishing Corporation, Accra.
5. Government of Ghana (2000), Audit Service Act, 2000 (Act 584), Assembly Press of Ghana Publishing Corporation, Accra.
6. Government of Ghana (2003), Financial Administration Act, 2003 (Act 654), Assembly Press of Ghana Publishing Corporation, Accra.
7. Government of Ghana (2003), Internal Audit Agency Act, 2003 (Act 658), Assembly Press of Ghana Publishing Corporation, Accra.
8. INTOSAI (1998), INTOSAI Code of Ethics and Auditing Standards, p.71, INTOSAI, Vienna, Austria.
9. Kotter, J.P. (1988), The Leadership Factor, Free Press.
10. Le Vine, V.T. (1975), Political Corruption: The Ghana Case, Hoover Institute Press, Stanford, California.
11. Report of the Auditor-General on the Forensic Audit of the National Vocational Training Institute (NVTI) for the Period January 1997 – December, 2002.
12. Shah, Anwar (2006), Corruption and Decentralised Public Governance, Policy Research Working Paper Series No.3824, World Bank, Washington DC.
13. Shah, Anwar and Schueter, Mark (2006), Combating Corruption: Look Before You Leap, World Bank, Washington DC.
14. The Holy Bible, Saint Matthew Chapter 28 Verse 12 to 15 (New International Version).
15. The Institute of Economic Affairs, Ghana (2015), Corruption Conference Background Papers, IEA Ghana, Accra.
16. World Bank (2004), Mainstreaming Anti-Corruption Activities in World Bank Assistance – A Review of Progress Since 1997, World Bank, Washington DC.

