

IMPLEMENTATION OF THE SANCTIONS REGIME IN RESPECT OF NON-COMPLIANCE WITH PUBLIC FINANCIAL MANAGEMENT REQUIREMENTS - ARREARS CLEARANCE AND PREVENTION STRATEGY

We refer to the above subject matter.

2. As you may already be aware, expenditure arrears remain a major challenge to Government. Despite efforts made during the budget implementation process to control arrears accumulation by covered entities, these measures have proven insufficient in effectively reducing Government's stock of arrears.
3. As part of Government's ongoing efforts aimed at bringing public finances back on a sustainable path through improved efficiency in public spending, Government will implement a strategy to eliminate the stock of arrears and prevent further accumulation of same.
4. To achieve the above objective, Covered Entities will be held to strict adherence to the requirements of the Public Financial Management Act, 2016 (Act 921) particularly the provisions of Act 921 relating to expenditure control.
5. All public officers, particularly principal spending officers of Covered Entities, are hereby notified of the decision of Government to strictly apply the administrative and criminal sanctions specified in sections 96 to 98 of the Public Financial Management Act for various contraventions of the Act and its Regulations, particularly provisions relating to expenditure control.
6. Monitoring and reporting on the implementation of the arrears clearance and prevention strategy is very critical to ensure that Covered Entities remain committed to Government's objective of reducing arrears accumulation and its resultant impact on the economy.
7. In line with the above, the Ministry of Finance will establish a compliance office to monitor commitments and arrears accumulation. The office will closely monitor the procurement activities of Covered Entities to ensure that all expenditures by Covered Entities have specific allotments and are on the Ghana Electronic Procurement Systems (GHANEPS).
8. Public officers found to be in contravention of the expenditure control requirements of Act 921 will be referred to the Office of the Attorney-General and Ministry of Justice for appropriate criminal prosecution pursuant to the provisions of Act 921.
9. Counting on your cooperation.


KEN OFORI-ATTA
MINISTER

DISTRIBUTION LIST

1. ALL PRINCIPAL ACCOUNT HOLDERS (HEADS OF INSTITUTIONS) OF COVERED ENTITIES
2. ALL PRINCIPAL SPENDING OFFICERS (CHIEF DIRETORS) OF COVERED ENTITIES