



**Office of the Special Prosecutor
Controller & Accountant General's Department
Report of Investigation:
Government of Ghana Payroll Administration
(Phase I Vol. 1)**

20 May 2024



1.0 Introduction

- 1.1 The Office of the Special Prosecutor (OSP) and the Controller and Accountant General's Department (CAGD) present this report on investigation into Government Payroll Administration. This report has been substantially abridged by the redaction of the identities and activities of persons suspected to be implicated in corruption and corruption-related offences in respect of Government Payroll Administration.
- 1.2 This report is founded on regulation 31(1)(a)&(g) of the Office of the Special Prosecutor (Operations) Regulations, 2018 (L.I. 2374), which mandates the OSP to undertake measures to prevent corruption by conducting corruption risk analysis and publishing detected acts of corruption through the receipt, collection, or collation of reports, documents, materials, complaints, allegations, information and intelligence.
- 1.3 This report is also founded on section 73(1) of the Office of the Special Prosecutor Act, 2017 (Act 959), which mandates the OSP to conduct investigations in co-operation with other public institutions.

2.0 The Scope

- 2.1 In November 2023, after several weeks of consultation and engagement, the OSP and CAGD jointly commenced corruption risk assessment and investigation into suspected corruption and corruption-related offences in respect of Government Payroll Administration. The assessment and investigation are especially aimed at isolating and removing the names of non-existent, ineligible, and undeserving persons from government payroll, recovering wrongful payments and unearned salaries, prosecuting persons suspected to be culpable for any offences, and the institution and implementation of internal controls in respect of payroll processing and payment of salaries.
- 2.2 The investigation and assessment covers all employees on government payroll and their respective banks and other deposit taking financial institutions. The investigation and assessment is being carried out in two phases. Phase I covers Ghana Education Service and Ghana Health Service. Phase II covers Ministries, Departments, all other Agencies and Metropolitan/Municipal/District Assemblies (MDAs/MMDAs).



2.3 This report is the first volume of Phase I. It covers the Northern Region only.

3.0 Investigation and Assessment

3.1 The Government of Ghana payroll business process is intended to ensure that only eligible employees are paid deserving salaries. Two key quality assurance activities form the foundation of the process, *viz* –

- i. the validation of and by management units to confirm that staff are at post and have earned the assigned amount; and
- ii. the payment of salaries into bank accounts of employees as designated by employees on the payroll.

3.2 The robustness of the intended quality assurance activities has been seriously challenged in the past few years with the reckoning that some persons who are deceased, or retired, or vacated their posts are being validated as alive and at post and are being paid as if they are actually at post and performing designated duties.

3.3 The imperativeness of a wider and more rigorous review of government payroll data became obvious. This birthed the ongoing collaborative investigation and assessment by the OSP and CAGD. Two major activities are being undertaken by the OSP and CAGD, *viz* –

- i. reconciliation of staff paid on the government payroll system and the nominal rolls of MDAs/MMDAs; and
- ii. confirmation of the account holders' names on the final payroll payment report with their respective banks.

3.4 To facilitate the roll-out of the investigation and assessment throughout the country, a pilot exercise was carried out in the Northern Region (covering educational institutions under Ghana Education Service and the Tamale Teaching Hospital) by a joint team, comprising investigators, tracers, and assessors from the OSP and selected staff of the Payroll Processing Directorate of CAGD between December 2023 and April 2024.

3.5 The team investigated and assessed 1,265 persons represented on Government payroll and flagged as high-risk of suspected corruption and corruption-related activities. The data of the flagged persons were transmitted to the respective banks, which were directed by the Special Prosecutor to promptly withhold the salaries of the affected persons commencing from January 2024. The team



evaluated and analysed the nominal roll data of the target institutions in respect of the affected persons. Subsequently, the field unit of the team carried out field investigation to ascertain the status of the affected persons.

- 3.6 The team adopted the methodology of extracting data for bank changes, terminations and reactivations from the National Payroll and the Electronic Salary Payment Vouchex (ESPV). The team then ascertained from the extracted data, whether payments made on the payroll system reflected the nominal rolls of the institutions; whether the account numbers of represented persons on the payroll system tallied with the data at the respective banks; and whether persons consistently flagged as missing staff were actually at post.
- 3.7 The team required the affected persons to submit proof of employment by providing their first letters of appointment; most recent two months pay slips; national identification cards for manual verification; and where applicable – transfer letters, study leave letters, assumption of duty letters, and copies of bank cheques.
- 3.8 The team established the persons to be cleared for payment of salaries; confirmed cases of unearned salaries (colloquially referred to as “Ghost Names”); suspected cases for recovery of unearned salaries; and outstanding cases.

4.0 Observations

- 4.1 The OSP and CAGD observed that the payroll system in the Northern Region (covering educational institutions under Ghana Education Service and the Tamale Teaching Hospital) is attended to by an alarming number of unauthorised and inactive validators. Indeed, most of the management units were found to be validating persons through the use of unauthorised and inactive validators’ credentials. That is to say, the credentials of deceased and retired validators were being actively used in the validation process. Then again, transferred validators were purporting to engage in validation with their inactive previous credentials.
- 4.2 It was also observed that transferred and released staff were being validated by their previous management units, creating the clear danger of unattested active or continuous engagement by the respective institutions.
- 4.3 It was observed that some schools had no management units to validate staff. The persons affiliated with the schools were either being validated by their



previous affiliated schools or were being offloaded to the nearest schools for validation. This created grave problems of unreliability of the validation process, especially in respect of the status of the nominal rolls of the district education directorates and the monitoring of actual attendance to duty.

- 4.4 In one instance, it was discovered that [REDACTED] DA Primary School in the Kumbungu District of Ghana Education Service did not exist at all. Yet, this non-existent contrived entity was represented as staffed and the purported staff were being validated monthly and being paid salaries. It is extremely worrisome that a non-existent entity had been designated as a functioning District Assembly Primary School and the data of the artificially created staff had found its way into the government payroll system for regular payments.
- 4.5 Further, some headteachers and heads of units were validating some persons whose whereabouts were unknown to them. Egregiously, some validators were validating persons who were, to the knowledge of the validators, deceased, retired or vacated their posts.
- 4.6 Out of the sampled high-risk number of 1,265 persons represented on the payroll, the joint investigation and assessment cleared 1,020 persons as regularly validated. The Special Prosecutor promptly unfroze the blocked salaries of the verified regularly validated persons upon the timeous clearance by the joint team, and these persons have been restored on the payroll system.
- 4.7 A total amount of Two Million Eight Hundred and Fifty-Four Thousand One Hundred and Forty-Four cedis Eighty pesewas (GHC2,854,144.80) was traced as representing unearned monthly salaries being paid to persons who are deceased, retired, vacated their posts, flagged as missing staff, or whose whereabouts are unknown (colloquially referred to as “Ghost Names”) from their respective effective dates to January 2024, when it was blocked by the Special Prosecutor.
- 4.8 The blockade of the amount of Two Million Eight Hundred and Fifty-Four Thousand One Hundred and Forty-Four cedis Eighty pesewas (GHC2,854,144.80) and the removal from Government Payroll of the corresponding deceased, retired, post vacators, the missing, and those whose whereabouts are unknown has saved the Republic an amount of Thirty-Four Million Two Hundred and Forty-Nine Thousand Seven Hundred and Thirty-Seven cedis Six pesewas (GHC34,249,737.6) for the 2024 financial year, and future savings of that amount (in addition to future periodic upward pay adjustments) for every year that the unearned-salaries-amount would have remained undetected but for the joint investigation and assessment by the OSP



and CAGD of Government Payroll in the Northern Region (covering educational institutions under Ghana Education Service and Tamale Teaching Hospital).

5.0 Further Action

- 5.1 The OSP and CAGD are engaged in enhanced investigation into the educational institutions under Ghana Education Service in the Northern Region and the Tamale Teaching Hospital aimed at the prosecution of persons who promoted the non-existent school; validated deceased, untraceable, and retired persons and persons who have vacated their posts.
- 5.2 The OSP is taking steps to recover unearned salaries paid in respect of deceased, untraceable, and retired persons and persons who have vacated their posts.
- 5.3 The OSP and CAGD are engaged in the process of directing internal control mechanisms in respect of payroll processing to substantially reduce the incidence of the processing and payment of unearned salaries.
- 5.4 The OSP and CAGD would proceed by extending the investigation to the remaining fifteen regions under Phase I of the exercise.

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