

# ***'Gone but not forgotten': Chieftaincy, Accountability and State Audit in Ghana, 1993-99***

E. Kojo Sakyi  
*Department of Public Administration*  
*University of Ghana, Legon*  
*P.O. Box 78, Accra*  
*Ghana*  
*E-mail: Kpekojo@hotmail.com*

## **Introduction**

Chieftaincy is the oldest, enduring and most respected governance institution in Ghana despite the fact that the impact, influence, and effectiveness of traditional leaders have been steadily eroded over the years. Even in its weakened state, it remained the governance institution that impinges both positively and negatively on the majority of Ghanaians on daily basis. In previous years, many have believed that chieftaincy in Ghana is doomed to dwindle away or disappear. David Apter, one of the most perceptive analysts of Ghana's politics in the 1950s, argued for mutation rather than outright extinction. The functional significance of chieftaincy, he wrote, was by the mid-1950s, 'being transposed in kind via charisma to the larger social membership around the symbol of nationhood ...' (Apter 1960). This is in sharp contrast to the impact of Parliament, the Executive, Judiciary and even the Police have a limited effect on everyday lives of rural Ghanaians. Of note in this regard is the fact that Chieftaincy is not part of Ghana's modern democratic governance regime. Rather, it is a parallel traditional governance institution which sometimes works in step with government and other times acts as counterweight to the Government of Ghana.

Traditional leaders once held a firm grip on the social, economic and political system that governed society. There were systems in place to regulate behaviour, and rules were well enforced to ensure a safe and orderly society. They had an adequate revenue base through taxes and other donations and royalties to support families and meet their societal obligations.

The decline in the influence and reach of traditional leadership in Ghana is a result of a combination of factors including the politics of colonisation, the modernisation of society, and the intended and unintended consequences of modern government and decentralisation. The weakening of traditional leadership and governance institutions has created a power and institutional vacuum, which central and new local government institutions have failed to fill adequately.

This situation notwithstanding, past and present governments have never ignored traditional leaders completely in national affairs (Arhin 1985). By creating the National and Regional Houses of Chiefs and Traditional Councils, the government has recognised traditional leaders as important agents of development, especially at the local levels. Thus the government has continued to provide some financial support to chiefs in the hope of sustaining the chieftaincy institution. Budget allocations are regularly made for them to supplement revenue obtained from their traditional sources such as stool lands and royalties. Since government over the years continued to provide some funding, no matter how meager, to traditional rulers, the latter are required by law to give accounts of their financial transactions annually. By virtue of this requirement, traditional leaders, although no longer part of the governance system, are not excluded from the need to demonstrate accountability. Politically, the institution may have seemed to fade away, but it is still required like other organisations to submit books of accounts to the Auditor-General for examination.

This paper is a modest attempt to evaluate the work of the Auditor-General (henceforth 'A-G') in respect of its impact on accountability in managing resources of the Chieftaincy institution. The first part of the paper outlines the objectives of the study, approach, scope and methodology. This is followed with a reference to the literature on two contending views on the position of Chieftaincy in modern democratic politics. The section also discusses the history of the institution over time, highlighting its current status in the context of the 1992 Constitution, decentralisation and the new local government system. Part two of the paper then looks at the A-G's Reports and reviews the major issues raised from 1993 to 1999 regarding financial administration and management of the Houses of Chiefs and Traditional Councils. Part three discusses the issues within the context of accountability, noting its implications for traditional governance and development in Ghana.

### **Objectives of the Study**

The main objective of this study is to analyse the Auditor-General's performance in fulfilling the constitutional responsibility of state audit and evaluation of local government transactions. Within the context of this overall objective the study attempts to:

- Appraise the content of the report with respect to financial administration;
- Identify common trends and recurrence of opinions, observation and recommendations;
- Explain possible reasons underlying non-response to the recommendations, and its implications for the promotion of public accountability and good governance.
- Undertake a critical evaluation of the data in the context of the purpose of state audit and accountability.

## **Approach, Scope and Methodology**

This paper is based on documentary research into the Auditor-General's reports on the Public Accounts of Ghana for the period 1993-1999. Basically, it is a trends study that uses information from the Auditor-General's report of the Public Accounts of Ghana on ten Houses of Chiefs and their Traditional Councils. Adopting a content analytic approach, the paper provides an overview of the AG's reports, noting the recurrence of certain significant issues that touch on accountability, responsibility, compliance, efficiency and transparency in managing public affairs. The paper is limited to the period 1993 to 1999 and therefore does not cover the full ten year period of the country's return to constitutional rule, as reports for the years 2000, 2001 and 2002 were not available at the time of this review.

## **Contending views on traditional rulers and governance**

Two diametrically opposed views often emerge on the role of the institution of chieftaincy (and chiefs) in Ghanaian politics. The first holds that chiefs should stay out of partisan politics. Traditionally, chiefs maintain strong ties with their communities, so their involvement in party politics is likely to undermine or compromise their authority and legitimacy, weaken communal cohesion and create division (Arhin 1985, Busia, 1951; Crook 1986). In the process, the chiefs' capacity to act as the custodian of tradition, custom, law and order, justice and peace in their communities would be eroded. As such, the 1992 constitution explicitly debars chiefs from active political participation. The wisdom of the constitutional framers cannot be questioned, based on the history of confrontation that had marked the relations between government and the chieftaincy institution during the pre-colonial and post-colonial periods.

The contrary view is that traditional leaders have helped maintain a system of government based on accountability, consultation and decentralisation, albeit through traditional rather than modern democratic systems; and that they have been and remain widely respected. Thus, to ask chiefs to stay out of politics is undemocratic, and it means they are excluded from the decision-making process (Nsarko 1964, Ansere 1993). This, it is asserted, is likely to affect the progress of our democratic experiment. The point that cannot be glossed over is that chieftaincy institutions have served not only as the centrepiece for mobilising the people for communal development but also as the effective link between the people and the central government. It must be noted, however, that such a relationship has become controversial and at times tenuous over the years due largely to the continued erosion of the power base of chiefs upon the introduction of modern structures of government. The 1992 Constitution is, in fact, a bold attempt to free the institution from the gridlock of partisan politics and thereby guarantee its sustainability.

## **Chiefs and National Politics: An Historical Overview**

For many communities the chieftaincy institution constituted the embodiment of political power in pre-colonial, colonial, and even post-colonial periods (Busia 1951, Nugent 1996; Drah 1979). However, it must be said that the traditionally unfettered powers of chiefs have undergone changes as a result of formal colonial rule and the introduction of parliamentary democracy after independence. Even though Ghana has experienced political instability through unwarranted military interventions, it is a known fact that the chieftaincy institution has demonstrated amazing resilience and still remains a key player, not only at the local level, but also in national life. Though the key role of chiefs as the bastion of local political authority has been dented for many reasons, the institution is still revered, especially in communities where chiefs have made name for themselves by spearheading local development.

The nature of the challenges confronting the chieftaincy institution over the years are varied and range from attempts to break their authority to the hardly noticeable marginalisation of chiefs in political life through constitutional provisions. A common threat to the institution is the perceived erosion of the both the political power of chiefs and of their economic resource base (Kraus 1969, Frimpong 1973). It is true that the institution of chieftaincy and the role of chiefs in national development efforts have been formalised by the fairly recent creation of National and Regional Houses of Chiefs.

### **The 1992 Constitution and Chieftaincy**

The 1992 Constitution explicitly refers to the specific role the chieftaincy institution in our new democratic era. However, this constitutional recognition in chapter 22 of the Constitution is not altogether clear what is expected of traditional rulers to support and sustain democratic governance. Nevertheless, it is arguable that if chiefs play their specific traditional roles, it will guarantee development and enhance democratic governance. By their respect for the constitution, and by implication their adherence to its provisions, chiefs should be in a position to impact positively on democratic consolidation.

Article 272 of the Constitution states that the National House of Chiefs, which represents the interest of all chiefs at the national level, shall:

- Advise any person or authority charged with any responsibility under this Constitution or any other law for any matter relating to or affecting chieftaincy
- Undertake the progressive study, interpretation and codification of customary law, and compile the customary laws in lines of succession applicable to each stool or skin;
- Undertake an evaluation of traditional customs and usages with a view to eliminating those customs and usages that are outmoded and socially harmful;

- Perform such other functions, not being inconsistent with any function assigned to the House of Chiefs of a region, as Parliament may refer to it.

As noted earlier, the debate on whether or not chiefs should engage in partisan politics rages. The constitution states categorically in Article 276 (1) that ‘a chief shall not take part in active politics, and any chief wishing to do so and seeking election to Parliament shall abdicate his stool or skin’. This view is reinforced in Article (94) (3). It is the view of many that by debarring chiefs outright from active politics, good talents that could be tapped for development purpose may be left out. This fear is however allayed by Article 176 (2) of the Constitution which states that a chief may be appointed to any public office for which he is otherwise qualified.

But a counter argument to Article 276(1) quoted earlier is that it contradicts the spirit and letter of the constitution. In the sense that if the constitution upholds individual rights to freedom of association, which include ‘freedom to form or join any association or union at national or international level, for the protection of their interest (Article 21 (e))’ then the restriction imposed on chiefs is undemocratic. Some chiefs have condemned their disqualification, seeing it as an infringement on their fundamental constitutional rights.

The anger of the chiefs against their disqualification notwithstanding, it must be stressed that the constitutional provisions debarring chiefs from meddling in active politics appears sound both in letter and in spirit. Whilst one cannot gloss over the fact that the constitutional provision does contravene a fundamental democratic right of chiefs to join any association or political party of their choice, one needs to look beyond that, and realise the political harm that such meddling in party policies will bring to the revered institution. In any criticism of the provision, one should never lose sight of the history of the relations between chiefs and central governments since colonial times. Also, the complex nature of modern politics and the inherent dynamics of chieftaincy and modern politics should be considered in any analysis and understanding of the constitutional provision. Above all, the desire for peace at all levels of governance to facilitate development should be seen as paramount in this regard.

### **Chieftaincy in the Context of Decentralisation and Local Government Administration**

The role of chiefs in local government has not been consistent over the years. In an attempt to promote people’s participation at the grassroots, the PNDC launched the local government reforms of 1988 and its concomitant decentralisation program. The local government law (PNDCL 207) was promulgated. This changed the structure of local government administration in Ghana by introducing the District Assemblies. One result was that chiefs lost their one-third membership of local government bodies. The PNDC asserted that the representative or active participation of chiefs in decentralised institutions such

as the District Assemblies or any organ of power would be undemocratic and anti-revolutionary. The PNDC local government administrative reform therefore reserve a place or status for chiefs within the structures of the new local government system. However, the local government law does not preclude the appointment of chiefs as DA members, since the central government has the power to appoint 30 percent of the DA membership.

Under the 1992 Constitution, Article 242 (d) makes provision for two chiefs from the Regional House of Chiefs to serve on the Regional Coordinating Councils. The Local Government Act of 1993 (Act 462), Section 5 (d) makes a similar provision. Unfortunately, neither the constitution nor Act 462 makes a provision for chiefs to be automatic or ex-officio members of the DAs. This is a serious omission that needs to be reconsidered.

Historical evidence about the contribution of chiefs to local governance and development abound; the utility that is likely to be derived from involving chiefs in local government administration has received extensive consideration. The Coussey Committee Report on Constitutional Reform had this to say on Chieftaincy in Ghana: 'The whole institution of chieftaincy is so closely bound up with the life of our communities that its disappearance would spell disaster' (Schiffer, 1970). This Report argued that, though the new local government system is good for building a stable democracy, such efforts should respect 'community interest', which meant not only that local government should only be close to the people but, by implication, that local administration should be rooted in the tradition of the people. As Kwame Arhin remarked, 'Chieftaincy appears as a force of continuity and of integration in a period of considerable flux' (Arhin 1985). The institution of Chieftaincy according to some people 'is in itself sacred to us, because in it are reposed our traditions and culture. It has always been our link with the past and the root of our homes'. In other words, the traditional political system of chieftaincy provides the linkage between the old and the new – 'modern democracy' and 'traditional democracy', and the present and the past, all in attempt to maintain continuity and stability. The complete disbarment of chiefs from our present system of local governance may therefore be unwelcome and counter to local developmental programmes.

The Local Administration Act of 1971 was a remarkable attempt in the right direction, where both the elective and traditional elements were represented in differing proportions. In this structure traditional authorities were given two-thirds representation on the local Councils and one-third representation on the District Councils. This provision of 1971 was, however, removed in the 1988 reforms. This step was a major blow to the Chieftaincy. The provisions of PNDL (207) and the 1992 Constitution further undermined their status. For many, these measures sacrifice Ghanaian tradition and culture on the altar of democracy and modernity.

A further point is that there is no legislative provision for the automatic inclusion of chief in any of the sub-district structures such as Urban, Zonal, and Town Councils and Unit Committees. However, Metropolitan, Municipal and District Chief Executives are enjoined to consult chiefs in the appointment of persons to be members of the sub-district political institutions. This lack of institutionalised representation of chiefs in the local government structure has created a series of tensions and strained relations between some chiefs, functionaries of DAs, and some DCEs at the local level. The new local government system has failed to fully integrate chiefs structurally and functionally into the decision-making process. This situation has for sometime now left chiefs in a limbo, thereby hindering their effective participation in decision-making and development at the local levels. Since chiefs wield enormous power at the community level, to by-pass them in implementing the democratisation project is likely to undermine the legitimacy and effectiveness of such an effort. The question that remains unanswered is how can chiefs be fully integrated into the process of democratic governance? The system of State audits is one such process that still incorporates the institutions of chieftaincy in the course of its annual work.

### **The State Audit and the Auditor-General's Authority**

The Auditor-General derives his mandate to audit the accounts of the Houses of Chiefs and Traditional Councils annually from the Fourth Republican Constitution of Ghana, 1992, Article 187(2) and the Chieftaincy Act, 1971 (Act 370), Section 59(2). At present there is a National House of Chiefs, 10 Regional Houses of Chiefs, and 176 Traditional Councils. Article 187(5) of the 1992 Constitution enjoins that the A-G within six months after the end of the immediately preceding financial year submits his report to parliament and in that report draws attention to any irregularities in the accounts audited and to any other matter which in his opinion ought to be brought to the notice of Parliament. This paper, among other things, tries to assess the performance of the A-G in his discharge of this responsibility on the basis of available reports to Parliament covering the period 1993-1999 on the financial operations of the Houses of Chiefs and Traditional Councils within the same period, with focus on compliance with existing regulations.

On the whole, the A-G satisfactorily performed his mandated functions of auditing the accounts of the various Managements of the chieftaincy institution and reporting to Parliament accordingly. What this review cannot establish for certain is the promptness with which these obligations were met.

## **Significant issues arising from the Work of the Auditor-General, 1993-1999**

A careful examination of the reports reviewed revealed two issues of significance, which are pervasive in the A-G's findings and recommendations. The first is a low standard of accounting. This finding characterised the A-G's reports to Parliament within the period under review (i.e. 1993-1999). The accounts of most of the Traditional Councils were not maintained in a satisfactory manner. Consequently, most Traditional Councils were not able to prepare and submit their Annual Accounts to the A-G for validation. For instance, the A-G submitted in his 1995 report to Parliament that two out of the ten Regional House of Chiefs and 102 out of the 168 Traditional Councils which operated in the country defaulted in the preparation and submission of annual accounts for validation (1995 report, p. 83; section 325). This situation did not change much in 1996, especially with the Traditional Councils where 94 out of 165 Councils audited again defaulted. (1996 Report, p. 98, section 371). In all these instances, the A-G attributed the violations to the lack of competent accounting personnel able to handle professionally the accounts of the Councils.

The second fault found by the A-G as reflected in reports suggests that operating without approved estimates had become the norm of most Traditional Councils contrary to section 58 of the Chieftaincy Act, 1971, and the persistent reminders by the AG to the Chieftaincy Secretariat to rectify this anomaly (1993 Reports, p.74, section 360; 1994 Reports p. 113, section 545; 1995 Reports, p. 84 section 327; 1996 Reports p. 98-99 section 373). Apparently, the Chieftaincy Secretariat had failed to find a solution to this unacceptable practice – hence its recurrence in the 1993-1999 reports. The same applies to the problem of incompetent accounting staff managing the accounts of the Councils.

## **A Profile of Selected Regional Cases from the Auditor-General's Reports**

This section of the paper presents data drawn from the A-G's reports regarding the administration of funds by various traditional authorities. The data show a fairly consistent pattern as regards the lack of sound accounting practice and the failure to work within the approved monetary estimates. These data could be elaborated by reference to other regions studied in the course of the research, but the following cases exemplify the general picture.

### ***Case 1: Ashanti Region***

Two Houses of Chiefs and 18 Traditional Councils operated in the Ashanti region during the period 1993 to 1999. The low standard of accounting in most of the Councils was consistently reported on by the A-G in his Reports. This phenomenon was attributed to the inability of accounting staff to prepare the

accounts due to their lack of accounting knowledge. Consequently, 3 out of the 20 councils failed to submit their financial statements and accounts for validation, in 1993 (see 1993 Reports, page 78 section 374), 5 in 1994 (1994 Report, page 114, Sections 348-550), 6 in 1995 (1995 Report, page 84, Sections 329-330), and 3 in 1996 (1996 Report, page 99, section 376). At the end of the 1996 financial year, Mampong, Kumantu, Asokore, Nsuta and Manso Nkwanta were in heavy arrears, Manso Nkwanta being the guiltiest with arrears of 12 years operating without submitting annual accounts for validation.

Operation without approved estimates was the norm in the region during the period under review, in contravention of section 58 of the chieftaincy Act, 1971. This flaw was reported by the A-G in all his reports. (See 1993, section 375; 1994, section 551; 1995, section 331 and 1996, section 373).

### ***Case 2: Greater Accra Region***

One Regional House of Chiefs and 7 Traditional councils constitute the Traditional Authority in the Greater Region of Accra. In 1993, all the six Traditional Councils and the Greater Accra Regional House of Chiefs submitted their 1993 annual accounts for validation (1993 Report, section 383). According to section 592 of the 1994 Report of the A-G, the accounts of the Councils and the House of Chiefs were satisfactorily kept. The only problem was the delay in the submission of their accounts for validation (1994 Report, section 592). The undue delay in the submission of accounts for validation was again recorded in 1995. This time, at the time the A-G compiled his report for the year ending 31<sup>st</sup> December, 1995, four Traditional Councils had failed to submit their annual report for validation (1995, section 350). There was an improvement in 1996, though three Traditional Councils still defaulted in the submission of their annual accounts as at 31<sup>st</sup> December 1996 (1996, Report, Section 419).

Operating without approved estimates was recorded in both 1994 (section 590) and 1995 (Section 351) reports. As stated by the A-G in his 1994 report (section 591), 'In the absence of approved estimates, control of expenditure exercised over the Traditional Councils and the House of Chiefs could not be meaningfully assessed'. This does not augur well for prudent financial management by traditional authorities in the region.

### ***Case 3: Northern Region***

Six (6) Traditional Authorities comprising one Regional House of Chiefs and five (5) Traditional Councils operated in the northern during the period under review. According to the A-G's report of 1993, only the Northern Regional House of Chiefs and the Gonja Traditional Council submitted their annual accounts for the financial year ended 31<sup>st</sup> December, 1993 for validation. The other two (2) Traditional Councils defaulted. The accounts which were submitted were reportedly kept satisfactorily and annual accounts promptly submit-

ted. The arrears of defaulting councils ranged between 2 and 5 years, Mamprusi being the worse offender (1993, Section 387-389). In 1994, probably due to the ethnic conflict which broke out in the course of the year, only the Regional House of Chiefs submitted its accounts to the A-G for validation. The state of default of the Traditional Councils (including the newly established North Mo Traditional Council) ranged between one and four (4) years (1994 Report, Sections 601-602).

According to the A-G's report of 1995, the trend in default persisted as only one out of the five Traditional Councils submitted their 1995 annual accounts for validation (1995 Report, Section 354). This situation did not change in 1996 as the A-G reported four (4) defaulters in relation to the submission of annual accounts.

Operating without approved estimates appeared across board in the region during the period under review. (See 1993, section 390; 1994, section 603, 1995, section 355 and 1996, section 425 of the A-G's Reports). The only exception was the Gonja Traditional Council whose estimates were duly approved by the Northern Regional Administration in 1993.

#### *Case 4: Western Region*

As at 31<sup>st</sup> December, 1996, The Western Regional House of Chiefs and 21 Traditional Councils operated in the region. At the close of the financial year ending 31<sup>st</sup> December 1993 only the Regional House of Chiefs and 9 Traditional Councils submitted their accounts for audit. Out of these the accounts of the Regional House of Chiefs and 7 Traditional Councils were examined and certified as being properly maintained. Time constraints prevented the validation of the accounts of the remaining two Councils. The 12 defaulting Traditional Councils were in arrears of between one and sixteen years. Lower Axim, Gwira and Western Nzema had 10, 14 and 16 years respectively in arrears of submitting their accounts for validation. (1993 Report, sections 395-397).

In 1994 only four Traditional Councils together with the Regional House of Chiefs had their accounts audited. These accounts were certified by the A-G as properly maintained. Six (6) other Traditional Councils which submitted their accounts could not have them validated due to time constraints. Again Gwira ranked highest in default with 15 years arrears followed by Lower Axim and Suaman with 11 and 5 years arrears respectively in submission of financial statements and accounts to the Auditor-Generals Department for validation. (A-G's Report 1994, section 606 & 607). The State of Accounts in 1995 was not better than in 1994. At the end of the financial year only 8 Traditional Councils had submitted their annual accounts. Two (2) of these were not validated (A-G's Report 1995, section 371). There was an improvement in the state of accounts in 1996. The accounts of the Regional House of Chiefs and 9 Traditional Councils were audited and found to be properly maintained. The remain-

ing 12 Traditional Councils failed to submit their accounts for validation (A-G's Report, 1996 Section 448).

For the period under review almost all Traditional Authorities in the region whose accounts were validated operated without approved estimates from 1993 to 1995 (A-G's Report 1993 section 398, 1994, Section 609; 1995, Section 372). In 1996 however, The Regional House of Chiefs and five (5) out of the nine Traditional Councils whose accounts were validated operated with approved estimates (A-G's Report 1996, section 448).

### ***Case 5: Eastern Region***

The Eastern Region has 12 Traditional Authorities comprising one Regional House of Chiefs and 11 Traditional Councils. It seems to be one of the few regions whose books of accounts were properly kept and whose Traditional Councils, relatively, operated with approved estimates. The A-G's 1993 Report indicated that the State of Accounts remained poor as in previous years in 6 out of the 12 Traditional Councils. This called for intervention by AGD in preparing the accounts for them. However, Akwamu Traditional Council failed to submit its accounts for validation (A-G's 1993 Report Section 362). Apparently due to the involvement of the AGD in the preparation of the accounts of some Traditional Councils in the region in 1993 coupled with the reported regular training programmes organised for Registrars of the various Traditional Councils by the Eastern Regional House of Chiefs, the Eastern region scored 100% in the preparation and submission of annual accounts for audit for the year ended 31<sup>st</sup> December 1994 (A-G's Report, 1994, section 576). This trend probably continued in 1995 as it was reported in 1996 that 'The accounts of the Regional House of Chiefs and the ten Traditional Councils whose accounts were examined continued to be well kept and rendered for audit'. The validation of the New Juabeng Traditional Council was in progress at the time the report was written (A-G's Report 1996, Section 410).

According to the A-G's report of 1993, apart from two Traditional Councils, Anum and Manya Krobo, the Eastern Regional House of Chiefs and the other nine Traditional Councils operated with approved estimates (A-G's Report, 1993, Section 363). With the exception of the Anum Traditional Council which consistently defaulted in operating with approved estimates over the years, and Akwamu Traditional Council, which failed to submit estimates for the year 1996 for approval, all Traditional Authorities complied with the requirement of submitting for approval and operating with approved estimates (A-G's Reports: 1994, section 577; 1995, section 347; 1996, Section 411).

### ***Case 6: Upper East Region***

At the beginning of the period under review the Upper East Regional House of Chiefs and four Traditional Councils constituted the Traditional Authority of

the region. Six new Traditional Councils were however created in the course of 1993, bringing the number of Traditional Authorities to eleven. The A-G submitted in his 1993 report that with the exception of the newly created Councils, all the old Councils maintained satisfactory books of accounts and submitted their annual accounts for the 1993 financial year for validation. This record was reversed in 1994, with as many as 8 out of the 11 Councils defaulting. This trend did not change in 1995 and 1996. In 1995 six Traditional Councils failed to prepare and submit their annual accounts for audit while eight defaulted in 1996. This negative trend in financial management by the Traditional Authorities in the region was attributed to the low-calibre of Registrars who manned the Councils, in terms of accounting know-how (Refer A-G's reports: 1995, Section 358; 1996, Section 431).

During the period under review, all the Traditional Councils operated without approved estimates. The only isolated case occurred in 1996 with the Regional House of Chiefs operating with approved estimates (A-G's Reports: 1993, Section 573; 1995, Section 359; 1996, Section 432).

### ***Case 7: Brong Ahafo Region***

The Regional House of Chiefs and 42 Traditional Councils constituted the Traditional Authorities in the Brong Ahafo region in 1993, 1994 and 1995. An additional Traditional Council was created in 1996 to increase their number to 43. The lack of competent accounting staff was identified as the main hindrance to proper financial management and adequate financial reporting. Failure to prepare and submit financial statements and annual accounts for audit was the dominant feature in the A-G's reports on the state of accounts of the House of Chiefs and Traditional Councils of Brong Ahafo-during the period under review. For example in 1995, 35 councils failed to submit their annual accounts for validation, 32 in 1996 and 20 were in arrears up to 1988 for the 1993 and 1994 financial years. For lack of competent accounting personnel to handle the accounts, most of the Traditional Councils failed to maintain proper accounts. Consequently, none of the 43 Councils that operated in the region in 1993 was able to prepare and submit their annual accounts for validation by the A-G (A-G's Reports 1993, Sections (401-402; 1994, Section 560; 1995, Sections 337-338 and 1996, Section 338)). According to the A-G's reports covering the period under review, almost half of those Councils which did submit their annual accounts for audit still operated without approved estimates contrary to section 58 of the Chieftaincy Act, 1971.

### ***Fraud, Losses and serious Irregularities***

During the period under review, the category in the Auditor-General's reports labelled 'Fraud, Losses and Serious Irregularities' was minimal with regard to the Traditional Authorities. There were four cases, two each in 1993 and 1996,

reported on by the A-G. While the 1993 cases involved cash shortages, outstanding advances and payment for goods not delivered, irregularities identified in 1996 concerned an outstanding vehicle advance as well as a deposit for a bus not delivered. The first instance of defalcation placed under the heading 'Fraud, losses and serious irregularities' was associated with the Manya Krobo Traditional Council – Odumase of the Eastern Region. The A-G's 1993 report indicated that the Registrar was unable to account for the sum of ₵709,426, 92 being part of a total cash balance of ₵836,266.92. In the same Traditional Council, the A-G's report revealed that an amount of ₵400,000 granted as a loan to a late employee to purchase a car had not been refunded since 1988. In both cases, the A-G strongly recommended that appropriate steps should be taken to recover the various amounts (A-G's Report, 1993, Sections 371-372).

The Kpone Traditional Council was the second to be found guilty of inappropriate financial management with respect to frauds, losses and irregularities. The A-G reported that the Council deposited an amount of ₵240,000 with the Tema Municipal Assembly in February, 1993 for the purchase of two television sets which, as at the close of the fiscal year, had not been delivered (A-G's Report, 1993, Section 386 p.82). The A-G's 1996 report recorded another instance of fraud, losses and serious irregularities in the accounts of the Amantin Traditional Council in the Brong Ahafo Region. The A-G reported that an advance of ₵12,688,000.00 was given to the Amantin Community in November 1995 to purchase a vehicle for Commercial use, but as at the end of the 1996 financial year no repayments had been made. The A-G recommended immediate action to recover the amount (A-G's Report, 1996 Section (400), p.104). The second irregularity identified by the A-G in his 1996 report involved the Volta Regional House of Chiefs which paid ₵10m to the Ghana Private Road Transport Union (GPRTU) Accra in February, 1996 for the purchase of a 25-seater Neoplan bus. At the end of the fiscal year, the bus had not been delivered.

## **Conclusion**

In sum, the data indicate that the Auditor-General conducted thorough audits on Houses of Chiefs and Traditional Councils for the period 1993-99. Two major issues attracted the attention of the A-G: the low standard of accounting and the widespread phenomenon of operating without approved estimates. Financial mismanagement under the item 'Fraud, losses and serious irregularities' was reported to be minimal. The lack of competent staff to manage the affairs of the Traditional Councils is a particular causal variable behind such matters as poor accounting, operating without estimates, failure to submit books for auditing and the unintentional violation of financial regulations.

Chieftaincy, though the oldest and most respected traditional governance institution in Ghana, has undergone neglect and marginalisation for a very long time. Ghana has implemented far-reaching institutional reforms but not single

reform programme has been directed at improving the institutional capacity of the oldest institution in the country. Consequently, traditional authorities could be argued to fail to promote accountability, peace, security and good governance. The increasing neglect of chiefs has created a cleavage in the democratisation and decentralisation process underway in Ghana. The potential influence of traditional governments in Ghana is still significant: though they are gone they cannot be forgotten. Traditional government will remain part of our political and governance systems. We must not ignore them.

In addition to the several recommendations from the Auditor-General over time in connection with issues discussed the following further observations are made: the administration and management of all Houses of Chiefs and Traditional Councils in Ghana should be subjected to rigorous modernising reform; the Councils should be resourced and staffed with competent personnel; transactions of the Councils should be made more transparent; Houses of Chiefs and Traditional Councils should be obliged by statute to publish financial statements annually; and outmoded laws obstructing the operations of the Houses of Chiefs and the Councils should be reformed or revoked.

Overall, the entire institution should be considered for reform in the hope of building its capacity to govern and manage development. The decentralisation and new local government system should be restructured to integrate chiefs more meaningfully in the decision-making process. Any further neglect of them could turn them into obstacles to Ghana's democratic experiment. Indeed, they are gone but they cannot so easily be forgotten.

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