

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**COLLEGE OF HUMANITIES AND SOCIAL SCIENCE**

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**BENEFITS AND CHALLENGES OF INTEGRATED FINANCIAL  
MANAGEMENT INFORMATION SYSTEM (CASE STUDY G.E.S OBUASI  
MUNICIPAL)**

**BY**

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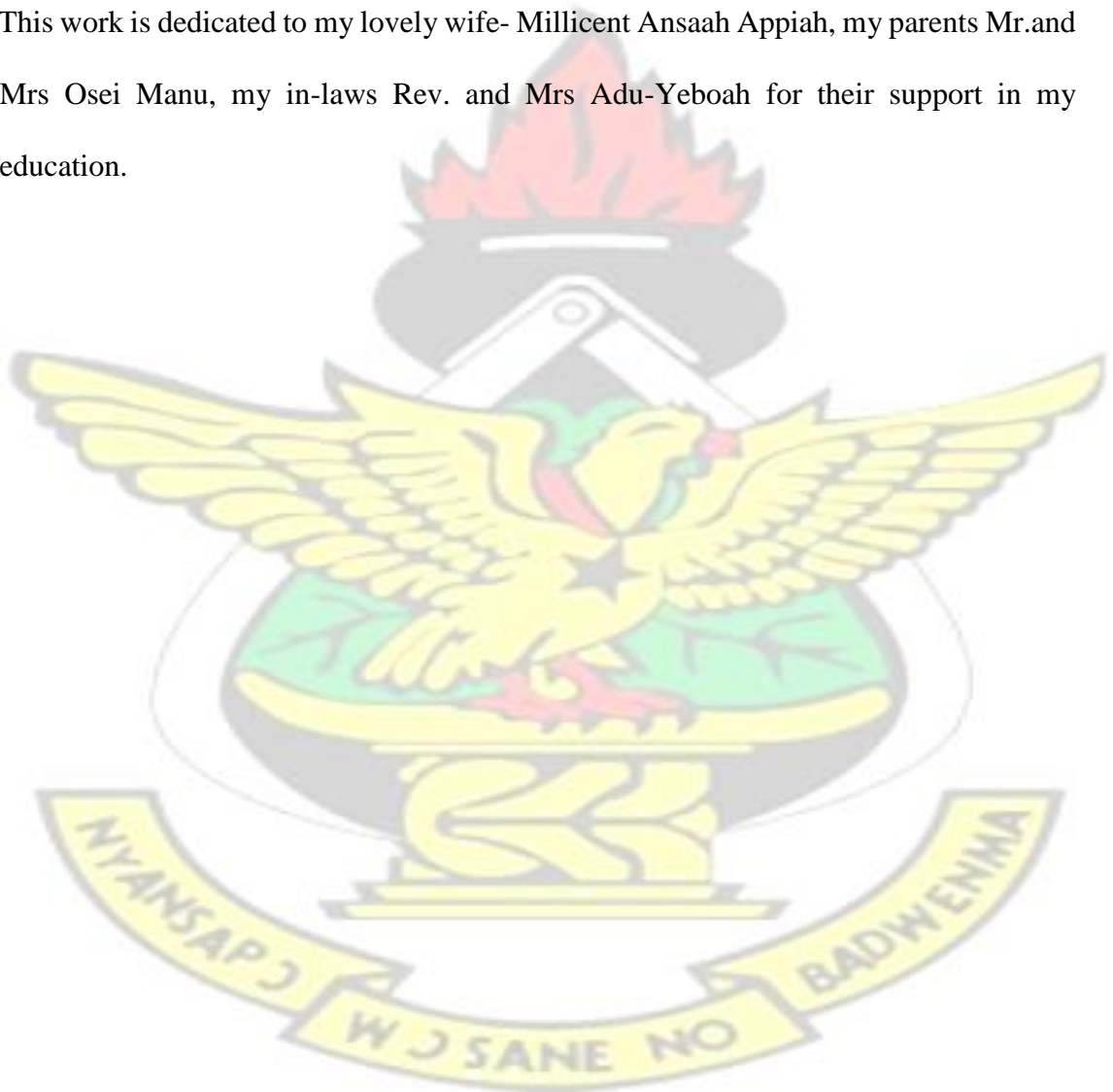
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## DEDICATION

This work is dedicated to my lovely wife- Millicent Ansaah Appiah, my parents Mr. and Mrs Osei Manu, my in-laws Rev. and Mrs Adu-Yeboah for their support in my education.



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## **ABSTRACT**

This study sought to assess the benefits and challenges of Integrated Financial Management Information System (GIFMIS) using the Ghana Education Service (GES) in the Obuasi municipality as a case study. The study examines five objectives of GIFMIS: effectiveness and efficiency in revenue collection, efficiency, accountability and transparency in financial management, timely dissemination of information, maximising payment and commitment control and the challenges associated with the use of GIFMIS in financial management. The study used descriptive research design for collecting the data. The sample for the study was 100 employees from the target population of education service of Obuasi Municipal. The sample was drawn from the sections of accounts, management and includes, budgeting, accounting, procurement, internal audits, stores where GIFMIS system applied. The primary source of data was used, questionnaires both closed and openended and qualitative data collection technique for the study. The results showed that even though the GIFMIS plays a complex role in ensuring efficiency, accountability and transparency in financial management of the education service of Ghana, there are challenges hindering the smooth operations of the system including: lack of enough resources and personnel, frequent power cuts, resistance to change by some staff, lack of skills in IT, and the fact that the programme does not cover all the departments of the service.



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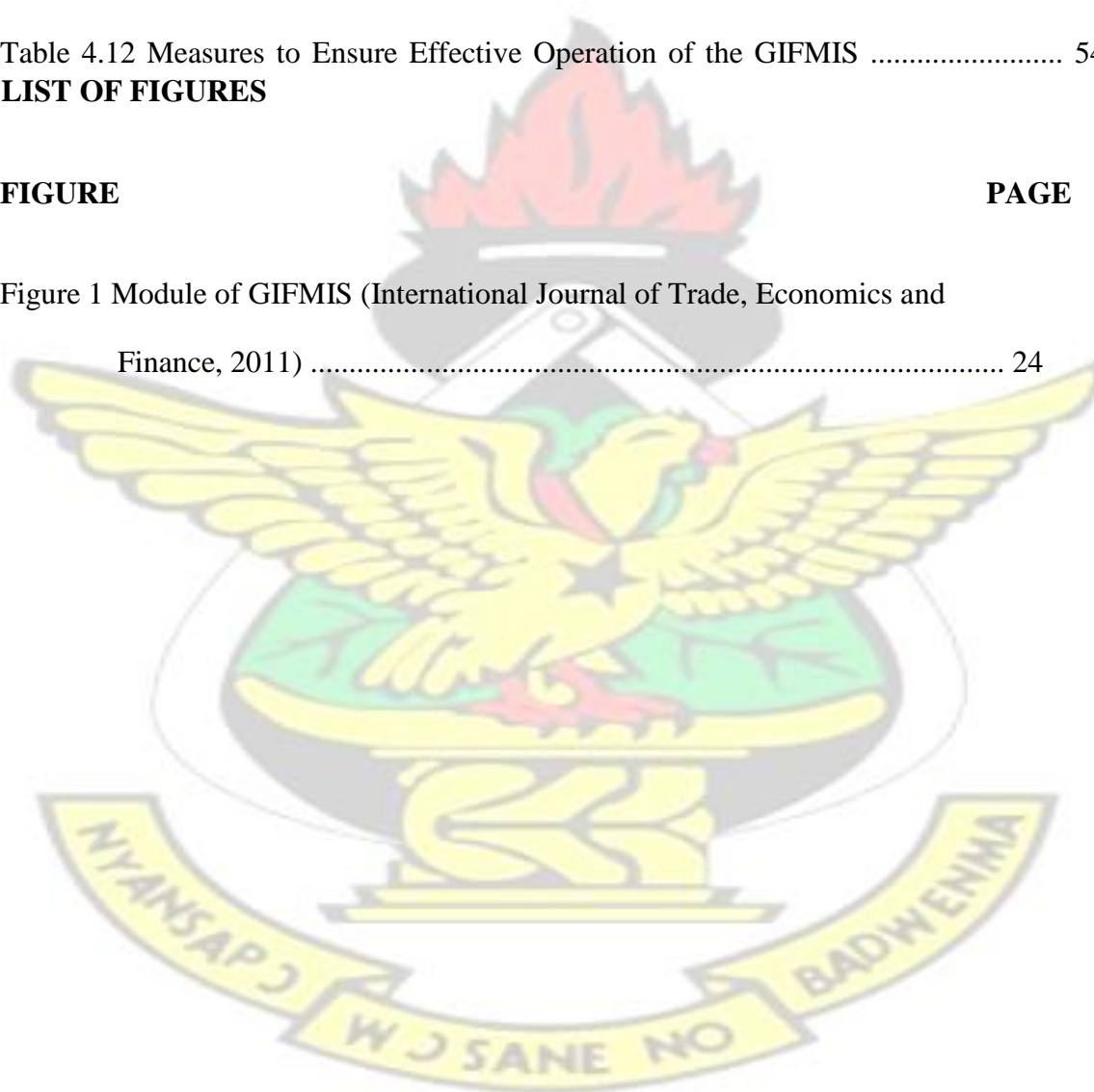


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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 BACKGROUND OF THE STUDY**

Ghana since the colonial era operates manual system of accounting in the public sector. The manual accounting involves the use of paper ledgers and journals for the recording of financial transactions and other related administrative activities. The manual system was time consuming because people go through the multiple documents to locate information requested by executives. Errors can be quite frequent in manual administrative process with no check and balances, whiles the organisation finds it difficult to keep employees away from attempting important data.

Developing countries have started computerizing their government operations over a past decade with respect to the Public Sector. As a result people are developing interest in the need to maintain quality financial management of the public sector in less advance countries like Donor Agencies, International Monetary Fund (IMF). A survey was carried out by International Monetary Fund on government accounting in 1993 and followed by a World Bank sponsored research. The recommendations that came from the two international bodies are to computerise the entire auditing and accounting systems in developing countries. The rational behind the computerization is to produce a credible financial statement: to check and manage public deficits, to estimate or monitor cash flows to ensure that effective financial control will be achieved (Kinyua, 2003). In the early years after the World War II, the public attention was not on how the state is managed, but the state attention was directed towards the poverty reduction.(World Bank, 2008). It was discovered that though there was too much invasion in the state of the economy by the general public, the government may not have enough resources to set up policies, perform an administrative task, provide

infrastructures, public services and to work with private partners (Hopelain, 2004). A directive was issued by Department for International Development on public financial management that specified that, there are issues of concerns raised by public, governments, developing agencies on government expenditure (DFID, 2003). This shift was seen as the eyes of World Bank to offer Africa a step ahead of passing through immediate stages of development. Due to this, the consultants and other advisors of government in Africa embark on searching for ideas by introducing modern information technology, “Integrated Financial Management Information System” (IFMIS). It is a fiscal tool that integrates all financial management functions of governments into one suite of application. It assists countries whose administrative and economic structures are out of date or has broken through wars and conflicts with financial management solutions.

The main objective of IFMIS is to promote good governance by providing managers with financial information to formulate budgets, manage resources, perform business and administrative functions. The benefit of IFMIS is to ensure efficiency in resource allocation, improved fiscal management, quality resources management and lower transaction costs (Ministry of Finance Kenya 2003). Sound IFMIS systems that have centralized its treasury functions can not only help under developed countries to control their finances effectively, but also promote transparency and accountability, reduces autocracy in our political system and exposes public officials who engaged in corrupt and fraud activities.

In 1966, Auditor-Generals report in Ghana reveals a series of findings such as weak accounting, poor financial management practices and procedures of public sector organisations. Audit report reveals inaccuracies in accounting recordings, untimely

recordings, internal control systems breakdown, neglects of necessary recordings in the valued books which created an auditing problem (Ghanaian Times, October 21, 1979). A former chief of the Controller and Accountant-General's Department of Ghana in 1979 said, some public institutions were unable to submit their annual financial report for a decade which is a breach of the Financial Administrative Decree 1979. But unfortunately, the government did nothing about it till recently, to tackle the problems as a result of the status of the economy at that time. The omissions, misstatements, non adherence to generally accepted accounting principles, lack of supporting evidence, deviate from Administrative Acts and Decree, were some of the serious discrepancies disclosed by Public Account Committee of Ghana for that ten year period(1979-1989) making the published accounts unreliable (Auditor-General's Report1993).

In 1999, Public Financial Management Reform the Budget and Public Expenditure Management Systems was launched with the objective of enhancing the budgetary and financial reporting systems of the public sector. Experience gained showed that, in the old system a government worker had to go through a series of processes in order to get his financial claims accomplished which was a serious problem for the state.

It is against this background that the president of the Republic of Ghana in 2010 introduced the reform known as Ghana Integrated Financial Management Information System (GIFMIS) to do away with the manual system of operation in the public service organisation. The GIFMIS uses software called the Oracle E-business suite to offer the most complete financial management solutions for finance operations, governance and performance management process. The UKAID, DANIDA, EU Commission funded



the programme and made a memorandum with the government to re-engineer the current budget functions, rules govern accounting and auditing, cash management, and procedures by establishing timely, responsive and effective way of managing, reporting and monitoring financial performance. Bank of Ghana (BoG) and Ministry of Finance (MoF) monitor its implementation in order to ensure sound public financial management. It will serve as the only reliable source for creation of official budget, treasury management, procurement, cash management, financial control and reporting for the country in general. The Controller and Accountant General's Department (CAGD) will manage the central fund. Any organisation that wants to make withdrawals has to seek an approval from the MoF through CAGD before the fund is released. As soon as payment is made the amount just reflects in the central account of the Ministry of Finance Office and the local account of that particular organisation which effected the payment.

The government in the 2010 budget (page 46) pointed out that the implementation of the first phase of the GIFMIS is directed on the hardware and software installation for 8 pilot Ministries, Departments and Agencies. The second phase involves full adoption of GIFMIS by piloted institutions, and integration of the payroll management module. The third phase is planned which focused on the extension of the program to other users by end of 2011. The professionals IT Consultants are the heads of the project planning and implementation committee plus the selected members from the Ministries Department and Agencies involved in the program. The government of Ghana established this system in order to address financial reporting problems and to promote good governance. Since this academic year 2015, that the GIFMIS was rolled -out, it has become the interest of the researcher, to assess the benefits and challenges of the program to the education service of Ghana.



## **1.1 STATEMENT OF PROBLEM**

According to Auditor -Generals Report (2012) of the Republic of Ghana, financial irregularities in monetary terms constituted GH¢ 2,019,188,488.76. which is a huge loss of revenue to the state. Ghana education service alone recorded GH¢ 102,164,116.15 of financial irregularities according to the sector minister, and it comprises of; outstanding debtors or loans, cash, payrolls, procurement, stores and tax irregularities. The government had consistently experienced misappropriation of funds and lacks appropriate control mechanisms in Public Financial Management of those funds which has resulted in poor service delivery and overspending. Despite the existence of statutory regulations such as the Financial Administrative Regulation 2004 (LI 1802), Internal Audit Agency Act 2003 (Act 658) and procurement (Act 663), these legislative frameworks could not strengthen the manual system of controls of the financial management process. The general public, international institutions and the donor community raised a concern about accountability which does not exist in public organisations (Kinyua, 2003). These institutions suggested that, there is the need to automate the accounting and auditing functions of the public sector in developing economies and as a result GIFMIS was introduced. It is against this background that the researcher is trying to examine the benefits and challenges associated with GIFMIS implementation of Ghana Education Service, serving as a substitute to the manual system of financial control that has been the long standing problem of public sector financial management in Ghana.

## **1.2 OBJECTIVES OF THE STUDY**

The main objective of the research is to examine the benefits and challenges of GIFMIS to the education service of Ghana. The study seeks:

1. To determine whether the GIFMIS has promoted effectiveness and efficiency in revenue collection.
2. To evaluate whether GIFMIS has helped in promoting accountability efficiency, and transparency in public financial Management
3. To analyse whether GIFMIS has improved the timely dissemination of information for financial management
4. To examine whether GIFMIS has helped in maximising payment and commitment control of fund
5. To examine the challenges of using the GIFMIS

### **1.3 RESEARCH QUESTIONS**

1. To what extent has the GIFMIS promoted efficiency and effectiveness in revenue collection?
2. In what ways could accountability, efficiency and transparency be promoted by the use of GIFMIS in public financial management?
3. Has the GIFMIS improved the timely dissemination of information for public financial management?
4. How can payment and commitment controls of budget fund be maximised with the aid of GIFMIS?
5. What are the challenges of using GIFMIS?

### **1.4 JUSTIFICATION OF THE STUDY**

The findings from the study will serve as a source of library reference for lectures and students. The purpose of GIFMIS is to provide financial information system that integrates the whole government administrative functions by ensuring better fiscal management, more optimal resources allocation, improve management of resources and reduce transaction cost.

The research will serve as a manual for regulatory bodies that need financial information to mop up strategies that will promote transparency, accountability of the public financial management. It will help the financial management players such as BoG, MoF, CAGD, GRA, and PPA to understand, share online information that promotes efficiency in monitoring, revenue generation, budget rationalisation and modernisation of the financial reporting process, as well as legal reforms to be carried out to ensure that it is in line with the law and have legal backing. It would also serve as manual for effective training of staff of Ghana education service whose operations demand the use of the GIFMIS software. The findings will help the donor agencies who provide funds to monitor their fund, to know the challenges and the resources needed to keep the project on going. It will help the general public to understand the online financial management process in order to monitor government officials and hold them accountable, so they can offer the better services for the nation.

### **1.5 SCOPE AND LIMITATION OF THE STUDY**

The study covers the Second Cycle Education of Obuasi Municipal which is the second most populous City of the Ashanti Region and is surrounded by Adansi Cluster of Schools such as T I Ahmedia Snr High Fomena, Dompoease Snr High, Akrofuom Snr High, Asare Bediako Snr High and the three Snr High Schools within the Municipality. The researcher prepared 25 questionnaires for public officials within the municipal ranges from the directors, heads of schools, accountants and Finance staff of the Ghana Education Service Obuasi. Though the researcher cannot cover the entire personnel of the Cluster, the sample size is a good representation of the study. The study focuses on how financial management system can be improved to benefit the education sector of the Municipality.

Time was a constrain combining the academic and project work, finance also was another aspect of the constraint because every movement for the project activities requires money. Some staff refused to accept the questionnaires while others drove me away.

## **1.6 ORGANISATION OF THE STUDY**

The study has been divided into five chapters; the chapter one is the introduction which includes the background, the statement of the problem, objectives of the study, significant, scope and limitation of the study. Chapter two covers the literature review of the various theories of GIFMIS and financial management reforms of the Ghana Education Service, Obuasi Municipal .Chapter three covers the methodology, which comprises of the research designed, the target population, sample size and sampling technique, sources of data and collection instruments, data analysis and profile of the study. Chapter four deals with the discussion of findings as per the literature review. Chapter five summarizes and concludes the study with recommendations and further recommendations to improve financial management of Education Service.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 INTRODUCTION**

Since the GIFMIS is at the implementation stage for this academic year 2015, the researcher is trying to review the empirical literature from countries that have implemented GIFMIS and further assess the benefits and challenges of the reform to the Education Service of Ghana. The chapter looks at the methods that have been used for GIFMIS implementation in Ghana public sector.



## 2.1 CONCEPTUAL THEORIES

There are various theories of Information Management which is the backbone of Ghana Integrated Financial Management Information System (GIFMIS). One of them is the information management theory. The information management theory comprises of system theory, information theory, structuration theory and communication theory. These theories are important because they help the stakeholders to understand certain factors such as the existing culture, structures and technology that have strong influence on financial information system and when these factors are in conflict, can affect the smooth implementation of GIFMIS (Njeje and Qin, 2011). These components of information management are discussed in detail in the various paragraphs;

A system theory is a group of similar components that jointly worked and interact to attain a desired objectives or set of purpose (Kang'ethe, 2002). To ensure that the process gives the desired level of output the control elements must be put in place to avoid or reduce wastages. The effectiveness brings harmony and synergy between the current Information and Communication Technology (ICT) and the human resource (the core resource that controls the other resources) to achieve the financial management objectives. When communication technology and computers are combined, the result is information technology systems, or "InfoTech". Information technology is a general term that describes any technology that aids in producing, manipulating, storing, communicating, and disseminating information.

Structuration theory influences the culture of an organisation, information systems development and implementation. The theory clearly explains how humans work, and interact socially within a given culture assisted by language, tools, procedures or rules that are subject to change. The theory is important because it gives a general view of



the culture of various organisations in which the GIFMIS development and implementation process is taking place. The theory of structuration indicates that human actions are exhibited within the social structures, which is the result of previous human actions, which is described as a duality of structure. „Structures“ comprises of rules, norms or resources that, individuals apply or use in their daily activities. The human actors act within the structures and change through their actions, which gives them the ability to change their environment (Njeje and Qin, 2011).

Bill (2001) the theory of communication measures the uncertainty of an outcome in different ways. The theory of communication employs information entropy concept which is generally referred to Information Communication Technology. ICT is defined as transmission or receptions of data, movement, display, control, manipulation, storage, switching interchange and automatic acquisition of information. The two most significant parts of ICT are computers and telecommunications (Michale, 2001). Knowledge and information are numerically expanding, accessible and decision-makers need this new tool for development. In educational field the consequences is so alarming.

Information theory provides a background that has diverse meanings, from daily usage to technical settings (Fisher, 1962). The idea of information is similar to that of communication; control, meaning, form, pattern, data, instruction, perception knowledge, mental stimuli and representation media. Information is a method of processing, organizing and manipulating of data in a way that the receiver can understand it. Information management involves acquiring, retrieving organising and maintaining information in a medium. It was learn from Fisher theory that, an amount

of information that a message carries in a given parameters can be calculated from knowledge of the one defining it.

## **2.2 FINANCIAL INFORMATION SYSTEMS AS ORGANIZATIONS**

Financial information system comprises of material resources and people organized to provide information to financial managers for decision-making purposes. There is a technical element of an information system: data processing, in which input data are transformed into meaningful information (output). To understand an information system development and implementation, a research must be undertaken that involves how individuals perform their functions, the social practices and organization culture in which they are engaged. (Indeje and Qin, 2011).

## **2.3 MEANING OF GIFMIS**

GIFMIS software is obtained from Oracle Corporation and is one of the world's largest software vendors from United State that offers a highly sophisticated information technology infrastructure build-up and enterprise management tool for countries and organisations. The Oracle has functional components such as, general ledger, procurement, payables, receivables, cash management and oracle financial analyser (ASW Consultants, 2005). Ghana Integrated Financial Management Information System (GIFMIS) was introduced in 2010 to replace the Budget and Public Expenditure Management System (BPEMS) project, which began operation from 1999 and ended in the year 2009. Ghana uses R12 Oracle E-Business Suite and at conference, on 6th of November 2012 at Tamale, accountants and financial officers of decentralised organisations met to sensitize the administrative staff of education service on the GIFMIS implementation which means facing out of manual financial transactions in the public service of Ghana. GIFMIS uses Enterprise Resource Plan (ERP) which is an

electronic platform with various components designed to facilitate the flow of information amongst nationals, institutions to facilitate decision-making. It has yielded positive result as it is functioning in 33 MDAs and the ten Regional Treasuries (News Ghana, 2014).

GIFMIS is a tool that supports treasury management, budget planning, financial control and managing a set of core financial data, process it into information required by decision makers (Peterson, 2006). It is software that integrates the main financial functions, ensures quality management and credibility of financial reporting, security and efficiency of data. GIFMIS solves financial system problems that are termed as „stove-piped“ that cannot communicate, provides accurate and clear picture of financial position of the public organisations. GIFMIS is an Information Technology solution that integrates, collect and organise financial information in a central database to support financial reporting, management, execution, and planning of budget. However, the complex information system in the public sector is as a result of the numerous practices and policies (Barry, 2001). In various departments, specialized information systems already established that are still needed in GIFMIS implementation. GIFMIS is an information system that controls and summarizes financial events (USAID Report, 2008). Casals (2008) defines “integration” of GIFMIS as a single reliable database platform from which all data are expressed in financial terms.

#### **2.4 THE BENEFITS OF GIFMIS**

Hove and Wynne (2010) GIFMIS is a tool that assists the management in promoting accountability, allocating and use of public resources to improve efficiency and effectiveness of public expenditure programmes. The management is capable of exercising financial control over expenditures, ensure accountability and transparency

in the budget cycle and also ensures that financial events are monitored through automated system. As a management tool, GIFMIS supports a change management programs (Diamond and Khemani, 2006). It is officially accepted as a worldwide financial and budget reform. As a management tool the GIFMIS helps the management to control budget deficit and aggregate spending.

GIFMIS provides the decision-makers with financial and non financial information to perform their managerial functions. GIFMIS provides accurate, consistent and timely budgeted information for financial managers in their decision-making (Rodin-Brown, 2008). Automating the accounting and budget management system for a government ensures quality of information which the GIFMIS makes it available at financial management stages, including; financial reporting and auditing, budgeting, treasury management (Dorotinsky & Matsuda, 2001). GIFMIS permits users operating under the system to use the network and retrieve the information that are useful for their work. A category of reports can be produced to address variety of cash flow problems, accounting, auditing, day-to-day management concerns, budgeting, funding, treasury activities (Rozner, 2008).

This system covers the core and non core functionality of the GIFMIS. It varies from the general ledger to a more detailed systems involving, accounts receivable or payable, cash management, budgeting, commitment control, debt, assets and liability management, procurement and purchasing, revenue management, human resource management and payroll (Rozner, 2008). Diamond & Khemani (2006) the function of GIFMIS is to integrate, organise, process and make financial information available to departments within the budget units on a routine basis. The system is capable of producing the needed information accurately, and at the right time. It will cease to be



useful if the system does not perform the functions as expected. Public financial management is improved in various ways, but the purpose is to ensure credibility and confidence of the budget through clear and reliable information. Chene (2009) the motive behind the GIFMIS implementation is to enhance the budgetary planning and execution by providing decision-makers an accurate and timely data for budget management. A more regulated and achievable budgeting process is permitted which enhances the full integration and control over budget execution data.

The main benefit of GIFMIS is that, it can be used to detect fraud and eschew corruption. A well-designed GIFMIS has a certain characteristics that help to control excessive payments, theft and fraud (Chene, 2009). It includes; electronic systems to identify ghost names, rules for disbursement of cash, monitoring of activities that are likely to be suspicious, automated cross-referencing of payroll, social security, SSNIT, bank codes and account numbers for fraud and identification of exceptions to normal operations, cross-referencing of assets purchased to detect theft.

## **2.5 THE NEED OF GIFMIS IN FINANCIAL MANAGEMENT REFORM**

A question may be asked whether there is a need for GIFMIS in the financial management reform. Governments of the globe have embarked on using different types of ICT applications (Kaul and Odedra, 1991). Mgaya (1999) United Nation has grouped countries according to their Computer Industry Development Potential (CIDP) as advanced or less advanced. Advanced countries include Canada, Japan, West European Countries and United States. Less advanced countries include Kenyan, Bulgaria, Argentina, Brazil and India. International Institutions such as United Nation and Donor Communities have accepted the use of GIFMIS accounting for financial assistance they offer. The nations that have adopted ICT for production of



goods and other services are not enjoying from the higher returns of their investments alone but also benefiting from a high profile initiatives. The re-invention occurred mostly in the developed countries (Heeks and Davies, 2000). Advanced countries have realised that building an information society will result in social and economic benefits (Audenhove, 2000). The Organisation for Economic Co-operation and Development realises that information infrastructure is expected to increased productivity, stimulate economic growth, creates jobs and improve standard of living. Hoque and Moll (2001) said government all over have engaged in a different types of financial administrative reforms and due to this, the social, economic, political and technological pressure on them have increased which have made them proactive and transparent in managing the state resources. According to Wenseng (1997) governments are under pressure from the emerging global activities, and the citizens are not satisfied on how they are managing the state especially, the manner in which the budget funds are used. Scuilli and Sims (2007) pointed it out that, financial officers of public organisations are critically observing the various functions of the private businesses to evaluate if they have policies and strategies that can be applied in the public sector which is termed as New Public Management. These reforms comprise of the adoption of performance budgeting, accrual accounting, privatization, standardisation of financial reporting, a user pay accounting regime (Scuilli and Sims, 2007). World Bank Report (2006) stated that, Ghana has speeded up its financial reforms by strengthening legislative frameworks to ensure the maximum utilisation of public resources.

The government has stated a requirement for reporting in two areas; internal management reporting for policy makers and financial managers of the government (internal management reporting) reporting to the legislature, the public, other countries, international organizations, overseas investors, financial markets (external management

reporting). The external reporting requirements are captured in the budget regulations and detailed requirements are stated in administrative practices and instructions apply in Ghana and other developing countries (Mark, 2007).

Various reforms have emerged in these field; decentralisation, budget reporting, pension administration and international financial reporting, financial administration and personnel emolument. Heidenfod (2002) this reform accelerates the execution of projects in the view of ensuring proper use of funds, and the government is focused in ensuring projects completion. In 2010, the government of Ghana embarked on a number of projects such as free primary education, public health, expanding of school infrastructure to do away of schools under trees, distribution of free exercise books, water resource management, road network, rural electrification etc. These required improved system of financial management to ensure timely completion of medium term projects.

## **2.6 GIFMIS PROMOTES EFFICIENCY AND EFFECTIVENESS IN REVENUE COLLECTION**

Ministries Departments and Agencies use account receivable module of the GIFMIS to manage and control the income that are coming into the Ministries Departments and Agencies which comprises of services, sale of goods (that is all form of nontax revenues), fees and commissions. The module is capable of producing bills, recording receipts and payments. Revenue via Account Receivable module was rolled-out in Ghana Revenue Authority at the end of February, 2014. The platform uses Electronic Fund Transfer for the collection of taxes from public institutions under the MDAs. With the aid of GIFMIS to ensure efficient and effective way of collecting revenue or fees from students, the Educational institutions have made arrangements with their banks to

accept fees pay by students through Electronic Fund Transfer to these institutions accounts which also reflects in the individual student ledgers, and immediately clear off the debt in proportion to the payment made by the students (News Ghana 2014, Financial Act for Office Practice, 2015).

## **2.7 TRANSPARENCY, EFFICIENCY AND ACCOUNTABILITY IN PUBLIC FINANCIAL MANAGEMENT**

Financial transactions of governments are recorded, processed at the short period of time with the aid of the GIFMIS software which permits the users instant access to a reliable, efficient financial data. The system makes the MDAs of the government more accountable and transparent to the legislature, external agencies and the general public. It improves financial controls, gives a clear picture of commitments of expenditure on a timely or continuous basis. The system can monitor the transactions process at each stage when a commitment is made, example from budgeting to commitment, purchasing, payment request, reconciliation of bank statements, and accounting of expenditure. This gives a clear view of budget implementation. The system is able to process the information to ensure effectiveness and efficiency of government financial management (OECD, 2003). Dorotinsky (2003) argues that public financial management can be improved in many ways by the use of GIFMIS, but officially the system ensures credibility and confidence of the budget through the transparent and comprehensive financial data. The GIFMIS standards are based on International Public Sector Accounting Standards (IPSAS). The IPSASs purpose is to enhance the quality of financial reporting by public sector entities, leading to better decisions by governments concerning the resource allocation, thereby promoting transparency and accountability (ICA Ghana, 2014).

## **2.8 GIFMIS PROMOTES EFFECTIVE DISEMINATION OF INFORMATION FOR DECISION -MAKING**

The GIFMIS reduces bureaucracy; enhances budgeting process by providing accurate and timely data for management and budget decisions. GIFMIS offers the Controller and Accountant Generals Department and Ministry of Finance better access to information in order to enhance financial discipline, control operating costs by reducing administrative tasks and civil servants' workload. William (2003) argues that GIFMIS offers the citizens, financial officers timely and accurate information system that supports decision-making, tracks financial events and summarizes financial information. In the private sector, such systems provide critical support for budget management and decision making, preparing financial statements and reports, other fiduciary responsibilities. In the government field, in order for public sector to function well GIFMIS systems were set up. These systems are able to communicate and track all the cash inflow and outflow of the budget organisations that have a complex structure. The system information can be used for various functions by financial managers; to plan, prepare and execute budget; examine results against budgeted; monitor the use of fixed assets; appraising the various units or departments ;making bank reconciliations; track the status of debts and receivables and make revisions or adjustments that are necessary (Cho, 2003). Reports can be designed to meet the reporting requirements set by international institutions like the International Monetary Fund (IMF) and external agencies.

## **2.9 GIFMIS AIDS IN MAXIMISING PAYMENTS AND COMMITMENT CONTROL OF FUND**

The targeted public funds operate under GIFMIS comprise of the statutory funds of the Ministries Departments and Agencies, the consolidated fund, internally generated



funds, and the donor funds. The agencies have various accounts of the banks which contains huge public funds that are not used, which attract a huge commissions and bank charges but the government cannot trace such funds and goes further to borrow at a high interest rate. GIFMIS uses the Treasury Single Account (TSA) to control commitments and maximise payment of these funds. TSA is a set of link use to transact all receipts and payment by government and gets a consolidated view of its financial position at the close of each day. It helps to consolidate the government cash balances, gives the ministry of finance oversight of all government cash flows and brings improvement in budget control and monitoring.

Similarly, the government bank account structure under a Treasury Single Account (TSA) could either be centralised or distributed. In the centralised structure, the TSA is composed of a single bank account with or without sub-account usually at the central bank. Whiles distributed bank account structure, there are several inter independence accounts opened by commercial banks and operated by line and spending agencies. TSA interact with government transactions processing systems for revenue collection and disbursement of payments. In the centralised payment structure all transaction of expenditure are approved by Ministry of Finance or Controller and are paid from the TSA. For the distributed salary structure, individual spending units or agencies are responsible for bank accounts in the banking system. In the centralised transaction processing system authority is concentrated on the treasury and the spending units submit their payment request to the central units. Cash disbursement ceiling for each spending units can be enforced against sub/ ledger accounts and it is straight forward in the GIFMIS system. For cash management purpose, positive and negative balances in this ledger accounts and transactions accounts are netted into the TSA main accounts.



The establishment of TSA has significantly reduced the government debt servicing cost. It is one of the tools that is used to address the weakness in the financial management such as idle cash balances, unnecessary borrowing cost of raising funds to perceived cash shortages and consolidates the government cash balances in the commercial banking sector, (IMF 2011)

## **2.10 GIFMIS FOR BUDGET PREPARATION AND BUDGET EXECUTION**

Ghana budget preparation begins with the budgeting processes, the Ministry Department and Agencies presents their budget forecast to Ministry of Finance and the MoF to the government. Legislative examine it whether it is in line with the policy and the resources of the state. (Simson et al ,2011). Ministry of Finance and Consumer Organisations start to implement the budget when it is approved by parliament at the beginning of the fiscal year. The resources are used according to the purpose for which it was allocated. The Ministry of Finance manages the inflow and outflow of funds and makes yearly amendments to ensure that the Public Financial Management and budget rules are complied with (Simson, 2011).

## **2.11 GIFMIS ADOPTS ACCRUAL METHOD OF FINANCIAL REPORTING**

GIFMIS modules for preparation of IPSAS financial statement which are accrued based will help the government to know the net worth of the country, GIFMIS Ghana report (2012). Heald (2003) International Public Sector Accounting Standard is a global resolution in government accounting. The public administrative reform is now shifting from cash to accrual base of financial reporting which has number of procedures for classifying, recording summarising and presenting financial information. Accrual accounting recognises transactions or events when goods and services are purchased. Cash bases of accounting record transaction when cash is paid. The government accrual

accounting aimed to provide budgetary compliance but cash bases shows money collected or spent except in a way amount are approved by parliament(Barton, 2007) Carlin (2005) mentioned the advantages that accrual accounting reporting have over cash in three ways: (a) the accrual accounting promotes accountability both internally and externally. (b) Accrual accounting enhances an organisational performance or output through timely distribution of resource.(c) accrual accounting permits users or businesses to identify the full cost of operation which leads to an organisational success.

## **2.12 GIFMIS ADOPT PERFORMANCE BUDGETING**

The Reform has changed the Budget categorization from Activities Based to Programmes and added performance information to our budget system. Performance budgeting is the best approach in budgetary reporting. Kings (1995) suggest several reasons for the renewed interest in the budget reform. Government activities should be directed towards the desires and needs of the citizens and not about the government obeying the rules and regulations, tax payers will pay for results not efforts. Programmes based budgeting support strategic planning or focused on measurement and development (Julia and Katherine, 1998). Performance budgeting requires assessment of agency progress towards specified target.

Shah and Shen (2007) it is a system of budgeting that indicates why funds are needed and what can be achieved by using those fund, the cost involved in order to achieve that proposed objectives, the kind of product required and type of services needed under the program. Robinson (2009) to ensure effectiveness and efficiency of public expenditure, performance budgeting was adopted in order to link the funding of public sector organisation to improve the result they produce and ensuring the consistent use of performance information. The disparity that exist between traditional budgeting and

performance budgeting is that performance budgeting allows for more flexible use of fiscal resources and transparent focus from input to result expected to be achieved.

GIFMIS serves as a single source of budget creation and management. The project coordinator said, for efficient Programme Based Budget preparation and execution Oracle Hyperion is installed at the Ministry of Finance that integrates with GIFMIS as part of the financial management reforms (News Ghana, 2014).

### **2.13 GIFMIS AIDS IN INTERNAL CONTROLS AND PREVENTS DUPLICATING OF EFFORT**

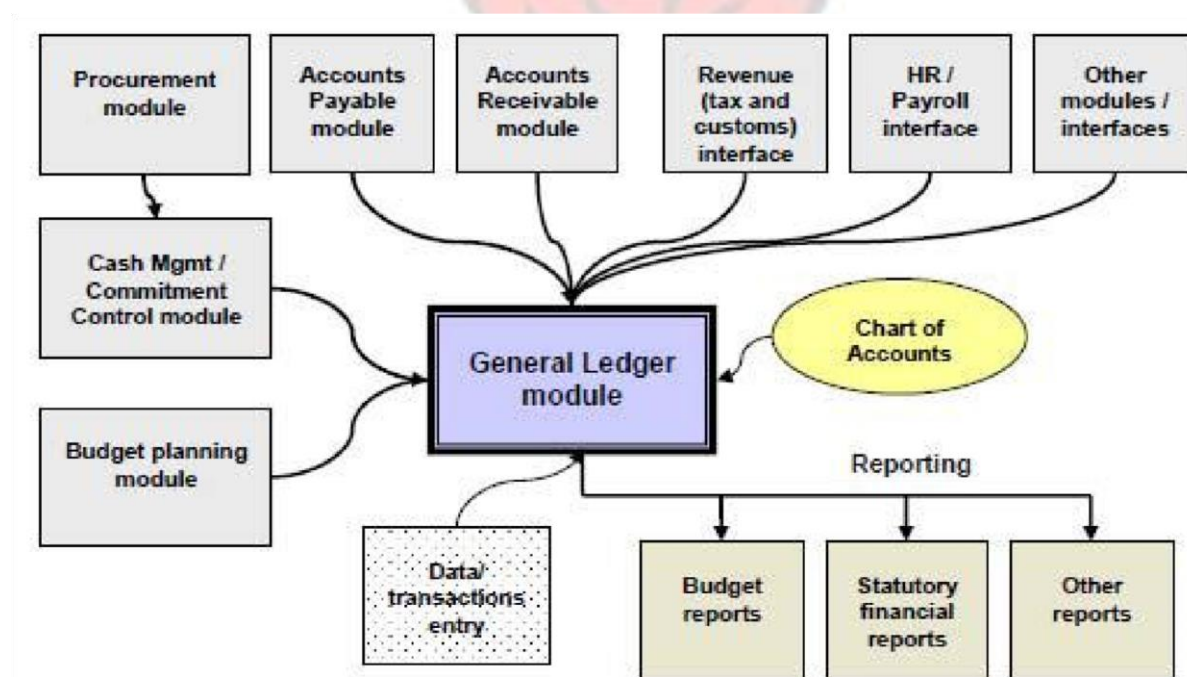
Internal control systems are established in the government agencies to ensure that the organization achieves its objectives, policies and procedures. These policies, procedures often include financial accounting and reporting, procurement and assets management. Large organizations have internal audit departments that provide independent reviews of activities and report to the heads of the organizations (Simson et al, 2011). The internal Controls policy reforms include development of comprehensive budget management law, adoption of budget classification system, consolidation of government bank accounts to Treasury Single Accounts (TSA) at the central bank, implementation of systems for detailed regulations covering (Khemani, 2006).

To ensure proper control of expenditure, Government Ministries and Departments are expected to establish a control system and committee planning in such a way that the budgeted funds are not above what the parliament has approved for certain activity, and it tallies with the budgeted amount. These elements of control are applied by the Ministry of Finance to match the accrual resources in the budget (Walsham, 1988). Duplicating of effort is where by two persons doing the same job or one person doing

it over and over. The GIFMIS automation avoids duplication, saves working time spend in handling, finding, and shuffling paper work by reducing execution times from weeks or days to a matter of hours or minutes. National Audit Report (Malawi, 2014).

## 2.14 CORE AND NONCORE OF GIFMIS MODULES

The general ledger, accounts receivable, budgetary accounting, accounts payable are the core modules of GIFMIS, while the procurement, payroll system, cash management and commitment control, debt management, budget development, asset management and revenue administration are the non core modules as shown on the Chart of account below;



**Figure 1 Module of GIFMIS (International Journal of Trade, Economics and Finance, 2011)**

### 2.14.1 THE CORE MODULES OF GIFMIS

One of modules that serves as the foundation for all the subsidiary ledgers both core and non core is the general ledger. It captures all the administrative activities, begins with the budget allocations, commitment of funds, payment of goods and services. The



general ledger module gives a clear view of financial position, the movement of cash inflows and out flows of public institutions. The module is fully integrated with the rest of the modules of GIFMIS and other software that helps in financial and administrative practices of public institutions. It facilitates the posting of all the transactions into subsidiary accounts, applying the rules established by chart of accounts. The account receivable module is capable of managing the categories of inflows that the budget units receive, comprising of non-taxable incomes from sales of goods and services, plus other fees or commissions. The account receivable modules are able to generate bills, process, records the inflow and outflow of cash.

The budgetary accounting module helps to get accurate budget that are reviewed, recorded, approved and authorized by the legislature. The accounts payable module is subsidiary to the general ledger, it has an important system like procurement which is used to prepare vouchers and invoices for various expenditures, maintains a record of liabilities, authorized payments, monitor, avoid arrears, interest payments, and penalties, manage payment efficiently to utilize discounts.

#### **2.14.2 THE NON CORE MODULES OF GIFMIS**

One of the modules for GIFMIS non core functionality is the payroll systems. All receipts and payments are captured in the module. Information to be captured on the payrolls are: employee benefits, salary, allowances (critical support premium) and deductions such as income tax, employees social security fund and employees bank account information etc. The Human Resource Management Information System (HRMIS) is software that runs on GIFMIS platform and integrates with payroll management system that CAGD has introduced as part of the reform for efficient management of public fund, salaries and other service employees benefit (News Ghana,

2014). GIFMIS integration of payroll has reduced the ghost names that were prevalent in the public sector. The management of every institution of Ghana has to validate the employees of that institution by the system called E .S. Payment Voucher, from 15<sup>th</sup> to 20<sup>th</sup> of the month before payment is affected. In order for public institutions to maintain an up-to-date picture of liquidity position and cash requirements the cash management system was introduced. The cash management system can be found in the Budget Units of the MoF, and data are received by revenue department for the collections of revenues, as well as debt from the debt management system. The GIFMIS includes functionality for budget planning in order to prepare the annual budgets. GIFMIS is integrated with the budget preparation system which aids in assessing the budget proposals, data exchange and separate application projections, macro-economic analysis.

For a GIFMIS system to maintain public information on domestic and external borrowings, a debt management system is required. It comprises of information on loan and other transactions, fiscal policy formulation, like forecasts of drawdown and debt-servicing liabilities. Revenue administration module assists in formulation of tax policies and generation of income; taxable and non taxable and ensure that these revenues are properly accounted for.

The Procurement module allows institutions to generate local payment orders (LPOs) after it has been seriously scrutinized. When funds are not available, the system is able to reject procurement at the initial stage that the local payment orders have been issued, especially when cash control and commitments would be breached should the purchase go on. Ghana is the largest purchaser, application of digital technology and procurement opportunities for improvement to the public is paramount and it is the reason behind the introduction of Procure to Pay (P2P) that integrates with the GIFMIS in 2012. (Zsidisin & Ellram, 2001).

## **2.15 CHART OF ACCOUNT**

The COA is a logical and systematic coded of various accounts that are used to record transactions and make up the ledger system. The chart of account indicates series of accounts that financial transactions are recorded and maintained in order to support the needs of stakeholders. The scope and content of these accounts for recording the important financial information are defined in the COA. The accounts are the general ledger and other subsidiary ledgers of the core and non core modules. The information requires in accounting and budget frameworks are recorded in the chart of accounts (Hadden, 2013, USAID, 2008).

COA segments have enough information that meets the reporting needs of various stakeholders, ensure accountability, management and control. The purpose for designing chart of accounts is to know whether the system for processing financial transaction is decentralised or centralized. Under the decentralised payment system expenditure payments are made by the decentralised organisations and should be approved by the MDAs. For the centralized payment system it is the centralised unit that makes expenditure payment to the supplier or beneficiaries in the Controller and Accountant General's Department or the Ministry of Finance (Hadden, 2013, USAID, 2008).

## **2.16 GUIDELINES FOR SUCCESSFUL IMPLEMENTATION OF GIFMIS**

GIFMIS project ensures that the financial resources are available and sufficient. Various experts have indicated that inadequate resources can serve as a hindrance to the successful implementation of GIFMIS. It has to take serious account of some functions as stated bellow:

- System and data administration

- motivation
- wide consultation and acceptance
- Training
- new job descriptions in ministries, departments, and agencies
- Change management
- Parallel reforms and improvements to business processes
- Budgeting and accounting principles
- cash management
- control structure
- Legal framework (GFSM, 2001)

## **2.17 GIFMIS CHALLENGES**

There are factors that account for slow implementation of GIFMIS in the Ministries Department and Agencies that are needed to be addressed. They are as follows:

### **MANAGEMENT IS NOT COMMITED TO CHANGE**

Kurt Lewin a psychologist in early 40"s brought the concept of managing and removing resistance to proposed changes taking place in public institutions. Kurt stated in his work that for effective organisational change, individual behaviours must be addressed. Murphy (2002) stated in Lewin framework that potential change is resisted by forces in opposite direction. There are six primary reasons of resisting change, according to Saunders in 1950s book "resistance to change -analysis and prevention". They are: when the change is not clear to the management that influence the change, when the change is subject to a different interpretations, if those influenced sensed that strong forces dissuading them from a change, if those who influence have put pressure on those influenced to make it instead of them having views in the nature of the change, if it is



on the personal grounds that the change is made and finally, if it ignores established institutions in the group (Diamond and Khemini, 1999).

#### **2.17.2 STAFF SKILLS AND CAPACITY TO OPERATE THE SYSTEM**

One of the main challenges of GIFMIS is lack of adequate human resource. To curb this problem the public service organisations need to organised workshops and training programs regularly which can take along period of time but not necessary that it will achieve the needed results. In the Ministries and Departments there are few skilled labours and after they have acquired enough skills, they move from public sector to the private sector which is a burden for the government. It is necessary that the government will consider the salary of the workers after the training. (Stressman, 1985).

#### **2.17.3 LACK OF CLARITY IN OWNERSHIP OF THE GIFMIS AND CLEAR AUTHORITY TO IMPLEMENT THE GIFMIS**

It is very unclear as to who should manage the GIFMIS project, whether Controller and Accountant General's Department or the Ministry of Finance or both. The Accountant General's Department is in charge of government accounting whiles the Ministry of Finance is managing the budget sector. The MoF determines how the resource should be allocated, whiles the CAGD makes the regulations and also exercise control of the GIFMIS functions. It can be seen that the roles of managing or implementing the GIFMIS are shared. It is observed that to ensure commitment and transparency, the government should resolve the ownership issues (Khemini 2005).

#### **2.17.4 THE NEGLECT TO SELL THE SYSTEM TO AGENCIES**

It important that organisational managers will sensitize their staff about the need to accept the GIFMIS program because it will serve as source where useful financial information will be obtained in order to manage their institutions well. GIFMIS must

not be seen as a tool to control public institutions else it will threaten successful implementation of the program. Public institutions must try to develop their information systems so that they can take opportunity of the GIFMIS. It is important that the government will involve the members of various institutions in the project implementation committee (Diamond and Khemini, 2005).

#### **2.17.5 LACK OF TRAINING**

The new legal and regulatory framework must be part of the staff training so that they can perform their administrative function very well. There is the need to establish fully-new codes, classifications, business procedures, new practices at the initial stage of the GIFMIS development. Additional futures must be added to the staff training to suite the need of the organisations. A large part of the training should be on-the-job training, and “Super-users” should be given a bigger portion of on- the- job training, which means the trainers must be sent to the decentralised institutions that are implementing the GIFMIS program and it is essential that, the trainers are given permanent services (Bretchsneider, 1993)

## **CHAPTER THREE**

### **THE RESEARCH METHODOLOGY**

#### **3.0 INTRODUCTION**

This chapter deals with the methods and technique used in sourcing of information on the benefits and challenges of Ghana Integrated Financial Management Information System (GIFMIS) .It discusses the selection of the research methods, research design, population, sample size and sampling procedures, data collection techniques, research instrument and data analysis. The usefulness of this chapter is to indicate the orderly and systematic steps used by the researcher during data collection stages.

#### **3.1 RESEARCH DESIGN**

Saunders et al, (2007) research design is described as the various plans or techniques used by the researcher in answering the research questions. It accommodates the various strategies that the researcher used for his research work. These strategies includes; descriptive research, survey, qualitative method of data collection. The design was used to describe the benefits and challenges of GIFMIS implementation in the education service of Ghana. A survey was conducted by the researcher in order to get various responses that will help to draw a comprehensive analysis to the study. In this survey, it is the researcher's aim to collect sample from the target population to get the respondents required to answer the questionnaires. In order to obtain accurate information for the research, five selected areas that constitute the accounting and finance department of the service: the accounts, procurement, budget, payroll, and stores. The researcher is to assess how GIFMIS has helped these selected areas of Education Service, to coordinate and share information to enhance the service delivery of the Municipal. The reason of selecting these areas is to assess whether the pressure of meeting work dead line is solved by the GIFMIS, the public confident is restored and

there is no perceived fraud or corrupt activities of the service. Moreover the qualitative approach was employed in the research.

### **3.2 POPULATION**

Population refers to the total number of people in a particular area, organisations, departments, sections or units from which a sample is selected. The target population is the administrative staff of Ghana Education Service, Obuasi. The target population for the study comprises of management, procurement officers, Budget and statistics, stores, payroll and accounts staff of the Second Cycle Schools and Education Office of the Municipal.

### **3.3 SAMPLE SIZE AND SAMPLING TECHNIQUE**

Neuman (2006) the purpose of sampling is to obtain a small collection of units or cases from which the researcher can analyse and ensures that the result produced is a good representation of the entire population. Sample size is the complex exercise that requires qualitative and quantitative considerations (Saunders et al 2007). Instead of involving the entire population of the study, the researchers chose a convenient sampling of the non probability samples that exhibits characteristics typically of those possessed by the target population and generalize the findings to the entire population. This technique helped the researcher to save time by combining academic and research work in order to meet the project time line. The sample population is exactly hundred (100) staff of the study. Out of the 25 questionnaires administered, twenty were recovered which represents 80% of the total questionnaires.



### **3.4 SOURCES OF DATA AND COLLECTION INSTRUMENT**

The primary source of data was collected for the study, the researcher used questionnaires. A Questionnaire is a written instrument that contains a series of questions or statement called items, which attempts to collect information on a particular topic. (Agyedu et al, 2007). Thirty-six (36) questions both open-ended and closed-ended were designed for the study. The twenty-five questionnaires were administered and handed over personally to a selected staff of the Education Service. This method afforded the researchers the opportunity of establishing a rapport, to explain the purpose of the study and meaning of items that were not clear. Out of twenty-five questionnaires distributed, 20 were recovered which represents 80% of the questionnaires.

### **3.5 DATA ANALYSIS**

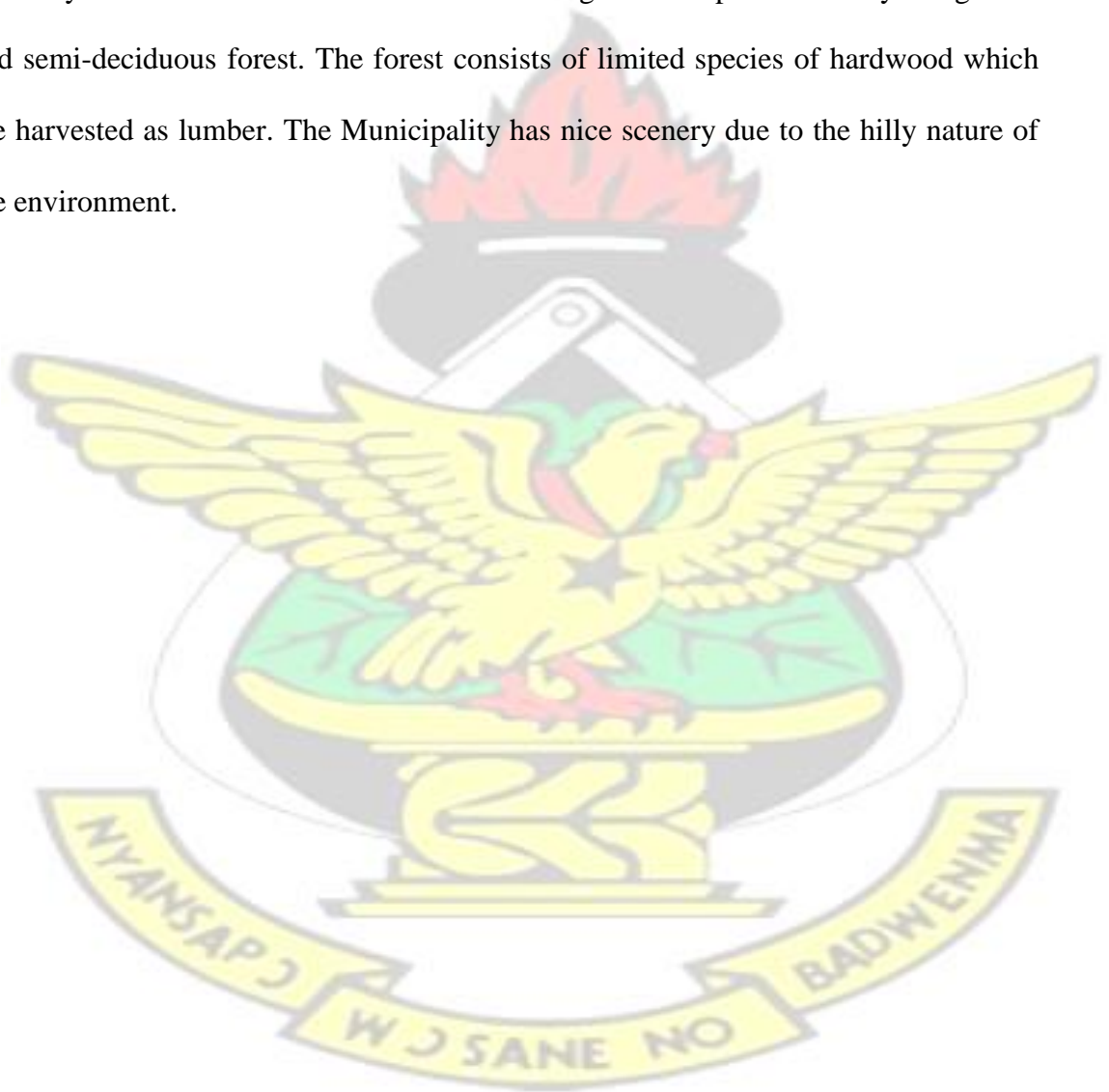
The study adopts qualitative method of data collection techniques. Computer software such as Microsoft excel spread sheet and SPSS were used to analyse the data collected in this research as it deemed the most appropriate considering the nature of data collected. Tables were used to display the result of the study to ensure maximum clarity and objectivity.

### **3.6 PROFILE OF THE STUDY AREA**

Obuasi Municipal Assembly was carved out of the Adansi West District Assembly on the strength of executive instruments (E. I.) 15 of December, 2003 and Legislative Instrument L. I. 1795 of 17th March, 2007. The Municipality can be found in the southern part of Ashanti between latitude 5.35N and 5.65N and longitude 6.35N and 6.90N. It covers a land area of 1624 km<sup>2</sup>. The Municipal has 53 villages and 30 electoral areas. It shares the boundaries: east with Adansi South District, west by Amansie

Central District and to the north by the Adansi North District. It has Obuasi as its Administrative Capital where the famous and rich Obuasi Gold Mine, now AngloGold Ashanti is located.

The Municipality has a rather undulating topography and the climate is of the semiequatorial type with a double rainfall regime. Mean annual rainfall ranges between 1250mm and 1750mm. Mean average annual temperature is 25.5oC and relative humidity is 75% - 80% in the wet season. The vegetation is predominantly a degraded and semi-deciduous forest. The forest consists of limited species of hardwood which are harvested as lumber. The Municipality has nice scenery due to the hilly nature of the environment.



## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS 4.0

#### INTRODUCTION

This chapter deals with the analysis, discussions and presentation of data. The analysis will cover the demographic characteristics, the contribution of GIFMIS to the effective and efficient mobilization of revenue at GES, how GIFMIS promotes efficiency, transparency and accountability in public financial management. It will also cover the contribution of GIFMIS to timely dissemination of information within GES, how GIFMIS has maximized payments and commitment control of funds and the challenges encountered in the use of the GIFMIS. The researcher collected the primary sources of data for the study and administered questionnaires. Out of the twenty-five (25) questionnaires distributed, twenty (20) questionnaires were recovered represents 80% which indicates a higher response rate.

#### 4.1 DEMOGRAPHIC CHARACTERISTICS

This section of the analysis covered the gender, age and rank of the respondents. It also covers the educational background of the respondents as well as the number of years of work experience of the respondents.

Table 4.1 bellow shows the gender of the respondents selected for the study. Out of the total number of 20 staff of Ghana Education Service (GES) who were selected for the study, 50% of them were males and the remaining 50% of the sample were females. This implies that the responses obtained from the study are fair and not bias towards any gender group.

**Table 4.1 Gender of respondents**

Frequency	Percent
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<b>Male</b>	10	50.0
<b>Female</b>	10	50.0
<b>Total</b>	20	100.0

**Source: Field work, July 2015**

Table 4.2 below shows the age category of the respondents selected for the study. From the table, 20% of the respondents were below the age of 30 years. Also, 75% of the sample respondents were between the ages of 30-50 years. Furthermore, 5% of the sample respondents were above 51 years. It can be seen from the analysis that most of the respondents are within their active working years and are therefore likely to give responses that are reliable.

**Table 4.2 Age of respondents**

	<b>Frequency</b>	<b>Percent</b>
<b>Below 30 years</b>	4	20.0
<b>30-50 years</b>	15	75.0
<b>Above 50 years</b>	1	5.0
<b>Total</b>	20	100.0

**Source: Field work, July 2015**

Table 4.3 below shows the rank of the respondents. As seen from the table, 60% of the respondents were Accountants at the GES and 15% were Internal Auditors at the GES. Also, 10% of the respondents were Supply Officers and 15% of them were Directors at the GES. The respondents have been selected from the major stakeholder groups within the GES and as such they had the necessary information regarding the operation of the GIFMIS within the GES and therefore responses obtained from them were reliable.



**Table 4.3 Rank of respondents**

	Frequency	Percent
<b>Accountant</b>	12	60.0
<b>Internal Auditor</b>	3	15.0
<b>Supply Officer</b>	2	10.0
<b>Director</b>	3	15.0
<b>Total</b>	20	100.0

**Source: Field work, July 2015**

Table 4.4 bellow shows the educational background of the respondents. As can be seen from the figure, 55% of the respondents are HND degree holders. Also, 20% of the respondents stated that they hold First Degree Certificates. Furthermore, 25% of the respondents indicated that they hold Second Degree Certificates (Master's Degree). It can be seen from the above analysis that most of the respondents are HND Degree holders and may have knowledge in ICT so with workshops and training, they will be able to use the GIFMIS system for their operations.

**Table 4.4 Educational background of respondents**

	Frequency	Percent
<b>HND</b>	11	55.0
<b>First Degree</b>	4	20.0
<b>Master's Degree</b>	5	25.0
<b>Total</b>	20	100.0

**Source: Field work, July 2015**

As can be seen from Table 4.5 bellow, 20% of the respondents have work experience between 1-5 years. Also, 40% of the respondents have between 6-10 years of work

experience. In addition, 40% of the respondents have work experience of 11 years and above. The respondents are therefore expected to have adequate knowledge of GES processes and activities since most of them have more than six years of work experience in their respective working positions and will therefore be in a position to compare the performance of GES under the GIFMIS system to its performance in the years before the introduction of the GIFMIS.

**Table 4.5 Number of years of work experience**

	Frequency	Percent
<b>1-5 years</b>	4	20.0
<b>6-10 years</b>	8	40.0
<b>11 years and above</b>	8	40.0
<b>Total</b>	20	100.0

**Source: Field work, July 2015**

### **4.3 GIFMIS IN REVENUE COLLECTION**

This section of the analysis discusses the role the GIFMIS is playing towards the effective and efficient collection of revenues within the GES. The results from the respondents regarding the contributions of the GIFMIS in ensuring effective and efficient revenue collection within GES are shown in the table 4.6 below.

**Table 4.6 Effectiveness and Efficiency in revenue collection**

	Strongly		Agree		Neutral		Disagree		Strongly	
Revenue Targets Achieved	7	35	11	55	2	10	0	0	0	0

	11	55	9	45	0	0	0	0	0	0
<b>Reduction in administrative task</b>										
<b>Aid in payment of Tax</b>	8	40	10	50	2	10	0	0	0	0
<b>Strengthened internal controls</b>	10	50	10	50	0	0	0	0	0	0
<b>Reduction in reporting cost</b>	15	75	4	20	1	5	0	0	0	0
<b>Reduction in borrowing</b>	7	35	3	15	10	50	0	0	0	0
<b>Agree Disagree</b>			<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>

cost

Source: Field work, July 2015

#### 4.3.1 Revenue targets achieved

As can be seen from table 4.6 above, 35% of the respondents strongly agree with the statement that the GIFMIS has helped GES to achieve a target in revenue collection. Also, 55% of the respondents also stated that they agree with the statement that the GIFMIS has helped GES to achieve a target in revenue collection. However, 10% of the respondents were indifferent and could not tell whether the GIFMIS has helped GES to achieve a target in revenue collection or not. In summary, it can be deduced from the above analysis that GIFMIS has helped GES to achieve a target in revenue collection.

#### 4.3.2 Reduction in administrative tasks

From table 4.6 above, 55% of the respondents indicated that they are strongly in agreement with the statement that GIFMIS has reduced administrative task by reducing operating cost of hiring employees by revenue agencies. Also, 45% of the respondents stated that they agreed with the statement that GIFMIS has reduced administrative task

by reducing operating cost of hiring employees by revenue agencies. It can therefore be deduced from the above analysis that GIFMIS has helped in reducing administrative tasks in the GES as well as reduced operational cost of hiring employees by revenue agencies.

#### **4.3.3 Aids in payment of Tax**

The results from Table 4.6 above reports 40% of the respondents indicating that they strongly agreed with the statement that GIFMIS aids in payment of tax to Ghana Revenue Authority through Electronic Fund Transfer (EFT). Also, 50% of the respondents stated that they agreed with the statement that GIFMIS aids in payment of tax to Ghana Revenue Authority through Electronic Fund Transfer (EFT). However, 10% of the respondents could not state whether the GIFMIS aids in payment of tax to Ghana Revenue Authority through Electronic Fund Transfer (EFT) or not. It can be deduced from the above analysis that GIFMIS has helped in the payment of taxes by workers to Ghana Revenue Authority through an Electronic Fund Transfer.

#### **4.3.4 Strengthened internal controls**

From table 4.6 above, all the respondents are of the view that the GIFMIS has reenforced internal controls for safeguarding of public money. This means that the GIFMIS is helping in ensuring that internal controls within the public sector are operating effectively.

#### **4.3.5 Reduction in reporting cost**

A total of 95% of the respondents as shown in Table 4.6 above are in agreement with the statement that GIFMIS has reduced cost of reporting budgetary and financial statements to regional or national offices of GES. However, 5% of the respondents are



indifferent and could not say whether GIFMIS has reduced cost of reporting budgetary and financial statements to regional or national offices of GES or not. In summary, it can be said that GIFMIS has reduced cost of reporting budgetary and financial statements to regional or national offices of GES.

#### **4.3.6 Reduction in borrowing costs**

Results from Table 4.6 above shows that 50% of the sample respondents are in agreement with the statement that GIFMIS operates a Treasury Single Accounts that reduces borrowing cost of financing government activities. However, 50% of the respondents could not express an opinion on this issue. It can therefore be concluded that GIFMIS is helping in reducing borrowing costs of financing government activities through the operation of the Treasury Single Accounts system.

#### **4.4 GIFMIS IN PROMOTING EFFICIENCY, TRANSPARENCY AND ACCOUNTABILITY OF PUBLIC FINANCIAL MANAGEMENT**

This section of the analysis covers the roles GIFMIS is playing by promoting efficiency, transparency and accountability in public financial management especially within the GES. The results of the responses from the respondents concerning the role GIFMIS plays in promoting efficiency, transparency and accountability in public financial management are shown in 4.7 below.

	N		N		%		N		%		N		%		N		%	
<b>Promotes transparency</b>	13	65	7	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0

<b>Promotes Accountability</b>	9	45	11	55	0	0	0	0	0	0
<b>Facilitates Payments</b>	12	60	8	40	0	0	0	0	0	0
<b>Transparency in management of property</b>	5	25	10	50	5	25	0	0	0	0
<b>Prevents Fraud</b>	15	75	4	20	1	5	0	0	0	0

**Table 4.7 Efficiency, transparency and accountability in financial management**

	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
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Source: Field work, July 2015

#### 4.4.1 Promotes Transparency

As shown in Table 4.7 above, all the respondent representing 100% of the sample are in agreement with the statement that GIFMIS helps promotes transparency in budget execution of GES. It can therefore be concluded that GIFMIS helps promotes transparency in budget execution of GES.

#### 4.4.2 Promotes Accountability

As can be seen in table 4.7 above, all the respondents indicated that GIFMIS promotes accountability in financial reporting to stakeholders. This is because transactions are being captured fully by the GIFMIS and ensuring full accountability of individuals for use of public financial resources.

#### 4.4.3 Facilitates payments

All the respondents in the study stated that they agreed with the statement that GIFMIS facilitates payments from Metropolitans, Municipal and District Assemblies (MMDAs) and Treasury to government suppliers through Electronic Fund Transfer and

this helps ensure efficiency, transparency and accountability in public financial management.

#### **4.4.4 Ensures transparency in management of government property**

As can be seen from Table 4.7 above, 75% of the respondents stated that the GIFMIS ensures transparency in management of government property because inventory of government assets are usually loaded into the GIFMIS. On the other hand, 25% of the respondents were indifferent and could not express an opinion regarding whether or not the GIFMIS ensures transparency in management of government property. It can be concluded from the above analysis that the GIFMIS ensures transparency in management of government property.

#### **4.4.5 Prevents fraud and promote good governance**

As shown in Table 4.7 above, a total of 95% of the respondents are in agreement with the statement that GIFMIS prevents fraud and promote good governance in the public sector. However, 5% of the respondents were not able to express an opinion on this issue. In summary, it can be said that the use of the GIFMIS helps prevent fraud and promote good governance in public financial management.

### **4.5 GIFMIS IN ENSURING TIMELY DISSEMINATION OF INFORMATION**

This section of the analysis covers discussions on the role that the GIFMIS is playing in promoting the timely dissemination of information within the public sector. The responses from the respondents regarding the role that GIFMIS plays in ensuring timely dissemination of information are shown in Table 4.8 below.

**Table 4.8 Timely dissemination of information**

Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree

	N	%	N	%	N	%	N	%	N	%
<b>Reduces bureaucracy</b>	20	100	0	0	0	0	0	0	0	0
<b>Access to timely information</b>	15	75	5	25	0	0	0	0	0	0
<b>Timely cash and treasury management</b>	19	95	1	5	0	0	0	0	0	0
<b>Improves Service delivery</b>	15	75	5	25	0	0	0	0	0	0
<b>Timely data for decision making</b>	13	65	7	35	0	0	0	0	0	0
<b>Sharing of timely information</b>	19	95	1	5	0	0	0	0	0	0

Source: Field work, July 2015

#### 4.5.1 Reduces bureaucracy

As can be seen in Table 4.8 above, all the respondents representing 100% of the sample are strongly in agreement with the statement that GIFMIS reduces bureaucracy and improves efficiency of information within GES and this help ensures timely dissemination of information regarding public financial management.

#### 4.5.2 Access to timely information

As shown in Table 4.8 above, 75% of the respondents are strongly in agreement and 25% also in agreement with the statement that the GIFMIS system offer access to timely and reliable information to support decision making of GES and this has helped ensure timely dissemination of information.



#### **4.5.3 Timely cash and Treasury management**

All the respondents as shown in Table 4.8 above stated that the GIFMIS has simplified procedures because it has ensures timely cash and treasury management within the public sector and this goes a long way to promote timely dissemination of information within the public sector.

#### **4.5.4 Improves Service delivery**

As seen in Table 4.8 above, 100% of the respondents are in agreement with the statement that GIFMIS has helped improve service delivery by providing citizens with better access to information concerning public financial management.

#### **4.5.5 Provision of timely data**

From Table 4.8 above, 65% of the respondents are strongly in agreement and 35% of the respondents are also in agreement with the statement that GIFMIS ensures provision of timely and accurate data for management budget decision making. This is because data are being captured into the system and are readily available any time the need arises.

#### **4.5.6 Sharing of timely information**

As can be seen in Table 4.8 above, 100% of the respondents are in agreement with the statement that GIFMIS allows financial management players to share timely information and transactions online making it easier to disseminate information quickly within the GES.

### **4.6 GIFMIS IN MAXIMIZING PAYMENT AND COMMITMENT**

## CONTROLS OF BUDGET FUND

This section of the analysis discusses the role GIFMIS plays in maximizing payment and commitment controls of budget fund within the public sector. The responses from the respondents regarding the role the GIFMIS plays in ensuring maximization of payments and commitment controls of budget fund are shown in Table 4.9 below.

**Table 4.9 Maximization of payments and commitment controls of budget fund**

	<b>Strongly Agree</b>		<b>Agree</b>		<b>Neutral</b>		<b>Disagree</b>		<b>Strongly Disagree</b>	
	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>
<b>Able to reject payments</b>	6	30	1	60	1	5	1	5	0	0
<b>Reduction in operational losses</b>	4	20	1	60	4	20	0	0	0	0
<b>Generation of local payment orders</b>	10	50	7	35	2	10	1	5	0	0
<b>Proper record of subsidy</b>	6	30	9	45	5	25	0	0	0	0
<b>Uniform format for expenditure returns</b>	11	55	8	40	1	5	0	0	0	0
<b>No duplication of effort</b>	9	45	9	45	2	10	0	0	0	0

Source: Field work, July 2015

### 4.6.1 Able to reject payments in the absence of funds

As can be seen from Table 4.9 above, 90% of the respondents are in agreement with the statement that GIFMIS helps in maximization of payments and commitment controls of budget fund in the sense that the system is able to reject payments when funds are not available in order to control breach of commitment of fund. However, 5% of the respondents disagree with the statement that the GIFMIS system is able to reject payments when funds are not available and help to control breach of commitment of fund. Also, 5% of the respondents are indifferent with respect to this issue. It can therefore be concluded from the above analysis that the GIFMIS helps in maximization of payments and commitment control of budget fund by helping to control breach of commitment of fund or cash.

#### **4.6.2 Reduction in operational losses**

As shown in Table 4.9 above, 80% of the respondents agreed with the statement that the GIFMIS helps in reducing operational losses through control mechanisms which track budget multiple process status and undue payments. However, 20% of the respondents could not express an opinion as to whether or not the GIFMIS helps in reducing operational losses through control mechanisms which track budget multiple process status and undue payments. In summary, it can be deduced from the above analysis that the GIFMIS helps in reducing operational losses through control mechanisms which track budget multiple process status and undue payments.

#### **4.6.3 Ability to generate local payment orders**

As shown in Table 4.9 above, 85% of the respondents indicated that they are in agreement with the statement that the GIFMIS is able to maximize payment and commitment control of budget fund because of the ability to generate local payment orders. However, 5% of the respondents are in disagreement with the statement that the GIFMIS is able to maximize payment and commitment control of budget fund. Also, 10% of the respondents were indifferent on this matter. In summary, it can be deduced from the above analysis that the GIFMIS is able to maximize payment and commitment control of budget fund and has the ability to generate local payment orders.

#### **4.6.4 Proper record of subsidy**

As depicted in Table 4.9, 75% of the respondents agreed with the statement that the GIFMIS helps in ensuring proper record of subsidy and grants receive from government for administrative purposes. However, 25% of the respondents were not sure whether the GIFMIS helps in ensuring proper record of subsidy and grants receive from government for administrative purposes. In summary, it can be concluded from the

above analysis that the GIFMIS helps in ensuring proper record of subsidy and grants receive from government for administrative purposes.

#### **4.6.5 Uniform format for submission of expenditure returns**

As can be seen from Table 4.9 above, 95% of the respondents stated that they agreed with the statement that there is uniform format for submission of expenditure returns and preparation of final accounts using the GIFMIS chart of accounts. Also, 5% of the respondents were indifferent and did not express an opinion on this issue. In summary, it can be deduced from the above analysis that there is uniform format for submission of expenditure returns and preparation of final accounts using the GIFMIS chart of accounts.

#### **4.6.6 No duplication of efforts**

From Table 4.9 above, 90% of the sample respondents are in agreement with the fact that there is no duplication of effort under the GIFMIS system. However, 10% of the respondents were not able to say whether they agree with the statement or not. It can be concluded from the above analysis that there is no duplication of effort under the GIFMIS system.

### **4.7 CHALLENGES ASSOCIATED WITH THE USE OF GIFMIS**

This section of the study covers analysis of responses from the respondents regarding the challenges GES has been encountering in implementing the GIFMIS system. The results of the analysis of the respondent's responses are shown in the Table 4.10 below.

#### **4.10 Challenges GES encountering in using GIFMIS**

<b>Strongly Agree</b>		<b>Agree</b>		<b>Neutral</b>		<b>Disagree</b>		<b>Strongly Disagree</b>	
<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>	<b>N</b>	<b>%</b>



<b>Lack of management commitment</b>	0	0	1	5	0	0	8	40	11	55
<b>Staffs lack skills</b>	9	45	10	50	0	0	0	0	1	5
<b>No laid down plans for staff training</b>	1	5	2	10	0	0	12	60	5	25
<b>Poor feedback</b>	3	15	9	45	0	0	6	30	2	10
<b>Lack of clear ownership</b>	1	5	2	10	7	35	7	35	3	15
<b>Absence of system in other departments</b>	9	45	8	40	1	5	2	10	0	0

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**Source: Field work, July 2015**

#### **4.7.1 Lack of management commitment**

As shown in Table 4.10 above, 5% of the respondents are in agreement with the fact that one of the challenges being encountered in the implementation of the GIFMIS is that management of GES are not committed to the change. However, 95% of the respondents disagreed with the fact that management of GES are not committed to the change with respect to the implementation of the GIFMIS. It can therefore be concluded from the above analysis that lack of management commitment is not a challenge encountered in the implementation of the GIFMIS.

#### **4.7.2 Staffs lack the necessary skills**

As shown in Table 4.10 above, 95% of the respondents indicated that one of the challenges encountered by GES in the implementation of the GIFMIS system is that the staffs lack the requisite skills for operation, maintenance and implementation of the system. However, 5% of the respondents are in disagreement with the statement. In summary, the above analysis shows that one of the challenges encountered in the implementation of the GIFMIS is the requisite skills needed by staff for the operation and maintenance of the system.

#### **4.7.3 No laid down plans for staff training**

As shown in Table 4.10 above, 15% of the respondents indicated that lack of laid down plans for staff training is a challenge being encountered in the implementation of the GIFMIS. However, 85% of the respondents disagreed with the statement that there are laid down plans for staff training in order to acquire the necessary skills needed to operate the GIFMIS system. In summary, it can be deduced from the above analysis that there are laid down plans by GES in order to train staffs to acquire the necessary skills needed for ensuring the effective and efficient implementation of the GIFMIS system.

#### **4.7.4 Poor feedback**

As shown in Table 4.10 above, 60% of the respondents indicated that poor feedback for assessing budgetary performance is one of the challenges being faced in the implementation of the GIFMIS. However, 40% of the respondents disagreed with the statement. In conclusion, it can be said that there is poor feedback in assessing budgetary performance through the use of the GIFMIS system.

#### **4.7.5 Lack of clear ownership**

From Table 4.10 above, 15% of the respondents indicated that one of the challenges being encountered in the use of the GIFMIS is that there is no clear ownership and authority of GIFMIS by institutions such as the Ministry of Finance (MoF) and the Controller and Accountant-General department (CAGD) who manage the system. However, 50% of the respondents disagreed with the fact that one of the challenges encountered in the use of the GIFMIS is that there is no clear ownership and authority of GIFMIS by institutions such as the Ministry of Finance (MoF) and the Controller and Accountant-General's Department (CAGD) who manage the system. Also, 35% of

the respondents were indifferent on this issue. In summary, it can be concluded from the above analysis that there is clear ownership and authority of GIFMIS by institutions such as the Ministry of Finance (MoF) and the Controller and Accountant General department (CAGD) who manage the system.

#### **4.7.6 Absence of the GIFMIS system in other departments**

As can be seen from Table 4.10 above, 85% of the respondents are in agreement with the fact that one of the challenges encountered in the implementation of the GIFMIS system is that management has failed to sell the system to other departments and agencies. However, 10% of the respondents disagreed with this statement. Also, 5% of the respondents were indifferent and could not express an opinion on this matter. In summary, it can be deduced from the above analysis that one of the challenges being encountered in the implementation of the GIFMIS system is that management has failed to sell the system to other departments and agencies of the GES.

#### **4.8 FACTORS WHICH ACCOUNT FOR LOW PERFORMANCE OF THE GIFMIS**

This section of the study covers discussion of the factors which hinder the effective and efficient operation of the GIFMIS system thereby resulting in its low performance. The results of the responses from the respondents are shown in Table 4.11 below.

**Table 4.11 Factors accounting for the low performance of the GIFMIS**

	<b>Frequency</b>	<b>Percent</b>
<b>Lack of enough resources and personnel</b>	<b>5</b>	<b>25.0</b>
<b>Frequent power cuts</b>	<b>4</b>	<b>20.0</b>
<b>Resistance to change by some staff</b>	<b>4</b>	<b>20.0</b>
<b>Lack of computer skills by staff</b>	<b>6</b>	<b>30.0</b>

<b>Program does not cover all the departments</b>	<b>1</b>	<b>5.0</b>
<b>Total</b>	<b>20</b>	<b>100.0</b>

**Source: Field work, July 2015**

From Table 4.11 above, 25% of the respondents indicated that one of the factors hindering the smooth implementation and operation of the GIFMIS is lack of personnel and resources to operate the system. Also, 20% of the respondents stated that another factor resulting in the low performance of the GIFMIS is the frequent power cuts. In addition, 20% and 30% of the respondents stated that resistance to change by some staff and lack of computer skills by staff are some of the factors inhibiting the smooth operations of the GIFMIS system. Furthermore, 5% of the respondents indicated that GIFMIS system is not operating efficiently because the system does not cover all the departments. In summary, it can be concluded that the factors that are hindering the smooth operation of the GIFMIS system are lack of enough resources and personnel, frequent power cuts, resistance to change by some staff, lack of computer skills by staff and the system which does not cover all the departments.

#### **4.9 MEASURES TO ENSURE EFFECTIVE OPERATION OF THE GIFMIS**

This section of the analysis covers analysis of responses from the respondents regarding the measures that can be put in place to ensure that the GIFMIS operates effectively and efficiently.

As can be seen in Table 4.12 below, 45% of the respondents indicated that one of the measures that can be put in place to ensure the effective operation of the GIFMIS system is that government should inject more funds to provide resources to support the program. This will help the Ghana Education Service to organize training for staffs as well as acquiring more computers needed for the effective operation of the system.



Also, 35% of the respondents are of the view that there is the need for training of more system administrators by GIFMIS consultants in order to equip staff with the necessary skills needed to operate the system. Furthermore, 20% of the respondents indicated that there is the need for public sensitization in order to create staffs awareness of the need to accept the system. In summary, the measures that can be put in place in order to ensure the effective and efficient operation of the GIFMIS system are government should inject more funds to provide resources to support the program, training of more system administrators by GIFMIS consultants and public sensitization on the need for all staff to accept the system.

**Table 4.12 Measures to Ensure Effective Implementation of GIFMIS**

	<b>Frequency</b>	<b>Percent</b>
<b>Government should inject more funds to provide resources to support the program</b>	9	45.0
<b>Training of more system administrators by GIFMIS consultants</b>	7	35.0
<b>Public sensitization on the need for all staff to accept the system</b>	4	20.0
<b>Total</b>	20	100.0

**Source: Field work, July 2015**

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION 5.1**

#### **INTRODUCTION**

This chapter deals with a summary of the main findings of the study. It will cover among others the contribution of GIFMIS to the effective and efficient mobilization of revenue in GES, how GIFMIS promotes efficiency, transparency and accountability of public financial management. It will also cover the contribution of GIFMIS to timely dissemination of information within GES, how GIFMIS has maximized payments and commitment control of funds and the challenges encountered in the use of the GIFMIS.

#### **5.2 SUMMARY OF MAIN FINDINGS**

The results revealed that GIFMIS has helped GES to achieve a target in revenue collection. The results further revealed that GIFMIS has helped in reducing administrative tasks of the GES as well as reducing operational cost of hiring employees by revenue agencies. The analysis revealed that GIFMIS has helped in payment of taxes by public institutions to Ghana Revenue Authority by means of Electronic Fund Transfer. The results from the analysis further indicated that the GIFMIS has reinforced internal controls for safeguarding of public money. It was also evidenced from the analysis that GIFMIS has reduced cost of reporting budgetary and financial statements to regional or national offices of GES.

In addition, the findings showed that GIFMIS is helping in reducing borrowing costs of financing government activities through the operation of the Treasury Single Accounts system.

The results from the analysis revealed that GIFMIS helps promotes transparency in budget execution of GES. The analysis further revealed that GIFMIS promotes accountability in financial reporting to stakeholders. This is because transactions are captured fully by the GIFMIS by ensuring full accountability of individuals for use of public financial resources. Also, the findings from the research revealed that GIFMIS facilitates payments from Metropolitans, Municipal and District Assemblies (MMDAs) and Treasury to government suppliers through Electronic Fund Transfer and this helps ensure efficiency, transparency and accountability in public financial management. The analysis also showed that the GIFMIS ensures transparency in management of government property because inventory of government assets are usually loaded into the GIFMIS. In addition, the findings from the study revealed that the use of the GIFMIS helps prevent fraud and promote good governance in public financial management.

The findings from the research indicated that GIFMIS reduces bureaucracy and improve efficiency of information in GES and this help ensures timely dissemination of information regarding public financial management. The results also showed that the GIFMIS system offer access to timely and reliable information to support decision making in GES and this has helped ensure timely dissemination of information.

The findings from the research also showed that the GIFMIS has simplified procedures, ensures timely cash and treasury management within the public sector and this goes a long way to promote timely dissemination of information within the public sector. The

results also revealed that GIFMIS has helped improve service delivery by providing citizens with better access to information concerning public financial management. Furthermore, the research findings indicated that GIFMIS ensures provision of timely and accurate data for management budgetary decision making. This is because data are captured into the system and are readily available any time the need arises. The results also revealed that GIFMIS allows public financial management personnel to share timely information and transactions online making it easier to disseminate information quickly within the GES.

The results from the analysis revealed that the GIFMIS has helped in maximizing payments and commitment controls of budget fund and it is able to reject payments when funds are not available thereby helping to control breach of commitment of fund or cash. The results also showed that the GIFMIS helps in reducing operational losses through control mechanisms which track budget multiple process status and undue payments. Also, the findings showed that the GIFMIS is able to maximize payment and commitment control of budget fund because the system is able to generate local payment orders. It was also evidenced from the analysis that the GIFMIS helps in ensuring proper record of subsidy and grants receive from government for administrative purposes. The findings from the research also showed that there is uniform format for submission of expenditure returns and preparation of final accounts using the GIFMIS chart of accounts. The results also showed that there is no duplication of effort under the GIFMIS system.

The findings from the research indicated that lack of management commitment is not a challenge encountered in the implementation of the GIFMIS. The results from the analysis also revealed that one of the challenges encountered in the implementation of



the GIFMIS is that staffs lack the requisite skills needed for the operation, maintenance and implementation of the system. The results also indicated that there are laid down plans by GES in order to train staffs to acquire the necessary skills needed for ensuring the effective and efficient implementation of the GIFMIS system. The results from the analysis also showed that there is poor feedback in assessing budgetary performance through the use of the GIFMIS system. The findings also revealed that there is clear ownership and authority of GIFMIS by institutions such as the Ministry of Finance (MoF) and the Controller and Accountant-General department (CAGD) who manage the system. The findings also showed that one of the challenges being encountered in the implementation of the GIFMIS system is that management has failed to sell the system to other departments and agencies.

It was also revealed from the analysis that the factors that are hindering the smooth operation of the GIFMIS system are lack of enough resources and personnel, frequent power cuts, resistance to change by some staff, lack of computer skills by staff and the program does not cover all the departments.

The results from the analysis revealed that the measures that can be put in place in order to ensure the effective and efficient operation of the GIFMIS system are: government should inject more funds to provide resources to support the program, training of more system administrators by GIFMIS consultants and public sensitization on the need for all staff to accept the system.

## **5.2 CONCLUSION**

This study assesses the benefits and challenges of Ghana Integrated Financial Management Information System (GIFMIS) which has been designed for use within the GES. The results showed that even though the GIFMIS system is necessary in

ensuring effective and efficient revenue collection, ensuring efficiency, transparency and accountability in financial management, ensuring timely dissemination of information and maximizing payments and commitment controls of budget funds, there are a lot of challenges hindering its smooth operations and including lack of enough resources and personnel, frequent power cuts, resistance to change by some staff, lack of computer skills by staff and the fact that the program does not cover all the departments of the GES.

### **5.3 RECOMMENDATIONS**

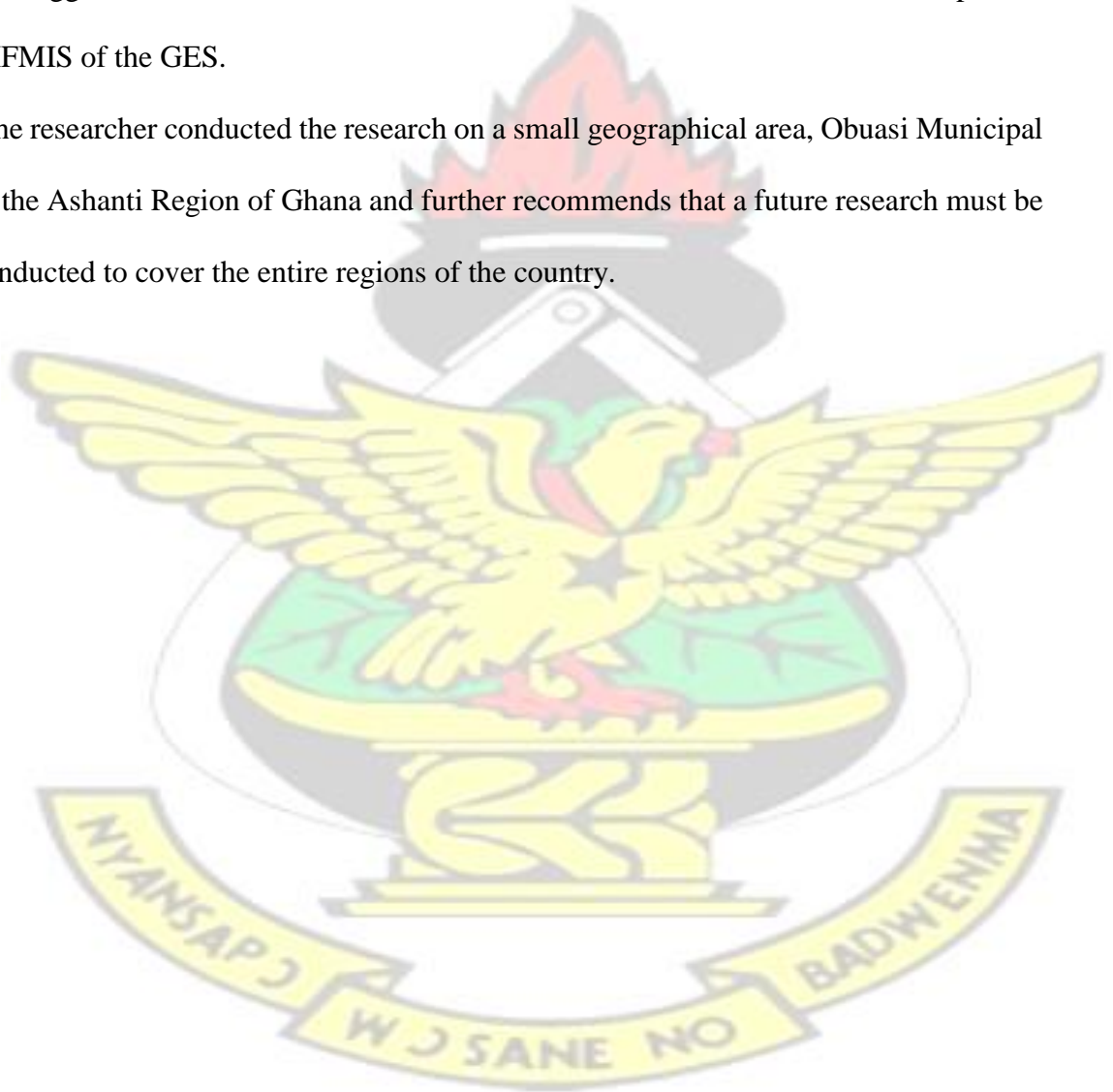
1. Government of Ghana should try to inject more funds into the GIFMIS system in order to help provide resources such as computers and other facilities needed to support the program.
2. There is also the need for training of more system administrators by GIFMIS consultants. This will help ensure that there are adequate staffs with the requisite knowledge and expertise needed to operate the GIFMIS system.
3. There is also the need for GES to organize public sensitization programs in all schools in order to help educate all personnel within the GES on the benefits of using the GIFMIS and the need for all staff to accept the system. This will help avoid resistance to change by staff.
4. The GIFMIS system should also be introduced all departments within the public sector and not only applied to GES. This will help ensure complete transparency and accountability for use of public resources within government agencies.

#### **5.4 RECOMMENDATION FOR FURTHER STUDIES**

The researcher examined the benefits and challenges of GIFMIS to the Education Service of Ghana. The system started in 8 Ministries, Department and Agencies of the public sector of Ghana. Education Service is only one of the MDAs and I therefore suggest that further studies will be conducted in the rest of the MDAs.

Since GIFMIS is at its implementation stage, the researcher cannot assess the effect and suggest further that a research will be conducted in future to assess the impact of GIFMIS of the GES.

The researcher conducted the research on a small geographical area, Obuasi Municipal of the Ashanti Region of Ghana and further recommends that a future research must be conducted to cover the entire regions of the country.



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## APPENDIX

### QUESTIONNAIRE

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF ARTS AND SOCIAL SCIENCES

SCHOOL OF BUSINESS

DEPARTMENT ACCOUNTING AND FINANCE

#### RESEARCH QUESTIONNAIRE

TOPIC: THE BENEFIT AND CHALLENGES OF GHANA INTEGRATED

FINANCIAL MANAGEMENT INFORMATION SYSTEM (GIFMIS)

DESIGNED FOR MANAGEMENT AND ACCOUNTS STAFF, G.E.S OBUASI

This questionnaire is an academic exercise in partial fulfilment for the award of Masters Degree programme in Business Administration (Finance option) and the data will not be used in any other way but solely for academic purpose. Your response will be treated confidentially and will not be disclosed to the third party. It is my expectation that you will feel free to give answers to the best of your knowledge.

Please tick [ ] the appropriate box where applicable.

#### PERSONAL INFORMATION

- 1 Gender:                      Male    [   ]    Female [   ]
- 2 Age: Below 30 year                      [   ]  
              Between 30-50 years                      [   ]  
              Above    50 year                      [   ]
- 3 Rank..... Position you occupy.....
- 4 What is the educational background of the accounting and finance staff of the Ghana Education Service?  
  
Degree [   ]    Professional [   ]    HND [   ]    Others [   ]
- 5 How long have you been working with this institution?

## EFFECTIVENESS AND EFFICIENCY IN REVENUE COLLECTION

Please indicate your level of agreement or disagreement with each of these questions.

Please answer the question by ticking the box [ ] of your choice. 1 is strongly agree, 2 agree, 3 neutral, 4 disagree and 5 strongly disagree.

	1	2	3	4	5
6 The GIFMIS system has helped the GES to achieve a target in revenue collection					
7 GIFMIS has reduced administrative task by reducing operating cost of hiring employees by revenue agencies					
8 GIFMIS aids in payment of tax to Ghana Revenue Authority through Electronic Fund Transfer (EFT)					
9 GIFMIS has re-enforced internal controls for safeguarding of public money					
10 GIFMIS has reduced cost of reporting budgetary and financial statements to regional or national offices of the GES					
11 GIFMIS operates a Single Treasury Accounts that reduces borrowing cost of financing government activities.					

## EFFICIENCY, TRANSPARENCY AND ACCOUNTABILITY IN FINANCIAL MANAGEMENT

	1	2	3	4	5
12 GIFMIS promotes transparency in budget execution of GES					
13 GIFMIS promotes accountability in financial reporting to stakeholders					
14 GIFMIS facilitates payments from MDAs and Treasury to government suppliers through electronic fund transfer (EFT)					



15 Inventory of government assets is loaded into the GIFMIS to ensure transparency in management of government property.					
16 GIFMIS prevents fraud and promote good governance					

## **TIMELY DISSEMINATION OF INFORMATION FOR PUBLIC FINANCIAL MANAGEMENT**

	1	2	3	4	5
17 GIFMIS reduces bureaucracy and improve efficiency of information					
18 The system offer access to timely and reliable information to support decision making.					
19 GIFMIS simplify the procedure by ensuring timely cash and treasury management					
20 GIFMIS improves service delivery by providing citizens with better access to information					
21 Provision of timely, accurate data for management budget decision-making					
22 The GIFMIS allows financial management players to share timely information and transact online					

## **MAXIMISE PAYMENT AND COMMITMENT CONTROLS OF BUDGET**

### **FUND**

	1	2	3	4	5
23 The system is able to rejects payments when funds are not available, that is where commitment and cash control would be breached.					
24 The GIFMIS control mechanism to track budget multiple process status, undue payment to reduce operational losses					

25 The system is able to generate local payment orders (LPOs)					
26 There is a proper record of subsidy and grants receive from government for administrative purposes					
27 There is uniform format for submission of expenditure returns and preparation of final account using GIFMIS chart of accounts					
28 There is no duplicating of effort					

### THE CHALLENGES OF USING GIFMIS

	1	2	3	4	5
29 The management is not committed to change in GES					
30 The staff do not have requisite skills for operation, maintenance and implementation of the system					
31 There is no laid down plan for staff training and development of the					
32 Poor feedback for assessing budgetary performance					
33 There is no clear ownership and authority of GIFMIS by institution such as MOF and CAGD who manage the system					
34 Management has failed to sell the system to other departments and agencies.					

35 What factors account for low performance of the GIFMIS?

i).....

ii).....

iii)..... 36

How can these factors be addressed to ensure that the service leave up to expectation?

i).....

ii).....

iii).....

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