

Ghana Education Trust Act, 2000

Act 581

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THE FIVE HUNDRED AND EIGHTY –FIRST
ACT
OF THE REPUBLIC OF GHANA
ENTITLED
THE GHANA EDUCATION TRUST FUND ACT 2000

AN ACT to establish a fund to assist nation-wide with financial of education; provide for the management of the fund and to provide for related matters.

DATE OF ASSENT: 25th August, 2000

BE IT ENACTED by Parliament as follow:

PART 1- ESTABLISHMENT OF THE GHANA EDUCATION TRUST FUND

Establishment of the fund

1. There is established by this Act the Ghana Education Trust Fund.

Object of the Fund

2. (1) The object of the Fund is to provide finance to supplement the provision of the education at all levels by Government
(2) For the purposes of attaining this object, the monies from the Fund are to be expended as follows:

(a) to provide financial support to the agencies and institutions under the Ministry of Education, through the Ministry, for the development and maintenance of essential academic facilities and infrastructure in public educational institutions, particularly, in tertiary institutions;

(b) to provide supplementary funding to the Scholarship Secretariat for the grant of scholarships of gifted but needy students for studies in the second-cycle and accredited tertiary institutions in Ghana;

© to contribute monies from the Fund towards the operation of student loans schemes for students in accredited tertiary institutions through loan scheme mechanisms and agencies, approved by the Minister;

(d) to provide through the National Council of Tertiary Education, grants to tertiary institutions,

(i) to train brilliant students as members of faculties;

(ii) to undertake research and other academic programmes of relevance to national development; and

(e) to provide monies to support such other educational activities and programmes for the promotion of education as the Minister in consultation with the Board may determine.

Sources of money for the Fund

3. The sources for the money of the Fund are as follows:
 - (a) An amount of money, equivalent to two and one half percent out of the prevailing rate of the Value Added Tax to be paid by the Value Added Tax Service to the Fund or such percentage not being less than two and one half percent of the Value Added Tax rate, as Parliament may determine;
 - (b) Such other money as may be allocated by Parliament for the Fund;
 - (c) Money that accrues to the Fund from investment made by the Board of Trustees of the Fund
 - (d) Grants, donations, gifts and other voluntary contributions of the Fund and
 - (e) Other monies or property that may in the manner become lawfully payable and vested in the Board of Trustees for the Fund

Bank account for the Fund

4. (1) Monies of the Fund shall vest in the Board of Trustees and shall be paid into bank accounts that shall be opened by the Board with the approval of the Accountant General.

(2) The Value Added Tax Service shall within 30 days of receipt of Value Added Tax revenue pay directly into the bank account opened under subsection (1) the proportion of the Value Added Tax revenue that is required to be paid into Fund under section 3(a)

Headquarters of the Fund

5. The headquarters of the Fund shall be in Accra.

Appointment of Board of Trustees of the Fund

6. (1) There is established by this Act a Board of Trustees for the Fund comprising the following members:
 - (a) A chairman;
 - (b) One representative of the Ministry of Finance not below the rank of a director
 - (c) One representative of religious bodies
 - (d) The Executive Secretary of the Revenue Agencies (Governing) Board.
 - (e) The Administrator of Fund
 - (f) One representative of the Ministry of Education not below the rank of a Director
 - (g) One representative of the National Council on Tertiary Education;
 - (h) Three representatives of the established financial institutions one of whom shall be a woman
 - (i) One representative of Universities and Polytechnics in rotation;
 - (j) One representative of the Ghana National Association of Teachers;
 - (k) One representative of the National Union of Ghana Students and Ghana National Union of Polytechnic Students in rotation;
 - (l) One representative of the Association of Ghana Industries;
 - (m) One other person who is a woman nominated by the National Council on women and Development;

- (n) One representative of the Ghana Employers Association; and
 - (o) One representative of the Ghana Education Service Council
- (2) The members of the Board of Trustees shall be appointed by the President acting in consultation with the Council of State.
- (3) The President shall in appointing the Chairman and the other members of the Board under subsection (1) have regard to the integrity, knowledge, expertise and experience of the persons and in particular their knowledge in matters relevant to the functions of the Board.
- (4) The Board of Trustees shall be a body corporate with perpetual succession and a common seal and may sue in its corporate name.
- (5) The Body may
- (a) enter into contract
 - (b) acquire, purchase and hold movable and immovable property; and
 - (c) convey, assign and transfer any movable or immovable property or any interest vested in it.

Functions of the Board and policy directives

7. (1) The Board of Trustees is responsible for the management of the Fund and for that purpose has the following powers and functions;
- (a) Pursue policies to achieve the object of the Fund;
 - (b) Collect or arrange to be collected monies lawfully due to the schemes for students in tertiary institutions;
 - (c) Invest some monies of the Fund in such safe securities as it considers financially beneficial to the Fund;
 - (d) Contribute in accordance with section 2 (2)(c), monies from the Fund towards the operation of student loan schemes for students in tertiary institutions;
 - (e) Invest some monies of the Fund in such safe securities as it considers financially beneficial to the Fund;
 - (f) Approve and pay expenditure charged on the fund in such safe securities as it considers financially beneficial to the Fund.
 - (g) Organize fund-raising activities to raise money for the Fund;
 - (h) Impose such charges as it considers necessary for services rendered by the secretariat of the Fund;
 - (i) Subject to this Act, exercise and have in respect of the Fund the powers, duties, obligations and liabilities of trustees; and
 - (j) Perform any other function conferred on it under this Act or incidental to the achievement of the object of the Fund.
- (2) The Minister may give general directives in writing to the Board on matters of policy and the Board shall comply with the directives.

Establishment of accounts and proportions of money for levels of education

8. (1) There shall be established by the Board within the Fund accounts in respect of the following:
- (a) Tertiary education
 - (b) Second-cycle education

- (c) Basic education
- (d) Investment and
- (e) Other related aspects of education such as distance education, school and public libraries and special education.

(2) The Board shall submit annually to Parliament for approval a formula for the distribution of monies to the various accounts under subsection (1)

- (3) The Board, in preparing the formula for Parliament shall take into consideration
- (a) the promotion of the study of Mathematics, Science and Technology;
 - (b) the advancement of female education
 - (c) the reduction in the high level of illiteracy in historically disadvantaged area, and
 - (d) the promotion of computer, vocational and technical education and training.

(4) Funds allocated under the formula in respect of pre-tertiary education shall be equitably distributed to the districts.

Fund-Raising activities of the Board

9. (1) Without prejudice to section 11 of this Act there is established by this Act a National Education Fund-Raising Committee of the Board.
- (2) The National Education Fund-Raising Committee shall comprise at least five members of the Board and such other persons as the Board shall in consultation with the Minister determine except that there shall be on the Committee at least one representative from each region of the country.
- (3) The National Education Fund-Raising committee shall be assigned such functions as the Board shall determine.

Meetings of the Board

10. (1) The Board shall meet for the dispatch of business at a time and place determined by the Board but shall meet at least once every three months
- (2) The National Education Fund-Raising Committee shall comprise at least five members of the Board convene a special meeting of the Board.
- (3) The quorum at a meeting of the Board shall be ten members and shall include the Administrator.
- (4) The chairman shall preside at every meeting at which he is present and in his absence a member of the Board elected by the members present from among their number shall preside.
- (5) Questions before the Board shall be decided by a majority of the members present and voting.
- (6) The present presiding at a meeting of the Board shall in the event of equality of votes have a second or casting vote.
- (7) The Board may co-opt any person to act as an advisor at its meetings but no co-opted person is entitled to vote at the meeting
- (8) The validity of the proceedings of the Board shall not be affected by a vacancy among its members or by a defect in the appointment or qualification of a member.
- (9) Except as otherwise provided under this section, the Board shall determine and regulate the procedure for its meetings.

Committees of the Board

11. The Board may for purposes of achieving the object of the Fund appoint committees of the Board comprising members of the Board or non-members or both and may assign to them such of its functions as the Board and shall not without the consent of the Board take part in any deliberation or decision of the Board with respect to that Board.

Disclosure of interest

12. (1) A member of the Board who has an interest directly or indirectly in any matter being considered or dealt with by the Board shall disclose the nature of that interest at a meeting at a meeting of the Board take part in any deliberation or decision of the Board with respect to that matter.
(2) A member who fails to disclose an interest under subsection (1) and participates in the proceedings of the Board without the consent of the Board shall be removed from the Board.

Allowance for members of the Board

13. The chairman and the other members of the Board shall be paid from the Fund such allowances as the Minister in consultation with the Minister responsible for Finance may determine.

Tenure of members of the Board

14. (1) The chairman or any other member of the Board other than the Executive Secretary of the Revenue Agencies (Governing) Board and the Administrator of the Fund shall hold office for a period not exceeding four years and is on the expiration of that period eligible for re-appointment except that no member shall serve for more than two consecutive terms.
(2) A member of the Board other than the administrator and the Executive Secretary of the Revenue Agencies (Governing) Board may at any time by letter addressed to the President through the Minister resign from office.
(3) A member who is absent from four consecutive meetings of the Board without sufficient cause ceases to be a member of the Board.
(4) The chairman or any other member of the Board may be removed from office by the President for inability to perform the functions of his office, for stated misbehavior or for any other just cause
(5) The Chairman of the Board shall notify the Minister of vacancies that occur in the membership of the Board within one month of the occurrence of the vacancy.
(6) Where a person is appointed to fill a vacancy, that person shall hold office for the remainder of the term of the previous member and shall subject to the provisions of this act be eligible for re-appointment.

PART III-ADMINISTRATIVE, FINANCIAL AND MICELLANEOUS PROVISIONS

Appointment of Administrator and Deputy Administrator and their functions

15. (1) There shall be appointed by the President in accordance with the advice of the Board given in consultation with the Public Services Commission and Administrator and a Deputy Administrator of the Fund.
(2) The Administrator and Deputy Administrator shall hold office on the terms and conditions specified in their letters of appointment.

- (3) The Administrator shall be the secretary to the Board and shall be the head of the secretariat of the Fund.
- (4) Subject to the directives of the Board, the Administrator shall be responsible for the day to day management of the Fund and shall ensure the implementation of the decisions of the Board.
- (5) The Administrator may subject to such conditions as he may determine, delegate some functions of his office to any officer of the secretariat of the Fund except that he shall not be relieved from ultimate responsibility for the discharge of the delegated functions.
- (6) The Deputy Administrator shall in the absence of the Administrator perform the functions of the Administrator.

Appointment of internal auditor

16. (1) There shall be appointed an internal auditor for the Fund who shall be responsible to the Administrator in the performance of his duties.
- (2) The internal auditor shall at the end of every three months submit a report to the audit of the Fund carried out by the auditor in respect of that period to the chairman of the Board.
- (3) The chairman of the Board shall submit copy of the report to the Minister and the Minister responsible for finance.

Appointment of other staff

17. (1)n The President acting in accordance with the advice of the Board given in consultation with the Public Services Commission shall appoint the internal auditor and other employees necessary for the effective performance of the functions of the Board.
- (2) The President may delegate the power of appointment of public officers under this Part in accordance with article 195 (2) of the Constitution.
- (3) Other public officers may be transferred or seconded to the Secretariat of the Fund
- (4) The Board may on the recommendations of the Administrator engage the services of such experts and consultants as the Board may determine

Expenses of the Fund

18. (1) The Salaries of employees of the Fund shall be the same as those applicable to employees of equivalent status in the Public Service and shall be paid out of such monies as may be allocated by Parliament from the Fund
- (2) All administrative expenses of the Fund shall be paid out of the Fund subject to the approval of the Minister acting in consultation with the Minister of Finance.

Tax Exemption

19. The Fund is exempt from payment of all tax.

Accounts and audit

20. (1) The Board shall keep in respect of the Fund books of account and records shall be in such form as the Auditor-General may approve
- (2) The books of account shall be audited by the Auditor-General or by an auditor appointed by him within three months after the end of each financial year.
- (3) In addition to the annual audit, technical audits shall be conducted on selective basis by the Auditor-General.

Financial control

21. (1) The Board shall in writing provide arrangement for distribution of monies from the Fund
(2) Cheques and other promissory notes may only be issued upon the direction of the Board and shall be signed by the Administrator and two other members of the Board unless the Board determines that sums not exceeding specified amounts may be signed by the Administrator only.

Annual report

22. (1) The Board shall submit to the Minister as soon as practicable and in any event not more than six months after the end of each financial year a report dealing generally with the activities and operation of the Fund during the year to which the report relates and shall include
- (a) The audited accounts of the Fund and the Auditor-General's report on the accounts of the Fund; and
 - (b) Such other information as the Board may consider necessary
- (2) The Minister shall within two months after the receipt of the annual report submit the report to Parliament with such statement as he considers necessary.

Financial Year

23. The financial year of the Fund shall be the same as the financial year of the Government.

Regulations

24. The Minister on the advice of the Board may by legislative instrument make Regulation to prescribe, generally for the effective implementation of this Act.

Interpretation

25. In this Act unless the context otherwise requires:
- “accredited tertiary institution” means a tertiary institution accredited by the National Accreditation Board
 - “basic school” means public nursery, primary and junior secondary;
 - “Board” means the Board of Trustees established for the Fund under section 6;
 - “education” means education in an approved basic school, second cycle school and an accredited Tertiary institution;
 - “Fund” means the Ghana Education Trust Fund established under section 1;
 - “Minister” means the Minister responsible for Education;
 - “research grant” means an outright financial grant awarded to a citizen to undertake a specific academic research;
 - “rotation” means public senior secondary school and technical and vocational school;
 - “student” means a person in any institution of education who is a citizen;
 - “student loan scheme” means a scheme operated nation-wide for the grant of loans to students in accredited tertiary institution, namely,
 - (a) A university or university college;
 - (b) A polytechnic;
 - (c) Diploma awarding teacher training college; and
 - (d) Post senior secondary school institution;
 - “Trustees” means members of the Board of Trustees.

Date of Gazette notification: 1st September, 2000