



ENERGY COMMISSION

ADDRESS

Ghana Airways Avenue Airport
Residential Area (behind Alliance
Francaise)

Private Mail Bag Ministries
Post Office Accra – Ghana

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

POST CODE

GA-037-3212

CONTACT

PHONE:
0302-813-756/7

FAX:
0302813764

WEBSITE:

www.energycom.gov.gh

EMAIL:

info@energycom.gov.gh

Table of Contents

Corporate Information for the year ended 31 December, 2022	ii
Five-year Financial Summary and Highlights.....	1
Report of the Governing Board of Directors	2
Corporate Governance (CG) Report	4
Independent Auditor’s report to the Governing Board	5
Statement of Financial Position as at 31 December, 2022.....	8
Statement of Financial Performance as at 31 December, 2022	9
Statement of Accumulated Fund as at 31 December, 2022	10
Statement of Cash Flow as at 31 December, 2022	11
Statement of comparison of budget and actual performance for the year ended 31 December, 2022.....	12
Notes to the financial statements	16

ENERGY COMMISSION

Annual Report and Financial Statements for
the year ended 31 December 2022

Corporate Information for the year ended 31 December, 2022

Governing Board

Prof. Ebenezer Owusu Oduro	Chairman
Dr. Isaac Frimpong Mensa-Bonsu	Member
Dr. Kodjo Esseim Mensah-Abrampa	Member
Mr. Moses Aristophanes Kwame Gyasi	Member
Kpembewura Banbange Ndefoso (IV) (Mr. Dari Bismark Haruna)	Member
Hon. Lydia Seyram Alhassan	Member
Ing. Oscar Amonoo-Neizer	Member
Mr. Kwasi K. Bosompem	(Executive Secretary) Controller and Accountant-General

Board Secretary/Legal Officer

Ms. Cecilia Agbenyega

Principal place of business

Ghana Airways Avenue
Behind Alliance Français
Airport Residential Area
GA-037-3212.

Registered office

PMB Ministries Post
Office, Accra.

Independent Auditor

Eddie Nikoi Accounting
Consultancy.
GA-056-8119
P.O. Box OS 51
Osu - Accra

Bankers

Bank of Ghana
Ecobank Ghana Limited
Ghana Commercial Bank

**FIVE-YEAR FINANCIAL SUMMARY AND HIGHLIGHTS FOR THE YEAR ENDED
31 DECEMBER 2022**

(All amounts are in Ghana cedi unless otherwise stated)

Five-year Financial summary	2022 GH¢	2021 GH¢	2020 GH¢	2019 GH¢	2018 GH¢
Income	73,358,194	56,045,803	50,483,794	61,392,953	43,765,482
Expenditure	(55,581,224)	(31,258,923)	(29,361,003)	(36,714,798)	(30,863,549)
Excess	17,776,970	24,786,880	21,122,791	24,678,155	12,901,933
Total assets	85,004,634	67,274,086	43,505,558	78,948,542	53,692,825
Total equity	82,958,622	65,181,652	40,394,772	72,165,339	47,487,184
Total Liabilities	2,046,012	2,092,434	3,110,786	6,783,203	6,205,641

Financial Highlights	2022 GH¢	2021 GH¢	Change GH¢	Percentage Change %
Income	73,358,194	56,045,803	17,312,391	31
Expenditure	(55,581,224)	(31,258,923)	(24,322,301)	78
Excess	17,776,970	24,786,880	(7,009,910)	(28)
Total assets	85,004,634	67,274,086	17,730,548	26
Total equity	82,958,622	65,181,652	17,776,970	27
Total Liabilities	2,046,012	2,092,434	(46,422)	(2)

Report of the Governing Board of Directors

The Governing Board presents its report and the Financial Statements of the Commission for the year ended 31 December 2022.

In preparing these financial statements, the Governing Board is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable International Public Sector Accounting Standards (IPSAS) have been followed, subject to any material departures disclosed and explained in the Financial Statements.
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Commission will continue in business into the foreseeable future.

Governing Board's Responsibility for the Financial Statements

The Governing Board is responsible for the preparation of the Financial Statements for each financial year, which gives a true and fair view of the Statement of Financial Position, Financial Performance and Cash Flows for the period. In preparing these Financial Statements, the Governing Board selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed accrual basis of International Public Sector Accounting Standards (IPSAS) and the requirements of the Public Financial Management Act 2016 (Act 921), Public Financial Management Regulations 2019 (L.i. 2378), Income Tax Act, 2015 (Act 896), Value Added Tax Act 2013 (Act 870) as amended, Public Procurement Act 2003 (Act 663) as amended and all other applicable laws and regulations.

The Governing Board is responsible for ensuring that the Commission keeps proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Commission. The Governing Board is also responsible for safeguarding the assets of the Commission and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Commission is mandated under the Energy Commission Act 1997, (Act 541) [as amended by Energy Commission Amendment Act 2016, (Act 933)] which is:

To manage the utilization of energy resources in Ghana, to provide the legal, regulatory and supervisory framework from all providers of energy services in the country: specifically, by the granting of licenses for the transmission, wholesale supply, distribution and sale of electricity and natural gas and related matters. There was no change in the nature of the business during the year.

Ownership Structure

The Commission is established by an Act of Parliament, Energy Commission Act, 1997 (Act 541) as amended and as such fully owned by the Government of Ghana.

Governing Board's Interest

None of the Members of the Commission's Governing Board has any interest in the ownership of the Commission during the year under consideration. None of the Members of the Commission's Governing Board has a material interest in any contract of significance.

ENERGY COMMISSIONAnnual Report and Financial Statements
for the year ended 31 December 2022**Report of the Governing Board of Directors (continued)****Financial results for the year:**

	2022 GH¢	2021 GH¢
Beginning balance of equity brought forward of	65,181,652	40,394,772
The Commission recorded excess income over expenditure of	17,776,970	24,786,880
	-----	-----
Closing balance on equity carried forward of	82,958,622	65,181,652
	-----	-----

The Governing Board Members confirm to the best of their knowledge, that:

- The Financial Statements, prepared in accordance with applicable laws and IPSAS, give a true and fair view of the Commission's Financial Position, Performance and Cash Flows and
- The state of the Commission's affairs is satisfactory.

Auditor

In accordance with the Energy Commission Act 1997, (Act 541) [as amended], Messrs. Eddie Nikoi Accounting Consultancy (ENAC) has been approved and appointed by the Auditor-General of Ghana as the Commission's auditor for the 2022 financial year.

Approval of the Financial Statements

The financial statements of the Energy Commission were approved by the Governing Board and signed on their behalf by:

Board Chairman: Prof. Ebenezer Owusu Oduro**Executive Secretary:** Ing. Oscar Amonoo-Neizer

Signature:.....

Signature:.....

Date:.....

Date:.....

Corporate Governance (CG) Report

The Governing Board is committed to strong corporate governance practices that allocate rights and responsibilities among the Commission’s members, the Governing Board and Management to provide an effective oversight and management of the Commission in a manner that enhances stakeholders’ value and promotes and stakeholders’ confidence. The Commission’s corporate governance principles are contained in a number of corporate documents. The Governing Board oversees the conduct of the Commission’s business and is primarily responsible for providing effective governance over the Commission’s key affairs, including the appointment of Management (excluding the Executive Secretary), approval of business strategies, and evaluation of performances and assessment of major risks facing the Commission.

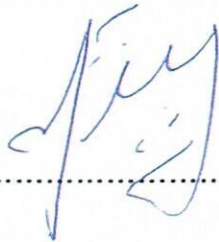
In discharging its obligations, the Governing Board exercises judgement in the best interest of the Commission and relies on the Commission’s Management to implement approved business strategies, resolve day-to-day operational issues, keep the Governing Board informed, and maintain and promote high ethical standards. The Governing Board delegates authority in relation to such delegation of authority and the circumstances in which Executive Secretary shall be required to obtain Governing Board’s approval prior to taking a decision on behalf of the Commission. The Governing Board is made up of six non-Executive members and one Executive Member.

The Commissions’ commitment to ensuring international best practice in terms of Corporate Governance remains strong and unwavering.

Board Chairman: Prof. Ebenezer Owusu Oduro

Executive Secretary: Ing. Oscar Amonoo-Neizer

Signature:



Signature:



Date:

19/07/23

Date:

17/7/23



EDDIE NIKOI ACCOUNTING CONSULTANCY

Chartered Accountants, Management Consultants, Fixed Assets Management and Revaluation Experts.

Affiliated to PrimeGlobal | An Association of Independent Accounting Firms

HEAD OFFICE:

Kofi Aniefi Street
Behind Osu KFC (Sixth Hse. on the left)
Osu RE, X'borg, Accra
P.O. Box OS 51, Osu -Accra
Tel: (233-302) 774041, 778784
Mobile: 024 434 4041 /020 434 4041 /027 710 4041
GPS Address: GA-056-8119
E-mail: eddienikoiosu@gmail.com / enacosu@yahoo.com/
info@enacgh.com
Website: www.enacghana.com

DZORWULU ANNEX:

H/No. C617/14
Tetteh - Kwei Street
Last Chance Area
Paulina's Beauty Salon Building
Dzorwulu -Accra
Office Tel: (233-302) 783403
Mobile: 024 635 6568
GPS Address: GA-157-2770
E-mail: infodz@enacgh.com
enacd@yaho.com

Independent Auditor's report to the Governing Board

Opinion

In our opinion, the Financial Statements presented on pages 8 to 11 give a true and fair view of the financial position of the Energy Commission as at 31st December, 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Public Financial Management Act, 2016 (Act 921), the International Public Sector Accounting Standards (IPSAS) and Energy Commission Act, 1997 (Act 541) as amended.

We have audited the Financial Statements of Energy Commission, which comprises the Statement of Financial Position as at 31st December 2022, Statements of Financial Performance, Changes in Accumulated Fund, Statement of Cash Flows for the year then ended and notes to the Financial Statements, which include a summary of significant Accounting Policies, Statement of Comparison of Budget and Actual Performance and other explanatory notes as set out on pages 12 to 35.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Governing Board for the Financial Statements

The Governing Board is responsible for the preparation of the Financial Statements that give a true and fair view in accordance with the International Public Sector Accounting Standards (IPSAS) and the provisions of the Energy Commission Act 1997 (Act 541) as amended, and for such internal controls as the Governing Board determines are necessary to enable the preparation of these Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Governing Board is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Board either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

Report on the Financial Statements (continued)**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Governing Board, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As part of the audit in accordance with ISAs, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude, on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We, again, obtained sufficient appropriate audit evidence regarding the financial information of the Commission to enable us express an opinion on the financial statements.

Report on the Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

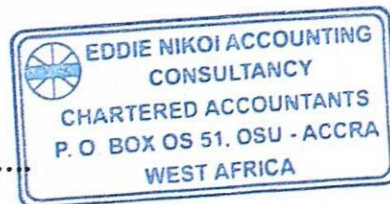
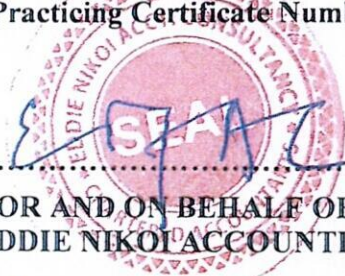
Compliance with the requirements of Section 49 of the Energy Commission Act 1997 (Act 541) [as amended].

We confirm that we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

In carrying out our audit we consider and report on the following matters.

- i) In our opinion, proper books of account have been kept by the Commission, in so far as appears from our examination of those books; and
- ii) The Commission's books of account are in a form approved by the Auditor-General.
- iii) The financial year of the Commission is the same as the financial year of the Government of Ghana.

The engagement partner on the audit resulting in this independent auditor's report is **Edmund Nikoi** (Practicing Certificate Number ICAG/P/1040)



FOR AND ON BEHALF OF:
EDDIE NIKOI ACCOUNTING CONSULTANCY: (ICAG/F/2023/110)
P. O. BOX OS 51
OSU-ACCRA

DATE: 20th July 2023

**GRADED "A" AUDIT FIRM BY THE INSTITUTE OF CHARTERED ACCOUNTANTS
GHANA**

STATEMENT OF FINANCIAL POSITION as at 31st December 2022
(All amounts are stated in Ghana cedi unless otherwise stated)

Assets	Note	2022	2021
Non- Current Assets		GH¢	GH¢
Property and Equipment	4	13,388,616	14,545,458
Intangible Assets	5	-	78,229
Total Non-Current Assets		13,388,616	14,623,687
Current Assets			
Inventories	6	821,962	321,901
Trade and Other Receivables	7	31,881,969	29,708,096
Cash and Cash Equivalent	8	38,912,087	22,620,402
Total Current Assets		71,616,018	52,650,399
Total Assets		85,004,634	67,274,086
Equity			
Accumulated Fund	9	82,958,622	65,181,652
Total Equity		82,958,622	65,181,652
Current Liabilities			
Trade and Other Payables	10	2,046,012	2,092,434
Total Liabilities		2,046,012	2,092,434
Total Equity and Liabilities		85,004,634	67,274,086

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of Energy Commission, were approved by the Governing Board on 17th July, 2023 and signed on their behalf by:

Board Chairman: Prof. Ebenezer Owusu Oduro Executive Secretary: Ing. Oscar Amonoo-Neizer

Signature:  Signature: 

Date: 17/7/23 Date: 17/7/23

The accompanying notes on pages 16 – 35 form an integral part of these financial statements

STATEMENT OF FINANCIAL PERFORMANCE as at 31st December, 2022
(All amounts are stated in Ghana cedi unless otherwise stated)

Income	Note	2022 GHC	2021 GHC
Revenue	11	68,138,543	55,628,052
Other Income	12	5,219,651	417,751
Total Income		73,358,194	56,045,803
Expenditure			
Compensation	13	(20,457,824)	(15,320,310)
Goods and Services	14	(35,123,400)	(15,938,613)
Total Expenditure		(55,581,224)	(31,258,923)
Surplus transferred to Accumulated Fund		17,776,970	24,786,880

The accompanying notes on pages 16 – 35 form an integral part of these financial statements

STATEMENT OF ACCUMULATED FUND as at 31st December, 2022
(All amounts are stated in Ghana cedi unless otherwise stated)

	Note	2022 GH¢	2021 GH¢
Balance at the beginning of the year		65,181,652	40,394,772
Surplus for the year		17,776,970	24,786,880
Balance at the end of the year		82,958,622	65,181,652

The accompanying notes on pages 16 – 35 form an integral part of these financial statements

STATEMENT OF CASH FLOW as at 31st December, 2022
(All amounts are stated in Ghana cedi unless otherwise stated)

	Note	2022 GH¢	2021 GH¢
Net Cash generated from operating activities	15	17,667,066	20,521,418
Cash flow from investing activities			
Acquisition of property and equipment	4	(1,375,381)	(2,963,843)
Acquisition of Intangible Assets	5	-	(55,620)
		-----	-----
Net Cash used in investing activities		(1,375,381)	(3,019,463)
		-----	-----
Net increase in cash and cash equivalent		16,291,685	17,501,955
Balance at the beginning of the year		22,620,402	5,118,447
		-----	-----
Balance at the end of the year	8	38,912,087	22,620,402
		=====	=====

The accompanying notes on pages 16 – 35 form an integral part of these financial statements

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL PERFORMANCE

for the twelve months period ended 31st December, 2022

(All amounts are stated in Ghana cedi unless otherwise stated)

	Budget	Actual on	Variance
	2022	Comparable basis	2022
	GHC	GHC	GHC
INFLOW			
Energy Fund	64,700,881	50,209,679	14,491,202
Regulatory Levy	11,675,269	14,699,108	(3,023,839)
Total Expected Inflow	76,376,150	64,908,787	11,467,363
EXPENDITURE			
Renewable Energy, Energy Efficiency Promotion & Climate Change:			
Renewable Energy & SE4ALL	3,764,735	2,875,623	889,112
Energy Efficiency & Climate Change	700,150	684,458	15,692
Sub-total	4,464,885	3,560,081	904,804
Electricity and Natural Gas Directorate			
Electricity Market Oversight Panel	1,116,804	-	1,116,804
Technical Regulations	2,695,310	1,876,163	819,147
Social Environmental impact unit	152,340	152,340	-
Sub-total	3,964,454	2,028,503	1,935,951
Strategic Planning & Policy Directorate:			
Planning & Policy Research unit	912,440	894,993	17,447
Monitoring & Evaluation unit	641,800	641,620	180
Sub-total	1,554,240	1,536,613	17,627

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL PERFORMANCE

for the twelve months period ended 31st December, 2022

(All amounts are stated in Ghana cedi unless otherwise stated)

	Budget	Actual on	Variance
	2022	comparable basis	2022
	GHC	GHC	GHC
Office of Executive Secretary			
Executive Secretary Secretariat	3,733,210	1,464,114	2,269,096
Board and Legal Secretariat	2,947,855	1,942,121	1,005,734
Internal Audit	503,950	289,524	214,426
Sub-total	7,185,015	3,695,759	3,489,256
Finance and Admin Directorate:			
Human Resources & Admin	8,747,011	6,356,452	2,390,559
Finance Unit	31,297,944	21,397,785	9,900,159
Procurement Unit	15,187,439	12,243,057	2,944,382
Public Affairs Unit	3,650,062	1,463,691	2,186,371
Information Technology Unit	325,100	203,726	121,374
Sub-total	59,207,556	41,664,711	17,542,845
Grand Total Expenditure	76,376,150	<u>52,485,667</u>	<u>23,890,483</u>

ENERGY COMMISSION

Annual Report and Financial Statements
for the year ended 31 December 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL PERFORMANCE

for the twelve months period ended 31st December, 2021

(All amounts are stated in Ghana cedi unless otherwise stated)

	Budget	Actual on	Variance
	2021	Comparable basis	2021
	GHC	GHC	GHC
INFLOW			
Energy Fund	59,493,017	52,551,206	6,941,811
Regulatory Levy	8,764,316	11,707,347	(2,943,031)
Other Income	-	-	-
Total Expected Inflow	68,257,333	64,258,553	3,998,780
EXPENDITURE			
Renewable Energy, Energy Efficiency Promotion & Climate Change:			
Renewable Energy & SE4ALL	3,322,000	2,097,939	1,224,061
Energy Efficiency & Climate Change	3,569,400	640,281	2,929,119
Sub-total	6,891,400	2,738,220	4,153,180
Electricity and Natural Gas Directorate			
Electricity Market Oversight Panel	1,153,514	-	1,153,514
Technical Regulations	1,920,450	1,394,341	526,109
Social Environmental impact unit	87,100	48,510	38,590
Sub-total	3,161,064	1,442,851	1,718,213
Strategic Planning & Policy Directorate:			
Planning & Policy Research unit	2,546,392	438,051	2,108,341
Monitoring & Evaluation unit	327,300	-	327,300
Sub-total	2,873,692	438,051	2,435,641

ENERGY COMMISSION

Annual Report and Financial Statements
for the year ended 31 December 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL PERFORMANCE

for the twelve months period ended 31st December, 2021

(All amounts are stated in Ghana cedi unless otherwise stated)

	Budget	Actual on	Variance
	2021	comparable basis	2021
	GHC	2021	2021
		GHC	GHC
Office of Executive Secretary			
Executive Secretary Secretariat	2,680,000	859,910	1,820,090
Board and Legal Secretariat	2,413,440	1,144,973	1,268,467
Internal Audit	586,100	233,880	352,220
Sub-total	5,679,540	2,238,763	3,440,777
Finance and Admin Directorate:			
Human Resources & Admin	9,705,665	5,945,477	3,760,188
Finance Unit	33,797,168	16,162,409	17,634,759
Procurement Unit	4,045,404	1,155,323	2,890,081
Public Affairs Unit	1,220,200	770,176	450,024
Information Technology Unit	883,200	155,645	727,555
Sub-total	49,651,637	24,189,030	25,462,607
Grand Total Expenditure	68,257,333	31,046,915	37,210,418

The accompanying notes on pages 16 – 35 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

1. Reporting entity

The Energy Commission (Commission) is a statutory body corporate domiciled in Ghana with perpetual succession and a common seal established by Energy Commission Act 1997, (Act 541) [as amended]. The Commission is required by law to regulate and manage the development and utilization of energy resources in Ghana as well as to provide the legal, regulatory and supervisory framework for all providers of energy in the country, especially by granting licenses for transmission, wholesale, supply, distribution and sale of electricity and natural gas and related matter.

The address of the Commission's principal place of business is Ghana Airways Avenue, Behind Alliance Française, Airport Residential Area, GA-037-3212.

Object and functions of the Commission

The object of the Commission is to regulate and manage the utilization of energy resources in Ghana and coordinate policies in relation to them.

In accordance with section 2 of Act 541 [as amended by Act 933] that elaborates the functions of the Commission, the Commission shall:

- Recommend national policies for the development and utilization of indigenous energy resources;
- Advise the Minister on national policies for the efficient, economical and safe supply of electricity and natural gas having due regard to the national economy;
- Prepare, review and update periodically indicative national plans to ensure that all reasonable demands for energy are met;
- Secure a comprehensive data base for national decision making on the extent of development and utilization of energy resources available to the nation;
- Receive and assess applications, and grant licenses under this Act to public utilities for the transmission, wholesale supply, distribution and sale of electricity and natural gas;
- Establish and enforce, in consultation with the Public Utilities Regulatory Commission, standards and performance for public utilities engaged in the transmission, wholesale supply, distribution and sale of electricity and natural gas;
- Promote and ensure uniform rules of practice for the transmission, wholesale supply, distribution and sale of electricity and natural gas;
- promote local content and local participation in the supply, transmission, distribution and sale of electricity and natural gas and the provision of allied services to support national development
- Maintain a register of public utilities licensed under this Act in the country;
- Pursue and ensure strict compliance with this Act and regulations made under this Act; and perform any other function assigned to it under this Act or any other enactment.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

2. Basis of preparation

2.1 Statement of compliance and presentation of financial statements

The financial statements of Energy Commission for the year ended 31st December, 2022 have been prepared in accordance with International Public Sector Accounting Standards and in the manner required by the Energy Commission Act 1997 (Act 541) [as amended] and any other applicable regulatory and legal requirements.

The financial statements were authorized for issue by the Governing Board on2023.

2.2 Basis of measurement

The measurement basis applied is the historical cost basis.

2.3 Functional and presentation currency

These financial statements are presented in Ghana Cedi which is the Commission's functional currency. All amounts have been rounded to the nearest Ghana Cedis, unless otherwise indicated.

2.4 Use of judgments and estimates

In preparing the Commission's financial statements, management has made judgments, estimates and assumptions that affect the application of the International Public Sector Accounting Standards and the reported amounts of assets, income and expenditure. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Information about assumptions and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3.5 Recognition and measurement of financial instruments (IPSAS 29); key assumptions in determining the weighted average loss rate.

Note 3.7 Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3. Summary of significant accounting policies**3.1 Cash and cash equivalents**

Cash and cash equivalent comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Ghana and at various commercial banks at the end of the financial year. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.2 Inventories

The Commission's inventories consist of consumables. Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.

3.3 Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated losses. Internally generated intangible assets excluding capitalized development costs are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over their useful lives. Intangible assets comprise Computer software (general ledger account and payroll). The useful lives of these assets are 3 – 5 years. Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the assets may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life is reviewed at the end of each reporting period. Changes in the expected useful life are reviewed according to the pattern of consumption of future economic benefits embodied in the asset as considered to modify the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expenses category is consistent with the nature of the amounts measured as the asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

Class of Assets	Annual Amortization (%)
Software	33.33

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.4 Property and equipment

All property and equipment are stated as cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property and equipment are required to be replaced at intervals, the Commission recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life.

Class of Assets	Annual depreciation (%)
Land and Building	2
Motor Vehicle	25
Machinery	20
Office Furniture and Fittings	12.5
Computer and Accessories	33.33

The assets' residual value and useful lives are reviewed, and adjusted prospectively, if appropriate at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount. The Commission derecognizes items of property and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or services potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

Capital work in progress: property and equipment under construction are stated at initial cost and depreciated from the date the asset is available for use over its estimated useful life. Cost of capital work in progress includes the cost of materials and direct labour and any other costs directly attributable to bring the asset to a working condition for its intended use.

Assets are transferred from capital work in progress to an appropriate category of property and equipment when they become ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.5 Financial instruments**3.5.1 Financial assets (including receivables)****3.5.1a Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 financial Instruments: Recognition and Measurement are classified as loans and receivables and held-to-maturity investments. The Commission determines the classification of its financial assets at initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulations or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date the Commission commits to purchase or sell the asset. The Commission's financial assets include: cash and short-term deposits and trade receivables; loans and other receivables.

3.5.1b Subsequent measurement

The subsequent measurement of financial assets depends on the classification.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount of premium on acquisition and fees or cost that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Commission has the positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

3.5.1c De-recognition

The Commission derecognizes a financial asset or, where applicable, a part of a financial asset or part of a commission of similar financial assets when:

- The rights to receive cash flows from the asset have expired or is waived
- The Commission has transferred its rights to receive cash flows in full without material delay to a third party; and either: (a) the Commission has transferred substantially all the risks and rewards of the asset; or (b) the Commission has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.5 Financial instruments (continued)**3.5.1d Impairment of financial assets**

The Commission assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or group of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults).

For financial assets carried at amortized cost, the Commission first assess whether objective evidence of impairment exists individual for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Commission determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

3.5.1e Financial assets carried at amortized cost

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the Commission.

If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to financial costs in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.5 Financial instruments (continued)**3.5.2 Financial liabilities****3.5.2a Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Commission determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowing, plus directly attribute transaction costs.

The Commission's financial liabilities are mainly trade and other payable.

3.5.2b Subsequent measurement

All financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.5.2c Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in surplus or deficit.

3.5.2d Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a current enforceable legal rights to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.5.2e Fair value of financial instrument

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.6 Employee benefit**3.6.1 Retirement benefit plans**

The Commission provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payments of retirement benefits are charged against income in the year in which they become payable. The Commission is required by the National Pension Act, 2008 (Act 766), as amended, to make a monthly contribution of 13% of its employees' basic salaries, whilst the employee contributes 5.5% making a total of 18.5% of workers basic salaries.

The Commission also contributes to a staff provident fund which is maintained for all permanent employees. The Commission contributes 5% of its employees' basic salary monthly to the funds. The employees also contribute 11.5% of their basic salaries to the fund. These contributions are charged to the operating account when employees have rendered the service entitling them to the contributions.

3.7 Provisions, Contingent Liabilities and Contingent Assets**3.7.1 Provisions**

Provisions are recognized when the Commission has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

Where the Commission expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

3.7.2 Contingent liabilities

The Commission does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefit or service potential is remote.

3.7.3 Contingent assets

The Commission does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Commission in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.8 Revenue recognition.

Assets and revenue arising from taxation transaction are recognized in accordance with the requirements of IPSAS 23, Revenue from Non-Exchange Transactions.

The entity recognizes revenue from the transfer of funds from the Energy Fund and the Regulatory levy; when the event occurs and the recognition criteria are met. All these items have the common attribute that they transfer resources from the entity to another without providing approximately equal value in exchange.

Transfers satisfy the criteria for revenue recognition when it is probable that the inflow of resources will occur and their fair value can be measured.

3.8.1 Transfers from Energy Fund

The Energy Fund is made up of revenues from the Petroleum levy, Permit, fees and Licenses and Electricity Demand Management fund.

Petroleum levy: is derived from the Energy Sector Levies Act, 2015 (Act 899). The particular levy in the act is the energy Fund Levy and is GHp 1.0 per litre on Petrol, Kerosene, Diesel and Fuel oil. The collecting agency is the Ghana Revenue Authority and the purpose is to support the Energy Commission Activities. Revenues are recognized by the Commission based on a funding allocation letter received from the Ministry of Finance.

Permit, fees and licenses: are derived from any business or commercial activity for the transmission, wholesale supply, distribution or sale of electricity or natural gas in compliance with the Energy Commission Act, 1997 (Act 541). Unless expressly exempted under this act, all business or commercial activities are required to do so by license. The permits, fees and licenses collected from businesses or commercial activity are recognized when a receipt is issued/billed to a customer. Measurement is based on the fair value of the accounts receivable or cash recognized as at the date of recognition.

Electricity Demand Management Fund: The Commission, as part of the regulatory framework of the Energy Sector in Ghana, receives funding from the EDMF project in order to facilitate the comprehensive Demand Side Management (DSM) programme. This programme aims to improve the productivity and competitiveness of Ghanaian industries and consumer markets through the use of more efficient technologies. This revenue stream is recognized when funds are received as the Commission is already satisfying the conditions for receipt through its regulatory measures.

3.8.2 Regulatory Levy

Revenues in this category are derived from the Public Utilities Regulatory Commission (Amendment) Act, 2010 (Act 800). The Public Utilities Regulatory Commission (PURC) imposes a levy on electricity and natural gas transmission services. The Commission is to receive a 15% share of these levies imposed. The Commission recognizes revenue when it receives notification from Ghana Grid Company Limited (GRIDCo) confirming how much its allocation will amount to.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.9 Changes in accounting policies and estimates

The Commission recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively, if a retrospective application is impractical. The Commission recognizes the effects of changes in accounting estimate prospectively by including in surplus or deficit.

3.10 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical costs in a foreign currency are translated at the exchange rate at the date of the transaction.

3.11 Related parties

The Commission regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Commission, or vice versa. Members of key management are regarded as related parties and comprise the Governing Board, the Executive Secretary, Directors and Deputy Directors.

3.12 Budget information

The annual budget is prepared on the cash basis that is all planned costs and income are presented in a single statement to determine the needs of the Commission. As a result of the adoption of the cash basis for budgeting purposes, there are basis differences that would require reconciliation between the actual comparable amount and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

Explanatory comments are provided in the notes to the financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or under spending on line items. These budget figures are those approved by the governing board.

- (a) The Commission's budget is prepared on a cash basis using classification based on selected budget categories and covers the same period (1 January to 31 December) as the conventional financial statements. The budget was approved by the Governing Board of the Commission and then was submitted to the sector ministry (Ministry of Energy) for a no-objection approval. During the year there were no reclassifications between budget line items.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.12 Budget information (continued)

- (b) The Commission's budget is prepared using a different basis from the financial statements. The financial statements are prepared on an accrual basis using a classification based on the functional expenses in the statement of financial performance, while the budget is prepared on a cash basis in the different budget categories. The amounts in the financial statements were therefore translated from the accrual basis to the cash basis and actuals from the financial statement were also adjusted to conform to the budget categories adopted from the Statement of Comparison of Budget and Actual Amounts.
- (c) Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There were no timing differences for the Commission.
- (d) The Commission did not realize its budget because of the following:

Inflows 2022

The expected inflows from permit and licenses were less by GHC 14.5 million due to customers' reluctance to pay regulatory or mandatory fees/charges due to the energy sector cash-freeze facing institutions.

Outflows 2022

Expenditures incurred during the period fell short of the budget by GHC 22.7 million due to working capital management policies put in place by management.

Percentage spent per directorate are as follow;

Renewable Energy, Energy Efficiency Promotion and Climate Change	80%
Electricity and Natural Gas	57%
Strategic Planning & Policy Division (SPPD)	99%
Office of Executive Secretary	51%
Finance and Administration	70%

3.13 Donor Support Projects

The Commission by leveraging its goodwill and technical experience and expertise, has established working relations with a number of international development partners in the energy sector to support its projects. Projects running as at the yearend are as follows;

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

3.13 Donor Support Projects(continued)**3.13.1 Sustainable use of Natural Resources and Energy Finance Programme (SUNREF)**

The Sustainable Use of Natural Resources and Energy Finance Programme (SUNREF) is a project based on a sustainable development model, the project highlights the intents of the international communities' preparedness to build a model that seeks to reduce carbon footprint in order to achieve the Sustainable Development Goals. The SUNREF project is pioneered by the Agence Française de Développement, (AFD) to provide an integrated approach to environmental finance. The Energy Commission is in charge of all administrative and supervisory tasks related to the management of the Technical Assistance Facility (TAF) for the entire 3 years (October, 2020 to 30th September, 2023) of the project. Approved total project funding was €1.80 million euro. In 2022, the Commission received €205,284 and €197,522 was spent during the period.

Overall, SUNREF seeks to;

- i. Reduce the carbon footprint and energy intensity of the Ghanaian economy;
- ii. Secure energy supply of small and medium-sized companies in Ghana;
- iii. Leverage investments in the fields of Renewable energy and Energy Efficiency to help structure these strategic sectors; and
- iv. Provide reliable, innovative and good examples of what can be performed through local banks and small to medium size companies to ensure scalability.

3.13.3 Electrical Wiring Professional Certification Project

The Electrical Wiring Regulations 2011, (L.I. 2008) was passed into law by Parliament on Friday 24 February, 2012 as one of the responses to the spate of electrical fires that had occurred in the country. The key objectives of the Regulations are to ensure that only properly qualified and certified professionals engage in electrical wiring and installation works, to well defined standards that would promote the safety of persons, property and livestock. Under these regulations, only Certified Electrical Wiring Professionals (CEWPs), qualified under the regulations, will be legally entitled to undertake indoor electrical wiring projects.

The purpose of the regulation is to;

- i. Establish the requirements, procedures and practices to ensure the enforcement of minimum standards of electrical wiring on premises.
- ii. Ensure the safety of persons, livestock and other property from hazards that arise from the presence, distribution and use of electrical energy.

These regulations do not apply to external installations. The regulations specifically provide for issues related to:

- i. Who qualifies to undertake electrical wiring in Ghana?
- ii. How a certified qualified wiring professional undertakes the wiring?
- iii. The type of materials to be used for Electrical Wiring in Ghana?

The Electrical Wiring Professional Certification Project is being funded through the fees (examinations fees, graduations fees, etc.) paid by the project students. In 2022, GH¢ 2,041,179 was raised and a total of GH¢ 2,023,838 was spent during the period.

ENERGY COMMISSION

Annual Report and Financial Statements
for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

4. Property and Equipment

	Land & Building	Motor Vehicle	Machinery	Office Furniture & Fittings	Computer & Accessories	Capital Work in progress	Total
Cost							
Balance at 1 January 2021	10,268,528	5,349,353	1,117,551	763,911	1,842,309	-	19,341,652
Additions	578,447	1,666,379	-	94,800	624,217	-	2,963,843
Balance at 31 December 2021	<u>10,846,975</u>	<u>7,015,732</u>	<u>1,117,551</u>	<u>858,711</u>	<u>2,466,526</u>	<u>-</u>	<u>22,305,495</u>
Balance at 1 January 2022	10,846,975	7,015,732	1,117,551	858,711	2,466,526	-	22,305,495
Additions	-	923,486	61,487	41,725	134,048	214,635	1,375,381
Disposals	-	(392,922)	(281,010)	-	(444,619)	-	(1,118,551)
Reclassification/Reversals	183,553	-	(495,976)	-	(54,531)	-	(366,954)
Balance at 31 December 2022	<u>11,030,528</u>	<u>7,546,296</u>	<u>402,052</u>	<u>900,436</u>	<u>2,101,424</u>	<u>214,635</u>	<u>22,195,371</u>
Accumulated Depreciation							
Balance at 1 January 2021	887,362	4,228,029	259,284	369,333	1,512,819	-	7,256,827
Depreciation charge	-	423,948	933	4,407	73,922	-	503,210
Balance at 31 December 2021	<u>887,362</u>	<u>4,651,977</u>	<u>260,217</u>	<u>373,740</u>	<u>1,586,741</u>	<u>-</u>	<u>7,760,037</u>
Balance at 1 January 2022	887,362	4,651,977	260,217	373,740	1,586,741	-	7,760,037
Depreciation charge	170,847	1,165,363	20,738	97,925	251,106	-	1,705,979
Disposal/Reversal	(268,180)	(354,837)	51,472	(22,735)	(64,981)	-	(659,261)
Balance at 31 December 2022	<u>790,029</u>	<u>5,462,503</u>	<u>332,427</u>	<u>448,930</u>	<u>1,772,866</u>	<u>-</u>	<u>8,806,755</u>
Carrying amount							
Balance at 31 December 2021	9,959,613	2,363,755	857,334	484,971	879,785	-	14,545,458
Balance at 31 December 2022	<u>10,240,499</u>	<u>2,083,793</u>	<u>69,625</u>	<u>451,506</u>	<u>328,558</u>	<u>214,635</u>	<u>13,388,616</u>

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

5. Intangibles Assets

Cost	GH¢	
At 1 January 2021	236,359	
Additions	55,620	

Balance at 31 December 2021	291,979	
	=====	
At 1 January 2022	291,979	
Additions	-	

Balance at 31 December 2022	291,979	
	=====	
Accumulated amortization		
At 1 January 2021	205,407	
Charge for the year	8,343	

Balance at 31 December 2021	213,750	
	=====	
At 1 January 2022	213,750	
Charge for the year	78,229	

Balance at 31 December 2022	291,979	
	=====	
Net book Value		
Balance at 31 December 2021	78,229	
Balance at 31 December 2022	-	
	2022	2021
	GH¢	GH¢

6. Inventories

Office Consumables	821,962	321,901
	-----	-----
	821,962	321,901
	-----	-----

ENERGY COMMISSION

Annual Report and Financial Statements
for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

	2022	2021
	GHC	GHC
7. Trade and other receivable		
Trade Receivables	27,237,884	25,981,016
Staff Loan	4,612,367	3,625,927
Prepayment	31,718	101,153
	-----	-----
	31,881,969	29,708,096
	-----	-----
 8. Cash and Cash Equivalent		
Fixed Deposit*	22, 226,575	20,000,000
Cash and Bank	16,685,512	2,620,402
	-----	-----
	38,912,087	22,620,402
	=====	=====
 9. Accumulated Fund		
Balance at 1st January	65,181,652	40,394,772
Surplus for the year	17,776,970	24,786,880
	-----	-----
	82,958,622	65,181,652
	=====	=====
 10. Trade and other payables		
Trade payables	743,895	906,466
Audit fees	253,000	336,950
Accrued Liabilities	1,049,117	849,018
	-----	-----
	2,046,012	2,092,434
	=====	=====
 11. Revenue		
Transfer from Energy Fund	52,541,075	43,920,704
Regulatory Levy	14,699,108	11,707,348
Rebate Scheme (UNDP)	898,360	-
	-----	-----
	68,138,543	55,628,052
	=====	=====

*Fixed deposit is an investment instrument with GCB Bank at an annual interest rate of 13.5%, tenure of 365 days, value date was 9 December, 2021 and matured on 8 December, 2022. This fixed deposit balance was yet to be rolled over as at 31 December, 2022. Its value was rolled-over on 16 January, 2023.

ENERGY COMMISSIONAnnual Report and Financial Statements
for the year ended 31 December 2022**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts are stated in Ghana cedi unless otherwise stated)

	2022	2021
	GH¢	GH¢
12. Other Income		
Exchange gain	17,870	-
Investment Income	3,483,442	-
Other revenue	1,718,339	417,751
	<u>5,219,651</u>	<u>417,751</u>

Other revenues consists primarily of payments and sponsors participating in and/or attending Energy Fairs during the year.

13. Compensation

Salaries and Wages	15,600,171	12,876,650
Employer SSNIT Contribution	2,286,406	1,115,172
Employer Provident Fund Contribution	2,571,247	1,328,488
	<u>20,457,824</u>	<u>15,320,310</u>

14. Goods and Services**14.1 General and Administrative Expenses**

Board and Legal Expenses	1,942,121	1,144,973
Stationery and Printing	259,745	261,197
Insurance	328,832	284,180
Audit Fees	481,800	338,500
ICT and Communication	203,726	155,645
Sanitation and Security	242,340	143,867
Repairs and Maintenance	2,082,251	1,176,017
Medicals	1,934,132	630,347
Office Consumables	1,341,158	446,320
Office Rent	220,701	59,743
Motor Vehicle Running	955,614	403,738
Travels	100,980	99,220
Depreciation and Amortization	2,610,452	511,553
Bank Charges	317	2,415
Fuel and Lubricants	524,974	79,361
Ground Rent	15,950	-
Utilities	254,380	229,700
Refreshment for meetings	53,080	61,771
Professional fees	29,764	14,705
	<u>13,582,317</u>	<u>6,043,252</u>

ENERGY COMMISSION

Annual Report and Financial Statements
for the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

	2022	2021
	GHC	GHC
14.2 Service Activities Expenses		
Renewable Energy	2,875,623	2,097,939
Energy Efficiency and Climate Change	684,458	640,281
Technical Regulations	1,876,163	1,394,341
Strategic Planning and Policy	1,536,613	438,051
Public Affairs	1,463,691	770,176
Human Resources Development	5,012,551	1,596,148
Procurement	5,243,057	1,155,323
Finance Unit	939,961	660,799
Social Impact, Environment and Technical Assistance	155,328	48,510
Internal Audit	289,524	233,880
Office of Executive Secretary	1,464,114	859,913
	-----	-----
	21,541,083	9,895,361
	=====	=====
15. Cash generated from operations		
Excess of Income over Expenditure	17,776,970	24,786,880
Depreciation and amortization	2,610,452	511,553
	-----	-----
	20,387,422	25,298,433
Changes in Working Capital		
Changes in Inventories	(500,061)	(79,586)
Changes in Trade and Other Receivables	(2,173,873)	(3,679,077)
Changes in Trade and Other Payables	(46,422)	(1,018,352)
	-----	-----
Net cash generated from operation activities	17,667,066	20,521,418
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

16. Financial Risk Management**16.1 Financial Risk Factors**

The Commission's activities are exposed to variety of financial risk: market risk (including currency risk, fair value interest rate and price risk), credit risk and liquidity risk. The Commission's overall risk management program focuses on the unpredictability of financial market and seeks to minimize potential adverse effect on the Commission's financial performance. Risk Management is carried out in compliance with the Commission policies approved by the Governing Board.

All of the financial instruments are denominated in Ghana cedi. As a result, there is no exposure to foreign currency risk.

16.1.1 Credit Risk

Credit risk is the risk of suffering financial loss should any of the Commission's counterparties fail to fulfil the contractual obligation. The financial instruments which potentially will subject the Commission to concentration on credit risk are primarily cash at bank and trade and other accounts receivables.

The Commission deals with financial institutions licensed by the Bank of Ghana as well as the Bank of Ghana itself. The risk of the counterparty failing to fulfil their contractual obligations is assessed to be minimal. The Commission does not hold collateral securities.

With respect to trade and other accounts receivables, the Commission undertakes a rigorous screening process for all customers prior to providing them their initial license. As some of the Commission's significant customers are government institutions, in the event of debts being long outstanding, round table meetings are held between the heads of these institutions and select members of the Commission's governing board to resolve overdue payment issues. The Auditor General requires that all overdue debts be treated in accordance with the provisions of Section 53 of the Public Financial Management Act, 2017 (Act 921). This requires that for overdue debts the sector minister as well as the Minister of Finance have to participate in any decision to write off any overdue debts.

16.1.2 Fiscal risk

Fiscal risk refers to the potential adverse impact of government's fiscal laws and policies on the Commission. The Commission is a government statutory body established by an Act of Parliament, not liable to pay any corporate taxes, and as such, is not exposed to volatility of any of the tax laws and regulations.

However, the Commission may be exposed to creation of or changes in enactments and regulations that may affect its sources of revenue or use of expenditure. The Commission deems exposure to fiscal risks to be minimal.

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

16.1.3 Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or other financial assets. The Commission's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity (cash reserves) to meet its liabilities when they are due.

Contractual maturities of financial liabilities

31 December 2022	Less than 3 months
Trade payables	743,895
Audit fees	253,000
Accrued liabilities	1,049,117

31 December 2021	Less than 3 months
Trade payables	906,466
Audit fees	336,950
Accrued liabilities	849,018

17. Related party transactions**Transactions with key Management Personnel****(i) Key Management Personnel Compensation**

Key Management Personnel Compensation comprised of the following:

	2022	2021
	GH¢	GH¢
Short-Term Benefits	6,399,968	3,256,578
Post- Employment Benefits	447,584	951,962
	-----	-----
	6,847,552	4,208,540
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are stated in Ghana cedi unless otherwise stated)

18. Contingent assets, liabilities and capital commitments

There were no contingent assets/liabilities and capital commitments as at 31 December 2022 (2021: Nil).

19. Events after Year-End

Where there are material events that are indicative of conditions that arose after the statement of financial position date, the Commission will disclose them by way of note, the nature of the event and estimate of its financial effect or a statement that such an estimate cannot be made. The Commission had no material subsequent events that required adjustment to or disclosure in the financial statements.