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REPUBLIC OF GHANA

THE NINE HUNDRED AND SIXTY-FOURTH

ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA

ENTITLED

ZONGO DEVELOPMENT FUND ACT, 2017

AN ACT to establish a Fund to provide financial resources to develop and transform the social and economic conditions of Zongo communities; and to provide for the management of the Fund and for related matters.

DATE OF ASSENT: *2nd January, 2018*

Passed by Parliament and assented to by the President:

Establishment of the Zongo Development Fund

Establishment of the Fund

1. (1) There is established by this Act a Fund to be known as the Zongo Development Fund.

(2) The Fund is a body corporate with perpetual succession and a common seal, which may sue and be sued and have in all respects the powers of a body corporate.

(3) The Fund may for the performance of its functions acquire and hold movable and immovable property and may enter into a contract or any other transaction.

(4) Where there is a hindrance to the acquisition of property, the property may be acquired for the Fund under the State Lands Act, 1962 (Act 125) and the cost shall be borne by the Fund.

Object of the Fund

2. (1) The object of the Fund is to provide financial resources to develop and transform the social and economic conditions of Zongo communities.

(2) For the purpose of achieving the object of the Fund, moneys from the Fund shall be applied to relevant activities that the Board may determine including

- (a) investment in basic services and strategic infrastructure in Zongo communities;
- (b) financing education and training programmes of the youth in Zongo communities;
- (c) support of local businesses in Zongo communities;
- (d) promotion of programmes to support tourism, culture and arts in Zongo communities;
- (e) provision of social protection for the poor and vulnerable children, men and women in Zongo communities; and
- (f) any other activity determined by the Board to achieve the object of the Fund

Accountability to the Minister

3. The Fund shall be accountable to the Minister on the achievement of its object and compliance with this Act.

Head Office

4. The Fund shall have its head office in Accra and may, where it considers necessary for the performance of its functions, open branches subject to the approval of the Minister.

Sources of money for the Fund

5. The sources of moneys for the Fund are
- (a) moneys approved by Parliament;
 - (b) grants, loans and other voluntary contributions
 - (c) internally generated funds; and
 - (d) other moneys that may become lawfully payable to the Fund

Bank account

6. The moneys for the Fund shall be paid into a bank account opened for that with the approval of the Controller and Accountant-General.

Governance of the Fund

Governing body of the Fund

7. (1) The governing body of the Fund is a Board consisting of
- (a) a chairperson;
 - (b) one representative of the Ministry of Finance not below the rank of a Director;
 - (c) one representative of the Ministry responsible for Zongo Development not below the rank of a Director;
 - (d) one representative of the National House of Chiefs nominated by the National House of Chiefs
 - (e) one representative of the Office of the National Chief Imam nominated by the Office of the National Chief Imam;
 - (f) one representative of the National Council of Zongo Chiefs nominated by the National Council of Zongo Chiefs;
 - (g) one representative of the National Council of Muslim Chiefs nominated by the National Council of Muslim Chiefs;
 - (h) one representative of the Christian Council of Ghana nominated by the Christian Council of Ghana;
 - (i) the Chief Executive Officer of the Fund; and
 - (j) two other persons, at least one of whom is a woman.
- (2) The members of the Board shall be appointed by the President in accordance with article 70 of the Constitution.
- (3) The President shall in appointing a person as a member of the Board have regard to the integrity, expertise and experience of the person and in particular the knowledge of that person in matters relevant to the functions of the Board.

Functions of the Board

8. (1) The Board shall have oversight responsibility for the attainment of the object of the Fund, the making of operational policy and such other functions conferred upon it by any other provision of this Act.

(2) For the purpose of subsection (1), the Board shall

- (a) pursue appropriate policies to achieve the object of the Fund;
 - (b) ensure the collection of moneys lawfully due the Fund;
 - (c) ensure accountability of the Fund by defining appropriate procedures of the Fund;
 - (d) define and ensure compliance with criteria for the disbursement of funds;
 - (e) approve the disbursement of moneys from the Fund;
 - (f) establish the criteria for the investment of funds;
 - (g) organize fund-raising activities to raise moneys for the fund;
- and

(h) perform any other functions assigned to it under this Act or incidental to the achievement of the objects of the Fund.

(3) The Board may engage the services of experts and consultants as determined by the Board.

Tenure of office of members

9. (1) A member of the Board, shall hold office for a period of not more than four years and is eligible for re-appointment but a member shall not be appointed for more than two terms.

(2) Subsection (1) does not apply to the Chief Executive Officer of the Fund.

(3) A member of the Board may at any time resign from office in writing addressed to the President through the Minister.

(4) A member of the Board other than the Chief Executive Officer who is absent from three consecutive meetings of the Board without sufficient cause ceases to be a member of the Board.

(5) The President may by a letter addressed to a member revoke the appointment of that member.

(6) Where a member of the Board, for sufficient reason is unable to act as a member, the Minister shall determine whether the inability would result in the declaration of a vacancy.

(7) Where there is vacancy

- (a) under subsection (3), (4) or 12(2),
- (b) as a result of a declaration under subsection (6) or
- (c) by reason of the death of a member,

the Minister shall notify the President of the vacancy and the President shall appoint a person to fill the vacancy.

Duties and liabilities of members of the Board

10. (1) A member of the Board has the same fiduciary relationship with the Fund and the same duty to act with loyalty and in good faith as a director of a company incorporated under the Companies Act, 1963 (Act 179).

(2) Without limiting subsection (1), a member of the Board has a duty

(a) to act honestly in the performance of the functions of the member;

(b) to exercise the degree of care and diligence in the performance of the member's functions that a reasonable person in that position would be expected to exercise in the circumstances of the Fund;

(c) not to use information acquired by virtue of the member's position as a member of the Board without authorization;

and

(d) not to make improper use of the member's position so as to gain, directly or indirectly, a benefit for the member or for any other person or cause loss to the Fund.

(3) A member of the Board who contravenes subsection 2(a) or

(b) commits an offence and is liable on summary conviction to a fine of not less than two hundred and fifty penalty units and not more than five hundred penalty units.

(4) A member of the Board who contravenes subsection 2(c) or

(d) commits an offence and is liable on summary conviction to a fine of not less than five hundred penalty units and not more than one thousand penalty units or to a term of imprisonment of not less than two years and not more than five years or to both.

Meetings of the Board

11. (1) The Board shall meet at least once every three months for the dispatch of business at the times and in the places determined by the chairperson.

(2) The chairperson shall at the request in writing of not less than one third of the membership of the Board convene an extraordinary meeting of the Board at the place and time determined by the chairperson.

(3) The quorum at a meeting of the Board is six members of the Board.

(4) The chairperson shall preside at meetings of the Board and in the absence of the chairperson, a member of the Board other than the Chief Executive Officer elected by the members present from among their number shall preside.

(5) Matters before the Board shall be decided by a majority of the members present and voting and in the event of an equality of votes, the person presiding shall have a casting vote.

(6) The Board may co-opt a person to attend a Board meeting but that person shall not vote on a matter for decision at the meeting.

(7) The proceedings of the Board shall not be invalidated by reason of a vacancy among the members or a defect in the appointment or qualification of a member.

(8) The Board shall, subject to this Act, regulate the procedure for its meetings.

Disclosure of interest

12. (1) A member of the Board who has an interest in a matter for consideration shall

(a) disclose the nature of the interest and the disclosure shall form part of the record of consideration of the matter; and

(b) *not to be present at or participate in the deliberation of the Board in respect of the matter.*

(2) A member ceases to be a member of the Board if that member has an interest in a matter before the Board; and

(a) fails to disclose that interest; and

(b) is present at or participates in the deliberations of the matter.

Committees of the Board

13. (1) The Board may establish committees consisting of members of the Board and non-members, to perform a function of the Board.

(2) Section 12 applies to a member of a committee of the Board.

(3) A committee of the Board shall be chaired by a member of the Board.

(4) Without limiting subsection (1) the Board may have an Advisory Committee.

Allowances

14. Members of the Board and members of a committee of the Board shall be paid allowances approved by the Minister in consultation with the Minister responsible for Finance.

Ministerial directives

15. The Minister may give directives in writing to the Board on matters of policy and the Board shall comply.

Administrative and Financial Matters

Appointment of the Chief Executive Officer

16. (1) The President shall, in accordance with article 195 of the Constitution, appoint the Chief Executive Officer for the Fund.

(2) The Chief Executive Officer shall hold office on the terms and conditions specified in the letter of appointment.

Functions of the Chief Executive Officer

17. (1) The Chief Executive Officer is responsible for the day to day management of the Fund.

(2) The Chief Executive Officer shall ensure the implementation of the decisions of the Board.

(3) The Chief Executive Officer may delegate a function to an officer of the Secretariat of the Fund but shall not be relieved of ultimate responsibility for the performance of the delegated function.

(4) The Chief Executive Officer is answerable to the Board for the performance of the functions under this Act.

Internal Audit

18. (1) The Fund shall have an Internal Audit Unit in accordance with section 83 of the Public Financial Management Act, 2016 (Act 921).

(2) The Internal Audit Unit shall be headed by an Internal Auditor who shall be appointed in accordance with the Internal Audit Agency Act, 2003 (Act 658).

(3) The Internal Auditor is responsible for the internal audit of the Fund.

(4) The Internal Auditor shall, subject to subsections (3) and (4) of section 16 of the Internal Audit Agency Act, 2003 (Act 658), at intervals of three months

(a) prepare and submit to the Board, a report on the internal audit carried out during the period of three months immediately preceding the preparation of the report; and

(b) make recommendations in each report with respect to matters which appear to the Internal Auditor as necessary for the conduct of the affairs of the Fund.

(5) The Internal Auditor shall in accordance with subsection (4) of section 16 of the Internal Audit Agency Act, 2003 (Act 658), submit a copy of each report prepared under this section to the Board and the Board shall submit the report to the Minister.

Appointment of other staff

19. (1) The President shall in accordance with article 195 of the Constitution, appoint other staff that are necessary for the effective performance of the functions of the Fund.

(2) The President may, in writing, delegate the power of appointment in subsection (1) to the Board.

(3) Other public officers may be transferred or seconded to the Fund or may, otherwise give assistance to the Fund.

Secretariat of the Fund

20. The Fund shall have a Secretariat headed by the Chief Executive Officer.

Disbursement from the Fund

21. The moneys of the Fund shall be disbursed in accordance with Regulations made under this Act.

Expenses of the Fund

22. (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 charged on the Fund.

(2) All other administrative expenses of the Fund shall be paid out of the Fund subject to the approval of the Board acting in consultation with the Minister.

(3) The expenses specified in subsection (2) shall not exceed five percent of the total moneys approved by Parliament.

Application for funding

- 23.** (1) Moneys from the Fund shall be applied to achieve the object of the Fund as stated in section 2.
- (2) A person is eligible to apply for funding from the Fund if that person is
- (a) a citizen of Ghana; and
 - (b) a resident of a Zongo community; or
 - (c) a registered institution that
 - (i) is within a Zongo community; or
 - (ii) works on Zongo community matters.

Tax exemption

- 24.** The Fund is exempt from the payable of tax

Accounts and audit

- 25.** (1) The Board shall keep books of account and proper records in relation to the Fund in the form approved by the Auditor-General.
- (2) The Board shall submit the accounts of the Fund to the Auditor-General for audit within three months after the end of the financial year.
- (3) The Auditor-General shall not later than three months after the receipt of the accounts, audit the accounts and forward a copy of the audit report to the Minister.

Financial year

- 26.** The Financial Year of the Fund shall be the same as the financial year of the Government.

Annual report and other reports

- 27.** (1) **The** Board shall, within one month after the receipt of the audit report, submit an annual report to the Minister covering the operations and activities of the Fund for the year to which the annual reports relates.
- (2) The annual report shall include the report of the Auditor-General and a performance report.
- (3) The Minister shall within one month after the receipt of the annual report submit the report to Parliament with a statement that the Minister considers necessary.

(4) The Board shall also submit to the Minister any other reports which the Minister may require in writing.

Collaboration with Ministries, Departments and Agencies

28. The Fund shall collaborate with Ministries, Departments and Agencies in the performance of functions under this Act.

Miscellaneous

Offences

29. A person who without lawful justification or excuse

(a) knowingly makes a false statement to, or deliberately misleads or attempts to mislead the Fund or an employee or authorized agent of the Fund;

(b) induces or attempts to induce by any means a member of the Board or Committee of the Board, an employee or authorized agent of the Fund; or

(c) discloses confidential information obtained by or submitted to the Fund in the course of the performance of its functions, commits an offence and is liable on summary conviction to a fine of not less than five hundred penalty units and not more than one thousand penalty units or to a term of imprisonment of not less than two years and not more than four years or to both.

Regulations

30. The Minister may, by legislative instrument, make Regulations to provide

(a) for matters relating to the application for funding under this Act;

(b) for the procedure for the disbursement of moneys from the Fund; and

(c) generally for the effective implementation of this Act.

Interpretation

31. In this Act, unless the context otherwise requires,

“basic services” means utilities and infrastructure required to guarantee a decent standard of living prescribed by the policies and laws of the country and international Conventions;

“Board” means the governing body of the Zongo Development Fund established under section 7;

“Fund” means Zongo Development Fund established under section 1;

“Minister” means the Minister responsible for Zongo Development;

“non-governmental organization” means a civil society group or non-profit body of persons formed to pursue purposes that are lawful and that are non-profit but oriented towards public interest;

“strategic infrastructure” means critical infrastructure required for the economic growth, social development and the rapid and sustained transformation of a community;

“youth” means a person between the ages of fifteen and thirty-five years; and

“Zongo community” means a heterogeneous community comprising various ethnic groups with different religions where

(a) the predominant religion is Islam;

(b) the predominant language is Hausa; and

(c) the community is characterized by poor living conditions.

Transitional provisions

32. (1) The total sum of money located in any bank before the commencement of this Act which constitutes money intended for the Fund shall, within thirty days, be transferred to the Fund established under section 1.

(2) Any person in possession of money intended for the Fund before the commencement of this Act shall, within thirty days, pay the money into the bank account opened under section 6.

Date of *Gazette* notification: 3rd January, 2018