

GHANA PRECIOUS METALS CORPORATION DECREE, 1977 (SMCD 105)

ARRANGEMENT OF SECTIONS

Section

1. Establishment of Ghana Precision Metals Corporation.
2. Authority to Acquire Property.
3. Objects of the Corporation.
4. Corporation to Conduct Business on Commercial Lines.
5. The Board.
6. Qualification and Tenure of Office of Directors.
7. Remuneration of Directors.
8. Meetings of the Board.
9. Board to be in Control of General Policy of Corporation.
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11. Staff of Corporation.
12. Secretary to Corporation.
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14. Board Members not to Sponsor Appointments.
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18. Corporation to Pay Sums into Consolidated Fund.
19. Staff Welfare Fund.
20. Corporation to keep Proper Books of Account.
21. Financial Year of Corporation.
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25. Commissioner to Make Regulations.

26. Interpretation.

BE IT ENACTED by the Supreme Military Council as follows:—

Section 1—Establishment of Ghana Precision Metals Corporation.

(1) There is hereby established a body to be known as the Ghana Precision Metals Corporation in this Decree referred to as the "Corporation."

(2) The Corporation shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

Section 2—Authority to Acquire Property.

(1) Subject to any limitation imposed on it by this Decree relating to its functions, the Corporation shall have power to purchase, acquire, manage or dispose of any movable or immovable property and to enter into such contracts and transactions as may be expedient.

(2) Where there is any hindrance to the acquisition of any property under subsection (1) of this section, the property may be acquired for the Corporation under the State Property and Contracts Act, 1960 (CA 6) or the State Lands Act, 1962 (Act 125) as the case may be and each such Act shall apply with respect to any such acquisition with such modifications as may be necessary to provide for the vesting of the property acquired thereunder in the Corporation and for the cost of the acquisition to be defrayed by the Corporation.

Section 3—Objects of the Corporation.

(1) The objects of the Corporation are:

(a) to manufacture industrial metals and spare parts;

(b) to market the products manufactured by the Corporation;

(c) to engage in such other activities as appear to the Corporation to be conducive or incidental to the attainment of its objects.

(2) The Corporation may, in carrying out the objects in subsection (1)(a) of this section, use the investment casting method or any other methods that it considers necessary for the manufacture of industrial metals and spare parts.

(3) For the purposes of this section, "investment casting method" means the process of injecting molten metals into molds where it hardens into the desired form.

Section 4—Corporation to Conduct Business on Commercial Lines.

(1) The Corporation shall conduct its affairs in accordance with strict commercial practice, and in particular to ensure that its revenue is sufficient to produce on the fair value of its assets a reasonable return measured by taking its net operating income as a percentage of the fair value of its fixed assets in operation plus an appropriate allowance for its working capital.

(2) In determining what constitutes a reasonable return, all pertinent economic and financial considerations shall be taken into account, including but not limited to the need for net operating income in an amount sufficient:

(a) to meet interest payments on borrowings;

(b) to provide for repayments to be made each year in respect of loans obtained by the Corporation to the extent that such repayments exceed the year's provision for depreciation charged to revenue account;

(c) to provide a substantial proportion of the funds needed for expanding the Corporation's activities and improving its methods of operation;

(d) to provide reserves for replacement, expansion or other purposes if and to the extent to which the Board deems it necessary to establish such reserves, and

(e) to make such payments to the Consolidated Fund from time to time as may be determined under section 18 of this Decree.

(3) In this section the words "net operating income" means the amount of income remaining after subtracting from total operating revenue all charges which in the normal conduct of business are proper to be charged to revenue account, including provision for adequate maintenance and straight line depreciation of assets, but before deducting interest and other charges on borrowings.

Section 5—The Board.

(1) The Corporation shall be governed by a Board of directors.

(2) The Board shall comprise the following persons:—

(a) A Chairman to be appointed by the Supreme Military Council;

(b) the Managing Director of the Corporation;

(c) the General Manager of the Tema Steel Works or his representative;

(d) the Principal Secretary of the Ministry of Industries or his representative; and

(e) one person, who is a qualified mechanical engineer employed by a state organisation and has had at least ten years post qualification experience, to be appointed by the Commissioner responsible for Industries.

Section 6—Qualification and Tenure of Office of Directors.

(1) The Chairman and the person appointed under paragraph (e) of subsection (2) of section 5 shall hold office for two years.

(2) No person shall be qualified to be appointed a director of the Board or continue to be a director if:

(a) having been declared an insolvent or a bankrupt under any law for the time being in force in Ghana or any other country, is an undischarged insolvent or bankrupt; or

(b) he is adjudged to be a person of unsound mind;

(c) he is guilty of serious misconduct in relation to his duties;

(d) he is convicted of felony or any other offence involving fraud, dishonesty or moral turpitude and in each case has not been granted a free pardon;

(e) in the case of a person in possession of a professional qualification, he is disqualified or suspended otherwise than at his own request, from practising his profession in Ghana or in any other country by order of any competent authority made in respect of him personally.

(3) Any director appointed under paragraphs (a) and (e) of subsection (2) of section 5 may resign his office by notice in writing addressed to the Commissioner and without prejudice to the general effect of subsection (2) of this section, any such person may be removed from office by the Supreme Military Council.

(4) If the office of a director appointed under paragraphs (a) or (e) of subsection (2) of section 5 becomes vacant otherwise than as a result of expiry of his term of office or if a director is incapacitated by absence from Ghana, illness or any other sufficient cause from performing the duties of his office, the Council may appoint another person to hold office in his place.

(5) A person appointed to act in the place of a director under the provisions of subsection (4) of this section shall cease to hold office on the date when the person in whose place he held office would have ceased to hold office in accordance with the provisions of this Decree or when the Council is satisfied that the incapacity of the person in whose place he holds office has terminated whichever is earlier.

(6) Any person appointed under paragraphs (a) or (e) of subsection (2) of section 5 on ceasing to be a director shall be eligible for reappointment.

Section 7—Remuneration of Directors.

The members of the Board as well as any person co-opted to the Board under section 8 shall be paid in respect of attendance at meetings of the Board, such transport, subsistence and other allowances as the Corporation may, with the prior approval of the Council, determine.

Section 8—Meetings of the Board.

(1) The Board shall hold meetings at such places and times as the Board may determine.

(2) A special meeting of the Board shall be called upon a written request signed by the Chairman or by a majority of the directors of the Board addressed to the Secretary of the Corporation.

(3) The Chairman shall preside at every meeting at which he is present and in his absence a person elected by the directors present from among themselves shall preside.

(4) Unless otherwise provided, the decisions at meetings of the Board shall be adopted by a simple majority of the votes of directors present and where the votes are even, the person presiding shall have a second or casting vote.

(5) The quorum at any meeting of the Board shall be five.

(6) The Board may co-opt any person or persons to attend any meeting of the Board as adviser or advisers so, however, that no person so co-opted shall have the right to vote on any matter coming before the Board for decision.

(7) The validity of any proceedings of the Board shall not be affected by any vacancy among its members or any defect in the appointment of any of them.

(8) Any member of the Board who has any interest in any company or undertaking with which the Corporation proposes to make any contract or who has any interest in any contract which the Corporation proposes to make shall disclose in writing to the Board the nature of his interest and shall unless the Board otherwise directs, be disqualified from participating in any deliberations of the Board on the contract and shall, in any case, be disqualified from voting on any decision of the Board concerning such contract and any member who contravenes the provisions of this subsection shall be liable to be removed from the Board.

Section 9—Board to be in Control of General Policy of Corporation.

(1) The Board shall, subject to the provisions of this Decree, have general control of the management of the Corporation on matters of policy.

(2) The Corporation shall have a Managing Director appointed by the Council, and shall hold office upon such terms and conditions as the Council may determine.

(3) The Managing Director appointed under subsection (2) of this section shall be a person who has a degree in any related fields of engineering with proven professional experience or a person with at least five years experience in business administration.

(4) Where the office of the Managing Director becomes vacant the Board shall notify the Commissioner thereof and the Commissioner shall in turn notify the Supreme Military Council of the occurrence of the vacancy.

(5) Where the Managing Director is incapacitated from the performance of his functions under this Decree, the Board may, subject to subsection (4) of section 6 of this Decree, authorise any employee of the Corporation to perform those functions for the duration of the incapacity.

(6) Subject to the provisions of this Decree, the Managing Director shall be the Chief Executive of the Corporation and shall, subject to the general control of the Board on matters of policy, be charged with the direction of the day-to-day business of the Corporation and of its administration, organisation and control of all the employees of the Corporation.

(7) Subject as aforesaid the Managing Director may delegate to any employee of the Corporation or to any other person any of his functions under this Decree and may impose such conditions with respect to the exercise of such delegated functions as he may think fit:

Provided that nothing in this subsection shall be construed so as to absolve the Managing Director from ultimate responsibility for any act done by any person in pursuance of any such delegation.

Section 10—Use of Seal of the Corporation.

(1) The use of the seal of the Corporation shall be authenticated by two signatures, namely:—

(a) the signature of the Managing Director or some other member of the Board authorised by the Board to authenticate the application of the seal, and

(b) the signature of the Secretary or some other officer of the Corporation authorised by the Board to act in the Secretary's place for that purpose.

(2) The Corporation may by instrument in writing under its common seal empower any person either generally or in respect of any specific matters as its attorney, to execute deeds on its behalf in any place outside Ghana; and every deed signed by such attorney on behalf of the Corporation and under his seal, shall be binding on the Corporation and have the same effect as if it were under the common seal of the Corporation.

(3) Any instrument or contract which, if executed or entered into by a person other than a body corporate would not require to be under a seal may be executed or entered into on behalf of the Corporation by the Managing Director or any member of the Board if such person has previously been authorised by a resolution of the Board to execute or enter into that particular instrument or contract:

Provided that if the Corporation thinks fit it may by writing under its common seal appoint any person outside Ghana as agent to execute or enter into the instrument and the instrument or contract if entered into on behalf of the Corporation shall have effect as if it had been duly executed or entered into as prescribed for the purpose of this subsection.

(4) Every document purporting to be an instrument executed or issued by or on behalf of the Corporation and to be:—

(a) sealed with the common seal of the Corporation authenticated in the manner provided by subsection (1) of this section; or

(b) signed by and under the seal of a person appointed as attorney under subsection (2) of this section; or

(c) signed by the Managing Director or by a member of the Board or other person authorised in accordance with subsection (3) of this section to act for that purpose,

shall be deemed to be executed or issued until the contrary is known.

(5) The provisions of this section shall have effect subject to the provisions of section 9 of this Decree and section 12 of the Contracts Act, 1960 (Act 25).

Section 11—Staff of Corporation.

- (1) The Corporation may from time to time engage such employees as may be necessary for the proper discharge of the business of the Corporation.
- (2) The Corporation may also engage the services of such consultants and advisers as the Board may upon the recommendations of the Managing Director determine.
- (3) The Board shall, in consultation with the Public Services Commission, be responsible for the appointment, discipline and removal of any person in respect of a post in the Corporation of General Manager or any other post of a similar category in the Corporation.
- (4) The Board, acting on the recommendation of the Managing Director shall be responsible for the appointment, discipline and removal of the employees of the Corporation.
- (5) The Board may with regard to such category of employees as it may determine delegate to the Managing Director the power to appoint, promote, discipline and remove such employees.
- (6) Public Officers may be transferred or seconded to the Corporation and may otherwise give assistance thereto.
- (7) The employees, consultants and advisers of the Corporation shall be engaged on such terms and conditions as the Board may on the recommendations of the Managing Director determine.

Section 12—Secretary to Corporation.

- (1) The Corporation shall have an officer to be designated as the Secretary to the Corporation.
- (2) The Secretary shall act as Secretary to the Board and shall, subject to the directions of the Board, arrange the business for and cause to be recorded and kept minutes of all meetings of the Board.
- (3) The Secretary shall also perform such functions as the Board may by writing direct or as the Managing Director may by writing delegate to him and shall be assisted in his functions by such of the staff of the Corporation as the Board may on the recommendations of the Managing Director direct.

Section 13—Internal Auditor.

- (1) The Corporation shall have an Internal Auditor.
- (2) Subject to the provisions of this Decree, the Internal Auditor shall be responsible to the Managing Director for the performance of his functions.
- (3) As part of his functions under this Decree the Internal Auditor shall, at intervals of three months prepare a report on the internal audit work carried out by him during the period of three months immediately preceding the preparation of the report and submit the report to the Managing Director.
- (4) Without prejudice to the general effect of subsection (3) of this section, the Internal Auditor shall make in each report such observations as appear to him necessary as to the conduct of the financial affairs of the Corporation during the period to which the report relates.

(5) The Internal Auditor shall send a copy of each report prepared by him to the Council and also to each of the following:—

- (a) the Commissioner responsible for Finance;
- (b) the Auditor-General; and
- (c) the Chairman and each of the other members of the Board.

Section 14—Board Members not to Sponsor Appointments.

No member of the Board shall sponsor any application for the employment of any person under this Decree, and any member who violates this provision shall be liable to be removed from the Board.

Section 15—Capital and Funds of Corporation.

The Government may provide to the Corporation as working capital and also as moneys required for carrying out the objects of the Corporation such sums as the Commissioner may, after consultation with the Supreme Military Council, agree being sums requested by the Board from the Government.

Section 16—Borrowing Powers.

- (1) The Corporation may obtain loans and other credit facilities, on the guarantee of the Government from such banks and other financial institutions as the Commissioner responsible for Finance may approve.
- (2) Apart from the powers of the Corporation under subsection (1) of this section, the Corporation may, with the prior approval of the Commissioner and the Commissioner responsible for Finance, borrow money from other sources.
- (3) The Corporation may borrow temporarily by way of overdraft or otherwise, such sums as it may require for meeting its current obligations or discharging its functions.
- (4) The Commissioner responsible for Finance may, on behalf of the Government, guarantee the performance of any obligation or undertaking by the Corporation under this section.
- (5) The Commissioner responsible for Finance may, from time to time, prescribe the maximum sum which the Corporation may borrow under subsection (1) or (2) of this section.

Section 17—Depreciation Fund.

- (1) The Corporation shall have a depreciation fund and for this purpose the Corporation shall open a Depreciation Reserve Account with the Bank of Ghana.
- (2) At the end of each financial year, the Corporation shall transfer to the credit of the Depreciation Reserve Account all amounts charged to profit and loss account in respect of depreciation for buildings, plant and equipment, fixtures and other assets.

(3) Amounts so transferred to the Depreciation Reserve Account shall be utilised only to replace fixed assets and equipment which are worn out or have become obsolete.

(4) Expenditure in respect of current repairs and in respect of the purchase of spare parts shall not be met out of the Depreciation Reserve Account but shall be charged to the income and expenditure account of the Corporation for the financial year during which the expenditure is incurred.

Section 18—Corporation to Pay Sums into Consolidated Fund.

Subject to section 4 of this Decree, at the end of each financial year, after the Corporation has made provision for bad and doubtful debts, depreciation of assets, contributions to staff and superannuation funds and for other contingencies, if any, and after appropriation has been made to the staff welfare fund under section 19 of this Decree, such part of the profits of the Corporation remaining as the Commissioner, after consultation with the Board and with the Commissioner responsible for Finance may, by writing, direct, shall be paid into the Consolidated Fund.

Section 19—Staff Welfare Fund.

(1) The Corporations shall have a Staff Welfare Fund.

(2) At the end of each financial year, the Corporation shall transfer to the staff welfare fund, such sum, not exceeding five per centum of the net profits of the Corporation as the Board may determine.

(3) The Corporation may, with the approval of the Commissioner use the Staff Welfare Fund for the provision of staff welfare facilities such as canteens, low-interest-bearing staff welfare loans and for other purposes aimed at enhancing the welfare of the staff of Corporation.

(4) The operation of the staff welfare fund shall be subject to such specific rules and regulations as may be made by the Board.

Section 20—Corporation to Keep Proper Books of Account.

The Corporation shall keep proper books of account and proper records in relation thereto and the account books and records of the Corporation shall be in such form as the Auditor-General may approve.

Section 21—Financial Year of Corporation.

(1) The Corporation's financial year shall end on the 30th day of June, in each year.

(2) For the purpose of this section the period extending from the commencement of this Decree to the 30th day of June, 1978 shall be deemed a financial year.

Section 22—Audit.

(1) The books and accounts of the Corporation shall each year be audited by the Auditor-General or an Auditor appointed by him.

(2) The Corporation shall pay in respect of such audit service such fee (if any) as the Auditor-General and the Board may agree, and in the case of failure to agree, such fee as the Commissioner may prescribe.

(3) It shall be the duty of the Board as soon as possible upon receiving the report of the Auditor-General under this section, to forward a copy of such report to the Commissioner.

(4) The Commissioner shall as soon as practicable, upon receipt thereof, cause to be laid before the Supreme Military Council a copy of the Auditor-General's report forwarded to him under this section.

Section 23—Annual Report.

(1) The Corporation shall, not later than six months after the end of each financial year submit to the Commissioner an annual report of its operations during the preceding financial year and such report shall include the statement of accounts and the Auditor-General's report.

(2) A copy of the annual report of the Corporation shall also be sent to the Commissioner responsible for Finance and the Head of the Central Bureau of Statistics.

(3) The Commissioner shall, as soon as possible after receiving the annual report of the Corporation, cause the report to be laid before the Supreme Military Council.

(4) The Corporation shall also submit to the Commissioner such other reports on its operations as the Commissioner may, by writing, reasonably request from time to time.

Section 24—Power of Direction of SMC.

Subject to the provisions of section 4 of this Decree (which requires the Corporation to operate in accordance with strict commercial practice), the Supreme Military Council may give general directions in writing to the Corporation on matters of policy and the Corporation shall be bound to comply with such directions.

Section 25—Commissioner to Make Regulations.

(1) The Commissioner may, after consultation with the Corporation, by legislative instrument, make regulations for the purpose of carrying out the principles of this Decree.

(2) Without prejudice to the general effect of subsection (1) of this section, the Board may, subject to the provisions of the Social Security Decree, 1972 (NRCD 127) made bye-laws or other instruments for providing the conditions of service of the staff of the Corporation.

Section 26—Interpretation.

In this Decree, unless the context otherwise requires—

"Commissioner" means the Commissioner for Industries; and

"Council" means the Supreme Military Council.

Made this 29th day of June, 1977.

GENERAL I. K. ACHEAMPONG

Chairman of the Supreme Military Council

Date of Gazette Notification: 8th July, 1977. ISION METALS CORPORATION DECREE, 1977 (SMCD 105)

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(2) The Corporation may, in carrying out the objects in subsection (1)(a) of this section, use the investment casting method or any other methods that it considers necessary for the manufacture of industrial metals and spare parts.

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(e) to make such payments to the Consolidated Fund from time to time as may be determined under section 18 of this Decree.

(3) In this section the words "net operating income" means the amount of income remaining after subtracting from total operating revenue all charges which in the normal conduct of business are proper to be charged to revenue account, including provision for adequate maintenance and straight line depreciation of assets, but before deducting interest and other charges on borrowings.

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(d) he is convicted of felony or any other offence involving fraud, dishonesty or moral turpitude and in each case has not been granted a free pardon;

(e) in the case of a person in possession of a professional qualification, he is disqualified or suspended otherwise than at his own request, from practising his profession in Ghana or in any other country by order of any competent authority made in respect of him personally.

(3) Any director appointed under paragraphs (a) and (e) of subsection (2) of section 5 may resign his office by notice in writing addressed to the Commissioner and without prejudice to the general effect of subsection (2) of this section, any such person may be removed from office by the Supreme Military Council.

(4) If the office of a director appointed under paragraphs (a) or (e) of subsection (2) of section 5 becomes vacant otherwise than as a result of expiry of his term of office or if a director is incapacitated by absence from Ghana, illness or any other sufficient cause from performing the duties of his office, the Council may appoint another person to hold office in his place.

(5) A person appointed to act in the place of a director under the provisions of subsection (4) of this section shall cease to hold office on the date when the person in whose place he held office would have ceased to hold office in accordance with the provisions of this Decree or when the Council is satisfied that the incapacity of the person in whose place he holds office has terminated whichever is earlier.

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(1) The Board shall hold meetings at such places and times as the Board may determine.

(2) A special meeting of the Board shall be called upon a written request signed by the Chairman or by a majority of the directors of the Board addressed to the Secretary of the Corporation.

(3) The Chairman shall preside at every meeting at which he is present and in his absence a person elected by the directors present from among themselves shall preside.

(4) Unless otherwise provided, the decisions at meetings of the Board shall be adopted by a simple majority of the votes of directors present and where the votes are even, the person presiding shall have a second or casting vote.

(5) The quorum at any meeting of the Board shall be five.

(6) The Board may co-opt any person or persons to attend any meeting of the Board as adviser or advisers so, however, that no person so co-opted shall have the right to vote on any matter coming before the Board for decision.

(7) The validity of any proceedings of the Board shall not be affected by any vacancy among its members or any defect in the appointment of any of them.

(8) Any member of the Board who has any interest in any company or undertaking with which the Corporation proposes to make any contract or who has any interest in any contract which the Corporation proposes to make shall disclose in writing to the Board the nature of his interest and shall unless the Board otherwise directs, be disqualified from participating in any deliberations of the Board on the contract and shall, in any case, be disqualified from voting on any decision of the Board concerning such contract and any member who contravenes the provisions of this subsection shall be liable to be removed from the Board.

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(1) The Board shall, subject to the provisions of this Decree, have general control of the management of the Corporation on matters of policy.

(2) The Corporation shall have a Managing Director appointed by the Council, and shall hold office upon such terms and conditions as the Council may determine.

(3) The Managing Director appointed under subsection (2) of this section shall be a person who has a degree in any related fields of engineering with proven professional experience or a person with at least five years experience in business administration.

(4) Where the office of the Managing Director becomes vacant the Board shall notify the Commissioner thereof and the Commissioner shall in turn notify the Supreme Military Council of the occurrence of the vacancy.

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Provided that nothing in this subsection shall be construed so as to absolve the Managing Director from ultimate responsibility for any act done by any person in pursuance of any such delegation.

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(1) The use of the seal of the Corporation shall be authenticated by two signatures, namely:—

(a) the signature of the Managing Director or some other member of the Board authorised by the Board to authenticate the application of the seal, and

(b) the signature of the Secretary or some other officer of the Corporation authorised by the Board to act in the Secretary's place for that purpose.

(2) The Corporation may by instrument in writing under its common seal empower any person either generally or in respect of any specific matters as its attorney, to execute deeds on its behalf in any place outside Ghana; and every deed signed by such attorney on behalf of the Corporation and under his seal, shall be binding on the Corporation and have the same effect as if it were under the common seal of the Corporation.

(3) Any instrument or contract which, if executed or entered into by a person other than a body corporate would not require to be under a seal may be executed or entered into on behalf of the Corporation by the Managing Director or any member of the Board if such person has previously been authorised by a resolution of the Board to execute or enter into that particular instrument or contract:

Provided that if the Corporation thinks fit it may by writing under its common seal appoint any person outside Ghana as agent to execute or enter into the instrument and the instrument or contract if entered into on behalf of the Corporation shall have effect as if it had been duly executed or entered into as prescribed for the purpose of this subsection.

(4) Every document purporting to be an instrument executed or issued by or on behalf of the Corporation and to be:—

(a) sealed with the common seal of the Corporation authenticated in the manner provided by subsection (1) of this section; or

(b) signed by and under the seal of a person appointed as attorney under subsection (2) of this section; or

(c) signed by the Managing Director or by a member of the Board or other person authorised in accordance with subsection (3) of this section to act for that purpose,

shall be deemed to be executed or issued until the contrary is known.

(5) The provisions of this section shall have effect subject to the provisions of section 9 of this Decree and section 12 of the Contracts Act, 1960 (Act 25).

Section 11—Staff of Corporation.

- (1) The Corporation may from time to time engage such employees as may be necessary for the proper discharge of the business of the Corporation.
- (2) The Corporation may also engage the services of such consultants and advisers as the Board may upon the recommendations of the Managing Director determine.
- (3) The Board shall, in consultation with the Public Services Commission, be responsible for the appointment, discipline and removal of any person in respect of a post in the Corporation of General Manager or any other post of a similar category in the Corporation.
- (4) The Board, acting on the recommendation of the Managing Director shall be responsible for the appointment, discipline and removal of the employees of the Corporation.
- (5) The Board may with regard to such category of employees as it may determine delegate to the Managing Director the power to appoint, promote, discipline and remove such employees.
- (6) Public Officers may be transferred or seconded to the Corporation and may otherwise give assistance thereto.
- (7) The employees, consultants and advisers of the Corporation shall be engaged on such terms and conditions as the Board may on the recommendations of the Managing Director determine.

Section 12—Secretary to Corporation.

- (1) The Corporation shall have an officer to be designated as the Secretary to the Corporation.
- (2) The Secretary shall act as Secretary to the Board and shall, subject to the directions of the Board, arrange the business for and cause to be recorded and kept minutes of all meetings of the Board.
- (3) The Secretary shall also perform such functions as the Board may by writing direct or as the Managing Director may by writing delegate to him and shall be assisted in his functions by such of the staff of the Corporation as the Board may on the recommendations of the Managing Director direct.

Section 13—Internal Auditor.

- (1) The Corporation shall have an Internal Auditor.
- (2) Subject to the provisions of this Decree, the Internal Auditor shall be responsible to the Managing Director for the performance of his functions.
- (3) As part of his functions under this Decree the Internal Auditor shall, at intervals of three months prepare a report on the internal audit work carried out by him during the period of three months immediately preceding the preparation of the report and submit the report to the Managing Director.

(4) Without prejudice to the general effect of subsection (3) of this section, the Internal Auditor shall make in each report such observations as appear to him necessary as to the conduct of the financial affairs of the Corporation during the period to which the report relates.

(5) The Internal Auditor shall send a copy of each report prepared by him to the Council and also to each of the following:—

(a) the Commissioner responsible for Finance;

(b) the Auditor-General; and

(c) the Chairman and each of the other members of the Board.

Section 14—Board Members not to Sponsor Appointments.

No member of the Board shall sponsor any application for the employment of any person under this Decree, and any member who violates this provision shall be liable to be removed from the Board.

Section 15—Capital and Funds of Corporation.

The Government may provide to the Corporation as working capital and also as moneys required for carrying out the objects of the Corporation such sums as the Commissioner may, after consultation with the Supreme Military Council, agree being sums requested by the Board from the Government.

Section 16—Borrowing Powers.

(1) The Corporation may obtain loans and other credit facilities, on the guarantee of the Government from such banks and other financial institutions as the Commissioner responsible for Finance may approve.

(2) Apart from the powers of the Corporation under subsection (1) of this section, the Corporation may, with the prior approval of the Commissioner and the Commissioner responsible for Finance, borrow money from other sources.

(3) The Corporation may borrow temporarily by way of overdraft or otherwise, such sums as it may require for meeting its current obligations or discharging its functions.

(4) The Commissioner responsible for Finance may, on behalf of the Government, guarantee the performance of any obligation or undertaking by the Corporation under this section.

(5) The Commissioner responsible for Finance may, from time to time, prescribe the maximum sum which the Corporation may borrow under subsection (1) or (2) of this section.

Section 17—Depreciation Fund.

(1) The Corporation shall have a depreciation fund and for this purpose the Corporation shall open a Depreciation Reserve Account with the Bank of Ghana.

(2) At the end of each financial year, the Corporation shall transfer to the credit of the Depreciation Reserve Account all amounts charged to profit and loss account in respect of depreciation for buildings, plant and equipment, fixtures and other assets.

(3) Amounts so transferred to the Depreciation Reserve Account shall be utilised only to replace fixed assets and equipment which are worn out or have become obsolete.

(4) Expenditure in respect of current repairs and in respect of the purchase of spare parts shall not be met out of the Depreciation Reserve Account but shall be charged to the income and expenditure account of the Corporation for the financial year during which the expenditure is incurred.

Section 18—Corporation to Pay Sums into Consolidated Fund.

Subject to section 4 of this Decree, at the end of each financial year, after the Corporation has made provision for bad and doubtful debts, depreciation of assets, contributions to staff and superannuation funds and for other contingencies, if any, and after appropriation has been made to the staff welfare fund under section 19 of this Decree, such part of the profits of the Corporation remaining as the Commissioner, after consultation with the Board and with the Commissioner responsible for Finance may, by writing, direct, shall be paid into the Consolidated Fund.

Section 19—Staff Welfare Fund.

(1) The Corporations shall have a Staff Welfare Fund.

(2) At the end of each financial year, the Corporation shall transfer to the staff welfare fund, such sum, not exceeding five per centum of the net profits of the Corporation as the Board may determine.

(3) The Corporation may, with the approval of the Commissioner use the Staff Welfare Fund for the provision of staff welfare facilities such as canteens, low-interest-bearing staff welfare loans and for other purposes aimed at enhancing the welfare of the staff of Corporation.

(4) The operation of the staff welfare fund shall be subject to such specific rules and regulations as may be made by the Board.

Section 20—Corporation to Keep Proper Books of Account.

The Corporation shall keep proper books of account and proper records in relation thereto and the account books and records of the Corporation shall be in such form as the Auditor-General may approve.

Section 21—Financial Year of Corporation.

(1) The Corporation's financial year shall end on the 30th day of June, in each year.

(2) For the purpose of this section the period extending from the commencement of this Decree to the 30th day of June, 1978 shall be deemed a financial year.

Section 22—Audit.

(1) The books and accounts of the Corporation shall each year be audited by the Auditor-General or an Auditor appointed by him.

(2) The Corporation shall pay in respect of such audit service such fee (if any) as the Auditor-General and the Board may agree, and in the case of failure to agree, such fee as the Commissioner may prescribe.

(3) It shall be the duty of the Board as soon as possible upon receiving the report of the Auditor-General under this section, to forward a copy of such report to the Commissioner.

(4) The Commissioner shall as soon as practicable, upon receipt thereof, cause to be laid before the Supreme Military Council a copy of the Auditor-General's report forwarded to him under this section.

Section 23—Annual Report.

(1) The Corporation shall, not later than six months after the end of each financial year submit to the Commissioner an annual report of its operations during the preceding financial year and such report shall include the statement of accounts and the Auditor-General's report.

(2) A copy of the annual report of the Corporation shall also be sent to the Commissioner responsible for Finance and the Head of the Central Bureau of Statistics.

(3) The Commissioner shall, as soon as possible after receiving the annual report of the Corporation, cause the report to be laid before the Supreme Military Council.

(4) The Corporation shall also submit to the Commissioner such other reports on its operations as the Commissioner may, by writing, reasonably request from time to time.

Section 24—Power of Direction of SMC.

Subject to the provisions of section 4 of this Decree (which requires the Corporation to operate in accordance with strict commercial practice), the Supreme Military Council may give general directions in writing to the Corporation on matters of policy and the Corporation shall be bound to comply with such directions.

Section 25—Commissioner to Make Regulations.

(1) The Commissioner may, after consultation with the Corporation, by legislative instrument, make regulations for the purpose of carrying out the principles of this Decree.

(2) Without prejudice to the general effect of subsection (1) of this section, the Board may, subject to the provisions of the Social Security Decree, 1972 (NRCD 127) made bye-laws or other instruments for providing the conditions of service of the staff of the Corporation.

Section 26—Interpretation.

In this Decree, unless the context otherwise requires—

"Commissioner" means the Commissioner for Industries; and

"Council" means the Supreme Military Council.

Made this 29th day of June, 1977.

GENERAL I. K. ACHEAMPONG

Chairman of the Supreme Military Council

Date of Gazette Notification: 8th July, 1977. ISION METALS CORPORATION DECREE, 1977 (SMCD 105)

ARRANGEMENT OF SECTIONS

Section

1. Establishment of Ghana Precision Metals Corporation.
2. Authority to Acquire Property.
3. Objects of the Corporation.
4. Corporation to Conduct Business on Commercial Lines.
5. The Board.
6. Qualification and Tenure of Office of Directors.
7. Remuneration of Directors.
8. Meetings of the Board.
9. Board to be in Control of General Policy of Corporation.
10. Use of Seal of the Corporation.
11. Staff of Corporation.
12. Secretary to Corporation.
13. Internal Auditor.
14. Board Members not to Sponsor Appointments.
15. Capital and Funds of Corporation.
16. Borrowing Powers.
17. Depreciation Fund.
18. Corporation to Pay Sums into Consolidated Fund.
19. Staff Welfare Fund.
20. Corporation to keep Proper Books of Account.
21. Financial Year of Corporation.

22. Audit.
23. Annual Report.
24. Power of Direction of SMC.
25. Commissioner to Make Regulations.
26. Interpretation.

BE IT ENACTED by the Supreme Military Council as follows:—

Section 1—Establishment of Ghana Precision Metals Corporation.

(1) There is hereby established a body to be known as the Ghana Precision Metals Corporation in this Decree referred to as the "Corporation."

(2) The Corporation shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

Section 2—Authority to Acquire Property.

(1) Subject to any limitation imposed on it by this Decree relating to its functions, the Corporation shall have power to purchase, acquire, manage or dispose of any movable or immovable property and to enter into such contracts and transactions as may be expedient.

(2) Where there is any hindrance to the acquisition of any property under subsection (1) of this section, the property may be acquired for the Corporation under the State Property and Contracts Act, 1960 (CA 6) or the State Lands Act, 1962 (Act 125) as the case may be and each such Act shall apply with respect to any such acquisition with such modifications as may be necessary to provide for the vesting of the property acquired thereunder in the Corporation and for the cost of the acquisition to be defrayed by the Corporation.

Section 3—Objects of the Corporation.

(1) The objects of the Corporation are:

- (a) to manufacture industrial metals and spare parts;
- (b) to market the products manufactured by the Corporation;
- (c) to engage in such other activities as appear to the Corporation to be conducive or incidental to the attainment of its objects.

(2) The Corporation may, in carrying out the objects in subsection (1)(a) of this section, use the investment casting method or any other methods that it considers necessary for the manufacture of industrial metals and spare parts.

(3) For the purposes of this section, "investment casting method" means the process of injecting molten metals into molds where it hardens into the desired form.

Section 4—Corporation to Conduct Business on Commercial Lines.

(1) The Corporation shall conduct its affairs in accordance with strict commercial practice, and in particular to ensure that its revenue is sufficient to produce on the fair value of its assets a reasonable return measured by taking its net operating income as a percentage of the fair value of its fixed assets in operation plus an appropriate allowance for its working capital.

(2) In determining what constitutes a reasonable return, all pertinent economic and financial considerations shall be taken into account, including but not limited to the need for net operating income in an amount sufficient:

(a) to meet interest payments on borrowings;

(b) to provide for repayments to be made each year in respect of loans obtained by the Corporation to the extent that such repayments exceed the year's provision for depreciation charged to revenue account;

(c) to provide a substantial proportion of the funds needed for expanding the Corporation's activities and improving its methods of operation;

(d) to provide reserves for replacement, expansion or other purposes if and to the extent to which the Board deems it necessary to establish such reserves, and

(e) to make such payments to the Consolidated Fund from time to time as may be determined under section 18 of this Decree.

(3) In this section the words "net operating income" means the amount of income remaining after subtracting from total operating revenue all charges which in the normal conduct of business are proper to be charged to revenue account, including provision for adequate maintenance and straight line depreciation of assets, but before deducting interest and other charges on borrowings.

Section 5—The Board.

(1) The Corporation shall be governed by a Board of directors.

(2) The Board shall comprise the following persons:—

(a) A Chairman to be appointed by the Supreme Military Council;

(b) the Managing Director of the Corporation;

(c) the General Manager of the Tema Steel Works or his representative;

(d) the Principal Secretary of the Ministry of Industries or his representative; and

(e) one person, who is a qualified mechanical engineer employed by a state organisation and has had at least ten years post qualification experience, to be appointed by the Commissioner responsible for Industries.

Section 6—Qualification and Tenure of Office of Directors.

(1) The Chairman and the person appointed under paragraph (e) of subsection (2) of section 5 shall hold office for two years.

(2) No person shall be qualified to be appointed a director of the Board or continue to be a director if:

(a) having been declared an insolvent or a bankrupt under any law for the time being in force in Ghana or any other country, is an undischarged insolvent or bankrupt; or

(b) he is adjudged to be a person of unsound mind;

(c) he is guilty of serious misconduct in relation to his duties;

(d) he is convicted of felony or any other offence involving fraud, dishonesty or moral turpitude and in each case has not been granted a free pardon;

(e) in the case of a person in possession of a professional qualification, he is disqualified or suspended otherwise than at his own request, from practising his profession in Ghana or in any other country by order of any competent authority made in respect of him personally.

(3) Any director appointed under paragraphs (a) and (e) of subsection (2) of section 5 may resign his office by notice in writing addressed to the Commissioner and without prejudice to the general effect of subsection (2) of this section, any such person may be removed from office by the Supreme Military Council.

(4) If the office of a director appointed under paragraphs (a) or (e) of subsection (2) of section 5 becomes vacant otherwise than as a result of expiry of his term of office or if a director is incapacitated by absence from Ghana, illness or any other sufficient cause from performing the duties of his office, the Council may appoint another person to hold office in his place.

(5) A person appointed to act in the place of a director under the provisions of subsection (4) of this section shall cease to hold office on the date when the person in whose place he held office would have ceased to hold office in accordance with the provisions of this Decree or when the Council is satisfied that the incapacity of the person in whose place he holds office has terminated whichever is earlier.

(6) Any person appointed under paragraphs (a) or (e) of subsection (2) of section 5 on ceasing to be a director shall be eligible for reappointment.

Section 7—Remuneration of Directors.

The members of the Board as well as any person co-opted to the Board under section 8 shall be paid in respect of attendance at meetings of the Board, such transport, subsistence and other allowances as the Corporation may, with the prior approval of the Council, determine.

Section 8—Meetings of the Board.

(1) The Board shall hold meetings at such places and times as the Board may determine.

(2) A special meeting of the Board shall be called upon a written request signed by the Chairman or by a majority of the directors of the Board addressed to the Secretary of the Corporation.

(3) The Chairman shall preside at every meeting at which he is present and in his absence a person elected by the directors present from among themselves shall preside.

(4) Unless otherwise provided, the decisions at meetings of the Board shall be adopted by a simple majority of the votes of directors present and where the votes are even, the person presiding shall have a second or casting vote.

(5) The quorum at any meeting of the Board shall be five.

(6) The Board may co-opt any person or persons to attend any meeting of the Board as adviser or advisers so, however, that no person so co-opted shall have the right to vote on any matter coming before the Board for decision.

(7) The validity of any proceedings of the Board shall not be affected by any vacancy among its members or any defect in the appointment of any of them.

(8) Any member of the Board who has any interest in any company or undertaking with which the Corporation proposes to make any contract or who has any interest in any contract which the Corporation proposes to make shall disclose in writing to the Board the nature of his interest and shall unless the Board otherwise directs, be disqualified from participating in any deliberations of the Board on the contract and shall, in any case, be disqualified from voting on any decision of the Board concerning such contract and any member who contravenes the provisions of this subsection shall be liable to be removed from the Board.

Section 9—Board to be in Control of General Policy of Corporation.

(1) The Board shall, subject to the provisions of this Decree, have general control of the management of the Corporation on matters of policy.

(2) The Corporation shall have a Managing Director appointed by the Council, and shall hold office upon such terms and conditions as the Council may determine.

(3) The Managing Director appointed under subsection (2) of this section shall be a person who has a degree in any related fields of engineering with proven professional experience or a person with at least five years experience in business administration.

(4) Where the office of the Managing Director becomes vacant the Board shall notify the Commissioner thereof and the Commissioner shall in turn notify the Supreme Military Council of the occurrence of the vacancy.

(5) Where the Managing Director is incapacitated from the performance of his functions under this Decree, the Board may, subject to subsection (4) of section 6 of this Decree, authorise any employee of the Corporation to perform those functions for the duration of the incapacity.

(6) Subject to the provisions of this Decree, the Managing Director shall be the Chief Executive of the Corporation and shall, subject to the general control of the Board on matters of policy, be charged with the direction of the day-to-day business of the Corporation and of its administration, organisation and control of all the employees of the Corporation.

(7) Subject as aforesaid the Managing Director may delegate to any employee of the Corporation or to any other person any of his functions under this Decree and may impose such conditions with respect to the exercise of such delegated functions as he may think fit:

Provided that nothing in this subsection shall be construed so as to absolve the Managing Director from ultimate responsibility for any act done by any person in pursuance of any such delegation.

Section 10—Use of Seal of the Corporation.

(1) The use of the seal of the Corporation shall be authenticated by two signatures, namely:—

(a) the signature of the Managing Director or some other member of the Board authorised by the Board to authenticate the application of the seal, and

(b) the signature of the Secretary or some other officer of the Corporation authorised by the Board to act in the Secretary's place for that purpose.

(2) The Corporation may by instrument in writing under its common seal empower any person either generally or in respect of any specific matters as its attorney, to execute deeds on its behalf in any place outside Ghana; and every deed signed by such attorney on behalf of the Corporation and under his seal, shall be binding on the Corporation and have the same effect as if it were under the common seal of the Corporation.

(3) Any instrument or contract which, if executed or entered into by a person other than a body corporate would not require to be under a seal may be executed or entered into on behalf of the Corporation by the Managing Director or any member of the Board if such person has previously been authorised by a resolution of the Board to execute or enter into that particular instrument or contract:

Provided that if the Corporation thinks fit it may by writing under its common seal appoint any person outside Ghana as agent to execute or enter into the instrument and the instrument or contract if entered into on behalf of the Corporation shall have effect as if it had been duly executed or entered into as prescribed for the purpose of this subsection.

(4) Every document purporting to be an instrument executed or issued by or on behalf of the Corporation and to be:—

(a) sealed with the common seal of the Corporation authenticated in the manner provided by subsection (1) of this section; or

(b) signed by and under the seal of a person appointed as attorney under subsection (2) of this section; or

(c) signed by the Managing Director or by a member of the Board or other person authorised in accordance with subsection (3) of this section to act for that purpose,

shall be deemed to be executed or issued until the contrary is known.

(5) The provisions of this section shall have effect subject to the provisions of section 9 of this Decree and section 12 of the Contracts Act, 1960 (Act 25).

Section 11—Staff of Corporation.

- (1) The Corporation may from time to time engage such employees as may be necessary for the proper discharge of the business of the Corporation.
- (2) The Corporation may also engage the services of such consultants and advisers as the Board may upon the recommendations of the Managing Director determine.
- (3) The Board shall, in consultation with the Public Services Commission, be responsible for the appointment, discipline and removal of any person in respect of a post in the Corporation of General Manager or any other post of a similar category in the Corporation.
- (4) The Board, acting on the recommendation of the Managing Director shall be responsible for the appointment, discipline and removal of the employees of the Corporation.
- (5) The Board may with regard to such category of employees as it may determine delegate to the Managing Director the power to appoint, promote, discipline and remove such employees.
- (6) Public Officers may be transferred or seconded to the Corporation and may otherwise give assistance thereto.
- (7) The employees, consultants and advisers of the Corporation shall be engaged on such terms and conditions as the Board may on the recommendations of the Managing Director determine.

Section 12—Secretary to Corporation.

- (1) The Corporation shall have an officer to be designated as the Secretary to the Corporation.
- (2) The Secretary shall act as Secretary to the Board and shall, subject to the directions of the Board, arrange the business for and cause to be recorded and kept minutes of all meetings of the Board.
- (3) The Secretary shall also perform such functions as the Board may by writing direct or as the Managing Director may by writing delegate to him and shall be assisted in his functions by such of the staff of the Corporation as the Board may on the recommendations of the Managing Director direct.

Section 13—Internal Auditor.

- (1) The Corporation shall have an Internal Auditor.
- (2) Subject to the provisions of this Decree, the Internal Auditor shall be responsible to the Managing Director for the performance of his functions.
- (3) As part of his functions under this Decree the Internal Auditor shall, at intervals of three months prepare a report on the internal audit work carried out by him during the period of three months immediately preceding the preparation of the report and submit the report to the Managing Director.

(4) Without prejudice to the general effect of subsection (3) of this section, the Internal Auditor shall make in each report such observations as appear to him necessary as to the conduct of the financial affairs of the Corporation during the period to which the report relates.

(5) The Internal Auditor shall send a copy of each report prepared by him to the Council and also to each of the following:—

(a) the Commissioner responsible for Finance;

(b) the Auditor-General; and

(c) the Chairman and each of the other members of the Board.

Section 14—Board Members not to Sponsor Appointments.

No member of the Board shall sponsor any application for the employment of any person under this Decree, and any member who violates this provision shall be liable to be removed from the Board.

Section 15—Capital and Funds of Corporation.

The Government may provide to the Corporation as working capital and also as moneys required for carrying out the objects of the Corporation such sums as the Commissioner may, after consultation with the Supreme Military Council, agree being sums requested by the Board from the Government.

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(1) The Corporation may obtain loans and other credit facilities, on the guarantee of the Government from such banks and other financial institutions as the Commissioner responsible for Finance may approve.

(2) Apart from the powers of the Corporation under subsection (1) of this section, the Corporation may, with the prior approval of the Commissioner and the Commissioner responsible for Finance, borrow money from other sources.

(3) The Corporation may borrow temporarily by way of overdraft or otherwise, such sums as it may require for meeting its current obligations or discharging its functions.

(4) The Commissioner responsible for Finance may, on behalf of the Government, guarantee the performance of any obligation or undertaking by the Corporation under this section.

(5) The Commissioner responsible for Finance may, from time to time, prescribe the maximum sum which the Corporation may borrow under subsection (1) or (2) of this section.

Section 17—Depreciation Fund.

(1) The Corporation shall have a depreciation fund and for this purpose the Corporation shall open a Depreciation Reserve Account with the Bank of Ghana.

(2) At the end of each financial year, the Corporation shall transfer to the credit of the Depreciation Reserve Account all amounts charged to profit and loss account in respect of depreciation for buildings, plant and equipment, fixtures and other assets.

(3) Amounts so transferred to the Depreciation Reserve Account shall be utilised only to replace fixed assets and equipment which are worn out or have become obsolete.

(4) Expenditure in respect of current repairs and in respect of the purchase of spare parts shall not be met out of the Depreciation Reserve Account but shall be charged to the income and expenditure account of the Corporation for the financial year during which the expenditure is incurred.

Section 18—Corporation to Pay Sums into Consolidated Fund.

Subject to section 4 of this Decree, at the end of each financial year, after the Corporation has made provision for bad and doubtful debts, depreciation of assets, contributions to staff and superannuation funds and for other contingencies, if any, and after appropriation has been made to the staff welfare fund under section 19 of this Decree, such part of the profits of the Corporation remaining as the Commissioner, after consultation with the Board and with the Commissioner responsible for Finance may, by writing, direct, shall be paid into the Consolidated Fund.

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(3) The Corporation may, with the approval of the Commissioner use the Staff Welfare Fund for the provision of staff welfare facilities such as canteens, low-interest-bearing staff welfare loans and for other purposes aimed at enhancing the welfare of the staff of Corporation.

(4) The operation of the staff welfare fund shall be subject to such specific rules and regulations as may be made by the Board.

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(2) The Corporation shall pay in respect of such audit service such fee (if any) as the Auditor-General and the Board may agree, and in the case of failure to agree, such fee as the Commissioner may prescribe.

(3) It shall be the duty of the Board as soon as possible upon receiving the report of the Auditor-General under this section, to forward a copy of such report to the Commissioner.

(4) The Commissioner shall as soon as practicable, upon receipt thereof, cause to be laid before the Supreme Military Council a copy of the Auditor-General's report forwarded to him under this section.

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(2) A copy of the annual report of the Corporation shall also be sent to the Commissioner responsible for Finance and the Head of the Central Bureau of Statistics.

(3) The Commissioner shall, as soon as possible after receiving the annual report of the Corporation, cause the report to be laid before the Supreme Military Council.

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(1) The Commissioner may, after consultation with the Corporation, by legislative instrument, make regulations for the purpose of carrying out the principles of this Decree.

(2) Without prejudice to the general effect of subsection (1) of this section, the Board may, subject to the provisions of the Social Security Decree, 1972 (NRCD 127) made bye-laws or other instruments for providing the conditions of service of the staff of the Corporation.

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Made this 29th day of June, 1977.

GENERAL I. K. ACHEAMPONG

Chairman of the Supreme Military Council

Date of Gazette Notification: 8th July, 1977.